City of Plant City, Florida

Annual Financial Report

For the Fiscal Year Ended
September 30, 2012

CITY OF PLANT CITY, FLORIDA

TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2012

	PAGE
INTRODUCTORY SECTION:	
List of City Officials	1
FINANCIAL SECTION:	
Independent Auditors' Report	2 – 3
Required Supplementary Information:	
Management's Discussion and Analysis (Unaudited)	4 – 16
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	17
Statement of Activities	18 – 19
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	21
Statement of Revenues, Expenditures and Changes in Fund Balances	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Proprietary Funds:	
Statement of Net Assets	24 – 25
Reconciliation of the Statement of Net Assets of Proprietary Funds to the Statement of Net Assets	26
Statement of Revenues, Expenses and Changes in Fund Net Assets	27
Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Net Assets of Proprietary Funds to the Statement of Activities	28
Statement of Cash Flows	29 – 30
Fiduciary Funds:	
Statement of Fiduciary Net Assets	31
Statement of Changes in Fiduciary Net Assets	32
Notes to the Financial Statements	33 – 57
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	58
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Community Redevelopment Agency Fund	59
Notes to Required Supplementary Information – Budget Comparisons	60
Schedule of Funding Progress – for the Retiree Health Plan	61
Schedule of Funding Progress – Safety Employees' Retirement Plan	62
Schedule of Contributions from the Employer and Other Contributing Entities – Safety Employees' Retirement Plan	63

	PAGE
FINANCIAL SECTION (CONTINUED):	
Other Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	65
Combining Balance Sheet – Capital Projects Funds	66 – 67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Funds	68 – 69
Combining Statement of Net Assets – Internal Service Funds	70
Combining Statement of Revenues, Expenditures and Changes in Net Assets – Internal Service Funds	71
Combining Statement of Cash Flows – Internal Service Funds	72
Special Report on Compliance with Covenants of Bond Ordinances	73
Special Report on Compliance with Covenants of State of Florida Department of Environmental Protection State Revolving Fund Loan Agreement	74
SINGLE AUDIT SECTION:	
Schedule of Expenditures of Federal, State and Local Awards	75 – 76
Notes to Schedule of Expenditures of Federal, State and Local Awards	77
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	78 – 79
Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and State Project and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General	80 – 81
Schedule of Findings and Questioned Costs	82 – 83
REPORT REQUIRED BY THE STATE OF FLORIDA:	
Independent Auditors' Management Letter	84 – 86
Management's Response to Independent Auditors' Recommendations	87

CITY OF PLANT CITY, FLORIDA

CITY OFFICIALS
SEPTEMBER 30, 2012

ELECTED OFFICIALS

Michael S. Sparkman	Mayor – Commissioner
Mary Y. Thomas Mathis	Vice Mayor – Commissioner
William D. Dodson	Commissioner
Daniel D. Raulerson	Commissioner
Rick A. Lott	Commissioner

APPOINTED OFFICIALS

Gregory S. Horwedel	City Manager
Kenneth W. Buchman	City Attorney
Kerri J. Miller	City Clerk

bella hermida
Hurn & Stertzer
Certified Public Accountants

Members of
Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

James E. Hurn
Charlotte M. Stertzer
Karen L. White

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Board
of City Commissioners
City of Plant City, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Plant City, Florida, as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Plant City, Florida, as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2013 on our consideration of the City of Plant City, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension plan required supplementary information on pages 4 through 16 and 58 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with

1503 S. Alexander Street • Suite 103 • Plant City, Florida 33563-8409
Office: (813) 752-6183 • Fax: (813) 752-2714

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal, state and local awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations,* Section 215.97, Florida Statutes and Chapter 10.550 Rules of the Auditor General, and is also not a required part of the basic financial statements. The combining financial statements and the schedule of expenditures of federal, state and local awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

BELLA, HERMIDA, HURN & STERTZER

Bella, Hermida, Hurn & Stertzer

Certified Public Accountants
May 29, 2013

The City of Plant City's (the "City") discussion and analysis is designed to provide the users with a narrative introduction, overview and analysis of the basic financial statements. Please read the information presented here in conjunction with the City of Plant City's financial statements and footnotes that follow this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Plant City exceeded its liabilities at September 30, 2012 by $212,099,575 (net assets). Of this amount, unrestricted net assets total $75,314,683.
- The City's total net assets increased by $3,342,133.
- As of September 30, 2012, the City of Plant City's governmental funds reported combined ending fund balances of $29,828,951 an increase of $1,369,647 over the prior year. Of this amount, unassigned fund balance totals $10,088,069.
- The City of Plant City's total debt (including compensated absences) decreased by $3,980,514 (6%) during the current fiscal year primarily due to the debt repayments in excess of borrowings.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements' focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

The City of Plant City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. The annual financial report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The focus is on "activities" rather than "fund types".

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. The focus of the Statement of Net Assets (the "unrestricted net assets") is designed to be similar to bottom line results for the City and its governmental and business-type activities. Over time, the increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities)*. The governmental activities of the City include general government, public safety, physical environment, transportation, economic development, and culture and recreation. The business-type activities of the City consist of the water/sewer and stormwater utilities, sanitation services, and industrial park operations.

The government-wide financial statements include not only the City of Plant City itself (the primary government) but also one district of the legally separate community redevelopment agency. Financial information for this component unit is blended with the financial information presented for the primary government itself since board members are the same as the members of the City Commission.

The City has one defined benefit pension plan and one defined contribution pension plan established for the exclusive benefit of its employees and beneficiaries.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fifteen individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Community Redevelopment Agency Fund, all of which are considered to be major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in this report, following the Notes to the Financial Statements.

The City adopts an annual appropriated budget for its General Fund and the special revenue funds. Budgetary comparison schedules have been provided for the major governmental funds that adopt an annual operating budget, to demonstrate compliance with the budget.

Proprietary funds. The City maintains two different proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water/sewer and stormwater utility systems, sanitation services and its industrial park operations. The Internal Service funds are an accounting device used to accumulate and allocate the costs of workers' compensation insurance and fleet maintenance internally among the City's various functions. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's pension trust funds are included in the fiduciary fund type.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statements of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the current year, the City's assets exceeded liabilities by $212,099,575.

The following table reflects the condensed Statements of Net Assets for the current and prior years:

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 36,563,113	$ 35,365,871	$ 77,219,611	$ 72,963,491	$ 113,782,724	$ 108,329,362
Capital assets	70,010,531	72,702,067	102,541,128	104,473,425	172,551,659	177,175,492
Total assets	106,573,644	108,067,938	179,760,739	177,436,916	286,334,383	285,504,854
Long-term liabilities	11,429,550	10,718,903	50,557,883	53,004,221	61,987,433	63,723,124
Other liabilities	4,302,608	6,087,421	7,944,767	6,936,867	12,247,375	13,024,288
Total liabilities	15,732,158	16,806,324	58,502,650	59,941,088	74,234,808	76,747,412
Net Assets:						
Invested in capital assets net of related debt	58,900,763	60,867,888	49,757,008	48,631,942	108,657,771	109,499,830
Restricted	15,815,797	14,877,356	12,311,324	10,192,700	28,127,121	25,070,056
Unrestricted	16,124,926	15,516,370	59,189,757	58,671,186	75,314,683	74,187,556
Total net assets	$ 90,841,486	$ 91,261,614	$ 121,258,089	$ 117,495,828	$ 212,099,575	$ 208,757,442

Fifty-one percent (51%) of the City's net assets reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure, and vehicles and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Thirteen percent (13%) of the City's net assets represents resources that are subject to external restrictions on how they may be used.

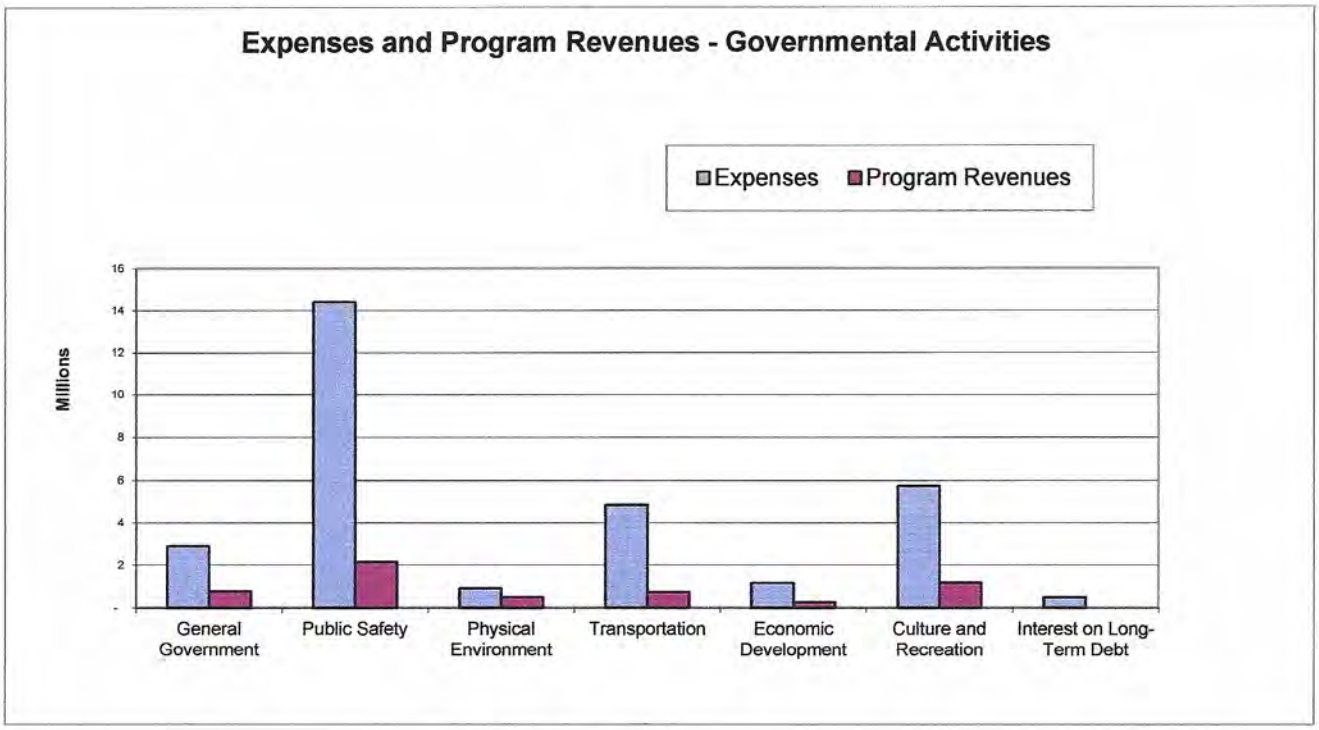
At September 30, 2012, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities. This also held true for the previous fiscal year end.

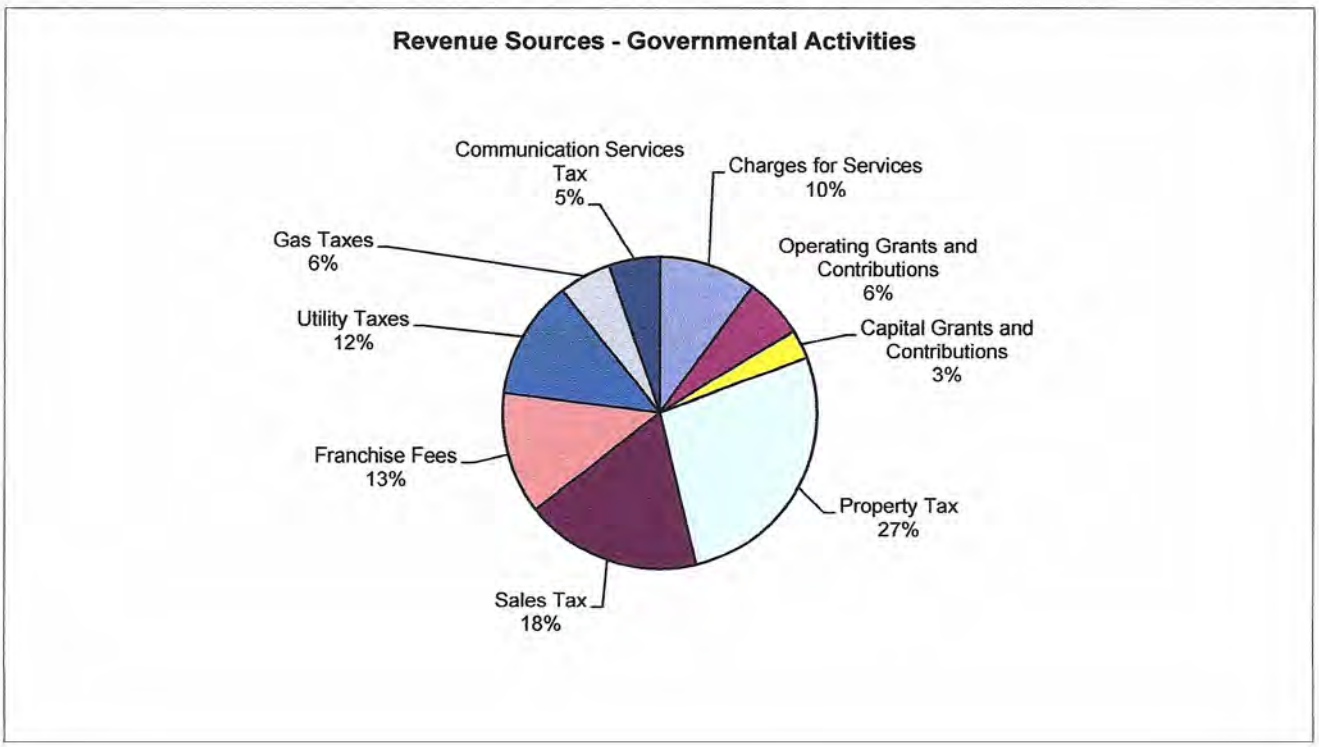
The decrease in Net Assets Invested in Capital Assets, Net of Related Debt in the City's governmental activities is primarily due to a decrease in net capital assets which was greater than the decrease in long-term debt. The increase in Net Assets Invested in Capital Assets, Net of Related Debt in the City's business type is primarily due to an increase in net capital assets which was less than the decrease in long-term debt.

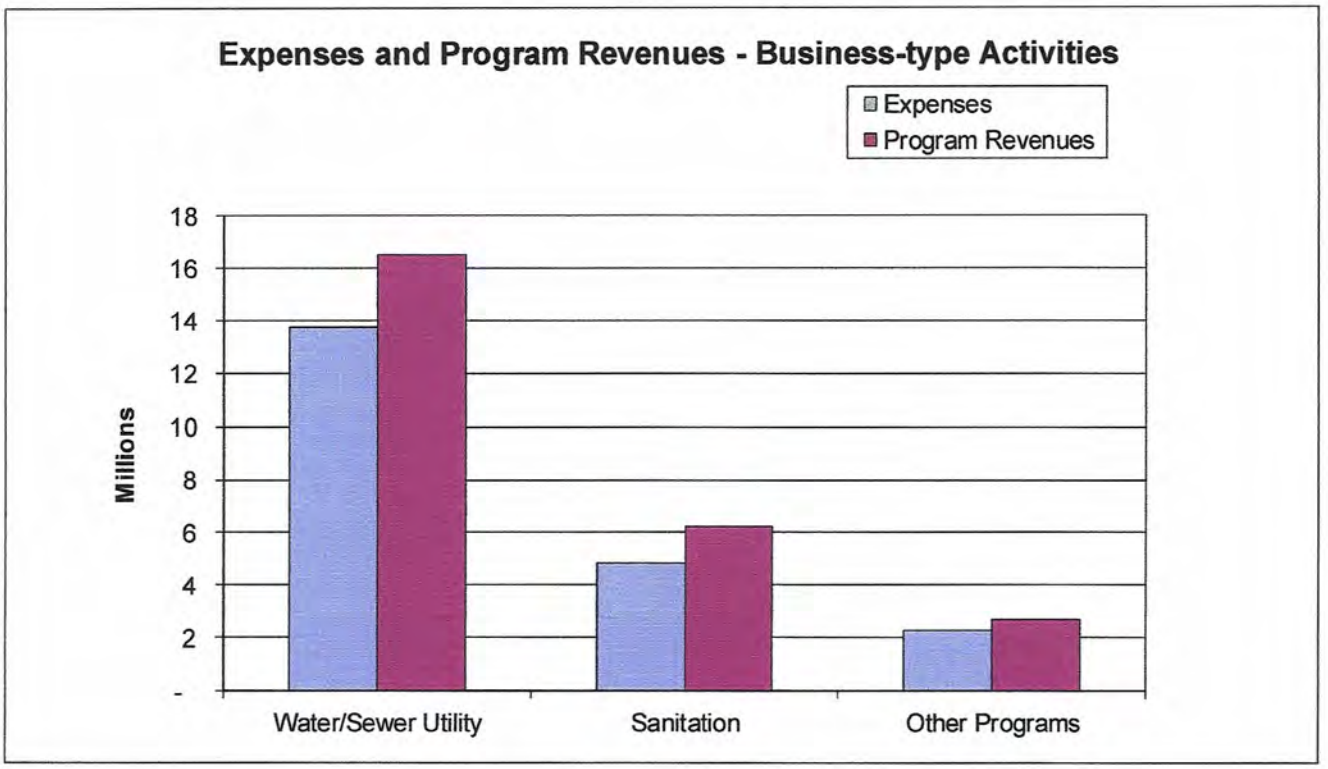
Statements of Activities

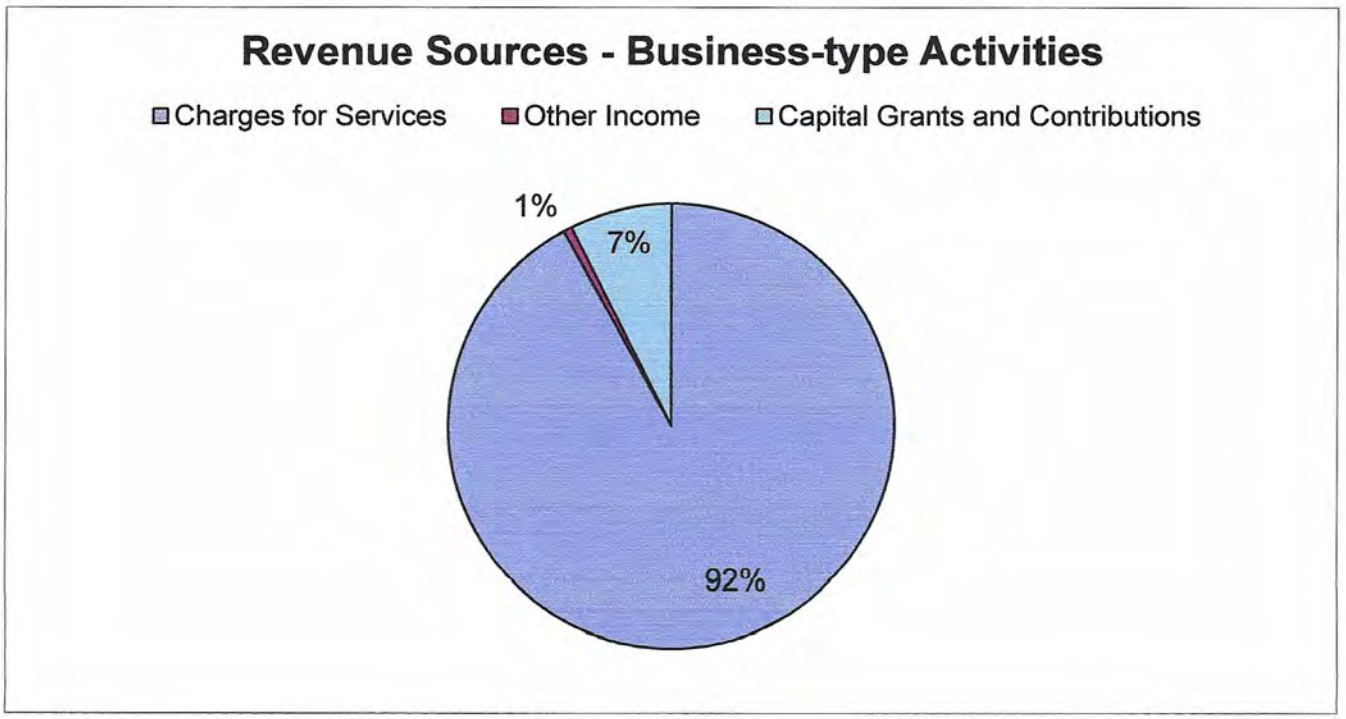
The following table reflects the condensed Statements of Activities for the current and prior years:

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	$ 2,748,613	$ 2,918,484	$ 23,509,947	$ 23,691,867	$ 26,258,560	$ 26,610,351
Operating grants and contributions	1,768,736	1,762,197			1,768,736	1,762,197
Capital grants and contributions	980,516	408,136	1,905,396	903,049	2,885,912	1,311,185
General revenues:						
Property taxes	7,693,416	8,307,390			7,693,416	8,307,390
Other taxes	15,765,412	15,057,312			15,765,412	15,057,312
Other	91,682	12,318	151,365	(79,655)	243,047	(67,337)
Total Revenues	29,048,375	28,465,837	25,566,708	24,515,261	54,615,083	52,981,098
Expenses:						
General government	2,915,559	3,693,620			2,915,559	3,693,620
Public safety	14,397,373	13,788,251			14,397,373	13,788,251
Physical environment	881,879	1,144,304			881,879	1,144,304
Transportation	4,474,841	4,686,412			4,474,841	4,686,412
Economic development	1,523,580	493,443			1,523,580	493,443
Culture and recreation	5,742,766	5,823,085			5,742,766	5,823,085
Interest on long-term debt	468,600	540,450			468,600	540,450
Water/Sewer utility			13,735,263	13,870,851	13,735,263	13,870,851
Sanitation service			4,849,754	4,711,736	4,849,754	4,711,736
Other			2,283,335	1,855,914	2,283,335	1,855,914
Total Expenses	30,404,598	30,169,565	20,868,352	20,438,501	51,272,950	50,608,066
Increase (Decrease) in Net Assets before Transfers	(1,356,223)	(1,703,728)	4,698,356	4,076,760	3,342,133	2,373,032
Transfers	936,095	1,441,242	(936,095)	(1,441,242)		
Increase (Decrease) in Net Assets	(420,128)	(262,486)	3,762,261	2,635,518	3,342,133	2,373,032
Net Assets-October 1	91,261,614	91,524,100	117,495,828	114,860,310	208,757,442	206,384,410
Net Assets-September 30	$ 90,841,486	$ 91,261,614	$ 121,258,089	$ 117,495,828	$ 212,099,575	$ 208,757,442


Expenses and Program Revenues - Governmental Activities
Expenses
Program Revenues
Millions
16
14
12
10
8
6
4
2
-
General Government
Public Safety
Physical Environment
Transportation
Economic Development
Culture and Recreation
Interest on Long-Term Debt


Revenue Sources - Governmental Activities
Communication Services Tax 5%
Charges for Services 10%
Gas Taxes 6%
Operating Grants and Contributions 6%
Utility Taxes 12%
Capital Grants and Contributions 3%
Franchise Fees 13%
Property Tax 27%
Sales Tax 18%


Expenses and Program Revenues - Business-type Activities
Expenses
Program Revenues
Millions
18
16
14
12
10
8
6
4
2
-
Water/Sewer Utility
Sanitation
Other Programs


Revenue Sources - Business-type Activities
Charges for Services
Other Income
Capital Grants and Contributions
1%
7%
92%

Governmental Activities

Governmental activities net assets decreased by $420,128.

General revenues of governmental activities increased by approximately $173,000 due to an increase in sales taxes of $286,000, an increase in gas taxes of $13,000, an increase in communications service taxes of $5,000, an increase in gain on sale of capital assets of $84,000, and an increase of $449,000 due to reclassification of business tax from program revenues to general revenues, These increases were partially offset by a decrease in property taxes of $614,000, a decrease in franchise fees of $16,000, a decrease in utility taxes of $29,000 and a decrease in interest income of $5,000.

Program revenues of governmental activities increased by approximately $409,000 due to an increase in grants and contributions of $579,000, an increase in license and permits of $69,000, an increase in recreation revenues of $199,000, an increase in impact fees of $136,000, an increase in mobile home licenses of $8,000, an increase in administrative service fees for the CRA of $46,000 and an increase in cemetery interment and setup fees of $14,000. These increases are partially offset by a decrease in ambulance fees of $136,000, a decrease in library fines of $7,000, a decrease in mowing and cleaning of lots of $17,000, a decrease in law enforcement trust fund revenues of $23,000 and a decrease of $461,000 due to a reclassification of business tax from program revenues to general revenues.

Expenses of governmental activities increased by approximately $235,000 due to an increase in grant expenses of $490,000, an increase of depreciation of $272,000, an increase in street lighting of $23,000, an increase in water, sewer and sanitation services of $28,000, an increase in chemicals of $13,000, and an increase in personnel services of $500,000. These increases were partially offset by a decrease in interest on long-term debt of $72,000, a decrease in the ARRA Edward Byrnes Memorial grant expenses of $32,000, a decrease in transfers to the Community Redevelopment Agency of $50,000, a decrease in Other Post Employment Benefits expenses of $63,000, a decrease in compensated absences of $349,000, a decrease in building and property repairs of $47,000, a decrease in gasoline, oil and diesel of $17,000, a decrease in contracts with other agencies of $9,000, a decrease in insurance of $55,000, a decrease in cost allocations of $32,000, a decrease in litigation costs of $11,000, a decrease in Law Enforcement Trust fund expenses of $10,000, a decrease in the maintenance of motor vehicles of $73,000, a decrease in courses, training and meetings of $8,000, a decrease in the maintenance of traffic lights of $20,000, a decrease in unemployment compensation of $27,000, a decrease in recreational supplies of $8,000, a decrease in special activities of $10,000, and a decrease in other contractual services of $198,000.

Business-type Activities

Business-type activities net assets increased by $3,762,261.

General revenues of business-type activities increased by approximately $231,000 due to an increase in interest income of $64,000, and an increase in gains on sale of assets of $167,000.

Program revenues of business-type activities increased by approximately $821,000 due to an increase in capital contributions and grant revenues of $1,002,000, an increase in stormwater fees of $30,000 and an increase in wastewater sales of $26,000. These increases were partially offset by a decrease in sanitation revenues of $180,000 and a decrease in water revenues of $58,000.

Expenses of business-type activities increased by approximately $430,000 due to changes in operating expenses in the Water Sewer Fund, Sanitation Fund, Stormwater Fund, and the Industrial Park Fund: an increase in personnel services of $128,000, an increase in building and property repairs of $62,000, an increase in gasoline, oil and diesel of $66,000, an increase in the maintenance of motor vehicles of $150,000, an increase in other contractual services of $339,000, an increase in power, heat and lights of $15,000, an increase in indirect cost allocation of $40,000, an increase in safety equipment and supplies of $8,000, an increase in cost allocation of $67,000, and an increase in system repairs of $125,000. These increases were partially offset by a decrease in bad debts of $17,000, a decrease in car allowance of $10,000, a decrease in chemicals of $97,000, a decrease in collection system repairs of $63,000, a decrease in courses, training and meetings of $13,000, a decrease in insurance of $28,000, a decrease in landfill costs of $49,000, a decrease in interest expense of $144,000, a decrease in laboratory supplies of $6,000, a decrease in water, sewer, and sanitation services of $7,000, and a decrease in depreciation of $134,000.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2012, the City's governmental funds reported a combined ending fund balance of $29,828,951, an increase of $1,369,647 in comparison with the prior year. Approximately 34% of the ending fund balance constitutes unassigned fund balance.

The General Fund is the chief operating fund of the City. At September 30, 2012, the unassigned fund balance of the General Fund was $10,088,069 while the total fund balance was $13,887,961. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 45% of total General Fund expenditures, while total fund balance represents 61% of that same amount.

The fund balance of the City's General Fund decreased by $307,727 during the current fiscal year.

The fund balance of the Community Redevelopment Agency Fund increased by $104,435 during the current fiscal year.

Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water and Sewer Fund, Sanitation Fund, and the Stormwater Fund at September 30, 2012 amounted to $42,445,585, $8,640,068 and $4,492,106, respectively. The change in net assets was an increase of $2,732,930, an increase of $652,937 and an increase of $201,054, respectively.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences in appropriations between the original budget and the final amended budget amounted to $1,161,435. Of this amount, $55,784 is attributed to the previous year's reserve for encumbrances. The remaining $1,105,651 increase in budget appropriations can be briefly summarized as follows:

- An increase of $450,000 for a license with Big League Dreams USA, LLC.
- Increases in expenditures or transfers out to capital projects funds for the following grants:

Recreational Trail Program Grant	$125,000
2011-2516 ARRA Edward Byrne Memorial JAG	18,561
Bulletproof Vest Partnership Grant	4,501
COPS Technology Grant	300,000
Federal Fire Act Grant	85,050
EMS Interlocal Agreement	9,549
Emergency Medical Service Grant	102,750

- An increase of $10,240 in the law Enforcement Trust Fund for equipment purchases for the police department..

Of these increases, $655,651 was offset by additional revenues, and the remaining $505,784 was appropriated from available fund balance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2012 amounts to $172,551,659 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, vehicles and equipment. The total decrease in the City's investment in capital assets for the current fiscal year (net of accumulated depreciation) was $4,623,833.

Major capital projects completed during the current fiscal year included the following:

- Industrial Park drainage project
- National Guard Road Drainage Airport Road culvert replacement
- Installation of sidewalk on Warnel Street
- Street resurfacing in various locations throughout the City
- East side canal improvements

Capital Assets at Year End (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	$ 17,262,052	$ 16,875,312	$ 1,975,056	$ 1,967,456	$ 19,237,108	$ 18,842,768
Improvements	35,243,576	39,119,298	615,079	54,089	35,858,655	39,173,387
Buildings, plant, improvements	11,332,426	11,834,251	93,758,793	97,476,808	105,091,219	109,311,059
Intangibles	438,750				438,750	
Equipment	1,016,718	1,302,608	396,120	549,516	1,412,838	1,852,124
Transportation equipment	2,640,272	2,095,078	682,301	1,023,268	3,322,573	3,118,346
Library books	378,683	402,863			378,683	402,863
Construction in progress	1,698,054	1,072,657	5,113,779	3,402,288	6,811,833	4,474,945
Total	$ 70,010,531	$ 72,702,067	$ 102,541,128	$ 104,473,425	$ 172,551,659	$ 177,175,492

Additional information on the City's capital assets can be found in Note 3D. of the Notes to the Financial Statements in this report.

Long-Term Debt

At the end of the current fiscal year, the City had total long term debt outstanding of $65,371,401, a decrease of $3,980,515 from the prior year.

Long-Term Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Bonds and notes payable	$ 11,109,770	$ 11,834,180	$ 52,781,119	$ 55,841,484	$ 63,893,889	$ 67,675,664
Compensated absences	1,271,006	1,469,746			1,271,006	1,469,746
Landfill closure liability			206,506	206,506	206,506	206,506
Total	$ 12,380,776	$ 13,303,926	$ 52,990,625	$ 56,047,990	$ 65,371,401	$ 69,351,916

Additional information on the City's long-term debt can be found in Notes 3F. and 3G. of the Notes to the Financial Statements in this report.

NEXT YEAR'S BUDGETS AND RATES

The City's millage rate for fiscal year 2012 is 4.7157, which is the same millage rate as the previous year. The rolled-back rate for fiscal year 2012 was 4.8906. For the fiscal year 2013, the City's property tax valuation decreased by $39,547,884 (2.66%).

The City's Stormwater fee rates will increase by three percent. The Water and Sewer Fund rates will increase by 1.72% for the fiscal year 2013. The Sanitation Fund rates were scheduled to increase by 3% as of October 1, 2012. The rate would have been increased to $28.87 on October 1, 2012 but the City Commission decided not to increase the rate.

The fiscal year 2012-2013 budget included no pay increase for all employees. The budget increased by .96% over the prior year budget. This increase is due to an increase in purchases of capital equipment.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Plant City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Plant City, P.O. Box C, Plant City, Florida 33564.

CITY OF PLANT CITY, FLORIDA

STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 26,967,946	$ 27,964,402	$ 54,932,348
Investments	7,392,776	29,571,107	36,963,883
Accounts Receivable	906,782	2,282,388	3,189,170
Interest Receivable	37,470	149,875	187,345
Internal Balances-Due from Other funds	(1,547,195)	1,547,195	-
Due from Other Governments	1,549,278	1,221,285	2,770,563
Inventory	114,595	249,877	364,472
Restricted Assets:			
Cash and Cash Equivalents	792,665	11,341,391	12,134,056
Cash with Fiscal Agents	-	1,063,300	1,063,300
Prepaids and Deposits	79,141	-	79,141
Deferred Charges	108,078	880,033	988,111
Land Held for Resale	161,577	948,758	1,110,335
Capital Assets Not Being Depreciated	18,960,106	7,088,834	26,048,940
Capital Assets (Net of Accumulated Depreciation)	51,050,425	95,452,294	146,502,719
Total Assets	106,573,644	179,760,739	286,334,383
Liabilities			
Accounts Payable	830,201	1,706,689	2,536,890
Due to Other Governments	184,406	-	184,406
Other Current Liabilities	455,532	511,018	966,550
Deferred Revenue	358,677	347,216	705,893
Current Portion of Long-Term Liabilities	1,678,792	-	1,678,792
Current Liabilities Payable from Restricted Assets:			
Current Portion of Long-Term Debt	795,000	3,146,835	3,941,835
Accrued Interest Payable	-	337,869	337,869
Deposits	-	1,895,140	1,895,140
Noncurrent Liabilities:			
Long-Term Debt	9,906,984	49,637,284	59,544,268
Accrued Landfill Closure Costs	-	206,506	206,506
Net OPEB Liability	1,522,566	714,093	2,236,659
Total Liabilities	15,732,158	58,502,650	74,234,808
Net Assets			
Invested in Capital Assets, Net of Related Debt	58,900,763	49,757,008	108,657,771
Restricted For:			
Debt Service	492,665	5,794,868	6,287,533
Capital Projects	6,433,493	6,516,456	12,949,949
Community Development	1,732,074	-	1,732,074
Streets Improvements	2,993,389	-	2,993,389
Other Purposes	4,164,176	-	4,164,176
Unrestricted	16,124,926	59,189,757	75,314,683
Total Net Assets	$ 90,841,486	$ 121,258,089	$ 212,099,575

The notes to the financial statements are an integral part of this statement.

CITY OF PLANT CITY, FLORIDA

STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2012

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:				
Governmental Activities:				
General Government	$ 2,915,559	$ 708,471	$ 10,000	$ -
Public Safety	14,397,373	843,739	807,830	506,648
Physical Environment	881,879	-	-	473,868
Transportation	4,474,841	208,661	506,326	-
Economic Development	1,523,580	-	243,569	-
Culture and Recreation	5,742,766	987,742	201,011	-
Interest on Long-Term Debt	468,600	-	-	-
Total Governmental Activities	30,404,598	2,748,613	1,768,736	980,516
Business-Type Activities:				
Water/Sewer Utility	13,735,263	15,065,060	-	1,453,500
Sanitation Service	4,849,754	6,217,972	-	-
Stormwater	2,248,884	2,226,915	-	451,896
Other Programs	34,451	-	-	-
Total Business-Type Activities	20,868,352	23,509,947	-	1,905,396
Total	$ 51,272,950	$ 26,258,560	$ 1,768,736	$ 2,885,912
General Revenues:				
Property Taxes				
Sales Taxes				
Franchise Fees				
Utility Taxes				
Gas Taxes				
Communication Services Tax				
Business Taxes				
Unrestricted Investment Earnings				
Gain (Loss) on Disposal of Capital Assets				
Transfers-Internal Activity				
Total General Revenues and Transfers				
Change in Net Assets				
Net Assets -Beginning				
Net Assets -Ending				

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
$ (2,197,088)	$ -	$ (2,197,088)
(12,239,156)	-	(12,239,156)
(408,011)	-	(408,011)
(3,759,854)	-	(3,759,854)
(1,280,011)	-	(1,280,011)
(4,554,013)	-	(4,554,013)
(468,600)	-	(468,600)
(24,906,733)	-	(24,906,733)
-	2,783,297	2,783,297
-	1,368,218	1,368,218
-	429,927	429,927
-	(34,451)	(34,451)
-	4,546,991	4,546,991
$ (24,906,733)	$ 4,546,991	$ (20,359,742)
7,693,416	-	7,693,416
5,195,150	-	5,195,150
3,566,479	-	3,566,479
3,508,113	-	3,508,113
1,542,424	-	1,542,424
1,504,198	-	1,504,198
449,048	-	449,048
46,166	147,969	194,135
45,516	3,396	48,912
936,095	(936,095)	-
24,486,605	(784,730)	23,701,875
(420,128)	3,762,261	3,342,133
91,261,614	117,495,828	208,757,442
$ 90,841,486	$ 121,258,089	$ 212,099,575

CITY OF PLANT CITY, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Major Funds			
	General Fund	Community Redevelopment Agency Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 6,779,146	$ 1,147,438	$ 13,740,103	$ 21,666,687
Investments	6,468,679	-	-	6,468,679
Accounts Receivable	906,782	-	-	906,782
Interest Receivable	32,786	-	-	32,786
Due From Other Funds	53,723	-	-	53,723
Due From Other Governments	513,543	640,610	395,125	1,549,278
Inventory	114,595	-	-	114,595
Deposits	49,141	-	-	49,141
Restricted Cash	-	-	792,665	792,665
Land Held for Resale	-	-	161,577	161,577
Total Assets	$ 14,918,395	$ 1,788,048	$ 15,089,470	$ 31,795,913
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	$ 549,822	$ 16,404	$ 228,039	$ 794,265
Due to Other Funds	-	53,723	74,728	128,451
Due to Other Governments	38,023	-	146,383	184,406
Other Current Liabilities	383,912	500	-	384,412
Deferred Revenues	58,677	-	300,000	358,677
Advances from Other Funds	-	-	116,751	116,751
Total Liabilities	1,030,434	70,627	865,901	1,966,962
Fund Balances:				
Nonspendable	100,237	-	-	100,237
Restricted	233,167	-	6,742,898	6,976,065
Committed	1,398,670	1,717,421	7,290,566	10,406,657
Assigned	2,067,818	-	190,105	2,257,923
Unassigned	10,088,069	-	-	10,088,069
Total Fund Balances	13,887,961	1,717,421	14,223,569	29,828,951
Total Liabilities and Fund Balances	$ 14,918,395	$ 1,788,048	$ 15,089,470	$ 31,795,913

The notes to the financial statements are an integral part of this statement.

CITY OF PLANT CITY, FLORIDA

RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

Total Fund Balances of Governmental Funds in the Balance Sheet	$ 29,828,951
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources, and therefore and are not reported in the funds.	70,010,531
Internal service funds are used by management to charge the costs of fleet management and workers' compensation insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets net of cumulative internal profit.	4,797,268
The net OPEB obligation is not payable in the current period and therefore is not reported in the funds.	(1,522,566)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Bonds and loans payable	(10,916,101)
Capital lease obligations	(85,591)
Accrued compensated absences	(1,271,006)
Net Assets of Governmental Activities	$ 90,841,486

The notes to the financial statements are an integral part of this statement.

CITY OF PLANT CITY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Major Funds			
	General Fund	Community Redevelopment Agency Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$ 6,859,445	$ 833,971	$ -	$ 7,693,416
Franchise Fees	3,566,479	-	-	3,566,479
Utility Taxes	3,508,113	-	-	3,508,113
Licenses and Permits	921,970	-	-	921,970
Intergovernmental Revenues	6,275,383	433,474	4,277,619	10,986,476
Charges for Services	1,763,795	-	-	1,763,795
Fines and Forfeitures	144,032	-	-	144,032
Impact Fees	-	-	288,505	288,505
Contributions	20,681	-	4,500	25,181
Interest Revenue	37,192	5	4,641	41,838
Other Revenue	47,957	596	591	49,144
Total Revenues	23,145,047	1,268,046	4,575,856	28,988,949
Expenditures				
Current:				
General Government	2,738,272	-	9,314	2,747,586
Public Safety	13,638,821	-	-	13,638,821
Physical Environment	-	-	694,727	694,727
Transportation	38,099	-	1,361,701	1,399,800
Economic Development	369,453	834,294	-	1,203,747
Culture and Recreation	4,613,700	-	3,331	4,617,031
Debt Service:				
Principal	120,278	317,194	765,000	1,202,472
Interest	676	26,264	430,466	457,406
Other Debt Service Costs	-	-	3,974	3,974
Capital Outlay	1,128,826	469,627	771,869	2,370,322
Total Expenditures	22,648,125	1,647,379	4,040,382	28,335,886
Excess (Deficiency) of Revenues Over Expenditures	496,922	(379,333)	535,474	653,063
Other Financing Sources (Uses)				
Proceeds from Debt	-	483,768	-	483,768
Sale of Capital Assets	72,282	-	9,998	82,280
Transfers In	-	-	3,734,818	3,734,818
Transfers Out	(876,931)	-	(2,707,351)	(3,584,282)
Total Other Financing Sources (Uses)	(804,649)	483,768	1,037,465	716,584
Net Change in Fund Balance	(307,727)	104,435	1,572,939	1,369,647
Fund Balances-Beginning	14,195,688	1,612,986	12,650,630	28,459,304
Fund Balances-Ending	$ 13,887,961	$ 1,717,421	$ 14,223,569	$ 29,828,951

The notes to the financial statements are an integral part of this statement.

CITY OF PLANT CITY, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Net Change in Fund Balances - Total Governmental Funds	$ 1,369,647
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases	2,378,744
Depreciation expense	(5,849,598)
	(3,470,854)
In the Statement of Activities, only the gain on the disposal of capital assets is recorded. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	(36,764)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:	
Issuance of long term debt	(483,768)
Principal repayment of long term debt	1,208,178
Amortization of deferred issuance costs	(12,926)
Change in compensated absences	198,739
	910,223
The net OPEB obligation decreases net assets in the statement of activities, but does not appear in the governmental funds because it does not use financial resources.	(215,143)
The net revenue of certain activities of internal service funds is reported with governmental activities.	1,022,763
Change in Net Assets of Governmental Activities	$ (420,128)

The notes to the financial statements are an integral part of this statement.

CITY OF PLANT CITY, FLORIDA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

	Business-Type Activities-Enterprise funds					
	Major Funds			Nonmajor Fund		Governmental Activities-Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Stormwater Fund	Industrial Park	Total	
Assets						
Current Assets:						
Cash and Cash Equivalents	$ 22,791,464	$ 2,453,734	$ 2,531,940	$ 187,264	$ 27,964,402	$ 5,301,259
Cash with Fiscal Agents	1,063,300	-	-	-	1,063,300	-
Investments	20,330,136	6,468,680	1,848,194	924,097	29,571,107	924,097
Accounts Receivable	1,853,521	311,192	117,675	-	2,282,388	-
Interest Receivable	103,039	32,785	9,367	4,684	149,875	4,684
Due From Other Funds	-	-	-	74,728	74,728	-
Due From Other Governments	1,078,136	-	143,149	-	1,221,285	-
Inventory	249,877	-	-	-	249,877	-
Total Current Assets	47,469,473	9,266,391	4,650,325	1,190,773	62,576,962	6,230,040
Noncurrent Assets:						
Restricted Cash and Cash Equivalents	11,283,268	-	58,123	-	11,341,391	-
Advances to Other Funds	-	-	-	116,751	116,751	-
Deposits	-	-	-	-	-	30,000
Deferred Charges	880,033	-	-	-	880,033	-
Land Held for Resale	-	-	-	948,758	948,758	-
Capital Assets:						
Land	1,966,128	-	8,928	-	1,975,056	-
Land Improvements	-	-	-	1,528,679	1,528,679	-
Buildings, Plant and Improvements	147,509,265	98,029	4,663,366	-	152,270,660	-
Equipment	1,535,226	261,785	730,582	-	2,527,593	-
Transportation Equipment	1,878,984	1,562,081	875,132	-	4,316,197	2,253,630
Construction in Progress	2,837,448	-	2,276,330	-	5,113,778	-
Less: Accumulated Depreciation	(59,530,253)	(1,564,471)	(3,182,511)	(913,600)	(65,190,835)	(642,919)
Total Noncurrent Assets	108,360,099	357,424	5,429,950	1,680,588	115,828,061	1,640,711
Total Assets	$ 155,829,572	$ 9,623,815	$ 10,080,275	$ 2,871,361	$ 178,405,023	$ 7,870,751

The notes to the financial statements are an integral part of this statement.

CITY OF PLANT CITY, FLORIDA

STATEMENT OF NET ASSETS (CONTINUED)
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

	Business-Type Activities-Enterprise Funds					
	Major Funds			Nonmajor Fund		Governmental Activities-Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Stormwater Fund	Industrial Park	Total	
Liabilities						
Current Liabilities:						
Accounts Payable	$ 1,542,200	$ 147,983	$ 16,506	$ -	$ 1,706,689	$ 35,936
Deferred Revenue	347,216	-	-	-	347,216	-
Accrued Interest Payable	337,869	-	-	-	337,869	-
Other Current Liabilities	355,179	95,879	59,960	-	511,018	71,120
Deposits	1,895,140	-	-	-	1,895,140	-
Current Portion of Long-Term Debt	3,100,687	-	46,148	-	3,146,835	-
Total Current Liabilities	7,578,291	243,862	122,614	-	7,944,767	107,056
Noncurrent Liabilities:						
Long-Term Debt	49,176,301	-	460,983	-	49,637,284	-
Accrued Landfill Closure	-	206,506	-	-	206,506	-
Total Noncurrent Liabilities	49,176,301	206,506	460,983	-	49,843,790	-
Net OPEB Obligation	456,383	175,956	81,754	-	714,093	-
Total Liabilities	57,210,975	626,324	665,351	-	58,502,650	107,056
Net Assets						
Invested in Capital Assets, Net of Related Debt	43,919,811	357,423	4,864,695	615,079	49,757,008	-
Restricted for:						
Debt Service	5,736,745	-	58,123	-	5,794,868	-
Capital Projects	6,516,456	-	-	-	6,516,456	-
Unrestricted	42,445,585	8,640,068	4,492,106	2,256,282	57,834,041	7,763,695
Total Net Assets	$ 98,618,597	$ 8,997,491	$ 9,414,924	$ 2,871,361	$ 119,902,373	$ 7,763,695

The notes to the financial statements are an integral part of this statement.

CITY OF PLANT CITY, FLORIDA

RECONCILIATION OF THE STATEMENT OF NET ASSETS OF
PROPRIETARY FUNDS TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

Total Net Assets of Proprietary Funds in the Statement of Net Assets	$ 119,902,373
Amounts reported for business-type activities in the Statement of Net Assets are different because:	
An internal service fund is used by management to charge the costs of workers' compensation insurance to individual funds. This represents the elimination of the cumulative internal service fund profit resulting from transactions with proprietary funds.	1,355,716
Net Assets of Business-Type Activities	$ 121,258,089

The notes to the financial statements are an integral part of this statement.

CITY OF PLANT CITY, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Business-Type Activities-Enterprise Funds					
	Major Funds			Nonmajor Fund		Governmental Activities-Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Stormwater Fund	Industrial Park Fund	Total	
Operating Revenues						
Charges for Services	$ 15,065,060	$ 6,217,972	$ 2,226,915	$ -	$ 23,509,947	$ 883,383
Total Operating Revenues	15,065,060	6,217,972	2,226,915	-	23,509,947	883,383
Operating Expenses						
Personal Services	3,498,166	1,505,611	997,252	-	6,001,029	-
Other Services and Charges	4,371,034	3,525,588	1,047,665	1,808	8,946,095	152,579
Depreciation	4,312,466	148,437	277,698	32,643	4,771,244	311,068
Total Operating Expenses	12,181,666	5,179,636	2,322,615	34,451	19,718,368	463,647
Operating Income (Loss)	2,883,394	1,038,336	(95,700)	(34,451)	3,791,579	419,736
Nonoperating Revenues (Expenses)						
Grants	992,398	-	451,896	-	1,444,294	-
Interest Revenue	100,607	26,919	8,580	11,863	147,969	5,132
Interest Expense and Other Bond Costs	(1,631,793)	-	(16,119)	-	(1,647,912)	-
Other Nonoperating Revenues (Expenses)	8,462	(21,318)	16,252	-	3,396	-
Total Nonoperating Revenues (Expenses)	(530,326)	5,601	460,609	11,863	(52,253)	5,132
Income (Loss) Before Contributions and Transfers	2,353,068	1,043,937	364,909	(22,588)	3,739,326	424,868
Capital Contributions	461,102	-	-	-	461,102	-
Transfers In	-	-	48,000	-	48,000	785,559
Transfers Out	(81,240)	(391,000)	(211,855)	(300,000)	(984,095)	-
Change in Net Assets	2,732,930	652,937	201,054	(322,588)	3,264,333	1,210,427
Net Assets-Beginning	95,885,667	8,344,554	9,213,870	3,193,949	116,638,040	6,553,268
Net Assets-Ending	$ 98,618,597	$ 8,997,491	$ 9,414,924	$ 2,871,361	$ 119,902,373	$ 7,763,695

The notes to the financial statements are an integral part of this statement.

CITY OF PLANT CITY, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS OF PROPRIETARY FUNDS
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Net Change in Net Assets- Total Proprietary Funds	$ 3,264,333
Amounts reported for business-type activities in the statement of activities are different because:	
An internal service fund is used by management to charge the costs of workers' compensation insurance to individual funds. This represents the elimination of the current year internal service fund profit resulting from transactions with proprietary funds.	497,928
Change in Net Assts of Business-Type Activities	$ 3,762,261

The notes to the financial statements are an integral part of this statement.

CITY OF PLANT CITY, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Business-Type Activities-Enterprise Funds					
	Major Funds			Nonmajor Fund		Governmental Activities-Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Stormwater Fund	Industrial Park	Total	
Cash Flows from Operating Activities						
Receipts from Customers	$ 15,176,576	$ 6,240,650	$ 2,240,348	$ -	$ 23,657,574	$ -
Receipts from Other Funds for Goods and Services	-	-	-	-	-	883,383
Payments to Suppliers for Goods and Services	(2,839,117)	(3,478,392)	(1,137,242)	(8,558)	(7,463,309)	(169,519)
Payments to Employees for Services	(3,391,923)	(1,489,799)	(956,154)	-	(5,837,876)	-
Net Cash Provided (Used) by Operating Activities	8,945,536	1,272,459	146,952	(8,558)	10,356,389	713,864
Cash Flows from Noncapital Financing Activities						
Receipts on Advances to Other Funds	-	-	-	111,190	111,190	-
Loans to Other Funds	12,969	(78,648)	4,037	(38,854)	(100,496)	-
Loans from Other Funds	(115,604)	-	(39,621)	(2,563)	(157,788)	-
Transfers between Funds	(81,240)	(391,000)	(163,855)	(300,000)	(936,095)	785,559
Net Cash Provided (Used) by Noncapital Financing Activities	(183,875)	(469,648)	(199,439)	(230,227)	(1,083,189)	785,559
Cash Flows from Capital and Related Financing Activities						
Grants Received	(79,095)	-	915,249	-	836,154	-
Acquisition and Construction of Capital Assets	(1,875,511)	-	(683,667)	(295,807)	(2,854,985)	(816,082)
Disposal of Capital Assets	9,219	930	2,159	-	12,308	-
Interest Payments on Debt	(1,611,506)	-	(16,119)	-	(1,627,625)	-
Principal Payments on Long-Term Debt	(3,012,563)	-	(44,800)	-	(3,057,363)	-
Developer Contributions	461,102	-	-	-	461,102	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,108,354)	930	172,822	(295,807)	(6,230,409)	(816,082)
Cash Flows from Investing Activities						
Additions to Investments	(14,236,131)	(4,529,678)	(1,294,193)	(647,097)	(20,707,099)	(647,097)
Interest	100,607	26,919	8,580	11,863	147,969	5,132
Net Cash Used by Investing Activities	(14,135,524)	(4,502,759)	(1,285,613)	(635,234)	(20,559,130)	(641,965)
Net Increase (Decrease) in Cash and Cash Equivalents	(11,482,217)	(3,699,018)	(1,165,278)	(1,169,826)	(17,516,339)	41,376
Cash and Cash Equivalents at Beginning of Year	46,620,249	6,152,752	3,755,341	1,357,090	57,885,432	5,259,883
Cash and Cash Equivalents at End of Year	$ 35,138,032	$ 2,453,734	$ 2,590,063	$ 187,264	$ 40,369,093	$ 5,301,259

The notes to the financial statements are an integral part of this statement.

CITY OF PLANT CITY, FLORIDA

STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

	Business-Type Activities-Enterprise Funds					
	Major Funds			Nonmajor Fund		Governmental Activities-Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Stormwater Fund	Industrial Park	Total	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:						
Operating Income (Loss)	$ 2,883,394	$ 1,038,336	$ (95,700)	$ (34,451)	$ 3,791,579	$ 419,736
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Depreciation	4,312,466	148,437	277,698	32,643	4,771,244	311,068
OPEB Cost	67,223	28,414	22,883	-	118,520	-
Change in Assets and Liabilities						
Accounts Receivable	37,161	22,678	13,433	-	73,272	-
Inventory	72,951	-	-	-	72,951	-
Accounts Payable	1,375,101	47,196	(89,577)	(6,750)	1,325,970	31,223
Customer Deposits	74,355	-	-	-	74,355	-
Deferred Revenues	83,865	-	-	-	83,865	-
Other Current Liabilities	39,020	(12,602)	18,215	-	44,633	(48,163)
Net Cash Provided (Used) by Operating Activities	$ 8,945,536	$ 1,272,459	$ 146,952	$ (8,558)	$ 10,356,389	$ 713,864

The notes to the financial statements are an integral part of this statement.

CITY OF PLANT CITY, FLORIDA

STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
SEPTEMBER 30, 2012

	Safety Employees' Retirement Fund	General Employees' Retirement Fund	Total
Assets			
Cash and Cash Equivalents	$ 774,606	$ 5,087,770	$ 5,862,376
Receivables:			
Contributions	533,280	61,124	594,404
Accrued Interest and Dividends	75,753	-	75,753
Total Receivables	609,033	61,124	670,157
Investments, at Fair Value:			
Certificates of Deposits	2,314,205	-	2,314,205
US Government Agencies	3,486,784	-	3,486,784
Corporate Bonds and Notes	3,771,237	-	3,771,237
Common Stocks	11,931,036	-	11,931,036
Municipal Obligations	137,928	-	137,928
Mutual Funds	3,120,290	9,041,887	12,162,177
Total Investments	24,761,480	9,041,887	33,803,367
Total Assets	26,145,119	14,190,781	40,335,900
Net Assets			
Held in Trust for Pension Benefits	$ 26,145,119	$ 14,190,781	$ 40,335,900

The notes to the financial statements are an integral part of this statement.

CITY OF PLANT CITY, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Safety Employees' Retirement Fund	General Employees' Retirement Fund	Total
Additions			
Contributions:			
Employer	$ 2,261,506	$ 815,829	$ 3,077,335
Employees	564,124	-	564,124
State of Florida	496,312	-	496,312
Total Contributions	3,321,942	815,829	4,137,771
Investment Income:			
Interest and Dividends	566,903	-	566,903
Net Appreciation (Depreciation) in Fair Value of Investments	3,036,048	1,740,474	4,776,522
Net Investment Income	3,602,951	1,740,474	5,343,425
Miscellaneous Revenue	200	-	200
	6,925,093	2,556,303	9,481,396
Deductions			
Pension Benefits	1,971,825	1,352,818	3,324,643
Administrative Expenses	154,621	81,327	235,948
Total Deductions	2,126,446	1,434,145	3,560,591
Change in Net Assets	4,798,647	1,122,158	5,920,805
Net Assets-Beginning	21,346,472	13,068,623	34,415,095
Net Assets-Ending	$ 26,145,119	$ 14,190,781	$ 40,335,900

The notes to the financial statements are an integral part of this statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Plant City, Florida was incorporated under the 1927 law of Florida, Chapter 13282, Section 2. It operates under the Commission – Manager Plan form of government. The City provides traditional municipal services as authorized by its charter. These include police and fire protection, public works, public improvements, water, sewer and sanitation services, parks and recreation, planning and zoning, cultural and general administrative services.

The financial statements of the City of Plant City, Florida have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

In evaluating the City as a reporting entity, management has included all component units in accordance with GASB Statement No. 14, "The Financial Reporting Entity". The Financial Reporting Entity consists of the City of Plant City, Florida (the primary government) and its blended component units. Blended component units are legally separate organizations for which the City is financially accountable. The component units discussed below are included in the City's reporting entity.

Blended Component Units

The following component units are blended with the primary government for financial statement purposes because the component unit's governing body is substantially the same as the City Commission or because the component unit exclusively serves the City.

Community Redevelopment Agency (CRA)

The CRA was created in 1969 under local ordinance 12-1981 and under Section 163.356 of the Florida Statutes. Its sole purpose is to finance and redevelop the City's designated redevelopment areas. The agency is governed by a board of commissioners, all of whom are members of the City Commission and are appointed by the City Commission. The CRA is reported as a major governmental fund.

Walden Lake Community Association Local Government Neighborhood Improvement District (District)

The District was formed under local ordinance 03-1993 and under Section 163.503 Florida Statues. The District is authorized to levy an ad valorem tax on real and personal property located in the District of up to 2 mills annually. Proceeds collected are to be used to facilitate planning and improvements in the Walden Lakes Master Community. The City Commission of the City of Plant City, Florida, serves as the Board of Directors for the District. At this time, the District has not levied or collected any ad valorem taxes and its operations are dormant.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City's Internal Service Fund (which provides services to other funds of the City) is presented as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate governmental activities.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements, the proprietary fund financial statements and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Operating revenues shown for proprietary operations generally result from producing or providing goods and services such as water, sewer and solid waste collection. Operating expenses for these operations include all costs related to providing the service or product. These costs include salaries, supplies, travel, contract services, depreciation, administrative expenses and other expenses directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Community Redevelopment Agency Fund accounts for various redevelopment projects that are funded by the Community Redevelopment Agency Special Revenue Fund.

The City reports the following major proprietary funds:

The Water and Sewer Fund accounts for the operations of the City's regional water and sewer system.

The Sanitation Fund accounts for the operations of the City's garbage and recycling programs.

The Stormwater Fund accounts for the operations of the City's stormwater system.

Additionally, the City reports the following fund types:

The Internal Service Funds account for uninsured risk of loss due to work-related injuries suffered by employees of the City and the costs of replacement of vehicles in the City's Fleet.

The Pension Trust Funds account for the activities of the Safety Employees' Retirement Plan and the General Employees' Retirement Plan, which accumulate resources for pension benefit payments to qualified employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, as well as fees, fines and forfeitures (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues, rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City allocates charges for indirect services provided by various funds based on a cost allocation plan. The costs are included in the program expense reported by functional activity in the Statement of Activities.

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

The City's cash and cash equivalents include cash on hand, time and demand deposits and short-term investments. For purposes of the Statement of Cash Flows, the City considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

All investments, including Pension Funds, are stated at fair value. All fair market valuations are based on quoted market prices.

Receivables and Payables

Receivables consist of trade receivables, due from other governments and interest receivable, and are recorded net of any allowance for uncollectible amounts, if applicable.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year (if any) is referred to as "advances to/from other funds". All other outstanding balances between funds (if any) are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities (if any) are reported in the government-wide financial statements as "internal balances".

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Certain proceeds of revenue bonds and loans, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond/loan covenants.

Capital Assets

Capital assets, which include land, land improvements, plant and plant improvements, buildings, building improvements, furniture and equipment, and infrastructure (i.e., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life of two years or more and a cost of $1,000 or more for general fixed assets and $5,000 for vehicles. Capital improvement projects, which include infrastructure, equipment and construction, costing more than $25,000 are capitalized. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the time of donation.

The costs of normal maintenance and repairs that do not add to the fair value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciable capital assets are amortized using the straight-line method (except library books, which use a composite method) over the following estimated useful lives:

Assets	Years
Improvements	5 – 50 Years
Plant and Plant Improvements	5 – 50 Years
Buildings and Building Improvements	5 – 50 Years
Equipment	4 – 20 Years
Transportation Equipment	3 – 10 Years
Library Books	7 Years

Compensated Absences

All regular employees with less than five years continuous service earn 80 hours of annual leave. The number of hours of annual leave increases relative to the number of years of continuous service, in increments of five years. The maximum of 160 hours of annual leave is obtained after twenty years of continuous service. All hours earned during a fiscal year must be used by the end of the following fiscal or are forfeited. Employees who terminate with more than one year's service are paid for 100% of their unused annual leave. The City has accrued 100% of the annual leave liability.

All regular employees earn eight hours of sick leave per month. There is no maximum limitation on the number of sick leave days which may be accumulated. Employees who voluntarily terminate or retire after ten years of continuous service are paid for 50% of their accumulated sick leave balance. The City has accrued the estimated amount of vested sick leave for employees who have completed 10 years of continuous service.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund equity

Government-wide and proprietary fund net assets are divided into three components:

Invested in capital assets, net of related debt - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net assets - consist of net assets that are restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted – all other net assets are reported in this category.

In the governmental financial statements, the fund balances are classified as follows:

Nonspendable - consist of amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – consist of amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – consist of amounts that can be used only for specific purposes determined by a formal action by the City Commission or resolution.

Assigned – consist of amounts that have been designated by the City for a particular purpose but are neither restricted nor committed.

Unassigned – consist of all amounts not included in other classifications.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the City's policy is to first apply the expense towards restricted resources and then toward unrestricted resources. In the governmental funds, the City's policy is to first apply the expenditure toward restricted fund balance and the to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from management's estimates.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Property Taxes

Property tax collections are governed by Chapter 197, Florida Statutes. The Hillsborough County Tax Collector bills and collects all property taxes levied within the county. Discounts of 4, 3, 2 and 1% are allowed for early payment in November, December, January and February, respectively.

The Tax Collector remits collected taxes at least monthly to the City. The City recognizes property tax revenue as it is received from the Tax Collector since virtually all taxes levied will be collected through the tax collection process.

A calendar of events is as follows:

January 1	Property taxes are based on assessed value at this date as determined by the Hillsborough County Property Appraiser.
July 1	Assessment roll approved by the state.
September 30	Millage resolution approved by the City Commission.
October 1	Beginning of fiscal year for which taxes have been levied.
November 1	Property taxes due and payable.
November 30	Last day for 4% maximum discount.
April 1	Unpaid property taxes become delinquent.
May 15	Tax certificates are sold by the Hillsborough County Tax Collector. This is the first lien date on the properties.

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. Deposits with Financial Institutions

At September 30, 2012, the carrying amount of the City's deposits with banks was $68,129,706 and the bank balance was $66,611,658. All of the City's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or

greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may vary depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

B. Investments

As of September 30, 2012, the City had the following investments and maturities:

	Fair Value	Less than 1	1 to 5	Over 5
City Investments:				
U.S. Government obligations	$ 24,051,209	$ 6,956,652	$ 17,094,557	$
Municipal Bonds	6,088,844	4,670,877	1,417,967	
Corporate Obligations	6,823,829	5,723,061	1,100,768	
Safety Employees' Pension Plan:				
CD's and Time Deposits	2,314,205		2,314,205	
U. S. Government obligations	3,486,784		1,489,881	1,996,903
Municipal Bonds	137,928			137,928
Corporate bonds & notes	3,771,237		719,639	3,051,598
Common stocks	11,931,036	11,931,036		
Mutual funds	3,120,290	3,120,290		
General Employees' Pension Plan:				
Mutual funds	9,041,887	9,041,887		
	$ 70,767,249	$ 41,443,803	$ 24,137,017	$ 5,186,429

Interest Rate Risk – The risk that changes in interest rates will adversely affect the fair value of an investment.

City Investments – The City manages exposure to interest rate risk by matching investment maturities with known cash needs. Investment maturities of investments of current operating funds shall not exceed two months. Investments of other non-operating funds may have varying terms not to exceed 10 years.

Pension Plan Investments – The Plans' investment portfolios are structured to provide sufficient liquidity to meet known cash flow requirements. The Plans also manage interest rate risk by evaluating credit ratings, diversifying the investment portfolio and by utilizing an outside investment manager to monitor performance. The Plans do not limit the weighted-average maturity of their portfolio.

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

City Investments – Section 218.415, Florida Statutes, limits the types of investments that the City can invest in unless specifically authorized in the City's investment policy. The City has a formal investment policy that allows investments in the following: Florida Local Government Surplus Funds Trust, U.S. Government Securities, U.S. Government Agencies and Instrumentalities, Interest Bearing Time Deposit or Savings Accounts held at Qualified Public Depositories, Repurchase Agreements and fixed income mutual funds that invest in authorized investments, commercial paper rated P-1 by Moody's, A-1 by Standard and Poor's or an equivalent rating, corporate bonds and medium term notes with ratings of at least "A" at the time of purchase, municipal bonds rated "A" or better and money market fund registered with the Securities and Exchange Commission that have the highest credit quality rating.

Safety Employees' Pension Trust Fund – Investments are limited by State Statutes Chapter 185 and by an investment policy adopted by the fund's Board of Trustees. The allowable investments include United States Government Securities, United States Government Agencies, Interest Bearing Time, Savings and Money Market Accounts that do not exceed the FDIC insured limits, repurchase agreements, corporate bonds, common stocks, foreign equities, mutual funds and money market funds. Cash instruments must have a quality rating of at least A1 by Standard & Poor's or P1 by Moody's. Bonds must have a quality rating of at least "A" by Standard & Poor's or Moody's. Equity investments are limited to fully and easily negotiable equity securities listed on one of the recognized national exchanges or on the National Market System of the NASDAQ stock market. Investments in equities may not exceed 65% of the Fund's assets at cost. Foreign equities are limited to 10% of the Fund's assets at cost.

Custodial Credit Risk – The risk that the City will not be able to recover the fair value of an investment or collateral securities that are in possession of an outside party if the counterparty to the transaction fails.

City Investments – The City's investments are held under a third-party custodial agreement with all securities and collateral properly designated as assets of the City.

Pension Plan Investments – The Board utilizes a third-party custodian to hold plan assets in the name of the City.

Concentration of Credit Risk – The risk of loss attributable to the quantity of an investment in a single issuer.

City Investments – A maximum of 5% of the portfolio may be invested in a repurchase agreement with a single institution or dealer, excluding overnight or 1-day sweep agreements. A maximum of 20% of the portfolio may be invested in fixed income mutual funds with any one individual issuer or fund.

Safety Employees' Pension Plan Investments – No more than 5% of the fund's assets may be invested in the stock of any one company, nor shall the aggregate investment in any one company exceed 5% of the outstanding stock of that company.

C. Receivables and Deferred Revenue

As of year-end, receivables for the City's governmental individual major funds and nonmajor funds in the aggregate, including any applicable allowances for uncollectible accounts are as follows:

	General	CRA	Nonmajor	Total
Accounts	$ 906,782	$	$	$ 906,782
Interest	32,786			32,786
Intergovernmental	513,543	640,610	395,125	1,549,278
Total receivables	$ 1,453,111	$ 640,610	$ 395,125	$ 2,488,846

As of year-end, receivables for the City's business-type individual major funds and nonmajor funds in the aggregate, including any applicable allowances for uncollectible accounts are as follows:

	Water & Sewer	Sanitation	Stormwater	Nonmajor	Total
Accounts	$ 1,853,521	$ 311,192	$ 117,675	$	$ 2,282,388
Interest	103,039	32,785	9,367	4,684	149,875
Intergovernmental	1,078,136		143,149		1,221,285
Total receivables	3,034,696	$ 343,977	$ 270,191	$ 4,684	$ 3,653,548

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Unearned revenue –General fund	$ 58,677
Tourist tax revenue-Stadium fund	300,000
Total deferred revenue	$ 358,677

D. Capital Assets

Capital asset activity for the year ended September 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 16,875,312	$ 388,616	$ (1,876)	$ 17,262,052
Construction in progress	1,072,657	1,223,410	(598,013)	1,698,054
Total capital assets not being depreciated	17,947,969	1,612,026	(599,889)	18,960,106
Capital assets being depreciated:				
Improvements	131,975,807	178,757	(12,703)	132,141,861
Buildings and improvements	20,881,356	6,265	(110,000)	20,777,621
Equipment	5,916,603	194,329	(161,894)	5,949,038
Transportation equipment	7,181,219	1,252,778	(494,508)	7,939,489
Library books	1,167,682	98,685	(109,080)	1,157,287
Intangible Assets		450,000		450,000
Total capital assets being depreciated	167,122,667	2,180,814	(888,185)	168,415,296
Less accumulated depreciation for:				
Improvements	(92,856,509)	(4,049,467)	7,692	(96,898,284)
Buildings and improvements	(9,047,105)	(483,578)	85,487	(9,445,196)
Equipment	(4,613,995)	(474,855)	156,529	(4,932,321)
Transportation	(5,086,141)	(707,584)	494,508	(5,299,217)
Library books	(764,819)	(122,864)	109,080	(778,603)
Intangible Assets		(11,250)		(11,250)
Total accumulated depreciation	(112,368,569)	(5,849,598)	853,296	(117,364,871)
Total capital assets being depreciated, net	54,754,098	(3,668,784)	(34,889)	51,050,425
Governmental activities capital assets, net	$ 72,702,067	$ (2,056,758)	$ (634,777)	$ 70,010,531

Depreciation expense was charged to functions of governmental activities as follows:

General government	$ 325,899
Public safety	819,917
Physical environment	177,331
Transportation	3,075,041
Economic environment	319,092
Culture and recreation	1,132,318
Total depreciation expenses-governmental activities	$ 5,849,598

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 1,967,456	$ 7,600	$	$ 1,975,056
Construction in progress	3,402,288	2,782,554	(1,071,064)	5,113,778
Total capital assets not being depreciated	5,369,744	2,790,154	(1,071,064)	7,088,834
Capital assets being depreciated:				
Improvements	935,046	593,633		1,528,679
Buildings, plant and improvements	151,740,891	532,056	(2,287)	152,270,660
Equipment	2,605,760	19,332	(97,499)	2,527,593
Transportation equipment	4,526,932		(210,735)	4,316,197
Total capital assets being depreciated	159,808,629	1,145,021	(310,521)	160,643,129
Less accumulated depreciation for:				
Improvements	(880,957)	(32,643)		(913,600)
Buildings, plant and improvements	(54,264,082)	(4,250,071)	2,286	(58,511,867)
Equipment	(2,056,244)	(169,812)	94,583	(2,131,473)
Transportation equipment	(3,503,665)	(318,718)	188,488	(3,633,895)
Total accumulated depreciation	(60,704,948)	(4,771,244)	285,357	(65,190,835)
Total capital assets being depreciated, net	99,103,681	(3,626,223)	(25,164)	95,452,294
Business-type activities capital assets, net	$ 104,473,425	$ (836,069)	$ (1,096,228)	$ 102,541,128

Depreciation expense was charged to functions of business-type activities as follows:

Business-type activities:	
Water and sewer	$ 4,312,466
Sanitation	148,437
Stormwater	277,698
Industrial park	32,643
Total depreciation expenses-business-type activities	$ 4,771,244

Construction and Other Significant Commitments

Outstanding purchase order commitments, including construction commitments, are recorded in the governmental funds as a reservation of fund balance for encumbrances. Enterprise funds do not record such commitments as a reservation of fund balance. Total commitments by fund are as follows:

	Remaining Commitment
General Fund	$ 184,869
Community Development Fund	250,248
Streets Fund	54,821
Capital Improvement Fund	334,168
Community Redevelopment Agency	232,006
Water and Sewer Fund	130,018
Sanitation Service Fund	71,997
Stormwater Fund	66,807
	$ 1,324,934

E. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2012, is as follows:

Due To/From Other Funds:

Due To/From Other Funds represent cash loaned and outstanding between funds for short-term operating purposes.

	Receivable	Payable
General Fund	$ 53,723	$
Community Redevelopment Agency Fund		53,723
Community Investment Tax		74,728
Industrial Park Fund	74,728	
	$ 128,451	$ 128,451

Interfund Transfers:

Interfund Transfers represent transfers of funds for operating purposes from the fund that collected them to the fund that is authorized to expend them.

	Transfers In	Transfers Out
General Fund	$	$ 876,931
Streets Fund	403,043	1,016,414
Community Development Block Grant Fund	46,200	
Community Investment Tax Fund	83,000	1,607,937
Infrastructure Sales Tax Revenue Bonds Fund	808,268	
Police Impact Fees		83,000
Capital Projects Funds	537,000	
Streets R,R & I Funds	1,057,638	
Community Investment Tax R,R & I Fund	799,669	
Water and Sewer Fund		81,240
Sanitation Fund		391,000
Stormwater Fund	48,000	211,855
Industrial Fund		300,000
Internal Service Funds	785,559	
	$ 4,568,377	$ 4,568,377

F. Capital Lease Obligations

$318,604 Capital Lease Obligation – Funds borrowed to finance the purchase of a fire pumper truck. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, is recorded at the present value of the future minimum lease payments as of the inception date. The interest rate is 3.896% with a maturity date of July 23, 2012.

$256,752 Capital Lease Obligation – Funds borrowed to finance the purchase of computer equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, is recorded at the present value of the future minimum lease payments as of the inception date. The interest rate is 6.62% with a maturity date of August 31, 2014.

Assets acquired through capital leases are as follows:

	Governmental Activities
Transportation equipment	$ 243,805
Computer equipment	256,065
	499,870
Less accumulated depreciation	199,246
Total	$ 300,624

The future minimum lease obligations and net present value of the minimum lease payments as of year end are as follows:

Fiscal Year	Governmental Activities
2013	$ 85,591
Total minimum lease payments	85,591
Less amount representing interest	0
Present value of minimum lease payments	$ 85,591

G. Long-Term Debt

Summarized below are the City's debt issued to finance the acquisition and construction of major capital facilities that were outstanding as of September 30, 2012:

Governmental Activities Debt:

$4,610,000 Non-Ad Valorem Refunding Revenue Note Payable – Suntrust Bank – Issued to redeem the Series 1999 Infrastructure Sales Tax Revenue Bonds and to finance capital improvements. Interest is payable semiannually at 3.66% until final maturity on September 1, 2024. The loan is secured by the City's covenant to budget and appropriate its share from the collection of the one-half cent discretionary infrastructure sales surtax and a pledge of those revenues.

$5,340,000 Infrastructure Sales Tax Revenue Bonds, Series 2004 – Issued to finance the purchase of land and reconstruction and equipping of the buildings thereon into a police station, a general services facility and a fleet maintenance facility. The certificates are secured by a lien upon a pledge of (1) proceeds received by the City as its share from the collection of the one-half cent discretionary infrastructure sales surtax, and (2) until applied in accordance with the provisions of the bond resolution, all monies in the funds and accounts established by the bond resolution, with the exception of the unrestricted revenue account. Certain reserves and covenants must be met. Interest is payable semiannually at rates varying between 2.0% and 4.375% until September 1, 2024.

$2,000,000 Loan Payable – SunTrust Bank – Funds borrowed to finance the cost of various capital improvements within the Community Redevelopment Agency, to repay advances to the CRA from other funds, and to provide for the cost of issuance. The loan is secured by a pledge of the Tax Increment Fund revenues received by the CRA from Hillsborough County for capital improvement purposes. The loan is payable over 10 years, with annual payments including interest at 3.42%.

$3,180,000 Loan Payable Series 2005B – Florida Municipal Loan Council – Funds borrowed to refinance a portion of the Series 1999B Florida Municipal Loan Council loan payable. The City has pledged to appropriate in its annual budget sufficient non-Ad Valorem revenues to satisfy the required loan payments. The loan is payable over 14 years, with semi-annual interest payable at rates varying from 3.0% to 5.0%.

$232,518 Loan Payable – Investment Company – Funds borrowed to finance the purchase of property within the Community Redevelopment Agency. The loan is secured by a letter of credit. The loan is payable over 2 years, with quarterly payments including interest at 3.00%.

$400,000 Loans Payable to Hillsborough County – Funds borrowed by the Community Redevelopment Agency under the Florida Brownfields Act for the redevelopment of two City properties. The loans are noninterest bearing to be repaid upon sale of the properties or at maturity in 10 years. At September 30, 2012, the City had drawn a total of $251,250 of the available funds.

Business-Type Activities Debt:

$20,515,000 Utility System Refunding and Improvement Revenue Bonds, Series 1995 – Issued to refund a loan with the Florida Department of Environmental Regulation, construct improvements to the City's water and sewer utility system, fund a debt service reserve and pay certain costs of issuance. These bonds and the interest thereon are payable solely from the net revenues derived from the operation of the City's water and sewer utility system and amounts in deposit in the debt service reserve fund. Certain reserves and covenants must be met. Interest is payable semiannually at rates varying between 4.95% and 6.0% until final maturity on October 1, 2015.

$7,045,000 Utility System Refunding Revenue Bond, Series 2010 – Issued to refund all of the outstanding Utility System Refunding and Improvement Revenue Bonds, Series 1999 and to pay the related issuance costs. These bonds and the interest thereon are payable solely from the net revenues derived from the operation of the City's water and sewer utility system and amounts on deposit in the debt service reserve fund. Certain reserves and covenants must be met. Interest is payable semiannually at 3.11% until maturity on October 1, 2020.

$2,670,199 State Revolving Fund Loan – Funds borrowed to finance the expansion and upgrading of the wastewater treatment plant. The loan is secured by the net revenues of the operation of the utility system (water and wastewater systems), and certain reserves and covenants must be met. The loan will be repaid in 40 semi-annual payments including interest at 2.45%.

$40,000,000 State Revolving Fund Loan – Funds borrowed to finance the expansion and upgrading of the wastewater treatment plant. The loan is secured by the net revenues of the operation of the utility system (water and wastewater systems), and certain reserves and covenants must be met. The loan will be repaid in 40 semi-annual payments including interest at 2.35% to 2.51%.

$5,000,000 State Revolving Fund Loan – Funds borrowed to finance the expansion and upgrading of the wastewater treatment plant. The loan is secured by the net revenues of the operation of the utility system (water and wastewater systems), and certain reserves and covenants must be met. The loan will be repaid in 40 semi-annual payments including interest at 2.5%.

$405,530 State Revolving Fund Loan – Funds borrowed to finance the construction of the Pistol Range Regional Stormwater Facility. The loan is secured by pledged revenues of stormwater utility fees, and certain reserves and covenants must be met. The loan will be repaid in 40 semiannual payments including interest at 3.03%.

$509,313 State Revolving Fund Loan – Funds borrowed to finance the construction of stormwater pollution control facilities (Grant Hunter Pond). The loan is secured by pledged revenues of stormwater utility fees, and certain reserves and covenants must be met. The loan will be repaid in 40 semiannual payments including interest at 2.95%.

Defeasance of Long-Term Debt

A portion of the proceeds of the Series 1999 Revenue Bonds was deposited in trust in an escrow account to provide for future debt service on a portion of the City's Series 1995 Revenue Bonds. As a result, that portion of the Series 1995 Revenue Bonds is considered defeased, and the City has removed that liability from its accounts. The outstanding principal balance of the defeased bonds is $6,645,000 at September 30, 2012.

A portion of the proceeds of the Florida Municipal Loan Council Loan Payable – Series 2005B was deposited in trust in an escrow account to provide for the future debt service on a portion of the Florida Municipal Loan Council Loan Payable – Series 1999B. As a result, that portion of the Series 1999B loan is considered defeased, and the City has removed that liability from its accounts. The outstanding principal balance of the defeased loan is $2,490,000 at September 30, 2012.

Changes in Long-Term Debt

The following is a summary of changes in Long-Term Debt of the City for the year ended September 30, 2012:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance	Due Within 1 Year
Infrastructures sales tax revenue bonds, series 2004	$ 3,755,000	$	$ 230,000	$ 3,525,000	$ 240,000
Less: bond discount	(5,336)		(410)	(4,926)	
Bank refunding note	4,390,000		270,000	4,120,000	280,000
Florida Municipal Loan Council loan payable, series 2005B	2,815,000		265,000	2,550,000	275,000
Plus: loan premium	46,892		6,116	40,776	
Bank loan payable	626,755		230,000	396,755	235,000
Investment company loan		232,518	87,194	145,324	87,194
Brownfields loan-Stock Lumber		83,750		83,750	
Brownfields loan-Gromor		167,500		167,500	
Capital leases	205,869		120,278	85,591	85,591
Compensated absences	1,469,746		198,739	1,271,007	1,271,007
Total governmental activities long term liabilities	$ 13,303,926	$ 483,768	$ 1,406,917	$ 12,380,777	$ 2,473,792

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance	Due Within 1 Year
Revenue bonds – series 1995	$ 5,000,000	$	$ 890,000	$ 4,110,000	$ 940,000
Less: bond discount	(15,383)		(2,098)	(13,285)	
Revenue Bonds-Series 2010	7,010,000		75,000	6,935,000	
Less: loss on refunding	(533,759)		(59,307)	(474,452)	
State Revolving Loan Fund-Water treatment and reuse	2,544,375		122,304	2,422,071	125,319
State Revolving Loan Fund-Water treatment and reuse	36,751,840		1,769,716	34,982,124	1,812,963
State Revolving Loan Fund-Water treatment and reuse	4,532,480		216,948	4,315,532	222,405
State Revolving Loan Fund-Pistol range	211,502		20,775	190,727	21,408
State Revolving Loan Fund-Grant Hunter pond	340,429		24,027	316,402	24,740
Landfill closure costs	206,506			206,506	
Total business-type activities long term liabilities	$ 56,047,990	$	$ 3,057,365	$ 52,990,625	$ 3,146,835

Summary of Annual Debt Service Requirements

The annual debt service requirements to maturity for debt outstanding as of September 30, 2012 are as follows:

Fiscal Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	$ 1,117,194	$ 413,158	$ 3,146,835	$ 1,237,195
2014	1,044,885	375,601	3,336,211	1,339,203
2015	850,000	339,964	3,446,930	1,219,572
2016	885,000	308,904	3,574,027	1,094,818
2017	915,000	273,734	3,692,530	981,874
2018-2022	4,656,250	780,534	18,476,769	3,383,200
2023-2027	1,520,000	91,612	14,490,794	1,366,649
2028-2030			3,107,762	56,949
	$ 10,988,329	$ 2,583,507	$ 53,271,858	$ 10,679,460

H. CRA Fund

In accordance with the provisions of Florida Statutes, the City has established a Community Redevelopment Trust Fund to account for funds held by the City of Plant City for and on behalf of the Community Redevelopment Agency. These funds, which arise from incremental increases in ad valorem taxes levied each year, are disbursed to the agency as provided by appropriation ordinance. The funds are to be used for community redevelopment activities as approved by the Community Redevelopment Agency and pursuant to the City's community redevelopment plan.

A summary of the available funding for future projects of the CRA Fund at year end are as follows:

INFLOWS		
County Property Tax Increment	$ 449,632	
Plant City Property Tax Increment	369,453	
Tampa Port Authority	14,886	
Interest income	5	
Committed funds-reappropriated (budgetary)	1,612,985	
Grant Revenue	433,474	
Rental income	596	
Loan Proceeds	483,768	
		$ 3,364,799
OUTFLOWS		
State filing fee	175	
Miscellaneous expenses	27	
Brownfields Grant-Hazardous	104,616	
Brownfields Grant-Petroleum	261,461	
Brownfields Revolving Loan & Grant	375,000	
Principal payment	317,194	
Interest expense	26,264	
Property taxes	1,838	
Other contractual services	90,482	
Wheeler Street realignment	8,557	
Subscriptions and memberships	695	
Property acquisition	461,070	
		1,647,379
FUNDS AVAILABLE FOR FUTURE PROJECTS AT YEAR END		$ 1,717,420

SUMMARY OF FUNDS AVAILABLE:

Cash	$ 1,147,438	
Receivable	640,610	
Due to other funds	(53,723)	
Accounts payable	(16,405)	
Deposit	(500)	
FUNDS AVAILABLE FOR FUTURE PROJECTS AT YEAR END		$ 1,717,420

BUDGETARY COMMITMENTS OF FUNDS AT YEAR END:

Committed funds for purchase of land and infrastructure improvements to reduce slum and blight	$ 419,416	
Wheeler Street realignment	876,553	
Repayment of bond issue	396,755	
Repayment of note	145,324	
Madison Park drainage	231,204	
Grant Hunter Pond recreational trail	125,000	
Brownfields grant match	63,648	
TOTAL FUNDS COMMITTED FOR FUTURE PROJECTS		$ 2,257,900

NOTE 4: OTHER INFORMATION

A. Risk Management

The City has established a Workers' Compensation Partial Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss due to work-related injuries suffered by employees of the City. Under this program, the Workers' Compensation Partial Self-Insurance Fund provides coverage of up to $300,000 in claims per employee, per incident, to an annual maximum liability of $1,000,000 in aggregate claims. The City has purchased workers' compensation insurance for claims in excess of the coverage provided by the fund.

All departments of the City participate in the program and make payments to the Workers' Compensation Partial Self-Insurance Fund based on estimates, by an outside administrator, of the amounts needed to pay prior and current year claims and to accumulate a reserve for future catastrophic losses. Unrestricted net assets of the fund are $1,160,016 at September 30, 2012.

The claims liability of $71,120 reported in the Fund at year end is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's estimated claims liability amounts in the last three fiscal years were:

	Beginning Liability	Changes in claims estimates	Claims payments	Ending Liability
2011-2012	$ 119,283	$ 133,424	$ (181,587)	$ 71,120
2010-2011	221,285	4,597	(106,599)	119,283
2009-2010	421,834	(83,087)	(117,462)	221,285

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There have been no significant reductions in insurance coverage from the previous year. Settlement amounts have not exceeded insurance coverage for the current year nor the three prior years.

B. Contingent Liabilities

The City receives revenues from various federal grants. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement for expenditures disallowed under the terms of the grants. Based upon prior experience, City management believes such disallowances, if any, will be immaterial.

The City is involved in legal actions which, in the opinion of management, will not have a material effect on the financial statements of the City.

C. Landfill Postclosure Care Costs

The City operated a solid waste landfill from September 1976 until April 1981. Final closure of the landfill was in September 1989. State and federal laws and regulations require the City to perform certain ongoing maintenance and monitoring functions at the landfill site for 30 years after closure. The amount of landfill postclosure liability recorded at September 30, 2012 is $206,506, which represents the estimated remaining current cost of all postclosure care. Due to changes in site conditions, inflation, technology, laws or regulations, these costs may change in the future. These costs are being funded on a cash basis.

D. Postemployment Benefits Other Than Pensions

Plan Description and Funding Policy

The City of Plant City administers a single-employer defined benefit healthcare and life insurance plan. The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the City's group health and life insurance plan, which covers both active and retired members. Retirees and their dependents are permitted to retain coverage under the City's healthcare plan as long as they pay the full premium. This conforms with the minimum requirement for governmental employers under Florida state law. The City's contributions to active employees is limited to fixed dollar contribution as approved by the City Commission, and the City is not required to contribute any additional amounts to provide benefits. Funding is on a "pay as you go" basis. The Retiree Health Plan does not issue a publicly available financial report.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution	$ 440,374
Interest on net OPEB obligation	60,896
Adjustment to annual required contribution	(66,346)
Annual OPEB cost (expense)	434,924
Contributions made	(101,261)
Increase in net OPEB obligation	333,663
Net OPEB obligation, beginning of year	1,902,996
Net OPEB obligation, end of year	$ 2,236,659

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal 2012, 2011 and 2010 are as follows:

Fiscal year ended	Annual OPEB cost	Employer contribution	Percentage of annual OPEB cost contributed	Net OPEB obligation
09/30/12	$ 434,924	$ 101,261	23.28%	$ 2,236,659
09/30/11	527,580	108,894	20.64%	1,902,996
09/30/10	501,522	92,871	18.52%	1,484,310

Funding Status and Funding Progress

As of September 30, 2012, the actuarial accrued liability for benefits was $3,545,931, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $15,430,771, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 22.98%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Rates of Retirement – Estimated based on assigning probabilities to eligible members retiring during the next year.

Mortality – The 1983 Group Mortality Tables for males and females were used.

Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums is an initial increase of 6%, increasing to 10%, reduced to an ultimate rate of 5% after ten additional years, was used.

Health insurance premiums – 2011 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Payroll growth rate – The expected long-term payroll growth rate was assumed to equal 4%.

Based on the historical and expected returns of the City's short-term investment portfolio, a discount rate of 3.2% was used. In addition, the entry age actuarial cost method was used to calculate the unfunded actuarial liability. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over a 30 year period.

E. Pension Plan Information

Defined Contribution Plan

The City provides pension benefits for all other employees through a defined contribution plan (The City of Plant City Miscellaneous Employees' Money Purchase Retirement Plan), which is administered by the Florida League of Cities, Inc. It is a qualified plan under section 401(a) of the Internal Revenue Code. In a defined contribution plan, benefits depend solely on amount contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The City contributes an amount equal to 8% of the total wage for each eligible employee. The City's contributions for each employee and earnings on investments allocated to the employee's account are fully vested after five years of continuous service. City contributions for, and investment earnings forfeited by, employees who leave employment before five years of service are used to reduce the City's current period contribution requirement. The City Commission has the authority to amend plan provisions, including contribution rates.

The City's contributions to the plan for the year ended September 30, 2012 totaled $815,829.

Defined Benefit Plan

The City maintains for its safety employees a single-employer defined benefit pension plan administered by Salem Trust. The Safety Employees' Retirement Plan provides retirement, disability and death benefits to all of its police and fire department employees who qualify as plan members. The plan has been in existence since October 1, 1960 and is a deposit administration type plan. The City Commission has the authority to amend plan provisions, including contribution rates. Participants in the Safety Employees' Retirement Plan are required to make contributions to the plan equal to 10% of the participant's earnings. Contributions from participants in the Safety Employees' Retirement Plan amounted to $564,124 for the fiscal year ended September 30, 2012. The State and City contribute the remaining required annual contribution, which amounted to $2,757,818 for the fiscal year ended September 30, 2012.

The following is a summary of the funding policies, contribution methods and benefit provisions of the defined benefit plan for safety employees:

Eligibility to participate	Full-time sworn police officers or full-time certified firefighters
Determination of contribution requirements	Actuarially determined
Funding of administrative costs	Investment earnings
Period required to vest	10 years
Required member contributions	10% of total W-2 income, plus tax-exempt and tax-deferred items of income
Eligibility for distributions:	
Normal retirement	Earlier of age 60 or 20 years of credited service, regardless of age, or age 55 with 10 years of credited service
Early retirement	Aged 50 and 10 years of credited service
Benefits:	
Normal retirement	3.75% of average final compensation times credited service
Early retirement	Accrued benefit, reduced 3% per year

The plan also has provision for benefits in case of death or disability.

Membership

Membership in the Plan consisted of the following at October 1, 2011, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	59
Terminated plan members entitled to but not yet receiving benefits	14
Active plan members:	
Vested	67
Nonvested	30
Total	170

Annual Pension Cost

The City's annual pension cost for the Safety Employees' Retirement Plan for the year ended September 30, 2012 was as follows:

Annual required contribution	$ 2,406,148
Interest on net pension obligation	(18,695)
Adjustments to annual required contributions	28,659
Annual pension cost	$ 2,416,112

In previous years, the City has contributed more than the required minimum contributions, resulting in a credit balance, or "net pension benefit". Therefore, there is no net pension obligation.

Actuarial assumptions and other information used to determine the annual required contributions are located in the Required Supplementary Information section of this report.

Three Year Trend Information

Fiscal year ended	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
09/30/12	$ 2,416,112	99%	$ (553,198)
09/30/11	1,608,564	99%	(88,472)
09/30/10	1,420,076	99%	(196,866)

CITY OF PLANT CITY, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Property Taxes	$ 6,709,679	$ 6,709,679	$ 6,859,445	$ 149,766
Franchise Fees	3,280,000	3,280,000	3,566,479	286,479
Utility Taxes	3,330,000	3,330,000	3,508,113	178,113
Licenses and Permits	771,600	691,700	921,970	230,270
Intergovernmental Revenues	5,543,808	5,872,999	6,275,383	402,384
Charges for Services	1,374,700	1,740,920	1,763,795	22,875
Fines and Forfeitures	160,100	114,840	144,032	29,192
Contributions	6,000	6,000	20,681	14,681
Interest Revenue	23,000	23,000	37,192	14,192
Other Revenue	45,000	45,000	47,957	2,957
Total Revenues	21,243,887	21,814,138	23,145,047	1,330,909
Expenditures				
Current:				
General Government	3,152,136	3,123,686	2,738,272	385,414
Public Safety	13,699,040	13,730,504	13,638,821	91,683
Transportation	52,100	52,100	38,099	14,001
Economic Development	394,453	369,453	369,453	-
Culture and Recreation	4,768,520	4,940,005	4,613,700	326,305
Debt Service:				
Principal	121,008	121,008	120,278	730
Interest and Other Bond Costs	700	700	676	24
Capital Outlay	140,500	1,132,436	1,128,826	3,610
Total Expenditures	22,328,457	23,469,892	22,648,125	821,767
Excess (Deficiency) of Revenues Over Expenditures	(1,084,570)	(1,655,754)	496,922	2,152,676
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	72,282	72,282
Transfers Out	(1,093,068)	(1,113,068)	(876,931)	236,137
Total Other Financing Sources (Uses)	(1,093,068)	(1,113,068)	(804,649)	308,419
Net Change in Fund Balance	(2,177,638)	(2,768,822)	(307,727)	2,461,095
Fund Balances-Beginning	14,195,688	14,195,688	14,195,688	-
Fund Balances-Ending	$ 12,018,050	$ 11,426,866	$ 13,887,961	$ 2,461,095

CITY OF PLANT CITY, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30,2012

	Budgeted Amounts		Actual	Variance Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Property Taxes	$ 833,971	$ 833,971	$ 833,971	$ -
Intergovernmental Revenues	-	800,000	433,474	(366,526)
Interest Revenue	3,000	5	5	-
Other Revenue	7,640	596	596	-
Total Revenues	844,611	1,634,571	1,268,046	(366,526)
Expenditures				
Current:				
Economic Development	101,740	1,539,818	834,294	705,524
Debt Service:				
Principal	230,000	317,194	317,194	-
Interest	21,391	26,264	26,264	-
Capital Outlay	491,480	1,996,800	469,627	1,527,173
Total Expenditures	844,611	3,880,075	1,647,379	2,232,697
Excess (Deficiency) of Revenues Over Expenditures	-	(2,245,504)	(379,333)	1,866,171
Other Financing Sources				
Proceeds from Debt	-	632,518	483,768	(148,750)
Total Other Financing Sources (Uses)	-	632,518	483,768	(148,750)
Net Change in Fund Balance	-	(1,612,986)	104,435	1,717,421
Fund Balances-Beginning	1,612,986	1,612,986	1,612,986	-
Fund Balances-Ending	$ 1,612,986	$ -	$ 1,717,421	$ 1,717,421

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-
BUDGET COMPARISIONS
SEPTEMBER 30, 2012

On or before September 1 each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1. A public hearing is conducted at City Hall to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of an ordinance.

Annual budgets are adopted for the General Fund, Special Revenue Funds and Debt Service Funds on a basis that does not differ materially from generally accepted accounting principles. All annual appropriations lapse at the end of each fiscal year for these funds. Project-length budgets are adopted for Capital Projects Funds. Appropriations in these funds remain open and carry over to succeeding years until the related expenditures are made, modified or cancelled.

Budgetary control is maintained at the department level. Department Heads are permitted to transfer appropriations between line items within their department, with the approval of the City Manager. All other types of budget transfers or amendments must be approved by the City Commission. Expenditures may not legally exceed budgeted appropriations at the department level.

CITY OF PLANT CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
RETIREE HEALTH PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered Payroll (c)	UAAL as a percent of covered payroll ((b-a)/c)
10/1/2011	-	$ 3,545,931	$ 3,545,931	0%	$ 15,430,771	22.98%
10/1/2009	-	3,664,279	3,664,279	0%	16,746,172	21.88%
10/1/2007	-	3,964,039	3,964,039	0%	15,815,485	25.06%

CITY OF PLANT CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
SAFETY EMPLOYEES' RETIREMENT PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered Payroll (c)	UAAL as a percent of covered payroll ((b-a)/c)
10/1/2012	$ 25,510,700	$ 45,390,068	$ 19,879,368	56.20%	$ 5,555,685	357.82%
10/1/2011	20,880,874	40,505,573	19,624,699	51.55%	5,450,247	360.07%
10/1/2010	20,399,837	38,300,142	17,900,305	53.26%	5,812,481	307.96%
10/1/2009	19,301,111	34,865,191	15,564,080	55.36%	5,580,144	278.92%
10/1/2008	18,680,364	30,949,021	12,268,657	60.36%	4,813,323	254.89%
10/1/2007	18,083,675	28,607,655	10,523,980	63.21%	4,798,306	219.33%

CITY OF PLANT CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER ENTITIES
SAFETY EMPLOYEES' RETIREMENT PLAN

Year ended September 30,	Annual Required Contributions	City Contribution	State Contribution	Percentage Contributed
2012	$ 2,406,148	$ 2,261,506	$ 474,116 *	100%
2011	2,084,305	1,600,169	484,135 *	100%
2010	1,895,444	1,411,309	484,135 *	100%
2009	1,305,882	821,747	484,135 *	100%
2008	1,028,829	544,694	484,135 *	100%
2007	1,005,018	613,274	391,744 *	100%

* Frozen per Florida Statutes, Chapters 175 and 185, as amended. This represents the amount of State funding allowed to be used for current benefits. The increment between this amount and the actual amount provided by the State must be retained.

The information presented in the required supplemetary schdules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest acutuarial valuation follows:

Valuation date	10/01/10
Actuarial cost method	Entry Age Normal Cost
Amortization method	Level percent of pay, closed basis
Remaining amortization period	20 years
Asset valuation method	4 year smoothed market average
Actuarial assumptions:	
Investment rate of return	8%
Projected salary increases	6% (Includes inflation at 3%)

CITY OF PLANT CITY, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Special Revenue Funds			Debt Service Funds			
	Streets	Community Development Block Grant	Community Investment Tax	Infrastructure Sales Tax Revenue Bonds	Stadium Loan	Capital Projects Funds-Combined	Total Nonmajor Governmental Funds
Assets							
Cash and Cash Equivalents	$ 1,361,883	$ 273,631	$ 1,012,970	$ -	$ -	$ 11,091,619	$ 13,740,103
Due From Other Governments	163,191	90,917	141,017	-	-	-	395,125
Restricted Cash	-	-	-	404,855	387,810	-	792,665
Land Held for Resale	-	161,577	-	-	-	-	161,577
Total Assets	$ 1,525,074	$ 526,125	$ 1,153,987	$ 404,855	$ 387,810	$ 11,091,619	$ 15,089,470
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable	$ 64,616	$ 66,282	$ -	$ -	$ -	$ 97,141	$ 228,039
Due to Other Funds	-	-	74,728	-	-	-	74,728
Due to Other Governments	-	146,383	-	-	-	-	146,383
Deferred Revenues	-	-	-	-	300,000	-	300,000
Advances from Other Funds	-	-	116,751	-	-	-	116,751
Total Liabilities	64,616	212,665	191,479	-	300,000	97,141	865,901
Fund Balances:							
Restricted	-	313,460	962,508	404,855	87,810	4,974,265	6,742,898
Committed	1,270,353	-	-	-	-	6,020,213	7,290,566
Assigned	190,105	-	-	-	-	-	190,105
Total Fund Balances	1,460,458	313,460	962,508	404,855	87,810	10,994,478	14,223,569
Total Liabilities and Fund Balances	$ 1,525,074	$ 526,125	$ 1,153,987	$ 404,855	$ 387,810	$ 11,091,619	$ 15,089,470

CITY OF PLANT CITY, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue Funds			Debt Service Funds			
	Streets	Community Development Block Grant	Community Investment Tax	Infrastructure Sales Tax Revenue Bonds	Stadium Loan	Capital Projects Funds-Combined	Total Nonmajor Governmental Funds
Revenues							
Intergovernmental Revenues	$ 2,182,404	$ 243,569	$ 1,462,752	$ -	$ 388,894	$ -	$ 4,277,619
Impact Fees	-	-	-	-	-	288,505	288,505
Contributions	-	-	-	-	-	4,500	4,500
Interest Revenue	269	47	461	-	35	3,829	4,641
Other Revenue	591	-	-	-	-	-	591
Total Revenues	2,183,264	243,616	1,463,213	-	388,929	296,834	4,575,856
Expenditures							
Current:							
General Government	-	-	800	-	-	8,514	9,314
Transportation	1,361,701	-	-	-	-	-	1,361,701
Physical Environment	-	138,223	-	-	-	556,504	694,727
Culture and Recreation	-	-	-	-	-	3,331	3,331
Debt Service:							
Principal	-	-	-	500,000	265,000	-	765,000
Interest	-	-	8,065	306,359	116,042	-	430,466
Other Debt Service Costs	-	-	-	300	3,674	-	3,974
Capital Outlay	18,087	120,953	-	-	-	632,829	771,869
Total Expenditures	1,379,788	259,176	8,865	806,659	384,716	1,201,178	4,040,382
Excess (Deficiency) of Revenues Over Expenditures	803,476	(15,560)	1,454,348	(806,659)	4,213	(904,344)	535,474
Other Financing Sources (Uses)							
Sale of Land	-	9,998	-	-	-	-	9,998
Transfers In	403,043	46,200	83,000	808,268	-	2,394,307	3,734,818
Transfers Out	(1,016,414)	-	(1,607,937)	-	-	(83,000)	(2,707,351)
Total Other Financing Sources (Uses)	(613,371)	56,198	(1,524,937)	808,268	-	2,311,307	1,037,465
Net Change in Fund Balance	190,105	40,638	(70,589)	1,609	4,213	1,406,963	1,572,939
Fund Balances-Beginning	1,270,353	272,822	1,033,097	403,246	83,597	9,587,515	12,650,630
Fund Balances-Ending	$ 1,460,458	$ 313,460	$ 962,508	$ 404,855	$ 87,810	$ 10,994,478	$ 14,223,569

CITY OF PLANT CITY, FLORIDA

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2012

	Capital Improvement	Streets RR&I	Community Investment RR&I	Impact Fees Library
Assets				
Cash and Cash Equivalents	$ 1,890,922	$ 2,725,568	$ 1,463,794	$ 254,391
Total Assets	$ 1,890,922	$ 2,725,568	$ 1,463,794	$ 254,391
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	$ 33,655	$ 21,850	$ 4,566	$ -
Total Liabilities	33,655	21,850	4,566	-
Fund Balances:				
Restricted	-	-	-	254,391
Committed	1,857,267	2,703,718	1,459,228	-
Total Fund Balances	1,857,267	2,703,718	1,459,228	254,391
Total Liabilities and Fund Balances	$ 1,890,922	$ 2,725,568	$ 1,463,794	$ 254,391

Impact Fees Fire	Impact Fees Police	Impact Fees Parks and Recreation	Impact Fees Transportation	Total Capital Projects Funds
$ 597,836	$ 5,872	$ 168,614	$ 3,984,622	$ 11,091,619
$ 597,836	$ 5,872	$ 168,614	$ 3,984,622	$ 11,091,619
$ -	$ -	$ -	$ 37,070	$ 97,141
-	-	-	37,070	97,141
597,836	5,872	168,614	3,947,552	4,974,265
-	-	-	-	6,020,213
597,836	5,872	168,614	3,947,552	10,994,478
$ 597,836	$ 5,872	$ 168,614	$ 3,984,622	$ 11,091,619

CITY OF PLANT CITY, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Capital Improvement	Streets RR&I	Community Investment RR&I	Impact Fees Library
Revenues				
Impact Fees	$ -	$ -	$ -	$ 32,273
Contributions	-	4,500	-	-
Interest Revenue	516	669	331	111
Total Revenues	516	5,169	331	32,384
Expenditures				
Current:				
General Government	8,514	-	-	-
Physical Environment	1,639	103,176	354,945	-
Culture and Recreation	-	-	3,331	-
Capital Outlay	479,619	72,180	19,842	-
Total Expenditures	489,772	175,356	378,118	-
Excess (Deficiency) of Revenues Over Expenditures	(489,256)	(170,187)	(377,787)	32,384
Other Financing Sources (Uses)				
Transfers In	537,000	1,057,638	799,669	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	537,000	1,057,638	799,669	-
Net Change in Fund Balance	47,744	887,451	421,882	32,384
Fund Balances-Beginning	1,809,523	1,816,267	1,037,346	222,007
Fund Balances-Ending	$ 1,857,267	$ 2,703,718	$ 1,459,228	$ 254,391

Impact Fees Fire	Impact Fees Police	Impact Fees Parks and Recreation	Impact Fees Transportation	Total Capital Projects Funds
$ 47,144	$ 70,980	$ 34,803	$ 103,305	$ 288,505
-	-	-	-	4,500
269	32	71	1,830	3,829
47,413	71,012	34,874	105,135	296,834
-	-	-	-	8,514
-	-	-	96,744	556,504
-	-	-	-	3,331
-	-	-	61,188	632,829
-	-	-	157,932	1,201,178
47,413	71,012	34,874	(52,797)	(904,344)
-	-	-	-	2,394,307
-	(83,000)	-	-	(83,000)
-	(83,000)	-	-	2,311,307
47,413	(11,988)	34,874	(52,797)	1,406,963
550,423	17,860	133,740	4,000,349	9,587,515
$ 597,836	$ 5,872	$ 168,614	$ 3,947,552	$ 10,994,478

CITY OF PLANT CITY, FLORIDA

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2012

	Fleet Acquisition Fund	Workers' Compensation Fund	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 4,095,779	$ 1,205,480	$ 5,301,259
Investments	924,097	-	924,097
Interest Receivable	4,684	-	4,684
Total Current Assets	5,024,560	1,205,480	6,230,040
Noncurrent Assets:			
Deposits	-	30,000	30,000
Capital Assets:			
Transportation Equipment	2,253,630	-	2,253,630
Less Accumulated Depreciation	(642,919)	-	(642,919)
Total Noncurrent Assets	1,610,711	30,000	1,640,711
Total Assets	6,635,271	1,235,480	7,870,751
Liabilities			
Current Liabilities:			
Accounts Payable	31,592	4,344	35,936
Other Current Liabilities	-	71,120	71,120
Total Current Liabilities	31,592	75,464	107,056
Total Liabilities	31,592	75,464	107,056
Net Assets			
Unrestricted	6,603,679	1,160,016	7,763,695
Total Net Assets	$ 6,603,679	$ 1,160,016	$ 7,763,695

CITY OF PLANT CITY, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Fleet Replacement Fund	Workers' Compensation Fund	Total
Operating Revenue			
Charges for Services	$ 701,958	$ 181,425	$ 883,383
Total Operating Revenue	701,958	181,425	883,383
Operating Expenses			
Other Services and Charges	-	152,579	152,579
Depreciation	311,068	-	311,068
Total Operating Expenses	311,068	152,579	463,647
Operating Income	390,890	28,846	419,736
Nonoperating Revenue			
Interest Revenue	4,809	323	5,132
Total Nonoperating Revenue	4,809	323	5,132
Income Before Contributions and Transfers	395,699	29,169	424,868
Transfers In	785,559	-	785,559
Change in Net Assets	1,181,258	29,169	1,210,427
Net Assets-Beginning	5,422,421	1,130,847	6,553,268
Net Assets-Ending	$ 6,603,679	$ 1,160,016	$ 7,763,695

CITY OF PLANT CITY, FLORIDA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Fleet Acquisition Fund	Workers' Compensation Fund	Total
Cash Flows from Operating Activities			
Receipts from Other Funds For Goods and Services	$ 701,958	$ 181,425	$ 883,383
Payments to Suppliers for Goods and Services	31,592	(201,111)	(169,519)
Net Cash Provided (Used) by Operating Activities	733,550	(19,686)	713,864
Cash Flows from Noncapital Financing Activities			
Transfers between Funds	785,559	-	785,559
Net Cash Provided by Noncapital Financing Activities	785,559	-	785,559
Cash Flows from Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	(816,082)	-	(816,082)
Net Cash Used by Capital and Related Financing Activities	(816,082)	-	(816,082)
Cash Flows from Investing Activities			
Additions to Investments	(647,097)	-	(647,097)
Interest	4,809	323	5,132
Net Cash Provided (Used) by Investing Activities	(642,288)	323	(641,965)
Net Increase (Decrease) in Cash and Cash Equivalents	60,739	(19,363)	41,376
Cash and Cash Equivalents at Beginning of Year	4,035,040	1,224,843	5,259,883
Cash and Cash Equivalents at End of Year	$ 4,095,779	$ 1,205,480	$ 5,301,259
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income	$ 390,890	$ 28,846	$ 419,736
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	311,068	-	311,068
Change in Assets and Liabilities			
Prepaid Expense	-	-	-
Accounts Payable	31,592	(369)	31,223
Other Current Liabilities	-	(48,163)	(48,163)
Net Cash Provided (Used) by Operating Activities	$ 733,550	$ (19,686)	$ 713,864

bella hermida
Hurn & Stertzer
Certified Public Accountants

Members of
Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

James E. Hurn
Charlotte M. Stertzer
Karen L. White

SPECIAL REPORT ON COMPLIANCE WITH COVENANTS OF BOND ORDINANCES

To the Honorable Mayor and
Board of City Commissioners
City of Plant City, Florida

We have audited the basic financial statements of the City of Plant City, Florida (the "City") for the year ended September 30, 2012, and have issued our report thereon dated May 29, 2013. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

As part of our audit, nothing came to our attention to suggest that the City was not in compliance with the covenants of Resolution No. 164-1994, duly adopted by the City Commission on October 10, 1994, as supplemented by Resolution No. 34-1995 adopted on February 17, 1995, Resolution 56-1998 adopted on April 13, 1998 and Resolution 172-1998 adopted on November 9, 1998. Additionally, as part of our audit, nothing came to our attention to suggest that the City was not in compliance with the covenants of Resolution 173-1998, duly adopted by the City Commission on November 8, 1998, as supplemented by Resolution 41-1999 adopted on March 22, 1999 and Resolution 54-1999 adopted on April 26, 1999, as further supplemented by Resolution 245-2003 adopted on October 27, 2003 and as further amended and supplemented by Resolution 46-2004 adopted on March 8, 2004, and as further amended and supplemented by Resolution 57-2004 adopted on March 22, 2004. It should be noted that the primary purpose of our engagement was to form an opinion on the basic financial statements and was not to determine whether the City had observed the covenants of the aforementioned bond resolutions.

Respectfully submitted,

BELLA, HERMIDA, HURN & STERTZER

Bella, Hermida, Hurn & Stertzer

Certified Public Accountants
May 29, 2013

1503 S. Alexander Street • Suite 103 • Plant City, Florida 33563-8409
Office: (813) 752-6183 • Fax: (813) 752-2714

bella hermida
Hurn & Stertzer
Certified Public Accountants

Members of
Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

James E. Hurn
Charlotte M. Stertzer
Karen L. White

SPECIAL REPORT ON COMPLIANCE WITH COVENANTS OF STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION STATE REVOLVING FUND LOAN AGREEMENT

To the Honorable Mayor and
Board of City Commissioners
City of Plant City, Florida

We have audited the basic financial statements of the City of Plant City, Florida for the year ended September 30, 2012, and have issued our report thereon dated May 29, 2013. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

As part of our audit, nothing came to our attention to suggest that the City of Plant City, Florida was not in compliance with the covenants of the State of Florida Department of Environmental Protection Clean Water State Revolving Fund Construction Loan Agreements. The rate coverage requirements have been satisfied by the revenues collected. It should be noted that the primary purpose of our engagement was to form an opinion on the basic financial statements, and was not to determine whether the City had observed the covenants of the aforementioned loan agreements.

Respectfully submitted,

BELLA, HERMIDA, HURN & STERTZER

Bella, Hermida, Hurn & Stertzer

Certified Public Accountants
May 29, 2013

1503 S. Alexander Street • Suite 103 • Plant City, Florida 33563-8409
Office: (813) 752-6183 • Fax: (813) 752-2714

CITY OF PLANT CITY, FLORIDA

SCHEDULE OF FEDERAL, STATE AND LOCAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title		Federal CFDA Number	Contract / Grant Number	Grant Expenditures
FEDERAL FINANCIAL ASSISTANCE				
U.S. Department of Housing and Urban Development				
Pass-through State of Florida and Hillsborough County				
Housing and Community Development Department				
Community Development Block Grant		14.218		$ 243,569
U.S. Department of Health and Human Services				
Office of Centers for Disease Control and Prevention				
Pass-through State of Florida,				
Department of Health Public Health Dental Program				
Florida Fluoridation Project		93.991	COH8Y	56,762
U.S. Department of Justice				
Office of Community Oriented Policing Services				
Public Safety Partnership and Community Policing Grants				
Law Enforcement Technology	*	16.710	2009-CK-WX-0206	300,000
ARRA-COPS Hiring Recovery Program	*	16.710	2009-RK-WX-0222	194,802
Office of Justice Programs, Bureau of Justice Assistance				
Bulletproof Vest Partnership Programs		16.607	2009593	4,095
Edward Byrne Memorial Justice Assistance Grant Program		16.738	2011-DJ-BX-2516	18,562
Edward Byrne Memorial Justice Assistance Grant Program		16.738	2012-DJ-BX-0125	13,309
Total U. S. Department of Justice				530,768
U.S. Department of Homeland Security -				
Federal Emergency Management Agency				
U.S. Fire Administration				
Assistance to Firefighters Grant		97.044	EMW-2010-FO-05210	67,932
U.S. Dept of Transportation - Federal Highway Administration				
Pass-through State of Florida, Department of Transportation				
Local Agency Program - Mendonza Road Safe				
Routes to School Safety Project		20.205	AQ003	8,840
U.S. Environmental Protection Agency -				
Office of Solid Waste and Emergency Response				
Brownfields Assessment and Cleanup Cooperative				
Agreements -				
Hazardous Substances	*	66.818	BF-95481711	92,083
Petroleum	*	66.818	BF-95481711	217,641
Stock Building Supply	*	66.818	BL-97487803	125,000
Gro-Mor Fertilizer	*	66.818	BL-97487803	250,000
Total U. S. Environmental Protection Agency				684,724
TOTAL FEDERAL FINANCIAL ASSISTANCE				1,592,595

* **Major Program**

CITY OF PLANT CITY, FLORIDA

SCHEDULE OF FEDERAL, STATE AND LOCAL AWARDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Grantor/Pass-Through Grantor/Program Title		State CSFA Number	Contract / Grant Number	Grant Expenditures
STATE FINANCIAL ASSISTANCE				
State of Florida - Department of Environmental Protection				
Statewide Surface Water Restoration and Wastewater Projects Funding Grants	*	37.039	LP6774	451,896
Water Protection and Sustainability Program Trust Fund				
Pass-through Southwest Florida Water Management District				
Plant City Sydney Road Reclaimed Water Project (L816)	*	37.066	09CS0000018	287,142
Total State of Florida-Dept of Environmental Protection				739,038
State of Florida - Department of Health				
Bureau of Emergency Medical Services				
Emergency Medical Services		64.003	M0016	102,750
Pass-through Hillsborough County				
Emergency Medical Services		64.003		9,549
Total State of Florida-Dept of Health				112,299
State of Florida, Office of Tourism, Trade, and Economic Development				
Economic Development Transportation Trust Fund				
Gordon Food Service, Inc		31.002	10-00035	26,312
TOTAL STATE FINANCIAL ASSISTANCE				877,649
LOCAL FINANCIAL ASSISTANCE				
Hillsborough County Public Library Cooperative				
Pass-through Hillsborough County Board of County Commissioners			11-0848	191,220
Southwest Florida Water Management District				
Plant City Sydney Road Reclaimed Water Project (L816)			09CS0000018	648,494
TOTAL LOCAL FINANCIAL ASSISTANCE				839,714
TOTAL FEDERAL, STATE AND LOCAL FINANCIAL ASSISTANCE				$ 3,309,958

*** Major Program**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the Schedule of Expenditures of Federal, State and Local Awards of the City of Plant City, Florida have been designed to conform to accounting principles generally accepted in the United States of America as applicable to governmental units, including the reporting and compliance requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, Section 215.97, Florida Statutes, and Chapter 10.550, Rules of the Auditor General.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed in the Schedule of Federal, State and Local Awards. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred. In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Generally, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded.

NOTE 2: CONTINGENCIES

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowances, if any, would have a material effect on the financial position of the City.

bella hermida
Hurn & Stertzer
Certified Public Accountants

Members of
Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

James E. Hurn
Charlotte M. Stertzer
Karen L. White

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and Board
of City Commissioners
City of Plant City, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Plant City, Florida, as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 29, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City of Plant City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Plant City, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Plant City, Florida's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Plant City, Florida's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

1503 S. Alexander Street • Suite 103 • Plant City, Florida 33563-8409
Office: (813) 752-6183 • Fax: (813) 752-2714

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Plant City, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of Plant City, Florida, in the comments on page 85 of this report.

This report is intended solely for the information and use of management, the Board of City Commissioners, others within the entity, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

BELLA, HERMIDA, HURN & STERTZER

Bella, Hermida, Hurn & Stertzer

Certified Public Accountants
May 29, 2013

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

The Honorable Mayor and Board
of City Commissioners
City of Plant City, Florida

Compliance

We have audited the City of Plant City, Florida's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the City of Plant City, Florida's major federal programs and state projects for the year ended September 30, 2012. The City of Plant City, Florida's major federal programs and state projects are identified in the summary of auditors' results in section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects is the responsibility of the City of Plant City, Florida's management. Our responsibility is to express an opinion on the City of Plant City, Florida's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City of Plant City, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Plant City, Florida's compliance with those requirements.

In our opinion, the City of Plant City, Florida complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2012.

1503 S. Alexander Street • Suite 103 • Plant City, Florida 33563-8409
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Internal Control over Compliance

Management of the City of Plant City, Florida, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the City of Plant City, Florida's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Plant City, Florida's internal control over compliance.

A *deficiency in internal over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of City Commissioners, others within the entity, and federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

BELLA, HERMIDA, HURN & STERTZER

Bella, Hermida, Hurn & Stertzer

Certified Public Accountants
May 29, 2013

CITY OF PLANT CITY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	None
Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	None

Awards	State	Federal
Internal control over major programs:		
Material weakness(es) identified?	No	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported	None reported
Type of auditors' report issued on compliance for major programs:	Unqualified	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	No	No

Identification of major programs

CFDA/CSFA Numbers	Name of Project or Program
Federal: 16.710	Public Safety and Community Policing Grants
Federal: 66.818	Brownfields Assessment and Cleanup Cooperative Agreements
State: 37.039	Statewide Surface Water and Wastewater Funding Grants
State: 37.066	Plant City Sydney Road Reclaimed Water Project (L816)

Dollar threshold used to distinguish between Type A and Type B programs:

Federal	$300,000
State	$263,295

Auditee qualified as low-risk auditee? No

SECTION II – FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

None reported.

SECTION III – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section identifies the audit findings required to be reported by Circular A-133, (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

None reported.

SECTION IV – MAJOR STATE PROJECTS FINDINGS AND QUESTIONED COSTS

This section identifies the audit findings required to be reported by Chapter 10.550, Rules of the Auditor General.

None reported.

bella hermida
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INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Mayor and
Board of City Commissioners
City of Plant City, Florida

We have audited the basic financial statements of the City of Plant City, Florida, as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated May 29, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and State Project and on Internal Control over Compliance in Accordance With OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated May 29, 2013, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports or schedule:

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report, except for those reported below under the heading "Prior Year Findings and Recommendations".

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City of Plant City, Florida complied with Section 218.415, Florida Statutes, as it relates to the investment of the public funds.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations to improve the City's financial management. Recommendations to improve the City's financial management are reported below under the heading "Current Year Findings and Recommendations".

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PRIOR YEAR FINDINGS AND RECOMMENDATIONS

09-01. Fund Accounting

This finding has been corrected with the implementation of new financial reporting software. This finding was included in the two preceding fiscal years' financial audit reports.

09-02. Capital Expenditures

This finding has been corrected with the implementation of new financial reporting software. This finding was included in the two preceding fiscal years' financial audit reports.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

12-01. Year End Closing Procedures

Closing entries related to OPEB expense and fleet lease income were not recorded prior to providing the auditors' with the trial balances but were given to the auditors to post. In prior years' audits, these entries were not posted prior to providing the trial balances due to constraints of the former financial accounting software related to preparing the budget. This practice reduced audit efficiency and accuracy in terms of additional time required to record and review these entries by both the auditors and City management. During the year, the City implemented new financial reporting software that allows all year ended closing entries to be made without compromising the information required for preparation of the budget and did post most of closing entries that were left "open" in prior years. We recommend that management evaluate and update its written year end closing procedures and calendar to include all closing entries and to take advantage of the benefits of the new financial reporting system to achieve a more timely year end closing.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Please refer to Note 1 to the financial statements for these disclosures.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City of Plant City, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554 (1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City of Plant City, Florida for the fiscal year ended September 30, 2012, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2012. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

BELLA, HERMIDA, HURN& STERTZER

Bella, Hermida, Hurn & Stertzer

Certified Public Accountants
May 29, 2013

CITY OF PLANT CITY

MARTIN J. WISGERHOF
Finance Director
P.O. Box C
Plant City, Florida 33564
Telephone (813) 659-4200

May 29, 2013

Mayor and City Commissioners
City of Plant City
P.O. Drawer C
Plant City, Florida 33563

Dear Mayor and City Commissioners:

This letter is in response to the auditors' management letter contained in our audit report for the period ending September 30, 2012.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

12-01

AUDITOR:

Closing entries related to OPEB expense and fleet lease income were not recorded prior to providing the auditors' with the trial balances but were given to the auditors to post. In prior years' audits, these entries were not posted prior to providing the trial balances due to constraints of the former financial accounting software related to preparing the budget. This practice reduced audit efficiency and accuracy in terms of additional time required to record and review these entries by both the auditors and City management. During the year, the City implemented new financial reporting software that allows all year ended closing entries to be made without compromising the information required for preparation of the budget and did post most of closing entries that were left "open" in prior years. We recommend that management evaluate and update its written year end closing procedures and calendar to include all closing entries and to take advantage of the benefits of the new financial reporting system to achieve a more timely year end closing.

RESPONSE:

We concur: the year-end closing procedures will be reviewed and updated prior to next year's audit.

If you have any questions, please give me a call.

Sincerely,

Martin J. Wisgerhof
Finance Director