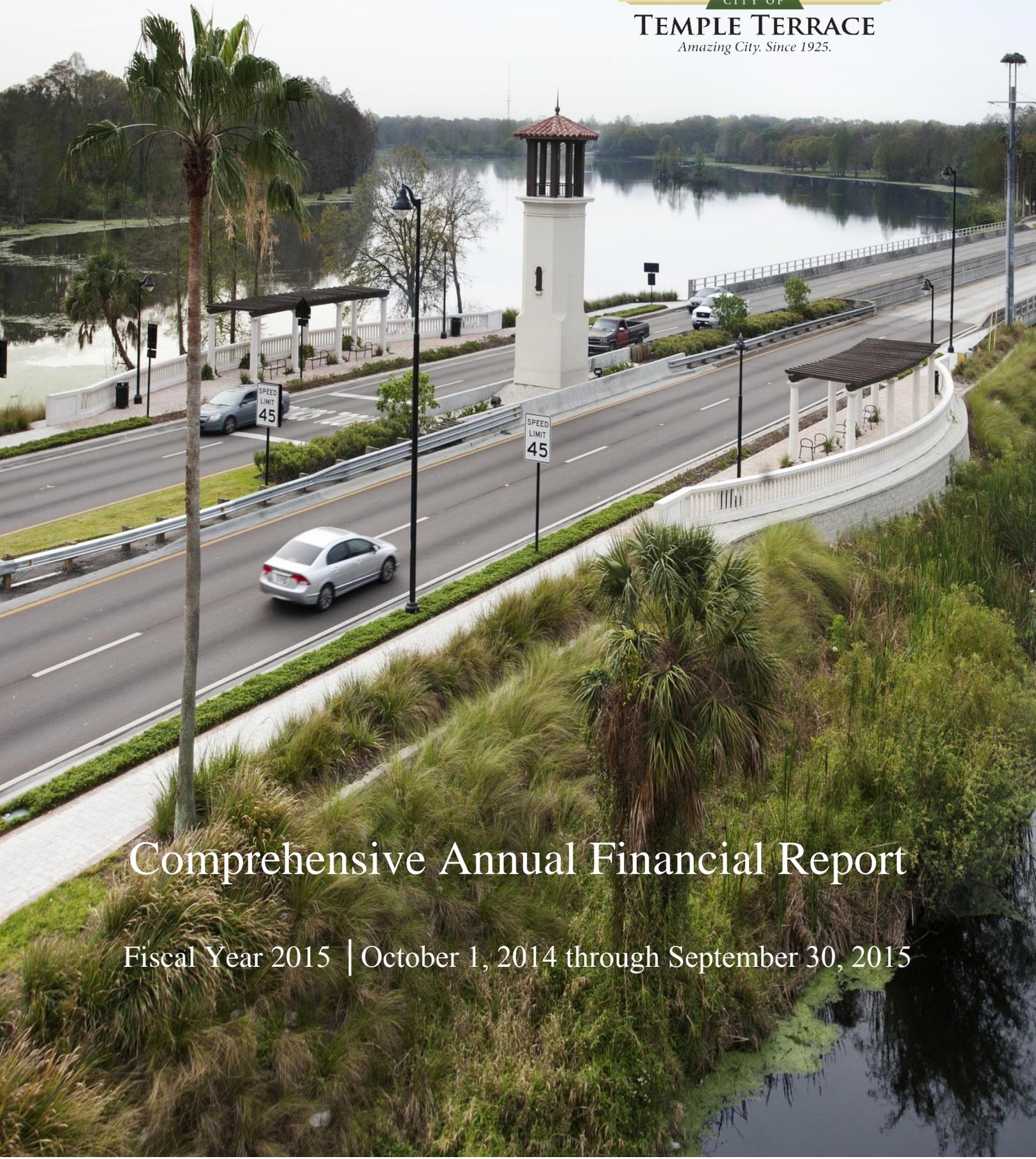




CITY OF
TEMPLE TERRACE
Amazing City. Since 1925.



Comprehensive Annual Financial Report

Fiscal Year 2015 | October 1, 2014 through September 30, 2015

CITY OF TEMPLE TERRACE, FLORIDA

COMPREHENSIVE ANNUAL FINACIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2015**

**PREPARED BY:
*FINANCE DEPARTMENT***

**ANGELA ATKINSON
*FINANCE DIRECTOR***

**SHEINA RUNIONS
*ASSISTANT FINANCE DIRECTOR***

**CITY OF TEMPLE TERRACE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

TABLE OF CONTENTS

Introductory Section

| | |
|---|----|
| Letter of Transmittal | 1 |
| Certificate of Achievement | 8 |
| Organizational Chart | 9 |
| List of Elected and Appointed Officials | 10 |

Financial Section

| | |
|---|----|
| Independent Auditors' Report | 11 |
| Management's Discussion and Analysis | 13 |

Basic Financial Statements:

Government-wide Financial Statements:

| | |
|---------------------------------|----|
| Statement of Net Position | 27 |
| Statement of Activities | 28 |

Fund Financial Statements:

| | |
|--|----|
| Balance Sheet - Governmental Funds | 30 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 33 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances | |
| Governmental Funds | 34 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in | |
| Fund Balances of the Governmental Funds to the Statement of Activities | 36 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: | |
| General Fund | 37 |
| Street Improvement Special Revenue Fund | 38 |
| Community Investment Tax Special Revenue Fund | 39 |
| Tax Increment Financing Special Revenue Fund | 40 |
| Statement of Net Position - Proprietary Funds | 42 |
| Statement of Revenues, Expenses, and Changes in Net position - | |
| Proprietary Funds | 44 |
| Statement of Cash Flows - Proprietary Funds | 46 |
| Statement of Fiduciary Net Position – Pension Trust Funds | 48 |
| Statement of Changes in Fiduciary Net Position – Pension Trust Funds | 49 |

| | |
|-------------------------------------|----|
| Notes to Financial Statements | 50 |
|-------------------------------------|----|

**CITY OF TEMPLE TERRACE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

TABLE OF CONTENTS (CONTINUED)

Required Supplementary Information

Pension and Other Postemployment Benefit Schedules:

| | |
|--|-----|
| Schedule of Funding Progress | 99 |
| Schedule of Contributions..... | 100 |
| Changes in Net Pension Liability | 104 |
| Return on Investment, Net of Investment Expense..... | 105 |

Combining and Individual Fund Financial Statements and Schedules:

Debt Fund:

| | |
|--|-----|
| Schedule of Revenues, Expenses, and Changes in Fund Balance – Budget and Actual Debt Service Fund | 108 |
|--|-----|

Enterprise Funds:

| | |
|--|-----|
| Combining Statement of Net Position – Enterprise Funds | 110 |
| Combining Statement of Revenues, Expenses, and Changes in Net Position- Enterprise Funds | 112 |
| Combining Statement of Cash Flows – Enterprise Funds | 114 |
| Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual Water and Sewer Utility Fund..... | 116 |
| Sanitation Utility Fund | 117 |

Internal Service Funds

| | |
|--|-----|
| Combining Statement of Net Position – Internal Service Funds | 120 |
| Combining Statement of Revenues, Expenses, and Changes in Net Position- Internal Service Funds | 121 |
| Combining Statement of Cash Flows – Internal Service Funds | 122 |
| Schedule of Revenues, Expenses and Changes in Net Position– Budget and Actual Fleet Maintenance – Internal Service Fund | 123 |

Fiduciary Funds:

| | |
|--|-----|
| Combining Statement of Fiduciary Net Position – Pension Trust Funds..... | 126 |
| Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds | 127 |
| Capital Assets Used in the Operation of Governmental Funds | 130 |

Financial Schedules:

Water and Sewer Utility Fund:

| | |
|--|-----|
| Schedule of Revenues and Expenses – Budget and Actual Water and Sewer Utility Fund - Water Operations | 132 |
| Water and Sewer Utility Fund - Sewer Operations | 133 |

Sanitation Utility Fund:

| | |
|---|-----|
| Schedule of Revenues and Expenses – Budget and Actual Sanitation Utility Fund - Commercial Operations..... | 134 |
| Sanitation Utility Fund - Residential Operations..... | 135 |
| Sanitation Utility Fund - Roll-Off Container Operations..... | 136 |
| Sanitation Utility Fund - Special Trash Pickup Operations | 137 |

**CITY OF TEMPLE TERRACE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

TABLE OF CONTENTS (CONTINUED)

Statistical Section (Unaudited)

Financial Trends:

| | |
|--|-----|
| Net position by Component | 141 |
| Changes in Net Position | 142 |
| Fund Balances, Governmental Funds | 144 |
| Changes in Fund Balances, Governmental Funds | 145 |

Revenue Capacity:

| | |
|--|-----|
| Government-wide Revenues | 146 |
| Government-wide Expenses by Function | 147 |
| General Government Revenues by Source | 148 |
| General Government Expenditures by Function | 149 |
| Property Tax Levies and Collections | 150 |
| Assessed Value of Taxable Property | 151 |
| Property Tax Rates- Direct and Overlapping Governments | 152 |

Debt Capacity:

| | |
|--|-----|
| Ratios of Outstanding Debt by Type | 153 |
| Computation of Direct and Overlapping Debt | 154 |
| Schedule of Revenue Bond Coverage | 155 |

Demographic and Economic Information:

| | |
|--|-----|
| Demographic Statistics | 156 |
| Principal Property Taxpayers | 157 |
| Principal Employers in Hillsborough County | 158 |
| Principal Utility Customers | 159 |

Operating Information:

| | |
|---|-----|
| Full-time Equivalent City Employees by Function | 160 |
| Capital Asset Statistics by Function | 161 |
| Operating Indicators by Function | 162 |
| Water and Sewer Fund Statistical Data | 163 |
| Water Production Data | 164 |

Compliance Reports

| | |
|---|-----|
| Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 165 |
| “Management Letter” Based on Rule 10.554 (1)(i) of the Auditor General of the State of Florida | 168 |
| Independent Accountants’ Report Based on Section 218.415 | 172 |



TEMPLE TERRACE

Amazing City. Since 1925.

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**INTRODUCTORY
SECTION**

Transmittal Letter

Certificate of Achievement

Organization Chart

List of Elected and Appointed Officials



June 16, 2016

To the Honorable Mayor, Members of City Council, and Citizens of the City of Temple Terrace:

It is our pleasure to submit this Comprehensive Annual Financial Report (CAFR) for the City of Temple Terrace, Florida, for the fiscal year ended September 30, 2015. This report fulfills the requirements set forth in the City's Charter, Section 214; Florida State Statutes, Chapter 166.241 (4); and the Rules of the Auditor General, Chapter 10.550 which requires that all general-purpose local governments publish each fiscal year a complete set of financial statements (GAAP) and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

This CAFR consists of management's representations concerning the finances of the City of Temple Terrace. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Temple Terrace has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Temple Terrace's financial statements in conformity with GAAP. Because the cost of the internal controls should not outweigh their benefits, the City of Temple Terrace's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Florida Statutes, Chapter 11.45 and Chapter 10.550, require that an annual financial audit be performed by independent certified public accountants. This year, the audit was completed by **Moore Stephens Lovelace, PA**. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Temple Terrace for the fiscal year ended September 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Temple Terrace's financial statements for the fiscal year ended September 30, 2015, are fairly presented in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the financial section of this report.

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

The CAFR is presented in three (3) main sections:

The **Introductory Section** includes the Transmittal Letter, a copy of the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended September 30, 2014, the City of Temple Terrace's organizational chart, a List of Elected and Appointed Officials.

The **Financial Section** includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), Basic Financial Statements, Required Supplementary Information (RSI), Combining and Individual Fund Statements.

The MD&A provides a narrative introduction, overview, and analysis to accompany the Basic Financial Statements. The Basic Financial Statements include the Government-wide Financial Statements that present an overview of the City's entire operations, while Fund Financial Statements present the financial information of each of the funds.

The **Statistical Section** presents on a multi-year basis, selected social and economic data, financial trends and the fiscal capacity of the City.

Reports and Schedules required by *Governmental Auditing Standards*, OMB Circular A-133, and the Florida Auditor General, follow the three sections identified above.

PROFILE OF THE CITY OF TEMPLE TERRACE

The City of Temple Terrace, named after the hybrid "Temple" oranges and the surrounding "Terraced" terrain, was incorporated on May 28, 1925, and operates under the Council-Manager form of government. The elected governing body is comprised of the Mayor and five City Councilmembers and is responsible for enacting ordinances, resolutions, and regulations governing the City and for appointing the City Manager, City Clerk, City Attorney, and members of various statutory and advisory boards. As chief administrative officer, the City Manager is responsible for managing the City's day-to-day operations and affairs and appointing the City's Department Directors.

Temple Terrace developed as a high-quality residential suburban community in the Tampa Bay area during the 1960s and 1970s. The unique neighborhoods, with a golf course and the meandering Hillsborough River, combined with the City's proximity to downtown Tampa, Interstate 75, and the University of South Florida employment centers, continue to make the City attractive to a broad spectrum of the region's population.

Like many of its suburban counterparts, the City's employment base is heavily dominated by the service industry. Additional employment-generating industry is occurring as a result of development in the I-75 corridor. Although the percentage of resident workers employed within the City may increase in the future, it will remain predominately a suburban, commuter community through 2016.

The City, with an estimated population of 25,419, provides a full-range of general municipal services including law enforcement, fire/rescue, street and drainage construction and maintenance, engineering, planning, code enforcement, building and zoning regulation, parks and recreation programming, library, and general administrative support services. In addition, water, sewer, and refuse collection services are provided and funded with user charges established by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt. Fleet Maintenance is provided through an Internal Service Fund with charge-backs to user departments to cover its cost of operation. The City of Temple Terrace contracts with the City of Tampa for wastewater treatment services and with Hillsborough County for solid waste disposal.

The annual budget serves as the foundation for the City's financial planning and control. All City departments are required to submit requests for appropriations to the City Manager. The City Manager uses these requests as the basis for developing the proposed budget. The City Manager presents the proposed budget to City Council for review prior to August 15. The City Council is required to hold two (2) public hearings on the proposed budget and adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function, and department. Budgets for all governmental fund types are adopted consistent with generally accepted accounting principles. Budget-to-actual comparisons are provided for each governmental fund.

ECONOMIC CONDITION

The information presented in the financial statements is best understood when it is considered from the broader perspective of the environment within which the City of Temple Terrace operates.

Local Economy

The City of Temple Terrace, located in Hillsborough County, is in close proximity to a progressive Tampa Bay area with an economy structured within four main industry sectors: (1) leisure and hospitality; (2) business and professional services; (3) education, health, and social services; and (4) retail trade. Hillsborough County's industry sectors by percentage are:

- Natural Resources & Mining: 1.6%
- Construction: 5.6%
- Manufacturing: 4.2%
- Trade, Transportation, Utilities: 21.1%
- Finance: 10.5%
- Professional, Business, Information & Other Services: 25.8%
- Education & Health: 14.9%
- Leisure & Hospitality: 12.1%
- Government: 4.2%

*Sources: Hillsborough County City-County Planning Commission
(www.theplanningcommission.org)*

Hillsborough County's top private sector employers are Tampa General Hospital, Publix Supermarkets, and St. Joseph's Hospital, with a combined total labor force of 20,657. The top public sector employers are Hillsborough County School District, MacDill Air Force Base, Hillsborough County Government, the University of South Florida, and the City of Tampa with a combined total labor force of 67,683. Combined, these employers represent 14% or 88,340 employees of a total employment of 641,631 in Hillsborough County.

Although the State of Florida is known for citrus fruits and tourism, the Tampa area boasts a high-technology job base, ranked the second largest technology hub in Florida. This higher wage industry is a positive indicator that the City's wage structure will improve over time. Hillsborough County's 2015 average unemployment rate of 5.0% is lower than both the State average of 5.4%, and the national average of 5.3%. With State-shared revenues and building permits both increasing, the City continues to diversify its economic base in terms of long-range strength. The redevelopment of the southeast quadrant of Bullard Parkway and 56th Street will provide Temple Terrace with the opportunity to create a key focal point for economic and social activity in the oldest part of the city.

Presently, the City has an aggregate inventory of 582 acres of developed commercial properties. Many of these retail venues serve the increasing convenience and general merchandise shopping demands of residents from Temple Terrace, Tampa, and unincorporated Hillsborough County. Temple Terrace's larger retail shopping opportunities are located outside the City limits and are largely concentrated in three geographical nodes: New Tampa and Wesley Chapel, located 15 miles north; Brandon, located 15 miles south; and Westshore and International Plazas, located 15 miles west of the City.

The City is home to Coca Cola Company's North American Customer Development Center. Telecom Park, the City's primary office district, is located on the Hillsborough River west of I-75 and south of Fletcher Avenue, and houses Verizon Communications, Moffitt Cancer Centre's main administration offices, Florida Orthopedic primary out-patient facility, The Florida Department of Environmental Protection Agency, Chapters Health Care, Holiday Inn, Residence Inn, and Circle K and Morgan Stanley's regional offices. During 2015, the demand for tenant space increased slightly, coupled with favorable lease terms available throughout the market, resulted in a reduction in available leasable space. The improving market conditions allowed major lease holders the luxury of initiating substantial renovation activities. The overall vacancy rate within the park is at its lowest point since 2008. The development of the four remaining parcels is anticipated by 2018 to provide additional leasable space. Telecom Park, located along the Interstate 75 corridor, had a second-quarter office vacancy rate of 18.0% in 2015, compared with 13.7% for the entire Tampa area. (*Cushman & Wakefield, Market Beat-Tampa Office Report 3Q15*).

To date, twenty properties located within the U.S. Highway 301 industrial area have been annexed into the City of Temple Terrace and another eight are awaiting annexation. These annexations complete 70% of a multi-stage endeavor to annex all 28 properties in the industrial area. Temple Terrace can now include industrial and manufacturing uses to its portfolio of opportunities. Unlike in years past, Temple Terrace has a full-range of commercial, office, and industrial business activity to create a vibrant economy.

Residential development remains limited to the absence of available developable land. Several troubled residential projects and in-fill development have re-emerged into the market and sales appear stronger. The City contains approximately 187 acres of developable land, most of which is suitably zoned for residential development.

Long-term planning goals

Temple Terrace residents, elected officials, and the administration recently completed the Your City, Our Future community driven strategic plan which includes ten goals and fifty-one specific objectives. Annually, the Mayor and City Council review the objectives and develop the priorities for the upcoming fiscal year. The Mayor and City Council's objectives established for Fiscal Year 2015-16 are:

- Increase utilization of mainstream social media in departments with frequent community interactions (e.g. Police, Fire, Leisure Services, Public Works, Customer Service);
- Develop a strategic marketing plan that attracts new residents, businesses, and promotes the City's services and events;
- Enhance community involvement by developing and implementing a plan to create opportunity for diverse, high-quality community events;
- Improve facility conditions at the Temple Terrace Family Recreation Complex;
- Develop a strategy to provide sufficient water treatment and production capacity to accommodate future growth;
- Develop a program to ensure timely after-hours response for Public Works related issues;
- Identify areas of possible annexation;
- Establish annexation policy and direction;
- Establish Code Compliance staffing levels and programs that meet the code compliance needs of the City;
- Enhance neighborhoods and areas along out City's borders to ensure comprehensive code compliance;
- Coordinate with department directors to update and redefine position descriptions, as well as, evaluate workloads to determine deficiencies, and ascertain appropriate department staffing levels;
- Provide City employees with a competitive total compensation program in an effort to attract high quality applicants and retain current valued and experienced employees;
- Establish long-term, realistic strategy consistent with the strategic plan;
- Improve the Budgeting process for both the operating and the capital budgets; and
- Secure necessary department financing to achieve long-term sustainability.

The above fifteen objectives directly relate to the Council's commitment to the below goals:

- Develop a comprehensive marketing and outreach plan to reach a diverse audience, promoting the City of Temple Terrace as an amazing place to live, work, play, and learn;
- Develop and implement a comprehensive formal plan which would enhance, maintain and promote Leisure Services' facilities, activities, programs, and encourage community growth and involvement;
- Support and enhance a high quality of life for the City's residents, businesses, and visitors by providing sustainable, environmentally-sensitive, cost-effective infrastructure and services to promote public health, personal safety, transportation, economic growth, and civic vitality;
- Promote orderly growth in the Urban Service Area and those in the Joint Planning Areas of Unincorporated Hillsborough County; Ensure that residents and businesses outside the city limits share tax and maintenance costs for facilities, streets and utilities necessary to meet the demand of future populations;
- Provide a comprehensive code enforcement effort which is consistent, fair and equitable in its application, preserves neighborhood integrity, protects the public health and well-being, and enhances property values;
- Develop and improve procedures to monitor and address employee compensation, departmental work load, and wellness in an effort to provide the citizens of Temple Terrace with exemplary service from a workforce of qualified, experience, and healthy employees; and
- Establish and promote a long-term stable financial future by effective and efficient use of fiscal resources and improving the purchasing and budgeting processes.

The Five-Year Capital Improvement Plan, adopted September 16, 2015, provides a City-wide business plan for utility improvements, equipment replacements, and projects related to growth. The plan details the development of revenue projections and capital needs assumptions. Over the past five years, many capital items in the General

Fund have been delayed. Community Investment Tax revenue continues to provide many improvements that benefit the community, such as police and fire vehicles and equipment, parks and recreation enhancements.

The City extends infrastructure beyond the current service area and typically recoups the initial investment over a five- to seven-year period. Although there will be a lag between capital expenses and realized revenues, the growth should stabilize revenues in the short-term and provide long-term economic growth.

Long-range planning for utilities includes:

- **Water** – Renewal and replacement funds are utilized to maintain infrastructure and high-quality service. Improvement fees will fund automated meter reading devices to be complete by December 2019, water main projects to reduce the volume of calls for water main breaks; such as the Grandview Area, St. Augustine/Live Oak, Bannockburn/Glen Arven, University Square, North Riverhills/Glen Arven, Gail/Belmont/Sorrento/Holland, and Bonnie Brae areas. Improvements to the Chinaberry Pumping station over the next two years will improve system reliability. There is a planned utility relocation on 78th and Harney Road that is being managed by Hillsborough County and funded by the Florida Department of Transportation.
- **Wastewater** – Lift Stations “SA”, “ST”, “A”, “D”, River Run, Tree Tops, Telecom I, and Tupelo, will be rehabilitated with impact fees and utility revenues. The Phase I Wastewater Master Plan update and Infiltration and Inflow study, respectively, will help prioritize future capital expenditures and identify system leaks allowing stormwater infiltration into our wastewater collection system. Future funding appropriations for the rehabilitation of sewer manholes and sewer mains will also improve system reliability.

RELATED FINANCIAL POLICIES

The City's general governmental accounting records are maintained on a modified accrual basis, with the revenues recorded when available and measurable. Expenditures are recorded when services or goods are received and liabilities are incurred. Accounting records for the City's utilities, proprietary funds, and pension trust funds are maintained on an accrual basis.

The City reviews financial policies annually with the adoption of the Operating and Capital Budget. The policies help ensure the ability to meet immediate and long-term service objectives. The City limits its exposure in future years to rising costs by controlling baseline costs and allocating one-time revenues to one-time expenditures, whenever possible.

Accounting Systems

The City's accounting system provides reliable financial records for preparing financial statements in conformity with generally accepted accounting principles. The accounting system supports an adequate internal control structure, which provides reasonable, but not absolute, assurance that the City's assets are safeguarded against loss, theft, or misuse. Reasonable assurance recognizes that the cost of a control should not exceed the expected benefits based on management's estimates.

Budgetary Control

During the fiscal year, budgetary control and revisions are maintained at the department level. All purchase orders are compared to the category appropriation, and budget adjustments are approved prior to issuing purchase orders. Department directors are authorized to move funds within the categories of their respective divisions. The City Manager is authorized to transfer any unencumbered appropriation balance, or portion thereof, between specific expenditure classifications within a department or fund. The budget process allows for amendments during the year as conditions warrant. Per the City Charter, the City Council is authorized to make changes to the budget as it deems necessary for the City's proper and economical operation, and may transfer any unencumbered balance, or portion thereof, to pay for any municipal purpose. An amendment may be initiated by the Finance Director, reviewed by the City Manager, and submitted to the City Council for its consideration. With City Council approval, appropriations are realigned. In addition, the enabling legislation allows the City Manager or Finance Director to transfer an encumbered balance among programs within an operating fund, providing such action does not result in discontinuing a program. Also, appropriation of donated or grant expenditures is based upon the request. The

objective of these budgetary controls is to ensure compliance with legal provisions embodied in City Council's adopted annual budget.

MAJOR INITIATIVES

Development activity for 2015 continued to show signs of rebounding with the tenant finish of available leasable space constructed in previous years. Several "shelled" buildings were completed to house nationally recognized businesses. The available space in existing buildings continues to be absorbed by companies such as Kraft Foods, Acosta Marketing, and ARC Tampa. Development in Tampa Oaks continues with expansion of leasable space to the University of Phoenix and Liberty Mutual Insurance. Tampa Oaks is currently 80% occupied.

The second phase of Telecom Parkway road extension to Morris Bridge Road was designed, right-of-way acquired, and the construction was completed earlier this year.

Redevelopment is a primary goal of the City. In an effort to further the redevelopment in the City's Community Redevelopment Area (CRA), including approximately 20 acres of City owned land, the community has release a Request for Qualifications and started discussions with potential developers. This effort along with past projects, including renovations to the Winn Dixie plaza and infrastructure improvements throughout the CRA, continue to provide momentum towards achieving long term redevelopment objectives.

The Commission on Fire Accreditation International (CFAI) first awarded the Temple Terrace Fire Department Accredited Agency Status in 2006. The Fire Department was re-accredited in 2011. Approximately 187 agencies worldwide have achieved CFAI accreditation, which is based on performance and quality-improvement criteria. The accomplishment places the City's Fire Department in elite standing as a nationally and internationally top-rated department. The Temple Terrace Fire Department was the first agency in Hillsborough County to become CFAI-accredited.

The Commission for Florida Law Enforcement Accreditation Inc. first awarded the Temple Terrace Police Department Accredited Agency Status in 2011. The Accreditation status is valid for a period of only three years and the Police Department was re-accredited in 2014. Accreditation is a highly recognized means of acquiring and maintaining standards of competency, proficiency, professionalism, and service to the community, which represents the department's commitment to providing the highest quality law enforcement services possible.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Temple Terrace for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2014. This was the thirty-seventh consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

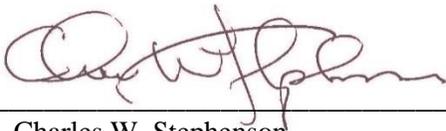
A Certificate of Achievement is valid for a period of one year only. We believe that the current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for a subsequent certificate.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its Annual Budget for the fiscal year beginning October 1, 2015, marking the twenty-sixth year the City has received this award. It is based on a governmental unit's publishing a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications medium.

Acknowledgements

The preparation of the CAFR was made possible by the dedicated service of the entire staff of the City's Finance Department and the audit staff of Moore Stephen Lovelace, PA. Each member of the department and audit staff has our sincere appreciation for the contributions made in the preparation of this report. Appreciation is also extended to City departmental staff, who contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. We recognize the Mayor and City Council for their leadership and support in providing the highest level of accountability and transparency through financial reporting. We also thank the citizens of the City of Temple Terrace whose cooperation, support, and assistance have contributed greatly to the operation of this Amazing City.

Respectfully submitted,



Charles W. Stephenson
Interim City Manager



Angela C. Atkinson
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

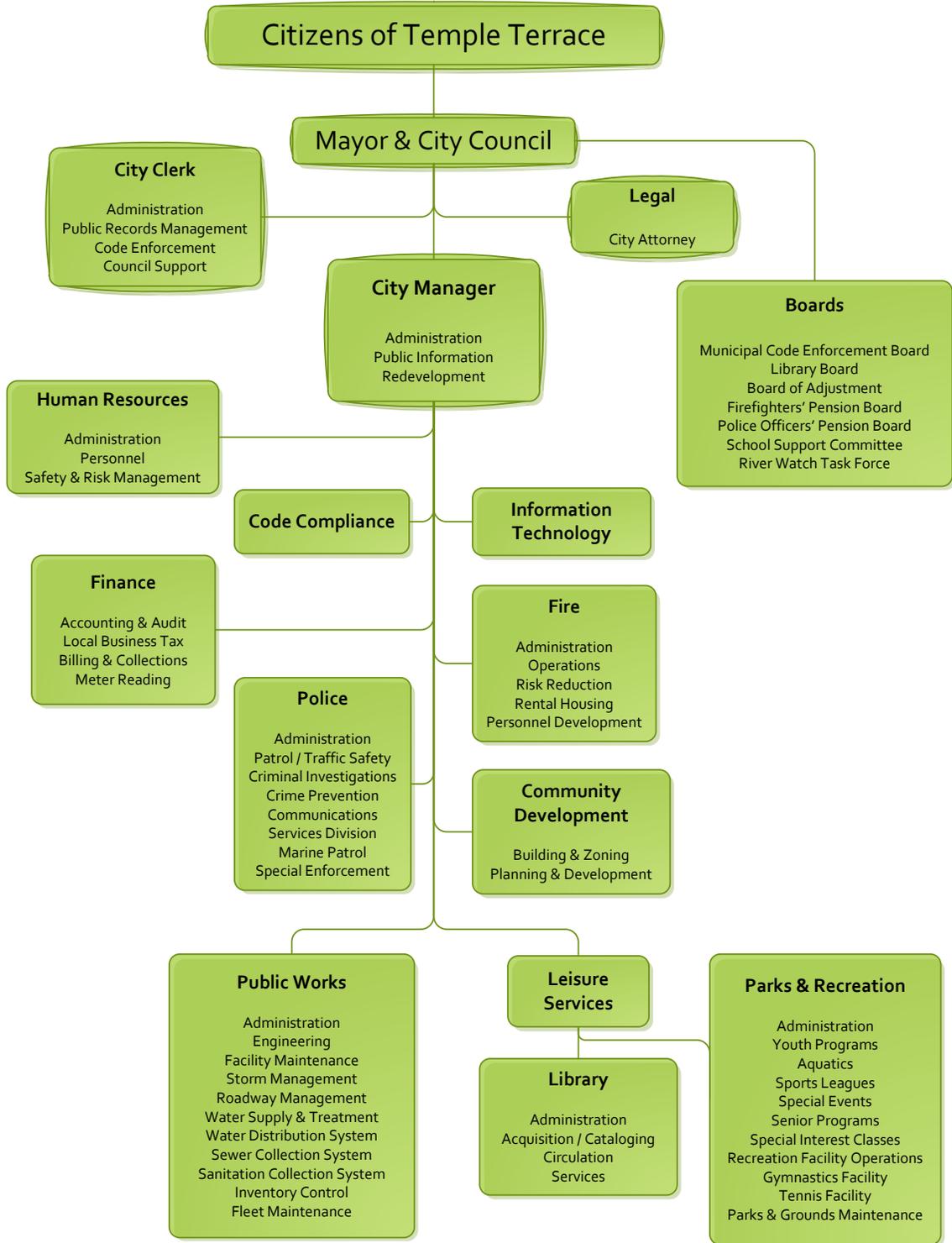
**City of Temple Terrace
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

CITY OF TEMPLE TERRACE, FLORIDA ORGANIZATIONAL CHART



CITY OF TEMPLE TERRACE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended September 30, 2015

Council - Manager Form of Government

CITY COUNCIL – Elected officials

Frank M. Chillura, Mayor
Grant Rimbey, Vice-Mayor
Cheri Donohue Robert M. Boss
David A. Pogorilich Eddie Vance

CITY MANAGER

Gerald J. Seeber, ICMA-CM

APPOINTED OFFICIALS

City Attorney
City Clerk
Interim Code Compliance Director
Community Development Director
Fire Chief
Finance Director
Human Resources Director
Leisure Services Director
Information Technology Director
Police Chief
Public Works Director
Redevelopment Director

Mark A. Connolly
Cheryl A. Mooney
Stephen Cottrell
Charles W. Stephenson
B. Keith Chapman
Angela C. Atkinson
Aleicia N. Latimer
James A. Chambers, Jr.
Robert L. Keel
Kenneth R. Albano
Robert R. Gordon
Martin Hudson

**FINANCIAL
SECTION**

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining and Individual Fund Statements and Schedules

Financial Schedules



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Temple Terrace, 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 Temple Terrace, Florida (the "City") as of and for the year ended September 30, 2015, 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 of 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 City'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 City'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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter – Change in Accounting Principle

As discussed in Note I to the financial statements, in the fiscal year ended September 30, 2015, the City adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 68, *Accounting and Financial Reporting for Pensions*, and GASBS 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of the implementation of GASBS 68 and 71, the City reported a restatement for the change in accounting principle as of October 1, 2014. Our opinions are not modified with respect to this matter.

The Honorable Mayor and
Members of the City Council
City of Temple Terrace, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2016, 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.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
June 16, 2016

CITY OF TEMPLE TERRACE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2015

Management of the City of Temple Terrace (the City) has prepared the following discussion and analysis to provide the readers of the City's financial statements a general overview of the financial activities for the Fiscal Year (FY) ended September 30, 2015. Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the Transmittal Letter and the City's financial statements.

Financial Highlights

- For FY 2015, the City's total net position decreased by \$25,139,303 (or 42.0%). The governmental net position decreased by \$26,587,420 (or 94.0%) and business-type net position increased \$1,448,116 (or 4.6%).
- Comparing FY 2015 with FY 2014, the governmental activities revenue increased \$2,539,293 (or 10.4%). In FY 2015, the results of governmental activities produced a decrease in net position of \$26,587,420, while in FY 2014 net position slightly increased by \$35,646.
- Comparing FY 2015 with FY 2014, the business-type activities revenue increased by \$1,325,382 (or 9.8%). In FY 2015, the results of governmental activities produced an increase in net position of \$1,448,116, while FY 2014 net position increased by \$740,728.
- Comparing FY 2015 with FY 2014, the City's total expenses increased by \$678,466 (or 1.8%).
- For FY 2015, the General Fund reported an increase in fund balance of \$1,386,391 (31.7%), compared to the slight decrease of \$198,030 in FY 2014.

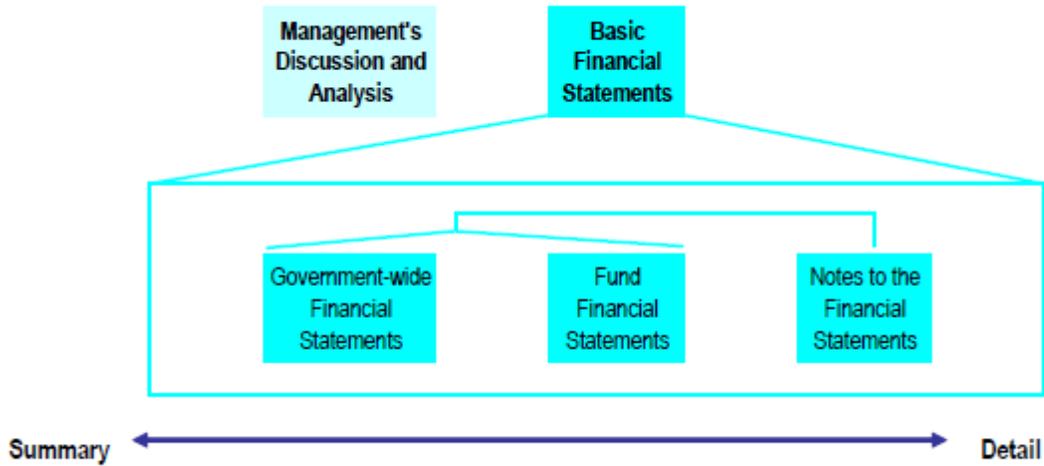
Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. 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. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

The government-wide financial statements provide long-term and short-term information about the City's overall financial status. The fund financial statements focus on individual parts of the City and provide greater detail of the City's operations than the government-wide statements. Additionally the basic statements include notes, which explain some of the information in the statements and provide more detailed data.

CITY OF TEMPLE TERRACE, FL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2015

The illustration below shows how the various parts of the financial section are arranged and related to one another.



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 government-wide financial statements can be found on pages 27-28 of this report.

The Statement of Net position presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This statement format combines and consolidates the governmental funds' current financial resources with capital assets (including infrastructure) and long-term obligations. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents changes in the City's net position during the most recent fiscal year. All changes in net position are reported when the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish City functions 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 basic services include general government, police, fire, protective inspections, public works, community development, and recreation. Property taxes, utility taxes, gas taxes, sales taxes, and the City's utilities contribution finance the majority of these services. The business-type activities reflect private sector-type operations (water, sewer, and sanitation), where the fee for services typically covers all or most of the cost of operation including depreciation.

CITY OF TEMPLE TERRACE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2015

Fund financial statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of Temple Terrace, 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 of Temple Terrace can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 a government'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 government's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Street Improvement Fund, the Community Investment Tax Fund, the Tax Increment Financing Fund, and the Debt Service Fund, all of which are considered major funds.

The governmental fund financial statements can be found on pages 27-40 of this report.

Proprietary funds. The City of Temple Terrace maintains two different types of proprietary funds. 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 Sanitation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for fleet maintenance. These services predominantly benefit governmental rather than business-type functions. They have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the two major enterprise funds. The internal service fund is presented in the proprietary fund financial statements. Fund data for the internal funds is provided elsewhere in this report. The basic proprietary fund financial statements can be found on pages 42-46 of this report.

CITY OF TEMPLE TERRACE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2015

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement 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 basic fiduciary fund financial statements can be found on pages 48-49 of this report.

Notes to the financial statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 50-98 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Temple Terrace's progress in funding its obligation to provide pension benefits and other postemployment benefits (OPEB) to its employees. Required supplementary information can be found on page 99-105 of this report.

The combining statements referred to earlier and other schedules are presented immediately following the required supplementary information on pensions.

Government-wide Financial Analysis

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities and deferred inflows by \$34,654,008 as of September 30, 2015. The table below reflects the condensed government-wide Statement of Net Position.

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Assets | | | | | | |
| Current and Other Assets | \$ 15,458,083 | \$ 14,576,565 | \$ 9,117,298 | \$ 7,759,275 | \$ 24,575,381 | \$ 22,335,840 |
| Capital Assets (net) | 46,467,096 | 44,731,063 | 27,189,406 | 27,727,509 | 73,656,502 | 72,458,572 |
| Total Assets | 61,925,178 | 59,307,628 | 36,306,704 | 35,486,784 | 98,231,882 | 94,794,412 |
| Deferred Outflows of Resources | 2,892,579 | - | 41,874 | - | 2,934,453 | - |
| Current and Other Liabilities | 1,043,892 | 1,370,410 | 2,172,336 | 1,998,484 | 3,216,228 | 3,368,894 |
| Noncurrent Liabilities | 60,976,003 | 29,681,709 | 1,142,651 | 1,950,498 | 62,118,653 | 31,632,207 |
| Total Liabilities | 62,019,895 | 31,052,119 | 3,314,987 | 3,948,982 | 65,334,881 | 35,001,101 |
| Deferred Inflows of Resources | 1,129,774 | - | 47,673 | - | 1,177,447 | - |
| Net Position: | | | | | | |
| Investment in Capital Assets | 46,467,096 | 44,731,063 | 26,554,406 | 26,317,509 | 73,021,502 | 71,048,572 |
| Restricted | 6,129,785 | 7,972,160 | 3,088,958 | 2,730,208 | 9,218,743 | 10,702,368 |
| Unrestricted | (50,928,791) | (24,447,714) | 3,342,554 | 2,490,085 | (47,586,237) | (21,957,629) |
| Total Net Position | \$ 1,668,089 | \$ 28,255,509 | \$ 32,985,918 | \$ 31,537,802 | \$ 34,654,008 | \$ 59,793,311 |

CITY OF TEMPLE TERRACE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2015

The largest portion of the City's net position (210.7%) reflects its investment in capital assets (e.g., land, buildings and infrastructure, improvements other than buildings, and machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Temple Terrace uses these capital assets to provide a variety of services to its residents. Accordingly, 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.

Another portion of the City's net position, *restricted net position* at \$9,218,743 (26.6%) represents resources that are subject to external restrictions on how they may be used, e.g., for debt and capital improvements. Restricted net position decreased 13.8% or \$1,483,625 during the year. At the end of the current fiscal year, the City is able to report positive balances in all categories of net position except for a negative \$47,586,237 in unrestricted net position. The negative \$47,586,237, in unrestricted position was the result of accruing \$2,106,294, in other post-employment benefit obligations, \$1,582,483 in compensated absences payable, the adoption of GASB No. 68 which resulted in accruing \$26,704,562, in a net pension liability, and the negative equity in governmental activities associated with the downtown redevelopment.

CITY OF TEMPLE TERRACE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2015

Statement of Activities. The key elements of the changes in the City's net position for the fiscal years ended September 30, 2014, and September 30, 2015 are as follows:

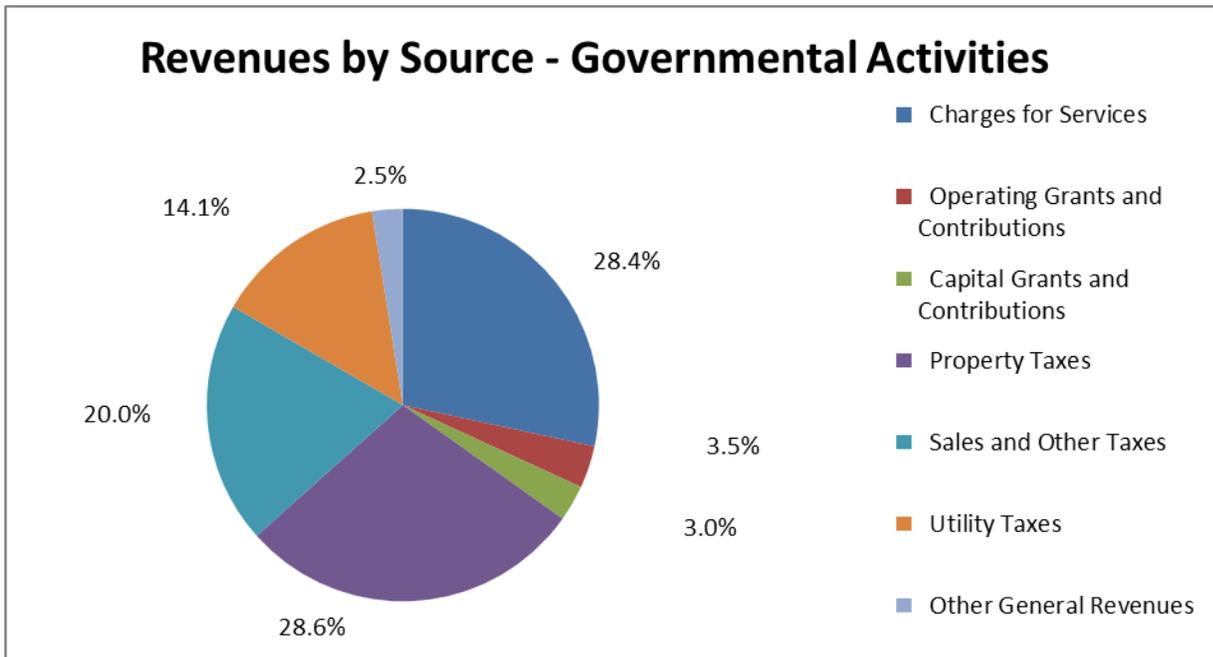
| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------------|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 7,632,870 | \$ 6,552,304 | \$ 13,389,622 | \$ 13,408,938 | \$ 21,022,492 | \$ 19,961,242 |
| Operating Grants and Contributions | 935,977 | 277,807 | - | - | 935,977 | 277,807 |
| Capital Grants and Contributions | 799,465 | 469,111 | 1,071,571 | 31,432 | 1,871,036 | 500,543 |
| General Revenues: | | | | | | |
| Property Taxes | 7,679,632 | 7,334,181 | - | - | 7,679,632 | 7,334,181 |
| Sales Taxes | 4,758,111 | 4,804,570 | - | - | 4,758,111 | 4,804,570 |
| Utility Taxes | 3,799,400 | 3,811,075 | - | - | 3,799,400 | 3,811,075 |
| Motor Fuel Taxes | 359,118 | 357,184 | - | - | 359,118 | 357,184 |
| Local Business Taxes | 248,608 | 260,875 | - | - | 248,608 | 260,875 |
| Investment Earnings | 114,324 | 77,247 | 48,827 | 49,307 | 163,151 | 126,554 |
| Other General Revenues | 564,634 | 408,492 | 305,039 | - | 869,673 | 408,492 |
| Total Revenues | 26,892,139 | 24,352,846 | 14,815,059 | 13,489,677 | 41,707,198 | 37,842,523 |
| Expenses: | | | | | | |
| General Government | 4,889,652 | 3,847,264 | - | - | 4,889,652 | 3,847,264 |
| Public Safety | 13,790,072 | 13,880,527 | - | - | 13,790,072 | 13,880,527 |
| Public Works | 1,414,185 | 2,193,891 | - | - | 1,414,185 | 2,193,891 |
| Economic Development | 94,120 | 522 | - | - | 94,120 | 522 |
| Culture and Recreation | 4,029,260 | 3,979,142 | - | - | 4,029,260 | 3,979,142 |
| Interest on Long-Term Debt | 487,670 | 415,854 | - | - | 487,670 | 415,854 |
| Water and Sewer | - | - | 9,950,108 | 9,641,139 | 9,950,108 | 9,641,139 |
| Sanitation | - | - | 3,091,486 | 3,109,749 | 3,091,486 | 3,109,749 |
| Total Expenses | 24,704,960 | 24,317,200 | 13,041,594 | 12,750,888 | 37,746,554 | 37,068,088 |
| Change in Net Position | | | | | | |
| before Transfers and Special Items | 2,187,179 | 35,646 | 1,773,465 | 738,789 | 3,960,644 | 774,435 |
| Transfers | 59,845 | - | (59,845) | - | - | - |
| Sale of Capital Assets | - | - | 15,695 | 1,939 | 15,695 | 1,939 |
| Change in Net Position | 2,247,024 | 35,646 | 1,729,315 | 740,728 | 3,976,339 | 776,374 |
| Net Position - Beginning | 28,255,509 | 28,219,863 | 31,537,802 | 30,797,074 | 59,793,311 | 59,016,937 |
| Prior Period Adjustment | (28,834,444) | - | (281,199) | - | (29,115,643) | - |
| Net Position - Beginning as Restated | (578,935) | 28,219,863 | 31,256,603 | 30,797,074 | 30,677,668 | 59,016,937 |
| Net Position - Ending | \$ 1,668,089 | \$ 28,255,509 | \$ 32,985,918 | \$ 31,537,802 | \$ 34,654,008 | \$ 59,793,311 |

The total governmental net position decreased by \$25,139,303, during the current fiscal year. The majority of this decrease, \$29,115,643, was due to a restatement that was a result of the City adopting provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68.

**CITY OF TEMPLE TERRACE, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2015**

Governmental activities. Governmental activities decreased the City’s net position by \$26,587,420. The key elements in the difference between the two years are as follows:

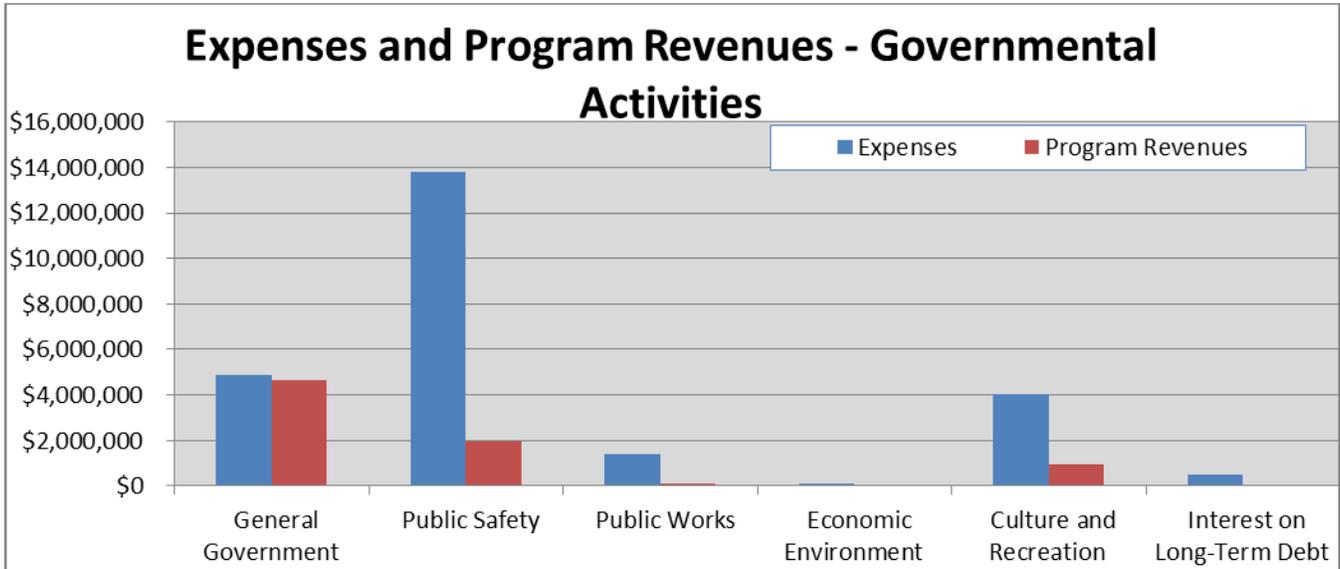
- Property taxes increased by \$345,451, or 4.7 % during the year. Most of this increase is due to the slight increase in taxable assessed values and the 0.525 millage increase.
- Sales tax revenue decreased 1% from \$4,804,570, in Fiscal Year 2014 to \$4,758,111, in Fiscal Year 2015, motor fuel tax revenue decreased 0.5%, from \$357,184, to \$359,118, and local business tax decreased 4.7% from \$260,875, to \$248,608.
- The Restatement of prior year balances due to the adoption of GASB No. 68 resulted in a \$28,834,444 decrease of net position.
- Community Investment Tax continued to increase 4.6% from \$1,137,513, to \$1,189,512.
- Total expenses were up \$387,760 (1.6%) in Fiscal Year 2015, after only a slight increase of \$45,344 (0.2%) in Fiscal Year 2014.



The pie chart above shows that 35% of offsetting revenues for governmental activity expenses come from specific charges for services (28.4%) and grants (6.5%). The remaining 65% of revenues supporting governmental activities come from property taxes (28.6%), other taxes (34%) and other general revenues (2.5%).

As illustrated below, governmental activities, especially Public Safety, do not “pay for themselves”, and rely on general revenues, such as, property taxes and sales taxes for funding. For example, Culture and Recreation expenses of \$4,889,652 exceed the \$4,638,611 in revenues.

CITY OF TEMPLE TERRACE, FL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2015

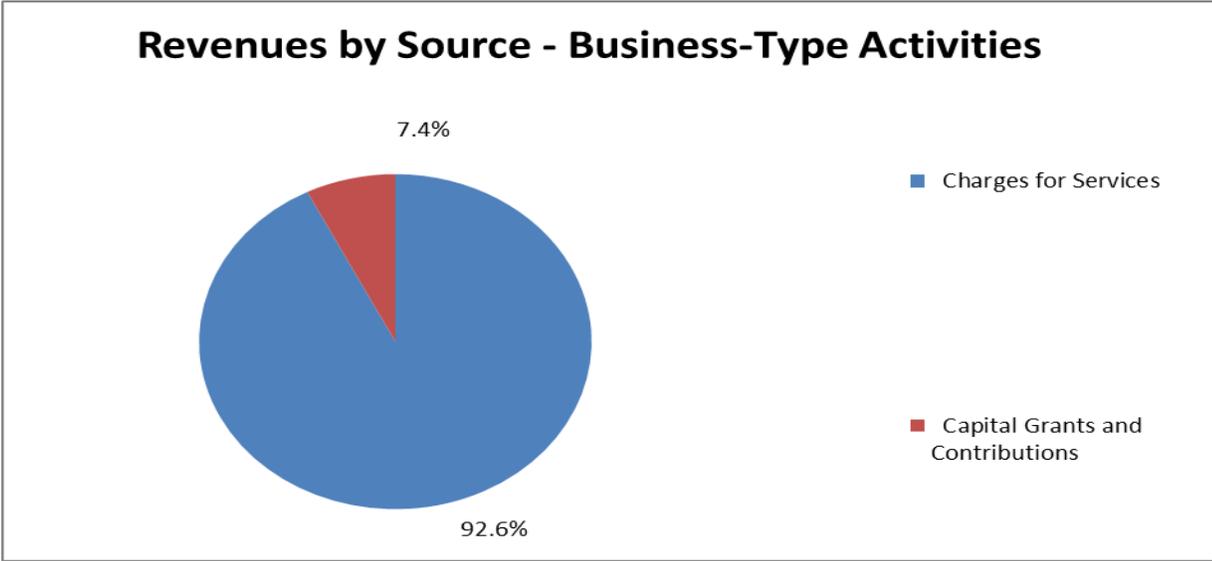


Business-type activities. Business-type activities increased the City's net position by \$1,448,116. Key elements of this increase were:

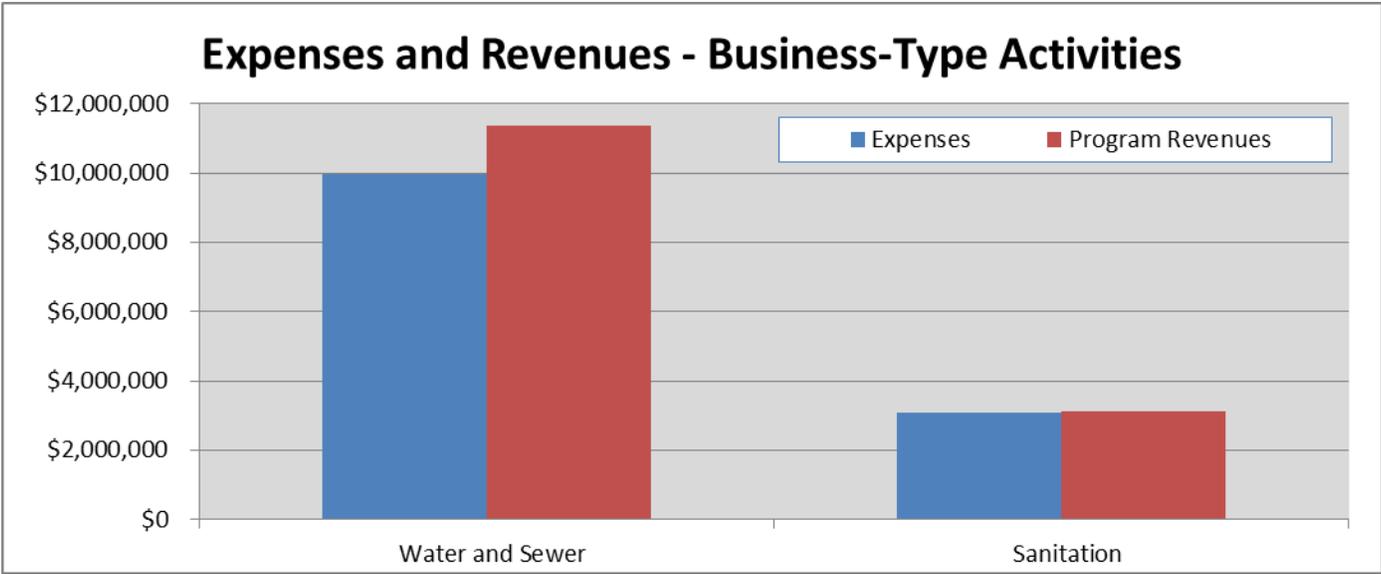
- The Water and Sewer Utility Fund had an operating gain of \$680,328. Wastewater treatment charges increased \$354,474 (9.1%) from \$3,875,156 in 2014 to \$4,229,630 in 2015.
- The 5% increase to water and wastewater user fees.
- The Sanitation Fund operating gain of \$29,236 which was an increase over the 2014 operating loss of \$23,043. Waste Disposal charges increased \$104,775 (9.9%) from \$1,054,449 in 2014 to \$1,159,224 in 2015.
- The 10% increase to residential solid waste user fees and the 5% increase to commercial solid waste user fees.

The Charges for Services category accounts for 92.6% of the revenue generated in the enterprise funds as seen below. Rates should be established to ensure operating expenses are covered.

**CITY OF TEMPLE TERRACE, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2015**



As illustrated below, unlike governmental activities, business-type activities are typically able to pay for themselves through specific user charges and revenue sources. The net position in the Water and Sewer Utility Fund and the Sanitation Fund increased \$1,753,904 and decreased \$24,589, respectively.



CITY OF TEMPLE TERRACE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2015

Financial Analysis of the Government's Funds

Governmental funds. As shown below, at the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,612,610, an increase of \$334,461, in comparison with the prior year. Approximately 34% of this total amount, \$3,917,317, is the total unassigned balance, which is available for spending. The remainder of the fund balance is either *non-spendable, restricted, committed, or assigned*, to indicate that it is 1) not in spendable form (\$21,958), 2) legally required to be maintained intact (\$6,129,785), 3) committed for particular purposes (\$116,591), or 4) assigned for particular purposes (\$1,426,959).

| | General | Street Improvement | Community Investment Tax | Redevelopment Agency | Debt Service | Total |
|--------------------|--------------------|--------------------|--------------------------|----------------------|-----------------|---------------------|
| Nonspendable | \$ 21,958 | \$ - | \$ - | \$ - | \$ - | \$ 21,958 |
| Restricted | 276,403 | 2,594,668 | 3,201,989 | 10,094 | 46,631 | 6,129,785 |
| Unrestricted | | | | | | |
| Committed | 116,591 | - | - | - | - | 116,591 |
| Assigned | 1,426,959 | - | - | - | - | 1,426,959 |
| Unassigned | 3,917,317 | - | - | - | - | 3,917,317 |
| Total Net Position | <u>\$5,759,228</u> | <u>\$2,594,668</u> | <u>\$ 3,201,989</u> | <u>\$ 10,094</u> | <u>\$46,631</u> | <u>\$11,612,610</u> |

The General Fund is the City's chief operating fund. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was \$3,917,317, while total fund balance increased 31.7% to \$5,759,228. 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 approximately 17.2% of total General Fund expenditures excluding capital outlay and debt service, while total fund balance represents 25.2% of that same amount.

The fund balance of the City's General Fund increased \$1,386,391 (31.7%) as of September 30, 2015.

- The General Fund Final Budget budgeted for an excess of revenues over expenditures of \$1,497,142, excluding transfers and the sale of general fixed assets. At fiscal year-end, actual revenues were over budgeted by \$1,213,398. Actual expenditures were \$1,462,252 under budget, resulting in a total excess of \$1,770,268.
- Revenues, at \$22,837,208, increased \$1,062,442 from Fiscal Year 2014 revenues of \$21,774,766.

CITY OF TEMPLE TERRACE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2015

The Street Improvement Fund increased by \$1,100,815 to a total fund balance of \$2,594,668, all of which is restricted for eligible street improvement programs.

- The revenues from the current Fiscal Year were \$3,409,947, while the expenditures were \$2,274,281. Of the expenditure amount, \$1,531,404 (67.3%) was spent on capital outlay.
- Total revenues increased \$2,272,191 (199.7%) compared to Fiscal Year 2014.
- Total expenditures increased \$815,328 (55.8%) compared to Fiscal Year 2014.

The Community Investment Tax (CIT) Fund ended the year with a fund balance of \$3,201,989, an increase of \$465,158, all of which is restricted for projects as outlined in the Five-Year Capital Improvement Plan.

- The revenues from the current Fiscal Year were \$1,213,398, including \$1,189,512 in one-cent local option sales tax revenue, while expenditures were \$748,240. Total revenues increased \$58,640 (5%), compared to Fiscal Year 2014. One-Cent Local Option Tax revenues, the main source of revenue for the CIT fund, increased \$51,999 (4.5%) from Fiscal Year 2014.
- Total expenditures increased \$182,893 (32.3%), compared to Fiscal Year 2014.

The Tax Increment Financing (TIF) Fund has a fund balance of \$10,094. Total revenue collected of \$39,229 plus a transfer from the City of \$34,062 was used for debt service payments on the property purchased in the southeast quadrant and for services associated with operations in the CRA district.

- **Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. Unrestricted net position of the Water/Sewer Utility at the end of the year amounted to \$2,073,482, and those for the Sanitation Utility amounted to \$1,269,072. In 2015, net position for the Water/Sewer Utility and Sanitation Utility increased by \$1,753,904 and decreased \$24,589, respectively. The Restatement of prior year balances due to the adoption of GASB No. 68 resulted in a decrease of net position in Sanitation and Water & Sewer of \$55,392 and \$225,807, respectively. Other factors concerning the finances were addressed under the City's business-type activities.

CITY OF TEMPLE TERRACE, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2015

Capital Asset and Debt Administration

Capital assets. The City's net investment in capital asset for its governmental and business-type activities as of September 30, 2015, totals \$73,656,501. This investment in capital assets includes land, construction work in progress, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The City’s total investment in capital assets for the current fiscal year increased \$1,197,929 or 1.6%, more specifically comprised of a 2.3% increase for governmental activities and a 0.7% decrease for business-type activities. Additional information on the City's capital assets can be found on pages 68-69 and 130 of this report.

Major capital asset events during the current fiscal year included:

- The Buildings and Improvements and Land categories increased in governmental activities by \$1,775,100, primarily as a result of the City’s settlement of \$1,600,000 to Vlass Temple Terrace, LLC to require the property located within in the City’s community redevelopment area.
- Infrastructure category in governmental activities increased \$1,778,445 due to the completion of the Telecom Parkway extension improvements for \$1,497,821. Other projects included the street pavement management plan, drainage, sidewalk, and signage improvements.
- Infrastructure for business-type activities increased \$720,803, primarily the addition of remote-read meters for \$156,325, Chinaberry pump station improvements for \$88,210, and the completion of the CIP US 301 FDOT Relocation project for \$316,968.
- Construction in progress for governmental activities decreased overall by \$247,041 as the Telecom Parkway extension improvements were concluded.
- Construction in progress for business-type activities decreased \$312,448, as the US 301 waterline relocation project concluded.
- Accumulated depreciation increased \$2,332,314, with \$1,185,315 of the increase in governmental activities and \$1,146,999 in business-type activities.

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Land | \$ 5,385,416 | \$ 3,785,416 | \$ 2,417,358 | \$ 2,417,358 | \$ 7,802,774 | \$ 6,202,774 |
| Buildings | 11,808,639 | 11,656,475 | 2,211,172 | 2,140,996 | 14,019,811 | 13,797,471 |
| Improvements Other Than Building | 7,118,811 | 7,095,875 | - | - | 7,118,811 | 7,095,875 |
| Equipment | 13,512,590 | 13,897,744 | 5,084,311 | 4,953,947 | 18,596,901 | 18,851,691 |
| Infrastructure | 39,167,061 | 37,388,616 | 43,895,982 | 43,175,179 | 83,063,043 | 80,563,795 |
| Construction in Progress | 687,043 | 934,084 | - | 312,448 | 687,043 | 1,246,532 |
| | 77,679,559 | 74,758,210 | 53,608,823 | 52,999,928 | 131,288,382 | 127,758,138 |
| Less: Accumulated Depreciation | (31,212,462) | (30,027,147) | (26,419,418) | (25,272,419) | (57,631,880) | (55,299,566) |
| Net Capital Assets | \$ 46,467,096 | \$ 44,731,063 | \$ 27,189,405 | \$ 27,727,509 | \$ 73,656,501 | \$ 72,458,572 |

CITY OF TEMPLE TERRACE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2015

Long-term debt. At the end of the current fiscal year, the City of Temple Terrace had total debt outstanding secured by various revenue sources, e.g., revenue bonds, and covenants to budget and appropriation. The City financed the funds associated with the settlement agreement reached with Vlass Temple Terrace, LLC to reacquire the downtown redevelopment property. The Taxable Non-Ad Valorem Revenue Note in the amount of \$1,600,000 was issued on June 25, 2015 at a fixed interest rate of 2.95%. Additional information on the City's long-term debt can be found on pages 91-94 of this report.

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Revenue Notes | \$ 27,894,429 | \$ 26,436,086 | \$ - | \$ - | \$ 27,894,429 | \$ 26,436,086 |
| Revenue Bonds | - | - | 635,000 | 1,410,000 | 635,000 | 1,410,000 |
| | <u>\$ 27,894,429</u> | <u>\$ 26,436,086</u> | <u>\$ 635,000</u> | <u>\$ 1,410,000</u> | <u>\$ 28,529,429</u> | <u>\$ 27,846,086</u> |

Economic Factors and Next Year's Budgets and Rates

The City administration took a conservative approach to balance the Fiscal Year 2016 budget. The City's taxable property values increased \$9,978,380 million, or 0.80%, to \$1,262,327,626 for Fiscal Year 2016, with the property tax revenue in the General Fund adopted budget showing an increase of \$494,609 over Fiscal Year 2015. Over the last five years, property values have increased 7.7%, an average of 1.5% annually, which resulted in the approval of a tax rate slightly higher than the rolled-back rate to provide the same level of service without increasing the cost to residents. The City reduced the millage rate to 6.305 mills per \$1,000 assessed property value in Fiscal Year 2015 and increased that rate to 6.955 mills in Fiscal Year 2016.

During Fiscal Year 2015, franchise fees and utility taxes were under collected due to relatively mild weather; therefore, revenues in this category were budgeted slightly lower than last year. Other taxes and fees including state and intergovernmental revenues may increase slightly. Due to their dependence on market fluctuations, building permit fees are projected to begin rising slightly. Grant revenues continue to be sought for special projects.

The Temple Terrace Redevelopment Area property values rose to \$73,148,467 during Fiscal Year 2015, while maintaining a taxable value increase of \$10,170,127 over the 2004 base value of \$62,978,340. Values in this area rose 16.1% over Fiscal Year 2014. The TIF income will assist with the \$139,926 interest payment on the investment in redevelopment. The budget includes interest expense, but the amount of TIF income will prohibit the City from paying anything towards principal.

CITY OF TEMPLE TERRACE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2015

The Water/Sewer Enterprise Fund - comprised of several sub-funds, including operations, debt service, renewal & replacement, and improvement fees - is expected to improve its performance slightly. A 5% water and sewer rate increase, became effective October 1, 2015. A 10% Residential Sanitation rate increase and a 5% Commercial Sanitation rate increase became effective October 1, 2015.

Annexation efforts continue as the administration analyzes the cost benefits for all proposed annexations to ensure that annexed areas support themselves and that the City's services remain at optimal levels. Although the proposed annexation agreement with Hillsborough County, which allows contiguous and non-contiguous properties in a specified area to be annexed into the City, has been unproductive, the City continues to pursue contiguous and voluntary annexations.

Requests for Information

This financial report is designed to provide a general overview of and present accountability for the City of Temple Terrace's finances to users and interested parties, the citizens, taxpayers, customers, investors, and creditors. 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 Temple Terrace, P.O. Box 16930, Temple Terrace, FL 33687-6930, via the City's website (<http://www.templeterrace.com>), or by phone at **813-506-6410**.

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Fund Financial Statements

Governmental

Proprietary

Fiduciary

Notes to the Financial Statements

CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2015

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 3,225,553 | \$ 1,069,757 | \$ 4,295,310 |
| Investments | 7,008,160 | 2,326,440 | 9,334,600 |
| Receivables (net of allowance for uncollectibl | 5,430,732 | 1,449,779 | 6,880,511 |
| Internal Balances | (318,645) | 318,645 | - |
| Inventories | 87,758 | 91,734 | 179,492 |
| Prepays | 24,525 | - | 24,525 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | - | 1,215,834 | 1,215,834 |
| Investments | - | 2,645,109 | 2,645,109 |
| Capital Assets Not Being Depreciated | | | |
| Land | 5,385,416 | 2,417,358 | 7,802,774 |
| Construction in Progress | 687,043 | - | 687,043 |
| Capital Assets Net of Accumulated Depreciation | | | |
| Buildings and Improvements | 11,808,639 | 2,211,172 | 14,019,811 |
| Improvements Other Than Buildings | 7,118,811 | - | 7,118,811 |
| Machinery, Equipment, and Vehicles | 13,512,588 | 5,084,312 | 18,596,900 |
| Infrastructure | 39,167,061 | 43,895,982 | 83,063,043 |
| Less Accumulated Depreciation | (31,212,462) | (26,419,418) | (57,631,880) |
| Total Assets | <u>61,925,178</u> | <u>36,306,704</u> | <u>98,231,883</u> |
| DEFERRED OUTFLOWS | | | |
| Deferred Outflows of Resources | <u>2,892,579</u> | <u>41,874</u> | <u>2,934,453</u> |
| | 2,892,579 | 41,874 | 2,934,453 |
| LIABILITIES | | | |
| Accounts Payable | 450,528 | 786,295 | 1,236,823 |
| Accrued Payroll | 382,281 | 50,957 | 433,238 |
| Deposits and Other Payables | 41,210 | 1,335,084 | 1,376,294 |
| Unearned Revenue | 169,873 | - | 169,873 |
| Due Within One Year: | | | |
| Revenue Bonds and Notes Payable | 452,541 | 310,000 | 762,541 |
| Compensated Absences | 300,000 | 35,981 | 335,981 |
| Due in More Than One Year: | | | |
| Revenue Bonds and Notes Payable | 27,441,888 | 325,000 | 27,766,888 |
| Compensated Absences | 1,138,558 | 107,944 | 1,246,501 |
| Net OPEB Obligation | 2,003,290 | 103,004 | 2,106,294 |
| Net Pension Liability | 29,639,726 | 260,722 | 29,900,448 |
| Total Liabilities | <u>62,019,894</u> | <u>3,314,987</u> | <u>65,334,881</u> |
| DEFERRED INFLOWS | | | |
| Pensions | 1,129,774 | - | 1,129,774 |
| Country Club-Amounts Not Available | - | 47,673 | 47,673 |
| | <u>1,129,774</u> | <u>47,673</u> | <u>1,177,447</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 46,467,096 | 26,554,406 | 73,021,501 |
| Restricted: | | | |
| Debt Service | 46,631 | 323,195 | 369,826 |
| Renewal and Replacement | - | 658,437 | 658,437 |
| Capital Projects | 6,083,154 | 2,107,326 | 8,190,480 |
| Unrestricted | (50,928,791) | 3,342,554 | (47,586,236) |
| Total Net Position | <u>\$ 1,668,089</u> | <u>\$ 32,985,918</u> | <u>\$ 34,654,008</u> |

See Accompanying Notes to Financial Statements

CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2015

| Function/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 4,889,652 | \$ 4,638,611 | \$ 65,619 | \$ - | \$ (185,422) | \$ - | \$ (185,422) |
| Public Safety | 13,790,072 | 1,949,368 | 681,522 | - | (11,159,182) | - | (11,159,182) |
| Public Works | 1,414,185 | 104,974 | - | 730,004 | (579,207) | - | (579,207) |
| Economic Environment | 94,120 | - | - | 69,461 | (24,659) | - | (24,659) |
| Culture and Recreation | 4,029,260 | 939,917 | 188,836 | - | (2,900,507) | - | (2,900,507) |
| Interest on Long-Term Debt | 487,670 | - | - | - | (487,670) | - | (487,670) |
| Total Governmental Activities | <u>24,704,960</u> | <u>7,632,870</u> | <u>935,977</u> | <u>799,465</u> | <u>(15,336,648)</u> | <u>-</u> | <u>(15,336,648)</u> |
| Business-Type Activities: | | | | | | | |
| Water/Sewer | 9,950,108 | 10,277,824 | - | 1,071,571 | - | 1,399,288 | 1,399,288 |
| Sanitation | 3,091,486 | 3,111,798 | - | - | - | 20,312 | 20,312 |
| Total Business-Type Activities | <u>13,041,594</u> | <u>13,389,622</u> | <u>-</u> | <u>1,071,571</u> | <u>-</u> | <u>1,419,599</u> | <u>1,419,599</u> |
| Total Primary Government | <u>\$ 37,746,554</u> | <u>\$ 21,022,492</u> | <u>\$ 935,977</u> | <u>\$ 1,871,036</u> | <u>\$ (15,336,648)</u> | <u>\$ 1,419,599</u> | <u>\$ (13,917,049)</u> |
| General Revenues: | | | | | | | |
| Property Taxes, Levied For General Purposes | | | | | 7,679,632 | - | 7,679,632 |
| Sales Taxes | | | | | 4,758,111 | - | 4,758,111 |
| Utility Taxes | | | | | 3,799,401 | - | 3,799,400 |
| Motor Fuel Taxes | | | | | 359,118 | - | 359,118 |
| Local Business Taxes | | | | | 248,608 | - | 248,608 |
| Gain (Loss) on Sale of Capital Asset | | | | | - | - | - |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 47,475 | 48,827 | 96,302 |
| Unrestricted Investment Earnings | | | | | 114,324 | - | 114,324 |
| Miscellaneous | | | | | 517,159 | - | 517,159 |
| Transfers | | | | | 59,845 | (59,845) | - |
| Other | | | | | - | 305,039 | 305,039 |
| Debt Service Proceeds | | | | | - | - | - |
| Debt Issuance Costs | | | | | - | 15,695 | 15,695 |
| Total General Revenues and Transfers | | | | | <u>17,583,672</u> | <u>309,716</u> | <u>17,893,388</u> |
| Change in Net Position | | | | | 2,247,024 | 1,729,315 | 3,976,340 |
| Net Position - Beginning | | | | | 28,255,509 | 31,537,802 | 59,793,311 |
| Prior Period Adjustment | | | | | (28,834,444) | (281,199) | (29,115,643) |
| Net Position - Beginning as restated | | | | | (578,935) | 31,256,603 | 30,677,668 |
| Net Position - Ending | | | | | <u>\$ 1,668,089</u> | <u>\$ 32,985,918</u> | <u>\$ 34,654,008</u> |

See Accompanying Notes to Financial Statements



TEMPLE TERRACE

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CITY OF TEMPLE TERRACE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2015

| | General Fund | Street Improvement Fund | Community Investment Tax Fund |
|---|-------------------------|--|--|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 1,578,627 | \$ 526,199 | \$ 985,999 |
| Equity In Pooled Investments | 3,430,654 | 1,139,308 | 2,145,092 |
| Receivables Net of Allowance for Uncollectibles | | | |
| Accounts - Billed | 20,754 | - | - |
| Accounts - Unbilled | 22,562 | 687,267 | - |
| Interest | 3,916 | 197,428 | 2,408 |
| Due from Other Agencies | 373,184 | 79,908 | 87,891 |
| Other | 3,862,189 | 885 | - |
| Inventories | 23,559 | - | - |
| Prepaid Items | 24,525 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u>\$ 9,339,970</u> | <u>\$ 2,630,995</u> | <u>\$ 3,221,390</u> |
| LIABILITIES | | | |
| Accounts Payable | \$ 310,424 | \$ 36,327 | \$ 19,401 |
| Interfund Advances Payable | - | - | - |
| Accrued Payroll | 377,082 | - | - |
| Deposits and Other Payables | 17,610 | - | - |
| Unearned Revenue | 169,873 | - | - |
| Total Liabilities | <u>874,989</u> | <u>36,327</u> | <u>19,401</u> |
| DEFERRED INFLOWS | | | |
| Unavailable Revenue on Loan Receivable | 2,705,753 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Deferred Inflows | <u>2,705,753</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | |
| Nonspendable | 21,958 | - | - |
| Restricted | 276,403 | 2,594,668 | 3,201,989 |
| Committed | 116,591 | - | - |
| Assigned | 1,426,959 | - | - |
| Unassigned | 3,917,317 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Fund Balances | <u>5,759,228</u> | <u>2,594,668</u> | <u>3,201,989</u> |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities and Fund Balances | <u>\$ 9,339,970</u> | <u>\$ 2,630,995</u> | <u>\$ 3,221,390</u> |

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

| Tax Increment Financing Fund | Debt Service Fund | Total Governmental Funds |
|---|----------------------------------|---|
| \$ 3,179 | \$ 111,165 | \$ 3,205,169 |
| 6,915 | 241,844 | 6,963,813 |
| - | - | 20,754 |
| - | - | 709,829 |
| - | 392 | 204,144 |
| - | - | 540,983 |
| - | 91,892 | 3,954,966 |
| - | - | 23,559 |
| - | - | 24,525 |
| <u>\$ 10,094</u> | <u>\$ 445,293</u> | <u>\$ 15,647,742</u> |
| \$ - | \$ 56,417 | \$ 422,569 |
| - | 318,645 | 318,645 |
| - | - | 377,082 |
| - | 23,600 | 41,210 |
| - | - | 169,873 |
| <u>-</u> | <u>398,662</u> | <u>1,329,379</u> |
| - | - | 2,705,753 |
| <u>-</u> | <u>-</u> | <u>2,705,753</u> |
| - | - | 21,958 |
| 10,094 | 46,631 | 6,129,785 |
| - | - | 116,591 |
| - | - | 1,426,959 |
| - | - | 3,917,317 |
| <u>10,094</u> | <u>46,631</u> | <u>11,612,610</u> |
| <u>\$ 10,094</u> | <u>\$ 445,293</u> | <u>\$ 15,647,742</u> |



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CITY OF TEMPLE TERRACE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2015

| | |
|---|----------------------------|
| Total fund balances - governmental funds (page 28) | \$ 11,612,610 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | |
| Governmental capital assets | 77,679,558 |
| Less accumulated depreciation | <u>(31,212,462)</u> |
| Net governmental capital assets | 46,467,096 |
| The net pension asset is not an available resource and, therefore, is not reported in the governmental funds. | |
| | (29,639,726) |
| Deferred Outflows/Inflows of resources reported in the statement of net position: | |
| Net deferred outflows-pensions | 2,892,579 |
| Net deferred inflows-pensions | <u>(1,129,774)</u> |
| | 1,762,805 |
| Deferred Outflows/Inflows of resources reported in the fund statements: | |
| Net deferred inflows-unavailable revenue | 2,705,753 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | |
| Revenue bonds payable | (27,894,429) |
| Compensated absences | (1,438,558) |
| Less compensated absences in internal service fund | |
| Other Post Employment Benefits | <u>(2,003,290)</u> |
| Total governmental long-term liabilities | (31,336,277) |
| Internal service funds are used by management to charge the cost of fleet maintenance and OPEB . The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | |
| | <u>95,828</u> |
| Net position of governmental activities | <u><u>\$ 1,668,089</u></u> |

See Accompanying Notes to Financial Statements

CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
For Fiscal Year Ended September 30, 2015

| | General Fund | Street Improvement Fund | Community Investment Tax Fund |
|--|-------------------------|--|--|
| REVENUES | | | |
| Taxes | \$ 11,727,640 | \$ 757,970 | \$ 1,189,512 |
| Licenses and Permits | 545,771 | - | - |
| Franchise Fees | 1,805,949 | - | - |
| Intergovernmental | 3,226,437 | 1,675,513 | - |
| Charges for Services | 4,416,457 | - | - |
| Fines and Forfeitures | 745,001 | - | - |
| Investment Earnings (Loss) | 36,583 | 214,461 | 21,814 |
| Contributions and Donations | 80,261 | 762,003 | - |
| Other | 253,109 | - | 2,072 |
| Total Revenues | <u>22,837,208</u> | <u>3,409,947</u> | <u>1,213,398</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General Government: | | | |
| Legislative | 332,197 | - | - |
| Legal | 476,117 | - | - |
| Executive | 1,511,516 | - | - |
| Finance | 482,141 | - | - |
| Community Development | 566,514 | - | - |
| Code Enforcement | 288,290 | - | - |
| Economic Development | 93,056 | - | - |
| Non-Departmental | 329,185 | - | - |
| Total General Government | <u>4,079,016</u> | <u>-</u> | <u>-</u> |
| Public Safety: | | | |
| Police | 7,121,576 | - | - |
| Fire | 5,687,108 | - | - |
| Total Public Safety | <u>12,808,684</u> | <u>-</u> | <u>-</u> |
| Cultural and Recreation: | | | |
| Library | 725,313 | - | - |
| Parks and Recreation | 2,847,381 | - | - |
| Total Cultural and Recreation | <u>3,572,694</u> | <u>-</u> | <u>-</u> |
| Public Works: | | | |
| Public Works Administrative | 407,638 | - | - |
| Streets | 191,392 | 648,353 | - |
| Engineering | - | 94,524 | - |
| Total Public Works | <u>599,029</u> | <u>742,877</u> | <u>-</u> |
| Capital Outlay | <u>1,710,374</u> | <u>1,531,404</u> | <u>748,240</u> |
| Debt Service: | | | |
| Principal | - | - | - |
| Interest | - | - | - |
| Issuance Costs | - | - | - |
| Total Debt Service | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>22,769,798</u> | <u>2,274,281</u> | <u>748,240</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>67,410</u> | <u>1,135,666</u> | <u>465,158</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | - | - |
| Transfers Out | (344,560) | (34,851) | - |
| Debt Proceeds | 1,600,000 | - | - |
| Proceeds from the Sale of Capital Assets | 63,541 | - | - |
| Total Other Financing Sources (Uses) | <u>1,318,981</u> | <u>(34,851)</u> | <u>-</u> |
| Net Change in Fund Balances | <u>1,386,391</u> | <u>1,100,815</u> | <u>465,158</u> |
| Fund Balances, Beginning | <u>4,372,837</u> | <u>1,493,853</u> | <u>2,736,831</u> |
| Prior Year Adjustment | - | - | - |
| Fund Balances, Beginning as Restated | <u>4,372,837</u> | <u>1,493,853</u> | <u>2,736,831</u> |
| Fund Balances, Ending | <u>\$ 5,759,228</u> | <u>\$ 2,594,668</u> | <u>\$ 3,201,989</u> |

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

| | Tax Increment Financing Fund | Debt Service Fund | Total Governmental Funds |
|--|---|----------------------------------|---|
| REVENUES | | | |
| Taxes | \$ - | \$ - | \$ 13,675,122 |
| Licenses and Permits | - | - | 545,771 |
| Franchise Fees | - | - | 1,805,949 |
| Intergovernmental | 39,061 | - | 4,941,011 |
| Charges for Services | - | - | 4,416,457 |
| Fines and Forfeitures | - | - | 745,001 |
| Investment Earnings (Loss) | 168 | 3,366 | 276,392 |
| Contributions and Donations | - | - | 842,264 |
| Other | - | 238,326 | 493,507 |
| Total Revenues | <u>39,229</u> | <u>241,692</u> | <u>27,741,474</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General Government: | | | |
| Legislative | - | - | 332,197 |
| Legal | - | - | 476,117 |
| Executive | - | - | 1,511,516 |
| Finance | - | - | 482,141 |
| Community Development | - | - | 566,514 |
| Code Enforcement | - | - | 288,290 |
| Economic Development | - | - | 93,056 |
| Non-Departmental | - | - | 329,185 |
| Total General Government | <u>-</u> | <u>-</u> | <u>4,079,016</u> |
| Public Safety: | | | |
| Police | - | - | 7,121,576 |
| Fire | - | - | 5,687,108 |
| Total Public Safety | <u>-</u> | <u>-</u> | <u>12,808,684</u> |
| Cultural and Recreation: | | | |
| Library | - | - | 725,313 |
| Parks and Recreation | - | - | 2,847,381 |
| Total Cultural and Recreation | <u>-</u> | <u>-</u> | <u>3,572,694</u> |
| Public Works: | | | |
| Public Works Administrative | - | - | 407,638 |
| Streets | - | - | 839,745 |
| Engineering | - | - | 94,524 |
| Total Public Works | <u>-</u> | <u>-</u> | <u>1,341,907</u> |
| Capital Outlay | <u>-</u> | <u>-</u> | <u>3,990,018</u> |
| Debt Service: | | | |
| Principal | - | 144,657 | 144,657 |
| Interest | - | 407,071 | 407,071 |
| Issuance Costs | - | 80,599 | 80,599 |
| Total Debt Service | <u>-</u> | <u>632,327</u> | <u>632,327</u> |
| Total Expenditures | <u>-</u> | <u>632,327</u> | <u>26,424,646</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>39,229</u> | <u>(390,635)</u> | <u>1,316,828</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 34,062 | 470,391 | 504,453 |
| Transfers Out | (65,197) | - | (444,608) |
| Debt Proceeds | - | - | 1,600,000 |
| Proceeds from the Sale of Capital Assets | - | - | 63,541 |
| Total Other Financing Sources (Uses) | <u>(31,135)</u> | <u>470,391</u> | <u>1,723,386</u> |
| Net Change in Fund Balances | <u>8,094</u> | <u>79,756</u> | <u>3,040,214</u> |
| Fund Balances, Beginning | <u>2,000</u> | <u>2,672,628</u> | <u>11,278,149</u> |
| Prior Period Adjustment | | (2,705,753) | (2,705,753) |
| Fund Balances, Beginning, as restated | <u>2,000</u> | <u>(33,125)</u> | <u>8,572,396</u> |
| Fund Balances, Ending | <u>\$ 10,094</u> | <u>\$ 46,631</u> | <u>\$ 11,612,610</u> |

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

CITY OF TEMPLE TERRACE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For Fiscal Year Ended September 30, 2015

Net change in fund balances - total governmental funds (page 31) \$ 3,040,214

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

| | | |
|---------------------------------|--------------|-----------|
| Expenditures for capital assets | \$ 3,990,018 | |
| Less current year depreciation | (1,389,958) | |
| Net governmental capital assets | | 2,600,060 |

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the capital assets sold. (864,029)

Governmental funds report revenues when they are both measurable and available, but the statement of activities includes revenues when they are earned and all eligibility requirements have been met. (849,335)

Bond proceeds provide current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds. Governmental funds report the debt issuance. This amount is the net effect of these differences.

| | | |
|--------------------------|-------------|-------------|
| Debt Issuance | (1,600,000) | |
| Principal payments | 144,657 | |
| Total debt service costs | | (1,455,343) |

Net pension asset is not a current financial resource and consequently is not reported in the funds. The current year change in this asset on the statement of net position.

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 the governmental funds.

| | | |
|----------------------------------|-----------|-----------|
| Change in net OPEB obligation | (199,225) | |
| Change in Net Pension Obligation | (50,154) | |
| Total other expenses | | (249,379) |

The internal service fund is used by management to charge the costs of fleet maintenance to individual funds. The net income (loss) of the internal service funds is reported with governmental activities. 24,836

| | | |
|---|--|--------------|
| Change in net position of governmental activities | | \$ 2,247,024 |
|---|--|--------------|

See Accompanying Notes to Financial Statements

CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND
For Fiscal Year Ended September 30, 2015

| | General Fund | | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$ 7,703,620 | \$ 7,703,620 | \$ 7,679,632 | \$ (23,988) |
| Utility | 3,980,352 | 3,980,352 | 3,799,400 | (180,952) |
| Local Business Tax | 265,657 | 265,657 | 248,608 | (17,049) |
| Licenses and Permits | 356,425 | 356,425 | 545,771 | 189,346 |
| Franchise Fees | 1,844,071 | 1,844,071 | 1,805,949 | (38,122) |
| Intergovernmental | 3,360,250 | 3,393,458 | 3,226,437 | (167,021) |
| Charges for Services | 4,087,811 | 4,087,811 | 4,416,457 | 328,646 |
| Fines and Forfeitures | 560,350 | 560,350 | 745,001 | 184,651 |
| Investment Earnings | 35,100 | 35,100 | 36,583 | 1,483 |
| Contributions and Donations | 36,810 | 37,348 | 80,261 | 42,913 |
| Other | 232,000 | 265,000 | 253,109 | (11,891) |
| Total Revenues | <u>22,462,446</u> | <u>22,529,192</u> | <u>22,837,208</u> | <u>308,016</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative | 349,518 | 347,721 | 332,197 | 15,524 |
| Legal | 319,830 | 363,082 | 476,117 | (113,035) |
| Executive | 445,357 | 443,503 | 492,822 | (49,319) |
| Human Resources | 689,231 | 714,231 | 512,134 | 202,097 |
| Information Technology | 767,387 | 774,013 | 506,560 | 267,453 |
| Finance | 424,021 | 424,021 | 482,141 | (58,120) |
| Community Development | 554,592 | 571,983 | 566,514 | 5,469 |
| Code Enforcement | 268,079 | 286,395 | 288,290 | (1,895) |
| Economic Development | 104,168 | 110,547 | 93,056 | 17,491 |
| Non-Departmental | 47,925 | 47,925 | 329,185 | (281,260) |
| Total General Government | <u>3,970,108</u> | <u>4,083,421</u> | <u>4,079,016</u> | <u>4,405</u> |
| Public Safety: | | | | |
| Police | 7,610,351 | 7,788,533 | 7,121,576 | 666,957 |
| Fire | 5,921,907 | 5,910,683 | 5,687,108 | 223,575 |
| Total Public Safety | <u>13,532,258</u> | <u>13,699,216</u> | <u>12,808,684</u> | <u>890,532</u> |
| Cultural and Recreation: | | | | |
| Library | 709,642 | 735,622 | 725,313 | 10,309 |
| Parks and Recreation | 2,839,251 | 2,865,036 | 2,847,381 | 17,655 |
| Total Cultural and Recreation | <u>3,548,893</u> | <u>3,600,658</u> | <u>3,572,694</u> | <u>27,964</u> |
| Public Works: | | | | |
| Public Works Administrative | 513,145 | 512,897 | 407,638 | 105,259 |
| Streets | 276,822 | 276,822 | 191,392 | 85,430 |
| Total Public Works | <u>789,967</u> | <u>789,719</u> | <u>599,030</u> | <u>190,689</u> |
| Capital Outlay | 64,110 | 2,059,036 | 1,710,374 | 348,662 |
| Total Expenditures | <u>21,905,336</u> | <u>24,232,050</u> | <u>22,769,798</u> | <u>1,462,252</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>557,110</u> | <u>(1,702,858)</u> | <u>67,410</u> | <u>1,770,268</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (710,317) | (710,317) | (344,560) | 365,757 |
| Debt Proceeds | - | 1,600,000 | 1,600,000 | - |
| Sale of Capital Assets | 20,000 | 20,000 | 63,541 | 43,541 |
| Total Other Financing Sources (Uses) | <u>(690,317)</u> | <u>909,683</u> | <u>1,318,981</u> | <u>409,298</u> |
| Net Change in Fund Balances | <u>(133,207)</u> | <u>(793,175)</u> | <u>1,386,391</u> | <u>2,179,566</u> |
| Fund Balances, Beginning | <u>4,372,837</u> | <u>4,372,837</u> | <u>4,372,837</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 4,239,630</u> | <u>\$ 3,579,662</u> | <u>\$ 5,759,228</u> | <u>\$ 2,179,566</u> |

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

CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – STREET IMPROVEMENT SPECIAL REVENUE FUND
For Fiscal Year Ended September 30, 2015

| | Street Improvement Special Revenue Fund | | | Variance with Final Budget - Positive (Negative) |
|--|--|-------------------|-----------------------|---|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 725,000 | \$ 725,000 | \$ 757,970 | \$ 32,970 |
| Intergovernmental | 1,712,307 | 1,712,307 | 1,675,513 | (36,794) |
| Investment Earnings | 6,000 | 6,000 | 214,461 | 208,461 |
| Contributions and Donations | 30,000 | 30,000 | 762,003 | 732,003 |
| Total Revenues | <u>2,473,307</u> | <u>2,473,307</u> | <u>3,409,947</u> | <u>936,640</u> |
| EXPENDITURES | | | | |
| Public Works: | | | | |
| Public Works Administrative | | | | |
| Street Maintenance | 645,627 | 648,353 | 648,353 | - |
| Engineering | 194,524 | 191,798 | 94,524 | (97,274) |
| Total Public Works | <u>840,151</u> | <u>840,151</u> | <u>742,877</u> | <u>(97,274)</u> |
| Capital Outlay | <u>2,025,900</u> | <u>2,365,815</u> | <u>1,531,404</u> | <u>834,411</u> |
| Total Expenditures | <u>2,866,051</u> | <u>3,205,966</u> | <u>2,274,281</u> | <u>737,137</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(392,744)</u> | <u>(732,659)</u> | <u>1,135,666</u> | <u>1,673,777</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | <u>(34,851)</u> | <u>(34,851)</u> | <u>(34,851)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(34,851)</u> | <u>(34,851)</u> | <u>(34,851)</u> | <u>-</u> |
| Net Change in Fund Balances | <u>(427,595)</u> | <u>(767,510)</u> | <u>1,100,815</u> | <u>1,673,777</u> |
| Fund Balances, Beginning | <u>1,493,853</u> | <u>1,493,853</u> | <u>1,493,853</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 1,066,258</u> | <u>\$ 726,343</u> | <u>\$ 2,594,668</u> | <u>\$ 1,673,777</u> |

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

CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL –
COMMUNITY INVESTMENT TAX SPECIAL REVENUE FUND
For Fiscal Year Ended September 30, 2015

| | <u>Community Investment Tax Special Revenue Fund</u> | | | |
|--|--|----------------------|-----------------------|---|
| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes | \$ 1,162,827 | \$ 1,162,827 | \$ 1,189,512 | \$ 26,685 |
| Intergovernmental | - | - | - | - |
| Investment Earnings | 15,000 | 15,000 | 21,814 | 6,814 |
| Other | - | - | 2,072 | 2,072 |
| Total Revenues | <u>1,177,827</u> | <u>1,177,827</u> | <u>1,213,398</u> | <u>35,571</u> |
| EXPENDITURES | | | | |
| Capital Outlay | <u>958,800</u> | <u>1,086,587</u> | <u>748,240</u> | <u>338,347</u> |
| Total Expenditures | <u>958,800</u> | <u>1,086,587</u> | <u>748,240</u> | <u>338,347</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>219,027</u> | <u>91,240</u> | <u>465,158</u> | <u>373,918</u> |
| Net Change in Fund Balances | <u>219,027</u> | <u>91,240</u> | <u>465,158</u> | <u>373,918</u> |
| Fund Balances, Beginning | <u>2,736,831</u> | <u>2,736,831</u> | <u>2,736,831</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 2,955,858</u> | <u>\$ 2,828,071</u> | <u>\$ 3,201,989</u> | <u>\$ 373,918</u> |

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

CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL –
TAX INCREMENT FINANCING SPECIAL REVENUE FUND
For Fiscal Year Ended September 30, 2015

| | <u>Tax Increment Financing Special Revenue Fund</u> | | | |
|--|---|-----------------|-----------------------|---|
| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 31,310 | \$ 31,310 | \$ 39,061 | \$ 7,751 |
| Investment Earnings | - | - | 168 | 168 |
| Total Revenues | <u>31,310</u> | <u>31,310</u> | <u>39,229</u> | <u>7,919</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government: | | | | |
| Economic Development | 175 | 175 | - | 175 |
| Total General Government | <u>175</u> | <u>175</u> | <u>-</u> | <u>175</u> |
| Total Expenditures | <u>175</u> | <u>175</u> | <u>-</u> | <u>175</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>31,135</u> | <u>31,135</u> | <u>39,229</u> | <u>7,744</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 34,062 | 34,062 | 34,062 | - |
| Transfers Out | <u>(65,197)</u> | <u>(65,197)</u> | <u>(65,197)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(31,135)</u> | <u>(31,135)</u> | <u>(31,135)</u> | <u>-</u> |
| Net Change in Fund Balances | - | - | 8,094 | 7,744 |
| Fund Balances, Beginning | <u>2,000</u> | <u>2,000</u> | <u>2,000</u> | <u>-</u> |
| Fund Balances, Ending | <u>\$ 2,000</u> | <u>\$ 2,000</u> | <u>\$ 10,094</u> | <u>\$ 7,744</u> |

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



TEMPLE TERRACE

Amazing City. Since 1925.

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CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
For Fiscal Year Ended September 30, 2015

| | Business-type Activities Enterprise Funds | | | Governmental Activities |
|--|--|-------------------------|--------------------------|----------------------------|
| | Water & Sewer Utility | Sanitation Utility | Total | Internal Service Fund |
| | | | | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and Cash Equivalents | \$ 772,775 | \$ 296,982 | \$ 1,069,757 | \$ 20,384 |
| Equity in Pooled Investments | 1,680,340 | 646,100 | 2,326,440 | 44,347 |
| Restricted cash, cash equivalents, and investments: | | | | |
| Accounts Receivable: | | | | |
| Billed (Net Allowance for Uncollectibles) | 511,864 | 147,446 | 659,310 | - |
| Unbilled | 549,286 | 230,825 | 780,111 | - |
| Interest Receivable | 4,593 | 5,765 | 10,358 | - |
| Other | - | - | - | 56 |
| Inventories | 91,734 | - | 91,734 | 64,199 |
| Total Current Assets | <u>3,610,592</u> | <u>1,327,118</u> | <u>4,937,710</u> | <u>128,986</u> |
| Noncurrent Assets: | | | | |
| Restricted Cash, Cash Equivalents, and Investments: | | | | |
| Cash and Cash equivalents | 1,215,834 | - | 1,215,834 | - |
| Equity in Pooled Investments | 2,645,109 | - | 2,645,109 | - |
| Interfund Advance | - | 318,645 | 318,645 | - |
| Capital Assets: | | | | |
| Land | 2,417,358 | - | 2,417,358 | - |
| Buildings | 2,211,172 | - | 2,211,172 | - |
| Machinery, Equipment, and Vehicles | 2,180,769 | 2,903,543 | 5,084,312 | 170,864 |
| Infrastructure | 43,895,982 | - | 43,895,982 | - |
| Construction in Progress | - | - | - | - |
| Less Accumulated Depreciation | <u>(23,962,980)</u> | <u>(2,456,438)</u> | <u>(26,419,418)</u> | <u>(169,007)</u> |
| Net Capital Assets | <u>26,742,301</u> | <u>447,105</u> | <u>27,189,406</u> | <u>1,857</u> |
| Total Noncurrent Assets | <u>30,603,244</u> | <u>765,750</u> | <u>31,368,994</u> | <u>1,857</u> |
| Total Assets | <u>\$ 34,213,836</u> | <u>\$ 2,092,868</u> | <u>\$ 36,306,704</u> | <u>\$ 130,842</u> |
| Deferred Outflows of Resources: | | | | |
| Deferred Outflows - Pension Related | 33,624 | 8,250 | 41,874 | - |
| Total Deferred Outflows of Resources | <u>33,624</u> | <u>8,250</u> | <u>41,874</u> | <u>-</u> |

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

CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
For Fiscal Year Ended September 30, 2015

| | Business-type Activities Enterprise Funds | | | Governmental Activities |
|-------------------------------------|--|-----------------------|----------------------|----------------------------|
| | Water & Sewer Utility | Sanitation Utility | Total | Internal Service Fund |
| | | | | |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | \$ 552,629 | \$ 233,666 | \$ 786,295 | \$ 27,959 |
| Accrued Payroll | 34,668 | 16,289 | 50,957 | 5,199 |
| Compensated Absences | 24,726 | 11,255 | 35,981 | 3,968 |
| Customer Deposits | 1,335,084 | - | 1,335,084 | - |
| Bonds and Leases Payable | 310,000 | - | 310,000 | - |
| Total Current Liabilities | <u>2,257,107</u> | <u>261,210</u> | <u>2,518,317</u> | <u>37,125</u> |
| Noncurrent Liabilities: | | | | |
| Long-term Debt | 325,000 | - | 325,000 | - |
| Compensated Absences | 74,179 | 33,765 | 107,944 | 11,903 |
| Net OPEB Obligation | 73,788 | 29,216 | 103,004 | - |
| Net Pension Liability | 209,363 | 51,359 | 260,722 | - |
| Total Noncurrent Liabilities | <u>682,330</u> | <u>114,340</u> | <u>796,670</u> | <u>11,903</u> |
| Total Liabilities | <u>2,939,437</u> | <u>375,550</u> | <u>3,314,987</u> | <u>49,028</u> |
| Deferred Inflows of Resources: | | | | |
| Deferred Inflows - Pension Related | 38,282 | 9,391 | 47,673 | - |
| Total Deferred Inflows of Resources | <u>38,282</u> | <u>9,391</u> | <u>47,673</u> | <u>-</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 26,107,301 | 447,105 | 26,554,406 | 1,857 |
| Restricted: | | | | |
| Debt Service | 323,195 | - | 323,195 | - |
| Renewal and Replacement | 658,437 | - | 658,437 | - |
| Capital Projects | 2,107,326 | - | 2,107,326 | - |
| Total Restricted | <u>3,088,958</u> | <u>-</u> | <u>3,088,958</u> | <u>-</u> |
| Unrestricted | <u>2,073,482</u> | <u>1,269,072</u> | <u>3,342,554</u> | <u>79,957</u> |
| Total Net Position | <u>\$ 31,269,741</u> | <u>\$ 1,716,177</u> | <u>\$ 32,985,918</u> | <u>\$ 81,814</u> |

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

CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For Fiscal Year Ended September 30, 2015

| | Business-type Activities | | | Governmental Activities Internal Service Fund |
|---|--------------------------|-----------------------|----------------------|--|
| | Enterprise Funds | | | |
| | Water & Sewer Utility | Sanitation Utility | Total | |
| OPERATING REVENUES | | | | |
| Charges for Services | \$ 10,268,348 | \$ 3,067,196 | \$ 13,335,544 | \$ 693,270 |
| Water and Sewer Taps and Extensions | 9,476 | - | 9,476 | - |
| Recycling | - | 44,602 | 44,602 | - |
| Other | 296,115 | 8,924 | 305,039 | (756) |
| Total Operating Revenues | <u>10,573,939</u> | <u>3,120,722</u> | <u>13,694,661</u> | <u>692,514</u> |
| OPERATING EXPENSES | | | | |
| Salaries and Wages | 1,271,092 | 595,925 | 1,867,017 | 147,692 |
| Fringe Benefits and Payroll Taxes | 237,986 | 130,970 | 368,956 | 45,080 |
| Sewer Treatment Charges | 4,229,630 | - | 4,229,630 | - |
| Waste Disposal Charges | - | 1,159,224 | 1,159,224 | - |
| Insurance | 153,188 | 19,300 | 172,488 | 1,055 |
| Utilities and Telephone | 330,735 | 1,684 | 332,419 | - |
| Vehicle Maintenance | 62,430 | 243,040 | 305,469 | 6,610 |
| Fuel | 62,622 | 141,517 | 204,139 | 15,250 |
| Professional Services | 136,118 | 77,979 | 214,097 | 12,735 |
| Repairs and Maintenance | 378,171 | 3,555 | 381,726 | 353,524 |
| Postage and Office Supplies | 45,943 | 254 | 46,197 | - |
| Operating Supplies | 339,306 | 24,625 | 363,931 | 4,683 |
| Rental and Lease Costs | 252,420 | 91,356 | 343,776 | - |
| Other | 23,461 | 362 | 23,823 | 451 |
| Depreciation | 1,043,948 | 162,474 | 1,206,421 | 5,200 |
| Admin. Charges from Other Funds | 1,326,561 | 439,221 | 1,765,782 | 82,277 |
| Total Operating Expenses | <u>9,893,611</u> | <u>3,091,486</u> | <u>12,985,097</u> | <u>674,557</u> |
| Operating Income (Loss) | <u>680,328</u> | <u>29,236</u> | <u>709,564</u> | <u>17,957</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Gain (Loss) On Sale of Capital Assets | 15,695 | - | 15,695 | - |
| Investment Earnings (Loss) | 42,807 | 6,020 | 48,827 | 474 |
| Interest and Fiscal Charges | (56,497) | - | (56,497) | - |
| Total Nonoperating Revenues (Expenses) | <u>2,005</u> | <u>6,020</u> | <u>8,026</u> | <u>474</u> |
| Income (Loss) Before Contributions, Special Items, and Transfers | 682,333 | 35,256 | 717,589 | 18,431 |
| Impact Fees Paid By Customers | 1,071,571 | - | 1,071,571 | - |
| Transfers In | - | - | - | - |
| Transfer Out | - | (59,845) | (59,845) | - |
| Change in Net Position | <u>1,753,904</u> | <u>(24,589)</u> | <u>1,729,315</u> | <u>18,431</u> |
| Net Position - Beginning | 29,741,644 | 1,796,158 | 31,537,802 | 63,383 |
| Prior Period Adjustment - Pension Related | (225,807) | (55,392) | (281,199) | - |
| Net Position - Beginning, as restated | <u>29,515,837</u> | <u>1,740,766</u> | <u>31,256,603</u> | <u>63,383</u> |
| Net Position - Ending | <u>\$ 31,269,741</u> | <u>\$ 1,716,177</u> | <u>\$ 32,985,918</u> | <u>\$ 81,814</u> |

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



TEMPLE TERRACE

Amazing City. Since 1925.

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CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For Fiscal Year Ended September 30, 2015

| | <u>Business-type Activities - Enterprise Funds</u> | | | <u>Governmental Activities - Internal Service Funds</u> |
|--|--|-------------------------------|---------------------|---|
| | <u>Water & Sewer Utility</u> | <u>Sanitation Utility</u> | <u>Totals</u> | |
| Cash Flows from Operating Activities: | | | | |
| Cash Received from Customers | \$ 10,201,388 | \$ 3,120,040 | \$ 13,321,428 | \$ - |
| Cash Payments to Suppliers | (5,560,707) | (1,781,836) | (7,342,543) | (414,871) |
| Cash Payments to Employees | (1,502,737) | (956,555) | (2,459,292) | (191,569) |
| Cash Payments to Other Funds for Services | (1,641,411) | (773,616) | (2,415,027) | (82,277) |
| Other | 296,115 | 8,924 | 305,039 | (757) |
| Net Cash Provided by (Used for) Operating Activities | <u>1,792,648</u> | <u>(383,043)</u> | <u>1,409,605</u> | <u>3,796</u> |
| Cash Flows From Noncapital Financing Activities: | | | | |
| Cash Received from the OPEB Internal Service Fund | 73,788 | 29,216 | 103,004 | - |
| Cash Loaned to Other Funds | - | (318,645) | (318,645) | - |
| Interest Paid on Customer Deposits | (1,209) | - | (1,209) | - |
| Net Cash (Used for) Noncapital Financing Activities | <u>72,579</u> | <u>(289,429)</u> | <u>(216,850)</u> | <u>-</u> |
| Cash Flows From Capital and Related Financing Activities: | | | | |
| Principal Payments on Long-term Debt | (775,000) | - | (775,000) | - |
| Interest Payments on Long-term Debt | (54,623) | - | (54,623) | - |
| Fiscal Charges | (620) | - | (620) | - |
| Acquisition and Construction of Capital Assets | (836,295) | 912,665 | 76,370 | - |
| Proceeds from Sale of Capital Assets | 15,695 | - | 15,695 | - |
| Impact Fees Paid by Customers | 1,071,571 | - | 1,071,571 | - |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | <u>(579,272)</u> | <u>912,665</u> | <u>333,393</u> | <u>-</u> |
| Cash Flows From Investing Activities: | | | | |
| Interest and Dividends on Investments | (42,807) | (6,020) | (48,827) | (730) |
| Decrease in the Fair Value of Pooled Investments | 4,594 | 5,765 | 10,360 | - |
| Net Cash Provided by Investing Activities | <u>(38,213)</u> | <u>(255)</u> | <u>(38,468)</u> | <u>(730)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 1,247,742 | 239,938 | 1,487,681 | 3,066 |
| Cash and Cash Equivalents, October 1 | <u>5,061,628</u> | <u>703,144</u> | <u>5,764,772</u> | <u>61,665</u> |
| Cash and Cash Equivalents, September 30 | <u>\$ 6,309,370</u> | <u>\$ 943,082</u> | <u>\$ 7,252,453</u> | <u>\$ 64,731</u> |
| Cash and Cash Equivalents at End of Year Consists of: | | | | |
| Cash and Cash Equivalents | \$ 1,988,609 | \$ 296,982 | \$ 2,285,591 | \$ 20,384 |
| Equity in Pooled Investments | 4,325,449 | 646,100 | 4,971,549 | 44,347 |
| Total Cash and Cash Equivalents at End of Year | <u>\$ 6,314,058</u> | <u>\$ 943,082</u> | <u>\$ 7,257,140</u> | <u>\$ 64,731</u> |

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

CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
For Fiscal Year Ended September 30, 2015

| | <u>Business-type Activities - Enterprise Funds</u> | | | Governmental Activities - Internal Service Funds |
|--|--|-------------------------------|---------------------|---|
| | <u>Water & Sewer Utility</u> | <u>Sanitation Utility</u> | <u>Totals</u> | |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | | |
| Operating Income (Loss) | \$ 680,329 | \$ 29,237 | \$ 709,566 | \$ 17,957 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Depreciation and Amortization Expense | 1,043,948 | 162,474 | 1,206,422 | 5,200 |
| Change in Assets and Liabilities: | | | | |
| (Increase) Decrease in Accts Receivable (Net) | (76,436) | 8,242 | (68,194) | - |
| (Increase) Decrease in Inventories | (131) | - | (131) | (6,689) |
| Increase (Decrease) in Customer Deposits | 112,571 | - | 112,571 | - |
| Increase (Decrease) in Accounts Payable | 26,028 | (353,335) | (327,307) | (16,224) |
| Increase (Decrease) in Accrued Payroll | 6,341 | (229,661) | (223,318) | 2,408 |
| Increase (Decrease) in Compensated Absences | - | - | - | - |
| Increase (Decrease) in Net OPEB Obligation | - | - | - | 1,145 |
| Total Adjustments | <u>1,112,321</u> | <u>(412,280)</u> | <u>700,041</u> | <u>(14,161)</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>\$ 1,792,650</u> | <u>\$ (383,043)</u> | <u>\$ 1,409,607</u> | <u>\$ 3,796</u> |

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

CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For Fiscal Year Ended September 30, 2015

| | <u>Total Employee Retirement Funds</u> |
|--------------------------------------|---|
| ASSETS | |
| Cash and Cash Equivalents | |
| Money Market | \$ 2,096,839 |
| Uninvested Cash | (59) |
| Total Cash and Cash Equivalents | <u>2,096,780</u> |
| Receivables | |
| Employer Contribution | 88,712 |
| Investment Income | 66,974 |
| State Receivable | 325,739 |
| Total Receivables | <u>481,425</u> |
| Investments, at Fair Value | |
| U.S. Treasury Bonds, Notes and Bills | 9,334,030 |
| Corporate Bonds | 679,668 |
| Common Stocks | 22,537,823 |
| Real Estate Fund | 5,588,250 |
| Total Investments | <u>38,139,772</u> |
| Total Assets | <u>40,717,977</u> |
| NET POSITION | |
| Restricted for Pensions | <u><u>\$ 40,717,977</u></u> |

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

CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For Fiscal Year Ended September 30, 2015

| | <u>Total Employee Retirement Funds</u> |
|---|---|
| ADDITIONS | |
| Contributions | |
| State Tax on Insurance Premiums | \$ 325,739 |
| Contributions - Employer | 2,626,740 |
| Contributions - Employee | 600,734 |
| Buy-Back | (2,773) |
| Total Contributions | <u>3,550,440</u> |
| Investment Income | |
| Net Appreciation in Fair Value of Investments | (393,891) |
| Interest | 354,620 |
| Dividends | 472,845 |
| Other | 129,774 |
| Total Investment Income | <u>563,348</u> |
| Investment Expense | (243,267) |
| Net Investment Income | <u>320,081</u> |
| Total Additions | <u>3,870,521</u> |
| Deductions | |
| Pension Benefits | 3,109,209 |
| Termination Refunds | 111,256 |
| D.R.O.P. Refunds | 728,723 |
| Administrative Expenditures | 100,533 |
| Total Deductions | <u>4,049,721</u> |
| Change in Net Position | (179,200) |
| Net Position-Beginning | <u>40,897,177</u> |
| Net Position-Ending | <u><u>\$ 40,717,977</u></u> |

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

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
For Fiscal Year Ended September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Temple Terrace (the City) have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB upon assuming the standard-setting role (in June 1984) adopted the National Council on Governmental Accounting (NCGA) existing standards. Significant accounting policies are described below.

A. REPORTING ENTITY

The City, incorporated on May 28, 1925, is a Florida municipality governed by the Mayor and five council members, all elected at-large. The City is located on the west coast of the State of Florida in the Tampa Bay Area, and operates under a Charter adopted on May 5, 1978, which provides for Council/Manager form of government. As required by Generally Accepted Accounting Principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units, entities for which the City is considered to be financially accountable.

The financial reporting entity consists of the following:

- The primary government;
- Organizations for which the primary government is financially accountable;
- Other organizations that, because of the nature and significance of their relationship with the primary government, may not be excluded from the financial reporting entity.

In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may or may not be financially accountable and, if applicable, has included them in the City's financial statements.

Blended Component Units

On December 16, 2003, by Resolution Number 168-03, the City established Temple Terrace Redevelopment Agency (TTRA) as a component unit of the City pursuant to Section 163.512 Florida Statutes. The TTRA Board is comprised wholly of the City Councilmembers. Since the City appoints a voting majority and can impose its will on the agency, it is considered a component unit. Separate financial statements are not issued for TTRA. Fiscal year 2006 was the first year TTRA realized any financial activity. The information associated with this Tax Increment Financing Fund is reflected as a major fund in the governmental activities.

B. BASIS OF PRESENTATION

Government-Wide 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. For the most part, the effect of interfund activity has been removed from these statements. 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 is 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 meet the operational

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Internal Service Funds of a government are presented in summary form 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 in the governmental column when presented at the government-wide level.

The City's fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension plan participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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 in separate columns in the fund financial statements.

Fund Financial Statements:

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. Governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund. The Proprietary Funds include Enterprise Funds for utility operations and Internal Service Funds for services within the City on a cost reimbursement basis. The two Fiduciary Funds are not included in the government-wide statements and are summarized as basic financial statements.

1. Governmental Funds: The City recognizes the following major governmental funds:

- a) **General Fund** - is the general operating fund of the City. It accounts for all financial resources not accounted for or reported in another fund.
- b) **Street Improvement Special Revenue Fund** – accounts for the proceeds of various intergovernmental gas tax revenues that are restricted to expenditure for specified purposes. The funds are generally used for items that are capital in nature, but can be used for street maintenance.
- c) **Community Investment Special Revenue Fund** – accounts for the proceeds from the half-cent sales tax revenues that are restricted to expenditure for specified purposes. The funds are generally used for capital items, but can be used for public safety equipment that may or may not meet the capitalization threshold.
- d) **The Tax Increment Financing Fund Special Revenue** – accounts for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes associated with the Temple Terrace Redevelopment Area.
- e) **Debt Service Fund** - accounts for resources that are restricted, committed, or assigned to expenditure for principal and interest.

2. Proprietary Funds: The City recognizes the following major proprietary funds:

- a) **Water & Sewer Utility Fund** - accounts for the activities in providing water and wastewater collection, treatment and distribution services to the public.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

b) **Sanitation Utility Fund** - accounts for the activities in providing solid waste collection, transportation, and disposal services to the public.

3. Additionally, the City reports the following fund types:

a) **Internal Service Funds** - account for the financing of goods and services provided by one department to other departments of the governmental unit on a cost-reimbursement basis. The City reports fleet maintenance as internal services.

b) **Pension Trust Funds** - account for the activities of the City's Police Officers' Retirement Fund and Firefighters' Retirement Fund. They are excluded from the government-wide financial statements because they are fiduciary in nature and do not represent resources available to the government for operation.

C. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

1. Modified Accrual: Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available.

"Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, i.e., within 60 days of the end of the current fiscal period). Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially three types of these revenues.

- a) Moneys are expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded.
- b) Moneys are received in advance and recorded as unearned revenues until the appropriate expenditures are made, at which time the revenues are recorded.
- c) Revenues are virtually unrestricted as to purpose of expenditure and nearly irrevocable, such as equal employment opportunity provisions. These resources are reflected as revenues at the time of receipt or earlier if they meet the "available" criteria.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

2. Accrual: All Proprietary and Fiduciary Funds are accounted for using the accrual basis of accounting and the economic resources measurement focus. Their revenues are recognized when they are earned and expenses recognized when they are incurred.

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

4. Accounting Pronouncements: For the year ended September 30, 2015, the financial statements include the impact of adoption of Governmental Accounting Standards Board *Statement* (GASBS) numbers 63, 65, 67 and 68.

GASBS 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance on reporting deferred outflows and inflows of resources. It also renames the residual of all other amounts presented in the statement of financial position from "net assets" to "net position." The financial statements include the statement of net position, which reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, as applicable.

GASBS 65, *Items Previously Reported as Assets and Liabilities*, reclassifies certain items that were previously reported as assets and liabilities, as deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting. The Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The implementation of this Statement eliminated deferred charges from the statement of net position as a result of expensing debt issuance costs (excluding debt insurance costs).

GASBS 67, *Financial Reporting for Pension Plans (an amendment of GASBS 25)*, the objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, **Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans**, and No. 50, **Pension Disclosures**, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions.

GASBS 68, *Accounting and Financial Reporting for Pensions (an amendment of GASBS 27)*, the primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

D. BUDGETARY DATA

1. Budget Policy: The City follows these procedures in establishing the budgetary data reflected in the financial statements:

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

- a) Not later than 45 days prior to the end of the fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Two public hearings are conducted to obtain taxpayer comments.
- c) Prior to October 1, the budget is legally enacted through passage of an ordinance, unless an extension of time is authorized by the State legislature.
- d) The City Manager or Finance Director is authorized to transfer any unencumbered appropriation balance or portion thereof between departments and programs within a fund, and appropriate donated expenditures based on the request of donor. The City Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one fund to another.
- e) The City Council adopts the Budget Ordinance for all operating funds of the City except for Trust and Agency Funds. Budgets of the General, Special Revenue, Debt Service, and Capital Projects funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Expenditures may not legally exceed appropriations for each fund.
- f) The key dates affecting the annual budget for the fiscal year ended September 30, 2015, were as follows:

| | |
|---|--|
| City Council Budget Work Session | Apr 22, Jul 1, Jul 29, Aug 26, 2014 |
| City Manager recommended budget to City Council | July 1, 2014 |
| First public hearing and adoption of tentative millage rate | September 3, 2014 |
| Second public hearing and adoption of millage rate | September 16, 2014 |
| Beginning of fiscal year for which taxes were levied | October 1, 2014 |

All budget amounts presented in the accompanying financial statements and supplemental information have been adjusted for legally authorized revisions of the annual budgets during the year. Appropriations, except open project appropriations and encumbrances, lapse at the end of each fiscal year.

2. Encumbrances: Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. All Governmental Fund budgets are maintained on the modified accrual basis of accounting and appropriations exclude purchase orders and contracts (encumbrances) issued for goods or services not received at year end. The actual results of operations, presented in accordance with GAAP and the City's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. With the implementation of GASB Statement No. 54, encumbrances are not presented separately within the financial statements. They are restricted, committed, or assigned on the balance sheet depending on the nature of the encumbrance. Although encumbrances lapse at year-end, it is the City's intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. The City's legally adopted budget does not automatically include an appropriation for encumbrances. Although GASB 54 requires that encumbrances be disclosed by major and nonmajor fund, the City does not have any nonmajor funds. Encumbrances outstanding at year end for the City's major funds were:

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

Encumbrances

| | |
|--|-------------------|
| General Fund | \$ 10,964 |
| Street Improvement Fund | 71,455 |
| Community Investment Tax Fund | 8,905 |
| Water & Sewer Utility Fund | 92,689 |
| Water & Sewer Renewal and Replacement Fund | 24,180 |
| Water Improvement | 49,285 |
| Sanitation | 17,150 |
| Total Encumbrances | <u>\$ 274,628</u> |

E. ASSETS, LIABILITIES AND FUND EQUITY

1. Cash and Investments: Investments in all funds are reported at fair value as required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*:

- a) Short-term investments are reported at cost, which approximates fair value; and
- b) Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates.

Cash and cash equivalents. These are defined as short-term, highly liquid investments that are:

- a) Readily convertible to known amounts of cash;
- b) So near their maturity that they present insignificant risk of changes in value because of changes in interest rates; and
- c) Have a maturity date of three months or less from the date of purchase.

2. Receivable: Accounts receivables are recorded in the General, Special Revenue and Enterprise fund types. Property taxes, which were levied during fiscal year 2015, and are uncollected as of September 30, 2015, are immaterial and therefore not recorded as receivable.

There are allowances for uncollectable accounts over 360 days past due for EMS billing. The allowance for uncollectable accounts for utility billing is recorded as the average amount that was expensed as uncollectable over the past three years.

3. Inventories: All City inventories are maintained on a consumption basis of accounting, where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Inventories held by the General Fund consist principally of general office and maintenance supplies. Inventories included in the Water and Sewer Utility Fund consists of maintenance parts. Inventories included in the Fleet Maintenance Fund consist of maintenance parts held for consumption. Inventories are stated at average cost, with quantities based on a physical count completed annually.

4. Restricted Assets: Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The "debt service" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "renewal and replacement" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

5. Capital Assets and Depreciation: Capital assets, which include property, plant, equipment, and infrastructure assets such as, roads, bridges, and sidewalks, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of two years. Such assets are recorded at historical cost, including all infrastructure assets as required by GASB 34. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

| | |
|--|-------------|
| Buildings | 30-50 years |
| Improvements other than buildings | 30-50 years |
| Equipment | 5-10 years |
| Vehicles | 5-10 years |
| Infrastructure, including transportation | 30-50 years |

The Water and Sewer Utility Fund and the Sanitation Utility Fund pay a rental charge to the General Fund for the use of the land and buildings reflected in the Governmental Capital Assets.

6. Bond Discounts: Bond discounts are amortized over the term of the bonds using the interest method. Bond discounts are presented as a reduction of the face amount of the revenue bonds payable.

7. Equity Classifications:

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a) Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation. Restrictions include debt service, renewal and replacement, and capital projects. Earnings on restricted assets are included in net income of the statement of activities. Increases in restricted assets result in a decrease to unrestricted net position.
- c) Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Statements

Governmental fund equity is classified as fund balance. Appropriations for a specific purpose is stipulated by an external resource provider or imposed by a law or enabling legislature that restricts its use. Fund balance is further classified as nonspendable, restricted, and unrestricted, which is further split between committed, assigned, and unassigned. Proprietary fund equity is classified the same as in the government-wide statements.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

- a) **Nonspendable** - amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid items, inventories, or long-term notes receivable; or (b) legally or contractually required to be maintained intact, such as the principal portion of an endowment.
- b) **Restricted** - amounts that can be spent only for specific purposes stipulated by (a) external resource providers, such as creditors, grantors, contributors, or laws or regulations of other governmental entities; or (b) imposed by law through constitutional provisions or enabling legislation that creates the revenue source and restricts its use. The detail is seen below:

Restricted

General Fund

| | |
|--|--------------|
| Building Inspections Fines & Fees | \$ 5,350 |
| Donations - Public Safety | 20,209 |
| Donations - Knox Box Program | 849 |
| Donations - Culture & Recreation | 11,805 |
| Police Contraband & Forfeitures | 40,560 |
| 911 Funding | 165,431 |
| Tree Impact Fees | 32,199 |
| Total General Fund | \$ 276,403 |
| Roadway Improvements | 2,594,668 |
| CIT - Public Safety, Arts Education Center | 3,201,988 |
| Community Redevelopment | 10,094 |
| Debt Service | 46,631 |
| Total Restricted Fund Balances | \$ 6,129,784 |

- c) **Committed** - amounts that can be used only for the specific purposes determined by formal action (resolution) of the City Council, the City’s highest level of decision-making authority. Commitments are binding unless removed by the City Council’s formal action. Any formal action should occur prior to the end of the fiscal year. On August 21, 2012, the City Council committed the funds received from the Dovie Hamby Estate for Police activities. There was \$116,591 unspent of the committed fund balance at September 30, 2015.
- d) **Assigned** - amounts established by the City Manager or Finance Director intended to be used for specific purposes that are not restricted or committed. Below are the assigned amounts:

Assigned

| | |
|------------------|--------------|
| Encumbrances | \$ 274,628 |
| Red Light Camera | 56,718 |
| OPEB Reserve | 1,095,613 |
| | \$ 1,426,959 |

- e) **Unassigned** - the remaining portion of fund balance that does not fall into another category; applies to the General Fund only. The City’s fund balance policy states that the General Fund shall strive to maintain an unassigned fund balance of 16.7% of operating expenditures.

In accordance with the City’s policy, restricted funds will be spent first unless there are legal documents that prohibit doing this, such as grant agreements. Regarding the use of unrestricted fund balance amounts, committed would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

Proprietary Fund equity restricts a portion of net position equal to certain assets to comply with revenue bond indenture covenants or other legal commitments. The use of restricted net position has been limited to the following items:

- a) **Debt Service** - restricted for future servicing of the revenue bonds, which must equal or exceed maximum amount of debt service due in any ensuing year.
- b) **Renewal and Replacement** - restricted to comply with revenue bond indenture covenant for specific contingencies.
- c) **Capital Projects** - indicates that portion of net position attributable to water and sewer improvement fees, which are restricted for costs related to physical plant expansion.

The following amounts are shown on the statement of net position:

| | |
|-------------------------|---------------------|
| Debt service | \$ 323,195 |
| Renewal and replacement | 658,437 |
| Capital projects | <u>2,107,325</u> |
| | <u>\$ 3,088,957</u> |

F. REVENUES, EXPENDITURES AND EXPENSES

- 1. **Revenues:** Governmental revenues are accrued unless their actual collection falls outside the availability period of 60 days, consistent with the modified accrual basis of accounting.
 - a) **Property Taxes** – Property taxes are billed and collected within the same fiscal period, and are reflected on a cash basis when it is received from the tax collector. Since virtually all taxes levied will be collected through the tax collection process, remittances in October and November for prior year taxes are insignificant.

Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. All property is reassessed according to its fair market value on January 1 of each year. However, an increase in assessed value on eligible homestead property is limited to the lesser of 3% or the consumer price index. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

The tax levy of the City is established by the City Council prior to October 1 of each year and the Hillsborough County Property Appraiser incorporates the Millage into the total tax levy, which includes the municipality, county, independent districts, and the County School Board tax requirements. State Statutes permit cities to levy at a rate up to 10 mills (\$10 per \$1,000 of assessed taxable property value). The Millage rate in effect for the fiscal year ended September 30, 2015, was 7.305.

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they were assessed, and at such time a lien on the property is recorded. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. The certificate holder may make application for a tax deed on any unredeemed tax certificate after a period of two years. The County holds unsold certificates.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

- b) **Impact Fees** – Impact Fees recorded in the General Fund are levied per individual agreements with developers and are not subject to refund; therefore, the revenue is recognized when received.
- c) **Tap Fees** – Tap fees are reported as revenue only to the extent that the amount equals the cost of physical connection to the system. Since fees were not generated in excess of the cost to connect, no addition to contributed capital is required.

2. Expenditures: Expenditures are recognized when incurred with the following exceptions permitted by Generally Accepted Accounting Principles:

- a) General obligation long-term debt principal and interest are reported, if any, when due.
- b) Inventory costs are reported when items are consumed.

3. Interfund Transfers and Advances: Transfers are used to:

- a) Move \$34,062 from the General Fund, which is required to collect taxes, to the Tax Increment Financing Fund, which is required to expend them, and
- b) Move receipts totaling \$ 470,391 that are restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due.

| Fund Transfer Out: | Fund Transfers In: | | |
|-------------------------|-------------------------------|-----------------|------------|
| | Tax Increment Financing | Debt Service | Total |
| General | \$ 34,062 | \$ 310,498 | \$ 344,560 |
| Street Improvement | - | 34,851 | 34,851 |
| Tax Increment Financing | - | 65,197 | 65,197 |
| Sanitation Utility Fund | - | 59,845 | 59,845 |
| | \$ 34,062 | \$ 470,391 | \$ 504,453 |

Further, transfers are used to settle amounts due between funds when, in management’s best estimate, an interfund loan is not expected to be repaid within a reasonable period of time. The interfund advance recorded in the Debt Service Fund, which initially made the debt service payments, and will be responsible to repay the Sanitation Utility Fund by 2025, as the Country Club pays their debt to the City. In March 2012, the City Council approved a loan modification to allow the Temple Terrace Golf and Country Club to defer principal payments. The Sanitation Utility Fund will loan money to the Debt Service Fund to make the principal payment for three years totaling \$390,639. The total principal payments advanced to the Debt Service Fund from the Sanitation Fund were \$390,639 on September 30, 2015. Additional information is in the Contingency Section.

4. Operating Revenues and Expenses: Proprietary funds distinguish operating revenues and expenses from nonoperating items. The principal operating revenues are charges for services including the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses include the cost to provide service and deliver goods in connection with a proprietary fund’s principal ongoing operations, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

5. Compensated Absences: Regular permanent, full-time and part-time employees accrue a paid vacation period of ten days for one to four years of service. With five through fourteen years of service, employees receive fifteen days of paid vacation annually and thereafter twenty days. Exempt employees receive an additional five days per year until total vacation accrual reaches the maximum of twenty days per year. The City permits employees to accumulate unused vacation and carry it over from one year to the next; however, not more than 450 hours of accrued vacation time may be carried over.

Sick Leave for Firefighters is accumulated at the rate of .0533 and for other permanent employees at the rate of .0462 per hour worked until the date of separation from City employment. Annually any unused sick leave over 112 hours for Firefighters, 120 hours for Police officers, and 80 hours for other employees is converted to vacation time on a one-for-one basis. This conversion of sick leave to vacation is done at the employee's option. Any unconverted sick leave at the date of separation from City employment services is forfeited. That portion of sick leave subject to accrual at September 30, 2015, is not material and has not been reflected in the accompanying financial statements.

Since sick leave is only paid if used, sick leave pay is expensed as paid by the City. Although not accrued, the unvested accumulated sick leave benefits amount is \$608,750.68 at September 30, 2015.

The City accrues accumulated unpaid vacation leave when earned by the employee in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of resignations or retirements.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. MATERIAL VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

The City has no material violations of finance-related legal and contractual provisions.

B. DEFICIT FUND BALANCE OR NET POSITION OF INDIVIDUAL FUNDS

There are no funds that have a deficit in net position at September 30, 2015.

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

There are no funds with expenditures that exceeded budget appropriations.

D. BUDGETARY COMPLIANCE

Proprietary Budget: The City adopts operating budgets for the proprietary funds on a modified accrual basis that is not the same basis of accounting as that used to account for the actual results of operations on an accrual basis. In addition, the budgets prepared are for the operating accounts of each fund. The following items indicate the primary differences between the budgetary basis and the GAAP basis used to account for the results of operations for the operating accounts:

1. Interest Income - earned on restricted assets is included in the results of operations. Such amounts are not budgeted in the operating accounts. This portion of interest income is restricted for a specific purpose such as debt, capital project, renewal and replacement, and is not available to finance operations.

2. Intrafund transfers to the restricted accounts - are budgeted and transferred on a budgetary basis but are eliminated on a GAAP basis.

3. Renewal and Replacement account - expenses for certain repairs and maintenance are not reflected in the budgeted amounts of the operating accounts; however, transfers to the restricted accounts to maintain the required reserves are budgeted.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

4. Interest expense - is budgeted as debt service transfers, which include principal payments. The portion of the transfer representing principal payments has been adjusted to offset the related liability on a GAAP basis.

5. Capital outlay - expenses for capital outlays are budgeted. These outlays have been capitalized into capital assets and eliminated from the results of operations on a GAAP basis.

6. Net position allocations - residual unappropriated liquid assets resulting from prior period's operations are budgeted and included as revenue on a budgetary basis but are eliminated on a GAAP basis. The 2015-16 budgeted uses of fund balance at September 30, 2015 were:

Budgeted Use of Fund Balance in Fiscal Year 2015

| | |
|-------------------------------|---------------------|
| General Fund | \$ 428,804 |
| Community Investment Tax Fund | 462,196 |
| Tax Increment Financing Fund | 2,000 |
| Debt Service Fund | 407,920 |
| Total | <u>\$ 1,300,920</u> |

NOTE III - DETAIL NOTES - ALL FUNDS

A. ASSETS

1. Cash and Investments: The City maintains a pool of cash and investments in which each fund and/or account or sub-account of an enterprise fund participates on a dollar equivalent and daily transaction basis. Interest is distributed monthly based on average daily balances. There is restricted cash for donations given for specific purposes and unexpended grant funds. For purposes of proprietary fund cash flow statements, cash and cash equivalents include equity in pooled investments that meet the criteria described above.

Florida Statutes 218.415 authorize municipalities to invest excess funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the United States Government and certain instruments guaranteed by the U.S. Government. Investments may include repurchase agreements. The Statutes also require depositories of public funds to provide collateral each month at least equal to 50 percent of the average daily balance of all public deposits in excess of deposit insurance.

Investments, except for those in the Pension Trust Funds, must be in the City's name and held in safekeeping by a commercial bank having trust powers or a trust company, which record and provide accounting for various securities held.

- a) **Deposits and Investments – General Operating Accounts:** As of September 30, 2015, the carrying amount of the City's deposits with financial institutions was \$6,173,562 and the total of the book balances was \$5,997,286. A portion of the balance (\$250,000) for each of the four banks is covered by Federal Depository Insurance Corporation. The remaining balance of \$5,146,824 was collateralized pursuant to Chapter 280, Florida Statutes, which obligates all participating institutions to reimburse the governmental entity for the loss, in the event of default by a participating financial institution (a qualified public depository). On the Statement of Net position, cash and cash equivalents excludes cash in the police pension trust fund of \$95,369, and includes the petty cash funds held in house totaling \$2,114.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

The City utilizes a consolidated bank account wherein uninvested cash of all funds are commingled for enabling efficient handling of receipts and disbursements and facilitating investment of idle balances at higher yields. The formal accounting records identify the individual equities of each fund in the account.

At September 30, 2015, the City had \$6,073,585 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool. This investment balance was entirely comprised of Florida PRIME, which is fully liquid and carries a weighted average days to maturity of 44 days. At September 30, 2015, the City also had \$1,788,219 invested in the Florida Surplus Asset Fund Trust ("FL SAFE"), whose primary objective is to provide safety, liquidity, transparency, and yield for Florida government entities and was rated AAAM by Standard & Poor's.

Custodial risk - Custodial credit risk is the risk that a government will not be able to recover deposits or the value of investments in the event of the failure of a depository financial institution or a third party holding the investment securities. Branch Bank & Trust had demand deposits of \$1,749,342 in a checking account, Regions held \$100,462 in an interest checking account, PNC National Bank held \$2,272,101 in a money market fund, and \$1,417,062 was held in a money market account with Goldman Sachs. Demand deposits are fully insured by the Federal Depository Insurance Corporation and the multiple financial institution collateral pool, required by Sections 280.07 and 280.08, Florida Statutes. The City has U.S. government agencies held by Salem Trust in the City's name under a third party safekeeping arrangement.

Credit risk – Credit risk is the risk resulting from potential default of investments that are not financially sound. The City of Temple Terrace limits its credit risk by diversifying the investment portfolio so that potential losses on individual securities will be minimized and by limiting investments to specified credit ratings. The City's investment policy does not require ratings for U.S. Treasury or Agency securities backed by the full faith and credit of the United States government. Government Sponsored Enterprises must maintain at least two AAA/Aaa/AAA long-term credit ratings from Standard & Poor's, Moody's, or Fitch respectively.

Concentration of credit risk - Concentration of credit risk is the risk of loss attributable to the quantity of investments in a single issuer. To limit concentration of credit risk, the City's investment policy requires diversification of the portfolio with maximum limits on what can be invested per investment type. Of the total \$18,177,646 funds available to invest, \$4,142,281 or 23% was invested in U.S. government agencies, which are limited to 75% of the portfolio. The investment policy requires that each individual government security issued cannot be more than 5% of the City's total assets. Other investment types, excluding cash in bank) have individual authority of 25%. At the time of purchase each individual issue complied with the policy based on the amount of investable cash at the time.

| Investment Type | Credit Rating | Concentration Risk at Fair Value | Percentage of Total Pooled Investments |
|--|---------------|--|--|
| Government National Mortgage Assoc. | AA+ | \$ 542,942 | 3.0% |
| Federal National Mortgage Assoc. | AA+ | \$ 1,590,860 | 8.8% |
| Federal Home Loan Bank | AA+ | \$ 853,426 | 4.7% |
| Federal Home Loan Mortgage Corporation | AA+ | \$ 302,802 | 1.7% |
| Federal Farm Credit Bank | AA+ | \$ 852,252 | 4.7% |
| Local Government Investment Pools | AAAM | \$ 7,861,803 | 43.3% |
| Money Market Mutual Funds | No rating | \$ 3,789,624 | 20.9% |
| Bank Deposits | No rating | \$ 2,383,937 | 13.1% |

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

Interest risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy recognizes that the longer a maturity of an investment, the greater its price volatility, so the policy limits risk by requiring investments of current operating funds to have average maturities of no longer than 12 months and all investments to have an average maturity of 5 years or less. The total overall combined portfolio has an average duration of 3.8 years. A portion of the Federal National Mortgage Association and the Federal Home Loan investments have a maturity date beyond September 30, 2015, but are likely to be called within the fiscal year.

| Investment Type | Average Duration | Total Fair Value | 1 year | 1-5 Years |
|--|---------------------|---------------------|--------|--------------|
| Government National Mortgage Assoc. | 2.49 | \$ 542,942 | \$ - | \$ 542,942 |
| Federal National Mortgage Assoc. | 4.19 | \$ 1,590,860 | \$ - | \$ 1,590,860 |
| Federal Home Loan Bank | 4.06 | \$ 853,426 | \$ - | \$ 853,426 |
| Federal Home Loan Mortgage Association | 4.18 | \$ 302,802 | \$ - | \$ 302,802 |
| Federal Farm Credit Bank | 4.05 | \$ 852,252 | \$ - | \$ 852,252 |

b) **Deposits and Investments – Pension Trust Funds:** The City's Pension Trust Funds maintained cash book balances of \$2,096,780 as of September 30, 2015, all of which is with fiscal agents. The Pension Fund Investment Policy, as mandated by City Ordinance, permits the investment of Police and Fire Pension Fund assets in stocks and bonds of publicly held companies provided no investment in any one stock exceeds five percent of the total equity portfolio at the time of purchase. In addition, the policy limits the aggregate of all investments in common stocks and convertible bonds to 70% of the total plan assets at market, separately for the Fire Pension and Police Pension Trust. Real estate pooled investments cannot exceed ten percent of plan assets at cost.

Custodial credit risk - The police and fire pension plans have U.S. treasury bonds, notes and bills, federal agency guaranteed securities, common stocks and bonds, and money market funds held by Salem Trust in the City's pension plan name under a third party safekeeping arrangement. Pooled investments may be governed separately.

Credit risk – Credit risk is the risk resulting from potential default of investments that are not financially sound. The police and fire pension funds limit their credit risk by diversifying the investment portfolio so that potential losses on individual securities will be minimized and by limiting investments to specified credit ratings. Pension fund investment in fixed income investments must have a minimum “investment grade” rating from a major credit rating service. Both pension plans comply with the policy that all fixed income securities must be rated investment grade by a national agency.

The equities of the pension funds must be traded on a national exchange or electronic network. The corporate bonds in the pension trust funds were rated at least Baa1 by Moody's Investor Services and BBB+ by Standard and Poor's. The average credit quality of the portfolio by Moody's is Aa3 while S&P average is AA and the percent of the portfolio that has a Aaa with Moody's or a AAA by S&P is roughly 51% for fire and 63% for police.

Concentration of credit risk - To limit concentration of credit risk, the police investment policy requires diversification of the portfolio with maximum limits on what can be invested per investment type.

Of the total \$21,021,213 police pension fund assets, \$929,124 or 4% was invested in cash and cash equivalents. Common stock securities total \$12,640,146 or 60.13%, which are limited to 70% of the portfolio. Real estate investments are \$2,100,672 or 9.99%, which is under the 10% limit.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

| Investment Type | Credit Rating | Concentration Risk at Fair Value | Percentage of Total Pooled Investments |
|------------------------------------|---------------|--|--|
| U.S. Treasury Bonds, Notes & Bills | AA | \$ 4,741,722 | 23.9% |
| Corporate Bonds | A | \$ 332,908 | 1.7% |
| Common Stocks | No rating | \$ 12,640,146 | 63.8% |
| Real Estate | No rating | \$ 2,100,672 | 10.6% |

Of the total \$19,703,420 fire pension fund assets, \$1,167,655 or 6% was invested in cash and cash equivalents. Common stock securities total \$11,380,736 or 57.8%, which are limited to 70% of the portfolio. Real estate investments are \$1,840,751 or 10.2%, which is over the 10% limit. The cost was under the 10% limit and the return on this investment type pushed it over. This makes the investment still within policy limits, as it is dependent upon cost, not market value.

| Investment Type | Credit Rating | Concentration Risk at Fair Value | Percentage of Total Pooled Investments |
|--------------------------------------|---------------|--|--|
| U.S. Treasury Bonds, Notes & Bills | AA+ | \$ 3,347,841 | 18.3% |
| Federal agency guaranteed securities | AA- | \$ 1,244,468 | 6.8% |
| Corporate bonds | A | \$ 346,760 | 1.9% |
| Common stocks | No rating | \$ 9,897,677 | 54.0% |
| Real estate | No rating | \$ 3,487,578 | 19.0% |

The pension investment policy requires that not more than 5% of the Plan's assets shall be invested in stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding stock of the company.

Interest rate risk - The City's pension trust fund does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. The performance of the police and fire pension funds is measured against various nationally recognized benchmarks depending on the category. As of September 30, 2015, the average duration of the funds is 6.97 years for police and 7.77 years for fire.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

The following statements, as required by GASB 31, reflect the financial position of the pooled investments at September 30:

Statement of Net Position – September 30, 2015

| <u>Assets</u> | |
|--|-----------------------------|
| Petty cash - all funds | \$ 2,114 |
| Branch Bank & Trust Bank | 1,749,342 |
| Due to Police and Fire Pension Trust Funds | (95,369) |
| Regions Bank Money Market | 100,462 |
| Florida SAFE | 1,788,219 |
| Florida Prime | 6,073,585 |
| Goldman Sachs Money Market | 1,417,062 |
| PNC Money Market | 2,272,101 |
| U.S. government & agencies | 4,130,994 |
| Subtotal city assets | <u>17,438,510</u> |
| Pension Trust Funds | |
| Cash and cash equivalents | 2,096,781 |
| Receivables | 488,082 |
| U.S. Government bonds/notes | 9,334,030 |
| Corporate bonds | 679,668 |
| Common stocks | 22,537,823 |
| Real estate | 5,588,250 |
| Subtotal pension assets | <u>40,724,634</u> |
| Total assets | <u><u>\$ 58,163,144</u></u> |
| Cash and Investments - Primary Government and Fiduciary Funds | |
| Pooled cash and investments - primary government | \$ 17,438,510 |
| Police Officers' Retirement Plan | 21,021,213 |
| Firefighters' Retirement Fund | 19,703,421 |
| Total fund balance | <u><u>\$ 58,163,144</u></u> |

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

Statement of Changes in Net Position for Fiscal Year Ended September 30, 2015

Operations

| | | | |
|----------------------------|--|--------------------|--------------|
| City government activity | | | |
| Revenues and expenses | | \$ (5,343,084) | |
| Interest income | | 53,639 | |
| Pension activity | | | |
| Contributions | | 3,460,583 | |
| Interest income | | 4,151,685 | |
| Benefits and expenses | | <u>(3,178,232)</u> | |
| Net increase in operations | | | \$ (855,409) |

Capital Participation

| | | |
|--|-----------|----------------------|
| Additions to PNC | 2,003,383 | |
| Additions to Florida Prime | 1,053,596 | |
| Withdrawals from Florida SAFE | (225,678) | |
| Withdrawals from Government Bonds | (962,405) | |
| Withdrawals from Goldman Sachs | (152,419) | |
| Additions to Regions Bank | 180 | |
| Additions to Branch Bank & Trust | 1,453,786 | |
| Subtotal capital participation | | 3,170,443 |
| Cash , cash equivalents, and investments - beginning | | <u>55,848,110</u> |
| Cash , cash equivalents, and investments - ending | | <u>\$ 58,163,144</u> |

At September 30, the City investments are valued in accordance with GASB 31, as follows:

| Type and Number of Investments | Interest Rate | Maturity Range | Cost Value | Fair Value |
|--|---------------|----------------|--------------|--------------|
| Operating Accounts (1) | 0.00-0.25% | 10/15 | \$ 1,749,342 | \$ 1,749,342 |
| Money Market Funds (3) | 0.01-0.24% | 10/15 | \$ 3,789,625 | \$ 3,789,625 |
| Local Government Investment Pool (2) | 0.10-0.309% | 10/15 | \$ 7,861,804 | \$ 7,861,804 |
| Government National Mortgage Association (2) | 1.919%-4.882% | 10/15-1/41 | \$ 542,942 | \$ 542,942 |
| Federal National Mortgage Association (5) | 1.150%-4.202% | 11/15-9/41 | \$ 1,590,860 | \$ 1,590,860 |
| Federal Home Loan Bank (1) | 0.90% | 10/17 | \$ 853,426 | \$ 853,426 |
| Federal Home Loan Mortgage Association (1) | 2.429% | 11/25-9/30 | \$ 302,802 | \$ 302,802 |
| Federal Farm Credit Bank (1) | 0.87% | 10/17 | \$ 852,252 | \$ 852,252 |

2. Unbilled Receivable: Water and sewer charges to customers are based on actual consumption, which is billed on a monthly cycle basis. As of September 30, the City recognizes revenue related to estimated unbilled consumption. The Utility fund's carries this receivable at \$802,674.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

3. Allowance for Doubtful Accounts: Accounts receivable are written off on an individual basis in the year the City deems them uncollectible. Other allowances for doubtful accounts have been established as follows:

| | |
|----------------------------|-------------------|
| General Fund | |
| Miscellaneous Receivable | \$ 25,071 |
| EMS Services | 376,478 |
| Water & Sewer Utility Fund | 2,428 |
| Sanitation Utility Fund | 2,502 |
| | <u>\$ 406,479</u> |

4. Property Taxes: The City is permitted by state law to levy taxes up to 10 mills of assessed valuation. The Millage rate levied by the City for the fiscal year ended September 30, 2015 was 7.305 mills. Current tax collections for the City were approximately 96.7% of the total tax levy.

The tax levy of the City is established by the City Council. Under Florida Law, the assessment of all properties and the collection of all county, municipal, special district, and school board property taxes are provided by the County's Property Appraiser and Tax Collector.

5. Due from Other Governments: The following amounts were due from other governments as of September 30, 2015:

5. Due from Other Governments:

The following amounts were due from other governments as of September 30, 2015:

| Fund | Name of Government | Revenue Source | Amount |
|------------------------------|---------------------|-----------------------------|-------------------|
| General | Hillsborough County | Delinquent Ad Valorem Taxes | \$ 1,971 |
| General | Hillsborough County | Civil Traffic Infractions | 74,875 |
| General | Hillsborough County | County Business Taxes | 4,048 |
| General | State of Florida | Communications Services Tax | 112,853 |
| General | State of Florida | Half-Cent Sales Tax | 172,868 |
| General | State of Florida | Fire Supplemental | 6,570 |
| Total General Fund | | | <u>373,185</u> |
| <u>Special Revenue Funds</u> | | | |
| Street Improvement | Hillsborough County | One-Cent Gas Tax | 10,882 |
| Street Improvement | State of Florida | Local Option Gas Tax | 66,916 |
| Street Improvement | State of Florida | Fuel Rebate | 2,110 |
| Community Investment Tax | Hillsborough County | Half-Cent Sales Tax | 87,891 |
| Total Special Revenue | | | <u>167,799</u> |
| Total | | | <u>\$ 540,983</u> |

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

6. Capital Assets:

The primary government's capital asset activity for the year ended September 30, 2015 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|-----------------------|----------------------|
| <u>Governmental Activities:</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 3,785,416 | \$ 1,600,000 | \$ - | \$ 5,385,416 |
| Construction in progress | 934,084 | - | (247,041) | 687,043 |
| Total capital assets, not being depreciated | <u>4,719,500</u> | <u>1,600,000</u> | <u>(247,041)</u> | <u>6,072,459</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 11,656,475 | 152,164 | - | 11,808,639 |
| Improvements other than buildings | 7,095,875 | 22,936 | - | 7,118,811 |
| Machinery and equipment | 13,897,744 | 857,780 | (1,242,936) | 13,512,588 |
| Infrastructure | 37,388,616 | 1,778,445 | - | 39,167,061 |
| Total capital assets, being depreciated | <u>70,038,710</u> | <u>2,811,324</u> | <u>(1,242,936)</u> | <u>71,607,098</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (5,765,446) | (274,871) | - | (6,040,317) |
| Improvements other than buildings | (2,332,258) | - | 199,804 | (2,132,454) |
| Machinery and equipment | (10,353,462) | (169,007) | 113,497 | (10,408,972) |
| Infrastructure | (11,575,981) | (1,120,286) | 65,548 | (12,630,719) |
| Total accumulated depreciation | <u>(30,027,147)</u> | <u>(1,564,164)</u> | <u>378,849</u> | <u>(31,212,462)</u> |
| Total capital assets, being depreciated, net | <u>40,011,563</u> | <u>1,247,160</u> | <u>(864,087)</u> | <u>40,394,636</u> |
| Governmental activities capital assets, net | <u>\$ 44,731,063</u> | <u>\$ 2,847,160</u> | <u>\$ (1,111,128)</u> | <u>\$ 46,467,095</u> |
| | | | | |
| | Beginning Balance | Increases | Decreases | Ending Balance |
| <u>Business-type activities:</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,417,358 | \$ - | \$ - | \$ 2,417,358 |
| Construction in Progress | 312,448 | - | (312,448) | - |
| Total capital assets, not being depreciated | <u>2,729,806</u> | <u>-</u> | <u>(312,448)</u> | <u>2,417,358</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 2,140,996 | 70,176 | - | 2,211,172 |
| Machinery and equipment | 4,953,947 | 189,787 | (59,423) | 5,084,311 |
| Infrastructure | 43,175,179 | 720,803 | - | 43,895,982 |
| Total capital assets, being depreciated | <u>50,270,122</u> | <u>980,766</u> | <u>(59,423)</u> | <u>51,191,465</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (1,538,789) | (63,645) | - | (1,602,434) |
| Machinery and equipment | (3,934,654) | (239,743) | - | (4,174,397) |
| Infrastructure | (19,798,976) | (843,612) | - | (20,642,588) |
| Total accumulated depreciation | <u>(25,272,419)</u> | <u>(1,146,999)</u> | <u>-</u> | <u>(26,419,418)</u> |
| Total capital assets, being depreciated, net | <u>24,997,703</u> | <u>(166,234)</u> | <u>(59,423)</u> | <u>24,772,047</u> |
| Business-type activities capital assets, net | <u>\$ 27,727,509</u> | <u>\$ (166,234)</u> | <u>\$ (371,871)</u> | <u>\$ 27,189,405</u> |

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

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

Governmental Activities:

| | |
|--|--------------|
| General Government | \$ 82,450 |
| Public Safety | 834,879 |
| Public Works and Streets, including depreciation of general infrastructure asse | 56,929 |
| Culture and Recreation | 415,700 |
| Capital assets held by the government's Internal Service Fund are charged to the various functions based on their usage of the assets | 3,200 |
| Total depreciation expense - governmental activities | \$ 1,395,158 |

Business-type activities:

| | |
|---|--------------|
| Water | \$ 648,288 |
| Sewer | 391,628 |
| CUSTOMER SERVICE | 4,051 |
| Sanitation | 272,059 |
| Total depreciation expense - business-type activities | \$ 1,316,005 |

Construction in progress is composed of the following:

Government Activities:

| Project Number | Project Authorization | In Progress at 9/30/15 | Budgeted FY 15-16 | Required Future Financing |
|---|--------------------------|---------------------------|----------------------|---------------------------------|
| <u>Community Investment Tax Fund</u> | | | | |
| ARTSED Arts Education Center | \$ 2,500,000 | \$ 159,201 | \$ - | Yes |
| Total Community Investment Fund | 2,500,000 | 159,201 | - | |
| <u>Street Improvement Fund</u> | | | | |
| 37-242 Fowler Ave I-75 water relocation | 472,545 | 527,843 | - | None |
| Total Street Improvement Fund | 472,545 | 527,843 | - | |
| Total governmental activities - construction in progress | \$ 2,972,545 | \$ 687,044 | \$ - | |

B. LIABILITIES

1. Pension Plan Obligations:

Defined Benefit Plans

The City maintains two separate single employer pension plans for firefighters and police officers that are maintained as Pension Trust Funds and included as part of the City's reporting entity.

Plans covering firefighters and police officers are contributory. Employee contributions made by firefighters and police officers are 100% refundable if the employee elects to terminate his vesting rights or is not vested at the date of employment termination.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

The plans were amended during fiscal year ended September 30, 1998, to provide for Deferred Retirement Option Plan (DROP). A plan participant who is eligible to receive a normal retirement pension may elect to defer receipt of such retirement benefits and participate in the DROP. The participant may elect to continue employment from 12 to 60 months, while his/her pension benefit is invested in the plan.

Summary of Significant Accounting Policies for Retirement Plans

Basis of Accounting. The Firefighters' and Police Officers' Retirement Trust Fund's financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Amortization of Past Service Costs. The past service costs of the firefighters' and police officers' retirement funds are being amortized over a period of 30 years, and are included in the City's yearly contributions. The City's policy is to fund pension costs accrued.

Firefighters' Retirement

Plan Description. The City's Firefighters' Retirement Trust Fund has been established to conform to the Retirement Trust Fund provisions of Chapter 175 of the State of Florida Statutes, as modified by local ordinance. This is a defined benefit plan, which is administered by the City of Temple Terrace Firefighters' Retirement Trust Fund Board, which is made up of two firefighters, the Mayor, City Manager, and a resident of the City and covers all full-time firefighters. The Firefighters' Retirement Trust Fund does not issue a separate stand-alone financial report; however, GAAP financial reports for all of the pension plans are provided.

Contributions. The City's contribution to the fund is determined annually by actuarial valuation. The contribution of \$1,064,455 for 2015 is reflected in the departmental expenditure section of the General Fund and recorded as revenue in the Pension Trust Fund during this period. The State of Florida's contribution to the retirement trust fund for 2015 amounted to \$160,407. The City recognized these on-behalf payments from the State as revenue and expenditure within the general fund of the governmental fund financial statements, as well as within governmental activities of the government-wide financial statements in Fiscal Year 2015. The State's contribution represents a portion of the 1.85% tax on all property insurance premiums collected within the City limits. Firefighters contribute 10.51% of gross salary to the retirement trust fund. Refunds of employee contributions for non-vested members are made at the time an employee terminates employment prior to retirement. The City funds the cost of plan administration.

The government's payroll for employees participating in the Firefighters' Retirement Trust Fund for the year ended September 30, 2015 was \$2,961,864 out of a total payroll of \$16,556,995. At September 30, 2015, the Firefighters' Retirement Trust Fund membership consisted of:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

| | |
|---|----|
| Retirees and beneficiaries currently receiving benefits | 20 |
| Disability benefit retirees receiving benefits | 5 |
| Terminated vested employees not yet receiving benefits | 4 |
| Deferred retirement option plan (DROP) participants | 2 |
| Current employees - vested | 5 |
| Current employees - nonvested | 42 |
| | 78 |
| | 78 |

Police Officers' Retirement

Plan Description. The City's Police Officers' Retirement Trust Fund was established to conform to the Retirement Trust Fund provisions of Chapter 185 of the State of Florida Statutes, as modified by local ordinance. This is a defined benefit plan which is administered by the City of Temple Terrace Police Officers' Retirement Trust Fund Board which is made up of two police officers, the Mayor, City Manager, and a resident of the City, and covers all full-time sworn police officers. The Police Officers' Retirement Trust Fund does not issue a separate stand-alone financial report; however, GAAP financial reports for all of the pension plans are provided.

Contributions. The City's contribution to the fund is determined annually by actuarial valuation. The contribution of \$1,562,285 for 2015 is reflected in the departmental expenditure section of the General Fund and recorded as revenue in the Pension Trust Fund during this period. The State of Florida's contribution to the retirement trust fund for 2015 amounted to \$165,332. The City recognized these on-behalf payments from the State as revenue and expenditure within the general fund of the governmental fund financial statements, as well as within governmental activities of the government-wide financial statements in Fiscal Year 2015. The State's contribution represents a portion of the 0.85% tax on all casualty insurance premiums collected within the City limits. Police Officers contribute 11.2% of gross salary to the retirement trust fund. Refunds of employee contributions for non-vested members are made at the time an employee terminated employment prior to retirement. The City funds the cost of plan administration.

The government's payroll for employees participating in the Police Retirement Trust Fund for the year ended September 30, 2015, was \$2,772,972 out of a total payroll of \$16,556,995. At September 30, 2015, the Police Officers' Retirement Trust Fund membership consisted of:

| | |
|---|-----|
| Retirees and beneficiaries currently receiving benefits | 43 |
| Disability benefit retirees receiving benefits | 6 |
| Terminated vested employees not yet receiving benefits | 5 |
| Deferred retirement option plan (DROP) participants | 5 |
| Current employees - vested | 3 |
| Current employees - nonvested | 41 |
| | 103 |
| | 103 |

Funded Status and Funding Progress. The funded status of each plan as of October 1, 2015, the most recent actuarial valuation date, is as follows:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

| | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll c) | UAAL as a % of Covered Payroll [(b-a)/c] |
|----------------------------------|-------------------------------------|---|---------------------------------|--------------------------|---------------------------|--|
| Police Officers' Retirement Fund | 21,549,757 | 41,107,604 | 19,557,847 | 52.42% | \$2,772,972 | 705.30% |
| Firefighters' Retirement Fund | 19,865,567 | 29,264,422 | 9,398,855 | 67.88% | \$2,961,864 | 317.33% |

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Net Pension Liability. The City's net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of September 30, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

| Actuarial assumptions: | Firefighters' | Police Officers' |
|--------------------------------------|---------------|------------------|
| Assumed discount rate on investments | 7.50% | 7.50% |
| Annual salary increases | 6.50% | 6.50% |
| Inflation rate | 3.00% | 3.00% |
| Cost of living adjustments | 3.00% | 3.00% |

Mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table for males and females using projection Scale BB to anticipate future mortality improvements, with a five-year age set forward for impaired mortality.

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, 2015 are summarized in the following table:

| Asset Class | Long-Term Expected Real Rate of Return | |
|---------------------------|--|------------------|
| | Firefighters' | Police Officers' |
| All Cap Value Equity | 7.50% | 7.50% |
| Broad Growth Equity | 7.50% | 7.50% |
| International Equity | 8.50% | 8.50% |
| Broad Market Fixed Income | 2.50% | 2.50% |
| Non-Core Fixed Income | 2.50% | 2.50% |
| Real Estate | 4.50% | 4.50% |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

The Discount Rate used to measure the Total Pension Liability was 7.50 percent. 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 Plan's 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.

Changes in Net Pension Liability and Related Ratios.

| | Firefighters' | | Police Officers' | |
|--|---------------|---------------|------------------|---------------|
| | 9/30/2015 | 9/30/2014 | 9/30/2015 | 9/30/2014 |
| Total Pension Liability | | | | |
| Service Cost | \$ 848,258 | \$ 834,970 | \$ 634,011 | \$ 673,853 |
| Interest | 2,106,949 | 2,001,009 | 2,909,094 | 2,826,257 |
| Changes of benefit terms | - | - | (295,206) | - |
| Differences between Expected and Actual Experience | (208,861) | - | (7,809) | - |
| Changes of assumptions | 330,207 | - | 444,806 | - |
| Contributions - Buy Back | 3,884 | - | - | - |
| Benefit Payments, including Refunds of Employee Contributions | (1,870,919) | (1,039,727) | (2,078,269) | (2,071,931) |
| Net Change in Total Pension Liability | 1,209,518 | 1,796,252 | 1,606,627 | 1,428,179 |
| Total Pension Liability - Beginning | 27,828,425 | 26,032,173 | 38,991,553 | 37,563,374 |
| Total Pension Liability - Ending (a) | \$ 29,037,943 | \$ 27,828,425 | \$ 40,598,180 | \$ 38,991,553 |
| Plan Fiduciary Net Position | | | | |
| Contributions - Employer | \$ 1,064,455 | \$ 1,064,867 | \$ 1,562,285 | \$ 1,536,551 |
| Contributions - State | 160,407 | 162,928 | 165,332 | 154,522 |
| Contributions - Employee | 297,030 | 292,410 | 303,704 | 303,725 |
| Contributions - Buy Back | 3,884 | - | - | - |
| Net Investment Income | 232,365 | 1,915,275 | 87,712 | 2,236,955 |
| Benefit Payments, including Refunds of Employee Contributions | (1,870,919) | (1,039,727) | (2,078,269) | (2,071,931) |
| Administrative Expense | (49,011) | (48,151) | (32,080) | (18,966) |
| Net Change in Plan Fiduciary Net Position | (161,789) | 2,347,602 | 8,684 | 2,140,856 |
| Plan Fiduciary Net Position - Beginning | 19,865,209 | 17,517,607 | 21,012,529 | 18,871,673 |
| Plan Fiduciary Net Position - Ending (b) | \$ 19,703,420 | \$ 19,865,209 | \$ 21,021,213 | \$ 21,012,529 |
| Net Pension Liability - Ending (a) - (b) | \$ 9,334,523 | \$ 7,963,216 | \$ 19,576,967 | \$ 17,979,024 |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 67.85% | 71.38% | 51.78% | 53.89% |
| Covered Employee Payroll | \$ 3,294,335 | \$ 2,688,405 | \$ 3,126,443 | \$ 2,889,864 |
| Net Pension Liability as a percentage of Covered Employee Payroll | 283.35% | 296.21% | 626.17% | 622.14% |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2015:

| | Current | | |
|--|---------------|---------------|---------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | 6.50% | 7.50% | 8.50% |
| Firefighters' Net Pension Liability | \$ 13,006,997 | \$ 9,334,523 | \$ 6,289,492 |
| Police Officers' Net Pension Liability | \$ 24,545,658 | \$ 19,576,967 | \$ 15,478,490 |

For the year ended September 30, 2016 the Sponsor will recognize a Police Officers' Pension Expense of \$1,502,637. On September 30, 2016 the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

CITY OF TEMPLE TERRACE, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$ - | \$ 5,206 |
| Changes of assumptions | 296,538 | - |
| Net difference between projected and actual earnings | <u>721,173</u> | <u>-</u> |
| Subtotal | 1,017,711 | 5,206 |
| City contributions subsequent to the measurement date | <u>1,932,531</u> | <u>-</u> |
| Total | <u>\$ 2,950,242</u> | <u>\$ 5,206</u> |

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net Pension Liability in the year ended September 30, 2016. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:

| | |
|------------|---------------------|
| 2017 | \$ 285,642 |
| 2018 | 285,641 |
| 2019 | 139,975 |
| 2020 | 301,247 |
| 2021 | - |
| Thereafter | - |
| | <u>\$ 1,012,505</u> |

On September 30, 2015, the Sponsor reported a payable of \$77,486 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2015.

For the year ended September 30, 2016 the Sponsor will recognize a Firefighters' Pension Expense of \$1,215,253. On September 30, 2016 the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$ - | \$ 167,089 |
| Changes of assumptions | 264,166 | - |
| Net difference between projected and actual earnings | <u>669,426</u> | <u>-</u> |
| Subtotal | 933,592 | 167,089 |
| City contributions subsequent to the measurement date | <u>-</u> | <u>-</u> |
| Total | <u>\$ 933,592</u> | <u>\$ 167,089</u> |

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net Pension Liability in the year ended September 30, 2016. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of resources related to pensions will be recognized in Pension Expense as follows:

CITY OF TEMPLE TERRACE, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

Year ended September 30:

| | |
|------------|-------------------|
| 2017 | \$ 163,250 |
| 2018 | 163,250 |
| 2019 | 163,250 |
| 2020 | 276,753 |
| 2021 | - |
| Thereafter | - |
| | <u>\$ 766,503</u> |

On September 30, 2015, the Sponsor reported a payable of \$17,883 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2015.

The following schedules, derived from the respective actuarial reports, reflect accounting policies, membership plan provisions, and assumptions for the two retirement plans as of October 1, 2015 and 2014 respectively:

| | <u>Firefighters'</u> | <u>Police Officers'</u> |
|--|---------------------------|---------------------------|
| Valuation date | 10/1/2013 | 10/1/2013 |
| Actuarial cost method | Entry Age Normal | Entry Age Normal |
| Amortization method | Level percentage – closed | Level percentage – closed |
| Remaining amortization period | 30 years | 30 years |
| Actuarial asset valuation method | 4 year smooth | 4 year smooth |
| Actuarial assumptions: | | |
| Investment rate of return | 7.60% | 7.70% |
| Projected salary increases (Merit/Seniority) | 6.50% | 6.50% |
| Including inflation of wages | 3.70% | 3.33% |
| Post Retirement COLA (beginning at age 56) | 3.00% | 3.00% |

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

Membership and Plan Provisions.

| | <u>Firefighters'</u> | | <u>Police Officers'</u> | |
|-------------------------------------|---|---|---|---|
| | <u>10/1/2015</u> | <u>10/1/2014</u> | <u>10/1/2015</u> | <u>10/1/2014</u> |
| Authority | Special Act Legislation | Special Act Legislation | Special Act Legislation | Special Act Legislation |
| Funding Requirements as a % of | | | | |
| Covered Payroll: ^(a) | | | | |
| Employer and State | 47.16% | 45.98% | 80.94% | 62.35% |
| Employee | 10.51% | 10.51% | 11.20% | 11.20% |
| Members: | | | | |
| Active Participants | 47 | 46 | 44 | 46 |
| Retirees and Beneficiaries | 27 | 22 | 54 | 47 |
| Terminated Vested | 4 | 4 | 5 | 5 |
| Covered Payroll ^(b) | \$2,961,864 | \$2,810,677 | \$2,772,972 | \$2,744,530 |
| Normal Retirement Benefit: | | | | |
| Age | Earlier of Age 54 & 10 years, or 20 years of service | | Earlier of Age 55 & 10 years, or 20 years of service | |
| Years of Service | | | | |
| Accrual | 3.5% ^(c) | 3.5% ^(c) | 3.25% ^(e) | 3.25% ^(e) |
| Maximum | 100% | 100% | 100% | 100% |
| Post retirement COLA ^(d) | 3% | 3% | 3% | 3% |
| Years to Vest | 10 | 10 | 10 | 10 |
| Disability Benefit: | | | | |
| Line of Duty | | | | |
| Accrued benefit | Not less than 42% of avg. monthly earnings | Not less than 42% of avg. monthly earnings | Not less than 50% of avg. monthly earnings | Not less than 50% of avg. monthly earnings |
| Non-Line of Duty | | | | |
| Accrued benefit | Not less than 25% of avg. monthly earnings | Not less than 25% of avg. monthly earnings | Not less than 25% of avg. monthly earnings | Actuarially reduced |
| Years to Vest | 10 | 10 | 10 | 10 |

- (a) The required contributions are calculated as a level percentage of payroll rather than a constant dollar.
- (b) Amounts used in actuarial calculation differ from actual covered payroll because of year-end accruals.
- (c) 3% for service prior to June 1, 2001, 3.5% thereafter.
- (d) Firefighter's effective October 1, 2004, from age 56 to 70, Police effective June 1, 2000, from age 56 and continuing for life.
- (e) 3.5% for hire date prior to 10/1/2011, 3.25% thereafter.



TEMPLE TERRACE

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CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

Financial Statements for the Police Officers and Firefighters Retirement Plans
Where separate GAAP Financial Reports have not been issued are below:

Combining Statement of Fiduciary Net position
Police Officers' and Firefighters' Pension Trust Funds

| | Pension Trust Funds | | |
|--------------------------------------|-------------------------------------|----------------------------------|---------------|
| | Police Officers' Retirement Fund | Firefighters' Retirement Fund | Total |
| ASSETS | | | |
| Cash and cash equivalents | | | |
| Money market | \$ 929,124 | \$ 1,167,715 | \$ 2,096,839 |
| Uninvested cash | - | (59) | (59) |
| Total cash and cash equivalents | 929,124 | 1,167,655 | 2,096,780 |
| Receivables | | | |
| Additional City Contributions | 77,486 | 11,226 | 88,712 |
| State Contributions | 165,332 | 160,407 | 325,739 |
| Investment income | 33,823 | 33,151 | 66,974 |
| Total receivables | 276,641 | 204,784 | 481,425 |
| Investments, at fair value | | | |
| U.S. Treasury Bonds, Notes and Bills | 4,741,722 | 4,592,309 | 9,334,031 |
| Corporate bonds | 332,908 | 346,760 | 679,668 |
| Common stocks | 12,640,146 | 9,897,677 | 22,537,823 |
| Real estate fund | 2,100,672 | 3,487,578 | 5,588,250 |
| Total investments | 19,815,448 | 18,324,324 | 38,139,772 |
| Total Assets | 21,021,213 | 19,696,764 | 40,717,977 |
| NET POSITION | | | |
| Held in trust for pension benefits | \$ 21,021,213 | \$ 19,696,764 | \$ 40,717,977 |

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

Combining Statement of Changes in Fiduciary Net Position
Police Officers' and Firefighters' Pension Trust Funds

| | Police Officers' Retirement Fund | Firefighters' Retirement Fund | Total |
|---|-------------------------------------|----------------------------------|---------------|
| ADDITIONS | | | |
| Contributions | | | |
| State tax on insurance premiums | \$ 165,332 | \$ 160,407 | \$ 325,739 |
| Contributions - employer | 1,562,285 | 1,064,455 | 2,626,740 |
| Contributions - employee | 303,704 | 297,030 | 600,734 |
| Buy-back | - | (2,773) | (2,773) |
| Total contributions | 2,031,321 | 1,519,119 | 3,550,440 |
| Investment income | | | |
| Net appreciation in fair value of investments | (306,407) | (87,484) | (393,891) |
| Interest | 177,766 | 176,854 | 354,620 |
| Dividends | 271,077 | 201,768 | 472,845 |
| Other | 61,755 | 68,019 | 129,774 |
| Total investment income | 204,191 | 359,157 | 563,348 |
| Investment expense | (116,478) | (126,789) | (243,267) |
| Net investment income | 87,713 | 232,368 | 320,081 |
| Total additions | 2,119,034 | 1,751,487 | 3,870,521 |
| Deductions | | | |
| Pension benefits | 2,026,471 | 1,082,738 | 3,109,209 |
| Termination refunds | 51,798 | 59,458 | 111,256 |
| D.R.O.P. refunds | - | 728,723 | 728,723 |
| Other | 32,080 | 68,453 | 100,533 |
| Total deductions | 2,110,349 | 1,939,372 | 4,049,721 |
| Change in net position | 8,685 | (187,885) | (179,200) |
| Net position-beginning | 21,012,528 | 19,884,649 | 40,897,177 |
| Net position-ending | \$ 21,021,213 | \$ 19,696,764 | \$ 40,717,977 |

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

Florida Retirement System

Florida Retirement System (FRS) and Retiree Health Insurance (HIS) Program

In fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, for reporting the employers' proportionate share of the net pension liabilities for the FRS and HIS defined benefit pension plans.

Detailed information about FRS and HIS Pension Plans' fiduciary net positions are available in the separately issued FRS Comprehensive Annual Financial Report (CAFR). The FRS CAFR is available by mail P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone at (850) 907-6500; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (http://www.dms.myflorida.com/workforce_operations/retirement/publications).

Plan Description. All non-uniformed full-time employees of the City hired prior to January 1, 1996 participate in the Florida Retirement System, a cost-sharing multiple-employer defined benefit public employee retirement system (PERS) administered by the State of Florida Department of Administration. The Florida Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to Florida Division of Retirement, P.O. Box 13300, Tallahassee, Florida 32308.

FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Annual cost of living adjustments are based on the participant's years of service prior to July 1, 2011. Chapter 121 of the Florida Statutes assigns the authority to establish and amend benefit provisions to the Department of Management Services through the Division of Retirement.

Benefits are computed on the basis of age, average final compensation, and service credit. Regular class employees who retire at or after age 65 with 8 years of credited service (age 62 with 6 years of service if enrolled prior to July 1, 2011) regardless of age are entitled to a retirement benefit payable monthly for life equal to 1.6% to 1.68% (depending on their service class) of their average final compensation for each year of credited service. Final average compensation is the employee's average of the five highest years of salary earned during credited service.

Vested employees with less than 33 years of service (30 years of service if enrolled prior to July 1, 2011), may retire before normal retirement age and receive benefits that are reduced 5% for each year prior to normal retirement age or date.

The FRS Deferred Retirement Option Program (DROP) is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. While in DROP, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn interest compounded monthly, equivalent to an effective annual rate of 6.5%.

The election to participate in DROP must be made within 12 months of the member's normal retirement date, unless the member is eligible to defer the election. To participate for the maximum DROP period, the member must enter DROP upon first reaching eligibility for normal retirement, or upon reaching an eligible deferral date as described below:

- A member of the Regular Class, Elected Officers' Class, or the Senior Management Service Class who reaches his or her normal retirement date before reaching age 57 may defer DROP entry until age 57 and still participate for 60 months.
- A member of the Elected Officers' Class who reaches his or her normal retirement date during a term of office may defer the DROP election until the next succeeding term in that office and still participate for up to 60 months or until the end of the succeeding term, whichever is less.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

Upon termination, the DROP account is paid out as a lump-sum payment, a rollover, or a combination partial lump-sum payment and rollover, and monthly benefits are paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years.

In most cases, the DROP participant must cease employment after a maximum of 60 months in DROP, must satisfy the termination requirements for retirement, and is subject to reemployment restrictions thereafter. However, effective July 1, 2002, a DROP participant who holds an elective office covered by the Elected Officers' Class may end DROP participation and postpone compliance with termination requirements and reemployment limitations until he or she no longer holds the elective office (including consecutive terms in the same office). For the period of time between the end of DROP participation and termination, no retirement credit is earned and the member's DROP accumulation accrues no additional monthly benefits (but continues to earn interest).

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. The FRS requires a 3% contribution for members effective July 1, 2011. Governmental employers are required to make contributions based on statewide rates. The FRS establishes contributions based on the state fiscal year, which begins July 1st. For the period of October 1, 2014 to June 30, 2015, the contribution rates, by job class, were as follows: regular employees 7.37%, senior management 21.14%, and DROP participants 12.28%. The City's contribution includes .04% for an administrative and educational fee. For the period of July 1, 2015 to September 30, 2015, the contribution rates, by job class, were as follows: regular employees 7.26%, senior management 21.43%, and DROP participants 12.88%. The City's contribution includes .04% for an administrative and educational fee. FRS also provides disability and survivors' benefits. Benefits are established by Florida State Statute. The contribution requirements of employers are established and may be amended by the Division of Retirement.

Plan Funding. The Florida Retirement System requires a 3% contribution for members effective July 1, 2011. Governmental employers are required to make contributions to the FRS based upon statewide rates established by FRS in conjunction with the state fiscal year, which begins July 1. For the period of October 1, 2014 to June 30, 2015, and July 1, 2015 to September 30, 2015, the contributions rates for regular employees was 7.37% and 7.26% respectively. A plan participant who is eligible to receive a normal retirement pension may elect to defer receipt of such retirement benefits and participate in the Deferred Retirement Option Plan (DROP). The participant may elect to continue employment from 12 to 60 months, while his/her pension benefit is invested in the plan. The City contributed the required amount for 28 employees as shown below:

| | <u>2014-15</u> | <u>2013-14</u> | <u>2012-13</u> |
|------------------------------|----------------|----------------|----------------|
| General Fund | \$ 45,861 | \$ 64,153 | \$ 62,309 |
| Water and Sewer Utility Fund | 13,425 | 15,636 | 13,156 |
| Sanitation Fund | 3,437 | 5,581 | 4,477 |
| Fleet Maintenance Fund | 3,460 | 5,069 | 3,788 |
| Total Contributions | \$ 66,183 | \$ 90,439 | \$ 83,730 |

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015 the City reported a liability of \$521,239 for its proportionate share of the FRS Pension Plan net pension liability. The City's proportionate share of the total FRS net pension plan liability was .004035504%. For the year ended September 30, 2015, the City recognized pension expense of \$29,379 for the FRS Pension Plan. At September 30, 2015 the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|----------------------------------|---------------------------------|
| Differences between expected and actual experience | \$ 55,027 | \$ (12,362) |
| Changes of assumptions | 34,596 | - |
| Net difference between projected and actual earnings | - | (124,463) |
| Subtotal | 89,623 | (136,825) |
| Changes in City proportion | - | (36,524) |
| City contributions subsequent to the measurement date | 26,046 | - |
| Total | \$ 115,669 | \$ (173,349) |

The deferred outflows of resources related to pensions totaling \$26,046 resulting from City contributions subsequent to the measurement date and net deferred inflows totaling (\$36,524) from changes in City proportion, will be recognized as an increase of the net pension liability in the year ended September 30, 2016. Other amounts reported for the FRS Pension Plan as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized in pension expense as follows:

Year ended September 30:

| | |
|-------------|-------------|
| 2016 | \$ (7,887) |
| 2017 | (7,887) |
| 2018 | (7,887) |
| 2019 | (7,887) |
| 2020 | (4,193) |
| Thereafter* | (783) |
| | \$ (36,524) |

* Note that additional future deferred inflows and outflows of resources may impact these numbers.

Actuarial Assumptions – The total pension liability for the FRS Pension Plan was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below:

| | |
|---------------------------------------|---|
| Valuation Date | July 1, 2014 |
| Measurement Date | September 30, 2014 |
| Discount Rate | 7.65% |
| Investment rate of return | 7.65% |
| Inflation | 2.60% |
| Salary increases, including inflation | 3.25% |
| Mortality | Genrational RP-2000 with projection scale BB |
| Actuarial cost method | Entry age normal |

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

The actuarial assumptions that determined the total pension liability of the FRS Pension Plan as of June 30, 2014, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The changes in actuarial assumptions for demographic and economic assumptions (all of the above assumptions except actuarial cost method) correspond to changes in the same assumptions in the FRS actuarial study for funding purposes. These changes were approved by the 2014 FRS Actuarial Assumptions Conference. The changes are explained below:

- The discount rate and long-term expected rate of return, net of investment expense were both reduced since the prior actuarial valuation by 0.10 percent from 7.75 percent to 7.65 percent to increase the likelihood that FRS will meet or exceed its assumed investment return in future years.
- The assumed inflation rate was decreased from 3.00 percent in July 1, 2013 valuation to 2.60 percent in the July 1, 2014 valuation in order to bring the rate in line with the combined Social Security intermediate long-term and lower near term assumptions.
- The salary increase assumption, including inflation was decreased by 0.75 percent from 4.00 percent to 3.25 percent. The decrease was due to two factors, a decrease in inflation as previously explained and a decrease in real wage growth. The decrease in real wage growth was made to better align with the trailing 10-year growth in payroll as well as to be in a reasonable range based on observed national data and the Social Security Administration's forward-looking assumption sets.
- The mortality assumption was changed to incorporate Projection Scale BB in the July 1, 2014 actuarial valuation, in place of the Projection Scale AA previously used. The use of Scale BB allowed FRS to use a standard Society of Actuaries mortality table for each membership class/gender group without additional adjustment.

Discount Rate – The discount rate used to measure the total pension liability for the FRS Pension Plan disclosed above is based on a projection of cash flows that assumed that employee contributions will be made at the current contribution rate and the contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the FRS Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

Long-Term Expected Rate of Return – To develop an analytical basis for the selection of the long-term assumption for the FRS Pension Plan, the 2014 FRS Actuarial Assumptions conference reviews long-term assumptions developed by multiple contracted capital market assumptions teams. The table below shows resulting assumptions for each of the asset classes in which the plan was invested based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The expected real rate of return is presented in arithmetic means.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

| Asset Class | Target Allocation | Long-Term Arithmetic Expected Real Rate of Return |
|-----------------------------|----------------------|--|
| Cash | 1.0% | 3.11% |
| International-Term Bonds | 18.0% | 4.18% |
| High Yield Bonds | 3.0% | 6.79% |
| Broad US Equities | 26.5% | 8.51% |
| Developed Foreign Equities | 21.2% | 8.66% |
| Emerging Market Equities | 5.3% | 11.58% |
| Private Equity | 6.0% | 11.80% |
| Hedge Funds/Absolute Return | 7.0% | 5.81% |
| Real Estate (Property) | 12.0% | 7.11% |
| Total | <u>100%</u> | |

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate of 7.65 percent. Also presented is what the City's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

| | 1% Decrease 6.65% | Rate 7.65% | 1% Increase 8.65% |
|---|----------------------|---------------|----------------------|
| City's Proportionate Share of the FRS Pension Plan Net Pension Liability | \$ 526,451 | \$ 521,239 | \$ 476,152 |

Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

Plan Description – The HIS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system in order to assist such retired members in paying the costs of health insurance. Persons are eligible for health insurance subsidy payments who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system except those individuals who are pension recipients under Section 121.40, 237.08(18)(a) and 250.33, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the Florida Retirement System and:

- For a member of the FRS investment plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes.
- For a member of FRS defined benefit pension plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

Any person retiring on or after July 1, 2001, as a member of the FRS including a member of the investment plan, must satisfy the vesting requirements for his or her membership class under the pension plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability per provisions under Chapter 112, Florida Statutes.

Benefits Provided – The benefit of the HIS Pension Plan is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Department of Management Services, Division of Retirement. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare. Terms of the benefits provided by the Plan may be amended only by the State Legislature with a change in the Statutes governing the Plan.

Contributions – The HIS Pension Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2015, the contribution rate was 1.26 percent of payroll pursuant to section 112.363, Florida Statutes. There are no employee contributions required for the HIS Pension Plan. HIS Pension Plan contributions are deposited in a separate trust fund from which HIS payments are authorized.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015 the City reported a liability of \$467,719 for its proportionate share of the HIS Pension Plan net pension liability. The City’s proportionate share of the total HIS net pension plan liability was .004586189%.

For the year ended September 30, 2015, the City recognized pension expense of \$33,393 for the HIS Pension Plan. At September 30, 2015 the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$ - | \$ - |
| Changes of assumptions | 36,767 | - |
| Net difference between projected and actual earnings | <u>253</u> | <u>-</u> |
| Subtotal | 37,020 | - |
| Changes in City proportion | - | (7,887) |
| City contributions subsequent to the measurement date | <u>6,315</u> | <u>-</u> |
| Total | <u>\$ 43,335</u> | <u>\$ (7,887)</u> |

The deferred outflows of resources related to pensions totaling \$6,315 resulting from City contributions subsequent to the measurement date and deferred inflows totaling (\$7,887) from changes in City proportion, will be recognized as an increase of the net pension liability in the year ended September 20, 2016. Other amounts reported for the FRS Pension Plan as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized in pension expense as follows:

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

Year ended September 30:

| | |
|-------------|-------------------|
| 2016 | \$ (1,492) |
| 2017 | (1,492) |
| 2018 | (1,492) |
| 2019 | (1,492) |
| 2020 | (1,491) |
| Thereafter* | <u>(428)</u> |
| | <u>\$ (7,887)</u> |

* Note that additional future deferred inflows and outflows of resources may impact these numbers.

Actuarial Assumptions – The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of the valuation date, calculated based on the discount date and actuarial assumptions below, and was then projected to the measurement date.

| | |
|---------------------------------------|---|
| Valuation Date | July 1, 2014 |
| Measurement Date | September 30, 2014 |
| Discount Rate | 4.29% |
| Investment rate of return | 4.29% |
| Inflation | 2.60% |
| Salary increases, including inflation | 3.25% |
| Mortality | Genrational RP-2000 with projection scale BB |
| Actuarial cost method | Entry age normal |

The actuarial assumptions that determined the total pension liability of the HIS Pension Plan as of June 30, 2014, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate – In general the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Pension Plan is essentially funded on a pay as you go basis, the depletion date is considered to be immediate, and the single rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 30-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Long-Term Expected Rate of Return – as stated above, the HIS Pension Plan is essentially funded on a pay as you go basis. As such, there is no assumption for a long-term expected rate of return on a portfolio, no assumption for cash flows into and out of the pension plan, or assumed asset allocation.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 4.29 percent. Also presented is what the City's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.29 percent) or 1-percentage-point higher (5.29 percent) than the current rate:

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

| | 1% Decrease 3.29% | Rate 4.29% | 1% Increase 5.29% |
|---|----------------------|---------------|----------------------|
| City's Proportionate Share of the HIS Pension Plan Net Pension Liability | \$ 463,042 | \$467,719 | \$ 442,977 |

Defined Contribution Plan – 401(a) Retirement Plan

Plan Description. Beginning January 1, 1996, the City’s new general employees participate in the ICMA Retirement Plan, which is qualified under Section 401(a) of the Internal Revenue Code. This is a money-purchase-retirement-program, administrated by the Retirement Corporation, providing vesting according to the following schedule:

- After 2 years = 20% vesting
- After 3 years = 40% vesting
- After 4 years = 60% vesting
- After 5 years = 80% vesting
- After 6 years = 100% vesting

Plan Funding. The plan, as established by Resolution 186-95, applies to all employees, except public safety employees. The City contributes to the plan at a rate of 10% of employee salaries and wages which amount to \$466,883 for Fiscal Year 2013-14. The plan is non-contributory, which means employees are not allowed to contribute to the plan, unless the plan is amended pursuant to Section 14.05. Normal retirement age is 59. A second plan was established January 4, 1999, for the City Manager which exactly mirrors the general employee plan provisions described above except that the City Manager's plan provides immediate 100% vesting and has a contribution rate of 15%, which amounted to \$20,253 for the fiscal year. As of September 30, 2014, 117 general employees participated in the plan, along with the City Manager.

Deferred Compensation Plan. The City offers its employees a tax-deferred compensation plan meeting the requirements of Internal Revenue Code Section 457. The plan was established by City ordinance that appointed ICMA Retirement Corporation and Nationwide as plan administrators. The City’s fiduciary responsibility is to remit employee deferred compensation to the administrator on a regular basis. The deferred compensation is not available to employees until termination, retirement, death, or emergency.

Basis of Accounting. The ICMA Retirement Plan’s financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

2. Postemployment Benefit Obligations:

Other Postemployment Benefits

OPEB Plan Description. The City provides the following health-related benefits to retirees and certain other employees: (a) The City is required by Florida Statute 112.0801 to allow retirees and certain other former employees to buy healthcare coverage at the same “group insurance rates” current employees are charged. Although retirees pay for healthcare at group rates, they are receiving a valuable benefit because they can buy insurance at costs that are lower than the costs associated with the experience rating for their age bracket. The availability of this lower cost health insurance represents an “implicit subsidy” for retirees. (b) The City offers a monthly flexible benefit amount (stipend) of 5% for each year of service up to the maximum of \$618 per month. The retiree must have been employed by the City for at least ten years and receive normal

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

or early retirement benefits from his/her retirement plan. The stipend is payable to regular retired employees from ages 62 to 65 and to special risk retired employees from the age they are eligible to retire to 65. The stipend may be used to offset any medical, dental, vision, cancer indemnity, intensive care, hospital indemnity, and personal accident insurance costs. Although the implicit subsidy is the result of state law when healthcare is offered as an employee benefit, the stipend is no longer available for employees to who began employment after November 1, 2005. The City does not issue a separate stand-alone financial report for the OPEB Fund; however, GAAP financial reports are provided within this report.

Annual OPEB Cost and Net OPEB Obligation. The actuary’s estimate of the City accrued OPEB liability, also known as Actuarial Accrued Liability, which approximates the present value of all future expected postemployment medical premiums and administrative costs, which are attributable to the past service of active and retired employees, was \$8,199,010 at September 30, 2015. The actuary also estimates the City’s Annual Required Contribution (ARC), which is the portion of the total Actuarial Accrued Liability allocated to the current fiscal year needed to pay both normal costs (current and future benefits earned) and to amortize the Unfunded Actuarial Accrued Liability (past benefits earned, but not previously funded). The City’s estimated ARC for fiscal year 2015 was \$681,300. The Net OPEB Obligation is the net amount for which the City would be obligated and is equivalent to the prior years’ Net OPEB Obligation plus the Annual OPEB Cost less amounts paid by the City. Liquidation of the net other postemployment benefit obligation is borne by all funds based on number of employees. The City’s Net OPEB Obligation at September 30, 2015, was \$2,106,294, as noted in the following table:

| | |
|--|----------------------------|
| Annual required contribution | \$ 681,300 |
| Interest on net OPEB obligation | 93,524 |
| Adjustment to annual required contribution | <u>(122,096)</u> |
| Annual OPEB cost (expense) | 652,728 |
| Contributions made | <u>(624,740)</u> |
| Increase in net OPEB obligation | 27,988 |
| Net OPEB obligation – beginning | <u>2,078,306</u> |
| Net OPEB obligation – ending | <u><u>\$ 2,106,294</u></u> |

Contributions made include an estimate of the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums. The City’s three-year trend information for annual OPEB cost, contributions made, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

| Fiscal Year Ended | Annual OPEB Cost | Annual Contribution Made | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------------|------------------------|--------------------------------|--|---------------------------|
| 9/30/2015 | \$ 652,728 | \$ 624,740 | 95.71% | \$2,106,294 |
| 9/30/2014 | 648,668 | 524,603 | 80.87% | 2,078,306 |
| 9/30/2013 | 650,921 | 487,083 | 74.83% | 1,954,240 |

Funding Policy, Status, and Progress. Because “funding” the OPEB obligations as defined by GASB Statement No. 45 would involve using an irrevocable trust fund, the City did not “fund” the net OPEB obligation, but instead chose to appropriate and contribute an equivalent amount to the Internal Service Fund. As of September 30, 2015, all assets and liabilities within the OPEB internal service fund were transferred to the City’s governmental and enterprise funds. Each fund was assessed its share of OPEB costs based on the number of employees in the fund divided by the total number of

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

City employees. Even though money was set aside to offset the net OPEB obligation, the City has no legal or contractual obligation to do so. The funded status of the plan as of September 30, 2015, was as follows:

| | Amount Funded |
|---|-----------------|
| Actuarial valuation date | October 1, 2015 |
| Actuarial value of plan assets | \$ - |
| Actuarial accrued liability (AAL) | \$ 8,199,010 |
| Unfunded actuarial accrued liability (UAAL) | \$ 8,199,010 |
| Actuarial value of plan assets/AAL (funded ratio) | 0.0% |
| Covered payroll (active plan members) | \$ 11,133,071 |
| UAAL as a percentage of covered payroll | 74% |

GASB Statement No. 45 states that an actuarial valuation should be performed at least biennially for plans with 200 or more total members given that significant changes have not occurred since the previous valuation.

Actuarial valuations. This actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, healthcare costs, 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 constant revision as actual experience is compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

The assumptions and methods related to the actuarial valuation results are based on the Fiscal Year 2015 GASB 45 Actuarial Report dated February 22, 2016. It is noted that the Participation Assumption used to develop the Fiscal Year 2015 results was changed from 80% in the 2011 valuation to 40%. The change was determined after a review of historic experience and consultation with City personnel. The Fiscal Year 2015 report uses age-adjusted premiums for the pre-Medicare retiree-only group, which directly reflects the cost of coverage based on related premium rates. A copy of the actuarial report can be obtained from the Finance Department by calling 813.506.6410.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as it is administered) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing 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. Actuarial calculations reflect a long-term perspective, and, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The Entry Age Normal actuarial cost method was used in the September 30, 2015, actuarial valuation. Other actuarial assumptions included:

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

| | |
|---------------------------------------|---|
| Funding Interest Rate: | 4.5% |
| Health Care Inflation: | Actual rate used for 2015, then 8% in 2016 decreasing each year until reaching an ultimate rate of 5% in 2022 |
| Flexible Benefit Inflation: | 0% for all years |
| Payroll Growth/Inflation: | NA |
| Amortization of UAAL: | |
| Method/Period | Level Dollar -- Open / 30 years |
| Health Care Participation: | 40% of future retirees will elect medical coverage at retirement with 25% electing spouse coverage |
| Number of Active Participants: | 283 |
| Average Current Age | 39.5 |
| Average Years of Past Service | 7.6 |

Employee Contribution Information. Retirees participating in the group insurance plans offered by the City of Temple Terrace are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. Note that projected employee contributions for the Dental and AFLAC benefits are assumed to cover the entire cost of those respective programs. In addition, the Life and Disability Insurance benefits are currently not offered to retirees.

3. Other Employee Benefits:

a. Vacation and Sick Leave - Unused vacation leave is paid upon an employee's termination. Sick leave not taken is forfeited by terminating employees. The vacation leave is recorded as a liability in the financial statements. Over the past three years the vacation time used is nearly equal with the amount of earned vacation time. Of the \$1,635,851 beginning balance, \$1,504,254 or 92% of that amount was used in the short-term. Since hours continue to accrue, the majority of the liability is recorded as long-term.

b. Post-Retirement Benefits – Based on City of Temple Terrace Rules and Regulations, Section 13-8, retired City employees are eligible to continue participation in the same insurance benefits selected prior to retirement except for additional life insurance, disability, insurance, and deferred compensation. Retirees are eligible to receive the same monthly flexible benefit contribution amount as active City employees less any amount for health insurance subsidy under the retirement plan toward the cost of these benefits until age 65 as discussed in the note regarding other postemployment benefits. Upon reaching age 65, a retiree may elect to continue in the City's group health insurance program, but will not be eligible for the City's flexible benefit contribution. In compliance with GASB 45, the actual costs were recorded in the General Fund as follows:

| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Contribution | \$283,035 | \$285,887 | \$259,972 | \$234,184 | \$229,241 | \$213,930 | \$189,854 |
| Participants | 42 | 40 | 37 | 37 | 34 | 35 | 33 |

4. Long-Term Debt: Revenue bonds and other long-term liabilities directly related to and intended to be paid from Enterprise Funds are included in the business-type activities. All other long-term indebtedness of the City is accounted for in the governmental activities.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

a. Description of Long-Term Debt - Summarized below are the City's long-term debt issues which are outstanding at September 30, 2015:

| | Purpose Of Debt | Original Amount | Amount Outstanding | Interest Rate | Maximum Annual Debt Service |
|---|----------------------|--------------------|-----------------------|------------------|-----------------------------------|
| <u>Business-Type Activities Long-Term Debt</u> | | | | | |
| 2004 W & S Utility Revenue Bonds | Refunding | \$ 3,165,000 | \$ 635,000 | 4.156% | \$ 338,507 |
| Compensated Absences | Accrued Vacation | N/A | 143,925 | | N/A |
| OPEB Obligation | Retiree Insurance | N/A | 103,004 | | N/A |
| Total Business-Type Activities | | \$ 3,165,000 | \$ 881,929 | | |
| <u>Governmental Activities Long-Term Debt</u> | | | | | |
| 2005 Revenue Note | Revenue Note | \$ 3,125,000 | \$ 1,959,429 | 5.45% | \$ 259,330 |
| 2013 Revenue Note | Revenue Note | 24,335,000 | 24,335,000 | 1.15% | 24,614,853 |
| 2015 Revenue Note/Redevelopment | Revenue Note | 1,600,000 | 1,600,000 | 2.95% | 350,030 |
| Compensated Absences | Accrued Vacation | N/A | 1,438,558 | | N/A |
| OPEB Obligation | Retiree Insurance | N/A | 2,003,290 | | N/A |
| Total Governmental Activities | | 29,060,000 | 31,336,276 | | |
| Total Long-Term Debt | | \$ 32,225,000 | \$ 32,218,205 | | |

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

b. Changes in Long-Term Debt - During the fiscal year ended September 30, 2015, the following changes in long-term debt occurred:

| | 2014 | Additions | Deletions | 2015 | Due Within One Year |
|---|----------------------|---------------------|---------------------|----------------------|------------------------|
| Governmental Activities Long-Term | | | | | |
| 2005 Revenue Note - | | | | | |
| T.T. Golf & Country Club | \$ 2,104,086 | \$ - | \$ 144,657 | \$ 1,959,429 | \$ 152,541 |
| 2013 Revenue Refunding Note | 24,335,000 | - | - | 24,335,000 | - |
| 2015A Refunding Revenue | - | - | - | - | - |
| 2015 Revenue Note/Redevelopment | - | 1,600,000 | - | 1,600,000 | 300,000 |
| Compensated absences – | | | | | |
| accrued vacation | 1,551,519 | 1,219,992 | 1,332,953 | 1,438,558 | 359,640 |
| Net OPEB obligation | 1,691,104 | 457,806 | 145,621 | 2,003,290 | - |
| Net Pension Liability | 26,444,562 | - | 722 | 26,443,840 | - |
| Total governmental activities | \$ 56,126,271 | \$ 3,277,798 | \$ 1,623,953 | \$ 57,780,116 | \$ 812,181 |
| Business-Type Activities Long-Term | | | | | |
| 2003A W & S Utility Revenue Bonds | \$ 470,000 | \$ - | \$ 470,000 | \$ - | \$ - |
| accrued vacation | 153,296 | 117,244 | 126,615 | 143,925 | 35,981 |
| Net OPEB obligation | 387,202 | 63,714 | 347,912 | 103,004 | - |
| Net Pension Liability | 180,181 | 80,541 | - | 260,722 | - |
| Total business-type activities | 2,130,679 | 261,499 | 1,249,527 | 1,142,651 | 345,981 |
| Total long-term debt | \$ 58,256,950 | \$ 3,539,297 | \$ 2,873,480 | \$ 58,922,767 | \$ 1,158,162 |

In July 2009, title of the downtown property was transferred to Vlass Temple Terrace, LLC. In December of 2014 a settlement agreement was reached with Vlass Temple Terrace, LLC to reacquire the downtown property. This resulted in the City borrowing funds to pay the settlement. The 2015 Taxable Non-Ad Valorem Revenue Note in the amount of \$1,600,000 was issued on June 25, 2015. This is a principal and interest payable note to be paid off by October 1, 2020. In September of 2013 the City refinanced the \$21.2 million of the of the 2009 Revenue Note used to purchase the land and buildings in the redevelopment district and \$3 million 2010 Revenue Note used to finance road improvements within the district. The 2013 Revenue Note for \$24.3 million is an interest only note for two years. The 2013 Refunding note comes due shortly after fiscal year 2015 ends. As a subsequent event there were two separate refinancing notes as follows, 2015A Taxable Non-Ad Valorem Refunding Revenue note for \$23,540,000 and 2015B Taxable Non-Ad Valorem Refunding Revenue note for \$870,000, both are interest only, due April 1, 2018. The 2015B note has already been paid off as of October 9, 2015. See the Redevelopment District Note.

Other long-term liabilities, such as compensated absences, are typically liquidated by the individual fund to which the liability is directly associated, specifically General Fund, Water & Sewer Fund, Sanitation Fund, and Fleet Maintenance Fund.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

- c. **Summary of Principal and Interest Requirements (all Series)** - The annual requirements to amortize all outstanding debt except compensated absences, as of September 30, 2015, as follows:

| Payable Fiscal Year Ended September 30, | GOVERNMENTAL ACTIVITIES | | | | | |
|---|--------------------------------|------------------|---------------------|------------------|---------------------|-------------------|
| | 2005 | | 2013 | | 2015 | |
| | Revenue Note | | Revenue Note | | Revenue Note | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2016 | \$ 152,541 | \$106,789 | \$24,335,000 | \$139,926 | \$ 300,000 | \$ 47,200 |
| 2017 | 160,855 | 98,475 | - | - | 310,000 | 38,350 |
| 2018 | 169,621 | 89,709 | - | - | 320,000 | 29,205 |
| 2019 | 178,866 | 80,464 | - | - | 330,000 | 19,765 |
| 2020 | 188,614 | 70,716 | - | - | 340,000 | 10,030 |
| 2021 | 198,893 | 60,437 | - | - | - | - |
| 2022 | 209,733 | 49,597 | - | - | - | - |
| 2023 | 221,163 | 38,167 | - | - | - | - |
| 2024 | 233,217 | 26,113 | - | - | - | - |
| 2025 | 245,926 | 13,403 | - | - | - | - |
| | \$1,959,429 | \$633,870 | \$24,335,000 | \$139,926 | \$ 1,600,000 | \$ 144,550 |
| | (d) | | (e) | | (f) | |

- d. **2005 Country Club Revenue Note** - On October 26, 2005, the City issued a \$3,125,000 taxable non-ad valorem revenue note, series 2005 at 5.45% with Wachovia Bank on behalf of Temple Terrace Golf and Country Club to pay off notes 323 and 364 and utilize the remaining proceeds of \$125,496 to construct a maintenance facility. Payment of the loan is secured by a lien upon and a pledge of non-ad valorem funds budgeted and appropriated for purposes of payment. Principal and interest on the note will be paid semi-annually commencing April 1, 2006, with the final payment due October 1, 2025. The source of funds for this payment is generated from the Temple Terrace Golf Club reimbursement, which include 0.5% surcharge over the rate on the note. This surcharge was eliminated on October 6, 2009, per Resolution 127-09.

The principal amount owed to the City from the Golf and Country Club is recorded as a receivable in government-wide long-term assets and short-term assets offset by the principal amount owed to Wachovia Bank in the Debt Service Fund.

- e. **2013 Taxable Non Ad Valorem Revenue Note**, On September 25, 2013, the City issued a \$24,335,000 taxable non-ad valorem revenue note at a fixed rate of 1.15% with PNC to refund the two balloon notes with variable rates. The first refunded issue, \$21,198,748 with SunTrust Bank, had a variable rate of the 1-month LIBOR rate plus 2.57%, was set to mature March 5, 2014. The second, \$21,198,748 with Regions, had a variable rate of the 1-month LIBOR plus 1.75 %, was due to mature September 30, 2013. The new note with PNC matures on October 15, 2015, and interest is paid on April 1 and October 1. Payment of the loan is secured by a lien upon and a pledge of non-ad valorem funds budgeted and appropriated for purposes of payment. As a subsequent event this loan has been refinanced and a portion of the principal paid off in the following fiscal year.
- f. **2015 Taxable Non Ad Valorem Revenue Note**, On June 25, 2015, the City issued a \$1,600,000 taxable non-ad valorem revenue note at a fixed rate of 2.95% with PNC Bank. The principal and interest will be paid off by October 1, 2020.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

| Payable Fiscal Year Ended September 30, | BUSINESS-TYPE ACTIVITIES | |
|---|---------------------------------|------------------|
| | 2004 W&S Revenue Bonds | |
| | Principal | Interest |
| 2016 | \$ 310,000 | \$ 26,391 |
| 2017 | 325,000 | 13,508 |
| 2018 | - | - |
| | \$ 635,000 | \$ 39,899 |

(g)

- g. 2004 Water & Sewer Refunding Revenue Bonds** - On July 15, 2004, the City of Temple Terrace issued \$3,165,000 of Water and Sewer Refund Bonds, Series 2004. The bonds were issued to call the outstanding 1997 Series Water and Sewer Revenue Refunding Bonds issued on January 22, 1997, which themselves were issued to refund the Series 1992 bonds dated November 1, 1992. The interest rate on the bonds is 4.156% with final maturity on October 1, 2017. Debt Service payments are paid semiannually. This transaction meets the criteria of an in-substance defeasance, inasmuch as assets were placed into an irrevocable escrow to be used for the purpose of making principal and interest payments on the old debt. The City no longer has any in-substance defeased debt outstanding since the refunded bonds were called and paid prior to year-end. The aggregate difference in debt service between the refunded debt and the refunding debt was \$198,897 savings under the refunding stream, resulting in a net present value gain of \$10,494 on the refunding.

C. CONDUIT DEBT

On December 2, 2003, City Council authorized the issuance of revenue bonds in the principal amount of \$15,000,000 for construction of two hospice facilities in Temple Terrace and Ruskin by LifePath Hospice and Palliative Care, Inc., which were delivered on December 11, 2003. On August 4, 2009, City Council authorized amendments and the interest rate conversion of \$13,827,500 Revenue Bonds (LifePath Hospice Project), Series 2003 consisting of one fully registered Bond, to SunTrust Bank, dated September 1, 2009, bearing interest at the Bank Rate, and maturing on December 1, 2030. Interest rate is variable based on the LIBOR index. Interest payments are made over a twenty-seven year period, with principal payments beginning December 1, 2006, and maturing December 1, 2030. These conduit bonds do not constitute an indebtedness of the City of Temple Terrace, but are payable solely from the revenues derived from the operation of the hospice facilities. The aggregate amount of the debt obligation outstanding at September 30, 2012, totaled \$12,550,000, with the payment of \$105,000 due December 1, 2012.

D. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statement of net position and balance sheet includes a separate section for deferred inflows of resources. The balance represents business licenses received in advance totaling \$169,873, which is reported as deferred inflows of resources in the statement of net position and the governmental funds balance sheet. Deferred inflows of resources should be reported when resources associated with imposed nonexchange revenue transactions are received before the period when resources are required to be used or when use is first permitted for all other imposed nonexchange revenues in which the enabling legislation includes time requirements.

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

NOTE IV - OTHER INFORMATION

A. RISK FINANCING

The City is subject to losses in the normal course of operations resulting from general liability, property and casualty, workers' compensation, employee health and accident, environmental and antitrust matters. The City has purchased commercial insurance to protect against employee dishonesty and employee health losses. The City participates in a self-insurance program for purposes of protecting against workers' compensation losses; real and personal property losses; automobile damage; and general liability, including malpractice, employment practices liability insurance and errors and omissions. Further, the City transfers risk, whenever possible, through hold-harmless clauses and insurance requirements in all contracts, leases and agreements. The City has maintained the same insurance coverage for years. Settled claims have not exceeded commercial coverage in any of the past five fiscal years.

On October 1, 2000, the City entered into an intergovernmental cooperative agreement with Public Risk Management of Florida (PRM), a risk management and self-insurance association, for the purpose of reducing and limiting member casualty and property losses and employee injuries caused by or arising out of the operations of its members. The pool processes claims, performs investigations, provides defense and settlement when claims arise. PRM administers a risk management pool and utilizes such funds to defend and protect any members of the pool against liability for a covered loss. All funds contained within the pool are funds directly derived from its members who are public agencies of the State of Florida. The relationship is a joint self-insurance or self-funded program using governmental funds. The purchase of liability insurance by the pool or any of its members is not intended to, and does not, waive sovereign immunity. The pool and the members of the pool do not intend to waive sovereign immunity through their use of public funds retained within the pool. Such funds are not intended to constitute the existence, issuance or purchase of a policy for insurance. And the pool is not treated as an "insurer" within the meaning of any State legislation. Among other things, the powers of the pool include the purchase of aggregate excess insurance and specific excess insurance to supplement the risk management pool. The City is obligated to make payments to the pool, select a representative to serve on the Board of Directors, allow attorneys employed by the pool to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City, and to follow operations and loss reduction and prevention procedures established by the pool.

Public Risk Management (PRM) is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool required additional funding to satisfy all claims. The City is not aware of any contingent assessments. As of fiscal year ended September 30, 2015, the city experienced an increased renewal rate of 4%, which is below the market trend of 10%%.

The City has a "claims reporting period" that coincides with the fiscal year. Renewal premium quotes are typically available in June prior to the beginning of the fiscal year. The information below reflects the changes in the workers' compensation claims liabilities during the past two years:

| | 2014-15 | 2013-14 |
|--------------------------------|-------------------|------------------|
| Reserves - beginning | \$ 60,811 | \$ 98,661 |
| Incurred claims experience | 369,341 | 153,814 |
| Claims paid, net of recoveries | 126,059 | (136,511) |
| Reserves - ending | <u>\$ 247,681</u> | <u>\$ 60,811</u> |

B. LEASES

1. Temple Terrace Golf and Country Club Lease. On January 1, 1997, the City entered into a 53 year agreement, which expires December 31, 2050, to lease the City-owned golf course to the Temple Terrace Golf and Country Club, Inc. (the Club). The lease is accounted for as an operating lease. All costs and expenses related to the operation of the golf course are

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

borne by the Club. As rental, the City receives a 2% royalty on the gross fees collected by the Club, plus recovery of the property taxes paid by the City on behalf of the Club. Rents received during 2015 amounted to \$48,844.

2. Vlass Temple Terrace, LLC. On July 1, 2009, the City entered into a master developer agreement to share in the profits associated with the lease in the four shopping areas in the southeast quadrant of the downtown redevelopment. The three properties north of Chicago Avenue will provide 50% of the “Net Income” to the City, while the North River Plaza, south of Chicago will generate 95% of net rental income to the City. Annual rent revenue received in 2015 totaled \$0. Rental income declined since the buildings north of Chicago Avenue were demolished. This agreement has since been vacated and the City has reacquired this area of downtown.

C. COMMITMENTS AND CONTINGENCIES

1. On December 15, 1998, the Temple Terrace Golf and Country Club, Inc. (the Club) entered into a loan agreement for \$2.425 million, secured by the improvements made to property leased from the City (See note B above). As additional security to the lender, the City has become a party to the loan agreement as guarantor for the debt that was used to make improvements to the real property. The City would be responsible for the unpaid portion of the debt in the unlikely event that Club defaulted on its loan obligations.

The City’s Auditor originally posted the revenue and receivable in the debt service fund and it was never moved to the general fund when it was realized that the receivable was not current and should have been considered long-term. Under accrual based accounting, receivables not expected to be collected within sixty days should be considered long-term or deferred.

D. REDEVELOPMENT DISTRICT

On July 1, 2009, the City transferred approximately 29 acres of property in the Southeast Quadrant of the redevelopment district to Vlass Temple Terrace, LLC to revitalize the area. This “sale” reduced capital assets by \$19 million, while retaining the debt of \$21.8 million, which was subsequently reduced by \$601,252 in December 2009. Although no cash was transferred at the sale, the City will realize income from the property as construction begins on the property south of Chicago and on the Riverfront.

The master development agreement outlines several commitments on both parts, which include: construction of Main Street (up to \$4 million cost borne by the City), three phases namely “Area A” – North of Chicago, “Area B” – South of Chicago, and “Area C” – Riverfront. The developer is granted an “Overall Project Completion Date” of June 30, 2022. The City will continue to receive a portion of the “Net Operating Income” on the property until construction on certain phases is complete. Subsequent to the agreement, the developer agreed to construct the Center for the Arts building with an asset value to the City of approximately \$2,500,000. Future construction on Area B and C will require payment to the City from the developer up to maximum densities, which would provide a maximum income to the City totaling \$3,500,000 (100,000 square feet of commercial at \$20 per square foot and 100 residential units at \$15,000 per unit) for Area B, and \$1,500,000 (100 residential units at \$15,000 per unit) for Area C.

Based on the developer’s failure to exhibit progress toward meeting its contractual obligations, City Council is seeking remedy in Hillsborough County Circuit Court. A suit was filed February 13, 2014. This has resulted in a settlement and the City reacquiring this property shortly after September 30, 2015.

NOTE V – RESTATEMENT OF PRIOR YEAR BALANCES

The October 1, 2014 beginning net position of the following activities was restated due to the implementation of GASB 68:

CITY OF TEMPLE TERRACE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For Fiscal Year Ended September 30, 2015

Government Activities:

| | |
|--|---------------------|
| Net Position, September 30, 2014 | \$ 28,255,509 |
| Cumulative effect of adoption of GASB No. 68 | <u>(28,834,444)</u> |
| Net Position as restated, September 30, 2014 | <u>\$ (578,935)</u> |

Business-Type Activities:

| | |
|--|----------------------|
| Net Position, September 30, 2014 | \$ 31,537,802 |
| Cumulative effect of adoption of GASB No. 68 | <u>(281,199)</u> |
| Net Position as restated, September 30, 2014 | <u>\$ 31,256,603</u> |

The implementation of GASB Statement No. 68 resulted in the Governmental Activities recording deferred outflows of \$2,892,579; deferred inflows of \$1,129,774 and a net pension liability of \$29,639,726. Additionally, prior year net pension asset of \$1,007,677 (GASB Statement 27 amended) was reversed. Business-type activities recorded deferred outflows of \$41,874; deferred inflows of \$47,673 and a net pension liability of \$260,722.

NOTE VI – SUBSEQUENT EVENTS

A long-term receivable from a developer for various landscaping and roadway improvements incurred by the City in the downtown area was to be repaid by the developer that is reported at \$881,272 in the street improvement fund. Since this asset now meets the availability criterion for recognition as revenue in governmental fund financial statements, there is a present obligation to sacrifice resources at year end and, therefore, it meets the definition of a liability. Since these resources are available for spending within the sixty day time frame to be considered current, the balance has been reclassified as revenue. This was paid in full by the developer, Ryan Companies US, Inc. as of October 9, 2015.



TEMPLE TERRACE

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**CITY OF TEMPLE TERRACE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
For the Fiscal Year Ended September 30, 2015**

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a % of Covered Payroll ((b-a)/c) |
|---|---------------------------------|--|---------------------------|-----------------|--------------------|--|
| | (a) | (b) | (b-a) | (a/b) | (c) | |
| Other Postemployment Benefits Fund | | | | | | |
| 10/1/2015 | | \$ 8,199,010 | \$ 8,199,010 | 0.00% | \$ 11,133,071 | 73.65% |
| 10/1/2014 | - | 8,073,243 | 8,073,243 | 0.00% | 14,583,197 | 55.36% |
| 10/1/2013 | - | 8,073,243 | 8,073,243 | 0.00% | 14,675,312 | 55.01% |
| 10/1/2012 | - | 8,073,243 | 8,073,243 | 0.00% | 10,945,559 | 73.76% |
| 10/1/2010 | - | 11,945,375 | 11,945,375 | 0.00% | 15,677,440 | 76.19% |
| 10/1/2009 | - | 7,664,424 | 7,664,424 | 0.00% | 12,999,358 | 58.96% |
| 10/1/2008 | - | 7,221,940 | 7,221,940 | 0.00% | 12,559,766 | 57.50% |
| Health Insurance Subsidy | | | | | | |
| 10/1/2015 | \$ 467,719 | \$ 467,719 | \$ - | 100.00% | \$ 11,133,071 | 0.00% |
| 10/1/2014 | 429,848 | 429,848 | - | 100.00% | 14,583,197 | 0.00% |
| 10/1/2013 | 409,707 | 409,707 | - | 100.00% | 14,675,312 | 0.00% |

**CITY OF TEMPLE TERRACE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
For the Fiscal Year Ended September 30, 2015**

Notes to the Schedule of Contributions

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

The following are the methods and assumptions used to determine the contribution rates:

Police Officers' Retirement Fund

Valuation Date: 10/1/2013

Funding Method: Entry Age Normal Actuarial Cost Method

Amortization Method: Level Percentage of Pay, Closed.

Remaining Amortization Period: 30 Years (as of 10/01/2013).

Actuarial Asset Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Cost of Living Increases: 3% per year beginning at age 56 (for Members eligible for NR as of 07/01/2012). 3% per year beginning on 10/01/2032 (for future Retirees not eligible for NR as of 07/01/2012).

Salary Increases: 6.5% per year until the assumed retirement age. Projected salary at retirement is increased 10% to account for non-regular payments.

Interest Rate: 7.7% (previously 7.8%) per year, compounded annually, net of investment related expenses.

Payroll Increase: Up to 5% per year (3.33% in 10/1/13 valuation).

Retirement Age: Earlier of: 1.) age 55 and 10 years of service, or 2.) the completion of 20 years of Service, regardless of age. In addition, members who are eligible to retire on the valuation date are assumed to retire one year later.

Early Retirement: Commencing with the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

Tennination Rates: See table below.

Disability Rates: See table below. It is assumed that 75% of disablements and active Member deaths are service related.

Mortality: RP-2000 Combined Healthy Mortality Table. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disabled lives set forward 5 years.

Other Information:

Termination and Disability Rate Table:

| Age | % Terminating | % Becoming |
|-----|-----------------|--------------------------|
| | During the Year | Disabled During the Year |
| 20 | 17.20% | 0.07% |
| 30 | 15.00% | 0.11% |
| 40 | 8.20% | 0.19% |
| 50 | 1.70% | 0.51% |

**CITY OF TEMPLE TERRACE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
For the Fiscal Year Ended September 30, 2015**

Notes to the Schedule of Contributions (Continued)

Firefighters' Retirement Fund

Valuation Date: 10/1/2013
 Funding Method: Entry Age Normal Actuarial Cost Method
 Amortization Method: Level Percentage of Pay, Closed.
 Remaining Amortization Period: 30 Years (as of 10/01/2013).
 Actuarial Asset Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.
 Cost of Living Increases: 3% per year beginning at age 56 to age 70.
 Salary Increases: 6.5% per year until the assumed retirement age. Projected salary at retirement is increased according to frozen balances.
 Interest Rate: 7.6% (previously 7.7%) per year, compounded annually, net of investment related expenses.
 Payroll Increase: 3.7%.
 Retirement Age: Earlier of age 54 and 10 years of service or 20 years of service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
 Early Retirement: Commencing with eligibility for Early Retirement Age (50 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
 Termination Rates: See table below.
 Disability Rates: See table below.
 Mortality: RP-2000 Combined Healthy Mortality Table. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disabled lives set forward 5 years.

Other Information:

Termination and Disability Rate Table:

| Age | % Terminating During the Year | % Becoming Disabled During the Year |
|-----|----------------------------------|--|
| 20 | 9.30% | 0.051% |
| 30 | 7.90% | 0.058% |
| 40 | 4.30% | 0.121% |
| 50 | 1.10% | 0.429% |

**CITY OF TEMPLE TERRACE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
For the Fiscal Year Ended September 30, 2015**

Notes to the Schedule of Contributions (Continued)

General Employees' Retirement Fund

| | |
|---------------------------|--|
| Valuation Date: | 10/1/2014 |
| Funding Method: | Entry Age Normal Actuarial Cost Method |
| Amortization Method: | Level Percentage of Pay, Closed. |
| Participant Data: | Supplied by Plan Sponsor (January 2016) |
| Actuarial Asset Method: | N/A |
| Cost of Living Increases: | N/A |
| Salary Increases: | 3.50% |
| Interest Rate: | N/A |
| Retirement Age: | Age 60 and 10 years of service |
| Early Retirement: | 5% per year at age 50 and 10 years of service |
| Tennination Rates: | None |
| Disability Rates: | None |
| Mortality: | RP-2000 Combined Healthy Mortality Table for males and females projected to 2016 using Scale AA. |

Other Information: Retiree Contribution Trend

| <u>Period</u> | <u>Percentage Trend</u> |
|---------------|-------------------------|
| FY 15/16 | 7.00% |
| FY 16/17 | 6.78% |
| FY 17/18 | 6.56% |
| FY 18/19 | 6.33% |
| FY 19/20 | 6.11% |
| FY 20/21 | 5.89% |
| FY 21/22 | 5.67% |
| FY 22/23 | 5.44% |
| FY 23/24 | 5.22% |
| FY 24/25 | 5.00% |
| Subsequent | 5.00% |

**CITY OF TEMPLE TERRACE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
For the Fiscal Year Ended September 30, 2015**

Schedule of Contributions

| | Police Officers' Retirement Fund | | Firefighters' Retirement Fund | |
|--------------------------------------|---|------------------|--------------------------------------|------------------|
| | 9/30/2015 | 9/30/2014 | 9/30/2015 | 9/30/2014 |
| Actuarially Determined Contribution | \$ 1,727,617 | \$ 1,691,072 | \$ 1,224,862 | \$ 1,227,794 |
| Contributions in relation to the | | | | |
| Actuarially Determined Contributions | <u>1,727,617</u> | <u>1,691,072</u> | <u>1,224,862</u> | <u>1,227,794</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| | | | | |
| Covered Employee Payroll | \$ 3,126,443 | \$ 2,889,864 * | \$ 3,294,335 | \$ 2,688,405 * |
| Contributions as a percentage of | | | | |
| Covered Employee Payroll | 55.26% | 58.52% | 37.18% | 45.67% |

*For the year ending 09/30/2014 the reported Covered Employee Payroll number was based on Pensionable Salary.

CITY OF TEMPLE TERRACE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
For the Fiscal Year Ended September 30, 2015

The following presents the changes in the employer's net pension liability:

| Total Pension Liability | Year Ended September 30, 2015 | | | | | |
|---|-------------------------------|---------------|------------------|---------------|-------------------|--------------|
| | Firefighters' | | Police Officers' | | General Employees | |
| | 9/30/2015 | 9/30/2014 | 9/30/2015 | 9/30/2014 | 9/30/2015 | 9/30/2014 |
| Service Cost | \$ 848,258 | \$ 834,970 | \$ 634,011 | \$ 673,853 | \$ 85,312 | \$ 72,104 |
| Interest | 2,106,949 | 2,001,009 | 2,909,094 | 2,826,257 | 473,024 | 421,471 |
| Changes of benefit terms | - | - | (295,206) | - | - | - |
| Differences between Expected and Actual Experience | (208,861) | - | (7,809) | - | 7,508 | 15,635 |
| Changes of assumptions | 330,207 | - | 444,806 | - | 8,046 | (43,756) |
| Contributions - Buy Back | 3,884 | - | - | - | - | - |
| Benefit Payments, including Refunds of Employee Contributions | (1,870,919) | (1,039,727) | (2,078,269) | (2,071,931) | 26,046 | 27,970 |
| Net Change in Total Pension Liability | 1,209,518 | 1,796,252 | 1,606,627 | 1,428,179 | 268,584 | 493,424 |
| Total Pension Liability - Beginning | 27,828,425 | 26,032,173 | 38,991,553 | 37,563,374 | 252,655 | 746,079 |
| Total Pension Liability - Ending (a) | \$ 29,037,943 | \$ 27,828,425 | \$ 40,598,180 | \$ 38,991,553 | \$ 521,239 | \$ 252,655 |
| Plan Fiduciary Net Position | | | | | | |
| Contributions - Employer | \$ 1,064,455 | \$ 1,064,867 | \$ 1,562,285 | \$ 1,536,551 | \$ 452,386 | \$ 90,703 |
| Contributions - State | 160,407 | 162,928 | 165,332 | 154,522 | - | - |
| Contributions - Employee | 297,030 | 292,410 | 303,704 | 303,725 | - | - |
| Contributions - Buy Back | 3,884 | - | - | - | - | - |
| Net Investment Income | 232,365 | 1,915,275 | 87,712 | 2,236,955 | 28,180 | 27,970 |
| Benefit Payments, including Refunds of Employee Contributions | (1,870,919) | (1,039,727) | (2,078,269) | (2,071,931) | (212,711) | (81,082) |
| Administrative Expense | (49,011) | (48,151) | (32,080) | (18,966) | 729 | - |
| Net Change in Plan Fiduciary Net Position | (161,789) | 2,347,602 | 8,684 | 2,140,856 | 268,584 | 37,591 |
| Plan Fiduciary Net Position - Beginning | 19,865,209 | 17,517,607 | 21,012,529 | 18,871,673 | (215,064) | (252,655) |
| Plan Fiduciary Net Position - Ending (b) | \$ 19,703,420 | \$ 19,865,209 | \$ 21,021,213 | \$ 21,012,529 | \$ 53,520 | \$ (215,064) |
| Net Pension Liability - Ending (a) - (b) | \$ 9,334,523 | \$ 7,963,216 | \$ 19,576,967 | \$ 17,979,024 | \$ 467,719 | \$ 429,848 |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | | | | | | |
| | 67.85% | 71.38% | 51.78% | 53.89% | 89.73% | -85.12% |
| Covered Employee Payroll | \$ 3,294,335 | \$ 2,688,405 | \$ 3,126,443 | \$ 2,889,864 | \$11,133,071 | \$10,945,559 |
| Net Pension Liability as a percentage of Covered Employee Payroll | 283.35% | 296.21% | 626.17% | 622.14% | 4.20% | 3.93% |

**CITY OF TEMPLE TERRACE, FLORIDA
 REQUIRED SUPPLEMENTAL INFORMATION
 For the Fiscal Year Ended September 30, 2015**

The following presents the annual money weighted rate of return, net of investment expenses:

| | Year Ended September 30, 2015 | | | | | |
|--------------------------------------|--|-----------|-------------------------------------|-----------|--|-----------|
| | Police Officers' Retirement Fund | | Firefighters' Retirement Fund | | General Employees' Retirement Fund | |
| | 9/30/2015 | 9/30/2014 | 9/30/2015 | 9/30/2014 | 9/30/2015 | 9/30/2014 |
| | 9/30/2015 | 9/30/2014 | 9/30/2015 | 9/30/2014 | 9/30/2015 | 9/30/2014 |
| Annual Money Weighted Rate of Return | | | | | | |
| Net of Investment Expense | 0.42% | 11.93% | 1.18% | 10.82% | 4.50% | 4.50% |

Note: Two year's of data is available for GASB 67.



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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Debt Service Fund

The *Debt Service Fund* is established to account for the resources that are restricted, committed, or assigned to expenditure for principal and interest on outstanding bonded debt of the City, exclusive of the bonded debt in the enterprise funds.

The City's **Debt Service Fund** is established in accordance with statutes and/or bond indentures. Its use enhances the attractiveness of bonds to prospective buyers. Inclusion of debt service fund provisions in the indentures indicates to the prospective buyer that the timing of the assets acquisition to satisfy maturing debt has been formalized and a sophisticated administrative approach to servicing the debt will be followed.

CITY OF TEMPLE TERRACE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Fiscal Year Ended September 30, 2015

| | Debt Service Fund | | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|------------------|---|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| REVENUES | | | | |
| Investment Earnings | \$ 1,500 | \$ 1,500 | \$ 3,366 | \$ 1,866 |
| Other | 227,074 | 227,074 | 238,326 | 11,252 |
| Total Revenues | 228,574 | 228,574 | 241,692 | 13,118 |
| EXPENDITURES | | | | |
| Debt Service: | | | | |
| Principal | 144,658 | 144,658 | 144,657 | 1 |
| Interest | 394,527 | 407,114 | 407,071 | 43 |
| Issuance Costs | - | 80,599 | 80,599 | 0 |
| Total Debt Service | 539,185 | 632,371 | 632,327 | 44 |
| Total Expenditures | 539,185 | 632,371 | 632,327 | 44 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (310,611) | (403,797) | (390,635) | (13,162) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 470,391 | 470,391 | 470,391 | - |
| Total Other Financing Sources (Uses) | 470,391 | 470,391 | 470,391 | - |
| Net Change in Fund Balances | 159,780 | 66,594 | 79,756 | (13,162) |
| Fund Balances, Beginning | 2,672,628 | 2,672,628 | 2,672,628 | - |
| Prior Year Adjustment | - | - | (2,705,753) | 2,705,753 |
| Fund Balances, Beginning, as restated | 2,672,628 | 2,672,628 | (33,125) | 2,705,753 |
| Fund Balances, Ending | \$ 2,832,408 | \$ 2,739,222 | \$ 46,631 | \$ (2,718,915) |

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

ENTERPRISE FUNDS

An *Enterprise Fund* is used to account for the acquisition, operation, and maintenance of governmental facilities and services which are entirely or predominately self-supporting by user charges. The significant characteristic of enterprise funds is that the accounting system must be structure to reflect whether the activity is operated at a profit or loss, similar to comparable private enterprises. Thus, the reports of enterprise funds are self-contained and creditors, legislators, or the general public can evaluate the performance of the municipal enterprise on the same basis as they can the performance of investor-owned enterprises in the same industry.

Water and Sewer Utility Fund- To account for the provision of water and sewer services within the City's utility service area. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance and financing, and related debt service.

Sanitation Utility Fund- To account for solid waste collection from customers within the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, and maintenance.

CITY OF TEMPLE TERRACE, FLORIDA
COMBINING STATEMENT OF NET POSITION
ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | Water & Sewer Utility | Sanitation Utility | Totals | |
|--|-----------------------------|-----------------------|----------------------|----------------------|
| | | | 2015 | 2014 |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ 772,775 | \$ 296,982 | \$ 1,069,757 | \$ 437,181 |
| Equity in Pooled Investments | 1,680,340 | 646,100 | 2,326,440 | 1,476,086 |
| Restricted Cash, Cash Equivalents, and Investments: | | | | |
| Accounts Receivable | - | - | - | - |
| Accounts Receivable: | | | | |
| Billed (Net Allowance for Uncollectibles) | 511,864 | 147,446 | 659,310 | 804,355 |
| Unbilled | 549,286 | 230,825 | 780,111 | 659,692 |
| Interest Receivable | 4,593 | 5,765 | 10,358 | 10,359 |
| Inventories | 91,734 | - | 91,734 | 85,483 |
| Total Current Assets | <u>3,610,592</u> | <u>1,327,118</u> | <u>4,937,710</u> | <u>3,473,156</u> |
| Noncurrent Assets: | | | | |
| Restricted Cash, Cash Equivalents, and Investments: | | | | |
| Cash and Cash Equivalents | 1,215,834 | - | 1,215,834 | 634,796 |
| Equity in Pooled Investments | 2,645,109 | - | 2,645,109 | 3,332,678 |
| Interfund Advance Receivable | - | 318,645 | 318,645 | 318,645 |
| Unamortized Bond Issuance Costs | - | - | - | - |
| Capital Assets: | | | | |
| Land | 2,417,358 | - | 2,417,358 | 2,417,358 |
| Buildings | 2,211,172 | - | 2,211,172 | 2,140,996 |
| Machinery, Equipment, and Vehicles | 2,180,769 | 2,903,543 | 5,084,312 | 4,953,947 |
| Infrastructure | 43,895,982 | - | 43,895,982 | 43,175,179 |
| Construction in Progress | - | - | - | 312,448 |
| Less Accumulated Depreciation | (23,962,980) | (2,456,438) | (26,419,418) | (25,272,419) |
| Net Capital Assets | <u>26,742,301</u> | <u>447,105</u> | <u>27,189,406</u> | <u>27,727,509</u> |
| Total Noncurrent Assets | <u>30,603,244</u> | <u>765,750</u> | <u>31,368,994</u> | <u>32,013,628</u> |
| Total Assets | <u>\$ 34,213,836</u> | <u>\$ 2,092,868</u> | <u>\$ 36,306,704</u> | <u>\$ 35,486,784</u> |
| Deferred Outflows of Resources: | | | | |
| Deferred Outflows - Pension Related | <u>33,624</u> | <u>8,250</u> | <u>41,874</u> | <u>-</u> |
| Total Deferred Outflows | <u>33,624</u> | <u>8,250</u> | <u>41,874</u> | <u>-</u> |

CITY OF TEMPLE TERRACE, FLORIDA
COMBINING STATEMENT OF NET POSITION (Continued)
ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | Water & Sewer Utility | Sanitation Utility | Totals | |
|---------------------------------------|-----------------------------|-----------------------|----------------------|----------------------|
| | | | 2015 | 2014 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | \$ 552,629 | \$ 233,666 | \$ 786,295 | \$ 716,944 |
| Accrued Payroll | 34,668 | 16,289 | 50,957 | 44,275 |
| Compensated Absenses | 24,726 | 11,255 | 35,981 | 38,324 |
| Customer Deposits | 1,335,084 | - | 1,335,084 | 1,237,265 |
| Bonds and Leases Payable | 310,000 | - | 310,000 | 775,000 |
| Total Current Liabilities | <u>2,257,107</u> | <u>261,210</u> | <u>2,518,317</u> | <u>2,811,808</u> |
| Noncurrent Liabilities: | | | | |
| Long-term Debt | 325,000 | - | 325,000 | 635,000 |
| Compensated Absenses | 74,179 | 33,765 | 107,944 | 114,972 |
| OPEB Liability | 73,788 | 29,216 | 103,004 | 387,202 |
| Net Pension Liability | 209,363 | 51,359 | 260,722 | - |
| Total Noncurrent Liabilities | <u>682,330</u> | <u>114,340</u> | <u>796,670</u> | <u>1,137,174</u> |
| Total Liabilities | <u>2,939,437</u> | <u>375,550</u> | <u>3,314,987</u> | <u>3,948,982</u> |
| Deferred Inflows of Resources: | | | | |
| Deferred Inflows - Pension Related | 38,282 | 9,391 | 47,673 | - |
| Total Deferred Inflows | <u>38,282</u> | <u>9,391</u> | <u>47,673</u> | <u>-</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 26,107,301 | 447,105 | 26,554,406 | 26,317,509 |
| Restricted For: | | | | |
| Debt Service | 323,195 | - | 323,195 | 802,312 |
| Renewal and Replacement | 658,437 | - | 658,437 | 561,883 |
| Capital Projects | 2,107,326 | - | 2,107,326 | 1,366,013 |
| Total Restricted | 3,088,958 | - | 3,088,958 | 2,730,208 |
| Unrestricted | <u>2,073,482</u> | <u>1,269,071</u> | <u>3,342,553</u> | <u>2,490,085</u> |
| Total Net Position | <u>\$ 31,269,741</u> | <u>\$ 1,716,177</u> | <u>\$ 32,985,918</u> | <u>\$ 31,537,802</u> |

CITY OF TEMPLE TERRACE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ENTERPRISE FUNDS

For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | Water & Sewer Utility | Sanitation Utility | Totals | |
|---|-----------------------------|-----------------------|----------------------|----------------------|
| | | | 2015 | 2014 |
| OPERATING REVENUES | | | | |
| Charges for Services | \$ 10,268,348 | \$ 3,067,196 | \$ 13,335,544 | \$ 12,820,133 |
| Water and Sewer Taps and Extensions | 9,476 | - | 9,476 | 35,931 |
| Recycling | - | 44,602 | 44,602 | 69,684 |
| Other | 296,115 | 8,924 | 305,039 | 345,409 |
| Total Operating Revenues | <u>10,573,939</u> | <u>3,120,722</u> | <u>13,694,661</u> | <u>13,271,157</u> |
| OPERATING EXPENSES | | | | |
| Salaries and Wages | 1,271,092 | 595,925 | 1,867,017 | 1,710,427 |
| Fringe Benefits and Payroll Taxes | 237,986 | 130,970 | 368,956 | 663,803 |
| Sewer Treatment Charges | 4,229,630 | - | 4,229,630 | 3,967,813 |
| Waste Disposal Charges | - | 1,159,224 | 1,159,224 | 929,455 |
| Insurance | 153,188 | 19,300 | 172,488 | 169,304 |
| Utilities and Telephone | 330,735 | 1,684 | 332,419 | 323,495 |
| Vehicle Maintenance | 62,430 | 243,040 | 305,469 | 288,968 |
| Fuel | 62,622 | 141,517 | 204,139 | 261,385 |
| Professional Services | 136,118 | 77,979 | 214,097 | 198,425 |
| Repairs and Maintenance | 378,171 | 3,555 | 381,726 | 267,868 |
| Postage and Office Supplies | 45,943 | 254 | 46,197 | 48,646 |
| Operating Supplies | 339,306 | 24,625 | 363,931 | 364,533 |
| Rental and Lease Costs | 252,420 | 91,356 | 343,776 | 340,061 |
| Other | 23,461 | 362 | 23,823 | 27,076 |
| Depreciation | 1,043,948 | 162,474 | 1,206,421 | 1,220,132 |
| Admin. Charges from Other Funds | 1,326,561 | 439,221 | 1,765,782 | 1,776,271 |
| Total Operating Expenses | <u>9,893,611</u> | <u>3,091,486</u> | <u>12,985,097</u> | <u>12,557,662</u> |
| Operating Income (Loss) | <u>680,328</u> | <u>29,236</u> | <u>709,564</u> | <u>713,495</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Gain (Loss) On Sale of Capital Assets | 15,695 | - | 15,695 | 169 |
| Investment Earnings | 42,807 | 6,020 | 48,827 | (1,112) |
| Interest and Fiscal Charges | (56,497) | - | (56,497) | (209,862) |
| Transfers Out to Debt Service | - | (59,845) | (59,845) | - |
| Total Nonoperating Revenues (Expenses) | <u>2,005</u> | <u>(53,825)</u> | <u>(51,820)</u> | <u>(210,805)</u> |
| Income (Loss) Before Contributions, Special Items, and Transfers | 682,333 | (24,589) | 657,744 | 502,690 |
| Impact Fees Paid by Customers | <u>1,071,571</u> | <u>-</u> | <u>1,071,571</u> | <u>138,580</u> |
| Change in Net Position | 1,753,904 | (24,589) | 1,729,315 | 641,270 |
| Net Position - Beginning | 29,741,644 | 1,796,158 | 31,537,802 | 63,383 |
| Prior Period Adjustment - Pension Related | <u>(225,807)</u> | <u>(55,392)</u> | <u>(281,199)</u> | <u>-</u> |
| Net Position - Beginning, as restated | 29,515,837 | 1,740,766 | 31,256,603 | 30,797,074 |
| Net Position - Ending | <u>\$ 31,269,741</u> | <u>\$ 1,716,177</u> | <u>\$ 32,985,918</u> | <u>\$ 31,438,344</u> |



TEMPLE TERRACE

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**CITY OF TEMPLE TERRACE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS**

**For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014**

| | 2015 | | | 2014 |
|--|-----------------------------|-----------------------|---------------------|---------------------|
| | Water & Sewer Utility | Sanitation Utility | Total | Actual |
| Cash Flows From Operating Activities: | | | | |
| Cash Received from Customers | \$ 10,201,388 | \$ 3,120,041 | \$ 13,321,429 | \$ 13,028,266 |
| Cash Payments to Suppliers | (5,556,018) | (1,781,835) | (7,337,853) | (6,465,704) |
| Cash Payments to Employees | (1,502,737) | (956,556) | (2,459,293) | (2,340,821) |
| Cash Payments to Other Funds | (1,641,411) | (773,617) | (2,415,028) | (2,447,028) |
| Other | 296,115 | 8,924 | 305,039 | 317,580 |
| Net Cash Provided by (Used for) Operating Activities | <u>1,797,337</u> | <u>(383,043)</u> | <u>1,414,294</u> | <u>2,092,293</u> |
| Cash Flows from Noncapital Financing Activities: | | | | |
| Cash Received from the OPEB Internal Service Fund | 73,788 | 29,216 | 103,004 | - |
| Cash Loaned to Other Funds | - | (318,645) | (318,645) | (121,824) |
| Interest Paid on Customer Deposits | (1,209) | - | (1,209) | (1,828) |
| Net Cash (Used for) Noncapital Financing Activities | <u>72,579</u> | <u>(289,429)</u> | <u>(216,850)</u> | <u>(123,652)</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Principal Payments on Long-term Debt | (775,000) | - | (775,000) | (735,000) |
| Interest Payments on Long-term Debt | (54,623) | - | (54,623) | (81,363) |
| Fiscal Charges | (620) | - | (620) | - |
| Acquisition and Construction of Capital Assets | (836,295) | 912,665 | 76,370 | (1,304,676) |
| Proceeds from Sale of Capital Assets | 15,695 | - | 15,695 | 2,559 |
| Impact Fees Paid by Customers | 1,071,571 | - | 1,071,571 | 31,432 |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | <u>(579,272)</u> | <u>912,665</u> | <u>333,393</u> | <u>(2,087,048)</u> |
| Cash Flows from Investing Activities: | | | | |
| Interest and Dividends on Investments | (42,807) | (6,020) | (48,827) | 55,379 |
| Sale (Purchase) of Investments | 4,593 | 5,765 | 10,358 | - |
| Net Cash Provided by Investing Activities | <u>(38,214)</u> | <u>(255)</u> | <u>(38,469)</u> | <u>55,379</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 1,252,430 | 239,938 | 1,492,369 | (63,028) |
| Cash and Cash Equivalents, October 1 | <u>5,061,628</u> | <u>703,144</u> | <u>5,764,772</u> | <u>5,943,769</u> |
| Cash and Cash Equivalents, September 30 | <u>6,314,058</u> | <u>943,082</u> | <u>7,257,141</u> | <u>5,880,741</u> |
| Cash and Cash Equivalents at End of Year Consists of: | | | | |
| Cash and Cash Equivalents | 1,988,609 | 296,982 | 2,285,591 | 1,071,977 |
| Equity in Pooled Investments | 4,325,449 | 646,100 | 4,971,549 | 4,808,764 |
| Total Cash and Cash Equivalents at End of Year | <u>\$ 6,314,058</u> | <u>\$ 943,082</u> | <u>\$ 7,257,140</u> | <u>\$ 5,880,741</u> |

CITY OF TEMPLE TERRACE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | <u>2015</u> | | | <u>2014</u> |
|--|--|-------------------------------|---------------------|---------------------|
| | <u>Water & Sewer Utility</u> | <u>Sanitation Utility</u> | <u>Total</u> | <u>Actual</u> |
| Reconciliation of Operating Gain (Loss) to Net Cash | | | | |
| Used by Operating Activities: | | | | |
| Operating Income | \$ 680,328 | \$ 29,236 | \$ 709,564 | \$ 741,241 |
| Adjustments to Reconcile Operating Income to | | | | |
| Net Cash Provided by Operating Activities: | | | | |
| Depreciation and Amortization Expense | 1,043,948 | 162,474 | 1,206,421 | 1,226,548 |
| Change in Assets and Liabilities: | | | | |
| (Increase) Decrease in Accts Receivable (Net) | (76,436) | 8,243 | (68,193) | (63,092) |
| (Increase) Decrease in Inventories | (131) | - | (131) | 6,120 |
| Increase (Decrease) in Customer Deposits | 112,571 | - | 112,571 | 13,852 |
| Increase (Decrease) in Accounts Payable | 30,716 | (353,335) | (322,619) | 98,151 |
| Increase (Decrease) in Accrued Payroll | 6,341 | (229,661) | (223,319) | 7,154 |
| Increase (Decrease) in Compensated Absences | - | - | - | (1,401) |
| Increase (decrease) in Net OPEB Obligation | - | - | - | 63,720 |
| Total Adjustments | <u>1,117,009</u> | <u>(412,279)</u> | <u>704,730</u> | <u>1,351,052</u> |
| Net Cash Provided by Operating Activities | <u>\$ 1,797,337</u> | <u>\$ (383,043)</u> | <u>\$ 1,414,294</u> | <u>\$ 2,092,293</u> |

CITY OF TEMPLE TERRACE, FLORIDA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
WATER AND SEWER UTILITY FUND
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | 2015 | | | Variance with Final Budget - Positive (Negative) | 2014 |
|---|----------------------|----------------------|----------------------|---|----------------------|
| | Budgeted Amounts | | Actual | | Actual |
| | Original | Final | | | |
| OPERATING REVENUES | | | | | |
| Charges for Services | | | | | |
| Water Sales | \$ 2,581,021 | \$ 2,581,021 | \$ 2,669,253 | \$ 88,232 | \$ 2,562,741 |
| Irrigation Sales | 812,493 | 812,493 | 699,523 | (112,970) | 768,256 |
| Hydrant Rentals | 17,000 | 17,000 | 17,389 | 389 | 17,351 |
| Sewer Sales | 6,631,241 | 6,631,241 | 6,882,183 | 250,942 | 6,651,687 |
| Water and Sewer Taps and Extensions | 30,000 | 30,000 | 9,476 | (20,524) | 9,880 |
| Other | 292,121 | 292,121 | 296,115 | 3,994 | 312,317 |
| Total Revenues | <u>10,363,876</u> | <u>10,363,876</u> | <u>10,573,939</u> | <u>210,063</u> | <u>10,322,232</u> |
| OPERATING EXPENSES | | | | | |
| Salaries and Wages | 1,345,141 | 1,344,357 | 1,271,092 | 73,265 | 1,222,168 |
| Fringe Benefit | 525,911 | 526,038 | 237,986 | 288,052 | 452,808 |
| Sewer Treatment Charges | 3,850,000 | 3,850,000 | 4,229,630 | (379,630) | 3,875,156 |
| Insurance | 153,188 | 153,189 | 153,188 | 1 | 158,538 |
| Utilities and Telephone | 368,332 | 358,152 | 330,735 | 27,417 | 325,495 |
| Vehicle Maintenance | 63,385 | 63,386 | 62,430 | 956 | 66,915 |
| Fuel | 78,323 | 78,223 | 62,622 | 15,601 | 77,477 |
| Professional Services | 118,781 | 117,661 | 136,118 | (18,457) | 81,225 |
| Repairs and Maintenance | 324,400 | 395,120 | 378,171 | 16,949 | 278,335 |
| Postage and Office Supplies | 49,240 | 50,380 | 45,943 | 4,437 | 42,721 |
| Operating Supplies | 382,248 | 384,523 | 339,306 | 45,217 | 325,000 |
| Rental and Lease Costs | 256,768 | 256,608 | 252,420 | 4,188 | 252,133 |
| Other | 34,405 | 32,405 | 23,461 | 8,944 | 22,372 |
| Depreciation | - | - | 1,043,948 | (1,043,948) | 1,044,553 |
| Admin. Charges from Other Funds | 1,326,563 | 1,326,568 | 1,326,561 | 7 | 1,333,052 |
| Total Expenses | <u>8,876,685</u> | <u>8,936,610</u> | <u>9,893,610</u> | <u>(957,000)</u> | <u>9,557,948</u> |
| Operating Income (Loss) | <u>1,487,191</u> | <u>1,427,266</u> | <u>680,329</u> | <u>(746,937)</u> | <u>764,284</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Gain on Sale of Capital Assets | - | - | 15,695 | 15,695 | 1,939 |
| Investment Earnings | - | - | 42,807 | 42,807 | 42,824 |
| Interest Expense | (55,624) | (55,624) | (55,877) | (253) | (82,571) |
| Other Debt Service Expense | (540) | (540) | (620) | (80) | (620) |
| Total Nonoperating Revenues (Expenses) | <u>(56,164)</u> | <u>(56,164)</u> | <u>2,005</u> | <u>58,169</u> | <u>(38,428)</u> |
| Income (Loss) Before Contributions, Special Items, and Transfers | 1,431,027 | 1,371,101 | 682,333 | (688,768) | 725,856 |
| Impact Fees Paid by Customers | 50,000 | 50,000 | 1,071,571 | 1,021,571 | 31,432 |
| Change in Net Position | 1,481,027 | 1,421,101 | 1,753,904 | 332,803 | 757,288 |
| Prior Period Adjustment - Pension Related | - | - | (225,807) | (225,807) | - |
| Net Position - Beginning, as restated | <u>29,741,644</u> | <u>29,741,644</u> | <u>29,515,837</u> | <u>225,807</u> | <u>28,984,356</u> |
| Net Position - Ending | <u>\$ 31,222,671</u> | <u>\$ 31,162,745</u> | <u>\$ 31,269,741</u> | <u>\$ 558,610</u> | <u>\$ 29,741,644</u> |

CITY OF TEMPLE TERRACE, FLORIDA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
SANITATION UTILITY FUND
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | 2015 | | | Variance with Final Budget - Positive (Negative) | 2014 |
|---|---------------------|---------------------|---------------------|---|---------------------|
| | Budgeted Amounts | | Actual | | Actual |
| | Original | Final | | | |
| OPERATING REVENUES | | | | | |
| Charges for Services | | | | | |
| Residential | \$ 1,671,942 | \$ 1,648,970 | \$ 1,689,140 | \$ 40,170 | \$ 1,667,387 |
| Commercial | 845,533 | 840,157 | 852,306 | 12,149 | 840,241 |
| Roll-off service | 507,100 | 508,264 | 503,739 | (4,525) | 488,432 |
| Special Trash Pickup | 32,000 | 41,538 | 22,011 | (19,527) | 27,867 |
| Recycling | 59,000 | 73,399 | 44,602 | (28,797) | 57,516 |
| Other | 1,500 | (5,925) | 8,924 | 14,849 | 5,263 |
| Total Revenues | <u>3,117,075</u> | <u>3,106,403</u> | <u>3,120,722</u> | <u>14,319</u> | <u>3,086,706</u> |
| OPERATING EXPENSES | | | | | |
| Salaries and Wages | 510,129 | 595,139 | 595,925 | (786) | 507,344 |
| Fringe Benefits | 247,230 | 253,430 | 130,969 | 122,461 | 227,974 |
| Landfill Charges | 829,000 | 974,101 | 974,099 | 2 | 900,610 |
| Insurance | 19,300 | 19,300 | 19,300 | (0) | 16,476 |
| Utilities and Telephone | 1,530 | 1,684 | 1,684 | 0 | 1,605 |
| Vehicle Maintenance | 245,820 | 243,024 | 243,039 | (15) | 251,753 |
| Fuel | 180,500 | 141,514 | 141,516 | (2) | 185,894 |
| Professional Fees | 41,035 | 60,373 | 62,095 | (1,722) | 78,143 |
| Other Contractual Services | 5,137 | 33,036 | 15,884 | 17,152 | 15,705 |
| Recycled Materials Disposal | 180,000 | 185,128 | 185,126 | 2 | 153,840 |
| Repairs and Maintenance | 16,500 | 3,555 | 3,555 | - | 9,791 |
| Postage and Office Supplies | 200 | 253 | 254 | (1) | 242 |
| Operating Supplies | 28,650 | 24,618 | 24,626 | (8) | 33,989 |
| Rental and Lease Costs | 95,106 | 92,161 | 91,356 | 805 | 99,956 |
| Other | 2,275 | 362 | 362 | - | 1,213 |
| Depreciation | - | - | 162,474 | (162,474) | 181,995 |
| Admin. Charges from Other Funds | 439,223 | 439,223 | 439,221 | 2 | 443,219 |
| Total Expenses | <u>2,841,635</u> | <u>3,066,901</u> | <u>3,091,486</u> | <u>(24,585)</u> | <u>3,109,749</u> |
| Operating Income (Loss) | <u>275,440</u> | <u>39,502</u> | <u>29,236</u> | <u>(10,266)</u> | <u>(23,043)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment Earnings | 3,500 | 978 | 6,020 | 5,042 | 6,483 |
| Transfers Out to Debt Service | - | - | (59,845) | (59,845) | - |
| Total Nonoperating Revenues (Expenses) | <u>3,500</u> | <u>978</u> | <u>(53,825)</u> | <u>5,042</u> | <u>6,483</u> |
| Change in Net Position | 278,940 | 40,480 | (24,589) | (5,224) | (16,560) |
| Prior Period Adjustment - Pension Related | - | - | (55,392) | 55,392 | - |
| Net Position - Beginning, as restated | <u>1,796,158</u> | <u>1,796,158</u> | <u>1,740,766</u> | <u>55,392</u> | <u>1,812,718</u> |
| Net Position - Ending | <u>\$ 2,075,098</u> | <u>\$ 1,836,638</u> | <u>\$ 1,716,177</u> | <u>\$ 50,168</u> | <u>\$ 1,796,158</u> |



TEMPLE TERRACE

Amazing City. Since 1925.

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INTERNAL SERVICE FUNDS

An *Internal Service Fund* is established to finance and account for service and/or commodities furnished by a designated department to other City department to other City departments on a cost reimbursement basis.

The Fleet Maintenance Fund is responsible for the maintenance and operation of various automobiles and other City equipment. Revenue to this fund is derived from billings to user departments. The automobiles and equipment are acquired by the various user departments which are also responsible for financing replacement vehicles as necessary.

CITY OF TEMPLE TERRACE, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | Fleet Maintenance Fund | |
|------------------------------------|-------------------------------|------------------|
| | 2015 | 2014 |
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 20,384 | \$ 19,733 |
| Equity in Pooled Investments | 44,347 | 41,933 |
| Inventories | 64,199 | 57,509 |
| Other Receivables | 56 | 56 |
| Total Current Assets | <u>128,986</u> | <u>119,231</u> |
| Noncurrent Assets: | | |
| Capital Assets: | | |
| Machinery, Equipment, and Vehicles | 170,864 | 170,864 |
| Total Capital Assets | 170,864 | 170,864 |
| Less Accumulated Depreciation | (169,007) | (163,808) |
| Total Noncurrent Assets | <u>1,857</u> | <u>7,056</u> |
| Total Assets | <u>130,842</u> | <u>126,288</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | 27,959 | 44,183 |
| Accrued Payroll | 5,199 | 4,054 |
| Compensated Absences | 3,968 | 3,667 |
| Total Current Liabilities | <u>37,125</u> | <u>51,904</u> |
| Noncurrent Liabilities: | | |
| Compensated Absences | 11,903 | 11,000 |
| Total Noncurrent Liabilities | <u>11,903</u> | <u>11,000</u> |
| Total Liabilities | <u>49,028</u> | <u>62,904</u> |
| NET POSITION | | |
| Net Investment in Capital Assets | 1,857 | 7,056 |
| Unrestricted | <u>79,957</u> | <u>56,327</u> |
| Total Net Position | <u>\$ 81,814</u> | <u>\$ 63,383</u> |

CITY OF TEMPLE TERRACE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES. AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | Fleet Maintenance Fund | |
|---|-------------------------------|------------------|
| | 2015 | 2014 |
| OPERATING REVENUES | | |
| Department Billings | \$ 693,270 | \$ 725,884 |
| Other | (756) | 2,017 |
| Total Operating Revenues | <u>692,514</u> | <u>727,901</u> |
| OPERATING EXPENSES | | |
| Salaries and Wages | 147,692 | 168,580 |
| Fringe Benefits | 45,080 | 54,413 |
| Professional Services | 12,735 | 7,378 |
| Repair Parts | 181,548 | 209,187 |
| Fuel and Oil | 15,250 | 27,455 |
| Vehicle Maintenance | 6,610 | 6,733 |
| Repairs and Maintenance | 171,976 | 160,858 |
| Operating Supplies | 4,683 | 4,452 |
| Insurance | 1,055 | 889 |
| Travel and Training | - | 62 |
| Administrative Charges from Other Funds | 82,277 | 70,388 |
| Miscellaneous | 451 | 359 |
| Depreciation | 5,200 | 6,061 |
| Total Operating Expenses | <u>674,557</u> | <u>716,816</u> |
| Operating Income (Loss) | <u>17,957</u> | <u>11,085</u> |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment Earnings | 474 | (54) |
| Total Nonoperating Revenues (Expenses) | <u>474</u> | <u>(54)</u> |
| Income (Loss) Before Transfers | 18,431 | 11,031 |
| Change in Net Position | 18,431 | 11,031 |
| Net Position - Beginning | <u>63,383</u> | <u>52,352</u> |
| Net Position - Ending | <u>\$ 81,814</u> | <u>\$ 63,383</u> |

CITY OF TEMPLE TERRACE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | Fleet Maintenance Fund | |
|--|-------------------------------|------------------|
| | 2015 | 2014 |
| Cash Flows from Operating Activities: | | |
| Cash Payments to Suppliers | \$ (414,871) | \$ (380,918) |
| Cash Payments to Employees | (191,569) | (228,123) |
| Cash Received from Other Funds | 693,270 | 725,884 |
| Cash Payments to Other Funds | (82,277) | (77,121) |
| Other | (757) | 2,004 |
| Net Cash Provided by (Used for) Operating Activities | <u>3,796</u> | <u>41,726</u> |
| Cash Flows from Investing Activities: | | |
| Interest and Dividends on Investments | (730) | (54) |
| Net Cash Provided by (Used for) Investing Activities | <u>(730)</u> | <u>(54)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 3,066 | 41,672 |
| Cash and Cash Equivalents, October 1 | <u>61,665</u> | <u>19,994</u> |
| Cash and Cash Equivalents, September 30 | <u>\$ 64,731</u> | <u>\$ 61,666</u> |
| Cash and Cash Equivalents at End of Year Consists of: | | |
| Cash and Cash Equivalents | 20,384 | 19,733 |
| Equity in Pooled Investments | 44,347 | 41,933 |
| Total Cash and Cash Equivalents at End of Year | <u>\$ 64,731</u> | <u>\$ 61,666</u> |
| Reconciliation of Operating Income (Loss) to | | |
| Net Cash Provided by Operating Activities: | | |
| Operating Income (Loss) | 17,957 | 11,084 |
| Adjustments to Reconcile Operating Income to | | |
| Net Cash Provided by Operating Activities: | | |
| Depreciation and Amortization Expense | 5,200 | 6,061 |
| Change in Assets and Liabilities: | | |
| (Increase) Decrease in Accts Receivable (Net) | - | (14) |
| (Increase) Decrease in Inventories | (6,689) | 1,581 |
| Increase (Decrease) in Customer Deposits | - | - |
| Increase (Decrease) in Accounts Payable | (16,224) | 28,143 |
| Increase (Decrease) in Net OPEB Obligation | 2,408 | (161) |
| Increase (Decrease) in Accrued Payroll | 1,145 | (4,968) |
| Total Adjustments | <u>(14,161)</u> | <u>30,642</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>\$ 3,796</u> | <u>\$ 41,726</u> |

CITY OF TEMPLE TERRACE, FLORIDA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
INTERNAL SERVICE FUND – FLEET MAINTENANCE
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | 2015 | | | Variance with Final Budget - Positive (Negative) | 2014 |
|---|------------------|------------------|------------------|---|------------------|
| | Budgeted Amounts | | Actual | | Actual |
| | Original | Final | | | |
| OPERATING REVENUES | | | | | |
| Department Billings | \$ 689,157 | \$ 689,157 | \$ 693,270 | \$ 4,113 | \$ 725,884 |
| Other | 120 | 120 | (756) | (876) | 2,017 |
| Total Operating Revenues | <u>689,277</u> | <u>689,277</u> | <u>692,514</u> | <u>3,237</u> | <u>727,901</u> |
| OPERATING EXPENSES | | | | | |
| Salaries and Wages | 163,567 | 153,567 | 122,243 | 31,324 | 152,027 |
| Overtime | 5,315 | 5,315 | 25,449 | (20,134) | 16,554 |
| Fringe Benefits | 51,299 | 51,299 | 45,080 | 6,219 | 54,413 |
| Professional Services | 8,400 | 15,498 | 12,735 | 2,763 | 7,378 |
| Repair Parts | 195,000 | 192,635 | 181,548 | 11,087 | 209,187 |
| Fuel and Oil | 17,394 | 16,794 | 15,250 | 1,544 | 27,455 |
| Vehicle Maintenance | 6,130 | 6,130 | 6,610 | (480) | 6,733 |
| Repairs and Maintenance | 150,000 | 151,950 | 171,976 | (20,026) | 160,858 |
| Operating Supplies | 3,800 | 4,717 | 4,683 | 34 | 4,452 |
| Insurance | 1,055 | 1,055 | 1,055 | - | 889 |
| Travel and Training | 2,000 | 2,000 | - | 2,000 | 62 |
| Admin. Charges from Other Funds | 82,277 | 82,277 | 82,277 | - | 70,388 |
| Miscellaneous | 3,040 | 6,040 | 451 | 5,589 | 359 |
| Depreciation | - | - | 5,200 | (5,200) | 6,061 |
| Total Operating Expenses | <u>689,277</u> | <u>689,277</u> | <u>674,557</u> | <u>14,720</u> | <u>716,816</u> |
| Operating Income (Loss) | <u>-</u> | <u>-</u> | <u>17,957</u> | <u>11,483</u> | <u>11,085</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment Earnings | - | - | 474 | (474) | (54) |
| Total Nonoperating Revenues (Expenses) | <u>-</u> | <u>-</u> | <u>474</u> | <u>(474)</u> | <u>(54)</u> |
| Change in Net Position | - | - | 18,431 | 11,009 | 11,031 |
| Net Position - Beginning | <u>63,383</u> | <u>63,383</u> | <u>63,383</u> | <u>-</u> | <u>52,352</u> |
| Net Position - Ending | <u>\$ 63,383</u> | <u>\$ 63,383</u> | <u>\$ 81,814</u> | <u>\$ 11,009</u> | <u>\$ 63,383</u> |



TEMPLE TERRACE

Amazing City. Since 1925.

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FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the government in a trustee capacity.

Police Officers' Retirement Trust Fund and Firefighters' Retirement Trust Fund – These funds account for receipts and disbursements as authorized by the respective pensions boards. The City administers the funds only as authorized by the boards. The City administers the funds only as authorized by the boards. The General Fund bears part of the cost of administering these funds.

CITY OF TEMPLE TERRACE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For the Fiscal Year Ended September 30, 2015

| | <u>Pension Trust Funds</u> | | <u>Total</u> |
|--------------------------------------|---|--|----------------------|
| | <u>Police Officers' Retirement Fund</u> | <u>Firefighters' Retirement Fund</u> | |
| ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Money Market | \$ 929,124 | \$ 1,167,715 | \$ 2,096,839 |
| Uninvested Cash | - | (59) | (59) |
| Total Cash and Cash Equivalents | <u>929,124</u> | <u>1,167,656</u> | <u>2,096,780</u> |
| Receivables | | | |
| Employer Contribution | 77,486 | 11,226 | 88,712 |
| Investment Income | 33,823 | 33,151 | 66,974 |
| State Receivable | 165,332 | 160,407 | 325,739 |
| Total Receivables | <u>276,641</u> | <u>204,784</u> | <u>481,425</u> |
| Investments, at Fair Value | | | |
| U.S. Treasury Bonds, Notes and Bills | 4,741,722 | 4,592,309 | 9,334,030 |
| Corporate Bonds | 332,908 | 346,760 | 679,668 |
| Common Stocks | 12,640,146 | 9,897,677 | 22,537,823 |
| Real Estate Fund | 2,100,672 | 3,487,578 | 5,588,250 |
| Total Investments | <u>19,815,448</u> | <u>18,324,324</u> | <u>38,139,772</u> |
| Total Assets | <u>21,021,213</u> | <u>19,696,764</u> | <u>40,717,977</u> |
| NET POSITION | | | |
| Restricted for Pension Benefits | <u>\$ 21,021,213</u> | <u>\$ 19,696,764</u> | <u>\$ 40,717,977</u> |

CITY OF TEMPLE TERRACE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For the Fiscal Year Ended September 30, 2015

| | Police Officers' Retirement Fund | Firefighters' Retirement Fund | Total |
|---|---|--|----------------------|
| ADDITIONS | | | |
| Contributions | | | |
| State Tax on Insurance Premiums | \$ 165,332 | \$ 160,407 | \$ 325,739 |
| Contributions - Employer | 1,562,285 | 1,064,455 | 2,626,740 |
| Contributions - Employee | 303,704 | 297,030 | 600,734 |
| Buy-Back | - | (2,773) | (2,773) |
| Total Contributions | <u>2,031,321</u> | <u>1,519,119</u> | <u>3,550,440</u> |
| Investment Income | | | |
| Net Appreciation in Fair Value of Investments | (306,407) | (87,484) | (393,891) |
| Interest | 177,766 | 176,854 | 354,620 |
| Dividends | 271,077 | 201,768 | 472,845 |
| Other | 61,755 | 68,019 | 129,774 |
| Total Investment Income | <u>204,191</u> | <u>359,157</u> | <u>563,348</u> |
| Investment Expense | <u>(116,478)</u> | <u>(126,789)</u> | <u>(243,267)</u> |
| Net Investment Income | <u>87,713</u> | <u>232,368</u> | <u>320,081</u> |
| Total Additions | <u>2,119,034</u> | <u>1,751,487</u> | <u>3,870,521</u> |
| Deductions | | | |
| Pension Benefits | 2,026,471 | 1,082,738 | 3,109,209 |
| Termination Refunds | 51,798 | 59,458 | 111,256 |
| D.R.O.P. Refunds | - | 728,723 | 728,723 |
| Administrative Expenditures | 32,080 | 68,453 | 100,533 |
| Total Deductions | <u>2,110,349</u> | <u>1,939,372</u> | <u>4,049,721</u> |
| Change in Net Position | 8,685 | (187,885) | (179,200) |
| Net Position - Beginning | <u>21,012,528</u> | <u>19,884,649</u> | <u>40,897,177</u> |
| Net Position - Ending | <u>\$ 21,021,213</u> | <u>\$ 19,696,764</u> | <u>\$ 40,717,977</u> |



TEMPLE TERRACE

Amazing City. Since 1925.

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**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

CITY OF TEMPLE TERRACE, FLORIDA
CAPITAL ASSETS USED IN THE OPERAITON OF GOVERNEMENT FUNDS
COMPARATIVE SCHEDULES BY SOURCE
September 30, 2015 AND 2014

| | <u>2015</u> | <u>2014</u> |
|--|----------------------|----------------------|
| GOVERNMENTAL FUNDS CAPITAL ASSETS: | | |
| Land | \$ 5,385,416 | \$ 3,785,416 |
| Buildings and Improvements | 11,808,639 | 11,656,475 |
| Improvements Other than Buildings | 7,118,811 | 7,095,875 |
| Machinery, Equipment, and Vehicles | 13,512,586 | 13,726,881 |
| Infrastructure | 39,167,061 | 37,388,616 |
| Construction in Progress | 687,043 | 934,084 |
| | <hr/> | <hr/> |
| Total Governmental Funds Capital Assets | <u>\$ 77,679,556</u> | <u>\$ 74,587,347</u> |
| INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE: | | |
| General Fund Revenue and Undetermined Sources | \$ 13,187,506 | \$ 11,587,506 |
| Special Revenue Funds | 48,402,066 | 47,509,857 |
| Capital Projects Fund | 5,280,288 | 5,280,288 |
| Donations | 4,402,098 | 4,402,098 |
| Federal, State, and County Grants | 6,407,598 | 5,807,598 |
| | <hr/> | <hr/> |
| Total Governmental Funds Sources for Capital Assets | <u>\$ 77,679,556</u> | <u>\$ 74,587,347</u> |

FINANCIAL SCHEDULES

Financial schedules are presented to provide greater detailed information than reported in the preceding financial statements. This information in many cases has been spread throughout the report and is brought together here for greater clarity. Financial schedules are not necessary for fair presentation in conformity with Generally Accepted Accounting Principles.

CITY OF TEMPLE TERRACE, FLORIDA
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
WATER AND SEWER UTILITY FUND – WATER OPERATIONS
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | 2015 | | | Variance with Final Budget - Positive (Negative) | 2014 |
|---------------------------------|-------------------|-------------------|-------------------|---|-------------------|
| | Budgeted Amounts | | Actual | | Actual |
| | Original | Final | | | |
| OPERATING REVENUES | | | | | |
| Charges for Services | \$ 2,581,021 | \$ 2,581,021 | \$ 2,669,253 | \$ 88,232 | \$ 2,551,363 |
| Irrigation Sales | 812,493 | 812,493 | 699,523 | (112,970) | 784,292 |
| Hydrant Rentals | 17,000 | 17,000 | 17,389 | 389 | 16,398 |
| Taps and Extensions | 20,000 | 20,000 | 8,726 | (11,274) | 27,306 |
| Other | 292,121 | 292,121 | 296,114 | 3,993 | 343,153 |
| Total Water Revenues | <u>3,722,635</u> | <u>3,722,635</u> | <u>3,691,006</u> | <u>(31,629)</u> | <u>3,722,512</u> |
| OPERATING EXPENSES | | | | | |
| WATER SERVICES | | | | | |
| Salaries and Wages | 706,824 | 706,040 | 650,416 | 55,624 | 616,417 |
| Fringe Benefits | 277,068 | 277,195 | 128,848 | 148,347 | 226,012 |
| Insurance | 104,133 | 104,134 | 104,133 | 1 | 103,900 |
| Utilities and Telephone | 263,517 | 256,517 | 227,396 | 29,121 | 226,362 |
| Vehicle Maintenance | 40,757 | 40,758 | 39,802 | 956 | 36,976 |
| Fuel | 41,823 | 41,823 | 30,555 | 11,268 | 37,717 |
| Professional Services | 85,346 | 84,126 | 89,743 | (5,617) | 49,999 |
| Repairs and Maintenance | 219,900 | 224,400 | 212,745 | 11,655 | 173,646 |
| Postage and Office Supplies | 7,750 | 6,950 | 5,237 | 1,713 | 7,059 |
| Operating Supplies | 183,648 | 186,023 | 145,969 | 40,054 | 149,952 |
| Rental and Lease Costs | 140,788 | 140,788 | 139,584 | 1,204 | 135,588 |
| Other | 14,005 | 14,005 | 7,384 | 6,621 | 12,036 |
| Admin. Charges from Other Funds | 493,847 | 493,850 | 493,845 | 5 | 469,056 |
| Total Water Services | <u>2,579,406</u> | <u>2,576,609</u> | <u>2,275,657</u> | <u>300,952</u> | <u>2,244,720</u> |
| UTILITY SERVICES | | | | | |
| Salaries and Wages | 136,003 | 136,003 | 136,857 | (854) | 151,248 |
| Fringe Benefits | 46,738 | 46,738 | 17,246 | 29,492 | 49,882 |
| Insurance | 538 | 538 | 538 | - | 533 |
| Utilities and Telephone | 1,301 | 1,209 | 1,192 | 17 | 1,998 |
| Vehicle Maintenance | 2,195 | 2,195 | 2,195 | - | 2,623 |
| Fuel | 2,907 | 2,856 | 2,216 | 640 | 3,966 |
| Professional Services | 15,318 | 15,318 | 22,919 | (7,601) | 14,750 |
| Repairs and Maintenance | 765 | 1,002 | 999 | 3 | 471 |
| Bad Debts | 1,275 | 1,275 | 625 | 650 | (97) |
| Postage and Office Supplies | 19,207 | 20,451 | 19,535 | 916 | 21,582 |
| Operating Supplies | 1,275 | 1,275 | 1,013 | 262 | 1,248 |
| Rental and Lease Costs | 12,044 | 11,963 | 11,971 | (8) | 13,877 |
| Other | 8,721 | 7,701 | 7,523 | 178 | 8,490 |
| Admin. Charges from Other Funds | 34,842 | 34,842 | 34,842 | - | 36,243 |
| Total Utility Services | <u>283,129</u> | <u>283,366</u> | <u>259,671</u> | <u>23,695</u> | <u>306,814</u> |
| Operating Income (Loss) | | | | | |
| Before Depreciation | <u>860,100</u> | <u>862,660</u> | <u>1,155,678</u> | <u>293,018</u> | <u>1,170,978</u> |
| Depreciation | - | - | 650,345 | (650,345) | 617,637 |
| Net Operating Income (Loss) | <u>\$ 860,100</u> | <u>\$ 862,660</u> | <u>\$ 505,333</u> | <u>\$ (357,327)</u> | <u>\$ 553,341</u> |

CITY OF TEMPLE TERRACE, FLORIDA
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
WATER AND SEWER UTILITY FUND – SEWER OPERATIONS
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | 2015 | | | 2014 | |
|---------------------------------|-------------------|-------------------|-------------------|---|-------------------|
| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive | Actual |
| | Original | Final | | (Negative) | |
| OPERATING REVENUES | | | | | |
| Charges for Services | \$ 6,631,241 | \$ 6,631,241 | \$ 6,882,183 | \$ 250,942 | \$ 6,651,687 |
| Taps and Extensions | 10,000 | 10,000 | 750 | (9,250) | 1,250 |
| Total Revenues | <u>6,641,241</u> | <u>6,641,241</u> | <u>6,882,933</u> | <u>241,692</u> | <u>6,652,937</u> |
| OPERATING EXPENSES | | | | | |
| SEWER SERVICES | | | | | |
| Salaries and Wages | 371,645 | 371,645 | 352,328 | 19,317 | 344,675 |
| Fringe Benefits | 152,772 | 152,772 | 75,323 | 77,449 | 136,150 |
| Sewer Treatment Charges | 3,850,000 | 3,850,000 | 4,229,630 | (379,630) | 3,875,156 |
| Insurance | 48,000 | 48,000 | 48,000 | - | 50,568 |
| Utilities and Telephone | 102,265 | 99,265 | 101,002 | (1,737) | 90,062 |
| Vehicle Maintenance | 18,324 | 18,324 | 18,324 | (0) | 19,447 |
| Fuel | 30,800 | 30,800 | 27,722 | 3,079 | 34,870 |
| Professional Services | 3,400 | 3,500 | 1,435 | 2,065 | 1,148 |
| Repairs and Maintenance | 103,000 | 168,756 | 163,467 | 5,289 | 93,867 |
| Postage and Office Supplies | 3,830 | 3,330 | 2,403 | 927 | 500 |
| Operating Supplies | 196,100 | 196,000 | 191,350 | 4,650 | 192,533 |
| Rental and Lease Costs | 92,364 | 92,364 | 89,364 | 3,000 | 89,364 |
| Other | 800 | 800 | 100 | 700 | 100 |
| Admin. Charges from Other Funds | 764,399 | 764,399 | 764,399 | 0 | 802,567 |
| Total Water Services | <u>5,737,699</u> | <u>5,799,955</u> | <u>6,064,847</u> | <u>(264,892)</u> | <u>5,731,007</u> |
| UTILITY SERVICES | | | | | |
| Salaries and Wages | 130,669 | 130,669 | 131,491 | (822) | - |
| Fringe Benefits | 49,333 | 49,333 | 16,569 | 32,764 | - |
| Insurance | 517 | 517 | 517 | (0) | - |
| Utilities and Telephone | 1,249 | 1,161 | 1,145 | 16 | - |
| Vehicle Maintenance | 2,109 | 2,109 | 2,109 | 0 | - |
| Fuel | 2,793 | 2,744 | 2,129 | 615 | - |
| Professional Services | 14,717 | 14,717 | 22,021 | (7,304) | - |
| Repairs and Maintenance | 735 | 962 | 960 | 2 | - |
| Bad Debts | 1,225 | 1,225 | 601 | 624 | - |
| Postage and Office Supplies | 18,453 | 19,649 | 18,768 | 881 | - |
| Operating Supplies | 1,225 | 1,225 | 974 | 251 | - |
| Rental and Lease Costs | 11,572 | 11,493 | 11,501 | (8) | - |
| Other | 8,379 | 7,399 | 7,228 | 171 | - |
| Admin. Charges from Other Funds | 33,475 | 33,475 | 33,475 | (0) | - |
| Total Utility Services | <u>276,451</u> | <u>276,678</u> | <u>249,488</u> | <u>27,190</u> | <u>-</u> |
| Operating Income (Loss) | | | | | |
| Before Depreciation | <u>627,091</u> | <u>564,608</u> | <u>568,598</u> | <u>3,990</u> | <u>921,930</u> |
| Depreciation | - | - | 393,603 | (393,603) | 411,502 |
| Net Operating Income (Loss) | <u>\$ 627,091</u> | <u>\$ 564,608</u> | <u>\$ 174,995</u> | <u>\$ (389,613)</u> | <u>\$ 510,428</u> |

CITY OF TEMPLE TERRACE, FLORIDA
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
SANITATION UTILITY FUND – COMMERCIAL OPERATIONS
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | 2015 | | | Variance with Final Budget - Positive (Negative) | 2014 |
|---------------------------------|-------------------|-------------------|-------------------|---|-------------------|
| | Budgeted Amounts | | Actual | | Actual |
| | Original | Final | | | |
| OPERATING REVENUES | | | | | |
| Charges for Services | \$ 845,533 | \$ 840,157 | \$ 852,306 | \$ 12,149 | \$ 840,241 |
| Recycling | 17,000 | 24,340 | 9,660 | (14,680) | 17,273 |
| Total Commercial Revenues | <u>862,533</u> | <u>864,497</u> | <u>861,966</u> | <u>(2,531)</u> | <u>857,514</u> |
| OPERATING EXPENSES | | | | | |
| Salaries and Wages | 59,128 | 69,016 | 69,807 | (791) | 66,836 |
| Fringe Benefits | 27,429 | 28,027 | 13,931 | 14,096 | 26,621 |
| Landfill Charges | 325,000 | 362,613 | 362,612 | 1 | 373,142 |
| Insurance | 1,055 | 1,055 | 1,055 | - | 889 |
| Utilities and Telephone | 270 | 348 | 347 | 1 | 180 |
| Vehicle Maintenance | 30,833 | 30,833 | 30,846 | (13) | 32,721 |
| Fuel | 45,000 | 36,946 | 36,947 | (1) | 39,295 |
| Professional Services | 80 | 80 | 81 | (1) | 44 |
| Other Contractual Services | 625 | 1,765 | 1,764 | 1 | 1,836 |
| Repairs and Maintenance | 16,500 | 3,555 | 3,555 | - | 9,791 |
| Operating Supplies | 7,400 | 8,770 | 8,774 | (4) | 17,055 |
| Rental and Lease Costs | 7,518 | 4,573 | 3,768 | 805 | 12,368 |
| Other | 700 | 362 | 362 | - | 486 |
| Admin. Charges from Other Funds | 79,831 | 79,831 | 79,829 | 2 | 79,935 |
| Total Commercial Expenses | <u>601,369</u> | <u>627,774</u> | <u>613,678</u> | <u>14,096</u> | <u>661,199</u> |
| Operating Income (Loss) | | | | | |
| Before Depreciation | <u>261,164</u> | <u>236,723</u> | <u>248,288</u> | <u>11,565</u> | <u>196,315</u> |
| Depreciation | - | - | 32,044 | (32,044) | 36,870 |
| Net Operating Income (Loss) | <u>\$ 261,164</u> | <u>\$ 236,723</u> | <u>\$ 216,244</u> | <u>\$ (20,479)</u> | <u>\$ 159,445</u> |

CITY OF TEMPLE TERRACE, FLORIDA
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
SANITATION UTILITY FUND – RESIDENTIAL OPERATIONS
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | 2015 | | | Variance with Final Budget - Positive (Negative) | 2014 |
|--|------------------|--------------|--------------|---|--------------|
| | Budgeted Amounts | | Actual | | Actual |
| | Original | Final | | | |
| OPERATING REVENUES | | | | | |
| Charges for Services | \$ 1,671,942 | \$ 1,648,970 | \$ 1,689,140 | \$ 40,170 | \$ 1,667,387 |
| Recycling | 42,000 | 49,059 | 34,942 | (14,117) | 40,243 |
| Other | 1,500 | (5,925) | 8,924 | 14,849 | 5,244 |
| Total Commercial Revenues | 1,715,442 | 1,692,104 | 1,733,006 | 40,902 | 1,712,874 |
| OPERATING EXPENSES | | | | | |
| Salaries and Wages | 408,503 | 477,677 | 477,676 | 1 | 397,212 |
| Fringe Benefits | 203,481 | 206,142 | 108,202 | 97,940 | 185,658 |
| Landfill Charges | 319,000 | 348,808 | 348,808 | 0 | 311,170 |
| Insurance | 16,135 | 16,135 | 16,135 | 0 | 13,809 |
| Utilities and Telephone | 710 | 836 | 836 | 0 | 862 |
| Vehicle Maintenance | 132,271 | 129,475 | 129,476 | (1) | 137,867 |
| Fuel | 100,000 | 66,553 | 66,554 | (1) | 101,163 |
| Professional Services | 40,800 | 60,274 | 61,995 | (1,721) | 78,074 |
| Other Contractual Services | 1,800 | 27,137 | 9,986 | 17,151 | 12,257 |
| Recycled Materials Disposal | 95,000 | 35,522 | 35,521 | 1 | 50,287 |
| Postage and Office Supplies | 200 | 253 | 254 | (1) | 242 |
| Operating Supplies | 19,200 | 14,343 | 14,346 | (3) | 14,576 |
| Rental and Lease Costs | 87,588 | 87,588 | 87,588 | - | 87,588 |
| Other | 1,300 | - | - | - | 634 |
| Admin. Charges from Other Funds | 291,962 | 291,962 | 291,962 | (0) | 306,813 |
| Total Commercial Expenses | 1,717,950 | 1,762,705 | 1,649,339 | 113,366 | 1,698,212 |
| Operating Income (Loss) Before Depreciation | (2,508) | (70,601) | 83,667 | 154,268 | 14,662 |
| Depreciation | - | - | 90,319 | (90,319) | 96,698 |
| Net Operating Income (Loss) | \$ (2,508) | \$ (70,601) | \$ (6,652) | \$ 63,949 | \$ (82,036) |

CITY OF TEMPLE TERRACE, FLORIDA
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
SANITATION UTILITY FUND – ROLL-OFF CONTAINER OPERATIONS
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | 2015 | | | 2014 | |
|---------------------------------|------------------|-------------|-------------|---|------------|
| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) | Actual |
| | Original | Final | | | |
| OPERATING REVENUES | | | | | |
| Charges for Services | \$ 507,100 | \$ 508,264 | \$ 503,739 | \$ (4,525) | \$ 488,433 |
| Total Commercial Revenues | 507,100 | 508,264 | 503,739 | (4,525) | 488,433 |
| OPERATING EXPENSES | | | | | |
| Salaries and Wages | 40,500 | 45,131 | 45,129 | 2 | 40,560 |
| Fringe Benefits | 14,989 | 17,893 | 7,951 | 9,942 | 14,458 |
| Landfill Charges | 185,000 | 262,680 | 262,679 | 1 | 216,298 |
| Insurance | 1,055 | 1,055 | 1,055 | (0) | 889 |
| Utilities and Telephone | 550 | 500 | 501 | (1) | 563 |
| Vehicle Maintenance | 41,358 | 41,358 | 41,359 | (1) | 43,891 |
| Fuel | 29,000 | 23,759 | 23,760 | (1) | 32,016 |
| Professional Services | 155 | 19 | 19 | (0) | 25 |
| Other Contractual Services | 2,400 | 3,769 | 3,769 | 0 | 1,307 |
| Recycled Materials Disposal | 60,000 | 71,171 | 71,170 | 1 | 49,453 |
| Operating Supplies | 1,700 | 1,197 | 1,198 | (1) | 2,054 |
| Other | 100 | - | - | - | 93 |
| Admin. Charges from Other Funds | 53,795 | 53,795 | 53,795 | (0) | 49,912 |
| Total Commercial Expenses | 430,602 | 522,327 | 512,386 | 9,941 | 451,519 |
| Operating Income (Loss) | | | | | |
| Before Depreciation | 76,498 | (14,063) | (8,647) | 5,416 | 36,914 |
| Depreciation | - | - | 15,113 | (15,113) | 23,428 |
| Net Operating Income (Loss) | \$ 76,498 | \$ (14,063) | \$ (23,760) | \$ (9,697) | \$ 13,485 |

CITY OF TEMPLE TERRACE, FLORIDA
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
SANITATION UTILITY FUND – SPECIAL TRASH PICKUP OPERATIONS
For the Fiscal Year Ended September 30, 2015
With Comparative Data for the Fiscal Year Ended September 30, 2014

| | 2015 | | | Variance with Final Budget - Positive (Negative) | 2014 |
|--------------------------------|--------------------|---------------------|---------------------|---|---------------------|
| | Budgeted Amounts | | Actual | | Actual |
| | Original | Final | | | |
| OPERATING REVENUES | | | | | |
| Charges for Services | \$ 32,000 | \$ 41,538 | \$ 22,011 | \$ (19,527) | \$ 27,867 |
| Total Commercial Revenues | <u>32,000</u> | <u>41,538</u> | <u>22,011</u> | <u>(19,527)</u> | <u>27,867</u> |
| OPERATING EXPENSES | | | | | |
| Salaries and Wages | 1,998 | 3,315 | 3,313 | 2 | 2,736 |
| Fringe Benefits | 1,331 | 1,368 | 885 | 483 | 1,237 |
| Insurance | 1,055 | 1,055 | 1,055 | (0) | 889 |
| Vehicle Maintenance | 41,358 | 41,358 | 41,359 | (1) | 37,274 |
| Fuel | 6,500 | 14,256 | 14,256 | 0 | 13,420 |
| Other Contractual Services | 312 | 365 | 365 | 0 | 305 |
| Recycled Materials Disposal | 25,000 | 78,435 | 78,434 | 1 | 54,100 |
| Operating Supplies | 350 | 308 | 307 | 1 | 304 |
| Other | 175 | - | - | - | - |
| Admin. Charges from Other Fund | 13,635 | 13,635 | 13,635 | - | 6,559 |
| Total Commercial Expenses | <u>91,714</u> | <u>154,095</u> | <u>153,609</u> | <u>486</u> | <u>116,824</u> |
| Operating Income (Loss) | | | | | |
| Before Depreciation | <u>(59,714)</u> | <u>(112,557)</u> | <u>(131,598)</u> | <u>(19,041)</u> | <u>(88,957)</u> |
| Depreciation | - | - | 24,998 | (24,998) | 24,999 |
| Net Operating Income (Loss) | <u>\$ (59,714)</u> | <u>\$ (112,557)</u> | <u>\$ (156,596)</u> | <u>\$ (44,039)</u> | <u>\$ (113,956)</u> |



TEMPLE TERRACE

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STATISTICAL SECTION

This part of the City of Temple Terrace’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

| Contents | Page |
|---|-------------|
| Financial Trends <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed overtime.</i> | 141 |
| Revenue Capacity <i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i> | 146 |
| Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i> <i>The following two schedules are not shown in the debt capacity section:</i> <i>- Ratio of General Bonded Debt Outstanding:</i> <i>There has been no general obligation bonded debt for the past ten fiscal years.</i> <i>- Legal Debt Margin:</i> <i>The City’s Charter makes no provision for a general obligation legal debt margin.</i> | 153 |
| Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i> | 156 |
| Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</i> | 160 |



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CITY OF TEMPLE TERRACE, FLORIDA

Table 1

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

| | 2006 | 2007 | 2008 | 2009 | Fiscal Year 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Government Activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 26,353,570 | \$ 27,550,086 | \$ 29,105,198 | \$ 34,313,966 | \$ 36,609,269 | \$ 40,321,330 | \$ 44,564,467 | \$ 44,929,535 | \$ 44,461,063 | \$ 46,467,096 |
| Restricted | 178,310 | 865,049 | 3,055,950 | 2,745,471 | 2,634,580 | 8,306,042 | 7,154,188 | 7,566,336 | 7,748,873 | 6,129,784 |
| Unrestricted | 13,462,921 | 12,684,807 | 9,810,471 | (13,264,249) | (11,935,227) | (21,458,838) | (23,405,315) | (24,276,008) | (23,954,426) | (50,928,791) |
| Total governmental activities net position | \$ 39,994,801 | \$ 41,099,942 | \$ 41,971,619 | \$ 23,795,188 | \$ 27,308,622 | \$ 27,168,534 | \$ 28,313,340 | \$ 28,219,863 | \$ 28,255,509 | \$ 1,668,089 |
| Business-Type Activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 20,640,910 | \$ 20,742,484 | \$ 21,759,409 | \$ 22,534,522 | \$ 23,197,089 | \$ 24,490,972 | \$ 24,973,142 | \$ 25,505,001 | \$ 26,317,510 | \$ 26,554,406 |
| Restricted | 6,365,154 | 6,996,966 | 6,422,243 | 6,009,253 | 5,656,554 | 4,345,084 | 3,920,116 | 3,526,876 | 2,730,208 | 3,088,958 |
| Unrestricted | 3,172,730 | 3,007,493 | 2,544,915 | 1,710,998 | 1,112,489 | 1,387,947 | 1,262,546 | 1,765,197 | 2,490,090 | 3,342,554 |
| Total business-type activities net position | \$ 30,178,794 | \$ 30,746,943 | \$ 30,726,567 | \$ 30,254,773 | \$ 29,966,132 | \$ 30,224,003 | \$ 30,155,804 | \$ 30,797,074 | \$ 31,537,808 | \$ 32,985,918 |
| Primary Government: | | | | | | | | | | |
| Net investment in capital assets | \$ 46,994,480 | \$ 48,292,570 | \$ 50,864,607 | \$ 56,848,488 | \$ 59,806,358 | \$ 64,812,302 | \$ 69,537,609 | \$ 70,434,536 | \$ 70,778,573 | \$ 73,021,501 |
| Restricted | 6,543,464 | 7,862,015 | 9,478,193 | 8,754,724 | 8,291,134 | 12,651,126 | 11,074,304 | 11,093,212 | 10,479,081 | 9,218,744 |
| Unrestricted | 16,635,651 | 15,692,300 | 12,355,386 | (11,553,251) | (10,822,738) | (20,070,891) | (22,142,769) | (22,510,811) | (21,464,336) | (47,586,237) |
| Total primary government net position | \$ 70,173,595 | \$ 71,846,885 | \$ 72,698,186 | \$ 54,049,961 | \$ 57,274,754 | \$ 57,392,537 | \$ 58,469,144 | \$ 59,016,937 | \$ 59,793,317 | \$ 34,654,008 |

Note: Prior year fund balances may be adjusted for restatements.

CITY OF TEMPLE TERRACE, FLORIDA

Table 2
CHANGES IN NET POSITION
Last Ten Fiscal Years
 (accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenses: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 3,610,451 | \$ 3,893,528 | \$ 3,811,622 | \$ 4,084,419 | \$ 4,114,286 | \$ 3,980,313 | \$ 3,900,099 | \$ 3,876,690 | \$ 3,847,264 | \$ 4,889,652 |
| Public safety | 10,596,353 | 11,445,671 | 12,204,544 | 13,083,126 | 12,723,993 | 13,130,360 | 13,343,136 | 13,454,784 | 13,880,527 | 13,790,072 |
| Public works | 2,103,406 | 2,218,945 | 2,307,220 | 2,361,372 | 2,258,804 | 2,384,940 | 2,338,570 | 2,167,279 | 2,193,891 | 1,414,185 |
| Economic environment | 1,047,819 | 1,357,628 | 1,193,867 | 807,943 | 742,629 | 2,305,198 | 1,000,416 | 21,692 | 522 | 94,120 |
| Culture and recreation | 3,928,683 | 4,107,650 | 4,176,554 | 4,029,039 | 3,953,613 | 4,046,833 | 3,973,313 | 3,882,710 | 3,979,142 | 4,029,260 |
| Other General Government | - | - | - | - | - | - | - | - | - | - |
| Interest on long-term debt | 1,300,678 | 1,504,732 | 1,063,052 | 662,520 | 803,347 | 821,790 | 837,962 | 868,701 | 415,854 | 487,670 |
| Total governmental activities | <u>22,587,390</u> | <u>24,528,154</u> | <u>24,756,859</u> | <u>25,028,419</u> | <u>24,596,672</u> | <u>26,669,434</u> | <u>25,393,496</u> | <u>24,271,856</u> | <u>24,317,200</u> | <u>24,704,960</u> |
| Business-type activities: | | | | | | | | | | |
| Water/sewer | 7,943,024 | 8,411,720 | 8,963,490 | 8,873,380 | 9,526,900 | 9,808,604 | 10,305,399 | 9,802,084 | 9,641,139 | 9,950,108 |
| Sanitation | 2,784,518 | 2,810,535 | 2,919,414 | 2,875,242 | 2,805,749 | 2,822,207 | 3,093,535 | 2,965,440 | 3,109,749 | 3,091,486 |
| Total business-type activities | <u>10,727,542</u> | <u>11,222,255</u> | <u>11,882,904</u> | <u>11,748,622</u> | <u>12,332,649</u> | <u>12,630,811</u> | <u>13,398,934</u> | <u>12,767,524</u> | <u>12,750,888</u> | <u>13,041,594</u> |
| Total primary government expenses | <u>\$ 33,314,932</u> | <u>\$ 35,750,409</u> | <u>\$ 36,639,763</u> | <u>\$ 36,777,041</u> | <u>\$ 36,929,321</u> | <u>\$ 39,300,245</u> | <u>\$ 38,792,430</u> | <u>\$ 37,039,380</u> | <u>\$ 37,068,088</u> | <u>\$ 37,746,554</u> |
| Program Revenues: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 2,611,367 | \$ 2,563,119 | \$ 4,295,393 | \$ 3,944,462 | \$ 4,057,379 | \$ 4,164,981 | \$ 4,635,442 | \$ 4,375,457 | \$ 4,322,450 | \$ 4,704,230 |
| Public safety | 532,077 | 564,289 | 657,065 | 2,311,524 | 1,519,171 | 1,369,573 | 1,502,785 | 1,456,785 | 1,211,799 | 2,630,890 |
| Public works | 18,200 | 36,283 | 31,775 | 35,545 | 62,956 | 85,038 | 86,760 | 90,571 | 86,101 | 834,978 |
| Economic environment | 1,399,624 | 1,408,842 | 1,453,405 | 1,286,782 | 320,851 | 123,019 | 53,169 | 76,104 | - | 69,461 |
| Culture and recreation | 965,860 | 921,979 | 911,253 | 977,993 | 962,115 | 968,120 | 1,021,213 | 982,859 | 931,954 | 1,128,753 |
| Operating grants and contributions | 440,255 | 539,461 | 630,683 | 471,000 | 646,117 | 497,376 | 890,686 | 302,479 | 277,807 | - |
| Capital grants and contributions | 932,127 | 335,793 | 744,214 | 874,928 | 4,226,569 | 2,558,306 | 1,386,176 | 213,737 | 469,111 | - |
| Total governmental activities | <u>6,899,510</u> | <u>6,369,766</u> | <u>8,723,788</u> | <u>9,902,234</u> | <u>11,795,158</u> | <u>9,766,413</u> | <u>9,576,231</u> | <u>7,497,992</u> | <u>7,299,222</u> | <u>9,368,312</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water/sewer | 8,354,001 | 8,124,782 | 7,924,124 | 7,852,306 | 8,880,252 | 9,798,141 | 10,111,117 | 10,250,778 | 10,322,232 | 10,277,824 |
| Sanitation | 2,554,108 | 2,611,080 | 2,846,824 | 3,007,605 | 2,956,883 | 3,017,708 | 3,017,634 | 3,020,379 | 3,086,706 | 3,111,798 |
| Operating Grants and Contributions | - | - | - | - | - | - | - | - | - | - |
| Capital grants and contributions | 658,068 | 527,053 | 753,453 | 34,199 | 48,609 | 4,381 | 98,091 | 138,580 | 31,432 | 1,071,571 |
| Total business-type activities | <u>11,566,177</u> | <u>11,262,915</u> | <u>11,524,401</u> | <u>10,894,110</u> | <u>11,885,744</u> | <u>12,820,230</u> | <u>13,226,842</u> | <u>13,409,737</u> | <u>13,440,370</u> | <u>14,461,193</u> |
| Total primary government program revenue: | <u>\$ 18,465,687</u> | <u>\$ 17,632,681</u> | <u>\$ 20,248,189</u> | <u>\$ 20,796,344</u> | <u>\$ 23,680,902</u> | <u>\$ 22,586,643</u> | <u>\$ 22,803,073</u> | <u>\$ 20,907,729</u> | <u>\$ 20,739,592</u> | <u>\$ 23,829,505</u> |

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (15,687,880) | \$ (18,158,388) | \$ (16,033,071) | \$ (15,126,185) | \$ (12,801,514) | \$ (16,903,021) | \$ (15,817,265) | \$ (16,773,864) | \$ (17,017,978) | \$ (15,336,648) |
| Business-type activities | 838,635 | 40,660 | (358,503) | (854,512) | (446,905) | 189,419 | (172,092) | 642,213 | 689,482 | 1,419,599 |
| Total primary government net expense | <u>\$ (14,849,245)</u> | <u>\$ (18,117,728)</u> | <u>\$ (16,391,574)</u> | <u>\$ (15,980,697)</u> | <u>\$ (13,248,419)</u> | <u>\$ (16,713,602)</u> | <u>\$ (15,989,357)</u> | <u>\$ (16,131,651)</u> | <u>\$ (16,328,496)</u> | <u>\$ (13,917,049)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | \$ 16,610,762 | \$ 18,030,646 | \$ 15,888,570 | \$ 15,320,964 | \$ 15,509,155 | \$ 15,877,313 | \$ 16,046,405 | \$ 15,907,757 | \$ 16,567,885 | \$ 16,844,869 |
| Franchise fees | - | - | - | - | - | - | - | - | - | - |
| Unrestricted grants and contributions | 54,705 | 201,902 | 103,963 | 44,707 | 47,716 | 79,155 | 83,529 | 37,758 | 54,396 | 47,475 |
| Unrestricted investment earnings | 566,966 | 697,963 | 384,475 | 380,368 | 176,448 | 120,166 | 171,636 | 36,206 | 77,247 | 114,324 |
| Miscellaneous | 415,493 | 333,018 | 527,740 | 548,588 | 546,559 | 604,085 | 592,599 | 687,139 | 354,096 | 517,159 |
| Special items | - | - | - | (19,344,873) | 35,070 | 82,214 | 67,902 | 11,527 | - | - |
| Transfers | - | - | - | - | - | - | - | - | - | 59,845 |
| Total governmental activities | <u>17,647,926</u> | <u>19,263,529</u> | <u>16,904,748</u> | <u>(3,050,246)</u> | <u>16,314,948</u> | <u>16,762,933</u> | <u>16,962,071</u> | <u>16,680,387</u> | <u>17,053,624</u> | <u>17,583,672</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 400,699 | 527,489 | 328,696 | 382,718 | 143,992 | 59,024 | 103,873 | (1,112) | 49,307 | 48,827 |
| Capital Contributions | - | - | - | - | - | - | - | - | - | - |
| Special items | - | - | 9,431 | - | 14,272 | 9,428 | - | 169 | 1,939 | 320,734 |
| Transfers | - | - | - | - | - | - | - | - | - | (59,845) |
| Total business-type activities | <u>400,699</u> | <u>527,489</u> | <u>338,127</u> | <u>382,718</u> | <u>158,264</u> | <u>68,452</u> | <u>103,873</u> | <u>(943)</u> | <u>51,246</u> | <u>309,716</u> |
| Total primary government general revenues and other changes in net position | <u>\$ 18,048,625</u> | <u>\$ 19,791,018</u> | <u>\$ 17,242,875</u> | <u>\$ (2,667,528)</u> | <u>\$ 16,473,212</u> | <u>\$ 16,831,385</u> | <u>\$ 17,065,944</u> | <u>\$ 16,679,444</u> | <u>\$ 17,104,870</u> | <u>\$ 17,893,388</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 1,960,046 | \$ 1,105,141 | \$ 871,677 | \$ (18,176,431) | \$ 3,513,434 | \$ (140,088) | \$ 1,144,806 | \$ (93,477) | \$ 35,646 | \$ 2,247,024 |
| Business-type activities | 1,239,334 | 568,149 | (20,376) | (471,794) | (288,641) | 257,871 | (68,219) | 641,270 | 740,728 | 1,729,315 |
| Total primary government net expense | <u>\$ 3,199,380</u> | <u>\$ 1,673,290</u> | <u>\$ 851,301</u> | <u>\$ (18,648,225)</u> | <u>\$ 3,224,793</u> | <u>\$ 117,783</u> | <u>\$ 1,076,587</u> | <u>\$ 547,793</u> | <u>\$ 776,374</u> | <u>\$ 3,976,340</u> |

* In October 2007, the Auditor General reclassified Franchise Fees from Taxes to Licenses and Permits. Occupational Licenses were reclassified from Licenses to Local Business Taxes.

CITY OF TEMPLE TERRACE, FLORIDA
Table 3
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------|-------------|-------------|-------------|-------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011* | 2012 | 2013 | 2014 | 2015 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 449,984 | \$ 943,949 | \$ 790,831 | \$ 285,760 | \$ 300,726 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 5,070,679 | 4,419,382 | 4,275,285 | 4,101,988 | 3,690,252 | - | - | - | - | - |
| Total General Fund | <u>\$ 5,520,663</u> | <u>\$ 5,363,331</u> | <u>\$ 5,066,116</u> | <u>\$ 4,387,748</u> | <u>\$ 3,990,978</u> | <u>\$ -</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 44,110 | \$ 323,769 | \$ 4,308,654 | \$ 2,887,761 | \$ 3,533,106 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special Revenue Funds | 4,275,373 | 5,381,780 | 3,834,748 | 3,626,229 | 4,364,919 | - | - | - | - | - |
| Debt Service Fund | 4,283,612 | 3,015,109 | 151,117 | 770,331 | 439,316 | - | - | - | - | - |
| Capital Projects Fund | - | - | - | - | 1,771 | - | - | - | - | - |
| Total all other governmental funds | <u>\$ 8,603,095</u> | <u>\$ 8,720,658</u> | <u>\$ 8,294,519</u> | <u>\$ 7,284,321</u> | <u>\$ 8,339,112</u> | <u>\$ -</u> |
| Total fund balance | | | | | | | | | | |
| All governmental funds | <u>\$ 14,123,758</u> | <u>\$ 14,083,989</u> | <u>\$ 13,360,635</u> | <u>\$ 11,672,069</u> | <u>\$ 12,330,090</u> | <u>\$ -</u> |

*Beginning in Fiscal Year 2011, due to implementation of GASB Statement No. 54, fund balance is now reported as follows:

| | Fiscal Year | | | | | | | | | |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011* | 2012 | 2013 | 2014 | 2015 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 35,585 | \$ 25,584 | \$ 22,325 | \$ 21,958 | \$ 21,958 |
| Restricted | - | - | - | - | - | 143,111 | 131,774 | 174,300 | 217,513 | 276,403 |
| Committed | - | - | - | - | - | - | 471,349 | 116,591 | 116,591 | 116,591 |
| Assigned | - | - | - | - | - | 1,049,674 | 249,984 | 1,706,440 | 1,155,010 | 1,426,959 |
| Unassigned | - | - | - | - | - | 2,343,181 | 3,259,530 | 2,551,211 | 2,861,765 | 3,917,317 |
| Total General Fund | <u>\$ -</u> | <u>\$ 3,571,551</u> | <u>\$ 4,138,221</u> | <u>\$ 4,570,867</u> | <u>\$ 4,372,838</u> | <u>\$ 5,759,228</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted, reported in: | | | | | | | | | | |
| Special Revenue Funds | - | - | - | - | - | 4,566,211 | 3,610,417 | 4,023,569 | 4,232,684 | 5,806,751 |
| Debt Service Fund | - | - | - | - | - | 2,863,128 | 2,641,625 | 2,559,576 | 2,794,452 | 46,631 |
| Capital Projects Fund | - | - | - | - | - | - | - | - | - | - |
| Total all other governmental funds | <u>\$ -</u> | <u>\$ 7,429,339</u> | <u>\$ 6,252,042</u> | <u>\$ 6,583,145</u> | <u>\$ 7,027,136</u> | <u>\$ 5,853,382</u> |
| Total fund balance | | | | | | | | | | |
| All governmental funds | <u>\$ -</u> | <u>\$ 11,000,890</u> | <u>\$ 10,390,263</u> | <u>\$ 11,154,012</u> | <u>\$ 11,399,974</u> | <u>\$ 11,612,610</u> |

CITY OF TEMPLE TERRACE, FLORIDA

Table 4
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
 (accrual basis of accounting)

| | Fiscal Year | | | | | | | | |
|---|---------------------|--------------------|---------------------|-----------------------|-------------------|-----------------------|---------------------|-------------------|-------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Revenues | | | | | | | | | |
| Taxes | \$ 13,343,186 | \$ 14,830,103 * | \$ 13,050,257 | \$ 12,589,786 | \$ 13,017,443 | \$ 12,934,258 | \$ 13,021,553 | \$ 12,805,206 | \$ 13,262,249 |
| Licenses and permits | 526,756 | 431,134 * | 2,185,822 | 2,213,232 | 2,221,279 | 2,130,961 | 2,061,898 | 2,064,671 | 2,017,310 |
| Intergovernmental | 4,652,656 | 4,087,762 | 4,215,060 | 4,077,105 | 6,810,376 | 6,139,380 | 4,796,594 | 3,686,168 | 4,011,413 |
| Charges for services | 4,791,586 | 4,855,469 | 4,968,642 | 4,757,182 | 3,800,496 | 3,842,628 | 4,237,744 | 4,032,528 | 3,963,372 |
| Fines and forfeitures | 233,298 | 219,078 | 226,120 | 1,710,665 | 751,591 | 576,551 | 788,489 | 685,288 | 449,747 |
| Other | 967,354 | 1,162,415 | 925,095 | 848,891 | 786,585 | 777,029 | 1,403,750 | 800,952 | 530,035 |
| Total revenues | <u>24,514,836</u> | <u>25,585,961</u> | <u>25,570,996</u> | <u>26,196,861</u> | <u>27,387,770</u> | <u>26,400,807</u> | <u>26,310,028</u> | <u>24,074,813</u> | <u>24,234,126</u> |
| Expenditures | | | | | | | | | |
| General government | 4,547,522 | 5,063,770 | 4,868,794 | 4,718,759 | 4,731,907 | 6,099,752 | 4,690,547 | 3,870,788 | 3,743,156 |
| Public safety | 10,051,384 | 10,940,726 | 11,616,955 | 12,468,044 | 11,919,349 | 12,222,205 | 12,397,480 | 12,606,806 | 12,979,074 |
| Transportation and public works | 1,567,859 | 1,631,480 | 1,690,642 | 1,745,232 | 1,647,345 | 1,711,672 | 1,534,495 | 1,359,681 | 1,378,734 |
| Culture and recreation | 3,533,089 | 3,715,665 | 3,767,511 | 3,647,510 | 3,575,879 | 3,594,863 | 3,516,949 | 3,439,561 | 3,515,786 |
| Capital outlay | 2,714,718 | 2,520,239 | 2,970,754 | 4,710,472 | 3,842,919 | 5,238,966 | 3,445,880 | 2,153,617 | 1,700,019 |
| Debt service | | | | | | | | | |
| Principal | 321,678 | 314,362 | 325,357 | 341,669 | 959,565 | 375,310 | 1,397,675 | 415,431 | 407,182 |
| Interest | 1,278,207 | 1,467,846 | 1,158,846 | 770,334 | 803,347 | 810,696 | 826,868 | 786,588 | 414,969 |
| Debt issuance | - | - | - | 78,179 | 31,283 | 2,000 | - | 71,019 | 885 |
| Total expenditures | <u>24,014,457</u> | <u>25,654,088</u> | <u>26,398,859</u> | <u>28,480,199</u> | <u>27,511,594</u> | <u>30,055,464</u> | <u>27,809,894</u> | <u>24,703,491</u> | <u>24,139,805</u> |
| Excess (deficiency) of revenues over expenditures | 500,379 | (68,127) | (827,863) | (2,283,338) | (123,824) | (3,654,657) | (1,499,866) | (628,678) | 94,321 |
| Other financing sources (uses) | | | | | | | | | |
| Debt issues | 3,188,116 | - | - | 592,278 | 724,568 | 2,284,299 | 1,000,192 | (24,207,806) | - |
| Proceeds of Refunding Debt | - | - | - | - | - | - | - | 24,335,000 | - |
| Transfers in | 1,098,588 | 426,511 | 1,424,640 | 1,506,100 | 943,892 | 739,480 | 1,798,761 | 1,943,343 | 826,329 |
| Transfers out | (1,098,588) | (426,511) | (1,363,195) | (1,506,100) | (943,892) | (739,480) | (1,798,761) | (875,718) | (826,329) |
| Debt Proceeds | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | 28,358 | 43,064 | 2,494 | 57,277 | 41,158 | 69,047 | 17,608 | 29,816 |
| Total other financing sources (uses) | <u>3,188,116</u> | <u>28,358</u> | <u>104,509</u> | <u>594,772</u> | <u>781,845</u> | <u>2,325,457</u> | <u>1,069,239</u> | <u>1,212,427</u> | <u>29,816</u> |
| Net change in fund balances | <u>\$ 3,688,495</u> | <u>\$ (39,769)</u> | <u>\$ (723,354)</u> | <u>\$ (1,688,566)</u> | <u>\$ 658,021</u> | <u>\$ (1,329,200)</u> | <u>\$ (430,627)</u> | <u>\$ 583,749</u> | <u>\$ 124,137</u> |
| Debt service as a percentage of noncapital expenditures | 8.1% | 8.3% | 6.8% | 4.9% | 8.1% | 5.0% | 10.0% | 5.6% | 3.8% |

* In October 2007, the Auditor General reclassified Franchise Fees from Taxes to Licenses and Permits. Occupational Licenses and Permits were also reclassified from Licenses to Local Busi

CITY OF TEMPLE TERRACE, FLORIDA
Table 5
GOVERNMENT-WIDE REVENUES
Last Ten Fiscal Years

| Fiscal Year | -----PROGRAM REVENUES----- | | | -----GENERAL REVENUES----- | | | | | |
|-------------|----------------------------|----------------------------------|--------------------------------|----------------------------|--|----------------------------------|---------------|-----------|---------------|
| | Charges For Services | Operating Grants & Contributions | Capital Grants & Contributions | Taxes * | Grants & Contributions Not Restricted To Specific Programs | Unrestricted Investment Earnings | Miscellaneous | Transfers | TOTAL |
| 2006 | \$ 16,435,237 | \$ 440,255 | \$ 1,590,195 | \$ 16,610,762 | \$ 54,705 | \$ 967,665 | \$ 415,493 | \$ - | \$ 36,514,312 |
| 2007 | 16,230,374 | 539,461 | 862,846 | 18,030,646 | 201,902 | 1,225,542 | 333,018 | - | 37,423,789 |
| 2008 | 18,119,839 | 630,683 | 1,497,667 | 15,888,570 | 103,963 | 713,171 | 537,171 | - | 37,491,064 |
| 2009 | 19,416,217 | 471,000 | 909,127 | 15,320,964 | 44,707 | 380,368 | 551,088 | - | 37,093,471 |
| 2010 | 18,759,607 | 646,117 | 4,275,178 | 15,509,155 | 47,716 | 320,440 | 546,559 | - | 40,104,772 |
| 2011 | 19,526,580 | 497,376 | 2,562,687 | 15,877,313 | 79,155 | 179,190 | 604,085 | - | 39,326,386 |
| 2012 | 20,428,120 | 890,686 | 1,484,267 | 16,046,405 | 83,529 | 275,509 | 592,590 | - | 39,801,106 |
| 2013 | 20,252,933 | 302,479 | 352,317 | 15,907,757 | 37,758 | 35,094 | 698,835 | - | 37,587,173 |
| 2014 | 19,961,242 | 277,807 | 500,543 | 16,567,885 | 54,396 | 126,554 | 356,035 | - | 37,844,462 |
| 2015 | 21,022,492 | 935,977 | 1,871,036 | 16,844,869 | 96,302 | 114,324 | 837,893 | - | 41,722,893 |

* In October 2007, the Auditor General reclassified Franchise Fees from Taxes to Licenses and Permits. Occupational Licenses were reclassified from Licenses to Local Business Taxes. Franchises Fees are included in Charges for Services.

CITY OF TEMPLE TERRACE, FLORIDA
Table 6
GOVERNMENT-WIDE EXPENSES BY FUNCTION
Last Ten Fiscal Years

| Fiscal Year | General Government | Public Safety | Highways & Public Works | Economic Development | Culture & Recreation | Interest and Other General Government | Water & Sewer | Sanitation | Special Items | Transfers | TOTAL |
|-------------|--------------------|---------------|-------------------------|----------------------|----------------------|---------------------------------------|---------------|--------------|---------------|-----------|---------------|
| 2006 | \$ 3,610,451 | \$ 10,596,353 | \$ 2,103,406 | \$ 1,047,819 | \$ 3,928,683 | \$ 1,300,678 | \$ 7,943,024 | \$ 2,784,518 | \$ - | \$ - | \$ 33,314,932 |
| 2007 | 3,893,528 | 11,445,671 | 2,218,945 | 1,357,628 | 4,107,650 | 1,504,732 | 8,411,720 | 2,810,535 | - | - | 35,750,409 |
| 2008 | 3,811,622 | 12,204,544 | 2,307,220 | 1,193,867 | 4,176,554 | 1,063,052 | 8,963,490 | 2,919,414 | - | - | 36,639,763 |
| 2009 | 4,084,419 | 13,083,126 | 2,361,372 | 807,943 | 4,029,039 | 662,520 | 8,873,380 | 2,875,242 | (19,269,194) | - | 17,507,847 |
| 2010 | 4,114,286 | 12,723,993 | 2,258,804 | 742,629 | 3,953,613 | 803,347 | 9,526,900 | 2,805,749 | - | - | 36,929,321 |
| 2011 | 3,980,313 | 13,130,360 | 2,384,940 | 2,305,198 | 4,046,833 | 821,790 | 9,808,604 | 2,822,207 | - | - | 39,300,245 |
| 2012 | 3,900,099 | 13,443,136 | 2,338,570 | 1,000,416 | 3,973,313 | 837,962 | 10,305,399 | 3,093,515 | - | - | 38,892,410 |
| 2013 | 3,876,690 | 13,454,784 | 2,167,279 | 21,692 | 3,882,710 | 868,701 | 9,802,084 | 2,965,440 | - | - | 37,039,380 |
| 2014 | 3,847,264 | 13,880,527 | 2,193,891 | 522 | 3,979,142 | 415,854 | 9,641,139 | 3,109,749 | - | - | 37,068,088 |
| 2015 | 3,985,960 | 12,808,684 | 1,341,907 | 93,056 | 3,572,694 | 4,622,345 | 9,950,108 | 3,091,486 | - | - | 39,466,240 |

CITY OF TEMPLE TERRACE, FLORIDA
Table 7
GENERAL GOVERNMENTAL REVENUES BY SOURCE
Last Ten Fiscal Years

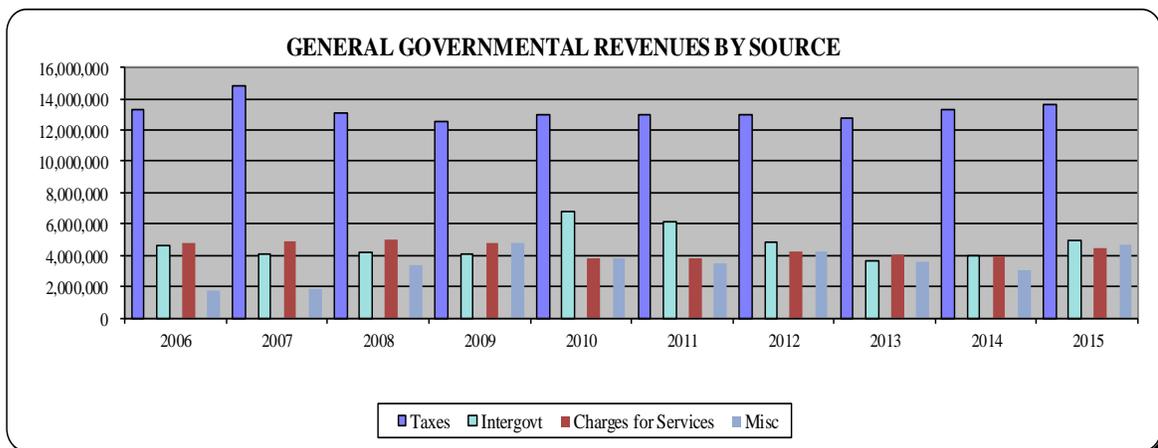
| Fiscal Year | Taxes | Licenses & Permits | InterGovt | Charges For Services | Fines And Forfeitures | Investment Earnings | Contributions | Other | TOTAL |
|-------------|---------------|--------------------|--------------|----------------------|-----------------------|---------------------|---------------|------------|--------------|
| 2006 | \$ 13,343,186 | \$ 526,756 | \$ 4,652,656 | \$ 4,791,586 | \$ 233,298 | \$ 566,966 | \$ 54,705 | \$ 345,683 | \$24,514,836 |
| 2007 | 14,830,103 | 431,134 | 4,087,762 | 4,855,469 | 219,078 | 697,963 | 201,902 | 262,550 | 25,585,961 |
| 2008 | 13,050,257 | 2,185,822 | 4,215,060 | 4,968,642 | 226,120 | 384,475 | 103,963 | 436,657 | 25,570,996 |
| 2009 | 12,589,786 | 2,213,232 | 4,077,105 | 4,757,182 | 1,710,665 | 380,368 | 44,707 | 423,816 | 26,196,861 |
| 2010 | 13,017,443 | 2,221,279 | 6,810,376 | 3,800,496 | 751,591 | 176,448 | 47,716 | 562,421 | 27,387,770 |
| 2011 | 12,934,258 | 2,130,961 | 6,139,380 | 3,842,628 | 576,551 | 73,841 | 79,155 | 624,033 | 26,400,807 |
| 2012 | 13,021,553 | 2,061,898 | 4,796,594 | 4,237,744 | 788,489 | 134,856 | 600,996 | 667,898 | 26,310,028 |
| 2013 | 12,805,206 | 2,064,671 | 3,686,168 | 4,032,528 | 685,288 | (2,312) | 54,935 | 748,329 | 24,074,813 |
| 2014 | 13,262,249 | 2,017,310 | 4,011,413 | 3,963,372 | 449,747 | 77,247 | 112,512 | 340,276 | 24,234,126 |
| 2015 | 13,675,122 | 2,351,720 | 4,941,011 | 4,416,457 | 745,001 | 276,392 | 842,264 | 493,507 | 27,741,474 |

Revised table to include local option gas tax and local option sales tax in the Taxes category, previously recorded in Intergovernmental.

| TAX REVENUES BY SOURCE | | | | | | | |
|-------------------------------|--------------|------------------|---------------|--------------|--------------------------|--------------------|--------------|
| Fiscal Year | Property Tax | Local Option Tax | Franchise Tax | Utility Tax | Communica-tions Svcs Tax | Local Business Tax | TOTAL TAXES |
| 2006 | \$ 6,097,002 | \$ 1,884,598 | \$ 1,619,507 | \$ 1,822,424 | \$1,709,590 | \$ 210,065 | \$13,343,186 |
| 2007 | 7,050,991 | 1,908,407 | 1,936,855 | 1,954,099 | 1,758,695 | 221,056 | 14,830,103 |
| 2008 | 7,292,079 | 1,774,738 | * | 1,930,116 | 1,820,216 | 233,108 | 13,050,257 |
| 2009 | 6,966,685 | 1,691,849 | * | 2,120,788 | 1,587,044 | 223,420 | 12,589,786 |
| 2010 | 7,047,679 | 1,676,543 | * | 2,404,690 | 1,663,902 | 224,629 | 13,017,443 |
| 2011 | 7,043,990 | 1,705,046 | * | 2,294,274 | 1,650,780 | 240,168 | 12,934,258 |
| 2012 | 7,121,260 | 1,760,198 | * | 2,228,386 | 1,678,859 | 232,850 | 13,021,553 |
| 2013 | 6,935,502 | 1,759,178 | * | 2,211,444 | 1,643,243 | 255,838 | 12,805,205 |
| 2014 | 7,334,187 | 1,856,112 | * | 3,811,075 | - | 260,875 | 13,262,249 |
| 2015 | 7,679,632 | 1,947,482 | * | 2,400,541 | 1,398,859 | 248,608 | 13,675,122 |

* In October 2007, the Auditor General reclassified Franchise Fees from Taxes to Licenses and Permits. Occupational Licenses were reclassified from Licenses to Local Business Taxes.

NOTE: Includes General, Special Revenue, Debt Service and Capital Project Funds.

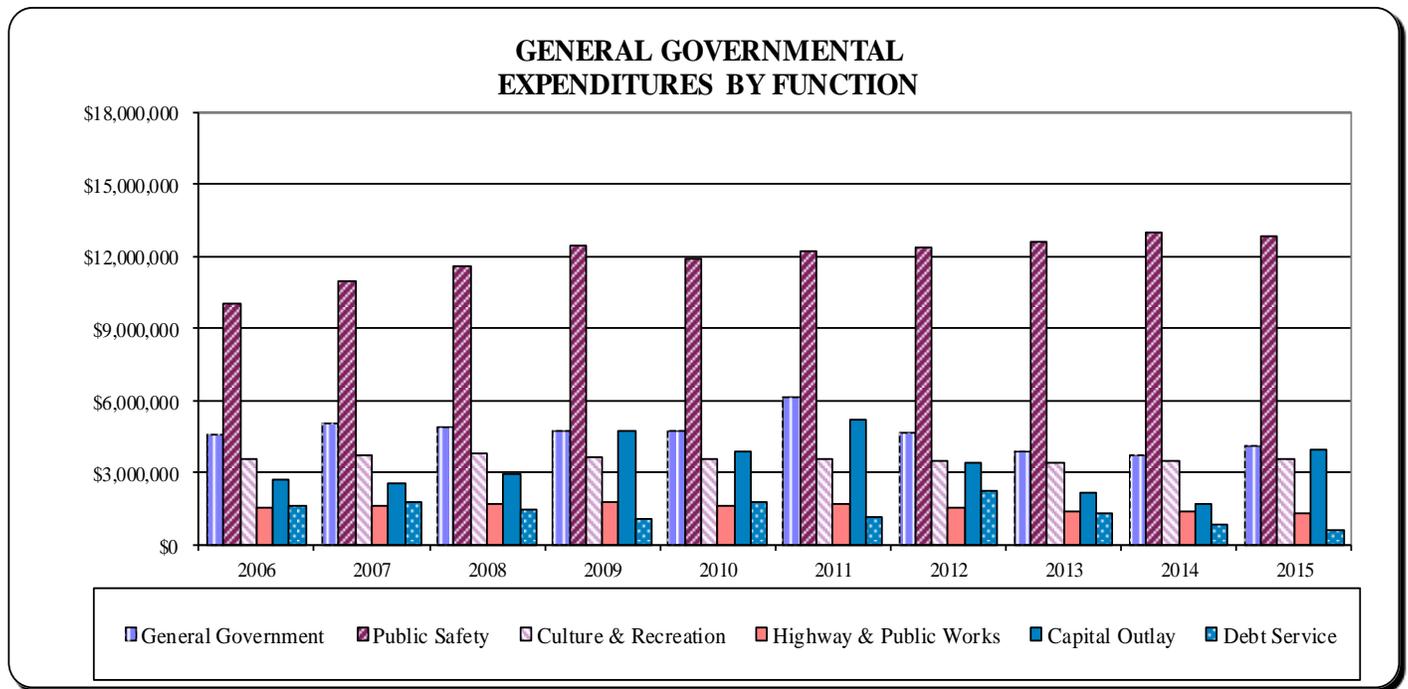


CITY OF TEMPLE TERRACE, FLORIDA

**Table 8
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
Last Ten Fiscal Years**

| Fiscal Year | General Government | Public Safety | Culture & Recreation | Highway & Public Works | Capital Outlay* | Debt Service | TOTAL |
|-------------|--------------------|---------------|----------------------|------------------------|-----------------|--------------|--------------|
| 2006 | \$ 4,547,522 | \$ 10,051,384 | \$ 3,533,089 | \$ 1,567,859 | \$ 2,714,718 | \$ 1,599,885 | \$24,014,457 |
| 2007 | 5,063,770 | 10,940,726 | 3,715,665 | 1,631,480 | 2,520,239 | 1,782,208 | 25,654,088 |
| 2008 | 4,868,794 | 11,616,955 | 3,767,511 | 1,690,642 | 2,970,754 | 1,484,203 | 26,398,859 |
| 2009 | 4,718,759 | 12,468,044 | 3,647,510 | 1,745,232 | 4,710,472 | 1,112,003 | 28,402,020 |
| 2010 | 4,731,907 | 11,919,349 | 3,575,879 | 1,647,345 | 3,842,919 | 1,794,195 | 27,511,594 |
| 2011 | 6,099,752 | 12,222,205 | 3,594,863 | 1,711,672 | 5,238,966 | 1,188,006 | 30,055,464 |
| 2012 | 4,690,547 | 12,397,480 | 3,516,949 | 1,534,495 | 3,445,880 | 2,224,543 | 27,809,894 |
| 2013 | 3,870,788 | 12,606,806 | 3,439,561 | 1,359,681 | 2,153,617 | 1,273,038 | 24,703,491 |
| 2014 | 3,743,156 | 12,979,074 | 3,515,786 | 1,378,734 | 1,700,019 | 823,037 | 24,139,806 |
| 2015 | 4,079,016 | 12,808,684 | 3,572,694 | 1,341,907 | 3,990,018 | 632,327 | 26,424,646 |

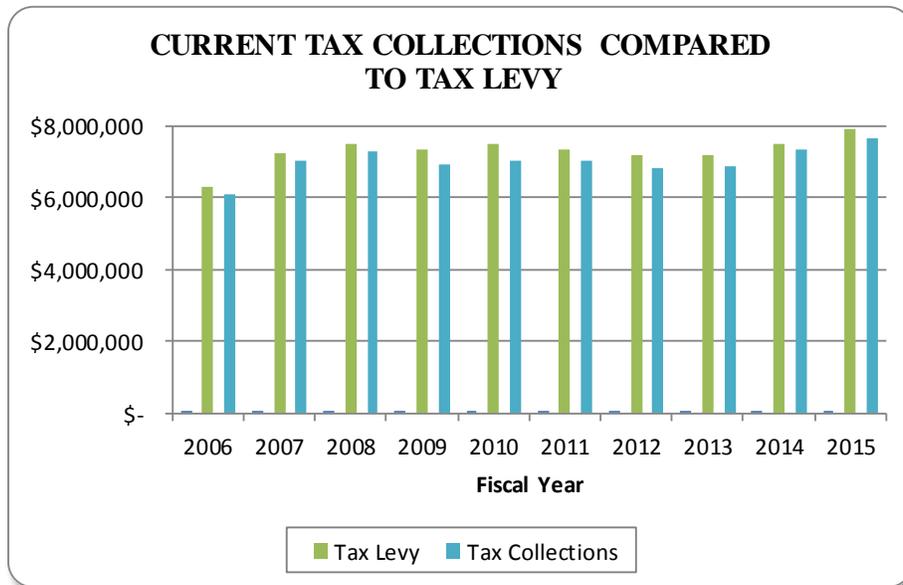
NOTES: Includes General, Special Revenue, Debt Service and Capital Project Funds.



CITY OF TEMPLE TERRACE, FLORIDA
Table 9
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

| Fiscal Year | Total Tax Levy | Current Tax Collections | Percent Of Levy Collected | Delinquent Tax Collections | Total Tax Collections | Total Collections As Percent of Current Levy | Outstanding Delinquent Taxes | Delinquent Taxes As Percent Of Current Levy |
|-------------|----------------|-------------------------|---------------------------|----------------------------|-----------------------|--|------------------------------|---|
| 2006 | \$6,322,255 | \$6,093,110 | 96.4% | \$ 8,924 | \$6,102,034 | 96.5% | - | 0.00% |
| 2007 | 7,253,070 | 7,014,057 | 96.7% | 44,073 | 7,058,130 | 97.3% | - | 0.00% |
| 2008 | 7,517,616 | 7,281,826 | 96.9% | 2,103 | 7,283,929 | 96.9% | - | 0.00% |
| 2009 | 7,314,356 | 6,946,476 | 95.0% | 109,450 | 7,055,926 | 96.5% | 22,409 | 0.31% |
| 2010 | 7,502,958 | 7,036,782 | 93.8% | 112,562 | 7,149,344 | 95.3% | 115,691 | 1.54% |
| 2011 | 7,327,818 | 7,038,313 | 96.0% | 230,978 | 7,269,291 | 99.2% | 988 | 0.01% |
| 2012 | 7,206,568 | 6,805,186 | 94.4% | 287,654 | 7,092,840 | 98.4% | 113,728 | 1.58% |
| 2013 | 7,194,398 | 6,852,255 | 95.2% | - | 6,852,255 | 95.2% | 3,687 | 0.05% |
| 2014 | 7,470,973 | 7,334,188 | 98.2% | 1,066 | 7,335,254 | 98.2% | 2,621 | 0.04% |
| 2015 | 7,896,081 | 7,666,621 | 97.1% | 13,011 | 7,679,632 | 97.3% | 219,070 | 2.77% |

Source: Hillsborough County Tax Collector



CITY OF TEMPLE TERRACE, FLORIDA
Table 10
ASSESSED AND ESTIMATED TRUE VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Real Property Assessed Value</u> | <u>Personal Property Assessed Value</u> | <u>Less Tax Exempt Real Property</u> | <u>Total Taxable Assessed Value</u> | <u>Total Direct Tax Rate</u> | <u>Total Net Estimated True Value</u> | <u>Ratio of Net Assessed to True Value</u> |
|--------------------|-------------------------------------|---|--------------------------------------|-------------------------------------|------------------------------|---------------------------------------|--|
| 2006 | \$ 1,596,089,938 | \$ 192,910,270 | \$ 501,371,945 | \$ 1,287,628,263 | 4.910 | \$1,789,000,208 | 72% |
| 2007 | 1,967,358,649 | 180,806,870 | 670,961,759 | 1,477,203,760 | 4.910 | 2,148,165,519 | 69% |
| 2008 | 2,154,869,809 | 161,831,290 | 671,420,531 | 1,645,280,568 | 4.569 | 2,316,701,099 | 71% |
| 2009 | 2,099,071,550 | 175,123,060 | 673,398,901 | 1,600,795,709 | 4.569 | 2,274,194,610 | 70% |
| 2010 | 1,704,757,891 | 181,624,140 | 466,147,402 | 1,420,234,629 | 5.283 | 1,886,382,031 | 75% |
| 2011 | 1,443,942,096 | 180,109,330 | 392,485,391 | 1,231,566,035 | 5.950 | 1,624,051,426 | 76% |
| 2012 | 1,339,227,728 | 185,492,400 | 352,084,991 | 1,171,799,728 | 6.150 | 1,524,720,128 | 77% |
| 2013 | 1,296,779,042 | 168,532,670 | 346,431,717 | 1,118,879,995 | 6.430 | 1,465,311,712 | 76% |
| 2014 | 1,377,052,761 | 164,018,070 | 379,177,661 | 1,161,893,170 | 6.430 | 1,541,070,831 | 75% |
| 2015 | 1,481,403,262 | 200,656,340 | 429,707,356 | 1,252,352,246 | 6.955 | 1,682,059,602 | 74% |

CITY OF TEMPLE TERRACE, FLORIDA

Table 11

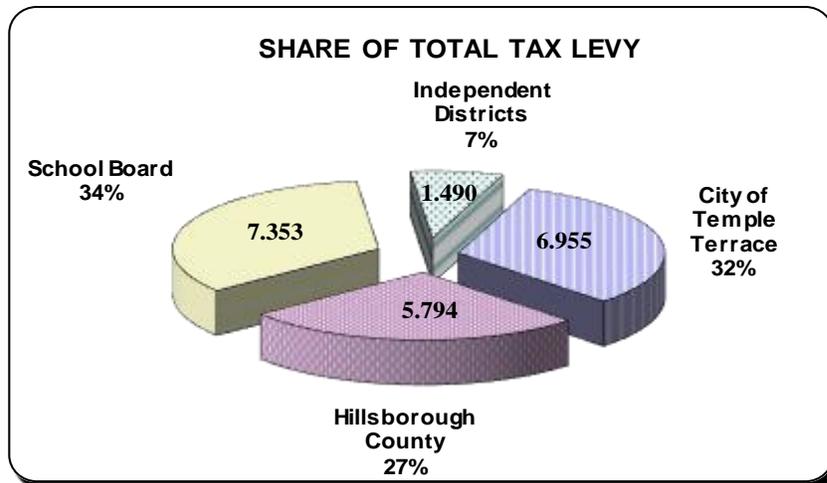
**PROPERTY TAX RATES – DIRECT
AND OVERLAPPING GOVERNMENTS**

Last Ten Fiscal Years

| Fiscal Year | City Operating Millage | Overlapping Rates | | | | | TOTAL Millage Rates |
|-------------|------------------------|-------------------|--------------|---------------|--------------------------|-------------------------------------|---------------------|
| | | COUNTY | | | School Operating Millage | Special Districts Operating Millage | |
| | | Operating Millage | Debt Millage | Total Millage | | | |
| 2006 | 4.9100 | 6.9257 | 0.0840 | 7.0097 | 7.9370 | 1.9670 | 21.8237 |
| 2007 | 4.9100 | 6.5200 | 0.0667 | 6.5867 | 7.8230 | 1.9270 | 21.2467 |
| 2008 | 4.5692 | 5.7446 | 0.0604 | 5.8050 | 7.5230 | 1.7524 | 19.6496 |
| 2009 | 4.5692 | 5.7439 | 0.0604 | 5.8043 | 7.7770 | 1.8045 | 19.9550 |
| 2010 | 5.2829 | 5.7423 | 0.0604 | 5.8027 | 7.6920 | 1.7894 | 20.5670 |
| 2011 | 5.9500 | 5.7407 | 0.0604 | 5.8011 | 7.5920 | 1.7652 | 21.1083 |
| 2012 | 6.1500 | 5.7391 | 0.0604 | 5.7995 | 7.9130 | 1.5828 | 21.4453 |
| 2013 | 6.4300 | 5.7374 | 0.0604 | 5.7978 | 7.8770 | 1.5778 | 21.6826 |
| 2014 | 6.4300 | 5.7339 | 0.0604 | 5.7943 | 7.3530 | 1.4897 | 21.0670 |
| 2015 | 6.9550 | 5.7339 | 0.0604 | 5.7943 | 7.3530 | 1.4897 | 21.5920 |

NOTES: (A) Tax rates are per \$1,000 of assessed valuation.
 (B) Tax levies include only that portion levied within the City limits.

SOURCE: Hillsborough County Tax Collector - Form DR529



CITY OF TEMPLE TERRACE, FLORIDA
Table 12
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

| Fiscal Year | GOVERNMENTAL ACTIVITIES | | BUSINESS TYPE ACTIVITIES | | Total Primary Government | Percentage Of Personal Income | Debt Per Capital |
|-------------|---------------------------|------------------------|------------------------------|------------------------|--------------------------|-------------------------------|------------------|
| | Capital Improvement Notes | Capital Leases Payable | Utility System Revenue Bonds | Capital Leases Payable | | | |
| 2006 | \$ 26,089,985 | \$ 157,121 | \$ 6,615,000 | \$ 67,337 | \$ 32,929,443 | 3.74% | 1,370.58 |
| 2007 | 25,795,368 | 137,376 | 6,045,000 | 58,874 | 32,036,618 | 3.74% | 1,341.45 |
| 2008 | 25,490,595 | 116,792 | 5,455,000 | 50,053 | 31,112,440 | 4.49% | 1,301.45 |
| 2009 | 25,762,662 | 95,334 | 4,840,000 | 40,857 | 30,738,853 | 4.98% | 1,252.55 |
| 2010 | 25,550,033 | 72,966 | 4,205,000 | 31,270 | 29,859,269 | 4.83% | 1,221.64 |
| 2011 | 27,482,340 | 49,648 | 3,540,000 | 21,277 | 31,093,265 | 5.03% | 1,270.67 |
| 2012 | 27,109,164 | 25,340 | 2,855,000 | 10,869 | 30,000,363 | 4.66% | 1,203.92 |
| 2013 | 26,846,267 | 1,225,000 | 2,145,000 | - | 30,216,267 | 3.81% | 1,193.99 |
| 2014 | 26,439,086 | - | 1,410,000 | - | 27,849,086 | 3.64% | 1,097.41 |
| 2015 | 27,894,429 | - | 635,000 | - | 28,529,429 | N/A | 1,122.37 |

NOTES: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See demographic and economic statistics in table 15 for personal income and population data.

N/A - Information is not available.

CITY OF TEMPLE TERRACE, FLORIDA
Table 13
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
As of September 30, 2015

| | Net Debt | APPLICABLE TO CITY | |
|--|--------------------------|--------------------|----------------------|
| | <u>Outstanding</u> | <u>%</u> | <u>Amount (A)</u> |
| <u>DIRECT DEBT</u> | | | |
| City of Temple Terrace | <u>\$ 26,697,647</u> (B) | 100.00% | <u>\$ 26,697,647</u> |
| <u>OVERLAPPING DEBT</u> | | | |
| School Board of Hillsborough Co | \$ - | 1.80% | \$ - |
| Hillsborough County, County-Wide Debt Service | <u>65,110,000</u> | 1.80% | <u>1,173,096</u> |
| TOTAL AD VALOREM SUPP | <u>\$ 65,110,000</u> | | <u>\$ 27,870,743</u> |

RATIOS

| | |
|--|----------|
| Overall Debt to 2015 Taxable Valuation | 2.23% |
| Overall Debt per Capita | 1,096.45 |

NOTES: (A) Determined by ratio of valuation of property subject to taxation in the City of Temple Terrace to assessed valuation of property subject to taxation in the overlapping unit.
(B) Includes subsequent event of refunding revenue note for \$23,540,000 less the amount due within one year \$274,241

CITY OF TEMPLE TERRACE, FLORIDA
Table 14
SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

| Fiscal Year Ended Sept. 30 | Gross Revenue (A) | Expenses (B) | Net Revenue Available For Debt Service | DEBT SERVICE REQUIREMENTS | | | Coverage |
|----------------------------------|----------------------|--------------|--|---------------------------|------------|------------|----------|
| | | | | Principal | Interest | Totals | |
| WATER AND SEWER UTILITY: | | | | | | | |
| 2006 | \$ 8,728,436 | \$ 3,851,038 | \$ 4,877,398 | \$ 558,118 | \$ 267,307 | \$ 825,425 | 5.909 |
| 2007 | 8,626,758 | 4,090,663 | 4,536,095 | 578,462 | 247,056 | 825,518 | 5.495 |
| 2008 | 8,238,678 | 4,514,206 | 3,724,472 | 598,822 | 225,572 | 824,394 | 4.518 |
| 2009 | 8,216,456 | 4,502,432 | 3,714,024 | 624,196 | 203,835 | 828,031 | 4.485 |
| 2010 | 9,013,917 | 4,618,136 | 4,395,781 | 644,587 | 181,099 | 825,686 | 5.324 |
| 2011 | 9,849,409 | 4,498,594 | 5,350,815 | 674,993 | 157,644 | 832,637 | 6.426 |
| 2012 | 10,199,253 | 4,635,769 | 5,350,815 | 674,993 | 157,644 | 832,637 | 6.619 |
| 2013 | 10,245,855 | 4,594,292 | 5,651,563 | 720,859 | 107,560 | 828,419 | 6.822 |
| 2014 | 10,365,058 | 4,638,239 | 5,726,819 | 735,000 | 81,363 | 816,363 | 7.015 |
| 2015 | 10,627,687 | 4,854,213 | 5,773,474 | 635,000 | 39,899 | 674,899 | 8.555 |

NOTES: (A) Includes interest earnings

(B) Operating expenses exclude depreciation and payments to the City of Tampa

SOURCE: City of Temple Terrace

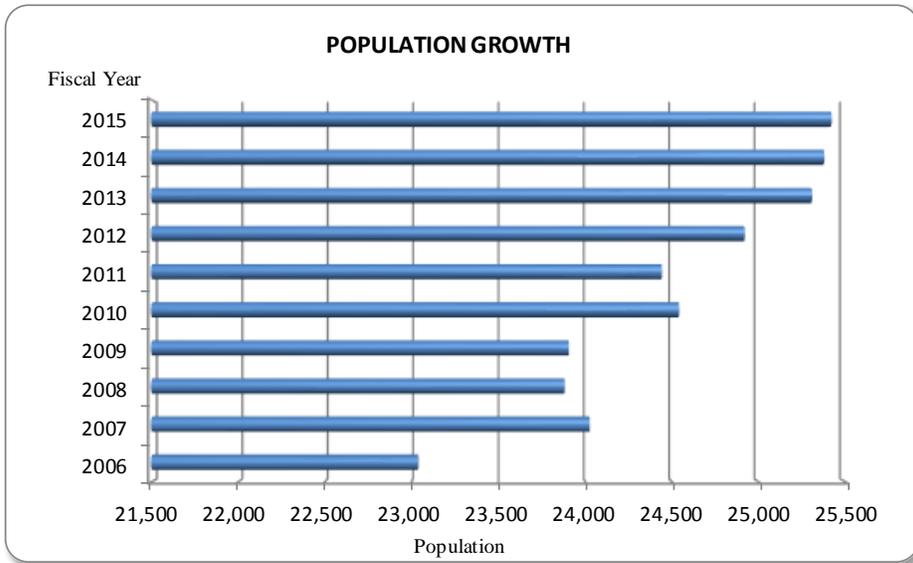
CITY OF TEMPLE TERRACE, FLORIDA

**Table 15
DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years**

| Fiscal Year | Population (A) | Personal Income | Per Capita Money Income (D) | Median Age (C) | Median Education | | School Enrollment (B) | UNEMPLOYMENT RATE (D) | | |
|-------------|----------------|-----------------|-----------------------------|----------------|--|--|-----------------------|-----------------------|------------------|---------------|
| | | | | | Level in Years of Formal Schooling (C) | | | Hillsborough County | State of Florida | United States |
| 2006 | 23,035 | \$ 820,990,435 | \$ 35,641 | 36.0 | 13.3 | | 3,000 | 3.1% | 3.3% | 4.6% |
| 2007 | 24,026 | 879,736,016 | 36,616 | 36.2 | 13.4 | | 3,025 | 3.7% | 3.8% | 4.6% |
| 2008 | 23,882 | 857,316,036 | 35,898 | 36.6 | 13.4 | | 2,752 | 6.8% | 6.9% | 6.0% |
| 2009 | 23,906 | 693,034,940 | 28,990 | 36.0 | 13.5 | | 2,799 | 11.6% | 11.3% | 9.5% |
| 2010 | 24,541 | 617,672,429 | 25,169 | 36.1 | 14.1 | | 2,663 | 12.5% | 11.9% | 9.6% |
| 2011 | 24,442 | 617,576,014 | 25,267 | 33.3 | 14.1 | | 2,722 | 10.5% | 10.8% | 8.9% |
| 2012 | 24,919 | 643,145,010 | 26,283 | 33.4 | 14.1 | | 2,652 | 8.6% | 8.6% | 7.6% |
| 2013 | 25,307 | 792,255,386 | 27,149 | 33.4 | 14.1 | | 2,574 | 7.0% | 7.2% | 7.4% |
| 2014 | 25,377 | 765,776,352 | 30,176 | 34.5 | 14.2 | | 2,609 | 6.0% | 5.6% | 6.5% |
| 2015 | 25,419 | N/A | N/A | 35.2 | N/A | | 2,551 | 5.8% | 5.1% | 5.1% |

SOURCE: (A) City of Temple Terrace Planning Department
 (B) School Board of Hillsborough County
 (C) <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS>
 (D) Hillsborough County City-County Planning Commission (www.theplanningcommission.org),

NOTE: Specific statistics for per capita income, median age, education level in years of formal schooling, and unemployment rate are available for the City of Temple Terrace only for census years. The Hillsborough County-wide average has been substituted for informational comparisons only. Where noted "N/A", statistical information was not available at this time.



CITY OF TEMPLE TERRACE, FLORIDA

Table 16

PRINCIPAL TAXPAYERS

Current and Ten Years Ago

| Taxpayers | Type of Business | 2015 | | | 2006 | | |
|---|------------------|-----------------------------|------|---|-----------------------------|------|---|
| | | 2014 Taxable Assessed Value | Rank | Percentage of Total City Assessed Value | 2005 Taxable Assessed Value | Rank | Percentage of Total City Assessed Value |
| Verizon Data Services Inc | Offices | \$ 38,965,080 | 1 | 3.07% | \$ 56,390,509 | 1 | 4.38% |
| River Chase at River Hills | Apartments | 34,712,300 | 2 | 2.74% | 33,366,800 | 2 | 2.59% |
| Intellicenter | Offices | 19,445,500 | 3 | 1.53% | | | |
| Tampa Oaks Office Multistory | Offices | 14,256,600 | 4 | 1.12% | | | |
| Boardwalk at Morris Bridge | Apartments | 14,162,500 | 5 | 1.12% | 11,589,900 | 7 | 0.90% |
| Fisherman's Landing LLC | Apartments | 13,762,900 | 6 | 1.09% | 12,467,200 | 6 | 0.97% |
| Florida Orthopaedic Institute | Offices | 12,792,400 | 7 | 1.01% | 10,511,100 | 8 | 0.82% |
| Laurel Oaks | Apartments | 11,612,000 | 8 | 0.92% | | | |
| Doral Oaks | Apartments | 11,492,300 | 9 | 0.91% | 8,549,400 | 11 | 0.66% |
| Terrace Ridge Plaza | Offices | 10,704,400 | 10 | 0.84% | | | |
| College Court | Apartments | 10,296,900 | 11 | 0.81% | | | |
| Summit West | Apartments | 10,175,600 | 12 | 0.80% | 9,767,100 | 9 | 0.76% |
| Riverside @ Telecom Park | Offices | 9,861,800 | 13 | 0.78% | | | |
| Terrace Plaza | Offices | 9,475,900 | 14 | 0.75% | | | |
| Tampa Oaks II | Offices | 9,234,000 | 15 | 0.73% | 15,167,000 | 5 | 1.18% |
| Hilton Garden Inn | Hotel | 8,702,430 | 16 | 0.69% | | | |
| Telecom Technology Center | Offices | 8,418,200 | 17 | 0.66% | | | |
| Leslie Controls | Offices | 6,450,114 | 18 | 0.51% | 5,478,100 | 14 | 0.43% |
| Coca Cola Enterprises | Offices | 5,627,600 | 19 | 0.44% | | | |
| Normandy Park | Apartments | 5,476,800 | 20 | 0.43% | | | |
| The Preserve at Fletcher | Apartments | | | | 23,565,600 | 3 | 1.83% |
| Arbors at Fletcher Island, LLC | Apartments | | | | 22,824,100 | 4 | 1.77% |
| Glenborough Oakview Center LLC | Offices | | | | 7,204,400 | 12 | 0.56% |
| Columbia Temple Terrace | Offices | | | | 8,552,100 | 10 | 0.66% |
| Tampa Oaks Hotel, LLC | Hotel | | | | 6,076,700 | 13 | 0.47% |
| H and G Partnership | Apartments | | | | 5,256,100 | 15 | 0.41% |
| Total Principal Property Taxpayers | | \$ 265,625,324 | | 20.95% | \$ 236,766,109 | | 18.39% |
| Total Assessed Value | | \$ 1,267,910,409 | | | \$ 1,287,628,263 | | |

SOURCE: Hillsborough County Property Appraiser Real Estate Tax Rolls

NOTE: Blank information in Taxable Assessed Value does not mean the business no longer exists.

CITY OF TEMPLE TERRACE, FLORIDA
Table 17
LARGEST EMPLOYERS IN HILLSBOROUGH COUNTY
Current and Ten Years Ago

| Employer | Type of Business | 2015 | | | 2006 | | |
|---------------------------------------|-----------------------|---------------|------|--------------------------------------|---------------|------|--------------------------------------|
| | | Employees | Rank | Percentage of Total County Employees | Employees | Rank | Percentage of Total County Employees |
| Hillsborough County School District | Public Education | 25,915 | 1 | 4.0% | 24,969 | 1 | 4.1% |
| MacDill Air Force Base | Central Command HQ | 18,853 | 2 | 2.9% | 5,812 | 6 | 1.0% |
| Hillsborough County Government | Government Service | 9,846 | 3 | 1.5% | 11,290 | 2 | 1.9% |
| University of South Florida | Education | 8,968 | 4 | 1.4% | 8,743 | 3 | 1.4% |
| Tampa General Hospital | Medical Facility | 7,819 | 5 | 1.2% | 4,920 | 7 | 0.8% |
| Publix Super Markets | Supermarket | 6,969 | 6 | 1.1% | 4,702 | 8 | 0.8% |
| St. Joseph's Hospital | Medical Facility | 5,869 | 7 | 0.9% | 4,407 | 10 | 0.7% |
| HCA West Florida | Medical Facility | 4,171 | 8 | 0.7% | - | | 0.0% |
| City of Tampa | Government Service | 4,101 | 9 | 0.6% | 4,700 | 9 | 0.8% |
| U.S. Postal Service | Government Service | 3,154 | 10 | 0.5% | - | | 0.0% |
| Tampa Electric | Power Company | 2,443 | 11 | 0.4% | - | | 0.0% |
| Verizon | Telecommunications | | | | 7,652 | 4 | 1.3% |
| Tampa International Airport | International Airport | | | | 6,500 | 5 | 1.1% |
| Total Principal Employers | | <u>98,108</u> | | <u>15.3%</u> | <u>83,695</u> | | <u>13.7%</u> |
| Hillsborough County Total Labor Force | | 641,631 | | | 610,201 | | |

SOURCE: Hillsborough County City-County Planning Commission -
<http://www.theplanningcommission.org/library/factsfigures/2015FactsFigures.pdf/view>

CITY OF TEMPLE TERRACE, FLORIDA

Table 18

PRINCIPAL UTILITY CUSTOMERS

Current and Ten Years Ago

| Customer | Classification | 2015 | | | 2006 | | |
|--|------------------|-----------------------------|------|--|-----------------------------|------|--|
| | | Consumption (In Gallons) | Rank | Percentage of Consumption Billed | Consumption (In Gallons) | Rank | Percentage of Consumption Billed |
| Riverchase | Apartments | 28,327,300 | 1 | 1.93% | 32,436,400 | 2 | 2.47% |
| Lamplighter | Mobile Home Park | 25,602,700 | 2 | 1.74% | 31,317,400 | 3 | 2.39% |
| Meadowood Condominiums Inc. | Apartments | 24,247,200 | 3 | 1.65% | 24,867,900 | 4 | 1.90% |
| Verizon Data Services | Commercial | 22,880,600 | 4 | 1.56% | | | |
| M&B Products | Commercial | 17,241,000 | 5 | 1.17% | | | |
| The Preserve at Temple Terrace | Apartments | 16,526,962 | 6 | 1.12% | | | |
| The Falls (Arbors at Fletcher Island) | Apartments | 14,238,200 | 7 | 0.97% | | | |
| JML Doral Oaks | Apartments | 13,727,600 | 8 | 0.93% | 12,905,500 | 8 | 0.98% |
| Summit West (United Dominion) | Apartments | 12,963,447 | 9 | 0.88% | 41,358,700 | 1 | 3.15% |
| Victoria Terrace Association | Apartments | 12,388,800 | 10 | 0.84% | 11,799,100 | 10 | 0.90% |
| Cedar Cove | Apartments | 11,923,109 | 11 | 0.81% | | | |
| Heritage at Temple Terrace | Apartments | 11,245,950 | 12 | 0.76% | | | |
| Normandy Park Apartments | Apartments | 8,374,548 | 13 | 0.57% | | | |
| Florida College | Education | 8,206,779 | 14 | 0.56% | | | |
| Villas at City Center | Apartments | 7,492,006 | 15 | 0.51% | | | |
| Mid America Apartments | Apartments | | | | 11,871,830 | 9 | 0.91% |
| OPUS South Management Corp. | Commercial | | | | 13,692,240 | 6 | 1.04% |
| CIPSO LLC - The Gardens | Apartments | | | | 12,968,700 | 7 | 0.99% |
| City of Temple Terrace | Municipality | | | | 17,236,351 | 5 | 1.31% |
| | | <u>235,386,201</u> | | <u>16.00%</u> | <u>210,454,121</u> | | <u>16.05%</u> |
| Total water and sewer consumption billed | | 1,470,792,682 | | | 1,311,083,813 | | |

SOURCE: City of Temple Terrace Utility Billing System

NOTE: Blank consumption information does not mean the business no longer exists.

CITY OF TEMPLE TERRACE, FLORIDA

Table 19

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

| <i>FUNCTION</i> | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <i>General Government</i> | | | | | | | | | | |
| Legislative | 3.00 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 |
| Executive | 2.65 | 2.65 | 2.70 | 3.20 | 3.20 | 3.20 | 3.20 | 3.20 | 3.20 | 3.20 |
| Human Resources | 3.00 | 3.00 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 |
| Information Technology | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Finance | 5.85 | 5.85 | 5.80 | 6.15 | 6.15 | 6.15 | 6.09 | 5.89 | 5.89 | 5.89 |
| Community Services | 9.25 | 10.00 | 9.50 | 10.50 | 10.00 | 10.00 | 10.00 | 9.00 | 8.00 | 8.00 |
| | <u>26.75</u> | <u>28.00</u> | <u>28.00</u> | <u>29.85</u> | <u>29.35</u> | <u>29.35</u> | <u>29.29</u> | <u>28.09</u> | <u>27.09</u> | <u>27.09</u> |
| <i>Public Safety</i> | | | | | | | | | | |
| Code Compliance | 4.00 | 5.00 | 5.00 | 5.00 | 4.50 | 4.50 | 4.50 | 4.12 | 4.12 | 4.12 |
| Police | | | | | | | | | | |
| Officers | 53.00 | 53.00 | 53.00 | 52.00 | 54.00 | 52.00 | 53.00 | 52.00 | 52.00 | 52.00 |
| Civilians | 24.75 | 24.75 | 24.25 | 24.63 | 21.63 | 24.63 | 23.63 | 22.63 | 22.63 | 22.63 |
| Fire | | | | | | | | | | |
| Firefighters and Officers | 41.00 | 41.00 | 43.00 | 43.00 | 49.50 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 |
| Civilians | 5.00 | 5.00 | 7.50 | 7.50 | 7.00 | 7.00 | 7.00 | 7.08 | 7.58 | 7.33 |
| | <u>127.75</u> | <u>128.75</u> | <u>132.75</u> | <u>132.13</u> | <u>136.63</u> | <u>138.13</u> | <u>138.13</u> | <u>135.83</u> | <u>136.33</u> | <u>136.08</u> |
| <i>Public Works</i> | | | | | | | | | | |
| Administration* | 5.00 | 5.00 | 7.00 | 4.50 | 3.50 | 3.50 | 4.25 | 4.75 | 5.00 | 4.00 |
| Streets Maintenance | 8.45 | 8.45 | 8.45 | 8.45 | 7.20 | 6.15 | 6.15 | 5.15 | 5.15 | 5.15 |
| Facility Maintenance | 5.10 | 5.10 | 5.15 | 5.15 | 4.65 | 3.65 | 3.65 | 2.65 | 2.65 | 2.65 |
| Engineering | 4.00 | 4.00 | 4.00 | 3.50 | 3.50 | 3.50 | 3.25 | 1.85 | 1.85 | 1.85 |
| | <u>22.55</u> | <u>22.55</u> | <u>24.60</u> | <u>21.60</u> | <u>18.85</u> | <u>16.80</u> | <u>17.30</u> | <u>14.40</u> | <u>14.65</u> | <u>13.65</u> |
| <i>Economic Development</i> | | | | | | | | | | |
| Redevelopment (CRA) | 2.38 | 2.63 | 3.13 | 1.50 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 |
| | <u>2.38</u> | <u>2.63</u> | <u>3.13</u> | <u>1.50</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>1.00</u> | <u>1.00</u> |
| <i>Culture & Recreation</i> | | | | | | | | | | |
| Library | 13.28 | 13.28 | 13.28 | 12.53 | 12.53 | 12.53 | 12.53 | 12.50 | 12.50 | 12.50 |
| Parks & Recreation | 58.04 | 58.64 | 59.04 | 58.79 | 55.58 | 54.48 | 54.71 | 53.44 | 53.44 | 53.44 |
| | <u>71.32</u> | <u>71.92</u> | <u>72.32</u> | <u>71.32</u> | <u>68.11</u> | <u>67.01</u> | <u>67.24</u> | <u>65.94</u> | <u>65.94</u> | <u>65.94</u> |
| <i>Physical Environment</i> | | | | | | | | | | |
| Finance - Utility Services | 8.00 | 9.00 | 9.00 | 8.65 | 8.65 | 8.65 | 7.46 | 7.16 | 7.16 | 7.16 |
| PW - Water | 14.95 | 14.95 | 14.95 | 15.15 | 15.15 | 15.15 | 14.45 | 14.55 | 14.55 | 15.35 |
| PW - Sewer | 9.90 | 9.90 | 9.90 | 10.60 | 10.60 | 10.60 | 10.40 | 9.30 | 9.30 | 9.50 |
| PW - Renewal & Replacem | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 2.15 | 2.15 | 2.15 |
| Sanitation | 16.50 | 16.50 | 16.50 | 17.60 | 17.60 | 16.65 | 15.55 | 14.70 | 14.70 | 14.70 |
| | <u>52.50</u> | <u>53.50</u> | <u>53.50</u> | <u>55.15</u> | <u>55.15</u> | <u>54.20</u> | <u>51.01</u> | <u>47.86</u> | <u>47.86</u> | <u>48.86</u> |
| <i>Internal Services</i> | | | | | | | | | | |
| Fleet Maintenance | 4.15 | 4.15 | 4.15 | 4.15 | 4.15 | 4.15 | 4.65 | 4.40 | 4.15 | 4.15 |
| Central Warehouse* | 2.05 | 2.05 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <u>6.20</u> | <u>6.20</u> | <u>4.15</u> | <u>4.15</u> | <u>4.15</u> | <u>4.15</u> | <u>4.65</u> | <u>4.40</u> | <u>4.15</u> | <u>4.15</u> |
| TOTAL | <u>309.45</u> | <u>313.55</u> | <u>318.45</u> | <u>315.70</u> | <u>312.24</u> | <u>309.64</u> | <u>307.62</u> | <u>296.52</u> | <u>297.02</u> | <u>296.77</u> |

Source: City of Temple Terrace Annual Budget

*Moved from Internal Services Fund - Central Warehouse to Public Works Administration in October 2007.

CITY OF TEMPLE TERRACE, FLORIDA
Table 20
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <i>FUNCTION:</i> | | | | | | | | | |
| Area: Land (square miles) | 7.02 | 7.04 | 7.06 | 7.30 | 7.36 | 7.36 | 7.38 | 7.39 | 7.39 |
| <i>Public Safety:</i> | | | | | | | | | |
| Police Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| <i>Streets and Drainage:</i> | | | | | | | | | |
| Paved streets (miles) | 75.56 | 75.56 | 75.56 | 75.56 | 76.25 | 76.13 | 76.13 | 76.13 | 78.88 |
| Unimproved streets (miles) | 0.07 | 0.07 | 0.07 | 0.07 | 0.07 | 0.41 | 0.07 | 0.07 | 0.32 |
| Street Lights (#) | 2,725 | 2,725 | 2,725 | 2,725 | 2,725 | 2,725 | 2,789 | 2,789 | 2,800 |
| Storm Sewers (miles) | 27.11 | 27.11 | 27.11 | 27.11 | 27.11 | 28.00 | 36.70 | 36.70 | 36.70 |
| <i>Culture and Recreation:</i> | | | | | | | | | |
| <i>Library:</i> | | | | | | | | | |
| Branches | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Holdings | 93,800 | 100,495 | 101,947 | 102,010 | 102,010 | 98,500 | 98,061 | 98,061 | 94,700 |
| <i>Parks and Recreation:</i> | | | | | | | | | |
| Recreation Centers | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fitness Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Parks facilities | 27 | 27 | 27 | 27 | 27 | 28 | 28 | 28 | 28 |
| Parks acreage | 413.52 | 413.52 | 413.52 | 413.52 | 413.52 | 416.34 | 417.67 | 417.84 | 419.50 |
| Playgrounds | 9 | 9 | 9 | 9 | 9 | 9 | 10 | 10 | 10 |
| Softball diamonds | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 3 |
| Tennis courts | 15 | 15 | 15 | 15 | 15 | 15 | 14 | 14 | 14 |
| Basketball courts | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Soccer fields | 9 | 9 | 9 | 9 | 9 | 9 | 8 | 8 | 8 |
| Racquetball/Handball courts | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Swimming Pools | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Baseball fields | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Football fields | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| <i>Sanitary Sewers:</i> | | | | | | | | | |
| Sewer mains (miles) | 93.20 | 93.57 | 94.63 | 94.67 | 94.67 | 94.75 | 98.34 | 97.78 | 94.78 |
| Equivalent Connections | 11,273 | 11,640 | 11,645 | 11,655 | 11,655 | 11,727 | 11,743 | 7,047* | 7,053* |
| Lift Stations | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Force main (feet) | 149,097 | 151,412 | 152,563 | 152,605 | 152,780 | 152,915 | 159,613 | 152,950 | 152,950 |
| Gravity main (feet) | 344,963 | 345,828 | 347,078 | 347,275 | 347,325 | 347,410 | 359,638 | 347,450 | 347,450 |
| <i>Water:</i> | | | | | | | | | |
| Mains (miles) | 118.72 | 120.54 | 120.75 | 121.00 | 121.00 | 121.30 | 123.75 | 123.50 | 123.50 |
| Equivalent Connections | 11,845 | 12,116 | 12,128 | 12,137 | 12,137 | 12,263 | 12,288 | 10,050* | 10,052* |
| Wells | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| <i>Fire Hydrants:</i> | | | | | | | | | |
| Inside City | 640 | 640 | 640 | 643 | 645 | 645 | 648 | 648 | 649 |
| Service Area | 210 | 210 | 210 | 211 | 211 | 218 | 220 | 220 | 218 |

* Changed from equivalent connections to actual connections in 2013-14.

CITY OF TEMPLE TERRACE, FLORIDA
Table 21
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

| FUNCTION: | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Public Safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Calls for service | 32,047 | 29,941 | 34,720 | 38,055 | 32,530 | 31,232 | 32,562 | 34,832 | 38,548 | 32,500 |
| Traffic citations | 3,727 | 3,641 | 7,245 | 6,867 | 5,522 | 5,049 | 5,275 | 3,894 | 3,982 | 3,022 |
| Traffic accidents | 329 | 327 | 373 | 346 | 325 | 171 | 254 | 446 | 477 | 465 |
| Boating citations | 73 | 39 | 44 | 23 | 153 | 32 | 16 | 11 | 15 | 8 |
| Part I cases reported | 1,114 | 945 | 1,063 | 1,002 | 1,028 | 826 | 802 | 714 | 821 | 579 |
| Part II cases reported | 815 | 773 | 895 | 1,086 | 1,094 | 910 | 1,055 | 856 | 869 | 330 |
| 9-1-1 calls | 9,827 | 10,493 | 10,156 | 10,042 | 9,180 | 11,517 | 12,553 | 12,225 | 13,300 | 14,600 |
| Fire: | | | | | | | | | | |
| Fire incidents | 1,020 | 893 | 804 | 907 | 946 | 1,070 | 914 | 846 | 1,050 | 1,050 |
| Medical incidents | 1,920 | 2,033 | 2,038 | 2,153 | 2,149 | 2,233 | 2,154 | 2,181 | 2,250 | 2,250 |
| Medical transports | 1,248 | 1,347 | 1,552 | 1,692 | 1,709 | 1,900 | 1,723 | 1,740 | 1,900 | 1,900 |
| Community Development: | | | | | | | | | | |
| Permits issued | 2,603 | 1,966 | 1,746 | 1,571 | 1,899 | 1,903 | 1,779 | 2,020 | 1,756 | 1,800 |
| Value of permits issued (in millions) | \$59.00 | \$68.48 | \$87.10 | \$28.29 | \$23.87 | \$23.23 | \$24.25 | \$38.54 | \$35.86 | \$45.24 |
| Streets and Drainage: | | | | | | | | | | |
| Linear feet sidewalk repaired/replk | 1,346 | 718 | 970 | 609 | 622 | 12,658 | 32,964 | 11,162 | 6,667 | 6,667 |
| Linear feet of curbing replaced | 78 | 68 | 71 | 70 | 285 | 202 | 326 | 680 | 200 | 200 |
| Curb miles swept | 1,000 | 972 | 850 | 755 | 441 | 467 | 694 | 836 | 650 | 650 |
| Culture and Recreation: | | | | | | | | | | |
| Library: | | | | | | | | | | |
| Library service hours | 3,350 | 3,360 | 2,979 | 2,580 | 2,564 | 2,604 | 2,600 | 2,612 | 2,600 | 2,600 |
| Internet users | 90,000 | 93,371 | 91,518 | 93,884 | 98,044 | 70,440 | 76,195 | 73,755 | 72,000 | 70,500 |
| Circulation per year | 345,160 | 350,945 | 328,188 | 333,256 | 340,431 | 372,983 | 454,914 | 450,965 | 426,900 | 378,510 |
| Library card holders * | 58,845 | 64,151 | 64,151 | 65,968 | 68,096 | 35,940 | 37,989 | 48,942 | 44,067 | 47,000 |
| Parks and Recreation: | | | | | | | | | | |
| Summer youth participants | 281 | 299 | 282 | 300 | 280 | 183 | 277 | 277 | 275 | 275 |
| After school participants | 180 | 180 | 160 | 155 | 160 | 132 | 159 | 131 | 130 | 130 |
| Open swim visitors | 54,625 | 55,368 | 50,790 | 52,405 | 55,000 | 43,149 | 36,874 | 30,087 | 32,000 | 35,125 |
| Senior center annual participants | 15,602 | 13,690 | 11,431 | 10,972 | 11,452 | 11,536 | 11,835 | 12,913 | 12,466 | 12,000 |
| Special interest class participants | 2,905 | 3,030 | 3,119 | 3,030 | 3,000 | 4,584 | 7,901 | 9,156 | 10,554 | 15,000 |
| Sanitary Sewers: | | | | | | | | | | |
| Number of customers | 6,317 | 6,408 | 6,427 | 6,390 | 6,363 | 6,368 | 6,381 | 6,402 | 6,430 | 6,450 |
| Gallons wastewater pumped (million) | 619 | 706 | 741 | 716 | 720 | 716 | 726 | 714 | 725 | 725 |
| Water: | | | | | | | | | | |
| Number of meters in system | 9,665 | 9,801 | 9,865 | 9,670 | 9,835 | 9,869 | 9,895 | 9,930 | 10,050 | 10,050 |
| Gallons raw water pumped (million) | 1,584 | 1,462 | 1,367 | 1,322 | 1,350 | 1,364 | 1,346 | 1,255 | 1,375 | 1,272 |
| Sanitation: | | | | | | | | | | |
| Tons of commercial waste collected | 6,200 | 6,511 | 6,200 | 6,084 | 5,985 | 5,726 | 5,881 | 5,926 | 6,000 | 6,200 |
| Tons of residential waste collected | 7,227 | 6,790 | 7,452 | 6,596 | 5,590 | 5,551 | 5,347 | 5,359 | 5,600 | 6,001 |
| Tons of special trash pickup collected | 780 | 792 | 860 | 293 | 438 | 350 | 193 | 300 | 325 | 331 |
| Fleet Maintenance: | | | | | | | | | | |
| Number of vehicles/equipment | 204 | 207 | 212 | 212 | 208 | 205 | 203 | 206 | 210 | 205 |
| Repair orders completed | 1,200 | 1,320 | 1,890 | 1,980 | 2,498 | 2,754 | 2,276 | 2,508 | 2,471 | 1,245 |
| Preventive maintenance orders | 160 | 272 | 424 | 424 | 355 | 281 | 283 | 289 | 318 | 167 |

* Due to new software number no longer includes inactive card holders.

Source: City of Temple Terrace Annual Budget

CITY OF TEMPLE TERRACE, FLORIDA
Table 22
WATER AND SEWER FUND STATISTICAL DATA
Last Ten Fiscal Years

| Fiscal Year | # OF EQUIVALENT CONNECTIONS | | Total Operating Revenue | Operating Expenses | Non-Revenue | Non-operating Expenses | Net Income Before Transfers And Special Items |
|-------------|-----------------------------|--------|-------------------------|--------------------|-------------|------------------------|---|
| | Water | Sewer | | | | | |
| 2005 | 11,609 | 11,051 | \$ 8,279,634 | \$ 7,814,679 | \$ 785,322 | \$ 366,049 | \$ 884,228 |
| 2006 | 11,770 | 11,211 | 8,354,001 | 7,626,493 | 1,017,332 | 301,360 | 1,443,480 |
| 2007 | 11,845 | 11,273 | 8,124,782 | 8,130,611 | 1,029,029 | 281,109 | 742,091 |
| 2008 | 12,116 | 11,640 | 7,924,124 | 8,700,728 | 1,077,438 | 262,762 | 38,072 |
| 2009 | 12,128 | 11,645 | 7,852,306 | 8,590,850 | 391,988 | 276,169 | (622,725) |
| 2010 | 12,137 | 11,655 | 8,880,252 | 9,309,487 | 175,018 | 217,413 | (471,630) |
| 2011 | 12,145 | 11,657 | 9,798,141 | 9,614,816 | 52,741 | 193,788 | 42,278 |
| 2012 | 12,263 | 11,727 | 10,111,117 | 10,137,498 | 88,136 | 167,901 | (106,146) |
| 2013 | 12,288 | 11,743 | 10,250,778 | 9,592,222 | (4,754) | 209,862 | 443,940 |
| 2014 | 10,050* | 7,047* | 10,322,234 | 9,557,947 | 44,763 | 83,191 | 725,859 |
| 2015 | 10,055* | 7,055* | 10,573,064 | 10,127,790 | 58,501 | 56,497 | 447,278 |

* Actual connections as of 2014 & 2015

| Fiscal Year | Water Impact Fees | Sewer Impact Fees | Total Impact Fees |
|-------------|-------------------|-------------------|-------------------|
| 2004 | \$ 473,310 | \$ 188,445 | \$ 661,755 |
| 2005 | 472,475 | 135,663 | 608,138 |
| 2006 | 516,420 | 141,648 | 658,068 |
| 2007 | 439,208 | 87,845 | 527,053 |
| 2008 | 600,149 | 153,304 | 753,453 |
| 2009 | 30,599 | 3,600 | 34,199 |
| 2010 | 35,409 | 13,200 | 48,609 |
| 2011 | 3,181 | 1,200 | 4,381 |
| 2012 | 82,891 | 15,200 | 98,091 |
| 2013 | 111,980 | 26,600 | 138,580 |
| 2014 | 24,232 | 211,200 | 235,432 |
| 2015 | 860,371 | 7,200 | 867,571 |

Note: Non-operating revenue includes impact fees provided in the table above.

CITY OF TEMPLE TERRACE, FLORIDA

Table 23

**WATER PRODUCTION DATA
(IN MILLIONS OF GALLONS)**

Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Yearly Total</u> | <u>Monthly Peak</u> | <u>Monthly Average</u> | <u>Daily Peak</u> | <u>Daily Average</u> | <u>Rainfall (Inches)</u> |
|--------------------|---------------------|---------------------|------------------------|-------------------|----------------------|--------------------------|
| 2006 | 1,466.3 | 145.1 | 122.2 | 6.1 | 4.0 | 49.38 |
| 2007 | 1,348.6 | 140.3 | 112.4 | 6.6 | 3.7 | 41.65 |
| 2008 | 1,263.1 | 128.1 | 105.3 | 5.0 | 3.5 | 48.67 |
| 2009 | 1,219.9 | 112.9 | 101.5 | 4.9 | 3.3 | 56.38 |
| 2010 | 1,167.7 | 129.3 | 97.3 | 5.7 | 3.2 | 53.87 |
| 2011 | 1,225.2 | 122.3 | 102.1 | 4.8 | 3.3 | 56.23 |
| 2012 | 1,199.4 | 116.2 | 100.0 | 4.7 | 3.3 | 62.39 |
| 2013 | 1,147.2 | 103.6 | 95.6 | 3.8 | 3.2 | 65.32 |
| 2014 | 1,131.2 | 104.3 | 94.2 | 4.8 | 3.1 | 61.42 |
| 2015 | 1,180.3 | 108.1 | 98.8 | 5.1 | 3.2 | 75.62 |



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and
Members of the City Council
City of Temple Terrace, 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 of the City of Temple Terrace, Florida (the "City") as of and for the year ended September 30, 2015, 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 16, 2016.

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.

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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, as described below, that we consider to be significant deficiencies.

The Honorable Mayor and
Members of the City Council
City of Temple Terrace, Florida

2015-001 – Audit Adjustments

Type of Finding - Significant Deficiency

Condition:

During our audit of the current year financial statements, we noted that a long-term receivable was incorrectly reported in the prior year fund financial statements.

Effect:

The effect of this error was the restatement of the beginning fund balance in a major fund.

Cause:

The initial entry reported for the long-term receivable was incorrect. The related revenue associated with the long-term receivable was measurable but not available until after the recognition period under modified accrual basis of accounting.

Criteria:

Under the modified accrual basis of accounting a deferred inflow should be reported for a receivable when the resources associated with the receivable become available subsequent to the City's recognition period.

Recommendation:

We recommend that the City report governmental fund financial resources in the accounting period when they are both measurable and available. When an asset is reported in governmental fund financial statements but the revenue is not available, the City should report a deferred inflow of resources until such time as the revenue becomes available.

Management Response:

Management concurs with Finding 2015-001. The initial entry was recorded improperly in 2005 and going forward the City will record related revenues associated with the long-term receivable when they become available subsequent to the City's recognition period.

Compliance and Other Matters

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

Pursuant to the provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the City in a separate management letter and Independent Accountant's Report dated June 16, 2016.

The Honorable Mayor and
Members of the City Council
City of Temple Terrace, Florida

Response to Findings

The City's response to the findings identified in our audit is described in the management response above. 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.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
June 16, 2016



TEMPLE TERRACE

Amazing City. Since 1925.

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MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and
Members of the City Council
City of Temple Terrace, Florida

Report on Financial Statements

We have audited the financial statements of the City of Temple Terrace, Florida (the "City") as of and for the year ended September 30, 2015, and have issued our report thereon dated June 16, 2016.

Auditor's Responsibility

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.

Other Reporting Requirements

We have also 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*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 16, 2016, 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 report. In conjunction with the preceding audit, there were no findings or recommendations.

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 legal authority is disclosed in the notes to the financial statements.

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 specific condition(s) met. In conjunction with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Honorable Mayor and
Members of the City Council
City of Temple Terrace, Florida

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 the same. The assessment was prepared as of fiscal year end.

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, 2015, 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, 2015. 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, accounting procedures, and internal controls. In connection with our audit, we noted certain matters, as reported in Appendix A attached hereto. Included in our observations are management's responses, which we did not audit and, accordingly, we express no opinion on them.

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 conjunction 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 City Council members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
June 16, 2016

APPENDIX A
CITY OF TEMPLE TERRACE, FLORIDA
Current Year Observations, Recommendations and Management Responses
For the Year Ended September 30, 2015

MLO-2015-001 – FINANCIAL CONDITION ASSESSMENT

Observation:

As part of our financial condition assessment procedures, we evaluated the results of financial indicators developed by the Auditor General for quantitative analysis. This assessment resulted in 8 unfavorable indicators and 10 inconclusive indicators, out of a total of 26 financial indicators. These results appear to have been caused by the economic recession and declining property values the City has experienced for the last several years.

Recommendation:

We recommend that the City continue to carefully monitor its overall financial position and cash position to ensure that it does not find itself with a cash shortage or in the position of needing to issue debt to meet cash flow requirements.

Management Response:

Management agrees with the observation and recommendation that the economic recession and declining property values have affected the City's results of the financial indicators developed by the Auditor General for quantitative analysis. Management will continue to carefully monitor its overall financial position and cash position through its financial reports and cash reconciliations. Management believes that the Financial Sustainability Analysis performed by Burton & Associates will assist the City with a 5-10 year outlook which includes economic and financial/cash conditions.

MLO 2015-002 – Balloon Payment

Observation:

During our audit of the City, we noted that the City has a substantial bond that will become due in fiscal year 2018. If the City does not refinance or pay this bond prior to its due date, we believe the requirement to settle this debt may place a significant strain on the City's cash flows. In addition, this bond is currently properly reported as a long-term liability. This item will need to be reclassified to a short-term liability in fiscal year 2018 when the note will be due within twelve months. This reclassification will have a significant impact on the City's related financial ratios.

Recommendation:

We recommend that the City continue to take steps to refinance this obligation as soon as possible taking advantage of the current historically low long-term interest rates.

Management Response:

Management agrees with the observation and recommendation that if the City does not refinance the bond prior to its due date, the requirement to settle the debt will place a significant strain on the City's cash flows. Management will continue to work with its Financial Advisor and Bond Council to refinance the bond prior to its due date, thereby keeping any strain on the City's cash flow as low as possible.



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and
Members of the City Council
City of Temple Terrace, Florida

We have examined the City of Temple Terrace, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2015. 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 fiscal year ended September 30, 2015.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
June 16, 2016