CITY OF PLANT CITY, FLORIDA

Annual Financial Report

For the Fiscal Year Ended
September 30, 2007

CITY OF PLANT CITY, FLORIDA

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CITY OF PLANT CITY, FLORIDA

CITY OFFICIALS
SEPTEMBER 30, 2007

ELECTED OFFICIALS

Rick A. Lott	Mayor – Commissioner
Robert P. Brown	Vice Mayor – Commissioner
William D. Dodson	Commissioner
Mary Y. Thomas Mathis	Commissioner
Daniel D. Raulerson	Commissioner

APPOINTED OFFICIALS

David R. Sollenberger	City Manager
Kenneth W. Buchman	City Attorney
Virginia L. Helper	City Clerk

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 ("the City"), as of and for the year ended September 30, 2007, 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 an opinion 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 basic 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, 2007, 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 April 30, 2008 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.

The Management's Discussion and Analysis, budgetary schedules and pension plan required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully submitted,

BELLA, HERMIDA, GILLMAN, HANCOCK & MUELLER

Bella, Hermida, Gillman, Hancock & Mueller

Certified Public Accountants
April 30, 2008

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, 2007 by $186,131,430 (net assets). Of this amount, unrestricted net assets total $58,356,040.

- The City's total net assets increased by $10,707,555 after an increase at the beginning of the year (as a prior period adjustment) of $29,256,086 to implement the retroactive provisions for reporting infrastructure assets required by GASB No. 34.

- As of September 30, 2007, the City of Plant City's governmental funds reported combined ending fund balances of $31,306,837, an increase of $2,610,175 over the prior year. Of this amount, unreserved fund balance totals $27,800,764.

- The City of Plant City's total debt (including compensated absences) increased by $31,977,223 (94%) during the current fiscal year primarily due to the debt incurred to finance the wastewater treatment facility.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statement's 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 (the previous model's) "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 water/sewer utility, sanitary services and industrial park.

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 seventeen 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, the Streets & Stormwater Fund and the Community Redevelopment Agency Fund, all of which are considered to be major funds. Data from the other fourteen 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 three 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 utility systems and industrial park. 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 $186,131,430.

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and Other Assets	$ 37,081,094	$ 32,163,992	$ 55,820,475	$ 47,777,861	$ 92,901,569	$ 79,941,853
Capital Assets	74,540,780	51,782,929	96,976,299	62,718,269	171,517,079	114,501,198
Total Assets	111,621,874	83,946,921	152,796,774	110,496,130	264,418,648	194,443,051
Long-term Liabilities Outstanding	15,307,499	16,051,362	50,133,049	17,592,778	65,440,548	33,644,140
Other Liabilities	4,993,923	4,380,579	7,852,747	10,250,542	12,846,670	14,631,121
Total Liabilities	20,301,422	20,431,941	57,985,796	27,843,320	78,287,218	48,275,261
Net Assets:						
Invested in Capital Assets, Net of Related Debt	60,028,560	34,800,291	46,264,756	44,571,997	106,293,316	79,372,288
Restricted	19,205,456	16,053,539	2,281,571	2,309,186	21,487,027	18,362,725
Unrestricted	12,086,436	12,661,150	46,264,651	35,771,627	58,351,087	48,432,777
Total Net Assets	$ 91,320,452	$ 63,514,980	$ 94,810,978	$ 82,652,810	$ 186,131,430	$ 146,167,790

Fifty-seven percent (57%) 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.

Twelve percent (12%) of the City's net assets represents resources that are subject to external restrictions on how they may be used.

At September 30, 2007, 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.

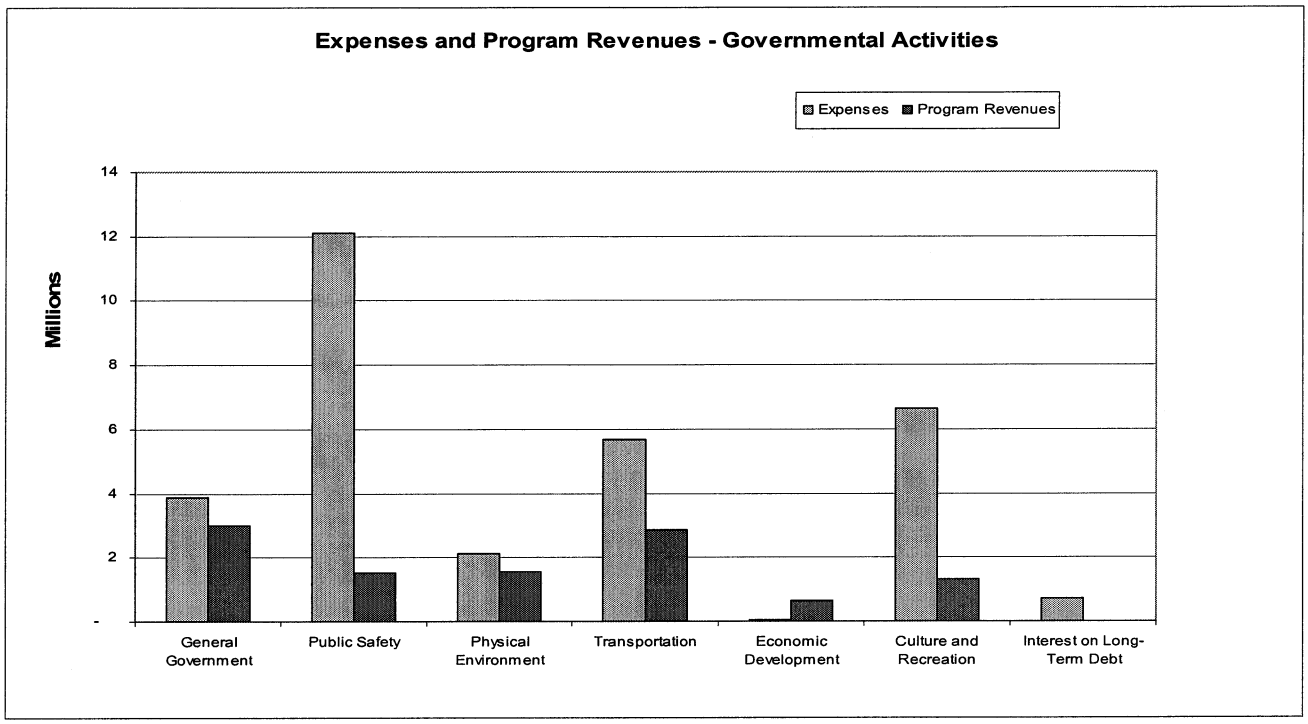
The increase in Net Assets Invested in Capital Assets, Net of Related Debt in the City's governmental activities is primarily due to the implementation of retroactive reporting of infrastructure in the current fiscal year, which resulted in recording the value of roads and other assets previously not included in Net Assets. The increase in net assets restricted is primarily due to an increase in revenues in capital project funds (includes impact fee funds) for capital projects that have not been started.

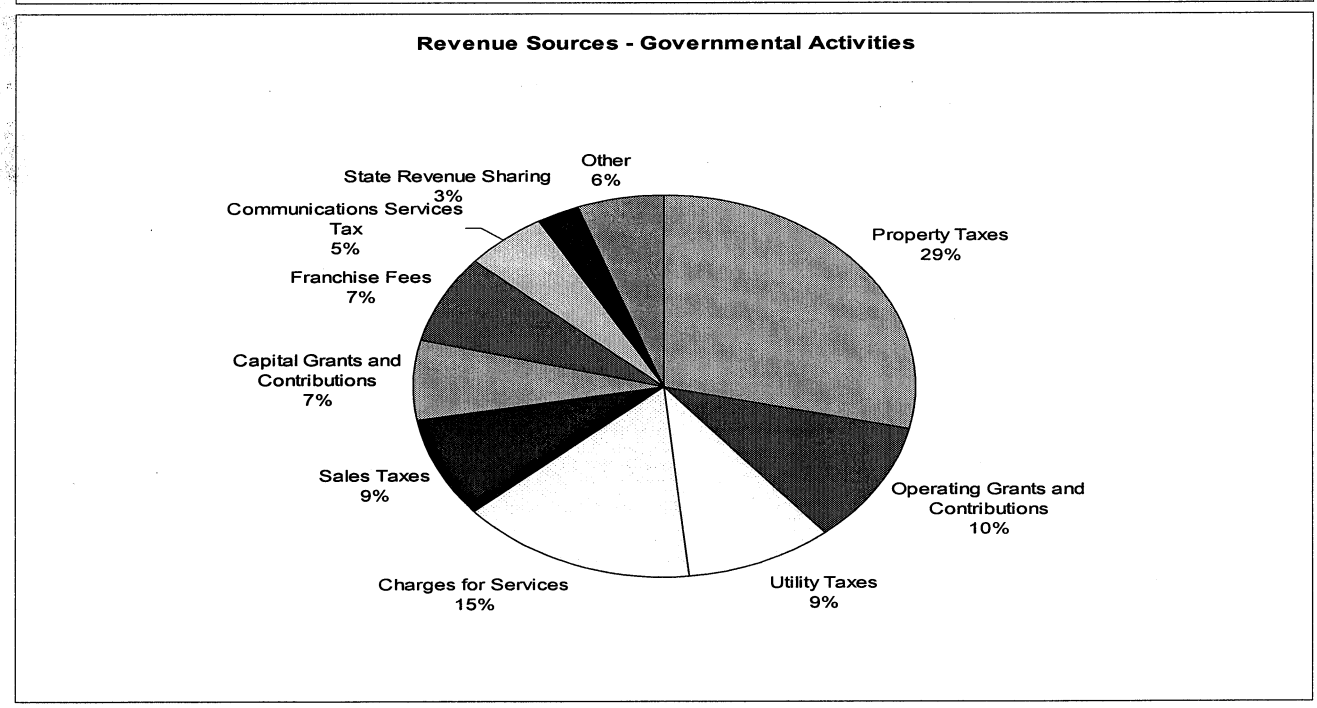
The increase in assets and net assets of the City's business-type activities is primarily due to the increase in charges for services, grants and interest revenue in the Water Sewer Fund. The water sewer rates were increased as of April 4, 2004 and will be increased each year October 1 through 2007 to fund the expansion of the City's wastewater treatment plant.

Statements of Activities

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program Revenues:						
Charges for Services	$ 5,132,052	$ 6,193,104	$ 22,379,921	$ 20,596,338	$ 27,511,973	$ 26,789,442
Operating Grants and Contributions	3,501,803	3,547,860		4,506,771	3,501,803	3,547,860
Capital Grants and Contributions	2,249,637	2,009,034	1,572,523		3,822,160	6,515,805
General Revenues:						
Property Taxes	9,545,009	8,161,496			9,545,009	8,161,496
Franchise Fees	2,477,595	2,297,086			2,477,595	2,297,086
Utility Taxes	3,103,832	3,086,946			3,103,832	3,086,946
Communications Services Tax	1,733,790	1,756,498			1,733,790	1,756,498
State Revenue Sharing	912,405	918,431			912,405	918,431
Sales Tax	2,925,827	3,086,437			2,925,827	3,086,437
Unrestricted Investment Earnings	1,807,900	1,242,993	2,446,713	2,324,973	4,254,613	3,567,966
Gain (Loss) on Disposal of Capital Assets	90,463	1,069,425			90,463	1,069,425
Transfers – Internal Activity	861,204		(861,204)			
Total Revenues	34,341,517	33,369,310	25,537,953	27,428,082	59,879,470	60,797,392
Expenses:						
General Government	3,882,963	3,578,387			3,882,963	3,578,387
Public Safety	12,081,922	11,546,865			12,081,922	11,546,865
Physical Environment	2,104,364	1,709,244			2,104,364	1,709,244
Transportation	5,684,947	2,661,450			5,684,947	2,661,450
Economic Development	30,112	35,960			30,112	35,960
Culture and Recreation	6,618,141	5,816,128			6,618,141	5,816,128
Interest on Long-Term Debt	706,622	728,802			706,622	728,802
Water/Sewer Utility			13,000,681	12,061,923	13,000,681	12,061,923
Sanitary Service			4,993,095	5,180,994	4,993,095	5,180,994
Industrial Park			69,068	37,401	69,068	37,401
Total Expenses	31,109,071	26,076,836	18,062,844	17,280,318	49,171,915	43,357,154
Increase in Net Assets	3,232,446	7,292,474	7,475,109	10,147,764	10,707,555	17,440,238
Net Assets – October 1	88,088,006	56,222,506	87,335,869	72,505,046	175,423,875	128,727,552
Net Assets – September 30	$ 91,320,452	$ 63,514,980	$ 94,810,978	$ 82,652,810	$ 186,131,430	$ 146,167,790





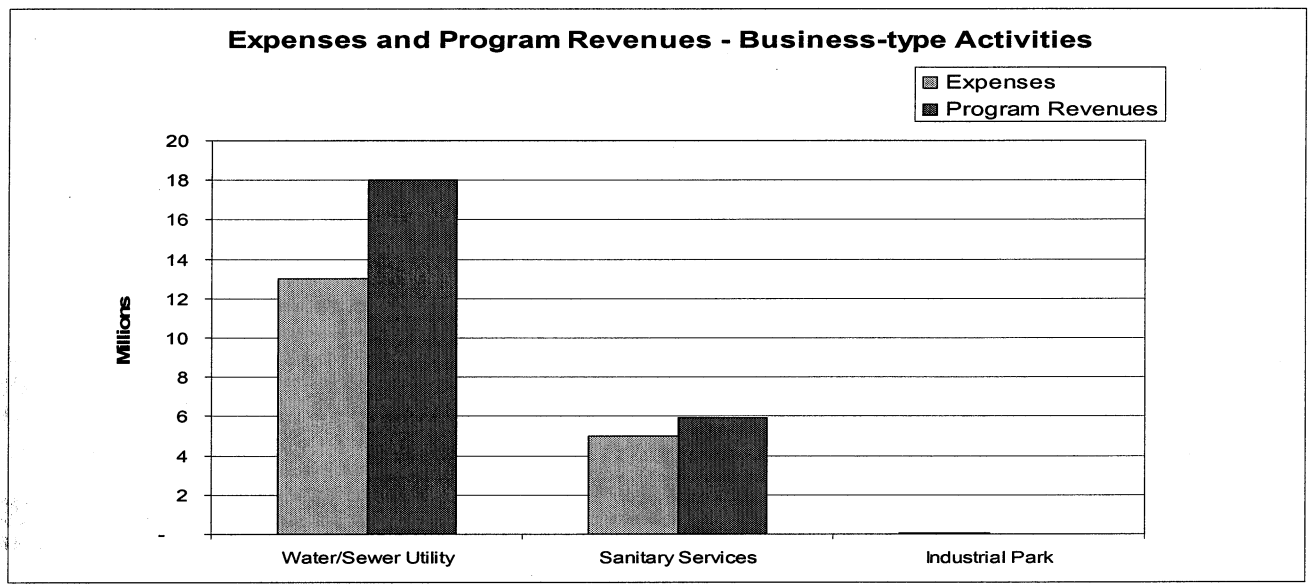
Governmental Activities

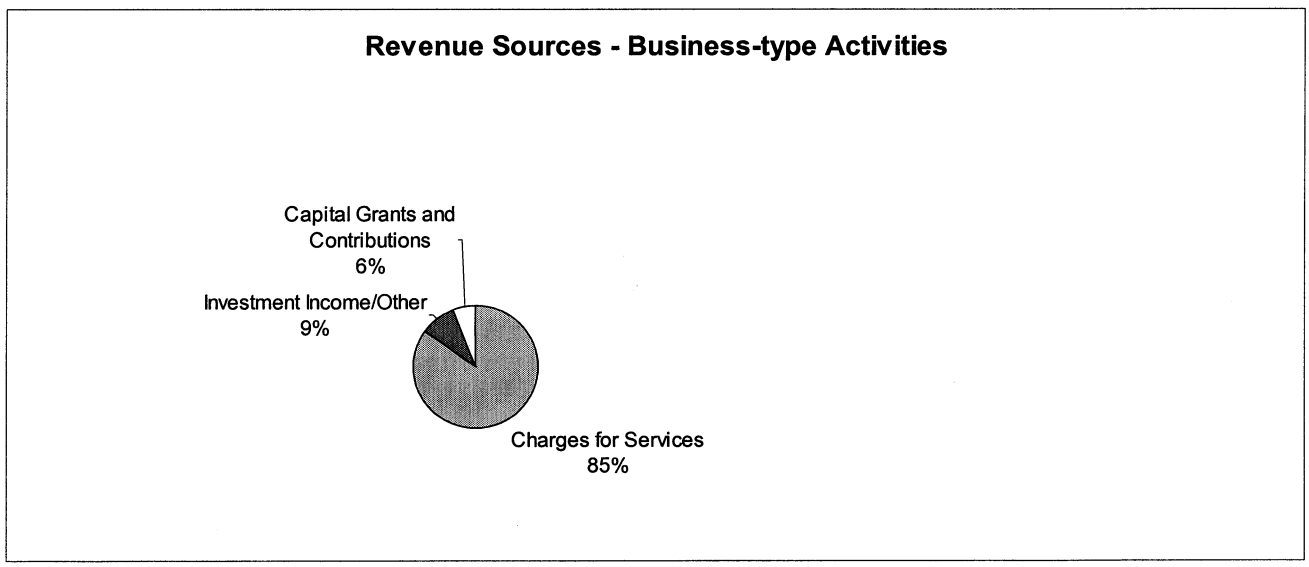
Governmental activities net assets increased by $3,232,446.

General revenues of governmental activities increased by approximately $1 million due to increase in property tax collections of $1,300,000, an increase in franchise fees revenues of $180,000, a decrease in state revenue sharing of $6,000, a decrease in communication services tax of $22,000, a decrease of sales tax revenues of $160,000, an increase in investment income of $565,000, and a decrease in the gain on disposal of fixed assets of $980,000.

Program revenues of governmental activities decreased by approximately $860,000 due primarily to a decrease in impact fee revenues.

Expenses of governmental activities increased by approximately $5,032,000 due to a general salary increase for all employees of 4.2% along with pay adjustments recommended by the pay study, and twenty-one new employees and benefits increased costs by $1,120,000, increase in insurance of $217,000, increase in other building and property repairs of $168,000, increase in other contractual services of $25,000, increase in water sewer and garbage costs of $39,000, increase in electric costs of $30,000, increase in pension costs of $160,000, increase in depreciation expense of $3,136,000, increase in other supplies of $57,000, and an increase in maintenance of motor equipment of $80,000.





Business-type Activities

Business-type activities net assets increased by $7,475,109.

Business-type Activities (Continued)

Program revenues of business-type activities decreased by approximately $1.2 million due to a decrease in grant revenues of $2.9 million, an increase offset by $1.7 million in sales of water, sewer and sanitation services and an increase in investment income of $1 million.

Expenses of business-type activities increased by approximately $780,000 due to a general salary increase for all employees of 4.2%, one new employee, and benefits increased costs by $381,000; increase in other contractual services of $106,000; decrease in landfill costs of $135,000; increase in depreciation of $667,000; decrease in maintenance of motor vehicles of $90,000; decrease in repairs to the collection system of $59,000; decrease in chemicals of $28,000; decrease in bad debt expense of $225,000; increase in electric of $75,000; increase in insurance of $117,000, and a decrease in administrative and legal expense of $26,000.

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, unreserved 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, 2007, the City's governmental funds reported combined ending fund balances of $31,306,837, an increase of $2,610,175 in comparison with the prior year. Approximately 89 percent of this total amount ($27,800,764) constitutes unreserved fund balance. Included in this amount are designations of $13,039,004, which have been earmarked by the City for specific purposes. The remainder of fund balance, $3,506,073, is reserved to indicate that it is not available for new spending because it has already been committed to liquidate purchase orders of the prior period, debt services and other commitments.

The General Fund is the chief operating fund of the City. At September 30, 2007, the unreserved fund balance of the General Fund was $10,121,284 while the total fund balance was $11,924,863. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 45% of total General Fund expenditures, while total fund balance represents 53% of that same amount.

The fund balance of the City's General Fund increased by $229,368 during the current fiscal year.

The fund balance of the Streets & Stormwater Fund increased by $355,380 during the current fiscal year.

The fund balances of the Community Redevelopment Agency Fund increased by $1,002,061 due to receipt of tax revenues in excess of debt service and capital outlay.

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 and the Sanitary Service Fund at September 30, 2007 amounted to $40,247,333 and $2,516,661, respectively. The change in net assets was $7,103,757 and $272,229, respectively.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences in appropriations between the original budget and the final amended budget amounted to $2,304,238. Of this amount, $217,192 is attributed to the previous year's reserve for encumbrances. The remaining $2,087,046 increase in appropriations can be briefly summarized as follows:

- Re-appropriated $14,000 for remodeling of the Cemetery Building.
- Re-appropriated $1,500 for new cemetery software.
- Money was advanced by the industrial park fund of $92,610 to the general fund for remodeling of the Michael S. Sparkman Police Building, Motor Garage and General Service Building.
- Set up balance of the following grants which were budgeted in 2006-2007:

Emergency Medical Service Grant	$ 49,642
Hazard Mitigation Grant for Fire Station 1	56,250
Hazard Mitigation Grant for Fire Station 2	94,500
Hazard Mitigation Grant for Police Station	105,375
Florida Recreation Development Assistant Grant	200,000
SWFWMD Grant West Side Canal Computer Model	12,650
Hazard Mitigation Grant for General Service Building	22,500
	$ 540,917

- Set up balance of grant of $10,500 from Bill/Melinda Gates Foundation.
- Re-appropriated $18,000 for remodeling of Library which cost $53,000. The balance of the cost of $35,000 will be paid for by donations.
- Repayment of Loan to the industrial park fund of $207,391 paid for from proceeds of land sales.
- To record receipt of a $22,928 grant from the Department of Health to purchase two chest compression devices.
- Improvements to the Randy Larson Four Plex of $10,000 for the pig jam event funded by donations.
- Transferred $994,700 to the fleet replacement fund. Funding sources are re-appropriated funds of $922,750 and increases in other revenue items of $71,950.
- Increased transfer to cemetery escrow account by $63,600 to cover increase in revenues from cemetery lot sales and interest on escrow funds above what had been budgeted.
- Increased recreation department expenditures by $75,900, which was offset by increase in revenues from recreation activities.

Of this increase, $1,130,796 was offset by increases in revenues or loans, and the remaining $1,173,442 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, 2007 amounts to $171,517,079 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, vehicles and equipment. After recognizing the effects of GASBS No. 4 (as explained on page 4) the total increase in the City's investment in capital assets for the current fiscal year (net of accumulated depreciation) was $27,759,795. Infrastructure for the governmental activities is reported prospectively beginning October 1, 2003. Reporting for infrastructure acquired prior to this date was implemented in fiscal year 2007, which recorded an increase of $29,256,086 in net assets as of January 1, 2007.

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

- Remodeling of the Library
- MERF Building
- Coronet waterline extension
- Park Road Landscape
- Washington Street drainage project

Capital Assets at Year End (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	$ 11,756,355	$ 12,082,024	$ 1,958,628	$ 1,870,996	$ 13,714,983	$ 13,953,020
Improvements	42,023,089	20,439,486	199,747	237,148	42,222,836	20,676,634
Plant and Plant Improvements			32,303,380	29,404,404	32,303,380	29,404,404
Buildings and Building Improvements	13,245,824	13,679,366	7,095,533	7,320,326	20,341,357	20,999,692
Equipment	2,416,994	2,254,828	780,748	705,280	3,197,742	2,960,108
Transportation Equipment	2,772,871	2,169,965	1,515,488	1,497,685	4,288,359	3,667,650
Library Books	522,938	513,326			522,938	513,326
Construction in Progress	1,802,709	643,934	53,122,775	21,682,430	54,925,484	22,326,364
Total	$ 74,540,780	$ 51,782,929	$ 96,976,299	$ 62,718,269	$ 171,517,079	$ 114,501,198

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

Long-Term Debt

At the end of the current fiscal year, the City had total bonds and loans outstanding of $35,128,910, an increase of $576,796 over the prior year.

Long-Term Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenue Bonds and Loans	$ 16,327,927	$ 16,982,638	$ 50,711,543	$ 18,146,272	$ 67,039,470	$ 35,128,910
Total	$ 16,327,927	$ 16,982,638	$ 50,711,543	$ 18,146,272	$ 67,039,470	$ 35,128,910

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

NEXT YEAR'S BUDGETS AND RATES

During the current fiscal year, unreserved fund balance in the General Fund decreased from $10,274,695 to $10,121,284. The City has appropriated $2,959,171 of this amount for spending in the 2007 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes during the 2008 fiscal year.

The City's millage rate for fiscal year 2008 is 4.1653 which is a decrease from fiscal year 2007 millage rate of 4.7 mills. For the fiscal year 2008, the City's property tax valuation increased by $217,110,727 (11.24%).

The Streets & Stormwater Fund costs keep increasing while revenues remain relatively flat. The Streets & Stormwater Fund relies on a General Fund transfer to cover the shortfall, which puts a drain on the General Fund. The City of Plant City approved an increase in stormwater fee rates from $1 per equivalent residential unit to $3 per equivalent residential unit effective October 1, 2004 and to $4 per equivalent unit on October 1, 2005. Beginning with October 1, 2006 and continuing October 1 of each successive year the monthly equivalent residential rate shall increase annually by three percent.

On March 19, 2004, the City of Plant City approved rate increases for the Water and Sewer Fund. The rates went into effect April 1, 2004 and each October 1 starting on October 1 of 2004 through 2007. The average water rate increase each time is 3% and the average sewer rate increase each time is 9%. All water and sewer rates will increase annually beginning October 1, 2008 and continuing upon October 1 of each successive year based on the U.S. Gross Domestic (GDP) Deflator in effect on said date. The additional rates are due to required wastewater plant upgrade and expansion. These rates were designed to meet the coverage required for issuing a $45,000,000 bond issue in 2006 to cover part of the cost to upgrade the plant.

The water and wastewater development fees were increased starting May 1, 2004 and on October 1 of each year beginning with October 1 of 2005 through 2008.

In September 2005, the City of Plant City approved a rate increase for the Sanitation Fund for the next five years. The residential rate increased from $18.34 to $22.25 effective October 1, 2005. The residential rate increases are $24.03 on October 1, 2006, to $25.95 on October 1, 2007, to $28.03 on October 1, 2008 and to $29.43 on October 1, 2009. The rate will increase at a rate of 3% per annum beginning with October 1, 2010.

The fiscal year 2007-08 budget included a general pay increase for all employees of 5.0%. The budget decreased by 37.7% over the prior year budget. The decrease is primarily due to the proceeds of a loan of $32,780,000 for wastewater reclamation facility plant upgrade that was budgeted in fiscal year 2006-07. Excluding the cost of the expansion, the overall expenditures decreased by 6.2% in the new year's budget.

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, 2007

	Governmental Activities	Business-Type Activites	Total
ASSETS			
Cash and Cash Equivalents	$ 18,220,808	$ 6,256,815	$ 24,477,623
Investments	15,217,614	39,706,305	54,923,919
Accounts Receivable – Net	710,728	2,534,701	3,245,429
Accrued Interest Receivable	43,891	12,650	56,541
Internal Balances – Due from Other Funds	(48,667)	48,667	
Due from Other Governments	983,757	575,075	1,558,832
Inventory	55,473	214,955	270,428
Other Current Assets	256,099		256,099
Restricted Assets:			
Cash and Cash Equivalents		2,276,479	2,276,479
Investments		1,838,163	1,838,163
Cash with Fiscal Agents	1,213,874	1,177,919	2,391,793
Deposits	30,000		30,000
Deferred Charges	346,377	182,096	528,473
Land Held for Resale	51,140	996,650	1,047,790
Capital Assets (Net of Accumulated Depreciation):			
Land	11,756,355	1,958,628	13,714,983
Improvements	42,023,089	199,747	42,222,836
Plant and Plant Improvements		32,303,380	32,303,380
Buildings and Building Improvements	13,245,824	7,095,533	20,341,357
Equipment	2,416,994	780,748	3,197,742
Transportation Equipment	2,772,871	1,515,488	4,288,359
Library Books	522,938		522,938
Construction in Progress	1,802,709	53,122,775	54,925,484
Total Assets	111,621,874	152,796,774	264,418,648
LIABILIITES AND FUND BALANCES			
Liabilities:			
Accounts Payable	935,090	4,210,292	5,145,382
Due to Other Governments	245,884		245,884
Other Current Liabilities	1,027,000	612,587	1,639,587
Deferred Revenue	390,857	18,879	409,736
Current Portion of Long-Term Debt	1,710,302		1,710,302
Current Liabilities Payable from Restricted Assets:			
Current Portion of Long-Term Debt	684,790	785,000	1,469,790
Accrued Interest Payable		392,919	392,919
Deposits		1,833,070	1,833,070
Noncurrent Liabilities:			
Long-Term Debt	15,307,499	49,926,543	65,234,042
Accrued Landfill Closure Costs		206,506	206,506
Total Liabilities	20,301,422	57,985,796	78,287,218
Net Assets:			
Invested in Capital Assets, Net of Related Debt	60,028,560	46,264,756	106,293,316
Restricted for:			
Debt Service	1,213,874	1,588,163	2,802,037
Capital Projects	6,221,688	693,408	6,915,096
Other Purposes	1,803,579		1,803,579
Community Development	3,416,718		3,416,718
Streets & Stormwater Improvements	6,549,597		6,549,597
Unrestricted	12,086,436	46,264,651	58,351,087
Total Net Assets	$ 91,320,452	$ 94,810,978	$ 186,131,430

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

CITY OF PLANT CITY, FLORIDA

STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2007

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$ 3,882,963	$ 1,215,639	$ 172,387	$ 1,599,904
Public Safety	12,081,922	780,461	696,266	26,592
Physical Environment	2,104,364	1,516,278		41,409
Transportation	5,684,947	1,050,142	1,816,358	
Economic Development	30,112		472,161	174,183
Culture and Recreation	6,618,141	569,532	344,631	407,549
Interest on Long-Term Debt	706,622			-
Total Governmental Activities	31,109,071	5,132,052	3,501,803	2,249,637
Business-Type Activities:				
Water/Sewer Utility	13,000,681	16,450,674		1,572,523
Sanitary Service	4,993,095	5,929,247		
Industrial Park	69,068			-
Total Business-Type Activities	18,062,844	22,379,921		1,572,523
Total	$ 49,171,915	$ 27,511,973	$ 3,501,803	$ 3,822,160

General Revenues:
Property Taxes
Franchise Fees
Utility Taxes
Communications Services Tax
State Revenue Sharing
Sales Tax
Unrestricted Investment Earnings
Gain on Disposal of Capital Assets
Transfers – Internal Activity

Total General Revenues and Transfers

Change in Net Assets

Net Assets – Beginning, Restated

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**
$ (895,033)	$	$ (895,033)
(10,578,603)		(10,578,603)
(546,677)		(546,677)
(2,818,447)		(2,818,447)
616,232		616,232
(5,296,429)		(5,296,429)
(706,622)		(706,622)
(20,225,579)		(20,225,579)
	5,022,516	5,022,516
	936,152	936,152
	(69,068)	(69,068)
	5,889,600	5,889,600
$ (20,225,579)	$ 5,889,600	$ (14,335,979)
9,545,009		9,545,009
2,477,595		2,477,595
3,103,832		3,103,832
1,733,790		1,733,790
912,405		912,405
2,925,827		2,925,827
1,807,900	2,446,713	4,254,613
90,463		90,463
861,204	(861,204)	-
23,458,025	1,585,509	25,043,534
3,232,446	7,475,109	10,707,555
88,088,006	87,335,869	175,423,875
$ 91,320,452	$ 94,810,978	$ 186,131,430

CITY OF PLANT CITY, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007

	Major Funds				
	General Fund	Streets and Stormwater Fund	Community Redevelopment Agency Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 2,440,872	$ 2,719,011	$ 2,118,065	$ 9,234,381	$ 16,512,329
Investments	9,054,935			4,479,708	13,534,643
Accounts Receivable	611,535	99,193			710,728
Accrued Interest Receivable	8,554	5,849	6,436	19,788	40,627
Due from Other Funds	251,608	5,160		215,303	472,071
Due from Other Governments	467,100	308,638		208,019	983,757
Inventory	55,473				55,473
Other Current Assets	228,400				228,400
Restricted Assets:					
Cash and Investments with Fiscal Agents				1,213,874	1,213,874
Land Held for Resale				51,140	51,140
Total Assets	$ 13,118,477	$ 3,137,851	$ 2,124,501	$ 15,422,213	$ 33,803,042
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 479,967	$ 67,143	$ 32,088	$ 342,064	$ 921,262
Due to Other Funds	15,790	261,029		7,268	284,087
Due to Other Governments	39,132			206,752	245,884
Other Current Liabilities	654,115				654,115
Deferred Revenues	4,610			386,247	390,857
Total Liabilities	1,193,614	328,172	32,088	942,331	2,496,205
Fund Balances:					
Reserved for:					
Encumbrances	305,972	151,041		337,579	794,592
Debt Service				1,213,874	1,213,874
Other Purposes	1,497,607				1,497,607
Unreserved, reported in:					
General Fund:					
Designated for Liability Claims	1,418,667				1,418,667
Undesignated	8,702,617				8,702,617
Special Revenue Funds:					
Designated for Capital Outlays		16,213			16,213
Undesignated		2,642,425	2,092,413	1,324,305	6,059,143
Capital Projects Funds:					
Designated for Capital Outlays				11,604,124	11,604,124
Total Fund Balances	11,924,863	2,809,679	2,092,413	14,479,882	31,306,837
Total Liabilities and Fund Balances	$ 13,118,477	$ 3,137,851	$ 2,124,501	$ 15,422,213	$ 33,803,042

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, 2007

Total Fund Balances of Governmental Funds in the Balance Sheet	$ 31,306,837
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 are not reported in the funds, net of accumulated depreciation of $98,035,499.	74,540,780
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.	2,829,048
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	(15,558,935)
Capital Lease Obligations	(422,085)
Accrued Compensated Absences	(1,375,193)
Net Assets of Governmental Activities	$ 91,320,452

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 FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Major Funds				
	General Fund	Streets and Stormwater Fund	Community Redevelopment Agency Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	$ 8,164,348	$	$ 1,380,661	$	$ 9,545,009
Franchise Fees	2,477,595				2,477,595
Utility Taxes	3,103,832				3,103,832
Licenses and Permits	1,223,703				1,223,703
Intergovernmental Revenues	6,762,635	1,920,472		2,614,248	11,297,355
Charges for Services	836,828	1,515,088			2,351,916
Fines and Forfeitures	218,970				218,970
Impact Fees				1,258,331	1,258,331
Contributions	99,653			13,000	112,653
Interest Revenue	731,699	137,704	105,513	719,500	1,694,416
Other Revenue	160,731	1,190		32,000	193,921
Total Revenues	23,779,994	3,574,454	1,486,174	4,637,079	33,477,701
EXPENDITURES					
Current:					
General Government	3,544,994			2,000	3,546,994
Public Safety	11,239,790				11,239,790
Physical Environment		958,667	175	623,003	1,581,845
Transportation	220,889	2,248,033		35,618	2,504,540
Economic Development	6,809				6,809
Culture and Recreation	5,657,942			5,674	5,663,616
Debt Service:					
Principal	64,490	37,325	202,697	663,627	968,139
Interest	9,816	2,488	57,957	616,527	686,788
Other Debt Service Costs				1,775	1,775
Capital Outlay	1,580,798	347,679	272,864	2,245,729	4,447,070
Total Expenditures	22,325,528	3,594,192	533,693	4,193,953	30,647,366
Excess (Deficiency) of Revenues Over Expenditures	1,454,466	(19,738)	952,481	443,126	2,830,335
OTHER FINANCING SOURCES (USES):					
Capital Lease Proceeds	318,604				318,604
Sale of Capital Assets	405,764	34,904	49,580		490,248
Transfers In	390,000	990,700		2,883,632	4,264,332
Transfers Out	(2,339,466)	(650,486)		(2,303,392)	(5,293,344)
Total Other Financing Sources (Uses)	(1,225,098)	375,118	49,580	580,240	(220,160)
Net Change in Fund Balances	229,368	355,380	1,002,061	1,023,366	2,610,175
Fund Balances – Beginning	11,695,495	2,454,299	1,090,352	13,456,516	28,696,662
Fund Balances – Ending	$ 11,924,863	$ 2,809,679	$ 2,092,413	$ 14,479,882	$ 31,306,837

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 FISCAL YEAR ENDED SEPTEMBER 30, 2007

Net Change in Fund Balances – Total Governmental Funds	$ 2,610,175
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	4,447,070
Depreciation Expense	(5,922,197)
	(1,475,127)
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.	(399,783)
Donations of capital assets increase net assets in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.	59,734
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	(318,604)
Principal repayment of long-term debt	968,139
Amortization of deferred issuance costs	(18,059)
Change in compensated absences	(67,194)
	564,282
The net revenue of certain activities of internal service funds is reported with governmental activities.	1,873,165
Change in Net Assets of Governmental Activities	$ 3,232,446

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, 2007

	Business-Type Activities – Enterprise Funds				
	Major Funds		Nonmajor Fund		Governmental Activities –
	Water and Sewer Fund	Sanitary Service Fund	Industrial Park Fund	Total	Internal Service Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 1,070,571	$ 2,896,605	$ 2,289,639	$ 6,256,815	$ 1,708,479
Investments	39,706,305			39,706,305	1,682,971
Accounts Receivable	2,154,372	380,329		2,534,701	
Accrued Interest Receivable		7,776	4,874	12,650	3,264
Due from Other Funds	6,590	23,887		30,477	
Due from Other Governments	575,075			575,075	
Inventory	214,955			214,955	
Prepaid Expenses					27,699
Total Current Assets	43,727,868	3,308,597	2,294,513	49,330,978	3,422,413
Noncurrent Assets:					
Restricted Assets:					
Cash and Cash Equivalents	2,276,479			2,276,479	
Investments	1,838,163			1,838,163	
Cash and Investments with Fiscal Agents	1,177,919			1,177,919	
Deposits					30,000
Deferred Charges	182,096			182,096	
Land Held for Resale			996,650	996,650	
Capital Assets:					
Land	1,958,628			1,958,628	
Land Improvements			935,046	935,046	
Plant and Plant Improvements	67,506,075			67,506,075	
Buildings and Building Improvements	11,747,271	76,687		11,823,958	
Equipment	1,875,194	591,018		2,466,212	
Transportation Equipment	1,827,048	2,388,949		4,215,997	
Construction in Progress	53,070,285		52,490	53,122,775	
Less: Accumulated Depreciation	(41,979,663)	(2,337,430)	(735,299)	(45,052,392)	
Total Noncurrent Assets	101,479,495	719,224	1,248,887	103,447,606	30,000
Total Assets	145,207,363	4,027,821	3,543,400	152,778,584	3,452,413

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, 2007

	Business-Type Activities – Enterprise Funds				
	Major Funds		Nonmajor Fund		Governmental Activities – Internal Service Funds
	Water and Sewer Fund	Sanitary Service Fund	Industrial Park Fund	Total	
LIABILITIES					
Current Liabilities:					
Accounts Payable	$ 3,819,566	$ 382,168	$ 8,558	$ 4,210,292	$ 13,828
Due to Other Funds	117,164	101,297		218,461	
Deferred Revenue		18,879		18,879	
Other Current Liabilities	510,900	83,087	18,600	612,587	372,885
Total Current Liabilities	4,447,630	585,431	27,158	5,060,219	386,713
Current Liabilities Payable from Restricted Assets:					
Current Portion of Long-Term Debt	785,000			785,000	
Accrued Interest Payable	392,919			392,919	
Deposits	1,833,070			1,833,070	
Total Current Liabilities Payable from Restricted Assets	3,010,989			3,010,989	
Noncurrent Liabilities:					
Long-Term Debt	49,926,543			49,926,543	
Accrued Landfill Closure Costs		206,506		206,506	
Total Noncurrent Liabilities	49,926,543	206,506		50,133,049	
Total Liabilities	57,385,162	791,937	27,158	58,204,257	386,713
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	45,293,297	719,223	252,236	46,264,756	
Restricted for:					
Debt Service	1,588,163			1,588,163	
Capital Projects	693,408			693,408	
Unrestricted	40,247,333	2,516,661	3,264,006	46,028,000	3,065,700
Total Net Assets	$ 87,822,201	$ 3,235,884	$ 3,516,242	$ 94,574,327	$ 3,065,700

The notes to the financial statement 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, 2007

Total Net Assets of Proprietary Funds in the Statement of Net Assets	$ 94,574,327
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.	236,651
Net Assets of Business-type Activities	$ 94,810,978

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 FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Business-Type Activities – Enterprise Funds				
	Major Funds		Nonmajor Fund		Governmental Activities –
	Water and Sewer Fund	Sanitary Service Fund	Industrial Park Fund	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	$ 16,363,980	$ 5,929,972	$	$ 22,293,952	$
Charges for Insurance Premiums					300,000
Total Operating Revenues	16,363,980	5,929,972		22,293,952	300,000
OPERATING EXPENSES					
Personal Services	3,593,143	1,468,485		5,061,628	
Other Services and Charges	5,475,215	3,358,598	31,666	8,865,479	374,367
Depreciation	3,009,261	201,541	37,402	3,248,204	
Total Operating Expenses	12,077,619	5,028,624	69,068	17,175,311	374,367
Operating Income (Loss)	4,286,361	901,348	(69,068)	5,118,641	(74,367)
NONOPERATING REVENUES (EXPENSES)					
Grants	580,339			580,339	
Interest Revenue	2,206,217	128,472	112,024	2,446,713	113,484
Interest Expense and Paying Agent Fees	(943,700)			(943,700)	
Other Nonoperating Revenues (Expenses)	86,694	(725)		85,969	
Total Nonoperating Revenues (Expenses)	1,929,550	127,747	112,024	2,169,321	113,484
Income Before Contributions and Transfers	6,215,911	1,029,095	42,956	7,287,962	39,117
CAPITAL CONTRIBUTIONS	992,184			992,184	
TRANSFERS IN					1,890,215
TRANSFERS OUT	(104,338)	(756,866)		(861,204)	
Change in Net Assets	7,103,757	272,229	42,956	7,418,942	1,929,332
Net Assets – Beginning of Year as Restated	80,718,444	2,963,655	3,473,286	87,155,385	1,136,368
Net Assets – End of Year	$ 87,822,201	$ 3,235,884	$ 3,516,242	$ 94,574,327	$ 3,065,700

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 ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

Net Change in Net Assets – Total Proprietary Funds	$ 7,418,942
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.	56,167
Change in Net Assets of Business-type Activities	$ 7,475,109

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 FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Business-Type Activities – Enterprise Funds				
	Major Funds		Nonmajor Fund		Governmental Activities –
	Water and Sewer Fund	Sanitary Service Fund	Industrial Park Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	$ 16,332,893	$ 5,893,877	$	$ 22,226,770	$
Payments to Suppliers for Goods and Services	(4,715,168)	(3,198,951)	(4,508)	(7,918,627)	(329,783)
Payments to Employees for Services	(3,544,448)	(1,443,782)		(4,988,230)	
Receipts from Other Funds for Insurance Premiums					300,000
Net Cash Provided by (Used in) Operating Activities	8,073,277	1,251,144	(4,508)	9,319,913	(29,783)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants Received	3,519,422	100		3,519,522	
Loans to Other Funds	31,654	(33,075)	207,390	205,969	
Loans from Other Funds	(3,884)	(23,318)		(27,202)	
Transfers between Funds	(104,338)	(756,866)		(861,204)	1,890,215
Net Cash Provided by (Used in) Noncapital Financing Activities	3,442,854	(813,159)	207,390	2,837,085	1,890,215
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(36,326,356)	(99,225)	(1,225)	(36,426,806)	
Disposal of Capital Assets	82,540	1,507		84,047	
Interest Payments on Debt	(879,040)			(879,040)	
Principal Payments on Long-Term Debt	(760,000)			(760,000)	
Debt Proceeds	33,261,668			33,261,668	
Development Fees	992,184			992,184	
Net Cash Provided by (Used in) Capital and Related Financing Activities	(3,629,004)	(97,718)	(1,225)	(3,727,947)	
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment (Additions) Withdrawals	(9,282,465)	454,120		(8,828,345)	(1,682,971)
Interest	2,206,217	124,188	111,055	2,441,460	113,087
Net Cash Provided by (Used in) Investing Activities	(7,076,248)	578,308	111,055	(6,386,885)	(1,569,884)

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

CITY OF PLANT CITY, FLORIDA

STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Business-Type Activities – Enterprise Funds				
	Major Funds		Nonmajor Fund		Governmental Activities –
	Water and Sewer Fund	Sanitary Service Fund	Industrial Park Fund	Total	Internal Service Funds
Net Increase in Cash and Cash Equivalents	810,879	918,575	312,712	2,042,166	290,548
Cash and Cash Equivalents at Beginning of Year	3,714,090	1,978,030	1,976,927	7,669,047	1,417,931
Cash and Cash Equivalents at End of Year	$ 4,524,969	$ 2,896,605	$ 2,289,639	$ 9,711,213	$ 1,708,479
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:					
Operating Income (Loss)	$ 4,286,361	$ 901,348	$ (69,068)	$ 5,118,641	$ (74,367)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	3,009,261	201,541	37,402	3,248,204	
Change in Assets and Liabilities:					
Accounts Receivable	(186,710)	(36,095)		(222,805)	
Inventory	(17,642)			(17,642)	
Other Current Assets					23,966
Accounts Payable	777,689	159,647	8,558	945,894	3,981
Customer Deposits	155,623			155,623	
Other Current Liabilities	48,695	24,703	18,600	91,998	16,637
Net Cash Provided by (Used in) Operating Activities	$ 8,073,277	$ 1,251,144	$ (4,508)	$ 9,319,913	$ (29,783)

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

CITY OF PLANT CITY, FLORIDA

STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
SEPTEMBER 30, 2007

	Safety Employees' Retirement Fund	General Employees' Retirement Fund	Total
ASSETS			
Cash and Cash Equivalents	$ 422,851	$ 3,405,356	$ 3,828,207
Receivables:			
Contributions	197,097	33,958	231,055
Accrued Interest and Dividends	115,133		115,133
Total Receivables	312,230	33,958	346,188
Investments, at Fair Value:			
US Treasury Bonds and Notes	1,450,983		1,450,983
US Government Agencies	5,379,140		5,379,140
Corporate Bonds and Notes	643,386		643,386
Common Stocks	8,765,652		8,765,652
Mutual Funds	1,976,305		1,976,305
Investment Contract with Insurance Company:			
Bond Funds		987,451	987,451
Balanced Funds		2,125,555	2,125,555
Stock Funds		6,160,814	6,160,814
International Stock Funds		959,978	959,978
Total Investments	18,215,466	10,233,798	28,449,264
Total Assets	18,950,547	13,673,112	32,623,659
LIABILITIES			
NET ASSETS			
Held in Trust for Pension Benefits	$ 18,950,547	$ 13,673,112	$ 32,623,659

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 FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Safety Employees' Retirement Fund	General Employees' Retirement Fund	Total
ADDITIONS			
Contributions:			
Employer	$ 613,474	$ 877,467	$ 1,490,941
Employees	691,254		691,254
State of Florida	543,596		543,596
Total Contributions	1,848,324	877,467	2,725,791
Investment Income:			
Interest and Dividends	698,497		698,497
Net Appreciation in Fair Value of Investments	1,444,358		1,444,358
Net Increase in Value of Investment Contract with Insurance Company		1,243,485	1,243,485
Net Investment Income	2,142,855	1,243,485	3,386,340
Total Contributions and Investment Income	3,991,179	2,120,952	6,112,131
DEDUCTIONS			
Pension Benefits	1,045,625	705,293	1,750,918
Administrative Expenses	127,397	54,142	181,539
Total Deductions	1,173,022	759,435	1,932,457
Change in Net Assets	2,818,157	1,361,517	4,179,674
Net Assets – Beginning of Year	16,132,390	12,311,595	28,443,985
Net Assets – End of Year	$ 18,950,547	$ 13,673,112	$ 32,623,659

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 sanitary 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The City of Plant City has adopted the provisions of GASB Statement No. 34, *"Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments"*, GASB Statement 37, *"Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus,"* and GASB Statement No. 38, *"Certain Financial Statement Note Disclosures."* The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements required under this statement (the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the City and its blended component unit. For the most part, the effect of interfund activity has been removed from these statements so as not to distort financial results. Fiduciary funds are also excluded from the government-wide financial statements since by definition these assets are being held for the benefit of third parties and cannot be used to address activities or obligations of the government. 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 (fund financial statements) are provided for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City's fiduciary funds are presented in the fund financial statements but as noted above are not included in the government-wide statements. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 90 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 financial transactions of the City are recorded in individual funds. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined), for the determination of major funds.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Streets & Stormwater Fund accounts for the proceeds of the stormwater utility fee collected by the City to be used for stormwater improvements, as well as various revenue restricted for street improvements.

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 Sanitary Service Fund accounts for the operations of the City's garbage and recycling programs.

Additionally, the City reports the following fund types:

The Internal Service Fund accounts for its uninsured risk of loss due to work-related injuries suffered by employees of the City.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 four months or less when purchased to be cash equivalents.

All investments, including Pension Funds, are stated at fair value, with the exception of investments in the Florida Local Government Surplus Funds Trust Fund (SBA), an external 2a7-like investment pool which is presented at share price. All fair market valuations are based on quoted market prices; SBA pool shares are based on amortized cost, which approximates fair market value, of the SBA's underlying portfolio.

Receivables and Payables

Receivables consist of trade receivables, due from other governments and interest receivable, and are recorded at gross amount. All receivables are considered fully collectible.

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".

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Assets or Equity (Continued)

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 initial, individual cost of more than $500 and an estimated useful life in excess of one year. Such 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. Interest capitalized during the current year was $453,903.

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	3 – 7 Years

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Assets or Equity (Continued)

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. There is no maximum number of annual leave days which may be accumulated. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Assets or Equity (Continued)

Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Encumbrance accounting is employed in all governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because commitments will be reappropriated and honored during the subsequent year. Since project-length budgets are adopted for capital projects funds, their appropriations do not lapse and are automatically carried over to the next year.

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. Excess of expenditures over appropriations

During the year ended September 30, 2007, no expenditures exceeded appropriations at the legal level of control (i.e. the department level).

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. 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.

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

At September 30, 2007, the carrying amount of the City's deposits with banks was $8,175,026 and the bank balance was $9,838,748. Certificates of deposit with banks totaled $18,900,000 at year end. 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.

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Investments

As of September 30, 2007, the City had the following investments and maturities:

		Investment Maturity (Years)		
Investment Type	Fair Value	Less than 1	1 to 5	over 5
City Investments:				
Local Government Surplus Trust Fund Investment Pool (SBA)	$ 57,644,227	$ 57,644,227	$	$
Safety Employees' Pension Investments:				
Money Market Funds	422,851	422,851		
U.S. Treasury Bonds & Notes	1,450,983		375,000	1,075,983
U.S. Government Agencies	5,379,140		1,261,093	4,118,047
Corporate Bonds & Notes	643,386	102,713	132,445	408,228
Common Stocks	8,765,652	8,765,652		
Mutual Funds	1,976,305	1,976,305		
	18,638,317	11,267,521	1,768,538	5,602,258
General Employees' Pension Investments:				
Investment Contract with Insurance Company	13,639,154	13,639,154		
	$ 89,921,698	$ 82,550,902	$ 1,768,538	$ 5,602,258

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 18 months. Investments of other non-operating funds may have varying terms not to exceed 10 years. CD's may not exceed 1 year from time of purchase.

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.

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Investments (Continued)

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 the following investments: Florida Local Government Surplus Funds Trust Fund Investment Pool (SBA), 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. A maximum of 20% of the portfolio may be invested in repurchase agreements, excluding overnight or 1-day sweep agreements. A maximum of 40% of the portfolio may be invested in fixed income mutual funds. The State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool, which is governed by Chapter 19-7 of the Florida Administrative Code, is not a registrant with the Securities and Exchange Commission; however, it has adopted operating procedures consistent with the requirements for a 2a-7 fund. This investment pool purchases low risk government securities, high grade commercial debt and equity securities, commercial paper, investment companies, repurchase and reverse repurchase agreements, real estate, futures, options and a broad range of other instruments. The City's fair value for financial reporting is its share of the pool's account balance, which is reported by the pool at amortized cost, in accordance with GASB Statement 31. The fair value of investments is determined on a monthly basis. The method used by the pool to determine participants' shares sold and redeemed is the amortized cost method. The pool has not provided or obtained any legally binding guarantees during the year to support the value of its shares. There is no requirement for involuntary participation in the pool. This investment pool is not insured by the State of Florida or the Federal Deposit Insurance Corporation. The Florida Local Government Surplus Funds Trust Fund (SBA) does not have a nationally recognized credit quality rating.

City's 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.

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Investments (Continued)

General Employees' Pension Trust Fund – Investments are limited to various mutual fund options included in the contract with the fund's custodian. This is a defined contribution plan under which employees make their own investment selections from the list of approved mutual fund options.

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.

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.

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Receivables

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

	General	Streets & Stormwater	Community Redevelopment Agency	Other Governmental	Internal Service Fund	Total Governmental Activities
Governmental Activities:						
Accounts Receivable	$ 611,535	$ 99,193	$	$	$	$ 710,728
Interest	8,554	5,849	6,436	19,788	3,264	43,891
Intergovernmental	467,100	308,638	____	208,019	____	983,757
Net Total Accounts Receivable	$ 1,087,189	$ 413,680	$ 6,436	$ 227,807	$ 3,264	$ 1,738,376

	Water & Sewer	Sanitary Service	Other Proprietary	Total Business-type Activities
Business-type Activities:				
Accounts Receivable	$ 2,154,372	$ 380,329	$	$ 2,534,701
Interest		7,776	4,874	12,650
Intergovernmental	575,075	_____	_____	575,075
Net Total Accounts Receivable	$ 2,729,447	$ 388,105	$ 4,874	$ 3,122,426

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
Grant Revenue (General Fund)	$ 4,610
Grant Revenue (Other Governmental)	386,247
Total Deferred/Unearned Revenue for Governmental Funds	$ 390,857

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets

Capital asset activity for the year ended September 30, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 12,137,418	$ 4,728	$ (385,791)	$ 11,756,355
Construction in progress	643,934	1,158,775		1,802,709
Total capital assets not being depreciated	12,781,352	1,163,503	(385,791)	13,559,064
Capital assets being depreciated:				
Improvements	120,670,454	1,069,437		121,739,891
Buildings and Building Improvements	20,734,862	51,977		20,786,839
Equipment	7,161,261	795,412	(265,834)	7,690,839
Transportation equipment	6,578,950	1,284,219	(558,208)	7,304,961
Library books	1,502,488	156,372	(164,172)	1,494,688
Total capital assets being depreciated	156,648,015	3,357,417	(988,214)	159,017,218
Less: accumulated depreciation for:				
Improvements	(75,713,334)	(4,003,467)		(79,716,801)
Buildings and Building Improvements	(7,055,496)	(485,519)		(7,541,015)
Equipment	(4,906,433)	(605,582)	238,169	(5,273,846)
Transportation equipment	(4,408,985)	(680,870)	557,766	(4,532,089)
Library books	(989,162)	(146,759)	164,172	(971,749)
Total accumulated depreciation	(93,073,410)	(5,922,197)	960,107	(98,035,500)
Total capital assets, being depreciated, net	63,574,605	(2,564,780)	(28,107)	60,981,718
Governmental activities capital assets, net	$ 76,355,957	$ (1,401,277)	$ (413,898)	$ 74,540,782

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 1,908,628	$ 50,000	$	$ 1,958,628
Construction in progress	21,682,430	31,440,345		53,122,775
Total capital assets not being depreciated	23,591,058	31,490,345		55,081,403
Capital assets being depreciated:				
Improvements	935,046			935,046
Plant and Plant Improvements	66,837,550	668,525		67,506,075
Buildings and Building Improvements	11,763,775	60,183		11,823,958
Equipment	2,292,028	236,118	(61,934)	2,466,212
Transportation Equipment	4,199,363	370,334	(353,700)	4,215,997
Total capital assets being depreciated	86,027,762	1,335,160	(415,634)	86,947,288
Less: accumulated depreciation for:				
Improvements	(697,897)	(37,402)		(735,299)
Plant and Plant Improvements	(32,779,403)	(2,423,293)		(35,202,696)
Buildings and Building Improvements	(4,451,764)	(276,661)		(4,728,425)
Equipment	(1,586,748)	(160,649)	61,934	(1,685,463)
Transportation Equipment	(2,701,678)	(350,198)	351,368	(2,700,508)
Total accumulated depreciation	(42,217,490)	(3,248,203)	413,302	(45,052,391)
Total capital assets, being depreciated, net	43,810,272	(1,913,043)	(2,332)	41,894,897
Business-type activities capital assets, net	$ 67,401,330	$ 29,577,302	$ (2,332)	$ 96,976,300

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General Government	$ 284,209
Public Safety	912,894
Physical Environment	516,882
Transportation	3,181,621
Economic Environment	17,468
Culture and Recreation	1,009,124
Total depreciation expense – governmental activities	$ 5,922,198

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

Business-type activities:	
Water and Sewer	$ 3,009,261
Sanitary Service	201,541
Industrial Park (nonmajor)	37,401
Total depreciation expense – business-type activities	$ 3,248,203

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	$ 305,972
Streets & Stormwater Fund	151,041
Community Investment RR&I Fund	31,470
Capital Improvement Fund	15,991
Stormwater RR&I Fund	290,118
Water and Sewer Fund	12,918,605
Sanitary Service Fund	73,448
Fleet Maintenance	266,828
	$ 14,053,473

E. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2007, is as follows:

Due To/From Other Funds:
(Represents cash loaned and outstanding between funds for short-term operating purposes)

	Receivable	Payable
General Fund	$ 251,608	$ 15,790
Streets & Stormwater Fund	5,160	261,029
Nonmajor Governmental Funds	215,303	7,268
Water and Sewer Fund	6,590	117,164
Sanitary Service Fund	23,887	101,297
	$ 502,548	$ 502,548

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivables, Payables and Transfers (Continued):

Interfund Transfers:
(Represents 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	$ 390,000	$ (2,339,466)
Streets & Stormwater Fund	990,700	(650,486)
Nonmajor Governmental Funds	2,883,633	(2,303,392)
Water and Sewer Fund		(104,338)
Sanitary Service Fund		(756,866)
Internal Service Funds	1,890,215	-
	$ 6,154,548	$ (6,154,548)

F. Leases

Operating Leases

The City leases various equipment under operating leases. Although the terms of these leases generally contain a "non-appropriation of funds" clause, which allows the City to cancel the lease if budgeted funds are not available to make the lease payments, the likelihood of that occurring is considered remote. Total costs for such leases were $174,064 for the year ended September 30, 2007. The future minimum lease payments for these leases are as follows:

Year Ending September 30,	Amount
2008	$ 104,079
2009	16,827
2010	8,120
2011	226
TOTAL	$ 129,252

The City has entered into a 20-year operating lease under which the City has leased a building located in South Madison Park, at no cost, to The Boys and Girls Club of Tampa Bay, Inc., (Club) a nonprofit organization, which will operate the leased facility as a recreation center.

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Leases (Continued)

Capital Lease Obligations

$184,006 Capital Lease Obligation – Funds borrowed to finance the purchase of 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 4.7474% with a maturity date of October 30, 2008.

$180,000 Capital Lease Obligation – Funds borrowed to finance the purchase of vehicles. 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 5.5692% with a maturity date of May 10, 2009.

$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.

Assets acquired through capital leases are as follows:

	Governmental Activities
Equipment and Vehicles	$ 362,353
Less: Accumulated Depreciation	69,331
Total	$ 293,022

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
2008	$ 149,617
2009	129,648
2010	70,747
2011	70,747
2012	35,373
Total Minimum Lease Payments	456,132
Less: Amount Representing Interest	34,047
Present Value of Minimum Lease Payments	$ 422,085

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

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, 2007:

Governmental Activities Debt:

$6,670,000 Infrastructure Sales Tax Revenue Bonds, Series 1999 – Issued to finance the construction of a new City Hall and other capital improvements, the certificates are secured by a lien upon and 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 3.5% and 5.0% until September 1, 2024.

$4,775,000 Loan Payable Series 1999B – Florida Municipal Loan Council – Funds borrowed to finance improvements to the City's stadium facilities and to payoff a previous stadium bank loan. The City has pledged the $400,000 annual proceeds from its share of the County's tourist development tax as collateral for the loan. The loan is payable over 20 years, with semi annual interest payable at rates varying from 3.85% to 5.625%.

$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%.

$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%.

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)

Governmental Activities Debt (Continued):

$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%.

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.

$12,370,000 Utility System Refunding and Improvement Revenue Bonds, Series 1999 – Issued to refund that portion of the City's Utility System Refunding and Improvement Revenue Bonds, Series 1995 (the refunded bonds), which mature on October 1, 2005 through October 1, 2010, inclusive, and October 1, 2016 through October 1, 2020; finance the construction and acquisition of improvements to the City's Utility System; 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 on deposit in the debt service reserve fund. Certain reserves and covenants must be met. Interest is payable semiannually at rates varying between 3.8% and 5.0% until the final maturity on October 1, 2020.

$2,715,717 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%.

$33,195,132 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%.

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)

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 $10,380,000 at September 30, 2007.

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 $2,960,000 at September 30, 2007. The advance refunding reduced total debt service payments over the next fourteen years by approximately $110,000. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately $91,000.

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, 2007:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
Infrastructure Sales Tax Revenue Bonds, Series 2004	$ 4,835,000	$	$ 210,000	$ 4,625,000	$ 210,000
Less: Bond Discount	(7,389)		(410)	(6,979)	
Infrastructure Sales Tax Revenue Bonds, Series 1999	5,435,000		200,000	5,235,000	210,000
Florida Municipal Loan Council Loan Payable, Series 1999B	820,000		190,000	630,000	200,000
Florida Municipal Loan Council Loan Payable, Series 2005B	3,180,000		25,000	3,155,000	25,000
Loan Premium – Series 2005B	77,475		6,116	71,359	
SunTrust Bank Loan Payable	1,680,209		202,697	1,477,512	200,000
State Revolving Fund Loan – Pistol Range	306,499		17,874	288,625	18,420
State Revolving Fund Loan – Grant Hunter Pond	450,549		20,753	429,796	21,370
Capital Leases	205,295	318,604	101,815	422,084	135,108
Compensated Absences	1,307,999	67,194		1,375,193	1,375,193
Total Governmental Activities Long-Term Liabilities	$ 18,290,637	$ 385,798	$ 973,845	$ 17,702,590	$ 2,395,091

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)

Changes in Long-Term Debt (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-type Activities:					
Revenue Bonds – Series 1995	$ 5,000,000	$	$	$ 5,000,000	$
Less: Deferred amounts for original issue discount	(25,872)		(2,098)	(23,775)	
Revenue Bonds – Series 1999	11,215,000		760,000	10,455,000	785,000
Less: Deferred amounts for original issue discount	(60,825)		(4,931)	(55,893)	
Less: Loss on Refunding	(697,748)		(56,574)	(641,174)	
State Revolving Fund Loan	2,715,717	66,535		2,782,252	
State Revolving Fund Loan		33,195,132		33,195,132	
Landfill Closure Costs	206,506			206,506	
Total Business-type Activities Long-Term Liabilities	$ 18,352,778	$ 33,261,667	$ 696,397	$ 50,918,048	$ 785,000

Summary of Annual Debt Service Requirements

The annual debt service requirements to maturity for debt outstanding as of September 30, 2007 are as follows:

Fiscal Year Ending	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2008	$ 884,790	$ 643,876	$ 1,559,284	$ 1,687,765
2009	915,987	642,508	2,476,691	1,898,455
2010	957,221	579,044	2,562,603	1,808,095
2011	988,491	544,945	2,660,410	1,713,961
2012	1,019,800	510,668	2,770,179	1,607,352
2013 – 2017	4,842,565	1,990,963	15,690,892	5,905,060
2018 – 2022	4,638,921	943,699	17,550,577	2,581,406
2023 – 2027	1,593,157	112,079	6,085,198	301,230
2028 – 2032			76,549	938
	$ 15,840,933	$ 5,967,782	$ 51,432,383	$ 17,504,262

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Debt (Continued)

Conduit Debt Obligation

In prior years, the City issued Nursing Home Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2007, the aggregate principal amount payable was $691,204.

H. Restricted assets

Certain cash and investments that are legally restricted in the government-wide statement of net assets are as follows:

	Governmental Activities	Business-type Activities
Debt Service	$ 1,213,874	$ 1,177,919
Water/Sewer Renewal and Replacement		1,838,163
Water/Sewer RR&I		228,655
Water Development		104,434
Wastewater Development		110,319
Deposits		1,833,070
Total	$ 1,213,874	$ 5,292,560

The balances of the liabilities payable from restricted assets accounts in the government-wide statement of net assets are as follows:

	Governmental Activities	Business-type Activities
Current portion of long-term debt	$ 684,790	$ 785,000
Accrued interest payable		392,919
Deposits		1,833,070
Total	$ 684,790	$ 3,010,989

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. 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	$ 785,410	
Plant City Property Tax Increment	568,634	
Tampa Port Authority	26,617	
Interest Income	105,513	
Sale of Land	49,580	
Committed Funds – Reappropriated (Budgetary)	1,090,352	
		$ 2,626,106
OUTFLOWS:		
Downtown Street Scape	121,656	
State Filing Fee	175	
Principal Payment	202,697	
Interest Expense	57,957	
Laura Street – Street Scape	126,324	
Property Acquisition	24,884	
		533,693
FUNDS AVAILABLE AT YEAR END FOR FUTURE PROJECTS		$ 2,092,413
SUMMARY OF FUNDS AVAILABLE:		
Cash Balance 9/30/07	$ 2,118,065	
Accrued Interest	6,436	
Accounts Payable	(32,088)	
FUNDS AVAILABLE AT YEAR END FOR FUTURE PROJECTS		$ 2,092,413

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. CRA Fund (Continued)

BUDGETARY COMMITMENTS OF FUNDS AT YEAR END:		
Committed money for purchase of land to reduce slum and blight	$ 1,843,928	
Committed money for downtown revitalization	89,685	
1914 Community Building	60,000	
Street Scape	98,227	
Repayment of Debt	1,477,512	
TOTAL COMMITTED FUNDS FOR FUTURE PROJECTS		$ 3,569,352

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 coverages 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. Accumulations in retained earnings are $1,134,362 at September 30, 2007.

The claims liability of $372,885 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 of Fiscal-Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2006 – 2007	$ 356,248	$ 191,792	$ (175,155)	$ 372,885
2005 – 2006	404,023	43,879	(91,654)	356,248
2004 – 2005	156,815	337,318	(90,110)	404,023

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.

NOTE 4: OTHER INFORMATION (CONTINUED)

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, 2007 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. Other Postemployment Benefits

The City offers its retirees the option of continuing to participate in health and life insurance plans that are offered to its active employees. Florida Statutes state that the City must offer its retirees this option at a premium cost of no more than that applicable to active employees. Each retiree must pay 100% of the costs of any insurance they elect to continue to participate in. Funding is on a "pay as you go" basis. Most of the City's employees would become eligible for those benefits if they reach normal retirement age while working for the City.

Life and health insurance are fully insured and provided through outside providers. Expenses for insurance are recognized in the funds as premiums are paid to the insurance providers. Premium costs are paid in full by the retirees. Expenses for retiree's insurance are commingled with those relating to active employees and cannot be reasonably estimated.

NOTE 4: OTHER INFORMATION (CONTINUED)

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 MetLife. 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, 2007 totaled $877,467.

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 13.6% of the participant's earnings. Contributions from participants in the Safety Employees' Retirement Plan amounted to $691,254 for the fiscal year ended September 30, 2007. The State and City contribute the remaining required annual contribution, which amounted to $1,156,870 for the fiscal year ended September 30, 2007.

NOTE 4: OTHER INFORMATION (CONTINUED)

E. Pension Plan Information (Continued)

Defined Benefit Plan (Continued)

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	13.6% 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	Age 50 and 10 years of credited service
Benefit:	
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.

NOTE 4: OTHER INFORMATION (CONTINUED)

E. Pension Plan Information (Continued)

Defined Benefit Plan (Continued)

Membership

Membership in the Plan consisted of the following at October 1, 2006, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	27
Terminated Plan members entitled to but not yet receiving benefits	16
Active Plan members:	
Vested	76
Nonvested	29
Total	148

Annual Pension Cost

The City's annual pension cost for the Safety Employees' Retirement Plan for the year ended September 30, 2007 was as follows:

Annual Required Contribution	$ 551,878
Interest on Net Pension Obligation	(15,721)
Adjustments to Annual Required Contribution	17,878
Annual Pension Cost	$ 554,035

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.

NOTE 4: OTHER INFORMATION (CONTINUED)

E. Pension Plan Information (Continued)

Defined Benefit Plan (Continued)

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Benefit)
9/30/06	$ 554,035	100%	$ (194,352)
9/30/05	436,918	100%	(196,509)
9/30/04	357,415	100%	(198,691)

NOTE 5: SUBSEQUENT EVENTS

As discussed in Note 3B, at September 30, 2007, the City of Plant City, Florida had $57,644,227 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool). Subsequent to year end, the City transferred a substantial amount of its investments out of the Local Government Surplus Trust Fund Investment Pool. On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately $12 billion or 86% of Pool assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately $2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 15% of their balance or $2 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principle value of Pool B assets is not readily determinable.

NOTE 5: SUBSEQUENT EVENTS (CONTINUED)

As of March 31, 2008, the City of Plant City, Florida has $3,058 and $4,690 invested in Pool A and B, respectively. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current $25,000 homestead exemption by another $25,000 (for property values between $50,000 - $75,000), except for school district taxes. Since the new $25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a $15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of $240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to $500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a $25,000 exemption for tangible personal property.

Amendment 1 becomes effective on October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property which becomes effective on January 1, 2009.

Based on information received from Hillsborough County Property Appraiser's Office, the estimated annual loss of property tax revenues for our city from the additional homestead exemption, the portability of Save Our Homes, and the $25,000 exemption for tangible personal property is approximately $660,000.

NOTE 6: RESTATEMENT

Effective October 1, 2006, the City implemented the retroactive provisions for reporting infrastructure assets required by GASB No. 34. As a result, beginning net assets have been restated to reflect the following changes:

	Governmental Activities	Business-type Activities	Total
Total Net Assets, October 1, 2006	$ 63,514,979	$ 82,652,810	$ 146,167,789
Capital Assets, Net of Depreciation	24,573,027	4,683,059	29,256,086
Total Net Assets, October 1, 2006, as Restated	$ 91,320,542	$ 87,335,869	$ 175,423,875

CITY OF PLANT CITY, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS	VARIANCE FINAL BUDGET – FAVORABLE (UNFAVORABLE)
REVENUES				
Property Taxes	$ 8,031,678	$ 8,031,678	$ 8,164,348	$ 132,670
Franchise Fees	2,125,000	2,125,000	2,477,595	352,595
Utility Taxes	3,150,000	3,150,000	3,103,832	(46,168)
Licenses and Permits	1,601,000	1,601,000	1,223,703	(377,297)
Intergovernmental Revenues	7,242,560	7,816,905	6,762,635	(1,054,270)
Charges for Services	604,600	684,600	836,828	152,228
Fines and Forfeitures	178,000	178,000	218,970	40,970
Contributions	58,000	96,900	99,653	2,753
Interest Revenue	400,000	495,940	731,699	235,759
Other Revenue	63,825	177,435	160,731	(16,704)
Total Revenues	23,454,663	24,357,458	23,779,994	(577,464)
EXPENDITURES				
Current:				
General Government	5,039,541	5,009,959	3,544,994	1,464,965
Public Safety	13,857,430	13,896,737	11,239,790	2,656,947
Transportation	301,780	301,780	220,889	80,891
Economic Development	25,000	25,000	6,809	18,191
Culture and Recreation	6,153,002	6,285,966	5,657,942	628,024
Debt Service:				
Principal	100,600	307,991	64,490	243,501
Interest	21,700	21,700	9,816	11,884
Other Debt Service Costs	1,000	1,000		1,000
Capital Outlay	1,444,610	1,820,183	1,580,798	239,385
Total Expenditures	26,944,663	27,670,316	22,325,528	5,344,788
Excess (Deficiency) of Revenues Over Expenditures	(3,490,000)	(3,312,858)	1,454,466	4,767,324
OTHER FINANCING SOURCES (USES)				
Capital Lease Proceeds	350,000	350,000	318,604	(31,396)
Sale of Capital Assets		228,001	405,764	177,763
Transfers In	390,000	390,000	390,000	
Transfers Out	(750,000)	(2,328,585)	(2,339,466)	(10,881)
Total Other Financing Sources (Uses)	(10,000)	(1,360,584)	(1,225,098)	135,486
Net Change in Fund Balances	(3,500,000)	(4,673,442)	229,368	4,902,810
Fund Balances – Beginning	11,695,495	11,695,495	11,695,495	-
Fund Balances – Ending	$ 8,195,495	$ 7,022,053	$ 11,924,863	$ 4,902,810

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

CITY OF PLANT CITY, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
STREETS & STORMWATER FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS	VARIANCE FINAL BUDGET – FAVORABLE (UNFAVORABLE)
REVENUES				
Intergovernmental Revenues	$ 2,776,800	$ 5,364,192	$ 1,920,472	$ (3,443,720)
Charges for Services	1,470,000	1,470,000	1,515,088	45,088
Interest Revenue	70,000	70,717	137,704	66,987
Other Revenue		9,000	1,190	(7,810)
Total Revenues	4,316,800	6,913,909	3,574,454	(3,339,455)
EXPENDITURES				
Current:				
Physical Environment	1,308,220	1,294,677	958,667	336,010
Transportation	2,466,835	2,459,911	2,248,033	211,878
Debt Service:				
Principal	35,400	35,400	37,325	(1,925)
Interest	2,700	2,700	2,488	212
Other Debt Service Costs	400	400		400
Capital Outlay	326,600	446,769	347,679	99,090
Total Expenditures	4,140,155	4,239,857	3,594,192	645,665
Excess (Deficiency) of Revenues Over Expenditures	176,645	2,674,052	(19,738)	(2,693,790)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets		11,070	34,904	23,834
Transfers In	990,200	990,900	990,700	(200)
Transfers Out	(1,444,800)	(4,060,192)	(650,486)	3,409,706
Total Other Financing Sources (Uses)	(454,600)	(3,058,222)	375,118	3,433,340
Net Change in Fund Balances	(277,955)	(384,170)	355,380	739,550
Fund Balances – Beginning	2,454,299	2,454,299	2,454,299	-
Fund Balances – Ending	$ 2,176,344	$ 2,070,129	$ 2,809,679	$ 739,550

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

CITY OF PLANT CITY, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS	VARIANCE FINAL BUDGET – FAVORABLE (UNFAVORABLE)
REVENUES				
Property Taxes	$ 1,392,814	$ 1,380,661	$ 1,380,661	$
Interest Revenue	20,000	104,430	105,513	1,083
Total Revenues	1,412,814	1,485,091	1,486,174	1,083
EXPENDITURES				
Current:				
Physical Environment	5,175	(4,825)	175	(5,000)
Debt Service:				
Principal	195,000	2,048,750	202,697	1,846,053
Interest	59,500	59,500	57,957	1,543
Capital Outlay	1,153,139	521,598	272,864	248,734
Total Expenditures	1,412,814	2,625,023	533,693	2,091,330
Excess (Deficiency) of Revenues Over Expenditures		(1,139,932)	952,481	2,092,413
OTHER FINANCING SOURCES				
Sale of Capital Assets		49,580	49,580	
Total Other Financing Sources		49,580	49,580	
Net Change in Fund Balances		(1,090,352)	1,002,061	2,092,413
Fund Balances – Beginning	1,090,352	1,090,352	1,090,352	
Fund Balances – Ending	$ 1,090,352	$	$ 2,092,413	$ 2,092,413

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

CITY OF PLANT CITY, FLORIDA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGET COMPARISONS
SEPTEMBER 30, 2007

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
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 % OF COVERED PAYROLL ((b-a)/c)
10/01/06	$ 16,066,529	$ 26,537,074	$ 10,470,545	60.54%	$ 4,723,709	221.66%
10/01/05	13,683,346	23,729,779	10,046,433	57.66%	4,832,601	207.91%
10/01/04	12,110,774	21,536,030	9,425,256	56.23%	4,712,771	199.99%
10/01/03	11,396,622	19,609,415	8,212,793	58.12%	4,388,355	187.15%
10/01/02	10,075,439	17,538,974	7,463,535	57.45%	4,136,027	180.45%
10/01/01	10,538,042	13,284,396	2,746,354	79.33%	3,732,165	73.59%

CITY OF PLANT CITY, FLORIDA

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

Year Ended September 30	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
2006	$ 943,622	$ 551,878	$ 391,744 *	100.00%
2005	828,662	436,918	391,744 *	100.00%
2004	749,159	357,415	391,744 *	100.00%
2003	495,360	116,767	378,593	100.00%
2002	468,959	156,855	312,104	100.00%
2001	364,264	79,329	284,935	100.00%

* 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 by the pension plan until it is spent on increased benefits. Therefore, the actuary excludes the "frozen increment" for current funding calculation purposes.

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

Valuation Date	10/01/06
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level Percentage of Pay, Closed Basis
Remaining amortization period	30 years
Asset valuation method	4 – Year Smoothed Market Value
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	6.0% (Inflation of 3% and salary growth of 3%)

CITY OF PLANT CITY, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Special Revenue Funds		Debt Service Funds				
	Community Development Block Grant	Community Investment Tax	Infrastructure Sales Tax Revenue Bonds	Stadium Loan	State Revolving Fund Loan	Capital Projects Funds – Combined	Total Nonmajor Governmental Funds
ASSETS							
Cash and Cash Equivalents	$ 593,376	$ 168,170	$	$	$	$ 8,472,835	$ 9,234,381
Investments		917,129				3,562,579	4,479,708
Accrued Interest Receivable						19,788	19,788
Due from Other Funds						215,303	215,303
Due from Other Governments	84,183	123,836					208,019
Restricted Assets:							
Cash and Investments with Fiscal Agents			882,145	269,290	62,439		1,213,874
Land Held for Resale	51,140						51,140
Total Assets	$ 728,699	$ 1,209,135	$ 882,145	$ 269,290	$ 62,439	$ 12,270,505	$ 15,422,213
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	$ 18,255	$	$	$	$	$ 323,809	$ 342,064
Due to Other Funds	2,275					4,993	7,268
Due to Other Governments	206,752						206,752
Deferred Revenue	386,247						386,247
Total Liabilities	613,529					328,802	942,331
Fund Balances:							
Reserved for:							
Encumbrances						337,579	337,579
Debt Service			882,145	269,290	62,439		1,213,874
Unreserved, reported in:							
Special Revenue Funds:							
Undesignated	115,170	1,209,135					1,324,305
Capital Projects Funds:							
Designated for Capital Outlays						11,604,124	11,604,124
Total Fund Balances	115,170	1,209,135	882,145	269,290	62,439	11,941,703	14,479,882
Total Liabilities and Fund Balances	$ 728,699	$ 1,209,135	$ 882,145	$ 269,290	$ 62,439	$ 12,270,505	$ 15,422,213

CITY OF PLANT CITY, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Special Revenue Funds		Debt Service Funds				
	Community Development Block Grant	Community Investment Tax	Infrastructure Sales Tax Revenue Bonds	Stadium Loan	State Revolving Fund Loan	Capital Projects Funds – Combined	Total Nonmajor Governmental Funds
REVENUES							
Intergovernmental Revenues	$ 614,344	$ 1,599,904	$	$ 400,000	$	$	$ 2,614,248
Impact Fees						1,258,331	1,258,331
Contributions	13,000						13,000
Interest Revenue	552	58,112	49,557	5,554	3,189	602,536	719,500
Other Revenue	32,000						32,000
Total Revenues	659,896	1,658,016	49,557	405,554	3,189	1,860,867	4,637,079
EXPENDITURES							
Current:							
General Government		2,000					2,000
Physical Environment	581,371					41,632	623,003
Transportation						35,618	35,618
Culture and Recreation						5,674	5,674
Debt Service:							
Principal			410,000	215,000	38,627		663,627
Interest			427,764	166,471	22,292		616,527
Other Debt Service Costs			785	910	80		1,775
Capital Outlay	108,847					2,136,882	2,245,729
Total Expenditures	690,218	2,000	838,549	382,381	60,999	2,219,806	4,193,953
Excess (Deficiency) of Revenues Over Expenditures	(30,322)	1,656,016	(788,992)	23,173	(57,810)	(358,939)	443,126
OTHER FINANCING SOURCES (USES)							
Transfers In		190,000	788,042		59,771	1,845,819	2,883,632
Transfers Out		(1,705,042)				(598,350)	(2,303,392)
Total Other Financing Sources (Uses)		(1,515,042)	788,042		59,771	1,247,469	580,240
Net Change in Fund Balances	(30,322)	140,974	(950)	23,173	1,961	888,530	1,023,366
Fund Balances – Beginning	145,492	1,068,161	883,095	246,117	60,478	11,053,173	13,456,516
Fund Balances – Ending	$ 115,170	$ 1,209,135	$ 882,145	$ 269,290	$ 62,439	$ 11,941,703	$ 14,479,882

CITY OF PLANT CITY, FLORIDA

COMBINING BALANCE SHEET –
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Capital Improvement	Impact Fees Fire	Impact Fees Police	Impact Fees Parks and Recreation	Impact Fees Transportation
ASSETS					
Cash and Cash Equivalents	$ 311,547	$ 401,120	$ 24,412	$ 428,466	$ 3,133,150
Investments	1,659,286				
Accrued Interest Receivable		692		920	9,192
Due from Other Funds	13,844				
Total Assets	1,984,677	401,812	24,412	429,386	3,142,342
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	4,580				
Due to Other Funds					
Total Liabilities	4,580				
Fund Balances:					
Reserved for:					
Encumbrances	15,991				
Designated for Capital Outlays	1,964,106	401,812	24,412	429,386	3,142,342
Total Fund Balances	1,980,097	401,812	24,412	429,386	3,142,342
Total Liabilities and Fund Balances	$ 1,984,677	$ 401,812	$ 24,412	$ 429,386	$ 3,142,342

Impact Fees Library	Stormwater RR&I	Community Investment RR&I	Total Capital Projects Funds
$ 220,063	$ 3,849,507	$ 104,570	$ 8,472,835
		1,903,293	3,562,579
111	8,873		19,788
	201,459		215,303
220,174	4,059,839	2,007,863	12,270,505
	314,928	4,301	323,809
	4,993		4,993
	319,921	4,301	328,802
	290,118	31,470	337,579
220,174	3,449,800	1,972,092	11,604,124
220,174	3,739,918	2,003,562	11,941,703
$ 220,174	$ 4,059,839	$ 2,007,863	$ 12,270,505

CITY OF PLANT CITY, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES –
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Capital Improvement	Impact Fees Fire	Impact Fees Police	Impact Fees Parks and Recreation	Impact Fees Transportation
REVENUES					
Impact Fees	$	$ 46,706	$ 86,769	$ 93,099	$ 945,396
Interest Revenue	115,450	19,127	7,125	19,211	133,924
Total Revenues	115,450	65,833	93,894	112,310	1,079,320
EXPENDITURES					
Current:					
Physical Environment	2,965				
Transportation					
Culture and Recreation	4,805				
Capital Outlay	502,377				
Total Expenditures	510,147				
Excess (Deficiency) of Revenues Over Expenditures	(394,697)	65,833	93,894	112,310	1,079,320
OTHER FINANCING SOURCES (USES):					
Transfers In	458,456				
Transfers Out	(390,000)		(190,000)	(17,850)	
Total Other Financing Sources (Uses)	68,456		(190,000)	(17,850)	
Net Change in Fund Balance	(326,241)	65,833	(96,106)	94,460	1,079,320
Fund Balances – Beginning	2,306,338	335,979	120,518	334,926	2,063,022
Fund Balances – Ending	$ 1,980,097	$ 401,812	$ 24,412	$ 429,386	$ 3,142,342

Impact Fees Library	Stormwater RR&I	Community Investment RR&I	Total Capital Projects Funds
$ 86,361	$	$	$ 1,258,331
7,370	211,004	89,325	602,536
93,731	211,004	89,325	1,860,867
	38,667		41,632
	35,618		35,618
		869	5,674
10,300	1,294,437	329,768	2,136,882
10,300	1,368,722	330,637	2,219,806
83,431	(1,157,718)	(241,312)	(358,939)
	562,763	824,600	1,845,819
	(500)		(598,350)
	562,263	824,600	1,247,469
83,431	(595,455)	583,288	888,530
136,743	4,335,373	1,420,274	11,053,173
$ 220,174	$ 3,739,918	$ 2,003,562	$ 11,941,703

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, 2007, and have issued our report thereon dated April 30, 2008. 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, GILLMAN, HANCOCK & MUELLER

Bella, Hermida, Gillman, Hancock & Mueller

Certified Public Accountants
April 30, 2008

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, 2007, and have issued our report thereon which was dated April 30, 2008. 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, GILLMAN, HANCOCK & MUELLER

Bella, Hermida, Gillman, Hancock & Mueller

Certified Public Accountants
April 30, 2008

CITY OF PLANT CITY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	CONTRACT/ GRANTOR NUMBER	GRANT REVENUES	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 Grants	14.218	B-06-UC-12-0002 B-07-UC-12-0002	$ 472,161	$ 472,161
U.S. Department of Justice				
Office of Community Oriented Policing Services				
COPS Fast Program Grant	16.710	95-CF-WX-0876	3,358	3,358
Federal Emergency Management Association				
Pass-through State of Florida, Department of Community Affairs				
Hazard Mitigation Grant – Police Wind Retrofit	97.039	06HM-7@-08-39-02-002	514	514
Hazard Mitigation Grant – Facilities Maintenance Wind Retrofit	97.039	07HM-7@-08-39-02-032	3,151	3,151
U.S. Department of Transportation – Federal Highway Administration				
Pass-through State of Florida, Department of Transportation, Local Agency Program				
Highway Landscape Maintenance Grant	20.205	ANY03	85,268	85,268
Highway Landscape Maintenance Grant	20.205	AOE50	12,040	12,040
Highway Landscape Maintenance Grant	20.205	AOE51	14,165	14,165
Congestion Mitigation and Air Quality (CMAQ) Improvement Program	20.205	ANP24	36,261	36,261
U.S. Environmental Protection Agency				
Pass-through State of Florida, Department of Environmental Protection, Capitalization Grants for the State Revolving Fund				
Treatment and Reuse Facilities	66.458	WWG12060420P	66,535	66,535
Treatment and Reuse Facilities	66.458 *	WW604210	33,195,132	33,195,132
TOTAL FEDERAL FINANCIAL ASSISTANCE			$ 33,888,585	$ 33,888,585

*** Major Program**

CITY OF PLANT CITY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	STATE CFSA NUMBER	CONTRACT/ GRANTOR NUMBER	GRANT REVENUES	GRANT EXPENDITURES
STATE FINANCIAL ASSISTANCE				
State of Florida – Department of State				
Division of Historical Resources				
Special Category Grant –				
Bing Rooming House	45.032 *	SC704	$ 174,183	$ 174,183
Division of Library and Information Services				
Bill and Melinda Gates Foundation –				
Public Access Computing Hardware Upgrade		E3634	7,549	7,549
State of Florida – Department of Environmental Protection				
Statewide Surface Water Restoration and	37.039	S0181	562,527	562,527
Wastewater Projects	37.039	LP6774	31,229	31,229
Pass-through Southwest Florida Water Management District				
Lake Thonotosassa Diagnostic Assessment and Water Quality Treatment (W763)	37.039	06CS0000003	6,274	6,274
State of Florida – Department of Health				
Pass-through Hillsborough County				
Emergency Medical Services	64.003	M7065	22,928	22,928
Emergency Medical Services	64.003	M5096	35,836	35,836
State of Florida – Department of Health				
Pass-through Tampa Bay Regional Planning Council				
Stormwater Education Funding			3,253	3,253
TOTAL STATE FINANCIAL ASSISTANCE			843,779	843,779
LOCAL FINANCIAL ASSISTANCE				
Hillsborough County Public Library Cooperative				
Pass-through Hillsborough County Board of County Commissioners		06-1225	344,631	344,631
Southwest Florida Water Management District				
Westside Canal Watershed Model Update (L420)		06C00000101	10,180	10,180
Lake Thonotosassa Diagnostic Assessment and Water Quality Treatment (W763)		06C00000003	6,274	6,274
Community Education Grant		07PO0000489	2,012	2,012
TOTAL LOCAL FINANCIAL ASSISTANCE			363,097	363,097
TOTAL FEDERAL, STATE AND LOCAL FINANCIAL ASSISTANCE			$ 35,095,461	$ 35,095,461

CITY OF PLANT CITY, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS
SEPTEMBER 30, 2007

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.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE BASIC 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, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 30, 2008. 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

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects City of Plant City, Florida's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of City of Plant City, Florida's financial statements that is more than inconsequential will not be prevented or detected by City of Plant City, Florida's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting. 2007-1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by City of Plant City, Florida's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Plant City, Florida's basic 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of City Commissioners, management and audit agencies of federal, state and local governments, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

BELLA, HERMIDA, GILLMAN, HANCOCK & MUELLER

Bella, Hermida, Gillman, Hancock & Mueller

Certified Public Accountants
April 30, 2008

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

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

Compliance

We have audited the compliance of the City of Plant City, Florida with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement that are applicable to each of its major federal programs and state projects for the year ended September 30, 2007. The City of Plant City, Florida's major federal programs and state projects are identified in the summary of auditor's results in section I 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 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* 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 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 requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2007.

Internal Control over Compliance

The 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 and Chapter 10.550, Rules of the Auditor General.

A *control deficiency*, in an entity's internal control 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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 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 the Board of City Commissioners, management and audit agencies of federal, state and local governments, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

BELLA, HERMIDA, GILLMAN, HANCOCK & MUELLER

Bella, Hermida, Gillman, Hancock & Mueller

Certified Public Accountants
April 30, 2008

CITY OF PLANT CITY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Noncompliance material to financial statements noted?	No

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)?	No	No
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\CFSA Number(s)	Name of Program or Project
Federal: 66.458	Treatment and Reuse Facilities
State: 45.032	Restoration of Historic Properties – Bing House

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000
Auditee qualified as low-risk auditee?	Yes

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 Paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

2007-1 Financial Statement Preparation, Including Cash to Accrual Basis Adjustments

Condition or Criteria: The City engages Bella, Hermida, Gillman, Hancock & Mueller to assist in preparing the financial statements, disclosures and related accrual basis adjustments. However, the City cannot rely on its independent auditors as part of the City's internal control system.

Effect: While it is acceptable to outsource various accounting functions due to cost considerations, the City's responsibility for internal controls over financial reporting cannot be outsourced. Management reviews, approves and accepts responsibility for financial statements prior to their issuance.

Recommendation: The City should continue to monitor and evaluate the cost benefit of outsourcing of accounting functions and its effect on internal controls. Management should also continue to monitor and evaluate the effectiveness of its policies and procedures for oversight of financial preparation services.

Response/Corrective Action Plan: The City's management is aware of its responsibility for internal controls over the financial reporting process and the preparation of financial statements in accordance with generally accepted accounting principles and will continue to monitor the cost benefit of outsourced accounting functions.

SECTION III – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section identifies the audit findings required to be reported by Circular A-133, Section .510(a) (e.g., reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs).

None.

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.

SECTION V – OTHER ISSUES

A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to federal programs or state projects. A Corrective Action Plan for findings required to be reported under the Federal and Florida Single Audit Acts is prepared by management in a separate written response (when required) that is not bound with this Annual Financial Report.

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, 2007, and have issued our report thereon dated April 30, 2008.

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 Compliance and on Internal Control over Financial Reporting, Independent Auditors' Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Program and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated April 30, 2008, 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 govern the conduct of local governmental audits performed in the State of Florida and require certain items to be addressed in this letter.

The *Rules of the Auditor General* (Section 10.554 (1) (h) 1) require that we address in the management letter, if not already addressed in the auditors' report on compliance and internal controls or schedule of findings and questioned costs, whether or not recommendations made in the preceding annual financial audit report have been followed. The recommendations made in the preceding annual financial audit report have been corrected, except for those reported below under the heading "Prior Year Findings and Recommendations".

As required by the *Rules of the Auditor General* (Section 10.554 (1) (h) 2), the scope of our audit included 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.

The *Rules of the Auditor General,* Section 10.554(1) (h) 3) require that we address in the management letter any findings and recommendations to improve the City's financial management, accounting procedures and internal controls. Recommendations to improve the City's financial management, accounting procedures and internal controls are reported below under the heading "Current Year Findings and Recommendations".

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Fund Accounting

The City maintains numerous individual funds and sub-funds. For example, there are four special revenue funds and eight capital projects funds. The Water and Sewer Fund, although it is one fund for financial reporting purposes, actually consists of four separate sub-funds on the City's general ledger. Similarly, the Sanitary Service Fund consists of three sub-funds. The GASB has consistently discouraged governmental entities from creating too many funds. Usually, a division or department can be established within a fund in order to properly account for this activity, rather than establishing a separate fund and bank account. For example, using special revenue funds to account for legally restricted resources is permitted, but not required. Generally, a division in the General Fund is used to account for these resources. The sub-funds for Water/Sewer and Sanitary Service could easily be combined into one fund for each operation. Expenditures by departments are more readily controlled through the budgeting system.

We continue to make our previous years' recommendation that the City re-evaluate its policies regarding the establishment of funds and seriously consider eliminating all unnecessary funds. This will streamline operations and eliminate the additional time and effort required to maintain separate funds, as well as the auditing and reporting process.

Cash Management

The City has approximately thirty separate bank accounts and over fifty certificates of deposit. It requires a tremendous amount of time and effort to account for and manage the cash flow of these accounts. As discussed above, separate accounts are not recommended for each and every purpose and revenue stream, unless legally mandated to be maintained in a separate account. Furthermore, pooling of cash for purposes of temporary investments should increase yields significantly.

We continue to make our previous years' recommendation that the City re-evaluate its policy regarding cash and investment accounts and cash management, and work to streamline this process.

Capital Expenditures

The City does not analyze its capital expenditure accounts and capitalize qualifying amounts as fixed assets, or analyze construction in progress prior to closing its books for the year. This analysis is typically performed by the City during audit fieldwork, and the resulting journal entries provided by the City are added to the trial balances by the auditors, and the City does not record them in its general ledger.

PRIOR YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

Capital Expenditures (Continued)

We understand that the City prefers not to record journal entries which capitalize fixed assets because they want to leave the capital expenditures balances intact in their general ledger as a history to aid in their budgeting process. However, we recommend researching another solution which would allow these items to be properly recorded. For example, they could be recorded prior to closing the books and printing trial balances and year-end reports, and then reversed if necessary.

We continue to make our previous years' recommendation that all routine bookkeeping entries be made during the year-end closing process, prior to audit fieldwork.

Fixed Assets

We recommend that the City re-evaluate and increase its threshold for capitalizing fixed assets. This would aid in minimizing time spent accounting for and depreciating immaterial items for financial statement purposes. It is acceptable to establish different capitalization thresholds for each category or type of fixed asset; such as $750 for furniture and office equipment, $5,000 for vehicles, $10,000 for buildings and improvements, etc.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS – NONE

The *Rules of the Auditor General* (Sections 10.554 (1) (h) 4) require disclosure in the management letter of the following matters, if not already addressed in the auditors' report on compliance and internal controls or schedule of findings and questioned costs: (1) violations of laws, rules, regulations and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed no such matters required to be disclosed.

The *Rules of the Auditor General* (Section 10.554 (1) (h) 5) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. Please refer to Note 1 to the financial statements for these disclosures.

As required by the *Rules of the Auditor General* (Section 10.554 (1) (h) 6. a.), a statement must 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. 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.

As required by the *Rules of the Auditor General* (Section 10.554 (1) (h) 6. b.), we determined that the annual financial report for the City of Plant City, Florida for the current fiscal year filed with the Florida Department of Banking and Financial Services pursuant to Section 218.32 (1) (a), Florida Statutes, is in agreement with the annual financial audit report for the current fiscal year.

As required by the *Rules of the Auditor General* (Section 10.554 (1) (h) 6. c.) and 10.556 (7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity'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.

This management letter is intended solely for the information and use of the City of Plant City, Florida, Board of City Commissioners and management, audit agencies of federal, state and local governments, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

BELLA, HERMIDA, GILLMAN, HANCOCK & MUELLER

Bella, Hermida, Gillman, Hancock & Mueller

Certified Public Accountants
April 30, 2008