City of Winter Haven, Florida
A Distinctively Different City

Dedicated to enhancing the unique lifestyle of its residents

Comprehensive Annual Financial Report
For The Year Ended September 30, 2019

CITY OF WINTER HAVEN, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2019

Prepared by:

Finance Department
Calvin T. Bowen, Finance Director

CITY OF WINTER HAVEN, FLORIDA
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INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

March 24, 2020

FINANCE DIRECTOR

To the Honorable Mayor, Members of the
City Commission and City Manager
The City of Winter Haven, Florida

The comprehensive annual financial report of the City of Winter Haven for the fiscal year ended September 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the schedule of federal financial awards, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in the single audit section of this report.

This report includes all funds of the government. The City provides a full range of services. These services include police and fire protection; sanitation services; water and sewer services; cemetery services; the construction and maintenance of streets, and infrastructure; recreational activities and cultural events. For an easy to read analysis of the City's financial activities see the Management's Discussion and Analysis which is contained in this report.

ECONOMIC CONDITION AND OUTLOOK

Winter Haven is located in central Polk County which lies in the center of the State of Florida, equidistant between the major metropolitan areas of Orlando and Tampa. The County, which encompasses the Lakeland-Winter Haven Metropolitan Statistical Area, is the ninth most populous county in the state with an estimated population of 690,606 in 2019. Polk County's population grew 2.6 percent from 2018, which matched Florida's growth rate as a whole.

General economic conditions in Polk County have mirrored the national trend of economic growth over the last few years. Between 2017, and 2018, the unemployment rate for Winter Haven remained unchanged at 4.7 percent. The preliminary rate of 4.1 percent for 2019 reflects continued improvement in the area's unemployment rate. Polk County exhibits a diversified economy with service, retail trade, construction, healthcare, business and financial services, and manufacturing being the major employment sectors in the county. Significant employment also comes from the mining, tourism, and citrus industries.

City building permits issued during the 12 months between October 2018 and September 2019 authorized $329,272,154 worth of commercial and residential activity. This represents a 43.0 percent increase over the $230,222,661 worth of activity for the period between October 2017 and September 2018. The 43.0 percent increase from 2018 to 2019, represents continued moderate growth when compared to the growth rate of 35.0 percent observed between 2017 and 2018. As evidenced by these numbers, growth in construction activity remains strong.

Winter Haven's estimated population for 2019 was 44,815. This represents an increase of 1,987 persons or 4.6 percent over 2018, and a 32.3 percent increase since 2010. There have been 4,660 new housing units built in the City since 2010, including a mix of single-family homes, mobile homes, and multiple family units.

The outlook for Winter Haven remains positive for the remainder of the decade, for both physical and economic growth. The Southeast and Lucerne Park areas contain a significant amount of platted residential lots, serviceable by City water and sewer utilities. In the last ten years, the City has annexed 1.0 square miles into the City limits of Winter Haven. This represents an increase in the City's area by 2.7 percent. Additionally, developers continue to show interest in the City's downtown. Within the past two years several new commercial and multi-family projects have been permitted within the downtown and surrounding areas. In total, 79 new housing units have been completed in or near downtown since 2014.

The economy is expected to experience moderate growth in 2020, as many of the large economic developments initiated in the last few years continue to grow. New growth is expected in the multi-family housing, service, wholesale/retail trade, hospitality, and warehousing and distribution sectors. With the continued success of Legoland Florida, and expansion of the CSX Rail Terminal, the area will likely see increased growth for the remainder of the decade. Locational factors, and active local economic development efforts, are the basis of the outlook.

While having a positive impact, this growth also presents significant challenges for the City government. With the loss of some federal grants, if the present high level of services is to be maintained, the City will need to explore new methods of obtaining financial resources for the future.

MAJOR INITIATIVES

Chain of Lakes Field House

In 2016 Envisors (Pennoni) was given a $275,000 contract plus $13,200 expenses for study and design of the Chain of Lakes site for the construction of a Field House and Convention Center. The Contract was completed in FY 2017 with expenditure of the $288,200 by Envisors plus travel expense for staff to travel to various sites with similar facilities. In May 2017 the Tourist Development Council donated $1.0 million to the design costs of the facility due to an Orlando Magic basketball farm team being scheduled to use the building as a practice facility. A $25.0 million bond was issued to CenterState Bank in August 2017 to acquire funding for the project. Polk County, via an interlocal agreement, will pay the annual debt service on $10 million of the $25 million bond. The bond was structured as a draw loan in FY 2018 with the undrawn proceeds to be deposited on October 1, 2018. In FY 2017 $100,000 was drawn to activate the loan. In FY 2018 the City Commission approved an agreement with Straughn, Trout to provide architectural services at a price of $1,775,000. Rodda Construction, Inc. and Everett Whitehead and Sons, Inc. were selected to work in concert with Straughn Trout via a Construction Management at Risk contract. Early in FY 2019 the City Commission approved a guaranteed maximum price contract in the amount of $19,405,000. This contract included a majority of work excluding the HVAC system and some of the plumbing and electrical work. The City Commission approved an internal loan from the Water and Sewer Fund in the amount of $1,220,000 to retrofit the existing buildings HVAC system and other upgrades. The funds were borrowed for a ten year period at a rate of 3 ½%. At year-end the Field House was close to completion with a grand opening ceremony planned for January 2020.

Polk Regional Water Cooperative

In 2018 the City Commission approved a Resolution agreeing to fund a share of the cost of a feasibility study to identify water supply projects in cooperation with Polk County, Southwest Florida Water Management District (SWFWMD) and other Polk County Cities. The City of Winter Haven's share of the cost of the feasibility study was estimated to be $1,095,827.

At the conclusion of 2019 discussions with the Polk Water Cooperative regarding the cost of construction and each member's share of these costs were underway. The initial proposal calculated the City of Winter Haven's long term share of the costs to be 16.18% of $263,099,344. The cooperative members have yet to agree to the proposal.

One Water Master Plan

The ultimate goal of the One Water Master Plan is to construct a series of natural water storage facilities throughout the local watershed that would create water supply, prevent flooding, improve water quality, protect lakes and provide recreation and scenic beauty. The City's mission is to align resources, policies and funding to achieve the One Water Vision working cooperatively with local and regional partners.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting records are complete to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal, state and county financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the government.

As a part of the City's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations.

Budgeting Controls

In addition to the accounting internal control structure, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund, three capital project funds and eight of the nine special revenue funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is on the departmental level and is reported by function and activity within an individual fund.

The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues meeting its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of CliftonLarsonAllen, CPA's L.L.P. has fulfilled this role.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the thirtieth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

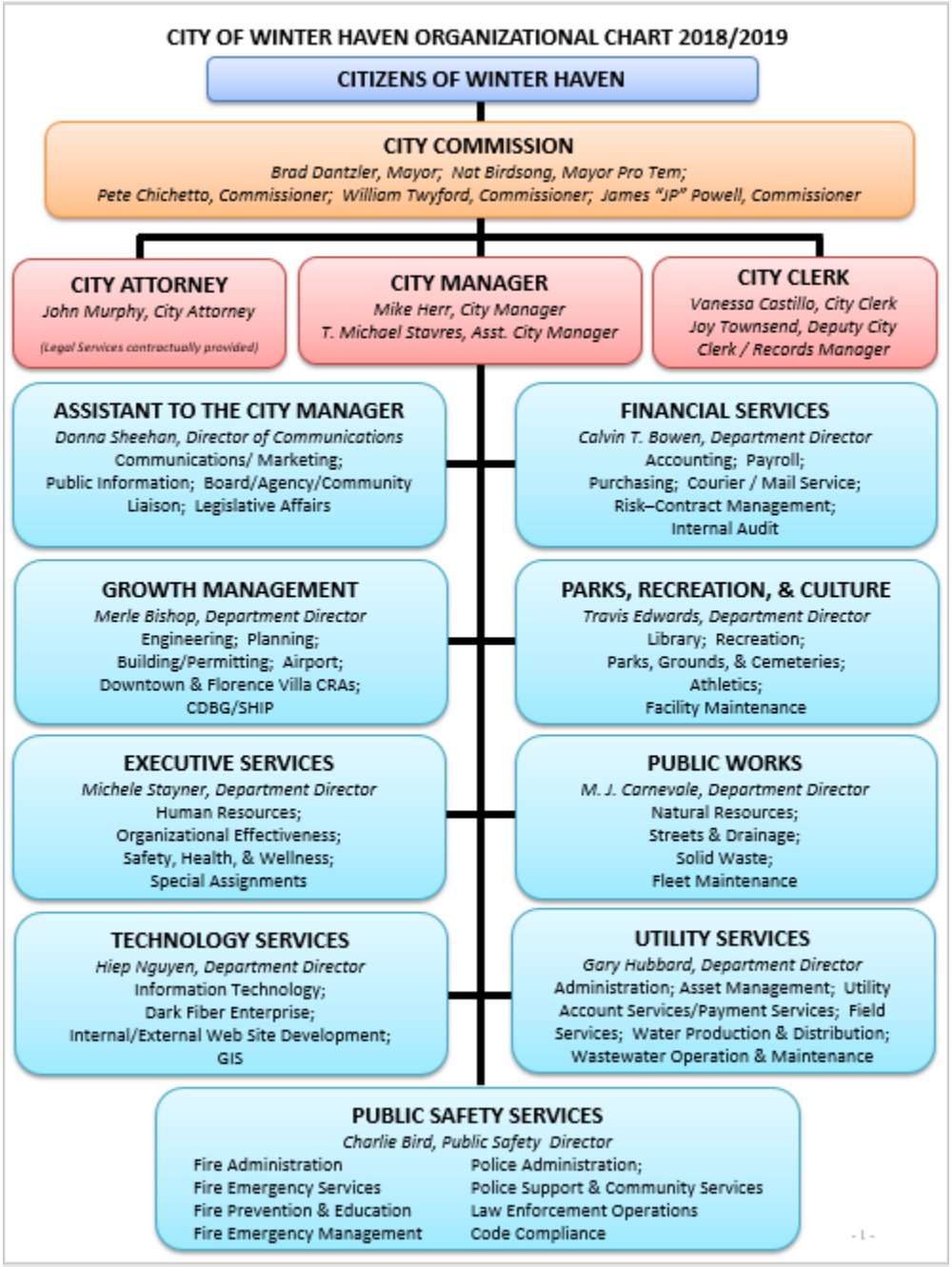
In closing, without the leadership and support of the governing body of the government, preparation of this report would not have been made possible.

Sincerely,

Calvin T. Bowen

Calvin T. Bowen
Financial Services Department Director

ORGANIZATIONAL CHART


CITY OF WINTER HAVEN ORGANIZATIONAL CHART 2018/2019
CITIZENS OF WINTER HAVEN
CITY COMMISSION
Brad Dantzler, Mayor; Nat Birdsong, Mayor Pro Tem;
Pete Chichetto, Commissioner; William Twyford, Commissioner; James "JP" Powell, Commissioner
CITY ATTORNEY
John Murphy, City Attorney
(Legal Services contractually provided)
CITY MANAGER
Mike Herr, City Manager
T. Michael Stavres, Asst. City Manager
CITY CLERK
Vanessa Castillo, City Clerk
Joy Townsend, Deputy City Clerk / Records Manager
ASSISTANT TO THE CITY MANAGER
Donna Sheehan, Director of Communications
Communications/ Marketing;
Public Information; Board/Agency/Community Liaison; Legislative Affairs
FINANCIAL SERVICES
Calvin T. Bowen, Department Director
Accounting; Payroll;
Purchasing; Courier / Mail Service;
Risk–Contract Management;
Internal Audit
GROWTH MANAGEMENT
Merle Bishop, Department Director
Engineering; Planning;
Building/Permitting; Airport;
Downtown & Florence Villa CRAs;
CDBG/SHIP
PARKS, RECREATION, & CULTURE
Travis Edwards, Department Director
Library; Recreation;
Parks, Grounds, & Cemeteries;
Athletics;
Facility Maintenance
EXECUTIVE SERVICES
Michele Stayner, Department Director
Human Resources;
Organizational Effectiveness;
Safety, Health, & Wellness;
Special Assignments
PUBLIC WORKS
M. J. Carnevale, Department Director
Natural Resources;
Streets & Drainage;
Solid Waste;
Fleet Maintenance
TECHNOLOGY SERVICES
Hiep Nguyen, Department Director
Information Technology;
Dark Fiber Enterprise;
Internal/External Web Site Development;
GIS
UTILITY SERVICES
Gary Hubbard, Department Director
Administration; Asset Management; Utility Account Services/Payment Services; Field Services; Water Production & Distribution; Wastewater Operation & Maintenance
PUBLIC SAFETY SERVICES
Charlie Bird, Public Safety Director
Fire Administration
Fire Emergency Services
Fire Prevention & Education
Fire Emergency Management
Police Administration;
Police Support & Community Services
Law Enforcement Operations
Code Compliance
- 1 -

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Winter Haven

Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF WINTER HAVEN, FLORIDA
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE
IN FINANCIAL REPORTING (CONTINUED)
SEPTEMBER 30, 2019

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 Winter Haven, Florida for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. 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 generally accepted accounting principles and applicable legal requirements.

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

CITY OF WINTER HAVEN, FLORIDA
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2019

Mayor

Bradley T. Dantzler

Commissioners

Nathaniel J. Birdsong Jr.

Peter M. Chichetto

William J. Twyford

James H. Powell

City Manager

Mike Herr

City Clerk

Vanessa Castillo

City Attorney

Frederick J. Murphy, Jr.

City Auditors

CliftonLarsonAllen LLP

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission
City of Winter Haven, 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 Winter Haven, Florida (City), as of and for the year ended September 30, 2019, 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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Community Redevelopment Agency Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 29 and information on pension plans and other postemployment benefits on pages 116 through 130 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and introductory and statistical sections are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 March 24, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Winter Haven, Florida
March 24, 2020

The City of Winter Haven's discussion and analysis (MD&A) is designed to provide an objective and easy to read analysis of the City's financial activities. The analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify the changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues of concern.

Since the Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Transmittal Letter, and the City's financial statements and auditor's report.

Financial Highlights

- The assets and deferred outflows of the City of Winter Haven exceeded its liabilities and deferred inflows at September 30, 2019 by $135,917,285 (net position). Of this amount, $35,625,372 (unrestricted net position) may be used to meet the City's ongoing obligations.

- The City's total net position increased $34,833,487 during the year.

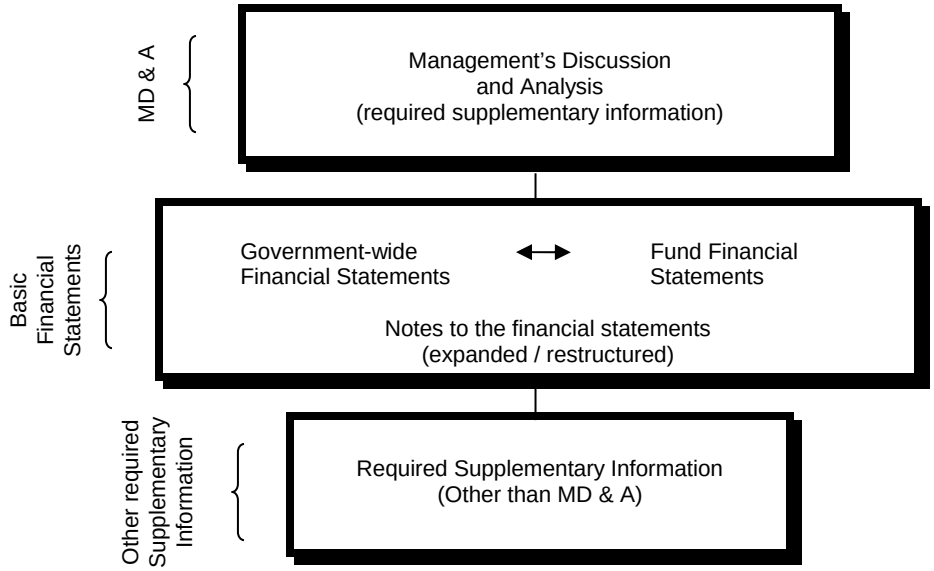
- As of September 30, 2019, the City of Winter Haven's governmental funds reported combined ending fund balances of $43,694,043, an increase of $14,552,587 over the previous year.

- Three of the five business-type funds had positive changes to net position for the year. The Water and Sewer Fund operated with an increase in net position of $8,739,654.

UNDERSTANDING THE BASIC FINANCIAL STATEMENTS

The financial statements focus on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability. The Statement of Net Position and Statement of Activities seek to give the user a combined overview of the City's financial position; eliminates interfund activities, and "other people's money", such as pension funds, which can mislead users when incorporated in a combined manner.

The financial statements use accrual accounting (which focuses on economic resources) in the government wide statements, while maintaining modified accrual accounting (which focuses on current financial resources-budget resources) for governmental activities at the individual fund level. The impact of long-term financial decisions can be more appropriately matched to the period in which the expense or revenue is more properly attributed. A fairer presentation is achieved and the impacts of long-term decisions are promptly recorded as the transactions occur, as opposed to the traditional method of recording transactions when the bill is paid. This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which are presented in the following graph.



Government-wide Financial Statements

The government-wide financial statements (pages 30-32) consist of a Statement of Net Position and a Statement of Activities. Both statements represent an overview of the City as a whole, separating its operations between governmental and business-type activities. The governmental activities of the City include general government, public safety, transportation, economic development, human services, and culture and recreation. The business-type activities of the City consist of the water and sewer utility services, solid waste services, a stormwater utility, a golf course and a DARK Fiber Fund. All information is presented utilizing the economic resource measurement focus and accrual basis of accounting. This method best matches revenues and expenses to the period in which the revenue is earned and the expense attributed. Fiduciary funds, such as pension trust funds, are excluded from the Government-wide Financial Statements as they represent money and funds legally set aside for use by the employee groups they benefit. Florida law requires municipalities to fund pension plans on an actuarially sound basis; therefore, it is important for the user to study the Fund Financial Statements as well as the footnotes and statistical sections of this report.

The Statement of Net Position presents information on all the City's assets and deferred outflows and liabilities and deferred inflows with the difference reported as net position. The focus of the Statement of Net Position is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increase or decrease in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year, focusing on both the gross and net cost of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Change in Fund Balances provide a reconciliation (pages 34 and 36) to facilitate this comparison between governmental funds and governmental activities.

The City maintains three separate governmental funds classified as major funds: the General Fund, the 2015 Construction Fund and the Community Redevelopment Agency. Fourteen other funds are reported collectively as non-major funds. Information is presented separately for each major fund in the governmental fund Balance Sheet and the governmental fund Statement of Revenue, Expenditures and Change in Fund Balances.

The City adopts an annual appropriated budget each year in September. Budgetary comparison statements have been provided to demonstrate compliance with the budget (pages 37-38 and 137-148).

The Governmental Funds financial statements presentation is on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance for each fund.

Proprietary Funds. The City maintains five enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The City uses an enterprise fund to account for the services detailed in the Government-wide Financial Statement section of this letter under business-type activities. The proprietary fund financial statements can be found on pages 39-43 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties other than the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support City activities. While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. The accounting used for fiduciary funds is similar to that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 44 and 45 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They can be found on pages 46-115 of this report.

Infrastructure assets. The City implemented for the first time in FY 2007 the infrastructure portion related to general governmental activities. Historically, a government's largest group of assets (infrastructure-roads, bridges, traffic signals and underground pipes not associated with a utility, etc.) have not been reported nor depreciated in governmental financial statements. The current standard requires that these assets be valued and reported within the governmental column of the government-wide statement. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government elects the asset management system or the modified approach, which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City of Winter Haven has elected to depreciate its infrastructure assets.

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. For the current year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $135.9 million.

The following table reflects the condensed Statement of Net Position for the current year and the previous year. For more detailed information see the Statement of Net Position on page 30.

Statement of Net Position (Summary)
As of September 30, 2018

	Governmental Activities*		Business-Type Activities*		Totals*	
	2018	2019	2018	2019	2018	2019
Assets:						
Current and Other Assets	$ 39.4	$ 70.2	$ 62.8	$ 70.4	$ 102.2	$ 140.6
Capital Assets	74.7	96.1	68.0	70.7	142.7	166.8
Total Assets	114.1	166.3	130.8	141.1	244.9	307.4
Deferred Outflows of Resources	3.4	8.3	1.6	2.3	5.0	10.6
Liabilities:						
Short-Term Liabilities	9.6	14.4	8.9	10.1	18.5	24.5
Long-Term Liabilities	62.6	92.7	60.4	61.1	123.0	153.8
Total Liabilities	72.2	107.1	69.3	71.2	141.5	178.3
Deferred Inflows of Resources	5.6	3.2	1.7	0.7	7.3	3.9
Net Position:						
Net Investment in Capital Assets	43.9	45.2	20.7	25.9	64.6	71.1
Restricted	6.1	11.3	14.8	17.8	20.9	29.1
Unrestricted	(10.3)	7.8	25.9	27.8	15.6	35.6
Total Net Position	$ 39.7	$ 64.3	$ 61.4	$ 71.5	$ 101.1	$ 135.8

* in million dollars

The largest portion of the City's net position (52.4%) reflects the investment in capital assets (land, buildings, machinery, equipment) net of any debt used to acquire the assets. Approximately 21.4% of the City's net position represents resources which are subject to external restrictions on how they can be used. These assets are used to provide services to citizens and are therefore not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance $35.6 million, is available to meet the City's on-going obligations to citizens and creditors.

At September 30, 2019, the City is able to report positive balances in all three categories of net position for the City as a whole and for both the governmental and business activities.

Statement of Activities. Net position of the City represents the difference between Assets and Liabilities of the City using the economic resources measurement focus and accrual basis of accounting. The City has in place many charges that are designed to recover in part or in whole the cost of providing services. Governmental activities increased the City's net position by $24,680,858 and business activities increased net position by $10,152,629. The following table reflects the condensed Statement of Activities for the current and prior year. For more detailed information see the Statement of Activities on pages 31-32.

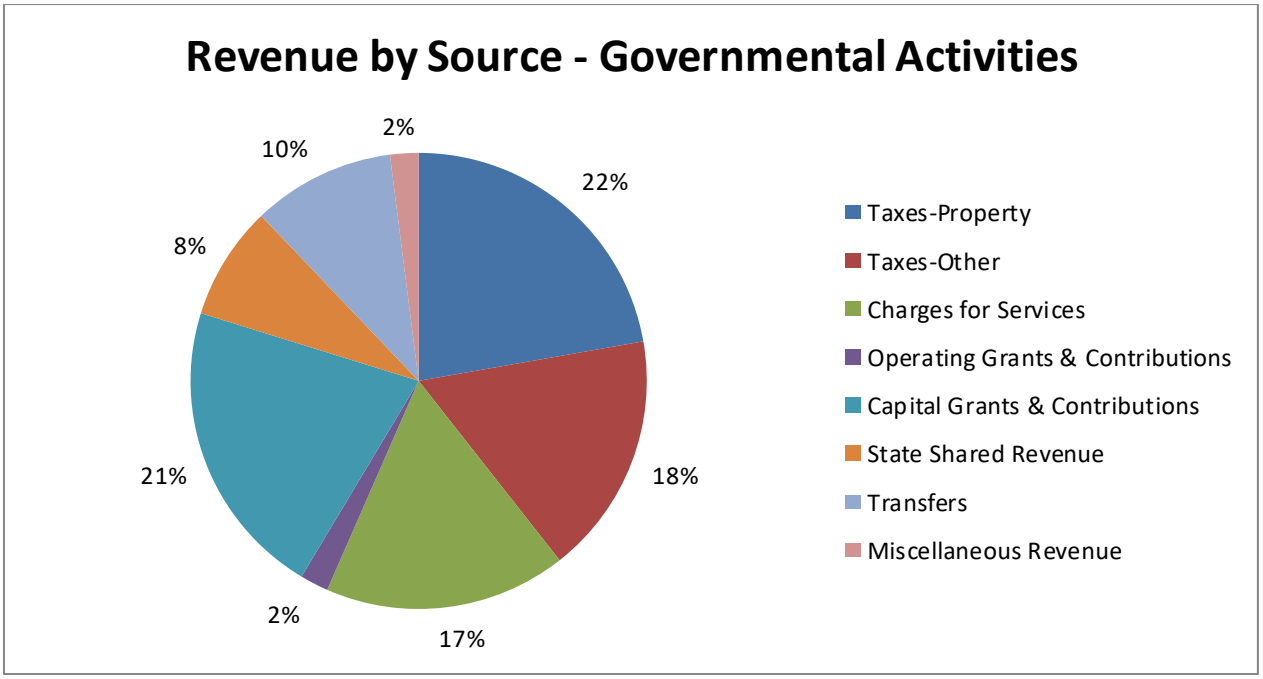
Statement of Activities (Summary)
As of September 30, 2019

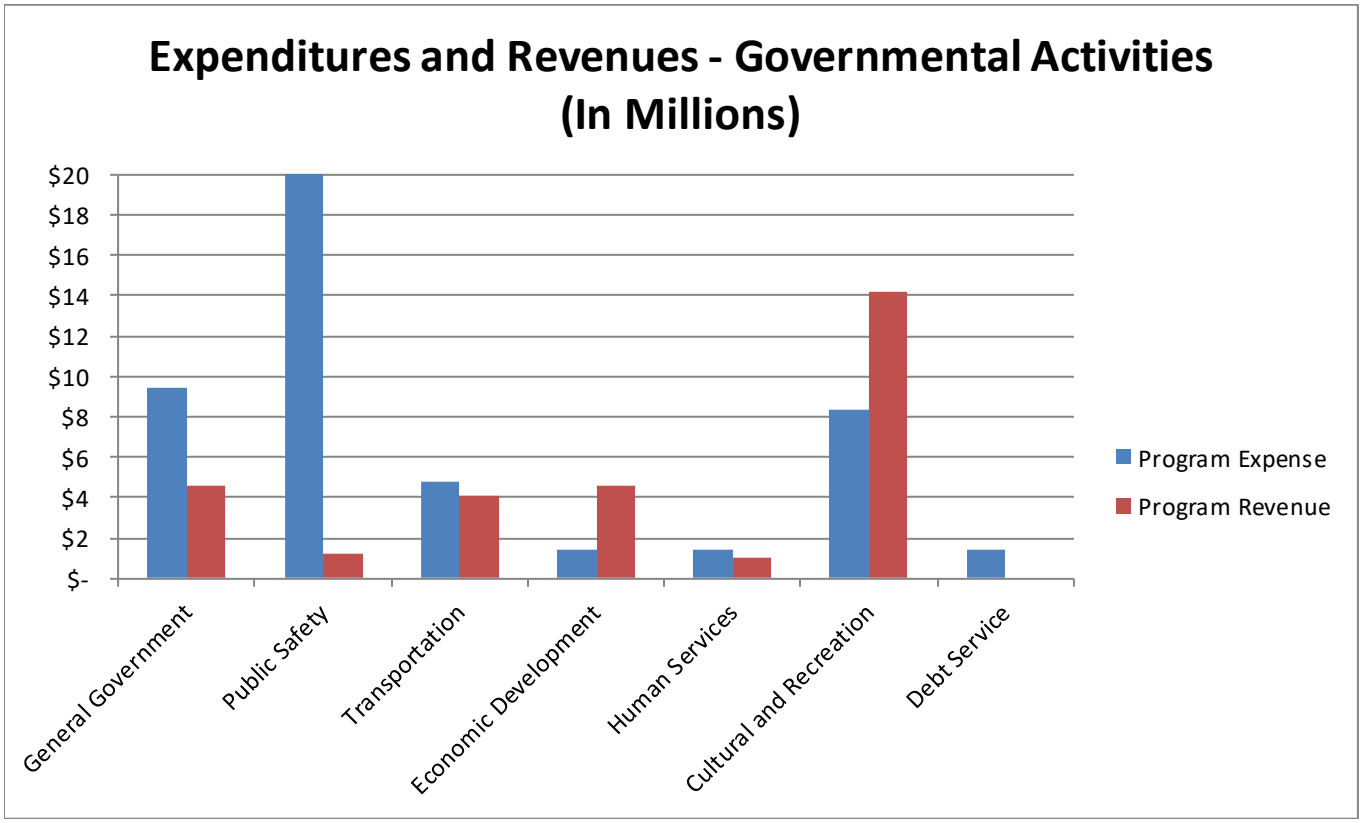
	Governmental Activities*		Business-Type Activities*		Totals*	
	2018	2019	2018	2019	2018	2019
Revenues:						
Program Revenues:						
Charges for Services	$ 12.0	$ 12.9	$ 43.8	$ 44.7	$ 55.8	$ 57.6
Operating Grants and Contributions	0.9	1.5	-	0.4	0.9	1.9
Capital Grants and Contributions	3.7	15.3	3.2	2.2	6.9	17.5
General Revenues:						
Property Taxes	12.8	16.8	-	-	12.8	16.8
Franchise/Public Service Tax	10.1	10.3	-	-	10.1	10.3
Other	8.1	9.6	1.2	1.5	9.3	11.1
Total Revenues	47.6	66.4	48.2	48.8	95.8	115.2
Expenses:						
General Government	8.6	9.4	-	-	8.6	9.4
Public Safety	21.5	22.6	-	-	21.5	22.6
Transportation	4.5	4.8	-	-	4.5	4.8
Economic Environment	2.3	1.4	-	-	2.3	1.4
Human Services	0.9	1.4	-	-	0.9	1.4
Culture and Recreation	8.1	8.4	-	-	8.1	8.4
Debt Service	0.7	1.4	-	-	0.7	1.4
Water and Sewer	-	-	22.7	22.6	22.7	22.6
Solid Waste	-	-	4.9	6.1	4.9	6.1
Willowbrook Golf Course	-	-	1.3	1.0	1.3	1.0
Stormwater	-	-	1.4	1.4	1.4	1.4
Dark Fiber	-	-	0.1	0.2	0.1	0.2
Total Expenses	46.6	49.4	30.4	31.1	77.0	80.5
Increase (Decrease) in Net Position Before Transfers	1.0	17.0	17.8	17.7	18.8	34.7
Transfers	7.7	7.6	(7.7)	(7.6)	-	-
Increase (Decrease) in Net Position	8.7	24.6	10.1	10.1	18.8	34.7
Net Position-October 1	40.3	39.7	56.0	61.4	96.3	101.1
Prior Period Adjustment	(9.3)	-	(4.7)	-	(14.0)	-
Net Position-September 30	$ 39.7	$ 64.3	$ 61.4	$ 71.5	$ 101.1	$ 135.8

* in million dollars

Ad valorem and Franchise/Utility Service Tax make up 40.8% of the governmental activities' revenues. The Other category, which makes up 14.5% of the revenues, consists of motor fuel taxes, sales taxes and cigarette taxes. Charges for services, made up of recreation fees, library fees, sale of cemetery spaces, airport hangar rents and other miscellaneous revenues is 19.4% of governmental activities revenues. Governmental activities increased the City's net position by $24,680,858. The

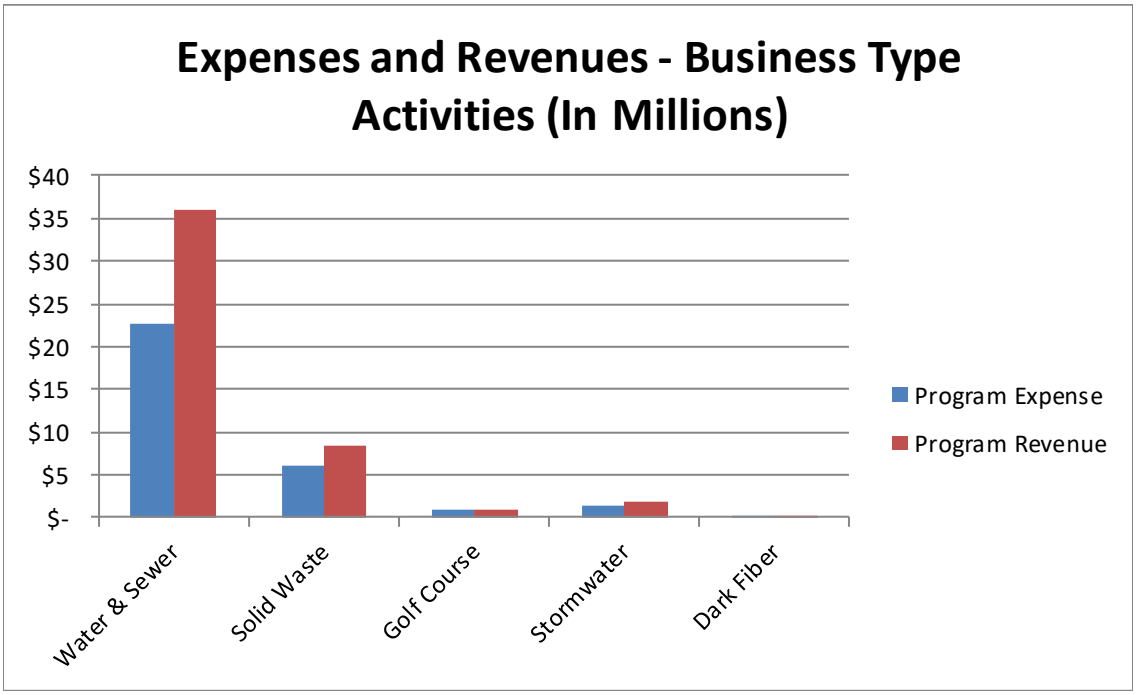
governmental activities increase in net position was due largely to the recognition of intergovernmental revenue from the County for the Fieldhouse project and transfers from the enterprise funds. Business-type activities increase in net position was due to revenues exceeding expectations and developer contributions of assets valued at $2.2 million.

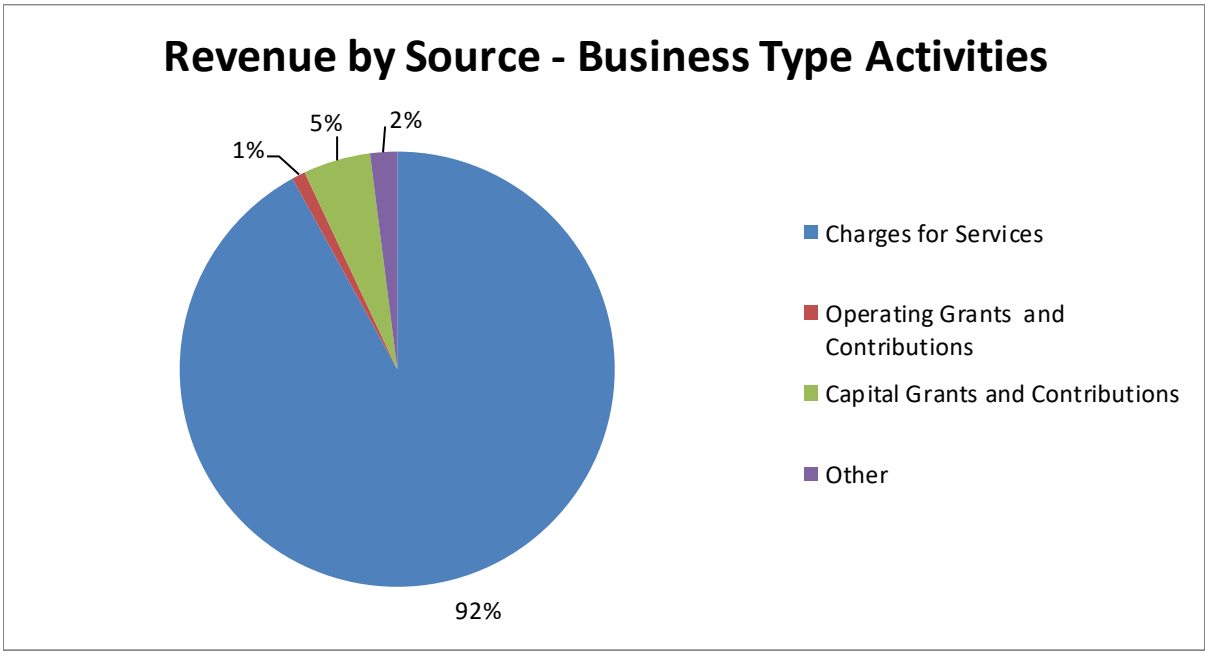




Business-type activities

Business-type activities increased the City's net position by $10,152,629.





FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The General Fund budget anticipated using $3.0 million of Fund equity to provide funding for the construction of a new fire station in the southeast section of the City. However, due to revenues exceeding budget by 2% and expenditures finishing the year 6% below budget, the Fund had a $27,560 surplus at year-end. A majority of the expenditure surplus related to employee costs. Due to the economy being at full employment, the City encountered an abnormal amount of employee turnover which generated budget savings. The General Fund's expenditure savings is detailed as follows:

Salaries	$838,542
Life and Health Costs	398,728
General Pension Costs	267,303
Fire Pension Costs	106,295
Ave. K Design Costs	111,703
	$1,722,571
Miscellaneous	444,036
Total expenditure savings	$2,166,607

The General Fund FY 2019 operating surplus when added to the previous year's fund balance created a current Fund Balance of $15,020,444. However, not all of the equity balance is available to be spent as shown in the following calculation:

FY 2019 Ending Fund Balance		$15,020,444
Less:		
Non-spendable balances:		
Prepaids	$584,200	
Golf Fund Loan	1,563,872	-2,148,072
Restricted balances:		
Public Safety	$9,429	
Environmental Restriction	200,000	-209,429
Assigned balances:		
Leisure Services	$13,000	
Public Safety	8,245	
Transportation	46,809	-68,054
Unassigned FY 2019 Fund Balance:		$12,594,889

Miscellaneous Items

October 2018- The City Commission approved a contract with Pennoni to design the Avenue C Street Project. The contract totals $124,990. Grant Funds from FDOT became available in July 2019 in the amount of $1,442,866. At year-end the design work was not complete. Construction is estimated to begin in the spring of 2020.

November 24, 2018- The City Commission approved a $10,000 contribution to the Ritz Theater. The contribution had been withheld pending the outcome of a suit over control of the theater.

December 10, 2018- The City Commission approved leasing an office in City Hall to Congressman Soto for $350 per month. The lease expires on January 2, 2021.

January 14, 2019- The City Commission approved allowing the County to use the DiamondPlex Softball fields for a Women's Collegiate Spring Training in March 2019. County paid $5,000 for field rent.

City Commission approved purchase of TRAKIT software for Code Enforcement. Software costs were $204,975 with an annual maintenance fee of $13,700.

January 28, 2019- The City Commission adopted the Zebra Longwing Butterfly as the City's mascot.

The City Commission authorized the City Manager to notify the Federal Railroad Authority of the City's intent to create Quiet Zones.

March 25, 2019- The City Commission approved a two year agreement with the Lakeland Area Mass Transit District to provide bus service at a rate of $228,362.

March 31, 2019- Growth Management Director Merle Bishop retired and was replaced by Eric Labbe.

April 22, 2019- The City Commission approved creation of a Smart City Advisory Committee. The Committee will consist of 13 members appointed by the City Commission for a term of 3 years.

July 8, 2019- The City Commission approved Resolution R-19-20 recommending Project Spigot as a Qualified Target Industry (QTI). A QTI provides tax rebates for new industries creating high salary jobs. The unnamed company can receive up to $20,000 from the City over a 4 year period, capped at $5,000 per year. The County will match the City's contribution with the State of Florida providing 80% of the incentive.

September 10, 2019- The City Commission approved a fee schedule for the Chain of Lakes Fieldhouse.

Subsequent Event- On October 28, 2019 the City Commission approved an agreement allowing Polk County to assign the naming rights of the Chain of Lakes Fieldhouse to Central Florida Basketball Partners, LLC. The City will receive 30% of the proceeds from the naming rights.

The City Commission approved a $35,000 grant with the Department of Economic Opportunity for funding a Florence Villa Neighborhood Plan. The Central Florida Regional Planning Council conducted the study. The $35,000 was received and recorded by year-end.

The City Commission approved contributing $354,000 toward matching a $16.3 million grant applied for by the Winter Haven Housing Authority for a project entitled The Lakeside Terrace Senior Apartments Phase II. The grant subsequently was not approved by the Florida Housing Authority.

CRA FUND

Economic Development
In the Economic Development capital item $62,297 was spent thusly:

Façade Grants:	
Jensen & Skubna	$4,917
Slate Eight	10,000
Dundee Storage	15,000
Total Façade Grants	$29,917
Development Agreements:	
Bond Clinic	$32,380
Physicians Partnership	10,614
Total	$42,994

Transfer to the 2015 Construction Fund
During the year the Downtown CRA Fund transfers $493,000 to the 2015 Construction Fund for the following projects:

Lake Silver Improvements	$193,000
Skate Park	300,000
Total	$493,000

Transfers to the General Fund
The Downtown CRA made two types of payments to the General Fund. First, the Fund transferred $85,000 to the General Fund for the salary and equipment of a police officer assigned to the Downtown District. Second, the Fund made a $671,802 payment to the General Fund for the annual debt service on the debt issues:

55% 2011 Sales Tax Bond	$389,308
18% 2015A Issue	188,598
18% 2016A Issue	93,896
Total	$671,802

On July 22, 2019 Heart for Winter Haven Inc. submitted a "Winter Haven White Paper". The paper was a plan to reduce the incident of family homelessness in Winter Haven and requested a $100,000 contribution from the Community Redevelopment Agency. The FY 2020 Budget incorporates the requested funds to be distributed in accordance with Memorandum of Understanding.

Year-end tax increment values of the two CRA Districts was as follows:

	Downtown District	Florence Villa District
FY 2019 Valuation	$317,864,011	$65,648,950
1999 Base Line	171,310,567	39,596,809
Tax Increment	$ 146,553,444	$26,052,141
Statute Reduction	%	
County Millage	7.1565	7.1565
City Millage	6.7900	6.7900
Proceeds from County	$996,369	$177,120
Proceeds from City	$945,343	$168,049

2015 Construction Fund

Lake Maude Complex
The project was completed in FY 2019 with the exception of some sidewalk work to be done in FY 2020 at an estimated cost of $70,000. On November 11, 2018 property adjacent to the park was purchased from Fannie Mitchell at a cost of $7,000. When the sidewalk work is complete the total cost of the project will total $5,426,150. See the FY 2018 Unaudited Report for more Project detail.

South Central Park
The project was completed in FY 2019 with a dedication ceremony held on October 13, 2018, Envisors, later known as Pennoni, did the design and Cobb Site Development did the construction. The total cost of the project was $5,063,545.

Fire Station
The City budgeted $3.0 million for a new fire station in the southwest section of the City. An additional $130,650 is budgeted to construct a pocket park on the property. Everett Whitehead will construct the building.

Sertoma Park
On September 10, 2019 the City Commission approved a renovation of the Sertoma Park Baseball Building at a cost of $252,725. Roger McCoy Development Corporation will perform the work.

Seventh Street Project
This project was essentially complete at year-end. Contractor Watson Civil Construction was owed $311,617 with another $29,959 added to the contract in October 2019 for removing unused gas lines. The project was designed by Civil Serv.

Northeast Complex
On June 24, 2019 the City Commission approved a contract with Straughn, Trout Architects LLC to complete a feasibility study and conceptual design work for renovation of the Complex. The contract totaled $39,750. The roof was replaced during the year at a cost of $176,670.

Ballfields
This project was unbudgeted but the possibility of receiving a $5.0 million match from the County for renovation of the baseball fields at the COL Park became a possibility. The City spent $13,172 with Madrid Engineering for soil testing in the ballfield area. An additional $6,965 was paid to Dave Carter Engineering.

Skate Park/Amphitheatre/Martin Luther King Park
On June 24, 2019 the City Commission agreed to a $1,345,054 contract with Everett Whitehead to design and build a Skate Park. The contract included construction of a parking lot and tearing out the seating at the Amphitheater creating berm seating. The remaining $941,531 will be spent on work in the MLK Park, such as restroom renovation and construction of sidewalks.

Chain of Lakes Field House
In 2016 Envisors (Pennoni) was given a $275,000 contract plus $13,200 expenses for study and design of the Chain of Lakes site for the construction of a Field House and Convention Center. The contract was completed in FY 2017 with expenditure of the $288,200 to Envisors plus travel expense for staff to travel to various sites with similar facilities. In May 2017 the Tourist Development Council donated $1.0 million to the design costs of the facility due to an Orlando Magic basketball farm team being scheduled to use the building as a practice facility. A $25.0 million bond was issued to CenterState Bank in August 2017 to acquire funding for the project. Polk County, via an interlocal agreement, will pay the annual debt service on $10 million of the $25 million bond. The bond was structured as a draw loan in FY 2018 with the undrawn proceeds deposited on October 1, 2018.

In FY 2018 the City Commission approved an agreement with Straughn, Trout to provide architectural services at a price of $1,775,000. Rodda Construction, Inc. and Everett Whitehead were selected to work in concert with Straughn Trout via a design build contract in the amount of $19,405,000. This contract included a majority of work excluding the HVAC system and some of the plumbing and electrical work. The City Commission approved an internal loan from the Water and Sewer Fund in the amount of $1,220,000 to retrofit the existing buildings HVAC system and other upgrades. The funds will be borrowed for a ten year period at a rate of 3 ½%. At year-end construction was close to completion with a grand opening ceremony scheduled for January 2020.

Funding of the Field House was as follows:

Bond	$25,000,000
Utility Loan	1,220,000
TDC	1,000,000
Interest Earnings	466,500
Contingency	220,831
Utility Fund	183,309
Stormwater Fund	120,805
Dark Fiber Fund	13,985
General Fund	21,500
Nora Mayo Hall Funds	697,799
Total	$28,944,729

Analysis 2015 Construction Fund Activity

Revenue	**Before 2019**	**FY 2019**	**FY 2020 Planned**	**Total**
Building Fund	$ -0-	$3,000,000	$100,000	$3,100,000
Tourist Development	1,000,000	-0-	-0-	1,000,000
Bond Proceeds	7,529,948	24,900,000	-0-	32,429,948
General Fund	447,906	4,886,315	2,644,769	7,978,990
Utility Fund Loan	-0-	-0-	-0-	-0-
Impact Fees	1,686,000	1,239,454	1,558,027	4,483,481
Interest	308,718	550,375	105,848	964,941
Other Funds Contribution	6,861,930	-0-	21,500	6,883,430
Transfer Utility Fund	183,309	326,402	-0-	509,711
Transfer Stormwater	86,805	-0-	34,000	120,805
Transfer Dark Fiber	13,985	23,110	-0-	37,095
Transfer CDBG	-0-	14,617	198,968	213,585
Transfer CRA Fund	479,232	493,000	-0-	972,232
Total Revenue	$18,597,833	$35,433,274	$4,663,112	$58,694,218
Expense				
South Central Park	$ 4,640,976	$ 425,917	$ -0-	$5,066,893
Tennis Courts	2,685,505	-0-	-0-	2,685,505
Lake Maude	5,257,715	98,435	70,000	5,426,150
Sertoma	78,789	250	399,750	478,789
COL Complex	1,760,280	19,834,270	7,350,179	28,944,729
Splash Pad	430,650	-0-	-0-	430,650
Nora Mayo Hall	-0-	-0-	802,201	802,201
Fire Station	425,019	80,122	2,919,878	3,425,019
Pocket Park	-0-	-0-	130,650	130,650
Seventh Street	617,510	2,059,265	434,299	3,111,074
Intersection Improvements	-0-	-0-	435,811	435,811
Transfer To Debt Service	82,332	-0-	-0-	82,332
NE Complex	-0-	185,020	1,314,980	1,500,000
Bond Issue Costs	105,170	-0-	-0-	105,170
Skate Park/MLK Park	11,048	33,358	2,242,179	2,286,585
Ballfields	-0-	20,376	-0-	20,376
Piazza	-0-	-0-	500,000	500,000
Principal/Interest	-0-	-0-	144,769	144,769
Transfer to General Fund	-0-	-0-	1,088,027	1,088,027
Contingency	-0-	-0-	249,488	249,488
Total Expense	$16,094,994	$22,737,013	$18,082,211	$56,914,218
Surplus<deficit>	2,502,839	12,696,261	<13,419,099>	1,780,000
Beginning Cash Balance	-0-	2,502,839	15,199,100	-0-
Ending Cash Balance	$2,502,839	$15,199,100	$1,780,000	$1,780,000

Business Type Activity Funds

Changes in net position was positive for the two business funds classified as major funds.

Issues of note from the Solid Waste Fund are as follows:

The Solid Waste Fund operated with a gain on the cash basis of $1,417,801 and an increase in net position of $1,104,987 on the GAAP basis.

Two Year History of Solid Waste Accounts:

	FY 2019 Accounts	FY 2018 Accounts	Increase <Decrease>	% Change
Residential	16,774	15,993	781	4.9 %
Commercial	1,767	1,849	<82>	<4.4> %
Municipal	65	65	0	0 %
Total	18,606	17,907	699	3.9 %

In September 2019 the City Commission approved a recycling rate with Advanced Disposal to go into effect October 1, 2019. The rate the City will pay Advanced is $3.94 per account per month. The City will only charge the customer $2.56 per month which will cost the Fund approximately $75,000 per year. The City anticipates bringing the service in house beginning in July 2020.

FY 2019 Revenues include $427,064 from FEMA via the State of Florida for 2017 Hurricane Irma expenses. Most of the costs being reimbursed in FY 2019 were incurred in FY 2017 and FY 2018. Most all of the costs incurred were for employee overtime and equipment costs. Only $30,640 was for landfill fees. It is expected that the County will bill the City $64,043 in FY 2020 for landfill charges.

Future Changes

As mentioned above the City hopes to begin providing recycling services in house in July 2020. In anticipation of assuming this service the FY 2020 Budget includes the acquisition of three automated collection trucks at a cost of $945,000. The automated trucks will free the time of three employees (currently two employees per truck) to man the Recycling vehicles. Staff believes that Recycling costs will be reduced providing the service in house.

Reconciliation of Cash Basis Expenditures to GAAP Expenditures:

Cash Basis Expenditures		$7,232,745
Plus:		
Sick/Vacation Accrual	$20,570	
Bad Debt Expense	4,779	
Depreciation	315,395	
GASB 68 Liability	226,061	
OPEB Liability	180,700	
Pension/Insurance Adj.	16,580	764,085
Less:		
Capital Expenditures	$7,752	
Capital Depletion	444,002	-451,754
GAAP Basis Expenditures		$7,545,076

Notes from the Water and Sewer Fund are as follows:

The Water and Sewer Fund operated with a $8,739,654 increase in net position on the GAAP basis of accounting and at a $6,185,055 gain on the Budget/Cash basis. At year-end the Fund had $60,248,731 in Net Assets.

A five year comparison of pertinent water and sewer statistics is as follows:

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Water accounts	33,669	34,424	35,691	36,783	37,969
Sewer accounts	21,028	21,513	22,404	23,150	24,023
Gallons water billed	2,914 m	2,868 m	3,240 m	3,194 m	3,159 m
Consumption per customer	86,554 g	83,325 g	90,779 g	86,826 g	83,192 g
Rainfall (from plant #3)	57.95 in	52.86 in	47.70 in	54.86 in	50.61 in

Developer Agreements
At September 30 the only open developer agreement was with John Wood. The John Wood prepaids were part of the purchase of the Garden Grove Utility System. A detail of the agreement is as follows:

	Original Balance	Balance at 9-30-19
**John Wood-Prepaid Connections	1,050 prepaids	658 prepaids

**The value of these prepaids is between $2,747,632 and $3,434,872.

Developer Contributions

	Water Lines	**Sewer Lines**	**Lift Station**	**Reuse**	**Total**
Lucerne Park Subdivision	$156,259	$-0-	$-0-	$70,716	$226,975
Normandy Heights 3A	156,718	155,391	172,305	-0-	485,414
Lake Lucerne Phase 2 & 3	115,757	130,134	-0-	72,770	318,661
Lake Smart	322,697	217,413	139,393	226,712	906,215
Normandy Heights 3B	127,200	119,001	-0-	-0-	246,201
Total	$878,631	$621,939	$311,698	$370,199	$2,182,467

Other Items:
October 2018 City Commission approved changing billing services from TC Billing to First Billing. First Billing fee is to be $35,000 per year.

November 2018 City Commission approved filing a grant request with the Florida Division of Emergency Services (FDES) for two projects. Grant one is for the purchase of four generators for lift stations at a cost of $210,848 with FDES paying 75% of the costs. The second project is for the purchase of a by-pass pump for $62,035 with FDES paying 75% of the costs.

November 2018 City Commission approved hiring WSP USA to conduct a Southern Basin Aquifer Recharge Feasibility Study at a cost of $300,000.

December 2018 City Commission voted to terminate the agreement with Service Line Warranties of America. The firm sold water and sewer warranties to City customers.

January 2019 City Commission approved the purchase of Smart Energy Software. The software will seamlessly connect with First Billing's software. Set-up costs are $12,028 with an annual subscription fee of $46,340. On September 10, 2019 SWFWMD agreed to pay $30,000 per year for the first two years ($60,000 total).

January 2019 City Commission agreed to settle a suit with the Peace River/Manasota Water Supply District. The City agreed to pay an additional $60,000 in legal fees.

February 2019 City Commission approved a two year contract extension with Republic Services of Florida to haul bio-solids. The fee increased from $350,000 per year to $387,760.

April 2019 City Commission approved an extension of time for the completion of the Southern Basin Aquifer Recharge Feasibility Study. SWFWMD and the City are to share the $300,000 cost of the study.

April 2019 City Commission approved a group of lift stations for design and permitting. Lift Station numbers 113, 115, 118, 151, 334 and 335 were in this group.

May 2019 City Commission approved the design and permitting of a second group of lift stations at a cost of $1,800,000. Lift Stations 103, 106, 171, 174 and 330 were in the second group.

May 2019 City Commission approved an agreement for FDOT's contractor to remove and reconstruct the City's utility lines as part of the SR 542 Highway Widening Project Phase II. Phase II is the roadway from Buckeye Loop Road to Highway 27. The City must escrow $5,077,937 on or before January 12, 2020. These monies are non-reimbursable. At the conclusion of the project it is estimated that FDOT will pay the City $288,636 for subordination of City easements to the FDOT.

June 2019 City Commission approved an amendment to the Polk Regional Water Cooperative Agreement. The amendment adds a fourth project to the Agreement. The project is construction of a Peace River Surface Water Intake Plant.

September 2019 City Commission approved a grant with SWFWMD for the purchase of Consumption and Conservation Program Data Management Software. The software will cost $63,369 with SWFWMD paying $30,000 of the cost.

September 2019 City Commission approved a contract with Black and Veatch for a One Water Master Plan. The total cost for all phases of the study is $1.3 million.

Reconciliation of Cash Basis Expenditures and GAAP Expenditures:

Cash Basis Expenditures		$29,006,870
Plus:		
Sick/Vacation Accrual	$ 53,879	
Amortization	101,666	
Depreciation	3,693,591	
Bad Debt Expense	122,934	
OPEB Expense	530,134	
GASB 68 Expense	1,145,406	5,647,610
Less:		
Debt Principle	2,060,000	
Capital	2,584,530	
Capital Depletion	370,406	-6,019,649
Pension/Insurance Adj.	1,004,713	
GAAP Basis Expenditures		$28,634,831

Fiduciary Funds

Three separate Boards administer the affairs of the City's three pension plans. Board members are elected by plan members, appointed by the City Commission or are designated by City ordinance. A detail of the service providers for the three boards and basic plan provisions is as follows:

	Police	**Fire**	**General**
Actuary	Foster & Foster	Foster & Foster	Foster & Foster
Custodian	Salem Trust	Salem Trust	Regions Trust
Investment Advisor	Dana Investment Advisor Bowen Haines Co.	ICC	ICC
Investment Monitor	AndCo	AndCo	AndCo
Attorney	Christiansen & Dehner	Klausner, Kaufman, Jensen & Levinson	Christiansen & Dehner
Administrator	Susy Pita	Susy Pita	NA
Benefit Rate per year	3.50%	3.8%	3% & 2.3%
Full vesting	10 yrs.	10 yrs.	10 yrs.
Normal Retirement Age	55 or 25 yrs svc	55 or 25 yrs svc	55 & 60 or 33 yrs svc
% Employee Contribution	8.2%	10%	7.0%
% Employer Contribution	15.37%	35.5%	33.92%
Active Plan Participants 10-1-18	82	63	203
DROP Participants 10-1-18	2	4	39
Unfunded Actuarial Liability @ 10-1-18	$4,193,921	$4,758,323	$15,506,591
Funded Ratio 10-1-18	89.0%	86.8%	82.1%

A summary of the assets of each fund is as follows:

	Police	Fire	General
City's Pooled Investments	$ -0-	$ -0-	$ -0-
Salem Trust	35,070,940	-0-	-0-
Regions Trust	-0-	33,853,569	73,139,623
Total Assets	$35,070,940	$33,853,569	$73,139,623

The FY 2019 actuarial report for each pension plan revealed the following amounts as prepaid in each plan and available for the City to use to offset future pension costs:

General Plan	$ 21,154
Fire Plan	$221,220
Police Plan	$ 71,170

The September 30, 2019 value of other retirement plans and tax deferred savings plans was as follows:

Nationwide Retirement Solutions (457)	$3,719,124
ICMA-RC (457)	$3,484,926
ICMA-RC (401a)	$ 287,718
Director 401(a)	$2,944,567

Analysis of Significant General Fund Variances
There were no significant adjustments to the General Fund Budget during the year. Department Directors operated within the $48.8 million beginning allotment and returned $2.2 million of unused expenditure budget to offset a budgeted use of equity.

Capital Assets and Debt Administered
At the end of 2019, the City had invested $166.7 million in a broad range of capital assets, including police and fire equipment, general infrastructure, buildings, recreation facilities, and water and sewer facilities and equipment. This amount represents a net increase (including additions and deductions) of $24 million, or over last year. For a detailed description of the City's Capital Assets see the notes to the financial statements on pages 77 and 78.

Capital Assets
(Net of depreciation, in millions of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Change	Total % Change
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018		
Land	$7.9	$ 7.9	$5.2	$ 5.2	$13.1	$ 13.1	$ 0	0.00%
Construction in Progress	27.6	12.9	6.5	7.9	34.1	20.8	13.3	63.9%
Buildings and Improvements	27.1	27.1	2.2	2.4	29.3	29.5	<0.2>	0.68%
Other Improvements	26.0	22.0	54.6	49.7	80.6	71.7	8.9	12.3%
Equipment	7.4	4.8	2.2	2.8	9.6	7.6	2.0	26.3%
	$96.0	$ 74.7	$70.7	$ 68.0	$166.7	$ 142.7	$ 24.0	16.8%

*in millions of dollars

Debt Administration
During the year the City issued no additional debt nor refunded any outstanding debt. On October 1, 2018 (FY 2019) a $24,900,000 loan from CenterState Bank was deposited into the 2015 Construction Fund to finance the construction of the Chain of Lakes Field House. The loan was initiated in August 2017 and was activated with a $100,000 draw in FY 2017. Polk County will pay 40% of the debt service on the loan.

	Governmental Activities*		Business-Type Activities*		Total*	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Revenue Bonds and Notes Payable	$ 50.6	$ 27.8	$ 47.1	$ 49.1	$ 97.7	$ 76.9

*in millions of dollars

Detailed information on City debt can be found in the notes to the Financial Statements pages 82 to 92 titled Long-Term Liabilities.

Economic Factors and Next Year's Budget and Rates

- The City of Winter Haven is the second largest city (17 cities total) in Polk County. The unemployment rate in Polk County decreased from 4.7% in 2018 to 4.1 in 2019.
- Inflationary trends have remained at relatively low during the past several years with the exception of pension costs.
- An economic forecast estimates the City's population growth to be 4.6% per year for the remainder of the decade.
- Economically driven revenues such as sales tax and gasoline taxes are forecast to increase moderately in FY 2020 as the national economy continues to grow.
- Property values are forecast to increase by 7.4% in FY 2020.

The City of Winter Haven is not a primary tourist destination but because of the City's close proximity to Disney World (40 miles) and the annexation of Legoland the City receives a spillover effect from these tourist attractions. Legoland opened in October 2011 on the site of what was once Cypress Gardens. It is estimated that after all the attractions are complete, 1,000 new jobs will be created and will draw 1.5 to 2.0 million visitors per year. After nine years of operation, Legoland reported that attendance is exceeding their expectations.

The above factors were considered in preparing the FY 2020 budget.

Subsequent to FY 2019 the COVID-19 Virus impacted the economics of many communities across the United States. The impact on the City in FY 2020 and future years is not known at this time.

Financial Contact
The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the City's Director of Financial Services, 551 3rd Street NW, Winter Haven, Florida 33881.

BASIC FINANCIAL STATEMENTS

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 47,146,455	$ 46,382,280	$ 93,528,735
Restricted Cash and Investments	439,499	22,781,741	23,221,240
Accounts Receivable, Net	1,216,894	5,283,670	6,500,564
Due from Other Governments	15,641,077	400,000	16,041,077
Internal Balances	4,910,248	(4,910,248)	-
Inventory	160,744	446,545	607,289
Prepaid Items	771,695	59,799	831,494
Capital Assets, Not Being Depreciated	35,538,742	11,610,740	47,149,482
Capital Assets, Being Depreciated - Net	60,536,679	59,077,520	119,614,199
Total Assets	166,362,033	141,132,047	307,494,080
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	6,136,850	574,562	6,711,412
OPEB Related Items	1,953,970	797,699	2,751,669
Deferred Charge on Debt Refunding	217,879	885,687	1,103,566
Total Deferred Outflows of Resources	8,308,699	2,257,948	10,566,647
LIABILITIES			
Accounts Payable	7,358,748	1,777,525	9,136,273
Accrued Liabilities	639,246	199,928	839,174
Claims Payable	1,748,553	-	1,748,553
Due to Other Governments	4,903	24,704	29,607
Accrued Interest Payable	727,260	768,484	1,495,744
Current Liabilities Payable from Restricted Assets:			
Customer Deposits	-	4,896,399	4,896,399
Unearned Revenue	46,943	38,902	85,845
Noncurrent Liabilities:			
Due Within One Year	3,293,968	2,132,984	5,426,952
Total OPEB Liability	566,967	231,353	798,320
Due in More than One Year	49,651,950	45,406,771	95,058,721
Net Pension Liability	19,905,201	6,265,413	26,170,614
Total OPEB Liability	23,133,661	9,444,325	32,577,986
Total Liabilities	107,077,400	71,186,788	178,264,188
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	1,535,019	129,166	1,664,185
OPEB Related Items	1,321,746	539,596	1,861,342
Deferred Charge on Debt Refunding	353,727	-	353,727
Total Deferred Inflows of Resources	3,210,492	668,762	3,879,254
NET POSITION			
Net Investment in Capital Assets	45,234,239	25,873,607	71,107,846
Restricted for:			
Public Safety	9,429	-	9,429
Community Redevelopment Agency	1,438,164	-	1,438,164
Environmental Awareness	200,000	-	200,000
Human Services	232,963	-	232,963
Police Training, Confiscation and Abandoned Property	108,286	-	108,286
Building Safety	3,811,895	-	3,811,895
Impact Fees	1,369,316	-	1,369,316
Debt Service	3,064,410	2,853,484	5,917,894
Transportation	1,064,261	-	1,064,261
Renewal, Replacement, and Improvements	-	15,031,859	15,031,859
Unrestricted	7,849,877	27,775,495	35,625,372
Total Net Position	$ 64,382,840	$ 71,534,445	$ 135,917,285

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Primary Government:				
Governmental Activities:				
General Government	$ 9,375,891	$ 4,624,664	$ 10,405	$ -
Public Safety	22,566,425	816,769	391,993	-
Transportation	4,823,105	1,835,368	-	2,289,869
Economic Development	1,429,659	4,590,129	-	-
Human Services	1,359,738	264,187	657,879	-
Culture and Recreation	8,369,798	736,416	410,871	12,981,404
Debt Service:				
Interest on Long-Term Debt	1,389,279	-	-	-
Total Governmental Activities	49,313,895	12,867,533	1,471,148	15,271,273
Business-Type Activities:				
Water and Sewer	22,562,447	33,844,424	30,554	2,182,466
Solid Waste	6,105,339	8,099,480	427,064	-
Willowbrook Golf Course	999,155	822,368	3,016	-
Stormwater	1,438,368	1,840,976	4,875	75,637
Dark Fiber	150,763	129,152	-	-
Total Business-Type Activities	31,256,072	44,736,400	465,509	2,258,103
Total Primary Government	$ 80,569,967	$ 57,603,933	$ 1,936,657	$ 17,529,376

General Revenues
- Taxes:
  - Property Taxes
  - Utility Taxes
  - Franchise Taxes
  - Fuel Taxes
- Unrestricted State-Shared Revenues:
  - Sales Taxes
  - Cigarette Taxes
  - Other Taxes
- Net Change in Fair Value of Investments
- Gain on Sale of Capital Assets
- Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position, End of Year

See accompanying Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (4,740,822)	$ -	$ (4,740,822)
(21,357,663)	-	(21,357,663)
(697,868)	-	(697,868)
3,160,470	-	3,160,470
(437,672)	-	(437,672)
5,758,893	-	5,758,893
(1,389,279)	-	(1,389,279)
(19,703,941)	-	(19,703,941)
-	13,494,997	13,494,997
-	2,421,205	2,421,205
-	(173,771)	(173,771)
-	483,120	483,120
-	(21,611)	(21,611)
-	16,203,940	16,203,940
(19,703,941)	16,203,940	(3,500,001)
16,820,550	-	16,820,550
6,789,197	-	6,789,197
3,508,260	-	3,508,260
2,029,500	-	2,029,500
2,779,282	-	2,779,282
1,172,897	-	1,172,897
1,930,675	-	1,930,675
1,264,406	1,529,515	2,793,921
11,969	26,893	38,862
470,344	-	470,344
7,607,719	(7,607,719)	-
44,384,799	(6,051,311)	38,333,488
24,680,858	10,152,629	34,833,487
39,701,982	61,381,816	101,083,798
$ 64,382,840	$ 71,534,445	$ 135,917,285

CITY OF WINTER HAVEN, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General Fund	Community Redevelopment Agency	2015 Construction	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	$ 10,846,992	$ 1,154,395	$ 21,230,114	$ 9,457,619	$ 42,689,120
Investments - Reserved for Perpetual Care	-	-	-	439,499	439,499
Accounts Receivable	957,005	452	-	51,785	1,009,242
Due from Other Governments	14,089,259	-	-	1,551,818	15,641,077
Due from Other Funds	1,113,013	-	-	445,117	1,558,130
Advances to Other Funds	1,563,872	-	-	2,912,529	4,476,401
Inventory	-	-	-	45,580	45,580
Prepaid Items	584,200	16	-	28,628	612,844
Total Assets	$ 29,154,341	$ 1,154,863	$ 21,230,114	$ 14,932,575	$ 66,471,893
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 391,093	$ 186,061	$ 4,811,014	$ 1,306,283	$ 6,694,451
Accrued Liabilities	739,700	697	-	54,236	794,633
Due to Other Funds	-	-	103,722	1,038,013	1,141,735
Due to Other Governments	-	-	-	4,903	4,903
Advances from Other Funds	-	-	1,116,278	-	1,116,278
Unearned Revenue	21,700	4,200	-	18,546	44,446
Total Liabilities	1,152,493	190,958	6,031,014	2,421,981	9,796,446
Deferred Inflows of Resources:					
Unavailable Revenue	12,981,404	-	-	-	12,981,404
Fund Balances:					
Nonspendable	2,148,072	16	-	74,208	2,222,296
Restricted	209,429	963,889	4,040,720	6,786,849	12,000,887
Committed	-	-	-	494,565	494,565
Assigned	68,054	-	11,158,380	5,520,308	16,746,742
Unassigned	12,594,889	-	-	(365,336)	12,229,553
Total Fund Balances	15,020,444	963,905	15,199,100	12,510,594	43,694,043
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 29,154,341	$ 1,154,863	$ 21,230,114	$ 14,932,575	$ 66,471,893

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS	$ 43,694,043
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	95,563,686
Deferred outflows of resources represent a consumption of net position or fund balance that applies to a future period(s) and, therefore, are not reported in the governmental funds.	217,879
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for governmental activities bonds is included in the statement of net position.	(727,260)
The City's net pension liability and related deferred outflows and inflows of resources for governmental activities are recorded only on the Statement of Net Position.	(13,420,355)
The City's total other postemployment benefits liability and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(21,176,068)
Certain liabilities including bonds payable and accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(52,506,074)
Unavailable revenue is recorded in the funds to offset receivables that do not meet the criteria for revenue recognition in the current period.	12,981,404
Deferred inflows of resources represent an addition of net position or fund balance that applies to a future period(s) and, therefore, are not reported in the governmental funds.	(353,727)
Internal service funds are used by management to charge the costs of certain activities, such as employer health insurance and equipment maintenance, to individual funds.	109,312
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 64,382,840

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Community Redevelopment Agency	2015 Construction	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 27,641,581	$ 2,286,881	$ -	$ -	$ 29,928,462
Licenses and Permits	196,399	-	-	-	196,399
Intergovernmental	5,637,302	-	-	3,670,953	9,308,255
Charges for Services	3,037,931	-	-	5,418,324	8,456,255
Fines and Forfeitures	270,341	-	-	47,032	317,373
Rents	173,530	5,475	-	922,010	1,101,015
Net Change in Fair Value of Investments	289,559	30,059	550,375	288,240	1,158,233
Contributions	-	-	-	10,883	10,883
Other	694,734	-	-	40,636	735,370
Total Revenues	37,941,377	2,322,415	550,375	10,398,078	51,212,245
EXPENDITURES					
Current:					
General Government	6,754,965	-	-	-	6,754,965
Public Safety	19,446,291	-	-	1,352,283	20,798,574
Transportation	1,521,854	-	-	4,230,227	5,752,081
Economic Development	688,727	287,019	-	-	975,746
Human Services	-	-	-	1,296,342	1,296,342
Culture and Recreation	5,275,772	-	-	1,767,976	7,043,748
Debt Service:					
Principal Retirement	-	-	-	2,015,000	2,015,000
Interest and Fiscal Charges	-	-	-	1,097,313	1,097,313
Other Debt Service	-	-	-	550	550
Capital Projects	-	-	22,737,013	-	22,737,013
Total Expenditures	33,687,609	287,019	22,737,013	11,759,691	68,471,332
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,253,768	2,035,396	(22,186,638)	(1,361,613)	(17,259,087)
OTHER FINANCING SOURCES (USES)					
Sale of Assets	25,955	-	-	-	25,955
Issuance of Debt	-	-	24,900,000	-	24,900,000
Transfers In	8,694,563	-	9,982,899	8,489,336	27,166,798
Transfers Out	(12,946,726)	(1,354,563)	-	(5,979,790)	(20,281,079)
Total Other Financing Sources (Uses)	(4,226,208)	(1,354,563)	34,882,899	2,509,546	31,811,674
NET CHANGE IN FUND BALANCES	27,560	680,833	12,696,261	1,147,933	14,552,587
Fund Balances - Beginning of Year	14,992,884	283,072	2,502,839	11,362,661	29,141,456
FUND BALANCES - END OF YEAR	$ 15,020,444	$ 963,905	$ 15,199,100	$ 12,510,594	$ 43,694,043

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 14,552,587
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.	26,947,182
Depreciation of capital assets is not a use of financial resources to governmental funds; however, it is expensed in the statement of net position.	(5,468,786)
In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the carrying value of the capital assets sold.	(24,278)
The issuance of long-term debt (e.g., bonds, note payables and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(22,885,000)
The amortization of bond premium and similar items do not require the use of financial resources of the governmental funds and, therefore, are not reported as expenditures in governmental funds:	64,532
The (increase) decrease in certain accrued liabilities reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.	(1,781,418)
Some revenues reported in the statement of activities will not be collected for several months after the fiscal year and, therefore, are not reported as revenue in the governmental funds.	12,659,851
Internal service funds are used by management to charge the costs of insurance and equipment and vehicle maintenance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	616,188
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 24,680,858

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 26,979,268	$ 26,979,268	$ 27,641,581	$ 662,313
Licenses and Permits	252,000	252,000	196,399	(55,601)
Intergovernmental	5,988,949	5,477,311	5,637,302	159,991
Charges for Services	3,079,873	3,079,873	3,037,931	(41,942)
Fines and Forfeitures	285,400	285,400	270,341	(15,059)
Rents	249,900	249,900	173,530	(76,370)
Net Change in Fair Value of Investments	170,000	170,000	289,559	119,559
Other	562,000	562,000	694,734	132,734
Total Revenues	37,567,390	37,055,752	37,941,377	885,625
EXPENDITURES				
Current:				
General Government	6,941,864	6,941,864	6,754,965	186,899
Public Safety	20,279,090	20,279,090	19,446,291	832,799
Transportation	4,193,826	1,855,688	1,521,854	333,834
Economic Development	777,810	777,810	688,727	89,083
Culture and Recreation	5,999,764	5,999,764	5,275,772	723,992
Total Expenditures	38,192,354	35,854,216	33,687,609	2,166,607
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(624,964)	1,201,536	4,253,768	3,052,232
OTHER FINANCING SOURCES (USES)				
Sales of Assets	49,627	49,627	25,955	(23,672)
Transfers In	8,694,563	8,694,563	8,694,563	-
Transfers Out	(11,119,226)	(12,945,726)	(12,946,726)	(1,000)
Total Other Financing Sources (Uses)	(2,375,036)	(4,201,536)	(4,226,208)	(24,672)
NET CHANGE IN FUND BALANCES	(3,000,000)	(3,000,000)	27,560	3,027,560
Fund Balances, Beginning of Year	14,992,884	14,992,884	14,992,884	-
FUND BALANCES - END OF YEAR	$ 11,992,884	$ 11,992,884	$ 15,020,444	$ 3,027,560

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 2,251,652	$ 2,251,652	$ 2,286,881	$ 35,229
Miscellaneous:				
Rents	6,000	6,000	5,475	(525)
Net Change in Fair Value of Investments	9,600	9,600	30,059	20,459
Total Revenues	2,267,252	2,267,252	2,322,415	55,163
EXPENDITURES				
Current:				
Economic Development	986,451	1,306,451	287,019	1,019,432
EXCESS OF REVENUES OVER EXPENDITURES	1,280,801	960,801	2,035,396	1,074,595
OTHER FINANCING USES				
Transfers Out	(1,161,563)	(1,161,563)	(1,354,563)	(193,000)
NET CHANGE IN FUND BALANCES	119,238	(200,762)	680,833	881,595
Fund Balances - Beginning of Year	283,072	283,072	283,072	-
FUND BALANCES - END OF YEAR	$ 402,310	$ 82,310	$ 963,905	$ 881,595

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
CURRENT ASSETS					
Cash and Investments	$ 31,533,603	$ 5,737,228	$ 7,254,159	$ 44,524,990	$ 4,457,335
Cash With Fiscal Agent	1,711,943	-	145,347	1,857,290	-
Restricted Cash and Investments					
Customer Deposits	4,896,398	-	-	4,896,398	-
Receivables:					
Accounts	3,944,605	1,164,934	288,143	5,397,682	207,652
Less: Allowance for Doubtful Accounts	(114,012)	-	-	(114,012)	-
Due from Other Governments	-	-	400,000	400,000	-
Due from Other Funds	103,722	-	-	103,722	-
Advances to Other Funds	1,116,278	-	-	1,116,278	-
Inventories	390,494	27,191	28,860	446,545	115,164
Prepaid Items	46,261	1,001	12,537	59,799	149,616
Total Current Assets	43,629,292	6,930,354	8,129,046	58,688,692	4,929,767
NONCURRENT ASSETS					
Restricted Cash, Cash Equivalents, and Investments:					
Bond Asset Replacement Funds	3,049,861	-	-	3,049,861	-
Construction Funds	11,981,998	-	-	11,981,998	-
Debt Service	2,853,484	-	-	2,853,484	-
Total Restricted Assets	17,885,343	-	-	17,885,343	-
Capital Assets:					
Land	2,386,290	-	2,765,930	5,152,220	-
Construction in Progress	6,413,669	-	44,851	6,458,520	-
Building	8,512,446	-	217,380	8,729,826	151,763
Improvements Other than Buildings	153,123,429	10,654	7,964,693	161,098,776	397,061
Equipment	5,384,160	4,607,640	963,927	10,955,727	2,524,441
	175,819,994	4,618,294	11,956,781	192,395,069	3,073,265
Less: Accumulated Depreciation	(112,272,599)	(3,489,743)	(5,944,467)	(121,706,809)	(2,561,530)
Net Capital Assets	63,547,395	1,128,551	6,012,314	70,688,260	511,735
Total Noncurrent Assets	81,432,738	1,128,551	6,012,314	88,573,603	511,735
Total Assets	125,062,030	8,058,905	14,141,360	147,262,295	5,441,502
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Items	435,275	96,443	42,844	574,562	185,894
OPEB Related Items	560,568	191,073	46,058	797,699	160,287
Deferred Charge on Debt Refunding	885,687	-	-	885,687	-
Total Deferred Outflows of Resources	1,881,530	287,516	88,902	2,257,948	346,181

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
CURRENT LIABILITIES					
Accounts Payable	$ 1,390,669	$ 299,101	$ 87,755	$ 1,777,525	$ 664,297
Accrued Liabilities	146,376	40,685	12,867	199,928	62,287
Unearned Revenue	38,377	-	525	38,902	2,497
Due to Other Funds	-	-	520,117	520,117	-
Due to Other Governments	23,880	824	-	24,704	-
Claims Payable	-	-	-	-	1,748,553
Accrued Interest Payable	768,484	-	-	768,484	-
Current Portion of Revenue Bonds Payable	2,085,000	-	-	2,085,000	-
Current Portion of Compensated Absences	34,776	11,006	2,202	47,984	21,294
Current Portion of Total OPEB Liability	162,618	55,403	13,332	231,353	46,462
Total	4,650,180	407,019	636,798	5,693,997	2,545,390
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS					
Customer Deposits	4,896,399	-	-	4,896,399	-
Total Current Liabilities	9,546,579	407,019	636,798	10,590,396	2,545,390
LONG-TERM LIABILITIES					
Advances from Other Funds	-	-	4,476,401	4,476,401	-
Revenue Bonds Payable (Net of Unamortized Premiums)	44,974,909	-	-	44,974,909	-
Accumulated Unused Compensated Absences	312,983	99,058	19,821	431,862	191,641
Total OPEB Liability	6,636,783	2,262,216	545,326	9,444,325	1,897,736
Net Pension Liability	4,746,531	1,051,677	467,205	6,265,413	2,027,119
Total Long-Term Liabilities	56,671,206	3,412,951	5,508,753	65,592,910	4,116,496
Total Liabilities	66,217,785	3,819,970	6,145,551	76,183,306	6,661,886
DEFERRED INFLOWS OF RESOURCES					
Pension Related Items	97,853	21,681	9,632	129,166	41,790
OPEB Related Items	379,191	129,250	31,155	539,596	108,425
Total Deferred Inflows of Resources	477,044	150,931	40,787	668,762	150,215
NET POSITION					
Net Investment in Capital Assets	18,732,742	1,128,551	6,012,314	25,873,607	511,735
Restricted for:					
Revenue Bonds Debt Service	2,853,484	-	-	2,853,484	-
Renewal, Replacement and Improvements	15,031,859	-	-	15,031,859	-
Unrestricted	23,630,646	3,246,969	2,031,610	28,909,225	(1,536,153)
Total Net Position	$ 60,248,731	$ 4,375,520	$ 8,043,924	72,668,175	$ (1,024,418)

Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds	(1,133,730)
Net Assets of Business-Type Activities	$ 71,534,445

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	$ 33,127,468	$ 8,044,021	$ 2,792,015	$ 43,963,504	$ 12,950,404
Tap Fees	535,634	-	-	535,634	-
Miscellaneous	181,322	55,459	481	237,262	576,693
Total Operating Revenues	33,844,424	8,099,480	2,792,496	44,736,400	13,527,097
OPERATING EXPENSES					
Personal Services	6,747,131	2,135,513	653,565	9,536,209	2,730,569
Material and Supplies	1,422,823	309,694	47,637	1,780,154	1,993,857
Depreciation and Amortization	3,795,257	315,395	337,269	4,447,921	167,663
Other Services and Charges	8,958,850	3,222,874	1,531,170	13,712,894	9,093,197
Total Operating Expenses	20,924,061	5,983,476	2,569,641	29,477,178	13,985,286
OPERATING INCOME (LOSS)	12,920,363	2,116,004	222,855	15,259,222	(458,189)
NONOPERATING REVENUES (EXPENSES)					
Operating Grants and Contributions	30,554	427,064	7,891	465,509	-
Net Change in Fair Value of Investments	1,303,091	111,976	114,448	1,529,515	106,173
Interest Expense	(1,536,968)	-	(6,013)	(1,542,981)	-
Gain (Loss) on Disposal of Assets - Net	13,950	11,543	1,400	26,893	10,292
Total Nonoperating Revenues (Expenses)	(189,373)	550,583	117,726	478,936	116,465
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	12,730,990	2,666,587	340,581	15,738,158	(341,724)
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Grants and Contributions	2,182,466	-	75,637	2,258,103	-
Transfers In	-	-	164,293	164,293	722,000
Transfers Out	(6,173,802)	(1,561,600)	(36,610)	(7,772,012)	-
Total Capital Contributions and Transfers	(3,991,336)	(1,561,600)	203,320	(5,349,616)	722,000
CHANGE IN NET POSITION	8,739,654	1,104,987	543,901	10,388,542	380,276
Net Position - Beginning of Year	51,509,077	3,270,533	7,500,023		(1,404,694)
NET POSITION - END OF YEAR	$ 60,248,731	$ 4,375,520	$ 8,043,924		$ (1,024,418)

Some Amounts Reported for Business-Type Activities in the Statement of Activities are Different Because the Net Revenue (Expense) of Certain Internal Service Funds is Reported with Business-Type Activities.	(235,913)
Change in Net Position of Business-Type Activities	$ 10,152,629

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	$ 33,486,993	$ 7,991,426	$ 2,952,073	$ 44,430,492	$ 13,327,478
Cash Paid to Employees for Services	(5,976,679)	(1,676,076)	(518,776)	(8,171,531)	(2,454,138)
Cash Paid to Suppliers for Goods and Services	(10,467,390)	(3,338,589)	(1,730,399)	(15,536,378)	(11,043,279)
Net Cash Provided (Used) by Operating Activities	17,042,924	2,976,761	702,898	20,722,583	(169,939)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Grants and Contributions	30,554	427,064	7,891	465,509	-
Advances (to) from Other Funds	(1,116,278)	-	557,160	(559,118)	722,000
Transfers (to) from Other Funds	(6,277,524)	(1,561,600)	(36,610)	(7,875,734)	(65,699)
Advances from Other Funds	-	-	2,290,115	2,290,115	-
Repayment of Advances From Other Funds	-	-	(35,232)	(35,232)	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	(7,363,248)	(1,134,536)	2,783,324	(5,714,460)	656,301
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Grants and Contributions	-	-	21,750	21,750	-
Interest Paid	(1,545,876)	-	(6,013)	(1,551,889)	-
Acquisition and Construction of Capital Assets	(3,413,499)	(7,752)	(792,539)	(4,213,790)	(126,220)
Proceeds from Sale of Assets	13,950	11,543	1,400	26,893	10,292
Principal Payments on Long-Term Debt	(2,060,000)	-	-	(2,060,000)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(7,005,425)	3,791	(775,402)	(7,777,036)	(115,928)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net Investment Income	1,303,091	111,976	114,448	1,529,515	106,173
Net Cash Provided by Investing Activities	1,303,091	111,976	114,448	1,529,515	106,173
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,977,342	1,957,992	2,825,268	8,760,602	476,607
Cash and Cash Equivalents - Beginning of Year	52,049,945	3,779,236	4,574,238	60,403,419	3,980,728
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 56,027,287	$ 5,737,228	$ 7,399,506	$ 69,164,021	$ 4,457,335

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	$ 12,920,363	$ 2,116,004	$ 222,855	$ 15,259,222	$ (458,189)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	3,795,257	315,395	337,269	4,447,921	167,663
(Increase) Decrease in Assets and Deferred Outflows of Resources:					
Accounts Receivable	(589,252)	(108,054)	159,052	(538,254)	(202,116)
Inventories	(26,567)	10,132	943	(15,492)	18,972
Prepaid Items	65,836	17,273	5,492	88,601	32,203
Due from Other Governments	-	-	-	-	-
Deferred Outflows of Resources- Pension Related Items	42,486	12,630	2,546	57,662	(1,821)
Deferred Outflows of Resources- OPEB Related Items	(560,568)	(191,073)	(46,058)	(797,699)	(160,287)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts Payable	(148,866)	165,750	(158,027)	(141,143)	(5,057)
Accrued Liabilities	35,255	13,347	3,941	52,543	12,445
Due to Other Governments	23,880	824	-	24,704	-
Unearned Revenue	38,377	-	525	38,902	2,497
Customer Deposits	193,444	-	-	193,444	-
Compensated Absences	58,342	22,275	4,506	85,123	(219)
Total OPEB Liability	1,039,923	590,626	133,290	1,763,839	163,325
Due to Other Funds	-	-	-	-	-
Net Pension Liability	911,789	176,206	102,879	1,190,874	549,653
Claims Payable	-	-	-	-	-
Deferred Inflows of Resources- Pension Related Items	(663,334)	(152,097)	(62,685)	(878,116)	(251,482)
Deferred Inflows of Resources- OPEB Related Items	(93,441)	(12,477)	(3,630)	(109,548)	(37,526)
Net Cash Provided (Used) by Operating Activities	$ 17,042,924	$ 2,976,761	$ 702,898	$ 20,722,583	$ (169,939)
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contributions of Capital Assets	$ 2,182,466	$ -	$ -	$ 2,182,466	$ -
Capital Additions Funded by Accounts Payable	$ 647,699	$ -	$ -	$ 647,699	$ -
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITIONS					
Cash, Investments, and Cash Equivalents	$ 31,533,603	$ 5,737,228	$ 7,254,159	$ 44,524,990	$ 4,457,335
Cash With Fiscal Agent	1,711,943	-	145,347	1,857,290	-
Restricted Assets:					
Customer Deposits	4,896,398	-	-	4,896,398	-
Bond Asset Replacement Funds	3,049,861	-	-	3,049,861	-
Construction Funds	11,981,998	-	-	11,981,998	-
Debt Service	2,853,484	-	-	2,853,484	-
Total Cash, Investments, and Cash Equivalents	$ 56,027,287	$ 5,737,228	$ 7,399,506	$ 69,164,021	$ 4,457,335

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019

	Employee Retirement Funds
ASSETS	
Cash	$ 17,037
Prepaid Items	7,694
Investments:	
Short-Term Money Market Funds	4,942,705
Government Securities	10,131,664
Corporate and Other Bonds	11,569,464
Mutual Funds	9,617,896
Equity Securities	92,184,471
Real Estate Fund	13,414,786
Total Investments	141,860,986
Receivables:	
Interest and Dividends Receivable	227,407
Total Assets	142,113,124
LIABILITIES	
Accounts Payable	48,992
NET POSITION	
Net Position Restricted for Pensions	$ 142,064,132

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Employee Retirement Funds
ADDITIONS	
Contributions:	
Employer	$ 4,726,327
Employee	1,286,900
State	780,955
Total Contributions	6,794,182
Investment Income	4,887,380
Less: Investment Expenses	(563,749)
Net Investment Income	4,323,631
Miscellaneous Revenue	26,405
Total Additions	11,144,218
DEDUCTIONS	
Benefits	9,084,564
Refunds	428,257
Administrative Expenses	298,754
Total Deductions	9,811,575
CHANGE IN NET POSITION	1,332,643
NET POSITION RESTRICTED FOR PENSIONS	
Net Position - Beginning of Year	140,731,489
Net Position - End of Year	$ 142,064,132

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Winter Haven (the City) conform to accounting principles generally accepted in the United States as applicable to governmental units. The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be reviewed as an integral part of the accompanying financial statements.

A. Reporting Entity

The City was created and re-established as a municipal government when its present charter was approved by voters at a general referendum on October 2, 1973 and by Laws of Florida, Chapter 73-660.

These financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The blended component unit, although a legally separate entity, is in substance part of the City's operations. The Community Redevelopment Agency, (CRA), authorized by Chapter 163, Florida Statutes, is a legally separate entity, but since the City Commission also serves as its governing board, it is reported as a blended component unit. Management of the City has operational responsibility for the CRA. The CRA consists of two distinct geographic districts: Downtown and Florence Villa. The CRA's fiscal year ends on September 30 and it does not issue separate financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity, except for interfund services provided and used, has been removed from these statements. The City chooses to eliminate the indirect costs between governmental activities to avoid a "doubling up" effect. 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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

Fund Accounting

The City organizes its accounts on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, and deferred inflows of resources, fund balance/net position, revenues and expenditures or expenses, as appropriate. The City has the following funds:

Governmental Fund Types

Governmental fund types are those funds through which most governmental functions are typically financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance.” The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The City electively added the Community Redevelopment Agency as a major fund due to its specific community focus. The following comprise the City’s major governmental funds:

- **General Fund** – The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many of the more important activities of the City, including operation of the City’s general service departments; street and highway maintenance; public safety; and parks and recreation programs are accounted for in this fund.

- **Community Redevelopment Agency Fund** – The Community Redevelopment Agency Fund was established pursuant to F.S. Chapter 163 to account for the operations of the CRA. Revenue is generated from ad-valorem taxes in the redevelopment district. The CRA is reported as a special revenue fund of the City.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Governmental Fund Types (Continued)

- **2015 Construction Fund-** The 2015 Construction Fund is a Capital Projects Fund used to account for resources used in the acquisition and construction of capital facilities and other capital assets.

The other governmental funds of the City are considered nonmajor and are as follows:

Special Revenue Funds – Special Revenue Funds are used to account for revenues derived from specific sources, which are usually required by law, regulation, or administrative action to be accounted for in separate funds.

The following nonmajor funds are included in this fund type:

Library Fund was established by the Polk County Library Cooperative Interlocal Agreement for 2014 through 2024. Polk County is an eligible political subdivision under Florida Statutes (F.S.) 257.17 and may participate in the State Aid to Libraries Program. Polk County enacted an ordinance allowing them to levy an impact fee to provide for library capital improvements required by growth within Polk County. Also, Polk County can levy ad-valorem taxes to unincorporated areas to fund new libraries. The cooperative agreement is considered restricted revenue and is utilized for operations first. Additional financing is provided by membership fees and donations from the General Fund and the public.

Airport Fund was established by Resolution No. R-10-15 to assure that all revenue generated by the airport will be expended for capital or operating costs. This is to comply with the Joint Participation Agreement with the Florida Department of Transportation for multiple projects at the Winter Haven Municipal Airport.

Cemetery Fund was established by Ordinance No. O-85-13 to provide adequate revenue to cover all operating expenses, capital improvements, debt service and to provide a contribution to the perpetual care fund. Revenues are generated from interment space sales, interment fees, monument costs and other charges.

Community Development Grant Fund was established due to grant requirements to account for the receipt and expenditure of Community Development Block Grant funds.

SHIP Grant Fund was established due to grant requirements. The State Housing Initiatives Partnership Program was created by Florida Statute Chapter 420.9072 for the purpose of providing funds to counties and eligible municipalities as an incentive for the creation of local housing partnerships, to expand production of and to preserve affordable housing, to further the housing element of the local government comprehensive plan specific to affordable housing, and to increase housing-related employment.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Governmental Fund Types (Continued)

Special Revenue Funds (Continued)

Police Training, Confiscation, and Abandoned Property Fund was established by the several Florida Statutes to account for asset seizures and training expenses related to law enforcement. State and local forfeitures are considered restricted based upon F.S. Chapter 932. Police training monies are received monthly from the office of the Polk County Clerk of the Circuit Court and Polk County Sheriff's Office. The source of these funds is a $2 per conviction fee for violation of municipal or county ordinance under F.S. 938.15. The fees are used to pay expenditures for programs and courses for training police officers. Unclaimed evidence is also restricted based upon F.S. 705. The City receives funds from federal agencies as a result of Winter Haven police cooperation in federal investigations. The funds must be spent in accordance with federal regulations. No budget is adopted for this fund.

Building Safety Fund was established by F.S. 468.631 and F.S. 553.721 to account for the operations of building and permitting. Revenues are generated from permits, inspections, planning reviews and other charges for service.

Impact Fee Fund was established by Ordinance No. O-06-44 to charge impact fees for police, fire, library, and parks and recreational services. In addition, the City passed Ordinance No. O-06-45 to charge impact fees related to new development, which necessitates new roads and related facilities. Water and sewer impact fees are accounted for in the Water and Sewer Fund.

Federal Building Fund was established by Resolution No. R-03-13 to account for activities of the Federal Building. The building is considered a historical monument. Rental income in excess of repair, rehabilitation, restoration, and maintenance is used by the City only for public historic preservation, park, and recreational purposes as enunciated in its Program of Preservation and Utilization.

Debt Service Funds – The Debt Service Funds are used to account for the funding and payment of interest and principal of general obligation and tax increment debt of the City.

Capital Project Funds – The Capital Project Funds are used to account for resources used in the acquisition and construction of capital facilities and other capital assets, with the exception of those that are financed through proprietary funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Proprietary Fund Types

Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position, and cash flows.

Enterprise Funds – The Enterprise Funds are used to finance and account for the acquisition, operation and maintenance of the City's facilities and services which are supported primarily by user charges. The following comprise the City's major enterprise funds:

Water and Sewer Fund – To account for the operation and maintenance of the City's Water and Sewer System.

Solid Waste Fund – To account for the operation and maintenance of the City's Solid Waste Collection System.

The other enterprise funds of the City are considered nonmajor and are as follows:

Willowbrook Golf Course Fund – To account for the operation and maintenance of the City's municipal golf course.

Stormwater Fund – To account for the operation and maintenance of the City's Stormwater Management Services System.

Dark Fiber Fund – To account for the operation and maintenance of the City's Dark Fiber Services System.

Internal Service Funds – The Internal Service Funds are used to finance and account for services and commodities provided by designated departments or agencies to other departments and agencies of the City on a cost reimbursement basis. The following funds are included in this fund type:

Self-Insurance Fund – To account for the costs of providing health insurance to all covered City employees, retirees and dependents.

General Services Fund – To account for the costs of providing centralized services to other City departments. The services provided are human resources, engineering, facilities support, and information technology.

Central Garage Fund – To account for the costs of operating a maintenance facility for automotive equipment used by other City departments. The automotive equipment itself is acquired and owned by the various user departments which are also responsible for financing replacement vehicles as necessary through contributions to the Capital Projects Fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Fiduciary Fund Types (Trust and Agency Funds)

Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and / or other funds.

Employee Retirement Funds – To account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by respective pension boards with City commission approval and by the City at amounts determined by an annual actuarial study.

In addition, the state of Florida remits income received from a 0.85% excise tax on casualty insurance premiums, per Florida Statutes 185.08, to the Municipal Firefighters' Pension Fund and the Municipal Police Officers' Pension Fund. These are considered on-behalf payments for the benefit of the City's police officers and firefighters and the $780,955 at September 30, 2019 was included as revenues and expenditures of the General Fund.

The following funds are included in this fund type:

General Employees' Pension Fund – Accounts for pension funds for eligible current and former employees (hired prior to November 20, 2017) of the City except those currently participating in the Firefighters' Pension, Police Officers' Pension, or Director 401(a) Plan.

Municipal Firefighters' Pension Fund – Accounts for pension funds of qualified current and former employees of the City's Firefighting Department.

Municipal Police Officers' Fund – Accounts for pension funds of qualified current and former employees of the City's Police Department.

C. Measurement Focus and Basis of Accounting

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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 two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Property taxes, sales taxes, and franchise taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, fines and forfeitures, charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. In the category of use of money and property, property rentals are recorded as revenue when received in cash, but investment earnings are recorded as earned, since they are measurable and available.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Cash and Pooled Cash Investments

All of the City's cash and investments, except pension funds and certain bond related investments, are combined in a pooled cash accounting system to allow the investment of idle cash for short periods of time, thereby maximizing interest earnings for the City as a whole. Interest earned on pooled cash is allocated to each fund participating in the pool on a pro-rata basis. Funds which incur negative equity balances in the pooled cash incur a charge for interest.

Statement of Cash Flows

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments, which are comprised of certificates of deposit, U.S. obligations, and pension fund monies deposited with various trustees are recorded at fair value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Investments (Continued)

The City invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration (SBA), under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2019, the SBA contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three month LIBOR rates. These investments represent 36.7% of Florida PRIME's portfolio at September 30, 2019.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2019 was 37 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2019 was 85 days. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's. On September 30, 2019, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Investments (Continued)

As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

Fair Value Measures

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. For Level 2 securities, the pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices. Level 3, unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds reported in the general fund financial statements are classified as nonspendable fund balance to indicate that they are not available for appropriation and do not constitute available spendable resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Property Taxes

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board 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 designed to assure a consistent property valuation method statewide.

State statutes permit cities to levy property taxes at a rate of up to 10 mills. The millage rate in effect for the fiscal year ended September 30, 2019 was 6.7900.

The tax levy of the City is established by the City Commission prior to October 1 of each year and the Polk County Property Appraiser incorporates the millages into the total tax levy, which includes the municipalities, independent districts, and County School Board tax requirements.

All property is reassessed according to its fair value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the roll meets all of the appropriate requirements of state statutes.

All taxes are due and payable on November 1 (levy date) 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 are assessed. 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 up to 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

Delinquent taxes on personal property bear interest of up to 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Inventories and Prepaid Items

Inventories are stated at cost on the basis of the "first-in, first-out" method of accounting, except for the Water and Sewer Fund and the Central Garage Fund parts inventories. Inventories in the Special Revenue Funds consist of expendable supplies held for consumption (consumption method). Governmental fund inventories are classified as nonspendable fund balance, which indicates that they do not constitute available spendable resources.

The Water and Sewer and Central Garage inventories are stated at the lower of cost or market on the basis of weighted average cost. The effect of this method is to price and charge inventory to operations on the basis of average prices paid for the items, weighted according to the quantity purchased at each price.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded using the consumption method of accounting. Under the consumption method, services paid for in advance are reported as an asset until the period in which the services are actually consumed.

Capital Assets

Capital assets, including land, buildings, improvements, infrastructure and equipment assets, 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 $5,000 and an initial useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated acquisition value at the date of donation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Capital Assets (Continued)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation is provided using the straight-line method over the estimated useful lives of the various classes of depreciable assets as follows:

Assets	
Buildings	30 to 50 Years
Infrastructure Systems	25 to 100 Years
Improvements Other than Buildings	10 to 33 Years
Equipment	3 to 33 Years

The City's collection of works of art, library books, and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has multiple items that qualify for reporting in this category including the deferred charge on refunding, differences between expected and actual experience, changes in actuarial assumptions, and projected versus actual earnings on pension plan investments, and changes in actuarial assumptions related to the OPEB valuation. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other amounts will be recognized as increases in pension expense and OPEB expense in future years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has multiple pension and OPEB related items that qualify for reporting in this category including changes in assumptions, projected versus actual earnings on pension plan investments, and differences between expected and actual experience.

The City also has items which arise only under a modified accrual basis of accounting that qualify for reporting as deferred inflows of resources in the governmental funds balance sheet. The governmental funds report unavailable revenues for revenue collected after the period of availability. The amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

Accumulated Unused Compensated Absences

The City records the "vested" portion of accumulated unused compensated absences at each year-end based on each employee's accumulated unused hours and rate of pay, plus certain salary-related fringe benefits. All accumulated unused compensated absences are accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is normally reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts on refunded bonds, are amortized over the life of the bonds using the effective interest method.

Bonds payable are reported net of the applicable bond premium or discount.

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

Unearned Revenues

Unearned revenues in the governmental funds and in the government-wide statement of net position represent amounts which have been received but are not yet earned.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Fund Balances

Governmental fund equity is classified as fund balance. The Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balances Reporting and Governmental Fund Type Descriptions* (GASB 54) effective for reporting periods beginning after June 15, 2010. The statement establishes fund balance classifications, provides for a hierarchy of spending constraints for spendable resources and requires disclosure of nonspendable resources. Spendable resources are to be shown as restricted, committed, assigned, and unassigned as considered appropriate in the City's circumstances. The following classifications describe the relative strength of the spending constraints:

Nonspendable – Amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and generally long-term items such as advances to other funds or amounts that are required to be maintained intact (corpus of a permanent fund).

Restricted – Amounts that can be spent only for specific purposes stipulated by (a) external resources providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes determined by a formal action (ordinance) of the Commissioners, the City's highest level of decision making authority. Commitments may be changed or lifted only by the Commission taking the same formal action (ordinance) that imposed the constraints originally. Resources accumulated pursuant to stabilization arrangements are reported in this category only if they are specific and nonrecurring.

Assigned – Amounts intended to be used by the City for specific purposes. According to the City's fund balance policy, this includes spendable fund balance amounts established by the City Commission or City Management that are neither restricted nor committed. The City's fund balance policy does not describe the specific action required to assign fund balance.

Unassigned – Includes the residual classification for the general fund. This classification represents fund balance that is spendable and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Fund Balances (Continued)

The City spends restricted amounts first, when both restricted and unrestricted fund balance is available, unless prohibited by legal documents, grant agreements or contracts. Additionally, the City uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The Government Finance Officers Association recommends, at a minimum, that general-purpose governments, regardless of size, incorporate a financial policy maintaining unrestricted fund balance in the general fund of no less than two months (17%) of regular general fund operating revenues or regular general fund operating expenditures. The Commission established the targeted minimum reserve balance in the City's General Fund Unassigned Fund Balance equal to 17% of the General Fund's current fiscal year operating expenditures and transfers out budgeted for the fund. For purposes of this calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 30th for the subsequent fiscal year. The required balance as of September 30, 2019 was approximately $8,470,000.

The City strives to maintain adequate levels of fund balance to mitigate risks and provide a back-up for revenue shortfalls. If, at the end of any fiscal year, the actual amount of Unassigned Fund Balance falls below the targeted levels set forth herein, a plan shall be established to achieve the target by adding a designated amount to the budget to cover the deficiency over a period not to exceed five fiscal years.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted resources are used first to fund appropriation. Below are the proprietary funds and certain fiduciary fund restrictions:

Restricted for Revenue Bonds Debt Service – Restricted for payment of principal and interest on revenue bonds.

Restricted for Renewal, Replacement, and Improvements – Restricted for meeting of various contingencies as may be so specified and defined in the indenture.

Restricted for Pensions – Restricted for payment of employee retirement benefits.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Interfund Transactions

Transactions between City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the basic financial statements. Actual results could differ from estimates.

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The difference results primarily from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet. Some of the elements of the reconciliation are as follows:

Capital Related Items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the City as a whole.

Costs of Capital Assets	$ 169,871,958
Accumulated Depreciation	(74,308,272)
Total Capital Assets Added	$ 95,563,686

Deferred Outflows

Deferred outflows of resources represent a consumption of net position or fund balance that applies to a future period and, therefore, are not reported in the governmental funds.

Deferred Charge on Debt Refunding	$ 217,879

Accrued Interest

Accrued liabilities in the statement of net position differ from the amount reported in governmental funds due to accrued interest on revenue bonds.

Accrued Interest on Revenue Bonds	$ (727,260)

Pension Related Items

The City's net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period, and accordingly, are not reported as fund liabilities. The balances applicable to the City's governmental activities at September 30, 2019 were:

Net Pension Liability	$ (17,878,082)
Deferred Outflows of Resources - Pension Related	5,950,956
Deferred Inflows of Resources - Pension Related	(1,493,229)
Total Pension Related Items	$ (13,420,355)

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Position (Continued)

Other Postemployment Benefits Related Items

Total other postemployment benefits (OPEB) liability and related deferred outflows and inflows of resources are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Balances as of September 30, 2019 were as follows:

Total OPEB Liability	$ (21,756,430)
Deferred Outlows of Resources - OPEB Related	1,793,683
Deferred Inflows of Resources - OPEB Related	(1,213,321)
Total Pension Related Items	$ (21,176,068)

Long-Term Debt Transactions

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. The long-term liabilities applicable to the City's governmental activities at September 30, 2019 were as follows:

Bonds Payable	$ (50,635,000)
Premium on Bond Issue	(410,246)
Prepaid Insurance	9,235
Accrued Compensated Absences	(1,470,063)
Total Long-Term Liabilities	$ (52,506,074)

Unavailable Revenue

Unavailable revenue is recorded in the funds to offset receivables that do not meet the criteria for revenue recognition in the current period.

Unavailable Revenue	$ 12,981,404

Deferred Inflows

Deferred inflows of resources represent an addition of net position or fund balance that applies to a future period and, therefore, are not reported in the governmental funds.

Deferred Charge on Debt Refunding	$ (353,727)

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Position (Continued)

Internal Service Funds

Internal service funds are used by management to charge the costs of certain administrative, equipment repairs, maintenance and insurance activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position because they primarily serve governmental activities in the City.

Internal Service Funds	$ (1,024,418)

Allocation of Internal Service Funds Operating Income

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position because they primarily serve governmental activities of the City. The operating loss is allocated between governmental activities and business-type activities based on usage of the services.

Internal Service Funds Operating Loss Allocated to Business-Type Activities	$ 1,133,730

Elimination of Interfund Receivables / Payables

Interfund receivables and payables in the amount of $1,038,013 between governmental funds must be eliminated for the statement of net position.

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The differences are illustrated as follows:

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year.

Capital Outlay	$ 26,947,182
Sale of Capital Assets	(24,278)
Depreciation Expense	(5,468,786)
Net Adjustment	$ 21,454,118

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Long-Term Debt Transactions

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.

Debt Issued:	
Proceeds from Bonds	$ (24,900,000)
Principal Repayments:	
Bond and Note Payments	2,015,000
Net Adjustment	$ (22,885,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Net Change in Other Postemployment Benefits	$ (979,516)
Net Change in Accrued Compensated Absences	(126,716)
Net Change in Bond Interest Payable	(357,208)
Net Change in Net Pension Liability	(317,978)
Net Adjustment	$ (1,781,418)

The amortization of bond premium and similar items do not require the use of financial resources of the governmental funds and, therefore, are not reported as expenditures in the governmental funds:

Amortization of Deferred Charges on Refunding	$ 33,685
Amortization of Prepaid Insurance	(710)
Amortization of Bond Premium	31,557
Total Amortization	$ 64,532

Unavailable Revenue

Some revenues reported in the statement of activities will not be collected for several months after the fiscal year and, therefore, are not reported as revenue in the governmental funds.

Unavailable Revenue: Intergovernmental	$ 12,659,851

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Internal Service Funds Operating Income

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position because they primarily serve governmental activities of the City. But the operating loss is allocated between governmental activities and business-type activities based on usage of the services. In the fiscal year ended September 30, 2019, the internal service funds had total net operating losses of $187,899.

Internal Service Funds Operating Loss Allocated to Governmental Activities	$	(222,277)
Internal Service Funds Non-Operating Revenues		838,465
Net Adjustment	$	616,188

Reclassifications and Eliminations

Transfers in and transfers out in the amount of $20,281,079 between governmental activities are eliminated.

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- The City Manager submits to the City Commission a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the sources of revenues to finance those expenditures. The budget is prepared using the modified accrual basis of accounting with encumbrances included as budgetary basis expenditures.

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budgets and Budgetary Accounting (Continued)

- Public hearings are conducted to obtain taxpayer comments.
- The budget is approved by the Commission and becomes the basis for the millage levied by the Commission.
- The City Commission must approve transfers between departments.
- The City legally adopts annual budgets for the General Fund, Capital Projects, and certain Special Revenue Funds (Community Redevelopment, Library, Airport, Cemetery, Community Development Grants, SHIP Grants, Building Safety, Impact Fees and Federal Building). Budgets for the General and budgeted Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America at the department level. Budgets for Capital Projects are adopted annually based on the amount to be spent in the fiscal year, not for the length of the project. The City does not adopt annual budgets for the Capital Depletion Fund or the debt service funds. Florida Statutes require only the General Fund to legally adopt an annual budget.
- Budgeted amounts are as originally adopted, and as amended, in accordance with City ordinance. Appropriations not expended at the end of each fiscal year lapse and become subject to future appropriation.
- Supplemental budget appropriations were made during the current year.
- Section 40 of the City's Charter makes it unlawful to expend or contract for the expenditure, in any fiscal year, of more than the amount appropriated by the City Commission. The Commission appropriates monies for expenditures on a departmental and fund basis.

Deficit Fund Equity

The Airport Fund had a deficit in fund balance of $336,665 at September 30, 2019. Management believes this deficit will be recovered through operations in future years.

The Community Development Grant Fund had a deficit in fund balance of $27,748 at September 30, 2019. Management believes this deficit will be recovered through operations in future years.

The Willowbrook Golf Course Fund had a deficit in net position of $475,958 at September 30, 2019. Management believes this deficit will be recovered through subsidy payments from the General Fund over the next six years.

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Deficit Fund Equity (Continued)

The Self-Insurance Fund had a deficit in net position of $173,893 at September 30, 2019. Management believes this deficit will be recovered through operations in future years.

The General Services Fund had a deficit in net position of $335,755 at September 30, 2019. Management believes this deficit will be recovered through operations in future years.

The Central Garage Fund had a deficit in net position of $514,770 at September 30, 2019. Management believes this deficit will be recovered through operations in future years.

NOTE 4 CASH AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its deposits and securities that are in the possession of an outside party.

At September 30, 2019, the bank balance of the City's deposits was $26,053,543. The City also had $4,837 cash on hand at September 30, 2019.

All balances in excess of the Federal Deposit Insurance Corporation (FDIC) for demand and time deposits are fully collateralized pursuant to Chapter 280, Florida Statutes. The City's investment policy requires that the deposit be entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

The City's investment policy requires that securities be secured through third-party custody in the City's name and safekeeping procedures. All of the City's investments are held by the counterparties' trust departments in the City's name.

Investments

Statutes authorize the City to invest excess monies in the Florida PRIME, S.E.C. registered money market funds, interest-bearing time deposits or savings accounts in qualified public depositories and in direct obligations of the U.S. Treasury. All of the City's investments are in Florida PRIME except those investments related to the pension funds.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

State statutes limit the pension funds to the following types of investments: (1) annuity and life insurance contracts with life insurance companies, (2) time or savings accounts of a national bank, a state bank or a savings / building and loan association insured by the Federal Deposit Insurance Corporation, (3) obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States, (4) stocks, commingled or mutual funds, bonds or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, or state or organized territory of the United States, or the District of Columbia, (5) international securities, not to exceed at market value 25% or 15% at cost of the Funds' assets, and (6) real estate investments in an amount not to exceed at cost value 15% of the Funds' assets.

At September 30, 2019, the City's investments were as follows:

Investment Type	Fair Value
Florida PRIME	$ 90,014,201
Short-Term Money Market Funds	4,942,705
Collateralized Mortgage Obligations	4,305,376
United States Treasuries	2,254,995
Government Agencies	1,735,181
Government Mortgage Pools	1,581,096
Corporate Bonds	11,569,464
Municipal Obligations	255,016
Mutual Funds	9,617,896
Equity Securities	92,184,471
Real Estate Fund	13,414,786
Total Investments	$ 231,875,187

Reconciliation of deposits and investments to amounts shown on statement of net position and statement of fiduciary net position:

Deposits	$ 26,747,974
Cash on Hand	4,837
Investments	231,875,187
Total	$ 258,627,998
Statement of Net Position:	
Cash and Investments	$ 93,528,735
Restricted Cash and Investments	23,221,240
Statement of Fiduciary Net Position:	
Cash	17,037
Investments	141,860,986
Total Cash and Investments	$ 258,627,998

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

- **Interest Rate Risk –** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of September 30, 2019, the City had the following investments and maturities:

Investment Maturities (in Years)

Investment Type	Less Than One	One to Five	Six to Ten	More Than Ten	Total Fair Value
Florida PRIME	$ 90,014,201	$ -	$ -	$ -	$ 90,014,201
United States Treasuries	-	361,284	340,795	1,552,916	2,254,995
Government Agencies:					
GNMA	-	-	-	2,427	2,427
GNMA Mortgage Pools	-	-	-	445,953	445,953
FHLB	64,894	958,978	-	-	1,023,872
FFCB	-	314,896	-	-	314,896
FHLMC Mortgage Pools	-	575	95,250	254,289	350,114
FNMA	-	-	154,528	129,091	283,619
FNMA Mortgage Pools	128	115,232	375,621	294,048	785,029
TVA	-	-	-	110,367	110,367
Municipal Obligations	-	117,830	-	137,186	255,016
Collateralized Mortgage Obligations	-	284,870	1,509,565	2,510,941	4,305,376
Corporate Bonds	517,352	8,113,139	1,267,933	1,671,040	11,569,464
Total	$ 90,596,575	$ 10,266,804	$ 3,743,692	$ 7,108,258	$ 111,715,329

The mortgage pools include collateralized mortgage backed securities. In management's opinion, the credit and legal risk associated with these investments is comparable to other investments within the portfolio. The collateralized mortgage backed securities are based on cash flows from the underlying mortgages. The principal repayment portions could be sensitive to prepayment by mortgagees, which may be affected by interest rate changes. The prepayments and anticipated interest rate changes can therefore affect the market values of the investments. The City has no policy regarding interest rate risk.

- **Credit Risk –** The investment policies of the pension funds allow the Plans to only invest in securities meeting the following ranking criteria: (1) fixed income securities must be rated AAA, AA, or A by Standard & Poor's, or Aaa, Aa, or A by Moody's, (2) at least 85% of the equities must have a value line ranking for safety of 1, 2, or 3, and (3) money market funds must be rated A1 by Standard and Poor's or P1 by Moody's.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

The following illustrates the credit quality distribution with credit exposure as a percentage of the City's investment securities.

Investment Type	Credit Rating	Portfolio	in U.S. Dollars
U.S. Agencies:			
Federal National Mortgage Association	Aaa	0.12%	$ 283,619
Federal Home Loan Bank	Aaa	0.41%	958,978
Federal Home Loan Bank	AA+	0.03%	64,894
Federal Farm Credit Bank	Aaa	0.07%	167,961
Federal Farm Credit Bank	WR	0.06%	146,935
Tennessee Valley Authority	Aaa	0.05%	110,367
Government National Mortgage Association	No Rating	0.00%	2,427
U.S. Agencies Mortgage Pools:			
Federal National Mortgage Association	Aaa	0.34%	785,029
Federal Home Loan Mortgage Corporation	Aaa	0.15%	350,114
Government National Mortgage Association	No Rating	0.19%	445,953
Collateralized Mortgage Obligations	A1	0.01%	15,878
Collateralized Mortgage Obligations	Aa3	0.03%	68,269
Collateralized Mortgage Obligations	Aaa	1.35%	3,133,981
Collateralized Mortgage Obligations	BBB+	0.05%	106,481
Collateralized Mortgage Obligations	No Rating	0.42%	980,767
Municipal Obligations	A1	0.02%	38,032
Municipal Obligations	Aa1	0.04%	89,778
Municipal Obligations	Aa2	0.03%	79,590
Municipal Obligations	Aa3	0.01%	17,477
Municipal Obligations	Aaa	0.01%	30,139
U.S. Treasuries	Aaa	0.97%	2,254,995
Corporate Bonds	A1	0.53%	1,239,540
Corporate Bonds	A2	1.24%	2,876,022
Corporate Bonds	A3	1.21%	2,814,885
Corporate Bonds	Aa1	0.07%	160,866
Corporate Bonds	Aa2	0.08%	185,986
Corporate Bonds	Aa3	0.03%	75,221
Corporate Bonds	Ba1	0.04%	99,841
Corporate Bonds	Aaa	0.16%	365,022
Corporate Bonds	Baa1	0.62%	1,427,387
Corporate Bonds	Baa2	0.54%	1,247,155
Corporate Bonds	Baa3	0.16%	367,303
Corporate Bonds	A	0.05%	125,429
Corporate Bonds	A-	0.11%	255,977
Corporate Bonds	BBB+	0.03%	74,322
Corporate Bonds	BBB	0.03%	69,090
Corporate Bonds	BBB-	0.02%	55,378
Corporate Bonds	WR	0.06%	130,040
Short-Term Money Market Funds	No rating	2.13%	4,942,705
Florida PRIME	No rating	38.82%	90,014,201
Mutual Funds Fixed	No rating	1.07%	2,483,078
Mutual Funds Other	No rating	3.08%	7,134,818
Real Estate Fund	No rating	5.79%	13,414,786
Total			$ 139,690,716

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

- **Concentration of Credit Risk –** No more than 5% of the Pension Plans' assets may be invested in the common stock, capital stock or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of that company. The value of bonds issued by any single company may not exceed 3% of the total fund. No more than 60% of the Plans' assets at cost for the Police Officers' Pension Plan and no more than 70% of the Plans' assets at cost for the Firefighters' and General Employees' Pension Plans may be invested in common stock and convertible bonds. No more than 15% of the Plans' assets at cost or 25% of the Plans' assets at fair value may be invested in international securities.

- **Foreign Currency Risk** – As of September 30, 2019 the Pension Funds have $6,788,998 invested in foreign equities. Foreign securities are limited to those that settle in U.S. dollars and trade on one or more of the national exchanges.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

- **Fair Value** – The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified as Level 2 of the fair value hierarchy are valued using quoted prices for similar assets in active markets. The City had the following fair value measurements as of September 30, 2019:

		Fair Value Measurement Using:		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Domestic Equities	$ 65,224,714	$ 63,482,473	$ 1,742,241	$ -
Equity Securities - Other	66,428	66,428	-	-
International Equities	6,788,998	6,788,998	-	-
Equity Mutual Funds	19,408,205	19,408,205	-	-
Unit Investment Trusts	666,495	666,495	-	-
ETF Equity	29,631	29,631	-	-
Corporate Bonds	11,569,464	-	11,338,295	231,169
Collateralized Mortgage Obligations	4,305,376	-	4,117,142	188,234
Mortgage Backed Securities	1,636,810	-	1,636,810	-
Municipal Obligations	255,016	-	255,016	-
U.S. Government Obligations	3,934,462	3,288,877	645,585	-
Mutual Funds Fixed	2,483,078	2,483,078	-	-
Mutual Funds Other	7,134,818	7,134,818	-	-
Total Investments Measured at Fair Value	123,503,495	$ 103,349,003	$ 19,735,089	$ 419,403
Investments Measured at Net Asset Value (NAV)				
Real Estate Fund	13,414,786			
Total Investments Measured at the NAV	13,414,786			
Total Investments Measured at Fair Value	136,918,281			
Investments Measured at Amortized Cost				
Florida PRIME	90,014,201			
Short-Term Money Market Funds	4,942,705			
Total Investments Measured at Amortized Cost	94,956,906			
Total Investments	$ 231,875,187			

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Other information for investments measured at the NAV or its equivalent is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Fund	$ 13,414,786	$ 7,873	Quarterly	Daily

Real Estate Fund – The American Core Realty Fund is an open-end diversified core real estate commingled fund whose primary objective is to provide returns that are attractive relative to other asset classes with stable income and the potential for market appreciation. The American Core Realty Fund invests primarily in core institutional quality industrial, multi-family, office and retail properties located throughout the United States, and is diversified by product type, geographic region, and economic exposure in order to mitigate investment risk.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

Primary Government

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	CIP Transfers	Ending Balance
Governmental Activities:						
Capital Assets, Not Being Depreciated:						
Land	$ 7,923,874	$ -	$ -	$ -	$ -	$ 7,923,874
Construction in Progress	12,809,160	25,770,882	-	-	(10,965,174)	27,614,868
Total Capital Assets, Not Being Depreciated	20,733,034	25,770,882	-	-	(10,965,174)	35,538,742
Capital Assets, Being Depreciated:						
Buildings and Improvements	43,259,733	-	-	-	889,206	44,148,939
Improvements Other than Buildings	65,447,195	236,795	-	-	6,977,708	72,661,698
Equipment	16,978,619	1,065,725	(546,760)	-	3,098,260	20,595,844
Total Capital Assets, Being Depreciated	125,685,547	1,302,520	(546,760)	-	10,965,174	137,406,481
Less Accumulated Depreciation for:						
Buildings and Improvements	(16,132,227)	(902,607)	-	-	-	(17,034,834)
Improvements Other than Buildings	(43,403,655)	(3,218,779)	-	-	-	(46,622,434)
Equipment	(12,219,953)	(1,515,063)	522,482	-	-	(13,212,534)
Total Accumulated Depreciation	(71,755,835)	(5,636,449)	522,482	-	-	(76,869,802)
Total Capital Assets, Being Depreciated, Net	53,929,712	(4,333,929)	(24,278)	-	10,965,174	60,536,679
Governmental Activities Capital Assets, Net	$ 74,662,746	$ 21,436,953	$ (24,278)	$ -	$ -	$ 96,075,421
Business-Type Activities:						
Capital Assets, Not Being Depreciated:						
Land	$ 5,152,220	$ -	$ -	$ -	$ -	$ 5,152,220
Construction in progress	7,965,865	4,016,327	-	-	(5,523,672)	6,458,520
Total Capital Assets, Not Being Depreciated	13,118,085	4,016,327	-	-	(5,523,672)	11,610,740
Capital Assets, Being Depreciated:						
Buildings and Improvements	8,729,826	-	-	-	-	8,729,826
Improvements Other than Buildings	152,659,460	2,915,644	-	-	5,523,672	161,098,776
Equipment	11,107,086	112,084	(263,443)	-	-	10,955,727
Total Capital Assets, Being Depreciated	172,496,372	3,027,728	(263,443)	-	5,523,672	180,784,329
Less Accumulated Depreciation for:						
Buildings and Improvements	(6,304,281)	(126,308)	-	-	-	(6,430,589)
Improvements Other than Buildings	(102,987,158)	(3,557,534)	-	-	-	(106,544,692)
Equipment	(8,332,558)	(662,413)	263,443	-	-	(8,731,528)
Total Accumulated Depreciation	(117,623,997)	(4,346,255)	263,443	-	-	(121,706,809)
Total Capital Assets, Being Depreciated, Net	54,872,375	(1,318,527)	-	-	5,523,672	59,077,520
Business-Type Activities Capital Assets, Net	$ 67,990,460	$ 2,697,800	$ -	$ -	$ -	$ 70,688,260

NOTE 5 CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

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

Governmental Activities:		
General Government	$	59,535
Public Safety		1,131,735
Transportation		1,520,251
Economic Development		507,122
Human Services		37,298
Culture and Recreation		2,212,845
Capital Assets held by the Government's Internal Service Funds		167,663
Total Depreciation Expense - Governmental Activities	$	5,636,449
Business-Type Activities:		
Water and Sewer	$	3,693,591
Solid Waste		315,395
Willowbrook Golf Course		43,354
Stormwater		187,844
Dark Fiber		106,071
Total Depreciation Expense - Business-Type Activities	$	4,346,255

NOTE 6 ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS OF RECEIVABLES

The City provides for an allowance for water and sewer accounts that may become uncollectible. At September 30, 2019, the allowance for doubtful accounts associated with the receivables of the Water and Sewer Fund was $114,012. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at September 30, 2019.

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Transfers for the year ended September 30, 2019 consisted of the following:

Interfund Transfers

Transfers to the General Fund from:		
Community Redevelopment Agency Fund	$	861,563
Nonmajor Governmental Funds		975,000
Water and Sewer Fund		5,630,000
Solid Waste Fund		1,228,000
Total	$	8,694,563
Transfers to the 2015 Construction Fund from:		
General Fund	$	4,886,315
Community Redevelopment Agency Fund		493,000
Water and Sewer Fund		326,402
Nonmajor Governmental Funds		4,254,072
Nonmajor Proprietary Funds		23,110
Total	$	9,982,899
Transfers to the Nonmajor Governmental Funds from:		
General Fund	$	7,743,018
Nonmajor Governmental Funds		746,318
Total	$	8,489,336
Transfers to the Nonmajor Proprietary Funds from:		
General Fund	$	164,293
Transfers to the Internal Service Funds from:		
General Fund	$	153,100
Water and Sewer Fund		217,400
Solid Waste Fund		333,600
Nonmajor Governmental Funds		4,400
Nonmajor Proprietary Funds		13,500
Total	$	722,000

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Transfers are used to: (1) move revenues from the fund with collection authorizations to the debt service funds as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, (3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, or (4) move portions of enterprise fund profits to the general fund to assist in financing the operations of governmental activities.

Due To / From Other Funds

Due To	Due From	Amount
General Fund	Nonmajor Governmental Funds	$ 1,038,013
General Fund	Nonmajor Proprietary Funds	75,000
Water and Sewer Fund	2015 Construction Fund	103,722
Nonmajor Governmental Funds	Nonmajor Proprietary Funds	445,117
Total		$ 1,661,852

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances also include the amount of working capital loans made to internal service funds that the general fund expects to collect in the subsequent year.

Advances to / from Other Funds

Advances To	Advances From	Amount
Nonmajor Proprietary Funds	General Fund	$ 1,563,872
2015 Construction Fund	Water and Sewer Fund	1,116,278
Nonmajor Proprietary Funds	Nonmajor Governmental Funds	2,912,529
Total		$ 5,592,679

Through September 30, 2019, the General Fund has advanced $1,563,872 to the Willowbrook Golf Course Fund. Though there were budgeted transfers, no transfers on this advance were made during the year ending September 30, 2019. Since repayment to the General Fund will not occur within the next few months, these funds are not available for appropriation in the General Fund. Accordingly, fund balance in the General Fund has been classified as nonspendable.

During the year ending September 30, 2019, the Capital Depletion Fund advanced $180,000 to the Willowbrook Fund to provide financing to fund vehicle purchases, $94,489 of which was outstanding at September 30, 2019. The advance will be paid down monthly through March 1, 2023 at 4%. Additionally, the Capital Depletion Fund advanced $608,475 on October 1, 2018 and $2,700,000 on September 1, 2019 to the Dark Fiber Fund to aid in operations for expansions, $2,818,040 of which was outstanding at September 30, 2019. The advances will be paid down monthly through September 1, 2025 and August 1, 2026 respectively at 2.5%.

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

During the year ending September 30, 2019, the Water and Sewer Fund advanced $1,220,000 to the 2015 Construction Fund to provide financing for construction plans in future years, $1,116,278 of which was outstanding at September 30, 2019. The advance will be paid down monthly through September 1, 2029 at 3.5%.

NOTE 8 FUND BALANCE CLASSIFICATIONS

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at September 30, 2019 is as follows:

	General Fund	Community Redevelopment Agency	2015 Construction Fund	Other Governmental Fund	Total Governmental Funds
Nonspendable:					
Advances to Other Funds	$ 1,563,872	$ -	$ -	$ -	$ 1,563,872
Inventory	-	-	-	45,580	45,580
Prepaid Items	584,200	16	-	28,628	612,844
Total Nonspendable Fund Balance	2,148,072	16	-	74,208	2,222,296
Restricted for:					
Community Redevelopment	-	963,889	474,259	-	1,438,148
Human Services	-	-	-	232,963	232,963
Public Safety-Police	9,429	-	-	108,286	117,715
Building Inspections and Enforcement	-	-	3,000,000	786,814	3,786,814
Impact Fees	-	-	566,461	802,855	1,369,316
Debt Service	-	-	-	3,791,670	3,791,670
Transportation	-	-	-	1,064,261	1,064,261
Environmental Awareness	200,000	-	-	-	200,000
Total Restricted Fund Balance	209,429	963,889	4,040,720	6,786,849	12,000,887
Committed:					
Perpetual Care	-	-	-	453,011	453,011
Federal Building	-	-	-	41,554	41,554
Total Committed Fund Balance	-	-	-	494,565	494,565
Assigned:					
Leisure Services	13,000	-	-	-	13,000
Public Safety	8,245	-	-	-	8,245
Library	-	-	-	193,713	193,713
Transportation	46,809	-	-	-	46,809
Capital Projects	-	-	11,158,380	5,326,595	16,484,975
Total Assigned Fund Balance	68,054	-	11,158,380	5,520,308	16,746,742
Unassigned Fund Balance	12,594,889	-	-	(365,336)	12,229,553
Total Fund Balances	$ 15,020,444	$ 963,905	$ 15,199,100	$ 12,510,594	$ 43,694,043

NOTE 9 LONG-TERM LIABILITIES

Long-term liability activity of the City for the year ended September 30, 2019 was as follows:

PRIMARY GOVERNMENT	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Revenue Bonds Payable:					
2011 Sales Tax Refunding	$ 2,705,000	$ -	$ (660,000)	$ 2,045,000	$ 670,000
2015A Non-Ad Valorem	12,450,000	-	(665,000)	11,785,000	685,000
Plus: Unamortized Bond Premium	441,803	-	(31,557)	410,246	-
2016A Non-Ad Valorem	5,295,000	-	(390,000)	4,905,000	400,000
2016B Non-Ad Valorem	7,200,000	-	(300,000)	6,900,000	310,000
2017 Non-Ad Valorem	100,000	24,900,000	-	25,000,000	990,000
Total Bonds Payable	28,191,803	24,900,000	(2,046,557)	51,045,246	3,055,000
Compensated Absences	1,840,977	271,432	(211,737)	1,900,672	238,968
Governmental Activity Long-Term Liabilities	$ 30,032,780	$ 25,171,432	$ (2,258,294)	$ 52,945,918	$ 3,293,968
BUSINESS-TYPE ACTIVITIES					
Bonds Payable:					
2010 Utility System Refunding Revenue Bonds	$ 19,340,000	$ -	$ (55,000)	$ 19,285,000	$ 55,000
2015 Utility System Refunding Revenue Bonds	25,140,000	-	(480,000)	24,660,000	485,000
Less: Unamortized Bond Discount	(55,347)	-	3,256	(52,091)	-
2015B Utility System Refunding Revenue Bonds	4,630,000	-	(1,525,000)	3,105,000	1,545,000
State Revolving Fund	62,000	-	-	62,000	-
Total Bonds Payable	49,116,653	-	(2,056,744)	47,059,909	2,085,000
Compensated Absences	394,723	142,493	(57,370)	479,846	47,984
Business-Type Activity Long-Term Liabilities	$ 49,511,376	$ 142,493	$ (2,114,114)	$ 47,539,755	$ 2,132,984

The annual requirements to amortize the revenue bonded debt outstanding as of September 30, 2019 are as follows:

	Governmental Activities		Business-Type Activities	
Year	Principal	Interest	Principal	Interest
2020	$ 3,055,000	$ 1,414,331	$ 2,085,000	$ 1,510,235
2021	3,145,000	1,336,303	2,117,867	1,478,734
2022	3,200,000	1,252,734	2,142,897	1,426,162
2023	2,590,000	1,166,290	2,207,927	1,340,847
2024	2,665,000	1,087,532	2,282,957	1,252,782
2025 - 2029	14,515,000	4,219,898	12,560,249	4,839,697
2030 - 2034	13,585,000	2,105,361	16,421,056	2,129,137
2035 - 2039	7,880,000	458,794	7,291,903	115,887
2040 - 2044	-	-	2,144	7
Total	$ 50,635,000	$ 13,041,243	$ 47,112,000	$ 14,093,488

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

The annual requirements to amortize the individual revenue bonded debt issues outstanding as of September 30, 2019 are as follows:

	Governmental Activities				
Year	2011 Sales Tax	2015A Public Improvement	2016A Non-Ad Valorem	2016B Non-Ad Valorem	2017 Non-Ad Valorem
2020	$ 701,635	$ 1,037,488	$ 509,156	$ 479,974	$ 1,741,078
2021	699,148	1,059,963	504,818	477,099	1,740,275
2022	701,428	1,028,413	505,306	479,035	1,738,552
2023	-	1,034,113	505,562	475,782	1,740,833
2024	-	1,032,488	505,586	477,340	1,737,118
2025 - 2029	-	5,149,244	2,515,692	2,382,258	8,687,704
2030 - 2034	-	4,127,750	510,858	2,381,495	8,670,258
2035 - 2039	-	-	-	1,427,605	6,911,189
Totals	2,102,211	14,469,459	5,556,978	8,580,588	32,967,007
Less: Amount Representing Interest	(57,211)	(2,684,459)	(651,978)	(1,680,588)	(7,967,007)
Total	$ 2,045,000	$ 11,785,000	$ 4,905,000	$ 6,900,000	$ 25,000,000

Year	2010 Water and Sewer	2015 Utility System	2015B Utility System	State Revolving Fund
2020	$ 810,990	$ 1,209,913	$ 1,572,990	$ 1,342
2021	813,733	1,210,013	1,569,360	3,495
2022	2,850,550	715,013	-	3,496
2023	2,830,265	715,013	-	3,496
2024	2,817,231	715,013	-	3,495
2025 - 2029	13,807,405	3,575,065	-	17,476
2030 - 2034	-	18,532,715	-	17,478
2035 - 2039	-	7,390,313	-	17,477
2040 - 2044	-	-	-	2,151
Totals	23,930,174	34,063,058	3,142,350	69,906
Less: Amount Representing Interest	(4,645,174)	(9,403,058)	(37,350)	(7,906)
Total	$ 19,285,000	$ 24,660,000	$ 3,105,000	$ 62,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

The following bonds payable were outstanding at September 30, 2019:

2011 Sales Tax Revenue Bond

The Sales Tax Revenue Bond Resolution provides for:

- **Application of Bond Proceeds –** On September 20, 2011, the City obtained a commercial loan for $6,405,000 with an interest rate of 1.85% to advance refund the 2002 Sales Tax Revenue serial bonds with interest rates ranging from 3.00% to 4.875%. The serial bonds mature on October 1, 2021. After paying issuance costs of $106,757, the net proceeds were $6,363,250. The net proceeds from the commercial loan along with the debt service payment due October 1, 2011 of $627,142 were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the serial bonds were to be called on October 1, 2012. The advance refunding met the requirements of an in-substance debt defeasance and the serial bonds were removed from the City's government-wide financial statements.

- **Restrictions on the Use of Cash from Operations –** This bond is payable solely from and secured by a pledge of the Local Government Half-Cent Sales Tax received by the City from the state of Florida pursuant to the provisions of Chapter 218 Part IV, Florida Statutes.

- **Redemption –** The City may partially redeem the Series 2011 Bond at its option at any time in an amount not exceeding 15% of the then outstanding principal amount at a redemption price of par, plus accrued and unpaid interest to the date of redemption, without penalty or premium. The City may partially or fully redeem the Series 2011 Bond at its option at any time in an amount equal to or greater than 15% of the then outstanding principal amount at the redemption price of par, plus accrued and unpaid interest to the date of redemption, plus an additional fee to the Registered Holder, referred to as the "make whole payment."

- The Revenue Bond consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2019
Sales Tax Refunding Bond, Series 2011	1.85% 10/1; 4/1	10/01/2021	$ 6,405,000	$ 2,045,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

2015A Non Ad Valorem Refunding Revenue Bond

The Non Ad Valorem Refunding Revenue Bond Resolution provides for:

- **Application of Bond Proceeds** On January 27, 2015, the City issued Non Ad Valorem Revenue Bonds Series 2015A in the amount of $13,205,000 for purposes of advance refunding a portion of the Non Ad Valorem Refunding Revenue Bonds Series 2007 and paying associated closing costs. The series 2015A bonds have a redemption date of October 1, 2032.

- **Restrictions on the Use of Cash from Operations –** This bond is payable solely from and secured by a pledge of non ad valorem tax dollars received by the City.

- **Redemption –** The Series 2015A Bonds that mature on or before October 1, 2024 are not subject to redemption prior to their maturities. The Series 2015A Bonds that mature on or after October 1, 2025, are subject to redemption beginning October 1, 2024, in whole or in part at any time, in any order of maturities at the option of the City, and by lot within a maturity if less than a full maturity is redeemed, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date.

- The Revenue Bond consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2019
Non Ad Valorem Revenue Bonds - Series 2015A	2% - 4% 4/1; 10/1	10/1/2032	$ 13,205,000	$ 11,785,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

2016A Non Ad Valorem Refunding Revenue Bond

The Non Ad Valorem Refunding Revenue Bond Resolution provides for:

- **Application of Bond Proceeds-** On December 15, 2016, the City issued Non Ad Valorem Revenue Bonds Series 2016A in the amount of $5,570,000 for the purposes of advance refunding the remaining portion of the Non Ad Valorem Refunding Revenue Bonds Series 2007 and paying associated closing costs. The series 2016A bonds have a redemption date of October 1, 2029.

- **Restrictions on the Use of Cash from Operations –** This bond is payable solely from and secured by a pledge of non ad valorem tax dollars received by the City.

- **Redemption –** There are no provisions for early redemption for the Bond Series 2016A.

- The Revenue Bond consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2019
Non Ad Valorem Refunding Revenue Bonds - Series 2016A	2.32% 4/1; 10/1	10/01/2029	$ 5,570,000	$ 4,905,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

2016B Non Ad Valorem Refunding Revenue Bond

The Non Ad Valorem Refunding Revenue Bond Resolution provides for:

- **Application of Bond Proceeds-** On December 15, 2016, the City issued Non Ad Valorem Revenue Bonds Series 2016B in the amount of $7,435,000 for the purposes of funding capital projects in the 2015 Construction Fund, including the construction of tennis courts. The series 2016B bonds have a redemption date of October 1, 2036.

- **Restrictions on the Use of Cash from Operations –** This bond is payable solely from and secured by a pledge of non ad valorem tax dollars received by the City.

- **Redemption –** There are no provisions for early redemption for the Bond Series 2016B.

- The Revenue Bond consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2019
Non Ad Valorem Revenue Bonds - Series 2016B	2.52% 4/1; 10/1	10/01/2036	$ 7,435,000	$ 6,900,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

2017 Non Ad Valorem Refunding Revenue Bond

The Non Ad Valorem Refunding Revenue Bond Resolution provides for:

- **Application of Bond Proceeds –** On August 16, 2017, the City issued Non Ad Valorem Revenue Bonds Series 2017 in the amount of $25,000,000 for the purpose of funding the construction of capital improvements, including parks, recreation, fire station, transportation, and other public facilities. The Series 2017 bonds have a redemption date of October 1, 2037.

- **Restrictions on the Use of Cash from Operations –** This bond is payable solely from and secured by a pledge of non ad valorem tax dollars received by the City.

- **Redemption –** There are no provisions for early redemption for the Bond Series 2017.

- The Revenue Bond consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2019
Non Ad Valorem Revenue Bonds - Series 2017	3.07% 10/1; 4/1	10/01/2037	$ 25,000,000	$ 25,000,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

2010 Utility System Refunding Revenue Bonds

The Utility System Refunding Revenue Bond Resolution provides for:

- **Application of Bond Proceeds –** On October 10, 2010, the City obtained a commercial loan for $20,925,000 with an interest rate of 3.23% to advance refund the 1998 Utility System Improvement serial and term bonds with interest rates ranging from 3.85% to 5.00%. The serial and term bonds mature on October 1, 2028. After liquidating the Debt Service Reserve Fund monies of $122,338 and paying issuance costs of $66,260, the net proceeds were $20,981,078. The net proceeds from the commercial loan were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the serial and term bonds are called on November 10, 2010. The advance refunding met the requirements of an in-substance debt defeasance and the serial and term bonds were removed from the City's government-wide financial statements.

- **Restrictions on Use of Cash from Operations –** This Bond is payable solely from and secured by pledged revenues as defined in the resolution derived from the ownership, use or operation of the City's water and sewer system, the sewer system development charges as defined in the resolution and the water system charges as defined in the resolution.

- **Redemption –** The Bond Resolution provides for early redemption of the Bond at an amount equal to the net present value of the bondholder's future cost of the liability for the original maturity of such liability prorated to the amount of principal repayment over total principal outstanding at the U.S. Treasury Yield curve for the then remaining original life of the Bond as determined on the date of redemption.

- The Revenue bond consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2019
Utility System Refunding Revenue Bonds - Series 2010	3.23% 4/1; 10/1	10/01/2028	$ 20,925,000	$ 19,285,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

2015 Utility System Refunding Revenue Bonds

The Utility System Refunding Revenue Bond Resolution provides for:

- **Application of Bond Proceeds** - On February 3, 2015, City issued the Utility System Refunding Bonds Series 2015 in the par amount of $26,070,000. These bonds were issued for the purpose of advance refunding a portion of the City's outstanding Utility System Improvement and Refunding Revenue Bond Series 2005. The Series 2015 bonds have a redemption date of October 1, 2035.

- **Restrictions on Use of Cash from Operations –** The Series 2015 Bonds are payable solely from and shall be secured by a lien upon and pledge of the Pledged Revenues on a parity with the lien thereon of the Parity Bonds and any Additional Parity Obligations hereafter issued. The System is defined collectively as the Water System, the Sewer System and Reuse System. Upon compliance with certain provisions of the Resolution, the term "System" may be deemed to include other utility functions added to the System, including, but not limited to a storm water system, the acquisition, distribution, and sale of natural gas, the providing of electricity, the providing of cable television services, the providing of telecommunication services or other utility functions that are, in accordance with Prudent Utility Practice, reasonably related to the services provided by the System. Notwithstanding the foregoing definition of the term System, such term shall not include any properties or interest in properties of the City which the City determines shall not constitute a part of the System for the purpose of the Resolution.

- **Redemption –** The Series 2015 Bonds that mature on or before October 1, 2024 are not subject to redemption prior to their maturities. The series 2015 Bonds that mature on or after October 1, 2025, are subject to redemption beginning October 1, 2024, in whole or in part at any time in any order of maturities at the option of the City and by lot within a maturity if less than a full maturity is redeemed, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date.

- The Revenue Bond consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2019
Utility System Refunding Revenue Bonds - Series 2015	2% - 3.125% 4/1; 10/1	10/1/2035	$ 26,070,000	$ 24,660,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

2015B Utility System Refunding Revenue Bonds

The Refunding Revenue Bond Resolution provides for:

- **Application of Bond Proceeds** - On July 17, 2015, City issued the Utility System Refunding Bonds Series 2015B in the par amount of $7,910,000. These bonds were issued for the purpose of advance refunding a portion of the City's outstanding Utility System Refunding Revenue Bond Series 2005. The Series 2015B bonds have a redemption date of October 1, 2020.

- **Restrictions on Use of Cash from Operations** – The principal of and interest and redemption premium on the Series 2015B Bonds and all other payments shall be payable solely from the Pledged Revenues. The Issuer shall never be required to levy ad valorem taxes on any real or personal property therein to pay the principal of and interest on the Series 2015B Bonds herein authorized or to make any other Payments provided for in the Resolution. The Series 2015B Bonds shall not constitute a lien upon any properties owned by or located within the boundaries of the Issuer or upon any property other than the Pledged Revenues.

- **Redemption –** The Series 2015B Bonds shall be subject to redemption prior to their maturity at the option of the Issuer, at such times and in such manner as set forth in the Official Notice of Sale and/or in the Certificate of Financial Services Director.

- The Revenue Bond consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2019
Utility System Refunding Revenue Bonds - Series 2015B	1.20% 4/1; 10/1	10/1/2020	$ 7,910,000	$ 3,105,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

State Revolving Funds Loan

The City also has two State Revolving Fund loans in the amounts of $2,731,005 and $2,613,366 with rates between 1.03% and .03% repayable over 20 years. The loans will be used for wastewater projects. As of September 30, 2019, $62,000 had been drawn on these loans. Subsequent to year end, the $2,613,366 loan was reduced to $969,085.

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2019, all funds are being maintained in accordance with the ordinances and resolutions.

The amounts available in the Debt Service Funds to service long-term debt are as follows:

Sales Tax Refunding, Series 2011	$	688,916
Public Improvement Revenue Bonds, Series 2007		3,102,754
Total	$	3,791,670

Long-term liabilities, including accumulated compensated absences, are typically liquidated by the individual fund to which the liability is directly associated. Typically, the governmental funds used to liquidate the accumulated compensated absences include the General, Library, Airport, Cemetery, CRA and Building/Safety funds. Claims and judgments are classified as short-term debt.

Revenue Bonds – Pledged Revenue

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay $54,905,000 in revenue bonds issued in 2010 and 2015. Proceeds from the bonds were used to finance the cost of the acquisition and construction of additions, extensions, and improvements to the system. Principal and interest on the bonds are payable through 2035 from the water and sewer gross revenues and connection charges. The resolutions authorizing the revenue bonds include an obligation for the City to fix, establish, revise from time to time whenever necessary, maintain and collect such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide net revenues in each year sufficient to pay the lesser of either the aggregate of 115% of the bond service requirement becoming due in such year on the outstanding bonds, or the aggregate of 110% of the bond service requirement as the same become due in such year, provided that net revenues plus sewer system development charges and water system development charges in such year are sufficient to pay the aggregate of 120% of the bond service requirement becoming due in such year on the outstanding bonds. Fiscal year 2019 pledged revenues, net of operating expenses, were approximately $17,000,000. Annual principal and interest paid are expected to require 10% of such gross revenues and connection charges. Principal and interest paid during the year ended September 30, 2019 was $3,597,776.

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City insures itself against these risks with various insurance policies. All insurance coverage amounts remained constant from the prior year.

The City is self-insured for group health insurance. Estimated claims incurred but not reported of $1,748,553 were recorded at September 30, 2019. This is the amount established by The Crowne Group to have been incurred but not yet billed as of September 30, 2019. This entire amount is considered to be payable within the next year.

In addition, the City has insurance to cover individual stop/loss after $262,500. In 2015, 2016, 2017, 2018 and 2019, settlements exceeded insurance coverage by $65,855, $451,729, $102,045, $0, and $296,165 respectively.

The liability currently provided is the City's maximum run-off claims liability. The City is reinsured for all losses greater than the maximum claims liability through Symetra Life Insurance.

Changes in the City's claims payable at September 30 are as follows:

	Current Year Claims Payable Beginning of Year	Claims and Changes in Estimates	Claim Payments	Claims Payable End of Year
2017-2018 Total	$ 1,748,553	$ 5,407,176	$ 5,407,176	$ 1,748,553
2018-2019 Total	$ 1,748,553	$ 5,298,328	$ 5,298,328	$ 1,748,553

NOTE 11 PENSION PLANS

The City maintains three single-employer, defined benefit pension plans. The plans do not issue stand-alone financial reports and are not included in any other retirement system's or entity's financial report.

The statements of fiduciary net position for the three pension plans at September 30, 2019 are as follows:

	General Employees' Pension	Municipal Firefighters' Pension	Municipal Police Officers' Pension	Total
Assets				
Cash	$ 6,082	$ -	$ 10,955	$ 17,037
Prepaid Items	-	7,694	-	7,694
Investments:				
Short-Term Money Market Funds	2,018,859	2,301,831	622,015	4,942,705
Government Securities	4,221,403	2,795,311	3,114,950	10,131,664
Corporate and Other Bonds	4,490,063	2,527,119	4,552,282	11,569,464
Mutual Funds	7,134,818	2,483,078	-	9,617,896
Equity Securities	47,278,644	20,026,598	24,879,229	92,184,471
Real Estate Fund	7,887,113	3,654,495	1,873,178	13,414,786
Total Investments	73,030,900	33,788,432	35,041,654	141,860,986
Receivables:				
Interest and Dividends Receivable	116,761	57,443	53,203	227,407
Total Assets	73,153,743	33,853,569	35,105,812	142,113,124
Liabilities				
Accounts Payable	14,120	-	34,872	48,992
Net Position				
Net Position Restricted for Pensions	$ 73,139,623	$ 33,853,569	$ 35,070,940	$ 142,064,132

NOTE 11 PENSION PLANS (CONTINUED)

The statement of changes in fiduciary net position for the three pension plans for the year ended September 30, 2019 follows:

	General Employees' Pension	Municipal Firefighters' Pension	Municipal Police Officers' Pension	Total
Additions:				
Contributions:				
Employer	$ 2,676,390	$ 1,330,123	$ 719,814	$ 4,726,327
Employee	552,552	369,750	364,598	1,286,900
State	-	343,132	437,823	780,955
Total Contributions	3,228,942	2,043,005	1,522,235	6,794,182
Investment Income	2,651,883	1,257,548	977,949	4,887,380
Less: Investment Expenses	(225,301)	(163,512)	(174,936)	(563,749)
	2,426,582	1,094,036	803,013	4,323,631
Miscellaneous Revenue	25,318	1,087	-	26,405
Total Additions	5,680,842	3,138,128	2,325,248	11,144,218
Deductions:				
Benefits	5,428,502	1,566,862	2,089,200	9,084,564
Refunds	312,599	-	115,658	428,257
Administrative Expenses	160,700	75,211	62,843	298,754
Total Deductions	5,901,801	1,642,073	2,267,701	9,811,575
CHANGE IN NET POSITION	(220,959)	1,496,055	57,547	1,332,643
Net Position Restricted for Pensions:				
Net Position - Beginning of Year	73,360,582	32,357,514	35,013,393	140,731,489
Net Position - End of Year	$ 73,139,623	$ 33,853,569	$ 35,070,940	$ 142,064,132

Summary of Significant Accounting Policies

- **Basis of Accounting –** The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. 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, as described in Note 4.

NOTE 11 PENSION PLANS (CONTINUED)

Plan Description

The General Employees' Pension Plan, Police Officers' Pension Plan, and Firefighters' Pension plans are defined benefit pension plans. Each plan is administered by a Board of Trustees which acts as the administrator of the plan.

General Employees' Pension Plan

The Board for the General Employees' Plan consists of five Trustees. One Trustee is the Finance Director of the City, who will be a permanent Trustee. The remaining four trustees are members of the system who are elected by a majority of the General Employees who are members of the system. Each Trustee serves a four year term. Each person employed by the City as a full-time General Employee before November 20, 2017 became a member of the Plan as a condition of his or her employment. All eligible General Employees are therefore eligible for plan benefits as provided for in the plan document and by applicable law. There are no new entrants to the plan after November 20, 2017.

Employees become eligible for benefits the first day of the month following age 55 and completion of 10 years of credited service. For members who had not attained age 40 with 10 years of service on November 20, 2017, normal retirement is the earlier of age 60 with 10 years of credited service or the completion of 33 years of credited service, regardless of age. Members are entitled to 3.0% of their average final compensation times years of credited service. The benefit accrual reduces to 2.3% of average final compensation for service earned on or after November 20, 2017. The form of benefit is 10-year certain and life annuity. The plan provides for early retirement and disability benefits. All employees not included in the Firefighters' or Police Officers' pension plans are eligible under the plan.

General employees are required to contribute 9.5% of their salary up until November 20, 2017, and 7.00% effective November 20, 2017. The City is required to contribute the remaining amounts necessary to fund the plan as specified by ordinance. Administrative costs of the plan are financed through investment earnings. Service and disability retirees receive cost of living increases of 0.5% each October 1 for 10 years, beginning the first October following one complete year of retirement.

Firefighters' Pension Plan

The Board for the Firefighters' Plan consists of five Trustees, two of whom are legal residents of the City appointed by the City Commission, two of whom are members of the system who are elected by a majority of the Firefighters who are members of the system and a fifth trustee who is chosen by a majority of the other four trustees. Each Trustee serves a four-year term. Each person employed by the City Fire Department as a full-time Firefighter becomes a member of the Plan as a condition of his or her employment. All Firefighters are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

NOTE 11 PENSION PLANS (CONTINUED)

Employees under the Firefighter's Pension Plan are entitled to 3.8% of their average final compensation times years of credited service and become eligible the first day of the month following the earlier of age 55 and 10 years of credited service or 25 years of service, regardless of age. The form of benefit is 10-year certain and life annuity. The plan provides for early retirement and disability benefits. Service and disability retirees receive cost of living increases of 0.5% each October 1 for 10 years, beginning the first October following one complete year of retirement.

Police Officers' Pension Plan

The Board for the Police Officers' Plan consists of five Trustees, two of whom are appointed by the City Commission, two of whom are members of the system who are elected by a majority of the Police Officers who are members of the system, and a fifth trustee who is chosen by a majority of the other four trustees. Each Trustee serves a four year term. Each person employed by the City Police Department as a full-time Police Officer becomes a member of the Plan as a condition of his or her employment. All Police Officers are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

Police employees attaining the earlier of age 55 and 10 years of credited service or the completion of 25 years of credited service or age 60 are entitled to annual benefits of 3.5% of their average final compensation times years of credited service. The form of benefit is 10-year certain and life thereafter. The plan provides for early retirement and disability benefits. Service and disability retirees receive cost of living increases of 0.5% each October 1 for 10 years, beginning the first October following one complete year of retirement.

Police and fire employees are required to contribute 8.2% and 10.0%, respectively, of their annual salary. The City is required to contribute the remaining amounts after employee and state contributions necessary to fund the plans as specified by ordinance. The State remits income received from the 0.85% excise tax on casualty insurance premiums for the police fund, and income received from the 1.85% excise tax on premiums for fire insurance for the firefighters' fund. Contributions received from the State as on-behalf payments were $437,823 for police employees and $343,132 for firefighters for 2019. Administrative costs of the plan are financed through investment earnings.

Other information with respect to the Pension Plans is as follows:

	General Employees'	Municipal Firefighters'	Municipal Police Officers'
Plan Establishment/Restatement	January 1, 1971	October 1, 1986	October 1, 1985
Payroll for Covered Employees	$ 7,893,594	$ 3,697,501	$ 4,427,931
Total City Payroll	22,681,647	22,681,647	22,681,647

The systems also provide disability and survivor benefits.

NOTE 11 PENSION PLANS (CONTINUED)

Employees Covered by Benefit Terms

At October 1, 2018, the date of the City's most recent valuation, the following employees were covered by the benefit terms:

	General Employees'	Municipal Firefighters'	Municipal Police Officers'
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	263	44	59
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	44	3	15
Active Plan Members	203	63	84
Total	510	110	158

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions.

	General Employees'	Municipal Firefighters'	Municipal Police Officers'
Valuation Date	10/1/2018	10/1/2018	10/1/2018
Inflation	2.50%	2.50%	2.50%
Projected Salary Increases	4.00% - 11.00%	Service Based	Service Based
Discount Rate	7.20%	7.60%	7.45%
Investment Rate of Return	7.20%	7.60%	7.45%
Mortality Rate	RP2000 Generational with Scale BB	RP2000 Generational with Scale BB	RP2000 Generational with Scale BB
Date of Actuarial Experience Study	5/12/2014	10/23/2019	10/23/2019

Mortality rates were based on the RP-2000 Generational Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

NOTE 11 PENSION PLANS (CONTINUED)

Changes in assumption for the 2019 fiscal year for the General Employees' Pension, Police Officers' Pension, and Firefighters' Pension plans included the following:

For measurement date September 30, 2019, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.30% to 7.20% for the General Employees' Pension plan.

For measurement date September 30, 2019, as a result of an actuarial experience study, the Board approved several actuarial assumption changes for the Police Officers' Pension plan as follows:

- The assumed rate of investment return has been lowered from 7.70% per year to 7.45% per year, net of investment related expenses.
- The assumed rates of salary increase prior to completion of ten (10) years of service have been lowered.
- The assumed service-based termination rates have been amended.
- The assumed rates of retirement have been amended for normal and early retirement.

For measurement date September 30, 2019, as a result of an actuarial experience study, the Board approved several actuarial assumption changes for the Firefighters' Pension plan as follows:

- The assumptions for salary increases, withdrawal, and retirement were updated to better align with the anticipated plan experience.
- The assumed rate of investment return has been lowered from 7.75% per year to 7.60% per year, net of investment related expenses.

Discount Rate

The discount rate used to measure the total pension liability was 7.20% for general employees', 7.45% for municipal police officers', and 7.60% for municipal firefighters'. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee 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 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.

NOTE 11 PENSION PLANS (CONTINUED)

Investments

Each Board of Trustees (Board) is responsible for administering the investment policies of the Plans and providing oversight for the management of the Plans' asset. The investment strategy of each Plan is to emphasize total return (defined as the aggregate return from capital appreciation and dividend and interest income). The investment policy for each plan requires that all Plan assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Plan, with minimal impact on market price. Following are the adopted asset allocation policies for each plan as of September 30, 2019.

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 expense 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

General Employees':

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
All Cap Value Equity	25.0 %	7.5 %
Broad Growth Equity	25.0	7.5
International Equity	15.0	8.5
Fixed Income (Core)	20.0	2.5
Global Bond	5.0	3.5
Real Estate	10.0	4.5
Total	100.0 %	

Municipal Firefighters':

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
All Cap Value Equity	22.5 %	7.5 %
Broad Growth Equity	22.5	7.5
International Equity	15.0	8.5
Fixed Income (Core)	20.0	2.5
Global Bond	5.0	3.5
Real Estate	15.0	4.5
Total	100.0 %	

NOTE 11 PENSION PLANS (CONTINUED)

Investments (Continued)

Municipal Police Officers':

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
All Cap Value Equity	25.0 %	7.5 %
Broad Growth Equity	25.0	7.5
International Equity	15.0	8.5
Fixed Income (Core)	20.0	2.5
Global Bond	5.0	3.5
Real Estate	10.0	4.5
Total	100.0 %	

Concentrations

The Plans did not hold investments in any one organization that represent 5% or more of the respective Plan's fiduciary net position.

Money-Weighted Rate of Return on Investments

For the year ended September 30, 2019 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 3.25% for the General Employees' Plan, 3.34% for the Firefighters' Plan, and 2.35% for the Police Officers' Plan. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability of the City, calculated using the discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

General Employees':

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Sponsor's Net Pension Liability	$ 24,412,738	$ 14,941,890	$ 7,031,216

NOTE 11 PENSION PLANS (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

Municipal Firefighters':

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
Sponsor's Net Pension Liability	$ 11,178,696	$ 6,300,589	$ 2,231,121

Municipal Police Officers':

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Sponsor's Net Pension Liability	$ 9,753,419	$ 4,928,135	$ 930,022

Deferred Retirement Option Program (DROP)

The Plans permit the members to elect to receive retirement benefits while still employed and receiving a salary. Members are eligible upon reaching normal retirement. The participant's retirement benefits are credited into an individual member account and paid out to the member upon termination or retirement not to exceed a period of up to 60 months for the General Employees', Firefighters' and Police Officers' Plan. Amounts credited to the members' DROP accounts earn interest and remain in the pension plan's net assets until paid out. Amounts held in DROP accounts as of September 30, 2019 totaled $3,667,410 for the General Employees' Plan, $643,615 for the Firefighters' Plan, and $850,462 for the Police Officers' Plan.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined as of that date. The net pension liability recorded by the City as of September 30, 2019 consists of the following:

General Employees'	$ 14,941,890
Municipal Firefighters'	6,300,589
Municipal Police Officers'	4,928,135
Total Net Pension Liability	$ 26,170,614

NOTE 11 PENSION PLANS (CONTINUED)

Changes in Net Pension Liability

General Employees':

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at September 30, 2018	$ 85,929,930	$ 73,360,582	$ 12,569,348
Changes for the Year:			
Service Cost	924,122	-	924,122
Interest	6,131,191	-	6,131,191
Change in Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(29,206)	-	(29,206)
Changes of Assumptions	855,724	-	855,724
Contributions - Employer	-	2,676,390	(2,676,390)
Contributions - Employee	-	552,552	(552,552)
Net Investment Income	-	2,426,582	(2,426,582)
Miscellaneous	-	25,318	(25,318)
Benefit Payments, Including Refunds of Employee Contributions	(5,730,248)	(5,741,101)	10,853
Administrative Expenses	-	(160,700)	160,700
Net Changes	2,151,583	(220,959)	2,372,542
Balance at September 30, 2019	$ 88,081,513	$ 73,139,623	$ 14,941,890
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			83.04%

Municipal Firefighters':

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at September 30, 2018	$ 36,809,342	$ 32,357,514	$ 4,451,828
Changes for the Year:			
Service Cost	1,058,222	-	1,058,222
Interest	2,872,901	-	2,872,901
Change in Benefit Terms	(14,442)	-	(14,442)
Difference Between Expected and Actual Experience	(1,160,630)	-	(1,160,630)
Changes of Assumptions	2,155,627	-	2,155,627
Contributions - Employer	-	1,330,123	(1,330,123)
Contributions - State	-	343,132	(343,132)
Contributions - Employee	-	369,750	(369,750)
Net Investment Income	-	1,094,036	(1,094,036)
Miscellaneous Revenue	-	1,087	(1,087)
Benefit Payments, Including Refunds of Employee Contributions	(1,566,862)	(1,566,862)	-
Administrative Expenses	-	(75,211)	75,211
Net Changes	3,344,816	1,496,055	1,848,761
Balance at September 30, 2019	$ 40,154,158	$ 33,853,569	$ 6,300,589
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			84.31%

NOTE 11 PENSION PLANS (CONTINUED)

Changes in Net Pension Liability (Continued)

Municipal Police Officers':

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at September 30, 2018	$ 37,466,180	$ 35,013,393	$ 2,452,787
Changes for the Year:			
Service Cost	820,751	-	820,751
Interest	2,863,568	-	2,863,568
Change in Excess State Money	-	-	-
Difference Between Expected and Actual Experience	(24,010)	-	(24,010)
Changes of Assumptions	1,068,060	-	1,068,060
Contributions - Employer	-	719,814	(719,814)
Contributions - State	-	437,823	(437,823)
Contributions - Employee	-	364,598	(364,598)
Net Investment Income	-	803,013	(803,013)
Benefit Payments, Including Refunds of Employee Contributions	(2,195,474)	(2,204,858)	9,384
Administrative Expenses	-	(62,843)	62,843
Net Changes	2,532,895	57,547	2,475,348
Balance at September 30, 2019	$ 39,999,075	$ 35,070,940	$ 4,928,135

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.68%

For the year ended September 30, 2019, the City recognized pension expense of $3,057,739 for General Employees, $1,632,930 for Municipal Firefighters, and $1,801,361 for Municipal Police Officers.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

On September 30, 2019, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

General Employees':

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 308,036
Changes of Assumptions	849,150	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	521,075	-
Total	$ 1,370,225	$ 308,036

NOTE 11 PENSION PLANS (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Municipal Firefighters':

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 287,009	$ 1,039,896
Changes of Assumptions	2,356,474	126,384
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	657,062	-
Total	$ 3,300,545	$ 1,166,280

Municipal Police Officers':

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 475,210	$ 189,869
Changes of Assumptions	1,094,558	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	470,874	-
Total	$ 2,040,642	$ 189,869

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

General Employees':

Year Ended September 30,	Amount
2020	$ (42,793)
2021	110,877
2022	409,118
2023	584,987

Municipal Firefighters':

Year Ended September 30,	Amount
2020	$ 205,893
2021	395,772
2022	592,160
2023	606,005
2024	190,046
Thereafter	144,389

NOTE 11 PENSION PLANS (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Municipal Police Officers':

Year Ended September 30	Amount
2020	$ 526,173
2021	355,485
2022	388,498
2023	580,617

Summary

The aggregate amount of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the City's pension plans are summarized below. These liabilities are typically liquidated by the individual activity in which the employee's costs are associated.

Description	General Employees'	Municipal Firefighters'	Municipal Police Officers'	Total
Net Pension Liability	$ 14,941,890	$ 6,300,589	$ 4,928,135	$ 26,170,614
Deferred Outflows of Resources Related to Pensions	1,370,225	3,300,545	2,040,642	6,711,412
Deferred Inflows of Resources Related to Pensions	308,036	1,166,280	189,869	1,664,185
Pension Expense	3,057,739	1,632,930	1,801,361	6,492,030

Other Retirement Plans

In addition to the three defined benefit plans, the City offers employees two Internal Revenue Code (IRC) Section 457 plans.

The City also provides pension benefits through a defined contribution IRC Section 401(a) profit sharing plan to Directors and the City Manager in lieu of participating in the general employees' pension. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees that participate in the plan are required to contribute 10% of their salary. Effective September 25, 2017, Resolution R-17-46 changed the City's contribution rate to 15% of the employee's gross pay. The City's contribution for each employee (and interest allocated to the employee's account) is fully vested upon contribution. The City Council by ordinance maintains the authority to establish new and amend existing benefit provision of the plan and contribution requirements. The City's contributions to this IRC Section 401(a) plan for the year ended September 30, 2019 were approximately $86,527.

The City also has a pre-tax defined contribution plan that became effective for non-Police and non-Fire employees hired on or after November 20, 2017. Normal retirement age is 60 and early retirement age is 55. The City contributes 7.5% while employees are required to contribute 3% of pay to the Plan. For the year ended September 30, 2019, the City contributed $168,886. Employees vest at a rate of 20% per year. A participant who separates from service prior to obtaining full vesting (five years) shall forfeit that percentage of the City's contribution account balance that has not yet been vested. Forfeited amounts will be used to offset future City contributions required in succeeding plan years and investment advisory services. The amount of forfeitures available at September 30, 2019 was $1,043.

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS

The City is obligated to make available to qualified retired employees the option to maintain coverage with the group health, life and dental insurance plans.

Plan Description

The City of Winter Haven's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue medical and life insurance coverage as a participant in the City's Plan.

A retired employee and his or her spouse and eligible dependents are eligible to continue health insurance identical to active employees if they meet the eligibility for retirement under the applicable retirement plan. The City subsidizes retiree health premiums at a rate determined by the City. The retiree is responsible for paying the remaining active monthly premium for health and coverage and that of any covered spouse or eligible dependents.

The City subsidizes the premium rates paid by retirees by allowing them to participate in the plans at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The plan does not issue a publicly available financial report.

For the Postemployment Health Care Benefits Plan, contribution requirements of the City are established and may be amended through the City. The plan is currently being funded on a pay-as-you-go basis. No trust or agency fund has been established for the plan, and there are no assets accumulated in trust for payment of benefits. The plan does not issue a separate financial report.

Employees Covered by Benefit Terms

At September 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	105
Active Plan Members	441
Total	546

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Total OPEB Liability

The City's Total OPEB liability was measured as of September 30, 2019 and was determined by an actuarial valuation as of September 30, 2018. The following table shows the City's total OPEB liability for the year ended September 30, 2019.

	Total OPEB Liability
Balances - October 1, 2018	$ 28,357,845
Changes for the Year:	
Service Cost	1,291,931
Interest	1,222,847
Changes in Assumptions	3,302,003
Benefit Payments	(798,320)
Net Changes	5,018,461
Balances - September 30, 2019	$ 33,376,306

Discount Rate Sensitivity

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	2.58 %	3.58 %	4.58 %
Total OPEB Liability	$ 40,216,164	$ 33,376,306	$ 28,141,331

Healthcare Trend Rate Sensitivity

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Healthcare Cost Rate	7% decreasing to 3%	8% decreasing to 4%	9% decreasing to 5%
Total OPEB Liability	$ 27,480,753	$ 33,376,306	$ 41,192,413

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized OPEB expense of $2,609,278. In addition, the City reported deferred inflows of resources of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 2,751,669	$ 1,861,342

Amounts reported as deferred inflows of resources related to OPEB will be amortized over five years and will be recognized as follows:

Year Ending September 30:	Amount
2020	$ 84,999
2021	84,999
2022	84,999
2023	84,997
2024	550,333

Actuarial Assumptions

The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Healthcare Cost Trend Rates	Initial rate of 8% in fiscal 2019, grading down to the ultimate trend rate of 4% in fiscal 2073.

Salary Inflation

Credited Service	General Pension Plans and 401a Employees	Fire Pension Plan Employees	Police Pension Plan Employees
First Year	11.00%	15.00%	17.00%
Years 2-10	5.00%	8.00%	5.50%
Greater than 10 Years	4.00%	5.00%	4.00%

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

The actuarial cost method used was the Entry Age Cost method.

Mortality rates were based on the RP-2000 Mortality Table fully generational using Scale BB.

The discount rate used to measure the total OPEB liability was 3.58%, based on the September 30, 2019 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.

The following changes have been made since the prior valuation:

- The GASB 75 discount rate as of the measurement date is 3.58%. The GASB 75 discount rate is based on the S&P 20-year municipal bond rate published as of the measurement date (September 30, 2019).

NOTE 13 LEASES

The City is the lessor of various types of commercial buildings and airport hangars over periods ranging from month to month to thirty years. All of the City's leases are classified as operating leases. For the year ended September 30, 2019, the City received rent revenue from noncancellable operating leases of $167,220. The following schedule presents minimum future rentals from noncancellable operating leases:

Year Ending September 30,	Amount
2020	$ 114,750
2021	60,461
2022	48,709
2023	44,869
2024	38,799
Thereafter	245,815
Total	$ 553,403

At September 30, 2019, the value of the buildings and hangars held for leasing was as follows:

Land	$ 83,906
Buildings and Hangars	2,929,224
Building Improvements	2,173,863
Total	5,186,993
Less: Accumulated Depreciation	(3,144,165)
Net Book Value	$ 2,042,828

NOTE 14 COMMITMENTS AND CONTINGENCIES

Federal and State Grant Programs

The City participates in several federal and state programs. Grant programs are subject to financial and compliance audits by the grantors or their representatives. The grantor audits of all programs for or including the year ended September 30, 2019 have not been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Litigation

Various suits and claims, arising in the ordinary course of the City's operations, are pending. These claims consist of suits involving loss of employment and discrimination. Management does not expect the resolution of these matters to have a material effect on the City's financial statements.

Construction Commitments

The City routinely enters into various construction commitments. At September 30, 2019, the City had the following outstanding major construction commitments in process:

Project	Project Authorization	Expended in Prior Years	Expended in September 30, 2019	Commitment
Governmental Activities:				
Winter Haven Sports Complex - Fieldhouse	$ 18,763,119	$ -	$ 12,328,219	$ 6,434,900
Runway 11/29 Rehab	1,534,373	-	1,418,582	115,791
Lake Howard Dock	370,440	-	370,137	303
7th Street Reconstruction	2,635,999	429,278	1,629,537	577,184
Total Governmental Activities	$ 23,303,931	$ 429,278	$ 15,746,475	$ 7,128,178
Business-Type Activities:				
WWTP #2 Automated Aeration Control System	$ 439,000	$ -	$ 365,750	$ 73,250
WWTP #3 Sand Filter Addition	1,333,011	971,957	173,173	187,881
UT Airport EXP - Utility Infrastrucure Project at WH Airpo	163,361	-	60,852	102,509
UT MLS FM - Replace Force Main from MLS to WWTP#:	206,154	-	19,428	186,726
Total Business-Type Activities	$ 2,141,526	$ 971,957	$ 619,203	$ 550,366

Contingencies

No accrual has been made in the financial statements for contingencies related to claims not yet asserted, because the amount cannot be reasonably estimated. In management's opinion, any such claims, if asserted, would not have a material adverse effect on the operations or financial position of the City.

NOTE 15 TAX ABATEMENTS

The City determined that it is desirable to facilitate redevelopment opportunities within the Florence Villa and Downtown Community Redevelopment Areas of the City through tax increment rebatement and other incentives. The development incentives are consistent with the Community Redevelopment Plans for the two CRA Districts and are in compliance with Florida State Statutes 163, Part III and 163.370(1)(d), Resolution R-00-19. A Summary description of the incentives available is as follows:

- **Real Estate Development Accelerator (REDA)** - This incentive targets large-scale development projects that enhance the economic diversity of the Florence Villa Community Redevelopment and/or Downtown Community Redevelopment Areas and are anticipated to increase, by $5 million or more, the ad valorem Taxable Value within the Florence Villa Community Redevelopment and/or Downtown Community Redevelopment Areas. This incentive can be utilized in the form of a land purchase price mark-down, tax increment financing rebates or similar types of assistance. Each project is negotiated on an individual basis.

- **Housing Investment Program (HIP)** - This incentive targets developers of new housing units, renovations of existing housing units that increase the taxable value of the project by at least 100%, and for sale/for rent residential projects investing at least $2 million dollars. Projects could qualify for a $5,000 per unit incentive for market-rate housing. An additional $5,000 incentive could be provided for each affordable unit constructed with the maximum number of affordable units not to exceed 20% of the number of units of the project.

- **Facade and Exterior Improvement Program (for Developers)** - A reimbursement program which provides reimbursement of up to 50% of the cost of facade improvements. The maximum reimbursement is $25,000.

- **Commercial Redevelopment** - Redevelopment of existing commercial buildings within the Downtown Community Redevelopment and/or Florence Villa Community Redevelopment Areas that will increase the ad valorem taxable value by at least 100%. A factor in qualifying for this incentive is the degree to which the project retains authentic character and appearance deemed desirable. Qualifying projects may be eligible for a rebate of 50% of the tax increment created by the renovation for up to 10 years.

- **Capital Improvement Grant Program** - Annual reimbursement of tax increment revenue, up to 50% of the previous year annual "interest only" portion on the principal amount of a loan obtained for rehabilitation or renovation of a project located in the Downtown Community Redevelopment and/or Florence Villa Community Redevelopment Areas. Amortized points, fees and closing costs are not reimbursable. Loans from participating lenders would be based on the lower of the prime rate or actual loan interest rate. The maximum reimbursement is based on the annual amount of tax increment revenue actually received by the City and/or CRA from the project.

NOTE 15 TAX ABATEMENTS (CONTINUED)

At the conclusion of fiscal year 2019, the City had the following economic incentive agreements outstanding:

1. **Physician's Partnership**
   A December 9, 2013 development agreement with Physician's Partnership for the development of a 11,440 square foot medical office building located in the Downtown CRA District. Physicians Partnership annually receives 100% of the County's tax increment paid on this structure. The payments will be continued until $239,107 has been amortized. In addition, the City paid $35,691 water and sewer impact fees on behalf of Physician's Partnership.

2. **First Street North LLC**
   This agreement approved by the City Commission in March 2017 will rebate 60% of the annual tax increment actually received by the City for a period of ten years. The incentive was approved for the construction of a Bond Clinic facility on First Street North.

3. **Six-Ten Development Agreement**
   The Six-Ten Corporation plans to build 128 market rate apartments in four downtown locations with an investment of $21 million. Six-Ten will be due a tax rebate of up to $5,000 per unit.

4. **Taylor Hotel, LLC**
   Taylor Hotel is redeveloping three vacant buildings on Central Avenue and 3rd Street SW into a new 75-room hotel with food, beverage and limited retail use. The agreement, approved by the City Commission in October 2017 allows for a 50% rebate of the actual tax increment revenue received for 10 years, or for as long as the CRA exists, whichever is earlier, not to exceed $308,002.

5. **Dundee Self Storage LLC**
   Resolution R-16-01 entitles Dundee Self Storage to a rebate of 50% of the actual façade improvements at 335 Magnolia Avenue, up to $15,000. The annual rebate will continue for 10 years, or for as long as the CRA exists, but shall not exceed 100% of the actual tax increment revenue generated from the improvements. This agreement was approved by the City Commission in October 2017.

NOTE 16 INTERLOCAL AGREEMENT WITH POLK COUNTY

On May 17, 2017, the City entered into an interlocal agreement with Polk County. The County will pay the City amounts equal to semi-annual principal and interest payments on a total amount of $10,000,000 of debt principal incurred by the City to finance a new facility and improvements at the Chain o' Lakes Complex over a period of 20 years. The City issued the 2017 Non Ad Valorem bonds on August 16, 2017, as described in Note 9, to finance the project. The City and County will mutually determine the configuration and siting of the new facility and will share in sponsorship revenue. As of September 30, 2019 the City recognized a receivable of $12,981,404 of principal and interest due from the County. During fiscal year 2019 the City received revenue $702,726 from the County.

NOTE 17 JOINT VENTURE

Background – The Polk Regional Water Cooperative (PRWC) was created on April 1, 2016 by an interlocal agreement between the City of Lake Alfred, City of Auburndale, City of Bartow, City of Davenport, City of Eagle Lake, City of Fort Meade, City of Frostproof, City of Haines City, City of Lakeland, City of Lake Wales, City of Mulberry, Polk City, City of Winter Haven, Town of Dundee, Town of Lake Hamilton and Polk County in accordance with Chapter 163 and 373 of the Florida Statutes. These local government units are collectively considered the Member Governments. The PRWC is a separate legal entity organized under the laws of the state of Florida, and the Member Governments have no equity ownership in the PRWC.

The PRWC is devoted to encouraging the development of fully integrated, robust public water supply systems comprised of diverse sources managed in a manner that take full advantage of Florida's intense climatic cycles to ensure reliable, sustainable and drought resistant system which maximize the use of alternative water supplies to the greatest extent practicable. The PRWC will evaluate, plan and implement water projects and coordinate partnerships with other water users.

Membership Fees – The terms of the interlocal agreement require each Member Government to contribute their proportionate share of the PRWC's annual working capital needs which are established annually by a resolution of the PRWC's Board of Directors. For the year ended September 30, 2019, the total annual working capital needs of the PRWC was $195,000 of which the City's proportionate share was $14,119.

Combined Projects Funding – The Member Governments, except for the City of Frostproof, entered into a combined projects implementation agreement on March 16, 2017. This agreement established a feasibility study for four combined projects to be pursued by the PRWC with a total estimated cost of $22,906,000. The South West Florida Water Management District (SWFWMD) is funding 50% of the total estimated cost and the remainder is funded by the Member Governments based upon their average water use in comparison to the total average water use by all Member Governments. The City's required contribution for the combined projects totaled $1,095,827 and is reported as a nonoperating expense in the enterprise fund statement of revenues, expenses, and changes in fund net position for the year ended September 30, 2019.

Subsequent to September 30, 2019 – In January 2020 the PRWC proposed a Phase IIA agreement for member consideration. The proposal entailed the construction of two of the four projects pursued in previous years. The PRWC estimated the costs of construction to be $492 million. The Southwest Florida Water Cooperative will pay 46% of the cost of the two projects with PRWC members paying 54%. The City's share would be 16.2% of the PRWC member share. No action has been take as of March 24, 2020 by PRCW members.

Contact – Complete financial statements of the PRWC may be obtained from the PRWC's Executive Director at 330 W. Church Street, P.O. Box 9005, Drawer CA01, Bartow, Florida 33831-9005.

NOTE 18 SUBSEQUENT EVENTS

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

During the period from January 1, 2020, through March 24, 2020, both domestic and international equity markets have experienced large declines. These losses are not included in the financial statements as of and for the year ended September 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED SEPTEMBER 30, 2019

Retirement System – Defined Benefit Plan

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

General Employees' for the Years Ended September 30:

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	$ 924,122	$ 1,100,750	$ 1,064,435	$ 1,244,642	$ 1,217,350	$ 1,262,098
Interest	6,131,191	6,084,568	5,928,154	5,727,485	5,599,457	5,391,437
Change in Benefit Terms	-	-	(2,607,103)	-	-	-
Difference Between Expected and Actual Experience	(29,206)	(865,698)	434,635	1,243,148	(701,805)	-
Changes of Assumptions	855,724	836,005	2,591,313	2,026,654	723,201	705,471
Benefit Payments, Including Refunds	(5,730,248)	(4,719,393)	(4,905,122)	(4,785,641)	(3,755,355)	(3,789,392)
Net Change in Total Pension Liability	2,151,583	2,436,232	2,506,312	5,456,288	3,082,848	3,569,614
Total Pension Liability - Beginning	85,929,930	83,493,698	80,987,386	75,531,098	72,448,250	68,878,636
Total Pension Liability - Ending (A)	$ 88,081,513	$ 85,929,930	$ 83,493,698	$ 80,987,386	$ 75,531,098	$ 72,448,250
Plan Fiduciary Net Position						
Contributions - Employer	$ 2,676,390	$ 3,221,324	$ 3,452,742	$ 4,177,044	$ 3,673,711	$ 3,711,480
Contributions - State	-	-	-	-	-	-
Contributions - Employee	552,552	700,047	920,969	1,039,335	933,696	967,961
Net Investment Income	2,426,582	6,014,674	7,682,616	5,132,137	605,140	5,418,479
Miscellaneous Revenue	25,318	-	-	-	-	-
Benefit Payments, Including Refunds	(5,741,101)	(4,708,540)	(4,905,122)	(4,785,641)	(3,755,355)	(3,797,392)
Administrative Expense	(160,700)	(156,854)	(170,306)	(147,550)	(142,670)	(125,730)
Net Change in Plan Fiduciary Net Position	(220,959)	5,070,651	6,980,899	5,415,325	1,314,522	6,174,798
Plan Fiduciary Net Position - Beginning	73,360,582	68,289,931	61,309,032	55,893,707	54,579,185	48,404,387
Plan Fiduciary Net Position - Ending (B)	$ 73,139,623	$ 73,360,582	$ 68,289,931	$ 61,309,032	$ 55,893,707	$ 54,579,185
Net Pension Liability - Ending (A) - (B)	$ 14,941,890	$ 12,569,348	$ 15,203,767	$ 19,678,354	$ 19,637,391	$ 17,869,065
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.04%	85.37%	81.79%	75.70%	74.00%	75.34%
Covered Payroll	$ 7,893,594	$ 9,456,212	$ 9,694,044	$ 10,940,741	$ 11,033,219	$ 10,189,066
Net Pension Liability as a Percentage of Covered Payroll	189.29%	132.92%	156.84%	179.86%	177.98%	175.37%

Changes of Benefit Terms:

For measurement date September 30, 2017, amounts reported as changes of benefit terms resulted from Ordinance O-17-25, adopted and effective October 23, 2017, closed the Plan to general employees hired on or after November 20, 2017.

Retirement System – Defined Benefit Plan (Continued)

Changes of Assumptions:

For measurement date September 30, 2019, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.30% to 7.20%.

For measurement date September 30, 2018, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.40% to 7.30%.

For 2017, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Combined Healthy Table, projected to the valuation date using scale AA, to the mortality table used by the Florida Retirement System actuary in the July 1, 2016 actuarial valuation for non-special-risk employees.

As described in the March 31, 2017 Actuarial Impact Statement, the following assumption changes are utilized in conjunction with passage of Ordinance O-17-25:

1. Normal Retirement Date – For members who have currently attained age 40 with at least 10 years of Credited Service, no change to the current assumption. For Members who do not currently meet the age 40 with 10 or more years of credited service requirements, 100% assumed retirement upon first eligibility.
2. Early Retirement Date – Maintain the current assumption for all Members, i.e., an assumed 5% retirement for each year of eligibility.
3. Vested Terminated Members – Commencement Date for Benefit Payments. For members who have currently attained age 40 with at least 10 years of credited service, no change to the current assumption, i.e. age 55 unreduced, or age 50, reduced as for early retirement. For members who do not currently meet the age 40 with 10 or more years of credited service requirements, age 60 unreduced, or age 55, reduced as for early retirement.
4. Investment Return – In conjunction with the March 31, 2017 actuarial impact statement, a reduction from 7.70% to 7.50%. Additionally, the Board of Trustees elected further reductions according to the following schedule:

Valuation Date	Investment Return Assumption
October 1, 2017	7.4%
October 1, 2018	7.3%
October 1, 2019	7.2%
October 1, 2020	7.1%
October 1, 2021	7.0%

For measurement date September 30, 2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For the measurement date September 30, 2015, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.80% to 7.70%.

Additional years will be added to this schedule annually until 10 years of data is presented.

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019

Retirement System – Defined Benefit Plan (Continued)

Municipal Firefighters' for the Years Ended September 30:

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	$ 1,058,222	$ 1,058,208	$ 1,083,811	$ 981,995	$ 960,946	$ 930,014
Interest	2,872,901	2,734,227	2,583,788	2,345,959	2,192,966	2,163,683
Change in Excess State Money	(14,442)	-	(981,312)	135,110	134,190	150,505
Difference Between Expected and Actual Experience	(1,160,630)	17,965	365,252	90,497	(101,413)	-
Changes of Assumptions	2,155,627	-	-	1,017,583	-	(884,685)
Contributions - Employee	-	-	55,704	-	-	-
Benefit Payments, Including Refunds	(1,566,862)	(2,455,649)	(1,778,717)	(1,159,453)	(1,039,426)	(939,873)
Net Change in Total Pension Liability	3,344,816	1,354,751	1,328,526	3,411,691	2,147,263	1,419,644
Total Pension Liability - Beginning	36,809,342	35,454,591	34,126,065	30,714,374	28,567,111	27,147,467
Total Pension Liability - Ending (A)	$ 40,154,158	$ 36,809,342	$ 35,454,591	$ 34,126,065	$ 30,714,374	$ 28,567,111
Plan Fiduciary Net Position						
Contributions - Employer	$ 1,330,123	1,240,969	1,515,857	1,586,480	1,333,181	$ 1,372,178
Contributions - State	343,132	341,245	328,419	323,495	322,575	338,890
Contributions - Employee	369,750	370,069	443,832	402,477	364,180	356,596
Net Investment Income	1,094,036	2,435,714	3,107,129	2,208,912	85,409	2,087,278
Miscellaneous Revenue	1,087	-	-	-	-	-
Benefit Payments, Including Refunds	(1,566,862)	(2,455,648)	(1,778,717)	(1,159,453)	(1,039,427)	(939,873)
Administrative Expense	(75,211)	(82,860)	(77,351)	(71,825)	(66,436)	(64,399)
Net Change in Plan Fiduciary Net Position	1,496,055	1,849,489	3,539,169	3,290,086	999,482	3,150,670
Plan Fiduciary Net Position - Beginning	32,357,514	30,508,025	26,968,856	23,678,770	22,679,288	19,528,618
Plan Fiduciary Net Position - Ending (B)	$ 33,853,569	$ 32,357,514	$ 30,508,025	$ 26,968,856	$ 23,678,770	$ 22,679,288
Net Pension Liability - Ending (A) - (B)	$ 6,300,589	$ 4,451,828	$ 4,946,566	$ 7,157,209	$ 7,035,604	$ 5,887,823
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.31%	87.91%	86.05%	79.03%	77.09%	79.39%
Covered Payroll	$ 3,697,501	3,700,691	3,902,070	4,003,979	3,909,235	$ 3,565,959
Net Pension Liability as a Percentage of Covered Payroll	170.40%	120.30%	126.77%	178.75%	179.97%	165.11%

Retirement System – Defined Benefit Plan (Continued)

Changes of Benefit Terms:
For measurement date 09/30/2019, Chapter 2019-21, Laws of Florida was signed into effect granting certain disability and death benefits to firefighters participating in an employer-sponsored retirement plan.

1.) Effective July 1, 2019, an additional presumption was added to the death in the line of duty section. "A firefighter shall be considered to have died in the line of duty if he or she dies as a result of cancer or circumstances that arise out of the treatment of cancer."

2.) Effective July 1, 2019, an additional presumption was added to the disability in-line-of-duty presumption. "Diagnosis of cancer or the circumstances that arise out of the treatment of cancer. A firefighter shall be considered totally and permanently disabled in the line of duty if he or she meets the Plan's definition of total and permanently disabled due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer."

Please note that the benefit changes only relate to the disability and death benefits for the Pension Fund and do not provide for other additional benefits that are provided for in Florida Statutes Section 112.1816.

For measurement date September 30, 2017, the following plan changes were made:
Pursuant to a Mutual Consent Agreement between the Plan membership and City under Chapter 2015-39, Laws of Florida, $846,202.72 of the Excess State Monies Reserve is applied as a credit to the Unfunded Actuarial Accrued Liability.

Additionally, the City may use all future Chapter 175 Premium Tax Revenue for meeting its funding obligation to the Firefighters' Retirement System. Based on the agreements, $135,109 of the remaining portion of the Excess State Monies Reserve is set aside as a prepaid City contribution. Furthermore, a Share Plan was established but is currently not funded under the current Mutual Consent Agreement.

Changes of Assumptions:
For measurement date 09/30/2019, the Board adopted changes of actuarial assumptions described in the experience study dated October 23, 2019, as follows:

- The assumptions for salary increases, withdrawal, and retirement were updated to better align with the anticipated plan experience.

- The assumed rate of investment return has been lowered from 7.75% per year to 7.60% per year, net of investment related expenses.

For measurement date September 30, 2016, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables for special risk employees used by the Florida Retirement System actuary in the July 1, 2016 actuarial valuation. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

Additional years will be added to this schedule annually until 10 years of data is presented.

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019

Retirement System – Defined Benefit Plan (Continued)

Municipal Police Officers' for the Years Ended September 30:

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	$ 820,751	$ 843,956	$ 853,283	$ 793,963	$ 776,050	$ 801,709
Interest	2,863,568	2,769,998	2,581,169	2,417,435	2,346,583	2,248,123
Change in Excess State Money	-	-	-	(28,857)	21,977	6,879
Difference Between Expected and Actual Experience	(24,010)	(216,491)	1,188,026	(203,836)	(11,110)	-
Changes of Assumptions	1,068,060	-	-	1,200,550	152,399	313,191
Benefit Payments, Including Refund	(2,195,474)	(2,147,670)	(2,148,969)	(2,133,049)	(1,808,907)	(1,611,524)
Net Change in Total Pension Liability	2,532,895	1,249,793	2,473,509	2,046,206	1,476,992	1,758,378
Total Pension Liability - Beginning	37,466,180	36,216,387	33,742,878	31,696,672	30,219,680	28,461,302
Total Pension Liability - Ending (A)	$ 39,999,075	$ 37,466,180	$ 36,216,387	$ 33,742,878	$ 31,696,672	$ 30,219,680
Plan Fiduciary Net Position						
Contributions - Employer	$ 719,814	626,513	602,998	704,008	725,579	$ 1,314,419
Contributions - State	437,823	433,238	387,358	369,988	321,673	306,575
Contributions - Employee	364,598	376,478	369,604	388,964	349,588	344,499
Net Investment Income	803,013	3,225,778	3,614,442	2,288,900	(99,825)	3,499,732
Benefit Payments, Including Refunds	(2,204,858)	(2,138,286)	(2,148,970)	(2,133,049)	(1,808,906)	(1,611,524)
Administrative Expense	(62,843)	(69,552)	(57,811)	(55,026)	(49,560)	(48,688)
Net Change in Plan Fiduciary Net Position	57,547	2,454,169	2,767,621	1,563,785	(561,451)	3,805,013
Plan Fiduciary Net Position - Beginning	35,013,393	32,559,224	29,791,603	28,227,818	28,789,269	24,984,256
Plan Fiduciary Net Position - Ending (B)	$ 35,070,940	$ 35,013,393	$ 32,559,224	$ 29,791,603	$ 28,227,818	$ 28,789,269
Net Pension Liability - Ending (A) - (B)	$ 4,928,135	$ 2,452,787	$ 3,657,163	$ 3,951,275	$ 3,468,854	$ 1,430,411
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.68%	93.45%	89.90%	88.29%	89.06%	95.27%
Covered Payroll	4,427,931	4,609,577	4,507,362	4,744,893	4,321,215	$ 4,201,204
Net Pension Liability as a Percentage of Covered Payroll	111.30%	53.21%	81.14%	83.27%	80.27%	34.05%

Changes of Assumptions:

For measurement date September 30, 2019, as a result of an actuarial experience study, the Board approved several actuarial assumption changes as follows:

- The assumed rate of investment return has been lowered from 7.70% per year to 7.45% per year, net of investment related expenses.
- The assumed rate of salary increase prior to completion of ten (10) years of service has been lowered.
- The assumed service-based termination rates have been amended.
- The assumed rates of retirement have been amended for normal and early retirement.

For measurement date September 30, 2016, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables for special risk employees used by the Florida Retirement System actuary in the July 1, 2016 actuarial valuation The inflation assumption rate was lowered from 3.0% to 2.5%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date September 30, 2015, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.80% to 7.70%.

For measurement date September 30, 2014, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.90% to 7.80%.

Additional years will be added to this schedule annually until 10 years of data is presented.

Retirement System – Defined Benefit Plan (Continued)

The following information presents a schedule of contributions:

General Employees' Pension

Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2019	$ 2,677,507	$ 2,676,390	$ 1,117	$ 7,893,594	33.91%
2018	3,227,405	3,221,324	6,081	9,456,212	34.07%
2017	3,429,753	3,452,742	(22,989)	9,694,044	35.62%
2016	4,172,799	4,177,044	(4,245)	10,940,741	38.18%
2015	3,673,711	3,673,711	-	11,033,219	33.30%
2014	4,120,459	3,711,480	408,979	10,189,066	36.43%
2013	3,693,642	3,694,547	(905)	10,288,697	35.91%

Municipal Firefighters' Pension

Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2019	$ 1,635,035	$ 1,673,255	$ (38,220)	$ 3,697,501	45.25%
2018	1,638,296	1,582,214	56,082	3,700,691	42.75%
2017	1,702,083	1,979,385	(277,302)	3,902,070	50.73%
2016	1,785,374	1,774,865	10,509	4,003,979	44.33%
2015	1,580,540	1,591,049	(10,509)	3,909,235	40.70%
2014	1,514,462	1,560,563	(46,101)	3,565,959	43.76%
2013	1,484,155	1,489,635	(5,480)	3,587,515	41.52%

Municipal Police Officers' Pension

Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2019	$ 1,085,729	$ 1,157,637	$ (71,908)	$ 4,427,931	26.14%
2018	1,143,636	1,059,751	83,885	4,609,577	22.99%
2017	901,022	990,355	(89,333)	4,507,362	21.97%
2016	1,053,841	1,073,994	(20,153)	4,744,893	22.63%
2015	1,061,555	1,107,123	(45,568)	4,321,215	25.62%
2014	1,515,794	1,614,115	(98,321)	4,201,204	38.42%
2013	1,566,442	1,587,016	(20,574)	4,161,643	38.13%

Additional years will be added to this schedule until 10 years of data is presented.

Retirement System – Defined Benefit Plan (Continued)

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:

	General Employees' Pension
Valuation Date	10/1/2017
Funding Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level percentage of pay, closed
Remaining Amortization Period	29 Years as of October 1, 2017
Mortality Rate	*Healthy Active Lives:* Female: RP2000 Generational, 100% White Collar, Scale BB. Male: RP2000 Generational, 50% White Collar /50% Blue Collar, Scale BB. *Healthy Inactive Lives:* Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 50% Annuitant White Collar /50% Annuitant Blue Collar, Scale BB. *Disabled Lives:* Female: 100% RP2000 Disabled Female set forward two years. Male: 100% RP2000 Disabled Male set back four years.
Inflation	2.5% per year
Interest Rate	7.4% per year, compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Termination Rates

Credited Service	Termination Probability
First Year	30.0%
Years 2-10	13.0%
Years 11-20	5.0%
Greater than 20 Years	1.0%

Normal Retirement

Number of Years after first Eligible	Retirement Probability
0	50%
1-3	25%
4	50%
5 or more	100%

This assumption is supported by an experience study issued on May 12, 2014, analyzing plan experience from valuations performed from October 1, 1988 to October 1, 2013.

Early Retirement	Commencing upon eligibility for Early Retirement (50 & 10), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption is supported by an experience study issued on May 12, 2014, analyzing plan experience from valuations performed from October 1, 1988 to October 1, 2013.
Cost-of-Living	0.5% for 10 years, beginning one year after retirement. Applicable for all categories except vested terminated members.

Retirement System – Defined Benefit Plan (Continued)

Notes to the Schedule of Contributions (Continued)

General Employees' Pension (Continued)

Salary Increases

Credited Service	Assumption
First Year	11.0%
Years 2-10	5.0%
Greater than 10	4.0%

This assumption is supported by an experience study issued on May 12, 2014, analyzing plan experience from valuations performed from October 1, 1988 to October 1, 2013.

Final Year Salary Load

Service as of 10/1/2012	Final Salary Load
Less than 1 Year	0%
1 to 5 Years	5%
5 to 10 Years	10%
Greater than 10 Years	15%

This assumption was developed based on expectations of unused sick and annual leave time for impacted actives.

Disability Rates

Age	Rates
20	0.05%
30	0.06%
40	0.12%
50	0.43%

Asset Smoothing Methodology

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a deminis bias that is above or below the Market Value of Assets.

Payroll Increase

0.0%, in compliance with Part VII of Chapter 112, Florida Statutes.

Retirement System – Defined Benefit Plan (Continued)

Notes to the Schedule of Contributions (Continued)

	Municipal Firefighters' Pension
Valuation Date	10/1/2017
Funding Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level percentage of pay, closed
Remaining Amortization Period	25 Years as of October 1, 2017
Mortality	*Healthy Active Lives:* Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB. Male: RP2000 Generational, 10% Combined Healthy White Collar /90% Combined Healthy Blue Collar, Scale BB. *Healthy Inactive Lives:* Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 10% Annuitant White Collar /90% Annuitant Blue Collar, Scale BB. *Disabled Lives:* Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male set back four years / 40% Annuitant White Collar with no setback, no projection scale.
Inflation	2.5% per year
Interest Rate	7.75% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.

Termination Rates

Credited Service	Termination Probability
Less than 5 Years	7.0%
5 or more Years	1.0%

The above rates are based on the results of an Experience Study for the period October 1, 1991 through October 1, 2013.

Disability Rates

Members are assumed to become disabled at varying rates based on age. Sample rates are as follows:

Age	Probability
20	0.051%
30	0.058%
40	0.121%
50	0.429%

The above rates are based on the results of an Experience Study for the period October 1, 1991 through October 1, 2013.
Additionally, it is assumed that 75% of Disability Retirements and Pre-Retirement Deaths are service-related.

Termination Rate

Age	Disability Probability
Less than 5 Years	7.00%
5 or more Years	1.00%

Retirement System – Defined Benefit Plan (Continued)

Notes to the Schedule of Contributions (Continued)

Municipal Firefighters' Pension (Continued)

Normal Retirement

Number of Years after first Eligible	Retirement Probability
0	50%
1-4	25%
5 or more	100%

The above rates are based on the results of an Experience Study for the period October 1, 1991 through October 1, 2013.

Retirement Age

Earlier of age 55 and 10 years of service or 25 years of service regardless of age.

Early Retirement

Commencing with the earliest Early Retirement Age (45), members are assumed to retire with an immediate subsidized benefit at the rate of 1%. This assumption is based on the results of an Experience Study for the period October 1, 1991 through October 1, 2013.

Salary Increases

Service	Assumption
First Year	15%
Years 2-10	8%
Greater than 10 Years	5%

The above rates are based on the results of an Experience Study for the period October 1, 1991 through October 1, 2013.
Additionally, the projected salary in the year of retirement is increased as shown below, supported by data provided by the City:

Service as of 10/1/12	Final Salary Load Assumption
Less than 1 Year	0%
1 to 10 Years	5%
10 to 20 Years	10%
Greater than 20 Years	15%

Payroll Growth

3.74% per year for amortization of the Unfunded Actuarial Accrued Liability. By Florida statute, this assumption cannot exceed the actual ten-year payroll growth average as of the valuation date.

Asset Smoothing Methodology

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a deminis bias that is above or below the Market Value of Assets.

Retirement System – Defined Benefit Plan (Continued)

Notes to the Schedule of Contributions (Continued)

	Municipal Police Officers' Pension
Valuation Date	10/1/2017
Funding Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level percentage of pay, closed
Remaining Amortization Period	25 Years (as of 10/01/2017 Valuation).
Mortality Rate	*Healthy Active Lives:* Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB. Male: RP2000 Generational, 10% Combined Healthy White Collar /90% Combined Healthy Blue Collar, Scale BB. *Healthy Inactive Lives:* Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 10% Annuitant White Collar /90% Annuitant Blue Collar, Scale BB. *Disabled Lives:* Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male set back four years / 40% Annuitant White Collar with no setback, no projection scale.
Inflation	2.5% per year
Interest Rate	7.7% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Termination Rates

Credited Service	Termination Probability
Less than 5 Years	20.0%
Years 5-10	7.5%
Greater than 10	4.0%

The assumed rates of termination were approved in conjunction with an actuarial experience study dated May 12, 2014.

Normal Retirement

Number of Years after first Eligible	Retirement Probability
0	50%
1-4	25%
5 or more	100%

The assumed rates of normal retirement were approved in conjunction with an actuarial experience study dated May 12, 2014.

Early Retirement

Commencing with the earliest Early Retirement Age (50 with 10 years of Credited Service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
The assumed rate of early retirement was approved in conjunction with an actuarial experience study dated May 12, 2014.

Cost-of-Living

0.5% for 10 years, beginning one year after retirement. Applicable for all categories except vested terminated members.

Salary Increases

Credited Service	Assumption
First Year	17.0%
Years 2-10	5.5%
Greater than 10 Years	4.0%

The assumed rates of normal retirement were approved in conjunction with an actuarial experience study dated May 12, 2014.

Retirement System – Defined Benefit Plan (Continued)

Notes to the Schedule of Contributions (Continued)

Municipal Police Officers' Pension (Continued)

Final Year Salary Load

Service as of 10/1/2012	Final Salary Load
Less than 1 Year	0%
1 to 5 Years	5%
5 to 10 Years	10%
Greater than 10 Years	15%

These assumptions were based on data provided by the City.

Disability Rates

Age	Rates
20	0.03%
30	0.04%
40	0.07%
50	0.18%

It is assumed that 75% of Disability Retirements and Pre-Retirement Deaths are service related. The assumed rates of disablement were developed from those used by other plans containing Florida municipal Police Officers.

Asset Smoothing Methodology

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in an insignificant bias that is above or below the Market Value of Assets.

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
SEPTEMBER 30, 2019

Retirement System – Defined Benefit Plan (Continued)

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

General Employees' Pension	
Fiscal Year Ended September 30	Rate
2019	3.25%
2018	8.70%
2017	12.41%
2016	9.07%
2015	0.60%
2014	10.95%
2013	15.82%

Municipal Firefighters' Pension	
Fiscal Year Ended September 30	Rate
2019	3.34%
2018	7.98%
2017	11.48%
2016	9.19%
2015	0.32%
2014	10.47%
2013	14.27%

Municipal Police Officers' Pension	
Fiscal Year Ended September 30	Rate
2019	2.53%
2018	10.04%
2017	12.33%
2016	8.27%
2015	-0.35%
2014	14.04%
2013	9.68%

Additional years will be added to this schedule until 10 years of data is presented.

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2019

	2019	2018
Total OPEB Liability		
Service Cost	$ 1,291,931	$ 1,425,372
Interest	1,222,847	1,107,069
Changes of Benefit Terms	-	-
Difference Between Expected and Actual Experience	-	-
Changes of Assumptions	3,302,003	(2,792,012)
Benefit Payments	(798,320)	(735,779)
Net Change in Total OPEB Liability	5,018,461	(995,350)
Total OPEB Liability - Beginning	28,357,845	29,353,195
Total OPEB Liability - Ending	$ 33,376,306	$ 28,357,845
Covered Employee Payroll	$ 22,466,817	$ 21,319,811
Total OPEB Liability as a percentage of the Covered Employee Payroll	148.56%	133.01%

Notes to schedule:

The OPEB plan is not administered through a trust, and there are no assets accumulated in trust for payment of benefits.

Benefit changes: There have been no substantive plan provision changes since the last full valuation.

Covered Employee Payroll was projected one year forward from the valuation date for the reporting period ending September 30, 2019.

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of the changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2019:	3.58%
Fiscal Year Ending September 30, 2018:	4.18%
Fiscal Year Ending September 30, 2017:	3.64%

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2019

	Special Revenue				
	Library	Airport	Cemetery	Community Development Grant	SHIP Grant
ASSETS					
Cash and Investments	$ 212,318	$ 9,870	$ 10,011	$ -	$ 255,012
Investments - Reserved for Perpetual Care	-	-	439,499	-	-
Accounts Receivable	8,883	22,292	14,525	-	-
Due from Other Governments	6,661	946,521	-	598,636	-
Due from Other Funds	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-
Inventory	-	-	45,580	-	-
Prepaid Items	460	923	2,164	-	-
Total Assets	$ 228,322	$ 979,606	$ 511,779	$ 598,636	$ 255,012
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 8,828	$ 749,178	$ 3,478	$ 128,933	$ 22,049
Accrued Liabilities	25,321	7,985	7,546	-	-
Due to Other Funds	-	540,562	-	497,451	-
Due to Other Governments	-	-	-	-	-
Unearned Revenue	-	18,546	-	-	-
Total Liabilities	34,149	1,316,271	11,024	626,384	22,049
Fund Balances:					
Nonspendable	460	923	47,744	-	-
Restricted	-	-	-	-	232,963
Committed	-	-	453,011	-	-
Assigned	193,713	-	-	-	-
Unassigned	-	(337,588)	-	(27,748)	-
Total Fund Balances	194,173	(336,665)	500,755	(27,748)	232,963
Total Liabilities and Fund Balances	$ 228,322	$ 979,606	$ 511,779	$ 598,636	$ 255,012

Special Revenue (Continued)				Debt Service	
Police Training Confiscation and Abandoned Property	Building Safety	Impact Fees	Federal Building	2007 Improvement Revenue Bonds	2011 Sales Tax Bond
$ 139,099	$ 1,164,603	$ 802,855	$ 44,056	$ 3,102,754	$ 688,916
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	25,081	-	-	-	-
$ 139,099	$ 1,189,684	$ 802,855	$ 44,056	$ 3,102,754	$ 688,916
$ 30,813	$ 359,502	$ -	$ 2,502	$ -	$ -
-	13,384	-	-	-	-
-	-	-	-	-	-
-	4,903	-	-	-	-
-	-		-	-	-
30,813	377,789	-	2,502	-	-
-	25,081	-	-	-	-
108,286	786,814	802,855	-	3,102,754	688,916
-	-	-	41,554	-	-
-	-	-	-	-	-
-	-	-	-	-	-
108,286	811,895	802,855	41,554	3,102,754	688,916
$ 139,099	$ 1,189,684	$ 802,855	$ 44,056	$ 3,102,754	$ 688,916

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2019

	Capital Projects			
	Capital Depletion	2007 Construction	Transportation	Total All Nonmajor Governmental Funds
ASSETS				
Cash and Investments	$ 1,647,390	$ 315,474	$ 1,065,261	$ 9,457,619
Investments - Reserved for Perpetual Care	-	-	-	439,499
Accounts Receivable	6,085	-	-	51,785
Due from Other Governments	-	-	-	1,551,818
Due from Other Funds	445,117	-	-	445,117
Advances to Other Funds	2,912,529	-	-	2,912,529
Inventory	-	-	-	45,580
Prepaid Items	-	-	-	28,628
Total Assets	$ 5,011,121	$ 315,474	$ 1,065,261	$ 14,932,575
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ -	$ -	$ 1,000	$ 1,306,283
Accrued Liabilities	-	-	-	54,236
Due to Other Funds	-	-	-	1,038,013
Due to Other Governments	-	-	-	4,903
Unearned Revenue	-	-	-	18,546
Total Liabilities	-	-	1,000	2,421,981
Fund Balances:				
Nonspendable	-	-	-	74,208
Restricted	-	-	1,064,261	6,786,849
Committed	-	-	-	494,565
Assigned	5,011,121	315,474	-	5,520,308
Unassigned	-	-	-	(365,336)
Total Fund Balances	5,011,121	315,474	1,064,261	12,510,594
Total Liabilities and Fund Balances	$ 5,011,121	$ 315,474	$ 1,065,261	$ 14,932,575

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue				
	Library	Airport	Cemetery	Community Development Grant	SHIP Grant
REVENUES					
Intergovernmental	$ 410,871	$ 2,493,317	$ -	$ 598,565	$ 59,314
Charges for Services	27,838	676,044	264,137	-	-
Fines and Forfeits	25,211	-	-	-	-
Miscellaneous:					
Rents	25,446	763,821	-	-	-
Net Change in Fair Value of Investments	7,141	34,193	11,838	-	9,520
Contributions	10,883	-	-	-	-
Other	1,912	28,084	1,701	-	3,392
Total Revenues	509,302	3,995,459	277,676	598,565	72,226
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	-
Transportation	-	4,060,602	-	-	-
Human Services	-	-	413,366	611,695	271,281
Culture and Recreation	1,622,380	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Other Debt Service	-	-	-	-	-
Total Expenditures	1,622,380	4,060,602	413,366	611,695	271,281
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,113,078)	(65,143)	(135,690)	(13,130)	(199,055)
OTHER FINANCING SOURCES (USES)					
Transfers In	1,373,552	458,627	132,143	-	-
Transfers Out	(212,350)	(454,658)	(16,715)	(14,618)	-
Total Other Financing Sources (Uses)	1,161,202	3,969	115,428	(14,618)	-
NET CHANGE IN FUND BALANCES	48,124	(61,174)	(20,262)	(27,748)	(199,055)
Fund Balances - Beginning of Year	146,049	(275,491)	521,017	-	432,018
FUND BALANCES - END OF YEAR	$ 194,173	$ (336,665)	$ 500,755	$ (27,748)	$ 232,963

Special Revenue (Continued)				Debt Service	
Police Training, Confiscation, and Abandoned Property	Building Safety	Impact Fees	Federal Building	2007 Improvement Revenue Bonds	2011 Sales Tax Bond
$ -	$ -	$ -	$ -	$ -	$ -
-	2,493,894	1,956,411	-	-	-
21,821	-	-	-	-	-
-	-	-	132,743	-	-
3,278	80,099	16,617	600	-	-
-	-	-	-	-	-
-	5,547	-	-	-	-
25,099	2,579,540	1,973,028	133,343	-	-
47,208	802,917	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	48,799	-	-
-	-	-	-	1,355,000	660,000
-	-	-	-	1,053,375	43,938
-	-	-	-	550	-
47,208	802,917	-	48,799	2,408,925	703,938
(22,109)	1,776,623	1,973,028	84,544	(2,408,925)	(703,938)
-	-	-	-	3,801,690	707,832
-	(3,166,995)	(2,039,454)	(75,000)	-	-
-	(3,166,995)	(2,039,454)	(75,000)	3,801,690	707,832
(22,109)	(1,390,372)	(66,426)	9,544	1,392,765	3,894
130,395	2,202,267	869,281	32,010	1,709,989	685,022
$ 108,286	$ 811,895	$ 802,855	$ 41,554	$ 3,102,754	$ 688,916

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019

	Capital Projects			
	Capital Depletion	2007 Construction	Transportation	Total All Nonmajor Governmental Funds
REVENUES				
Intergovernmental	$ -	$ -	$ 108,886	$ 3,670,953
Charges for Services	-	-	-	5,418,324
Fines and Forfeits	-	-	-	47,032
Miscellaneous:				
Rents	-	-	-	922,010
Net Change in Fair Value of Investments	122,156	2,798	-	288,240
Contributions	-	-	-	10,883
Other	-	-	-	40,636
Total Revenues	122,156	2,798	108,886	10,398,078
EXPENDITURES				
Current:				
Public Safety	502,158	-	-	1,352,283
Transportation	-	-	169,625	4,230,227
Human Services	-	-	-	1,296,342
Culture and Recreation	96,797	-	-	1,767,976
Debt Service:				
Principal Retirement	-	-	-	2,015,000
Interest and Fiscal Charges	-	-	-	1,097,313
Other Debt Service	-	-	-	550
Total Expenditures	598,955	-	169,625	11,759,691
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(476,799)	2,798	(60,739)	(1,361,613)
OTHER FINANCING SOURCES (USES)				
Transfers In	890,492	-	1,125,000	8,489,336
Transfers Out	-	-	-	(5,979,790)
Total Other Financing Sources (Uses)	890,492	-	1,125,000	2,509,546
NET CHANGE IN FUND BALANCES	413,693	2,798	1,064,261	1,147,933
Fund Balances - Beginning of Year	4,597,428	312,676	-	11,362,661
FUND BALANCES - END OF YEAR	$ 5,011,121	$ 315,474	$ 1,064,261	$ 12,510,594

BUDGET TO ACTUAL COMPARISON
OTHER MAJOR AND NONMAJOR GOVERNMENTAL FUNDS

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Function and Activity				
General Government:				
City Commission/Legal/Clerk	$ 792,233	$ 792,233	$ 790,661	$ 1,572
City Manager	690,595	694,295	694,295	-
Finance	1,249,715	1,249,715	1,122,535	127,180
Nondepartmental	4,209,321	4,205,621	4,147,474	58,147
Public Safety:				
Police	11,374,420	11,374,420	10,964,270	410,150
Fire	8,210,821	8,210,821	7,829,241	381,580
Code Enforcement	693,849	693,849	652,780	41,069
Transportation:				
Streets and Buses	4,193,826	1,855,688	1,521,854	333,834
Economic Development				
Public Service Buildings	229,389	229,389	202,363	27,026
Community Development/Planning	548,421	548,421	486,364	62,057
Culture and Recreation:				
Leisure Services	5,999,764	5,999,764	5,275,772	723,992
Total Expenditures	38,192,354	35,854,216	33,687,609	2,166,607
Transfers to:				
Library Fund	1,323,552	1,323,552	1,323,552	-
Airport Fund	458,627	458,627	458,627	-
Cemetery Fund	132,143	132,143	132,143	-
2015 Construction Fund	4,886,315	4,886,315	4,886,315	-
Capital Depletion Fund	859,376	859,376	859,376	-
Debt Service Fund	3,141,820	3,843,320	3,844,320	(1,000)
Self-Insurance Fund	153,100	153,100	153,100	-
Willowbrook Golf Course Fund	164,293	164,293	164,293	-
Transportation Fund	-	1,125,000	1,125,000	-
Total Transfers	11,119,226	12,945,726	12,946,726	(1,000)
Total Expenditures and Transfers	$ 49,311,580	$ 48,799,942	$ 46,634,335	$ 2,165,607

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
2015 CONSTRUCTION FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Miscellaneous:				
Net Change in Fair Value of Investments	$ 150,000	$ 150,000	$ 550,375	$ 400,375
EXPENDITURES				
Current:				
Capital Projects	32,941,874	32,941,874	22,737,013	10,204,861
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(32,791,874)	(32,791,874)	(22,186,638)	10,605,236
OTHER FINANCING SOURCES				
Issuance of Debt	26,120,000	26,120,000	24,900,000	(1,220,000)
Transfers In	6,425,769	6,425,769	9,982,899	3,557,130
Total Other Financing Sources	32,545,769	32,545,769	34,882,899	2,337,130
NET CHANGE IN FUND BALANCES	(246,105)	(246,105)	12,696,261	12,942,366
Fund Balances - Beginning of Year	2,502,839	2,502,839	2,502,839	-
FUND BALANCES - END OF YEAR	$ 2,256,734	$ 2,256,734	$ 15,199,100	$ 12,942,366

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LIBRARY FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 390,950	$ 390,950	$ 410,871	$ 19,921
Charges for Services	23,100	23,100	27,838	4,738
Fines and Forfeits	31,500	31,500	25,211	(6,289)
Miscellaneous:				
Rents	26,300	26,300	25,446	(854)
Contributions	300	300	10,883	10,583
Net Change in Fair Value of Investments	700	700	7,141	6,441
Other	12,900	12,900	1,912	(10,988)
Total Revenues	485,750	485,750	509,302	23,552
EXPENDITURES				
Current:				
Culture and Recreation	1,760,966	1,760,966	1,622,380	138,586
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,275,216)	(1,275,216)	(1,113,078)	162,138
OTHER FINANCING SOURCES (USES)				
Transfers In	1,373,552	1,373,552	1,373,552	-
Transfers Out	(212,350)	(212,350)	(212,350)	-
Total Other Financing Sources	1,161,202	1,161,202	1,161,202	-
NET CHANGE IN FUND BALANCES	(114,014)	(114,014)	48,124	162,138
Fund Balances - Beginning of Year	146,049	146,049	146,049	-
FUND BALANCES - END OF YEAR	$ 32,035	$ 32,035	$ 194,173	$ 162,138

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
AIRPORT FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 3,080,567	$ 3,080,567	$ 2,493,317	$ (587,250)
Charges for Services	756,200	756,200	676,044	(80,156)
Miscellaneous:				
Rents	815,175	815,175	763,821	(51,354)
Net Change in Fair Value of Investments	-	-	34,193	34,193
Other	26,060	26,060	28,084	2,024
Total Revenues	4,678,002	4,678,002	3,995,459	(682,543)
EXPENDITURES				
Current:				
Transportation	5,502,690	5,502,690	4,060,602	1,442,088
Debt Service:				
Principal	20,430	20,430	-	20,430
Interest	4,432	4,432	-	4,432
Total Expenditures	5,527,552	5,527,552	4,060,602	1,466,950
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(849,550)	(849,550)	(65,143)	784,407
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	450,000	450,000	-	(450,000)
Transfers In	458,627	458,627	458,627	-
Transfers Out	(454,658)	(454,658)	(454,658)	-
Total Other Financing Sources	453,969	453,969	3,969	(450,000)
NET CHANGE IN FUND BALANCES	(395,581)	(395,581)	(61,174)	334,407
Fund Balances - Beginning of Year	(275,491)	(275,491)	(275,491)	-
FUND BALANCES - END OF YEAR	$ (671,072)	$ (671,072)	$ (336,665)	$ 334,407

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CEMETERY FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for Services	$ 270,800	$ 270,800	$ 264,137	$ (6,663)
Miscellaneous:				
Net Change in Fair Value of Investments	5,000	5,000	11,838	6,838
Other	1,900	1,900	1,701	(199)
Total Revenues	277,700	277,700	277,676	(24)
EXPENDITURES				
Current:				
Human Services	502,553	502,553	413,366	89,187
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(224,853)	(224,853)	(135,690)	89,163
OTHER FINANCING SOURCES (USES)				
Transfers In	132,143	132,143	132,143	-
Transfers Out	(16,715)	(16,715)	(16,715)	-
Total Other Financing Sources	115,428	115,428	115,428	-
NET CHANGE IN FUND BALANCES	(109,425)	(109,425)	(20,262)	89,163
Fund Balances - Beginning of Year	521,017	521,017	521,017	-
FUND BALANCES - END OF YEAR	$ 411,592	$ 411,592	$ 500,755	$ 89,163

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT GRANT FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 213,585	$ 650,000	$ 598,565	$ (51,435)
EXPENDITURES				
Current:				
Human Services	213,585	650,000	611,695	38,305
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	-	(13,130)	(13,130)
OTHER FINANCING USES				
Transfers Out	-	-	(14,618)	(14,618)
NET CHANGE IN FUND BALANCES	-	-	(27,748)	(27,748)
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	$ -	$ -	$ (27,748)	$ (27,748)

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SHIP GRANT FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 59,314	$ 59,314	$ 59,314	$ -
Miscellaneous:				
Net Change in Fair Value of Investments	-	-	9,520	9,520
Other	-	-	3,392	3,392
Total Revenues	59,314	59,314	72,226	12,912
EXPENDITURES				
Current:				
Human Services	301,488	301,488	271,281	30,207
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(242,174)	(242,174)	(199,055)	43,119
Fund Balances - Beginning of Year	432,018	432,018	432,018	-
FUND BALANCES - END OF YEAR	$ 189,844	$ 189,844	$ 232,963	$ 43,119

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
BUILDING SAFETY FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for Services	$ 1,287,724	$ 1,287,724	$ 2,493,894	$ 1,206,170
Miscellaneous:				
Net Change in Fair Value of Investments	30,000	30,000	80,099	50,099
Other	3,500	3,500	5,547	2,047
Total Revenues	1,321,224	1,321,224	2,579,540	1,258,316
EXPENDITURES				
Current:				
Public Safety	915,311	915,311	802,917	112,394
EXCESS OF REVENUES OVER EXPENDITURES	405,913	405,913	1,776,623	1,370,710
OTHER FINANCING USES				
Transfers Out	(166,995)	(3,166,995)	(3,166,995)	-
NET CHANGE IN FUND BALANCES	238,918	(2,761,082)	(1,390,372)	1,370,710
Fund Balances - Beginning of Year	2,202,267	2,202,267	2,202,267	-
FUND BALANCES - END OF YEAR	$ 2,441,185	$ (558,815)	$ 811,895	$ 1,370,710

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
IMPACT FEE FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for Services	$ 1,578,930	$ 1,578,930	$ 1,956,411	$ 377,481
Miscellaneous:				
Net Change in Fair Value of Investments	11,000	11,000	16,617	5,617
Total Revenues	1,589,930	1,589,930	1,973,028	383,098
OTHER FINANCING USES				
Transfers Out	(2,039,454)	(2,039,454)	(2,039,454)	-
NET CHANGE IN FUND BALANCES	(449,524)	(449,524)	(66,426)	383,098
Fund Balances - Beginning of Year	869,281	869,281	869,281	-
FUND BALANCES - END OF YEAR	$ 419,757	$ 419,757	$ 802,855	$ 383,098

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FEDERAL BUILDING FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Rents	$ 132,743	$ 132,743	$ 132,743	$ -
Miscellaneous:				
Net Change in Fair Value of Investments	420	420	600	180
Total Revenues	133,163	133,163	133,343	180
EXPENDITURES				
Current:				
Culture and Recreation	60,522	60,522	48,799	11,723
EXCESS OF REVENUES OVER EXPENDITURES	72,641	72,641	84,544	11,903
OTHER FINANCING USES				
Transfers Out	(75,000)	(75,000)	(75,000)	-
NET CHANGE IN FUND BALANCES	(2,359)	(2,359)	9,544	11,903
Fund Balances - Beginning of Year	32,010	32,010	32,010	-
FUND BALANCES - END OF YEAR	$ 29,651	$ 29,651	$ 41,554	$ 11,903

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
2007 CONSTRUCTION FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Miscellaneous:				
Net Change in Fair Value of Investments	$ 3,000	$ 3,000	$ 2,798	$ (202)
EXPENDITURES				
Current:				
Capital Projects	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	3,000	3,000	2,798	(202)
Fund Balances - Beginning of Year	312,676	312,676	312,676	-
FUND BALANCES - END OF YEAR	$ 315,676	$ 315,676	$ 315,474	$ (202)

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED SEPTEMBER 30, 2019

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ -	$ 1,213,138	$ 108,886	$ (1,104,252)
EXPENDITURES				
Current:				
Transportation	-	2,338,138	169,625	2,168,513
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(1,125,000)	(60,739)	1,064,261
OTHER FINANCING SOURCES				
Transfers In	-	1,125,000	1,125,000	-
NET CHANGE IN FUND BALANCES	-	-	1,064,261	1,064,261
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	$ -	$ -	$ 1,064,261	$ 1,064,261

NONMAJOR PROPRIETARY FUNDS

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Investments	$ 216,440	$ 5,079,734	$ 1,957,985	$ 7,254,159
Cash With Fiscal Agent	145,347	-	-	145,347
Receivables:				
Accounts	2,789	285,354	-	288,143
Due from Other Governments	-	400,000	-	400,000
Inventories	28,860	-	-	28,860
Prepaid Items	9,244	3,293	-	12,537
Total Current Assets	402,680	5,768,381	1,957,985	8,129,046
Capital Assets:				
Land	628,895	2,137,035	-	2,765,930
Construction in Progress	-	44,851	-	44,851
Building	217,380	-	-	217,380
Improvements Other than Buildings	1,022,934	4,369,620	2,572,139	7,964,693
Equipment	677,137	259,995	26,795	963,927
	2,546,346	6,811,501	2,598,934	11,956,781
Less: Accumulated Depreciation	(1,626,421)	(4,061,400)	(256,646)	(5,944,467)
Net Capital Assets	919,925	2,750,101	2,342,288	6,012,314
Total Noncurrent Assets	919,925	2,750,101	2,342,288	6,012,314
Total Assets	1,322,605	8,518,482	4,300,273	14,141,360
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	-	42,844	-	42,844
OPEB Related Items	-	46,058	-	46,058
Total Deferred Outflows of Resources	-	88,902	-	88,902

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2019

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
CURRENT LIABILITIES				
Accounts Payable	$ 29,970	$ 39,435	$ 18,350	$ 87,755
Accrued Liabilities	-	11,884	983	12,867
Unearned Revenue	-	-	525	525
Due to Other Funds	110,232	-	409,885	520,117
Current Portion of Compensated Absences	-	2,202	-	2,202
Current Portion of Total OPEB Liability	-	13,332	-	13,332
Total	140,202	66,853	429,743	636,798
LONG-TERM LIABILITIES				
Advances from Other Funds	1,658,361	-	2,818,040	4,476,401
Accumulated Unused Compensated Absences	-	19,821	-	19,821
Total OPEB Liability	-	545,326	-	545,326
Net Pension Liability	-	467,205	-	467,205
Total Long-Term Liabilities	1,658,361	1,032,352	2,818,040	5,508,753
Total Liabilities	1,798,563	1,099,205	3,247,783	6,145,551
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	-	9,632	-	9,632
OPEB Related Items	-	31,155	-	31,155
Total Deferred Inflows of Resources	-	40,787	-	40,787
NET POSITION				
Net Investment in Capital Assets	919,925	2,750,101	2,342,288	6,012,314
Unrestricted	(1,395,883)	4,717,291	(1,289,798)	2,031,610
Total Net Position	$ (475,958)	$ 7,467,392	$ 1,052,490	8,043,924

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2019

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
OPERATING REVENUES				
Charges for Services	$ 822,368	$ 1,840,495	$ 129,152	$ 2,792,015
Miscellaneous	-	481	-	481
Total Operating Revenues	822,368	1,840,976	129,152	2,792,496
OPERATING EXPENSES				
Personal Services	-	623,733	29,832	653,565
Material and Supplies	11,992	20,785	14,860	47,637
Depreciation and Amortization	43,354	187,844	106,071	337,269
Other Services and Charges	937,718	593,452	-	1,531,170
Total Operating Expenses	993,064	1,425,814	150,763	2,569,641
OPERATING INCOME (LOSS)	(170,696)	415,162	(21,611)	222,855
NONOPERATING REVENUES (EXPENSES)				
Operating Grants and Contributions	3,016	4,875	-	7,891
Net Change in Fair Value of Investments	6,192	108,256	-	114,448
Interest Expense	(6,013)	-	-	(6,013)
Gain (Loss) on Disposal of Assets - Net	1,400	-	-	1,400
Total Nonoperating Revenues (Expenses)	4,595	113,131	-	117,726
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(166,101)	528,293	(21,611)	340,581
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Grants and Contributions	-	75,637	-	75,637
Transfers In	164,293	-	-	164,293
Transfers Out	-	(13,500)	(23,110)	(36,610)
Total Capital Contributions and Transfers	164,293	62,137	(23,110)	203,320
CHANGE IN NET POSITION	(1,808)	590,430	(44,721)	543,901
Net Position - Beginning of Year	(474,150)	6,876,962	1,097,211	7,500,023
NET POSITION - END OF YEAR	$ (475,958)	$ 7,467,392	$ 1,052,490	$ 8,043,924

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2019

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 820,701	$ 2,001,695	$ 129,677	$ 2,952,073
Cash Paid to Employees for Services	-	(489,269)	(29,507)	(518,776)
Cash Paid to Suppliers for Goods and Services	(951,493)	(602,418)	(176,488)	(1,730,399)
Net Cash Provided (Used) by Operating Activities	(130,792)	910,008	(76,318)	702,898
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Grants and Contributions	3,016	4,875	-	7,891
Transfers from Other Funds	227,825	-	329,335	557,160
Transfers to Other Funds	-	(13,500)	(23,110)	(36,610)
Advances from Other Funds	-	-	2,290,115	2,290,115
Repayment of Advance From Other Funds	(35,232)	-	-	(35,232)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	195,609	(8,625)	2,596,340	2,783,324
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants and Contributions	-	21,750	-	21,750
Interest Paid	(6,013)	-	-	(6,013)
Acquisition and Construction of Capital Assets	(49,854)	-	(742,685)	(792,539)
Proceeds from Sale of Assets	1,400	-	-	1,400
Net Cash Provided (Used) by Capital and Related Financing Activities	(54,467)	21,750	(742,685)	(775,402)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net Investment Income	6,192	108,256	-	114,448
Net Cash Provided by Investing Activities	6,192	108,256	-	114,448
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,542	1,031,389	1,777,337	2,825,268
Cash and Cash Equivalents - Beginning of Year	345,245	4,048,345	180,648	4,574,238
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 361,787	$ 5,079,734	$ 1,957,985	$ 7,399,506

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ (170,696)	$ 415,162	$ (21,611)	$ 222,855
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	43,354	187,844	106,071	337,269
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts Receivable	(1,667)	160,719	-	159,052
Inventories	943	-	-	943
Prepaid Items	(1,014)	6,494	12	5,492
Deferred Outflows of Resources- Pension Related Items	-	2,546	-	2,546
Deferred Outflows of Resources- OPEB Related Items	-	(46,058)	-	(46,058)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	(1,712)	5,325	(161,640)	(158,027)
Accrued Liabilities	-	3,616	325	3,941
Unearned Revenue	-	-	525	525
Compensated Absences	-	4,506	-	4,506
Total OPEB Liability	-	133,290	-	133,290
Net Pension Liability	-	102,879	-	102,879
Deferred Inflows of Resources- Pension Related Items	-	(62,685)	-	(62,685)
Deferred Inflows of Resources- OPEB Related Items	-	(3,630)	-	(3,630)
Net Cash Provided (Used) by Operating Activities	$ (130,792)	$ 910,008	$ (76,318)	$ 702,898
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITIONS				
Cash, Investments, and Cash Equivalents	$ 216,440	$ 5,079,734	$ 1,957,985	$ 7,254,159
Cash With Fiscal Agent	145,347	-	-	145,347
Total Cash, Investments, and Cash Equivalents	$ 361,787	$ 5,079,734	$ 1,957,985	$ 7,399,506

INTERNAL SERVICE FUNDS

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2019

	Self-Insurance	General Services	Central Garage	Totals
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Investments	$ 1,867,481	$ 2,086,807	$ 503,047	$ 4,457,335
Accounts Receivable	207,393	259	-	207,652
Inventories	-	-	115,164	115,164
Prepaid Items	-	146,205	3,411	149,616
Total Current Assets	2,074,874	2,233,271	621,622	4,929,767
NONCURRENT ASSETS				
Capital Assets:				
Building	-	-	151,763	151,763
Improvements Other than Buildings	-	362,152	34,909	397,061
Equipment	-	2,153,385	371,056	2,524,441
	-	2,515,537	557,728	3,073,265
Less: Accumulated Depreciation	-	(2,038,940)	(522,590)	(2,561,530)
Net Capital Assets	-	476,597	35,138	511,735
Total Assets	2,074,874	2,709,868	656,760	5,441,502
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	-	133,772	52,122	185,894
OPEB Related Items	-	114,512	45,775	160,287
Total Deferred Outflows of Resources	-	248,284	97,897	346,181

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2019

	Self-Insurance	General Services	Central Garage	Totals
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts Payable	$ 497,717	$ 157,680	$ 8,900	$ 664,297
Accrued Liabilities	-	44,312	17,975	62,287
Unearned Revenue	2,497	-	-	2,497
Claims Payable	1,748,553	-	-	1,748,553
Current Portion of Compensated Absences	-	13,667	7,627	21,294
Current Portion of Total OPEB Liability	-	33,210	13,252	46,462
Total Current Liabilities	2,248,767	248,869	47,754	2,545,390
LONG-TERM LIABILITIES				
Accumulated Unused Compensated Absences	-	123,003	68,638	191,641
Total OPEB Liability	-	1,355,760	541,976	1,897,736
Net Pension Liability	-	1,458,741	568,378	2,027,119
Total Long-Term Liabilities	-	2,937,504	1,178,992	4,116,496
Total Liabilities	2,248,767	3,186,373	1,226,746	6,661,886
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	-	30,073	11,717	41,790
OPEB Related Items	-	77,461	30,964	108,425
Total Deferred Inflows of Resources	-	107,534	42,681	150,215
NET POSITION				
Net Investment in Capital Assets	-	476,597	35,138	511,735
Unrestricted	(173,893)	(812,352)	(549,908)	(1,536,153)
Total Net Position	$ (173,893)	$ (335,755)	$ (514,770)	$ (1,024,418)

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Self-Insurance	General Services	Central Garage	Totals
OPERATING REVENUES				
Charges for Services	$ 5,700,398	$ 4,817,368	$ 2,432,638	$ 12,950,404
Miscellaneous	545,571	31,122	-	576,693
Total Operating Revenues	6,245,969	4,848,490	2,432,638	13,527,097
OPERATING EXPENSES				
Personal Services	-	1,861,221	869,348	2,730,569
Material and Supplies	-	611,050	1,382,807	1,993,857
Depreciation	-	154,815	12,848	167,663
Other Services and Charges	6,921,039	1,808,494	363,664	9,093,197
Total Operating Expenses	6,921,039	4,435,580	2,628,667	13,985,286
OPERATING INCOME (LOSS)	(675,070)	412,910	(196,029)	(458,189)
NONOPERATING REVENUES				
Net Change in Fair Value of Investments	45,085	48,701	12,387	106,173
Gain on Disposal of Assets - Net	-	2,772	7,520	10,292
Total Nonoperating Revenues	45,085	51,473	19,907	116,465
INCOME (LOSS) BEFORE TRANSFERS	(629,985)	464,383	(176,122)	(341,724)
TRANSFERS				
Transfers In	701,200	20,800	-	722,000
CHANGE IN NET POSITION	71,215	485,183	(176,122)	380,276
Net Position - Beginning of Year	(245,108)	(820,938)	(338,648)	(1,404,694)
NET POSITION - END OF YEAR	$ (173,893)	$ (335,755)	$ (514,770)	$ (1,024,418)

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	Self-Insurance	General Services	Central Garage	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 6,044,917	$ 4,848,231	$ 2,434,330	$ 13,327,478
Cash Paid to Employees for Services	-	(1,826,824)	(627,314)	(2,454,138)
Cash Paid to Suppliers for Goods and Services	(6,992,902)	(2,359,060)	(1,691,317)	(11,043,279)
Net Cash Provided (Used) by Operating Activities	(947,985)	662,347	115,699	(169,939)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	701,200	20,800	-	722,000
Transfers to Other Funds	-	-	(65,699)	(65,699)
Net Cash Provided (Used) by Noncapital Financing Activities	701,200	20,800	(65,699)	656,301
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	-	(126,220)	-	(126,220)
Proceeds from Sale of Assets	-	2,772	7,520	10,292
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(123,448)	7,520	(115,928)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net Investment Income	45,085	48,701	12,387	106,173
Net Cash Provided by Investing Activities	45,085	48,701	12,387	106,173
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(201,700)	608,400	69,907	476,607
Cash and Cash Equivalents - Beginning of Year	2,069,181	1,478,407	433,140	3,980,728
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,867,481	$ 2,086,807	$ 503,047	$ 4,457,335
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ (675,070)	$ 412,910	$ (196,029)	$ (458,189)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	-	154,815	12,848	167,663
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts Receivable	(203,549)	(259)	1,692	(202,116)
Inventories	-	-	18,972	18,972
Prepaid Items	-	(15,811)	48,014	32,203
Deferred Outflows of Resources- Pension Related Items	-	2,349	(4,170)	(1,821)
Deferred Outflows of Resources- OPEB Related Items	-	(114,512)	(45,775)	(160,287)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	(69,520)	76,295	(11,832)	(5,057)
Accrued Liabilities	(2,343)	9,108	5,680	12,445
Unearned Revenue	2,497	-	-	2,497
Compensated Absences	-	(7,944)	7,725	(219)
Total OPEB Liability	-	2,271	161,054	163,325
Net Pension Liability	-	366,162	183,491	549,653
Deferred Inflows of Resources- Pension Related Items	-	(186,801)	(64,681)	(251,482)
Deferred Inflows of Resources- OPEB Related Items	-	(36,236)	(1,290)	(37,526)
Net Cash Provided (Used) by Operating Activities	$ (947,985)	$ 662,347	$ 115,699	$ (169,939)

STATISTICAL SECTION

(UNAUDITED)

STATISTICAL SECTION

(UNAUDITED)

This part of the City of Winter Haven'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.

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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Governmental Activities Tax Revenues by Source, Last Ten Fiscal Years 163
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This schedule provides water and sewer consumption and rate information to help the reader assess the City's most significant own source revenue, water and sewer charges.

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STATISTICAL SECTION

(UNAUDITED)

Operating Information

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.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF WINTER HAVEN, FLORIDA
TABLE 1
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
Net Investment in Capital Assets	$ 45,234,239	$ 43,893,592	$ 37,464,863	$ 36,870,523	$ 33,858,502	$ 36,877,959	$ 37,098,763	$ 36,846,194	$ 35,708,921	$ 32,629,845
Restricted	11,298,724	6,149,488	4,565,096	3,409,302	2,397,480	2,851,631	2,102,573	2,764,373	3,639,507	15,617,243
Unrestricted	7,849,877	(10,341,098)	(1,771,610)	(6,940,999)	(10,346,605)	8,748,131	10,847,286	13,531,056	18,210,864	12,032,783
Subtotal Governmental Activities Net Position	$ 64,382,840	$ 39,701,982	$ 40,258,349	$ 33,338,826	$ 25,909,377	$ 48,477,721	$ 50,048,622	$ 53,141,623	$ 57,559,292	$ 60,279,871
Business Type Activities										
Net Investment in Capital Assets	$ 25,873,607	$ 20,741,636	$ 14,654,234	$ 13,754,969	$ 12,017,199	$ 8,999,168	$ 10,358,279	$ 6,912,528	$ 9,747,735	$ 11,592,725
Restricted	17,885,343	14,783,230	18,121,549	16,375,695	14,831,150	15,514,850	15,860,760	16,391,029	17,466,679	19,357,922
Unrestricted	27,775,495	25,856,950	23,218,885	13,263,706	12,942,084	21,863,614	14,895,681	16,920,140	13,684,816	10,823,567
Subtotal Business Type Activities	$ 71,534,445	$ 61,381,816	$ 55,994,668	$ 43,394,370	$ 39,790,433	$ 46,377,632	$ 41,114,720	$ 40,223,697	$ 40,899,230	$ 41,774,214
Primary government										
Net Investment in Capital Assets	$ 71,107,846	$ 64,635,228	$ 52,119,097	$ 50,625,492	$ 45,875,701	$ 45,877,127	$ 47,457,042	$ 43,758,722	$ 45,456,656	$ 44,222,570
Restricted	29,184,067	20,932,718	22,686,645	19,784,997	17,228,630	18,366,481	17,963,333	19,155,402	21,106,186	34,975,165
Unrestricted	35,625,372	15,515,852	21,447,275	6,322,707	2,595,479	30,611,745	25,742,967	30,451,196	31,895,680	22,856,350
Total Primary Government Net Position	$ 135,917,285	$ 101,083,798	$ 96,253,017	$ 76,733,196	$ 65,699,810	$ 94,855,353	$ 91,163,342	$ 93,365,320	$ 98,458,522	$ 102,054,085

CITY OF WINTER HAVEN, FLORIDA
TABLE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
EXPENSES										
Government Activities										
General Government	$ 9,375,891	$ 8,634,562	$ 10,095,366	$ 9,209,261	$ 8,584,527	$ 8,086,016	$ 9,399,765	$ 8,879,244	$ 7,820,347	$ 7,924,217
Public Safety	22,566,425	21,498,700	19,074,245	19,762,150	19,396,846	20,750,606	19,816,929	18,358,944	18,353,677	17,426,469
Transportation	4,823,105	4,526,558	3,564,670	5,023,998	3,667,560	3,183,123	3,052,186	3,128,571	3,130,646	2,865,003
Economic Development	1,429,659	2,313,490	1,818,752	1,806,586	1,732,069	2,069,015	1,845,250	1,786,618	1,762,529	1,953,008
Human Services	1,359,738	851,223	707,632	683,485	876,034	607,285	829,879	769,648	1,376,048	953,255
Culture and Recreation	8,369,798	8,082,653	7,030,761	7,416,463	7,858,528	8,423,328	7,884,145	7,684,359	7,253,120	7,399,796
Interest on Long Term Debt	1,389,279	681,215	612,463	706,844	2,293,143	1,117,958	1,162,384	1,225,629	1,456,101	1,544,341
Other Debt Service	-	-	141,339	1,260	249,322	-	-	2,404	45,583	-
Subtotal Governmental Activities Expenses	49,313,895	46,588,401	43,045,228	44,610,047	44,658,029	44,237,331	43,990,538	41,835,417	41,198,051	40,066,089
Business Type Activities										
Water and Sewer System	22,562,447	22,793,051	20,426,584	21,254,361	20,819,341	21,604,207	21,896,454	22,198,107	21,501,368	21,994,417
Solid Waste System	6,105,339	4,896,807	5,066,354	4,762,928	4,645,385	4,726,645	4,668,489	4,456,128	4,142,119	3,895,385
Stormwater	1,438,368	1,436,298	1,376,689	1,138,746	1,661,327	1,611,708	1,298,173	1,337,044	1,323,878	1,185,852
Willowbrook	999,155	1,285,690	1,043,259	1,035,457	1,017,227	1,370,458	1,076,752	1,127,260	1,055,156	1,046,960
Dark Fiber	150,763	66,913	12,531	-	-	-	-	-	-	-
Subtotal Business Type Activities	31,256,072	30,478,759	27,925,417	28,191,492	28,143,280	29,313,018	28,939,868	29,118,539	28,022,521	28,122,614
Total Primary Government	$ 80,569,967	$ 77,067,160	$ 70,970,645	$ 72,801,539	$ 72,801,309	$ 73,550,349	$ 72,930,406	$ 70,953,956	$ 69,220,572	$ 68,188,703
PROGRAM REVENUES										
Government Activities										
General Government	$ 4,635,069	$ 4,457,523	$ 4,245,109	$ 5,017,700	$ 3,957,638	$ 4,273,166	$ 3,945,708	$ 4,064,039	$ 4,075,609	$ 4,225,749
Public Safety	1,208,762	1,018,595	1,074,372	957,860	837,028	953,509	834,519	1,006,859	1,400,041	1,380,390
Transportation	4,125,237	5,596,578	3,223,216	2,226,255	1,284,179	993,093	1,101,177	968,631	1,183,725	3,122,512
Economic Development	4,590,129	3,879,413	4,571,176	3,230,752	1,984,091	3,272,936	2,327,772	1,270,321	850,517	768,543
Human Services	922,066	500,260	664,033	735,212	492,595	739,610	558,161	358,115	891,602	500,779
Culture and Recreation	14,128,691	1,193,752	1,141,820	1,178,352	1,119,366	1,049,519	1,041,328	1,030,719	1,674,022	1,333,850
Subtotal Governmental Activities Program Revenue	29,609,954	16,646,121	14,919,726	13,346,131	9,674,897	11,281,833	9,808,665	8,698,684	10,075,516	11,331,823
Business Type Activities										
Water and Sewer System	36,057,444	36,450,559	33,874,974	28,757,406	28,779,383	29,250,496	29,182,606	25,067,823	24,252,549	22,037,540
Solid Waste System	8,526,544	4,654,920	6,823,509	6,356,195	5,998,926	5,802,367	5,522,934	5,341,810	5,219,074	5,069,571
Stormwater	1,921,488	1,944,307	2,055,180	1,641,019	1,598,051	1,550,784	1,977,581	1,403,205	1,491,823	1,340,637
Willowbrook	825,384	783,825	847,548	782,513	763,584	908,176	774,646	870,596	871,221	901,440
Dark Fiber	129,152	132,996	116,603	-	-	-	-	-	-	-
Subtotal Business Type Activities Program Revenue	47,460,012	43,966,607	43,717,814	37,537,133	37,139,944	37,511,823	37,457,767	32,683,434	31,834,667	29,349,188
Total Primary Government	$ 77,069,966	$ 60,612,728	$ 58,637,540	$ 50,883,264	$ 46,814,841	$ 48,793,656	$ 47,266,432	$ 41,382,118	$ 41,910,183	$ 40,681,011

CITY OF WINTER HAVEN, FLORIDA
TABLE 2
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

NET(EXPENSE) REVENUE	Fiscal Year									
Government Activities	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government	$ (4,740,822)	$ (4,177,039)	$ (5,850,257)	$ (4,191,561)	$ (4,626,889)	$ (3,812,850)	$ (5,454,057)	$ (4,815,205)	$ (3,744,738)	$ (3,698,468)
Public Safety	(21,357,663)	(20,480,105)	(17,999,873)	(18,804,290)	(18,559,818)	(19,797,097)	(18,982,410)	(17,352,085)	(16,953,636)	(16,046,079)
Transportation	(697,868)	1,070,020	(341,454)	(2,797,743)	(2,383,381)	(2,190,030)	(1,951,009)	(2,159,940)	(1,946,921)	257,509
Economic Development	3,160,470	1,565,923	2,752,424	1,424,166	252,022	1,203,921	482,522	(516,297)	(912,012)	(1,184,465)
Human Services	(437,672)	(350,963)	(43,599)	51,727	(383,439)	132,325	(271,718)	(411,533)	(484,446)	(452,476)
Culture and Recreation	5,758,893	(6,888,901)	(5,888,941)	(6,238,111)	(6,739,162)	(7,373,809)	(6,842,817)	(6,653,640)	(5,579,098)	(6,065,946)
Interest on Long-Term Debt	(1,389,279)	(681,215)	(612,463)	(706,844)	(2,293,143)	(1,117,958)	(1,162,384)	(1,225,629)	(1,456,101)	(1,544,341)
Other Debt Service	-	-	(141,339)	(1,260)	(249,322)	-	-	(2,404)	(45,583)	-
Subtotal Governmental Activities Net Expense	(19,703,941)	(29,942,280)	(28,125,502)	(31,263,916)	(34,983,132)	(32,955,498)	(34,181,873)	(33,136,733)	(31,122,535)	(28,734,266)
Business Type Activities										
Water and Sewer System	13,494,997	13,657,508	13,448,390	7,503,045	7,960,042	7,646,289	7,286,152	2,869,716	2,751,181	43,123
Solid Waste System	2,421,205	2,758,113	1,757,155	1,593,267	1,353,541	1,075,722	854,445	885,682	1,076,955	1,174,186
Stormwater	483,120	508,009	678,491	502,273	(63,276)	(60,924)	679,408	66,161	167,945	154,785
Willowbrook	(173,771)	(501,865)	(195,711)	(252,944)	(253,643)	(462,282)	(302,106)	(256,664)	(183,935)	(145,520)
Dark Fiber	(21,611)	66,083	104,072	-	-	-	-	-	-	-
Subtotal Business Type Activities Net Expense	16,203,940	16,487,848	15,792,397	9,345,641	8,996,664	8,198,805	8,517,899	3,564,895	3,812,146	1,226,574
Total primary government	$ (3,500,001)	$ (13,454,432)	$ (12,333,105)	$ (21,918,275)	$ (25,986,468)	$ (24,756,693)	$ (25,663,974)	$ (29,571,838)	$ (27,310,389)	$ (27,507,692)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes: Property	$ 16,820,550	$ 12,772,488	$ 11,508,749	$ 10,233,775	$ 9,512,073	$ 9,061,747	$ 8,700,645	$ 8,986,133	$ 9,866,537	$ 12,199,839
Taxes: Utility	6,789,197	6,714,869	6,434,213	6,050,100	5,855,891	5,807,599	5,645,061	5,615,409	5,513,131	5,690,987
Taxes: Franchise	3,508,260	3,403,431	3,305,112	3,385,734	3,289,214	3,217,514	2,942,332	2,995,992	3,078,185	3,327,261
Taxes: Fuel	2,029,500	1,929,720	1,834,549	1,762,196	1,655,207	1,522,865	1,470,170	1,606,334	1,527,166	1,531,951
State Shared: Sales Tax	2,779,282	2,573,786	2,367,136	2,289,491	2,087,383	1,978,862	1,786,206	1,675,486	1,635,132	1,576,279
State Shared: Cigarette	1,172,897	1,082,745	1,016,784	936,602	886,585	802,560	724,236	704,388	680,921	650,133
State Shared: Other	1,930,675	1,339,122	1,271,176	1,215,171	1,157,860	1,140,984	1,107,502	1,242,734	667,754	696,280
Unrestricted Investment Earnings	1,264,406	612,858	349,143	119,220	119,941	(1,204)	124,448	248,102	495,459	446,949
Gain on Sale of Capital Assets	11,969	37,445	85,335	87,966	44,307	37,401	46,461	905,520	932	88,638
Miscellaneous	470,344	534,139	293,386	601,469	134,310	169,059	81,131	160,040	167,631	333,697
Transfers	7,607,719	7,680,835	6,579,442	12,011,641	8,286,612	7,244,577	7,856,974	4,578,926	4,769,108	4,707,770
Sub-Total Governmental Activities	44,384,799	38,681,438	35,045,025	38,693,365	33,029,383	30,981,964	30,485,166	28,719,064	28,401,956	31,249,784
Business Type Activities										
Unrestricted Investment Earnings	1,529,515	1,067,666	570,670	250,619	181,786	19,008	170,393	303,879	206,970	428,942
Gain on Sale of Capital Assets	26,893	37,440	-	6,019,318	38,132	4,871,675	59,705	34,619	(19,298)	42,689
Miscellaneous	-	140,600	-	-	-	-	-	-	-	-
Transfers	(7,607,719)	(7,680,835)	(6,579,442)	(12,011,641)	(8,286,612)	(7,244,577)	(7,856,974)	(4,578,926)	(4,769,108)	(4,707,770)
Sub-Total Business Activities	(6,051,311)	(6,435,129)	(6,008,772)	(5,741,704)	(8,066,694)	(2,353,894)	(7,626,876)	(4,240,428)	(4,581,436)	(4,236,139)
Total Primary Government	$ 38,333,488	$ 32,246,309	$ 29,036,253	$ 32,951,661	$ 24,962,689	$ 28,628,070	$ 22,858,290	$ 24,478,636	$ 23,820,520	$ 27,013,645
INCREASE(DECREASE) IN NET POSITION										
Governmental Activities	$ 24,680,858	$ 8,739,158	$ 6,919,523	$ 7,429,449	$ (1,953,749)	$ (1,973,534)	$ (3,696,707)	$ (4,417,669)	$ (2,720,579)	$ 2,515,518
Business Type Activities	10,152,629	10,052,719	9,783,625	3,603,937	929,970	5,844,911	891,023	(675,533)	(769,290)	(3,009,565)
Total Primary Government	$ 34,833,487	$ 18,791,877	$ 16,703,148	$ 11,033,386	$ (1,023,779)	$ 3,871,377	$ (2,805,684)	$ (5,093,202)	$ (3,489,869)	$ (494,047)

CITY OF WINTER HAVEN, FLORIDA
TABLE 3
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Taxes	Sales Taxes	Franchise Taxes	Motor Fuel Taxes	Cigarette Taxes	Utility Taxes	Other Taxes	Total
2010	$ 12,199,839	$ 1,576,279	$ 3,327,261	$ 1,531,951	$ 650,133	$ 5,690,986	$ 696,280	$ 25,672,729
2011	9,866,537	1,635,132	3,078,185	1,527,166	680,921	5,513,132	667,754	22,968,827
2012	8,986,133	1,675,486	2,995,992	1,606,334	704,388	5,615,409	1,242,734	22,826,476
2013	8,700,645	1,786,206	2,942,332	1,470,170	724,236	5,645,061	1,107,502	22,376,152
2014	9,061,747	1,978,862	3,217,514	1,522,865	802,560	5,807,599	1,140,984	23,532,131
2015	9,512,073 *	2,087,383	3,289,214	1,655,207	886,585	5,855,891	1,157,860	24,444,213
2016	10,233,775 *	2,289,491	3,385,734	1,762,196	936,602	6,050,100	1,215,171	25,873,069
2017	11,508,749 *	2,367,136	3,305,112	1,834,549	1,016,784	6,434,213	1,271,176	27,737,719
2018	12,772,488 *	2,573,786	3,403,431	1,929,720	1,082,745	6,714,869	1,339,122	29,816,161
2019	16,820,550 *	2,779,282	3,508,260	2,029,500	1,172,897	6,789,197	1,930,675	35,030,361

* Property Taxes include Ad Valorem tax proceeds received from the County for the City's CRA Districts (Downtown and Florence Villa)

CITY OF WINTER HAVEN, FLORIDA
TABLE 4
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
General Fund	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Nonspendable	$ 2,148,072	$ 1,888,799	$ 1,859,389	$ 1,858,826	$ 1,814,373	$ 1,780,015	$ 1,727,263	$ 1,712,676	$ 1,736,892	$ -
Restricted	209,429	207,496	207,323	205,640	7,403	11,036	17,709	51,297	168,630	-
Assigned	68,054	25,666	25,183	23,751	905,947	903,900	25,566	19,166	634,089	-
Unassigned	12,594,889	12,870,923	10,453,368	8,486,848	8,060,985	6,943,484	7,714,673	7,505,482	6,696,772	-
Reserved	-	-	-	-	-	-	-	-	-	1,668,692
Unreserved	-	-	-	-	-	-	-	-	-	8,905,676
Subtotal General Fund	$ 15,020,444	$ 14,992,884	$ 12,545,263	$ 10,575,065	$ 10,788,708	$ 9,638,435	$ 9,485,211	$ 9,288,621	$ 9,236,383	$ 10,574,368
All Other Governmental Funds										
Nonspendable	$ 74,224	$ 107,726	$ 95,131	$ 102,188	$ 114,624	$ 930,677	$ 260,550	$ 413,441	$ 497,144	$ -
Restricted	11,791,458	6,294,133	4,735,537	3,589,298	2,799,676	3,379,498	2,622,342	3,310,779	3,639,507	-
Committed	494,565	500,862	414,011	349,764	316,174	279,841	399,978	489,678	919,345	-
Assigned	16,678,688	7,552,634	18,920,228	10,984,367	8,946,138	6,862,170	6,954,142	7,414,858	9,903,626	-
Unassigned	(365,336)	(306,783)	(864,361)	(863,897)	(594,614)	(553,061)	(373,848)	(830,612)	(534,323)	-
Reserved	-	-	-	-	-	-	-	-	-	13,820,773
Unreserved, Reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	4,571,960
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Subtotal All Other Governmental Funds	28,673,599	14,148,572	23,300,546	14,161,720	11,581,998	10,899,125	9,863,164	10,798,144	14,425,299	18,392,733
Total Fund Balance	$ 43,694,043	$ 29,141,456	$ 35,845,809	$ 24,736,785	$ 22,370,706	$ 20,537,560	$ 19,348,375	$ 20,086,765	$ 23,661,682	$ 28,967,101

Note: In FY 2011, the City implemented GASB 54, under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. Prior year numbers are not restated.

CITY OF WINTER HAVEN, FLORIDA
TABLE 5
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
REVENUES										
Taxes	$ 29,928,462	$ 25,594,991	$ 23,822,659	$ 22,101,031	$ 20,956,633	$ 20,255,190	$ 19,371,259	$ 19,783,981	$ 19,985,019	$ 22,750,038
Licenses and Permits	196,399	220,086	260,496	243,150	244,559	273,263	254,556	264,350	248,048	247,138
Intergovernmental	9,308,255	9,093,018	7,161,660	6,644,191	4,572,857	6,632,713	4,902,836	4,642,204	6,159,794	7,540,475
Charges for Services	8,456,255	7,890,897	7,024,915	5,966,953	4,788,182	4,647,133	3,813,351	3,703,177	3,640,929	3,618,100
Fines and Forfeitures	317,373	327,074	321,480	384,320	334,092	378,166	334,356	363,045	230,306	281,111
Rents	1,101,015	1,134,734	1,054,939	1,069,563	1,069,223	1,026,903	922,314	894,509	782,708	825,661
Change in Fair Value of Investments	1,158,233	533,693	309,953	98,546	89,119	7,125	87,884	172,620	442,291	325,695
Contributions	10,883	7,718	248	3,443	3,072	635	943	2,400	8,739	-
Sale of Assets	25,955	242,445	84,656	83,153	36,018	47,385	51,534	938,066	23,451	85,194
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
Miscellaneous	735,370	937,161	700,835	1,086,432	427,721	483,002	381,953	454,783	443,683	333,697
Total Revenues	51,238,200	45,981,817	40,741,841	37,680,782	32,521,476	33,751,515	30,120,986	31,219,135	31,964,968	36,007,109
EXPENDITURES										
Current										
General Government	6,754,965	6,494,528	7,496,910	7,848,300	4,824,803	5,347,528	4,767,319	4,673,312	5,016,932	5,062,255
Public Safety	20,798,574	21,660,084	20,077,109	21,117,034	19,267,427	19,377,853	18,911,630	18,067,731	18,214,276	16,232,926
Transportation	5,752,081	7,435,633	4,686,015	4,322,726	2,919,564	2,336,887	2,294,367	2,938,909	2,217,641	4,547,379
Economic Environment	975,746	845,182	801,939	755,579	613,187	895,825	742,328	837,566	743,462	862,766
Human Services	1,296,342	787,687	723,938	698,321	795,774	735,126	844,579	738,224	1,346,563	906,812
Culture and Recreation	7,043,748	7,151,773	6,841,385	6,971,999	7,633,831	7,258,920	6,746,504	6,607,340	6,497,748	6,992,878
Subtotal Current	42,621,456	44,374,887	40,627,296	41,713,959	36,054,586	35,952,139	34,306,727	33,863,082	34,036,622	34,605,016
Debt Service										
Principal	2,015,000	1,805,000	1,580,000	1,430,000	1,414,308	1,278,797	1,537,245	1,246,909	1,802,494	1,574,621
Interest	1,097,313	757,419	709,779	798,495	784,674	1,101,123	1,154,109	1,159,498	1,629,940	1,568,607
Other Debt Service	550	550	140,629	550	261,398	-	-	2,404	45,583	-
Subtotal Debt Service	3,112,863	2,562,969	2,430,408	2,229,045	2,460,380	2,379,920	2,691,354	2,408,811	3,478,017	3,143,228
Capital Projects	22,737,013	12,906,201	1,287,001	3,239,540	395,074	1,856,681	2,301,175	3,080,285	4,246,606	4,690,094
Total Expenditures	68,471,332	59,844,057	44,344,705	47,182,544	38,910,040	40,188,740	39,299,256	39,352,178	41,761,245	42,438,338
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,233,132)	(13,862,240)	(3,602,864)	(9,501,762)	(6,388,564)	(6,437,225)	(9,178,270)	(8,133,043)	(9,796,277)	(6,431,229)

CITY OF WINTER HAVEN, FLORIDA
TABLE 5
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Other Financing Sources (Uses)										
Transfers in	$ 27,166,798	$ 16,884,361	$ 16,412,988	$ 20,566,985	$ 16,784,215	$ 15,991,646	$ 14,382,120	$ 12,971,274	$ 12,202,128	$ 13,752,487
Transfers out	(20,281,079)	(9,726,474)	(9,114,259)	(8,699,144)	(8,568,403)	(8,767,869)	(6,545,946)	(8,413,148)	(7,433,020)	(9,144,717)
Issuance of Debt	24,900,000	-	7,535,000	-	-	-	-	-	-	-
Issuance of Refunding Bonds	-	-	5,570,000	-	13,205,000	-	-	-	6,405,000	-
Issuance Premium	-	-	-	-	557,512	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	(5,691,841)	-	(13,756,614)	-	-	-	(6,683,250)	-
Total Other Financing Sources (Uses)	31,785,719	7,157,887	14,711,888	11,867,841	8,221,710	7,223,777	7,836,174	4,558,126	4,490,858	4,607,770
Net Change in Fund Balance	$ 14,552,587	$ (6,704,353)	$ 11,109,024	$ 2,366,079	$ 1,833,146	$ 786,552	$ (1,342,096)	$ (3,574,917)	$ (5,305,419)	$ (1,823,459)
Debt service as % of noncap exp	7.5%	6.1%	5.7%	5.4%	5.7%	6.4%	7.4%	6.6%	9.2%	9.2%

CITY OF WINTER HAVEN, FLORIDA
TABLE 6
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Assessed Value Personal Property	Centrally Assessed Property	Less: Tax Exempt Property	Taxable Assessed Valuation	Total Direct Tax	Estimated Actual Taxable Value
2010	$ 2,529,180,953	$ 307,000,155	$ 502,384	$ 893,124,857	$ 1,943,558,635	5.790	$ 1,943,558,635
2011	2,119,389,288	286,308,889	459,378	771,592,749	1,634,564,806	5.790	1,634,564,806
2012	1,877,957,535	288,126,268	488,373	649,788,842	1,516,783,334	5.790	1,516,783,334
2013	1,845,537,194	274,182,073	454,674	654,026,382	1,466,147,559	5.790	1,466,147,559
2014	1,924,849,048	263,189,818	554,760	659,546,692	1,529,046,934	5.790	1,529,046,934
2015	2,007,403,179	292,022,511	572,626	689,628,652	1,610,369,664	5.790	1,610,369,664
2016	2,144,565,792	309,321,654	10,473,300	741,075,963	1,723,284,783	5.790	1,723,284,783
2017	2,332,021,779	356,176,075	10,576,196	774,995,115	1,923,778,935	5.790	1,923,778,935
2018	2,546,345,759	380,868,003	10,450,270	817,745,867	2,119,918,165	5.790	2,119,918,165
2019	2,842,990,385	387,118,105	11,207,402	86,980,131	2,371,505,761	6.790	2,371,505,761

Source: Polk County Property Appraiser Form 403
Note: Property in the county is reassessed annually. The county assesses property at approximately 85-90 percent of market value.

CITY OF WINTER HAVEN, FLORIDA
TABLE 7
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	General Government	Debt Service	Other	Total Direct Rate	Polk County	School Board	Lake Region Management	Peace River	SWFMD
2010	5.790	-	-	5.790	6.8665	6.086	0.3833	0.1827	0.3866
2011	5.790	-	-	5.790	6.8665	6.292	0.4478	-	0.3770
2012	5.790	-	-	5.790	6.8665	7.670	0.4829	-	0.3928
2013	5.790	-	-	5.790	6.8665	7.492	0.4996	-	0.3928
2014	5.790	-	-	5.790	6.8665	7.547	0.4924	-	0.3818
2015	5.790	-	-	5.790	6.8665	7.208	0.4924	-	0.3658
2016	5.790	-	-	5.790	6.7815	7.149	0.4715	-	0.3488
2017	5.790	-	-	5.790	6.7815	6.797	0.4512	-	0.3317
2018	5.790	-	-	5.790	6.7815	6.514	0.4214	-	0.3131
2019	6.790	-	-	6.790	7.1565	6.251	0.4214	-	0.2955

Note: The City of Winter Haven has no overlapping tax rates due to there being no leveraging of property taxes by other governmental entities.

CITY OF WINTER HAVEN, FLORIDA
TABLE 8
PRINCIPAL TAXPAYERS
YEARS ENDED SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2008

	2019		2010	
Taxpayer	Taxable Assessed Valuation	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Percentage of Total Taxable Assessed Value
Legoland/Merlin Entertainment	$ 89,304,914	3.77%		
Wal-Mart Stores, Inc.	56,557,075	2.38%	$ 33,535,341	2.05%
Tampa Electric	40,682,540	1.72%		
Carlton Arms of Winter Haven LLP	34,285,257	1.45%	17,836,200	1.09%
Tractor REO Winter Haven LLC	25,150,773	1.06%		
Spring Haven Retirement LLC	22,275,054	0.94%		
Sunstone Winter Haven Florida LLC	18,857,402	0.80%		
Winter Haven Industrial Investors	16,621,296	0.70%		
Landmark Investments Inc	14,933,391	0.63%	12,100,617	0.74%
PVP Winter Haven	14,328,294	0.60%		
State Farm Mutual Automobile Ins. Co.			20,685,433	1.27%
Hanson Pipe and Products SE			10,005,266	0.61%
Lake Ashton Development			11,502,482	0.70%
AM Winter Haven			10,971,567	0.67%
Sherwin-Williams Co.			11,294,955	0.69%
Winter Haven Citi Center			9,113,324	0.56%
CCH Ltd. Partnership III			10,561,261	0.65%
Subtotal	332,995,996	14.04%	147,606,446	9.03%
All other taxpayers	2,038,509,765	85.96%	1,486,958,360	90.97%
Total	$ 2,371,505,761	100.00%	$ 1,634,564,806	100.00%

Source: Property Appraiser Form 403 and 2010 CAFR (Table 8)

CITY OF WINTER HAVEN, FLORIDA
TABLE 9
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy for Fiscal Year		Collections Within Fiscal Year of Levy	Percent of Levy Collected	Collections in Subsequent Years	City Collections Only	Ratio of Levy to Collections	Total Collections
2010	$ 11,253,204	*	$ 10,963,380	97.42%	$ 63,631	$ 11,027,011	97.99%	$ 12,199,838
2011	9,428,168	*	9,131,489	96.85%	36,333	9,167,822	97.24%	9,870,689
2012	8,782,175	*	8,427,188	95.96%	30,013	8,457,201	96.30%	8,986,133
2013	8,488,994	*	8,205,453	96.66%	33,621	8,239,074	97.06%	8,667,023
2014	9,185,708	**	8,550,141	93.08%	29,308	8,579,449	93.40%	8,579,449
2015	9,313,686	**	8,975,963	96.37%	30,423	9,006,386	96.70%	9,006,386
2016	9,995,487	**	9,609,535	96.14%	27,294	9,636,829	96.41%	9,636,829
2017	11,175,917	**	10,753,112	96.22%	28,159	10,781,271	96.47%	10,781,271
2018	12,216,629	**	11,821,959	96.77%	33,273	11,855,232	97.04%	11,855,232
2019	16,102,524	**	15,603,176	96.90%	43,885	15,647,061	97.17%	15,647,061

* Total Collections **include** County Ad Valorem payments to City's CRA Districts (Downtown and Florence Villa)

* * Total Collections **do not include** County Ad Valorem payments to City's CRA Districts (Downtown and Florence Villa)

CITY OF WINTER HAVEN, FLORIDA
TABLE 10
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Government Activities				Business Type			
Fiscal Year	Special Obligation Bonds	Public Improvement Rev Bonds	Sales Tax Revenue Bonds	Notes Payable	Water/Sewer Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2010	$ 363,498	$ 23,427,501	$ 7,015,000	$ 944,393	$ 60,455,000	$ 92,205,392	11.8%	$ 2,722
2011	203,807	22,688,453	6,405,000	650,638	58,945,000	88,892,898	12.1%	2,606
2012	34,493	21,913,524	6,405,000	347,972	57,860,000	86,560,989	13.8%	2,517
2013	-	21,214,166	5,558,182	236,246	55,777,738	82,786,332	11.2%	2,282
2014	-	21,175,921	5,220,000	119,308	55,968,807	82,484,036	10.4%	2,228
2015	-	21,214,149	4,610,000	-	53,409,884	79,234,033	9.2%	2,081
2016	-	20,365,499	3,985,000	-	53,083,141	77,433,640	8.1%	1,959
2017	-	26,678,360	3,350,000	-	51,081,397	81,109,757	8.0%	1,971
2018	-	25,486,803	2,705,000	-	49,116,653	77,308,456	5.3%	1,805
2019	-	49,000,246	2,045,000	-	47,059,909	98,105,155	5.2%	2,189

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See schedule of Demographic and Economic statistics (Table 14) for personal income and population data.

CITY OF WINTER HAVEN, FLORIDA
TABLE 11
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2019

Governmental unit	Debt Outstanding	Estimated % Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes: Polk County School Board	$ 371,356,318	6.3368%	$ 23,532,107
Overlapping debt	371,356,318		23,532,107
City of Winter Haven direct debt	51,045,246		51,045,246
Total direct and overlapping debt	$ 422,401,564		$ 74,577,353

Sources: School Board debt outstanding and Polk County outstanding debt obtained from 2019 CAFR.

Note: Overlapping governments are those that coincide at least in part, with the geographic boundaries of the city. This schedule estimates the portioning of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Winter Haven. This process recognizes that, when considering the governments' ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the school board's taxable assessed value that is within the City's boundaries and dividing it by the City's total taxable assessed value.

CITY OF WINTER HAVEN, FLORIDA
TABLE 12
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Gross W/S Fund Revenue	Less: Operating Expenses	Net Revenues	Bond Service Requirements	W/S System Development Charges	Debt Svc Coverage Test 1	Required Debt Svc Coverage Test 1	Debt Svc Coverage Test 2	Required Debt Svc Coverage Test 2
2010	$ 21,144,056	$ 13,048,445	$ 8,095,611	$ 4,032,210	$ 462,479	201%	115%	212%	120%
2011	22,983,498	13,028,794	9,954,704	3,706,825	421,362	269%	115%	280%	120%
2012	24,063,228	13,179,690	10,883,538	3,840,726	462,288	283%	115%	295%	120%
2013	27,436,452	13,003,297	14,433,155	3,832,352	673,448	377%	115%	394%	120%
2014	31,701,970	14,738,168	16,963,802	3,776,418	830,120	449%	115%	471%	120%
2015	27,397,846	14,067,335	13,330,511	3,489,471	861,062	382%	115%	407%	120%
2016	32,575,899	19,249,338	13,326,561	1,819,029	790,282	733%	115%	776%	120%
2017	29,840,767	14,307,126	15,533,641	3,466,238	1,377,917	448%	115%	488%	120%
2018	30,000,937	15,809,782	14,191,155	3,554,438	1,391,495	399%	115%	438%	120%
2019	31,070,586	16,167,286	14,903,300	3,597,776	1,347,569	414%	115%	452%	120%

1.) Gross revenues includes all income and earnings, including connection fees but does not include proceeds from the sale of the system, contributions in aid of construction or water and sewer system development fees.

2.) Operating expenses include all costs of operating the system but does not include depreciation expense, bond amortization, renewal and replacement reserve payments, the annual bond service requirement or transfers to other funds.

3.) Bond service requirement is the amount required to be deposited in the bond service fund during each bond year (Oct 1). The amount is reduced by the amount to be transferred from the construction fund to pay interest.

4.) Allowable water and sewer development charges based on water and sewer expansion percentage provision of the bond resolution, 18.65% water development charges, 36.7% wastewater development charges.

5.) Net revenues divided by bond service requirements.

6.) Test 2 is net revenues plus legally available water and sewer system development charges divided by the bond service requirements.

CITY OF WINTER HAVEN, FLORIDA
TABLE 13
WATER AND SEWER CONSUMPTION
LAST TEN FISCAL YEARS

	Water Sold By Type of Customer (by millions of gallons)									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Type of Customer										
Residential	1,974.7	2,007.4	2,041.0	1,656.2	1,748.7	1,699.0	1,760.7	1,904.2	1,978.7	1,807.9
Commercial	1,073.4	1,090.7	1,048.0	891.5	1,027.1	1,029.0	959.9	978.5	990.6	901.5
Municipal	110.9	95.6	131.0	119.2	138.4	124.0	114.3	124.9	142.6	115.9
Total	3,159.0	3,193.7	3,220.0	2,666.9	2,914.2	2,852.0	2,834.9	3,007.6	2,989.4	2,825.3

Source: Utility Department Consumption Journals

Water and Sewer Rates

	Water		Sewer	
Year	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gal
2010	4.91	1.62	6.84	3.77
2011	5.03	1.66	7.01	3.86
2012	5.15	1.70	7.18	3.95
2013	5.45	1.76	7.71	4.09
2014	5.70	1.84	8.06	4.28
2015	6.00	1.77	8.48	4.21
2016	6.15	1.81	8.69	4.32
2017	6.31	2.10	8.91	4.92
2018	6.31	2.10	8.91	4.92
2019	6.31	2.10	8.91	4.92

Notes: The rates are inside city residential rates and are based on a 3/4" meter which is the standard household meter size
The authority charges via a tiered rate schedule for above normal demand usage. Above charges do not include municipal tax.
Source: Utility Department

CITY OF WINTER HAVEN, FLORIDA
TABLE 14
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Per Capita Personal Income	Personal Income	Unemployment Rate	Average Annual Population Growth
2010	33,874	23,081	$ 781,845,794	13.3%	-1.7%
2011	34,112	21,538	734,704,256	9.9%	0.7%
2012	34,388	18,294	629,080,296	10.0%	0.8%
2013	36,280	20,358	738,588,240	8.0%	5.5%
2014	37,016	21,448	793,919,168	7.0%	2.0%
2015	38,080	22,595	860,417,600	6.2%	2.9%
2016	39,524	24,200	956,480,800	6.4%	3.8%
2017	41,143	24,500	1,008,003,500	5.6%	4.1%
2018	42,828	34,213	1,465,274,364	4.3%	4.1%
2019	44,815	42,019	1,883,081,485	3.3%	4.6%

Source: City of Winter Haven Growth Management Department

CITY OF WINTER HAVEN, FLORIDA
TABLE 15
PRINCIPAL EMPLOYERS
YEARS ENDED SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2010

	2019			2010		
Employer	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Polk County School Board	13,235	1	4.73%	14,000	1	5.14%
Publix Super Markets	12,000	2	4.29%	9,500	2	3.49%
Lakeland Regional Medical Center	5,575	3	1.99%	4,600	5	1.69%
Wal-Mart	4,250	4	1.52%	5,100	3	1.87%
Geico	3,700	5	1.32%	2,000	8	0.73%
City of Lakeland	2,800	6	1.00%	2,500	9	0.92%
Winter Haven Hospital	2,200	7	0.79%	2,500	4	0.92%
Polk County	1,864	8	0.67%	4,700	7	1.72%
Watson Clinic	1,857	9	0.66%	1,500	12	0.55%
Polk County Sheriff's Office	1,751	10	0.63%			
Advent Health	1,550	11	0.55%			
Legoland	1,500	12	0.54%			
State Farm Insurance				2,000	10	0.73%
State of Florida				4,300	6	1.58%
MOSAIC				1,950	11	0.72%
Federal Government				1,400	13	0.51%
GC Services				1,000	14	0.37%
Florida Natural Growers				1,000	15	0.37%
Total	52,282		18.68%	58,050		21.30%
Average annual employment	279,944			272,560		

The above statistics are the principal employers of Polk County, Florida,
of which Winter Haven is a primary city.
Data for the City is not available nor accumulated at this time.
Source: Central Florida Development Council (Update from November 1, 2019)
2010 Data - 2010 CAFR, Table 15

CITY OF WINTER HAVEN, FLORIDA
TABLE 16
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	58.00	57.50	65.75	57.03	54.03	62.69	61.03	60.23	61.48	64.52
Public safety										
Police	116.00	115.00	111.00	111.00	108.00	109.00	108.00	108.00	106.00	106.00
Fire	72.00	72.00	72.00	72.00	71.00	71.00	70.00	70.00	70.00	70.00
Building/Code Compliance	12.50	12.50	12.50	12.75	10.75	5.55	5.20	9.25	9.50	9.50
Transportation	11.30	15.30	11.50	13.50	13.50	12.63	11.70	12.08	12.95	12.95
Economic development	5.30	5.00	4.05	4.50	4.50	0.70	1.40	1.20	1.20	1.16
Human services	7.50	5.30	4.00	5.10	5.10	5.10	5.40	5.40	6.40	6.40
Culture and recreation										
Parks and recreation	61.55	57.55	55.55	55.65	55.65	55.65	56.75	58.15	59.15	53.90
Library	14.15	14.15	14.15	14.12	14.12	14.12	13.82	14.82	15.82	15.82
Stadium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.25
Willowbrook golf	0.00	0.00	0.00	0.00	0.00	0.00	8.00	8.00	8.00	10.00
Solid waste system	30.80	30.80	32.80	25.60	25.60	25.60	25.60	25.60	26.60	27.60
Utility system	104.00	105.00	104.00	92.00	81.00	76.21	82.20	81.37	82.00	84.00
Stormwater utility	10.90	10.90	6.70	6.75	6.75	7.75	7.90	7.90	6.90	6.90
Total	504.00	501.00	494.00	470.00	450.00	446.00	457.00	462.00	466.00	475.00

Note: Number of positions based on budgeted FTEs

CITY OF WINTER HAVEN, FLORIDA
TABLE 17
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public safety										
Police-physical arrests	1,487	2,341	1,837	1,895	1,578	1,647	1,389	2,151	2,069	2,835
Police-traffic violations	3,962	4,955	5,333	6,181	5,256	4,019	7,679	7,051	4,262	6,375
Fire-number of calls answered	8,820	8,273	8,192	7,344	6,450	5,912	6,032	6,046	6,199	6,611
Fire-number of fire inspections	2,372	2,139	1,969	2,282	2,215	1,973	1,926	1,513	2,116	2,525
Building permits issued	3,072	3,551	2,408	2,989	3,670	3,232	2,461	1,934	2,288	2,295
Transportation										
Street resurfacing in miles	0.00	1.80	0.00	1.73	2.34	2.56	2.81	0.81	2.42	4.70
Airport-landings and take offs	78,500	77,998	79,450	77,998	76,285	72,400	67,435	87,000	88,250	85,000
Airport-tenants	177	177	177	176	147	152	160	137	217	188
Leisure services										
Summer program participants	1,246	1,527	1,592	1,414	1,791	1,844	1,710	1,822	624	611
Swimming pool admissions	42,034	51,494	50,684	45,027	33,580	39,627	36,423	35,154	33,463	35,243
Library visitations	537,099	570,032	554,506	618,191	559,704	558,983	624,902	721,873	746,243	749,823
Library borrower cards	81,876	77,461	75,523	71,019	66,934	61,195	55,469	51,448	47,793	43,129
Human services										
Cemetery lot sales	114.0	141.0	161.0	132.0	147	154	104	152	132	125
Sanitation										
Tons of refuse disposed of	35,186	36,038	34,937	31,761	30,460	28,866	27,919	27,189	30,193	29,737
Solid waste accounts	18,606	17,900	16,397	14,864	14,864	14,692	14,250	12,782	12,552	12,377
Utility water/sewer										
Water accounts	37,969	36,783	35,691	34,424	33,669	32,734	31,893	31,256	30,899	30,625
Wastewater accounts	24,023	23,150	22,404	21,513	21,028	20,443	19,878	19,444	19,212	18,999
Gallons of water billed in (millions)	3,159	3,194	3,240	2,868	2,914	2,852	2,835	3,011	3,112	2,824
Consumption per customer (gallons)	83,192	86,826	90,779	83,325	86,548	87,128	88,890	96,321	100,713	92,253
Rainfall (inches)	50.61	54.86	47.70	52.86	75.59	51.35	40.49	52.74	43	46
Willowbrook golf course										
Rounds played	32,671	30,681	35,165	33,416	33,818	31,755	33,749	37,392	36,728	36,697

Source: Benchmark Statistics

CITY OF WINTER HAVEN, FLORIDA
TABLE 18
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
Number of building	157	157	157	157	157	157	157	157	154	155
Square footage of building space	814,453	804,453	804,453	804,453	804,453	804,453	804,453	804,453	799,453	813,968
Public safety										
Fire stations	3	3	3	3	3	3	3	3	3	3
Marked police vehicles	72	72	60	81	72	72	72	72	65	68
Transportation										
City lane miles	324.4	324.4	313.76	313.76	313.76	313.76	310.32	308	308	308
Traffic signals heads/Pedestrian signal	378/298	378/298	378/298	378/298	378/298	378/298	378/298	378/298	362/280	362/280
Street lights High Mast/Decorative	691/484	691/484	691/484	691/484	691/484	674/449	674/449	674/449	674/404	145/365
Commercial airport	1	1	1	1	1	1	1	1	1	1
Airport Hangars	30	30	30	30	30	30	30	30	30	30
Airport T-hangars	125	125	125	125	125	125	125	125	125	125
Economic environment										
Acres of land within city limits	26,290	26,203	25,937	26,050	26,116	25,705	25,699	25,697	25,427	25,410
Culture & recreation										
Parks	46	46	46	46	46	46	46	46	46	46
Parks acreage	655	655	655	655	655	655	655	634	634	634
Recreation centers	5	5	5	5	5	5	5	5	5	5
Activity fields	27	27	24	24	24	24	24	24	24	24
Playgrounds	15	15	14	14	14	14	14	14	14	13
Libraries	1	1	1	1	1	1	1	1	1	1
Tennis courts	9	9	11	11	11	11	11	11	11	11
Enterprise funds										
Utility system										
Water treatment plants	9	9	9	11	11	11	11	11	11	11
Fire hydrants	2,306	2,187	2,254	2,232	2,227	1,869	1,869	1,869	1,869	1,869
Wastewater treatment plants	2	2	2	2	2	2	2	2	2	2
Lift stations	208	208	195	193	192	192	192	192	192	192
Water main miles	524	518	509	509	510	385	505	505	495	463.5
Sanitary sewer miles	341	338	329	328	328	328	460	460	450	327.3
Reclaimed main miles	32	31	27	24	*	*	*	*	*	*
Solid waste system										
Number of collection vehicles	24	24	22	21	19	19	19	19	19	24
Stormwater										
Waterway acreage	5,242	5,242	5,242	5,242	5,242	5,242	5,242	5,242	5,242	5,242
Golf Courses										
Willowbrook golf course	1	1	1	1	1	1	1	1	1	1
Golf course acreage	126.54	126.54	126.54	126.54	126.54	126.54	126.54	126.54	126.54	126.54

* Not reported/tracked

CITY OF WINTER HAVEN, FLORIDA
TABLE 19
MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2019

Date of incorporation:	November 1923
Form of government:	Mayor/commissioners-four commissioners and mayor City manager: appointed
Location:	North Central Polk County, Central Florida
Area:	40.941 square miles
Topography:	Flat to gently rolling
Climate:	Subtropical
Average rainfall	52
Number of lakes:	30
Area of lakes	7.88 square miles (19.5% of city area)
Water supply source:	Florida Aquifer
Water district:	Southwest Florida Water Management District
Standard metropolitan statistical area:	Lakeland/Winter Haven
Industry/commerce	Logistics and Distribution, Tourism, Software and Information Technology, Medical, Business and Professional Services, Agribusiness
Area attractions:	Legoland Florida Bok Tower Historical Gardens

CITY OF WINTER HAVEN, FLORIDA
TABLE 20
SCHEDULE OF INSURANCE IN FORCE
SEPTEMBER 30, 2019

Coverage/Policy# Insurer/Agency	Deductible	Description	Amount	Expiration Date	Premium
FMIT					
Florida League of Cities				10/1/2019	$ 1,490,269
FMIT 0662					
Property & Business Interruption	$100,000 per occurrence	Blanket Building & Personal Property	$150,000,000		
	3% of value per named storm	Business Loss	$2,245,151		
Inland Marine	$1,000 per loss > $50K	Watercraft and Equipment > $ 15,000	$2,703,596		
	$500 per loss < $50K				
General Liability &	$25,000 per occurrence	Bodily or Personal Injury and	$200,000/$300,000		
Law Enforcement Liability	$397,928 Aggregate Stop Loss	Property Damage	$5,000,000		
Privacy & Security Network Liability	$25,000 per occurrence	Information privacy	$1,000,000		
Auto Liability/	$25,000 per occurrence	Automobile liability	$200,000/$300,000		
Physical Damage	$86,756 Aggregate Stop Loss		$5,000,000		
Workers Compensation	None	Employer's liability	$1,000,000		
Community Redevelopment Agency				10/1/2019	$ 8,755
FMIT1231	None	General liability per occurrence	$300,000		
Florence Villa Community Redevelopment Agency				10/1/2019	$ 7,858
FMIT1297	None	General liability per occurrence	$300,000		
Crime				10/1/2019	$ 14,784
105687807	$50,000 per occurrence	Public employee dishonesty	$5,000,000		
Travelers Casualty & Surety Co.		Forgery	$5,000,000		
A.J. Gallagher		Theft	$5,000,000		
		Computer Fraud	$5,000,000		
Faithful Performance					
Finance Director	None	Each Loss	$100,000	10/1/2019	$ 375
285008730					
Liberty Mutual					
A.J. Gallagher & Co					

CITY OF WINTER HAVEN, FLORIDA
TABLE 20
SCHEDULE OF INSURANCE IN FORCE (CONTINUED)
SEPTEMBER 30, 2019

Coverage/Policy# Insurer/Agency	Deductible	Description	Amount	Expiration Date	Premium
Group Health (self insured) Claims Admin: BCBS Crowne Consulting	$1,500 individual $4,500 family $25 co-pay $50 co-pay for Specialist	All covered health/dental claims and prescriptions up to excess loss coverage amount		12/31/2019	$ 756 employee per year
Group Life Insurance GL-5323-(6) Kansas City Life Ins Crowne Consulting	None	Life insurance per employee	$10,000	12/31/2019	$ 54,976
Excess Loss-Health 1600923400-Symetra Dental Claims Prescriptions Safeco Life Ins Co Crowne Consulting	$262,500 per individual $265,345 aggregate	Individual Max	Unlimited	12/31/2019	$ 307 employee/retiree per year
Airport Owners & Operators Liability AAPN00979636012 Ace Property/Casualty Parker Stevens Agency	None None	Bodily Injury and Property Damage per occurrence Personal and Advertising Injury Liability per occurrence	 $25,000,000 $25,000,000	10/1/2020	$ 25,332 3 years
	$2,500 $2,500	Hangarkeepers Liability Any one occurrence Any one aircraft	 $2,500,000 $2,500,000		
	None	Non-Owned Aircraft Liability per occurrence	 $25,000,000		
Police Officers/Firefighters **Statutory Death** ETB 110527 Hartford Life and Accident Insurance AJ Gallagher & Co	None	Accidental Death on Duty Unlawful/Intentional Death	$67,901 $198,670	10/1/2020	$ 14,001 2 years

CITY OF WINTER HAVEN, FLORIDA
TABLE 20
SCHEDULE OF INSURANCE IN FORCE (CONTINUED)
SEPTEMBER 30, 2019

Coverage/Policy# Insurer/Agency	Deductible	Description	Amount	Expiration Date	Premium
Liquor Liability					
Scottsdale Insurance Company	None	Each Common Cause	$1,000,000	10/1/2019	$ 1,210
Parker Stevens Agency	None	Aggregate	$2,000,000		
CPS 2874058					
Storage Tank Liability					
FPL4973007	$25,000 each incident	Each Incident Limit	$1,000,000	6/23/2020	$ 9,596
Commerce & Industry Ins Co		Aggregate Limit	$5,000,000		
Public Officials and Employment Practices Liability	$50,000 each wrongful act or employment practice violation	Each Loss/Annual Aggregate	$1,000,000	10/1/2019	$ 83,209
02-301-03-87					
Illinois National Insurance Company					
Parker Stevens Agency					
Pollution Legal Liability					
0310-9733	$25,000 each incident	Each Incident Limit	$1,000,000	10/1/2020	$ 50,187
Allied World Insurance Company		Policy Aggregate	$2,000,000		3 year term
Parker Stevens Agency					
Pension & Welfare Fund					
Fiduciary Responsibility	$10,000 each claim	Annual Aggregate	$1,000,000	10/1/2019	$ 6,453
105995320					
Travelers Casualty & Surety Co					
A.J. Gallagher & Co					
Special Event-Rentals LS					
ESE 177039	$500 per claim	Each Occurrence/Aggregate	$1,000,000	10/1/2019	$ 500
Lloyds of London		Personal and Advertising Injury Limit	$1,000,000		
Parker Stevens Agency		Fire Damage Liability	$50,000		
International Special Risk					
Flood					
09115143903	$1,000 per occurrence building	Building	$100,000	12/13/2019	$ 1,165
Wright National	$1,000 per occurrence contents	Contents	$50,000		
Parker Stevens Agency					

OTHER REPORTS

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2019

Grantor/Pass through Grantor/ Program or Cluster Title	CFDA Number	Grant Contract Number	Federal Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS				
U.S. Department of Housing and Urban Development				
Direct Programs:				
CDBG Program Cluster:				
Community Development Block Grant	14.218	B-14-MC-12-0023	$ 156,107	$ -
Community Development Block Grant	14.218	B-15-MC-12-0023	226,946	-
Community Development Block Grant	14.218	B-17-MC-12-0023	200,244	-
Total CDBG Program Cluster			583,297	-
Total U.S. Department of Housing and Urban Development			583,297	-
U.S. Department of Justice				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	1121-0235	2,675	-
Bulletproof Vest Partnership Program	16.607	1121-0235	10,993	-
Bulletproof Vest Partnership Program	16.607	1121-0235	9,986	-
Total Bulletproof Vest Partnership Program			23,654	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2018-DJ-BX-0164	15,868	-
Pass-Through from FDLE:				
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-JAGC-POLK-4-N2-070	11,206	-
Total Edward Byrne Memorial Justice Assistance Grant			27,074	-
Total U.S. Department of Justice			50,728	-
U.S. Department of Homeland Security:				
Pass-Through from Florida Department of Emergency Management:				
Disaster Assistance Grants	97.036	Z0696	459,792	-
Total U.S. Department of Homeland Security			459,792	-
U.S. Department of Transportation				
Direct Programs:				
Airport Improvement Program	20.106	3-12-0088-027-2018	1,956,232	-
Airport Improvement Program	20.106	3-12-0088-028-2019	10,165	-
Total Airport Improvement Program			1,966,397	-
Pass-Through from Florida Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	438265-1-38-01	118,105	-
Total U.S. Department of Transportation			2,084,502	-
Total Expenditures of Federal Awards			$ 3,178,319	$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards

NOTE 1 GENERAL

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Winter Haven (City). The City reporting entity is defined in Note 1 to the City's basic financial statements for the year ended September 30, 2019. All federal awards received directly from the respective federal agencies and passed through from state and local agencies are included in the schedule. The City did not receive noncash assistance during the year. There were no loans or loan guarantees outstanding.

Disaster Grants – Public Assistance (CFDA no 97.036)

After a Presidential-Declared disaster, FEMA provides a Public Assistance Grant to reimburse eligible costs associated with the repair, replacement, or restoration of disaster-damaged facilities. The Federal government reimburses in the form of cost-shared grants which requires state and local matching funds. For the fiscal year ended September 30, 2019, $459,792 of approved eligible expenditures that were incurred in a prior year are included in the schedule.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting for awards recorded in the governmental funds and the accrual basis of accounting for awards recorded in the proprietary funds, which are described in Note 1 to the City's financial statements. The City has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 CONTINGENCIES

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowances, if any would have a material effect on the financial position of the City. As of March 24, 2020, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

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

Honorable Mayor and Members of the City Commission
City of Winter Haven, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winter Haven, Florida (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 24, 2020.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-002 to be a significant deficiency.

Honorable Mayor and Members of the City Commission
City of Winter Haven, Florida

Compliance and Other Matters

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

City of Winter Haven's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

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Winter Haven, Florida
March 24, 2020

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members of the City Commission
City of Winter Haven, Florida

Report on Compliance for Each Major Federal Program

We have audited the City of Winter Haven, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2019. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Honorable Mayor and Members of the City Commission
City of Winter Haven, Florida

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-003, that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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Winter Haven, Florida
March 24, 2020

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS
YEAR ENDED SEPTEMBER 30, 2019

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? ____X____ yes _____ no
   - Significant deficiency(ies) identified ____X____ yes _____ none reported
3. Noncompliance material to financial statements noted? _____ yes ____X____ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? _____ yes ____X____ no
   - Significant deficiency(ies) identified ____X____ yes _____ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____X____ yes _____ no

Identification of Major Federal Programs

CFDA Number(s)	**Name of Federal Program or Cluster**
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? _____ yes ____X____ no

Section II – Financial Statement Findings

2019-001 – Material Adjustments

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Retainage payable related to construction in progress in governmental activities was not recorded. A material adjustment of $1,060,150 was required to record retainage payable and the corresponding expenditures or construction in progress, as applicable.

Criteria or specific requirement: City management is responsible for establishing and maintaining internal controls over proper recording of the City's transactions and reconciliation and review of the City's account balances.

Context: It was noted that retainage payable was not recorded during testing of construction in progress of governmental activities.

Effect: Governmental activities' assets and liabilities were materially understated. Governmental funds' expenditures and liabilities were understated by the same amount.

Cause: Management did not record retainage payable as part of the year-end closing process.

Repeat Finding: See prior year findings 2018-001 and 2017-001 for Material Adjustments.

Recommendation: We recommend management implement procedures for reviewing and recording retainage payable related to construction invoices.

Views of responsible officials and planned corrective actions: To avoid the omission of recording retainage payable related to construction invoices, notes/comments have been added to the current CIP workpaper. This will serve as a reminder to review invoices carefully prior to "closing".

2019-002 – Bank Reconciliations

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition: The City's bank accounts for pooled cash were not reconciled in a timely manner at various points during the year, and there were instances where review of the reconciliation by a member of management was not documented.

Criteria or specific requirement: The City's management is responsible for establishing and maintaining internal control over cash transactions. Timely preparation of complete and accurate bank reconciliations is key to maintaining adequate control over receipts, disbursements, and other transactions. The evidence of such controls should be documented.

Context: Testing of internal controls over financial reporting and substantive testing of the bank reconciliations identified the deficiency.

Effect: Not reconciling accounts in a timely basis or including a proper review could result in errors or fraud remaining undetected. Delays in reconciling accounts also results in inefficiency due to the additional time needed to research and resolve issues.

Cause: The City experienced turnover in the financial services department during the year.

Repeat Finding: No

Recommendation: Management should improve on the bank reconciliation process with more timely reconciliations. The City should consistently implement internal control processes requiring that all reconciliations be reviewed and approved by an individual not responsible for the preparation of the item. Evidence of the review should be documented by signing and dating the reconciliation.

Views of responsible officials and planned corrective actions: Staffing issues and timely bank reconciliations are continuing to be addressed. The City will ensure that all reconciliations are reviewed by documenting the preparer and reviewer names along with the completion dates.

Section III – Findings and Questioned Costs – Major Federal Programs

2019-003 – Cash Management

Federal agency: U.S. Department of Transportation, Federal Aviation Administration (FAA)

Federal program title: Airport Improvement Program

CFDA Number: 20.106

Award Period: July 5, 2018 – August 2023

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: The City is responsible for establishing and maintaining internal controls to ensure the compliance requirements of grants are being met. The evidence of such controls should be apparent to auditors or grantors upon review.

Condition: The reimbursement requests and related reports required to be submitted with the requests are compiled and signed by the Airport Manager or Interim Airport Manager. There is no evidence of review by another individual before submittal to the grantor. The review process is important in order to detect and correct errors.

Questioned costs: None.

Context: Five reimbursement requests were tested. There was no evidence of review performed by another individual separate from the preparer before submittal.

Cause: While inquiry indicated that review occurs before submittal to the grantor, the City has not documented the review process.

Effect: Failure to document the review does not provide evidence to auditors or grantors to conclude that appropriate internal controls are in place.

Repeat Finding: No.

Recommendation: We recommend that the reviewer of the reimbursement requests document their review on the requests by signing their name and dating when the review occurred.

Views of responsible officials: The City will implement a grant reimbursement review process. The Airport Manager will electronically submit all reimbursement requests to the Finance Director for approval. The Finance Director will review the submitted documentation for accuracy and respond to the Airport Manager with permission to proceed with the requests. The Airport Manager will include the Finance Director's electronic "approval" with all grant documentation.

MANAGEMENT LETTER

Mayor and Members of the City Commission
City of Winter Haven, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Winter Haven, Florida (the City), as of and for the fiscal year ended September 30, 2019 and have issued our report thereon dated March 24, 2020.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 24, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Prior year findings were corrected except where noted in the schedule of findings and questioned costs.

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. See Note 1 in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate 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 to identify the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide 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 did not note any special district component units that failed to provide necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 warrants the attention of those charged with governance. In connection with our audit, we did not note 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 Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

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Winter Haven, Florida
March 24, 2020

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INDEPENDENT ACCOUNTANTS' REPORT

Mayor and Members of the City Commission and the Florida Auditor General
City of Winter Haven, Florida

We have examined the City of Winter Haven, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City, complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City, complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Winter Haven, Florida
March 24, 2020

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2019

Department of Transportation-Federal Aviation Administration

The City of Winter Haven, Florida respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2019.

Audit period: October 1, 2018 through September 30, 2019

The finding from the prior audit's schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2018-001- Material Adjustments

Condition: Receivables and unavailable revenue, a deferred inflow of resources, were not recorded for Airport Improvement Program grant reimbursement amounts that were outstanding past the period of availability for revenue recognition in the governmental funds. A material adjustment of $321,553 was required to record the receivables and unavailable revenue in the Airport Fund.

Portions of the utility cycle billings, which include services provided in August and September that are not billed until after the fiscal year end, were not included in revenue and receivables. A material adjustment of $77,896 was posted to the Solid Waste Fund to record the billings in current year receivables and revenue.

Utility refunds are posted to the Water and Sewer Fund throughout the fiscal year, and the portions applicable to the Solid Waste and Stormwater Funds are usually reclassified to those funds during the closing process. The reclassification entry was not posted during the closing process, and therefore, a material adjustment was posted to Water and Sewer Fund receivables for $489,871, Solid Waste Fund receivables for $395,636, and to Stormwater Fund receivables for $94,235.

Status: See current year finding 2019-001.

Reason for finding's recurrence: In the current year, a material adjustment was required as a result of not accruing retainage on the City's governmental construction projects.

P.O. Box 2277 ♦ Winter Haven, Florida 33883-2277
Telephone: 863.291.5667 ♦ Fax: 863.297.3027 ♦ www.mywinterhaven.com

Corrective Action: The revised process for reviewing and recording receivables and revenue recognition for Airport grant reimbursements and Utility cycle billings has eliminated any current year adjustments. The same is true for reclassifying receivables associated with Utility cycle billings. To avoid the omission of recording retainage payable related to construction invoices, notes/comments have been added to the current CIP workpaper. This will serve as a reminder to review invoices carefully prior to "closing".

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

If there are questions regarding this schedule, please call Debbie Tate, Assistant Financial Services Director at (863) 291-5667.

WINTER HAVEN
The Chain of Lakes City

CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2019

The City of Winter Haven respectfully submits the following corrective action plan for the year ended September 30, 2019.

Audit period: October 1, 2018 through September 30, 2019

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2019-001 Material Adjustments

Recommendation: We recommend management implement procedures for reviewing and recording retainage payable related to construction invoices.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: To avoid the omission of recording retainage payable related to construction invoices, notes/comments have been added to the current CIP workpaper. This will serve as a reminder to review invoices carefully prior to “closing”.

Name(s) of the contact person(s) responsible for corrective action: Debbie Tate

Planned completion date for corrective action plan: 09/30/2020

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SIGNIFICANT DEFICIENCY

2019-002 Bank Reconciliations

Recommendation: Management should improve on the bank reconciliation process with more timely reconciliations. The City should consistently implement internal control processes requiring that all reconciliations be reviewed and approved by an individual not responsible for the preparation of the item. Evidence of the review should be documented by signing and dating the reconciliation.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Staffing issues and timely bank reconciliations are continuing to be addressed. The City will ensure that all reconciliations are reviewed by documenting the preparer and reviewer names along with the completion dates.

Name(s) of the contact person(s) responsible for corrective action: Calvin T. Bowen

Planned completion date for corrective action plan: 09/30/2020

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Transportation, Federal Aviation Administration (FAA)

2019-003 Airport Improvement Program – CFDA No. 20.106

Recommendation: We recommend that the reviewer of the reimbursement requests document their review on the requests by signing their name and dating when the review occurred.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The City will implement a grant reimbursement review process. The Airport Manager will electronically submit all reimbursement requests to the Finance Director for approval. The Finance Director will review the submitted documentation for accuracy and respond to the Airport Manager with permission to proceed with the requests. The Airport Manager will include the Finance Director's electronic "approval" with all grant documentation.

Name(s) of the contact person(s) responsible for corrective action: Calvin T. Bowen

Planned completion date for corrective action plan: 09/30/2020

If there are questions regarding this plan, please call Calvin T. Bowen, Financial Services Director at (863) 291-5667.