

**CITY OF PLANT CITY, FLORIDA**

**ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
September 30, 2014**

**CITY OF PLANT CITY, FLORIDA**  
**ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended September 30, 2014**

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**CITY OF PLANT CITY, FLORIDA**

**City Officials**

September 30, 2014

**ELECTED OFFICIALS**

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

**APPOINTED OFFICIALS**

Michael Herr	City Manager
Kenneth W. Buchman	City Attorney
Kerri J. Miller	City Clerk

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## INDEPENDENT AUDITOR'S REPORT

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To the Honorable Mayor,  
Members of the City Council and City Clerk  
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, 2014, 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, 2014, 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 discussed in Note 1, the City's pension trust fund implemented Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* as of October 1, 2013. This standard modified the reporting requirements for financial statements of defined benefit pension plans. Additionally, the City implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of October 1, 2013. 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, budgetary comparison information and pension and other post-employment benefit schedules on pages 4-18 and 65-74, respectively, 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***

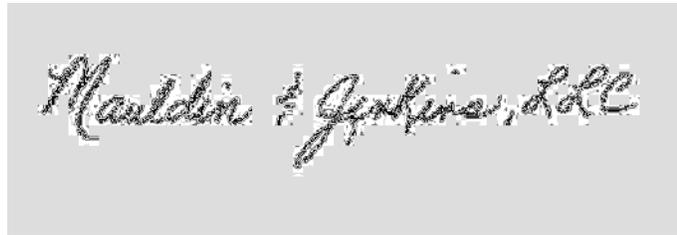
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance 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 *Chapter 10.550 Rules of the Auditor General—Local Government Entity Audits*, and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules, as well as the Schedule of Expenditures of Federal Awards and State Financial Assistance 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 combining and individual fund statements and schedules, as well as the Schedule of Expenditures of Federal Awards and State Financial Assistance is 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 June 26, 2015, 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

Bradenton, Florida  
June 26, 2015



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**CITY OF PLANT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
(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, 2014, by \$221 million (net position). Of this amount, unrestricted net position totals \$81.5 million.
- The City's total net position increased by \$5.38 million.
- As of September 30, 2014, the City's governmental funds reported combined ending fund balances of \$30 million an increase of \$941 thousand over the prior year. Of this amount, unassigned fund balance totals \$8.5 million.
- The City's total debt decreased by \$3.29 million during the current fiscal year primarily due to the debt repayments in excess of borrowing.

**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."

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.

**CITY OF PLANT CITY, FLORIDA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2014  
(Unaudited)

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 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.

**CITY OF PLANT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
(Unaudited)

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.

**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 \$221.1 million.

**CITY OF PLANT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
(Unaudited)

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Current and Other						
Assets	\$ 40,999,471	\$ 37,915,311	\$ 68,846,945	\$ 66,734,776	\$ 109,846,416	\$ 104,650,087
Capital Assets	70,076,046	69,735,726	99,356,719	102,675,376	169,432,765	172,411,102
<b>Total Assets</b>	<b>111,075,517</b>	<b>107,651,037</b>	<b>168,203,664</b>	<b>169,410,152</b>	<b>279,279,181</b>	<b>277,061,189</b>
Long-term Liabilities	12,148,781	12,892,706	39,408,750	41,548,011	51,557,531	54,440,717
Other Liabilities	3,897,108	3,977,024	2,736,311	2,936,286	6,633,419	6,913,310
<b>Total Liabilities</b>	<b>16,045,889</b>	<b>16,869,730</b>	<b>42,145,061</b>	<b>44,484,297</b>	<b>58,190,950</b>	<b>61,354,027</b>
Net Investment in						
Capital Assets	61,233,737	59,852,738	61,597,906	61,892,630	122,831,643	121,745,368
Restricted	9,088,722	9,920,744	7,622,081	9,676,363	16,710,803	19,597,107
Unrestricted	24,707,169	21,007,825	56,838,616	53,356,862	81,545,785	74,364,687
<b>Total Net Position</b>	<b>\$ 95,029,628</b>	<b>\$ 90,781,307</b>	<b>\$ 126,058,603</b>	<b>\$ 124,925,855</b>	<b>\$ 221,088,231</b>	<b>\$ 215,707,162</b>

56% 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. 8% of the City's net position represents resources that are subject to external restrictions on how they may be used.

At September 30, 2014, 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.

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 decrease in the net investment in capital assets for the business-type activities is due to a decrease in net capital assets which was greater than the decrease in long-term debt.

**CITY OF PLANT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
(Unaudited)

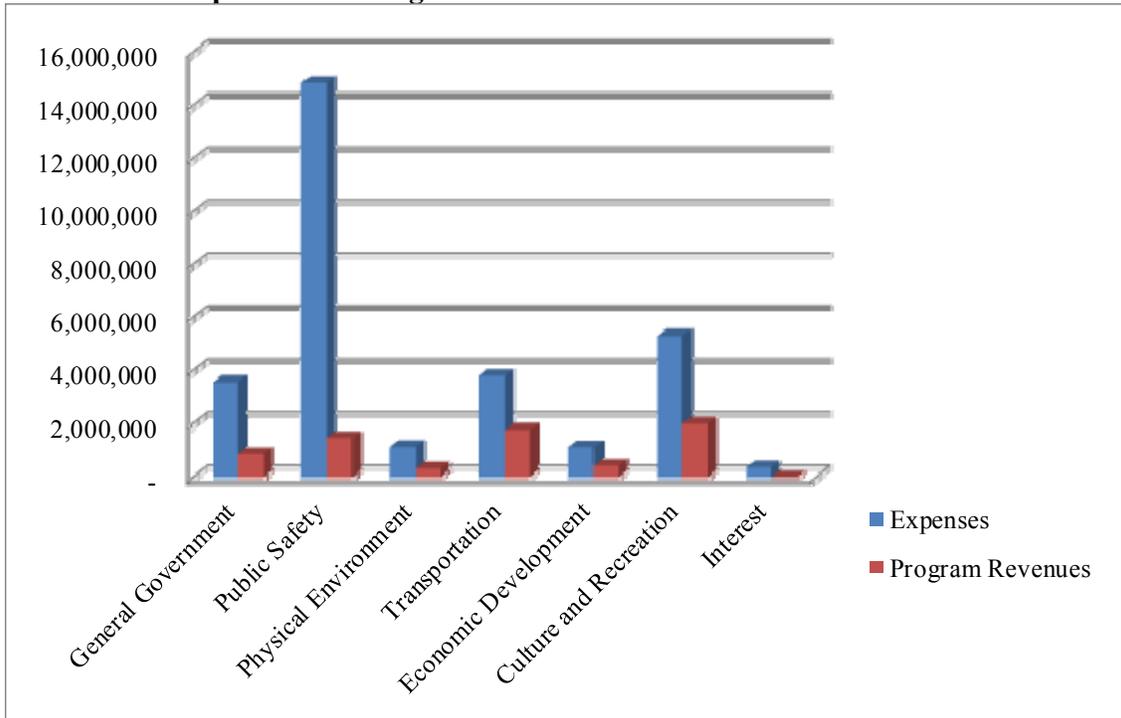
**Statements of Activities**

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

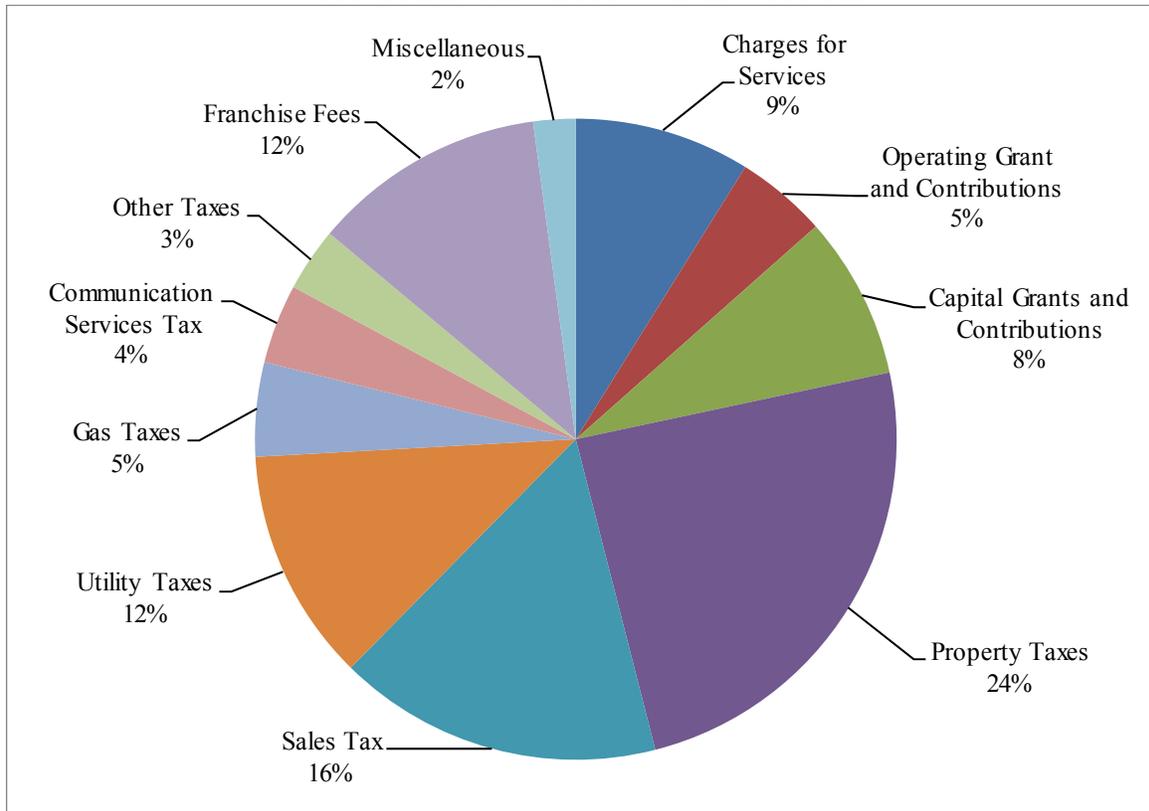
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 2,819,041	\$ 2,496,012	\$ 24,440,933	\$ 24,094,412	\$ 27,259,974	\$ 26,590,424
Operating Grants and Contributions	1,462,428	1,023,980	-	1,150	1,462,428	1,025,130
Capital Grants and Contributions	2,608,841	1,702,585	524,718	2,109,691	3,133,559	3,812,276
General Revenues						
Property Taxes	7,748,507	7,402,715	-	-	7,748,507	7,402,715
Other Taxes	12,747,598	9,198,949	-	-	12,747,598	9,198,949
Franchise Fees	3,748,597	3,507,254	-	-	3,748,597	3,507,254
Other	678,942	4,109,899	147,060	299,405	826,002	4,409,304
<b>Total Revenues</b>	<u>31,813,954</u>	<u>29,441,394</u>	<u>25,112,711</u>	<u>26,504,658</u>	<u>56,926,665</u>	<u>55,946,052</u>
<b>Expenses</b>						
General Government	3,587,748	3,177,857	-	-	3,587,748	3,177,857
Public Safety	14,822,970	14,492,775	-	-	14,822,970	14,492,775
Physical Environment	1,144,602	542,720	-	-	1,144,602	542,720
Transportation	3,803,625	5,749,755	-	-	3,803,625	5,749,755
Economic Development	1,127,812	1,022,097	-	-	1,127,812	1,022,097
Culture and Recreation	5,325,809	5,219,251	-	-	5,325,809	5,219,251
Interest	365,005	544,161	-	-	365,005	544,161
Water and Sewer	-	-	13,970,507	14,560,761	13,970,507	14,560,761
Sanitation	-	-	4,830,818	4,742,337	4,830,818	4,742,337
Stormwater	-	-	2,501,872	2,046,964	2,501,872	2,046,964
Industrial Park	-	-	64,828	30,262	64,828	30,262
<b>Total Expenses</b>	<u>30,177,571</u>	<u>30,748,616</u>	<u>21,368,025</u>	<u>21,380,324</u>	<u>51,545,596</u>	<u>52,128,940</u>
Change in net position before transfers	1,636,383	(1,307,222)	3,744,686	5,124,334	5,381,069	3,817,112
Transfers	2,611,938	693,845	(2,611,938)	(693,845)	-	-
Change in net position	<u>4,248,321</u>	<u>(613,377)</u>	<u>1,132,748</u>	<u>4,430,489</u>	<u>5,381,069</u>	<u>3,817,112</u>
Net Position,						
Beginning as restated	90,781,307	91,394,684	124,925,855	120,495,366	215,707,162	211,890,050
Net Position, Ending	<u>\$ 95,029,628</u>	<u>\$ 90,781,307</u>	<u>\$ 126,058,603</u>	<u>\$ 124,925,855</u>	<u>\$ 221,088,231</u>	<u>\$ 215,707,162</u>

**CITY OF PLANT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
(Unaudited)

**Expenses and Program Revenues – Governmental Activities**

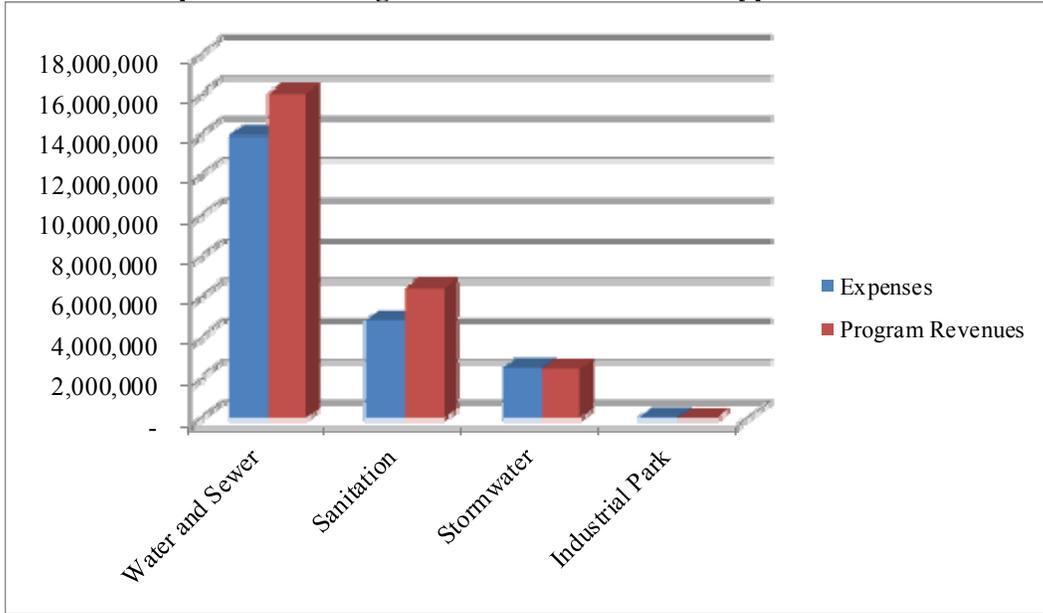


**Revenue Sources – Governmental Activities**

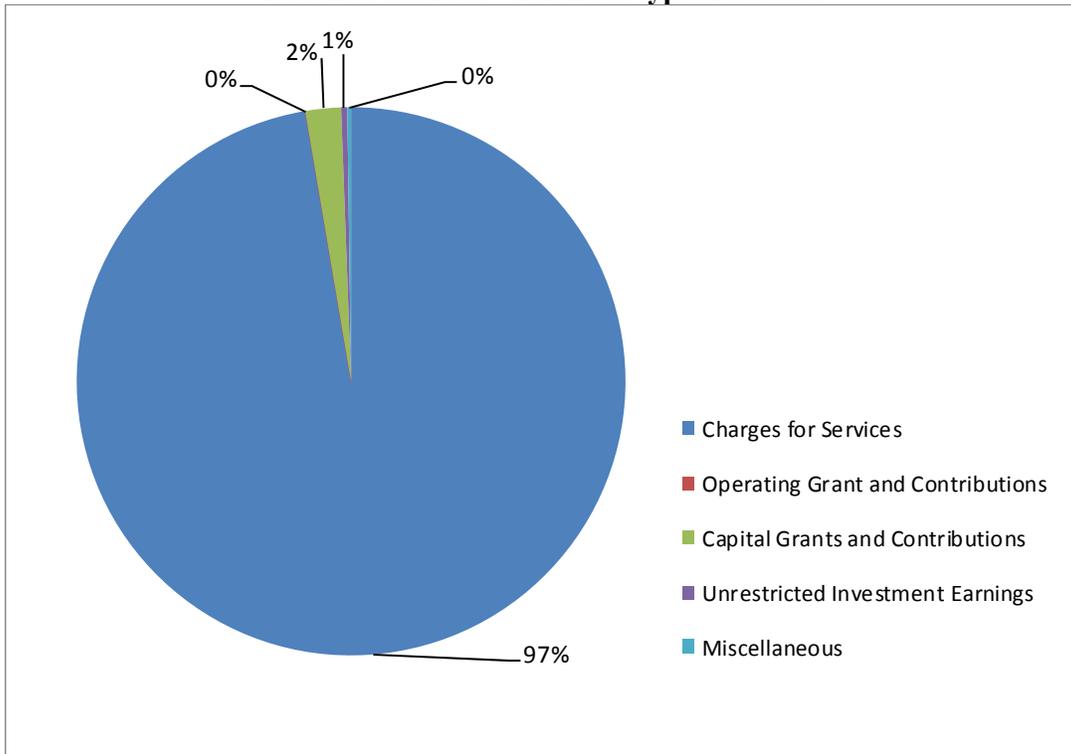


**CITY OF PLANT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
(Unaudited)

**Expenses and Program Revenues – Business-type Activities**



**Revenue Sources – Business-type Activities**



**CITY OF PLANT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
(Unaudited)

**Governmental Activities**

Governmental activities net position increased by \$4,248,321.

General revenues of governmental activities increased by approximately \$705,000 due to an increase in utility taxes of \$66,000, an increase in property tax of \$355,000, an increase in miscellaneous revenues of \$86,000, an increase in franchise fees of \$241,000, an increase in business tax of \$72,000 and an increase in intergovernmental revenues of \$40,000. These increases were partially offset by a decrease in Sales Tax of \$133,000, and a decrease in motor fuel tax of \$22,000.

Program revenues of governmental activities increased by approximately \$1,668,000 due to an increase in grants and contributions of \$1,305,000, an increase in miscellaneous fees of \$108,000, and an increase in cultural and recreation fees of \$124,000. In addition, there was an increase in revenues due to a change in the recognition of revenues presentation by GASB 65 that were not recorded last year of \$196,000 as well as an increase in building permits of \$86,000. These increases are partially offset by a decrease in public safety fees of \$121,000 and a decrease in cemetery fees of \$30,000.

Governmental activities expenses decreased by approximately \$571,000 due to a decrease in other contractual services of \$932,000, a decrease in interest expense of \$179,000, a decrease in the Turkey Creek signalization cost of \$127,000 and a decrease in depreciation expense of \$223,000. This decrease was partially offset by an increase in insurance of \$49,000, an increase in vehicle lease expense of \$56,000, an increase in the maintenance of motor equipment of \$63,000, an increase in power, heat and light of \$47,000, an increase in grant expense of \$32,000, an increase in street painting of \$15,000 and an increase in personnel expenses of \$628,000.

**Business-type Activities**

The net position of business-type activities increased by \$1.1 million. Revenues decreased \$1,392,000 and expenses increased \$12,000.

General revenues of business-type activities decreased by approximately \$152,000 due to a decrease in disposal of fixed assets of \$150,000, and a decrease in investment revenue of \$2,000.

Program revenues of business-type activities decreased by approximately \$1,240,000 due to a decrease in contributions and grant revenues of \$1,585,000. These decreases were partially offset by an increase in stormwater fees of \$92,000, an increase in sanitation revenues of \$64,000 and an increase in water sewer sales of \$189,000.

Expenditures of business-type activities decreased by a net of approximately \$12,000 due to decreases in interest expense and bond issuance cost of \$1,228,000, a decrease in depreciation of \$23,000. These decreases were partially offset by increases in personal services of \$167,000 and an increase in other services and charges of \$1,072,000.

**CITY OF PLANT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
(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, 2014, the City's governmental funds reported a combined ending fund balance of \$30 million, an increase of \$942,000 in comparison with the prior year. Approximately 28.2% of the ending fund balance constitutes unassigned fund balance.

The General Fund is the chief operating fund of the City. At September 30, 2014, the unassigned fund balance of the General Fund was \$8.4 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 38% of total General Fund expenditures, while total fund balance represents 63% of that same amount.

The fund balance of the City's General Fund decreased by \$1,600 during the current fiscal year.

The fund balance of the Community Redevelopment Agency Fund decreased by \$232,000 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 Fund and the Stormwater Fund at September 30, 2014, amounted to \$37.9 million, \$10.7 million, and \$3.5 million, respectively. The change in net position was an increase of \$334,000, an increase of \$740,000, and a decrease of \$837,000, respectively.

**CITY OF PLANT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
(Unaudited)

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences in appropriations between the original budget and the final amended budget amounted to \$1,377,045. Of this amount, \$32,343 is attributed to the previous year's reserve for encumbrances. The remaining \$1,344,702 increase in budget appropriations can be briefly summarized as follows:

- An increase of \$44,800 to cover the cost of a CRA Special Events Manager.
- An increase of \$11,800 for a transportation study paid for by a developer.
- An increase of \$600,000 to bring forward funds from Hillsborough County for improvements at Ellis Methvin Park that was previously budgeted but was not spent as of September 30, 2013.
- An increase of \$650,000 from Hillsborough County for the improvements to Ellis Methvin Park
- Purchase of \$25,255 for a HiperV GPS System for the engineering department paid for by donations.
- Purchase of \$4,741 for a line locator for the engineering department paid for by the water sewer fund.
- An increase of \$8,106 for the EMS for safety equipment and supplies funded by grant from Hillsborough County.

Of these increases \$1,344,702 was offset by additional revenues, and the remaining \$32,343 was appropriated from available fund balance.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$169.4 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 \$2,978,000.

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

**CITY OF PLANT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
(Unaudited)

**Capital Assets at Year End (Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 17,784,793	\$ 17,627,022	\$ 1,982,556	\$ 1,975,056	\$ 19,767,349	\$ 19,602,078
Improvements	29,939,889	32,475,564	556,665	584,817	30,496,554	33,060,381
Buildings, Plant, Improvements	10,482,176	10,887,962	89,751,121	90,222,545	100,233,297	101,110,507
Equipment	5,752,454	5,085,042	1,010,428	1,335,454	6,762,882	6,420,496
Library Books	334,594	352,566	-	-	334,594	352,566
Construction in Progress	5,782,140	3,307,570	6,055,949	8,557,504	11,838,089	11,865,074
<b>Total</b>	<b>\$ 70,076,046</b>	<b>\$ 69,735,726</b>	<b>\$ 99,356,719</b>	<b>\$ 102,675,376</b>	<b>\$ 169,432,765</b>	<b>\$ 172,411,102</b>

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 liabilities outstanding of \$51.6 million, a decrease of \$2.88 million from the prior year.

**Long-term Debt at Year End**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Bonds and Notes Payable	\$ 8,842,309	\$ 9,882,988	\$ 37,758,812	\$ 40,020,023	\$ 46,601,121	\$ 49,903,011
Compensated Absences	1,196,224	1,201,055	513,630	493,593	1,709,854	1,694,648
Other Post-Employment Benefits	1,912,910	1,728,021	929,802	827,889	2,842,712	2,555,910
Landfill Closure Costs	-	-	206,506	206,506	206,506	206,506
Estimated Claims Payable	197,338	80,642	-	-	197,338	80,642
<b>Total</b>	<b>\$ 12,148,781</b>	<b>\$ 12,892,706</b>	<b>\$ 39,408,750</b>	<b>\$ 41,548,011</b>	<b>\$ 51,557,531</b>	<b>\$ 54,440,717</b>

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 2015 is 4.7157, which is the same millage rate as the previous year. The rolled-back rate for fiscal year 2014 was 4.5796. For fiscal year 2015, the City's property tax valuation increased by \$86,676,107 (5.71%).

The Streets Fund costs continue increasing while revenues remain relatively flat.

The City's Stormwater fee rates will increase by 3%. The Water and Sewer Fund rates will increase by 1.7% for fiscal year 2015. The Sanitation Fund rates were scheduled to increase by 3% as of October 1, 2014. The rate would have been increased to \$28.87 on October 1, 2014, but the City Commission decided not to increase the rate.

**CITY OF PLANT CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**  
(Unaudited)

The fiscal year 2014-2015 budget included a five percent (5%) pay increase for employees. The budget decreased by 19.6% over the prior year budget. This decrease is due to four items:

1. Decrease in interfund transfers of \$1,993,078
2. Decrease in re-appropriated funds in \$15,733,991
3. Decrease in grant funds of \$158,346
4. Increase in revenues of \$1,698,092

**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.

## BASIC FINANCIAL STATEMENTS

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**CITY OF PLANT CITY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2014**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 29,302,959	\$ 20,940,397	\$ 50,243,356
Investments	7,871,854	31,487,413	39,359,267
Accounts Receivable	940,468	2,445,418	3,385,886
Loans Receivable	129,645	-	129,645
Interest Receivable	29,922	119,689	149,611
Internal Balances	(2,552,711)	2,552,711	-
Due from Other Governments	2,877,081	-	2,877,081
Inventory	92,076	235,689	327,765
Restricted Assets			
Cash and Cash Equivalents	793,079	10,116,870	10,909,949
Deposits / prepaids	129,330	-	129,330
Land Held for Resale	161,577	948,758	1,110,335
Net Pension Asset	1,224,191	-	1,224,191
Capital Assets			
Nondepreciable	23,566,933	8,038,505	31,605,438
Depreciable, net	46,509,113	91,318,214	137,827,327
Total Assets	<u>111,075,517</u>	<u>168,203,664</u>	<u>279,279,181</u>
<b>Liabilities</b>			
Accounts Payable	2,369,189	378,816	2,748,005
Due to Other Governments	331,291	-	331,291
Other Current Liabilities	785,408	52,748	838,156
Unearned Revenue	355,819	60,341	416,160
Accrued Interest Payable	54,651	192,075	246,726
Deposits	750	2,052,331	2,053,081
Noncurrent Liabilities			
Due Within One Year	1,322,500	2,462,131	3,784,631
Due in More Than One Year	10,826,281	36,946,619	47,772,900
Total Liabilities	<u>16,045,889</u>	<u>42,145,061</u>	<u>58,190,950</u>
<b>Net Position</b>			
Net Investment in Capital Assets	61,233,737	61,597,906	122,831,643
Restricted for			
Debt Service	493,080	1,448,404	1,941,484
Capital Projects	5,815,743	6,173,677	11,989,420
Community Development	1,470,457	-	1,470,457
Street Improvements	1,268,525	-	1,268,525
Other Purposes	40,917	-	40,917
Unrestricted	24,707,169	56,838,616	81,545,785
Total Net Position	<u>\$ 95,029,628</u>	<u>\$ 126,058,603</u>	<u>\$ 221,088,231</u>

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, 2014**

<b>Functions/programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Governmental Activities				
General Government	\$ 3,587,748	\$ 693,601	\$ 180,695	\$ -
Public Safety	14,822,970	1,154,703	329,673	-
Physical Environment	1,144,602	324,229	-	-
Transportation	3,803,625	75,567	121,966	1,588,841
Economic Development	1,127,812	-	419,272	-
Culture and Recreation	5,325,809	570,941	410,822	1,020,000
Interest on Long-term Debt	365,005	-	-	-
Total Governmental Activities	<u>30,177,571</u>	<u>2,819,041</u>	<u>1,462,428</u>	<u>2,608,841</u>
Business-type Activities				
Water and Sewer	13,970,507	15,539,346	-	518,758
Sanitation Service	4,830,818	6,462,720	-	-
Stormwater	2,501,872	2,438,867	-	5,960
Industrial Park	64,828	-	-	-
Total Business-type Activities	<u>21,368,025</u>	<u>24,440,933</u>	<u>-</u>	<u>524,718</u>
Total Primary Government	<u>\$ 51,545,596</u>	<u>\$ 27,259,974</u>	<u>\$ 1,462,428</u>	<u>\$ 3,133,559</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 as 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**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>
\$ (2,713,452)	\$ -	\$ (2,713,452)
(13,338,594)	-	(13,338,594)
(820,373)	-	(820,373)
(2,017,251)	-	(2,017,251)
(708,540)	-	(708,540)
(3,324,046)	-	(3,324,046)
(365,005)	-	(365,005)
<u>(23,287,261)</u>	<u>-</u>	<u>(23,287,261)</u>
-	2,087,597	2,087,597
-	1,631,902	1,631,902
-	(57,045)	(57,045)
-	(64,828)	(64,828)
-	<u>3,597,626</u>	<u>3,597,626</u>
<u>(23,287,261)</u>	<u>3,597,626</u>	<u>(19,689,635)</u>
7,748,507	-	7,748,507
508,305	-	508,305
5,204,164	-	5,204,164
3,738,382	-	3,738,382
1,508,730	-	1,508,730
1,275,064	-	1,275,064
512,953	-	512,953
3,748,597	-	3,748,597
394,961	-	394,961
62,604	91,306	153,910
197,473	8,122	205,595
23,904	47,632	71,536
2,611,938	(2,611,938)	-
<u>27,535,582</u>	<u>(2,464,878)</u>	<u>25,070,704</u>
4,248,321	1,132,748	5,381,069
90,781,307	124,925,855	215,707,162
<u>\$ 95,029,628</u>	<u>\$ 126,058,603</u>	<u>\$ 221,088,231</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, 2014

	<b>General Fund</b>	<b>Community Redevelopment Agency Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 6,183,150	\$ 1,240,381	\$ 14,471,769	\$ 21,895,300
Investments	6,887,872	-	-	6,887,872
Accounts Receivable	940,468	-	-	940,468
Interest Receivable	26,182	-	-	26,182
Due from Other Funds	11,747	-	-	11,747
Due from Other Governments	1,510,857	142,847	1,223,377	2,877,081
Loans Receivable	-	-	129,645	129,645
Prepaid Items	-	-	46,798	46,798
Inventory	92,076	-	-	92,076
Deposits	52,532	-	-	52,532
Restricted Cash	-	-	793,079	793,079
Land Held for Resale	-	-	161,577	161,577
Total Assets	<u>\$ 15,704,884</u>	<u>\$ 1,383,228</u>	<u>\$ 16,826,245</u>	<u>\$ 33,914,357</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 489,555	\$ 256,281	\$ 1,449,719	\$ 2,195,555
Due to Other Funds	-	11,747	39,552	51,299
Due to Other Governments	95,643	-	235,648	331,291
Other Current Liabilities	530,357	20	255,031	785,408
Unearned revenues	55,819	-	300,000	355,819
Customer Deposits	750	-	-	750
Total Liabilities	<u>1,172,124</u>	<u>268,048</u>	<u>2,279,950</u>	<u>3,720,122</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	233,230	-	-	233,230
Total deferred inflows	<u>233,230</u>	<u>-</u>	<u>-</u>	<u>233,230</u>
<b>Fund Balances</b>				
Nonspendable	92,076	-	338,020	430,096
Restricted	332,141	1,115,180	7,641,401	9,088,722
Committed	1,504,663	-	6,566,874	8,071,537
Assigned	3,888,938	-	-	3,888,938
Unassigned	8,481,712	-	-	8,481,712
Total Fund Balances	<u>14,299,530</u>	<u>1,115,180</u>	<u>14,546,295</u>	<u>29,961,005</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u>\$ 15,704,884</u>	<u>\$ 1,383,228</u>	<u>\$ 16,826,245</u>	<u>\$ 33,914,357</u>

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, 2014**

<b>Total Fund Balances, Total Governmental Funds</b>	\$ 29,961,005
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.	65,873,275
Certain long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	233,230
Net pension asset is not a financial resource for governmental funds and therefore, is not reported in governmental funds.	1,224,191
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	\$ (8,842,309)
Compensated absences	(1,196,224)
Other post-employment benefits	(1,912,910)
Accrued interest payable	<u>(54,651)</u>
	(12,006,094)
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>9,744,021</u>
<b>Net Position of Governmental Activities</b>	<b><u><u>\$ 95,029,628</u></u></b>

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, 2014**

	<b>General Fund</b>	<b>Community Redevelopment Agency Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>				
Property Taxes	\$ 6,950,821	\$ 353,703	\$ -	\$ 7,304,524
Utility Taxes	3,738,382	-	-	3,738,382
Gas Taxes	-	-	1,176,255	1,176,255
Business Taxes	512,953	-	-	512,953
Communication Services Tax	1,275,064	-	-	1,275,064
Insurance Premium Tax	508,305	-	-	508,305
Franchise Fees	3,748,597	-	-	3,748,597
Fees and Permits	648,215	-	-	648,215
Impact Fees	-	-	463,327	463,327
Fines and Forfeitures	156,518	-	-	156,518
Intergovernmental	5,108,629	629,946	4,259,242	9,997,817
Charges for Services	1,624,477	-	-	1,624,477
Contributions	91,808	-	-	91,808
Interest Revenue	33,517	131	24,507	58,155
Miscellaneous Revenue	50,034	467	197,473	247,974
Total Revenues	<u>24,447,320</u>	<u>984,247</u>	<u>6,120,804</u>	<u>31,552,371</u>
<b>Expenditures</b>				
Current				
General Government	3,044,580	-	22,767	3,067,347
Public Safety	14,061,086	-	27,035	14,088,121
Physical Environment	535,978	-	-	535,978
Transportation	39,189	-	1,937,699	1,976,888
Economic Development	353,703	344,479	108,921	807,103
Culture and Recreation	4,278,868	-	312	4,279,180
Debt Service				
Principal	-	189,220	865,000	1,054,220
Interest and Fiscal Charges	-	7,302	318,931	326,233
Capital Outlay	242,996	675,437	3,556,206	4,474,639
Total Expenditures	<u>22,556,400</u>	<u>1,216,438</u>	<u>6,836,871</u>	<u>30,609,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,890,920</u>	<u>(232,191)</u>	<u>(716,067)</u>	<u>942,662</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	23,877	-	27	23,904
Transfers In	4,741	-	5,551,020	5,555,761
Transfers Out	(1,921,104)	-	(3,659,416)	(5,580,520)
Total Other Financing Sources (Uses)	<u>(1,892,486)</u>	<u>-</u>	<u>1,891,631</u>	<u>(855)</u>
Net Change in Fund Balances	(1,566)	(232,191)	1,175,564	941,807
Fund Balances, Beginning	14,301,096	1,347,371	13,370,731	29,019,198
Fund Balances, Ending	<u>\$ 14,299,530</u>	<u>\$ 1,115,180</u>	<u>\$ 14,546,295</u>	<u>\$ 29,961,005</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, 2014**

<b>Net Change in Fund Balances, Total Governmental Funds</b>		<b>\$ 941,807</b>
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	\$ 4,382,400	
Depreciation expense	<u>(4,989,735)</u>	(607,335)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		233,230
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 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.		
Principal repayment of long-term debt	1,054,220	
Amortization of discounts/premiums	(49,052)	
Change in compensated absences	(184,889)	
Change in other post-employment benefits	<u>4,831</u>	825,110
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	221,089	
Change in accrued interest payable	<u>10,280</u>	231,369
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>2,624,140</u>
<b>Change in Net Position, Governmental Activities</b>		<b><u><u>\$ 4,248,321</u></u></b>

**CITY OF PLANT CITY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2014**

	<b>Business-Type Activities—Enterprise Funds</b>					<b>Governmental Activities— Internal Service Funds</b>
	<b>Water and Sewer Fund</b>	<b>Sanitation Fund</b>	<b>Stormwater Fund</b>	<b>Nonmajor Fund</b>	<b>Total</b>	
				<b>Industrial Park</b>		
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 14,941,433	\$ 4,105,208	\$ 1,631,861	\$ 261,895	\$ 20,940,397	\$ 7,407,659
Investments	21,647,596	6,887,872	1,967,963	983,982	31,487,413	983,982
Accounts receivable	1,990,262	326,614	128,542	-	2,445,418	-
Interest receivable	82,286	26,182	7,481	3,740	119,689	3,740
Due from other funds	-	-	-	39,552	39,552	-
Inventory	235,689	-	-	-	235,689	-
<b>Total Current Assets</b>	<b>38,897,266</b>	<b>11,345,876</b>	<b>3,735,847</b>	<b>1,289,169</b>	<b>55,268,158</b>	<b>8,395,381</b>
<b>Noncurrent Assets</b>						
Restricted cash and cash equivalents	10,058,746	-	58,124	-	10,116,870	-
Deposits	-	-	-	-	-	30,000
Land held for resale	-	-	-	948,758	948,758	-
<b>Capital Assets</b>						
Land	1,966,128	-	16,428	-	1,982,556	-
Land improvements	-	-	-	1,528,679	1,528,679	-
Buildings, plant and improvements	148,950,261	98,029	7,683,061	-	156,731,351	-
Equipment	3,429,707	1,028,782	1,284,359	-	5,742,848	5,671,013
Construction in progress	5,951,579	-	104,370	-	6,055,949	-
Less accumulated depreciation	(67,409,184)	(1,013,741)	(3,289,726)	(972,013)	(72,684,664)	(1,468,242)
<b>Total Noncurrent Assets</b>	<b>102,947,237</b>	<b>113,070</b>	<b>5,856,616</b>	<b>1,505,424</b>	<b>110,422,347</b>	<b>4,232,771</b>
<b>Total Assets</b>	<b>141,844,503</b>	<b>11,458,946</b>	<b>9,592,463</b>	<b>2,794,593</b>	<b>165,690,505</b>	<b>12,628,152</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable	215,331	127,761	30,865	4,859	378,816	173,634
Unearned revenue	60,341	-	-	-	60,341	-
Accrued interest payable	192,075	-	-	-	192,075	-
Other current liabilities	34,234	10,778	7,736	-	52,748	-
Deposits	2,052,331	-	-	-	2,052,331	-
Current portion of compensated absences	88,350	38,140	18,710	-	145,200	-
Current portion of long-term debt	2,267,963	-	48,968	-	2,316,931	-
<b>Total Current Liabilities</b>	<b>4,910,625</b>	<b>176,679</b>	<b>106,279</b>	<b>4,859</b>	<b>5,198,442</b>	<b>173,634</b>
<b>Noncurrent Liabilities</b>						
Long-term debt	35,077,403	-	364,479	-	35,441,882	-
Compensated absences	256,554	63,200	48,675	-	368,429	-
Estimated claims payable	-	-	-	-	-	197,338
Accrued landfill closure	-	206,506	-	-	206,506	-
Net OPEB obligation	578,782	228,287	122,733	-	929,802	-
<b>Total Noncurrent Liabilities</b>	<b>35,912,739</b>	<b>497,993</b>	<b>535,887</b>	<b>-</b>	<b>36,946,619</b>	<b>197,338</b>
<b>Total Liabilities</b>	<b>40,823,364</b>	<b>674,672</b>	<b>642,166</b>	<b>4,859</b>	<b>42,145,061</b>	<b>370,972</b>
<b>Net Position</b>						
Net Investment in Capital Assets	55,543,125	113,070	5,385,045	556,666	61,597,906	4,202,771
Restricted for						
Debt Service	1,390,280	-	58,124	-	1,448,404	-
Capital Projects	6,173,677	-	-	-	6,173,677	-
Unrestricted	37,914,057	10,671,204	3,507,128	2,233,068	54,325,457	8,054,409
<b>Total Net Position</b>	<b>\$ 101,021,139</b>	<b>\$ 10,784,274</b>	<b>\$ 8,950,297</b>	<b>\$ 2,789,734</b>	<b>\$ 123,545,444</b>	<b>\$ 12,257,180</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					2,513,159	
Net position of business-type activities					<u>\$ 126,058,603</u>	

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, 2014**

	<b>Business-type Activities—Enterprise Funds</b>				<b>Totals</b>	<b>Governmental Activities— Internal Service Funds</b>
	<b>Water and Sewer Fund</b>	<b>Sanitation Fund</b>	<b>Stormwater Fund</b>	<b>Nonmajor Fund Industrial Park Fund</b>		
<b>Operating Revenues</b>						
Charges for Services	\$ 15,539,346	\$ 6,462,720	\$ 2,438,867	\$ -	\$ 24,440,933	\$ 2,123,630
Total Operating Revenues	<u>15,539,346</u>	<u>6,462,720</u>	<u>2,438,867</u>	<u>-</u>	<u>24,440,933</u>	<u>2,123,630</u>
<b>Operating Expenses</b>						
Personal Services	3,648,150	1,542,149	1,021,986	-	6,212,285	-
Other Services and Charges	5,395,848	3,837,635	1,227,428	36,677	10,497,588	477,829
Depreciation	4,222,459	64,353	340,922	28,151	4,655,885	707,930
Total Operating Expenses	<u>13,266,457</u>	<u>5,444,137</u>	<u>2,590,336</u>	<u>64,828</u>	<u>21,365,758</u>	<u>1,185,759</u>
Operating Income (Loss)	<u>2,272,889</u>	<u>1,018,583</u>	<u>(151,469)</u>	<u>(64,828)</u>	<u>3,075,175</u>	<u>937,871</u>
<b>Nonoperating Revenues (Expenses)</b>						
Interest Revenue	62,484	17,743	5,460	5,619	91,306	4,449
Interest Expense and Bond Costs	(943,762)	-	(13,382)	-	(957,144)	-
Other Nonoperating Revenues	8,122	-	-	-	8,122	-
Gain (Loss) on Sale of Capital Assets	(8,819)	4,121	52,330	-	47,632	-
Total Nonoperating Revenue (Expenses)	<u>(881,975)</u>	<u>21,864</u>	<u>44,408</u>	<u>5,619</u>	<u>(810,084)</u>	<u>4,449</u>
Income (Loss) Before Capital Contributions and Transfers	1,390,914	1,040,447	(107,061)	(59,209)	2,265,091	942,320
Capital Contributions	518,758	-	5,960	-	524,718	-
Transfers In	-	-	-	-	-	2,636,697
Transfers Out	(1,575,891)	(300,000)	(736,047)	-	(2,611,938)	-
Change in Net Position	333,781	740,447	(837,148)	(59,209)	177,871	3,579,017
Net Position, Beginning, Restated	100,687,358	10,043,827	9,787,445	2,848,943		8,678,163
Net Position, Ending	<u>\$ 101,021,139</u>	<u>\$ 10,784,274</u>	<u>\$ 8,950,297</u>	<u>\$ 2,789,734</u>		<u>\$ 12,257,180</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					954,877	
Change in net position of business-type activities					<u>\$ 1,132,748</u>	

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, 2014**

	<b>Business-type Activities—Enterprise Fund</b>				<b>Governmental Activities— Internal Service Funds</b>	
	<b>Water and Sewer Fund</b>	<b>Sanitation Fund</b>	<b>Stormwater Fund</b>	<b>Nonmajor Fund</b>		
				<b>Industrial Park</b>		<b>Total</b>
<b>Cash Flows from Operating Activities</b>						
Receipts from customers	\$ 15,930,811	\$ 6,472,508	\$ 2,433,525	\$ -	\$ 24,836,844	\$ -
Receipts from other funds for goods and services	-	-	-	-	-	2,123,630
Payments to suppliers for goods and services	(5,624,935)	(3,823,269)	(1,203,645)	(31,818)	(10,683,667)	(1,660,428)
Payments to employees for services	(3,577,716)	(1,517,834)	(994,786)	-	(6,090,336)	-
Net Cash Provided by (Used In) Operating Activities	<u>6,728,160</u>	<u>1,131,405</u>	<u>235,094</u>	<u>(31,818)</u>	<u>8,062,841</u>	<u>463,202</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Repayment of advances and due from other funds	-	-	-	77,199	77,199	-
Transfers	(1,575,891)	(300,000)	(736,047)	-	(2,611,938)	2,636,697
Other nonoperating receipts	8,122	-	-	-	8,122	-
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>(1,567,769)</u>	<u>(300,000)</u>	<u>(736,047)</u>	<u>77,199</u>	<u>(2,526,617)</u>	<u>2,636,697</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Acquisition and Construction of Capital Assets	(1,345,775)	-	(34,748)	-	(1,380,523)	(1,655,585)
Proceeds from Sale of Capital Assets	28,287	4,121	58,519	-	90,927	-
Capital Contributions	518,758	-	5,960	-	524,718	-
Principal Paid on Long-term Debt	(2,213,674)	-	(47,536)	-	(2,261,210)	-
Interest Paid on Long-term Debt	(955,145)	-	(13,382)	-	(968,527)	-
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(3,967,549)</u>	<u>4,121</u>	<u>(31,187)</u>	<u>-</u>	<u>(3,994,615)</u>	<u>(1,655,585)</u>
<b>Cash Flows from Investing Activities</b>						
Purchase of Pooled Investments	399,705	127,178	36,337	18,168	581,388	18,168
Interest and Investment Earnings	39,790	10,522	3,397	4,588	58,297	3,418
Net Cash Provided by Investing Activities	<u>439,495</u>	<u>137,700</u>	<u>39,734</u>	<u>22,756</u>	<u>639,685</u>	<u>21,586</u>
Net Change in Cash and Cash Equivalents	1,632,337	973,226	(492,406)	68,137	2,181,294	1,465,900
Cash and Cash Equivalents, Beginning of Year	23,367,842	3,131,982	2,182,391	193,758	28,875,973	5,941,759
Cash and Cash Equivalents, End of Year	<u>\$ 25,000,179</u>	<u>\$ 4,105,208</u>	<u>\$ 1,689,985</u>	<u>\$ 261,895</u>	<u>\$ 31,057,267</u>	<u>\$ 7,407,659</u>
<b>Classified as:</b>						
Cash and cash equivalents	\$ 14,941,433	\$ 4,105,208	\$ 1,631,861	\$ 261,895	\$ 20,940,397	\$ 7,407,659
Restricted cash and cash equivalents	10,058,746	-	58,124	-	10,116,870	-
	<u>\$ 25,000,179</u>	<u>\$ 4,105,208</u>	<u>\$ 1,689,985</u>	<u>\$ 261,895</u>	<u>\$ 31,057,267</u>	<u>\$ 7,407,659</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**  
30-Sep-14

	<b>Business-type Activities—Enterprise Funds</b>				<b>Total</b>	<b>Governmental Activities— Internal Service Funds</b>
	<b>Water and Sewer Fund</b>	<b>Sanitation Fund</b>	<b>Stormwater Fund</b>	<b>Nonmajor Fund Industrial Park</b>		
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>						
Operating Income (Loss)	\$ 2,272,889	\$ 1,018,583	\$ (151,469)	\$ (64,828)	\$ 3,075,175	\$ 937,871
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in)						
Operating Activities						
Depreciation and Amortization	4,222,459	64,353	340,922	28,151	4,655,885	707,930
Change in Assets and Liabilities						
Accounts receivable	261,046	9,788	(5,342)	-	265,492	-
Due from other governments	121,324	-	-	-	121,324	-
Inventory	11,608	-	-	-	11,608	-
Accounts payable	(374,400)	3,588	16,047	4,859	(349,906)	(1,299,295)
Deposits	99,471	-	-	-	99,471	-
Unearned revenues	9,095	-	-	-	9,095	-
Other current liabilities	34,234	10,778	7,736	-	52,748	-
Compensated absences	12,511	(449)	7,974	-	20,036	-
Estimated claims payable	-	-	-	-	-	116,696
Net OPEB obligation	57,923	24,764	19,226	-	101,913	-
Net Cash Provided by (Used in)						
Operating Activities	<u>\$ 6,728,160</u>	<u>\$ 1,131,405</u>	<u>\$ 235,094</u>	<u>\$ (31,818)</u>	<u>\$ 8,062,841</u>	<u>\$ 463,202</u>

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, 2014**

	<b>Pension Trust Funds</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 6,229,401
Receivables	
Contributions	260,659
Accrued Interest and Dividends	46,450
Total Receivables	<u>307,109</u>
Investments at Fair Value	
U.S. Government Agencies	3,129,628
Corporate Bonds and Notes	4,696,021
Common Stock	11,313,105
Mutual Funds	23,820,028
Total Investments	<u>42,958,782</u>
Total Assets	<u>49,495,292</u>
<b>Net Position</b>	
Restricted for Pension Benefits	<u><u>\$ 49,495,292</u></u>

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, 2014**

	<u><b>Pension Trust Funds</b></u>
<b>Additions</b>	
Contributions	
Employer	\$ 3,093,168
Employee	623,658
State of Florida	508,305
Total Contributions	<u>4,225,131</u>
Investment Income	
Interest and Dividends	746,401
Net appreciation (depreciation) in fair value of investments	<u>3,555,912</u>
Net Investment Income	<u>4,302,313</u>
Total Additions	<u>8,527,444</u>
<b>Deductions</b>	
Pension benefits	3,513,423
Administrative expenses	188,002
Other	10,113
Total Deductions	<u>3,711,538</u>
Change in Net Position	4,815,906
Net Position, Beginning of Year	44,597,475
Prior Period Adjustment	81,911
Net Position, Beginning of Year, Restated	<u>44,679,386</u>
Net Position, End of Year	<u>\$ 49,495,292</u>

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

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**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**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, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Effective October 1, 2013, the City's Safety Employees' Retirement Plan implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, which significantly changed the disclosures required related to the plan.

**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.

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.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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.

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.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

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, homeowner down payment assistance loan receivables, amounts due from other governments, and interest receivable, and are recorded net of any allowance for uncollectible amounts, if applicable.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 addition, 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.

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.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed when incurred. Bonds payable are reported net of the applicable bond premium or discount.

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.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- *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.

*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.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Deferred Outflows / Inflows of Resources*

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of October 1, 2012 and 2013 respectively. These standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of these items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from certain charges for services and fines and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

**NOTE 2 – RESTATEMENT, PRIOR PERIOD ADJUSTMENT**

The October 1, 2013, beginning net position of governmental activities was restated for a prior period adjustment to correct the investment balances for the Safety Employees' Retirement Plan in the amount of \$81,911. Investment & related income balances were amended by the City's Pension Administrator subsequent to the September 30, 2013, audit report date. As a result, the beginning net position increased by \$81,911.

In conjunction with the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City is required to change its accounting treatment of debt issuance costs. The new standard requires that debt issuance costs be recognized as an expense in the period incurred rather than capitalized and recognized as an expense (amortized) in a systematic and rational manner over the duration of the related debt as was the required treatment in prior reporting periods. Therefore, in conjunction with the implementation of GASB 65, a restatement was required to the beginning net position of the City's Water and Sewer Fund and Business-type Activities to properly recognize debt issuance costs. This reduced the Water and Sewer Fund and Business-type Activities beginning net position by \$762,723.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**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.

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.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS**

**A. Deposits with Financial Institutions**

At September 30, 2014, the carrying amount of the City's deposits with banks was \$67,382,706. All of the City's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may vary depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

**B. Investments**

As of September 30, 2014, the City had the following investments and maturities:

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**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.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

*Pension Plan Investments*

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

**Credit Risk**

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 and General Employees Retirement 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, 2014**

**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*

	<b>Portfolio Composition Limits</b>
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 and General Employee Retirement Fund 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, 2014**

**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>Down-payment Assistance Loan Receivable</u>	<u>Interest Receivable</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities					
Major Funds					
General Fund	\$ 940,468	\$ -	\$ 26,182	\$ 1,510,857	\$ 2,477,507
Community Redevelopment Fund	-	-	-	142,847	142,847
Nonmajor Funds	-	129,645	-	1,223,377	1,353,022
Internal Service Funds	-	-	3,740	-	3,740
	<u>940,468</u>	<u>129,645</u>	<u>29,922</u>	<u>2,877,081</u>	<u>3,977,116</u>
Business-type Activities					
Major Funds					
Water and Sewer	1,990,262	-	82,286	-	2,072,548
Sanitation	326,614	-	26,182	-	352,796
Stormwater	128,542	-	7,481	-	136,023
Nonmajor Fund	-	-	3,740	-	3,740
	<u>2,445,418</u>	<u>-</u>	<u>119,689</u>	<u>-</u>	<u>2,565,107</u>
Total	<u>\$ 3,385,886</u>	<u>\$ 129,645</u>	<u>\$ 149,611</u>	<u>\$ 2,877,081</u>	<u>\$ 6,542,223</u>

The Homeowner Down-payment Assistance Loan receivables in the amount of \$129,645 above consist of individual loans with balances ranging from \$2,200 - \$15,000 and were due over an initial period of 20 to 30 years. These loans are scheduled to be paid off by 2025.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Capital Assets**

Capital asset activity for the year ended September 30, 2014, was as follows:

<u>Governmental activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated					
Land	\$ 17,627,022	\$ -	\$ -	\$ 157,771	\$ 17,784,793
Construction in Progress	3,307,570	4,101,170	-	(1,626,600)	5,782,140
Total capital assets not being depreciated	<u>20,934,592</u>	<u>4,101,170</u>	<u>-</u>	<u>(1,468,829)</u>	<u>23,566,933</u>
Capital assets being depreciated					
Improvements	133,281,436	-	(2,636)	1,243,674	134,522,474
Buildings and Improvements	20,830,963	19,402	-	76,223	20,926,588
Equipment	15,675,099	1,827,341	(318,688)	148,932	17,332,684
Library Books	1,170,349	90,072	(124,389)	-	1,136,032
Total capital assets being depreciated	<u>170,957,847</u>	<u>1,936,815</u>	<u>(445,713)</u>	<u>1,468,829</u>	<u>173,917,778</u>
Less accumulated depreciation for					
Improvements	100,805,872	3,779,349	(2,636)		104,582,585
Buildings and Improvements	9,943,001	501,411	-		10,444,412
Equipment	10,590,057	1,308,861	(318,688)		11,580,230
Library Books	817,783	108,044	(124,389)		801,438
Total accumulated depreciation	<u>122,156,713</u>	<u>5,697,665</u>	<u>(445,713)</u>	<u>-</u>	<u>127,408,665</u>
Total capital assets being depreciated, net	<u>48,801,134</u>	<u>(3,760,850)</u>	<u>-</u>	<u>1,468,829</u>	<u>46,509,113</u>
<b>Governmental activities capital assets</b>	<u>\$ 69,735,726</u>	<u>\$ 340,320</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,076,046</u>

Included in the above totals are capital assets held by the City's internal service funds in the amount of \$4,202,771.

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

Governmental Activities	
General Government	\$ 431,153
Public Safety	979,974
Physical Environment	581,762
Transportation	1,663,854
Economic Development	320,089
Culture and Recreation	1,012,903
Internal Service Funds - Depreciation expense charged to the	707,930
Total Depreciation Expense	<u>\$ 5,697,665</u>

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

<u>Business-type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated					
Land	\$ 1,975,056	\$ -	\$ -	\$ 7,500	\$ 1,982,556
Construction in Progress	8,557,504	1,342,238	-	(3,843,793)	6,055,949
Total capital assets not being depreciated	<u>10,532,560</u>	<u>1,342,238</u>	<u>-</u>	<u>(3,836,293)</u>	<u>8,038,505</u>
Capital assets being depreciated					
Land Improvements	1,528,679	-	-	-	1,528,679
Buildings and Improvements	152,925,466	-	(18,000)	3,823,885	156,731,351
Equipment	6,752,039	38,283	(1,059,882)	12,408	5,742,848
Total capital assets being depreciated	<u>161,206,184</u>	<u>38,283</u>	<u>(1,077,882)</u>	<u>3,836,293</u>	<u>164,002,878</u>
Less accumulated depreciation for					
Land Improvements	943,862	28,152	-	-	972,014
Buildings and Improvements	62,702,921	4,294,211	(16,902)	-	66,980,230
Equipment	5,416,585	333,522	(1,017,687)	-	4,732,420
Total accumulated depreciation	<u>69,063,368</u>	<u>4,655,885</u>	<u>(1,034,589)</u>	<u>-</u>	<u>72,684,664</u>
Total capital assets being depreciated, net	<u>92,142,816</u>	<u>(4,617,602)</u>	<u>(43,293)</u>	<u>3,836,293</u>	<u>91,318,214</u>
<b>Business-type activities capital assets</b>	<u>\$ 102,675,376</u>	<u>\$ (3,275,364)</u>	<u>\$ (43,293)</u>	<u>\$ -</u>	<u>\$ 99,356,719</u>

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

Business-type Activities	
Water and Sewer	\$ 4,222,459
Sanitation	64,353
Stormwater	340,922
Industrial Park	28,151
Total Depreciation Expense	<u>\$ 4,655,885</u>

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of September 30, 2014, 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.

<u>Due To</u>	<u>Due From</u>		<u>Total</u>
	<u>CRA Fund</u>	<u>Nonmajor Governmental</u>	
General Fund	\$ 11,747	\$ -	\$ 11,747
Nonmajor Enterprise	-	39,552	39,552
	<u>\$ 11,747</u>	<u>\$ 39,552</u>	<u>\$ 51,299</u>

**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.

<u>Transfers In</u>	<u>Transfers Out</u>					<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Water Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Fund</u>	
General Fund	\$ -	\$ -	\$ 4,741	\$ -	\$ -	\$ 4,741
Nonmajor Governmental	1,921,104	3,629,916	-	-	-	5,551,020
Internal Service Funds	-	29,500	1,571,150	300,000	736,047	2,636,697
	<u>\$ 1,921,104</u>	<u>\$ 3,659,416</u>	<u>\$ 1,575,891</u>	<u>\$ 300,000</u>	<u>\$ 736,047</u>	<u>\$ 8,192,458</u>

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**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, 2014:

<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	\$ 245,000	\$ -	\$ (245,000)	\$ -	\$ -
Less Bond Discount	(410)	-	410	-	-
Non-Ad Valorem Refunding Revenue Note, Series 2012	3,260,000	-	(40,000)	3,220,000	295,000
Less Deferred Charges on Refunding	(211,732)	-	19,248	(192,484)	-
Non-Ad Valorem Refunding Revenue Note Payable, Series 2010	3,840,000	-	(290,000)	3,550,000	300,000
Florida Municipal Loan Council, Series 2005B	2,275,000	-	(290,000)	1,985,000	295,000
Plus Loan Premium	34,660	-	(6,117)	28,543	-
SunTrust Bank Loan, CRA	160,155	-	(160,155)	-	-
Investment Company Loan, CRA	29,065	-	(29,065)	-	-
Brownfields Loan, Stock Lumber	83,750	-	-	83,750	-
Brownfields Loan, Gromor	167,500	-	-	167,500	-
Estimated Claims Payable	80,642	477,830	(361,134)	197,338	-
Compensated Absences	1,201,055	415,066	(419,897)	1,196,224	432,500
Other Post-Employment Benefits	1,728,021	267,164	(82,275)	1,912,910	-
Total Governmental Activities	<u>\$ 12,892,706</u>	<u>\$ 1,160,060</u>	<u>\$ (1,903,985)</u>	<u>\$ 12,148,781</u>	<u>\$ 1,322,500</u>

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

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

\$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%.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**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, 2014, 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, 2014:

<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>
SRF Loan Fund, Wastewater Treatment Plant	\$ 2,296,751	\$ -	\$ (128,408)	\$ 2,168,343	\$ 131,574
SRF Loan Fund, Wastewater Treatment Plant	33,169,161	-	(1,857,266)	31,311,895	1,902,654
SRF Loan Fund, Wastewater Treatment Plant	4,093,128	-	(228,000)	3,865,128	233,735
SRF Loan Fund, Pistol Range Regional Stormwater Facility	169,320	-	(22,062)	147,258	22,736
SRF Loan Fund, Grant Hunter Pond Stormwater Pollution Control	291,663	-	(25,475)	266,188	26,232
Compensated Absences	493,593	161,006	(140,969)	513,630	145,200
Other Post-Employment Benefits	827,889	122,191	(20,278)	929,802	-
Landfill Closure Costs	206,506	-	-	206,506	-
Total Business-type Activities	<u>\$ 41,548,011</u>	<u>\$ 283,197</u>	<u>\$ (2,422,458)</u>	<u>\$ 39,408,750</u>	<u>\$ 2,462,131</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.

\$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.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

\$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, 2014, 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, 2014, 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, 2014, with final maturity September 1, 2024.

The annual debt service requirements to maturity for debt outstanding as of September 30, 2014, are as follows:

<b>Fiscal Year Ending</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
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	1,025,000	152,058	2,553,910	671,719
2020-2024	4,246,250	330,869	13,597,278	2,390,058
2025-2028	-	-	11,991,656	667,186
	<u>\$ 9,006,250</u>	<u>\$ 1,428,852</u>	<u>\$ 37,758,812</u>	<u>\$ 7,015,514</u>

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Fund Equity**

The following is a summary of fund balances as of September 30, 2014:

	<b>General Fund</b>	<b>Community Redevelopment Agency Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>Nonspendable</b>				
Inventory	\$ 92,076	\$ -	\$ -	\$ 92,076
Prepays	-	-	46,798	46,798
Land Held for Resale	-	-	161,577	161,577
Loans Receivable (long term)	-	-	129,645	129,645
	<u>92,076</u>	<u>-</u>	<u>338,020</u>	<u>430,096</u>
<b>Restricted</b>				
Police Operations	270,696	-	-	270,696
Veterans Memorial	10,011	-	-	10,011
Library	51,434	-	-	51,434
Streets	-	-	1,268,525	1,268,525
Community Development	-	1,115,180	767,562	1,882,742
Capital Projects	-	-	5,112,235	5,112,235
Debt Service	-	-	493,079	493,079
	<u>332,141</u>	<u>1,115,180</u>	<u>7,641,401</u>	<u>9,088,722</u>
<b>Committed</b>				
Cemetery Escrow	1,504,663	-	-	1,504,663
Capital Projects	-	-	6,566,874	6,566,874
	<u>1,504,663</u>	<u>-</u>	<u>6,566,874</u>	<u>8,071,537</u>
<b>Assigned</b>				
Liability Insurance	1,179,172	-	-	1,179,172
Subsequent Year's Appropriations	2,687,237	-	-	2,687,237
Encumbrances	22,529	-	-	22,529
	<u>3,888,938</u>	<u>-</u>	<u>-</u>	<u>3,888,938</u>
<b>Unassigned</b>				
	<u>8,481,712</u>	<u>-</u>	<u>-</u>	<u>8,481,712</u>
<b>Total Fund Balances</b>	<u>\$ 14,299,530</u>	<u>\$ 1,115,180</u>	<u>\$ 14,546,295</u>	<u>\$ 29,961,005</u>

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**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	\$	430,201
City Property Tax Increment		353,703
Tampa Port Authority		13,782
Committed Funds, Re-appropriated (Budgetary)		1,347,369
Rental income		468
Interest income		131
Grant Revenue		185,963
		<u>\$ 2,331,617</u>
Outflow		
State Filing Fee		175
Miscellaneous Expenses		994
Brownfields Grant, Hazardous		141,085
Brownfields Grant, Petroleum		53,832
Principal Payment		189,220
Interest Expense		7,302
Other Contractual Services		135,649
Dr. Hal & Lynn Brewer Park Recreational Trail		46,407
Wheeler Street Realignment		324,534
Village Green		161,246
Subscriptions and Memberships		745
Other Capital Equipment		12,157
Aid to Private Organization		12,000
Property Acquisition		131,092
		<u>1,216,438</u>
Funds Available For Future Projects at Year-End		<u>\$ 1,115,179</u>
Future Projects		
Committed Funds for Purchase of Land and Infrastructure Improvements to Reduce Slum and Blight	\$	663,411
Wheeler Street Realignment		9,648
Village Green		421,770
Dr. Hal & Lynn Brewer Park Recreational Trail		20,350
		<u>20,350</u>
Total Future Projects		<u>\$ 1,115,179</u>

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**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 \$892,002 at September 30, 2014.

The claims liability of \$197,338 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:

		<b>Beginning Liability</b>	<b>Current Year Claims/Change in Estimate</b>	<b>Claim Payments</b>	<b>Ending Liability</b>
2012-2013	\$	71,120	\$ 122,556	\$ (113,034)	\$ 80,642
2013-2014		80,642	477,830	(361,134)	197,338

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, 2014**

**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, 2014, 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.

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:

	<b>2014</b>
Annual Required Contribution	\$ 373,506
Interest on Net OPEB Obligation	81,789
Adjustment to Annual Required Contribution	(106,496)
Total Expense or Annual OPEB Cost	348,799
Actual Contribution Toward OPEB Cost	(61,997)
Increase in Net OPEB Obligation	286,802
Net OPEB Obligation, Beginning of Year	2,555,910
Net OPEB Obligation, End of Year	\$ 2,842,712

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 5 – OTHER INFORMATION (CONTINUED)**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal years 2014, 2013 and 2012, are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Employer Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
09/30/14	\$ 348,799	\$ 61,997	17.77%	\$ 2,842,712
09/30/13	453,744	134,493	29.64%	2,555,910
09/30/12	434,924	101,261	23.28%	2,236,659

*Funding Status and Funding Progress*

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
10/1/2013	\$ -	\$ 2,550,884	\$ 2,550,884	0%	\$ 14,667,065	17.4%

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.

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.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 5 – OTHER INFORMATION (CONTINUED)**

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 24 year amortization period as of September 30, 2014. 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 3.2% 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 5.24% in 2024.

**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, 2014, totaled \$821,489.

**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.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 5 – OTHER INFORMATION (CONTINUED)**

*Membership*

Membership in the Plan consisted of the following at October 1, 2014, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	69
Terminated Plan Members Entitled to but not yet	
Receiving Benefits	15
Active Plan Members	
Vested	30
Nonvested	64
Total	178

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 \$623,658 for the fiscal year ended September 30, 2014. The State and City contribute the remaining required annual contribution, which amounted to \$508,305 and \$2,271,679, respectively, for the fiscal year ended September 30, 2014. 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.

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.

Concentrations

There were no investments (other than U.S. government and U.S. government-guaranteed obligations) that represent more than 5% of net position restricted for benefits.

There are no investments in, loans to, or leases with, any City official, government employer official, party related to a Town official or government employer official, non-employer contributor, or organization included in the reporting entity.

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 5 – OTHER INFORMATION (CONTINUED)**

**Rate of return** - For the year ended September 30, 2014, the annual money-weighted rate of return on the City’s pension plan investments, net of pension plan investment expense, was 9.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Deferred Retirement Option Program (DROP)** - The City has a DROP for the Safety Employees’ Pension plan. A participant may join when he/she has satisfied normal retirement requirements (earlier of age 60, age 55 with the completion of 10 years of credited service, or 20 years of credited service). Participation in the DROP cannot exceed 96 months. DROP benefits at the participant’s election include a) actual net rate of investment return, or b) 1.5% less than the actuarial assumption at the time of DROP. The DROP balance as of September 30, 2014 is \$1,391,378.

**Plan Disclosures**

Effective October 1, 2013, the City’s Safety Employees’ Pension Plan implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, which significantly changed the disclosures required related to the plans. The information disclosed below is presented in accordance with this new standard. The City’s Plan does not issue separate financial statements.

**Net Pension Liability of the City**

The components of the net pension liability of the City at September 30, 2014, were as follows:

Total pension liability	\$ 49,213,808
Plan fiduciary net position	(32,651,115)
City's net pension liability	<u>\$ 16,562,693</u>
Plan fiduciary net position as a percentage of total pension liability	66.35%

The required schedule of changes in the City’s net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of October 1, 2013, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2014, using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases	4.00-10.00%
Investment Rate of Return	7.75%

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 5 – OTHER INFORMATION (CONTINUED)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014, are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.8%
International Equity	2.2%
Bonds	3.7%
High Yield Bonds	5.2%
Convertibles	5.3%
Private Real Estate	4.9%
MLPs	12.7%
Cash	1.2%

**Discount Rate:** The discount rate used to measure the total pension liability for the Safety Employees' plan was 7.75%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liabilities of the Town, calculated using the discount rates noted above, as well as what the Town's net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
City's Net Pension Liability	\$ 22,482,163	\$ 16,562,693	\$ 12,023,710

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 5 – OTHER INFORMATION (CONTINUED)**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2014, and the current sharing pattern of costs between employer and employee.

**Employer Disclosures**

Until the City implements the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, effective October 1, 2014, the provisions of GASB Statement No. 27 continue to be followed in the financial statements from the employer perspective. The information disclosed below is presented in accordance with GASB Statement No. 27 and these measures and disclosed amounts differ from those used by the plans under GASB Statement No. 67 as previously discussed.

*Annual Pension Cost and Net Pension Obligation:* The annual required contribution, annual pension cost, and net pension obligation (NPO) for fiscal year 2014 was determined as part of the October 1, 2013, actuarial valuation. The chart below shows the components of the annual pension cost for the current year along with the percentage actually contributed by the Town.

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual Required Contribution (ARC)	\$ 2,323,784	\$ 2,300,611	\$ 2,406,148
Interest on Net Pension Obligation (NPO)	(77,740)	(42,873)	(18,695)
Adjustment to ARC	59,643	32,892	28,659
Annual Pension Cost (APC)	<u>2,305,687</u>	<u>2,290,630</u>	<u>2,416,112</u>
Contributions Made	<u>2,526,776</u>	<u>2,740,534</u>	<u>2,735,622</u>
Increase (decrease) in NPO	(221,089)	(449,904)	(319,510)
NPO at Beginning of Year	<u>(1,003,102)</u>	<u>(553,198)</u>	<u>(233,688)</u>
 NPO at End of Year	 <u>\$ (1,224,191)</u>	 <u>\$ (1,003,102)</u>	 <u>\$ (553,198)</u>

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:

<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost</u>	<u>% of</u> <u>APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
9/30/2014	\$ 2,305,687	110%	\$ (1,224,191)
9/30/2013	2,290,630	120%	(1,003,102)
9/30/2012	2,416,112	113%	(553,198)

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**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:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
10/01/13	\$ 28,270,716	\$ 48,448,824	\$ 20,178,108	58%	\$ 6,133,823	329%

The required schedules of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations above are based on the substantive plans in effect as of October 1, 2013, and the current sharing pattern of costs between employer and employee.

The actuarial required contribution for fiscal year ending September 30, 2014, was determined in accordance with the October 1, 2012, actuarial valuation using the following methods and assumptions:

Actuarial Valuation Date	10/1/2012
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, 2014**

**NOTE 5 – OTHER INFORMATION (CONTINUED)**

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

	<b>Safety Employees' Retirement Fund</b>	<b>General Employees' Retirement Fund</b>	<b>Total</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 2,451,308	\$ 3,778,093	\$ 6,229,401
Receivables			
Contributions	230,170	30,489	260,659
Accrued Interest and Dividends	46,450	-	46,450
Total Receivables	<u>276,620</u>	<u>30,489</u>	<u>307,109</u>
<b>Investments at Fair Value</b>			
U.S. Government Agencies	3,129,628	-	3,129,628
Corporate Bonds and Notes	4,696,021	-	4,696,021
Common Stock	11,313,105	-	11,313,105
Mutual Funds	10,784,433	13,035,595	23,820,028
Total Investments	<u>29,923,187</u>	<u>13,035,595</u>	<u>42,958,782</u>
Total Assets	<u>32,651,115</u>	<u>16,844,177</u>	<u>49,495,292</u>
<b>Net Position</b>			
Restricted for Pension Benefits	<u>\$ 32,651,115</u>	<u>\$ 16,844,177</u>	<u>\$ 49,495,292</u>

**CITY OF PLANT CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 5 – OTHER INFORMATION (CONTINUED)**

	<b>Safety Employees' Retirement Fund</b>	<b>General Employees' Retirement Fund</b>	<b>Total</b>
<b>Additions</b>			
Contributions			
Employer	\$ 2,271,679	\$ 821,489	\$ 3,093,168
Employee	623,658	-	623,658
State of Florida	508,305	-	508,305
Total Contributions	<u>3,403,642</u>	<u>821,489</u>	<u>4,225,131</u>
Investment Income			
Interest and Dividends	746,401	-	746,401
Net Appreciation (Depreciation) in			
Fair Value of Investments	1,938,225	1,617,687	3,555,912
Net Investment Income	<u>2,684,626</u>	<u>1,617,687</u>	<u>4,302,313</u>
Total Additions	<u>6,088,268</u>	<u>2,439,176</u>	<u>8,527,444</u>
<b>Deductions</b>			
Pension Benefits	2,682,691	830,732	3,513,423
Administrative Expenses	107,602	80,400	188,002
Other	10,113	-	10,113
Total Deductions	<u>2,800,406</u>	<u>911,132</u>	<u>3,711,538</u>
Change in Net Position	3,287,862	1,528,044	4,815,906
Net Position, Beginning of Year	29,281,342	15,316,133	44,597,475
Prior Period Adjustment	81,911	-	81,911
Net Position, Beginning of Year, as restated	<u>29,363,253</u>	<u>15,316,133</u>	<u>44,679,386</u>
Net Position, End of Year	<u>\$ 32,651,115</u>	<u>\$ 16,844,177</u>	<u>\$ 49,495,292</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

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**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, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property Taxes	\$ 6,776,621	\$ 6,776,621	\$ 6,950,821	\$ 174,200
Utility Taxes	3,462,000	3,462,000	3,738,382	276,382
Business Taxes	425,000	425,000	512,953	87,953
Communication Services Tax	1,400,000	1,400,000	1,275,064	(124,936)
Insurance Premium Tax	444,000	444,000	508,305	64,305
Franchise Fees	3,425,000	3,425,000	3,748,597	323,597
Fees and Permits	531,800	543,600	648,215	104,615
Fines and Forfeitures	77,000	77,000	156,518	79,518
Intergovernmental	3,843,620	5,126,770	5,108,629	(18,141)
Charges for Services	1,265,000	1,309,800	1,624,477	314,677
Contributions	6,000	38,255	91,808	53,553
Interest Revenue	23,000	24,449	33,517	9,068
Miscellaneous	41,600	41,600	50,034	8,434
Total Revenues	<u>21,720,641</u>	<u>23,094,095</u>	<u>24,447,320</u>	<u>1,353,225</u>
<b>Expenditures</b>				
Current				
General Government	3,281,958	3,293,374	3,044,580	248,794
Public Safety	14,547,523	14,573,729	14,061,086	512,643
Physical Environment	584,937	605,637	535,978	69,659
Transportation	54,500	52,200	39,189	13,011
Economic Development	353,842	353,842	353,703	139
Culture and Recreation	4,523,445	4,516,778	4,278,868	237,910
Capital Outlay	181,275	337,040	242,996	94,044
Total Expenditures	<u>23,527,480</u>	<u>23,732,600</u>	<u>22,556,400</u>	<u>1,176,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,806,839)</u>	<u>(638,505)</u>	<u>1,890,920</u>	<u>2,529,425</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	-	-	23,877	23,877
Transfers In	-	3,959	4,741	782
Transfers Out	(877,458)	(2,151,104)	(1,921,104)	230,000
Total Other Financing Sources (Uses)	<u>(877,458)</u>	<u>(2,147,145)</u>	<u>(1,892,486)</u>	<u>254,659</u>
Net Change in Fund Balance	(2,684,297)	(2,785,650)	(1,566)	2,784,084
Fund Balance, Beginning	14,301,096	14,301,096	14,301,096	-
Fund Balance, Ending	<u>\$ 11,616,799</u>	<u>\$ 11,515,446</u>	<u>\$ 14,299,530</u>	<u>\$ 2,784,084</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, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property Taxes	\$ 372,319	\$ 353,703	\$ 353,703	\$ -
Intergovernmental	467,591	629,946	629,946	-
Interest	-	131	131	-
Miscellaneous	-	467	467	-
Total Revenues	<u>839,910</u>	<u>984,247</u>	<u>984,247</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Economic Environment	100,870	344,479	344,479	-
Debt Service				
Principal	21,900	190,819	189,220	1,599
Interest	6,200	5,703	7,302	(1,599)
Capital Outlay	710,940	1,790,617	675,437	1,115,180
Total Expenditures	<u>839,910</u>	<u>2,331,618</u>	<u>1,216,438</u>	<u>1,115,180</u>
Net Change in Fund Balance	-	(1,347,371)	(232,191)	1,115,180
Fund Balance, Beginning	1,347,371	1,347,371	1,347,371	-
Fund Balance, Ending	<u>\$ 1,347,371</u>	<u>\$ -</u>	<u>\$ 1,115,180</u>	<u>\$ 1,115,180</u>

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

SEPTEMBER 30, 2014

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.

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**CITY OF PLANT CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS - SAFETY EMPLOYEES**

	<b>2014</b>
<b>Total pension liability</b>	
Service cost	\$ 1,492,763
Interest on total pension liability	3,616,029
Change in excess state money	34,094
Benefit payments, including refunds of employee contributions	(2,682,691)
<b>Net change in total pension liability</b>	<b>2,460,195</b>
<b>Total pension liability - beginning</b>	<b>46,753,613</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 49,213,808</b>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 2,271,679
Contributions - state	508,305
Contributions - employee	623,658
Net investment income	2,684,626
Benefit payments, including refunds of member contributions	(2,682,691)
Administrative expenses	(117,715)
<b>Net change in plan fiduciary net position</b>	<b>3,287,862</b>
<b>Plan fiduciary net position - beginning</b>	<b>29,363,253</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 32,651,115</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 16,562,693</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>66.35%</b>
<b>Covered-employee payroll</b>	<b>\$ 5,898,563</b>
<b>City's net pension liability as a percentage of covered-employee payroll</b>	<b>280.79%</b>

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.



**CITY OF PLANT CITY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION INVESTMENT RETURNS**  
**SAFETY EMPLOYEES**

---

**2014**

Safety Employees:

Annual money-weighted rate of return, net of investment expenses

9.16%

**Notes to the Schedules:**

The schedules will present 10 years of information once it is accumulated.

**CITY OF PLANT CITY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2014**  
**(UNAUDITED)**

**Safety Employees**  
**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
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, 2014**  
**(UNAUDITED)**

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

<b>Fiscal Year Ended</b>	<b>Annual Required Contribution</b>	<b>City Contribution</b>	<b>State Contribution</b>	<b>Percentage Contributed</b>
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

**CITY OF PLANT CITY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2014**  
**(UNAUDITED)**

**Other Post-Employment Benefits**  
**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL) Entry Age</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
10/1/2013	\$ -	\$ 2,550,884	\$ 2,550,884	0%	\$ 14,667,065	17.4%
10/1/2011	-	3,545,931	3,545,931	0%	\$ 15,430,771	23.0%
10/1/2009	-	3,664,729	3,664,729	0%	16,746,172	21.9%

**OTHER SUPPLEMENTARY INFORMATION**

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**CITY OF PLANT CITY, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2014**

	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		
<b>Assets</b>							
Cash and Cash Equivalents	\$ 543,394	\$ 245,913	\$ 467,346	\$ -	\$ -	\$ 13,215,116	\$ 14,471,769
Due from Other Governments	834,047	111,793	275,713	-	-	1,824	1,223,377
Loans Receivable	-	129,645	-	-	-	-	129,645
Prepaid Items	-	-	-	-	-	46,798	46,798
Restricted Cash	-	-	-	395,228	397,851	-	793,079
Land Held for Resale	-	161,577	-	-	-	-	161,577
Total Assets	<u>\$ 1,377,441</u>	<u>\$ 648,928</u>	<u>\$ 743,059</u>	<u>\$ 395,228</u>	<u>\$ 397,851</u>	<u>\$ 13,263,738</u>	<u>\$ 16,826,245</u>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts Payable	\$ 104,323	\$ 58,003	\$ -	\$ -	\$ -	\$ 1,287,393	\$ 1,449,719
Due to Other Funds	-	-	39,552	-	-	-	39,552
Due to Other Governments	-	235,648	-	-	-	-	235,648
Other Current Liabilities	4,593	-	-	-	-	250,438	255,031
Unearned Revenues	-	-	-	-	300,000	-	300,000
Total Liabilities	<u>108,916</u>	<u>293,651</u>	<u>39,552</u>	<u>-</u>	<u>300,000</u>	<u>1,537,831</u>	<u>2,279,950</u>
<b>Fund Balances</b>							
Nonspendable	-	291,222	-	-	-	46,798	338,020
Restricted	1,268,525	64,055	703,507	395,228	97,851	5,112,235	7,641,401
Committed	-	-	-	-	-	6,566,874	6,566,874
Total Fund Balances	<u>1,268,525</u>	<u>355,277</u>	<u>703,507</u>	<u>395,228</u>	<u>97,851</u>	<u>11,725,907</u>	<u>14,546,295</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 1,377,441</u>	<u>\$ 648,928</u>	<u>\$ 743,059</u>	<u>\$ 395,228</u>	<u>\$ 397,851</u>	<u>\$ 13,263,738</u>	<u>\$ 16,826,245</u>

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**CITY OF PLANT CITY, FLORIDA**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	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		
<b>Revenues</b>							
Taxes	\$ 1,176,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,176,255
Impact Fees	-	-	-	-	-	463,327	463,327
Intergovernmental	1,079,937	233,310	1,589,514	-	394,961	961,520	4,259,242
Interest Revenue	15,475	101	661	-	44	8,226	24,507
Other	151,657	-	-	-	-	45,816	197,473
Total Revenues	<u>2,423,324</u>	<u>233,411</u>	<u>1,590,175</u>	<u>-</u>	<u>395,005</u>	<u>1,478,889</u>	<u>6,120,804</u>
<b>Expenditures</b>							
Current							
General Government	-	-	4,300	-	-	18,467	22,767
Public Safety	-	-	-	-	-	27,035	27,035
Transportation	1,443,126	-	-	-	-	494,573	1,937,699
Economic Development	-	108,921	-	-	-	-	108,921
Culture and Recreation	-	-	-	-	-	312	312
Debt Service							
Principal	-	-	-	575,000	290,000	-	865,000
Interest and Fiscal Charges	-	-	3,202	215,730	99,999	-	318,931
Capital Outlay	13,887	154,713	-	-	-	3,387,606	3,556,206
Total Expenditures	<u>1,457,013</u>	<u>263,634</u>	<u>7,502</u>	<u>790,730</u>	<u>389,999</u>	<u>3,927,993</u>	<u>6,836,871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>966,311</u>	<u>(30,223)</u>	<u>1,582,673</u>	<u>(790,730)</u>	<u>5,006</u>	<u>(2,449,104)</u>	<u>(716,067)</u>
<b>Other Financing Sources (Uses)</b>							
Proceeds from sale of capital assets	27	-	-	-	-	-	27
Transfers In	403,043	33,900	118,900	790,973	-	4,204,204	5,551,020
Transfers Out	(1,181,821)	-	(2,358,695)	-	-	(118,900)	(3,659,416)
Total Other Financing Sources (Uses)	<u>(778,751)</u>	<u>33,900</u>	<u>(2,239,795)</u>	<u>790,973</u>	<u>-</u>	<u>4,085,304</u>	<u>1,891,631</u>
Net Change in Fund Balance	187,560	3,677	(657,122)	243	5,006	1,636,200	1,175,564
Fund Balance, Beginning	1,080,965	351,600	1,360,629	394,985	92,845	10,089,707	13,370,731
Fund Balance, Ending	<u>\$ 1,268,525</u>	<u>\$ 355,277</u>	<u>\$ 703,507</u>	<u>\$ 395,228</u>	<u>\$ 97,851</u>	<u>\$ 11,725,907</u>	<u>\$ 14,546,295</u>

**CITY OF PLANT CITY, FLORIDA**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
**SEPTEMBER 30, 2014**

	<u>Capital Improvement</u>	<u>Streets RR&amp;I</u>	<u>Community Investment RR&amp;I</u>	<u>Impact Fees Library</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 2,378,201	\$ 2,588,726	\$ 2,987,057	\$ 403,689
Due from Other Governments	-	-	-	-
Prepaid items	-	-	46,798	-
Total Assets	<u>\$ 2,378,201</u>	<u>\$ 2,588,726</u>	<u>\$ 3,033,855</u>	<u>\$ 403,689</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 505,827	\$ 605,275	\$ 26,008	\$ -
Other current liabilities	-	250,000	-	-
Total Liabilities	<u>505,827</u>	<u>855,275</u>	<u>26,008</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	-	-	46,798	-
Restricted	-	-	-	403,689
Committed	1,872,374	1,733,451	2,961,049	-
Total Fund Balances	<u>1,872,374</u>	<u>1,733,451</u>	<u>3,007,847</u>	<u>403,689</u>
Total Liabilities and Fund Balances	<u>\$ 2,378,201</u>	<u>\$ 2,588,726</u>	<u>\$ 3,033,855</u>	<u>\$ 403,689</u>

<b>Impact Fees Fire</b>	<b>Impact Fees Police</b>	<b>Impact Fees Park and Recreation</b>	<b>Impact Fees Transportation</b>	<b>Total Capital Projects Funds</b>
\$ 782,104	\$ 67,303	\$ 299,429	\$ 3,708,607	\$ 13,215,116
-	-	-	1,824	1,824
-	-	-	-	46,798
<u>\$ 782,104</u>	<u>\$ 67,303</u>	<u>\$ 299,429</u>	<u>\$ 3,710,431</u>	<u>\$ 13,263,738</u>
\$ -	\$ -	\$ -	\$ 150,283	\$ 1,287,393
-	-	-	438	250,438
-	-	-	150,721	1,537,831
-	-	-	-	46,798
782,104	67,303	299,429	3,559,710	5,112,235
-	-	-	-	6,566,874
<u>782,104</u>	<u>67,303</u>	<u>299,429</u>	<u>3,559,710</u>	<u>11,725,907</u>
<u>\$ 782,104</u>	<u>\$ 67,303</u>	<u>\$ 299,429</u>	<u>\$ 3,710,431</u>	<u>\$ 13,263,738</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, 2014

	<b>Capital Improvement</b>	<b>Streets RR&amp;I</b>	<b>Community Investment RR&amp;I</b>	<b>Impact Fees Library</b>
<b>Revenue</b>				
Impact Fees	\$ -	\$ -	\$ -	\$ 75,208
Intergovernmental	-	961,520	-	-
Other	-	-	-	-
Interest	596	221	835	139
Total Revenues	<u>596</u>	<u>961,741</u>	<u>835</u>	<u>75,347</u>
<b>Expenditures</b>				
Current				
General Government	18,467	-	-	-
Public Safety	-	-	27,035	-
Physical Environment	-	-	-	-
Transportation	-	445,470	45,454	-
Culture and Recreation	312	-	-	-
Capital Outlay	1,234,094	1,730,553	134,459	-
Total Expenditures	<u>1,252,873</u>	<u>2,176,023</u>	<u>206,948</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,252,277)</u>	<u>(1,214,282)</u>	<u>(206,113)</u>	<u>75,347</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,484,161	1,152,321	1,567,722	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,484,161</u>	<u>1,152,321</u>	<u>1,567,722</u>	<u>-</u>
Net Change in Fund Balances	231,884	(61,961)	1,361,609	75,347
Fund Balances, Beginning	1,640,490	1,795,412	1,646,238	328,342
Fund Balances, Ending	<u>\$ 1,872,374</u>	<u>\$ 1,733,451</u>	<u>\$ 3,007,847</u>	<u>\$ 403,689</u>

<b>Impact Fees Fire</b>	<b>Impact Fees Police</b>	<b>Impact Fees Park and Recreation</b>	<b>Impact Fees Transportation</b>	<b>Total Capital Projects Funds</b>
\$ 123,605	\$ 183,475	\$ 79,215	\$ 1,824	\$ 463,327
-	-	-	-	961,520
-	-	-	45,816	45,816
276	13	100	6,046	8,226
<u>123,881</u>	<u>183,488</u>	<u>79,315</u>	<u>53,686</u>	<u>1,478,889</u>
-	-	-	-	18,467
-	-	-	-	27,035
-	-	-	-	-
-	-	-	3,649	494,573
-	-	-	-	312
-	-	18,878	269,622	3,387,606
-	-	18,878	273,271	3,927,993
<u>123,881</u>	<u>183,488</u>	<u>60,437</u>	<u>(219,585)</u>	<u>(2,449,104)</u>
-	-	-	-	4,204,204
-	(118,900)	-	-	(118,900)
-	(118,900)	-	-	4,085,304
123,881	64,588	60,437	(219,585)	1,636,200
658,223	2,715	238,992	3,779,295	10,089,707
<u>\$ 782,104</u>	<u>\$ 67,303</u>	<u>\$ 299,429</u>	<u>\$ 3,559,710</u>	<u>\$ 11,725,907</u>

**CITY OF PLANT CITY, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2014**

	<b>Fleet Replacement Fund</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b>Assets</b>			
Current			
Cash and Cash Equivalents	\$ 6,341,136	\$ 1,066,523	\$ 7,407,659
Investments	983,982	-	983,982
Interest Receivable	3,740	-	3,740
Total Current Assets	<u>7,328,858</u>	<u>1,066,523</u>	<u>8,395,381</u>
Noncurrent Assets			
Deposits	-	30,000	30,000
Capital Assets			
Transportation Equipment	5,671,013	-	5,671,013
Less Accumulated Depreciation	(1,468,242)	-	(1,468,242)
Total Noncurrent Assets	<u>4,202,771</u>	<u>30,000</u>	<u>4,232,771</u>
Total Assets	<u>11,531,629</u>	<u>1,096,523</u>	<u>12,628,152</u>
<b>Liabilities</b>			
Accounts Payable	166,451	7,183	173,634
Estimated Claims Payable	-	197,338	197,338
Total Liabilities	<u>166,451</u>	<u>204,521</u>	<u>370,972</u>
<b>Net Position</b>			
Net Investment in Capital Assets	4,202,771	-	4,202,771
Unrestricted	7,162,407	892,002	8,054,409
Total Net Position	<u>\$ 11,365,178</u>	<u>\$ 892,002</u>	<u>\$ 12,257,180</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, 2014

	<b>Fleet Replacement Fund</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for Services	\$ 1,845,130	\$ 278,500	\$ 2,123,630
Total Operating Revenues	<u>1,845,130</u>	<u>278,500</u>	<u>2,123,630</u>
<b>Operating Expenses</b>			
Other Services and Charges	-	477,829	477,829
Depreciation	707,930	-	707,930
Total Operating Expenses	<u>707,930</u>	<u>477,829</u>	<u>1,185,759</u>
Operating Income (Loss)	<u>1,137,200</u>	<u>(199,329)</u>	<u>937,871</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Revenue	4,178	271	4,449
Total Nonoperating Revenues (Expenses)	<u>4,178</u>	<u>271</u>	<u>4,449</u>
Income (Loss) Before Transfers	<u>1,141,378</u>	<u>(199,058)</u>	<u>942,320</u>
Transfers In	<u>2,636,697</u>	<u>-</u>	<u>2,636,697</u>
Change in Net Position	3,778,075	(199,058)	3,579,017
Net Position, Beginning	7,587,103	1,091,060	8,678,163
Net Position, Ending	<u>\$ 11,365,178</u>	<u>\$ 892,002</u>	<u>\$ 12,257,180</u>

**CITY OF PLANT CITY, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR YEAR ENDED SEPTEMBER 30, 2014**

	<b>Fleet Replacement Fund</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Other Funds for Goods and Services	\$ 1,845,130	\$ 278,500	\$ 2,123,630
Payments to Suppliers for Goods and Services	(1,300,959)	(359,469)	(1,660,428)
Net cash provided (used) by operating activities	<u>544,171</u>	<u>(80,969)</u>	<u>463,202</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers In	2,636,697	-	2,636,697
Net cash provided by noncapital financing activities	<u>2,636,697</u>	<u>-</u>	<u>2,636,697</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition and Construction of Capital Assets	(1,655,585)	-	(1,655,585)
Net cash used by capital and related financing activities	<u>(1,655,585)</u>	<u>-</u>	<u>(1,655,585)</u>
<b>Cash Flows from Investing Activities</b>			
Purchase of Investments	18,168	-	18,168
Interest and Investment Earnings	3,147	271	3,418
Net cash provided by investing activities	<u>21,315</u>	<u>271</u>	<u>21,586</u>
Net change in cash and cash equivalents	1,546,598	(80,698)	1,465,900
Cash and Cash Equivalents, Beginning of Year	4,794,538	1,147,221	5,941,759
Cash and Cash Equivalents, End of Year	<u>\$ 6,341,136</u>	<u>\$ 1,066,523</u>	<u>\$ 7,407,659</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income (Loss)	\$ 1,137,200	\$ (199,329)	\$ 937,871
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	707,930	-	707,930
Changes in Assets and Liabilities			
Accounts Payable	(1,300,959)	1,664	(1,299,295)
Estimated Claims Payable	-	116,696	116,696
Net Cash Provided (Used) by Operating Activities	<u>\$ 544,171</u>	<u>\$ (80,969)</u>	<u>\$ 463,202</u>

**CITY OF PLANT CITY, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2014**

	<b>Pension Trust Funds</b>		<b>Total</b>
	<b>Safety Employees' Retirement Fund</b>	<b>General Employees' Retirement Fund</b>	
<b>Assets</b>			
Cash and Cash Equivalents	\$ 2,451,308	\$ 3,778,093	\$ 6,229,401
Receivables			
Contributions	230,170	30,489	260,659
Accrued Interest and Dividends	46,450	-	46,450
<b>Total Receivables</b>	<u>276,620</u>	<u>30,489</u>	<u>307,109</u>
Investments at Fair Value			
U.S. Government Agencies	3,129,628	-	3,129,628
Corporate Bonds and Notes	4,696,021	-	4,696,021
Common Stock	11,313,105	-	11,313,105
Mutual Funds	10,784,433	13,035,595	23,820,028
<b>Total Investments</b>	<u>29,923,187</u>	<u>13,035,595</u>	<u>42,958,782</u>
<b>Total Assets</b>	<u>32,651,115</u>	<u>16,844,177</u>	<u>49,495,292</u>
<b>Net Position</b>			
Restricted for Pension Benefits	<u>\$ 32,651,115</u>	<u>\$ 16,844,177</u>	<u>\$ 49,495,292</u>

**CITY OF PLANT CITY, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<b>Pension Trust Funds</b>		<b>Total</b>
	<b>Safety Employees' Retirement Fund</b>	<b>General Employees' Retirement Fund</b>	
<b>Additions</b>			
<b>Contributions</b>			
Employer	\$ 2,271,679	\$ 821,489	\$ 3,093,168
Employee	623,658	-	623,658
State of Florida	508,305	-	508,305
Total Contributions	<u>3,403,642</u>	<u>821,489</u>	<u>4,225,131</u>
<b>Investment Income</b>			
Interest and Dividends	746,401	-	746,401
Net Appreciation (Depreciation) in Fair Value of Investments	<u>1,938,225</u>	<u>1,617,687</u>	<u>3,555,912</u>
Net Investment Income	<u>2,684,626</u>	<u>1,617,687</u>	<u>4,302,313</u>
Total Additions	<u>6,088,268</u>	<u>2,439,176</u>	<u>8,527,444</u>
<b>Deductions</b>			
Pension Benefits	2,682,691	830,732	3,513,423
Administrative Expenses	107,602	80,400	188,002
Other	<u>10,113</u>	<u>-</u>	<u>10,113</u>
Total Deductions	<u>2,800,406</u>	<u>911,132</u>	<u>3,711,538</u>
Change in Net Position	3,287,862	1,528,044	4,815,906
Net Position, Beginning of Year	29,281,342	15,316,133	44,597,475
Prior Period Adjustment	81,911	-	81,911
Net Position, Beginning of Year, as restated	<u>29,363,253</u>	<u>15,316,133</u>	<u>44,679,386</u>
Net Position, End of Year	<u>\$ 32,651,115</u>	<u>\$ 16,844,177</u>	<u>\$ 49,495,292</u>

## **OTHER AUDITOR REPORTS**

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**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***

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To the Honorable Mayor,  
Members of the City Council and City Clerk  
City of Plant City, Florida, 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 26, 2015. Our report includes a reference to the changes in accounting principal resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities* and No. 67, *Financial Reporting for Pension Plans – an amendment to GASB No. 25* as of October 1, 2013.

**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 a certain deficiency in internal control that we consider to be a material weakness.

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. 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 item 2014-001 to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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**

Management's response to the finding identified in our audit is 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.

Bradenton, Florida  
June 26, 2015



Madden & Gerbasi, LLC



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

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To the Honorable Mayor,  
Members of the City Council and City Clerk  
City of Plant City, Florida, Florida

**Report on Compliance for Each Major Federal Program and State Project**

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* and the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2014. The City's major Federal programs and state financial assistance projects 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 and state projects.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects 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 Chapter 10.550, *Rules of the Auditor General*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City'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 and state project. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on Each Major Federal Program and State Project***

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 and state projects for the year ended September 30, 2014.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and the Department of *Financial Services' State Projects Compliance Supplement* and which is described in the accompanying schedule of findings and questioned costs as item 2014-002. Our opinion on each major federal program and state project is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is 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 compliance and, accordingly, we express no opinion on the response.

### **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 and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, 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 or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *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 or state project 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-002, that we consider to be significant deficiencies.

The City's response to the internal control over compliance finding identified in our audit is 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 compliance and, accordingly, we express no opinion on the response.

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 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Bradenton, Florida  
June 26, 2015



**CITY OF PLANT CITY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR YEAR ENDED SEPTEMBER 30, 2014**

<u>Federal / State Agency, Pass-through Entity, Federal / State Program</u>	<u>CFDA/C SFA No.</u>	<u>Grantors No.</u>	<u>Expenditures</u>
<b>Federal Awards:</b>			
United States Department of Housing and Urban Development Passed through Hillsborough County Community Development Block Grants/Entitlement Grants	14.218	B-13-UC-12-0002	\$ 203,089
Total United States Department of Housing and Urban Development			<u>203,089</u>
United States Department of Justice Direct, Office of Justice Programs, Bureau of Justice Assistance Bulletproof Vest Partnership Program	16.607	2009593	3,278
Total United States Department of Justice			<u>3,278</u>
United States Department of Transportation Passed through Florida Department of Transportation Highway Planning and Construction	20.205	AQ003	165,640
Total United States Department of Transportation			<u>165,640</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	136,469
Petroleum	66.818	BF-95481711	49,494
Total United States Environmental Protection Agency			<u>185,963</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 557,970</u></b>
<b>State Awards:</b>			
State of Florida Department of Health Passed through Hillsborough County Emergency Medical Services	64.003	N/A	\$ 8,106
Total State of Florida Department of Health			<u>8,106</u>
State of Florida Department of State, Division of Library and Information Services State Aid to Libraries Grant	45.030	14-ST-21	25,044
Total State of Florida Department of State, Division of Library and Information Services			<u>25,044</u>
State of Florida, Office of Tourism, Trade, and Economic Development Economic Development Transportation Trust Fund Gordon Food Service, Inc.	55.032	10-00035	627,321
Total State of Florida, Office of Tourism, Trade, and Economic Development			<u>627,321</u>
<b>Total expenditures of State financial assistance</b>			<b><u>\$ 660,471</u></b>

**CITY OF PLANT CITY, FLORIDA**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
SEPTEMBER 30, 2014

**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 \$37,758,812 in State Revolving Fund loans outstanding at September 30, 2014.

**CITY OF PLANT CITY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**SECTION I  
SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:  
Material weaknesses identified?  yes  no

Significant deficiencies identified not considered  
to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Financial Assistance Programs**

Internal Control over major state programs:  
Material weaknesses identified?  yes  no

Significant deficiencies identified not considered  
to be material weaknesses?  yes  none reported

Type of auditor's report issued on compliance for  
major state financial assistance projects: Unmodified

Any audit findings disclosed that are required to be  
reported in accordance with OMB Circular A-133  
Section 510(a)?  yes  none reported

Identification of major programs:

CFDA Number	Name of State Project or Cluster
14.218	Community Development Block Grant
66.818	Brownfields Assessment and Cleanup Cooperative Agreement

Dollar threshold used to distinguish between  
Type A and Type B programs: \$300,000



**CITY OF PLANT CITY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**SECTION III  
FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS  
FINDINGS AND QUESTIONED COSTS**

**2014 - 002 Gordon Food Services Grant – Quarterly Invoicing & Reporting**

**Criteria:** Internal controls should be in place to ensure that the City is in compliance with requirements of all grants that the City receives and oversees.

**Condition:** During testing of major grant programs, we noted the City did not submit quarterly reports or invoices to the Department of Transportation, as required by the grant agreement.

**Context/Cause:** During our tests of internal controls and compliance over the Gordon Food Services Grant, specifically the Reporting and Cash Management requirements identified in A-133, we noted the City did not submit Quarterly Invoices for reimbursement of expenditures incurred, or quarterly progress reports, in a timely manner, as required per terms of the grant agreement and A-133.

**Effect:** The City was not in compliance with all grant provisions.

**Recommendation:** We recommend the City implement an internal control structure that includes monitoring of grant provisions, to ensure the City remains in compliance.

**Views of Responsible Officials and Planned Corrective Action:** The Finance Department processes the grant requests for reimbursement. The operating department that received the grant is responsible for the oversight of the grant along with issuing the quarterly invoices and progress reports. This grant was under the previous City Engineer's oversight. When the new City Engineer was hired, he was made aware of this grant and had several telephone discussions with the Department of Transportation to find out what was needed to close out the project. The current City Engineer has sent the Department of Transportation all the information they have requested. The Finance Director discussed the grant compliance problems with the new City Engineer. The new City Engineer understands the necessity to meet grant requirements and that grant compliance measures will be in place for all future grants.

**SECTION IV  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

The prior audit findings number 2013-01 and 2013-02 were corrected by the City and are not repeated in the current year.

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

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To the Honorable Mayor,  
Members of the City Council and City Clerk  
City of Plant City, Florida

**Report on the Financial Statements**

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, 2014, and have issued our report thereon dated June 26, 2015.

**Auditor's Responsibility**

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

**Other Reports and Schedule**

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 State Project 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 June 26, 2015, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report as findings 2013-01 and 2013-02 were corrected during the current year and are not repeated in this year's report.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., 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 City of Plant City, Florida was incorporated in 1927. Additional information on the City's creation and the City's component unit is disclosed within the City's footnotes.

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**Financial Condition**

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the City 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.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

**Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

**Special District Component Units**

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

**Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts 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.

**Purpose of this Letter**

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, the Mayor and Members of the City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Bradenton, Florida  
June 26, 2015



**INDEPENDENT AUDITOR'S REPORT**

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To the Honorable Mayor,  
Members of the City Council and City Clerk  
City of Plant City, Florida

We have examined the City of Plant City, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Bradenton, Florida  
June 26, 2015

