

CITY OF WINTER GARDEN, FLORIDA



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2003

CITY OF WINTER GARDEN, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended

September 30, 2003

Prepared by:

Finance Department



This page intentionally blank.



TABLE OF CONTENTS



CITY OF WINTER GARDEN, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

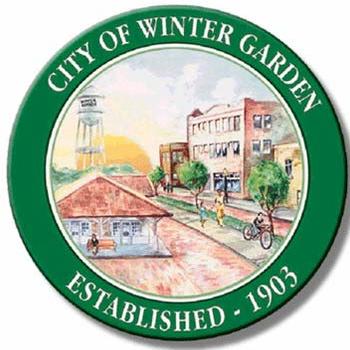
For the year ended September 30, 2003

TABLE OF CONTENTS

	Page
I. INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	7
List of Elected and Appointed Officials	8
II. FINANCIAL SECTION	
Independent Auditors' Report	9
Management's Discussion and Analysis	11
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	27
Statement of Activities	28
Fund Financial Statements:	
Balance Sheet—Governmental Funds	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	33
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	36
Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—General Fund	37
Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Community Redevelopment Agency Fund	38
Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Impact Fee Fund	39
Statement of Net Assets—Proprietary Funds	40
Statement of Revenues, Expenses, and Changes in Fund Net Assets—Proprietary Funds	41
Statement of Cash Flows—Proprietary Funds	43
Statement of Fiduciary Net Assets—Fiduciary Funds	44
Statement of Changes in Fiduciary Net Assets—Fiduciary Funds	45
Notes to the Financial Statements	47

	Page
Required Supplementary Information:	
Schedules of Funding Progress	71
Schedules of Employer Contributions	72
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet—Nonmajor Governmental Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds	76
Schedules of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual:	
Downtown Renovations Capital Projects Fund	78
Law Enforcement Trust Special Revenue Fund	79
Law Enforcement Block Grant Special Revenue Fund	80
State Revenue Sharing Special Revenue Fund	81
Local Option Gas Tax Special Revenue Fund	82
Heritage Depot Museum Trust Special Revenue Fund	83
Debt Service Fund	84
Division Street Improvements Capital Projects Fund	85
Combining Statement of Net Assets—Nonmajor Enterprise Funds	88
Combining Statement of Revenues, Expenditures and Changes in Fund Net Assets—Nonmajor Enterprise Funds	89
Combining Statement of Cash Flows—Nonmajor Enterprise Funds	90
Combining Statement of Fiduciary Net Assets—Fiduciary Funds	92
Combining Statement of Changes in Fiduciary Net Assets— Fiduciary Funds	93
Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedules by Source	97
Schedule by Function and Activity	98
Schedule of Changes by Function and Activity	100
 III. STATISTICAL SECTION	
General Governmental Expenditures by Function—Last Ten Fiscal Years	102
General Governmental Revenues by Source—Last Ten Fiscal Years	104
General Governmental Tax Revenues by Source—Last Ten Fiscal Years	104
Property Tax Levies and Collections—Last Ten Fiscal Years	106
Assessed and Estimated Actual Value of Property—Last Ten Fiscal Years	107
Property Tax Rates—Direct and Overlapping Governments—Last Ten Fiscal Years	108
Principal Taxpayers	109
Special Assessment Billings and Collections—Last Ten Fiscal Years	110
Computation of Legal Debt Margin	111
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita—Last Ten Fiscal Years	112
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures—Last Ten Fiscal Years	114

	Page
Computation of Direct and Overlapping Bonded Debt—General Obligation Bonds	115
Revenue Bond Coverage—Water and Sewer Revenue Bonds	116
Demographic Statistics—Last Ten Fiscal Years	117
Property Value and Construction—Last Ten Fiscal Years	118
Miscellaneous Statistics	119
IV. COMPLIANCE AND INTERNAL CONTROL SECTION	
Independent Auditors’ Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	121
Independent Auditors’ Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Program and State Project	123
Schedule of Expenditures of Federal Awards and State Financial Assistance	127
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	128
Schedule of Findings and Questioned Costs—Federal Awards Programs and State Financial Assistance Projects	129
Independent Auditors’ Management Letter	131



This page intentionally blank.



INTRODUCTORY SECTION



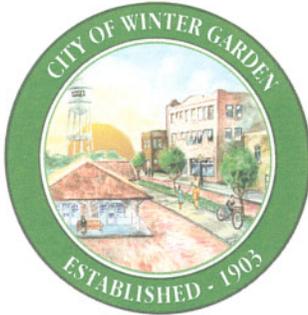
LETTER OF TRANSMITTAL

—

ORGANIZATIONAL CHART

—

LIST OF ELECTED AND APPOINTED OFFICIALS



CITY OF WINTER GARDEN

OFFICE OF THE CITY MANAGER

251 W. PLANT STREET
WINTER GARDEN, FL 34787
TEL: (407) 656-4111 • FAX (407) 656-4952

December 30, 2003

To the Honorable Mayor, Members of the City
Commission, and the Citizens of the
City of Winter Garden, Florida:

The Comprehensive Annual Financial Report (CAFR) of the City of Winter Garden, Florida (the "City") for the fiscal year ended September 30, 2003 is hereby submitted. This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Sines, Girvin, Blakeslee & Campbell, Certified Public Accountants, PA. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2003, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in the Compliance and Internal Control Section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

Significant Change in Presentation

With the September 30, 2003 financial statements, the City has implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments* (GASB 34). The format and purpose of these statements are discussed in MD&A. We believe this presentation will provide better information to the users of the CAFR.

Pursuant to GASB 34, an extended period of deferral is available before the requirement to record and depreciate infrastructure assets acquired before the implementation date becomes effective. The City has decided to early implement this requirement with this year’s financial statements.

Profile of the City

The City, incorporated in 1903, is located in Central Florida in West Orange County. The City has experienced significant growth since 1999, and this growth is expected to continue at a significant pace. The City currently occupies a land area of approximately seventeen square miles and serves a population of 20,378. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Commission (the “Commission”).

The City operates under the commission-manager form of government. Policy-making and legislative authority are vested in the Commission consisting of the Mayor and four commissioners. The Commission is responsible, among other things, for passing ordinances and resolutions, adopting the budget, authorizing indebtedness, appointing advisory boards, and hiring the City Manager, Attorney, and Auditor. The City Manager is responsible for carrying out the policies and ordinances of the Commission, for

overseeing the day-to-day operations of the City, and for appointing the heads of various departments. The Commission is elected on a non-partisan basis. Commission members serve two-year staggered terms, with the Mayor and one Commissioner elected every two years and the other three Commissioners elected the following year. The Commissioners are elected by district, and the Mayor is elected at large

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets, sidewalks, and other infrastructure; planning, community, and economic development; cemetery management and maintenance; code enforcement and building inspections; parks maintenance; and recreational activities and cultural events. In addition, the City operates four enterprises: water and sewer service, stormwater service, management of the City owned mobile home park, and solid waste collection service.

The annual budget serves as the foundation for the City's financial planning and control. All departments submit budget requests to the City Manager in July each year. These requests are used in developing the proposed budget. Commission work sessions in August are used as a public forum for finalizing spending plans, establishing proposed millage rates, and formalizing policy issues. Two public meetings on the budget and millage rate are held in September and the budget is required to be adopted by September 30th.

The budget is prepared by fund and department. Department heads may make transfers within the same fund with approval of the City Manager. Fund revenue and expenditure amounts may be increased or decreased by formal action of the City Commission following proper public notice. Amendments to adopted budgets normally result from either: 1) the desire to recognize an unanticipated excess amount of anticipated revenue; or 2) the unanticipated decrease of anticipated revenue. The purpose of the amendment process is to adjust fund amounts to reflect the level of revenues reasonably anticipated to be received and to balance expenditures to these revenues in accordance with state law and sound fiscal practices.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated budget has been adopted. For the General Fund and major special revenue funds, this comparison is presented with the Basic Financial Statements. For major capital projects funds and non-major governmental funds, this comparison is presented in the Other Supplementary Information Section.

Factors Affecting Financial Condition

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

Local economy. The City's economic environment is heavily influenced by the economy of Orlando and the Central Florida area. The unemployment rate for Orange

County was 5.0 percent in 2003, as compared to 5.2 percent in 2002. With the strong housing market and the resurgence of the tourist industry in Central Florida, the regional economy appears to be picking up steam. The improvement in the local economy has had, and should continue to have, a positive effect on the City.

One of the most significant factors affecting the local community is the rapid growth within the City. The population increased from 18,301 in 2002 to 20,378 in 2003. The City collects impact fees for roads, police, fire, recreation, and water and sewer to ensure growth pays a share of its cost.

This year, the City completed the renovations to the downtown business district. These renovations included replacing the existing asphalt road with brick, installation of a water fountain and a clock tower, adding period street lighting, improvements to the sidewalks, increasing the parking in the downtown area, and other miscellaneous improvements. Property values in the area have increased, new restaurants have opened, and the downtown hotel will soon begin renting rooms for the first time in many years. It is expected that the downtown area will develop into the business and cultural center of the West Orange County area. This revitalization should have a positive impact on the entire community.

The City intends to begin an aggressive economic development and redevelopment plan in the next fiscal year. These efforts should also work to ensure the long-term economic vitality of the community.

Long-term financial planning. The City qualified for a State Revolving Fund Loan to upgrade the wastewater treatment plant on Fullers Cross Road. The upgrade will increase the capacity at the plant from two-million gallons per day to four million gallons per day. This will enable the plant to meet the wastewater treatment needs of the City for many years to come. The total expected amount of the loan is \$11,552,800. The loan is due in semi-annual principal and interest installments of \$387,610 beginning January 15, 2005 through July 15, 2024 at an interest rate of 2.82 percent.

The redevelopment of the downtown business district in the City's community redevelopment area was funded with a bank certified loan of \$3,700,000 at 4.93 percent interest and a \$1,200,000 advance at 3 percent interest from the General Fund. The two loans are to be paid back over twenty years. Both loans will be paid back with tax increment funding from the Community Redevelopment Agency.

The City also has outstanding debt of \$6,826,450 owed to the Orlando-Orange County Expressway Authority for building the Stoneybrook Parkway. The loan is due in semi-annual principal and interest installments estimated at \$317,309 through January 15, 2030. The interest is 5.616 percent. The project is expected to be completed in the fiscal year ending September 30, 2004.

The only other outstanding debt issues are 1) \$1,018,500 State Revolving Fund Loan that was used for pre-construction costs related to the wastewater treatment plant upgrade and

2) \$392,000 and \$134,811 on two revenue bonds issued in 1999 for equipment purchases and to refund outstanding bonds.

Cash management policies and practices. Temporarily idle cash during the year was in invested in obligations of the United States of America, mortgage backed investments, and the State Board of Administration Collateral Pool. The pension trust funds investments portfolios also include corporate stocks and bonds. Governmental funds returned 2.99 percent and business-type funds earned 3.01 percent for the current fiscal year. Investment income reported in these financial statements includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the City intends to hold to maturity.

Risk Management: The City continues to participate in the pooled self-insured program administered by Public Risk Management. The pooled program provides general liability, automobile, public officials and property liability coverage. Premiums are paid into the General Fund by all other funds and funds are available to pay premiums when due. Additional information on risk management can be found in note *V.A* in the notes to the financial statements.

Pension Funds: The City maintains a single-employer defined benefit pension plan for firefighters and police officers and another defined benefit plan for general employees. Certain positions may opt out of the defined benefit plan for general employees and participate in a defined contribution plan. The City contributes 7.5 percent into the defined contribution plan.

The City funds both defined benefit plans each year. The amount to fund is determined by the Plans' actuaries. As of September 30, 2003, the Pension Plan for General Employees was funded at 90 percent of the present value of future benefits, and the Pension Plan for Firefighters and Police Officers was funded at 87 percent. Additional information regarding the pension plans can be found in note *V.D* to the financial statements.

Awards and Acknowledgements: This is the first year the City has prepared a CAFR. The City intends to submit this year's CAFR to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting. Staff is confident the report meets all the criteria for the award; furthermore, this years CAFR is user friendly and meets GAAP and legal requirements. The City also intends to submit next year's budget to the GFOA for the Distinguished Budget Presentation Award

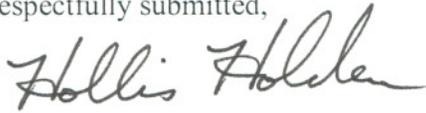
This report would not have been possible without the efforts of the entire Finance Department. Special recognition must be expressed for Brian Strobeck, the Assistant Finance Director, who oversaw the audit process and was primarily responsible for the

preparation of the CAFR. This report would not have been possible without the cooperation of all the departments within the City.

Recognition must be made to the City's auditors, Sines, Girvin, Blakeslee & Campbell, Certified Public Accountants, P.A. Their efforts and assistance were integral in the preparation of this report.

Finally, recognition must also be given to the City's elected officials, whose commitment to the well being of the City has been essential to ensuring the City's financial strength.

Respectfully submitted,

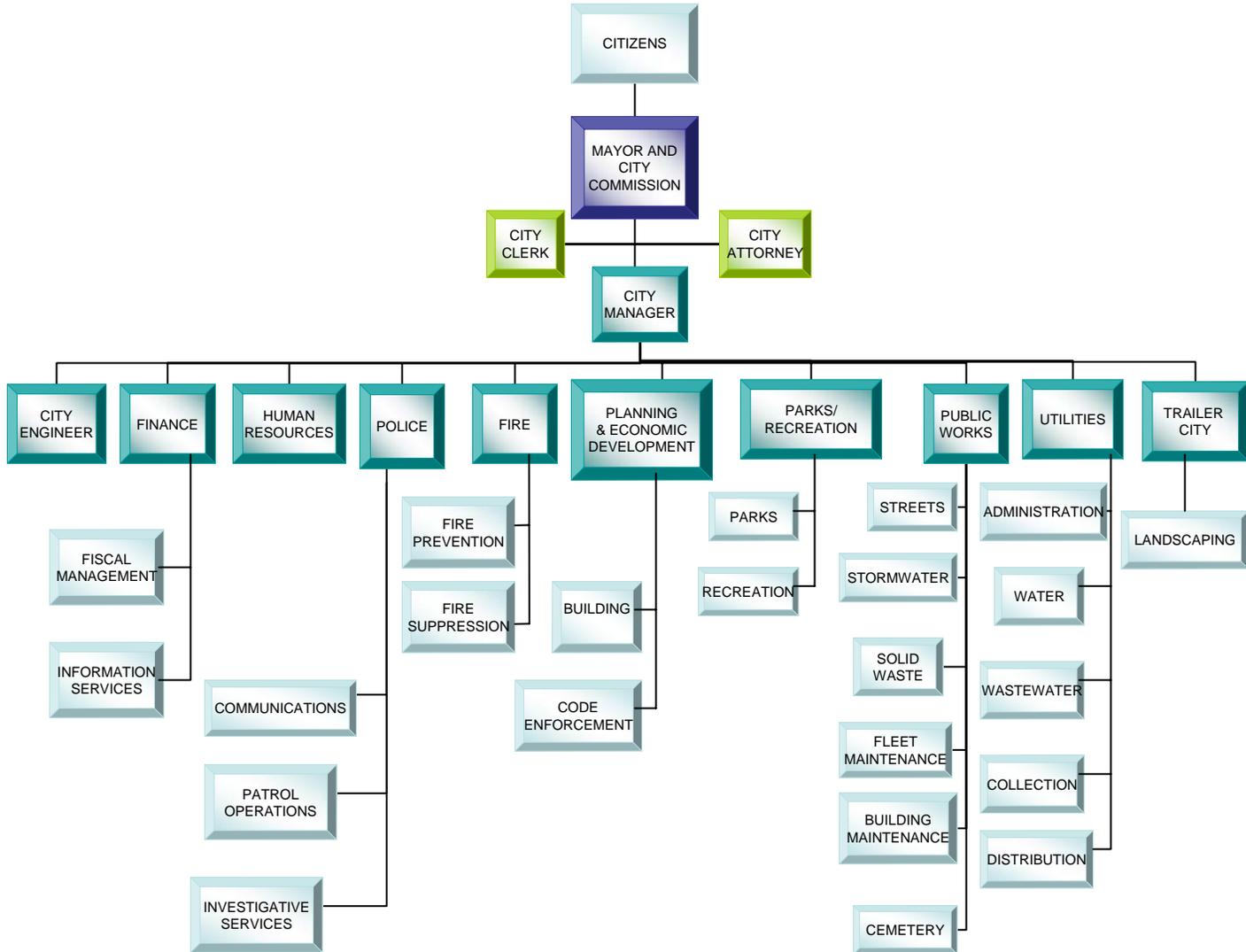


Hollis W. Holden
City Manager



Michael L. Bollhoefer
Finance Director

CITY OF WINTER GARDEN, FLORIDA ORGANIZATIONAL CHART



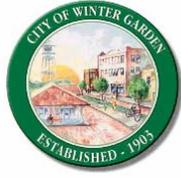
CITY OF WINTER GARDEN, FLORIDA
LIST OF ELECTED AND APPOINTED OFFICIALS
As of September 30, 2002

Elected Officials

Mayor	Jack L. Quesinberry
City Commissioner—District 1 and Mayor Protem	John Rees
City Commissioner—District 2	Theo E. Graham
City Commissioner—District 3	Mildred L. Dixon
City Commissioner—District 4	John M. Harriman

Appointed Officials

City Manager	Hollis W. Holden
Assistant to the City Manager	G. Marshall Robertson, Jr.
City Clerk	Kathy Montoya
City Attorney	Dykes Everett
Finance Director	Michael L. Bollhoefer
Human Resource Director	Victoria L. Ward
Planning Director	Mark A. Cechman
Police Chief	Jimmie M. Yawn
Fire Chief	John W. Williamson, II
Public Works Director	Robert M. Smith
Recreation Director	Larry E. Caskey
City Engineer	Arthur R. Miller, III
Utilities Director	Charles D. Tinch, Sr.
Facilities Manager	Donald H. Martin



FINANCIAL SECTION



Financial Section

INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



Sines, Girvin, Blakeslee & Campbell

Certified Public Accountants, P.A.

800 South Dillard Street
Winter Garden, FL 34787-3910
Telephone 407 656-6611
FAX 407 656-5372

INDEPENDENT AUDITORS' REPORT

Honorable Mayor, Members of the
City Commission and City Manager
City of Winter Garden, Florida

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 Garden, Florida (the "City"), as of and for the year ended September 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the aggregate nonmajor governmental funds and the fiduciary fund type of the City as of and for the year ended September 30, 2003, as displayed in the City's basic financial statements. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, as well as of the aggregate nonmajor governmental funds and each fiduciary fund type of the City as of September 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Community Redevelopment Agency Fund, and Impact Fee Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I.F. to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement Number 34, *Basic Financial Statements—and*

Honorable Mayor, Members of the
City Commission and City Manager
City of Winter Garden, Florida

Page Two

Management's Discussion and Analysis—for State and Local Governments, GASB Statement Number 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, and GASB Statement Number 38, *Certain Financial Statement Note Disclosures* effective October 1, 2002.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and the required supplementary information on pages 11 through 23 and 71 through 72, respectively, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining financial statements, supplemental information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. The combining financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, supplemental information, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Sines, Girvin, Blakeslee & Campbell
Certified Public Accountants, P.A.
December 30, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the City of Winter Garden (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

Financial Highlights

- The assets of the City exceeded liabilities on September 30, 2003 by \$76,463,112. The unrestricted net assets on this date were \$17,713,156. These funds are available to meet the ongoing obligations of the City.
- The net assets of governmental activities on September 30, 2003 equaled \$31,147,292. Of this amount, \$7,446,446 was unrestricted. The net assets of business-type activities equaled \$45,315,820. Of this amount \$10,266,710 was unrestricted.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,714,001. \$12,178,308 is available for spending at the government's discretion (unreserved fund balance).
- Unreserved fund balance in the General Fund was \$5,244,645 at the end of the fiscal year, or 37 percent of total expenditures.
- Net assets in the Pension Plan for Firefighters and Police Officers increased \$1,865,888. Net assets in the Pension Plan for General Employees increased \$935,829.
- The City's total debt increased by \$5,649,054 (55 percent) during the current fiscal year. The key factors in this increase were the \$1,230,083 increase in debt owed to the Orlando-Orange County Expressway Authority and the \$4,418,971 in State Revolving Fund loans for the southern area water treatment plant and the expansion of the existing wastewater treatment plant.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or

decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, physical environment, transportation, economic environment, public assistance, and culture and recreation. The business-type activities of the City include water and sewer services, solid waste collection, stormwater services, and management of the City owned mobile home park.

The government-wide financial statements can be found on pages 27-29 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund

statement of revenues, expenditures, and changes in fund balances for the general fund, community redevelopment agency fund, impact fee fund, and the downtown renovations capital project fund, all of which are considered to be major funds. Data from the other seven funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The city adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements and schedules have been provided for these funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 30-39 of this report.

Proprietary Funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer utilities, stormwater utilities, solid waste, and the City owned mobile home park.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utility, stormwater utility, solid waste collection operation, and the City owned mobile home park. The water and sewer utility and the solid waste collection operation are considered major funds of the City.

The basic proprietary fund financial statements can be found on pages 40-43 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 44-45 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-70 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 71-72 of this report.

The combining statements referred to earlier in connection with nonmajor governmental and enterprise funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 74-93 of this report.

Government-wide Financial Analysis

The government-wide financial statements are provided as part of the new approach mandated by the GASB. GASB sets the uniform standards for presenting government financial reports. This report represents the first year the City has applied this standard, and the amount of comparative financial information from previous years is limited. Subsequent years' financial reports will provide complete comparative information in this MD&A.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$76,463,112 at the close of the most recent fiscal year. The City's increase in net assets for this fiscal year amounts to \$11,144,959.

The largest portion of the City's net assets reflects its investment in capital assets, (e.g., land, buildings, improvements, and equipment), less any related debt used to acquire those assets that is still outstanding. They make up \$42,207,375 or 55 percent of total net assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities	Net Assets Business-type Activities	Total
Current and other assets	\$ 17,556,463	\$ 23,274,924	\$ 40,831,387
Capital assets	27,826,841	30,847,929	58,674,770
Total assets	45,383,304	54,122,853	99,506,157
Long-term liabilities outstanding	12,058,124	4,730,492	16,788,616
Other liabilities	2,177,888	4,076,541	6,254,429
Total liabilities	14,236,012	8,807,033	23,043,045
Net assets:			
Invested in capital assets, net of related debt	16,025,215	26,182,160	42,207,375
Restricted	7,675,631	8,866,950	16,542,581
Unrestricted	7,446,446	10,266,710	17,713,156
Total net assets	\$ 31,147,292	\$ 45,315,820	\$ 76,463,112

An additional portion of the City's net assets (22 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$17,713,156) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

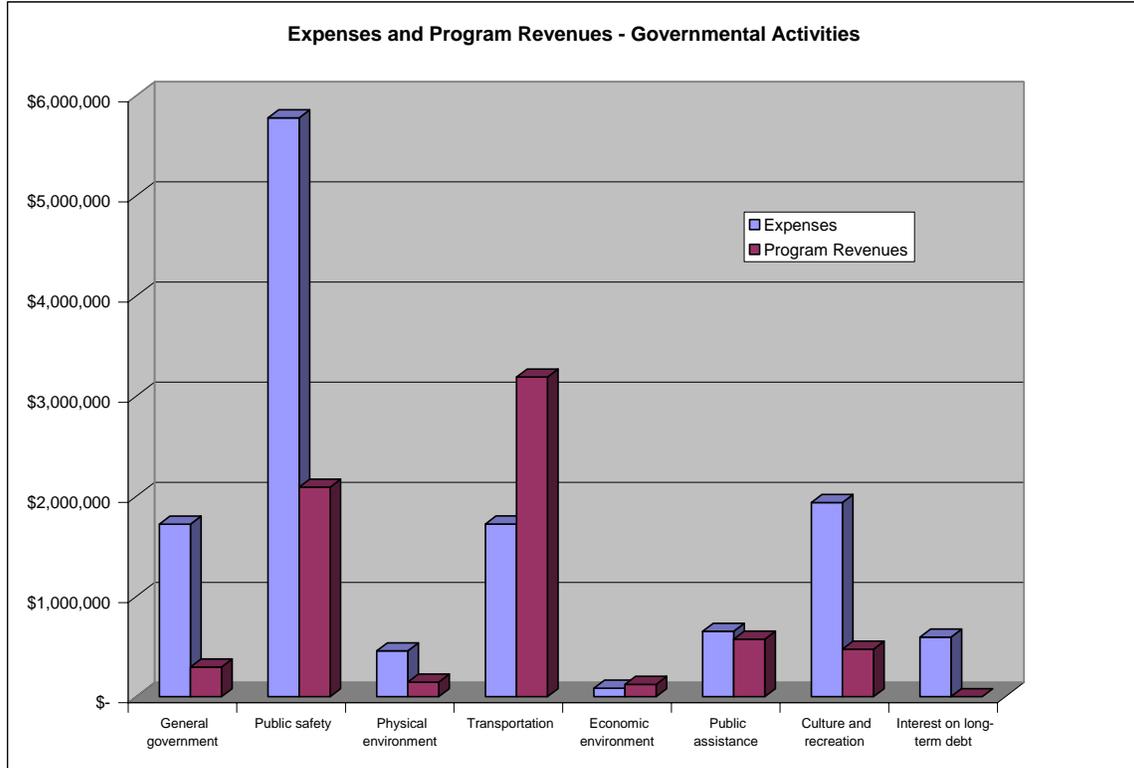
The changes in net assets displayed below show the governmental and business-type activities during the fiscal year. The increase in net assets resulted primarily from additional capital assets added along with additional development fees and other revenues received and remaining unspent at year-end.

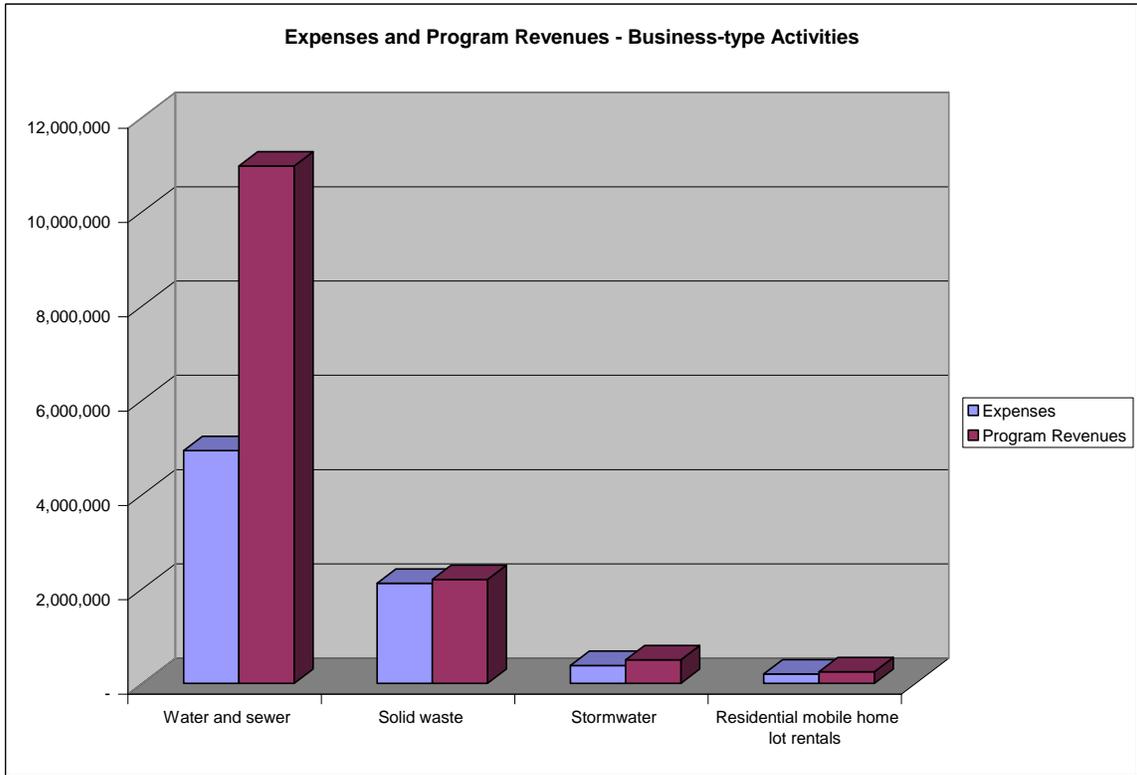
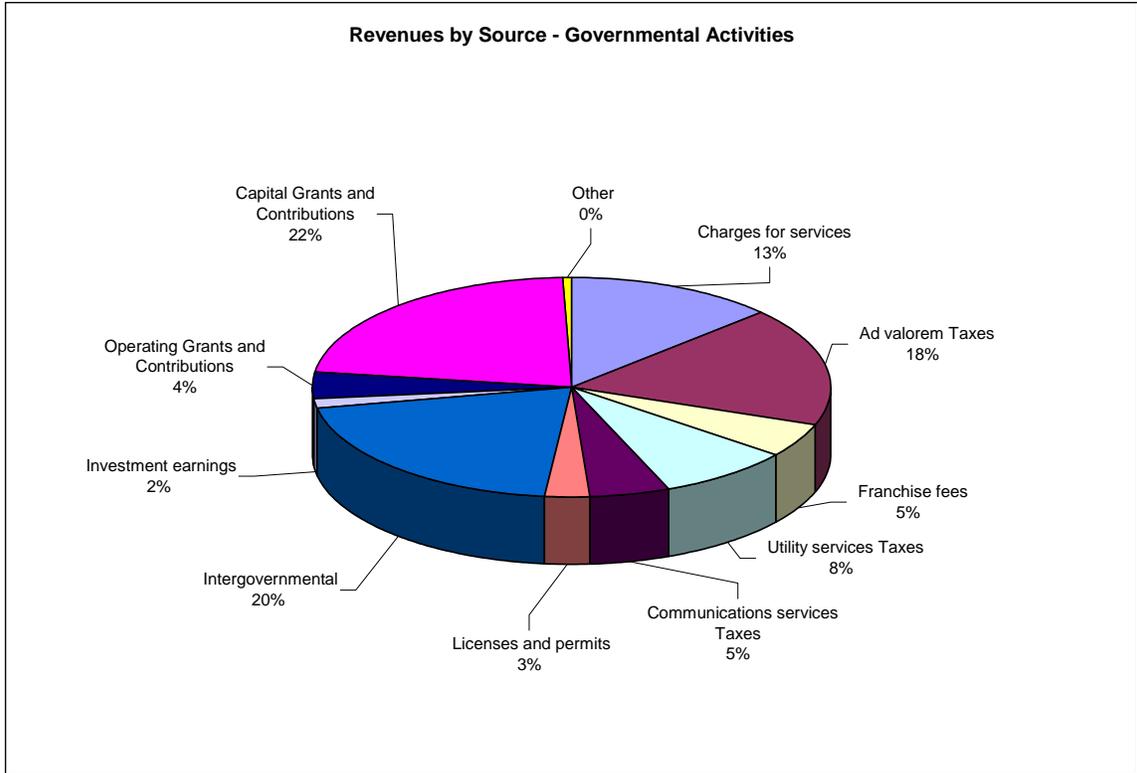
	Governmental Activities	Changes in Net Assets Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 2,290,501	\$ 8,563,457	\$ 10,853,958
Operating grants and contributions	640,597	-	640,597
Capital grants and contributions	3,967,578	5,354,065	9,321,643
General revenues:			
Ad valorem	3,098,149	-	3,098,149
Franchise fees	903,925	-	903,925
Utility service taxes	1,480,323	-	1,480,323
Communication services taxes	855,324	-	855,324
Licenses and permits	514,603	-	514,603
Intergovernmental revenues	3,562,921	-	3,562,921
Investment earnings	269,759	159,094	428,853
Gain (loss) on sale of capital assets	(41,930)	40,000	(1,930)
Other	79,426	-	79,426
Total revenues	<u>17,621,176</u>	<u>14,116,616</u>	<u>31,737,792</u>
Expenses:			
General government	1,723,324	-	1,723,324
Public Safety	5,779,190	-	5,779,190
Physical Environment	458,625	-	458,625
Transportation	1,724,625	-	1,724,625
Economic environment	84,710	-	84,710
Public assistance	653,862	-	653,862
Culture and recreation	1,937,778	-	1,937,778
Interest on long-term debt	594,557	-	594,557
Water and sewer	-	4,934,858	4,934,858
Solid Waste	-	2,122,438	2,122,438
Stormwater	-	379,743	379,743
Trailer park rental	-	199,123	199,123
Total expenses	<u>12,956,671</u>	<u>7,636,162</u>	<u>20,592,833</u>
Change in net assets before transfers	4,664,505	6,480,454	11,144,959
Transfers	64,310	(64,310)	-
Change in net assets	<u>4,728,815</u>	<u>6,416,144</u>	<u>11,144,959</u>
Net assets- beginning	26,418,477	38,899,676	65,318,153
Net assets- ending	<u>\$ 31,147,292</u>	<u>\$ 45,315,820</u>	<u>\$ 76,463,112</u>

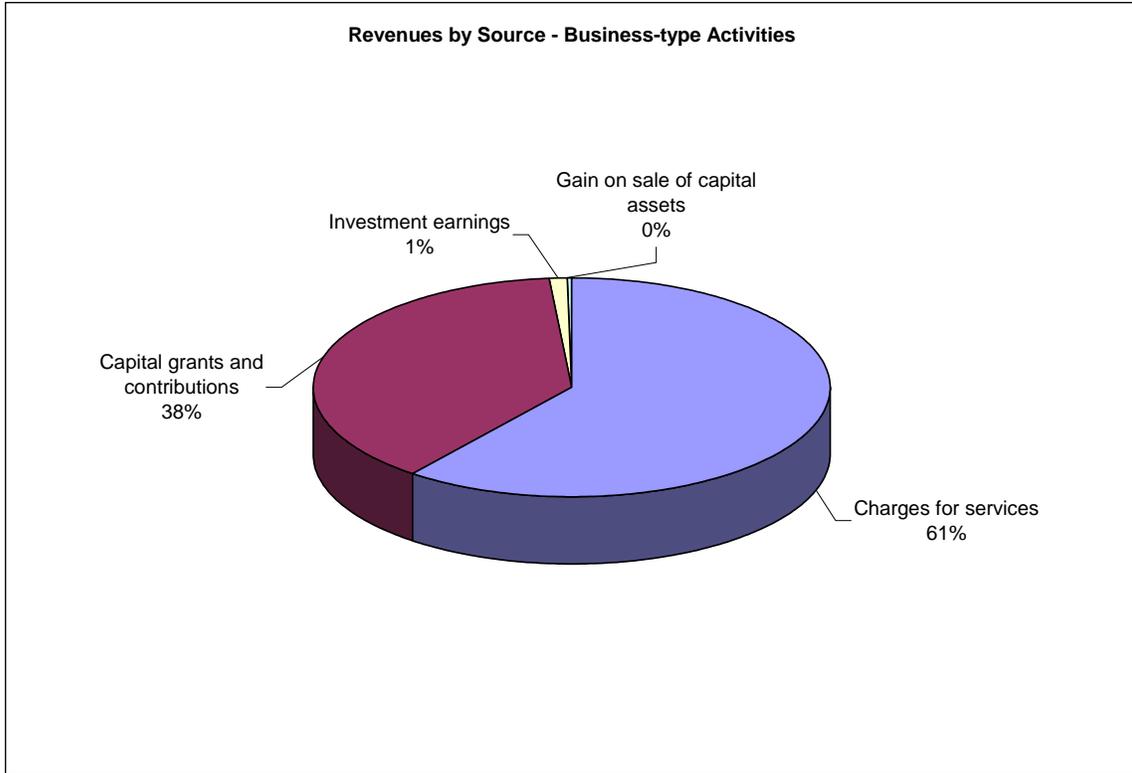
Total revenues for the current fiscal year were \$31,737,792. Total expenses for the year were \$20,592,833.

Governmental activities. Governmental activities increased net assets by \$4,728,815, accounting for 42% of the total growth in net assets of the City.

Business-type activities. Business-type activities increased net assets by \$6,416,144, accounting for 58% of the total growth in net assets of the City.







Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,714,001, a decrease of \$192,773. Of this amount, \$12,178,308 is unreserved, which is available for spending at the City's discretion. The remaining fund balance is reserved to indicate that it is not available for new spending because it has already been committed to 1) to liquidate contracts and purchase orders of prior periods (\$81,531), 2) prepaid items (\$434,501), 3) police training and education (\$65,301), or 4) for other purposes (\$1,954,360).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5,244,645, while total fund balance was \$7,605,934. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 37 percent of general fund expenditures, while total fund balance represents 54 percent of the same amount.

The fund balance of the City's General Fund decreased by \$314,235 during the current fiscal year; however, the City appropriated to spend \$2,047,508 of fund balance. Key factors in this decrease are as follows:

- Purchase of properties in the redevelopment district increased expenditures \$1,161,650.
- Expenditures of \$299,122 for the City's centennial events.

The Community Redevelopment Agency fund is used to account for receipts of tax increment revenues from Orange County and the City and to account for expenditures for the redevelopment of the community redevelopment area. Fund balance decreased \$11,053 in this fund to result in a negative fund balance of \$904,818. The negative fund balance is a result of the advance from the general fund for the downtown renovation project. The liability is reported in the balance sheet of the Community Redevelopment Agency; however, these funds were transferred to the Downtown Renovations Capital Projects Fund, causing a the negative balance. As tax increment revenues increase, the negative fund balance is expected to be eliminated.

The impact fee fund is used to account for the receipt of police, fire, road, and recreation impact fees. The purpose of an impact fee is to assign, to the extent practical, growth-related capital costs to those new residents and businesses responsible for such costs. These fees are segregated by function (police, fire, road, and recreation) and are required to be used for capital projects and equipment purchases related to growth within each function. Fund balance increased \$1,287,854 in this fund.

The downtown renovations capital project is used to account for the receipt of funds and for expenditures related to the downtown renovation project. The fund balance decreased \$1,410,741 in this fund. The decrease is due to the fact that the primary purpose of the fund is to account for the costs of construction. When the project is completed, the fund balance should be zero, and the fund will be eliminated.

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

Unrestricted net assets of the Water and Sewer Utility Fund at the end of the year amounted to \$10,097,404. Total growth in net assets for this fund was \$6,218,583. Unrestricted net assets in the Solid Waste Fund at the end of the year amounted to \$537,913, with total growth in net assets of \$87,288.

General Fund Budgetary Highlights

The General Fund budget was increased by \$3,383,931 from the original budget to the final amended budget (an increase of 25%). These increases can be summarized as follows:

- \$1,318,610 increase in general government activities. This was primarily due to an increase of \$1,155,296 for the purchase of properties in the redevelopment district.
- \$52,624 decrease in public safety activities.
- \$46,000 increase in transportation construction and maintenance activities.
- \$600,000 increase in public assistance activities, attributable to a state weatherization grant received mid-year.
- \$321,945 increase in culture and recreation activities, primarily attributable to centennial events.
- \$1,150,000 increase in transfers out to fund an advance to the Community Redevelopment Agency.

Of this increase, \$2,077,323 was to be funded out of miscellaneous increases in taxes, fees, and charges for services. The remaining \$1,306,608 was to be budgeted from available fund balance. During the year, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, thus the amount to be funded out of fund balance was less than expected.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2003, amounts to \$58,674,770 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and machinery and equipment. The total increase in the City's investment in capital assets for the current fiscal year was 33 percent (a 29 percent increase for governmental activities and a 38 percent increase for business-type activities).

The City has opted to implement the GASB 34 requirement to record and depreciate infrastructure assets (e.g., roads, bridges, sidewalks, etc.) early thus those items are included in these statements.

Major capital asset events during the fiscal year included the following:

- Construction continued on the expansion of the wastewater treatment plant with costs for the current year of \$5,326,072.
- Work was significantly finished on the southern water treatment plant with costs for the current fiscal year of \$1,323,539.

- Construction of the Stoneybrook West Parkway was near completion with \$1,231,980 in expenditures this fiscal year. This portion of the Stoneybrook West Parkway was constructed pursuant to an agreement with the Orlando-Orange County Expressway Authority (OOCEA). The OOCEA purchased the right-of-way and constructed the road and the City agreed to repay the OOCEA for the cost of the project together with interest.
- The Plant Street water main project was completed at a cost of \$227,251.
- Downtown renovations were completed this fiscal year costing \$2,009,149 for the current year.
- Work continued on Stoneybrook West Parkway West & East with expenditures in this fiscal year of \$493,467. Total costs are estimated to be \$1,600,000.
- The Stoneybrook Parkway water main was completed at a cost of \$493,467.
- The Dillard to Ninth Street water main was completed at a cost of \$177,117.
- West Crown Point Road improvements were completed at costs for the current year \$302,531 and a total cost of \$1,160,392.
- \$596,711 was spent on the purchase of right-of-way property along Daniels Road. This land will be used for the expansion of Daniels Road. Design of the Daniels Road bridge was significantly completed at a cost of \$273,963 in the current fiscal year. The Daniels Road lift station was completed at a cost of \$213,153.

	Governmental Activities	Capital Assets Business-type Activities	Total
Land	\$ 6,731,070	\$ 1,024,601	\$ 7,755,671
Buildings	3,974,095	5,909,147	9,883,242
Improvements other than buildings	1,488,739	10,065,515	11,554,254
Equipment and Furniture	5,572,882	4,699,895	10,272,777
Infrastructure	10,920,865	7,595,622	18,516,487
Construction work in progress	6,510,941	13,219,200	19,730,141
Less: accumulated depreciation	(7,371,751)	(11,666,051)	(19,037,802)
Net capital assets	<u>\$ 27,826,841</u>	<u>\$ 30,847,929</u>	<u>\$ 58,674,770</u>

Additional information on the City's capital assets can be found in note *IV.D*.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$15,666,865. Of this amount, \$11,053,260 comprises debt backed by the full faith and credit of the government. The remainder of the debt represents debt secured solely by specified revenue sources.

Outstanding Debt, at year end

Governmental:	
Series 2001 OOCEA Agreement	\$ 6,826,450
Series 2001 CRA Loan	3,700,000
Series 1999 (1) Revenue Bond	339,835
Series 1999 (2) Revenue Bond	134,811
Sub-total	<u>11,001,096</u>
Business Type:	
Series 2003 SRF Loan	3,552,096
Series 2001 SRF Loan	1,061,508
Series 1999 (1) Revenue Bond	52,165
Sub-total	<u>4,665,769</u>
Total	<u>\$ 15,666,865</u>

The City's total debt increased by \$5,649,054 (55 percent) during the current fiscal year. The key factor in this increase was the \$4,418,971 in the State Revolving Fund loans for the construction of the southern area water treatment plant and the expansion of the wastewater treatment plant. The City also incurred an increase of \$1,230,083 for an intergovernmental loan with the Orlando-Orange County Expressway Authority.

There are no limitations placed upon the amount of debt the City may issue either by the City's Charter, Code of Ordinances, or Florida Statutes. The City's Charter requires a voter referendum for general obligation bonds.

Additional information on the City's long-term liabilities can be found in Note *IV.G* in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City is experiencing significant growth, thus the costs of providing governmental services have likewise been increasing; however, revenues have kept pace with the growth in costs. During the budget process for the fiscal year ending September 30, 2004, department heads focused on controlling costs and were successful in doing so. Pension costs increased significantly because of the poor performance of stock market in the prior years and increases in wages in excess of assumed rates. To bring these costs under control, wage increases were generally held to three percent. The City held its millage rate at 4.3040.

Road impact fees increased 2.5 percent on January 1, 2003 as required in the City's Code of Ordinances. Water and sewer rates increased 2 percent on October 1, 2002 as was also required by the Code of Ordinances. The City last conducted an impact fee and rate analysis in 1998; therefore, the City will conduct another study in the upcoming fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 251 West Plant Street, Winter Garden, Florida, 34787.



This page intentionally blank.

BASIC FINANCIAL STATEMENTS



This page intentionally blank.

City of Winter Garden, Florida
Statement of Net Assets
September 30, 2003

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,023,993	\$ 2,507,612	\$ 5,531,605
Receivables (net of allowance for uncollectibles)	318,994	1,185,089	1,504,083
Internal balances	594,021	(594,021)	-
Due from other governmental units	512,961	-	512,961
Inventories	30,240	146,769	177,009
Investments	11,925,811	2,864,348	14,790,159
Prepaid items	434,501	-	434,501
Other assets	11,969	33,007	44,976
Intangible assets (net of accumulated amortization)	-	9,448	9,448
Restricted cash, cash equivalents, and Investments	69,639	17,122,672	17,192,311
Pension assets	634,334	-	634,334
Capital assets (net of accumulated depreciation):			
Land	6,731,070	1,024,601	7,755,671
Buildings	2,487,607	3,211,448	5,699,055
Improvements other than buildings	485,766	4,963,101	5,448,867
Equipment and furniture	1,927,436	1,515,110	3,442,546
Infrastructure	9,684,021	6,914,469	16,598,490
Construction work in progress	6,510,941	13,219,200	19,730,141
Total assets	<u>\$ 45,383,304</u>	<u>\$ 54,122,853</u>	<u>\$ 99,506,157</u>
LIABILITIES			
Accounts payable	\$ 923,031	\$ 226,031	\$ 1,149,062
Contracts payable	69,708	8,991	78,699
Due to other governmental units	581,177	1,267	582,444
Accrued interest payable	-	741	741
Accrued wages payable	281,935	78,831	360,766
Deposits	13,900	-	13,900
Deferred revenue	113,233	79,266	192,499
Other current liabilities	194,904	41,836	236,740
Liabilities payable from restricted assets	-	3,639,578	3,639,578
Noncurrent liabilities:			
Due within one year	819,933	25,535	845,468
Due in more than one year	11,238,191	4,704,957	15,943,148
Total liabilities	<u>14,236,012</u>	<u>8,807,033</u>	<u>23,043,045</u>
NET ASSETS			
Invested in capital assets, net of related debt	16,025,215	26,182,160	42,207,375
Restricted for:			
Public safety	857,178	-	857,178
Transportation	5,689,452	-	5,689,452
Culture and recreation	1,068,615	-	1,068,615
Debt service	60,386	60,452	120,838
Capital projects	-	8,032,477	8,032,477
Renewal and replacement	-	774,021	774,021
Unrestricted	7,446,446	10,266,710	17,713,156
Total net assets	<u>\$ 31,147,292</u>	<u>\$ 45,315,820</u>	<u>\$ 76,463,112</u>

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

City of Winter Garden, Florida
Statement of Activities
For the Year Ended September 30, 2003

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government	\$ 2,247,263	\$ (523,939)	\$ 264,050	\$ -	\$ 32,800
Public safety	5,779,190	-	1,717,290	23,645	351,651
Physical environment	606,776	(148,151)	145,980	-	-
Transportation	1,782,624	(57,999)	-	-	3,191,304
Economic environment	84,710	-	-	-	124,500
Public assistance	653,862	-	-	574,072	-
Culture and recreation	1,937,778	-	163,181	42,880	267,323
Interest on long-term debt	594,557	-	-	-	-
Total governmental activities	<u>13,686,760</u>	<u>(730,089)</u>	<u>2,290,501</u>	<u>640,597</u>	<u>3,967,578</u>
Business-type activities:					
Water and sewer	4,435,179	499,679	5,617,145	-	5,354,065
Solid waste	1,953,101	169,337	2,200,544	-	-
Stormwater	337,096	42,647	497,345	-	-
Residential mobile home lot rentals	180,697	18,426	248,423	-	-
Total business-type activities	<u>6,906,073</u>	<u>730,089</u>	<u>8,563,457</u>	<u>-</u>	<u>5,354,065</u>
Total Functions/Programs	<u>\$ 20,592,833</u>	<u>\$ -</u>	<u>\$ 10,853,958</u>	<u>\$ 640,597</u>	<u>\$ 9,321,643</u>

General revenues:
Taxes:
 Ad valorem
 Franchise fees
 Utility services
 Communications services
 Licenses and permits
 Intergovernmental
 Investment earnings
 Gain (loss) on sale of capital assets
 Other
Transfers
 Total general revenues and transfers
Change in net assets
Net assets—beginning
Net assets—ending

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

**Net (Expense) Revenue and
Changes in Net Assets**

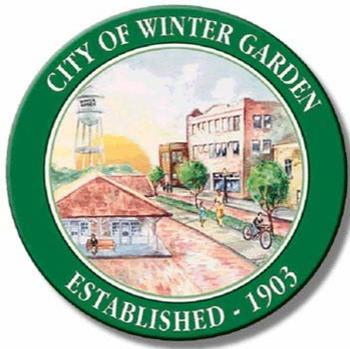
Governmental Activities	Business-type Activities	Total
\$ (1,426,474)	\$ -	\$ (1,426,474)
(3,686,604)	-	(3,686,604)
(312,645)	-	(312,645)
1,466,679	-	1,466,679
39,790	-	39,790
(79,790)	-	(79,790)
(1,464,394)	-	(1,464,394)
(594,557)	-	(594,557)
<u>(6,057,995)</u>	<u>-</u>	<u>(6,057,995)</u>
-	6,036,352	6,036,352
-	78,106	78,106
-	117,602	117,602
-	49,300	49,300
-	<u>6,281,360</u>	<u>6,281,360</u>
<u>(6,057,995)</u>	<u>6,281,360</u>	<u>223,365</u>
3,098,149	-	3,098,149
903,925	-	903,925
1,480,323	-	1,480,323
855,324	-	855,324
514,603	-	514,603
3,562,921	-	3,562,921
269,759	159,094	428,853
(41,930)	40,000	(1,930)
79,426	-	79,426
64,310	(64,310)	-
<u>10,786,810</u>	<u>134,784</u>	<u>10,921,594</u>
4,728,815	6,416,144	11,144,959
<u>26,418,477</u>	<u>38,899,676</u>	<u>65,318,153</u>
<u>\$ 31,147,292</u>	<u>\$ 45,315,820</u>	<u>\$ 76,463,112</u>

City of Winter Garden, Florida
Balance Sheet
Governmental Funds
September 30, 2003

	General	Community Redevelopment Agency	Impact Fee
ASSETS			
Cash and cash equivalents	\$ 187,106	\$ 324,350	\$ 1,159,676
Receivables (net of allowance for uncollectibles)	318,994	-	-
Advances to other funds	1,818,858	-	-
Due from other governmental units	460,423	-	-
Investments	5,906,128	-	6,019,683
Prepaid items	434,501	-	-
Other assets	11,969	-	-
Restricted cash and cash equivalents	-	-	-
Total assets	\$ 9,137,979	\$ 324,350	\$ 7,179,359
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 297,849	\$ 2,502	\$ 46,197
Contracts payable	15,013	-	-
Due to other governmental units	581,177	-	-
Accrued wages payable	280,235	1,700	-
Deposits	13,900	-	-
Deferred revenue	113,233	-	-
Other current liabilities	185,522	129	-
Advances from other funds	45,116	1,224,837	-
Total liabilities	1,532,045	1,229,168	46,197
Fund balances:			
Reserved for:			
Encumbrances	12,629	-	-
Police training and education	65,301	-	-
Television production equipment	30,000	-	-
Advances to other funds	1,818,858	-	-
Prepaid items	434,501	-	-
Debt service	-	-	-
Unreserved (deficit), reported in:			
General fund	5,244,645	-	-
Special revenue funds	-	(904,818)	7,133,162
Capital project funds	-	-	-
Total fund balances	7,605,934	(904,818)	7,133,162
Total liabilities and fund balances	\$ 9,137,979	\$ 324,350	\$ 7,179,359

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

Downtown Renovations Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 689,838	\$ 663,023	\$ 3,023,993
-	-	318,994
-	45,116	1,863,974
-	52,538	512,961
-	-	11,925,811
-	-	434,501
-	-	11,969
-	69,639	69,639
<u>\$ 689,838</u>	<u>\$ 830,316</u>	<u>\$ 18,161,842</u>
\$ 524,034	\$ 52,449	\$ 923,031
54,133	562	69,708
-	-	581,177
-	-	281,935
-	-	13,900
-	-	113,233
-	9,253	194,904
-	-	1,269,953
<u>578,167</u>	<u>62,264</u>	<u>3,447,841</u>
-	68,902	81,531
-	-	65,301
-	-	30,000
-	45,116	1,863,974
-	-	434,501
-	60,386	60,386
-	-	5,244,645
-	413,820	6,642,164
<u>111,671</u>	<u>179,828</u>	<u>291,499</u>
<u>111,671</u>	<u>768,052</u>	<u>14,714,001</u>
<u>\$ 689,838</u>	<u>\$ 830,316</u>	<u>\$ 18,161,842</u>



This page intentionally blank.

**City of Winter Garden, Florida
 Reconciliation of the Balance Sheet
 to the Statement of Net Assets of Governmental Funds
 September 30, 2003**

Amounts reported for governmental activities in the statement of net assets are different because:

Fund balances-total governmental funds	\$ 14,714,001
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	27,826,841
The pension assets resulting from contributions in excess of the annual required contribution in previous years are not financial resources and therefore are not reported in the funds.	634,334
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(12,058,124)
Inventories are recognized as an expenditure at the time of purchase in the governmental funds.	<u>30,240</u>
Net assets of governmental activities	<u>\$ 31,147,292</u>

City of Winter Garden, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2003

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Impact Fee</u>
REVENUES			
Taxes:			
Ad valorem	\$ 3,098,149	\$ -	\$ -
Franchise fees	903,925	-	-
Utility services	1,480,323	-	-
Communications services	855,324	-	-
Licenses and permits	1,888,809	-	-
Intergovernmental	3,404,663	212,810	-
Charges for services	1,275,651	-	-
Fines and forfeits	212,318	-	-
Investment earnings	233,660	15,586	154,661
Rents and royalties	133,972	-	-
Contributions and donations	88,680	-	-
Other	79,426	-	3,051,048
Total revenues	<u>13,654,900</u>	<u>228,396</u>	<u>3,205,709</u>
EXPENDITURES			
Current:			
General government	3,325,686	-	-
Public safety	5,654,129	-	483,193
Physical environment	626,594	-	-
Transportation	1,737,675	-	2,664,745
Economic environment	-	93,696	-
Public assistance	653,862	-	-
Culture and recreation	2,048,901	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	24,836	-
Total expenditures	<u>14,046,847</u>	<u>118,532</u>	<u>3,147,938</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(391,947)</u>	<u>109,864</u>	<u>57,771</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	376,956	174,052	-
Transfers out	(317,916)	(1,382,377)	-
Sale of capital assets	18,672	1,087,408	-
Debt proceeds	-	-	1,230,083
Total other financing sources and (uses)	<u>77,712</u>	<u>(120,917)</u>	<u>1,230,083</u>
Net change in fund balances	(314,235)	(11,053)	1,287,854
Fund balances—beginning	7,920,169	(893,765)	5,845,308
Fund balances—ending	<u>\$ 7,605,934</u>	<u>\$ (904,818)</u>	<u>\$ 7,133,162</u>

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

<u>Downtown Renovations Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 3,098,149
-	-	903,925
-	-	1,480,323
-	-	855,324
-	-	1,888,809
-	1,134,736	4,752,209
-	-	1,275,651
-	24,443	236,761
-	20,511	424,418
-	-	133,972
124,500	-	213,180
-	-	3,130,474
<u>124,500</u>	<u>1,179,690</u>	<u>18,393,195</u>
-	-	3,325,686
-	43,657	6,180,979
-	-	626,594
-	389,064	4,791,484
-	-	93,696
-	-	653,862
-	-	2,048,901
2,735,241	-	2,735,241
-	288,843	288,843
-	216,319	241,155
<u>2,735,241</u>	<u>937,883</u>	<u>20,986,441</u>
<u>(2,610,741)</u>	<u>241,807</u>	<u>(2,593,246)</u>
1,200,000	506,196	2,257,204
-	(492,601)	(2,192,894)
-	-	1,106,080
-	-	1,230,083
<u>1,200,000</u>	<u>13,595</u>	<u>2,400,473</u>
(1,410,741)	255,402	(192,773)
<u>1,522,412</u>	<u>512,650</u>	<u>14,906,774</u>
<u>\$ 111,671</u>	<u>\$ 768,052</u>	<u>\$ 14,714,001</u>

City of Winter Garden, Florida
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
for the Year Ended September 30, 2003

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances—total governmental funds	\$ (192,773)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	7,366,065
In the statement of activities, only the <i>loss</i> on the sale or scrap of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	(1,148,010)
The issuance of long-term debt (e.g., bonds, 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 assets.	(941,240)
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.	<u>(355,227)</u>
Change in net assets of governmental activities	<u>\$ 4,728,815</u>

City of Winter Garden, Florida
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget—
				Positive (Neg)
REVENUES				
Taxes:				
Ad valorem	\$ 3,161,105	\$ 3,161,105	\$ 3,098,149	\$ (62,956)
Franchise fees	763,417	863,417	903,925	40,508
Utility services	1,138,585	1,268,585	1,480,323	211,738
Communications services	768,181	828,181	855,324	27,143
Licenses and permits	1,496,000	1,541,000	1,888,809	347,809
Intergovernmental	3,436,957	4,036,957	3,404,663	(632,294)
Charges for services	1,191,394	1,231,394	1,275,651	44,257
Fines and forfeits	168,300	158,300	212,318	54,018
Investment earnings	317,329	287,329	233,660	(53,669)
Rents and royalties	135,800	135,800	133,972	(1,828)
Contributions and donations	3,200	42,200	88,680	46,480
Other	43,062	43,062	79,426	36,364
Total revenues	<u>12,623,330</u>	<u>13,597,330</u>	<u>13,654,900</u>	<u>57,570</u>
EXPENDITURES				
Current:				
General government:				
Legislative	85,710	91,810	45,784	46,026
Financial and administrative	1,945,084	3,216,814	2,785,890	430,924
Legal Counsel	100,000	100,000	160,766	(60,766)
Comprehensive Planning	293,566	334,346	333,246	1,100
Total general government	<u>2,424,360</u>	<u>3,742,970</u>	<u>3,325,686</u>	<u>417,284</u>
Public safety:				
Law enforcement	3,595,160	3,499,226	3,342,911	156,315
Fire control	1,925,952	1,898,552	1,655,519	243,033
Protective inspections	675,134	745,844	655,699	90,145
Total public safety	<u>6,196,246</u>	<u>6,143,622</u>	<u>5,654,129</u>	<u>489,493</u>
Physical environment:				
Cemetery	131,820	131,820	114,757	17,063
Building maintenance	245,339	245,339	255,913	(10,574)
Fleet maintenance	257,889	257,889	255,924	1,965
Total physical environment	<u>635,048</u>	<u>635,048</u>	<u>626,594</u>	<u>8,454</u>
Transportation:				
Engineering	438,653	438,653	425,118	13,535
Construction and maintenance	1,984,019	2,030,019	1,312,557	717,462
Total transportation	<u>2,422,672</u>	<u>2,468,672</u>	<u>1,737,675</u>	<u>730,997</u>
Public assistance	15,000	615,000	653,862	(38,862)
Culture and recreation	1,465,346	1,787,291	2,048,901	(261,610)
Total expenditures	<u>13,158,672</u>	<u>15,392,603</u>	<u>14,046,847</u>	<u>1,345,756</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(535,342)</u>	<u>(1,795,273)</u>	<u>(391,947)</u>	<u>1,403,326</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	420,231	1,413,554	376,956	(1,036,598)
Transfers out	(625,789)	(1,775,789)	(317,916)	1,457,873
Sale of capital assets	-	110,000	18,672	(91,328)
Total other financing sources and (uses)	<u>(205,558)</u>	<u>(252,235)</u>	<u>77,712</u>	<u>329,947</u>
Net change in fund balances	(740,900)	(2,047,508)	(314,235)	1,733,273
Fund balances—beginning	7,920,169	7,920,169	7,920,169	-
Fund balances—ending	<u>\$ 7,179,269</u>	<u>\$ 5,872,661</u>	<u>\$ 7,605,934</u>	<u>\$ 1,733,273</u>

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

City of Winter Garden, Florida
Community Redevelopment Agency Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget—
				Positive (Neg)
REVENUES				
Intergovernmental	\$ 208,827	\$ 208,827	\$ 212,810	\$ 3,983
Investment earnings	66,000	66,000	15,586	(50,414)
Total revenues	<u>274,827</u>	<u>274,827</u>	<u>228,396</u>	<u>(46,431)</u>
EXPENDITURES				
Current:				
Economic environment	50,911	50,911	93,696	(42,785)
Debt service:				
Interest	29,721	29,721	24,836	4,885
Total expenditures	<u>80,632</u>	<u>80,632</u>	<u>118,532</u>	<u>(37,900)</u>
Excess of revenues over expenditures	<u>194,195</u>	<u>194,195</u>	<u>109,864</u>	<u>(84,331)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	174,052	1,374,052	174,052	(1,200,000)
Transfers out	(232,387)	(2,460,710)	(1,382,377)	1,078,333
Sale of capital assets	-	1,028,323	1,087,408	59,085
Total other financing sources and (uses)	<u>(58,335)</u>	<u>(58,335)</u>	<u>(120,917)</u>	<u>(62,582)</u>
Net change in fund balances	135,860	135,860	(11,053)	(146,913)
Fund balances—beginning	(893,765)	(893,765)	(893,765)	-
Fund balances—ending	<u>\$ (757,905)</u>	<u>\$ (757,905)</u>	<u>\$ (904,818)</u>	<u>\$ (146,913)</u>

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

City of Winter Garden, Florida
Impact Fee Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget—</u>
REVENUES				
Investment earnings	\$ 185,000	\$ 185,000	\$ 154,661	\$ (30,339)
Other	<u>2,124,544</u>	<u>2,224,544</u>	<u>3,051,048</u>	<u>826,504</u>
Total revenues	<u>2,309,544</u>	<u>2,409,544</u>	<u>3,205,709</u>	<u>796,165</u>
EXPENDITURES				
Current:				
Public safety:				
Law enforcement	28,000	65,048	27,117	37,931
Fire control	<u>306,000</u>	<u>316,600</u>	<u>456,076</u>	<u>(139,476)</u>
Total public safety	<u>334,000</u>	<u>381,648</u>	<u>483,193</u>	<u>(101,545)</u>
Transportation	<u>2,736,407</u>	<u>6,628,659</u>	<u>2,664,745</u>	<u>3,963,914</u>
Culture and recreation	<u>30,475</u>	<u>30,475</u>	<u>-</u>	<u>30,475</u>
Total expenditures	<u>3,100,882</u>	<u>7,040,782</u>	<u>3,147,938</u>	<u>3,892,844</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(791,338)</u>	<u>(4,631,238)</u>	<u>57,771</u>	<u>4,689,009</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(305,904)	(305,904)	-	305,904
Debt proceeds	<u>955,543</u>	<u>3,467,790</u>	<u>1,230,083</u>	<u>(2,237,707)</u>
Total other financing sources and (uses)	<u>649,639</u>	<u>3,161,886</u>	<u>1,230,083</u>	<u>(1,931,803)</u>
Net change in fund balances	(141,699)	(1,469,352)	1,287,854	2,757,206
Fund balances—beginning	<u>5,845,308</u>	<u>5,845,308</u>	<u>5,845,308</u>	<u>-</u>
Fund balances—ending	<u>\$ 5,703,609</u>	<u>\$ 4,375,956</u>	<u>\$ 7,133,162</u>	<u>\$ 2,757,206</u>

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

City of Winter Garden, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2003

Business-type Activities—Enterprise Funds				
	Water and Sewer Utility	Solid Waste	Other Enterprise Funds	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,825,771	\$ 436,554	\$ 245,287	\$ 2,507,612
Accounts receivable (net of allowance for uncollectibles)	782,968	209,188	49,247	1,041,403
Interest receivable	143,686	-	-	143,686
Inventories--materials and supplies	146,769	-	-	146,769
Investments	2,864,348	-	-	2,864,348
Other assets	10,941	18,941	3,125	33,007
Restricted cash, cash equivalents, and investments for payment of current liabilities	3,639,578	-	-	3,639,578
Total current assets	<u>9,414,061</u>	<u>664,683</u>	<u>297,659</u>	<u>10,376,403</u>
Noncurrent assets:				
Intangible assets (net of accumulated amortization)	-	-	9,448	9,448
Restricted cash, cash equivalents, and investments:				
Capital projects	12,646,082	-	-	12,646,082
Renewal and replacement	774,021	-	-	774,021
Debt service	62,991	-	-	62,991
Total restricted	<u>13,483,094</u>	<u>-</u>	<u>-</u>	<u>13,483,094</u>
Capital assets:				
Land	700,149	261,152	63,300	1,024,601
Buildings	5,496,310	381,000	31,837	5,909,147
Improvements other than buildings	8,769,871	152,215	1,143,429	10,065,515
Equipment and furniture	2,783,651	1,648,107	268,137	4,699,895
Infrastructure	6,830,014	-	765,608	7,595,622
Construction work in progress	12,485,788	19,116	714,296	13,219,200
Less accumulated depreciation	<u>(9,878,438)</u>	<u>(1,154,617)</u>	<u>(632,996)</u>	<u>(11,666,051)</u>
Total capital assets (net of accumulated depreciation)	<u>27,187,345</u>	<u>1,306,973</u>	<u>2,353,611</u>	<u>30,847,929</u>
Total noncurrent assets	<u>40,670,439</u>	<u>1,306,973</u>	<u>2,363,059</u>	<u>44,340,471</u>
Total assets	<u>50,084,500</u>	<u>1,971,656</u>	<u>2,660,718</u>	<u>54,716,874</u>
LIABILITIES				
Current liabilities:				
Accounts payable	96,287	84,511	45,233	226,031
Contracts payable	-	-	8,991	8,991
Due to other governmental units	1,267	-	-	1,267
Accrued interest payable	741	-	-	741
Accrued wages payable	54,344	19,470	5,017	78,831
Deferred revenue	67,872	-	11,394	79,266
Other current liabilities	28,712	10,433	2,691	41,836
Total current liabilities	<u>249,223</u>	<u>114,414</u>	<u>73,326</u>	<u>436,963</u>
Current liabilities payable from restricted assets:				
Accounts payable	1,848,084	-	-	1,848,084
Contracts payable	634,418	-	-	634,418
Deposits	1,157,076	-	-	1,157,076
Total current liabilities payable from restricted assets	<u>3,639,578</u>	<u>-</u>	<u>-</u>	<u>3,639,578</u>
Noncurrent liabilities:				
Notes and Loans Payable	4,613,604	-	-	4,613,604
Compensated absences	44,000	12,356	8,367	64,723
Revenue bonds payable	52,165	-	-	52,165
Advances from other funds	-	-	594,021	594,021
Total noncurrent liabilities	<u>4,709,769</u>	<u>12,356</u>	<u>602,388</u>	<u>5,324,513</u>
Total liabilities	<u>8,598,570</u>	<u>126,770</u>	<u>675,714</u>	<u>9,401,054</u>
NET ASSETS				
Invested in capital assets, net of related debt	22,521,576	1,306,973	2,353,611	26,182,160
Restricted for:				
Capital projects	8,032,477	-	-	8,032,477
Renewal and Replacement	774,021	-	-	774,021
Debt service	60,452	-	-	60,452
Unrestricted	10,097,404	537,913	(368,607)	10,266,710
Total net assets	<u>\$ 41,485,930</u>	<u>\$ 1,844,886</u>	<u>\$ 1,985,004</u>	<u>\$ 45,315,820</u>

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

City of Winter Garden, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2003

Business-type Activities—Enterprise Funds

	Water and Sewer Utility	Solid Waste	Other Enterprise Funds	Totals
Operating revenues:				
Licenses and permits	\$ 19,055	\$ -	\$ -	\$ 19,055
Charges for services	5,570,050	2,200,314	497,345	8,267,709
Other	28,040	230	248,423	276,693
Total operating revenues	<u>5,617,145</u>	<u>2,200,544</u>	<u>745,768</u>	<u>8,563,457</u>
Operating expenses:				
Personal services	1,556,276	521,651	148,304	2,226,231
Contractual services	417,692	1,023,379	140,380	1,581,451
Utilities	324,393	1,906	22,030	348,329
Supplies	599,403	93,295	10,873	703,571
Depreciation and amortization	796,501	189,705	106,153	1,092,359
Other services and charges	911,658	292,502	151,126	1,355,286
Total operating expenses	<u>4,605,923</u>	<u>2,122,438</u>	<u>578,866</u>	<u>7,307,227</u>
Operating income (loss)	<u>1,011,222</u>	<u>78,106</u>	<u>166,902</u>	<u>1,256,230</u>
Nonoperating revenues (expenses):				
Investment earnings	527,611	9,182	7,681	544,474
Impact fees	4,968,685	-	-	4,968,685
Gain on disposition of fixed assets	40,000	-	-	40,000
Interest expense	(102,395)	-	-	(102,395)
Other nonoperating uses	(226,540)	-	-	(226,540)
Total nonoperating revenues (expenses)	<u>5,207,361</u>	<u>9,182</u>	<u>7,681</u>	<u>5,224,224</u>
Income before transfers	6,218,583	87,288	174,583	6,480,454
Transfers out	-	-	(64,310)	(64,310)
Change in net assets	6,218,583	87,288	110,273	6,416,144
Total net assets—beginning	<u>35,267,347</u>	<u>1,757,598</u>	<u>1,874,731</u>	<u>38,899,676</u>
Total net assets—ending	<u>\$ 41,485,930</u>	<u>\$ 1,844,886</u>	<u>\$ 1,985,004</u>	<u>\$ 45,315,820</u>

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



This page intentionally blank.

City of Winter Garden, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2003

Business-type Activities—Enterprise Funds				
	Water and Sewer Utility	Solid Waste	Other Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 5,787,571	\$ 2,087,100	\$ 723,601	\$ 8,598,272
Payments to suppliers	(462,998)	(1,453,706)	(317,345)	(2,234,049)
Payments to employees	(1,553,800)	(521,014)	(145,916)	(2,220,730)
Payments to other governmental units	(13,516)	-	-	(13,516)
Net cash provided by operating activities	<u>3,757,257</u>	<u>112,380</u>	<u>260,340</u>	<u>4,129,977</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	-	-	(64,310)	(64,310)
Interest paid on deposits	(37,216)	-	-	(37,216)
Net cash (used) by noncapital and related financing activities	<u>(37,216)</u>	<u>-</u>	<u>(64,310)</u>	<u>(101,526)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	4,130,181	-	-	4,130,181
Grant received	-	-	25,000	25,000
Purchases of capital assets	(8,262,860)	(360,134)	(512,828)	(9,135,822)
Principal paid on capital debt	(24,806)	-	-	(24,806)
Interest paid on capital debt	(3,282)	-	-	(3,282)
Proceeds from sales of capital assets	63,191	-	-	63,191
Impact fees received	4,968,685	-	-	4,968,685
Net cash provided (used) by capital and related financing activities	<u>871,109</u>	<u>(360,134)</u>	<u>(487,828)</u>	<u>23,147</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	36,417,827	-	-	36,417,827
Purchase of investments	(39,771,221)	-	-	(39,771,221)
Interest received	703,700	9,182	7,681	720,563
Net cash provided (used) by investing activities	<u>(2,649,694)</u>	<u>9,182</u>	<u>7,681</u>	<u>(2,632,831)</u>
Net increase (decrease) in cash and cash equivalents	1,941,456	(238,572)	(284,117)	1,418,767
Cash and cash equivalents, October 1 (including \$1,360,569 for the water and sewer fund reported in restricted accounts)	<u>2,298,396</u>	<u>675,126</u>	<u>529,404</u>	<u>3,502,926</u>
Cash and cash equivalents, September 30 (including \$2,414,081 for the water and sewer fund reported in restricted accounts)	<u>\$ 4,239,852</u>	<u>\$ 436,554</u>	<u>\$ 245,287</u>	<u>\$ 4,921,693</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 1,011,222	\$ 78,106	\$ 166,902	\$ 1,256,230
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization	796,501	189,705	106,153	1,092,359
(Increase) decrease in accounts receivable	245,965	(122,439)	(34,656)	88,870
Increase in allowance for uncollectible accounts	9,855	8,995	9,355	28,205
(Increase) in inventories	(28,709)	-	-	(28,709)
Decrease in prepaid items	36,722	-	-	36,722
(Increase) in other assets	(1,578)	(18,941)	(3,125)	(23,644)
(Decrease) in customer deposits	(119,116)	-	-	(119,116)
Increase (decrease) in accounts payable	1,758,808	(32,846)	7,815	1,733,777
Increase in due to other governmental units	79	-	-	79
Increase in accrued wages payable	7,005	2,935	677	10,617
Increase in deferred revenue	20,127	-	3,134	23,261
Increase in other current liabilities	24,905	9,163	2,374	36,442
Increase (decrease) in compensated absences	(4,529)	(2,298)	1,711	(5,116)
Total adjustments	<u>2,746,035</u>	<u>34,274</u>	<u>93,438</u>	<u>2,873,747</u>
Net cash provided by operating activities	<u>\$ 3,757,257</u>	<u>\$ 112,380</u>	<u>\$ 260,340</u>	<u>\$ 4,129,977</u>

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

**City of Winter Garden, Florida
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2003**

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	\$ 1,208,915
Receivables:	
Employer	227,488
Interest and dividends	121,560
Total receivables	349,048
Due from other governmental units	120,000
Investments, at fair value:	
Fixed income securities	8,754,881
Equities	10,173,049
Total investments	18,927,930
Total assets	20,605,893
 LIABILITIES	
Accounts payable	12,318
Deferred revenue	120,000
Total liabilities	132,318
 NET ASSETS	
Held in trust for pension benefits	\$ 20,473,575

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

City of Winter Garden, Florida
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended September 30, 2003

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 766,830
Plan members	25,324
State	167,495
Total contributions	959,649
Investment earnings:	
Interest	444,870
Dividends	156,801
Net increase in the fair value of investments	1,996,193
Total investment earnings	2,597,864
Less investment expense	95,268
Net investment earnings	2,502,596
Total additions	3,462,245
 DEDUCTIONS	
Benefits	616,578
Refunds	1,225
Administrative	42,725
Total deductions	660,528
Change in net assets	2,801,717
Net assets—beginning	17,671,858
Net assets—ending	\$ 20,473,575

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



This page intentionally blank.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

I. Summary of significant accounting policies

The accounting policies of the City of Winter Garden (the “City”) conform to accounting principles generally accepted in the United States as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting board for establishing governmental accounting and financial reporting principles. The more significant of these accounting policies are summarized below.

A. Reporting Entity

The City is a municipal corporation governed by a five-member City Commission comprised of the Mayor (elected at large) and four district Commissioners. The accompanying financial statements present the City and one component unit, an entity for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City’s operations, and their financial transactions are included as though they are part of the City.

Blended component unit. The Community Redevelopment Agency serves to renew economic interest and improve the commercial diversity and viability of a redevelopment area in and around the City’s downtown. The governing body of the Agency is made up of the City Commission, a sixth member appointed by the Orange County Board of County Commissioners, and a seventh member appointed by the City Commission. The Agency is presented as a special revenue fund and does not prepare individual financial statements.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

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.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Community Redevelopment Agency Fund* accounts for the activities of the Community Redevelopment Agency.

The *Impact Fee Fund* accounts for the receipt and disbursement of police, fire, transportation, and recreation impact fees, used exclusively for capital projects (or related debt service).

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

The *Downtown Renovations Capital Projects Fund* accounts for improvements to the City's downtown area.

The City reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the activities of the City's water treatment plants, the water distribution system, the sewage pumping stations and collection systems, and the sewage treatment plant.

The *Solid Waste Fund* accounts for the activities of the City's residential and commercial collection system and the costs of disposal fees charged at the County landfill.

Additionally, the government reports the following fund type:

The *Pension Trust Funds* account for the activities of the Pension Plan for General Employees and the Pension Plan for Firefighters and Police Officers, which provide disability and retirement benefits for its qualified employees and retirees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

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 are charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City maintains a cash and investment pool that is utilized by all funds except those that require separate accounts. Each pooled cash fund is allocated interest on ending monthly cash balances held by the fund throughout the year.

State statutes authorize the City to invest in the State Board of Administration's Local Government Surplus Funds Trust Fund (SBA pool), United States government securities, United States government agencies, federal instrumentalities, non-negotiable interest bearing time certificates of deposit, repurchase agreements, bankers' acceptances, commercial paper, state and local government taxable and tax-exempt debt, registered investment companies, and intergovernmental investment pools.

The City's investments are reported at fair value. Investments in the SBA pool, an external 2a7-like investment pool, are stated at share price. SBA pool shares are based on amortized cost, which approximates fair market value. The Office of the Auditor General of the State of Florida performs the operational audit of the activities and investments of the SBA pool.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

2. *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 non-current 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, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 90 days and half of those between 60 and 90 days comprise the trade accounts receivable allowance for uncollectibles. Property taxes receivable in excess of 21 months and half of those between nine months and 21 months comprise the property taxes receivable allowance for uncollectibles.

3. *Inventories and prepaid items*

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

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.

4. *Restricted assets*

Certain resources of the Water and Sewer Fund are classified as restricted assets on the statement of net assets because their use is limited to the repayment of customer deposits, to capital projects to expand the capacity of the system, and to meet unexpected contingencies or to fund asset renewals and replacements. Certain proceeds of the Water and Sewer Fund’s loan agreements, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets because their use is limited by applicable loan agreement covenants. These resources are set aside to subsidize potential deficiencies from the Fund’s operation that could adversely affect debt service payments and to segregate resources accumulated for debt service payments over the next six months.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$750 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building improvements	15-25
Public domain infrastructure	25-50
System infrastructure	15-25
Vehicles	5-10
Office equipment	5
Computer equipment	5

6. Compensated absences

It is the City's policy to permit employees to accumulate earned by unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City's policy is to only pay these amounts when employees separate from service with the City due to normal retirement. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. All compensated absences have been recorded as long-term.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

7. 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 assets.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

8. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

E. Property taxes

For property taxes budgeted for the fiscal year ended September 30, 2003, all property was assessed according to its fair market value on January 1, 2002, and a lien was placed on the property for taxes at that time. The tax levy of the City was established by the City Commission on September 23, 2002. Tax bills were rendered November 1, 2002, and unpaid taxes became delinquent on April 1, 2003. On or prior to June 1, 2003, tax certificates were sold for all delinquent taxes on real property.

F. New accounting pronouncements

Effective October 1, 2002, the City adopted the provisions of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. The effect of this adoption was to change financial statement presentation, including the addition of accrual basis government-wide financial statements, changes in presentation for fund-level financial statements, the addition of certain required supplementary information, and certain other modifications to presentations and disclosures.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

II. 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 assets

The governmental fund balance sheet includes a reconciliation between *fund balance—total governmental funds* and *net assets—governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$12,058,124 difference are as follows:

Bonds, notes, and long-term agreements payable	\$11,001,096
Accrued interest payable	800,530
Compensated absences	<u>256,498</u>
Net adjustment to reduce <i>fund balance—total governmental funds</i> to arrive at <i>net assets—governmental activities</i>	<u>\$12,058,124</u>

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 assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$7,366,065 difference are as follows:

Capital outlay	\$8,609,448
Depreciation expense	<u>(1,243,383)</u>
Net adjustment to increase <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$7,366,065</u>

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, 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 assets.” The details of this \$941,240 difference are as follows:

Debt incurred under long-term agreement	\$(1,230,083)
Principal repayments on revenue bonds	<u>288,843</u>
Net adjustment to decrease <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (941,240)</u>

Another element of that reconciliation states that “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.” The details of this \$355,227 difference are as follows:

Compensated absences	\$(102,677)
Accrued interest	(353,402)
Pension asset	<u>100,852</u>
Net adjustment to decrease <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$(355,227)</u>

III. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principals for all governmental funds. All annual appropriations lapse at fiscal year end.

On or before July 31 of each year, all departments of the City submit requests for appropriations to the City Manager so that a budget may be prepared. Before August 31, the proposed budget is presented to the City Commission for review. The Commission holds public hearings and a final budget must be prepared and adopted no later than September 30.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

The appropriated budget is prepared by fund, function, and department. The City Manager may make transfers of appropriations within a fund. Any revisions that alter the total expenditures of any fund must be approved by the City Commission. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The Commission made several supplemental budgetary appropriations throughout the year, totaling \$11,486,967 in the governmental funds. These were primarily due to new grant awards, encumbrances outstanding at the end of the 2002 fiscal year, and reappropriation of funds for construction contracts, interfund transfers, interfund loans, and interfund loan payoffs.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Excess of expenditures over appropriations

For the year ended September 30, 2003, expenditures exceeded appropriations in the Law Enforcement Block Grant Fund by \$14,594. This overexpenditure was funded by available fund balance.

C. Deficit fund equity

The Community Redevelopment Agency Fund had a deficit fund balance of \$904,818 as of September 30, 2003. This was due to a transfer of \$1,200,000 to the Downtown Renovations Capital Projects Fund, which was funded by a corresponding interfund loan from the General Fund.

IV. Detailed notes on all funds

A. Deposits and investments

At year end, the City's carrying amount of deposits was \$180,778 and the bank balance was \$343,837. Included in the amount of deposits is cash on hand of \$1,325. Of the bank balance, \$102,620 was covered by federal depository insurance, and \$241,217 was covered by the State of Florida Collateral Pool. Florida Statutes authorize, and the State administers, a collateral pool that ensures no loss of public funds.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

Investments are categorized into these three categories of credit risk:

- (1) Insured or registered, or securities held by the City or its agent in the City's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- (3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the City's name.

At year end, the City's investment balances were as follows:

	Category		Reported Amount/ Fair Value
	2	3	
U.S. Government securities	\$29,498,749	\$ 7,389,538	\$36,888,287
Repurchase agreements	-	1,247,567	1,247,567
Corporate bonds	-	1,365,343	1,365,343
Corporate equity securities	-	10,173,049	10,173,049
Total	\$29,498,749	\$20,175,497	49,674,246
Investments not subject to categorization:			
Local Government Surplus Funds Investment Pool Trust Fund			6,169,644
Money market funds			1,626,252
Total investments			\$57,470,142

Due to higher cash flows at certain times during the year, the City's investment in overnight repurchase agreements for which the underlying securities were held by the dealer increased significantly. As a result, the amounts that were in category 3 at those times were substantially higher than at year end.

The following is a reconciliation of the City's deposit and investment balances as of September 30, 2003:

Bank deposits	\$ 180,778			
Investments	57,470,142			
Total	\$57,650,920			
	Governmental	Business-type	Fiduciary	Total
	Activities	Activities	Funds	
Cash and cash equivalents	\$ 3,023,993	\$ 2,507,612	\$ 1,208,915	\$ 6,740,520
Investments	11,925,811	2,864,348	18,927,930	33,718,089
Restricted cash and investments	69,639	17,122,672	-	17,192,311
Total	\$15,019,443	\$22,494,632	\$20,136,845	\$57,650,920

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

B. Receivables

Receivables as of year end for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Community Redevelopment Agency	Impact Fee	Downtown Renovations Capital Project	Water and Sewer Utility	Solid Waste	Nonmajor and Other Funds	Total
Receivables:								
Interest	\$102,733	\$ -	\$ -	\$ -	\$143,686	\$ -	\$121,560	\$ 367,979
Taxes	172,036	-	-	-	-	-	-	172,036
Accounts	164,773	-	-	-	857,854	235,018	293,567	1,551,212
Gross receivables	439,542	-	-	-	1,001,540	235,018	415,127	2,091,227
Less: allowance for uncollectibles	(120,548)	-	-	-	(74,886)	(25,830)	(16,832)	(238,096)
Net total receivables	<u>\$318,994</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$926,654</u>	<u>\$209,188</u>	<u>\$398,295</u>	<u>\$ 1,853,131</u>
Reported in:								
Governmental activities	\$318,994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,994
Business-type Activities	-	-	-	-	926,654	209,188	49,247	1,185,089
Fiduciary funds	-	-	-	-	-	-	349,048	349,048
Net total receivables	<u>\$318,994</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$926,654</u>	<u>\$209,188</u>	<u>\$398,295</u>	<u>\$1,853,131</u>

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>
Customer credit balances	\$106,076
Developer escrow accounts	7,157
Total deferred revenue for governmental funds	<u>\$113,233</u>

Proprietary funds report *deferred revenue* in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, *deferred revenue* reported in the proprietary funds was as follows:

	<u>Unearned</u>
Customer credit balances	\$79,266

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

C. Intangible assets

Intangible asset activity for the year ended September 30, 2003 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Goodwill	\$ 61,423	\$ -	\$ -	\$ 61,423
Less accumulated amortization	(47,250)	(4,725)	-	(51,975)
Business-type activities intangible assets, net	<u>\$ 14,173</u>	<u>\$ (4,725)</u>	<u>\$ -</u>	<u>\$ 9,448</u>

Amortization expense was charged to functions/programs of the City as follows:

Business-type activities:

Residential mobile home lot rentals \$ 4,725

D. Capital assets and construction commitments

Capital asset activity for the year ended September 30, 2003 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,791,163	\$1,561,948	\$(622,041)	\$ 6,731,070
Construction in progress	6,508,110	2,831	-	6,510,941
Total capital assets, not being depreciated	<u>12,299,273</u>	<u>1,564,779</u>	<u>(622,041)</u>	<u>13,242,011</u>
Capital assets, being depreciated:				
Buildings	3,815,266	666,989	(508,160)	3,974,095
Improvements other than buildings	1,471,926	16,813	-	1,488,739
Machinery and equipment	4,909,387	753,748	(90,253)	5,572,882
Infrastructure	5,313,746	5,607,119	-	10,920,865
Total capital assets, being depreciated	<u>15,510,325</u>	<u>7,044,669</u>	<u>(598,413)</u>	<u>21,956,581</u>
Less accumulated depreciation for:				
Buildings	(1,262,202)	(236,973)	12,687	(1,486,488)
Improvements other than buildings	(927,682)	(75,291)	-	(1,002,973)
Machinery and equipment	(3,166,806)	(538,397)	59,757	(3,645,446)
Infrastructure	(844,122)	(392,722)	-	(1,236,844)
Total accumulated depreciation	<u>(6,200,812)</u>	<u>(1,243,383)</u>	<u>72,444</u>	<u>(7,371,751)</u>
Total capital assets, being depreciated, net	<u>9,309,513</u>	<u>5,801,286</u>	<u>(525,969)</u>	<u>14,584,830</u>
Governmental activities capital assets, net	<u>\$21,608,786</u>	<u>\$7,366,065</u>	<u>\$(1,148,010)</u>	<u>\$27,826,841</u>

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 920,431	\$ 104,170	\$ -	\$ 1,024,601
Construction in progress	5,371,130	7,848,070	-	13,219,200
Total capital assets, not being depreciated	6,291,561	7,952,240	-	14,243,801
Capital assets, being depreciated:				
Buildings and infrastructure	9,222,914	4,281,855	-	13,504,769
Improvements other than buildings	13,046,648	79,998	(3,061,131)	10,065,515
Machinery and equipment	4,579,348	344,689	(224,142)	4,699,895
Total capital assets, being depreciated	26,848,910	4,706,542	(3,285,273)	28,270,179
Less accumulated depreciation for:				
Buildings and system	(2,962,929)	(415,923)	-	(3,378,852)
Improvements other than buildings	(4,790,398)	(312,016)	-	(5,102,414)
Machinery and equipment	(3,026,041)	(359,695)	200,951	(3,184,785)
Total accumulated depreciation	(10,779,368)	(1,087,634)	200,951	(11,666,051)
Total capital assets, being depreciated, net	16,069,542	3,618,908	(3,084,322)	16,604,128
Business-type activities capital assets, net	\$22,361,103	\$11,571,148	\$(3,084,322)	\$30,847,929

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

Governmental activities:	
General government	\$ 190,250
Public safety	372,203
Physical environment	23,800
Transportation	459,531
Economic environment	1,917
Culture and recreation	<u>195,682</u>
Total depreciation expense—governmental activities	<u>\$1,243,383</u>
Business-type activities:	
Water and sewer	\$796,501
Solid waste	189,705
Stormwater	93,289
Residential mobile home lot rentals	<u>8,139</u>
Total depreciation expense—business-type activities	<u>\$1,087,634</u>

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

The City has active construction projects as of September 30, 2003. The projects include home weatherizations, street and storm drain rehabilitation, construction of an additional water treatment facility, wastewater treatment facility expansion, and water, sewer, and reuse line expansion and hydrant installation. At year end the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Home weatherizations	\$ 7,830	\$ 12,629
Street and storm drain rehabilitation	57,719	45,822
Water treatment facility	1,214,250	382,793
Wastewater treatment facility	4,798,489	4,799,646
Water, sewer, and reuse lines and hydrants	316,150	210,194
Total	<u>\$6,394,438</u>	<u>\$5,451,084</u>

The commitment for the home weatherizations is being financed entirely from a grant from the State of Florida Department of Community Affairs. The commitment for the street and storm drain rehabilitation is being funded by local option gasoline taxes and stormwater charges for services. The commitment for the water treatment facility is being funded by water impact fees. The commitment for the wastewater treatment facility expansion is being financed by State Revolving Fund loans secured by sewer impact fee revenues. The commitment for the water, sewer, and reuse line expansion and hydrant installation is being funded by water and sewer impact fees.

E. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2003, is as follows:

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor enterprise fund	\$ 594,021
	Community Redevelopment Agency	1,224,837
Nonmajor governmental fund	General	45,116
Total		<u>\$1,863,974</u>

Balances reported between the General Fund and the nonmajor enterprise fund were to allow the Stormwater Utility Fund to meet its current obligations in its initial years. Balances reported between the General Fund and the Community Redevelopment Agency Fund were for the origination of the Community Redevelopment Agency and for transfers to the Downtown Renovations Capital Projects Fund. Balances between the nonmajor governmental fund and the General Fund were to comply with a developer agreement.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

There are no set repayment schedules for the advances payable from the Nonmajor enterprise fund or the General Fund. There are two advances payable from the Community Redevelopment Agency Fund. One has a balance of \$24,837 with four annual installments remaining. The other has a balance of \$1,200,000 with 40 semi-annual installments remaining.

Interfund transfers:

	Transfer In:				Total
	General Fund	Community Redevelopment Agency	Downtown Renovations Capital Project	Nonmajor Governmental	
Transfer out:					
General fund	\$ -	\$174,052	\$ -	\$143,864	\$ 317,916
Community Redevelopment Agency	-	-	1,200,000	182,377	1,382,377
Nonmajor governmental funds	312,646	-	-	179,955	492,601
Nonmajor enterprise funds	64,310	-	-	-	64,310
Total transfers out	<u>\$376,956</u>	<u>\$174,052</u>	<u>\$1,200,000</u>	<u>\$506,196</u>	<u>\$2,257,204</u>

Transfers from the General Fund to the Community Redevelopment Agency Fund were for the City's contribution of tax increment revenues. Transfers from the General Fund to nonmajor governmental funds were for a matching contribution to the Law Enforcement Block Grant Fund (\$2,627) and debt service (\$141,237). Transfers from the Community Redevelopment Agency Fund to the Downtown Renovations Capital Projects Fund were to fund improvements to the downtown area. Transfers from the Community Redevelopment Agency Fund to nonmajor governmental funds were for debt service. Transfers from nonmajor governmental funds other nonmajor governmental funds were transfers of State Revenue Sharing funds for debt service, and the excess of these funds over required amounts were transferred to the General Fund. Transfers from nonmajor enterprise funds to the General Fund were a transfer of profits from the Trailer City Fund.

F. Leases

The City leases vehicles, holiday decorations, and other equipment under noncancelable operating leases. Total costs for such leases were \$143,220 for the year ended September 30, 2003. The future minimum lease payments for these leases are as follows:

Year Ending September 30	Amount
2004	\$48,520
2005	34,482
2006	13,536
2007	349
Total	<u>\$96,887</u>

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

G. Long-term debt

Revenue Bonds

The City issues bonds where the City pledges certain revenue streams to pay debt service. Revenue Bonds have been issued for both governmental and business-type activities. The original amount of revenue bonds issued in prior years was \$1,992,000, which was used to refund Series 1976 Revenue and Improvement Bonds and to finance certain capital acquisitions and improvements. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Refund Series 1976 Bonds	4.26%	\$249,000
Governmental activities—capital acquisitions and improvements	4.26-4.79%	225,646
Business-type activities—capital acquisitions and improvements	4.26%	52,165
		<u>\$526,811</u>

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending</u> September 30	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	\$166,465	\$17,719	\$25,535	\$2,224
2005	308,181	10,621	26,630	1,135
	<u>\$474,646</u>	<u>\$28,340</u>	<u>\$52,165</u>	<u>\$3,359</u>

Intergovernmental Agreements

The City has entered into an intergovernmental agreement to provide funds for the acquisition and construction of a major road project. The amount of the agreement to-date is \$6,826,450. This agreement is secured by a pledge of 75% of the transportation impact fee revenues assessed in the project area. The intergovernmental agreement outstanding at year end is as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Road project	5.62%	\$6,826,450

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

Intergovernmental agreement debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2004	\$ -	\$ 648,638
2005	-	648,638
2006	-	648,638
2007	37,801	610,838
2008	271,142	377,496
2009-2013	1,605,681	1,637,510
2014-2018	2,118,012	1,125,179
2019-2023	2,793,814	449,377
	<u>\$6,826,450</u>	<u>\$6,146,314</u>

Revenue Notes

The City has issued a revenue note for the acquisition and construction of major capital improvements within the Community Redevelopment Agency area. The original amount of the note was \$3,700,000. This note is secured by a pledge Community Redevelopment Agency tax increment revenues and certain non-ad valorem funds. Revenue notes outstanding at year end are as follows:

Purpose	Interest Rates	Amount
Capital improvements	4.93%	\$3,700,000

Revenue note debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2004	\$ -	\$ 91,205
2005	148,521	178,749
2006	155,843	171,246
2007	163,526	163,374
2008	171,588	155,113
2009-2013	993,485	636,681
2014-2018	1,263,745	359,758
2019-2023	803,292	55,210
	<u>\$3,700,000</u>	<u>\$1,811,336</u>

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

Loans

The City has entered into loan agreements with the State of Florida's State Revolving Funds Loan Program to finance the expansion of the City's existing wastewater treatment plant. The program operates on a reimbursement basis, and the total amount authorized for reimbursement under existing agreements is \$12,345,500. As of September 30, 2003, the City has received reimbursements totaling \$4,314,581. Proceeds accrue interest from the time they are received by the City until repayment begins in fiscal year 2005. As of September 30, 2003, interest has accrued in the amount of \$299,023. The City has pledged income derived from the constructed assets to pay debt service. Loans outstanding at year end are as follows:

Purpose	Interest Rates	Amount
Wastewater treatment pre-construction—Water and Sewer Utility	3.33%	\$1,018,500
Wastewater treatment construction—Water and Sewer Utility	2.82%	<u>3,296,081</u>
Total reimbursements received		4,314,581
Accrued interest		<u>299,023</u>
Total amounts outstanding		<u>\$4,613,604</u>

Loan debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2004	\$ -	\$ -
2005	342,230	507,400
2006	703,989	145,641
2007	757,660	91,970
2008	779,390	70,240
2009-2013	1,038,147	155,427
2014-2018	276,746	95,304
2019-2023	326,434	45,616
2024-2028	89,985	2,432
	<u>\$4,314,581</u>	<u>\$1,114,030</u>

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2003, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 763,489	\$ -	\$(288,843)	\$ 474,646	\$166,465
Intergovernmental agreements	5,596,367	1,230,083	-	6,826,450	-
Revenue notes	3,700,000	-	-	3,700,000	-
Compensated absences	153,821	102,677	-	256,498	-
Total Principal	10,213,677	1,332,760	(288,843)	11,257,594	166,465
Accrued interest	447,128	355,679	(2,277)	800,530	653,468
Governmental activity Long-term liabilities	\$10,660,805	\$1,688,439	\$(291,120)	\$12,058,124	\$819,933
Business-type activities					
Revenue bonds	\$ 76,971	\$ -	\$ (24,806)	\$ 52,165	\$ 25,535
Loans	194,633	4,418,971	-	4,613,604	-
Compensated absences	52,596	12,127	-	64,723	-
Business-type activity Long-term liabilities	\$ 324,200	\$4,431,098	\$ (24,806)	\$ 4,730,492	\$ 25,535

The official statements and resolutions authorizing the issuance of long-term debt described above contain certain restrictive covenants. The City has covenanted that it will deposit specified amounts derived from specific revenue sources into funds and accounts established by the resolutions. The City is in compliance with all covenants.

No Commitment Debt

During 1993, the City of Winter Garden issued Industrial Development Revenue Refunding Bonds, Series 1993, in an aggregate principal amount of \$3,120,000, on behalf of Quality Health of Orange County, Inc. (the "Borrower"). The outstanding principal balance at September 30, 2003 was \$1,635,000.

These revenues bonds are a no commitment debt and as such do not constitute a debt, liability, or obligation of the City. These bonds were issued for the benefit of the Borrower for the refunding of the Series 1984 Bonds, the proceeds of which were loaned to the Borrower by a prior issuer to finance the acquisition, construction and equipping of a 120-bed nursing home located in the City of Winter Garden, Florida.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

V. Other information

A. 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; natural disasters; and workers' compensation for which the City is a member of the Public Risk Management of Florida (PRMF), a local government risk management pool as defined by Florida Statutes 163.01(3)(h). In the event of a loss, the City pays up to the deductible amount on the policy. All additional risk of loss has been transferred to PRMF up to the policy limits.

B. Contingent liabilities

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

C. Joint ventures

The Lake Apopka Natural Gas District was created by the 1959 Legislature of Florida for the purpose of establishing and operating a gas transmission and distribution system for the use and benefit of its member municipalities and the public. The City is one of three member municipalities and appoints two members of the District's five member governing board. Net revenues derived from the system which are not otherwise covenanted, are paid over to the member municipalities in a proportion determined by the board. The separate financial statements can be obtained from the District.

D. Other postemployment benefits

The City provides postretirement health benefits, as per the requirements of a local ordinance, for certain retirees who retired between October 11, 1990 and June 22, 1994. The City pays 100 percent of the premiums of health coverage for the life of employees who retired with twenty years of full-time service during this time period. The City also provides postretirement health benefits, as a matter of policy, for certain retirees who retired after May 14, 1998. The City pays \$250 per month of the premiums of health coverage for ten years or until the attainment of age 65, whichever comes first, for those employees who retired at their normal retirement date for their respective pension plan and who agree to pay the remaining premium. The City's regular health benefit provider underwrites the retirees' policies.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

As of year end, there were two employees who had retired with twenty years of full-time service that were receiving the 100 percent premium-coverage benefit. There were eleven employees who had retired that were receiving the \$250 per month premium-coverage benefit. The City finances the plan on a pay-as-you-go basis. For the year ended September 30, 2003, the City paid \$38,837 for these benefits.

E. Employee retirement systems and pension plans

The City maintains two single-employer, defined benefit pension plans. One covers its general employees who have not otherwise opted out of the Plan and the other covers its firefighters and police officers. The City also maintains a defined contribution plan for general employees in certain designated positions who have opted out of the defined benefit plan.

Pension Plan for General Employees

Plan description. A Board of Trustees administers the Pension Plan for General Employees, in which all full-time general employees of the City who have not otherwise opted out of the Plan participate. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries.

Summary of significant accounting policies—basis of accounting and valuation of investments. The financial statements of the Pension Plan for General Employees are prepared using the accrual basis of accounting. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the City's balance sheet date. Securities without an established market are reported at estimated fair value.

Funding policy. The contribution requirements of the City are established and may be amended by the City. The City is required to contribute at an actuarially determined rate; the current rate is 8.87 percent of annual covered payroll.

Annual pension cost. For 2003, the City's annual pension cost was \$338,034 and the City's annual required contribution was \$329,019 for the Pension Plan for General Employees. Actual contributions were \$374,006. The required contribution was determined as part of the October 1, 2001 actuarial valuation using the frozen entry age actuarial cost method. The actuarial assumptions included (a) 7.5 percent investment rate of return (net of administrative expenses), and (b) projected salary increases due to inflation and seniority/merit raises of 4.5 percent per year, compounded annually. The Plan's unfunded actuarial accrued liability is being amortized using the level dollar method on a closed basis. The remaining amortization period at September 30, 2003 was 22 years.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

Three-Year Trend Information for the Pension Plan for General Employees

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/01	\$240,653	104%	\$(171,133)
9/30/02	167,943	132%	(225,291)
9/30/03	338,034	111%	(261,263)

Pension Plan for Firefighters and Police Officers

Plan description. A Board of Trustees administers the Pension Plan for Firefighters and Police Officers, in which all full-time fire and police employees of the City participate. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries.

Summary of significant accounting policies—basis of accounting and valuation of investments. The financial statements of the Pension Plan for Firefighters and Police Officers are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City’s contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the City’s balance sheet date. Securities without an established market are reported at estimated fair value.

Funding policy. The contribution requirements of plan members and the City are established and may be amended by the City. Plan members are required to contribute 1.0 percent of their annual covered salary. The City is required to contribute at an actuarially determined rate; the current rate is 14.73 percent of annual covered payroll.

Annual pension cost. For 2003, the City’s annual pension cost was \$501,173 and the City’s annual required contribution was \$486,210, including State Premium Taxes, for the Pension Plan for Firefighters and Police Officers. Actual City contributions and State Premium Taxes were \$560,319. The required contribution was determined as part of the October 1, 2001 actuarial valuation using the frozen entry age actuarial cost method. The actuarial assumptions included (a) 7.5 percent investment rate of return (net of administrative expenses), and (b) projected salary increases due to inflation and seniority/merit raises of 5.0 percent per year, compounded annually. The Plan’s unfunded actuarial accrued liability is being amortized using the level dollar method a closed basis. The remaining amortization period at September 30, 2003 was 21 years.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2003

Three-Year Trend Information for the Pension Plan for Firefighters and Police Officers

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/01	\$339,545	107%	\$(251,644)
9/30/02	315,288	118%	(308,191)
9/30/03	501,173	112%	(373,071)

Florida Municipal Pension Trust Fund (FMPTF)

Plan description and funding requirements. The Florida Municipal Pension Trust Fund is a defined contribution pension plan established and administered by the Florida League of Cities, Inc. to provide retirement benefits for full-time general employees in certain designated positions who have elected to opt out of the Pension Plan for General Employees. At September 30, 2003, there were seven plan members from the City. The City contributes 7.5 percent of the annual covered payroll of plan participants. Plan provisions and contribution requirements are established and may be amended by the City Commission. Total contributions for the year ended September 30, 2003 were \$24,244.

	General Employees		Firefighters and Police Officers ³
	Defined Benefit ¹	Defined Contribution ²	
Normal Retirement Benefits:			
Age	65	59 ½	55
Years of service (minimum)	5	N/A	10
Accrual-(years 1-25)	2.5%	N/A	3.0%
(over 25)	2.5%	N/A	2.0%
Maximum	100%	N/A	95%
Years to vest	5	5	10

¹The Pension Plan for General Employees allows retirement after five years of service if 60 or older with a 5% per year benefit penalty for each year before 65, retirement at any age with 30 years of credited service, or at 70 regardless of years of credited service.

²A General Employee under the FMPTF earns 20% vesting starting with one year of credited service and another 20% for each successive year of credited service through the fifth year of credited service at which time the employee will be 100% vested.

³The Pension Plan for Firefighters and Police Officers allows retirement after ten years of service if 50 or older with a 3% per year benefit penalty for each year before 55 or retirement at 52 with 25 years of credited service.

CITY OF WINTER GARDEN, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 for the year ended September 30, 2003

Schedules of Funding Progress

Actuarial Valuation Date		Actuarial Value of Assets (a)	Actuarial Liability (AAL)— Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
Pension Plan for General Employees							
10/01/97	(1)	7,204,207	7,840,547	636,340	91.9	2,268,246	28.1
10/01/98	(2)	7,873,314	8,470,845	597,531	92.9	2,628,433	22.7
10/01/99	(1)	8,198,448	8,775,404	576,956	93.4	2,901,043	19.9
10/01/00	(3)	8,782,589	9,325,413	542,824	94.2	3,325,853	16.3
10/01/01	(4)	9,251,304	9,121,083	(130,221)	101.4	3,711,087	(3.5)
10/01/02	(3)	9,344,154	8,808,434	(535,720)	106.1	4,265,155	(12.6)
Pension Plan for Firefighters and Police Officers							
10/01/97	(4)	\$7,667,627	\$7,714,378	\$ 36,751	99.5%	\$1,669,293	2.2%
10/01/98		8,519,695	8,546,640	26,945	99.7	1,817,028	1.5
10/01/99	(3)	8,955,108	8,991,209	36,101	99.6	1,849,687	2.0
10/01/00	(5)	9,671,479	9,694,944	23,465	99.8	2,183,011	1.1
10/01/01	(4)	9,357,934	9,428,528	70,594	99.3	2,327,968	3.0
10/01/02		9,571,784	9,022,732	(549,052)	106.1	2,412,994	(22.8)

- (1) No valuation performed. UAAL updated with interest and actual contributions in year. Assets and payroll provided by the City.
- (2) Plan amendment.
- (3) Change in assumptions method.
- (4) After benefit changes adopted September 26, 2002, to be used for funding the fiscal year ending September 30, 2003.
- (5) Before interest rate assumption change.

CITY OF WINTER GARDEN, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
for the year ended September 30, 2003

Pension Plan for General Employees
Schedule of Employer Contributions

<u>Year Ended</u> <u>September 30</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
1998	\$287,119	108%
1999	189,940	103
2000	203,757	109
2001	233,475	108
2002	160,305	139
2003	329,019	114

Pension Plan for Firefighters and Police Officers
Schedule of Contributions from Employers and Other Contributing Entities

<u>Year Ended</u> <u>September 30</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
1998	\$270,927	103%
1999	203,066	99
2000	207,944	121
2001	350,906	110
2002	325,729	121
2003	509,490	115

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Law Enforcement Trust Fund—This fund is used to account for law enforcement expenditures financed with forfeited funds originating from illegal activities.

Law Enforcement Block Grant Fund—This fund is used to account for the Local Law Enforcement Block Grant for law enforcement expenditures.

State Revenue Sharing Fund—This fund is used to account for the City's share of State shared revenues that are restricted by bond covenant to be used to meet minimum debt service funding requirements. Revenues in excess of these requirements may be transferred to the General Fund to be used without restriction.

Local Option Gas Tax Fund—This fund is used to account for specific road improvements and maintenance utilizing the City's portion of the six-cent Local Option Gas Tax.

Heritage Depot Museum Trust Fund—This fund is used to account for a private contribution that was restricted by the donor to be used to maintain the Heritage Depot Museum.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general government long-term debt principal and interest.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Division Street Improvements Fund—This fund is used to account for improvements to Division Street under a developer agreement.

**City of Winter Garden, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2003**

	Special Revenue			
	Law Enforcement Trust Fund	Law Enforcement Block Grant Fund	State Revenue Sharing Fund	Local Option Gas Tax Fund
ASSETS				
Cash and cash equivalents	\$ 22,023	\$ 63	\$ -	\$ 460,470
Advances to other funds	-	-	-	-
Due from other governmental units	-	-	-	52,538
Restricted cash and cash equivalents	-	-	-	-
Total assets	<u>\$ 22,023</u>	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ 513,008</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 52,449
Contracts payable	-	-	-	562
Other current liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,011</u>
FUND BALANCES				
Reserved for:				
Encumbrances	-	-	-	68,902
Advances to other funds	-	-	-	-
Debt service	-	-	-	-
Unreserved, undesignated	<u>22,023</u>	<u>63</u>	<u>-</u>	<u>391,095</u>
Total fund balances	<u>22,023</u>	<u>63</u>	<u>-</u>	<u>459,997</u>
Total liabilities and fund balances	<u>\$ 22,023</u>	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ 513,008</u>

Heritage Depot Museum Trust Fund	Total	Debt Service Fund	Division Street Improvements Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 639	\$ 483,195	\$ -	\$ 179,828	\$ 663,023
-	-	-	45,116	45,116
-	52,538	-	-	52,538
-	-	69,639	-	69,639
<u>\$ 639</u>	<u>\$ 535,733</u>	<u>\$ 69,639</u>	<u>\$ 224,944</u>	<u>\$ 830,316</u>
\$ -	\$ 52,449	\$ -	\$ -	\$ 52,449
-	562	-	-	562
-	-	9,253	-	9,253
-	53,011	9,253	-	62,264
-	68,902	-	-	68,902
-	-	-	45,116	45,116
-	-	60,386	-	60,386
<u>639</u>	<u>413,820</u>	<u>-</u>	<u>179,828</u>	<u>593,648</u>
<u>639</u>	<u>482,722</u>	<u>60,386</u>	<u>224,944</u>	<u>768,052</u>
<u>\$ 639</u>	<u>\$ 535,733</u>	<u>\$ 69,639</u>	<u>\$ 224,944</u>	<u>\$ 830,316</u>

City of Winter Garden, Florida
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2003

	Special Revenue			
	Law Enforcement Trust Fund	Law Enforcement Block Grant Fund	State Revenue Sharing Fund	Local Option Gas Tax Fund
REVENUES				
Intergovernmental	\$ -	\$ 23,645	\$ 492,601	\$ 618,490
Fines and forfeits	24,443	-	-	-
Investment earnings	181	195	-	4,855
Total revenues	<u>24,624</u>	<u>23,840</u>	<u>492,601</u>	<u>623,345</u>
EXPENDITURES				
Current:				
Public safety	2,801	40,856	-	-
Transportation	-	-	-	389,064
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>2,801</u>	<u>40,856</u>	<u>-</u>	<u>389,064</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,823</u>	<u>(17,016)</u>	<u>492,601</u>	<u>234,281</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,627	-	-
Transfers out	-	-	(492,601)	-
Total other financing sources and (uses)	<u>-</u>	<u>2,627</u>	<u>(492,601)</u>	<u>-</u>
Net change in fund balances	21,823	(14,389)	-	234,281
Fund balances—beginning	<u>200</u>	<u>14,452</u>	<u>-</u>	<u>225,716</u>
Fund balances—ending	<u>\$ 22,023</u>	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ 459,997</u>

Heritage Depot Museum Trust Fund	Total	Debt Service Fund	Division Street Improvements Capital Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ 1,134,736	\$ -	\$ -	\$ 1,134,736
-	24,443	-	-	24,443
9	5,240	1,331	13,940	20,511
9	1,164,419	1,331	13,940	1,179,690
-	43,657	-	-	43,657
-	389,064	-	-	389,064
-	-	288,843	-	288,843
-	-	216,319	-	216,319
-	432,721	505,162	-	937,883
9	731,698	(503,831)	13,940	241,807
-	2,627	503,569	-	506,196
-	(492,601)	-	-	(492,601)
-	(489,974)	503,569	-	13,595
9	241,724	(262)	13,940	255,402
630	240,998	60,648	211,004	512,650
\$ 639	\$ 482,722	\$ 60,386	\$ 224,944	\$ 768,052

City of Winter Garden, Florida
Downtown Renovations Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2003

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
REVENUES				
Intergovernmental	\$ 250,000	\$ -	\$ 250,000	\$ 250,000
Contributions and donations	-	124,500	124,500	-
Total revenues	<u>250,000</u>	<u>124,500</u>	<u>374,500</u>	<u>250,000</u>
EXPENDITURES				
Capital outlay:				
Economic environment	<u>2,427,588</u>	<u>2,735,241</u>	<u>5,162,829</u>	<u>5,150,000</u>
Deficiency of revenues under expenditures	<u>(2,177,588)</u>	<u>(2,610,741)</u>	<u>(4,788,329)</u>	<u>(4,900,000)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>3,700,000</u>	<u>1,200,000</u>	<u>4,900,000</u>	<u>4,900,000</u>
Net change in fund balances	<u>\$ 1,522,412</u>	<u>(1,410,741)</u>	<u>\$ 111,671</u>	<u>\$ (4,900,000)</u>
Fund balances—beginning		<u>1,522,412</u>		
Fund balances—ending		<u>\$ 111,671</u>		

City of Winter Garden, Florida
Law Enforcement Trust Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2003

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget— Positive (Neg)</u>
REVENUES			
Fines and forfeits	\$ 5,000	\$ 24,443	\$ 19,443
Investment earnings	<u>76</u>	<u>181</u>	<u>105</u>
Total revenues	<u>5,076</u>	<u>24,624</u>	<u>19,548</u>
EXPENDITURES			
Current:			
Public safety:			
Law enforcement	<u>5,076</u>	<u>2,801</u>	<u>2,275</u>
Excess of revenues over expenditures	<u>-</u>	<u>21,823</u>	<u>21,823</u>
Fund balances—beginning	<u>200</u>	<u>200</u>	<u>-</u>
Fund balances—ending	<u>\$ 200</u>	<u>\$ 22,023</u>	<u>\$ 21,823</u>

City of Winter Garden, Florida
Law Enforcement Block Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2003

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget— Positive (Neg)</u>
REVENUES			
Intergovernmental	\$ 23,645	\$ 23,645	\$ -
Investment earnings	<u>345</u>	<u>195</u>	<u>(150)</u>
Total revenues	<u>23,990</u>	<u>23,840</u>	<u>(150)</u>
EXPENDITURES			
Current:			
Public safety:			
Law enforcement	<u>26,262</u>	<u>40,856</u>	<u>(14,594)</u>
(Deficiency) of revenues (under) expenditures	<u>(2,272)</u>	<u>(17,016)</u>	<u>(14,744)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>2,627</u>	<u>2,627</u>	<u>-</u>
Net change in fund balances	355	(14,389)	(14,744)
Fund balances—beginning	<u>14,452</u>	<u>14,452</u>	<u>-</u>
Fund balances—ending	<u>\$ 14,807</u>	<u>\$ 63</u>	<u>\$ (14,744)</u>

City of Winter Garden, Florida
State Revenue Sharing Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2003

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget— Positive (Neg)</u>
REVENUES			
Intergovernmental	\$ 492,968	\$ 492,601	\$ (367)
OTHER FINANCING USES			
Transfers out	(492,968)	(492,601)	367
Net change in fund balances	-	-	-
Fund balances—beginning	-	-	-
Fund balances—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Winter Garden, Florida
Local Option Gas Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget—</u>
REVENUES				
Intergovernmental	\$ 559,225	\$ 559,225	\$ 618,490	\$ 59,265
Investment earnings	10,647	10,647	4,855	(5,792)
Total revenues	<u>569,872</u>	<u>569,872</u>	<u>623,345</u>	<u>53,473</u>
EXPENDITURES				
Current:				
Transportation:				
Construction and maintenance	<u>479,190</u>	<u>709,190</u>	<u>389,064</u>	<u>320,126</u>
Excess (deficiency) of revenues over (under) expenditures	<u>90,682</u>	<u>(139,318)</u>	<u>234,281</u>	<u>373,599</u>
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>139,318</u>	<u>-</u>	<u>(139,318)</u>
Net change in fund balances	90,682	-	234,281	234,281
Fund balances—beginning	<u>225,716</u>	<u>225,716</u>	<u>225,716</u>	<u>-</u>
Fund balances—ending	<u>\$ 316,398</u>	<u>\$ 225,716</u>	<u>\$ 459,997</u>	<u>\$ 234,281</u>

City of Winter Garden, Florida
Heritage Depot Museum Trust Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2003

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget— Positive (Neg)</u>
REVENUES			
Investment earnings	5	9	4
Fund balances—beginning	<u>630</u>	<u>630</u>	<u>-</u>
Fund balances—ending	<u>\$ 635</u>	<u>\$ 639</u>	<u>\$ 4</u>

City of Winter Garden, Florida
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2003

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget— Positive (Neg)</u>
REVENUES			
Investment earnings	3,432	1,331	(2,101)
Total revenues	<u>3,432</u>	<u>1,331</u>	<u>(2,101)</u>
EXPENDITURES			
Debt service:			
Principal	313,649	288,843	24,806
Interest	<u>525,537</u>	<u>216,319</u>	<u>309,218</u>
Total expenditures	<u>839,186</u>	<u>505,162</u>	<u>334,024</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(835,754)</u>	<u>(503,831)</u>	<u>331,923</u>
OTHER FINANCING SOURCES			
Transfers in	<u>835,754</u>	<u>503,569</u>	<u>(332,185)</u>
Net change in fund balances	-	(262)	(262)
Fund balances—beginning	<u>60,648</u>	<u>60,648</u>	<u>-</u>
Fund balances—ending	<u>\$ 60,648</u>	<u>\$ 60,386</u>	<u>\$ (262)</u>

City of Winter Garden, Florida
Division Street Improvements Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2003

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
REVENUES				
Investment earnings	\$ 16,358	\$ 13,940	\$ 30,298	\$ 2,506
Contributions and donations	<u>152,727</u>	-	<u>152,727</u>	-
Total revenues	<u>169,085</u>	<u>13,940</u>	<u>183,025</u>	<u>2,506</u>
EXPENDITURES				
Capital outlay:				
Transportation	<u>298,903</u>	-	<u>298,903</u>	-
Excess (deficiency) of revenues over (under) expenditures	<u>(129,818)</u>	<u>13,940</u>	<u>(115,878)</u>	<u>2,506</u>
OTHER FINANCING SOURCES				
Transfers in	<u>340,822</u>	-	<u>340,822</u>	-
Net change in fund balances	<u>\$ 211,004</u>	13,940	<u>\$ 224,944</u>	<u>\$ 2,506</u>
Fund balances—beginning		<u>211,004</u>		
Fund balances—ending		<u>\$ 224,944</u>		



This page intentionally blank.

Nonmajor Enterprise Funds

Stormwater Utility Fund—This fund is used to account for the revenues, expenses, assets, and liabilities associated with the Stormwater Utility.

Trailer City Fund—This fund is used to account for the revenues, expenses, assets, and liabilities associated with residential mobile home lot rentals.

City of Winter Garden, Florida
Combining Statement of Net Assets
Nonmajor Enterprise Funds
September 30, 2003

	<u>Stormwater Utility</u>	<u>Trailer City</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 224,776	\$ 20,511	\$ 245,287
Accounts receivable (net of allowance for uncollectibles)	47,304	1,943	49,247
Other assets	3,125	-	3,125
Total current assets	<u>275,205</u>	<u>22,454</u>	<u>297,659</u>
Noncurrent assets:			
Intangible assets (net of accumulated amortization)	-	9,448	9,448
Capital assets:			
Land	-	63,300	63,300
Buildings	-	31,837	31,837
Improvements other than buildings	1,030,601	112,828	1,143,429
Equipment and furniture	241,956	26,181	268,137
Infrastructure	731,053	34,555	765,608
Construction work in progress	714,296	-	714,296
Less accumulated depreciation	<u>(578,826)</u>	<u>(54,170)</u>	<u>(632,996)</u>
Total capital assets (net of accumulated depreciation)	<u>2,139,080</u>	<u>214,531</u>	<u>2,353,611</u>
Total noncurrent assets	<u>2,139,080</u>	<u>223,979</u>	<u>2,363,059</u>
Total assets	<u>2,414,285</u>	<u>246,433</u>	<u>2,660,718</u>
LIABILITIES			
Current liabilities:			
Accounts payable	38,127	7,106	45,233
Contracts payable	8,991	-	8,991
Accrued wages payable	3,037	1,980	5,017
Deferred revenue	-	11,394	11,394
Other current liabilities	<u>1,655</u>	<u>1,036</u>	<u>2,691</u>
Total current liabilities	51,810	21,516	73,326
Noncurrent liabilities:			
Compensated absences	3,766	4,601	8,367
Advances from other funds	<u>594,021</u>	<u>-</u>	<u>594,021</u>
Total noncurrent liabilities	<u>597,787</u>	<u>4,601</u>	<u>602,388</u>
Total liabilities	<u>649,597</u>	<u>26,117</u>	<u>675,714</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,139,080	214,531	2,353,611
Unrestricted	<u>(374,392)</u>	<u>5,785</u>	<u>(368,607)</u>
Total net assets	<u>\$ 1,764,688</u>	<u>\$ 220,316</u>	<u>\$ 1,985,004</u>

City of Winter Garden, Florida
Combining Statement of Revenues, Expenses, and Changes
in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended September 30, 2003

	<u>Stormwater Utility</u>	<u>Trailer City</u>	<u>Totals</u>
Operating revenues:			
Charges for services	\$ 497,345	\$ -	\$ 497,345
Other	<u>-</u>	<u>248,423</u>	<u>248,423</u>
Total operating revenues	<u>497,345</u>	<u>248,423</u>	<u>745,768</u>
Operating expenses:			
Personal services	91,261	57,043	148,304
Contractual services	95,393	44,987	140,380
Utilities	1,440	20,590	22,030
Supplies	7,657	3,216	10,873
Depreciation and amortization	93,289	12,864	106,153
Other services and charges	<u>90,703</u>	<u>60,423</u>	<u>151,126</u>
Total operating expenses	<u>379,743</u>	<u>199,123</u>	<u>578,866</u>
Operating income	<u>117,602</u>	<u>49,300</u>	<u>166,902</u>
Nonoperating revenues (expenses):			
Investment earnings	<u>7,159</u>	<u>522</u>	<u>7,681</u>
Total nonoperating revenues (expenses)	<u>7,159</u>	<u>522</u>	<u>7,681</u>
Income before transfers	124,761	49,822	174,583
Transfers out	<u>-</u>	<u>(64,310)</u>	<u>(64,310)</u>
Change in net assets	124,761	(14,488)	110,273
Total net assets—beginning	<u>1,639,927</u>	<u>234,804</u>	<u>1,874,731</u>
Total net assets—ending	<u>\$ 1,764,688</u>	<u>\$ 220,316</u>	<u>\$ 1,985,004</u>

City of Winter Garden, Florida
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2003

	<u>Stormwater Utility</u>	<u>Trailer City</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 471,987	\$ 251,614	\$ 723,601
Payments to suppliers	(193,492)	(123,853)	(317,345)
Payments to employees	(89,787)	(56,129)	(145,916)
Net cash provided by operating activities	<u>188,708</u>	<u>71,632</u>	<u>260,340</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	-	(64,310)	(64,310)
Net cash (used) by noncapital and related financing activities	<u>-</u>	<u>(64,310)</u>	<u>(64,310)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Grant received	25,000	-	25,000
Purchases of capital assets	(487,119)	(25,709)	(512,828)
Net cash (used) by capital and related financing activities	<u>(462,119)</u>	<u>(25,709)</u>	<u>(487,828)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	7,159	522	7,681
Net cash provided by investing activities	<u>7,159</u>	<u>522</u>	<u>7,681</u>
Net decrease in cash and cash equivalents	(266,252)	(17,865)	(284,117)
Cash and cash equivalents, October 1	<u>491,028</u>	<u>38,376</u>	<u>529,404</u>
Cash and cash equivalents, September 30	<u>\$ 224,776</u>	<u>\$ 20,511</u>	<u>\$ 245,287</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	\$ 117,602	\$ 49,300	\$ 166,902
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	93,289	12,864	106,153
(Increase) in accounts receivable	(26,955)	(7,701)	(34,656)
Increase in allowance for uncollectible accounts	1,597	7,758	9,355
(Increase) in other assets	(3,125)	-	(3,125)
Increase in accounts payable	3,357	4,458	7,815
Increase in accrued wages payable	443	234	677
Increase in deferred revenue	-	3,134	3,134
Increase in other current liabilities	1,469	905	2,374
Increase in compensated absences payable	1,031	680	1,711
Total adjustments	<u>71,106</u>	<u>22,332</u>	<u>93,438</u>
Net cash provided by operating activities	<u>\$ 188,708</u>	<u>\$ 71,632</u>	<u>\$ 260,340</u>

Fiduciary Funds

General Pension Trust Fund—This fund is used to account for the accumulation of resources to be used for retirement and disability annuity payments to qualified general employees and retirees. Resources are contributed by the City at amounts determined by an annual actuarial study.

Fire and Police Pension Trust Fund—This fund is used to account for the accumulation of resources to be used for retirement and disability annuity payments to qualified firefighters and police officers and retirees. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

City of Winter Garden, Florida
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2003

	General Pension Trust Fund	Fire and Police Pension Trust Fund	Total Pension Trust Funds
ASSETS			
Cash and cash equivalents	\$ 839,019	\$ 369,896	\$ 1,208,915
Receivables:			
Employer	111,872	115,616	227,488
Interest and dividends	<u>58,489</u>	<u>63,071</u>	<u>121,560</u>
Total receivables	<u>170,361</u>	<u>178,687</u>	<u>349,048</u>
Due from other governmental units	-	120,000	120,000
Investments, at fair value:			
Fixed income securities	4,554,511	4,200,370	8,754,881
Equities	<u>4,220,018</u>	<u>5,953,031</u>	<u>10,173,049</u>
Total investments	<u>8,774,529</u>	<u>10,153,401</u>	<u>18,927,930</u>
Total assets	<u>9,783,909</u>	<u>10,821,984</u>	<u>20,605,893</u>
LIABILITIES			
Accounts payable	8,743	3,575	12,318
Deferred revenue	<u>-</u>	<u>120,000</u>	<u>120,000</u>
Total liabilities	<u>8,743</u>	<u>123,575</u>	<u>132,318</u>
NET ASSETS			
Held in trust for pension benefits	<u>\$ 9,775,166</u>	<u>\$ 10,698,409</u>	<u>\$ 20,473,575</u>

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

City of Winter Garden, Florida
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended September 30, 2003

	General Pension Trust Fund	Fire and Police Pension Trust Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 374,006	\$ 392,824	\$ 766,830
Plan members	-	25,324	25,324
State	-	167,495	167,495
Total contributions	<u>374,006</u>	<u>585,643</u>	<u>959,649</u>
Investment earnings:			
Interest	234,177	210,693	444,870
Dividends	65,126	91,675	156,801
Net increase in the fair value of investments	<u>664,275</u>	<u>1,331,918</u>	<u>1,996,193</u>
Total investment earnings	963,578	1,634,286	2,597,864
Less investment expense	<u>51,427</u>	<u>43,841</u>	<u>95,268</u>
Net investment earnings	<u>912,151</u>	<u>1,590,445</u>	<u>2,502,596</u>
Total additions	<u>1,286,157</u>	<u>2,176,088</u>	<u>3,462,245</u>
DEDUCTIONS			
Benefits	321,388	295,190	616,578
Refunds	-	1,225	1,225
Administrative	<u>28,940</u>	<u>13,785</u>	<u>42,725</u>
Total deductions	<u>350,328</u>	<u>310,200</u>	<u>660,528</u>
Change in net assets	935,829	1,865,888	2,801,717
Net assets—beginning	<u>8,839,337</u>	<u>8,832,521</u>	<u>17,671,858</u>
Net assets—ending	<u>\$ 9,775,166</u>	<u>\$ 10,698,409</u>	<u>\$ 20,473,575</u>

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



This page intentionally blank.

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



This page intentionally blank.

City of Winter Garden, Florida
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules By Source
September 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Governmental funds capital assets:		
Land	\$ 6,731,070	\$ 5,791,163
Buildings	3,974,095	3,815,266
Improvements other than buildings	1,488,739	1,471,926
Machinery and equipment	5,572,882	4,909,387
Infrastructure	10,920,865	5,313,746
Construction in progress	<u>6,510,941</u>	<u>6,508,110</u>
Total governmental funds capital assets	<u>\$ 35,198,592</u>	<u>\$ 27,809,598</u>
Investments in governmental funds capital assets by source:		
General fund	\$ 15,098,096	\$ 12,675,269
Special revenue fund	14,473,631	12,242,705
Capital projects funds	<u>5,626,865</u>	<u>2,891,624</u>
Total governmental funds capital assets	<u>\$ 35,198,592</u>	<u>\$ 27,809,598</u>

City of Winter Garden, Florida
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
September 30, 2003

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>
General government:			
Legislative	\$ -	\$ -	\$ -
Financial and administrative	1,266,971	2,353,014	9,598
Comprehensive Planning	-	-	-
Total general government	<u>1,266,971</u>	<u>2,353,014</u>	<u>9,598</u>
Public safety:			
Law enforcement	-	152,514	15,831
Fire control	154,597	406,179	13,240
Protective inspections	59,376	-	-
Total public safety	<u>213,973</u>	<u>558,693</u>	<u>29,071</u>
Physical environment:			
Cemetery	83,020	25,527	92,346
Building maintenance	-	-	-
Fleet maintenance	14,288	32,898	-
Total physical environment	<u>97,308</u>	<u>58,425</u>	<u>92,346</u>
Transportation:			
Engineering	-	12,400	-
Construction and maintenance	4,097,547	-	-
Total transportation	<u>4,097,547</u>	<u>12,400</u>	<u>-</u>
Economic environment	<u>10,078</u>	<u>3,559</u>	<u>-</u>
Culture and recreation	<u>1,045,193</u>	<u>988,004</u>	<u>1,357,724</u>
Total governmental funds capital assets	<u>\$ 6,731,070</u>	<u>\$ 3,974,095</u>	<u>\$ 1,488,739</u>

Machinery and Equipment	Infrastructure	Construction in Progress	Total
\$ 839	\$ -	\$ -	\$ 839
467,288	54,237	-	4,151,108
32,939	-	-	32,939
<u>501,066</u>	<u>54,237</u>	<u>-</u>	<u>4,184,886</u>
1,805,754	13,134	-	1,987,233
1,216,815	-	7,012	1,797,843
192,209	-	-	251,585
<u>3,214,778</u>	<u>13,134</u>	<u>7,012</u>	<u>4,036,661</u>
25,724	18,530	-	245,147
90,566	-	-	90,566
156,351	-	-	203,537
<u>272,641</u>	<u>18,530</u>	<u>-</u>	<u>539,250</u>
-	-	-	-
99,011	-	-	111,411
<u>986,392</u>	<u>10,632,604</u>	<u>1,617,212</u>	<u>17,333,755</u>
<u>1,085,403</u>	<u>10,632,604</u>	<u>1,617,212</u>	<u>17,445,166</u>
-	-	-	-
15,605	-	4,883,886	4,913,128
-	-	-	-
483,389	202,360	2,831	4,079,501
-	-	-	-
<u>\$ 5,572,882</u>	<u>\$ 10,920,865</u>	<u>\$ 6,510,941</u>	<u>\$ 35,198,592</u>

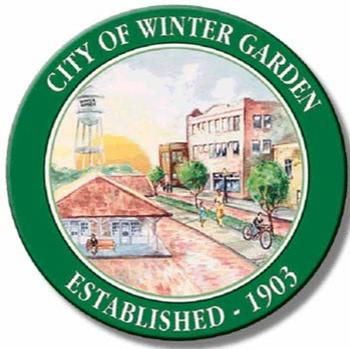
City of Winter Garden, Florida
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the fiscal year ended September 30, 2003

Function and Activity	Governmental Funds Capital Assets October 1, 2002	Additions	Deductions	Governmental Funds Capital Assets September 30, 2003
General government:				
Legislative	\$ 839	\$ -	\$ -	\$ 839
Financial and administrative	3,998,239	1,283,069	1,130,200	4,151,108
Comprehensive Planning	21,849	11,090	-	32,939
Total general government	<u>4,020,927</u>	<u>1,294,159</u>	<u>1,130,200</u>	<u>4,184,886</u>
Public safety:				
Law enforcement	1,823,444	218,513	54,724	1,987,233
Fire control	1,326,143	473,856	2,156	1,797,843
Protective inspections	197,910	53,675	-	251,585
Total public safety	<u>3,347,497</u>	<u>746,044</u>	<u>56,880</u>	<u>4,036,661</u>
Physical environment:				
Cemetery	238,647	6,500	-	245,147
Building maintenance	86,532	4,034	-	90,566
Fleet maintenance	177,440	34,286	8,189	203,537
Total physical environment	<u>502,619</u>	<u>44,820</u>	<u>8,189</u>	<u>539,250</u>
Transportation:				
Engineering	85,349	26,991	929	111,411
Construction and maintenance	13,885,531	3,448,224	-	17,333,755
Total transportation	<u>13,970,880</u>	<u>3,475,215</u>	<u>929</u>	<u>17,445,166</u>
Economic environment	<u>2,171,783</u>	<u>2,741,345</u>	<u>-</u>	<u>4,913,128</u>
Culture and recreation	<u>3,795,892</u>	<u>307,865</u>	<u>24,256</u>	<u>4,079,501</u>
Total governmental funds capital assets	<u>\$ 27,809,598</u>	<u>\$ 8,609,448</u>	<u>\$ 1,220,454</u>	<u>\$ 35,198,592</u>



STATISTICAL SECTION





This page intentionally blank.

City of Winter Garden, Florida
General Governmental Expenditures by Function¹
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation
1994	\$ 596,992	\$ 2,979,130	\$ 243,434	\$ 702,394
1995	580,778	3,321,358	275,804	758,809
1996	605,740	3,181,896	322,527	741,392
1997	1,001,724	3,157,830	340,393	1,037,137
1998	927,804	3,728,107	364,314	1,493,296
1999	1,109,730	3,486,117	369,346	2,589,391
2000	1,259,904	4,337,820	457,576	1,754,786
2001	1,480,434	4,626,435	411,689	6,535,475
2002	2,286,599	5,486,185	489,171	3,202,055
2003	3,325,686	6,180,979	626,594	4,791,484

¹Includes general, special revenue, and debt service funds

<u>Economic Environment</u>	<u>Public Assistance</u>	<u>Culture and Recreation</u>	<u>Debt Service</u>	<u>Total</u>
\$ 3,009	\$ -	\$ 554,733	\$ 143,900	\$ 5,223,592
255	-	771,259	144,820	5,853,083
553	-	940,330	145,400	5,937,838
1,671	20,580	1,178,782	246,981	6,985,098
4,468	17,192	1,392,813	144,810	8,072,804
85,412	14,896	1,048,323	415,238	9,118,453
74,333	14,196	1,041,353	396,427	9,336,395
1,134,956	14,140	1,064,600	443,418	15,711,147
180,904	14,112	1,411,558	644,083	13,714,667
93,696	653,862	2,048,901	529,998	18,251,200

**City of Winter Garden, Florida
General Governmental Revenues by Source¹
Last Ten Fiscal Years**

Fiscal Year	Taxes	Licenses and Permits	Inter-governmental	Charges for Services
1994	\$ 2,371,772	\$ 158,492	\$ 1,724,864	\$ 272,269
1995	2,644,826	184,906	2,081,876	275,854
1996	2,784,628	351,567	2,267,998	559,867
1997	2,866,261	451,927	2,518,791	533,313
1998	3,121,532	600,458	2,776,337	626,928
1999	3,331,855	681,940	2,849,026	789,723
2000	3,645,419	1,271,089	3,232,655	2,448,513
2001	4,265,077	1,253,702	3,340,816	1,678,082
2002	5,373,939	1,728,142	3,344,112	2,361,058
2003	6,324,192	1,888,809	4,752,209	1,275,651

¹Includes general, special revenue, and debt service funds

**City of Winter Garden, Florida
General Governmental Tax Revenues by Source¹
Last Ten Fiscal Years**

Fiscal Year	Ad Valorem	Franchise Fees	Utility Services	Communications Services
1994	\$ 1,051,667	\$ 493,745	\$ 826,360	\$ -
1995	1,258,239	508,107	878,480	-
1996	1,280,754	548,147	955,727	-
1997	1,338,161	564,844	963,256	-
1998	1,451,540	618,227	1,051,765	-
1999	1,576,897	654,488	1,100,470	-
2000	1,737,378	712,040	1,196,001	-
2001	1,961,339	889,590	1,414,148	-
2002	2,456,306	864,047	1,297,581 ²	756,005 ²
2003	3,098,149	903,925	1,466,794	855,324

¹Includes general, special revenue, and debt service funds

²Utility Service Taxes on telecommunications were eliminated and the Communication Services Tax was created by State Statute

Fines and Forfeits	Investment Earnings	Rents and Royalties	Miscellaneous	Total
\$ 151,357	\$ 270,086	\$ 34,200	\$ 137,168	\$ 5,120,208
170,699	266,392	33,381	124,824	5,782,758
236,073	250,753	42,753	274,374	6,768,013
197,077	278,879	44,431	356,705	7,247,384
171,365	440,378	63,843	587,486	8,388,327
228,951	243,342	94,184	535,747	8,754,768
329,968	504,011	102,216	678,804	12,212,675
368,315	708,842	120,813	886,237	12,621,884
213,470	688,298	135,228	1,059,504	14,903,751
236,761	410,478	133,972	3,219,154	18,241,226

Total
\$ 2,371,772
2,644,826
2,784,628
2,866,261
3,121,532
3,331,855
3,645,419
4,265,077
5,373,939
6,324,192

**City of Winter Garden, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
1994	\$ 1,103,843	\$ 1,050,864	95.2%	\$ 803	\$ 1,051,667	95.3%
1995	1,339,656	1,257,072	93.8	1,157	1,258,229	93.9
1996	1,324,215	1,275,443	96.3	5,311	1,280,754	96.7
1997	1,374,201	1,327,843	96.6	10,318	1,338,161	97.4
1998	1,490,983	1,429,492	95.9	22,048	1,451,540	97.4
1999	1,594,893	1,542,115	96.7	34,782	1,576,897	98.9
2000	1,770,095	1,695,184	95.8	42,194	1,737,378	98.2
2001	2,010,626	1,955,582	97.3	5,757	1,961,339	97.5
2002	2,543,932	2,454,253	96.5	2,053	2,456,306	96.6
2003	3,237,109	3,095,033	95.6	3,116	3,098,149	95.7

Source: Orange County Tax Collector's Office

**City of Winter Garden, Florida
Assessed and Estimated Actual Value of Property
Last Ten Fiscal Years**

Fiscal Year	Real and Personal Property		Ratio of Total Assessed Value to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	
1994	\$ 300,295,031	N/A ¹	N/A ¹
1995	306,064,286	\$ 413,690,776	73.98%
1996	319,284,669	434,454,774	73.49
1997	346,417,966	475,361,779	72.87
1998	370,560,580	508,368,966	72.89
1999	411,267,416	550,213,771	74.75
2000	467,152,822	622,576,590	75.04
2001	591,062,340	775,272,073	76.24
2002	752,116,492	976,700,654	77.01
2003	909,930,893	1,169,398,119	77.81

¹ 1994 Estimated Actual Value data not available

Source: Orange County Property Appraiser's Office

**City of Winter Garden, Florida
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Millage Rates (dollars per \$1,000 of assessed value)

Fiscal Year	City	School District	County	Library	St. Johns River Water Mgmt. District	Health Central (WOHD)	Total
1994	3.8040	8.9300	5.2889	0.4596	0.4700	0.5027	19.4552
1995	4.3040	9.3240	5.2889	0.4557	0.4820	0.4969	20.3515
1996	4.3040	9.3750	5.2889	0.4532	0.4820	0.4929	20.3960
1997	4.3040	9.1770	5.2889	0.4412	0.4820	0.4000	20.0931
1998	4.3040	9.0770	5.2889	0.4412	0.4820	0.3500	19.9431
1999	4.3040	9.0420	5.2889	0.4412	0.4820	0.3300	19.8881
2000	4.3040	8.6120	5.2264	0.4412	0.4820	0.3221	19.3877
2001	4.3040	8.5770	5.1639	0.4412	0.4720	-	18.9581
2002	4.3040	8.4320	5.1639	0.4383	0.4620	-	18.8002
2003	4.3040	7.8780	5.1639	0.4371	0.4620	-	18.2450

Source: Orange County Property Appraiser's Office

**City of Winter Garden, Florida
Principal Taxpayers
September 30, 2003**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2003 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Stoneybrook Joint Venture	Property development	\$ 16,148,929	1.8 %
Agree Limited Partnership	Shopping center property management	10,422,783	1.1
West Pointe Villas LTD	Apartment property management	8,677,719	1.0
BRH Berkshire West LLC	Apartment property management	8,657,522	1.0
4000 Goldenrod LLC	Shopping center property management	7,436,540	0.8
Hyde Park Communities	Mobile home park/campground	6,203,940	0.7
Winter Country Garden Assoc.	Apartment property management	5,304,568	0.6
Manheim Remarketing L P	Automobile auction	4,984,056	0.5
Winter Garden RV LLC	Recreational vehicle sales	4,224,366	0.5
M/I Homes of Orlando LLC	Property development	3,199,797	0.4
Totals		<u>\$ 75,260,220</u>	<u>8.4 %</u>

Source: Orange County Property Appraiser's Office

**City of Winter Garden, Florida
Special Assessment Billings and Collections
Last Ten Fiscal Years**

Fiscal Year	Special Assessment Billings	Special Assessments Collected
1994	\$ -	\$ -
1995	-	-
1996	-	-
1997	-	-
1998	-	-
1999	-	-
2000	-	-
2001	-	-
2002	-	-
2003	-	-

**City of Winter Garden, Florida
Computation of Legal Debt Margin
September 30, 2003**

Neither the City of Winter Garden Charter or Code of Ordinances nor the Florida Statutes limit the amount of debt the City of Winter Garden can issue.

City of Winter Garden, Florida
Ratio of Net General Obligation Bonded Debt
To Assessed Value and Net General Obligation Bonded Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Population¹	Assessed Value²	Gross Bonded Debt	Less Debt Service Fund
1994	12,098	\$ 300,295,031	\$ -	\$ -
1995	12,413	306,064,286	-	-
1996	12,761	319,284,669	-	-
1997	13,118	346,417,966	-	-
1998	13,485	370,560,580	-	-
1999	13,863	411,267,416	-	-
2000	14,251	467,152,822	-	-
2001	16,097	591,062,340	-	-
2002	18,301	752,116,492	-	-
2003	20,378	909,930,893	-	-

¹Source: University of Florida, Bureau of Economics and Business Research

²Source: Orange County Property Appraiser's Office

Debt Payable from Enterprise Revenues		Net Bonded Debt		Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
\$	-	\$	-	0.0%	\$ -
	-		-	0.0	-
	-		-	0.0	-
	-		-	0.0	-
	-		-	0.0	-
	-		-	0.0	-
	-		-	0.0	-
	-		-	0.0	-
	-		-	0.0	-
	-		-	0.0	-

City of Winter Garden, Florida
Ratio of Annual Debt Service Expenditures
For General Obligation Bonded Debt
to Total General Governmental Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures¹	Ratio of Debt Service to General Governmental Expenditures
1994	\$ -	\$ -	\$ -	\$ 5,223,592	0.0%
1995	-	-	-	5,853,083	0.0
1996	-	-	-	5,937,838	0.0
1997	-	-	-	6,985,098	0.0
1998	-	-	-	8,072,804	0.0
1999	-	-	-	9,118,453	0.0
2000	-	-	-	9,336,395	0.0
2001	-	-	-	15,711,147	0.0
2002	-	-	-	13,714,667	0.0
2003	-	-	-	18,251,200	0.0

¹Includes general, special revenue, and debt service funds

City of Winter Garden, Florida
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
September 30, 2003

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to the City of Winter Garden</u>	<u>Amount Applicable to the City of Winter Garden</u>
Direct:			
City of Winter Garden	\$ -	100.0%	\$ -
Overlapping:			
Orange County Library District	<u>3,450,000</u>	1.3	<u>44,850</u>
Total	<u>\$ 3,450,000</u>		<u>\$ 44,850</u>

Source: Orange County Comptroller's Office

**City of Winter Garden, Florida
Revenue Bond Coverage
Water and Sewer Revenue Bonds
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
1994	2,300,222	1,864,495	435,727	92,000	82,400	174,400	2.50
1995	3,109,266	2,201,858	907,408	97,000	77,000	174,000	5.21
1996	3,084,075	2,159,993	924,082	103,000	71,300	174,300	5.30
1997	2,922,535	2,002,051	920,484	113,000	65,250	178,250	5.16
1998	3,215,578	2,110,348	1,105,230	118,000	58,600	176,600	6.26
1999	3,302,282	2,251,908	1,050,374	129,000	51,650	180,650	5.81
2000	3,866,695	2,376,380	1,490,315	135,000	44,050	179,050	8.32
2001	4,968,544	2,823,265	2,145,279	146,000	36,100	182,100	11.78
2002	5,784,679	3,227,291	2,557,388	16,000	27,500	43,500	58.79
2003	5,915,614	3,809,422	2,106,192	-	-	-	N/A

¹Total revenues exclusive of impact fees and investment earnings thereon

²Total operating expenses exclusive of depreciation

**City of Winter Garden, Florida
Demographic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population¹		Labor Force (Countywide)²			Unemployment Rate
	City of Winter Garden	Orange County	Civilian Labor Force	Employed	Unemployed	
1994	12,098	740,167	426,155	401,471	24,684	5.8%
1995	12,413	758,962	438,934	418,386	20,548	4.7
1996	12,761	777,556	437,764	419,867	17,897	4.1
1997	13,118	803,614	461,760	445,606	16,154	3.5
1998	13,485	824,095	476,040	461,273	14,767	3.1
1999	13,863	846,328	494,103	480,662	13,441	2.7
2000	14,251	896,344	519,131	505,459	13,672	2.6
2001	16,097	930,034	506,910	484,146	22,764	4.5
2002	18,301	955,865	511,641	485,262	26,379	5.2
2003	20,378	980,195	538,962	511,926	27,036	5.0

¹Source: University of Florida, Bureau of Economics and Business Research

²Source: Florida Department of Labor and Employment Security
Florida Agency for Workforce Innovation (2003 only)

**City of Winter Garden, Florida
Property Value and Construction
Last Ten Fiscal Years**

Fiscal Year	Real and Personal Property Value ²	Commercial Construction ³		Residential Construction ³	
		Number of Units	Value	Number of Units	Valuation Value
1994	N/A ¹	56	\$ 1,913,928	74	\$ 3,791,217
1995	\$ 413,690,776	62	1,390,409	138	7,521,560
1996	434,454,774	67	7,264,413	182	13,620,286
1997	475,361,779	30	3,072,423	60	5,838,402
1998	508,368,966	165	6,334,057	295	28,847,283
1999	550,213,771	184	10,795,182	283	34,713,777
2000	622,576,590	251	14,222,711	561	88,093,539
2001	775,272,073	250	16,000,052	643	93,461,137
2002	976,700,654	186	10,806,648	799	120,389,033
2003	1,169,398,119	327	28,138,112	769	121,641,891

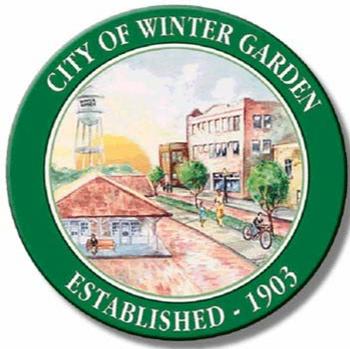
¹ 1994 Estimated Actual Value data not available

²Source: Orange County Property Appraiser's Office

³Source: Planning, Zoning, and Development Department

**City of Winter Garden, Florida
Miscellaneous Statistics
September 30, 2003**

Date of Incorporation	1903
Form of Government	Commission/Manager
Number of employees (excluding police and fire)	169
Area in square miles	17
Name of City facilities and services:	
Culture and Recreation:	
Parks	8
Park acreage	61
Swimming pools	2
Tennis Courts	6
Fire Protection:	
Number of stations	2
Number of fire personnel and officers	30
Number of inspections conducted:	
Initial inspections	600
Re-inspections	315
Occupations License inspections	125
Number of plan reviews conducted:	
Site plan reviews	180
Construction plan reviews	100
Number of public education events held	25
Police Protection:	
Number of stations	1
Number of police personnel and officers:	
Non-sworn	16
Sworn	42
Number of law violations:	
Physical arrests:	
Adult	743
Juvenile	208
Traffic violations	6,462
Sewerage System:	
Number of treatment plants	1
Number of service connections	8,199
Water System:	
Number of treatment plants	3
Number of service connections	8,792



This page intentionally blank.



COMPLIANCE AND INTERNAL CONTROL SECTION





Sines, Girvin, Blakeslee & Campbell

Certified Public Accountants, P.A.

800 South Dillard Street
Winter Garden, FL 34787-3910
Telephone 407 656-6611
FAX 407 656-5372

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor, Members of the
City Commission and City Manager
City of Winter Garden, Florida

We have audited the basic financial statements of the City of Winter Garden, Florida, ("the City") as of and for the year ended September 30, 2003, and have issued our report thereon dated December 30, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grants, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Honorable Mayor, Members of the
City Commission and City Manager
City of Winter Garden, Florida

Page Two

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City Commission of the City of Winter Garden, management and federal/state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Sines, Girvin, Blakeslee & Campbell
Certified Public Accountants, P.A.
December 30, 2003



Sines, Girvin, Blakeslee & Campbell

Certified Public Accountants, P.A.

800 South Dillard Street
Winter Garden, FL 34787-3910
Telephone 407 656-6611
FAX 407 656-5372

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT

Honorable Mayor, Members of the
City Commission and City Manager
City of Winter Garden, Florida

Compliance

We have audited the compliance of the City of Winter Garden, Florida (the "City") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2003. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 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. Our audit does not provide a legal determination of the City's compliance with those requirements.

Honorable Mayor, Members of the
City Commission and City Manager
City of Winter Garden, Florida

Page Two

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal awards programs and state financial assistance projects for the year ended September 30, 2003.

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General.

Our consideration of internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program or state project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Honorable Mayor, Members of the
City Commission and City Manager
City of Winter Garden, Florida

Page Three

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the compliance of the City with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2003 as indicated above. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information has been subjected to auditing procedures, as considered necessary, and inquiries with the independent auditors of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the City Commission of the City of Winter Garden, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.



Sines, Girvin, Blakeslee & Campbell
Certified Public Accountants, P.A.
December 30, 2003



This page intentionally blank.

**City of Winter Garden, Florida
Schedule of Expenditures of Federal Awards
And State Financial Assistance
For the Year Ended September 30, 2003**

EXPENDITURES OF FEDERAL AWARDS

Grantor/Pass-through Grantor/Program	Identification Number	CFDA Number	Federal Expenditures
<u>U.S. Department of Environmental Protection Agency</u>			
Passed through Florida Department of Environmental Protection:			
Capitalization Grants for Clean Water State Revolving Funds	CS12039808P	66.458	\$ 159,135
	WWG12039808L	66.458	<u>5,196,037</u>
			5,355,172
<u>US Department of Justice</u>			
Local Law Enforcement Block Grant	2001-LB-BX-3851	16.592	10,663
Local Law Enforcement Block Grant	2002-LB-BX-1350	16.592	<u>23,645</u>
			34,308
Passed through the Florida Department of Law Enforcement:			
Byrne Formula Grant	Not Available	16.579	30,296
<u>U.S. Department of Treasury</u>			
Gang Resistance Education & Training	ATC0300284	21.053	5,003
<u>Federal Emergency Management Agency</u>			
Passed through the Florida Department of Community Affairs:			
Hazard Mitigation	01EO73065801102	83.548	2,800
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 5,427,579</u></u>

EXPENDITURES OF STATE FINANCIAL ASSISTANCE

	Identification Number	CSFA Number	State Expenditures
<u>Florida Department of Community Affairs</u>			
Greater Winter Garden Weatherization Grant	03WX-1D06-58-02-037	52.025	\$ 592,002
<u>Florida Department of Transportation</u>			
County Incentive Grant Program	410518-54-01	55.008	557,708
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u><u>\$ 1,149,710</u></u>

City of Winter Garden, Florida
Notes to Schedule of Expenditures of Federal Awards
And State Financial Assistance
Fiscal Year Ended September 30, 2003

Basis of Accounting

The Schedule has been prepared in accordance with accounting principles generally accepted in the United States of America. Expenditures have been recognized on the schedule and are reflected in the City of Winter Garden's financial statements in accordance with the accrual basis of accounting.

**City of Winter Garden, Florida
 Schedule of Findings and Questioned Costs—
 Federal Awards Programs and State Financial Assistance Projects
 For the Year Ended September 30, 2003**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: **Unqualified**

Internal control over financial reporting:

- . Material weakness(es) identified? _____ Yes X No
- . Reportable condition(s) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted. _____ Yes X No

Federal Awards and State Financial Assistance

Internal control over major federal programs and state projects:

- . Material weakness(es) identified? _____ Yes X No
- . Reportable condition(s) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major federal programs and state projects: **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with the Rules of the Auditor General? _____ Yes X No

Identification of major federal and state programs:

CFDA Number	Name of Federal Program
66.458	Capitalization Grants for Clean Water State Revolving Func
CSFA Number	Name of State Program
52.025	Greater Winter Garden Weatherization Grant
55.008	County Incentive Grant

Dollar threshold used to distinguish between type A and type B Programs:

Federal	<u>\$ 300,000</u>
State	<u>\$ 300,000</u>

Auditee qualifies as low-risk auditee: _____ Yes X No

Section II - Financial Statement Findings

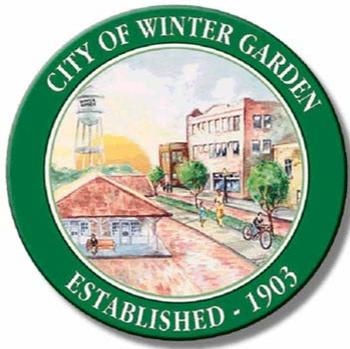
None

Section III - Findings and Questioned Costs - Major Federal and State Award Programs

None

Schedule of Prior Year Findings

None



This page intentionally blank.



Sines, Girvin, Blakeslee & Campbell

Certified Public Accountants, P.A.

800 South Dillard Street
Winter Garden, FL 34787-3910
Telephone 407 656-6611
FAX 407 656-5372

INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Mayor, Members of the
City Commission and City Manager
City of Winter Garden, Florida

We have audited the financial statements of the City of Winter Garden, Florida (the "City") as of and for the year ended September 30, 2003, and have issued our report thereon dated December 30, 2003. In planning and performing our audit of the financial statements of the City, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We have not considered internal control since the date of our report.

We conducted our audit in accordance with auditing standards 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. We have issued our Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting based on an Audit of the Basic Financial Statements performed in accordance with *Government Auditing Standards*. Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Program and State Project, and Schedule of Findings and Questioned Costs. Disclosures in these reports and schedule, which are dated December 30, 2003, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General. Those rules (Section 10.554(1)(g) 1.a.) require that we address in the management letter, if not already addressed in other auditors' reports, whether or not inaccuracies, shortages, defalcations, fraud, and/or violations of laws, rules, regulations and contractual provisions reported in the preceding annual financial report have been corrected. There were no inaccuracies, shortages, defalcations, fraud or violations of laws, rules, regulations, or contractual provisions reported in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554(1)(g)1.b.) require that a management letter shall include a statement as to whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554(1)(g)6.a.) state that a management letter shall include a statement as to whether or not a unit of local government is in a state of financial emergency as a consequence of conditions described in Section 218.503 (1), Florida Statutes. Section 218.503 (1) states that a local government entity is in a state of financial emergency when any of the following conditions occur:

- a) Failure within the same fiscal year in which due to pay short-term loans from banks or failure to make bond debt service payments when due.
- b) Failure to transfer at the appropriate time, due to lack of funds: (1) taxes withheld on the income of employees; or (2) employer and employee contributions for (a) federal social security, or (b) any pension, retirement, or benefit plan of an employee.
- c) Failure for any one pay period to pay, due to lack of funds: (1) wages and salaries owed to employees; or (2) retirement benefits owed to former employees.
- d) An unreserved or total fund balance or retained earnings deficit for which sufficient resources of the local governmental entity are not available to cover the deficit for two successive years.
- e) Noncompliance of the local government retirement system with actuarial conditions provided by law.

Management of the City has determined that the City is not in a state of financial emergency under Section 218.503 (1). In connection with our audit of the financial statements of the City, the results of our tests did not indicate that the City is in a state of financial emergency as a consequence of the conditions in Section 218.503 (1).

As required by the Rules of the Auditor General (Section 10.554(1)(g)6.b.), we have applied the financial condition assessment procedures pursuant to Rule 10.556(8).

The Rules of the Auditor General (Section 10.554(1)(g) 6.b.) state that a management letter shall include a statement as to whether or not the financial report filed with the Florida Department of Financial Services, pursuant to Section 218.32 (1)(a), Florida Statutes, is in agreement with the annual financial audit report for the current audit period and, if not, explanations of any significant differences. This information was in agreement with the City's financial statements for the fiscal year ended September 30, 2003.

The Rules of the Auditor General (Section 10.554(1) (g) 4.) require disclosure in the management letter of the following matters if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings and questioned costs:

- a) Violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred, and were discovered within the scope of the audit.
- b) Improper or illegal expenditures discovered within the scope of the audit that may or may not materially affect the financial statements.
- c) Other matters requiring correction that may or may not materially affect the financial statements reported on, including, but not limited to:
 - 1. Improper or inadequate accounting procedures (e.g. the omission of required disclosures from the annual financial statements).
 - 2. Failures to properly record financial transactions.
 - 3. Other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor.

The results of our audit disclosed no items requiring disclosure.

As required by the Rules of the Auditor General (Section 10.554(1)(g) 2.), the scope of our audit included a review of provisions of Section 218.415, Florida Statutes, regarding investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.

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



Sines, Girvin, Blakeslee & Campbell
Certified Public Accountants, P.A.
December 30, 2003



This page intentionally blank.