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, 2020

CITY OF WINTER HAVEN, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2020

Prepared by:

Finance Department
Calvin T. Bowen, Finance Director

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WINTER HAVEN
The Chain of Lakes City

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INTRODUCTORY SECTION

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LETTER OF TRANSMITTAL

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WINTER HAVEN
The Chain of Lakes City

March 30, 2021

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, 2020, 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) and Chapter 10.550, Rules of the Auditor General. Information related to this single audit, including the schedule of federal financial awards and state financial assistance, 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 of 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 715,090 in 2020. Polk County's population grew 3.6 percent from 2019, which exceeded Florida's growth rate as a whole.

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Telephone: 863.291.5667 ♦ Fax: 863.297.3027 ♦ www.mywinterhaven.com

General economic conditions in Polk County have mirrored the national trend of economic growth over the last few of years. Between 2018, and 2019, the unemployment rate for Winter Haven decreased from 4.7 percent to 4.1 percent. The preliminary rate of 9.0 percent for 2020, reflects a significant increase in the area's unemployment rate as a result of the Covid19 pandemic related job losses. 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 2019 and September 2020, authorized $326,768,406 worth of commercial and residential activity. This represents a 0.76 percent decrease over the $329,272,154 worth of activity for the period between October 2018 and September 2019. The 0.76 percent decrease from 2019 to 2020, represents sustained growth when compared to the growth rate of 4.3 percent observed between 2018 and 2019. As evidenced by these numbers, construction activity remains strong.

Winter Haven's estimated population for 2020 was 47,044. This represents an increase of 2,229 persons or 5.0 percent over 2019, and a 38.9 percent increase since 2010. There have been 5,845 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 annexed approximately 1.2 square miles into the city limits of Winter Haven. This represents an increase in the City's area by 3.0 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 either been permitted within the downtown and surrounding areas. In total, 94 new housing units have been completed in or near downtown since 2014.

Following the 2020 recession brought on by the Covid19 pandemic, the economy is expected to resume moderate growth in 2021, as many of the large economic developments initiated in the last few of 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 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 to be deposited on October 1, 2018. In FY 2019 $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%. Final construction payments were made in FY 2020 in the amount of 47,816,878 bringing the total cost of the construction to $29,137,428. A grand opening ceremony was held in January 2020.

Amphitheater and Skate Park

During the year Whitehead Construction Inc. completed the first two phases of a three phased project at the City's Martin Luther King Park. The first two phases included the construction of a skate park and the renovation of the Amphitheater at a cost of $1,782,515. The third phase will include improvements to the park itself including restroom upgrades and sidewalk improvements. Construction on phase three is anticipated to begin in FY 2021 at a cost of $1.6 million.

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 2020 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. Current negotiations involve reducing the size and costs of the planned projects.

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. At the conclusion of FY 2020 City staff was seeking grants and other funding opportunities.

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 LLP CPA's 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, 2019. This was the thirty first 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
Financial Services Department Director

WINTER HAVEN
The Chain of Lakes City

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ORGANIZATIONAL CHART

WINTER HAVEN
The Chain of Lakes City

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CITY OF WINTER HAVEN ORGANIZATIONAL CHART 2019/2020

CITIZENS OF WINTER HAVEN

CITY COMMISSION
Brad Dantzler, Mayor; Nat Birdsong, Mayor Pro Tem;
Tracy Mercer, Commissioner; James "JP" Powell, Commissioner; Brian Yates, 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
Joanna Abernathy, 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
Budget; Accounting; Payroll;
Purchasing; Courier / Mail Service;
Risk–Contract Management;
Internal Audit

Economic Opportunity & Community Investment
Eric Labbe, Department Director
Engineering; Planning; CDBG/SHIP
Building/Permitting; Airport;
Downtown & Florence Villa CRAs

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; GIS;
Internal/External Web Site Development

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	Police Administration;
Fire Emergency Services	Police Support & Community Services
Fire Prevention & Education	Law Enforcement Operations
Fire Emergency Management	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, 2019

Christopher P. Morrill

Executive Director/CEO

CITY OF WINTER HAVEN, FLORIDA
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE
IN FINANCIAL REPORTING (CONTINUED)
SEPTEMBER 30, 2020

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, 2019. 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, 2020

Mayor

Bradley T. Dantzler

Commissioners

Nathaniel J. Birdsong Jr.

L. Tracy Mercer

William Brian Yates

James H. Powell

City Manager

Mike Herr

City Clerk

Vanessa Castillo

City Attorney

Frederick J. Murphy, Jr.

City Auditors

CliftonLarsonAllen LLP

FINANCIAL SECTION

WINTER HAVEN
The Chain of Lakes City

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INDEPENDENT AUDITORS' REPORT

WINTER HAVEN
The Chain of Lakes City

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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, 2020, 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, 2020, 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 13 through 31 and information on pension plans and other postemployment benefits on pages 119 through 135 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 and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Local Governmental Entity Audits*, Rules of the Auditor General of the State of Florida, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 30, 2021, 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 30, 2021

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, 2020 by $161,814,824 (net position). Of this amount, $35,838,222 (unrestricted net position) may be used to meet the City's ongoing obligations.

- The City's total net position increased $25,897,539 during the year.

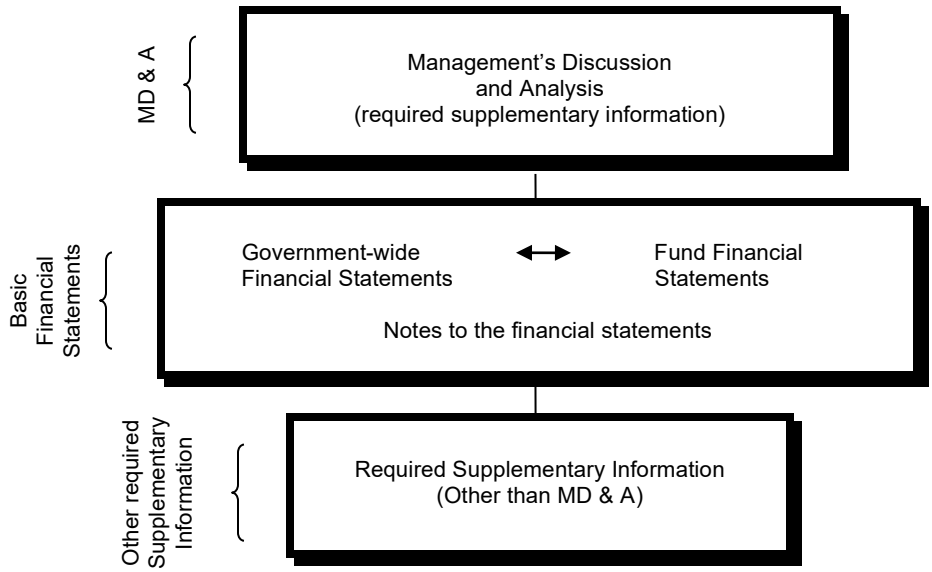
- As of September 30, 2020, the City of Winter Haven's governmental funds reported combined ending fund balances of $44,825,737 an increase of $1,131,694 over the previous year.

- All 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 $12,590,157.

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 32-34) 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 36 and 38) 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 39-40 and 142-153).

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 41-45 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 statement can be found on pages 46 and 47 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 48-118 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 $161.8 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 32.

Statement of Net Position (Summary)
As of September 30, 2020

	Governmental Activities*		Business-Type Activities*		Totals*	
	2019	2020	2019	2020	2019	2020
Assets:						
Current and Other Assets	$ 70.2	$ 69.4	$ 70.4	$ 72.4	$ 140.6	$ 141.8
Capital Assets	96.1	105.4	70.7	84.7	166.8	190.1
Total Assets	166.3	174.8	141.1	157.1	307.4	331.9
Deferred Outflows of Resources	8.3	15.0	2.3	5.9	10.6	20.9
Liabilities:						
Short-Term Liabilities	14.4	12.9	10.1	11.2	24.5	24.1
Long-Term Liabilities	92.7	95.9	61.1	64.4	153.8	160.3
Total Liabilities	107.1	108.8	71.2	75.6	178.3	184.4
Deferred Inflows of Resources	3.2	5.4	0.7	1.2	3.9	6.6
Net Position:						
Net Investment in Capital Assets	45.2	56.4	25.9	38.5	71.1	94.9
Restricted	11.3	14.7	17.8	16.4	29.1	31.1
Unrestricted	7.8	4.5	27.8	31.3	35.6	35.8
Total Net Position	$ 64.3	$ 75.6	$ 71.5	$ 86.2	$ 135.8	$ 161.8

* in million dollars

The largest portion of the City's net position (58.7%) reflects the investment in capital assets (land, buildings, machinery, equipment) net of any debt used to acquire the assets. Approximately 19.2% 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 $35.8 million, is available to meet the City's on-going obligations to citizens and creditors.

At September 30, 2020, 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.

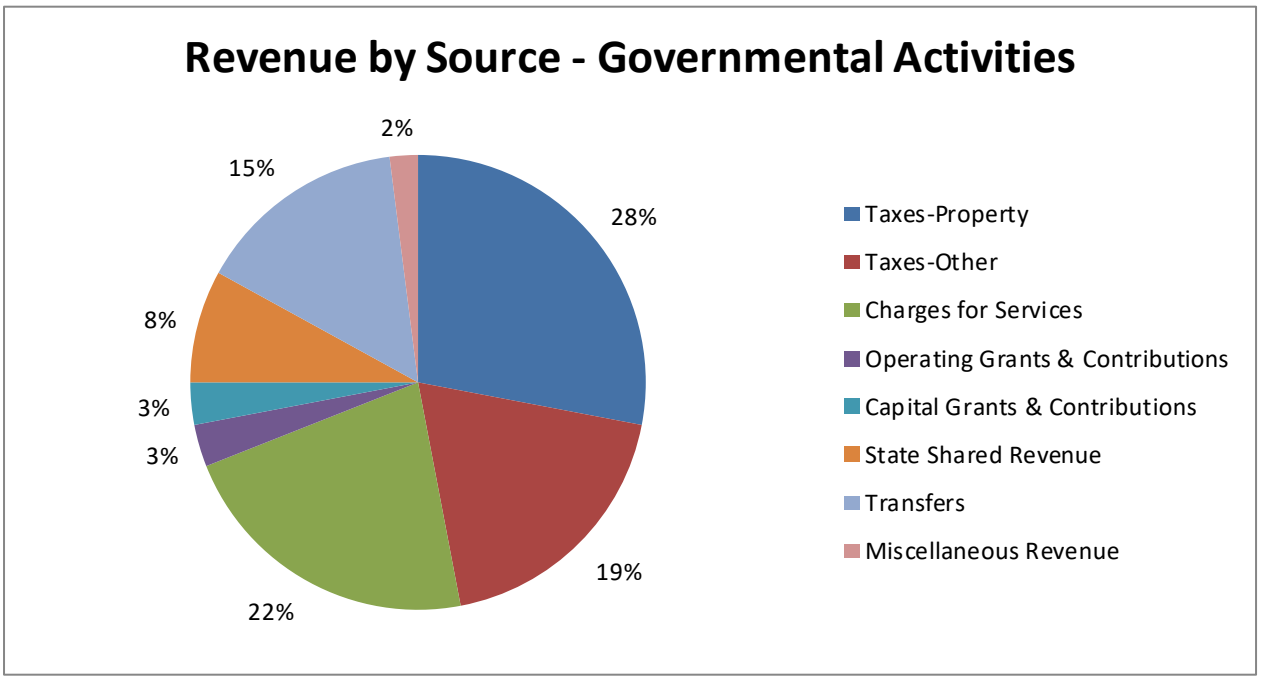
Statement of Activities. Net position of the City represents the difference between Assets and Liabilities of the City using the economic resources measurement focus and accrual basis of accounting. The City has in place many charges that are designed to recover in part or in whole the cost of providing services. Governmental activities increased the City's net position by $11,248,818 and business activities increased net position by $14,648,721. 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 33-34.

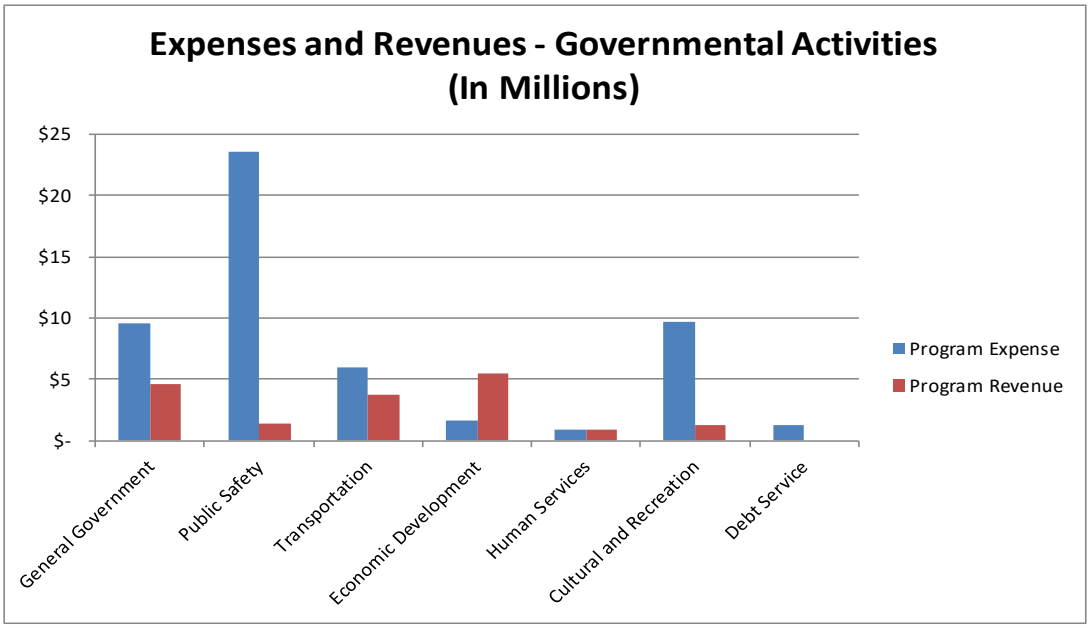
Statement of Activities (Summary)
As of September 30, 2020

	Governmental Activities*		Business-Type Activities*		Totals*	
	2019	2020	2019	2020	2019	2020
Revenues:						
Program Revenues:						
Charges for Services	$ 12.9	$ 13.8	$ 44.7	$ 48.2	$ 57.6	$ 62.0
Operating Grants and Contributions	1.5	1.8	0.4	0.2	1.9	2.0
Capital Grants and Contributions	15.3	1.8	2.3	7.7	17.6	9.5
General Revenues:						
Property Taxes	16.8	18.3	-	-	16.8	18.3
Franchise/Public Service Tax	10.3	10.2	-	-	10.3	10.2
Other	9.6	8.5	1.6	4.1	11.2	12.6
Total Revenues	66.4	54.4	49.0	60.2	115.4	114.6
Expenses:						
General Government	9.4	9.6	-	-	9.4	9.6
Public Safety	22.6	23.6	-	-	22.6	23.6
Transportation	4.8	6.0	-	-	4.8	6.0
Economic Environment	1.4	1.6	-	-	1.4	1.6
Human Services	1.4	0.9	-	-	1.4	0.9
Culture and Recreation	8.4	9.7	-	-	8.4	9.7
Debt Service	1.4	1.3	-	-	1.4	1.3
Water and Sewer	-	-	22.6	26.0	22.6	26.0
Solid Waste	-	-	6.1	6.9	6.1	6.9
Willowbrook Golf Course	-	-	1.0	1.1	1.0	1.1
Stormwater	-	-	1.4	1.7	1.4	1.7
Dark Fiber	-	-	0.2	0.2	0.2	0.2
Total Expenses	49.4	52.7	31.3	35.9	80.7	88.6
Increase (Decrease) in Net Position Before Transfers	17.0	1.7	17.7	24.3	34.7	26.0
Transfers	7.6	9.6	(7.6)	(9.6)	-	-
Increase (Decrease) in Net Position	24.6	11.3	10.1	14.7	34.7	26.0
Net Position-October 1	39.7	64.3	61.4	71.5	101.1	135.8
Net Position-September 30	$ 64.3	$ 75.6	$ 71.5	$ 86.2	$ 135.8	$ 161.8

* in million dollars

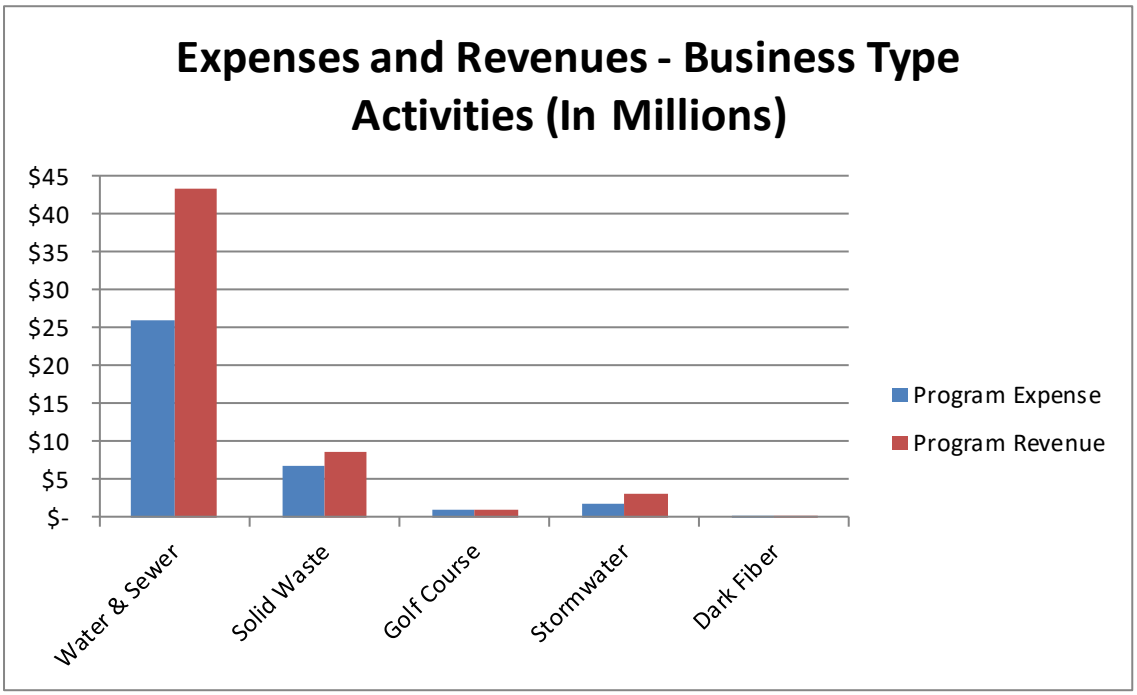
Ad valorem and Franchise/Utility Service Tax make up 52.5% of the governmental activities' revenues. The Other category, which makes up 15.8% of the revenues, consists of motor fuel taxes, sales taxes and cigarette taxes. Charges for services, made up of recreation fees, library fees, sale of cemetery spaces, airport hangar rents and other miscellaneous revenues is 25.2% of governmental activities revenues. Governmental activities increased the City's net position by $11,248,818. The governmental activities increase in net position was due largely to an increase in Ad Valorem Revenue and transfers from the enterprise fund. Business-type activities increase in net position was due to revenues exceeding expectations, developer contributions of assets valued at $6.3 million and the sale of Wastewater Plant #3 spray field land.

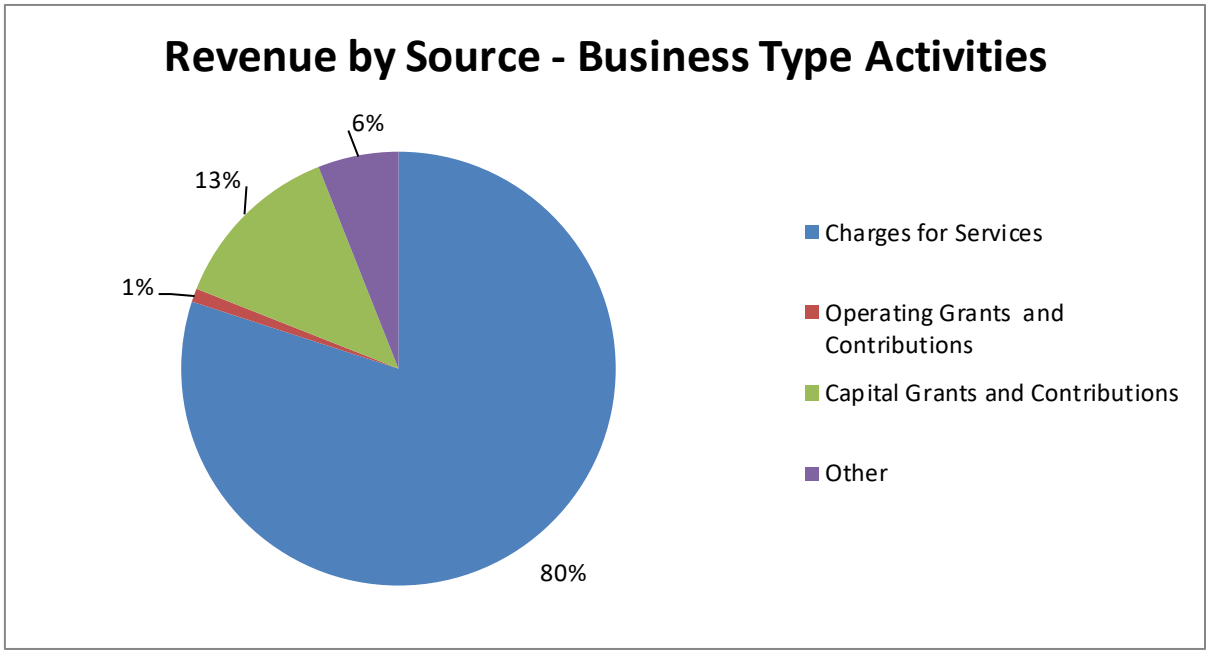

Revenue by Source - Governmental Activities
2%
15%
28%
8%
3%
3%
19%
22%
Taxes-Property
Taxes-Other
Charges for Services
Operating Grants & Contributions
Capital Grants & Contributions
State Shared Revenue
Transfers
Miscellaneous Revenue


Expenses and Revenues - Governmental Activities
(In Millions)
$25
$20
$15
$10
$5
$-
General Government
Public Safety
Transportation
Economic Development
Human Services
Cultural and Recreation
Debt Service
Program Expense
Program Revenue

Business-type activities

Business-type activities increased the City's net position by $14,648,721.





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.

GENERAL FUND

The General Fund budgeted revenues and expenditures were balanced for FY2020. However, due to expenditures finishing the year 4% below budget a surplus of $1,790,028 was created. A majority of the surplus was in the personal services category which was responsible for 67% of the surplus. Even though much of FY2020 occurred during the COVID-19 pandemic, the City incurred an unusual amount of employee turnover during the year. The General Fund's expenditure savings is as follows:

Personal Services	$1,197,061
Professional Services	422,518
Miscellaneous	170,449
	$1,790,028

The General Fund FY 2020 operating surplus when added to the previous year's fund balance created a current Fund Balance of $16,810,472. However, not all of the equity balance is available to be spent as shown in the following calculation:

FY 2020 Ending Fund Balance		$16,810,472
Less:		
Non-spendable balances:		
Prepaids	$175,530	
Golf Fund Loan	1,563,872	1,739,402
Restricted balances:		
Public Safety	$10,285	
Environmental Restriction	200,000	210,285
Assigned balances:		
Leisure Services	$13,153	
Public Safety	11,869	
Transportation	47,359	72,381
Unassigned FY 2020 Fund Balance:		$14,788,404

Miscellaneous Items

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. In December 2019 the naming rights were assigned to Advent Health for a period of six years at a cost of $200,000 per year. The City's share of the revenue $60,000. In addition to the $60,000 at year-end the City also received $990 from Chick-fil-A for concession rights.

October 28, 2019 the City Commission approved a fee schedule for use of the Fieldhouse.

January 27, 2020 the City Commission approved Project Sugar Cane, which turned out to be Florida Can Manufacturing LLC, for the QTI Tax Refund Program. The City's share of the costs will not exceed $55,000 over four years. Florida Can Manufacturing is to receive $1,000 per job created.

February 24, 2020 the City Commission changed the start time of City Commissions meetings from 6:30 pm to 6:00 pm.

March 18, 2020 the City Commission adopted Resolution R-20-23 which declared a state of emergency in Winter Haven. The Resolution authorized the City Manager to issue and promulgate all administrative orders necessary to deal with the emergency circumstances presented by COVID-19 and SARS-COV-2.

March 24, 2020 the City Commission approved a second Urban Forestry grant as a follow up to the October 2019 grant which conducted a tree survey. The City received $20,000 from the Florida Forest Service for the first survey and paid Legacy Arborists $40,000. The anticipated cost of the second grant is $23,969.50. The second grant was completed in November 2020.

April 16, 2020 the Police filed a grant request with the U.S. Department of Justice for protective equipment. The grant request was for $47,714. The application was subsequently approved. The proceeds will be received in FY 2020-2021.

May 26, 2020 the City Commission approved a three year contract for auditing services with CliftonLarsonAllen. The annual fee is $93,600.

May 26, 2020 the City Commission approved a seven year agreement with FDOT for the maintenance of 691 highway lights. The fee for FY 2020-2021 is $186,632.19.

June 22, 2020 the City Commission approved the sale of three vacant lots on Sears Ave. to Ring Construction. Houses must be built within eighteen months or the lots revert to the City. The sale price for the three lots totaled $19,423.

June 2020 the Police Department purchased tasers for a financed cost of $154,264.57. The principal payment in FY 2020-2021 will be $26,012.84 and $26,804.22 in FY 2021-2022. Interest payments will be $3,312.16 in FY 2020-2021 and $2,520.96 in FY 2021-2022.

July 13, 2020 the City Commission approved Emergency Ordinance O-28-98 which required individuals to wear a mask when indoors at a public place and outdoors when social distancing is not possible. There were many exceptions to the Ordinance. The Ordinance was to expire in 30 days but was renewed every 30 day period until October 15, 2020 when the mandate was allowed to expire.

August 24, 2020 the City Commission approved a grant application with the Florida Department of Economic Opportunity, Rebuild Florida General Infrastructure Program for $3.5 million for the construction of a fire station NO. 4 at 2220 NW 20th Street.

August 24, 2020 the City Commission approved the use of $14,223 Edward Bryne Justice Grant funds for the purchase of two license plate readers at a cost of $15,908.61. Fines and forfeiture monies will pay the shortfall.

August 28, 2020 the City began receiving reimbursement from the Federal CARES Act administered by the County for expenses incurred due to the COVID-19 virus. The CARES Act only covered expenses incurred prior to June 30, 2020. At year-end the General Fund's share was $151,018. For details of all the CARES Act reimbursements see the narrative at the front of this report.

September 15, 2020 the City Commission approved the sale of a vacant lot located at zero Seventh Street NE to JaQuis McCullough for $5,639. The lot will be used for affordable housing.

CRA FUND

Downtown CRA

Economic Development

A. Payments were made as follows:

First Street North (Bond Clinic)	$31,010
Bay Care (Bus Stop Pullover)	300,000
Total Payments	$331,010

B. Economic Development Liability

At the beginning of FY 2020 the liability account was as follows:

Physicians Partnership	$165,367
Dundee Self Storage	15,000
Total	$180,367

During the year there were no payments to either organization, therefore $10,000 was estimated to be the amount owed Physicians Partnership which was posted as a debit to the account with the credit to a payable account. The year-end account balance is $170,367.

Community Involvement

Heart for Winter Haven	$100,000
Main Street	45,000
Total	$145,000

Transfers to the 2015 Construction Fund

During the year the following amounts were transferred to the 2015 Construction Fund:

Avenue D Market Piazza	$300,000
Dog Park	177,719
Total	$477,719

Transfers to the General Fund

During the year the following amounts were transferred to the General Fund:

55% of Sales Tax Bond Debt Service	$387,991
18% of 2015A Bond Debt Service	192,098
18% of 2016A Bond Debt Service	91,713
Community Policing in District	85,000
Off Duty Police Officer	50,000
Total Transferred to the General Fund	$806,802

Transfers to the Transportation Fund

During the year $15,000 was transferred to the Transportation Fund for sidewalks in the District.

Subsequent Event

Subsequent to year end a 105 unit apartment complex, Rain Dance Development, applied for an incentive in the amount of $210,676 for water/sewer impact fees. The incentive will be paid over a 3 year period if approved. They also applied for TIF Relief which if approved means they will pay very little ad valorem taxes over the next 10 years.

Florence Villa CRA

The Florence Villa District paid 21% of the salary and benefits of the CRA Manager and Neighborhood Program Manager. In addition the Fund transferred $15,000 to the Transportation Fund for sidewalks construction, $50,000 to the Dark Fiber Fund for a portion of the $200,000 cost of fiber in the District and $105,816 to the General Fund for 15% of the debt service cost on the 2011 sales Tax Bond.

Tax Increment Calculation

	Downtown District	Florence Villa District
FY 2020 Valuation	$329,751,844	$69,316,546
1999 Base Line	171,310,567	39,596,809
Tax Increment	$158,441,277	$29,690,179
Statute Reduction	95%	95%
County Millage	7.1565	7.1565
City Millage	6.7900	6.7900
Proceeds from County	$1,077,191	$201,854
Proceeds from City	$1,022,025	$191,517

2015 Construction Fund

Winter Haven Recreational and Cultural Center

Straughn Trout has a $39,750 contract for a feasibility study. At year-end $36,750 had been paid including $8,100 paid in FY 2019. Renovation of the facility is expected to take place over a two year period at a cost of $5,200,000. Funding is budgeted as follows:

General Fund	$1,389,500	(over two years)
Land Sale Proceeds	1,170,000	
Nora Mayo Funds	397,024	
FV CRA Fund	100,000	
CDBG Funds	675,000	(over two years)
Existing Allocation	1,286,330	
Contingency	182,146	
	$5,200,000	

The General Fund will contribute $1,170,000 in FY 2020-2021 and $219,500 in FY 2021-2022. The CDBG Fund will contribute $447,000 in FY 2020-2021 and $228,000 in FY 2021-2022. Therefore the expenditure amount is $4,752,500 in FY 2020-2021 and $447,500 in FY 2021-2022.

Nora Mayo Hall

At the beginning of FY 2019-2020 $802,201 was available. During the year a roof was put on City Hall ($179,836) using this source; $125,008 was transferred to complete the Fieldhouse and $397,024 has been earmarked for the Northeast Complex renovation leaving a balance of $100,333. This balance will be used to renovate Nora Mayo to accommodate the Natural Resources Division and Human Resources.

Trailhead Park Playground Equipment

The playground equipment in the Trailhead Park was slated for replacement in the General Fund during the year. The project was not completed so the money allocated to the equipment ($490,698) was transferred to 2015 Fund at year-end. The 50% deposit made in the General Fund was transferred to the Construction Fund.

Lake Elbert Trail

In order to get this project started $400,000 was borrowed from the Intersection Improvements Project for the expenditure in FY 2020-2021.

Sertoma Park
Roger McCoy Development Corporation renovated the office building and concession stand to make them ADA compliant. The cost was $299,602. The FY 2020-2021 renovations are budgeted at $2,307,000.

MLK Jr. Park and Skate Park
The Skate Park and Amphitheater part of the Project cost $1,894,681 with $112,166 of this balance to be paid in FY 2020-2021. The ADA portion of the project is budgeted at $1,084,310 with $400,000 coming from grants and $100,000 from the Downtown CRA. The Water/Sewer Fund will pay $24,310 for design of a lift station to be part of the project.

Market Piazza
Pennoni has a $102,952 design contract of which $94,357 had been paid at year-end. The budget has $879,433 available for construction. The project was bid during the year but only one bid was received and was rejected. The project will be rebid in FY 2020-2021.

Projects Completed before FY 2020
There were a significant number of projects completed in this fund. Therefore, projects completed before FY 2020 were combined on the following schedule. The completed projects were as follows:

South Park	$5,066,893
Tennis Courts	2,685,505
Splash Pad	430,650
Debt Service	82,332
Bond Issue Costs	105,170
Total	$8,370,550

Fund Balance
The sheet which follows shows $5,846,712 in cash available at the conclusion of FY 2020-2021. This balance is allocated as follows:

Building Permit Fund	$4,310,000
Unbudgeted Land Sale Proceeds	1,536,712
	$5,846,712

The Building Permit money is to be used for their space in a new facility or used if needed when the construction industry no longer generates sufficient permit revenue to support the operation. The unbudgeted land sale proceeds are the residual monies left from the sale of WW #3 land to Florida Can Manufacturing for $3,258,929. $1,170,000 of the proceeds were pledged to the Winter Haven Recreational and Culture Center renovation and $576,527 to renovation of the restroom/shower areas of the Advent Health Fieldhouse.

The ending cash balance does not agree to the Fund balance reported in the financial statement because the cash balance includes revenue and expenditures which do not flow through the financial statement. A reconciliation is as follows:

Ending Fund Balance per Financial Statement	$12,657,902
Add: Utility Fund Loan	+ 1,220,000
Less: Principal on Debt Service	- 103,723
Ending 9-30-20 cash balance, less accounts payable	$13,774,179

Subsequent Events
On December 14, 2020 the City Commission authorized the Mayor to execute an Interlocal Agreement with the Tourist Development Council (TDC). Per the agreement the TDC will commit up to $200,000 for the cost of design, engineering and permitting of Phase II of the Chain of Lakes Park Improvements. The improvements include tearing down the Chain of Lakes Stadium and replacing it with 4 baseball fields. The TDC will commit up to $5.0 million to construction of the project.

In December 2020 $175,314 was transferred to the 2015 Construction Fund from the Water and Sewer Fund for the costs of increasing the height of the radio tower for use by Water and Sewer personnel and installation of a water line at the new fire station.

In December 2020 $50,000 was transferred from the Technology Division to the 2015 Construction Fund for additional fiber wiring in the new fire station.

2015 CONSTRUCTION FUND NARRATIVE

Revenue	Before 2020	FY 2020	FY 2021	Total
Grant Proceeds	$ -0-	$ -0-	$ 400,000	$ 400,000
Building Fund	3,000,000	1,410,000	100,000	4,510,000
Tourist Development	1,000,000	-0-	-0-	1,000,000
Bond Proceeds	32,429,948	-0-	-0-	32,429,948
General Fund	5,334,221	3,135,467	3,445,000	11,914,688
Utility Fund Loan	1,220,000	-0-	-0-	1,220,000
Impact Fees	2,925,454	1,558,027	730,203	5,213,684
Interest	859,093	139,572	50,000	1,048,665
Other Funds Contribution	6,861,930	21,500	50,000	6,933,430
Transfer Utility Fund	509,711	3,258,929	175,314	3,943,954
Transfer Stormwater	86,805	34,000	-0-	120,805
Transfer Dark Fiber	37,095	-0-	-0-	37,095
Transfer CDBG	14,617	179,408	447,000	641,025
Transfer CRA Fund	972,232	477,719	200,000	1,649,951
Total Revenue	$55,251,106	$10,214,622	$5,597,517	$71,063,245
Expenditures				
Lake Elbert Trail	$ -0-	$ -0-	$ 400,000	$ 400,000
Sidewalks	-0-	-0-	-0-	-0-
Lake Maude	5,356,150	71,582	-0-	5,427,732
Sertoma	79,039	299,602	2,307,000	2,685,641
COL Complex	21,317,050	7,816,878	3,500	29,137,428
Smart City Master Plan	-0-	-0-	48,500	48,500
Nora Mayo Hall	-0-	182,197	100,333	282,530
Fire Station	512,701	1,032,924	2,641,645	4,187,270
Pocket Park	-0-	-0-	260,933	260,933
Seventh Street	2,946,714	112,868	-0-	3,059,582
Intersection Improvements	-0-	-0-	10,811	10,811
Projects Completed Prior to FY 2020	8,370,550	-0-	-0-	8,370,550
NE Complex	185,020	28,650	4,752,500	4,966,170
Trailhead Playground	-0-	245,349	245,349	490,698
Skate Park/MLK Park	44,406	1,738,109	1,196,476	2,978,991
Ballfields	20,376	300	-0-	20,676
Piazza	-0-	98,286	879,433	977,719
Principal Interest	-0-	144,771	144,769	289,540
Transfer to General Fund	-0-	1,088,027	400,000	1,488,027
Contingency	-0-	-0-	133,737	133,737
Total Expenditures	$38,832,006	$12,859,543	$13,524,986	$65,216,535
Surplus<deficit>	16,419,100	<2,644,921>	<7,927,469>	5,846,710
Beginning Cash Bal	-0-	16,419,100	13,774,181	-0-
Ending Cash Balance, less Accounts Payable	$16,419,100	$13,774,179	$5,846,712	$5,846,710

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 loss on the cash basis of $539,571 and increase in net position of $514,255 on the GAAP basis.

Two Year History of Solid Waste Accounts:

	FY 2020 Accounts	FY 2019 Accounts	Increase <Decrease>	% Change
Residential	17,660	16,774	886	5.3 %
Commercial	1,793	1,767	26	1.5 %
Municipal	65	65	0	0 %
Total	19,518	18,606	912	4.9 %

Effective October 1, 2019 the City began paying Advance Disposal $3.94 per account per month for recycling services but only charged customers $2.56 for recycling. It is estimated that this disparity cost the Fund $75,000. The City brought the recycling program in house in July 2020. In order to accomplish this two new employee positions were created, a crew leader and a floater. Six additional garbage trucks were purchased at a cost of $1,859,802, $1,128,296 of which came out of fund equity and $731,506 from funds set aside in the Capital Depletion Account. The fund also purchased a Ford Explorer ($28,651) and an F150 pickup truck ($14,261) out of fund equity to accommodate the two new employee positions.

Reconciliation of Cash Basis Expenses to GAAP Expenses and Transfers Out:

Cash Basis Expenses		$9,193,928
Plus:		
Sick/Vacation Accrual	$25,903	
Bad Debt Expense	1,671	
Depreciation	382,262	
GASB 68 Liability	155,398	
OPEB Liability	319,824	
Insurance Adjustment	113,407	998,465
Less:		
Capital Expenses	$-1,356,792	
Capital Depletion	-496,991	
Pension Adjustment	-198,508	-2,052,291
GAAP Basis Expenses and Transfers Out		$8,140,102

Notes from the Water and Sewer Fund are as follows:

The Water and Sewer Fund operated with a $12,590,157 increase in net position on the GAAP basis of accounting and at a $650,168 loss on the Budget/Cash basis. At year-end the Fund had $72,838,888 in Net Position.

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

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Water accounts	34,424	35,691	36,783	37,969	39,077
Sewer accounts	21,513	22,404	23,150	24,023	24,934
Gallons water billed	2,868 m	3,240 m	3,194 m	3,159 m	3,329 m
Consumption per customer	83,325 g	90,779 g	86,826 g	83,192 g	85,195 g
Rainfall (from plant #3)	52.86 in	47.70 in	54.86 in	50.61 in	49.42 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 9-30-20
**John Wood-Prepaid Connections	1,050 prepaids	657 prepaids

Developer Contributions

	Water Lines	Sewer Lines	Lift Station	Reuse	Total
Villamar – Phase II	$243,573	$417,033	$351,458	$182,556	$1,194,619
Jace Landing	225,574	218,624	0	0	444,198
Country walk – Phase II	82,019	84,970	0	47,200	214,189
Villamar – Phase I	322,413	835,171	67,254	196,282	1,421,120
Lucerne Park Reserve	597,734	581,719	256,899	463,708	1,900,060
Lake Deer Subdivision	185,452	249,585	157,818	0	592,854
Country Walk – Hartridge	0	0	161,442	0	161,442
Lakes at Lucerne Park	219,125	246,738	0	0	465,863
Total	$1,875,890	$2,633,840	$994,870	$889,746	$6,394,346

Other Items:
October 28 – City Commission approved the purchase of a home and lot located at 2024 Leisure Way from George and Fay Waldrop for $300,000. The land will be used for a lift station and stormwater treatment. The Developer of Country Walk will construct the lift station. The City will reimburse the Developer 69% of the cost of the lift station. The Developer will reimburse the City 31% of the net real estate costs when the property is sold, if the property sells for less than $300,000.

January 27 – City Commission approved:
-A grant with FEMA to purchase a by-pass pump for WW #2. The pump cost is $61,378.25 with FEMA to pay $55,982.25. The pump was installed in October 2020.
-A rate study and impact fee study to be prepared by Raftelis. The studies will be completed early in calendar year 2021.

March 9 – City Commission approved a grant agreement with FEMA for the purchase of 4 generators at a cost of $210,848. FEMA is to pay 75% of the costs. A request for reimbursement was filed in October 2020.
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.

April 13 – City Commission approved:
- Slip lining of Wastewater Plant #2 gravity line for $489,844

- An EPA required Risk and Resilience Assessment for $339,600
- A contract with Hydromox, USA to exercise values for $406,995
- Phase II model of the water distribution system for $98,750
- Approved a FEMA 50/50 grant for an Aquafer Recharge Feasibility Study. Estimated cost $141,000.

No filing at year-end.

April 27 – City Commission approved Jones Edmunds to perform a Stormwater Pond Feasibility Study at Ave C SW between 4th and 5th Street for $72,880.

May 26 – City Commission approved:

- Contract with Jones Edmunds to oversee Force main and fiber line construction from WW #3 to the Master Lift Station for $893,050
- Contract with Wright-Pierce for septic to sewer master plan for $86,100.
- Contract with Atkins North America Inc. to design and permit water interconnects between Winter Haven and Dundee and Winter Haven and Eagle Lake for $140,252

June 8 – City Commission approved a grant application with the Florida Job Growth Grant fund for $10,373,121 to extend the Logistics Center Parkway and install fiber to the Intermodel Logistics Center. At year-end there was no ward on the application.

July 7 – The City sold WW #3 property to Florida Can for $3,258,929. The proceeds were transferred to the 2015 construction Fund.

July 10 – City Commission approved a grant application with Rebuild Florida General Planning Support Program to evaluate conditions concerning constructing a series of natural water storage areas between Cypress Gardens Blvd. and Highway 542. There is $633 million available in the programs with maximum awards of $10 million.

July 27 – City Commission approved a letter of understanding with Jim Lentz (Harmony Development) for the City to buy easement right of way for the Master Force Main and Reuse line to WW #3. The price is $140,775.

August 11 – City Commission approved Resolution R-20-44 and 45 requesting inclusion for the Integrated Water Plan Loan in the amount of $1.5 million.

August 24 – City Commission approved:

- A $47,010,000 grant request to purchase land for water storage
- A Florida DEP LPA 0133 grant in the amount of $663,904 to fund 54% of the cost to run a water line from WW #3 to an existing line on Eloise Loop Road.

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	13.02%	28.02%	33.12%
Active Plan Participants 10-1-19	82	65	171
DROP Participants 10-1-19	5	5	35
Unfunded Actuarial Liability @ 10-1-19	$4,483,672	$5,274,382	$13,896,597
Funded Ratio 10-1-19	96.2%	97.6%	88.0%

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

	Police	Fire	General
City's Pooled Investments	$ -0-	$ -0-	$ -0-
Salem Trust	37,255,676	35,208,886	-0-
Regions Trust	-0-	-0-	73,001,439
Total Assets	$37,255,676	$35,208,886	$73,001,439

On July 13, 2020 the City Commission amended the Firefighter's Pension Plan Ordinance to include 21 cancers as being job related should a firefighter become infected. This change was to comply with FS 112.1816 requiring plans to have this provision. The Plan Actuary determined the annual cost of this provision as having a .04% increase in the City's contribution.

Analysis of Significant General Fund Variances
There were no significant adjustments to the General Fund Budget during the year. Department Directors operated within the $49.9 million allotment and returned $1.9 million of unused expenditure budget to equity.

Capital Assets and Debt Administered
At the end of 2020, the City had invested $190.1 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 $23.4 million, or over last year. For a detailed description of the City's Capital Assets see the notes to the financial statements on pages 79 and 80.

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

	Governmental Activities		Business-Type Activities		Total		Total Change	Total % Change
	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020		
Land	$7.9	$7.9	$5.2	$5.5	$13.1	$13.4	$0.3	2%
Construction in Progress	27.7	5.1	6.5	10.3	34.2	15.4	<18.8>	<55>%
Buildings and Improvements	27.1	54.8	2.2	2.2	29.3	57.0	27.7	95%
Other Improvements	26.0	30.5	54.6	61.4	80.6	91.9	11.3	14%
Equipment	7.4	7.1	2.2	5.3	9.6	12.4	2.8	29%
	$96.1	$105.4	$70.7	$84.7	$166.8	$190.1	$23.3	14%

*in millions of dollars

Debt Administration
During the year the City issued additional debt in the Business-Type Activities.

	Governmental Activities*		Business-Type Activities*		Total*	
	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020
Revenue Bonds and Notes Payable	$50.6	$47.6	$47.1	$45.9	$97.7	$93.5

*in millions of dollars

Detailed information on City debt can be found in the notes to the Financial Statements pages 84 to 94 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 increased from 4.1 in 2019 to 9.0 in 2020.
- 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 remain flat until the COVID virus runs its course.
- Property values are forecast to increase by 8.5% in FY 2021.

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 ten years of operation, Legoland reported that attendance is exceeding their expectations, even though depressed due to COVID.

The above factors were considered in preparing the FY 2021 budget.

During FY 2020 the COVID 19 Virus impacted the economics of many communities across the United States. The impact on the City in future years is not known at this time. FY 2020 revenues were not significantly impacted except for recreation revenues from the closure of facilities.

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

WINTER HAVEN
The Chain of Lakes City

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CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 47,793,423	$ 47,573,392	$ 95,366,815
Restricted Cash and Investments	469,584	21,469,827	21,939,411
Accounts Receivable, Net	1,103,497	5,988,625	7,092,122
Due from Other Governments	14,701,872	1,288,277	15,990,149
Internal Balances	4,559,755	(4,559,755)	-
Inventory	169,465	494,434	663,899
Prepaid Items	576,620	174,276	750,896
Capital Assets, Not Being Depreciated	12,969,990	15,793,052	28,763,042
Capital Assets, Being Depreciated - Net	92,417,255	68,881,435	161,298,690
Total Assets	174,761,461	157,103,563	331,865,024
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	7,156,125	1,710,244	8,866,369
OPEB Related Items	7,658,067	3,361,449	11,019,516
Deferred Charge on Debt Refunding	195,828	787,277	983,105
Total Deferred Outflows of Resources	15,010,020	5,858,970	20,868,990
LIABILITIES			
Accounts Payable	5,444,440	2,399,024	7,843,464
Accrued Liabilities	884,485	308,494	1,192,979
Customer Deposits	-	82,549	82,549
Claims Payable	1,748,553	-	1,748,553
Due to Other Governments	29,718	31,756	61,474
Accrued Interest Payable	687,070	751,377	1,438,447
Current Liabilities Payable from Restricted Assets:			
Customer Deposits	-	5,128,996	5,128,996
Unearned Revenue	4,953	-	4,953
Noncurrent Liabilities:			
Due Within One Year			
Bonds and Notes Payable	3,145,000	2,162,140	5,307,140
Compensated Absences	305,833	59,404	365,237
Total OPEB Liability	599,134	263,052	862,186
Due in More than One Year			
Bonds and Notes Payable	44,813,689	43,652,104	88,465,793
Compensated Absences	1,835,564	534,627	2,370,191
Net Pension Liability	19,712,402	7,206,086	26,918,488
Total OPEB Liability	29,523,372	12,958,984	42,482,356
Total Liabilities	108,734,213	75,538,593	184,272,806
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	2,636,330	156,020	2,792,350
OPEB Related Items	2,471,288	1,084,754	3,556,042
Deferred Charge on Debt Refunding	297,992	-	297,992
Total Deferred Inflows of Resources	5,405,610	1,240,774	6,646,384
NET POSITION			
Net Investment in Capital Assets	56,358,474	38,547,062	94,905,536
Restricted for:			
Public Safety	10,285	-	10,285
Community Redevelopment Agency	1,986,008	-	1,986,008
Environmental Awareness	200,000	-	200,000
Human Services	293,248	-	293,248
Police Training, Confiscation and Abandoned Property	135,316	-	135,316
Building Safety	5,243,586	-	5,243,586
Impact Fees	2,009,940	-	2,009,940
Debt Service	3,153,862	2,875,176	6,029,038
Transportation	1,697,990	-	1,697,990
Renewal, Replacement, and Improvements	-	13,465,655	13,465,655
Unrestricted	4,542,949	31,295,273	35,838,222
Total Net Position	$ 75,631,658	$ 86,183,166	$ 161,814,824

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Primary Government:				
Governmental Activities:				
General Government	$ 9,550,908	$ 4,486,023	$ 122,744	$ -
Public Safety	23,590,215	941,237	510,614	-
Transportation	6,023,386	1,785,726	71,121	1,823,586
Economic Development	1,629,153	5,484,495	21,500	-
Human Services	896,413	344,666	597,211	-
Culture and Recreation	9,662,913	743,868	497,377	-
Debt Service:				
Interest on Long-Term Debt	1,308,899	-	-	-
Total Governmental Activities	52,661,887	13,786,015	1,820,567	1,823,586
Business-Type Activities:				
Water and Sewer	26,024,825	36,632,118	212,343	6,588,954
Solid Waste	6,877,829	8,560,160	15,791	-
Willowbrook Golf Course	1,076,599	866,370	259	-
Stormwater	1,686,229	1,970,641	4,589	1,092,807
Dark Fiber	223,797	139,327	-	-
Total Business-Type Activities	35,889,279	48,168,616	232,982	7,681,761
Total Primary Government	$ 88,551,166	$ 61,954,631	$ 2,053,549	$ 9,505,347

General Revenues
- Taxes:
  - Property Taxes
  - Utility Taxes
  - Franchise Taxes
  - Fuel Taxes
- Unrestricted State-Shared Revenues:
  - Sales Taxes
  - Cigarette Taxes
  - Other Taxes
- Investment Income
- 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
$ (4,942,141)	$ -	$ (4,942,141)
(22,138,364)	-	(22,138,364)
(2,342,953)	-	(2,342,953)
3,876,842	-	3,876,842
45,464	-	45,464
(8,421,668)	-	(8,421,668)
(1,308,899)	-	(1,308,899)
(35,231,719)	-	(35,231,719)
-	17,408,590	17,408,590
-	1,698,122	1,698,122
-	(209,970)	(209,970)
-	1,381,808	1,381,808
-	(84,470)	(84,470)
-	20,194,080	20,194,080
(35,231,719)	20,194,080	(15,037,639)
18,341,292	-	18,341,292
6,877,517	-	6,877,517
3,356,485	-	3,356,485
1,998,095	-	1,998,095
2,841,455	-	2,841,455
1,111,606	-	1,111,606
1,396,100	-	1,396,100
503,831	840,264	1,344,095
-	3,225,106	3,225,106
443,427	-	443,427
9,610,729	(9,610,729)	-
46,480,537	(5,545,359)	40,935,178
11,248,818	14,648,721	25,897,539
64,382,840	71,534,445	135,917,285
$ 75,631,658	$ 86,183,166	$ 161,814,824

CITY OF WINTER HAVEN, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Community Redevelopment Agency	2015 Construction	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	$ 13,339,872	$ 1,503,512	$ 14,416,248	$ 13,746,038	$ 43,005,670
Investments - Reserved for Perpetual Care	-	-	-	469,584	469,584
Accounts Receivable	995,088	452	-	49,369	1,044,909
Due from Other Governments	13,569,739	-	-	1,129,551	14,699,290
Due from Other Funds	866,976	-	-	523,916	1,390,892
Advances to Other Funds	1,563,872	-	-	2,588,612	4,152,484
Inventory	-	-	-	39,001	39,001
Prepaid Items	175,530	16,274	-	99,228	291,032
Total Assets	$ 30,511,077	$ 1,520,238	$ 14,416,248	$ 18,645,299	$ 65,092,862
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 365,467	$ 181,834	$ 642,069	$ 3,375,031	$ 4,564,401
Accrued Liabilities	995,830	4,374	-	78,836	1,079,040
Due to Other Funds	-	-	107,411	828,847	936,258
Due to Other Governments	-	-	-	29,718	29,718
Advances from Other Funds	-	-	1,008,866	163,129	1,171,995
Unearned Revenue	-	-	-	4,953	4,953
Total Liabilities	1,361,297	186,208	1,758,346	4,480,514	7,786,365
Deferred Inflows of Resources:					
Unavailable Revenue	12,339,308	-	-	141,452	12,480,760
Fund Balances:					
Nonspendable	1,739,402	16,274	-	138,229	1,893,905
Restricted	210,285	1,317,756	5,985,256	7,878,278	15,391,575
Committed	-	-	-	607,620	607,620
Assigned	72,381	-	6,672,646	5,897,292	12,642,319
Unassigned	14,788,404	-	-	(498,086)	14,290,318
Total Fund Balances	16,810,472	1,334,030	12,657,902	14,023,333	44,825,737
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 30,511,077	$ 1,520,238	$ 14,416,248	$ 18,645,299	$ 65,092,862

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, 2020

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS	$ 44,825,737
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.	104,932,385
Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and, therefore, are not reported in the governmental funds.	195,828
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.	(687,070)
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.	(13,391,590)
The City's total other postemployment benefits liability and related deferred outflows and inflows of resources are recorded only on the Statement of Net Position.	(22,770,351)
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.	(49,559,100)
Unavailable revenue is recorded in the funds to offset receivables that do not meet the criteria for revenue recognition in the current period.	12,480,760
Deferred inflows of resources represent an addition of net position that applies to a future period(s) and, therefore, are not reported in the governmental funds.	(297,992)
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.	(96,949)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 75,631,658

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, 2020

	General Fund	Community Redevelopment Agency	2015 Construction	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 28,886,045	$ 2,492,586	$ -	$ -	$ 31,378,631
Licenses and Permits	241,126	-	-	-	241,126
Intergovernmental	5,743,875	-	-	2,828,395	8,572,270
Charges for Services	3,146,645	-	-	6,225,221	9,371,866
Fines and Forfeitures	350,158	-	-	79,156	429,314
Rents	191,668	8,400	-	956,197	1,156,265
Investment Income	163,977	26,198	139,572	118,426	448,173
Contributions	-	-	21,500	346	21,846
Other	897,628	-	-	95,337	992,965
Total Revenues	39,621,122	2,527,184	161,072	10,303,078	52,612,456
EXPENDITURES					
Current:					
General Government	7,208,554	-	-	-	7,208,554
Public Safety	19,953,203	-	-	1,600,886	21,554,089
Transportation	1,656,980	-	-	5,007,194	6,664,174
Economic Development	739,369	686,722	-	-	1,426,091
Human Services	-	-	-	905,186	905,186
Culture and Recreation	5,809,133	-	-	1,801,114	7,610,247
Capital Projects	-	-	11,626,745	-	11,626,745
Debt Service:					
Principal Retirement	-	-	-	3,055,000	3,055,000
Interest and Fiscal Charges	-	-	-	1,414,331	1,414,331
Other Debt Service	-	-	41,048	549	41,597
Total Expenditures	35,367,239	686,722	11,667,793	13,784,260	61,506,014
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,253,883	1,840,462	(11,506,721)	(3,481,182)	(8,893,558)
OTHER FINANCING SOURCES (USES)					
Sale of Assets	40,023	-	-	4,100	44,123
Transfers In	10,118,174	-	10,053,550	9,982,632	30,154,356
Transfers Out	(12,622,052)	(1,470,337)	(1,088,027)	(4,992,811)	(20,173,227)
Total Other Financing Sources (Uses)	(2,463,855)	(1,470,337)	8,965,523	4,993,921	10,025,252
NET CHANGE IN FUND BALANCES	1,790,028	370,125	(2,541,198)	1,512,739	1,131,694
Fund Balances - Beginning of Year	15,020,444	963,905	15,199,100	12,510,594	43,694,043
FUND BALANCES - END OF YEAR	$ 16,810,472	$ 1,334,030	$ 12,657,902	$ 14,023,333	$ 44,825,737

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, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 1,131,694
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.	15,457,128
Depreciation of capital assets is not a use of financial resources to governmental funds; however, it is expensed in the statement of net position.	(5,914,462)
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.	(118,968)
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.	3,055,000
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.	(1,664,201)
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.	(500,644)
Transfers of capital assets to business-type activities decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	(55,000)
Internal service funds are used by management to charge the costs of insurance and equipment and vehicle maintenance to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.	(206,261)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 11,248,818

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, 2020

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 28,660,728	$ 28,660,728	$ 28,886,045	$ 225,317
Licenses and Permits	237,000	237,000	241,126	4,126
Intergovernmental	5,870,743	5,870,743	5,743,875	(126,868)
Charges for Services	3,300,906	3,300,906	3,146,645	(154,261)
Fines and Forfeitures	270,300	270,300	350,158	79,858
Rents	466,176	466,176	191,668	(274,508)
Investment Income	320,000	320,000	163,977	(156,023)
Other	586,250	586,250	897,628	311,378
Total Revenues	39,712,103	39,712,103	39,621,122	(90,981)
EXPENDITURES				
Current:				
General Government	7,411,532	7,411,532	7,208,554	202,978
Public Safety	20,112,008	20,112,008	19,953,203	158,805
Transportation	2,604,149	2,057,290	1,656,980	400,310
Economic Development	915,927	915,927	739,369	176,558
Culture and Recreation	7,246,057	6,755,359	5,809,133	946,226
Total Expenditures	38,289,673	37,252,116	35,367,239	1,884,877
EXCESS OF REVENUES OVER EXPENDITURES	1,422,430	2,459,987	4,253,883	1,793,896
OTHER FINANCING SOURCES (USES)				
Sales of Assets	11,500	11,500	40,023	28,523
Transfers In	10,150,565	10,150,565	10,118,174	(32,391)
Transfers Out	(11,584,495)	(12,622,052)	(12,622,052)	-
Total Other Financing Sources (Uses)	(1,422,430)	(2,459,987)	(2,463,855)	(3,868)
NET CHANGE IN FUND BALANCES	-	-	1,790,028	1,790,028
Fund Balances, Beginning of Year	15,020,444	15,020,444	15,020,444	-
FUND BALANCES - END OF YEAR	$ 15,020,444	$ 15,020,444	$ 16,810,472	$ 1,790,028

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, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	$ 2,497,354	$ 2,497,354	$ 2,492,586	$ (4,768)
Miscellaneous:				
Rents	2,000	2,000	8,400	6,400
Investment Income	31,000	31,000	26,198	(4,802)
Total Revenues	2,530,354	2,530,354	2,527,184	(3,170)
EXPENDITURES				
Current:				
Economic Development	2,544,220	2,544,220	686,722	1,857,498
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,866)	(13,866)	1,840,462	1,854,328
OTHER FINANCING USES				
Transfers Out	(962,618)	(962,618)	(1,470,337)	(507,719)
NET CHANGE IN FUND BALANCES	(976,484)	(976,484)	370,125	1,346,609
Fund Balances - Beginning of Year	963,905	963,905	963,905	-
FUND BALANCES - END OF YEAR	$ (12,579)	$ (12,579)	$ 1,334,030	$ 1,346,609

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	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	$ 32,004,681	$ 4,892,835	$ 6,334,002	$ 43,231,518	$ 4,787,753
Cash With Fiscal Agent	4,170,999	-	170,875	4,341,874	-
Restricted Cash and Investments					
Customer Deposits	5,128,996	-	-	5,128,996	-
Receivables:					
Accounts	4,421,493	1,367,710	354,156	6,143,359	58,588
Less: Allowance for Doubtful Accounts	(154,734)	-	-	(154,734)	-
Due from Other Governments	194,993	397	1,092,887	1,288,277	2,582
Due from Other Funds	107,411	-	-	107,411	-
Advances to Other Funds	1,008,866	-	-	1,008,866	-
Inventories	454,903	15,452	24,079	494,434	130,464
Prepaid Items	117,976	18,491	37,809	174,276	277,063
Total Current Assets	47,455,584	6,294,885	8,013,808	61,764,277	5,256,450
NONCURRENT ASSETS					
Restricted Cash, Cash Equivalents, and Investments:					
Bond Asset Replacement Funds	3,177,370	-	-	3,177,370	-
Construction Funds	10,288,285	-	-	10,288,285	-
Debt Service	2,875,176	-	-	2,875,176	-
Total Restricted Assets	16,340,831	-	-	16,340,831	-
Capital Assets:					
Land	2,723,222	-	2,765,930	5,489,152	-
Construction in Progress	8,630,842	-	1,673,058	10,303,900	-
Building	8,512,446	-	217,380	8,729,826	151,763
Improvements Other than Buildings	163,265,281	10,654	8,044,555	171,320,490	380,249
Equipment	6,138,137	6,695,938	1,604,418	14,438,493	2,579,540
	189,269,928	6,706,592	14,305,341	210,281,861	3,111,552
Less: Accumulated Depreciation	(115,431,613)	(3,872,006)	(6,303,755)	(125,607,374)	(2,656,692)
Net Capital Assets	73,838,315	2,834,586	8,001,586	84,674,487	454,860
Total Noncurrent Assets	90,179,146	2,834,586	8,001,586	101,015,318	454,860
Total Assets	137,634,730	9,129,471	16,015,394	162,779,595	5,711,310
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Items	1,289,324	282,995	137,925	1,710,244	544,985
OPEB Related Items	2,295,536	825,833	240,080	3,361,449	665,014
Deferred Charge on Debt Refunding	787,277	-	-	787,277	-
Total Deferred Outflows of Resources	4,372,137	1,108,828	378,005	5,858,970	1,209,999

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2020

	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 (DEFICIT)					
CURRENT LIABILITIES					
Accounts Payable	$ 1,394,377	$ 411,194	$ 593,453	$ 2,399,024	$ 880,039
Accrued Liabilities	223,172	63,195	22,127	308,494	86,098
Customer Deposits	78,384	4,165	-	82,549	-
Due to Other Funds	-	-	562,045	562,045	-
Due to Other Governments	30,821	935	-	31,756	-
Claims Payable	-	-	-	-	1,748,553
Accrued Interest Payable	751,377	-	-	751,377	-
Current Portion of Bonds and Notes Payable	2,162,140	-	-	2,162,140	-
Current Portion of Compensated Absences	42,633	13,597	3,174	59,404	25,181
Current Portion of Total OPEB Liability	179,593	64,664	18,795	263,052	51,990
Total	4,862,497	557,750	1,199,594	6,619,841	2,791,861
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS					
Customer Deposits	5,128,996	-	-	5,128,996	-
Total Current Liabilities	9,991,493	557,750	1,199,594	11,748,837	2,791,861
LONG-TERM LIABILITIES					
Advances from Other Funds	-	-	3,989,355	3,989,355	-
Bonds and Notes Payable (Net of Unamortized Premiums)	43,652,104	-	-	43,652,104	-
Compensated Absences	383,693	122,368	28,566	534,627	226,627
Total OPEB Liability	8,849,744	3,183,696	925,544	12,958,984	2,563,796
Net Pension Liability	5,432,546	1,192,393	581,147	7,206,086	2,296,285
Total Long-Term Liabilities	58,318,087	4,498,457	5,524,612	68,341,156	5,086,708
Total Liabilities	68,309,580	5,056,207	6,724,206	80,089,993	7,878,569
DEFERRED INFLOWS OF RESOURCES					
Pension Related Items	117,620	25,817	12,583	156,020	49,717
OPEB Related Items	740,779	266,500	77,475	1,084,754	214,604
Total Deferred Inflows of Resources	858,399	292,317	90,058	1,240,774	264,321
NET POSITION (DEFICIT)					
Net Investment in Capital Assets	28,377,680	2,649,003	7,520,379	38,547,062	454,860
Restricted for:					
Revenue Bonds Debt Service	2,875,176	-	-	2,875,176	-
Renewal, Replacement and Improvements	13,465,655	-	-	13,465,655	-
Unrestricted (Deficit)	28,120,377	2,240,772	2,058,756	32,419,905	(1,676,441)
Total Net Position (Deficit)	$ 72,838,888	$ 4,889,775	$ 9,579,135	87,307,798	$ (1,221,581)

Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds	(1,124,632)
Net Assets of Business-Type Activities	$ 86,183,166

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, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	$ 35,612,524	$ 8,509,318	$ 2,976,338	$ 47,098,180	$ 13,873,501
Tap Fees	744,006	-	-	744,006	-
Miscellaneous	275,588	50,842	-	326,430	305,345
Total Operating Revenues	36,632,118	8,560,160	2,976,338	48,168,616	14,178,846
OPERATING EXPENSES					
Personal Services	7,623,968	2,359,013	941,489	10,924,470	2,937,459
Material and Supplies	1,597,254	355,680	40,477	1,993,411	1,903,293
Depreciation and Amortization	3,692,291	382,262	391,341	4,465,894	170,531
Other Services and Charges	11,609,565	3,787,347	1,538,247	16,935,159	9,243,788
Total Operating Expenses	24,523,078	6,884,302	2,911,554	34,318,934	14,255,071
OPERATING INCOME (LOSS)	12,109,040	1,675,858	64,784	13,849,682	(76,225)
NONOPERATING REVENUES (EXPENSES)					
Grants and Contributions	212,343	15,791	4,848	232,982	133,693
Investment Income	680,973	78,406	80,885	840,264	55,658
Interest Expense	(1,504,159)	-	(75,284)	(1,579,443)	-
Gain on Disposal of Assets	3,224,335	-	771	3,225,106	5,111
Total Nonoperating Revenues (Expenses)	2,613,492	94,197	11,220	2,718,909	194,462
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	14,722,532	1,770,055	76,004	16,568,591	118,237
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Grants and Contributions	6,643,954	-	1,092,807	7,736,761	-
Transfers In	-	-	470,587	470,587	386,200
Transfers Out	(8,776,329)	(1,255,800)	(104,187)	(10,136,316)	(701,600)
Total Capital Contributions and Transfers	(2,132,375)	(1,255,800)	1,459,207	(1,928,968)	(315,400)
CHANGE IN NET POSITION (DEFICIT)	12,590,157	514,255	1,535,211	14,639,623	(197,163)
Net Position (Deficit) - Beginning of Year	60,248,731	4,375,520	8,043,924		(1,024,418)
NET POSITION (DEFICIT) - END OF YEAR	$ 72,838,888	$ 4,889,775	$ 9,579,135		$ (1,221,581)

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.	9,098
Change in Net Position of Business-Type Activities	$ 14,648,721

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	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	$ 36,468,556	$ 8,361,549	$ 2,909,800	$ 47,739,905	$ 14,323,935
Cash Paid to Employees for Services	(6,760,316)	(1,919,071)	(662,721)	(9,342,108)	(2,683,733)
Cash Paid to Suppliers for Goods and Services	(13,118,163)	(4,222,158)	(1,574,723)	(18,915,044)	(11,074,086)
Net Cash Provided by Operating Activities	16,590,077	2,220,320	672,356	19,482,753	566,116
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants and Contributions	211,958	15,394	4,848	232,200	132,589
Advances from Other Funds	103,723	-	-	103,723	-
Transfers (to) from Other Funds	(5,517,400)	(1,255,800)	148,800	(6,624,400)	386,200
Repayment of Advances From Other Funds	-	-	(35,232)	(35,232)	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	(5,201,719)	(1,240,406)	118,416	(6,323,709)	518,789
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Grants and Contributions	-	-	399,920	399,920	-
Transfers (to) from Other Funds	(3,258,929)	-	217,600	(3,041,329)	(701,600)
Advances from Other Funds	-	-	(409,886)	(409,886)	-
Interest Paid	(1,521,266)	-	(75,284)	(1,596,550)	-
Acquisition and Construction of Capital Assets	(7,887,904)	(1,902,713)	(1,899,408)	(11,690,025)	(113,656)
Proceeds from Sale of Assets	3,465,909	-	772	3,466,681	5,111
Principal Payments on Long-Term Debt	(2,237,388)	-	-	(2,237,388)	-
Proceeds from Capital Debt	988,467	-	-	988,467	-
Net Cash Used by Capital and Related Financing Activities	(10,451,111)	(1,902,713)	(1,766,286)	(14,120,110)	(810,145)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net Investment Income	680,973	78,406	80,885	840,264	55,658
Net Cash Provided by Investing Activities	680,973	78,406	80,885	840,264	55,658
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,618,220	(844,393)	(894,629)	(120,802)	330,418
Cash and Cash Equivalents - Beginning of Year	56,027,287	5,737,228	7,399,506	69,164,021	4,457,335
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 57,645,507	$ 4,892,835	$ 6,504,877	$ 69,043,219	$ 4,787,753

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	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)	$ 12,109,040	$ 1,675,858	$ 64,784	$ 13,849,682	$ (76,225)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation and Amortization	3,692,291	382,262	391,341	4,465,894	170,531
(Increase) Decrease in Assets and Deferred Outflows of Resources:					
Accounts Receivable	(436,166)	(202,776)	(66,013)	(704,955)	149,064
Inventories	(64,409)	11,739	4,781	(47,889)	(15,300)
Prepaid Items	(71,715)	(17,490)	(25,272)	(114,477)	(127,447)
Due from Other Governments	-	-	-	-	(1,478)
Deferred Outflows of Resources- Pension Related Items	(854,049)	(186,552)	(95,081)	(1,135,682)	(359,091)
Deferred Outflows of Resources- OPEB Related Items	(1,734,968)	(634,760)	(194,022)	(2,563,750)	(504,727)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts Payable	217,839	(73,491)	24,492	168,840	215,742
Accrued Liabilities	76,796	22,510	9,260	108,566	23,811
Due to Other Governments	6,941	111	-	7,052	-
Unearned Revenue	(38,377)	-	(525)	(38,902)	(2,497)
Customer Deposits	310,981	4,165	-	315,146	-
Compensated Absences	78,567	25,901	9,717	114,185	38,873
Total OPEB Liability	2,229,936	930,741	385,681	3,546,358	671,588
Net Pension Liability	686,015	140,716	113,942	940,673	269,166
Deferred Inflows of Resources- Pension Related Items	19,767	4,136	2,951	26,854	7,927
Deferred Inflows of Resources- OPEB Related Items	361,588	137,250	46,320	545,158	106,179
Net Cash Provided by Operating Activities	$ 16,590,077	$ 2,220,320	$ 672,356	$ 19,482,753	$ 566,116
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contributions of Capital Assets	$ 6,394,346	$ -	$ -	$ 6,394,346	$ -
Capital Additions Funded by Accounts Payable	$ 433,668	$ 185,584	$ 481,206	$ 1,100,458	$ -
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITIONS					
Cash, Investments, and Cash Equivalents	$ 32,004,681	$ 4,892,835	$ 6,334,002	$ 43,231,518	$ 4,787,753
Cash With Fiscal Agent	4,170,999	-	170,875	4,341,874	-
Restricted Assets:					
Customer Deposits	5,128,996	-	-	5,128,996	-
Bond Asset Replacement Funds	3,177,370	-	-	3,177,370	-
Construction Funds	10,288,285	-	-	10,288,285	-
Debt Service	2,875,176	-	-	2,875,176	-
Total Cash, Investments, and Cash Equivalents	$ 57,645,507	$ 4,892,835	$ 6,504,877	$ 69,043,219	$ 4,787,753

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	Employee Retirement Funds
ASSETS	
Investments:	
Short-Term Money Market Funds	$ 3,936,266
Government Securities	13,017,804
Corporate and Other Bonds	14,569,371
Mutual Funds	8,625,515
Equity Securities	91,580,634
Miscellaneous	1,143
Real Estate Fund	13,482,619
Total Investments	145,213,352
Receivables:	
Interest and Dividends Receivable	196,004
Other Receivables	56,645
Total Receivables	252,649
Total Assets	145,466,001
LIABILITIES	
Accounts Payable	90,932
NET POSITION	
Net Position Restricted for Pensions	$ 145,375,069

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Employee Retirement Funds
ADDITIONS	
Contributions:	
Employer	$ 4,408,025
Employee	1,281,350
State	805,242
Total Contributions	6,494,617
Investment Income	7,274,423
Less: Investment Expenses	(524,121)
Net Investment Income	6,750,302
Miscellaneous Revenue	19,146
Total Additions	13,264,065
DEDUCTIONS	
Benefits	9,405,739
Refunds	220,228
Administrative Expenses	327,161
Total Deductions	9,953,128
CHANGE IN NET POSITION	3,310,937
NET POSITION RESTRICTED FOR PENSIONS	
Net Position - Beginning of Year	142,064,132
Net Position - End of Year	$ 145,375,069

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. Separate financial statements for the CRA may be obtained by writing to the Winter Haven Community Redevelopment Agency, 451 Third Street NW, Winter Haven, Florida 33881.

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 $805,242 at September 30, 2020 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, pensions, other postemployment benefits, 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, 2020, 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 17.8% of Florida PRIME's portfolio at September 30, 2020.

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 dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2020 was 48 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, 2020 was 63 days. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's. On September 30, 2020, 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, 2020, 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, 2020 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.

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 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 unassigned 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, 2020 was approximately $8,806,000.

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 or expenses made from it which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses 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	$ 184,332,770
Accumulated Depreciation	(79,400,385)
Total Capital Assets Added	$ 104,932,385

Deferred Outflows

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

Deferred Charge on Debt Refunding	$ 195,828

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	$ (687,070)

Pension Related Items

The City's net pension liability is not due and payable in the current period; therefore, the liability and related deferred outflows and inflows of resources are not reported as fund liabilities. The balances applicable to the City's governmental activities at September 30, 2020 were:

Net Pension Liability	$ (17,416,117)
Deferred Outflows of Resources - Pension Related	6,611,140
Deferred Inflows of Resources - Pension Related	(2,586,613)
Total Pension Related Items	$ (13,391,590)

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

The City's total other postemployment benefits (OPEB) liability is not due and payable in the current period; therefore, the liability and related deferred outflows and inflows of resources are not reported as fund liabilities. Balances as of September 30, 2020 were as follows:

Total OPEB Liability	$ (27,506,720)
Deferred Outflows of Resources - OPEB Related	6,993,053
Deferred Inflows of Resources - OPEB Related	(2,256,684)
Total Pension Related Items	$ (22,770,351)

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, 2020 were as follows:

Bonds Payable	$ (47,580,000)
Premium on Bond Issue	(378,689)
Prepaid Insurance	8,525
Accrued Compensated Absences	(1,608,936)
Total Long-Term Liabilities	$ (49,559,100)

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	$ 12,480,760

Deferred Inflows

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

Deferred Charge on Debt Refunding	$ (297,992)

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	$ (1,221,581)

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	$ 1,124,632

Elimination of Interfund Receivables / Payables

Interfund receivables and payables in the amount of $991,976 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	$ 15,457,128
Sale of Capital Assets	(118,968)
Depreciation Expense	(5,914,462)
Net Adjustment	$ 9,423,698

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.

Principal Repayments:	
Bond and Note Payments	$ 3,055,000

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 OPEB Liability and Related Amounts	$ (1,594,283)
Net Change in Accrued Compensated Absences	(138,873)
Net Change in Bond Interest Payable	40,190
Net Change in Net Pension Liability and Related Amounts	28,765
Net Adjustment	$ (1,664,201)

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	$ (500,644)

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)

Transfers of Capital Assets

Transfers of capital assets to business -type activities decrease net position in the statement of activities, but do not appear in the governmental funds because they are not a current financial resource.

Transfers of Capital Assets	$ (55,000)

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.

Internal Service Funds Change in Net Position	$ (197,163)
Internal Service Fund Operating Loss Allocated to Business-Type Activities	(9,098)
Net Adjustment	$ (206,261)

Reclassifications and Eliminations

Transfers in and transfers out in the amount of $20,929,827 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 budgets are prepared in accordance with GAAP.

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 $475,900 at September 30, 2020. Management believes this deficit will be recovered through operations in future years.

The Willowbrook Golf Course Fund had a deficit in net position of $463,134 at September 30, 2020. 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 General Services Fund had a deficit in net position of $763,757 at September 30, 2020. Management believes this deficit will be recovered through operations in future years.

The Central Garage Fund had a deficit in net position of $461,629 at September 30, 2020. 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, 2020, the bank balance of the City's deposits was $18,620,087. The City also had $6,109 cash on hand at September 30, 2020.

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, 2020, the City's investments were as follows:

Investment Type	Fair Value
Florida PRIME	$ 95,648,838
Short-Term Money Market Funds	3,936,266
Collateralized Mortgage Obligations	4,316,977
United States Treasuries	3,368,335
Government Agencies	2,319,007
Government Mortgage Pools	2,655,407
Corporate Bonds	14,569,371
Municipal Obligations	358,078
Mutual Funds	8,625,515
Equity Securities	91,580,634
Miscellaneous	1,143
Real Estate Fund	13,482,619
Total Investments	$ 240,862,190

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

Deposits	$ 21,651,279
Cash on Hand	6,109
Investments	240,862,190
Total	$ 262,519,578
Statement of Net Position:	
Cash and Investments	$ 95,366,815
Restricted Cash and Investments	21,939,411
Statement of Fiduciary Net Position:	
Investments	145,213,352
Total Cash and Investments	$ 262,519,578

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, 2020, 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	$ 95,648,838	$ -	$ -	$ -	$ 95,648,838
United States Treasuries	660,000	1,441,950	905,732	360,653	3,368,335
Government Agencies:					
GNMA	-	-	-	38,664	38,664
GNMA Mortgage Pools	35,841	-	65,407	470,209	571,457
FHLB	1,404,742	32,993	-	-	1,437,735
FFCB	-	141,958	-	162,041	303,999
FHLMC Mortgage Pools	101	288,640	709,984	468,134	1,466,859
FNMA	-	381,991	-	94,612	476,603
FNMA Mortgage Pools	-	186,107	115,045	315,939	617,091
TVA	-	-	62,006	-	62,006
Municipal Obligations	50,304	63,520	-	244,254	358,078
Collateralized Mortgage Obligations	-	602,363	1,218,779	2,495,835	4,316,977
Corporate Bonds	526,649	5,579,195	6,254,115	2,209,412	14,569,371
Total	$ 98,326,475	$ 8,718,717	$ 9,331,068	$ 6,859,753	$ 123,236,013

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 investment grade or higher as reported by a major credit rating service, (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	0.20%	$ 476,603
Federal Home Loan Bank	Aaa	0.60%	1,437,735
Federal Farm Credit Bank	Aaa	0.13%	303,999
Tennessee Valley Authority	Aaa	0.03%	62,006
Government National Mortgage Association	No Rating	0.02%	38,664
U.S. Agencies Mortgage Pools:			
Federal National Mortgage Association	Aaa	0.26%	617,091
Federal Home Loan Mortgage Corporation	Aaa	0.61%	1,466,859
Government National Mortgage Association	Aaa	0.16%	385,115
Government National Mortgage Association	No Rating	0.08%	186,342
Collateralized Mortgage Obligations	A1	0.02%	52,026
Collateralized Mortgage Obligations	Aaa	1.30%	3,121,062
Collateralized Mortgage Obligations	No Rating	0.47%	1,143,889
Municipal Obligations	A1	0.02%	48,485
Municipal Obligations	Aa1	0.02%	50,304
Municipal Obligations	Aa2	0.04%	93,939
Municipal Obligations	Aaa	0.01%	30,962
Municipal Obligations	A-	0.01%	26,367
Municipal Obligations	No Rating	0.04%	108,021
U.S. Treasuries	Aaa	1.40%	3,368,335
Corporate Bonds	A1	0.17%	412,213
Corporate Bonds	A2	1.77%	4,252,526
Corporate Bonds	A3	1.60%	3,852,633
Corporate Bonds	Aa2	0.07%	160,509
Corporate Bonds	Aa3	0.05%	121,884
Corporate Bonds	B1	0.02%	40,948
Corporate Bonds	Aaa	0.16%	380,772
Corporate Bonds	Baa1	0.62%	1,484,564
Corporate Bonds	Baa2	0.53%	1,270,935
Corporate Bonds	Baa3	0.64%	1,548,013
Corporate Bonds	A	0.12%	289,788
Corporate Bonds	A-	0.15%	356,386
Corporate Bonds	BBB+	0.05%	128,301
Corporate Bonds	BBB-	0.04%	95,612
Corporate Bonds	WR	0.07%	157,180
Corporate Bonds	No rating	0.01%	17,107
Short-Term Money Market Funds	No rating	1.63%	3,936,266
Florida PRIME	No rating	39.71%	95,648,838
Mutual Funds Fixed	No rating	1.09%	2,634,400
Mutual Funds Other	No rating	2.49%	5,991,115
Miscellaneous	No rating	0.00%	1,143
Real Estate Fund	No rating	5.60%	13,482,619
Total			$ 149,281,556

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, 2020 the Pension Funds have $11,730,787 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, 2020:

		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	$ 64,689,566	$ 61,057,280	$ 3,632,286	$ -
International Equities	11,730,788	11,618,807	111,981	-
Equity Mutual Funds	15,159,830	15,159,830	-	-
Unit Investment Trusts	450	450	-	-
Corporate Bonds	14,569,371	-	14,569,371	-
Collateralized Mortgage Obligations	4,316,977	-	4,316,977	-
Mortgage Backed Securities	2,655,407	-	2,655,407	-
Municipal Obligations	358,078	-	358,078	-
U.S. Government Obligations	5,687,342	4,587,252	1,100,090	-
Mutual Funds Fixed	2,634,400	2,634,400	-	-
Mutual Funds Other	5,991,115	5,991,115	-	-
Miscellaneous	1,143	-	1,143	-
Total Investments Measured at Fair Value	127,794,467	$ 101,049,134	$ 26,745,333	$ -
Investments Measured at Net Asset Value (NAV)				
Real Estate Fund	13,482,619			
Total Investments Measured at the NAV	13,482,619			
Investments Measured at Amortized Cost				
Florida PRIME	95,648,838			
Short-Term Money Market Funds	3,936,266			
Total Investments Measured at Amortized Cost	99,585,104			
Total Investments	$ 240,862,190			

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	$ 13,482,619	$ 7,892	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, 2020 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	$ -	$ (12,780)	$ -	$ -	$ 7,911,094
Construction in Progress	27,614,868	13,967,435	-	-	(36,523,407)	5,058,896
Total Capital Assets, Not Being Depreciated	35,538,742	13,967,435	(12,780)	-	(36,523,407)	12,969,990
Capital Assets, Being Depreciated:						
Buildings and Improvements	44,148,939	-	(225,039)	-	28,836,447	72,760,347
Improvements Other than Buildings	72,661,698	89,589	(273,936)	(55,000)	7,686,960	80,109,311
Equipment	20,595,844	1,513,760	(533,824)	28,894	-	21,604,674
Total Capital Assets, Being Depreciated	137,406,481	1,603,349	(1,032,799)	(26,106)	36,523,407	174,474,332
Less Accumulated Depreciation for:						
Buildings and Improvements	(17,034,834)	(1,047,800)	124,127	-	-	(17,958,507)
Improvements Other than Buildings	(46,622,434)	(3,220,848)	273,937	-	-	(49,569,345)
Equipment	(13,212,534)	(1,816,345)	528,548	(28,894)	-	(14,529,225)
Total Accumulated Depreciation	(76,869,802)	(6,084,993)	926,612	(28,894)	-	(82,057,077)
Total Capital Assets, Being Depreciated, Net	60,536,679	(4,481,644)	(106,187)	(55,000)	36,523,407	92,417,255
Governmental Activities Capital Assets, Net	$ 96,075,421	$ 9,485,791	$ (118,967)	$ (55,000)	$ -	$ 105,387,245
Business-Type Activities:						
Capital Assets, Not Being Depreciated:						
Land	$ 5,152,220	$ 410,513	$ (73,581)	$ -	$ -	$ 5,489,152
Construction in progress	6,458,520	6,670,993	(154,619)	-	(2,670,994)	10,303,900
Total Capital Assets, Not Being Depreciated	11,610,740	7,081,506	(228,200)	-	(2,670,994)	15,793,052
Capital Assets, Being Depreciated:						
Buildings and Improvements	8,729,826	-	-	-	-	8,729,826
Improvements Other than Buildings	161,098,776	7,562,832	(67,112)	55,000	2,670,994	171,320,490
Equipment	10,955,727	3,892,692	(381,032)	(28,894)	-	14,438,493
Total Capital Assets, Being Depreciated	180,784,329	11,455,524	(448,144)	26,106	2,670,994	194,488,809
Less Accumulated Depreciation for:						
Buildings and Improvements	(6,430,589)	(126,142)	-	-	-	(6,556,731)
Improvements Other than Buildings	(106,544,692)	(3,411,210)	65,575	-	-	(109,890,327)
Equipment	(8,731,528)	(826,878)	369,196	28,894	-	(9,160,316)
Total Accumulated Depreciation	(121,706,809)	(4,364,230)	434,771	28,894	-	(125,607,374)
Total Capital Assets, Being Depreciated, Net	59,077,520	7,091,294	(13,373)	55,000	2,670,994	68,881,435
Business-Type Activities Capital Assets, Net	$ 70,688,260	$ 14,172,800	$ (241,573)	$ 55,000	$ -	$ 84,674,487

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	$	145,692
Public Safety		1,239,508
Transportation		1,709,673
Economic Development		239,829
Human Services		32,227
Culture and Recreation		2,547,533
Capital Assets held by the Government's Internal Service Funds		170,531
Total Depreciation Expense - Governmental Activities	$	6,084,993
Business-Type Activities:		
Water and Sewer	$	3,590,627
Solid Waste		382,262
Willowbrook Golf Course		45,532
Stormwater		214,411
Dark Fiber		131,398
Total Depreciation Expense - Business-Type Activities	$	4,364,230

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, 2020, the allowance for doubtful accounts associated with the receivables of the Water and Sewer Fund was $154,734. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at September 30, 2020.

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Transfers for the year ended September 30, 2020 consisted of the following:

Interfund Transfers

Transfers to the General Fund from:	
Community Redevelopment Agency Fund	$ 912,618
Nonmajor Governmental Funds	1,059,529
2015 Construction Fund	1,088,027
Internal Service Funds	500,000
Water and Sewer Fund	5,330,000
Solid Waste Fund	1,228,000
Total	$ 10,118,174
Transfers to the 2015 Construction Fund from:	
General Fund	$ 3,135,467
Community Redevelopment Agency Fund	477,719
Water and Sewer Fund	3,258,929
Nonmajor Governmental Funds	3,147,435
Nonmajor Proprietary Funds	34,000
Total	$ 10,053,550
Transfers to the Nonmajor Governmental Funds from:	
General Fund	$ 9,114,498
Community Redevelopment Agency Fund	30,000
Nonmajor Governmental Funds	781,447
Nonmajor Proprietary Funds	56,687
Total	$ 9,982,632
Transfers to the Nonmajor Proprietary Funds from:	
General Fund	$ 218,987
Community Redevelopment Agency Fund	50,000
Internal Service Funds	201,600
Total	$ 470,587
Transfers to the Internal Service Funds from:	
General Fund	$ 153,100
Water and Sewer Fund	187,400
Solid Waste Fund	27,800
Nonmajor Governmental Funds	4,400
Nonmajor Proprietary Funds	13,500
Total	$ 386,200

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	$ 791,976
General Fund	Nonmajor Proprietary Funds	75,000
Water and Sewer Fund	2015 Construction Fund	107,411
Nonmajor Governmental Funds	Nonmajor Governmental Funds	36,871
Nonmajor Governmental Funds	Nonmajor Proprietary Funds	487,045
Total		$ 1,498,303

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	1,008,866
Nonmajor Governmental Funds	Nonmajor Governmental Funds	163,129
Nonmajor Proprietary Funds	Nonmajor Governmental Funds	2,425,483
Total		$ 5,161,350

Through September 30, 2020, 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, 2020. 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, 2020, the Capital Depletion Fund advanced $180,000 to the Willowbrook Golf Course Fund to provide financing to fund vehicle purchases, $57,821 of which was outstanding at September 30, 2020. 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, $2,367,662 of which was outstanding at September 30, 2020. The advances will be paid down monthly through September 1, 2025 and October 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, $1,008,866 of which was outstanding at September 30, 2020. The advance will be paid down monthly through September 1, 2029 at 3.5%.

During the year ending September 30, 2020, the Capital Depletion Fund advanced $163,129 to the Airport Fund to provide financing for construction of a new T-Hanger building, $163,129 of which was outstanding at September 30, 2020. The advance will be repaid upon completion of construction.

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, 2020 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	-	-	-	39,001	39,001
Prepaid Items	175,530	16,274	-	99,228	291,032
Total Nonspendable Fund Balance	1,739,402	16,274	-	138,229	1,893,905
Restricted for:					
Public Safety	10,285	-		-	10,285
Community Redevelopment	-	1,317,756	651,978	-	1,969,734
Human Services	-	-	-	293,248	293,248
Police Training, Confiscation and Abandoned Property	-	-	-	135,316	135,316
Building Inspections and Enforcement	-	-	4,365,103	871,488	5,236,591
Impact Fees	-	-	968,175	1,041,765	2,009,940
Debt Service	-	-	-	3,840,932	3,840,932
Transportation	-	-	-	1,695,529	1,695,529
Environmental Awareness	200,000	-	-	-	200,000
Total Restricted Fund Balance	210,285	1,317,756	5,985,256	7,878,278	15,391,575
Committed:					
Perpetual Care	-	-	-	567,755	567,755
Federal Building	-	-	-	39,865	39,865
Total Committed Fund Balance	-	-	-	607,620	607,620
Assigned:					
Leisure Services	13,153	-	-	-	13,153
Public Safety	11,869	-	-	-	11,869
Library	-	-	-	286,505	286,505
Transportation	47,359	-	-	-	47,359
Capital Projects	-	-	6,672,646	5,610,787	12,283,433
Total Assigned Fund Balance	72,381	-	6,672,646	5,897,292	12,642,319
Unassigned Fund Balance	14,788,404	-	-	(498,086)	14,290,318
Total Fund Balances	$ 16,810,472	$ 1,334,030	$ 12,657,902	$ 14,023,333	$ 44,825,737

NOTE 9 LONG-TERM LIABILITIES

Long-term liability activity of the City for the year ended September 30, 2020 was as follows:

PRIMARY GOVERNMENT	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable:					
2015A Non-Ad Valorem	$ 11,785,000	$ -	$ (685,000)	$ 11,100,000	$ 725,000
Plus: Unamortized Bond Premium	410,246	-	(31,557)	378,689	-
Total Bonds Payable	12,195,246	-	(716,557)	11,478,689	725,000
Direct Placements:					
2011 Sales Tax Refunding	2,045,000	-	(670,000)	1,375,000	680,000
2016A Non-Ad Valorem	4,905,000	-	(400,000)	4,505,000	405,000
2016B Non-Ad Valorem	6,900,000	-	(310,000)	6,590,000	315,000
2017 Non-Ad Valorem	25,000,000	-	(990,000)	24,010,000	1,020,000
Total Direct Placements	38,850,000	-	(2,370,000)	36,480,000	2,420,000
Compensated Absences	1,900,672	1,851,785	(1,611,060)	2,141,397	305,833
Governmental Activity Long-Term Liabilities	$ 52,945,918	$ 1,851,785	$ (4,697,617)	$ 50,100,086	$ 3,450,833
BUSINESS-TYPE ACTIVITIES					
Bonds Payable:					
2015 Utility System Refunding Revenue Bonds	$ 24,660,000	$ -	$ (485,000)	$ 24,175,000	$ 495,000
Less: Unamortized Bond Discount	(52,091)	-	3,256	(48,835)	-
Total Bonds Payable	24,607,909	-	(481,744)	24,126,165	495,000
Direct Placements:					
2010 Utility System Refunding	19,285,000	-	(55,000)	19,230,000	60,000
2015B Utility System Refunding	3,105,000	-	(1,545,000)	1,560,000	1,560,000
Total Direct Placements	22,390,000	-	(1,600,000)	20,790,000	1,620,000
Direct Borrowing - State Revolving Fund	62,000	988,467	(152,388)	898,079	47,140
Compensated Absences	479,846	557,543	(443,358)	594,031	59,404
Business-Type Activity Long-Term Liabilities	$ 47,539,755	$ 1,546,010	$ (2,677,490)	$ 46,408,275	$ 2,221,544

The annual requirements to amortize the debt outstanding as of September 30, 2020 are as follows:

	Governmental Activities			
	Bonds Payable		Direct Placements	
Year	Principal	Interest	Principal	Interest
2021	$ 725,000	$ 334,963	$ 2,420,000	$ 1,001,340
2022	715,000	313,413	2,485,000	939,321
2023	750,000	284,113	1,840,000	882,177
2024	775,000	257,488	1,890,000	830,044
2025	800,000	229,863	1,940,000	776,489
2026 - 2030	4,375,000	777,131	10,570,000	3,023,903
2031 - 2035	2,960,000	135,000	9,455,000	1,587,463
2036 - 2040	-	-	5,880,000	254,203
Total	$ 11,100,000	$ 2,331,971	$ 36,480,000	$ 9,294,940

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

	Business-Type Activities			
	Bonds Payable		Direct Borrowings and Direct Placements	
Year	Principal	Interest	Principal	Interest
2021	$ 495,000	$ 715,013	$ 1,667,140	$ 763,359
2022	-	715,013	2,187,154	710,802
2023	-	715,013	2,252,168	625,503
2024	-	715,013	2,327,182	537,454
2025	-	715,013	2,402,196	446,462
2026 - 2030	3,090,000	3,482,365	10,426,195	816,986
2031 - 2035	16,900,000	1,620,715	236,549	480
2036 - 2040	3,690,000	-	189,495	130
Total	$ 24,175,000	$ 8,678,145	$ 21,688,079	$ 3,901,176

The annual requirements to amortize the individual debt issues outstanding as of September 30, 2020 are as follows:

	Governmental Activities				
Year	Direct Placement - 2011 Sales Tax	Revenue Bond - 2015A Public Improvement	Direct Placement - 2016A Non-Ad Valorem	Direct Placement - 2016B Non-Ad Valorem	Direct Placement - 2017 Non-Ad Valorem
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	-	1,029,863	500,436	478,646	1,737,407
2026 - 2030	-	5,152,131	2,526,114	2,380,575	8,687,214
2031 - 2035	-	3,095,000	-	2,378,575	8,663,888
2036 - 2040	-	-	-	953,562	5,180,641
Totals	1,400,576	13,431,971	5,047,822	8,100,614	31,225,928
Less: Amount Representing Interest	(25,576)	(2,331,971)	(542,822)	(1,510,614)	(7,215,928)
Total	$ 1,375,000	$ 11,100,000	$ 4,505,000	$ 6,590,000	$ 24,010,000

	Business-Type Activities			
Year	Direct Placement - 2010 Water and Sewer	Revenue Bond - 2015 Utility System	Direct Placement - 2015B Utility System	Direct Borrowing - State Revolving Fund
2021	$ 813,733	$ 1,210,013	$ 1,569,360	$ 47,406
2022	2,850,550	715,013	-	47,406
2023	2,830,265	715,013	-	47,406
2024	2,817,231	715,013	-	47,406
2025	2,801,253	715,013	-	47,406
2026 - 2030	11,006,152	6,572,365	-	237,029
2031 - 2035	-	18,520,715	-	237,029
2036 - 2040	-	3,690,000	-	189,623
Totals	23,119,184	32,853,145	1,569,360	900,711
Less: Amount Representing Interest	(3,889,184)	(8,678,145)	(9,360)	(2,632)
Total	$ 19,230,000	$ 24,175,000	$ 1,560,000	$ 898,079

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

The following were outstanding at September 30, 2020:

Direct Placement - 2011 Sales Tax Refunding Note

The Resolution provides for:

- **Application of 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 note contains a provision that in the event of default, outstanding balances will become due on a special record date.

- The Revenue Bond consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2020
Sales Tax Refunding Bond, Series 2011	1.85% 10/1; 4/1	10/01/2021	$ 6,405,000	$ 1,375,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Revenue Bond - 2015A Non Ad Valorem Refunding Revenue Bond

The 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, 2020
Non Ad Valorem Refunding Revenue Bonds - Series 2015A	2% - 4% 4/1; 10/1	10/1/2032	$ 13,205,000	$ 11,100,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement - 2016A Non Ad Valorem Refunding Note

The Resolution provides for:

- **Application of Bond Proceeds-** On December 15, 2016, the City issued Non Ad Valorem Refunding 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 Series 2016A.

- The note contains a provision that in the event of default, the unpaid principal amount shall become immediately due and payable, and the interest rate will be adjusted to a default rate. In addition, the City may be obligated to pay a late payment fee.

- The Revenue Note consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2020
Non Ad Valorem Refunding Bonds - Series 2016A	2.32% 4/1; 10/1	10/01/2029	$ 5,570,000	$ 4,505,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement - 2016B Non Ad Valorem Revenue Note

The 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 note 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 Series 2016B.

- The note contains a provision that in the event of default, the unpaid principal amount shall become immediately due and payable, and the interest rate will be adjusted to a default rate. In addition, the City may be obligated to pay a late payment fee.

- The Revenue Note consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2020
Non Ad Valorem Revenue Bonds - Series 2016B	2.52% 4/1; 10/1	10/01/2036	$ 7,435,000	$ 6,590,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement - 2017 Non Ad Valorem Revenue Note

The 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 note 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 Series 2017.

- The note contains a provision that in the event of default, the entire outstanding balance shall become immediately due and payable, and the interest rate will be adjusted to a default rate. In addition, the City may be obligated to pay a late payment fee.

- The Revenue Bond consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2020
Non Ad Valorem Revenue Bonds - Series 2017	3.07% 10/1; 4/1	10/01/2037	$ 25,000,000	$ 24,010,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement - 2010 Utility System Refunding Revenue Note

The 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 Resolution provides for early redemption of the note 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 note contains a provision that in the event of default, any amount due will bear interest at a default rate, which is the higher of the JP Morgan Chase Bank's Prime Interest Rate and the adjusted one-month LIBOR Rate plus 4%.

- The Revenue note consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2020
Utility System Refunding Revenue Bonds - Series 2010	3.23% 4/1; 10/1	10/01/2028	$ 20,925,000	$ 19,230,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Revenue Bond - 2015 Utility System Refunding Revenue Bonds

The 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, 2020
Utility System Refunding Revenue Bonds - Series 2015	2% - 3.125% 4/1; 10/1	10/1/2035	$ 26,070,000	$ 24,175,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement - 2015B Utility System Refunding Revenue Note

The 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 note contains a provision that in the event of default, any amount due will bear interest at a default rate, which is the prime rate plus 6%. Additionally, a late charge of 6% of the overdue payment shall be assessed.

- The Revenue Note consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2020
Utility System Refunding Revenue Bonds - Series 2015B	1.20% 4/1; 10/1	10/1/2020	$ 7,910,000	$ 1,560,000

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Direct Borrowing - State Revolving Funds Loan

The City also has two State Revolving Fund loans in the amounts of $2,710,805 and $969,085 with rates between 0.03% and 0.92% repayable over 20 years. The loans will be used for wastewater projects. The loans are secured by pledged revenues of the water and sewer system. During the year ended September 30, 2020, $988,467 was drawn on these loans, and the outstanding balance at September 30, 2020 was $898,079.

In the event of default, the timing of repayment of outstanding balances may be accelerated, or the financing rate on the unpaid principal of the loans may be increased as much as 1.667 times the financing rate.

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2020, 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	$	692,719
Public Improvement Revenue Bonds, Series 2007		3,148,213
Total	$	3,840,932

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 and Notes – Pledged Revenue

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay $57,541,689 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 2020 pledged revenues, net of operating expenses, were approximately $13,000,000. 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, 2020 was $3,743,595.

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. Insurance settlements have not exceeded the City's insurance coverage in the three prior fiscal years. 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, 2020. This is the amount established by The Crowne Group to have been incurred but not yet billed as of September 30, 2020. 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 2018, 2019 and 2020, settlements exceeded insurance coverage by $0, $296,165, and $21,289 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
2018-2019 Total	$ 1,748,553	$ 5,298,328	$ 5,298,328	$ 1,748,553
2019-2020 Total	$ 1,748,553	$ 5,301,964	$ 5,301,964	$ 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, 2020 are as follows:

	General Employees' Pension	Municipal Firefighters' Pension	Municipal Police Officers' Pension	Total
Assets				
Investments:				
Short-Term Money Market Funds	$ 1,354,414	$ 1,932,518	$ 649,334	$ 3,936,266
Government Securities	5,472,863	3,020,234	4,524,707	13,017,804
Corporate and Other Bonds	5,497,985	3,133,619	5,937,767	14,569,371
Mutual Funds	5,991,115	2,634,400	-	8,625,515
Equity Securities	46,649,283	20,768,188	24,163,163	91,580,634
Miscellaneous	1,143	-	-	1,143
Real Estate Fund	7,926,996	3,672,976	1,882,647	13,482,619
Total Investments	72,893,799	35,161,935	37,157,618	145,213,352
Receivables:				
Interest and Dividends Receivable	107,640	46,951	41,413	196,004
Other Receivables	-	-	56,645	56,645
Total Receivables	107,640	46,951	98,058	252,649
Total Assets	73,001,439	35,208,886	37,255,676	145,466,001
Liabilities				
Accounts Payable	71,542	14,765	4,625	90,932
Net Position				
Net Position Restricted for Pensions	$ 72,929,897	$ 35,194,121	$ 37,251,051	$ 145,375,069

NOTE 11 PENSION PLANS (CONTINUED)

The statement of changes in fiduciary net position for the three pension plans for the year ended September 30, 2020 follows:

	General Employees' Pension	Municipal Firefighters' Pension	Municipal Police Officers' Pension	Total
Additions:				
Contributions:				
Employer	$ 2,763,957	$ 1,088,055	$ 556,013	$ 4,408,025
Employee	527,015	402,978	351,357	1,281,350
State	-	344,621	460,621	805,242
Total Contributions	3,290,972	1,835,654	1,367,991	6,494,617
Investment Income	2,649,066	1,384,905	3,240,452	7,274,423
Less: Investment Expenses	(223,013)	(170,650)	(130,458)	(524,121)
	2,426,053	1,214,255	3,109,994	6,750,302
Miscellaneous Revenue	18,183	963	-	19,146
Total Additions	5,735,208	3,050,872	4,477,985	13,264,065
Deductions:				
Benefits	5,698,407	1,579,615	2,127,717	9,405,739
Refunds	68,736	49,320	102,172	220,228
Administrative Expenses	177,791	81,385	67,985	327,161
Total Deductions	5,944,934	1,710,320	2,297,874	9,953,128
CHANGE IN NET POSITION	(209,726)	1,340,552	2,180,111	3,310,937
Net Position Restricted for Pensions:				
Net Position - Beginning of Year	73,139,623	33,853,569	35,070,940	142,064,132
Net Position - End of Year	$ 72,929,897	$ 35,194,121	$ 37,251,051	$ 145,375,069

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 $460,621 for police employees and $344,621 for firefighters for 2020. 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	$ 7,528,785	$ 4,029,779	$ 4,284,845
Total City Payroll	24,912,914	24,912,914	24,912,914

The systems also provide disability and survivor benefits.

NOTE 11 PENSION PLANS (CONTINUED)

Employees Covered by Benefit Terms

At October 1, 2019, 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	269	45	60
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	44	5	18
Active Plan Members	171	65	82
Total	484	115	160

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions.

	General Employees'	Municipal Firefighters'	Municipal Police Officers'
Valuation Date	10/1/2019	10/1/2019	10/1/2019
Inflation	2.50%	2.50%	2.50%
Projected Salary Increases	4.00% - 11.00%	Service Based	Service Based
Discount Rate	7.10%	7.60%	7.45%
Investment Rate of Return	7.10%	7.60%	7.45%
Mortality Rate	PubG.H-2010 with Scale MP-2018	PubG.H-2010 with Scale MP-2018	PubG.H-2010 with Scale MP-2018
Date of Actuarial Experience Study	5/12/2014	10/23/2019	10/23/2019

NOTE 11 PENSION PLANS (CONTINUED)

Changes in assumption for the 2020 fiscal year for the General Employees' Pension, Police Officers' Pension, and Firefighters' Pension plans included the following:

General Employees' - For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics. Additionally, the investment rate of return was lowered from 7.2% to 7.1%.

Municipal Police Officers' - For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special-risk employees, with appropriate adjustments made based on plan demographics.

Municipal Firefighters' - For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special-risk employees, with appropriate adjustments made based on plan demographics.

Discount Rate

The discount rate used to measure the total pension liability was 7.10% 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, 2020.

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, 2020 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 3.24% for the General Employees' Plan, 3.57% for the Firefighters' Plan, and 9.02% 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 (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Sponsor's Net Pension Liability	$ 26,260,991	$ 16,784,396	$ 8,855,382

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	$ 11,269,781	$ 6,351,723	$ 2,237,470

Municipal Police Officers':

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Sponsor's Net Pension Liability	$ 8,509,530	$ 3,782,369	$ (151,740)

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', 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, 2020 totaled $4,003,538 for the General Employees' Plan, $1,063,392 for the Firefighters' Plan, and $1,227,844 for the Police Officers' Plan.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2020, 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, 2020 consists of the following:

General Employees'	$ 16,784,396
Municipal Firefighters'	6,351,723
Municipal Police Officers'	3,782,369
Total Net Pension Liability	$ 26,918,488

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, 2019	$ 88,081,513	$ 73,139,623	$ 14,941,890
Changes for the Year:			
Service Cost	849,951	-	849,951
Interest	6,195,448	-	6,195,448
Change in Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(530,496)	-	(530,496)
Changes of Assumptions	885,020	-	885,020
Contributions - Employer	-	2,763,957	(2,763,957)
Contributions - Employee	-	527,015	(527,015)
Net Investment Income	-	2,426,053	(2,426,053)
Miscellaneous	-	18,183	(18,183)
Benefit Payments, Including Refunds of Employee Contributions	(5,767,143)	(5,767,143)	-
Administrative Expenses	-	(177,791)	177,791
Net Changes	1,632,780	(209,726)	1,842,506
Balance at September 30, 2020	$ 89,714,293	$ 72,929,897	$ 16,784,396
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			81.29%

Municipal Firefighters':

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at September 30, 2019	$ 40,154,158	$ 33,853,569	$ 6,300,589
Changes for the Year:			
Service Cost	1,134,943	-	1,134,943
Interest	3,076,072	-	3,076,072
Change in Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(986,791)	-	(986,791)
Changes of Assumptions	(203,603)	-	(203,603)
Contributions - Employer	-	1,088,055	(1,088,055)
Contributions - State	-	344,621	(344,621)
Contributions - Employee	-	402,978	(402,978)
Net Investment Income	-	1,214,255	(1,214,255)
Miscellaneous Revenue	-	963	(963)
Benefit Payments, Including Refunds of Employee Contributions	(1,628,935)	(1,628,935)	-
Administrative Expenses	-	(81,385)	81,385
Net Changes	1,391,686	1,340,552	51,134
Balance at September 30, 2020	$ 41,545,844	$ 35,194,121	$ 6,351,723
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			84.71%

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, 2019	$ 39,999,075	$ 35,070,940	$ 4,928,135
Changes for the Year:			
Service Cost	860,015	-	860,015
Interest	2,960,939	-	2,960,939
Change in Excess State Money	-	-	-
Difference Between Expected and Actual Experience	(216,376)	-	(216,376)
Changes of Assumptions	(340,344)	-	(340,344)
Contributions - Employer	-	556,013	(556,013)
Contributions - State	-	460,621	(460,621)
Contributions - Employee	-	351,357	(351,357)
Net Investment Income	-	3,109,994	(3,109,994)
Benefit Payments, Including Refunds of Employee Contributions	(2,229,889)	(2,229,889)	-
Administrative Expenses	-	(67,985)	67,985
Net Changes	1,034,345	2,180,111	(1,145,766)
Balance at September 30, 2020	$ 41,033,420	$ 37,251,051	$ 3,782,369

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.78%

For the year ended September 30, 2020, the City recognized pension expense of $2,048,560 for General Employees, $1,612,055 for Municipal Firefighters, and $1,267,897 for Municipal Police Officers.

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

On September 30, 2020, 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	$ -	$ 362,814
Changes of Assumptions	875,255	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,101,812	-
Total	$ 3,977,067	$ 362,814

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	$ 227,794	$ 1,708,642
Changes of Assumptions	1,921,329	174,516
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,740,057	-
Total	$ 3,889,180	$ 1,883,158

Municipal Police Officers':

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 237,605	$ 274,102
Changes of Assumptions	640,836	272,276
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	121,681	-
Total	$ 1,000,122	$ 546,378

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
2021	$ 792,900
2022	1,096,984
2023	1,154,678
2024	569,691

Municipal Firefighters':

Year Ended September 30,	Amount
2021	$ 500,210
2022	696,600
2023	710,445
2024	294,488
2025	(25,665)
Thereafter	(170,056)

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
2021	$ 137,771
2022	170,784
2023	362,903
2024	(217,714)

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	$ 16,784,396	$ 6,351,723	$ 3,782,369	$ 26,918,488
Deferred Outflows of Resources Related to Pensions	3,977,067	3,889,180	1,000,122	8,866,369
Deferred Inflows of Resources Related to Pensions	362,814	1,883,158	546,378	2,792,350
Pension Expense	2,048,560	1,612,055	1,267,897	4,928,512

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, 2020 were approximately $88,637.

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, 2020, the City contributed $315,577. 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, 2020 was $33,901.

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, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	93
Active Plan Members	482
Total	575

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Total OPEB Liability

The City's Total OPEB liability was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2020. The following table shows the City's total OPEB liability for the year ended September 30, 2020.

	Total OPEB Liability
Balances - October 1, 2019	$ 33,376,306
Changes for the Year:	
Service Cost	1,603,661
Interest	1,236,986
Changes in Assumptions	10,581,817
Differences Between Expected and Actual Experience	(2,592,042)
Benefit Payments	(862,186)
Net Changes	9,968,236
Balances - September 30, 2020	$ 43,344,542

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	1.14 %	2.14 %	3.14 %
Total OPEB Liability	$ 52,074,734	$ 43,344,542	$ 36,641,385

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	6.5% decreasing to 3%	7.5% decreasing to 4%	8.5% decreasing to 5%
Total OPEB Liability	$ 36,030,730	$ 43,344,542	$ 52,998,274

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, 2020, the City recognized OPEB expense of $4,267,572. In addition, the City reported deferred inflows of resources of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,160,035
Changes of Assumptions	11,019,516	1,396,007
Total	$ 11,019,516	$ 3,556,042

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
2021	$ 1,416,628
2022	1,416,628
2023	1,416,626
2024	1,881,962
2025	1,331,630

Actuarial Assumptions

The total OPEB liability in the September 30, 2020 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 7.5% in fiscal 2020, grading down to the ultimate trend rate of 4% in fiscal 2075.

Salary Inflation

Credited Service	General Pension Plans and 401a Employees	Police Pension Plan Employees
First Year	11.00%	13.00%
Years 2-10	5.00%	4.50%
Greater than 10 Years	4.00%	4.00%

Credited Service	Fire Pension Plan Employees
Less than 5 Years	7.50%
Years 6-10	6.00%
Years 11-15	5.00%
Greater than 15 Years	4.50%

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

The actuarial cost method used was the Entry Age Cost method, level percentage of pay.

Mortality rates were based on the PubG.H-2010 Mortality Table using Scale MP-2018.

The discount rate used to measure the total OPEB liability was 2.14%, based on the September 30, 2020 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 census data was collected as of September 30, 2020 and is representative of the population as of that date.

- The GASB 75 discount rate as of the measurement date is 2.14%. The GASB 75 discount rate is based on the S&P 20-year municipal bond rate published as of September 30, 2020. The discount rate used in the prior valuation was 3.58%.

- The annual per capita claims costs have been updated to reflect current age-adjusted health care premiums. The premium rates have been updated to use those effective during the 2021 calendar year.

- Health care inflation rates have been updated to reflect recent healthcare trend rate surveys, blended with the Getzen model published by the Society of Actuaries.

- Mortality rates were updated to align with those used in the July 1, 2019 actuarial valuation of the Florida Retirement System (FRS) to better anticipate future mortality. The assumed rates of mortality are consistent with Chapter 2015 157, Laws of Florida with appropriate adjustments made based on plan demographics. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System for pension actuarial valuations.

- All demographic assumptions align with corresponding pension actuarial valuation. For Police and Fire employees, retirement, termination, disability, and salary increase rates were updated for this valuation based on an experience study dated October 23, 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, 2020, the City received rent revenue from noncancellable operating leases of $112,104. The following schedule presents minimum future rentals from noncancellable operating leases:

Year Ending September 30,	Amount
2021	$ 127,269
2022	105,517
2023	63,908
2024	32,601
2025	23,298
Thereafter	195,756
Total	$ 548,349

At September 30, 2020, 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	(3,218,136)
Net Book Value	$ 1,968,857

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, 2020 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, 2020, the City had the following outstanding major construction commitments in process:

Project	Project Authorization	Expended in Prior Years	Expended in September 30, 2020	Commitment
Governmental Activities:				
Fieldhouse - Aquatics Improvements	$ 845,329	$ -	$ 778,435	$ 66,894
T-Hangar #270 - 10 units	996,981	-	783,017	213,964
Skate Park	1,354,568	-	1,166,089	188,479
Fire Station #3	3,265,639	-	540,783	2,724,856
Total Governmental Activities	$ 6,462,517	$ -	$ 3,268,324	$ 3,194,193
Business-Type Activities:				
Utility Infrastructure Project at Winter Haven Airport	196,174	60,852	132,874	2,448
Utility Infrastructure Project at Winter Haven Airport	1,649,956	-	1,556,269	93,687
Total Business-Type Activities	$ 1,846,130	$ 60,852	$ 1,689,143	$ 96,135

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 2020, 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. The City made no payment in the current fiscal year.

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. The City made incentive payments totaling $31,010 in the current year.

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. The City made no payments in the current year.

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. The City made no payments in the current year.

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. The City made no payments in the current year.

6. **Winter Haven Hospital, Inc.**
   Winter Haven Hospital committed to undertake the construction of a new bus pull-off area and the associated transportation, utility and infrastructure improvements related to the project that will include attributes that benefit the Downtown Community Redevelopment Area, the City of Winter Haven, and its residents. The City has agreed to contribute $300,000 to the project, which was paid in the current year.

NOTE 15 TAX ABATEMENTS (CONTINUED)

7. **Project Sugar Cane**
   Project Sugar Cane intends to locate in the City of Winter Haven, and create 110 new full-time equivalent jobs, and pay an average annual wage of $47,204. Project Sugar Cane will be due $1,000 per job, for up to 110 jobs, for a total contribution of $110,000. The City will contribute 50%, and Polk County will match the remaining 50%. The City made no payments in the current year.

8. **South Central, LLC**
   Resolution R-16-01 entitles South Central, LLC to a rebate of 50% of the actual façade improvements at 150 3rd Street SW, 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 June 2020. The City made no payments in the current year.

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. At September 30, 2020, $12,277,011 is due from Polk County and has been recorded as a receivable and deferred inflow of resources in the General Fund. During fiscal year 2020 the City collected $704,393 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.

NOTE 17 JOINT VENTURE (CONTINUED)

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, 2020, the total annual working capital needs of the PRWC was $195,000 of which the City's proportionate share was $14,389.

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.

Subsequent to September 30, 2020 – 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 30, 2021 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

On March 30, 2021, the City refunded the outstanding principal balance of $4,100,000 of Non Ad Valorem Refunding Bond Series 2016 A and the outstanding principal balance of $6,275,000 of Non Ad Valorem Revenue Bond Series 2016 B with a $10,055,000 Non Ad Valorem Refunding Bond Series 2021. The bond is a direct placement borrowing held by SunTrust/Truist at 1.89%. The present value savings from the refunding are expected to be $330,000. The 2021 Bond matures October 1, 2036.

WINTER HAVEN
The Chain of Lakes City

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REQUIRED SUPPLEMENTARY INFORMATION

WINTER HAVEN
The Chain of Lakes City

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CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

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:	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	$ 849,951	$ 924,122	$ 1,100,750	$ 1,064,435	$ 1,244,642	$ 1,217,350	$ 1,262,098
Interest	6,195,448	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	(530,496)	(29,206)	(865,698)	434,635	1,243,148	(701,805)	-
Changes of Assumptions	885,020	855,724	836,005	2,591,313	2,026,654	723,201	705,471
Benefit Payments, Including Refunds	(5,767,143)	(5,730,248)	(4,719,393)	(4,905,122)	(4,785,641)	(3,755,355)	(3,789,392)
Net Change in Total Pension Liability	1,632,780	2,151,583	2,436,232	2,506,312	5,456,288	3,082,848	3,569,614
Total Pension Liability - Beginning	88,081,513	85,929,930	83,493,698	80,987,386	75,531,098	72,448,250	68,878,636
Total Pension Liability - Ending (A)	$ 89,714,293	$ 88,081,513	$ 85,929,930	$ 83,493,698	$ 80,987,386	$ 75,531,098	$ 72,448,250
Plan Fiduciary Net Position							
Contributions - Employer	$ 2,763,957	$ 2,676,390	$ 3,221,324	$ 3,452,742	$ 4,177,044	$ 3,673,711	$ 3,711,480
Contributions - State	-	-	-	-	-	-	-
Contributions - Employee	527,015	552,552	700,047	920,969	1,039,335	933,696	967,961
Net Investment Income	2,426,053	2,426,582	6,014,674	7,682,616	5,132,137	605,140	5,418,479
Miscellaneous Revenue	18,183	25,318	-	-	-	-	-
Benefit Payments, Including Refunds	(5,767,143)	(5,741,101)	(4,708,540)	(4,905,122)	(4,785,641)	(3,755,355)	(3,797,392)
Administrative Expense	(177,791)	(160,700)	(156,854)	(170,306)	(147,550)	(142,670)	(125,730)
Net Change in Plan Fiduciary Net Position	(209,726)	(220,959)	5,070,651	6,980,899	5,415,325	1,314,522	6,174,798
Plan Fiduciary Net Position - Beginning	73,139,623	73,360,582	68,289,931	61,309,032	55,893,707	54,579,185	48,404,387
Plan Fiduciary Net Position - Ending (B)	$ 72,929,897	$ 73,139,623	$ 73,360,582	$ 68,289,931	$ 61,309,032	$ 55,893,707	$ 54,579,185
Net Pension Liability - Ending (A) - (B)	$ 16,784,396	$ 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	81.29%	83.04%	85.37%	81.79%	75.70%	74.00%	75.34%
Covered Payroll	$ 7,528,785	$ 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	222.94%	189.29%	132.92%	156.84%	179.86%	177.98%	175.37%

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

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule

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.

Changes of Assumptions:

For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics. Additionally, the investment rate of return was lowered from 7.20% to 7.10% .

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.

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule (Continued)

Changes of Assumptions (Continued):

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%.

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS

Retirement System – Defined Benefit Plan (Continued)

Municipal Firefighters' for the Years Ended September 30:

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	$ 1,134,943	$ 1,058,222	$ 1,058,208	$ 1,083,811	$ 981,995	$ 960,946	$ 930,014
Interest	3,076,072	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	(986,791)	(1,160,630)	17,965	365,252	90,497	(101,413)	-
Changes of Assumptions	(203,603)	2,155,627	-	-	1,017,583	-	(884,685)
Contributions - Employee	-	-	-	55,704	-	-	-
Benefit Payments, Including Refunds	(1,628,935)	(1,566,862)	(2,455,649)	(1,778,717)	(1,159,453)	(1,039,426)	(939,873)
Net Change in Total Pension Liability	1,391,686	3,344,816	1,354,751	1,328,526	3,411,691	2,147,263	1,419,644
Total Pension Liability - Beginning	40,154,158	36,809,342	35,454,591	34,126,065	30,714,374	28,567,111	27,147,467
Total Pension Liability - Ending (A)	$ 41,545,844	$ 40,154,158	$ 36,809,342	$ 35,454,591	$ 34,126,065	$ 30,714,374	$ 28,567,111
Plan Fiduciary Net Position							
Contributions - Employer	$ 1,088,055	$ 1,330,123	$ 1,240,969	$ 1,515,857	$ 1,586,480	$ 1,333,181	$ 1,372,178
Contributions - State	344,621	343,132	341,245	328,419	323,495	322,575	338,890
Contributions - Employee	402,978	369,750	370,069	443,832	402,477	364,180	356,596
Net Investment Income	1,214,255	1,094,036	2,435,714	3,107,129	2,208,912	85,409	2,087,278
Miscellaneous Revenue	963	1,087	-	-	-	-	-
Benefit Payments, Including Refunds	(1,628,935)	(1,566,862)	(2,455,648)	(1,778,717)	(1,159,453)	(1,039,427)	(939,873)
Administrative Expense	(81,385)	(75,211)	(82,860)	(77,351)	(71,825)	(66,436)	(64,399)
Net Change in Plan Fiduciary Net Position	1,340,552	1,496,055	1,849,489	3,539,169	3,290,086	999,482	3,150,670
Plan Fiduciary Net Position - Beginning	33,853,569	32,357,514	30,508,025	26,968,856	23,678,770	22,679,288	19,528,618
Plan Fiduciary Net Position - Ending (B)	$ 35,194,121	$ 33,853,569	$ 32,357,514	$ 30,508,025	$ 26,968,856	$ 23,678,770	$ 22,679,288
Net Pension Liability - Ending (A) - (B)	$ 6,351,723	$ 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	84.71%	84.31%	87.91%	86.05%	79.03%	77.09%	79.39%
Covered Payroll	$ 4,029,779	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	157.62%	170.40%	120.30%	126.77%	178.75%	179.97%	165.11%

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

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule

Changes of Benefit Terms:
For measurement date September 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 September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date September 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.

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule (Continued)

Changes in Assumptions (Continued):
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.

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS

Retirement System – Defined Benefit Plan (Continued)

Municipal Police Officers' for the Years Ended September 30:

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	$ 860,015	$ 820,751	$ 843,956	$ 853,283	$ 793,963	$ 776,050	$ 801,709
Interest	2,960,939	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	(216,376)	(24,010)	(216,491)	1,188,026	(203,836)	(11,110)	-
Changes of Assumptions	(340,344)	1,068,060	-	-	1,200,550	152,399	313,191
Benefit Payments, Including Refund	(2,229,889)	(2,195,474)	(2,147,670)	(2,148,969)	(2,133,049)	(1,808,907)	(1,611,524)
Net Change in Total Pension Liability	1,034,345	2,532,895	1,249,793	2,473,509	2,046,206	1,476,992	1,758,378
Total Pension Liability - Beginning	39,999,075	37,466,180	36,216,387	33,742,878	31,696,672	30,219,680	28,461,302
Total Pension Liability - Ending (A)	$ 41,033,420	$ 39,999,075	$ 37,466,180	$ 36,216,387	$ 33,742,878	$ 31,696,672	$ 30,219,680
Plan Fiduciary Net Position							
Contributions - Employer	$ 556,013	$ 719,814	$ 626,513	$ 602,998	$ 704,008	$ 725,579	$ 1,314,419
Contributions - State	460,621	437,823	433,238	387,358	369,988	321,673	306,575
Contributions - Employee	351,357	364,598	376,478	369,604	388,964	349,588	344,499
Net Investment Income	3,109,994	803,013	3,225,778	3,614,442	2,288,900	(99,825)	3,499,732
Benefit Payments, Including Refunds	(2,229,889)	(2,204,858)	(2,138,286)	(2,148,970)	(2,133,049)	(1,808,906)	(1,611,524)
Administrative Expense	(67,985)	(62,843)	(69,552)	(57,811)	(55,026)	(49,560)	(48,688)
Net Change in Plan Fiduciary Net Position	2,180,111	57,547	2,454,169	2,767,621	1,563,785	(561,451)	3,805,013
Plan Fiduciary Net Position - Beginning	35,070,940	35,013,393	32,559,224	29,791,603	28,227,818	28,789,269	24,984,256
Plan Fiduciary Net Position - Ending (B)	$ 37,251,051	$ 35,070,940	$ 35,013,393	$ 32,559,224	$ 29,791,603	$ 28,227,818	$ 28,789,269
Net Pension Liability - Ending (A) - (B)	$ 3,782,369	$ 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	90.78%	87.68%	93.45%	89.90%	88.29%	89.06%	95.27%
Covered Payroll	4,284,845	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	88.27%	111.30%	53.21%	81.14%	83.27%	80.27%	34.05%

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

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule

Changes of Assumptions:

For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

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%.

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS

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
2020	$ 2,766,076	$ 2,763,957	$ 2,119	$ 7,528,785	36.71%
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
2020	$ 1,527,690	$ 1,432,676	$ 95,014	$ 4,029,779	35.55%
2019	1,635,035	1,673,256	(38,221)	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
2020	$ 987,657	$ 1,016,634	$ (28,977)	$ 4,284,845	23.73%
2019	1,085,729	1,157,638	(71,909)	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	10/1/2018
Funding Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level percentage of pay, closed
Remaining Amortization Period	28 Years as of October 1, 2018
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	7.3% 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	10/1/2018
Funding Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level percentage of pay, closed
Remaining Amortization Period	24 Years as of October 1, 2018
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	0%
1	25%
2-3	0%
4	67%
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

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

3.07% 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, in compliance with Part VII of Chapter 112, Florida Statutes.

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.

Retirement System – Defined Benefit Plan (Continued)

Notes to the Schedule of Contributions (Continued)

	Municipal Police Officers' Pension
Valuation Date	10/1/2018
Funding Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level percentage of pay, closed
Remaining Amortization Period	24 Years (as of 10/01/2018 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 Years	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, or 20 years of Credited Service, regardless of age), 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.

Payroll Growth

2.09% per year for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

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
2020	3.24%
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
2020	3.57%
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
2020	9.02%
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
LAST TEN FISCAL YEARS

	2020	2019	2018
Total OPEB Liability			
Service Cost	$ 1,603,661	$ 1,291,931	$ 1,425,372
Interest	1,236,986	1,222,847	1,107,069
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(2,592,042)	-	-
Changes of Assumptions	10,581,817	3,302,003	(2,792,012)
Benefit Payments	(862,186)	(798,320)	(735,779)
Net Change in Total OPEB Liability	9,968,236	5,018,461	(995,350)
Total OPEB Liability - Beginning	33,376,306	28,357,845	29,353,195
Total OPEB Liability - Ending	$ 43,344,542	$ 33,376,306	$ 28,357,845
Covered Employee Payroll	$ 23,978,892	$ 22,466,817	$ 21,319,811
Total OPEB Liability as a percentage of the Covered Employee Payroll	180.76%	148.56%	133.01%

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.

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.

Difference Between Expected and Actual Experience: Difference Between Expected and Actual Experience reflects the impact of changes to the census data from the prior valuation to the valuation as of September 30, 2020. Assumptions were based on an actuarial experience study dated October 23, 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, 2020:	2.14%
Fiscal Year Ending September 30, 2019:	3.58%
Fiscal Year Ending September 30, 2018:	4.18%

The annual per capita claims costs have been updated to reflect current age-adjusted health care premiums. The premium rates have been updated to those effective during the 2021 calendar year.

Health care inflation rates have been updated to reflect recent healthcare trend rate surveys, blended with the Getzen model published by the Society of Actuaries.

Mortality rates were updated to align with those used in the July 1, 2019 actuarial valuation of the Florida Retirement System (FRS) to better anticipate future mortality. The assumed rates of mortality are consistent with Chapter 2015.157, Laws of Florida with appropriate adjustments made based on plan demographics. This law mandates the use of the assumption used in either of the two most recent valuations of the FRS for pension actuarial valuations.

WINTER HAVEN
The Chain of Lakes City

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2020

	Special Revenue				
	Library	Airport	Cemetery	Community Development Grant	SHIP Grant
ASSETS					
Cash and Investments	$ 324,946	$ 25,526	$ 102,060	$ -	$ 188,255
Investments - Reserved for Perpetual Care	-	-	469,584	-	-
Accounts Receivable	8,883	5,664	26,995	-	-
Due from Other Governments	117	968,139	-	51,414	108,622
Due from Other Funds	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-
Inventory	-	-	39,001	-	-
Prepaid Items	5,324	22,186	2,422	-	-
Total Assets	$ 339,270	$ 1,021,515	$ 640,062	$ 51,414	$ 296,877
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)					
Liabilities:					
Accounts Payable	$ 10,644	$ 398,479	$ 20,270	$ -	$ 3,629
Accrued Liabilities	36,797	11,969	10,614	-	-
Due to Other Funds	-	777,433	-	51,414	-
Due to Other Governments	-	-	-	-	-
Advances from Other Funds	-	163,129	-	-	-
Unearned Revenue	-	4,953	-	-	-
Total Liabilities	47,441	1,355,963	30,884	51,414	3,629
Deferred Inflows of Resources:					
Unavailable Revenue	-	141,452	-	-	-
Fund Balances (Deficits):					
Nonspendable	5,324	22,186	41,423	-	-
Restricted	-	-	-	-	293,248
Committed	-	-	567,755	-	-
Assigned	286,505	-	-	-	-
Unassigned	-	(498,086)	-	-	-
Total Fund Balances (Deficits)	291,829	(475,900)	609,178	-	293,248
Total Liabilities and Fund Balances	$ 339,270	$ 1,021,515	$ 640,062	$ 51,414	$ 296,877

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
$ 138,992	$ 3,563,859	$ 1,041,765	$ 41,647	$ 3,148,213	$ 692,719
-	-	-	-	-	-
-	-	-	-	-	-
454	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,995	-	15	-	-
$ 139,446	$ 3,570,854	$ 1,041,765	$ 41,662	$ 3,148,213	$ 692,719
$ 4,130	$ 2,643,197	$ -	$ 1,782	$ -	$ -
-	19,456	-	-	-	-
-	-	-	-	-	-
-	29,718	-	-	-	-
-	-	-	-	-	-
-	-		-	-	-
4,130	2,692,371	-	1,782	-	-
-	-	-	-	-	-
-	6,995	-	15	-	-
135,316	871,488	1,041,765	-	3,148,213	692,719
-	-	-	39,865	-	-
-	-	-	-	-	-
-	-	-	-	-	-
135,316	878,483	1,041,765	39,880	3,148,213	692,719
$ 139,446	$ 3,570,854	$ 1,041,765	$ 41,662	$ 3,148,213	$ 692,719

WINTER HAVEN
The Chain of Lakes City

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CITY OF WINTER HAVEN, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2020

	Capital Projects			
	Capital Depletion	2007 Construction	Transportation	Total All Nonmajor Governmental Funds
ASSETS				
Cash and Investments	$ 2,235,739	$ 317,495	$ 1,924,822	$ 13,746,038
Investments - Reserved for Perpetual Care	-	-	-	469,584
Accounts Receivable	7,827	-	-	49,369
Due from Other Governments	-	-	805	1,129,551
Due from Other Funds	523,916	-	-	523,916
Advances to Other Funds	2,588,612	-	-	2,588,612
Inventory	-	-	-	39,001
Prepaid Items	62,286	-	-	99,228
Total Assets	$ 5,418,380	$ 317,495	$ 1,925,627	$ 18,645,299
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)				
Liabilities:				
Accounts Payable	$ 62,802	$ -	$ 230,098	$ 3,375,031
Accrued Liabilities	-	-	-	78,836
Due to Other Funds	-	-	-	828,847
Due to Other Governments	-	-	-	29,718
Advances from Other Funds	-	-	-	163,129
Unearned Revenue	-	-	-	4,953
Total Liabilities	62,802	-	230,098	4,480,514
Deferred Inflows of Resources:				
Unavailable Revenue	-	-	-	141,452
Fund Balances (Deficits):				
Nonspendable	62,286	-	-	138,229
Restricted	-	-	1,695,529	7,878,278
Committed	-	-	-	607,620
Assigned	5,293,292	317,495	-	5,897,292
Unassigned	-	-	-	(498,086)
Total Fund Balances (Deficits)	5,355,578	317,495	1,695,529	14,023,333
Total Liabilities and Fund Balances	$ 5,418,380	$ 317,495	$ 1,925,627	$ 18,645,299

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue				
	Library	Airport	Cemetery	Community Development Grant	SHIP Grant
REVENUES					
Intergovernmental	$ 477,377	$ 1,752,450	$ 4,028	$ 249,733	$ 343,450
Charges for Services	12,407	572,740	342,716	-	-
Fines and Forfeits	9,798	-	-	-	-
Miscellaneous:					
Rents	25,256	794,874	-	-	-
Investment Income	3,273	5,661	5,084	-	1,700
Contributions	346	-	-	-	-
Other	360	30,365	1,950	-	58,265
Total Revenues	528,817	3,156,090	353,778	249,733	403,415
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	-
Transportation	-	3,991,323	-	-	-
Human Services	-	-	479,109	72,577	343,130
Culture and Recreation	1,628,003	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Other Debt Service	-	-	-	-	-
Total Expenditures	1,628,003	3,991,323	479,109	72,577	343,130
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,099,186)	(835,233)	(125,331)	177,156	60,285
OTHER FINANCING SOURCES (USES)					
Sale of Assets	-	-	-	-	-
Transfers In	1,408,473	1,155,908	249,955	30,000	-
Transfers Out	(211,631)	(459,910)	(16,201)	(179,408)	-
Total Other Financing Sources (Uses)	1,196,842	695,998	233,754	(149,408)	-
NET CHANGE IN FUND BALANCES	97,656	(139,235)	108,423	27,748	60,285
Fund Balances - Beginning of Year	194,173	(336,665)	500,755	(27,748)	232,963
FUND BALANCES - END OF YEAR	$ 291,829	$ (475,900)	$ 609,178	$ -	$ 293,248

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
$ -	$ 552	$ -	$ -	$ -	$ -
-	2,935,717	2,361,641	-	-	-
69,358	-	-	-	-	-
-	-	-	136,067	-	-
1,650	25,378	6,910	283	-	-
-	-	-	-	-	-
-	4,397	-	-	-	-
71,008	2,966,044	2,368,551	136,350	-	-
43,978	1,007,536	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	38,024	-	-
-	-	-	-	2,385,000	670,000
-	-	-	-	1,382,696	31,635
-	-	-	-	549	-
43,978	1,007,536	-	38,024	3,768,245	701,635
27,030	1,958,508	2,368,551	98,326	(3,768,245)	(701,635)
-	4,100	-	-	-	-
-	-	-	-	3,813,704	705,438
-	(1,896,020)	(2,129,641)	(100,000)	-	-
-	(1,891,920)	(2,129,641)	(100,000)	3,813,704	705,438
27,030	66,588	238,910	(1,674)	45,459	3,803
108,286	811,895	802,855	41,554	3,102,754	688,916
$ 135,316	$ 878,483	$ 1,041,765	$ 39,880	$ 3,148,213	$ 692,719

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Capital Projects			
	Capital Depletion	2007 Construction	Transportation	Total All Nonmajor Governmental Funds
REVENUES				
Intergovernmental	$ -	$ -	$ 805	$ 2,828,395
Charges for Services	-	-	-	6,225,221
Fines and Forfeits	-	-	-	79,156
Miscellaneous:				
Rents	-	-	-	956,197
Investment Income	56,069	2,021	10,397	118,426
Contributions	-	-	-	346
Other	-	-	-	95,337
Total Revenues	56,069	2,021	11,202	10,303,078
EXPENDITURES				
Current:				
Public Safety	549,372	-	-	1,600,886
Transportation	-	-	1,015,871	5,007,194
Human Services	10,370	-	-	905,186
Culture and Recreation	135,087	-	-	1,801,114
Debt Service:				
Principal Retirement	-	-	-	3,055,000
Interest and Fiscal Charges	-	-	-	1,414,331
Other Debt Service	-	-	-	549
Total Expenditures	694,829	-	1,015,871	13,784,260
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(638,760)	2,021	(1,004,669)	(3,481,182)
OTHER FINANCING SOURCES (USES)				
Sale of Assets	-	-	-	4,100
Transfers In	983,217	-	1,635,937	9,982,632
Transfers Out	-	-	-	(4,992,811)
Total Other Financing Sources (Uses)	983,217	-	1,635,937	4,993,921
NET CHANGE IN FUND BALANCES	344,457	2,021	631,268	1,512,739
Fund Balances - Beginning of Year	5,011,121	315,474	1,064,261	12,510,594
FUND BALANCES - END OF YEAR	$ 5,355,578	$ 317,495	$ 1,695,529	$ 14,023,333

BUDGET TO ACTUAL COMPARISON
OTHER MAJOR AND NONMAJOR GOVERNMENTAL FUNDS

WINTER HAVEN
The Chain of Lakes City

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CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Function and Activity				
General Government:				
City Commission/Legal/Clerk	$ 866,086	$ 926,086	$ 919,556	$ 6,530
City Manager	833,685	833,685	832,965	720
Finance	1,232,935	1,232,935	1,148,272	84,663
Nondepartmental	4,478,826	4,418,826	4,307,761	111,065
Public Safety:				
Police	11,679,798	11,354,798	11,070,990	283,808
Fire	7,928,382	8,253,382	8,426,319	(172,937)
Code Enforcement	503,828	503,828	455,894	47,934
Transportation:				
Streets and Buses	2,604,149	2,057,290	1,656,980	400,310
Economic Development				
Public Service Buildings	236,395	236,395	210,650	25,745
Community Development/Planning	679,532	679,532	528,719	150,813
Culture and Recreation:				
Leisure Services	7,246,057	6,755,359	5,809,133	946,226
Total Expenditures	38,289,673	37,252,116	35,367,239	1,884,877
Transfers to:				
Library Fund	1,358,473	1,358,473	1,358,473	-
Airport Fund	1,155,908	1,155,908	1,155,908	-
Cemetery Fund	249,955	249,955	249,955	-
2015 Construction Fund	2,644,769	3,135,467	3,135,467	-
Capital Depletion Fund	953,044	953,044	953,044	-
Debt Service Fund	3,850,259	3,850,259	3,850,259	-
Self-Insurance Fund	153,100	153,100	153,100	-
Willowbrook Golf Course Fund	218,987	218,987	218,987	-
Transportation Fund	1,000,000	1,546,859	1,546,859	-
Total Transfers	11,584,495	12,622,052	12,622,052	-
Total Expenditures and Transfers	$ 49,874,168	$ 49,874,168	$ 47,989,291	$ 1,884,877

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
2015 CONSTRUCTION FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Miscellaneous:				
Investment Income	$ 25,000	$ 25,000	$ 139,572	$ 114,572
Contributions	-	-	21,500	21,500
Total Revenues	25,000	25,000	161,072	136,072
EXPENDITURES				
Capital Projects	14,782,766	14,782,766	11,626,745	3,156,021
Debt Service:				
Principal Retirement	103,722	103,722	-	103,722
Interest and Fiscal Charges	41,048	41,048	41,048	-
Total Expenditures	14,927,536	14,927,536	11,667,793	3,259,743
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(14,902,536)	(14,902,536)	(11,506,721)	3,395,815
OTHER FINANCING SOURCES				
Transfers In	4,516,381	6,317,079	10,053,550	3,736,471
Transfers Out	(1,088,027)	(1,088,027)	(1,088,027)	-
Total Other Financing Sources	3,428,354	5,229,052	8,965,523	3,736,471
NET CHANGE IN FUND BALANCES	(11,474,182)	(9,673,484)	(2,541,198)	7,132,286
Fund Balances - Beginning of Year	15,199,100	15,199,100	15,199,100	-
FUND BALANCES - END OF YEAR	$ 3,724,918	$ 5,525,616	$ 12,657,902	$ 7,132,286

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LIBRARY FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 410,871	$ 410,871	$ 477,377	$ 66,506
Charges for Services	24,200	24,200	12,407	(11,793)
Fines and Forfeits	28,000	28,000	9,798	(18,202)
Miscellaneous:				
Rents	25,300	25,300	25,256	(44)
Investment Income	4,000	4,000	3,273	(727)
Contributions	320	320	346	26
Other	11,400	11,400	360	(11,040)
Total Revenues	504,091	504,091	528,817	24,726
EXPENDITURES				
Current:				
Culture and Recreation	1,751,734	1,751,734	1,628,003	123,731
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,247,643)	(1,247,643)	(1,099,186)	148,457
OTHER FINANCING SOURCES (USES)				
Transfers In	1,408,473	1,408,473	1,408,473	-
Transfers Out	(211,631)	(211,631)	(211,631)	-
Total Other Financing Sources	1,196,842	1,196,842	1,196,842	-
NET CHANGE IN FUND BALANCES	(50,801)	(50,801)	97,656	148,457
Fund Balances - Beginning of Year	194,173	194,173	194,173	-
FUND BALANCES - END OF YEAR	$ 143,372	$ 143,372	$ 291,829	$ 148,457

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
AIRPORT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 1,575,233	$ 1,644,233	$ 1,752,450	$ 108,217
Charges for Services	741,100	741,100	572,740	(168,360)
Miscellaneous:				
Rents	774,890	774,890	794,874	19,984
Investment Income	10,000	10,000	5,661	(4,339)
Other	26,060	26,060	30,365	4,305
Total Revenues	3,127,283	3,196,283	3,156,090	(40,193)
EXPENDITURES				
Current:				
Transportation	3,918,823	3,987,823	3,991,323	(3,500)
Debt Service:				
Principal	36,871	36,871	-	36,871
Interest	7,329	7,329	-	7,329
Total Expenditures	3,963,023	4,032,023	3,991,323	40,700
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(835,740)	(835,740)	(835,233)	507
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	200,000	200,000	-	(200,000)
Transfers In	1,155,908	1,155,908	1,155,908	-
Transfers Out	(459,910)	(459,910)	(459,910)	-
Total Other Financing Sources	895,998	895,998	695,998	(200,000)
NET CHANGE IN FUND BALANCES (DEFICITS)	60,258	60,258	(139,235)	(199,493)
Fund Balances (Deficits) - Beginning of Year	(336,665)	(336,665)	(336,665)	-
FUND BALANCES (DEFICITS) - END OF YEAR	$ (276,407)	$ (276,407)	$ (475,900)	$ (199,493)

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CEMETERY FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ -	$ -	$ 4,028	$ 4,028
Charges for Services	251,250	251,250	342,716	91,466
Miscellaneous:				
Investment Income	10,500	10,500	5,084	(5,416)
Other	2,000	2,000	1,950	(50)
Total Revenues	263,750	263,750	353,778	90,028
EXPENDITURES				
Current:				
Human Services	525,573	525,573	479,109	46,464
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(261,823)	(261,823)	(125,331)	136,492
OTHER FINANCING SOURCES (USES)				
Transfers In	249,955	249,955	249,955	-
Transfers Out	(16,201)	(16,201)	(16,201)	-
Total Other Financing Sources	233,754	233,754	233,754	-
NET CHANGE IN FUND BALANCES	(28,069)	(28,069)	108,423	136,492
Fund Balances - Beginning of Year	500,755	500,755	500,755	-
FUND BALANCES - END OF YEAR	$ 472,686	$ 472,686	$ 609,178	$ 136,492

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, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 405,225	$ 405,225	$ 249,733	$ (155,492)
EXPENDITURES				
Current:				
Human Services	191,640	191,640	72,577	119,063
EXCESS OF REVENUES OVER EXPENDITURES	213,585	213,585	177,156	(36,429)
OTHER FINANCING USES				
Transfers In	-	-	30,000	30,000
Transfers Out	(213,585)	(213,585)	(179,408)	34,177
Total Other Financing Sources (Uses)	(213,585)	(213,585)	(149,408)	64,177
NET CHANGE IN FUND BALANCES	-	-	27,748	27,748
Fund Balances - Beginning of Year	(27,748)	(27,748)	(27,748)	-
FUND BALANCES - END OF YEAR	$ (27,748)	$ (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, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 63,345	$ 329,740	$ 343,450	$ 13,710
Miscellaneous:				
Investment Income	5,000	5,000	1,700	(3,300)
Other	3,000	3,000	58,265	55,265
Total Revenues	71,345	337,740	403,415	65,675
EXPENDITURES				
Current:				
Human Services	273,592	539,987	343,130	196,857
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(202,247)	(202,247)	60,285	262,532
Fund Balances - Beginning of Year	232,963	232,963	232,963	-
FUND BALANCES - END OF YEAR	$ 30,716	$ 30,716	$ 293,248	$ 262,532

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
BUILDING SAFETY FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ -	$ -	$ 552	$ 552
Charges for Services	1,977,550	1,977,550	2,935,717	958,167
Miscellaneous:				
Investment Income	70,000	70,000	25,378	(44,622)
Other	3,500	3,500	4,397	897
Total Revenues	2,051,050	2,051,050	2,966,044	914,994
EXPENDITURES				
Current:				
Public Safety	971,171	1,031,171	1,007,536	23,635
EXCESS OF REVENUES OVER EXPENDITURES	1,079,879	1,019,879	1,958,508	938,629
OTHER FINANCING USES				
Sale of Assets	-	-	4,100	4,100
Transfers Out	(586,020)	(1,896,020)	(1,896,020)	-
Total Other Financing Sources (Uses)	(586,020)	(1,896,020)	(1,891,920)	4,100
NET CHANGE IN FUND BALANCES	493,859	(876,141)	66,588	942,729
Fund Balances - Beginning of Year	811,895	811,895	811,895	-
FUND BALANCES - END OF YEAR	$ 1,305,754	$ (64,246)	$ 878,483	$ 942,729

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
IMPACT FEE FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for Services	$ 1,615,000	$ 1,615,000	$ 2,361,641	$ 746,641
Miscellaneous:				
Investment Income	22,641	22,641	6,910	(15,731)
Total Revenues	1,637,641	1,637,641	2,368,551	730,910
OTHER FINANCING USES				
Transfers Out	(2,129,641)	(2,129,641)	(2,129,641)	-
NET CHANGE IN FUND BALANCES	(492,000)	(492,000)	238,910	730,910
Fund Balances - Beginning of Year	802,855	802,855	802,855	-
FUND BALANCES - END OF YEAR	$ 310,855	$ 310,855	$ 1,041,765	$ 730,910

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FEDERAL BUILDING FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Rents	$ 136,067	$ 136,067	$ 136,067	$ -
Miscellaneous:				
Investment Income	600	600	283	(317)
Total Revenues	136,667	136,667	136,350	(317)
EXPENDITURES				
Current:				
Culture and Recreation	48,133	48,133	38,024	10,109
EXCESS OF REVENUES OVER EXPENDITURES	88,534	88,534	98,326	9,792
OTHER FINANCING USES				
Transfers Out	(100,000)	(100,000)	(100,000)	-
NET CHANGE IN FUND BALANCES	(11,466)	(11,466)	(1,674)	9,792
Fund Balances - Beginning of Year	41,554	41,554	41,554	-
FUND BALANCES - END OF YEAR	$ 30,088	$ 30,088	$ 39,880	$ 9,792

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
2007 CONSTRUCTION FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Miscellaneous:				
Investment Income	$ 2,500	$ 2,500	$ 2,021	$ (479)
EXCESS OF REVENUES OVER EXPENDITURES	2,500	2,500	2,021	(479)
Fund Balances - Beginning of Year	315,474	315,474	315,474	-
FUND BALANCES - END OF YEAR	$ 317,974	$ 317,974	$ 317,495	$ (479)

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 2,881,004	$ 2,881,004	$ 805	$ (2,880,199)
Miscellaneous:				
Investment Income	6,122	6,122	10,397	4,275
Total Revenues	2,887,126	2,887,126	11,202	(2,875,924)
EXPENDITURES				
Current:				
Transportation	3,881,004	4,015,082	1,015,871	2,999,211
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(993,878)	(1,127,956)	(1,004,669)	123,287
OTHER FINANCING SOURCES				
Transfers In	1,000,000	1,620,937	1,635,937	15,000
NET CHANGE IN FUND BALANCES	6,122	492,981	631,268	138,287
Fund Balances - Beginning of Year	1,064,261	1,064,261	1,064,261	-
FUND BALANCES - END OF YEAR	$ 1,070,383	$ 1,557,242	$ 1,695,529	$ 138,287

NONMAJOR PROPRIETARY FUNDS

WINTER HAVEN
The Chain of Lakes City

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CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Investments	$ 237,884	$ 4,346,238	$ 1,749,880	$ 6,334,002
Cash With Fiscal Agent	170,875	-	-	170,875
Receivables:				
Accounts	-	342,906	11,250	354,156
Due from Other Governments	-	1,092,887	-	1,092,887
Inventories	24,079	-	-	24,079
Prepaid Items	14,268	21,454	2,087	37,809
Total Current Assets	447,106	5,803,485	1,763,217	8,013,808
Capital Assets:				
Land	628,895	2,137,035	-	2,765,930
Construction in Progress	-	1,673,058	-	1,673,058
Building	217,380	-	-	217,380
Improvements Other than Buildings	1,022,934	4,369,620	2,652,001	8,044,555
Equipment	621,363	956,260	26,795	1,604,418
	2,490,572	9,135,973	2,678,796	14,305,341
Less: Accumulated Depreciation	(1,616,180)	(4,299,531)	(388,044)	(6,303,755)
Net Capital Assets	874,392	4,836,442	2,290,752	8,001,586
Total Noncurrent Assets	874,392	4,836,442	2,290,752	8,001,586
Total Assets	1,321,498	10,639,927	4,053,969	16,015,394
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	-	137,174	751	137,925
OPEB Related Items	-	238,716	1,364	240,080
Total Deferred Outflows of Resources	-	375,890	2,115	378,005

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2020

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)				
CURRENT LIABILITIES				
Accounts Payable	$ 51,271	$ 542,132	$ 50	$ 593,453
Accrued Liabilities	-	22,127	-	22,127
Due to Other Funds	111,668	-	450,377	562,045
Current Portion of Compensated Absences	-	3,174	-	3,174
Current Portion of Total OPEB Liability	-	18,709	86	18,795
Total	162,939	586,142	450,513	1,199,594
LONG-TERM LIABILITIES				
Advances from Other Funds	1,621,693	-	2,367,662	3,989,355
Compensated Absences	-	28,566	-	28,566
Total OPEB Liability	-	920,265	5,279	925,544
Net Pension Liability	-	577,981	3,166	581,147
Total Long-Term Liabilities	1,621,693	1,526,812	2,376,107	5,524,612
Total Liabilities	1,784,632	2,112,954	2,826,620	6,724,206
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	-	12,514	69	12,583
OPEB Related Items	-	77,035	440	77,475
Total Deferred Inflows of Resources	-	89,549	509	90,058
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	874,392	4,355,235	2,290,752	7,520,379
Unrestricted (Deficit)	(1,337,526)	4,458,079	(1,061,797)	2,058,756
Total Net Position (Deficit)	$ (463,134)	$ 8,813,314	$ 1,228,955	$ 9,579,135

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2020

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
OPERATING REVENUES				
Charges for Services	$ 866,370	$ 1,970,641	$ 139,327	$ 2,976,338
Miscellaneous	-	-	-	-
Total Operating Revenues	866,370	1,970,641	139,327	2,976,338
OPERATING EXPENSES				
Personal Services	-	929,506	11,983	941,489
Material and Supplies	8,842	31,635	-	40,477
Depreciation and Amortization	45,532	214,411	131,398	391,341
Other Services and Charges	1,018,101	510,494	9,652	1,538,247
Total Operating Expenses	1,072,475	1,686,046	153,033	2,911,554
OPERATING INCOME (LOSS)	(206,105)	284,595	(13,706)	64,784
NONOPERATING REVENUES (EXPENSES)				
Grants and Contributions	259	4,589	-	4,848
Investment Income	3,460	62,473	14,952	80,885
Interest Expense	(4,548)	-	(70,736)	(75,284)
Gain (Loss) on Disposal of Assets - Net	771	-	-	771
Total Nonoperating Revenues (Expenses)	(58)	67,062	(55,784)	11,220
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(206,163)	351,657	(69,490)	76,004
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Grants and Contributions	-	1,092,807	-	1,092,807
Transfers In	218,987	-	251,600	470,587
Transfers Out	-	(98,542)	(5,645)	(104,187)
Total Capital Contributions and Transfers	218,987	994,265	245,955	1,459,207
CHANGE IN NET POSITION (DEFICIT)	12,824	1,345,922	176,465	1,535,211
Net Position (Deficit) - Beginning of Year	(475,958)	7,467,392	1,052,490	8,043,924
NET POSITION (DEFICIT) - END OF YEAR	$ (463,134)	$ 8,813,314	$ 1,228,955	$ 9,579,135

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2020

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 869,159	$ 1,913,089	$ 127,552	$ 2,909,800
Cash Paid to Employees for Services	-	(656,680)	(6,041)	(662,721)
Cash Paid to Suppliers for Goods and Services	(1,005,885)	(538,799)	(30,039)	(1,574,723)
Net Cash Provided (Used) by Operating Activities	(136,726)	717,610	91,472	672,356
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants and Contributions	259	4,589	-	4,848
Transfers from Other Funds	218,987	-	-	218,987
Transfers to Other Funds	-	(64,542)	(5,645)	(70,187)
Repayment of Advance From Other Funds	(35,232)	-	-	(35,232)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	184,014	(59,953)	(5,645)	118,416
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants and Contributions	-	399,920	-	399,920
Transfers from Other Funds	-	-	251,600	251,600
Transfers to Other Funds	-	(34,000)	-	(34,000)
Advances from Other Funds	-	-	(409,886)	(409,886)
Interest Paid	(4,548)	-	(70,736)	(75,284)
Acquisition and Construction of Capital Assets	-	(1,819,546)	(79,862)	(1,899,408)
Proceeds from Sale of Assets	772	-	-	772
Net Cash Used by Capital and Related Financing Activities	(3,776)	(1,453,626)	(308,884)	(1,766,286)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net Investment Income	3,460	62,473	14,952	80,885
Net Cash Provided by Investing Activities	3,460	62,473	14,952	80,885
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	46,972	(733,496)	(208,105)	(894,629)
Cash and Cash Equivalents - Beginning of Year	361,787	5,079,734	1,957,985	7,399,506
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 408,759	$ 4,346,238	$ 1,749,880	$ 6,504,877

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ (206,105)	$ 284,595	$ (13,706)	$ 64,784
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	45,532	214,411	131,398	391,341
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts Receivable	2,789	(57,552)	(11,250)	(66,013)
Inventories	4,781	-	-	4,781
Prepaid Items	(5,024)	(18,161)	(2,087)	(25,272)
Deferred Outflows of Resources- Pension Related Items	-	(94,330)	(751)	(95,081)
Deferred Outflows of Resources- OPEB Related Items	-	(192,658)	(1,364)	(194,022)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	21,301	21,491	(18,300)	24,492
Accrued Liabilities	-	10,243	(983)	9,260
Unearned Revenue	-	-	(525)	(525)
Compensated Absences	-	9,717	-	9,717
Total OPEB Liability	-	380,316	5,365	385,681
Net Pension Liability	-	110,776	3,166	113,942
Deferred Inflows of Resources- Pension Related Items	-	2,882	69	2,951
Deferred Inflows of Resources- OPEB Related Items	-	45,880	440	46,320
Net Cash Provided (Used) by Operating Activities	$ (136,726)	$ 717,610	$ 91,472	$ 672,356
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital Additions Funded by Accounts Payable	$ -	$ 481,206	$ -	$ 481,206
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITIONS				
Cash, Investments, and Cash Equivalents	$ 237,884	$ 4,346,238	$ 1,749,880	$ 6,334,002
Cash With Fiscal Agent	170,875	-	-	170,875
Total Cash, Investments, and Cash Equivalents	$ 408,759	$ 4,346,238	$ 1,749,880	$ 6,504,877

WINTER HAVEN
The Chain of Lakes City

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INTERNAL SERVICE FUNDS

WINTER HAVEN
The Chain of Lakes City

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CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2020

	Self-Insurance	General Services	Central Garage	Totals
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Investments	$ 2,256,715	$ 1,993,412	$ 537,626	$ 4,787,753
Accounts Receivable	58,244	151	193	58,588
Inventories	-	-	130,464	130,464
Prepaid Items	-	224,449	52,614	277,063
Due from Other Governments	-	1,478	1,104	2,582
Total Current Assets	2,314,959	2,219,490	722,001	5,256,450
NONCURRENT ASSETS				
Capital Assets:				
Building	-	-	151,763	151,763
Improvements Other than Buildings	-	345,340	34,909	380,249
Equipment	-	2,235,933	343,607	2,579,540
	-	2,581,273	530,279	3,111,552
Less: Accumulated Depreciation	-	(2,148,703)	(507,989)	(2,656,692)
Net Capital Assets	-	432,570	22,290	454,860
Total Assets	2,314,959	2,652,060	744,291	5,711,310
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	-	377,635	167,350	544,985
OPEB Related Items	-	497,128	167,886	665,014
Total Deferred Outflows of Resources	-	874,763	335,236	1,209,999

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2020

	Self-Insurance	General Services	Central Garage	Totals
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)				
CURRENT LIABILITIES				
Accounts Payable	$ 562,601	$ 314,305	$ 3,133	$ 880,039
Accrued Liabilities	-	62,557	23,541	86,098
Claims Payable	1,748,553	-	-	1,748,553
Current Portion of Compensated Absences	-	17,226	7,955	25,181
Current Portion of Total OPEB Liability	-	38,885	13,105	51,990
Total Current Liabilities	2,311,154	432,973	47,734	2,791,861
LONG-TERM LIABILITIES				
Compensated Absences	-	155,037	71,590	226,627
Total OPEB Liability	-	1,916,536	647,260	2,563,796
Net Pension Liability	-	1,591,158	705,127	2,296,285
Total Long-Term Liabilities	-	3,662,731	1,423,977	5,086,708
Total Liabilities	2,311,154	4,095,704	1,471,711	7,878,569
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	-	34,450	15,267	49,717
OPEB Related Items	-	160,426	54,178	214,604
Total Deferred Inflows of Resources	-	194,876	69,445	264,321
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	-	432,570	22,290	454,860
Unrestricted (Deficit)	3,805	(1,196,327)	(483,919)	(1,676,441)
Total Net Position (Deficit)	$ 3,805	$ (763,757)	$ (461,629)	$ (1,221,581)

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Self-Insurance	General Services	Central Garage	Totals
OPERATING REVENUES				
Charges for Services	$ 6,122,658	$ 5,414,826	$ 2,336,017	$ 13,873,501
Miscellaneous	277,858	27,487	-	305,345
Total Operating Revenues	6,400,516	5,442,313	2,336,017	14,178,846
OPERATING EXPENSES				
Personal Services	-	2,230,895	706,564	2,937,459
Material and Supplies	-	723,623	1,179,670	1,903,293
Depreciation	-	157,683	12,848	170,531
Other Services and Charges	6,610,443	2,234,899	398,446	9,243,788
Total Operating Expenses	6,610,443	5,347,100	2,297,528	14,255,071
OPERATING INCOME (LOSS)	(209,927)	95,213	38,489	(76,225)
NONOPERATING REVENUES				
Grants and Contributions	-	132,589	1,104	133,693
Investment Income	22,225	24,761	8,672	55,658
Gain on Disposal of Assets - Net	-	235	4,876	5,111
Total Nonoperating Revenues	22,225	157,585	14,652	194,462
INCOME (LOSS) BEFORE TRANSFERS	(187,702)	252,798	53,141	118,237
TRANSFERS				
Transfers In	365,400	20,800	-	386,200
Transfers Out	-	(701,600)	-	(701,600)
Total Transfers	365,400	(680,800)	-	(315,400)
CHANGE IN NET POSITION (DEFICIT)	177,698	(428,002)	53,141	(197,163)
Net Position (Deficit) - Beginning of Year	(173,893)	(335,755)	(514,770)	(1,024,418)
NET POSITION (DEFICIT) - END OF YEAR	$ 3,805	$ (763,757)	$ (461,629)	$ (1,221,581)

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Self-Insurance	General Services	Central Garage	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 6,547,168	$ 5,440,943	$ 2,335,824	$ 14,323,935
Cash Paid to Employees for Services	-	(2,017,326)	(666,407)	(2,683,733)
Cash Paid to Suppliers for Goods and Services	(6,545,559)	(2,880,141)	(1,648,386)	(11,074,086)
Net Cash Provided by Operating Activities	1,609	543,476	21,031	566,116
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants and Contributions	-	132,589	-	132,589
Transfers from Other Funds	365,400	20,800	-	386,200
Net Cash Provided by Noncapital Financing Activities	365,400	153,389	-	518,789
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers to Other Funds	-	(701,600)	-	(701,600)
Acquisition and Construction of Capital Assets	-	(113,656)	-	(113,656)
Proceeds from Sale of Assets	-	235	4,876	5,111
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(815,021)	4,876	(810,145)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net Investment Income	22,225	24,761	8,672	55,658
Net Cash Provided by Investing Activities	22,225	24,761	8,672	55,658
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	389,234	(93,395)	34,579	330,418
Cash and Cash Equivalents - Beginning of Year	1,867,481	2,086,807	503,047	4,457,335
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,256,715	$ 1,993,412	$ 537,626	$ 4,787,753
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ (209,927)	$ 95,213	$ 38,489	$ (76,225)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	-	157,683	12,848	170,531
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts Receivable	149,149	108	(193)	149,064
Inventories	-	-	(15,300)	(15,300)
Prepaid Items	-	(78,244)	(49,203)	(127,447)
Due from Other Governments	-	(1,478)	-	(1,478)
Deferred Outflows of Resources- Pension Related Items	-	(243,863)	(115,228)	(359,091)
Deferred Outflows of Resources- OPEB Related Items	-	(382,616)	(122,111)	(504,727)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	64,884	156,625	(5,767)	215,742
Accrued Liabilities	-	18,245	5,566	23,811
Unearned Revenue	(2,497)	-	-	(2,497)
Compensated Absences	-	35,593	3,280	38,873
Total OPEB Liability	-	566,451	105,137	671,588
Net Pension Liability	-	132,417	136,749	269,166
Deferred Inflows of Resources- Pension Related Items	-	4,377	3,550	7,927
Deferred Inflows of Resources- OPEB Related Items	-	82,965	23,214	106,179
Net Cash Provided by Operating Activities	$ 1,609	$ 543,476	$ 21,031	$ 566,116

STATISTICAL SECTION

(UNAUDITED)

WINTER HAVEN
The Chain of Lakes City

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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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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future.

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Direct and Overlapping Governmental Activities Debt 177
Pledged-Revenue Coverage, Last Ten Fiscal Years 178

The table which concerns computation of legal debt margin is omitted because the Constitution of the State of Florida, Section 200.181, Florida Statutes, and the City of Winter Haven set no legal debt limit.

Own Source Revenue

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.

Water and Sewer Consumption, Last Ten Fiscal Years 179

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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Principal Employers, Current Fiscal Year and Nine Years Prior 181

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Net Investment in Capital Assets	$ 56,358,474	$ 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
Restricted	14,730,235	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
Unrestricted	4,542,949	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
Subtotal Governmental Activities Net Position	$ 75,631,658	$ 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
Business Type Activities										
Net Investment in Capital Assets	$ 38,547,062	$ 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
Restricted	16,340,831	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
Unrestricted	31,295,273	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
Subtotal Business Type Activities	$ 86,183,166	$ 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
Primary government										
Net Investment in Capital Assets	$ 94,905,536	$ 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
Restricted	31,071,066	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
Unrestricted	35,838,222	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
Total Primary Government Net Position	$ 161,814,824	$ 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

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
EXPENSES										
Government Activities										
General Government	$ 9,550,908	$ 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
Public Safety	23,590,215	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
Transportation	6,023,386	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
Economic Development	1,629,153	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
Human Services	896,413	1,359,738	851,223	707,632	683,485	876,034	607,285	829,879	769,648	1,376,048
Culture and Recreation	9,662,913	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
Interest on Long Term Debt	1,308,899	1,389,279	681,215	612,463	706,844	2,293,143	1,117,958	1,162,384	1,225,629	1,456,101
Other Debt Service	-	-	-	141,339	1,260	249,322	-	-	2,404	45,583
Subtotal Governmental Activities Expenses	52,661,887	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
Business Type Activities										
Water and Sewer System	26,024,825	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
Solid Waste System	6,877,829	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
Stormwater	1,686,229	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
Willowbrook	1,076,599	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
Dark Fiber	223,797	150,763	66,913	12,531	-	-	-	-	-	-
Subtotal Business Type Activities	35,889,279	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
Total Primary Government	$ 88,551,166	$ 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
PROGRAM REVENUES										
Government Activities										
General Government	$ 4,608,767	$ 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
Public Safety	1,451,851	1,208,762	1,018,595	1,074,372	957,860	837,028	953,509	834,519	1,006,859	1,400,041
Transportation	3,680,433	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
Economic Development	5,505,995	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
Human Services	941,877	922,066	500,260	664,033	735,212	492,595	739,610	558,161	358,115	891,602
Culture and Recreation	1,241,245	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
Subtotal Governmental Activities Program Revenue	17,430,168	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
Business Type Activities										
Water and Sewer System	43,433,415	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
Solid Waste System	8,575,951	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
Stormwater	3,068,037	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
Willowbrook	866,629	825,384	783,825	847,548	782,513	763,584	908,176	774,646	870,596	871,221
Dark Fiber	139,327	129,152	132,996	116,603	-	-	-	-	-	-
Subtotal Business Type Activities Program Revenue	56,083,359	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
Total Primary Government	$ 73,513,527	$ 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

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government	$ (4,942,141)	$ (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)
Public Safety	(22,138,364)	(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)
Transportation	(2,342,953)	(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)
Economic Development	3,876,842	3,160,470	1,565,923	2,752,424	1,424,166	252,022	1,203,921	482,522	(516,297)	(912,012)
Human Services	45,464	(437,672)	(350,963)	(43,599)	51,727	(383,439)	132,325	(271,718)	(411,533)	(484,446)
Culture and Recreation	(8,421,668)	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)
Interest on Long-Term Debt	(1,308,899)	(1,389,279)	(681,215)	(612,463)	(706,844)	(2,293,143)	(1,117,958)	(1,162,384)	(1,225,629)	(1,456,101)
Other Debt Service	-	-	-	(141,339)	(1,260)	(249,322)	-	-	(2,404)	(45,583)
Subtotal Governmental Activities Net Expense	(35,231,719)	(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)
Business Type Activities										
Water and Sewer System	17,408,590	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
Solid Waste System	1,698,122	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
Stormwater	1,381,808	483,120	508,009	678,491	502,273	(63,276)	(60,924)	679,408	66,161	167,945
Willowbrook	(209,970)	(173,771)	(501,865)	(195,711)	(252,944)	(253,643)	(462,282)	(302,106)	(256,664)	(183,935)
Dark Fiber	(84,470)	(21,611)	66,083	104,072	-	-	-	-	-	-
Subtotal Business Type Activities Net Expense	20,194,080	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
Total primary government	$ (15,037,639)	$ (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)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes: Property	$ 18,341,292	$ 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
Taxes: Utility	6,877,517	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
Taxes: Franchise	3,356,485	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
Taxes: Fuel	1,998,095	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
State Shared: Sales Tax	2,841,455	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
State Shared: Cigarette	1,111,606	1,172,897	1,082,745	1,016,784	936,602	886,585	802,560	724,236	704,388	680,921
State Shared: Other	1,396,100	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
Unrestricted Investment Earnings	503,831	1,264,406	612,858	349,143	119,220	119,941	(1,204)	124,448	248,102	495,459
Gain on Sale of Capital Assets	-	11,969	37,445	85,335	87,966	44,307	37,401	46,461	905,520	932
Miscellaneous	443,427	470,344	534,139	293,386	601,469	134,310	169,059	81,131	160,040	167,631
Transfers	9,610,729	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
Sub-Total Governmental Activities	46,480,537	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
Business Type Activities										
Unrestricted Investment Earnings	840,264	1,529,515	1,067,666	570,670	250,619	181,786	19,008	170,393	303,879	206,970
Gain on Sale of Capital Assets	3,225,106	26,893	37,440	-	6,019,318	38,132	4,871,675	59,705	34,619	(19,298)
Miscellaneous	-	-	140,600	-	-	-	-	-	-	-
Transfers	(9,610,729)	(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)
Sub-Total Business Activities	(5,545,359)	(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)
Total Primary Government	$ 40,935,178	$ 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
INCREASE(DECREASE) IN NET POSITION										
Governmental Activities	$ 11,248,818	$ 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)
Business Type Activities	14,648,721	10,152,629	10,052,719	9,783,625	3,603,937	5,844,911	891,023	(675,533)	(769,290)
Total Primary Government	$ 25,897,539	$ 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)

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
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
2018	16,820,550 *	2,779,282	3,508,260	2,029,500	1,172,897	6,789,197	1,930,675	35,030,361
2020	18,341,292 *	2,841,455	3,356,485	1,998,095	1,111,606	6,877,517	1,396,100	35,922,550

* 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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Nonspendable	$ 1,739,402	$ 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	210,285	209,429	207,496	207,323	205,640	7,403	11,036	17,709	51,297	168,630
Assigned	72,381	68,054	25,666	25,183	23,751	905,947	903,900	25,566	19,166	634,089
Unassigned	14,788,404	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
Subtotal General Fund	$ 16,810,472	$ 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
All Other Governmental Funds										
Nonspendable	$ 154,503	$ 74,224	$ 107,726	$ 95,131	$ 102,188	$ 114,624	$ 930,677	$ 260,550	$ 413,441	$ 497,144
Restricted	15,181,290	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	607,620	494,565	500,862	414,011	349,764	316,174	279,841	399,978	489,678	919,345
Assigned	12,569,938	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	(498,086)	(365,336)	(306,783)	(864,361)	(863,897)	(594,614)	(553,061)	(373,848)	(830,612)	(534,323)
Subtotal All Other Governmental Funds	28,015,265	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
Total Fund Balance	$ 44,825,737	$ 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

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
REVENUES										
Taxes	$ 31,378,631	$ 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
Licenses and Permits	241,126	196,399	220,086	260,496	243,150	244,559	273,263	254,556	264,350	248,048
Intergovernmental	8,572,270	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
Charges for Services	9,371,866	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
Fines and Forfeitures	429,314	317,373	327,074	321,480	384,320	334,092	378,166	334,356	363,045	230,306
Rents	1,156,265	1,101,015	1,134,734	1,054,939	1,069,563	1,069,223	1,026,903	922,314	894,509	782,708
Investment Income	448,173	1,158,233	533,693	309,953	98,546	89,119	7,125	87,884	172,620	442,291
Contributions	21,846	10,883	7,718	248	3,443	3,072	635	943	2,400	8,739
Miscellaneous	992,965	735,370	937,161	700,835	1,086,432	427,721	483,002	381,953	454,783	443,683
Total Revenues	52,612,456	51,212,245	45,739,372	40,657,185	37,597,629	32,485,458	33,704,130	30,069,452	30,281,069	31,941,517
EXPENDITURES										
Current										
General Government	7,208,554	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
Public Safety	21,554,089	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
Transportation	6,664,174	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
Economic Environment	1,426,091	975,746	845,182	801,939	755,579	613,187	895,825	742,328	837,566	743,462
Human Services	905,186	1,296,342	787,687	723,938	698,321	795,774	735,126	844,579	738,224	1,346,563
Culture and Recreation	7,610,247	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
Subtotal Current	45,368,341	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
Debt Service										
Principal	3,055,000	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
Interest	1,414,331	1,097,313	757,419	709,779	798,495	784,674	1,101,123	1,154,109	1,159,498	1,629,940
Other Debt Service	41,597	550	550	140,629	550	261,398	-	-	2,404	45,583
Subtotal Debt Service	4,510,928	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
Capital Projects	11,626,745	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
Total Expenditures	61,506,014	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
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,893,558)	(17,259,087)	(14,104,685)	(3,687,520)	(9,584,915)	(6,424,582)	(6,484,610)	(9,229,804)	(9,071,109)	(9,819,728)

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Other Financing Sources (Uses)										
Sale of Assets	$ 44,123	$ 25,955	$ 242,445	$ 84,656	$ 83,153	$ 36,018	$ 47,385	$ 51,534	$ 938,066	$ 23,451
Transfers in	30,154,356	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
Transfers out	(20,173,227)	(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)
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)	10,025,252	31,811,674	7,400,332	14,796,544	11,950,994	8,257,728	7,271,162	7,887,708	5,496,192	4,514,309
Net Change in Fund Balance	$ 1,131,694	$ 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)
Debt service as % of noncap exp	9.8%	7.5%	6.1%	5.7%	5.4%	5.7%	6.4%	7.4%	6.6%	9.2%

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

Fiscal Year	Assessed Value Real Property	Assessed Value Personal Property	Assessed Value Centrally Assessed Property	Less: Tax Exempt Property	Taxable Assessed Valuation	Total Direct Tax	Estimated Actual Taxable Value
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	869,810,131	2,371,505,761	6.790	2,371,505,761
2020	3,081,865,632	382,257,505	11,164,336	886,582,002	2,588,705,471	6.790	2,588,705,471

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
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
2020	6.790	-	-	6.790	7.1565	6.086	0.4214	-	0.2801

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, 2020 AND SEPTEMBER 30, 2011

	2020			2011		
Taxpayer	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Legoland/Merlin Entertainment	$ 88,980,301	1	3.44			
Wal-Mart Stores, Inc.	61,333,267	2	2.37	$ 48,869,596	1	3.22%
Tampa Electric	41,367,121	3	1.60	25,511,577	3	1.68%
Carlton Arms of Winter Haven LLP	34,943,615	4	1.35	17,381,848	6	1.15%
SFFL001 Owner	25,865,830	5	1.00			
Spring Haven Retirement LLC	23,088,419	6	0.89			
Sunstone Winter Haven Florida LLC	20,421,891	7	0.79			
Logistics Parkway	17,254,304	8	0.66			
PVP Winter Haven	16,956,180	9	0.66			
Landmark Investments Inc	15,383,971	10	0.59	10,441,977	8	0.69%
Hanson Pipe and Products SE				25,655,998	2	1.69%
State Farm Mutual Automobile Ins. Co.				19,888,286	4	1.31%
Frontier (formerly Verizon)				19,102,754	5	1.26%
Velda Farms				12,624,499	7	0.83%
Sherwin-Williams Co.				10,319,009	9	0.68%
AM Winter Haven				10,155,294	10	0.67%
Subtotal	345,594,899		13.35%	199,950,838		13.18%
All other taxpayers	2,243,110,572		86.65%	1,316,832,496		86.82%
Total	$ 2,588,705,471		100.00%	$ 1,516,783,334		100.00%

Source: Property Appraiser Form 403 and 2011 Comprehensive Annual Financial Report (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
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
2020	17,577,310	**	17,018,826	96.82%	43,422	17,062,248	97.07%	17,062,248

* 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 Activities				
Fiscal Year	Special Obligation Bonds	Public Improvement Rev Bonds	Sales Tax Revenue Bonds	Notes Payable	Water/Sewer Revenue Bonds	State Revolving Fund Loans	Total Primary Government	Percentage of Personal Income	Per Capita
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	-	47,053,709	62,000	98,160,955	5.2%	2,189
2020	-	46,583,689	1,375,000	-	44,916,165	898,079	93,772,933	8.0%	1,993

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, 2020

Governmental unit	Debt Outstanding	Estimated % Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes: Polk County School Board	$ 363,522,680	6.2983%	$ 22,895,749
Overlapping debt	363,522,680		22,895,749
City of Winter Haven direct debt	47,958,689		47,958,689
Total direct and overlapping debt	$ 411,481,369		$ 70,854,438

Sources: School Board debt outstanding and Polk County outstanding debt obtained from 2020 Comprehensive Annual Financial Report.

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
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%
2020	33,433,006	20,218,327	13,214,679	3,743,595	1,704,966	353%	115%	399%	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)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Type of Customer										
Residential	2,174.4	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
Commercial	1,026.8	1,073.4	1,090.7	1,048.0	891.5	1,027.1	1,029.0	959.9	978.5	990.6
Municipal	128.0	110.9	95.6	131.0	119.2	138.4	124.0	114.3	124.9	142.6
Total	3,329.2	3,159.0	3,193.7	3,220.0	2,666.9	2,914.2	2,852.0	2,834.9	3,007.6	3,111.9

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
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
2020	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
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%
2020	47,044	24,864	1,169,702,016	7.5%	5.0%

Source: City of Winter Haven Growth Management Department

CITY OF WINTER HAVEN, FLORIDA
TABLE 15
PRINCIPAL EMPLOYERS
YEARS ENDED SEPTEMBER 30, 2020 AND SEPTEMBER 30, 2011

	2020			2011		
Employer	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Polk County School Board	13,235	1	4.73%	11,885	1	6.13%
Publix Super Markets	12,500	2	4.47%	9,300	2	4.79%
Lakeland Regional Medical Center	5,575	3	1.99%	4,600	4	2.37%
Wal-Mart	4,250	4	1.52%	5,000	3	2.58%
Geico	3,700	5	1.32%	2,300	7	1.19%
City of Lakeland	2,800	6	1.00%			
Winter Haven Hospital	2,200	7	0.79%	2,600	5	1.34%
Polk County	1,864	8	0.67%	2,100	8	1.08%
Watson Clinic	1,857	9	0.66%			
Polk County Sheriff's Office	1,751	10	0.63%			
Comcar Industries, Inc.				2,400	6	1.24%
MOSAIC				2,000	9	1.03%
State Farm Insurance				1,400	10	0.72%
Total	49,732		17.76%	43,585		22.47%
Average annual employment	279,944			194,000		

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)
2011 Data - 2011 Comprehensive Annual Financial Report, Table 15

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

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government	67.60	58.00	57.50	65.75	57.03	54.03	62.69	61.03	60.23	61.48
Public safety										
Police	117.30	116.00	115.00	111.00	111.00	108.00	109.00	108.00	108.00	106.00
Fire	71.70	72.00	72.00	72.00	72.00	71.00	71.00	70.00	70.00	70.00
Building/Code Compliance	12.50	12.50	12.50	12.50	12.75	10.75	5.55	5.20	9.25	9.50
Transportation	12.60	11.30	15.30	11.50	13.50	13.50	12.63	11.70	12.08	12.95
Economic development	5.30	5.30	5.00	4.05	4.50	4.50	0.70	1.40	1.20	1.20
Human services	5.00	7.50	5.30	4.00	5.10	5.10	5.10	5.40	5.40	6.40
Culture and recreation										
Parks and recreation	62.55	61.55	57.55	55.55	55.65	55.65	55.65	56.75	58.15	59.15
Library	14.15	14.15	14.15	14.15	14.12	14.12	14.12	13.82	14.82	15.82
Willowbrook golf	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.00	8.00	8.00
Solid waste system	33.40	30.80	30.80	32.80	25.60	25.60	25.60	25.60	25.60	26.60
Utility system	106.00	104.00	105.00	104.00	92.00	81.00	76.21	82.20	81.37	82.00
Stormwater utility	11.90	10.90	10.90	6.70	6.75	6.75	7.75	7.90	7.90	6.90
Total	520.00	504.00	501.00	494.00	470.00	450.00	446.00	457.00	462.00	466.00

Note: Number of positions based on budgeted FTEs

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

Function	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public safety										
Police-physical arrests	1,013	1,487	2,341	1,837	1,895	1,578	1,647	1,389	2,151	2,069
Police-traffic violations	1,632	3,962	4,955	5,333	6,181	5,256	4,019	7,679	7,051	4,262
Fire-number of calls answered	9,104	8,820	8,273	8,192	7,344	6,450	5,912	6,032	6,046	6,199
Fire-number of fire inspections	2,009	2,372	2,139	1,969	2,282	2,215	1,973	1,926	1,513	2,116
Building permits issued	3,431	3,072	3,551	2,408	2,989	3,670	3,232	2,461	1,934	2,288
Transportation										
Street resurfacing in miles	0.00	0.00	1.80	0.00	1.73	2.34	2.56	2.81	0.81	2.42
Airport-landings and take offs	78,000	78,500	77,998	79,450	77,998	76,285	72,400	67,435	87,000	88,250
Airport-tenants	209	177	177	177	176	147	152	160	137	217
Leisure services										
Summer program participants	444	1,246	1,527	1,592	1,414	1,791	1,844	1,710	1,822	624
Swimming pool admissions	26,050	42,034	51,494	50,684	45,027	33,580	39,627	36,423	35,154	33,463
Library visitations	342,178	537,099	570,032	554,506	618,191	559,704	558,983	624,902	721,873	746,243
Library borrower cards	83,772	81,876	77,461	75,523	71,019	66,934	61,195	55,469	51,448	47,793
Human services										
Cemetery lot sales	183.0	114.0	141.0	161.0	132.0	147	154	104	152	132
Sanitation										
Tons of refuse disposed of	38,045	35,186	36,038	34,937	31,761	30,460	28,866	27,919	27,189	30,193
Solid waste accounts	19,518	18,606	17,900	16,397	14,864	14,864	14,692	14,250	12,782	12,552
Utility water/sewer										
Water accounts	39,077	37,969	36,783	35,691	34,424	33,669	32,734	31,893	31,256	30,899
Wastewater accounts	24,934	24,023	23,150	22,404	21,513	21,028	20,443	19,878	19,444	19,212
Gallons of water billed in (millions)	3,329	3,159	3,194	3,240	2,868	2,914	2,852	2,835	3,011	3,112
Consumption per customer (gallons)	85,195	83,192	86,826	90,779	83,325	86,548	87,128	88,890	96,321	100,713
Rainfall (inches)	49.42	50.61	54.86	47.70	52.86	75.59	51.35	40.49	52.74	43
Willowbrook golf course										
Rounds played	34,079	32,671	30,681	35,165	33,416	33,818	31,755	33,749	37,392	36,728

Source: Benchmark Statistics

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

Function	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government										
Number of building	157	157	157	157	157	157	157	157	157	154
Square footage of building space	830,000	814,453	804,453	804,453	804,453	804,453	804,453	804,453	804,453	799,453
Public safety										
Fire stations	3	3	3	3	3	3	3	3	3	3
Marked police vehicles	72	72	72	60	81	72	72	72	72	65
Transportation										
City lane miles	327.54	324.4	324.4	313.76	313.76	313.76	313.76	310.32	308	308
Traffic signals heads/Pedestrian signal	378/298	378/298	378/298	378/298	378/298	378/298	378/298	378/298	378/298	362/280
Street lights High Mast/Decorative	691/484	691/484	691/484	691/484	691/484	691/484	674/449	674/449	674/449	674/404
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	26,209	26,290	26,203	25,937	26,050	26,116	25,705	25,699	25,697	25,427
Culture & recreation										
Parks	46	46	46	46	46	46	46	46	46	46
Parks acreage	655	655	655	655	655	655	655	655	634	634
Recreation centers	5	5	5	5	5	5	5	5	5	5
Activity fields	27	27	27	24	24	24	24	24	24	24
Playgrounds	15	15	15	14	14	14	14	14	14	14
Libraries	1	1	1	1	1	1	1	1	1	1
Tennis courts	9	9	9	11	11	11	11	11	11	11
Enterprise funds										
Utility system										
Water treatment plants	9	9	9	9	11	11	11	11	11	11
Fire hydrants	2,332	2,306	2,187	2,254	2,232	2,227	1,869	1,869	1,869	1,869
Wastewater treatment plants	2	2	2	2	2	2	2	2	2	2
Lift stations	213	208	208	195	193	192	192	192	192	192
Water main miles	529	524	518	509	509	510	385	505	505	495
Sanitary sewer miles	356	341	338	329	328	328	328	460	460	450
Reclaimed main miles	38	32	31	27	24	*	*	*	*	*
Solid waste system										
Number of collection vehicles	35	24	24	22	21	19	19	19	19	19
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, 2020

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, 2020

Coverage/Policy# Insurer/Agency	Deductible	Description	Amount	Expiration Date	Premium
FMIT					
Florida League of Cities				10/1/2020	$ 1,704,669
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	$3,078,271		
	$500 per loss < $50K				
General Liability &	$25,000 per occurrence	Bodily or Personal Injury and	$200,000/$300,000		
Law Enforcement Liability	$421,623 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	$81,475 Aggregate Stop Loss		$5,000,000		
Workers Compensation	None	Employer's liability	$1,000,000		
Community Redevelopment Agency				10/1/2020	$ 8,988
FMIT1231	None	General liability per occurrence	$300,000		
Florence Villa Community Redevelopment Agency				10/1/2020	$ 8,116
FMIT1297	None	General liability per occurrence	$300,000		
Crime				10/1/2020	$ 14,229
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	10/1/2020	$ 375
285008730					
Liberty Mutual					
A.J. Gallagher & Co					

CITY OF WINTER HAVEN, FLORIDA
TABLE 20
SCHEDULE OF INSURANCE IN FORCE (CONTINUED)
SEPTEMBER 30, 2020

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		12/31/2020	$ 780 employee per year
Group Life Insurance GL-5323-(6) Kansas City Life Ins Crowne Consulting	None	Life insurance per employee	$10,000	12/31/2020	$ 57,387
Excess Loss-Health 1600923400-Symetra Dental Claims Prescriptions Safeco Life Ins Co Crowne Consulting	$262,500 per individual $288,400 aggregate	Individual Max	Unlimited	12/31/2020	$ 358 employee/retiree per year
Airport Owners & Operators Liability AAPN00979636012 Ace Property/Casualty AJ Gallagher & Co	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, 2020

Coverage/Policy# Insurer/Agency	Deductible	Description	Amount	Expiration Date	Premium
Liquor Liability					
Scottsdale Insurance Company	None	Each Common Cause	$1,000,000	10/1/2020	$ 1,100
A.J. Gallagher & Co	None	Aggregate	$2,000,000		
CPS 3258553					
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	10/1/2020	$ 36,065
TBD					
Ace American					
A.J. Gallagher & Co					
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
A.J. Gallagher & Co					
Pension & Welfare Fund					
Fiduciary Responsibility	$10,000 each claim	Annual Aggregate	$1,000,000	10/1/2020	$ 6,478
105995320					
Travelers Casualty & Surety Co					
A.J. Gallagher & Co					
Special Event-Rentals LS					
ESE 199032	$500 per claim	Each Occurrence/Aggregate	$1,000,000	10/1/2020	$ 250
Lloyds of London		Personal and Advertising Injury Limit	$1,000,000		
A.J. Gallagher & Co		Fire Damage Liability	$50,000		
International Special Risk					
Flood					
09115143903	$1,000 per occurrence building	Building	$100,000	12/13/2020	$ 1,165
Wright National	$1,000 per occurrence contents	Contents	$50,000		
A.J. Gallagher & Co					

OTHER REPORTS

WINTER HAVEN
The Chain of Lakes City

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CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2020

Federal / State Agency Federal Program / State Project	CFDA/ CSFA Number	Grant Contract Number	Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS				
U.S. Department of Housing and Urban Development				
Direct Programs:				
CDBG-Entitlements Grant Program Cluster:				
Community Development Block Grant	14.218	B-17-MC-12-0023	$ 51,414	$ -
Total CDBG-Entitlement Grants Program Cluster			51,414	-
Total U.S. Department of Housing and Urban Development			51,414	-
U.S. Department of Justice				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	1121-0235	2,876	-
COVID-19- Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0166	47,714	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-DJ-BX-0170	14,809	-
Pass-Through from FDLE:				
JAG Countywide	16.738	2020-JAGC-POLK-6-Y5-080	11,798	-
Total U.S. Department of Justice			77,197	-
U.S. Department of Homeland Security:				
Pass-Through from Florida Department of Emergency Management:				
Hazard Mitigation	97.039	FEMA-DR-4337-FL	55,877	-
Hazard Mitigation	97.039	FEMA-DR-4337-FL	138,731	-
Total Hazard Mitigation			194,608	-
Disaster Assistance Grants	97.036	Z0696	257,499	-
Total U.S. Department of Homeland Security			452,107	-
U.S Department of Agriculture				
Pass-Through from Florida Department of Agriculture:				
Cooperative Forestry Assistance	10.664	25969	20,000	-
Total U.S. Department of Agriculture			20,000	-
U.S. Department of Transportation				
Direct Programs:				
Airport Improvement Program	20.106	3-12-0088-027-2018	94,666	-
Airport Improvement Program	20.106	3-12-0088-026-2018/ 3-12-0088-028-2019	126,395	-
Airport Improvement Program	20.106	3-12-0088-030-2020	81,068	-
Airport Improvement Program	20.106	3-12-0088-029-2019	72,000	-
COVID-19- Airport Improvement Program	20.106	3-12-0088-031-2020	69,000	-
Total Airport Improvement Program			443,129	-
Pass-Through from Florida Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	438265-1-58-01	399	-
Total U.S. Department of Transportation			443,528	-
U.S. Department of the Treasury:				
Pass-Through from Florida Housing Finance Corporation:				
COVID-19- Coronavirus Relief Fund	21.019	146-2020	129,697	-
Total U.S. Department of the Treasury			129,697	-
U.S. Environmental Protection Agency:				
Pass-Through from FDEP:				
Nonpoint Source Implementation	66.460	C9-99451518-0	36,816	-
Nonpoint Source Implementation	66.460	C9-99451508-0	357,412	-
Total Environmental Protection Agency			394,228	-
Total Expenditures of Federal Awards			$ 1,568,171	$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

Federal / State Agency Federal Program / State Project	CFDA/ CSFA Number	Grant Contract Number	Expenditures	Passed Through to Subrecipients
STATE AWARDS				
Florida Department of Transportation				
Direct Programs:				
Joint Participation Agreement-Aviation Development	55.004	444056-1-94-01	$ 434,179	$ -
Joint Participation Agreement-Aviation Development	55.004	441289-1-94-01	5,548	-
Joint Participation Agreement-Aviation Development	55.004	441870-1-94-01	649,441	-
Joint Participation Agreement-Aviation Development	55.004	441787-1-94-01	4,000	-
Joint Participation Agreement-Aviation Development	55.004	444190-1-91-01	256,000	-
Joint Participation Agreement-Aviation Development	55.004	446382-1-94-01	94,225	-
Joint Participation Agreement-Aviation Development	55.004	440355-1-94-01	5,259	-
Total Aviation Development			1,448,652	-
Total Florida Department of Transportation			1,448,652	-
Florida Department of Environmental Protection:				
Direct Programs:				
Capitalization Grants for State Revolving Fund	37.077	WW531320	969,085	-
Total Florida Department of Environmental Protection			969,085	-
Florida Housing Finance Corporation:				
Direct Programs:				
State Housing Initiative Partnership	40.901	2018/2019	59,314	59,314
State Housing Initiative Partnership	40.901	2019/2020	77,055	77,055
Total State Housing Initiative Partnership			136,369	136,369
Total Florida Department of Environmental Protection			136,369	136,369
Total Expenditures of State Finance Assistance			$ 2,554,106	$ 136,369

See accompanying Notes to Schedule of Expenditures of Federal Awards

CITY OF WINTER HAVEN, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal and state grant activity of the City of Winter Haven (City) under programs of the federal government and state of Florida for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 69I-5, Rules of the Florida Department of Financial Services. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The City did not receive noncash assistance during the year.

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, 2020, $257,499 of approved eligible expenditures that were incurred in a prior year are included in the schedule.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for awards and financial assistance recorded in governmental funds and the accrual basis of accounting for awards and financial assistance recorded in the proprietary funds, which are described in Note 1 to the City's basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services wherein certain types of expenditures are not allowable or are limited as to reimbursement, with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. 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 30, 2021, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

WINTER HAVEN
The Chain of Lakes City

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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, 2020, 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 30, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2020-001 and 2020-002 that we consider to be material weaknesses.

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 financial statements. 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Winter Haven, Florida
March 30, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

Report on Compliance for Each Major Federal Program and State Project

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,* and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2020. The City's major federal programs and state projects 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 and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Auditor General for Local Governmental Entity Audits. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

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

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Winter Haven, Florida
March 30, 2021

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020

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 _____ yes ____X____ 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 _____ yes ____X____ 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)? _____ yes ____X____ no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
20.106	Airport Improvement Program
97.036	Disaster Grants – Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? _____ yes ____X____ no

Section I – Summary of Auditors' Results (Continued)

State Financial Assistance

1. Internal control over state projects:
   - Material weakness(es) identified? _____ yes ____X____ no
   - Significant deficiency(ies) identified _____ yes ____X____ none reported
2. Type of auditors' report issued on compliance for state projects: Unmodified
3. Any audit findings disclosed that are Required to be reported in accordance With Chapter 10.557, Rules of the Auditor General? _____ yes ____X____ no

Identification of Major State Projects

CSFA Number(s)	Name of State Project
37.077	Wastewater Treatment Facility Construction
55.004	Aviation Grant Programs

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Section II – Financial Statement Findings

2020-001 – Material Adjustments

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Several material errors were detected in the City's account balances during our audit. As a result, material adjustments were proposed to correct the account balances.

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: Testing of account balances identified the errors.

Effect: Various assets, liabilities, revenues, and expenditures/expenses balances were misstated.

Cause: Reconciliations of various accounts are not performed by one staff member and reviewed by a member of management prior to the year-end close.

Repeat Finding: See prior year findings 2018-001 and 2019-001 for Material Adjustments.

Recommendation: Account reconciliations should be prepared by a staff member and reviewed by a member of management, allowing management the ability to perform analytical analysis and to identify unusual account balances. Trial balances should be reviewed to ensure that all accounts are reconciled, and any related adjustments are posted.

Views of responsible officials and planned corrective actions: Vacant positions within the Finance department have forced management to prepare all entries without the review and analysis typically performed. The elimination of vacancies will allow for improved segregation of duties. Audit schedules will be assigned to various staff members for "completion" and "review". This additional layer of oversight should prevent future material adjustments.

Section II – Financial Statement Findings (Continued)

2020–002 – Schedule of Expenditures of Federal Awards and State Financial Assistance

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Our audit procedures identified one omitted federal grant from the Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule). One grant was also reported with an incorrect CFDA number.

Criteria or specific requirement: 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 69I-5, Rules of the Florida Department of Financial Services, require auditees to prepare a Schedule. The City's management is responsible for establishing and maintaining internal controls to ensure that Schedule is properly reported.

Context: Testing of amounts reported in the Schedule identified the misstatements.

Effect: The Schedule is used by grantor agencies and auditors to monitor compliance with federal and state requirements. Errors in reporting expenditures on the Schedule may lead to improper testing and therefore, noncompliance with Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services.

Cause: The process for preparing the Schedule did not identify all grant expenditures or verify the CFDA/CSFA numbers reported.

Recommendation: We recommend developing additional preparation and review procedures related to grant reporting to ensure that federal program and state project expenditures are completely and accurately reported in accordance with Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services.

Views of responsible officials and planned corrective actions: Vacant positions within the Finance department have forced management to prepare the SEFA without the review and analysis typically performed. The elimination of vacancies will allow for improved segregation of duties. The SEFA preparation will be assigned to various staff members for "completion" and "review". This additional layer of oversight should ensure that grants are completely and accurately reported.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Chapter 10.557, Rules of the Auditor General.

WINTER HAVEN
The Chain of Lakes City

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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, 2020 and have issued our report thereon dated March 30, 2021.

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 State Project 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 30, 2021, 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 as noted below.

Prior Year Findings		Current Year Status			Current Year Finding #	2019 Finding #	2018 Finding #
		Cleared	Partially Cleared	Not Cleared			
Material Adjustments	Material Weaknesses			X	2020-001	2019-001	2018-001
Bank Reconciliations	Significant Deficiency	X			Not Reported	2019-002	Not Reported
Cash Management	Significant Deficiency	X			Not Reported	2019-003	Not Reported

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.

Mayor and Members of the City Commission
City of Winter Haven, Florida

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

CliftonLarsonAllen LLP

Winter Haven, Florida
March 30, 2021

WINTER HAVEN
The Chain of Lakes City

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CliftonLarsonAllen LLP
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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, 2020. 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, 2020.

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 30, 2021

WINTER HAVEN
The Chain of Lakes City

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2020

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, 2020.

Audit period: October 1, 2019 through September 30, 2020

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2019-001- Material Adjustments

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.

Status: See current year finding 2020-001.

Reason for finding's recurrence: In the current year, material adjustments were required for multiple account balances.

2019-002- Bank Reconciliations

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.

Status: Cleared.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2019-003- Cash Management

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.

Status: Cleared.

If there are questions regarding this schedule, please call Debbie Tate, Assistant Financial Services Director at (863) 291-5667.

P.O. Box 2277 ♦ Winter Haven, Florida 33883-2277
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WINTER HAVEN
The Chain of Lakes City

CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2020

The City of Winter Haven respectfully submits the following corrective action plan for the year ended September 30, 2020.

Audit period: October 1, 2019 through September 30, 2020

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

2020-001 Material Adjustments

Recommendation: Account reconciliations should be prepared by a staff member and reviewed by a member of management, allowing management the ability to perform analytical analysis and to identify unusual account balances. Trial balances should be reviewed to ensure that all accounts are reconciled, and any related adjustments posted.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: Vacant positions within the Finance department have forced management to prepare all entries without the review and analysis typically performed. The elimination of vacancies will allow for improved segregation of duties. Audit schedules will be assigned to various staff members for “completion” and “review”. This additional layer of oversight should prevent future material adjustments.

Name(s) of the contact person(s) responsible for corrective action: Debbie Tate

Planned completion date for corrective action plan: 09/30/2021

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2020-002 Schedule of Expenditures of Federal Awards and State Financial Assistance

Recommendation: We recommend developing additional preparation and review procedures related to grant reporting to ensure that federal program and state project expenditures are completely and accurately reported in accordance with Uniform Guidance and Chapter 691-5, Rules of the Florida Department of Financial Services.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: Vacant positions within the Finance department have forced management to prepare the SEFA without the review and analysis typically performed. The elimination of vacancies will allow for improved segregation of duties. The SEFA preparation will be assigned to various staff members for “completion” and “review”. This additional layer of oversight should ensure that grants are completely and accurately reported.

Name(s) of the contact person(s) responsible for corrective action: Debbie Tate

Planned completion date for corrective action plan: 09/30/2021

If there are questions regarding this plan, please call Calvin T. Bowen, Financial Services Director at (863) 291-5667.