

CITY OF PLANT CITY, FLORIDA

Annual Financial Report

For the Fiscal Year Ended

September 30, 2013

CITY OF PLANT CITY, FLORIDA

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CITY OF PLANT CITY, FLORIDA

City Officials

September 30, 2013

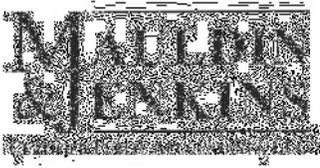
ELECTED OFFICIALS

Mary Thomas Mathis	Mayor
Rick A. Lott	Vice Mayor
William D. Dodson	Commissioner
William J. Keel	Commissioner
Michael S. Sparkman	Commissioner

APPOINTED OFFICIALS

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

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Commission
City of Plant City, Florida

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the City adopted new accounting guidance and implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as of October 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal 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*, and is also not a required part of the basic financial statements.

The other supplementary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial

statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
May 19, 2014

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CITY OF PLANT CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013
(Unaudited)

The City of Plant City's (the "City") management discussion and analysis (MD&A) 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's financial statements and footnotes that follow this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at September 30, 2013, by \$216 million (net position). Of this amount, unrestricted net position totals \$74.4 million.
- The City's total net position increased by \$3.8 million.
- As of September 30, 2013, the City's governmental funds reported combined ending fund balances of \$29 million a decrease of \$0.8 million over the prior year. Of this amount, unassigned fund balance totals \$8 million.
- The City's total debt decreased by \$13.8 million (21.6%) during the current fiscal year primarily due to the early retirement of two utility bond issues in the amount of \$10.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013
(Unaudited)

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

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: (1) governmental funds, (2) proprietary funds and (3) fiduciary funds. Traditional users of governmental fund 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

CITY OF PLANT CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013
(Unaudited)

outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

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

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

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

Proprietary Funds

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

CITY OF PLANT CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013
(Unaudited)

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 Position

As noted earlier, net position 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 \$216.3 million.

The following table reflects the condensed Statements of Net Position for the current and prior year:

	Governmental Activities		Business-type Activities		Total	
	(Restated)				(Restated)	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 37,915,311	\$ 37,116,311	\$ 67,497,499	\$ 77,219,611	\$105,412,810	\$ 114,335,922
Capital Assets	69,735,726	70,010,531	102,675,376	102,541,128	172,411,102	172,551,659
Total Assets	<u>107,651,037</u>	<u>107,126,842</u>	<u>170,172,875</u>	<u>179,760,739</u>	<u>277,823,912</u>	<u>286,887,581</u>
Long-term Liabilities	12,892,706	11,429,550	41,548,011	50,557,883	54,440,717	61,987,433
Other Liabilities	3,977,024	4,302,608	2,936,286	7,944,767	6,913,310	12,247,375
Total Liabilities	<u>16,869,730</u>	<u>15,732,158</u>	<u>44,484,297</u>	<u>58,502,650</u>	<u>61,354,027</u>	<u>74,234,808</u>
Net Investment in Capital Assets	59,852,738	58,900,763	62,655,353	49,757,008	122,508,091	108,657,771
Restricted	9,920,744	15,815,797	9,676,363	12,311,324	19,597,107	28,127,121
Unrestricted	21,007,825	16,678,124	53,356,862	59,189,757	74,364,687	75,867,881
Total Net Position	<u>\$ 90,781,307</u>	<u>\$ 91,394,684</u>	<u>\$125,688,578</u>	<u>\$121,258,089</u>	<u>\$216,469,885</u>	<u>\$ 212,652,773</u>

57% of the City's net position 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. 9% of the City's net position represents resources that are subject to external restrictions on how they may be used.

At September 30, 2013, the City is able to report positive balances in all three categories of net position, 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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013
(Unaudited)

The increase in the net investment in capital assets for the governmental activities is due to a decrease in net capital assets which was less than the decrease in long-term debt. The increase in the net investment in capital assets for the business-type activities is primarily due to two debt issues being paid off during the current year.

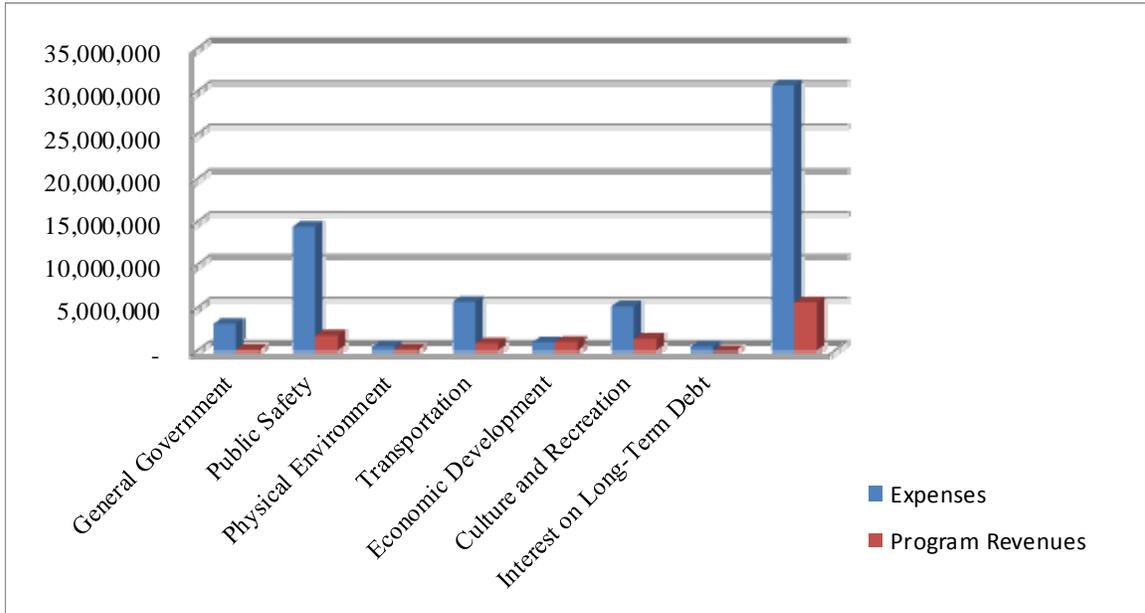
Statements of Activities

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

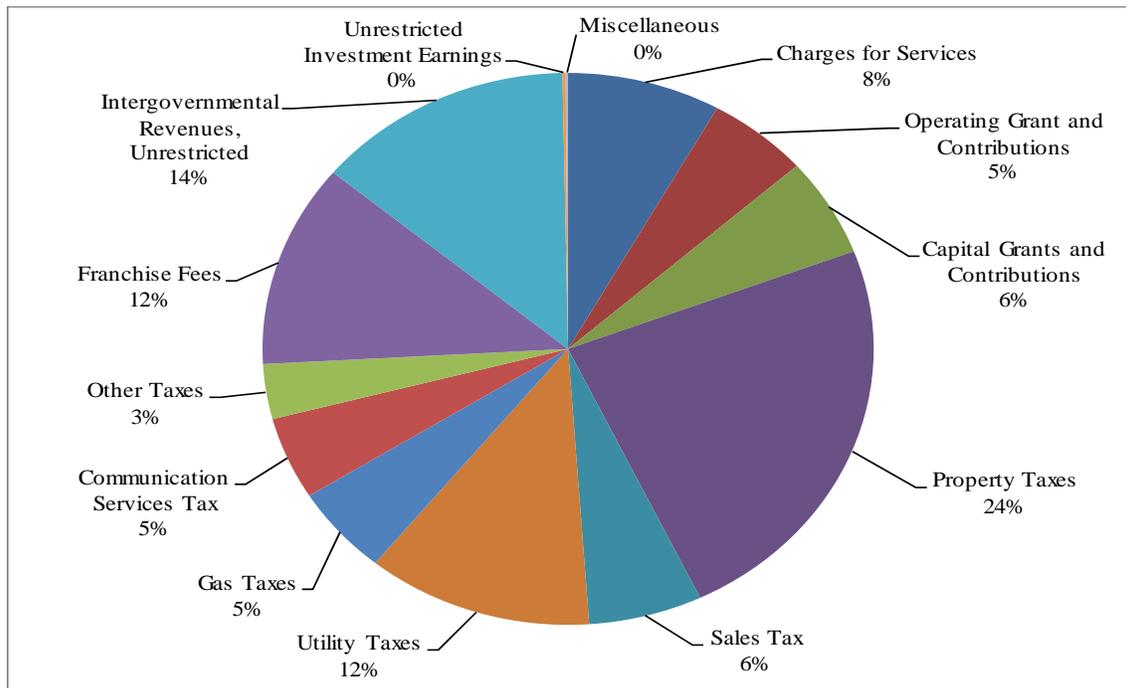
	Governmental Activities		Business-type Activities		Total	
	2013	(Restated) 2012	2013	2012	2013	(Restated) 2012
Revenues						
Program Revenues						
Charges for Services	\$ 2,389,912	\$ 2,219,734	\$ 24,094,412	\$ 23,509,947	\$ 26,484,324	\$ 25,729,681
Operating Grants and Contributions	1,573,407	1,862,938	1,150	-	1,574,557	1,862,938
Capital Grants and Contributions	1,702,585	1,276,076	2,109,691	1,905,396	3,812,276	3,181,472
General Revenues						
Property Taxes	6,959,388	7,228,898	-	-	6,959,388	7,228,898
Other Taxes	9,198,949	8,962,846	-	-	9,198,949	8,962,846
Franchise Fees	3,507,254	3,566,479	-	-	3,507,254	3,566,479
Other	4,109,899	3,931,404	299,405	151,365	4,409,304	4,082,769
Total Revenues	29,441,394	29,048,375	26,504,658	25,566,708	55,946,052	54,615,083
Expenses						
General Government	3,177,857	2,915,559	-	-	3,177,857	2,915,559
Public Safety	14,492,775	14,077,863	-	-	14,492,775	14,077,863
Physical Environment	542,720	881,879	-	-	542,720	881,879
Transportation	5,749,755	4,474,841	-	-	5,749,755	4,474,841
Economic Development	1,022,097	1,523,580	-	-	1,022,097	1,523,580
Culture and Recreation	5,219,251	5,742,766	-	-	5,219,251	5,742,766
Interest on Long-term Debt	544,161	468,600	-	-	544,161	468,600
Water and Sewer	-	-	14,560,761	13,735,263	14,560,761	13,735,263
Sanitation	-	-	4,742,337	4,849,754	4,742,337	4,849,754
	-	-	2,046,964	2,248,884	2,046,964	2,248,884
Industrial Park	-	-	30,262	34,451	30,262	34,451
Total Expenses	30,748,616	30,085,088	21,380,324	20,868,352	52,128,940	50,953,440
Increase (Decrease) in Net Position						
Before Transfers	(1,307,222)	(1,036,713)	5,124,334	4,698,356	3,817,112	3,661,643
Transfers	693,845	936,095	(693,845)	(936,095)	-	-
Increase (Decrease) in Net Position	(613,377)	(100,618)	4,430,489	3,762,261	3,817,112	3,661,643
Net Position, Beginning, Restated	91,394,684	91,495,302	121,258,089	117,495,828	212,652,773	208,991,130
Net Position, Ending	<u>\$90,781,307</u>	<u>\$91,394,684</u>	<u>\$ 125,688,578</u>	<u>\$ 121,258,089</u>	<u>\$ 216,469,885</u>	<u>\$ 212,652,773</u>

CITY OF PLANT CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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(Unaudited)

Expenses and Program Revenues – Governmental Activities

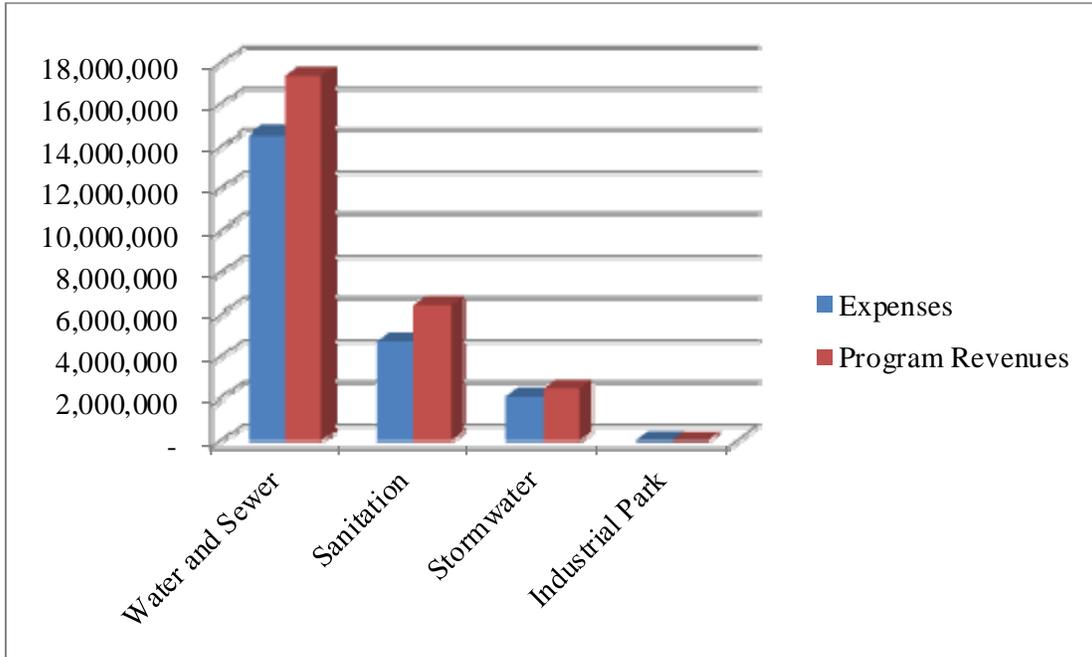


Revenue Sources – Governmental Activities

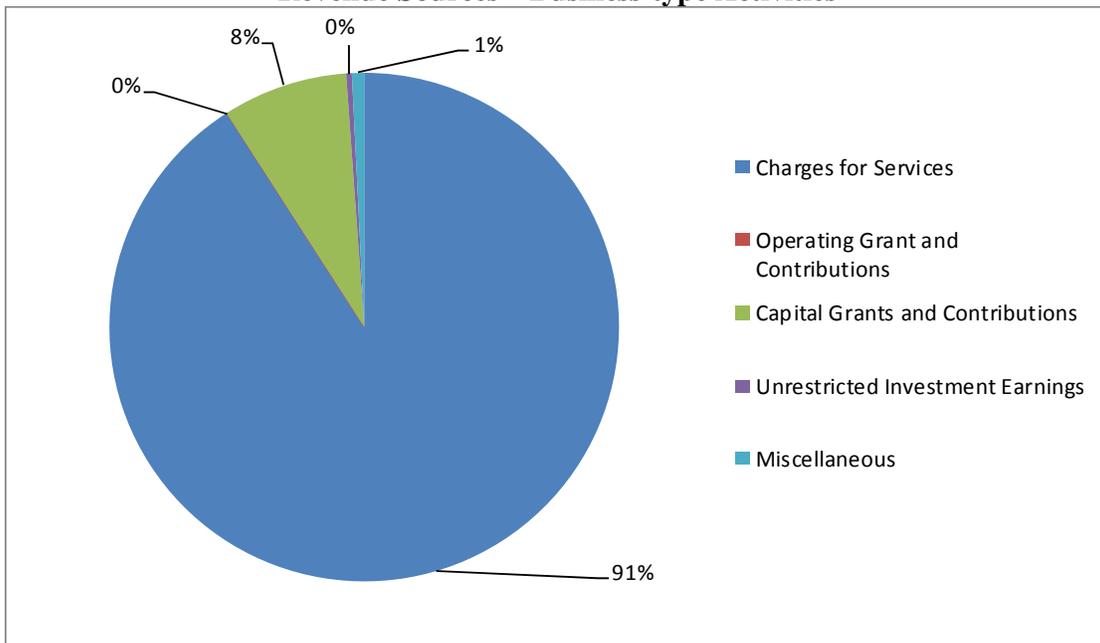


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MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013
(Unaudited)

Expenses and Program Revenues – Business-type Activities



Revenue Sources – Business-type Activities



CITY OF PLANT CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013
(Unaudited)

Governmental Activities

Governmental activities net position decreased by \$613,000.

General revenues of governmental activities decreased by approximately \$86,000 due to an increase in sales taxes of \$309,000 and an increase in intergovernmental revenues of \$212,000 that were partially offset by a decrease in property taxes of \$270,000, a decrease in franchise fees of \$59,000, a decrease in utility taxes of \$65,000 and a decrease in gas tax of \$12,000.

Program revenues of governmental activities increased by approximately \$307,000 due to an increase in contributions of \$493,000, an increase in license and permits of \$33,000, an increase in engineering fees of \$33,000, an increase in ambulance fees of \$64,000, an increase in Federal Equity Sharing of \$76,000, an increase in CDBG program income of \$40,000, an increase in miscellaneous police revenues of \$114,000 and an increase in cemetery interment and setup fees of \$20,000. These increases are partially offset a decrease in recreation revenues of \$208,000, a decrease in grant expense of \$452,000 and a decrease in impact fees of \$182,000.

Governmental activities expenses increased by approximately \$663,000 due to an increase in other contractual services of \$1,770,000. This increase was partially offset by a decrease in depreciation of \$637,000 and a decrease in grant expenses of \$452,000.

Business-type Activities

The net position of business-type activities increased by \$4.4 million. Revenues increased \$938,000 and expenses increased \$512,000.

General revenues of business-type activities increased by approximately \$148,000 due to an increase in miscellaneous revenues of \$5,000, and an increase in gains on sale of assets of \$198,000. These increases were partially offset by a decrease in investment revenue of \$55,000.

Program revenues of business-type activities increased by approximately \$790,000 due to an increase in contributions and grant revenues of \$206,000, an increase in stormwater fees of \$119,000, an increase in sanitation revenues of \$180,000 and an increase in water sewer sales of \$285,000.

Expenditures of business-type activities increased by approximately \$512,000 due to increase in interest expense and bond issuance cost.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013
(Unaudited)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

As of September 30, 2013, the City's governmental funds reported a combined ending fund balance of \$29 million, a decrease of \$810,000 in comparison with the prior year. Approximately 27.5% of the ending fund balance constitutes unassigned fund balance.

The General Fund is the chief operating fund of the City. At September 30, 2013, the unassigned fund balance of the General Fund was \$8 million while the total fund balance was \$14.3 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37% of total General Fund expenditures, while total fund balance represents 66% of that same amount.

The fund balance of the City's General Fund increased by \$413,000 during the current fiscal year.

The fund balance of the Community Redevelopment Agency Fund decreased by \$370,000 during the current fiscal year.

Proprietary Funds

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

Unrestricted net position of the Water and Sewer Fund, Sanitation Service Fund and the Stormwater Fund at September 30, 2013, amounted to \$35.6 million, \$9.9 million, and \$4.1 million, respectively. The change in net position was an increase of \$2.8 million, an increase of \$1 million, and an increase of \$373,000, respectively.

CITY OF PLANT CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013
(Unaudited)

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences in appropriations between the original budget and the final amended budget amounted to \$383,589. Of this amount, \$15,688 is attributed to the previous year's reserve for encumbrances. The remaining \$367,902 increase in budget appropriations can be briefly summarized as follows:

- An increase of \$25,000 in donations for pavilion and amenities for the Hal and Lynn Brewer Park.
- Purchase of \$31,000 of computer equipment for the Police Department using unclaimed or abandoned property.
- Purchase of \$10,155 of laptop computers for the police department paid for out of the Law Enforcement Trust Fund.
- Purchase of \$11,120 for desk top computers for the police department paid for out of the Law Enforcement Trust Fund.
- Purchase of 5 LED emergency light systems and sirens for police cars for \$9,925 paid for out of the Law Enforcement Trust Fund.
- An increase in Law Enforcement Trust Fund of \$37,331 for future purchase of equipment.
- \$50,000 to Tampa-Hillsborough Economic Development Corporation to fund an additional position to pursue economic development in Plant City.
- Payroll adjustment of \$33,100.
- \$13,500 for purchase of tactical emergency medical program and equipment and uniforms for the Department's Honor Guard to be paid for out of the Federal Equitable Sharing Fund.
- An increase in Federal Equitable Sharing Fund of \$62,917 for future purchase of equipment.
- Increase in funds transferred to Community Service Fund of \$46,448.
- Increases in expenditures or transfers out to capital projects funds for the following grants:

2011-2516 ARRA Edward Byrne Memorial JAG	\$18,284
Bulletproof Vest Partnership Grant 2010	9,360
EMS Interlocal Agreement	9,762

Of these increases \$214,972 was offset by additional revenues, and the remaining \$168,618 was appropriated from available fund balance.

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SEPTEMBER 30, 2013
(Unaudited)

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, 2013, amounts to \$172.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, vehicles and equipment. The total decrease in the City's investment in capital assets for the current fiscal year (net of accumulated depreciation) was \$140,000.

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

- Veteran's Memorial Park improvements
- Truck wash building
- Street resurfacing in various locations throughout the City
- Faison Street improvements
- Sidewalk improvements
- Madison Street drainage improvements
- Ball Street drainage improvements
- Fluoridation system

Capital Assets at Year End (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2013	2012	2013	2012	2013	2012
Land	\$ 17,627,022	\$ 17,262,052	\$ 1,975,056	\$ 1,975,056	\$ 19,602,078	\$ 19,237,108
Improvements	32,475,564	35,244,316	584,817	615,079	33,060,381	35,859,395
Buildings, Plant, Improvements	10,887,962	11,331,577	90,222,545	93,758,793	101,110,507	105,090,370
Intangibles	-	438,750	-	-	-	438,750
Equipment	5,085,042	3,657,098	1,335,454	1,078,422	6,420,496	4,735,520
Library Books	352,566	378,684	-	-	352,566	378,684
Construction in Progress	3,307,570	1,698,054	8,557,504	5,113,778	11,865,074	6,811,832
Total	<u>\$ 69,735,726</u>	<u>\$ 70,010,531</u>	<u>\$ 102,675,376</u>	<u>\$ 102,541,128</u>	<u>\$ 172,411,102</u>	<u>\$ 172,551,659</u>

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 long term debt outstanding of \$50.1 million, a decrease of \$13.8 million from the prior year. \$10.5 million of the current fiscal year decrease is due to the early retirement of two utility bond issues.

CITY OF PLANT CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013
(Unaudited)

Long-term Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Bonds and Notes Payable	\$ 9,882,988	\$ 11,024,179	\$ 40,020,023	\$ 52,784,119	\$ 49,903,011	\$ 63,808,298
Capital Leases	-	85,591	-	-	-	85,591
Total	<u>\$ 9,882,988</u>	<u>\$ 11,109,770</u>	<u>\$ 40,020,023</u>	<u>\$ 52,784,119</u>	<u>\$ 49,903,011</u>	<u>\$ 63,893,889</u>

Additional information on the City's long-term debt can be found in notes to the financial statements in this report.

NEXT YEAR'S BUDGETS AND RATES

The City's millage rate for fiscal year 2013 is 4.7157, which is the same millage rate as the previous year. The rolled-back rate for fiscal year 2013 was 4.5654. For fiscal year 2014, the City's property tax valuation increased by \$60,055,891 (4.13%).

The Streets Fund costs continue increasing while revenues remain relatively flat. The Streets Fund relies on a General Fund transfer to cover the shortfall, which puts a drain on the General Fund.

The City's Stormwater fee rates will increase by 3%. The Water and Sewer Fund rates will increase by 1.543% for fiscal year 2014. The Sanitation Fund rates were scheduled to increase by 3% as of October 1, 2013. The rate would have been increased to \$28.87 on October 1, 2013, but the City Commission decided not to increase the rate.

The fiscal year 2013-2014 budget included no pay increases for employees. The budget increased by 28.15% over the prior year budget. This increase is due to four items:

1. Decrease in interfund transfers of \$596,297
2. Increase in re-appropriated funds in \$10,927,518
3. Increase in grant funds of \$6,069,779
4. Increase in revenues of \$1,766,282

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the 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 POSITION
SEPTEMBER 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 26,667,043	\$ 18,285,594	\$ 44,952,637
Investments	8,017,200	32,068,801	40,086,001
Accounts Receivable	998,812	2,710,910	3,709,722
Interest Receivable	21,670	86,680	108,350
Internal Balances	(1,675,033)	1,675,033	-
Due from Other Governments	1,721,126	121,324	1,842,450
Inventory	92,270	247,297	339,567
Restricted Assets			
Cash and Cash Equivalents	787,830	10,590,379	11,378,209
Deposits	84,203	-	84,203
Deferred Charges	35,511	762,723	798,234
Land Held for Resale	161,577	948,758	1,110,335
Net Pension Asset	1,003,102	-	1,003,102
Capital Assets			
Nondepreciable	20,934,592	10,532,560	31,467,152
Depreciable, net	48,801,134	92,142,816	140,943,950
Total Assets	107,651,037	170,172,875	277,823,912
Liabilities			
Accounts Payable	2,628,273	728,722	3,356,995
Due to Other Governments	276,143	-	276,143
Other Current Liabilities	390,107	-	390,107
Unearned Revenue	606,700	51,246	657,946
Accrued Interest Payable	64,931	203,458	268,389
Deposits	10,870	1,952,860	1,963,730
Noncurrent Liabilities			
Due Within One Year	1,174,220	2,311,211	3,485,431
Due in More Than One Year	11,718,486	39,236,800	50,955,286
Total Liabilities	16,869,730	44,484,297	61,354,027
Net Position			
Net Investment in Capital Assets	38,918,146	62,655,353	101,573,499
Restricted for			
Debt Service	487,830	2,533,853	3,021,683
Capital Projects	6,368,196	7,142,510	13,510,706
Community Development	1,698,971	-	1,698,971
Street Improvements	1,080,965	-	1,080,965
Other Purposes	284,782	-	284,782
Unrestricted	41,942,417	53,356,862	95,299,279
Total Net Position	\$ 90,781,307	\$ 125,688,578	\$ 216,469,885

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

CITY OF PLANT CITY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 3,177,857	\$ 179,535	\$ 30	\$ -
Public Safety	14,492,775	1,432,027	233,888	164,032
Physical Environment	542,720	236,079	-	-
Transportation	5,749,755	-	112,435	791,880
Economic Development	1,022,097	40,768	1,026,174	-
Culture and Recreation	5,219,251	501,503	200,880	746,673
Interest on Long-term Debt	544,161	-	-	-
Total Governmental Activities	<u>30,748,616</u>	<u>2,389,912</u>	<u>1,573,407</u>	<u>1,702,585</u>
Business-type Activities				
Water and Sewer	14,560,761	15,350,078	1,150	2,017,543
Sanitation Service	4,742,337	6,398,199	-	-
Stormwater	2,046,964	2,346,135	-	92,148
Industrial Park	30,262	-	-	-
Total Business-type Activities	<u>21,380,324</u>	<u>24,094,412</u>	<u>1,150</u>	<u>2,109,691</u>
Total Primary Government	<u>\$ 52,128,940</u>	<u>\$ 26,484,324</u>	<u>\$ 1,574,557</u>	<u>\$ 3,812,276</u>
		General Revenues		
		Taxes		
		Property Taxes		
		Insurance Premium Taxes		
		Sales Taxes		
		Utility Taxes		
		Gas Taxes		
		Communication Services Taxes		
		Business Taxes		
		Franchise Fees		
		Intergovernmental Revenues, Unrestricted		
		Unrestricted Investment Earnings		
		Miscellaneous		
		Gain on Disposal of Capital Assets		
		Transfers		
		Total General Revenues and Transfers		
		Change in Net Position		
		Net Position, Beginning		
		Prior Period Adjustment		
		Net Position, Beginning, Restated		
		Net Position, Ending		

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

**Net (Expense) Revenue and
Change in Net Position**

Governmental Activities	Business-type Activities	Totals
\$ (2,998,292)	\$ -	\$ (2,998,292)
(12,662,828)	-	(12,662,828)
(306,641)	-	(306,641)
(4,845,440)	-	(4,845,440)
44,845	-	44,845
(3,770,195)	-	(3,770,195)
(544,161)	-	(544,161)
<u>(25,082,712)</u>	<u>-</u>	<u>(25,082,712)</u>
-	2,808,010	2,808,010
-	1,655,862	1,655,862
-	391,319	391,319
-	(30,262)	(30,262)
<u>-</u>	<u>4,824,929</u>	<u>4,824,929</u>
<u>(25,082,712)</u>	<u>4,824,929</u>	<u>(20,257,783)</u>
6,959,388	-	6,959,388
508,505	-	508,505
1,771,696	-	1,771,696
3,525,417	-	3,525,417
1,530,555	-	1,530,555
1,422,108	-	1,422,108
440,668	-	440,668
3,507,254	-	3,507,254
4,023,794	-	4,023,794
47,873	92,970	140,843
38,232	8,774	47,006
-	197,661	197,661
693,845	(693,845)	-
<u>24,469,335</u>	<u>(394,440)</u>	<u>24,074,895</u>
<u>(613,377)</u>	<u>4,430,489</u>	<u>3,817,112</u>
90,841,486	121,258,089	212,099,575
553,198	-	553,198
91,394,684	121,258,089	212,652,773
<u>\$ 90,781,307</u>	<u>\$ 125,688,578</u>	<u>\$ 216,469,885</u>

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

CITY OF PLANT CITY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Major Funds			Total Governmental Funds
	General Fund	Community Redevelopment Agency Fund	Nonmajor Governmental Funds	
Assets				
Cash and Cash Equivalents	\$ 6,846,047	\$ 1,351,152	\$ 12,528,085	\$ 20,725,284
Investments	7,015,050	-	-	7,015,050
Accounts Receivable	990,668	8,144	-	998,812
Interest Receivable	18,961	-	-	18,961
Due from Other Governments	560,027	7,838	1,153,261	1,721,126
Inventory	92,270	-	-	92,270
Deposits	54,203	-	-	54,203
Restricted Cash	-	-	787,830	787,830
Land Held for Resale	-	-	161,577	161,577
Total Assets	\$ 15,577,226	\$ 1,367,134	\$ 14,630,753	\$ 31,575,113
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 421,480	\$ 11,294	\$ 722,570	\$ 1,155,344
Due to Other Funds	-	-	77,199	77,199
Due to Other Governments	155,442	-	120,701	276,143
Other Current Liabilities	389,607	500	-	390,107
Deferred Revenues	298,731	7,969	300,000	606,700
Advances from Other Funds	-	-	39,552	39,552
Customer Deposits	10,870	-	-	10,870
Total Liabilities	1,276,130	19,763	1,260,022	2,555,915
Fund Balances				
Nonspendable	92,270	-	-	92,270
Restricted	284,782	1,347,371	8,288,591	9,920,744
Committed	1,466,490	-	5,082,140	6,548,630
Assigned	4,475,552	-	-	4,475,552
Unassigned	7,982,002	-	-	7,982,002
Total Fund Balances	14,301,096	1,347,371	13,370,731	29,019,198
Total Liabilities and Fund Balances	\$ 15,577,226	\$ 1,367,134	\$ 14,630,753	\$ 31,575,113

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

CITY OF PLANT CITY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

Total Fund Balances, Total Governmental Funds		\$ 29,019,198
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		66,480,610
Certain long-term assets are not available to pay for current period expenditures and, therefore, are not recorded in the funds.		1,038,613
Accrued interest payable on debt is not a current financial use due and payable in the current period, and, therefore, is not reported in the funds.		(64,931)
Long-term liabilities, including debt payable, compensated absences and other post-employment benefits, are not due and payable in the current period and, therefore, are not reported in the funds.		
Long-term debt	\$ (9,882,988)	
Compensated absences	(1,201,055)	
Other post-employment benefits	<u>(1,728,021)</u>	(12,812,064)
Internal service funds are used by management to charge the costs of certain activities, such as fleet acquisitions and workers' compensation insurance, to individual funds. This is the portion of the internal service funds net position included in governmental activities in the Statement of Net Position.		<u>7,119,881</u>
Net Position of Governmental Activities		<u><u>\$ 90,781,307</u></u>

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

CITY OF PLANT CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Community Redevelopment Agency Fund</u>	<u>Nonmajor Governmental Funds</u>	
Revenues				
Property Taxes	\$ 6,613,820	\$ 345,568	\$ -	\$ 6,959,388
Utility Taxes	3,525,417	-	-	3,525,417
Gas Taxes	-	-	1,159,890	1,159,890
Business Taxes	440,668	-	-	440,668
Communication Services Tax	1,422,108	-	-	1,422,108
Insurance Premium Tax	508,505	-	-	508,505
Franchise Fees	3,507,254	-	-	3,507,254
Fees and Permits	555,380	-	-	555,380
Impact Fees	-	-	384,574	384,574
Fines and Forfeitures	213,129	-	-	213,129
Intergovernmental	4,198,389	538,310	3,802,733	8,539,432
Charges for Services	1,538,682	-	40,768	1,579,450
Contributions	9,690	-	-	9,690
Interest Revenue	35,289	-	7,048	42,337
Miscellaneous Revenue	507,652	-	1,998	509,650
Total Revenues	<u>23,075,983</u>	<u>883,878</u>	<u>5,397,011</u>	<u>29,356,872</u>
Expenditures				
Current				
General Government	2,757,892	-	5,484	2,763,376
Public Safety	13,873,897	-	314,668	14,188,565
Physical Environment	317,061	-	-	317,061
Transportation	36,797	-	3,147,524	3,184,321
Economic Development	345,568	257,741	97,720	701,029
Culture and Recreation	4,107,909	-	38,071	4,145,980
Debt Service				
Principal	85,591	352,859	825,000	1,263,450
Interest and Fiscal Charges	-	14,890	374,125	389,015
Capital Outlay	197,569	628,438	2,391,446	3,217,453
Total Expenditures	<u>21,722,284</u>	<u>1,253,928</u>	<u>7,194,038</u>	<u>30,170,250</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,353,699</u>	<u>(370,050)</u>	<u>(1,797,027)</u>	<u>(813,378)</u>
Other Financing Sources (Uses)				
Debt Issued	-	-	3,290,000	3,290,000
Payments to Escrow Agent	-	-	(3,270,980)	(3,270,980)
Proceeds from Sale of Capital Assets	2,880	-	-	2,880
Transfers In	-	-	6,796,197	6,796,197
Transfers Out	(943,444)	-	(5,871,028)	(6,814,472)
Total Other Financing Sources (Uses)	<u>(940,564)</u>	<u>-</u>	<u>944,189</u>	<u>3,625</u>
Net Change in Fund Balances	413,135	(370,050)	(852,838)	(809,753)
Fund Balances, Beginning	<u>13,887,961</u>	<u>1,717,421</u>	<u>14,223,569</u>	<u>29,828,951</u>
Fund Balances, Ending	<u>\$ 14,301,096</u>	<u>\$ 1,347,371</u>	<u>\$ 13,370,731</u>	<u>\$ 29,019,198</u>

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 –GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Net Change in Fund Balances, Total Governmental Funds	\$	(809,753)
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 outlays	\$ 3,217,453	
Depreciation expense	<u>(5,212,769)</u>	(1,995,316)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to increase net assets.		
		76,106
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 position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items as expenditures 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	(3,290,000)	
Payments to escrow agent	3,270,980	
Principal repayment of long-term debt	1,263,450	
Amortization of issuance costs/discounts/premiums	(90,215)	
Change in compensated absences	(205,455)	
Change in other post-employment benefits	<u>69,951</u>	1,018,711
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in net pension asset	449,904	
Change in accrued interest payable	<u>(64,931)</u>	384,973
Internal service funds are used by management to charge the costs of certain activities, such as fleet acquisitions and workers' compensation insurance, to individual funds. This is the net revenue (expense) of the internal service funds reported within governmental activities.		
		<u>711,902</u>
Change in Net Position, Governmental Activities	\$	<u><u>(613,377)</u></u>

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

CITY OF PLANT CITY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	Business-Type Activities—Enterprise Funds				Total	Governmental Activities— Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Stormwater Fund	Nonmajor Fund Industrial Park		
Assets						
Current Assets						
Cash and Cash Equivalents	\$ 12,835,586	\$ 3,131,982	\$ 2,124,268	\$ 193,758	\$ 18,285,594	\$ 5,941,759
Investments	22,047,301	7,015,050	2,004,300	1,002,150	32,068,801	1,002,150
Accounts Receivable	2,251,308	336,402	123,200	-	2,710,910	-
Interest Receivable	59,592	18,961	5,418	2,709	86,680	2,709
Due from Other Funds	-	-	-	77,199	77,199	-
Due from Other Governments	121,324	-	-	-	121,324	-
Inventory	247,297	-	-	-	247,297	-
Total Current Assets	37,562,408	10,502,395	4,257,186	1,275,816	53,597,805	6,946,618
Noncurrent Assets						
Restricted Cash and Cash Equivalents	10,532,256	-	58,123	-	10,590,379	-
Advances to Other Funds	-	-	-	39,552	39,552	-
Deposits	-	-	-	-	-	30,000
Deferred Charges	762,723	-	-	-	762,723	-
Land Held for Resale	-	-	-	948,758	948,758	-
Capital Assets						
Land	1,966,128	-	8,928	-	1,975,056	-
Land Improvements	-	-	-	1,528,679	1,528,679	-
Buildings, Plant and Improvements	147,953,246	98,029	4,874,191	-	152,925,466	-
Equipment	3,905,397	1,076,710	1,769,932	-	6,752,039	4,015,087
Construction in Progress	5,658,917	-	2,898,587	-	8,557,504	341
Less Accumulated Depreciation	(63,681,407)	(997,316)	(3,440,783)	(943,862)	(69,063,368)	(760,312)
Total Noncurrent Assets	107,097,260	177,423	6,168,978	1,573,127	115,016,788	3,285,116
Total Assets	144,659,668	10,679,818	10,426,164	2,848,943	168,614,593	10,231,734

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

CITY OF PLANT CITY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	Business-type Activities—Enterprise Funds					Governmental Activities— Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Stormwater Fund	Nonmajor Fund Industrial Park	Total	
Liabilities						
Current Liabilities						
Accounts Payable	\$ 589,731	\$ 124,173	\$ 14,818	\$ -	\$ 728,722	\$ 1,472,929
Unearned Revenue	51,246	-	-	-	51,246	-
Accrued Interest Payable	203,458	-	-	-	203,458	-
Deposits	1,952,860	-	-	-	1,952,860	-
Current Portion of Long-term Debt	2,213,674	-	47,537	-	2,261,211	-
Total Current Liabilities	5,010,969	124,173	62,355	-	5,197,497	1,472,929
Noncurrent Liabilities						
Long-term Debt	37,345,366	-	413,446	-	37,758,812	-
Compensated Absences	332,393	101,789	59,411	-	493,593	-
Estimated Claims Payable	-	-	-	-	-	80,642
Accrued Landfill Closure	-	206,506	-	-	206,506	-
Other Post-Employment Benefits Payable	520,859	203,523	103,507	-	827,889	-
Total Noncurrent Liabilities	38,198,618	511,818	576,364	-	39,286,800	80,642
Total Liabilities	43,209,587	635,991	638,719	-	44,484,297	1,553,571
Net Position						
Net Investment in Capital Assets	56,243,241	177,423	5,649,872	584,817	62,655,353	3,255,116
Restricted for						
Debt Service	2,475,730	-	58,123	-	2,533,853	-
Capital Projects	7,142,510	-	-	-	7,142,510	-
Unrestricted	35,588,600	9,866,404	4,079,450	2,264,126	51,798,580	5,423,047
Total Net Position	<u>\$101,450,081</u>	<u>\$ 10,043,827</u>	<u>\$ 9,787,445</u>	<u>\$ 2,848,943</u>	<u>\$ 124,130,296</u>	<u>\$ 8,678,163</u>

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

CITY OF PLANT CITY, FLORIDA
RECONCILIATION OF THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Total Net Position, Total Enterprise Funds \$ 124,130,296

Amounts reported for business-type activities in the Statement of Net Position are different because:

Internal service funds are used by management to charge the costs of certain activities, such as fleet acquisitions and workers' compensation insurance, to individual funds.

This is the portion of the internal service funds net position included in business-type activities in the Statement of Net Position.

1,558,282

Net Position of Business-type Activities

\$ 125,688,578

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

CITY OF PLANT CITY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Business-type Activities—Enterprise Funds				Totals	Governmental Activities— Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Stormwater Fund	Nonmajor Fund Industrial Park Fund		
Operating Revenues						
Charges for Services	\$ 15,350,078	\$ 6,398,199	\$ 2,346,135	\$ -	\$ 24,094,412	\$ 1,141,330
Total Operating Revenues	<u>15,350,078</u>	<u>6,398,199</u>	<u>2,346,135</u>	<u>-</u>	<u>24,094,412</u>	<u>1,141,330</u>
Operating Expenses						
Personal Services	3,527,005	1,489,683	978,029	-	5,994,717	-
Other Services and Charges	4,624,821	3,283,871	814,928	-	8,723,620	245,509
Depreciation	4,286,948	98,675	262,988	30,262	4,678,873	413,791
Total Operating Expenses	<u>12,438,774</u>	<u>4,872,229</u>	<u>2,055,945</u>	<u>30,262</u>	<u>19,397,210</u>	<u>659,300</u>
Operating Income (Loss)	<u>2,911,304</u>	<u>1,525,970</u>	<u>290,190</u>	<u>(30,262)</u>	<u>4,697,202</u>	<u>482,030</u>
Nonoperating Revenues (Expenses)						
Operating Grants	1,150	-	-	-	1,150	-
Interest Revenue	63,835	15,914	5,377	7,844	92,970	5,536
Interest Expense and Bond Costs	(2,170,909)	-	(14,771)	-	(2,185,680)	-
Other Nonoperating Revenues (Expenses)	5,809	2,577	388	-	8,774	-
Gain (Loss) on Sale of Capital Assets	(2,358)	193,675	6,344	-	197,661	(285,218)
Total Nonoperating Revenue (Expenses)	<u>(2,102,473)</u>	<u>212,166</u>	<u>(2,662)</u>	<u>7,844</u>	<u>(1,885,125)</u>	<u>(279,682)</u>
Income (Loss) Before Capital Contributions and Transfers	808,831	1,738,136	287,528	(22,418)	2,812,077	202,348
Capital Contributions	2,017,543	-	92,148	-	2,109,691	-
Transfers In	5,470	-	-	-	5,470	712,120
Transfers Out	(360)	(691,800)	(7,155)	-	(699,315)	-
Change in Net Position	<u>2,831,484</u>	<u>1,046,336</u>	<u>372,521</u>	<u>(22,418)</u>	<u>4,227,923</u>	<u>914,468</u>
Net Position, Beginning	<u>98,618,597</u>	<u>8,997,491</u>	<u>9,414,924</u>	<u>2,871,361</u>	<u>119,902,373</u>	<u>7,763,695</u>
Net Position, Ending	<u>\$ 101,450,081</u>	<u>\$ 10,043,827</u>	<u>\$ 9,787,445</u>	<u>\$ 2,848,943</u>	<u>\$ 124,130,296</u>	<u>\$ 8,678,163</u>

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 POSITION-PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Net Change in Net Position, Total Enterprise Funds	\$ 4,227,923
Amounts reported for business-type activities in the Statement of Activities are different because:	
Internal service funds are used by management to charge the costs of certain activities, such as fleet acquisitions and workers' compensation insurance, to individual funds. This is the net revenue (expense) of the internal service funds reported within business-type activities.	202,566
Change in Net Position of Business-type Activities	\$ 4,430,489

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

CITY OF PLANT CITY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Business-type Activities—Enterprise Fund				Total	Governmental Activities—Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Stormwater Fund	Nonmajor Fund Industrial Park		
Cash Flows from Operating Activities						
Receipts from Customers	\$ 15,035,779	\$ 6,372,989	\$ 2,340,610	\$ -	\$ 23,749,378	\$ -
Receipts from Other Funds for Goods and Services	-	-	-	-	-	1,141,330
Payments to Suppliers for Goods and Services	(4,569,939)	(3,307,681)	(816,616)	-	(8,694,236)	(234,812)
Payments to Employees for Services	(3,485,315)	(1,456,206)	(956,825)	-	(5,898,346)	-
Net Cash Provided by Operating Activities	<u>6,980,525</u>	<u>1,609,102</u>	<u>567,169</u>	<u>-</u>	<u>9,156,796</u>	<u>906,518</u>
Cash Flows from Noncapital Financing Activities						
Repayment of advances from other funds	-	-	-	74,728	74,728	-
Transfers	5,110	(691,800)	(7,155)	-	(693,845)	712,120
Operating Grants	1,150	-	-	-	1,150	-
Other Nonoperating Receipts	5,809	2,577	388	-	8,774	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>12,069</u>	<u>(689,223)</u>	<u>(6,767)</u>	<u>74,728</u>	<u>(609,193)</u>	<u>712,120</u>
Cash Flows from Capital and Related Financing Activities						
Acquisition and Construction of Capital Assets	(4,899,919)	-	(1,002,828)	-	(5,902,747)	(907,596)
Proceeds from Sale of Capital Assets	359	275,001	7,156	-	282,516	-
Capital Contributions	2,652,617	-	235,297	-	2,887,914	-
Principal Paid on Long-term Debt	(13,205,685)	-	(46,148)	-	(13,251,833)	-
Interest Paid on Long-term Debt	(1,700,273)	-	(14,771)	-	(1,715,044)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(17,152,901)</u>	<u>275,001</u>	<u>(821,294)</u>	<u>-</u>	<u>(17,699,194)</u>	<u>(907,596)</u>
Cash Flows from Investing Activities						
Purchase of Pooled Investments	(1,717,165)	(546,370)	(156,106)	(78,053)	(2,497,694)	(78,536)
Interest and Investment Earnings	107,282	29,738	9,326	9,819	156,165	7,994
Net Cash (Used) by Investing Activities	<u>(1,609,883)</u>	<u>(516,632)</u>	<u>(146,780)</u>	<u>(68,234)</u>	<u>(2,341,529)</u>	<u>(70,542)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(11,770,190)</u>	<u>678,248</u>	<u>(407,672)</u>	<u>6,494</u>	<u>(11,493,120)</u>	<u>640,500</u>
Cash and Cash Equivalents, Beginning of Year	<u>35,138,032</u>	<u>2,453,734</u>	<u>2,590,063</u>	<u>187,264</u>	<u>40,369,093</u>	<u>5,301,259</u>
Cash and Cash Equivalents, End of Year	<u>\$ 23,367,842</u>	<u>\$ 3,131,982</u>	<u>\$ 2,182,391</u>	<u>\$ 193,758</u>	<u>\$ 28,875,973</u>	<u>\$ 5,941,759</u>

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

CITY OF PLANT CITY, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	Business-type Activities—Enterprise Funds				Total	Governmental Activities— Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Stormwater Fund	Nonmajor Fund Industrial Park		
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating Income (Loss)	\$ 2,911,304	\$ 1,525,970	\$ 290,190	\$ (30,262)	\$ 4,697,202	\$ 482,030
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities						
Depreciation and Amortization	4,286,948	98,675	262,988	30,262	4,678,873	413,791
Change in Assets and Liabilities						
Accounts Receivable	(397,787)	(25,210)	(5,525)	-	(428,522)	-
Inventory	2,580	-	-	-	2,580	-
Accounts Payable	52,302	(23,810)	(1,688)	-	26,804	1,175
Deposits	57,720	-	-	-	57,720	-
Unearned Revenues	25,768	-	-	-	25,768	-
Compensated Absences	(22,786)	5,910	(549)	-	(17,425)	-
Estimated Claims Payable	-	-	-	-	-	9,522
Net OPEB Obligation	64,476	27,567	21,753	-	113,796	-
Net Cash Provided by Operating Activities	\$ 6,980,525	\$ 1,609,102	\$ 567,169	\$ -	\$ 9,156,796	\$ 906,518

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

CITY OF PLANT CITY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2013

	Pension Trust Funds
Assets	
Cash and Cash Equivalents	\$ 9,934,022
Receivables	
Contributions	58,340
Accrued Interest and Dividends	65,385
Total Receivables	123,725
Investments at Fair Value	
U.S. Government Agencies	2,186,726
Corporate Bonds and Notes	4,575,919
Common Stock	10,466,351
Mutual Funds	17,310,732
Total Investments	34,539,728
Total Assets	44,597,475
Net Position	
Held in Trust for Pension Benefits	\$ 44,597,475

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

CITY OF PLANT CITY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 3,056,793
Employee	629,694
State of Florida	508,505
Total Contributions	<u>4,194,992</u>
Investment Income	
Interest and Dividends	574,353
Net Appreciation (Depreciation) in Fair Value of Investments	3,513,229
Less Investment Expense	<u>(114,900)</u>
Net Investment Income	<u>3,972,682</u>
Miscellaneous Revenue	<u>145</u>
Total Additions	<u>8,167,819</u>
Deductions	
Pension Benefits	3,815,354
Administrative Expenses	90,890
Total Deductions	<u>3,906,244</u>
Change in Net Position	4,261,575
Net Position, Beginning of Year	<u>40,335,900</u>
Net Position, End of Year	<u><u>\$ 44,597,475</u></u>

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

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standard 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 statements. The financial reporting entity consists of the City (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.

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 (the “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 CRA 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 (the “District”)

The District was formed under Local Ordinance 03-1993 and under Section 163.503 Florida Statutes. The District is authorized to levy an ad valorem tax of up to two mills annually, on real and personal property located in the District. Proceeds collected are to be used to facilitate planning and improvements in the Walden Lakes Master Community. The City Commission of the City 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.

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City adopted new accounting guidance and implemented the provisions of Government Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, GASB Statement No 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, as of October 1, 2012. Other than GASB Statement No. 63, the implementation of these standards had no significant effect on the financial statements of the City. GASB Statement No. 63 establishes new accounting and financial reporting for deferred outflows of resources and deferred inflows of resources and the concept of net position as the residual of all other elements presented in the Statement of Net Position.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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.

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

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

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Community Redevelopment Agency Fund accounts for various redevelopment projects that are funded by the Community Redevelopment Agency.

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City reports the following major proprietary funds:

- The Water and Sewer Fund accounts for the operations of the City’s regional water and sewer system.
- The Sanitation Fund accounts for the operations of the City’s garbage and recycling programs.
- The Stormwater Fund accounts for the operations of the City’s stormwater system.

Additionally, the City reports the following fund types:

- The Internal Service Funds account for the uninsured risk of loss due to work-related injuries suffered by employees of the City and the costs of replacement vehicles in the City’s fleet.
- The Pension Trust Funds account for the activities of the Safety Employees’ Retirement Plan and the General Employees’ Retirement Plan, which accumulate resources for pension benefit payments to qualified employees.

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.

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

Deposits and Investments

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

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Receivables and Payables

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

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

Inventories and Prepaid Items

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

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

Restricted Assets

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

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 government or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life of two years or more and a cost of \$1,000 or more for general fixed assets and \$5,000 for vehicles. Capital improvement projects, which include infrastructure, equipment and construction, costing more than \$25,000 are capitalized. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the time of donation.

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

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Improvements	5-50 years
Buildings and improvements	5-50 years
Equipment	3-20 years
Library books	7 years

Compensated Absences

All regular employees with less than five years continuous service earn 80 hours of annual leave. The number of hours of annual leave increases in increments of five years, relative to the number of years of continuous service. The maximum of 160 hours of annual leave is obtained after twenty years of continuous service. All hours earned during a fiscal year must be used by the end of the following fiscal or are forfeited. Employees who terminate with more than one year of 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 ten 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 Position. 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.

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Equity

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

- *Net investment in capital assets*—consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- *Restricted*—consists of funds that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by constitutional provisions or enabling legislation.
- *Unrestricted*—consists of the balance of net position.

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

- *Nonspendable*—consists of amounts that cannot be spent, either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- *Restricted*—consists of funds that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by constitutional provisions or enabling legislation.
- *Committed*—consists of amounts that can only be used for specific purposes determined by a formal action by the City Commission through adoption of an ordinance or resolution.
- *Assigned*—consists of amounts that have been designated by the City for a particular purpose, but are neither restricted nor committed. The Finance Director and City Manager are authorized to assign fund balance.

At fiscal year-end, any appropriation of existing fund balance to eliminate a projected budgetary deficit in the next year's budget is considered to be an assignment of fund balance.

- *Unassigned*—consists of all amounts not included in other classifications.

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Flow Assumptions—When both restricted and unrestricted amounts of fund balance/net position are available for use for expenditures/expenses incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed.

For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order: committed, assigned and unassigned.

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 – RESTATEMENT, PRIOR PERIOD ADJUSTMENT

The October 1, 2012, beginning net position of governmental activities was restated for a prior period adjustment to report a net pension asset for the Safety Employees’ Retirement Plan in the amount of \$553,198. Pension expense reported in government-wide financial statements should be recognized on the accrual basis. The City should report pension expense for the year equal to annual pension cost. The net pension asset (obligation) should be adjusted for any difference between contributions made and pension expense. As a result, the beginning net position increased \$553,198.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Property Taxes

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

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

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A calendar of events is as follows:

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

B. Budget

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 consistent with 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.

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A. Deposits with Financial Institutions

At September 30, 2013, the carrying amount of the City's deposits with banks was \$56,330,847. 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

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

B. Investments

As of September 30, 2013, the City had the following investments and maturities:

	<u>Credit Rating (Moody's)</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 to 5</u>	<u>Over 5</u>
City Investments					
U. S. Government Agencies	Aaa	\$ 26,716,498	\$ 13,712,863	\$ 13,003,635	\$ -
Municipal Bonds	Aaa-A2	5,790,709	3,218,198	2,572,511	-
Corporate Bonds and Notes	Aa3-A2	7,578,794	4,504,808	3,073,986	-
		<u>\$ 40,086,001</u>	<u>\$ 21,435,869</u>	<u>\$ 18,650,132</u>	<u>\$ -</u>
Safety Employees' Retirement Fund					
U. S. Government Agencies	Aaa	\$ 2,186,726	\$ 96,808	\$ 459,757	\$ 1,630,161
Corporate Bonds and Notes	Aaa-Baa3	4,575,919	-	1,100,323	3,475,596
Common Stocks	Not Rated	10,466,351	10,466,351	-	-
Mutual Funds	Not Rated	6,402,007	6,402,007	-	-
		<u>\$ 23,631,003</u>	<u>\$ 16,965,166</u>	<u>\$ 1,560,080</u>	<u>\$ 5,105,757</u>
General Employees' Retirement Fund					
Mutual funds	Not Rated	<u>\$ 10,908,725</u>	<u>\$ 10,908,725</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

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

City Investments

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

Pension Plan Investments

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

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

City Investments

Section 218.415, Florida Statutes, limits the types of investments that the City can invest in unless specifically authorized in the City's investment policy. The City has a formal investment policy that allows investments in the following: Florida Local Government Surplus Funds Trust, U.S. Government securities, U.S. Government agencies and instrumentalities, interest bearing time deposits or savings accounts held at qualified public depositories, repurchase agreements, and fixed income mutual funds that invest in authorized investments, commercial paper rated P-1 by Moody's and/or A-1 by Standard and Poor's or an equivalent rating, corporate bonds and medium term notes with ratings of at least "A" at the time of purchase, municipal bonds rated "A" or better and money market funds registered with the Securities and Exchange commission that have the highest credit quality rating.

Safety Employees' Pension Trust Fund

Investments are limited by Florida Statute Chapter 185 and by an investment policy adopted by the Fund's Board of Trustees. The allowable investments include: U.S. Government securities, U.S. Government agencies, interest bearing time agreements, corporate bonds, common stocks, foreign equities, mutual funds and money market funds. Cash instruments must have a quality rating at least "A-1" by Standard & Poor's or P-1 by Moody's. Bonds must have a quality rating of at least "A" by Standard & Poor's or Moody's. Equity investments are limited to fully and easily negotiable equity securities listed on one of the recognized national exchanges or on the National Market System of the NASDAQ stock market. Investments in equities may not exceed 65% of the Fund's assets at cost. Foreign equities are limited to 10% of the Fund's assets at cost.

Custodial Credit Risk

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

City Investments

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

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

Pension Plan Investments

The City utilizes a third party custodian to hold plan assets in the name of the City.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the quantity of an investment in a single issuer.

City Investments

	Portfolio Composition Limits
Florida Local Government Surplus Trust Fund	0-50%
U.S. Government Securities	No limits
U.S. Government Agency Securities	0-50%
Certificates of Deposit	0-100%
Repurchase Agreements	0-20%
Commercial Paper	0-50%
Corporate Obligations	0-50%
Municipal Bonds	0-50%
Fixed Income Mutual Funds	0-40%
Money Market Funds	0-40%

For repurchase agreements, commercial paper, corporate obligations, and municipal bonds, a maximum of 5% of the portfolio may be invested with any one financial institution, dealer or issuer. Fixed income mutual funds are limited to a maximum of 30% of the portfolio with any one fund, and money market funds are limited to 20% of the portfolio being invested with any one 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.

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Receivables

At year-end, receivables for the City, including any applicable allowances for uncollectible accounts, are as follows:

	<u>Accounts Receivable</u>	<u>Interest Receivable</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities				
Major Funds				
General Fund	\$ 990,668	\$ 18,961	\$ 560,027	\$ 1,569,656
Community Redevelopment Fund	8,144	-	7,838	15,982
Nonmajor Funds	-	-	1,153,261	1,153,261
Internal Service Funds	-	2,709	-	2,709
	<u>998,812</u>	<u>21,670</u>	<u>1,721,126</u>	<u>2,741,608</u>
Business-type Activities				
Major Funds				
Water and Sewer	2,251,308	59,592	121,324	2,432,224
Sanitation	336,402	18,961	-	355,363
Stormwater	123,200	5,418	-	128,618
Nonmajor Fund	-	2,709	-	2,709
	<u>2,710,910</u>	<u>86,680</u>	<u>121,324</u>	<u>2,918,914</u>
Total	<u>\$ 3,709,722</u>	<u>\$ 108,350</u>	<u>\$ 1,842,450</u>	<u>\$ 5,660,522</u>

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets

Capital asset activity for the year ended September 30, 2013, was as follows:

Governmental activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets not Being Depreciated				
Land	\$ 17,262,052	\$ 364,970	\$ -	\$ 17,627,022
Construction in Progress	1,698,054	5,270,034	(3,660,518)	3,307,570
Total Capital Assets not Being Depreciated	<u>18,960,106</u>	<u>5,635,004</u>	<u>(3,660,518)</u>	<u>20,934,592</u>
Capital Assets Being Depreciated				
Improvements	132,141,861	1,143,313	(3,738)	133,281,436
Buildings and Improvements	20,777,621	53,342	-	20,830,963
Equipment	13,888,527	2,807,989	(1,021,417)	15,675,099
Library Books	1,157,287	90,190	(77,128)	1,170,349
Intangible Assets	450,000	-	(450,000)	-
Total Capital Assets Being Depreciated	<u>168,415,296</u>	<u>4,094,834</u>	<u>(1,552,283)</u>	<u>170,957,847</u>
Less Accumulated Depreciation for				
Improvements	96,897,545	3,912,065	(3,738)	100,805,872
Buildings and Improvements	9,446,044	496,957	-	9,943,001
Equipment	10,231,429	1,093,729	(735,101)	10,590,057
Library Books	778,603	116,308	(77,128)	817,783
Intangible Assets	11,250	7,500	(18,750)	-
Total Accumulated Depreciation	<u>117,364,871</u>	<u>5,626,559</u>	<u>(834,717)</u>	<u>122,156,713</u>
Total Capital Assets Being Depreciated, Net	<u>51,050,425</u>	<u>(1,531,725)</u>	<u>(717,566)</u>	<u>48,801,134</u>
Governmental Activities Capital Assets, Net	<u>\$ 70,010,531</u>	<u>\$ 4,103,279</u>	<u>\$ (4,378,084)</u>	<u>\$ 69,735,726</u>

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

Governmental Activities	
General Government	\$ 353,035
Public Safety	726,421
Physical Environment	186,327
Transportation	2,580,970
Economic Development	320,289
Culture and Recreation	1,045,726
Internal Service Funds - Depreciation expense charged to the various functions based on the usage of capital assets.	<u>413,791</u>
Total Depreciation Expense	<u><u>\$ 5,626,559</u></u>

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

<u>Business-type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets not Being Depreciated				
Land	\$ 1,975,056	\$ -	\$ -	\$ 1,975,056
Construction in Progress	5,113,778	4,585,253	(1,141,527)	8,557,504
Total Capital Assets not Being Depreciated	<u>7,088,834</u>	<u>4,585,253</u>	<u>(1,141,527)</u>	<u>10,532,560</u>
Capital Assets Being Depreciated				
Land Improvements	1,528,679	-	-	1,528,679
Buildings and Improvements	152,270,660	719,031	(64,225)	152,925,466
Equipment	6,843,790	735,221	(826,972)	6,752,039
Total Capital Assets Being Depreciated	<u>160,643,129</u>	<u>1,454,252</u>	<u>(891,197)</u>	<u>161,206,184</u>
Less Accumulated Depreciation for				
Land Improvements	913,600	30,262	-	943,862
Buildings and Improvements	58,511,867	4,242,711	(51,657)	62,702,921
Equipment	5,765,368	405,900	(754,683)	5,416,585
Total Accumulated Depreciation	<u>65,190,835</u>	<u>4,678,873</u>	<u>(806,340)</u>	<u>69,063,368</u>
Total Capital Assets Being Depreciated, Net	<u>95,452,294</u>	<u>(3,224,621)</u>	<u>(84,857)</u>	<u>92,142,816</u>
Business-type Activities Capital Assets, Net	<u>\$ 102,541,128</u>	<u>\$ 1,360,632</u>	<u>\$ (1,226,384)</u>	<u>\$ 102,675,376</u>

Depreciation expense charged to business-type activities is as follows:

Business-type Activities	
Water and Sewer	\$ 4,286,948
Sanitation	98,675
Stormwater	262,988
Industrial Park	30,262
	<u>30,262</u>
Total Depreciation Expense	<u>\$ 4,678,873</u>

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2013, is as follows:

Due From/To Other Funds

Due from/to other funds generally represent recurring activities between funds, as well as temporary cash deficits.

	Due From Other Funds	Due To Other Funds
Nonmajor Governmental Fund	-	77,199
Nonmajor Enterprise Fund	77,199	-
	\$ 77,199	\$ 77,199

Advances To/From Other Funds

Advances to/from other funds represent funds provided by the Industrial Park Fund to the Community Investment Tax Fund.

	Advances To Other Funds	Advances From Other Funds
Nonmajor Governmental Fund	\$ -	\$ 39,552
Nonmajor Enterprise Fund	39,552	-
	\$ 39,552	\$ 39,552

Interfund Transfers

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

	Transfers In	Transfers Out
General Fund	\$ -	\$ 943,444
Nonmajor Governmental Funds	6,796,197	5,871,028
Internal Service Funds	712,120	-
Water and Sewer Fund	5,470	360
Sanitation Fund	-	691,800
Stormwater Fund	-	7,155
	\$ 7,513,787	\$ 7,513,787

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-term Debt

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the governmental activities of the City for the year ended September 30, 2013:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
Infrastructure Sales Tax Revenue Bonds, Series 2004	\$ 3,525,000	\$ -	\$ 3,280,000	\$ 245,000	\$ 245,000
Less Bond Discount	(4,926)	-	(4,516)	(410)	-
Non-Ad Valorem Refunding Revenue Note, Series 2012	-	3,290,000	30,000	3,260,000	40,000
Less Deferred Charges on Refunding	-	(230,980)	(19,248)	(211,732)	-
Non-Ad Valorem Refunding Revenue Note Payable, Series 2010	4,120,000	-	280,000	3,840,000	290,000
Florida Municipal Loan Council, Series 2005B	2,550,000	-	275,000	2,275,000	290,000
Plus Loan Premium	40,776	-	6,116	34,660	-
SunTrust Bank Loan, CRA	396,755	-	236,600	160,155	160,155
Investment Company Loan, CRA	145,324	-	116,259	29,065	29,065
Brownfields Loan, Stock Lumber	83,750	-	-	83,750	-
Brownfields Loan, Grant Hunter Pond	167,500	-	-	167,500	-
Capital Leases	85,591	-	85,591	-	-
Estimated Claims Payable	71,120	122,556	113,034	80,642	-
Compensated Absences	1,271,006	-	69,951	1,201,055	120,000
Other Post-Employment Benefits	1,522,566	205,455	-	1,728,021	-
Total Governmental Activities	<u>\$ 13,974,462</u>	<u>\$ 3,387,031</u>	<u>\$ 4,468,787</u>	<u>\$ 12,892,706</u>	<u>\$ 1,174,220</u>

Predominantly, the General Fund will be used to liquidate compensated absences and other post-employment benefits for governmental activities.

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

Governmental activities debt consists of the following at year-end:

\$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 semi-annually at rates varying between 2.0% and 4.375%. This issue was partially refunded by the Non-Ad Valorem Refunding Revenue Note, Series 2012, with final payment on the remaining balance on September 1, 2014.

\$3,290,000 Non-Ad Valorem Refunding Revenue Note, Series 2012—Issued to advance refund the principal amount of the City’s Infrastructure Sales Tax Revenue Bonds, Series 2004 and to pay the costs of issuance. Interest is payable semi-annually at a rate of 2.035% with final maturity on September 1, 2024.

\$4,610,000 Non-ad Valorem Refunding Revenue Note Payable, Series 2010—Issued to redeem the Series 1999 Infrastructure Sales Tax Revenue Bonds and to finance capital improvements. Interest is payable semi-annually at 3.66% with final maturity on September 1, 2024. The loan is secured by the City's covenant to budget and appropriate its share from the collection of the one-half cent discretionary infrastructure sales surtax and a pledge of those revenues.

\$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%.

\$2,000,000 Loan Payable, SunTrust Bank—Funds borrowed to finance the cost of various capital improvements within the CRA, 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 final maturity on January 1, 2014, with annual payments including interest at 3.42%.

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

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

\$400,000 Loans Payable to Hillsborough County—Funds borrowed by the CRA under the Florida Brownfields Act for the redevelopment of two City properties. The loans are non-interest bearing to be repaid upon sale of the properties or at maturity in 10 years. At September 30, 2013, the City had drawn a total of \$251,250 of the available funds.

The following is a summary of changes in long-term debt for the business-type activities of the City for the year ended September 30, 2013:

<u>Business-type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
Utility System Refunding and Improvement Revenue Bonds, Series 1995	\$ 4,110,000	\$ -	\$ 4,110,000	\$ -	\$ -
Less Bond Discount	(13,285)	-	(13,285)	-	-
Utility System Refunding Revenue Bond, Series 2010	6,935,000	-	6,935,000	-	-
Less Deferred Charges on Refunding	(474,452)	-	(474,452)	-	-
SRF Loan Fund, Wastewater Treatment Plant	2,422,071	-	125,320	2,296,751	128,408
SRF Loan Fund, Wastewater Treatment Plant	34,982,123	-	1,812,962	33,169,161	1,857,266
SRF Loan Fund, Wastewater Treatment Plant	4,315,531	-	222,403	4,093,128	228,000
SRF Loan Fund, Pistol Range Regional Stormwater Facility	190,728	-	21,408	169,320	22,062
SRF Loan Fund, Grant Hunter Pond Stormwater Pollution Control	316,403	-	24,740	291,663	25,475
Compensated Absences	444,349	49,244	-	493,593	50,000
Other Post-Employment Benefits	714,093	113,796	-	827,889	-
Landfill Closure Costs	206,506	-	-	206,506	-
Total Business-type Activities	<u>\$54,149,067</u>	<u>\$ 163,040</u>	<u>\$ 12,764,096</u>	<u>\$41,548,011</u>	<u>\$2,311,211</u>

Business-type activities debt consists of the following at year-end:

\$2,670,199 State Revolving Fund Loan—Funds borrowed to finance the expansion and upgrading of the wastewater treatment plant. The loan is secured by the net revenues of the operation of the utility system (water and wastewater systems) and certain reserves and covenants must be met. The loan will be repaid in 40 semi-annual payments including interest at 2.45% with final maturity on July 15, 2028.

\$40,000,000 State Revolving Fund Loan—Funds borrowed to finance the expansion and upgrading of the wastewater treatment plant. The loan is secured by the net revenues of the operation of the utility system (water and wastewater systems) and certain reserves and covenants must be met. The loan will be repaid in 40 semi-annual payments including interest at 2.35% to 2.51% with final maturity on July 15, 2028.

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

\$5,000,000 State Revolving Fund Loan—Funds borrowed to finance the expansion and upgrading of the wastewater treatment plant. The loan is secured by the net revenues of the operation of the utility system (water and wastewater systems) and certain reserves and covenants must be met. The loan will be repaid in 40 semi-annual payments including interest at 2.5% with final maturity on July 15, 2028.

\$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 semi-annual payments including interest at 3.03% with final maturity on August 15, 2020.

\$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 semi-annual payments including interest at 2.95% with final maturity on April 15, 2023.

Defeasance of Long-term Debt

A portion of the proceeds of the Series 1999 Revenue Bonds was deposited in trust in an escrow account to provide for future debt service on a portion of the City's Series 1995 Revenue Bonds. As a result, that portion of the Series 1995 Revenue Bonds is considered defeased, and the City has removed that liability from its accounts. The outstanding principal balance of the defeased bonds is \$6,645,000 at September 30, 2013, with final maturity on October 1, 2020.

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 \$2,235,000 at September 30, 2013, with final maturity November 1, 2019.

On November 1, 2012, the City issued Non-Ad Valorem Refunding Revenue Note, Series 2012, in the amount of \$3,290,000 to advance refund the principal amount of the City's Infrastructure Sales Tax Revenue Bonds, Series 2004 maturing on and after September 1, 2015, and to provide for the redemption of the refunded bonds on September 1, 2014. Since the note proceeds were deposited in trust in an escrow account, this portion of the Series 2004 bonds are considered defeased, and the City has removed the liability from its accounts. The City completed the refunding to reduce its total debt service payments \$229,763 and to obtain an economic gain (difference between the present value of the old debt and new debt service payments) of \$203,942. The outstanding principal balance of the defeased bonds is \$3,040,000 at September 30, 2013, with final maturity September 1, 2024.

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

Summary of Annual Debt Service Requirements

The annual debt service requirements to maturity for debt outstanding as of September 30, 2013, are as follows:

<u>Fiscal Year Ending</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 1,054,220	\$ 310,148	\$ 2,261,211	\$ 964,418
2015	890,000	282,217	2,316,931	908,699
2016	920,000	253,824	2,374,026	851,604
2017	945,000	222,089	2,432,531	793,099
2018	980,000	187,795	2,492,480	733,149
2019-2023	4,506,250	460,616	13,330,551	2,717,705
2024-2028	765,000	22,312	14,812,293	1,011,258
	<u>\$ 10,060,470</u>	<u>\$ 1,739,001</u>	<u>\$ 40,020,023</u>	<u>\$ 7,979,932</u>

G. Fund Equity

The following is a summary of fund balances as of September 30, 2013:

	<u>General Fund</u>	<u>Community Redevelopment Agency Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable				
Inventory	\$ 92,270	\$ -	\$ -	\$ 92,270
Restricted				
Police Operations	250,107	-	-	250,107
Veterans Memorial	10,008	-	-	10,008
Library	24,667	-	-	24,667
Streets	-	-	1,080,965	1,080,965
Community Development	-	1,347,371	351,600	1,698,971
Capital Projects	-	-	6,368,196	6,368,196
Debt Service	-	-	487,830	487,830
	<u>284,782</u>	<u>1,347,371</u>	<u>8,288,591</u>	<u>9,920,744</u>
Committed				
Cemetery Escrow	1,466,490	-	-	1,466,490
Capital Projects	-	-	5,082,140	5,082,140
	<u>1,466,490</u>	<u>-</u>	<u>5,082,140</u>	<u>6,548,630</u>
Assigned				
Liability Insurance	1,487,246	-	-	1,487,246
Subsequent Year's Appropriations	2,753,997	-	-	2,753,997
Encumbrances	234,309	-	-	234,309
	<u>4,475,552</u>	<u>-</u>	<u>-</u>	<u>4,475,552</u>
Unassigned	7,982,002	-	-	7,982,002
Total Fund Balances	<u>\$ 14,301,096</u>	<u>\$ 1,347,371</u>	<u>\$ 13,370,731</u>	<u>\$ 29,019,198</u>

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. CRA Fund

In accordance with the provisions of Florida Statutes, the City has established a Community Redevelopment Trust Fund to account for funds held by the City for and on behalf of the CRA. 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 CRA 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:

Inflow		
County Property Tax Increment	\$	420,439
City Property Tax Increment		345,568
Tampa Port Authority		13,557
Committed Runds, Re-appropriated (Budgetary)		1,717,421
Grant Revenue		<u>104,314</u>
	\$	<u>2,601,299</u>
Outflow		
State Filing Fee		175
Miscellaneous Expenses		1,113
Brownfields Grant, Hazardous		114,299
Brownfields Grant, Petroleum		44,708
Grant Hunter Pond Recreation Trail		333,677
Principal Payment		351,695
Interest Expense		16,054
Other Contractual Services		100,250
Wheeler Street Realignment		24,590
Madison Park Drainage		10,461
Subscriptions and Memberships		745
Property Acquisition		<u>256,161</u>
		<u>1,253,928</u>
Funds Available For Future Projects at Year-End	\$	<u><u>1,347,371</u></u>
Future Projects		
Committed Funds for Purchase of Land and Infrastructure Improvements to Reduce Slum and Blight	\$	215,082
Wheeler Street Realignment		851,962
Repayment of Bond Issue		197,522
Madison Park Drainage		231,204
Grant Hunter pond Recreational Trail		38,567
Brownfields Grant Match		<u>8,955</u>
Total Future Projects	\$	<u><u>1,543,292</u></u>

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 5 – OTHER INFORMATION

A. Risk Management

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

All departments of the City participate in the program and make payments to the Workers' Compensation Fund based on estimates, by an outside administrator, of the amounts needed to pay prior and current year claims and to accumulate a reserve for future catastrophic losses. Unrestricted net position of the fund is \$1,091,060 at September 30, 2013.

The claims liability of \$80,642 report 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 for the last two fiscal years were as follow:

	<u>Beginning Liability</u>	<u>Current Year Claims/Change in Estimate</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2011-2012	\$ 119,283	\$ 133,424	\$ (181,587)	\$ 71,120
2012-2013	71,120	122,556	(113,034)	80,642

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 for the three prior years.

B. Contingent Liabilities

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

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 5 – OTHER INFORMATION (CONTINUED)

C. Landfill Post-closure 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 post-closure liability recorded at September 30, 2013, is \$206,506, which represents the estimated remaining current cost of all post-closure 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. Post-employment Benefits Other Than Pensions

Plan Description and Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 5 – OTHER INFORMATION (CONTINUED)

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

	2013
Annual Required Contribution	\$ 460,150
Interest on Net OPEB Obligation	71,573
Adjustment to Annual Required Contribution	(77,979)
Total Expense or Annual OPEB Cost	453,744
Actual Contribution Toward OPEB Cost	(134,493)
Increase in Net OPEB Obligation	319,251
Net OPEB Obligation, Beginning of Year	2,236,659
Net OPEB Obligation, End of Year	\$ 2,555,910

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal years 2013, 2012 and 2011, are as follows:

Fiscal Year Ended	Annual OPEB Cost (AOC)	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
09/30/13	\$ 453,744	\$ 134,493	29.64%	\$2,555,910
09/30/12	434,924	101,261	23.28%	2,236,659
09/30/11	527,580	108,894	20.64%	1,902,996

Funding Status and Funding Progress

As of the most recent actuarial valuation, the funded status of the plan was as follow:

Valuation Date	Value of Assets	Liability (AAL) Entry Age	Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	of Covered Payroll
10/1/2011	\$ -	\$ 3,545,931	\$ 3,545,931	0%	\$15,430,771	23%
10/1/2009	-	3,664,729	3,664,729	0%	16,746,172	22%
10/1/2007	-	3,964,039	3,964,039	0%	15,815,485	25%

The schedule of funding progress included as required supplementary information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 5 – OTHER INFORMATION (CONTINUED)

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future

Methods and Assumptions

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

The City's OPEB actuarial calculation used the entry age normal cost actuarial method to estimate the unfunded liability and to determine the annual required contribution. The amortization method is a level percentage, closed with a remaining 25 year amortization period as of September 30, 2013. Although the OPEB liability is currently unfunded, the actuarial assumptions include a 3.2% investment rate of return on invested assets (including inflation at 3%). The actuarial assumptions included projected salary increases of 6% per year (including inflation at 3%) and a 4% payroll growth assumption. The initial trend rate for costs was 3% for the first year, 8% the second year, 7.5% the third year, to an ultimate trend rate of 5.4% in 2023.

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" (the "Plan") administered by the Florida League of Cities, Inc. It is a qualified plan under Section 401(a) of the Internal Revenue Code. In a defined contribution plan, benefits depend solely on amount contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The City contributes an amount equal to 8% of total wages 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, 2013, totaled \$820,281.

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 5 – OTHER INFORMATION (CONTINUED)

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 (the "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. The Plan does not issue a stand-alone financial report and is not included in any other retirement system or entity's financial report.

Membership

Membership in the Plan consisted of the following at October 1, 2013, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	63
Terminated Plan Members Entitled to but not yet	
Receiving Benefits	13
Active Plan Members	
Vested	38
Nonvested	59
	59
Total	173

Participants in the Safety Employees' Retirement Plan are required to make contributions to the plan equal to 10% of the participant's earnings. Contributions from participants in the Safety Employees' Retirement Plan amounted to \$629,694 for the fiscal year ended September 30, 2013. The State and City contribute the remaining required annual contribution, which amounted to \$508,505 and \$2,236,512, respectively, for the fiscal year ended September 30, 2013. The State of Florida makes contributions from taxes on casualty insurance premiums. The City recognized these on-behalf payments from the State as revenues and expenditures in the governmental fund financial statements.

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 5 – OTHER INFORMATION (CONTINUED)

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

Eligibility to Participate	Full-time Sworn Police Officers or Certified Firefighters
Required Employer Contributions	Actuarially Determined
Required Member Contributions	10% of W-2 income, plus tax-exempt and tax-deferred items of income
Funding of Administrative Costs	Investment Earnings
Vesting	10 years
Normal Retirement	Earlier of 60 or 20 years of credited service, or age 55 with 10 years of credited service
Early Retirement	Age 50 and 10 years of credited service
Benefits	
Normal Retirement	3.75% of average final compensation
Early Retirement	Accrued benefit, reduced 3% a year

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

Plan Funding

The actuarial required contribution for fiscal year ending September 30, 2013, was determined in accordance with the October 1, 2011, actuarial valuation using the following methods and assumptions:

Actuarial Valuation Date	10/1/2011
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	30 Years
Asset Valuation Method	4 Year Smooth
Actuarial Assumptions	
Investment Rate of Return	7.75%
Projected Salary Increase	6.00%
Includes Inflation at	3.00%
Post Retirement Cost of Living Adjustment	0.00%

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 5 – OTHER INFORMATION (CONTINUED)

As of the most recent actuarial valuation dated October 1, 2013, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/01/13	\$28,270,716	\$ 48,448,824	\$ 20,178,108	58%	\$ 6,133,823	329%
10/01/12	25,510,700	45,390,068	19,879,368	56%	5,555,685	358%

The schedule of funding progress included as required supplementary information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

There have been no changes in benefits and no changes in actuarial assumptions or methods since the prior valuation.

Annual Pension Cost

The City's annual pension cost for the Safety Employees' Retirement Plan for the current year and each of the two preceding years is as follows:

Year Ending	Annual Pension Cost	% of APC Contributed	Net Pension Obligation
9/30/2013	\$ 2,290,630	120%	\$ (1,003,102)
9/30/2012	2,416,112	113%	(553,198)
9/30/2011	1,608,564	102%	(233,688)

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 5 – OTHER INFORMATION (CONTINUED)

In previous years, the City has contributed more than the required minimum contributions, resulting in a "net pension asset." Therefore, there is no net pension obligation as noted below:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual Required Contribution (ARC)	\$ 2,300,611	\$ 2,406,148	\$ 1,600,170
Interest on Net Pension Obligation (NPO)	(42,873)	(18,695)	(15,749)
Adjustment to ARC	<u>32,892</u>	<u>28,659</u>	<u>24,143</u>
Annual Pension Cost (APC)	2,290,630	2,416,112	1,608,564
Contributions Made	<u>2,740,534</u>	<u>2,735,622</u>	<u>1,645,386</u>
Increase (decrease) in NPO	(449,904)	(319,510)	(36,822)
NPO at Beginning of Year	<u>(553,198)</u>	<u>(233,688)</u>	<u>(196,866)</u>
NPO at End of Year	<u><u>\$ (1,003,102)</u></u>	<u><u>\$ (553,198)</u></u>	<u><u>\$ (233,688)</u></u>

The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position for the City's pension plans are as follow:

	<u>Safety Employees' Retirement Fund</u>	<u>General Employees' Retirement Fund</u>
Assets		
Cash and Cash Equivalents	\$ 5,574,083	\$ 4,359,939
Contributions	10,871	47,469
Accrued Interest and Dividends	65,385	-
Investments, at Fair Value		
U.S. Government Agencies	2,186,726	-
Corporate Bonds and Notes	4,575,919	-
Common Stock	10,466,351	-
Municipal Obligations	<u>6,402,007</u>	<u>10,908,725</u>
Total Investments	<u>23,631,003</u>	<u>10,908,725</u>
Total Assets	<u>29,281,342</u>	<u>15,316,133</u>
Net Position		
Held in Trust for Pension Benefits	<u><u>\$ 29,281,342</u></u>	<u><u>\$ 15,316,133</u></u>

CITY OF PLANT CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 5 – OTHER INFORMATION (CONTINUED)

Statements of Changes in Fiduciary Net Position

	Safety Employees' Retirement Fund	General Employees' Retirement Fund
	<u> </u>	<u> </u>
Additions		
Contributions		
Employee Contributions	\$ 629,694	\$ -
Employer Contributions	2,236,512	820,281
State of Florida	508,505	-
Total Contributions	<u>3,374,711</u>	<u>820,281</u>
Investment Income		
Interest and Dividend Income	574,353	-
Net Change in Fair Value of Investments	1,971,635	1,541,594
Less Investment Expense	(114,900)	-
Net Investment Income	<u>2,431,088</u>	<u>1,541,594</u>
Miscellaneous Revenue	145	-
Total Additions	<u>5,805,944</u>	<u>2,361,875</u>
Deductions		
Pension Benefits	2,650,517	1,164,837
Administrative Expenses	19,204	71,686
Total Deductions	<u>2,669,721</u>	<u>1,236,523</u>
Changes in Net Position	3,136,223	1,125,352
Net Position, Beginning of Year	<u>26,145,119</u>	<u>14,190,781</u>
Net Position, End of Year	<u>\$ 29,281,342</u>	<u>\$ 15,316,133</u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PLANT CITY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Final Budget Favorable (Unfavorable)
Revenues				
Property Taxes	\$ 6,496,804	\$ 6,496,804	\$ 6,613,820	\$ 117,016
Utility Taxes	3,360,000	3,360,000	3,525,417	165,417
Business Taxes	425,500	425,500	440,668	15,168
Communication Services Tax	1,350,000	1,350,000	1,422,108	72,108
Insurance Premium Tax	444,135	444,135	508,505	64,370
Franchise Fees	3,330,000	3,330,000	3,507,254	177,254
Fees and Permits	406,600	406,600	555,380	148,780
Fines and Forfeitures	148,100	236,566	213,129	(23,437)
Intergovernmental	3,832,320	3,902,826	4,198,389	295,563
Charges for Services	1,324,900	1,355,900	1,538,682	182,782
Contributions	6,000	31,000	9,690	(21,310)
Interest Revenue	18,000	18,000	35,289	17,289
Miscellaneous	27,000	27,000	507,652	480,652
Total Revenues	<u>21,169,359</u>	<u>21,384,331</u>	<u>23,075,983</u>	<u>1,691,652</u>
Expenditures				
Current				
General Government	2,983,248	3,366,634	2,757,892	608,742
Public Safety	14,212,625	14,167,683	13,873,897	293,786
Physical Environment	308,500	304,151	317,061	(12,910)
Transportation	51,700	52,803	36,797	16,006
Economic Development	345,568	345,568	345,568	-
Culture and Recreation	4,516,220	4,459,146	4,107,909	351,237
Debt Service				
Principal	85,608	85,608	85,591	17
Capital Outlay	213,900	237,992	197,569	40,423
Total Expenditures	<u>22,717,369</u>	<u>23,019,585</u>	<u>21,722,284</u>	<u>1,297,301</u>
Excess (Deficiency) of Revenues Over				
(Under) Expenditures	<u>(1,548,010)</u>	<u>(1,635,254)</u>	<u>1,353,699</u>	<u>2,988,953</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	-	2,880	2,880
Transfers Out	<u>(1,304,978)</u>	<u>(1,386,351)</u>	<u>(943,444)</u>	<u>442,907</u>
Total Other Financing Sources (Uses)	<u>(1,304,978)</u>	<u>(1,386,351)</u>	<u>(940,564)</u>	<u>445,787</u>
Net Change in Fund Balance	(2,852,988)	(3,021,605)	413,135	3,434,740
Fund Balance, Beginning	<u>13,887,961</u>	<u>13,887,961</u>	<u>13,887,961</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 11,034,973</u>	<u>\$ 10,866,356</u>	<u>\$ 14,301,096</u>	<u>\$ 3,434,740</u>

CITY OF PLANT CITY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 345,568	\$ 345,568	\$ 345,568	\$ -
Intergovernmental	737,387	724,272	538,310	(185,962)
Interest	5,000	-	-	-
Total Revenues	<u>1,087,955</u>	<u>1,069,840</u>	<u>883,878</u>	<u>(185,962)</u>
Expenditures				
Current				
Economic Environment	782,927	452,659	257,741	194,918
Debt Service				
Principal	351,259	353,295	352,859	436
Interest	17,493	16,054	14,890	1,164
Capital Outlay	1,415,637	1,965,253	628,438	1,336,815
Total Expenditures	<u>2,567,316</u>	<u>2,787,261</u>	<u>1,253,928</u>	<u>1,533,333</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,479,361)</u>	<u>(1,717,421)</u>	<u>(370,050)</u>	<u>1,347,371</u>
Other Financing Sources				
Debt Issued	199,000	-	-	-
Total Other Financing Sources	<u>199,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1,280,361)	(1,717,421)	(370,050)	1,347,371
Fund Balance, Beginning	<u>1,717,421</u>	<u>1,717,421</u>	<u>1,717,421</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 437,060</u>	<u>\$ -</u>	<u>\$ 1,347,371</u>	<u>\$ 1,347,371</u>

CITY OF PLANT CITY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET COMPARISONS

SEPTEMBER 30, 2013

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 Fund 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 Project 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
SEPTEMBER 30, 2013
(UNAUDITED)

Other Post-Employment Benefits
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2011	\$ -	\$ 3,545,931	\$ 3,545,931	0%	\$ 15,430,771	23%
10/1/2009	-	3,664,729	3,664,729	0%	16,746,172	22%
10/1/2007	-	3,964,039	3,964,039	0%	15,815,485	25%

CITY OF PLANT CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2013
(UNAUDITED)

Safety Employees
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/01/13	\$28,270,716	\$ 48,448,824	\$ 20,178,108	58%	\$ 6,133,823	329%
10/01/12	25,510,700	45,390,068	19,879,368	56%	5,555,685	358%
10/01/11	20,880,874	40,505,573	19,624,699	52%	5,450,247	360%
10/01/10	20,399,837	38,300,142	17,900,305	53%	5,812,481	308%
10/01/09	19,301,111	34,865,192	15,564,081	55%	5,580,144	279%
10/01/08	18,680,364	30,949,022	12,268,658	60%	4,813,323	255%

CITY OF PLANT CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2013
(UNAUDITED)

Safety Employees' Retirement Plan
Schedule of Contributions from the Employer and Other Contributing Entities

Fiscal Year Ended	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
2013	\$ 2,300,611	\$ 2,236,513	\$ 504,021 *	119%
2012	2,406,148	2,261,506	474,116 *	114%
2011	2,084,305	1,645,386	484,135 *	102%
2010	1,895,444	1,411,309	484,135 *	100%
2009	1,305,882	821,747	484,135 *	100%
2008	1,028,829	544,694	484,135 *	100%

* Reflects traditional interpretation of Chapter 99-1, Florida Statutes

OTHER SUPPLEMENTARY INFORMATION

CITY OF PLANT CITY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Special Revenue Funds			Debt Service Funds		Capital Projects Funds Combined	Total Nonmajor Governmental Funds
	Streets	Community Development Block Grant	Community Investment Tax	Infrastructure Sales Tax Revenue Bonds	Stadium Loan		
Assets							
Cash and Cash Equivalents	\$ 894,082	\$ 183,067	\$ 1,329,991	\$ -	\$ -	\$ 10,120,945	\$ 12,528,085
Due from Other Governments	239,407	128,502	147,389	-	-	637,963	1,153,261
Restricted Cash	-	-	-	394,985	392,845	-	787,830
Land Held for Resale	-	161,577	-	-	-	-	161,577
Total Assets	\$ 1,133,489	\$ 473,146	\$ 1,477,380	\$ 394,985	\$ 392,845	\$ 10,758,908	\$ 14,630,753
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$ 52,524	\$ 845	\$ -	\$ -	\$ -	\$ 669,201	\$ 722,570
Due to Other Funds	-	-	77,199	-	-	-	77,199
Due to Other Governments	-	120,701	-	-	-	-	120,701
Deferred Revenues	-	-	-	-	300,000	-	300,000
Advances from Other Funds	-	-	39,552	-	-	-	39,552
Total Liabilities	52,524	121,546	116,751	-	300,000	669,201	1,260,022
Fund Balances							
Restricted	1,080,965	351,600	1,360,629	394,985	92,845	5,007,567	8,288,591
Committed	-	-	-	-	-	5,082,140	5,082,140
Total Fund Balances	1,080,965	351,600	1,360,629	394,985	92,845	10,089,707	13,370,731
Total Liabilities and Fund Balances	\$ 1,133,489	\$ 473,146	\$ 1,477,380	\$ 394,985	\$ 392,845	\$ 10,758,908	\$ 14,630,753

CITY OF PLANT CITY, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue Funds		
	Streets	Community Development Block Grant	Community Investment Tax
Revenues			
Taxes	\$ 1,159,890	\$ -	\$ -
Impact Fees	-	-	-
Intergovernmental	553,099	449,889	1,771,697
Charges for Services	-	40,768	-
Interest Revenue	583	95	862
Other	1,998	-	-
Total Revenues	1,715,570	490,752	1,772,559
Expenditures			
Current			
General Government	-	-	1,300
Public Safety	-	-	-
Transportation	1,344,843	-	-
Economic Development	-	97,720	-
Culture and Recreation	-	-	-
Debt Service			
Principal	-	-	-
Interest and Fiscal Charges	-	-	41,580
Capital Outlay	93,263	412,540	-
Total Expenditures	1,438,106	510,260	42,880
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	277,464	(19,508)	1,729,679
Other Financing Sources (Uses)			
Debt Issued	-	-	3,290,000
Payments to Escrow Agent	-	-	-
Transfers In	403,043	57,648	92,000
Transfers Out	(1,060,000)	-	(4,713,558)
Total Other Financing Sources (Uses)	(656,957)	57,648	(1,331,558)
Net Change in Fund Balance	(379,493)	38,140	398,121
Fund Balance, Beginning	1,460,458	313,460	962,508
Fund Balance, Ending	\$ 1,080,965	\$ 351,600	\$ 1,360,629

Debt Service Funds			
Infrastructure Sales Tax Revenue Bonds	Stadium Loan	Capital Projects Funds Combined	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 1,159,890
-	-	384,574	384,574
-	390,085	637,963	3,802,733
-	-	-	40,768
-	47	5,461	7,048
-	-	-	1,998
-	390,132	1,027,998	5,397,011
-	-	4,184	5,484
-	-	314,668	314,668
-	-	1,802,681	3,147,524
-	-	-	97,720
-	-	38,071	38,071
550,000	275,000	-	825,000
222,448	110,097	-	374,125
-	-	1,885,643	2,391,446
772,448	385,097	4,045,247	7,194,038
(772,448)	5,035	(3,017,249)	(1,797,027)
-	-	-	3,290,000
(3,270,980)	-	-	(3,270,980)
4,033,558	-	2,209,948	6,796,197
-	-	(97,470)	(5,871,028)
762,578	-	2,112,478	944,189
(9,870)	5,035	(904,771)	(852,838)
404,855	87,810	10,994,478	14,223,569
\$ 394,985	\$ 92,845	\$ 10,089,707	\$ 13,370,731

CITY OF PLANT CITY, FLORIDA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2013

	Capital Improvement	Streets RR&I	Community Investment RR&I	Impact Fees Library
Assets				
Cash and Cash Equivalents	\$ 1,669,511	\$ 1,797,345	\$ 1,646,238	\$ 328,342
Due from Other Governments	-	637,963	-	-
Total Assets	<u>\$ 1,669,511</u>	<u>\$ 2,435,308</u>	<u>\$ 1,646,238</u>	<u>\$ 328,342</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 29,021	\$ 639,896	-	-
Total Liabilities	<u>29,021</u>	<u>639,896</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	-	-	-	328,342
Committed	1,640,490	1,795,412	1,646,238	-
Total Fund Balances	<u>1,640,490</u>	<u>1,795,412</u>	<u>1,646,238</u>	<u>328,342</u>
Total Liabilities and Fund Balances	<u>\$ 1,669,511</u>	<u>\$ 2,435,308</u>	<u>\$ 1,646,238</u>	<u>\$ 328,342</u>

Impact Fees Fire	Impact Fees Police	Impact Fees Park and Recreation	Impact Fees Transportation	Total Capital Projects Funds
\$ 658,338	\$ 2,884	\$ 238,992	\$ 3,779,295	\$ 10,120,945
-	-	-	-	637,963
<u>\$ 658,338</u>	<u>\$ 2,884</u>	<u>\$ 238,992</u>	<u>\$ 3,779,295</u>	<u>\$ 10,758,908</u>
\$ 115	\$ 169	\$ -	\$ -	\$ 669,201
115	169	-	-	669,201
658,223	2,715	238,992	3,779,295	5,007,567
-	-	-	-	5,082,140
<u>658,223</u>	<u>2,715</u>	<u>238,992</u>	<u>3,779,295</u>	<u>10,089,707</u>
<u>\$ 658,338</u>	<u>\$ 2,884</u>	<u>\$ 238,992</u>	<u>\$ 3,779,295</u>	<u>\$ 10,758,908</u>

CITY OF PLANT CITY, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Capital Improvement	Streets RR&I	Community Investment RR&I	Impact Fees Library
Revenue				
Impact Fees	\$ -	\$ -	\$ -	\$ 73,796
Intergovernmental	-	637,963	-	-
Interest	795	1,182	857	155
Total Revenues	<u>795</u>	<u>639,145</u>	<u>857</u>	<u>73,951</u>
Expenditures				
Current				
General Government	4,184	-	-	-
Public Safety	115,905	-	198,763	-
Transportation	-	1,636,363	39,593	-
Culture and Recreation	38,071	-	-	-
Capital Outlay	523,890	971,088	255,491	-
Total Expenditures	<u>682,050</u>	<u>2,607,451</u>	<u>493,847</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(681,255)</u>	<u>(1,968,306)</u>	<u>(492,990)</u>	<u>73,951</u>
Other Financing Sources (Uses)				
Transfers In	469,948	1,060,000	680,000	-
Transfers Out	(5,470)	-	-	-
Total Other Financing Sources (Uses)	<u>464,478</u>	<u>1,060,000</u>	<u>680,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(216,777)</u>	<u>(908,306)</u>	<u>187,010</u>	<u>73,951</u>
Fund Balances, Beginning	<u>1,857,267</u>	<u>2,703,718</u>	<u>1,459,228</u>	<u>254,391</u>
Fund Balances, Ending	<u>\$ 1,640,490</u>	<u>\$ 1,795,412</u>	<u>\$ 1,646,238</u>	<u>\$ 328,342</u>

Impact Fees Fire	Impact Fees Police	Impact Fees Park and Recreation	Impact Fees Transportation	Total Capital Projects Funds
\$ 60,057	\$ 88,812	\$ 77,991	\$ 83,918	\$ 384,574
-	-	-	-	637,963
330	31	109	2,002	5,461
<u>60,387</u>	<u>88,843</u>	<u>78,100</u>	<u>85,920</u>	<u>1,027,998</u>
-	-	-	-	4,184
-	-	-	-	314,668
-	-	-	126,725	1,802,681
-	-	-	-	38,071
-	-	7,722	127,452	1,885,643
-	-	7,722	254,177	4,045,247
<u>60,387</u>	<u>88,843</u>	<u>70,378</u>	<u>(168,257)</u>	<u>(3,017,249)</u>
-	-	-	-	2,209,948
-	(92,000)	-	-	(97,470)
-	(92,000)	-	-	2,112,478
60,387	(3,157)	70,378	(168,257)	(904,771)
<u>597,836</u>	<u>5,872</u>	<u>168,614</u>	<u>3,947,552</u>	<u>10,994,478</u>
<u>\$ 658,223</u>	<u>\$ 2,715</u>	<u>\$ 238,992</u>	<u>\$ 3,779,295</u>	<u>\$ 10,089,707</u>

CITY OF PLANT CITY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2013

	Fleet Replacement Fund	Workers' Compensation Fund	Total
Assets			
Current			
Cash and Cash Equivalents	\$ 4,794,538	\$ 1,147,221	\$ 5,941,759
Investments	1,002,150	-	1,002,150
Interest Receivable	2,709	-	2,709
Total Current Assets	<u>5,799,397</u>	<u>1,147,221</u>	<u>6,946,618</u>
Noncurrent Assets			
Deposits	-	30,000	30,000
Capital Assets			
Transportation Equipment	4,015,087	-	4,015,087
Construction in Progress	341	-	341
Less Accumulated Depreciation	<u>(760,312)</u>	<u>-</u>	<u>(760,312)</u>
Total Noncurrent Assets	<u>3,255,116</u>	<u>30,000</u>	<u>3,285,116</u>
Total Assets	<u>9,054,513</u>	<u>1,177,221</u>	<u>10,231,734</u>
Liabilities			
Accounts Payable	1,467,410	5,519	1,472,929
Estimated Claims Payable	-	80,642	80,642
Total Liabilities	<u>1,467,410</u>	<u>86,161</u>	<u>1,553,571</u>
Net Position			
Net Investment in Capital Assets	3,255,116	-	3,255,116
Unrestricted	<u>4,331,987</u>	<u>1,091,060</u>	<u>5,423,047</u>
Total Net Position	<u>\$ 7,587,103</u>	<u>\$ 1,091,060</u>	<u>\$ 8,678,163</u>

CITY OF PLANT CITY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Fleet Replacement Fund	Workers' Compensation Fund	Total
Operating Revenues			
Charges for Services	\$ 965,330	\$ 176,000	\$ 1,141,330
Total Operating Revenues	<u>965,330</u>	<u>176,000</u>	<u>1,141,330</u>
Operating Expenses			
Other Services and Charges	-	245,509	245,509
Depreciation	413,791	-	413,791
Total Operating Expenses	<u>413,791</u>	<u>245,509</u>	<u>659,300</u>
Operating Income (Loss)	<u>551,539</u>	<u>(69,509)</u>	<u>482,030</u>
Nonoperating Revenues (Expenses)			
Interest Revenue	4,983	553	5,536
Loss on Sale of Equipment	(285,218)	-	(285,218)
Total Nonoperating Revenues (Expenses)	<u>(280,235)</u>	<u>553</u>	<u>(279,682)</u>
Income (Loss) Before Transfers	271,304	(68,956)	202,348
Transfers In	712,120	-	712,120
Change in Net Position	983,424	(68,956)	914,468
Net Position, Beginning	<u>6,603,679</u>	<u>1,160,016</u>	<u>7,763,695</u>
Net Position, Ending	<u>\$ 7,587,103</u>	<u>\$ 1,091,060</u>	<u>\$ 8,678,163</u>

CITY OF PLANT CITY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR YEAR ENDED SEPTEMBER 30, 2013

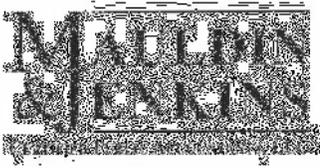
	Fleet Replacement Fund	Workers' Compensation Fund	Total
Cash Flows from Operating Activities			
Cash Received from Other Funds for Goods and Services	\$ 965,330	\$ 176,000	\$ 1,141,330
Payments to Suppliers for Goods and Services	-	(234,812)	(234,812)
Net Cash Provided (Used) by Operating Activities	<u>965,330</u>	<u>(58,812)</u>	<u>906,518</u>
Cash Flows from Noncapital Financing Activities			
Transfers In	712,120	-	712,120
Net Cash Provided by Noncapital Financing Activities	<u>712,120</u>	<u>-</u>	<u>712,120</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	(907,596)	-	(907,596)
Net Cash (Used) by Capital and Related Financing Activities	<u>(907,596)</u>	<u>-</u>	<u>(907,596)</u>
Cash Flows from Investing Activities			
Purchase of Investments	(78,536)	-	(78,536)
Interest and Investment Earnings	7,441	553	7,994
Net Cash Provided (Used) by Investing Activities	<u>(71,095)</u>	<u>553</u>	<u>(70,542)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	698,759	(58,259)	640,500
Cash and Cash Equivalents, Beginning of Year	<u>4,095,779</u>	<u>1,205,480</u>	<u>5,301,259</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,794,538</u>	<u>\$ 1,147,221</u>	<u>\$ 5,941,759</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ 551,539	\$ (69,509)	\$ 482,030
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation and Amortization	413,791	-	413,791
Changes in Assets and Liabilities			
Accounts Payable	-	1,175	1,175
Estimated Claims Payable	-	9,522	9,522
Net Cash Provided (Used) by Operating Activities	<u>\$ 965,330</u>	<u>\$ (58,812)</u>	<u>\$ 906,518</u>

CITY OF PLANT CITY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2013

	Pension Trust Funds		Total
	Safety Employees' Retirement Fund	General Employees' Retirement Fund	
Assets			
Cash and Cash Equivalents	\$ 5,574,083	\$ 4,359,939	\$ 9,934,022
Receivables			
Contributions	10,871	47,469	58,340
Accrued Interest and Dividends	65,385	-	65,385
Total Receivables	76,256	47,469	123,725
Investments at Fair Value			
U.S. Government Agencies	2,186,726	-	2,186,726
Corporate Bonds and Notes	4,575,919	-	4,575,919
Common Stock	10,466,351	-	10,466,351
Mutual Funds	6,402,007	10,908,725	17,310,732
Total Investments	23,631,003	10,908,725	34,539,728
Total Assets	29,281,342	15,316,133	44,597,475
Net Position			
Held in Trust for Pension Benefits	\$ 29,281,342	\$ 15,316,133	\$ 44,597,475

CITY OF PLANT CITY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Pension Trust Funds		Total
	Safety Employees' Retirement Fund	General Employees' Retirement Fund	
Additions			
Contributions			
Employer	\$ 2,236,512	\$ 820,281	\$ 3,056,793
Employee	629,694	-	629,694
State of Florida	508,505	-	508,505
Total Contributions	<u>3,374,711</u>	<u>820,281</u>	<u>4,194,992</u>
Investment Income			
Interest and Dividends	574,353	-	574,353
Net Appreciation (Depreciation) in Fair Value of Investments	1,971,635	1,541,594	3,513,229
Less: Investment Expenses	<u>(114,900)</u>	<u>-</u>	<u>(114,900)</u>
Net Investment Income	<u>2,431,088</u>	<u>1,541,594</u>	<u>3,972,682</u>
Miscellaneous Revenue	<u>145</u>	<u>-</u>	<u>145</u>
Total Additions	<u>5,805,944</u>	<u>2,361,875</u>	<u>8,167,819</u>
Deductions			
Pension Benefits	2,650,517	1,164,837	3,815,354
Administrative Expenses	<u>19,204</u>	<u>71,686</u>	<u>90,890</u>
Total Deductions	<u>2,669,721</u>	<u>1,236,523</u>	<u>3,906,244</u>
Change in Net Position	3,136,223	1,125,352	4,261,575
Net Position, Beginning of Year	<u>26,145,119</u>	<u>14,190,781</u>	<u>40,335,900</u>
Net Position, End of Year	<u>\$ 29,281,342</u>	<u>\$ 15,316,133</u>	<u>\$ 44,597,475</u>



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

Honorable Mayor and Members of the City Commission
City of Plant City, Florida

We have audited, in accordance with the 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, 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 (the "City"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 19, 2014. As referenced in our report, the City adopted new accounting guidance and implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as of October 1, 2012.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as Finding 2013-01 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as Finding 2013-02 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

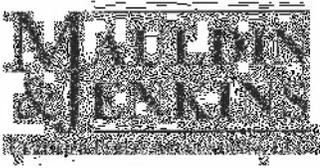
The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
May 19, 2014



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

Honorable Mayor and Members of the City Commission
City of Plant City, Florida

Report on Compliance for Each Major Federal Program

We have audited the City of Plant City, Florida's (the "City"), compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 *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*. Those standards and OMB Circular A-133 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'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
May 19, 2014

CITY OF PLANT CITY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED SEPTEMBER 30, 2013

<u>Federal Agency, Pass-through Entity, Federal Program</u>	<u>CFDA No.</u>	<u>Grantors No.</u>	<u>Expenditures</u>
United States Department of Housing and Urban Development			
Passed through Hillsborough County			
Community Development Block Grants/Entitlement Grants	14.218	B-12-UC-12-0002	\$ 490,657
Total United States Department of Housing and Urban Development			<u>490,657</u>
United States Department of Justice			
Direct, Office of Justice Programs, Bureau of Justice Assistance			
Bulletproof Vest Partnership Program	16.607	2009593	3,218
Direct, Office of Community Oriented Policing Services			
Public Safety Partnership and Community Policing Grants, Recovery Act	16.710	2009-RK-WX-0222	111,702
Passed through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0125	3,107
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0297	15,163
Total United States Department of Justice			<u>133,190</u>
United States Department of Transportation			
Passed through Florida Department of Transportation			
Highway Planning and Construction	20.205	AQ003	16,180
Passed through Florida Department of Environment Protection			
Recreational Trails Program	20.219	T1015	86,433
Total United States Department of Transportation			<u>102,613</u>
United States Environmental Protection Agency			
Direct, Office of Solid Waste and Emergency Response			
Brownfields Assessment and Cleanup Cooperative Agreements			
Hazardous Substances	66.818	BF-95481711	71,448
Petroleum	66.818	BF-95481711	32,865
Total United States Environmental Protection Agency			<u>104,313</u>
United States Department of Health and Human Services			
Passed through the Florida Department of Health			
Grants to States to Support Oral Health Workforce	93.236	COH8Y	208,216
Preventative Health and Health Services Block Grant	93.991	COH8Y	35,022
Total United States Department of Health and Human Services			<u>243,238</u>
Total Expenditures of Federal Awards			<u>\$ 1,074,011</u>

CITY OF PLANT CITY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2013

NOTE 1– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the Schedule of Expenditures of Federal 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*.

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 accompanying schedule is presented using the modified accrual basis of accounting. Expenditures are recorded when the related liability is incurred.

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 disallowed expenditures under the terms of the grants. Based upon prior experience, the City does not believe that such disallowances, if any, would be material.

NOTE 3 – LOANS OUTSTANDING

The City had \$40,020,023 in State Revolving Fund loans outstanding at September 30, 2013.

CITY OF PLANT CITY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2013

Section I – Summary of Auditor’s Results

Basic Financial Statements

Type of auditor’s report issued	Unmodified Opinion		
Internal controls over financial reporting			
Material weaknesses identified?	<u> X </u>	yes	_____ no
Significant deficiency(ies) identified?	<u> X </u>	yes	_____ none reported
Noncompliance material to financial statements noted?	_____	yes	<u> X </u> no

Federal Awards

Type of auditor's report issued on compliance for major programs	Unmodified Opinion		
Internal controls over major programs			
Material weaknesses identified?	_____	yes	<u> X </u> no
Significant deficiency(ies) identified?	_____	yes	<u> X </u> none reported
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____	yes	<u> X </u> no

Identification of major programs

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grants/ Entitlement Grants
16.710	Public Safety Partnership and Community Policing Grants – Recovery Act

Dollar threshold used to distinguish Type A programs	\$300,000		
Auditee qualified as low-risk auditee?	_____	yes	<u> X </u> no

CITY OF PLANT CITY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2013

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards*.

2013-01 Year-end Close and Reconciliations

Criteria: Internal controls should be in place to ensure that financial statements properly present the financial position and results of operations of the City in accordance with generally accepted accounting principles (GAAP) and that all of the City's transactions are properly reported, including recognition in the proper period.

Condition: A prior period adjustment was detected in our audit of the City's financial statements for the year ended September 30, 2013, requiring a restatement of the City's beginning net position.

Context/Cause: Pension expense reported in government-wide financial statements should be recognized on the accrual basis. The employer should report pension expense for the year equal to annual pension cost. The net pension asset (obligation) should be adjusted for any difference between contributions made and pension expense. As of September 30, 2012, the City had a net pension asset for the Safety Employees' Retirement Plan in the amount of \$553,198, which is an accumulation of contributions in excess of pension expense that was not being reported in the governmental activities.

Effect: Audit adjustment to record the net pension asset and increase beginning net position of the City's governmental activities in the amount of \$553,198.

Recommendation: We recommend the City carefully review the financial statements and applicable reporting requirements to ensure that all information and financial data is being properly reported.

Management Response: *We concur with the finding and recommendation. We have made the required adjustment to ensure the transaction is properly recorded as of year-end.*

2013-02 Segregation of Duties

Criteria: A good system of internal control provides for proper segregation of the accounting functions.

Condition: During our review of internal controls over the cash disbursement function, we noted that duties were not properly segregated.

CITY OF PLANT CITY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2013

Context/Cause: Accounts payable personnel set up vendors in the accounting system, enter invoices into the accounting system for payment, sign the checks using blank check stock, and mail the checks after signature. While in most cases a requisition is required to process a check, disbursements can still be processed without a requisition in the accounting system. Thus, there are no controls in place to prevent an unauthorized disbursement from being processed.

Effect: Unauthorized transactions could be processed and not detected in a timely manner.

Recommendation: Proper segregation of duties is not always possible with limited staff, but segregation of duties to the extent possible should be implemented to reduce the risk of errors or fraud. Mitigating controls such as reviewing checks before they are mailed and segregating the responsibilities of the process as outlined above will limit the capability of any one person from being able to process an unauthorized payment.

Management Response: *We concur with the auditor's recommendation. Our financial software is being upgraded to MUNIS v10.5 effective May 10, 2014. This version requires batch approval before the checks are written. Someone other than accounts payable personnel will review and approve these batches before the checks are written and mailed out.*

Section III – Federal Awards Findings and Questioned Costs

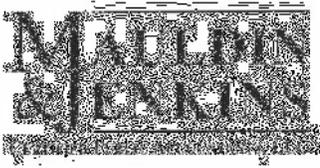
This section identifies the significant deficiencies, material weaknesses and material instances of noncompliance, including questioned costs as well as any abuse findings involving federal awards that are material to a major program, as required by Circular A-133 Section 510(a).

No current year findings reported.

Section IV – Summary Schedule of Prior Audit Findings

There were no prior year audit findings.

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and Members of the City Commission
City of Plant City, Florida

We have audited the financial statements of the City of Plant City, Florida (the "City"), as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated May 19, 2014.

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 Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated May 19, 2014, should be considered in conjunction with this management letter.

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

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The prior year finding has been corrected in the current year.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Matters required to be disclosed are reported in the Schedule of Findings and Questioned Costs.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contract or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

- Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information has been disclosed in the notes to the financial statements.
- Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Section 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of the financial information provided by same.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
May 19, 2014