



## **CITY OF WINTER GARDEN, FLORIDA**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2004**



**CITY OF WINTER GARDEN, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the year ended**

**September 30, 2004**

**Prepared by:**

**Finance Department**



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**CITY OF WINTER GARDEN, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the year ended September 30, 2004**

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# INTRODUCTORY SECTION



**LETTER OF TRANSMITTAL**

—

**CERTIFICATE OF ACHIEVEMENT FOR  
EXCELLENCE IN FINANCIAL REPORTING**

—

**ORGANIZATIONAL CHART**

—

**LIST OF ELECTED AND APPOINTED OFFICIALS**





# CITY OF WINTER GARDEN

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OFFICE OF THE CITY MANAGER

251 W. PLANT STREET

WINTER GARDEN, FL 34787

TEL: (407) 656-4111 • FAX (407) 656-4952

February 28, 2005

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, 2004 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, 2004, 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, 2004, are fairly presented in all material respects 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.

## **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, which is expected to continue at a rapid pace. The City currently occupies a land area of approximately seventeen square miles and serves a population of 22,242. 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, solid waste collection service, stormwater service, and management of the City owned mobile home park.

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 30<sup>th</sup>.

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 on pages 37-39 as part of the basic financial statements for the governmental funds. For non-major governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 80. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each capital projects fund.

### **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 4.4 percent in 2004, as compared to 5.0 percent in 2003. With the strong housing market and the resurgence of the tourist industry in Central Florida, the regional economy appears strong. 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 20,378 in 2003 to 22,242 in 2004. The City collects impact fees for roads, police, fire, recreation, and water and sewer to ensure growth pays a share of its cost.

The City completed renovations to its downtown business district in fiscal year 2003. 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 has begun 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 West Orange County area. This revitalization should have a positive impact on the entire community.

This year, the City began an aggressive economic development and redevelopment plan. These efforts should work to ensure the long-term economic vitality of the community.

**Long-term financial planning.** The City qualified for a State Revolving Fund Loan in fiscal year 2003 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 City also qualified for a State Revolving Fund Loan to construct a new water treatment plant to serve the southern area. The total amount of this loan is \$2,066,219. This loan is due in semi-annual installments of \$67,727 beginning November 15, 2004 through May 15, 2024 at an interest rate of 2.67 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 a variable interest rate, currently 3 percent, from the General Fund. The loan and the advance are to be paid back over twenty years. Both will be paid back with tax increment funding from the Community Redevelopment Agency.

The City also has outstanding debt of \$5,177,551 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 \$220,650 through July 15, 2024. The interest is 5.616 percent. The project is expected to be completed in the fiscal year ending September 30, 2005.

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) \$200,000 on a revenue bond issued in 1999 for equipment purchases and to refund outstanding bonds.

**Cash management policies and practices.** Temporarily idle cash during the year was invested in obligations of the United States of America, mortgage backed investments, and the State Board of Administration Collateral Pool (SBA). The pension trust funds investments portfolios also include corporate stocks and bonds. Exclusive of investments in the SBA, governmental funds returned 1.35 percent and business-type funds earned 1.37 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 general employees and another defined benefit plan for firefighters and police officers. Certain positions may opt out of the defined benefit plan for general employees and participate in a defined contribution plan. The City currently contributes 7.5 percent of regular earnings into these participants' defined contribution plan accounts.

The City funds both defined benefit plans each year. The amount to fund is determined by the Plans' actuaries. As of September 30, 2004, the Pension Plan for General Employees was funded at 87 percent of the present value of future benefits, and the Pension Plan for Firefighters and Police Officers was funded at 86 percent. Additional information regarding the employee retirement systems and pension plans can be found in note *V.E* to the financial statements.

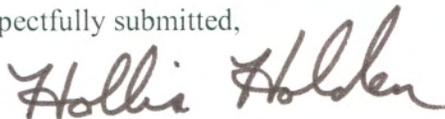
### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2003. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

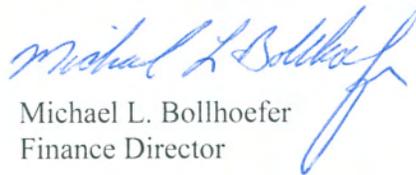
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Hollis W. Holden  
City Manager



Michael L. Bollhoefer  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Winter Garden,  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



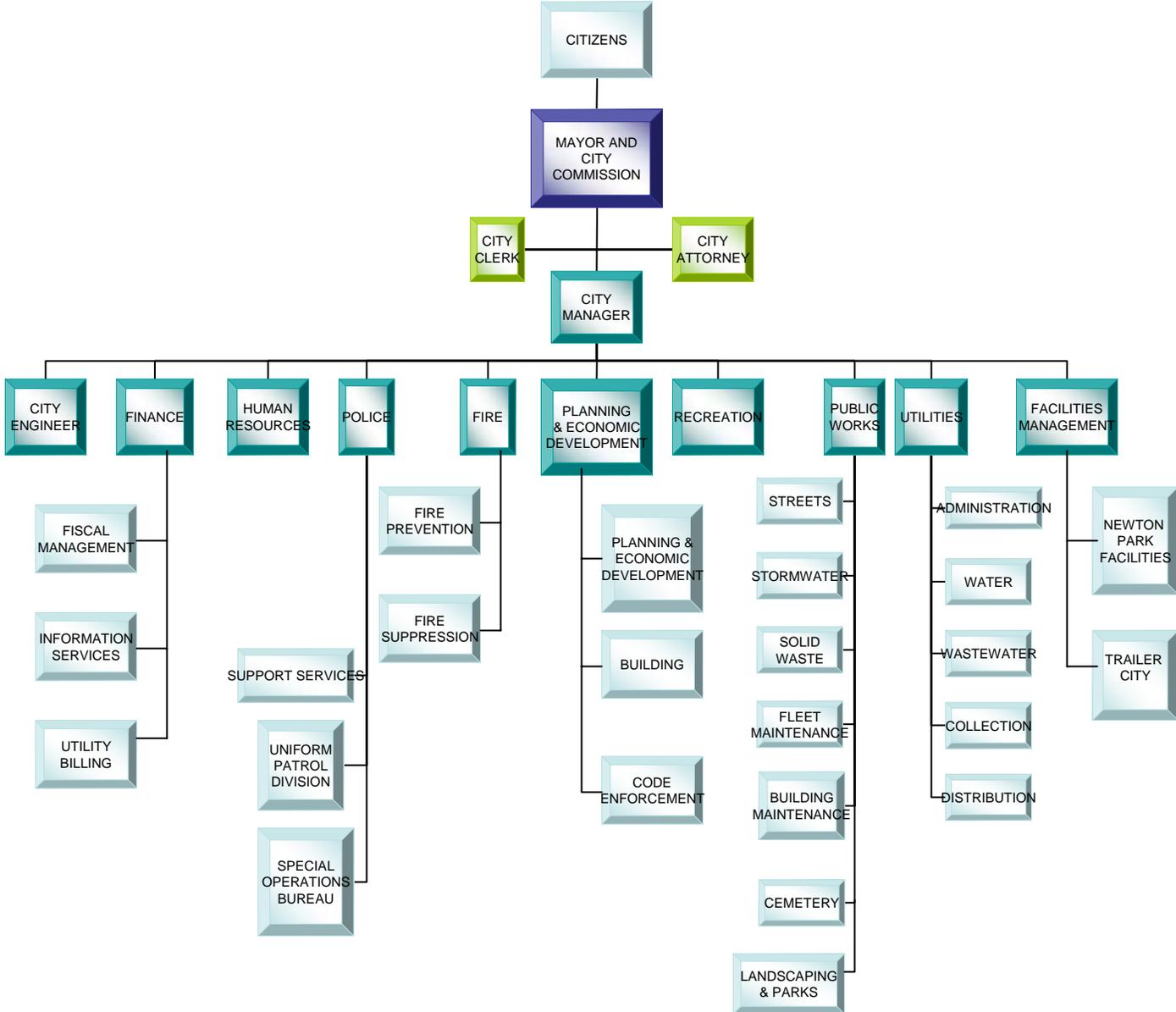
*Nancy L. Zielke*

President

*Jeffrey R. Emer*

Executive Director

# CITY OF WINTER GARDEN ORGANIZATION CHART



**CITY OF WINTER GARDEN, FLORIDA**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**As of September 30, 2004**

Elected Officials

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

Appointed Officials

City Manager	Hollis W. Holden
Assistant to the City Manager	G. Marshall Robertson, Jr.
City Clerk	Kathy Golden
City Attorney	Dykes Everett
Finance Director	Michael L. Bollhoefer
Human Resource Director	Victoria L. Ward
Planning Director	Mark A. Cechman
Police Chief	George A. Brennan
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	Fernand J. Tiblier
Facilities Manager	Donald H. Martin



# 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, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. 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 of September 30, 2004, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2005 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. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, not to provide an opinion on the internal control over financial reporting. 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.

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

Page Two

The management's discussion and analysis and the required supplementary information on pages 11 through 23 and 72 through 73, 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 and individual fund statements and schedules, 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, 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.  
February 28, 2005

## 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, 2004. 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 1-5 of this report.

### Financial Highlights

- The assets of the City exceeded liabilities on September 30, 2004 by \$90,163,484. The unrestricted net assets on this date were \$29,971,953. These funds are available to meet the ongoing obligations of the City.
- The net assets of governmental activities on September 30, 2004 equaled \$38,613,006. Of this amount, \$9,638,873 was unrestricted. The net assets of business-type activities equaled \$51,550,478. Of this amount \$20,333,080 was unrestricted.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,918,678. Of this amount, \$15,708,571 is available for spending at the government's discretion (unreserved fund balance).
- Unreserved fund balance in the General Fund was \$7,492,876 at the end of the fiscal year, or 51 percent of total expenditures.
- Net assets in the Pension Plan for General Employees increased \$930,999. Net assets in the Pension Plan for Firefighters and Police Officers increased \$1,379,473.
- The City's total debt increased by \$7,951,174 (51 percent) during the current fiscal year. This increase was attributable to the 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, the Community Redevelopment Agency Fund, and the Impact Fee Fund, all of which are considered to be major funds. Data from the other eight 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 47-71 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 72-73 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 76-95 of this report.

## Government-wide Financial Analysis

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 \$90,163,484 at the close of the most recent fiscal year. The City's increase in net assets for this fiscal year amounts to \$13,700,372.

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 \$44,589,099 or 49 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.

	Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$21,298,215	\$17,556,463	\$29,651,480	\$23,274,924	\$50,949,695	\$40,831,387
Capital assets	29,098,416	27,826,841	37,660,586	30,847,929	66,759,002	58,674,770
Total assets	50,396,631	45,383,304	67,312,066	54,122,853	117,708,697	99,506,157
Long-term liabilities						
outstanding	9,291,657	12,058,124	12,463,560	4,730,492	21,755,217	16,788,616
Other liabilities	2,491,968	2,177,888	3,298,028	4,076,541	5,789,996	6,254,429
Total liabilities	11,783,625	14,236,012	15,761,588	8,807,033	27,545,213	23,043,045
Net assets:						
Invested in capital assets, net of related debt	20,098,672	16,025,215	24,490,427	26,182,160	44,589,099	42,207,375
Restricted	8,875,461	7,675,631	6,726,971	8,866,950	15,602,432	16,542,581
Unrestricted	9,638,873	7,466,446	20,333,080	10,266,710	29,971,953	17,713,156
Total net assets	\$38,613,006	\$31,147,292	\$51,550,478	\$43,315,820	\$90,163,484	\$76,463,112

An additional portion of the City's net assets (17 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$29,971,953) 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 same situation held true for the prior fiscal year.

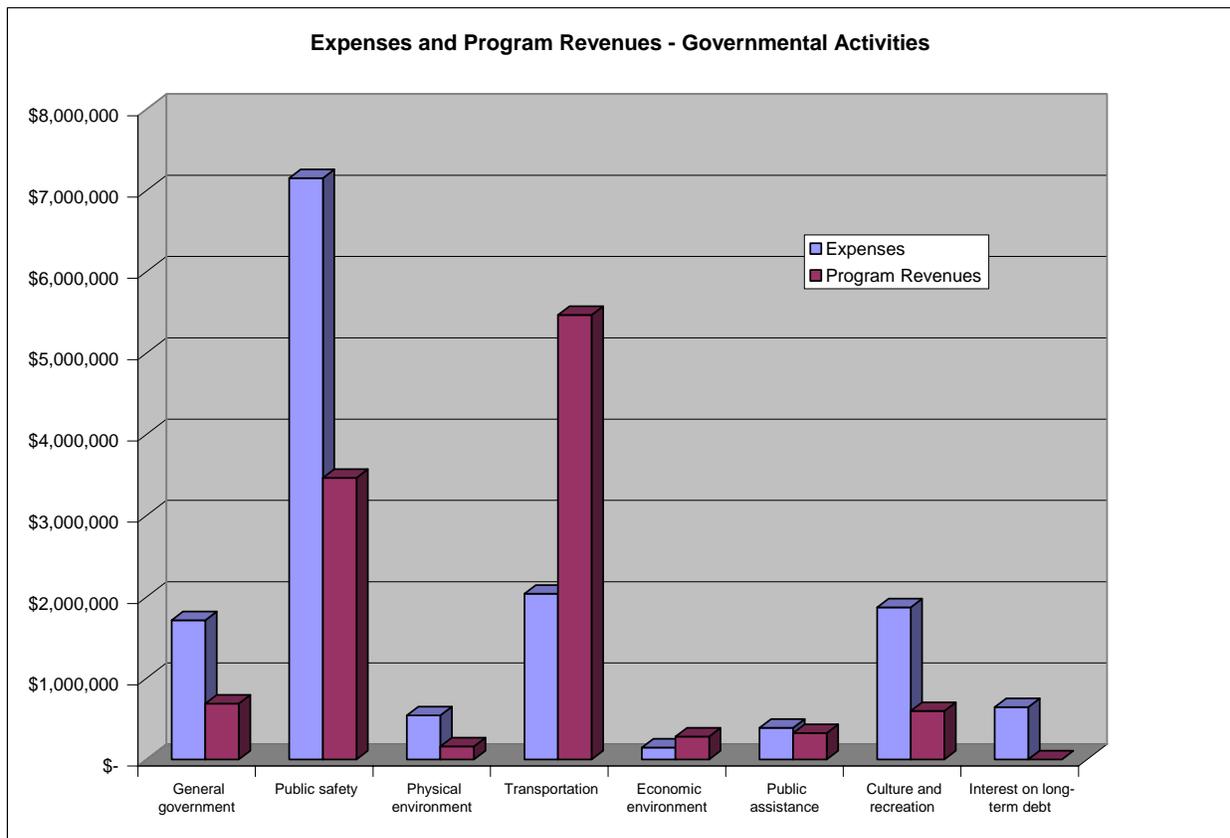
There was a decrease of \$2,139,979 in restricted net assets reported in connection with the City's business-type activities. This decrease resulted from the use of restricted funds for capital projects in the Water and Sewer Utility Fund.

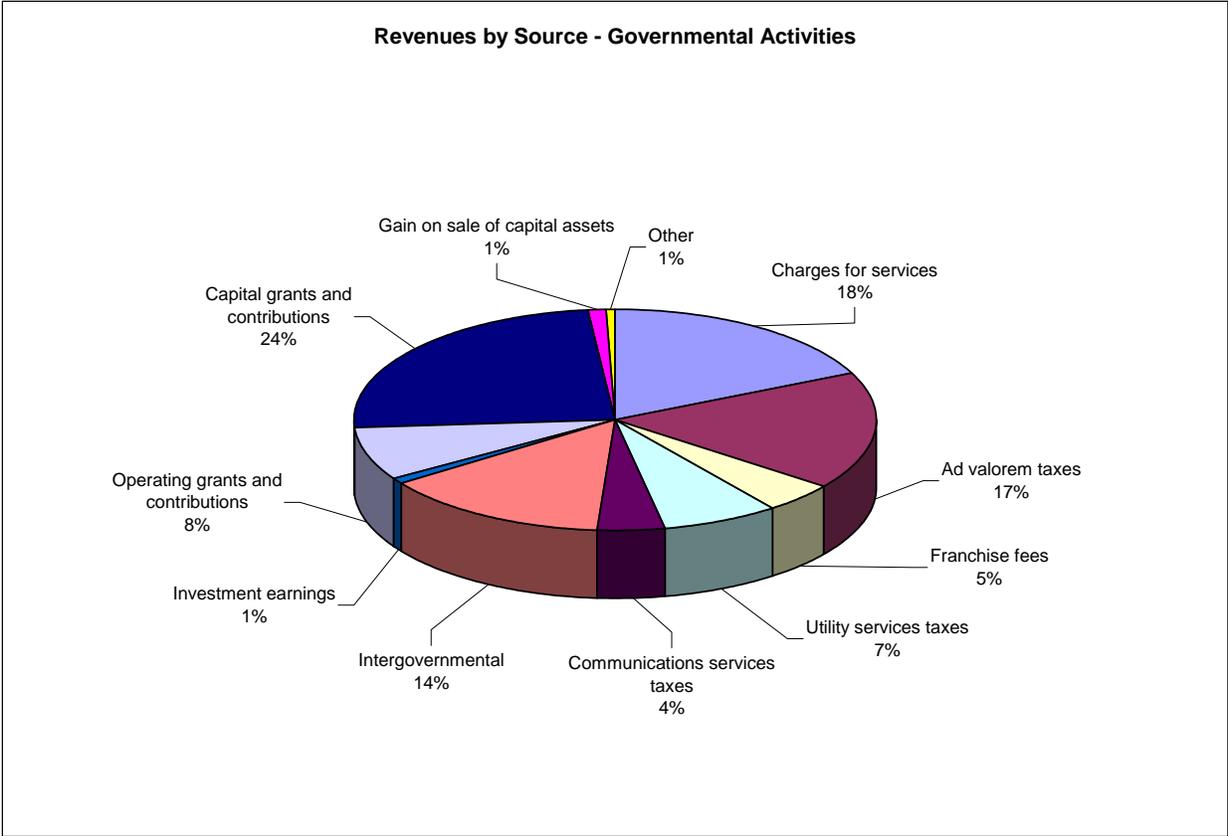
The City's net assets increased by \$13,700,372 during the current fiscal year. The majority of this increase represents the degree to which impact fee revenues have outstripped depreciation expense on capital assets purchased with impact fees.

**Governmental activities.** Governmental activities increased the City's net assets by \$7,465,714, thereby accounting for 54 percent of the total growth in net assets of the City. Key elements of this increase are as follows:

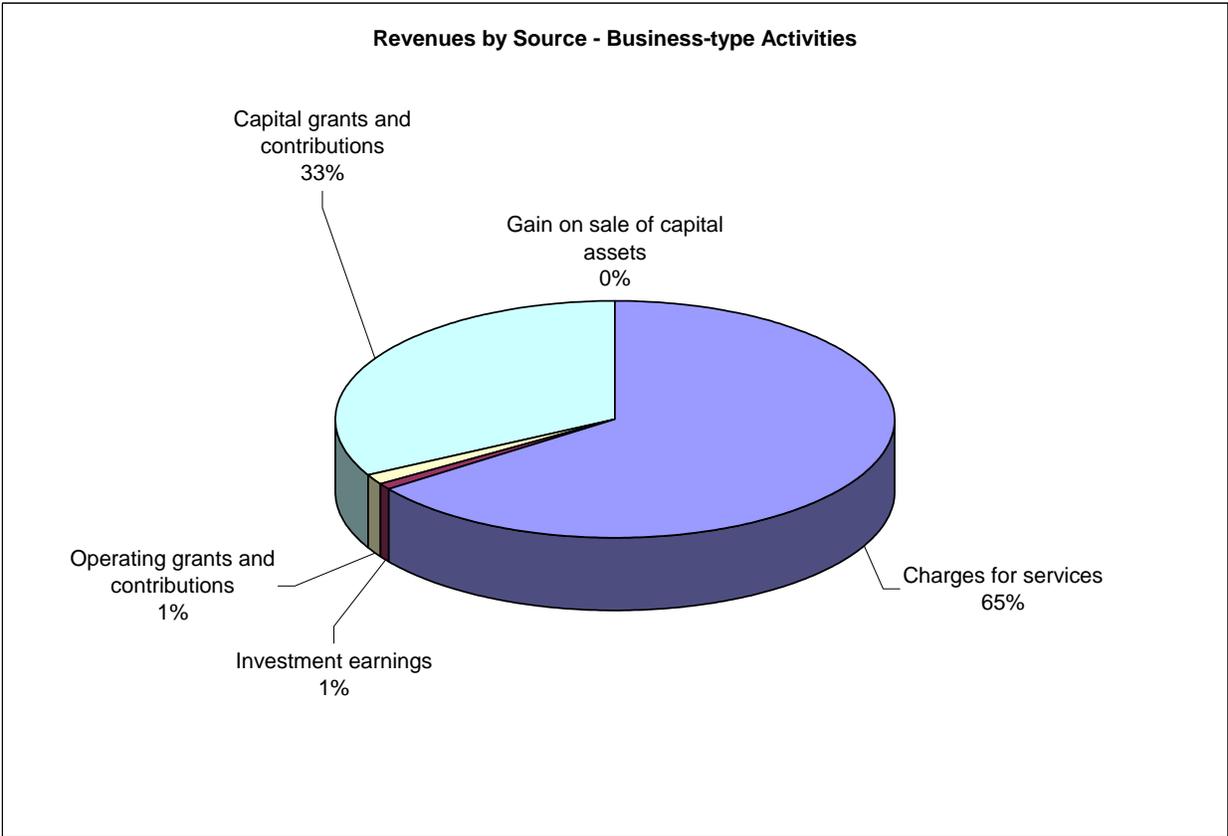
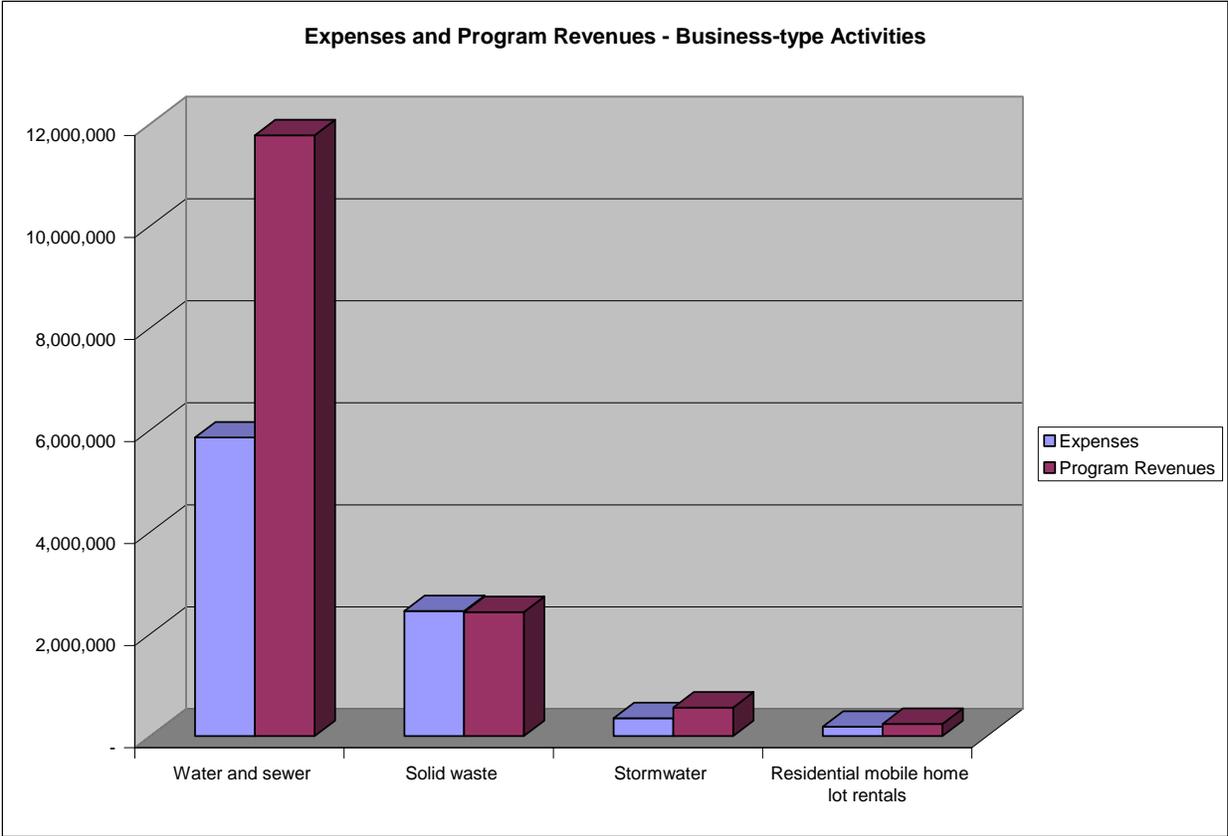
	Changes in Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program revenues:						
Charges for services	\$ 3,935,771	\$ 2,805,104	\$ 9,844,126	\$ 8,563,457	\$13,779,897	\$11,368,561
Operating grants and contributions	1,503,199	640,597	197,359	-	1,700,558	640,597
Capital grants and contributions	5,337,203	3,967,578	4,958,553	5,354,065	10,295,756	9,321,643
General revenues:						
Ad valorem	3,770,795	3,098,149	-	-	3,770,795	3,098,149
Franchise fees	1,008,447	903,925	-	-	1,008,447	903,925
Utility service taxes	1,571,435	1,480,323	-	-	1,571,435	1,480,323
Communication services taxes	925,309	855,324	-	-	925,309	855,324
Intergovernmental revenues	3,105,896	3,562,921	-	-	3,105,896	3,562,921
Investment earnings	166,875	269,759	122,842	159,094	289,717	428,853
Gain on sale of capital assets	239,065	-	10,700	40,000	249,765	40,000
Other	133,169	79,426	-	-	133,169	79,426
Total revenues	21,697,164	17,663,106	15,133,580	14,116,616	36,830,744	31,779,722
Expenses:						
General government	1,713,712	1,765,254	-	-	1,713,712	1,723,324
Public safety	6,939,815	5,779,190	-	-	6,939,815	5,779,190
Physical environment	542,696	458,625	-	-	542,696	458,625
Transportation	2,038,644	1,724,625	-	-	2,038,644	1,724,625
Economic environment	149,425	84,710	-	-	149,425	84,710
Public assistance	391,384	653,862	-	-	391,384	653,862
Culture and recreation	1,873,007	1,937,778	-	-	1,873,007	1,937,778
Interest on long-term debt	644,748	594,557	-	-	644,748	594,557
Water and sewer	-	-	5,852,648	4,934,858	5,852,648	4,934,858
Solid Waste	-	-	2,449,158	2,122,438	2,449,158	2,122,438
Stormwater	-	-	350,936	379,743	350,936	379,743
Trailer park rental	-	-	184,199	199,123	184,199	199,123
Total expenses	14,293,431	12,998,601	8,836,941	7,636,162	23,130,372	20,634,763
Change in net assets before transfers	7,403,733	4,664,505	6,296,639	6,480,454	13,700,372	11,144,959
Transfers	61,981	64,310	(61,981)	(64,310)	-	-
Change in net assets	7,465,714	4,728,815	6,234,658	6,416,144	13,700,372	11,144,959
Net assets- beginning	31,147,292	26,418,477	45,315,820	38,899,676	76,463,112	65,318,153
Net assets- ending	\$38,613,006	\$31,147,292	\$51,550,478	\$45,315,820	\$90,163,484	\$76,463,112

- Road impact fees increased 2.5% effective January 1, 2004, as provided for in the City's Code of Ordinances. The City also completed studies for road, police, fire, and recreation impact fees during the current fiscal year, and raised these fees significantly. These increases were phased in beginning August 1, 2004.
- The City experienced rapid growth in new construction during the current fiscal year, resulting in the collection of \$4,294,620 for road, police, fire, and recreation impact fees. While these funds are used for major capital purchases, the related assets are depreciated over many years in the government-wide financial statements, or not depreciated at all in the case of land. Thus, the related expense is largely not recognized in the same year as the impact fee revenues are received. During high growth periods, this has the effect of increasing net assets.





**Business-type activities.** Business-type activities increased the City’s net assets by \$6,234,658, accounting for 46 percent of the total growth in the City’s net assets. A key element of this increase was rapid growth in new construction during the current fiscal year, resulting in the collection of \$4,710,345 for water and sewer impact fees. While these funds are used for major capital purchases, the related assets are depreciated over many years, or not depreciated at all in the case of land. Thus, the related expense is largely not recognized in the same year as the impact fee revenues are received. During high growth periods, this has the effect of increasing net assets.



## 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 \$17,918,678, an increase of \$3,204,677. Of this amount, \$15,708,571 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 1) for advances to other funds (\$1,768,092), 2) for prepaid items (\$286,522), 3) for police training and education (\$64,921), or 4) for a variety of other restricted purposes (\$90,572).

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 \$7,492,876, while total fund balance was \$9,642,411. 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 51 percent of general fund expenditures, while total fund balance represents 66 percent of the same amount.

The fund balance of the City's General Fund increased by \$2,036,477 during the current fiscal year. Key factors in this growth are as follows:

- Licenses and permits revenues increased significantly, by \$881,795, primarily due to new construction.
- Budgeted amounts that were reserved for contingencies, in the amount of \$832,931, were not used.

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 \$67,773 in this fund to result in a negative fund balance of \$972,591. The negative fund balance is a result of an advance from the General Fund in fiscal year 2003 that was used to fund 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 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 \$880,418 in this fund. The key factors in this increase were higher than anticipated growth and an increase in impact fees that was phased in beginning August 1, 2004.

**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 \$20,089,961. Total growth in net assets for this fund was \$6,046,151. Unrestricted net assets in the Solid Waste Fund at the end of the year amounted to \$454,336, with a decrease in net assets of \$13,845.

### **General Fund Budgetary Highlights**

The General Fund budget was increased by \$2,136,431 from the original budget to the final amended budget (an increase of 15%). These increases can be summarized as follows:

- \$660,509 increase in general government activities. This was primarily due to an increase of \$443,000 for the purchase of a property.
- \$212,005 increase in public safety activities.
- \$63,600 increase in physical environment activities.
- \$976,308 increase in transportation activities. This was primarily due to an increase of \$822,000 for a new road project.
- \$14,000 increase in public assistance activities.
- \$30,245 increase in culture and recreation activities.
- \$24,894 increase in debt service.
- \$154,870 increase in reserve for contingencies.

Of this increase, \$1,647,531 was to be funded out of miscellaneous increases in tax revenues, fees, intergovernmental revenues, sale of capital assets, and debt proceeds. The remaining \$488,900 was to be budgeted from available fund balance and a reduction of transfers in. During the year, however, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

The final budget for licenses and permits revenue was \$1,880,975, while the actual amount was \$2,770,604, a variance of \$889,629. This was due to a significant increase in new construction during the current fiscal year.

## 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, 2004, amounts to \$66,759,002 (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 14 percent (a five percent increase for governmental activities and a 22 percent increase for business-type activities).

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

- Construction on the expansion of the wastewater treatment plant was substantially completed; construction in progress as of the end of the current fiscal year had reached \$11,559,091.
- Construction of the southern water treatment plant was substantially completed; construction in progress as of the end of the current fiscal year had reached \$2,407,985.
- Work continued on Stoneybrook West Parkway East; construction in progress as of the end of the current fiscal year had reached \$916,669.
- Through the power of eminent domain, land was acquired for the widening of Daniels Road at a cost of \$191,303 and for the widening of East Plant Street and related drainage improvements at a cost of \$316,371.

	<u>Governmental Activities</u>	<u>Capital Assets Business-type Activities</u>	<u>Total</u>
Land	\$ 7,087,712	\$ 1,024,601	\$ 8,112,313
Buildings	4,122,715	5,979,243	10,101,958
Improvements other than buildings	1,699,024	10,328,268	12,027,292
Equipment and furniture	6,203,033	4,506,571	10,709,604
Infrastructure	16,493,236	8,048,088	24,541,324
Construction work in progress	2,178,864	20,175,235	22,354,099
Less: accumulated depreciation	(8,686,168)	(12,401,420)	(21,087,588)
Net capital assets	<u>\$ 29,098,416</u>	<u>\$ 37,660,586</u>	<u>\$ 66,759,002</u>

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

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$21,493,808. Of this amount, \$8,929,030 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.

<b>Outstanding Debt, at year end</b>	
Governmental:	
Series 2001 OOCEA Agreement	\$ 5,177,551
Series 2001 CRA Loan	3,551,479
Series 1999 (1) Revenue Bond	173,370
Sub-total	8,902,400
Business Type:	
Series 2004 SRF Loan	2,066,219
Series 2003 SRF Loan	9,480,059
Series 2001 SRF Loan	1,018,500
Series 1999 (1) Revenue Bond	26,630
Sub-total	12,591,408
Total	<b>\$21,493,808</b>

The City's total debt increased by \$5,826,943 (37 percent) during the current fiscal year. The key factor in this increase was the \$7,951,174 in the State Revolving Fund loans for the construction of the southern area water treatment plant and the expansion of the wastewater treatment plant.

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.F* in the notes to the financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

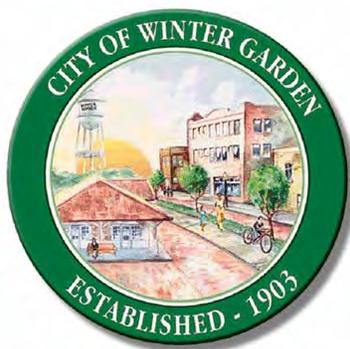
The City is experiencing significant growth, thus the costs of providing governmental services have likewise been increasing; however, revenues have kept pace with the growth in costs. During the budget process for the fiscal year ending September 30, 2005, department heads focused on controlling costs and were successful in doing so. The City held its millage rate at 4.3040.

Road impact fees increased 2.5 percent on January 1, 2004 as required in the City's Code of Ordinances. The City conducted studies in fiscal year 2004 to examine the rates for road, recreation, police, and fire impact fees. These studies resulted in significant increases in these fees that were phased in beginning August 1, 2004. The full rates will be effective November 1, 2004. Water and sewer rates increased 2.3 percent on October 1, 2003 as required by the Code of Ordinances. The City was in the process of examining its water, sewer, and stormwater rates and its water and sewer impact fees at the end of fiscal year 2004.

During the current fiscal year, the City was impacted by an unprecedented three major hurricanes. Structural damage to City property amounted to \$24,141. The City spent \$159,776 in emergency preparation for the storms and \$168,781 for debris cleanup on City roadways. It is expected that nearly all of these costs will be reimbursed by the Federal Emergency Management Agency and the State of Florida matching of Federal awards. Thus, the financial impact to the City was minimal.

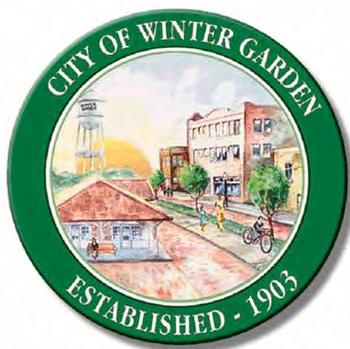
### **Requests for Information**

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.



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# **BASIC FINANCIAL STATEMENTS**



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**City of Winter Garden, Florida**  
**Statement of Net Assets**  
**September 30, 2004**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,666,705	\$ 1,514,362	\$ 6,181,067
Receivables (net of allowance for uncollectibles)	507,928	1,241,571	1,749,499
Internal balances	594,021	(594,021)	-
Due from other governmental units	569,320	199,077	768,397
Inventories	45,434	117,387	162,821
Investments	13,730,020	5,300,300	19,030,320
Prepaid items	286,522	635	287,157
Other assets	-	13,978	13,978
Restricted cash, cash equivalents, and investments	69,621	21,858,191	21,927,812
Pension assets	828,644	-	828,644
Capital assets (net of accumulated depreciation):			
Land	7,087,712	1,024,601	8,112,313
Buildings	2,381,477	3,151,639	5,533,116
Improvements other than buildings	619,656	4,907,634	5,527,290
Equipment and furniture	2,123,026	1,348,034	3,471,060
Infrastructure	14,707,681	7,053,443	21,761,124
Construction work in progress	2,178,864	20,175,235	22,354,099
<b>Total assets</b>	<b>\$ 50,396,631</b>	<b>\$ 67,312,066</b>	<b>\$ 117,708,697</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 517,934	\$ 302,419	\$ 820,353
Contracts payable	5,299	4,030	9,329
Due to other governmental units	1,172,039	1,088	1,173,127
Accrued interest payable	124,214	378	124,592
Accrued wages payable	210,610	75,822	286,432
Deposits	42,000	-	42,000
Deferred revenue	118,356	85,702	204,058
Other current liabilities	301,516	80,443	381,959
Liabilities payable from restricted assets	-	2,748,146	2,748,146
Noncurrent liabilities:			
Due within one year	340,211	22,496	362,707
Due in more than one year	8,951,446	12,418,568	21,370,014
<b>Total liabilities</b>	<b>11,783,625</b>	<b>15,739,092</b>	<b>27,522,717</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	20,098,672	24,490,427	44,589,099
Restricted for:			
Public safety	1,322,573	-	1,322,573
Transportation	6,023,796	-	6,023,796
Culture and recreation	1,468,726	-	1,468,726
Debt service	60,366	429,346	489,712
Capital projects	-	5,187,977	5,187,977
Renewal and replacement	-	1,109,648	1,109,648
Unrestricted	9,638,873	20,333,080	29,971,953
<b>Total net assets</b>	<b>\$ 38,613,006</b>	<b>\$ 51,550,478</b>	<b>\$ 90,163,484</b>

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, 2004**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Indirect Expenses Allocation</b>	<b>Program Revenues</b>		
			<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Governmental activities:					
General government	\$ 2,316,096	\$ (602,384)	\$ 674,970	\$ 12,850	\$ -
Public safety	7,152,781	-	2,616,511	306,891	542,122
Physical environment	727,050	(184,354)	155,240	6,557	-
Transportation	2,096,645	(58,001)	346,157	817,444	4,305,274
Economic environment	149,425	-	-	229,814	52,575
Public assistance	391,384	-	-	325,928	-
Culture and recreation	1,873,007	-	142,893	16,681	437,232
Interest on long-term debt	644,748	-	-	-	-
Total governmental activities	<u>15,351,136</u>	<u>(844,739)</u>	<u>3,935,771</u>	<u>1,716,165</u>	<u>5,337,203</u>
Business-type activities:					
Water and sewer	5,324,565	528,083	6,732,207	83,516	4,958,553
Solid waste	2,193,620	255,538	2,317,124	113,843	-
Stormwater	303,150	47,786	558,857	-	-
Residential mobile home lot rentals	170,867	13,332	235,938	-	-
Total business-type activities	<u>7,992,202</u>	<u>844,739</u>	<u>9,844,126</u>	<u>197,359</u>	<u>4,958,553</u>
Total Functions/Programs	<u>\$ 23,343,338</u>	<u>\$ -</u>	<u>\$ 13,779,897</u>	<u>\$ 1,913,524</u>	<u>\$ 10,295,756</u>

General revenues:  
Taxes:  
  Ad valorem  
  Franchise fees  
  Utility services  
  Communications services  
Intergovernmental  
Investment earnings  
Gain 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**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (1,025,892)	\$ -	\$ (1,025,892)
(3,687,257)	-	(3,687,257)
(380,899)	-	(380,899)
3,430,231	-	3,430,231
132,964	-	132,964
(65,456)	-	(65,456)
(1,276,201)	-	(1,276,201)
(644,748)	-	(644,748)
<u>(3,517,258)</u>	<u>-</u>	<u>(3,517,258)</u>
-	5,921,628	5,921,628
-	(18,191)	(18,191)
-	207,921	207,921
-	51,739	51,739
-	6,163,097	6,163,097
<u>(3,517,258)</u>	<u>6,163,097</u>	<u>2,645,839</u>
3,770,795	-	3,770,795
1,008,447	-	1,008,447
1,571,435	-	1,571,435
925,309	-	925,309
3,105,896	-	3,105,896
166,875	122,842	289,717
239,065	10,700	249,765
133,169	-	133,169
61,981	(61,981)	-
<u>10,982,972</u>	<u>71,561</u>	<u>11,054,533</u>
7,465,714	6,234,658	13,700,372
31,147,292	45,315,820	76,463,112
<u>\$ 38,613,006</u>	<u>\$ 51,550,478</u>	<u>\$ 90,163,484</u>

**City of Winter Garden, Florida  
Balance Sheet  
Governmental Funds  
September 30, 2004**

	<u>General</u>	<u>Community Redevelopment Agency</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,384,346	\$ 222,587
Receivables (net of allowance for uncollectibles)	507,928	-
Advances to other funds	1,768,092	-
Due from other governmental units	501,225	-
Investments	7,627,063	-
Prepaid items	286,522	-
Restricted cash and cash equivalents	-	-
Total assets	<u>\$ 12,075,176</u>	<u>\$ 222,587</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 461,892	\$ 19,009
Contracts payable	-	-
Due to other governmental units	1,172,039	-
Accrued wages payable	208,512	2,098
Deposits	42,000	-
Deferred revenue	256,061	-
Other current liabilities	292,261	-
Advances from other funds	-	1,174,071
Total liabilities	<u>2,432,765</u>	<u>1,195,178</u>
Fund balances:		
Reserved for:		
Encumbrances	-	-
Police training and education	64,921	-
Television production equipment	30,000	-
Advances to other funds	1,768,092	-
Prepaid items	286,522	-
Debt service	-	-
Unreserved (deficit), reported in:		
General fund	7,492,876	-
Special revenue funds	-	(972,591)
Capital project funds	-	-
Total fund balances	<u>9,642,411</u>	<u>(972,591)</u>
Total liabilities and fund balances	<u>\$ 12,075,176</u>	<u>\$ 222,587</u>

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

<u>Impact Fee</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,931,059	\$ 1,128,713	\$ 4,666,705
-	-	507,928
-	-	1,768,092
-	68,095	569,320
6,102,957	-	13,730,020
-	-	286,522
-	69,621	69,621
<u>\$ 8,034,016</u>	<u>\$ 1,266,429</u>	<u>\$ 21,598,208</u>

\$ 20,436	\$ 16,597	\$ 517,934
-	5,299	5,299
-	-	1,172,039
-	-	210,610
-	-	42,000
-	-	256,061
-	9,255	301,516
-	-	1,174,071
<u>20,436</u>	<u>31,151</u>	<u>3,679,530</u>

-	206	206
-	-	64,921
-	-	30,000
-	-	1,768,092
-	-	286,522
-	60,366	60,366
-	-	7,492,876
8,013,580	889,667	7,930,656
-	285,039	285,039
<u>8,013,580</u>	<u>1,235,278</u>	<u>17,918,678</u>
<u>\$ 8,034,016</u>	<u>\$ 1,266,429</u>	<u>\$ 21,598,208</u>



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**City of Winter Garden, Florida  
 Reconciliation of the Balance Sheet of  
 Governmental Funds to the Statement of Net Assets  
 September 30, 2004**

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

Fund balances-total governmental funds	\$ 17,918,678
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	29,098,416
Inventories are recognized as an expenditure at the time of purchase in the governmental funds.	45,434
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.	828,644
Earned but deferred revenue is recognized as a liability in the governmental funds.	137,705
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(9,291,657)
Interest payable on long-term debt is not accrued in governmental funds; rather, it is recognized as an expenditure when due. These liabilities are reported in the statement of net assets	<u>(124,214)</u>
Net assets of governmental activities	<u>\$ 38,613,006</u>

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

**City of Winter Garden, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2004**

	<u>General</u>	<u>Community Redevelopment Agency</u>
<b>REVENUES</b>		
Taxes:		
Ad valorem	\$ 3,770,795	\$ -
Franchise fees	1,008,447	-
Utility services	1,571,435	-
Communications services	925,309	-
Licenses and permits	2,770,604	-
Intergovernmental	3,765,614	229,814
Charges for services	1,635,726	-
Fines and forfeits	254,486	-
Investment earnings	147,994	9,189
Rents and royalties	128,048	-
Impact fees	-	-
Contributions and donations	13,656	-
Other	133,169	-
Total revenues	<u>16,125,283</u>	<u>239,003</u>
<b>EXPENDITURES</b>		
Current:		
General government	2,336,743	-
Public safety	6,934,478	-
Physical environment	780,387	-
Transportation	2,414,832	-
Economic environment	-	131,623
Public assistance	391,384	-
Culture and recreation	1,823,893	-
Capital outlay	-	-
Debt service:		
Principal	21,187	-
Interest	5,971	35,668
Total expenditures	<u>14,708,875</u>	<u>167,291</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,416,408</u>	<u>71,712</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	588,298	191,446
Transfers out	(334,304)	(330,931)
Sale of capital assets	247,544	-
Debt proceeds	118,531	-
Total other financing sources and (uses)	<u>620,069</u>	<u>(139,485)</u>
Net change in fund balances	2,036,477	(67,773)
Fund balances—beginning	7,605,934	(904,818)
Fund balances—ending	<u>\$ 9,642,411</u>	<u>\$ (972,591)</u>

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

<u>Impact Fee</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 3,770,795
-	-	1,008,447
-	-	1,571,435
-	-	925,309
-	-	2,770,604
-	1,509,498	5,504,926
-	-	1,635,726
-	(8,354)	246,132
97,014	9,692	263,889
-	-	128,048
4,294,620	-	4,294,620
58,771	52,575	125,002
-	-	133,169
<u>4,450,405</u>	<u>1,563,411</u>	<u>22,378,102</u>
-	-	2,336,743
43,177	239,296	7,216,951
-	-	780,387
764,688	383,704	3,563,224
-	-	131,623
-	-	391,384
37,122	-	1,861,015
-	(120,793)	(120,793)
1,648,899	449,797	2,119,883
<u>1,076,101</u>	<u>203,324</u>	<u>1,321,064</u>
<u>3,569,987</u>	<u>1,155,328</u>	<u>19,601,481</u>
<u>880,418</u>	<u>408,083</u>	<u>2,776,621</u>
-	653,670	1,433,414
-	(706,198)	(1,371,433)
-	-	247,544
-	-	118,531
-	(52,528)	428,056
880,418	355,555	3,204,677
<u>7,133,162</u>	<u>879,723</u>	<u>14,714,001</u>
<u>\$ 8,013,580</u>	<u>\$ 1,235,278</u>	<u>\$ 17,918,678</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, 2004**

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

Net change in fund balances—total governmental funds	\$	3,204,677
Governmental funds report revenues earned during the period but not yet available as a deferred revenue liability. However, in the statement of activities revenues are reported when earned.		137,705
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.		1,280,054
In the statement of activities, only the loss 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.		(8,479)
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.		2,001,352
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.		835,211
In the governmental funds, purchases of inventories are reported as expenditures, whereas in the Statement of Activities, only the change in the balance of inventories is expensed.		<u>15,194</u>
Change in net assets of governmental activities	\$	<u>7,465,714</u>

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

**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, 2004**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget— Positive (Neg)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 3,784,000	\$ 3,784,000	\$ 3,770,795	\$ (13,205)
Franchise fees	878,000	878,000	1,008,447	130,447
Utility services	1,315,000	1,315,000	1,571,435	256,435
Communications services	850,000	850,000	925,309	75,309
Licenses and permits	1,510,975	1,880,975	2,770,604	889,629
Intergovernmental	2,691,570	3,548,570	3,765,614	217,044
Charges for services	1,352,698	1,352,698	1,635,726	283,028
Fines and forfeits	163,900	177,900	254,486	76,586
Investment earnings	261,606	261,606	147,994	(113,612)
Rents and royalties	137,400	137,400	128,048	(9,352)
Contributions and donations	3,200	3,200	13,656	10,456
Other	54,250	89,250	133,169	43,919
Total revenues	<u>13,002,599</u>	<u>14,278,599</u>	<u>16,125,283</u>	<u>1,846,684</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative	74,226	83,226	73,552	9,674
Financial and administrative	1,526,113	2,190,518	1,758,388	432,130
Legal Counsel	100,000	80,000	206,681	(126,681)
Comprehensive Planning	298,716	305,820	298,122	7,698
Total general government	<u>1,999,055</u>	<u>2,659,564</u>	<u>2,336,743</u>	<u>322,821</u>
Public safety:				
Law enforcement	3,904,472	4,029,225	4,029,395	(170)
Fire control	2,192,707	2,239,059	2,180,975	58,084
Protective inspections	698,175	739,075	724,108	14,967
Total public safety	<u>6,795,354</u>	<u>7,007,359</u>	<u>6,934,478</u>	<u>72,881</u>
Physical environment:				
Cemetery	138,831	138,831	148,080	(9,249)
Building maintenance	308,545	351,545	347,208	4,337
Fleet maintenance	264,631	285,231	285,099	132
Total physical environment	<u>712,007</u>	<u>775,607</u>	<u>780,387</u>	<u>(4,780)</u>
Transportation:				
Engineering	475,344	514,137	515,075	(938)
Construction and maintenance	940,360	1,877,875	1,899,757	(21,882)
Total transportation	<u>1,415,704</u>	<u>2,392,012</u>	<u>2,414,832</u>	<u>(22,820)</u>
Public assistance	376,880	390,880	391,384	(504)
Culture and recreation	1,843,829	1,874,074	1,823,893	50,181
Reserve for contingencies	678,061	832,931	-	832,931
Debt service:				
Principal	-	19,376	21,187	(1,811)
Interest	-	5,518	5,971	(453)
Total expenditures	<u>13,820,890</u>	<u>15,957,321</u>	<u>14,708,875</u>	<u>1,248,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(818,291)</u>	<u>(1,678,722)</u>	<u>1,416,408</u>	<u>3,095,130</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	665,994	613,031	588,298	(24,733)
Transfers out	(334,518)	(334,518)	(334,304)	214
Sale of capital assets	-	253,000	247,544	(5,456)
Debt proceeds	-	118,531	118,531	-
Total other financing sources and (uses)	<u>331,476</u>	<u>650,044</u>	<u>620,069</u>	<u>(29,975)</u>
Net change in fund balances	(486,815)	(1,028,678)	2,036,477	3,065,155
Fund balances—beginning	7,605,934	7,605,934	7,605,934	-
Fund balances—ending	<u>\$ 7,119,119</u>	<u>\$ 6,577,256</u>	<u>\$ 9,642,411</u>	<u>\$ 3,065,155</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, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget—</u>
				<u>Positive (Neg)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 229,695	\$ 229,695	\$ 229,814	\$ 119
Investment earnings	15,000	15,000	9,189	(5,811)
Total revenues	<u>244,695</u>	<u>244,695</u>	<u>239,003</u>	<u>(5,692)</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	103,319	103,319	131,623	(28,304)
Debt service:				
Interest	35,668	35,668	35,668	-
Total expenditures	<u>138,987</u>	<u>138,987</u>	<u>167,291</u>	<u>(28,304)</u>
Excess of revenues over expenditures	<u>105,708</u>	<u>105,708</u>	<u>71,712</u>	<u>(33,996)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	191,446	191,446	191,446	-
Transfers out	<u>(381,697)</u>	<u>(381,697)</u>	<u>(330,931)</u>	<u>50,766</u>
Total other financing sources and (uses)	<u>(190,251)</u>	<u>(190,251)</u>	<u>(139,485)</u>	<u>50,766</u>
Net change in fund balances	(84,543)	(84,543)	(67,773)	16,770
Fund balances—beginning	<u>(904,818)</u>	<u>(904,818)</u>	<u>(904,818)</u>	<u>-</u>
Fund balances—ending	<u>\$ (989,361)</u>	<u>\$ (989,361)</u>	<u>\$ (972,591)</u>	<u>\$ 16,770</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, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget—</b>
				<b>Positive (Neg)</b>
<b>REVENUES</b>				
Investment earnings	\$ 168,000	\$ 168,000	\$ 97,014	\$ (70,986)
Impact fees	2,675,000	2,970,000	4,294,620	1,324,620
Contributions and donations	-	-	58,771	58,771
Total revenues	<u>2,843,000</u>	<u>3,138,000</u>	<u>4,450,405</u>	<u>1,312,405</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Law enforcement	42,500	162,500	43,177	119,323
Transportation	595,000	3,062,500	764,688	2,297,812
Culture and recreation	-	-	37,122	(37,122)
Debt service:				
Principal	2,725,643	2,725,643	1,648,899	1,076,744
Interest	274,357	274,357	1,076,101	(801,744)
Total expenditures	<u>3,637,500</u>	<u>6,225,000</u>	<u>3,569,987</u>	<u>2,655,013</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(794,500)</u>	<u>(3,087,000)</u>	<u>880,418</u>	<u>3,967,418</u>
Fund balances—beginning	7,133,162	7,133,162	7,133,162	-
Fund balances—ending	<u>\$ 6,338,662</u>	<u>\$ 4,046,162</u>	<u>\$ 8,013,580</u>	<u>\$ 3,967,418</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, 2004**

**Business-type Activities—Enterprise Funds**

	<b>Water and Sewer Utility</b>	<b>Solid Waste</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 812,790	\$ 296,453	\$ 405,119	\$ 1,514,362
Accounts receivable (net of allowance for uncollectibles)	816,202	207,028	57,754	1,080,984
Due from other governmental units	85,234	113,843	-	199,077
Interest receivable	160,587	-	-	160,587
Inventories--materials and supplies	117,387	-	-	117,387
Investments	5,300,300	-	-	5,300,300
Prepaid items	635	-	-	635
Other assets	9,255	-	4,723	13,978
Restricted cash, cash equivalents, and investments for payment of current liabilities	2,748,146	-	-	2,748,146
<b>Total current assets</b>	<b>10,050,536</b>	<b>617,324</b>	<b>467,596</b>	<b>11,135,456</b>
Noncurrent assets:				
Restricted cash, cash equivalents, and investments:				
Capital projects	17,572,769	-	-	17,572,769
Renewal and replacement	1,107,930	-	-	1,107,930
Debt service	429,346	-	-	429,346
<b>Total restricted</b>	<b>19,110,045</b>	<b>-</b>	<b>-</b>	<b>19,110,045</b>
Capital assets:				
Land	700,149	261,152	63,300	1,024,601
Buildings	5,496,310	448,596	34,337	5,979,243
Improvements other than buildings	8,873,694	311,145	1,143,429	10,328,268
Equipment and furniture	2,556,206	1,652,502	297,863	4,506,571
Infrastructure	7,169,317	-	878,771	8,048,088
Construction work in progress	19,460,532	-	714,703	20,175,235
Less accumulated depreciation	(10,370,900)	(1,296,690)	(733,830)	(12,401,420)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>33,885,308</b>	<b>1,376,705</b>	<b>2,398,573</b>	<b>37,660,586</b>
<b>Total noncurrent assets</b>	<b>52,995,353</b>	<b>1,376,705</b>	<b>2,398,573</b>	<b>56,770,631</b>
<b>Total assets</b>	<b>63,045,889</b>	<b>1,994,029</b>	<b>2,866,169</b>	<b>67,906,087</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	145,005	113,361	44,053	302,419
Contracts payable	-	-	4,030	4,030
Due to other governmental units	1,088	-	-	1,088
Compensated absences	15,147	4,141	3,208	22,496
Accrued interest payable	378	-	-	378
Accrued wages payable	49,928	17,291	8,603	75,822
Deferred revenue	76,255	-	9,447	85,702
Other current liabilities	55,180	17,837	7,426	80,443
<b>Total current liabilities</b>	<b>342,981</b>	<b>152,630</b>	<b>76,767</b>	<b>572,378</b>
Current liabilities payable from restricted assets:				
Accounts payable	110,863	-	-	110,863
Notes and loans payable	179,986	-	-	179,986
Contracts payable	582,000	-	-	582,000
Accrued interest payable	578,751	-	-	578,751
Customer deposits	1,269,916	-	-	1,269,916
Revenue bonds payable	26,630	-	-	26,630
<b>Total current liabilities payable from restricted assets</b>	<b>2,748,146</b>	<b>-</b>	<b>-</b>	<b>2,748,146</b>
Noncurrent liabilities:				
Notes and Loans Payable	12,384,792	-	-	12,384,792
Compensated absences	37,889	10,358	8,025	56,272
Advances from other funds	-	-	594,021	594,021
<b>Total noncurrent liabilities</b>	<b>12,422,681</b>	<b>10,358</b>	<b>602,046</b>	<b>13,035,085</b>
<b>Total liabilities</b>	<b>15,513,808</b>	<b>162,988</b>	<b>678,813</b>	<b>16,355,609</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	20,715,149	1,376,705	2,398,573	24,490,427
Restricted for:				
Capital projects	5,187,977	-	-	5,187,977
Renewal and Replacement	1,109,648	-	-	1,109,648
Debt service	429,346	-	-	429,346
Unrestricted	20,089,961	454,336	(211,217)	20,333,080
<b>Total net assets</b>	<b>\$ 47,532,081</b>	<b>\$ 1,831,041</b>	<b>\$ 2,187,356</b>	<b>\$ 51,550,478</b>

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, 2004**

**Business-type Activities—Enterprise Funds**

	<b>Water and Sewer Utility</b>	<b>Solid Waste</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>
Operating revenues:				
Licenses and permits	\$ 22,026	\$ -	\$ -	\$ 22,026
Charges for services	6,678,689	2,317,009	550,577	9,546,275
Other	31,492	115	244,218	275,825
Total operating revenues	<u>6,732,207</u>	<u>2,317,124</u>	<u>794,795</u>	<u>9,844,126</u>
Operating expenses:				
Personal services	1,809,807	622,466	189,787	2,622,060
Contractual services	500,379	1,117,868	65,108	1,683,355
Utilities	420,510	1,543	7,959	430,012
Supplies	776,434	126,438	14,821	917,693
Depreciation	840,273	175,411	102,197	1,117,881
Other services and charges	1,151,288	405,432	155,263	1,711,983
Total operating expenses	<u>5,498,691</u>	<u>2,449,158</u>	<u>535,135</u>	<u>8,482,984</u>
Operating income (loss)	<u>1,233,516</u>	<u>(132,034)</u>	<u>259,660</u>	<u>1,361,142</u>
Nonoperating revenues (expenses):				
Intergovernmental	117,877	113,843	-	231,720
Investment earnings	328,370	4,346	3,973	336,689
Impact fees	4,710,345	-	-	4,710,345
Gain on disposition of fixed assets	10,000	-	700	10,700
Interest expense	(314,607)	-	-	(314,607)
Other nonoperating uses	(39,350)	-	-	(39,350)
Total nonoperating revenues (expenses)	<u>4,812,635</u>	<u>118,189</u>	<u>4,673</u>	<u>4,935,497</u>
Income (loss) before transfers	6,046,151	(13,845)	264,333	6,296,639
Transfers out	-	-	(61,981)	(61,981)
Change in net assets	6,046,151	(13,845)	202,352	6,234,658
Total net assets—beginning	<u>41,485,930</u>	<u>1,844,886</u>	<u>1,985,004</u>	<u>45,315,820</u>
Total net assets—ending	<u>\$ 47,532,081</u>	<u>\$ 1,831,041</u>	<u>\$ 2,187,356</u>	<u>\$ 51,550,478</u>

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



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**City of Winter Garden, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2004**

<b>Business-type Activities—Enterprise Funds</b>				
	<b>Water and Sewer Utility</b>	<b>Solid Waste</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 6,833,453	\$ 2,319,284	\$ 784,341	\$ 9,937,078
Payments to suppliers	(4,480,213)	(1,596,086)	(236,471)	(6,312,770)
Payments to employees	(1,820,334)	(626,643)	(186,543)	(2,633,520)
Payments to other governmental units	(13,436)	-	-	(13,436)
Net cash provided by operating activities	<u>519,470</u>	<u>96,555</u>	<u>361,327</u>	<u>977,352</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	-	-	(61,981)	(61,981)
Interest paid on deposits	(33,017)	-	-	(33,017)
Net cash (used) by noncapital and related financing activities	<u>(33,017)</u>	<u>-</u>	<u>(61,981)</u>	<u>(94,998)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from capital debt	8,210,847	-	-	8,210,847
Grant received	32,643	-	-	32,643
Purchases of capital assets	(7,590,655)	(245,143)	(152,120)	(7,987,918)
Principal paid on capital debt	(25,535)	-	-	(25,535)
Interest paid on capital debt	(2,224)	-	-	(2,224)
Proceeds from sales of capital assets	10,000	-	700	10,700
Impact fees received	4,710,345	-	-	4,710,345
Net cash provided (used) by capital and related financing activities	<u>5,345,421</u>	<u>(245,143)</u>	<u>(151,420)</u>	<u>4,948,858</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales and maturities of investments	35,059,514	-	-	35,059,514
Purchase of investments	(43,208,177)	-	-	(43,208,177)
Interest received	692,465	4,346	3,973	700,784
Net cash provided (used) by investing activities	<u>(7,456,198)</u>	<u>4,346</u>	<u>3,973</u>	<u>(7,447,879)</u>
Net increase (decrease) in cash and cash equivalents	(1,624,324)	(144,242)	151,899	(1,616,667)
Cash and cash equivalents, October 1 (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>
Cash and cash equivalents, September 30 (including \$1,817,885 for the water and sewer fund reported in restricted accounts)	<u>\$ 2,615,528</u>	<u>\$ 292,312</u>	<u>\$ 397,186</u>	<u>\$ 3,305,026</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 1,233,516	\$ (132,034)	\$ 259,660	\$ 1,361,142
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	840,273	175,411	102,197	1,117,881
(Increase) in accounts receivable	(60,863)	(7,090)	(16,258)	(84,211)
Increase in allowance for uncollectible accounts	27,629	9,250	7,751	44,630
Decrease in inventories	29,382	-	-	29,382
(Increase) in prepaid items	(635)	-	-	(635)
Decrease in other assets	1,686	18,941	3,125	23,752
Increase in customer deposits	112,840	-	-	112,840
Increase (decrease) in accounts payable	(1,688,503)	28,850	(1,180)	(1,660,833)
(Decrease) in due to other governmental units	(179)	-	-	(179)
Increase (decrease) in accrued wages payable	(4,416)	(2,179)	3,586	(3,009)
Increase (decrease) in deferred revenue	8,383	-	(1,947)	6,436
Increase in other current liabilities	26,468	7,404	4,735	38,607
Increase in compensated absences	(6,111)	(1,998)	(342)	(8,451)
Total adjustments	<u>(714,046)</u>	<u>228,589</u>	<u>101,667</u>	<u>(383,790)</u>
Net cash provided by operating activities	<u>\$ 519,470</u>	<u>\$ 96,555</u>	<u>\$ 361,327</u>	<u>\$ 977,352</u>
<b>Noncash investing, capital, and financing activities:</b>				
(Decrease) in fair value of investments	(249,605)	-	-	-

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, 2004**

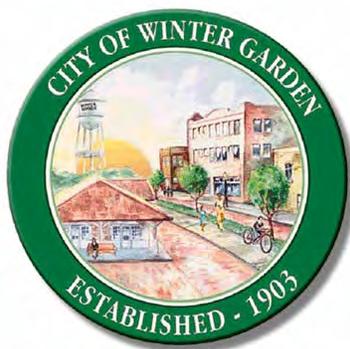
	<b>Pension Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,595,344
Receivables:	
Employer	378,802
Retiree	9,960
Interest and dividends	96,348
Total receivables	485,110
Due from other governmental units	123,750
Investments, at fair value:	
Fixed income securities	9,031,723
Equities	11,687,322
Total investments	20,719,045
Total assets	22,923,249
<b>LIABILITIES</b>	
Accounts payable	15,452
Deferred revenue	123,750
Total liabilities	139,202
<b>NET ASSETS</b>	
Held in trust for pension benefits	\$ 22,784,047

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, 2004**

	<b>Pension Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 1,320,347
Plan members	30,942
Excise tax proceeds	212,966
Total contributions	1,564,255
Investment earnings:	
Interest	393,428
Dividends	186,235
Net increase in the fair value of investments	1,065,937
Total investment earnings	1,645,600
Less investment expense	119,940
Net investment earnings	1,525,660
Total additions	3,089,915
 <b>DEDUCTIONS</b>	
Benefits	731,649
Refunds	1,756
Administrative	46,038
Total deductions	779,443
Change in net assets	2,310,472
Net assets—beginning	20,473,575
Net assets—ending	\$ 22,784,047

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



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CITY OF WINTER GARDEN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
for the year ended September 30, 2004

**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 was incorporated November 10, 1903 in the “Miscellaneous Record” Orange County volume 37, page 444, and reincorporated May 31, 1913 by the “Laws of Florida” chapter 6798. 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, 2004

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, 2004

The City reports the following major proprietary funds:

The *Water and Sewer Utility 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.

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 Utility 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.

CITY OF WINTER GARDEN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
for the year ended September 30, 2004

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.

***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.

CITY OF WINTER GARDEN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
for the year ended September 30, 2004

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 Debt Service Fund are classified as restricted assets on the balance sheet of governmental funds because their use is limited by applicable loan agreement covenants. Certain resources of the Water and Sewer Utility 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 Utility 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.

**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.

CITY OF WINTER GARDEN, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 for the year ended September 30, 2004

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 but 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 or early retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund 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.

**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.

CITY OF WINTER GARDEN, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 for the year ended September 30, 2004

**E. Property taxes**

For property taxes budgeted for the fiscal year ended September 30, 2004, all property was assessed according to its fair market value on January 1, 2003, 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 17, 2003. Tax bills were rendered November 1, 2003, and unpaid taxes became delinquent on April 1, 2004. On or prior to June 1, 2004, tax certificates were sold for all delinquent taxes on real property.

**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 \$9,291,657 difference are as follows:

Bonds, notes, and long-term agreements payable	\$8,902,400
Capital lease payable	97,344
Compensated absences	<u>291,913</u>
Net adjustment to reduce <i>fund balance—total governmental funds</i> to arrive at <i>net assets—governmental activities</i>	<u>\$9,291,657</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 \$1,280,054 difference are as follows:

CITY OF WINTER GARDEN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
for the year ended September 30, 2004

Capital outlay	\$2,775,584
Depreciation expense	<u>(1,495,530)</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>\$1,280,054</u>

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 \$2,001,352 difference are as follows:

Debt issued or incurred:	
Capital lease financing	\$ (118,531)
Principal repayments:	
Capital leases	21,187
Intergovernmental agreements	1,648,899
Revenue notes	148,521
Revenue bonds	<u>301,276</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>\$(2,001,352)</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 \$835,211 difference are as follows:

Compensated absences	\$ (35,415)
Accrued interest	676,316
Pension asset	<u>194,310</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>\$835,211</u>

CITY OF WINTER GARDEN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
for the year ended September 30, 2004

**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 except the capital projects funds, which adopt project-length budgets. 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.

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 \$5,176,639 in the governmental funds. These were primarily due to encumbrances outstanding at the end of the 2003 fiscal year, reappropriation of funds for construction contracts, and unanticipated sales and purchases of capital assets.

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, 2004, expenditures exceeded appropriations in the Community Redevelopment Agency Fund by \$28,304, in the Law Enforcement Trust Fund by \$5,610, and in the Police and Fire Premium Tax Trust Fund by \$212,966. These overexpenditures were funded by transfers out that were less than anticipated in the case of the Community Redevelopment Agency Fund, by available fund balance in the case of the Law Enforcement Trust Fund, and by greater than anticipated revenues in the case of the Police and Fire Premium Tax Trust Fund.

**C. Deficit fund equity**

The Community Redevelopment Agency Fund had a deficit fund balance of \$972,591 as of September 30, 2004. This was due to a transfer of \$1,200,000 to the Downtown Renovations Capital Projects Fund in fiscal year 2003, which was funded by a corresponding interfund loan from the General Fund.

CITY OF WINTER GARDEN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
for the year ended September 30, 2004

**IV. Detailed notes on all funds**

**A. Deposits and investments**

At year end, the City's carrying amount of deposits was \$(162,992) and the bank balance was \$386,898. Included in the amount of deposits is cash on hand of \$1,325. Of the bank balance, \$100,000 was covered by federal depository insurance, and \$286,898 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.

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	\$39,070,626	\$ 6,734,442	\$45,805,068
Repurchase agreements	-	3,955,711	3,955,711
Corporate bonds	-	2,297,282	2,297,282
Corporate equity securities	-	11,687,322	11,687,322
Total	\$39,070,626	\$24,674,757	63,745,383
Investments not subject to categorization:			
Local Government Surplus Funds Investment Pool Trust Fund			4,250,788
Money market funds			1,620,409
Total investments			\$69,616,580

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 are reconciliations of the City's deposit and investment balances as of September 30, 2004:

CITY OF WINTER GARDEN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
for the year ended September 30, 2004

Bank deposits	\$ (162,992)
Investments	69,616,580
Total	<u>\$69,453,588</u>

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 4,666,705	\$ 1,514,362	\$ 1,595,344	\$ 7,776,411
Investments	13,730,020	5,300,300	20,719,045	39,749,365
Restricted cash and investments	69,621	21,858,191	-	21,927,812
Total	<u>\$18,466,346</u>	<u>\$28,672,853</u>	<u>\$22,314,389</u>	<u>\$69,453,588</u>

**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	Water and Sewer Utility	Solid Waste	Nonmajor and Other Funds	Total
Receivables:					
Taxes	\$183,611	\$ -	\$ -	\$ -	\$ 183,611
Accounts	314,596	918,717	242,108	481,411	1,956,832
Notes	25,678	-	-	-	25,678
Interest	\$105,362	160,587	-	96,348	362,297
Gross receivables	629,247	1,079,304	242,108	577,759	2,528,418
Less: allowance for uncollectibles	(121,319)	(102,515)	(35,080)	(34,895)	(293,809)
Net total receivables	<u>\$507,928</u>	<u>\$ 976,789</u>	<u>\$207,028</u>	<u>\$542,864</u>	<u>\$2,234,609</u>
Reported in:					
Governmental activities	\$507,928	\$ -	\$ -	\$ -	\$ 507,928
Business-type activities	-	976,789	207,028	57,754	1,241,571
Fiduciary funds	-	-	-	485,110	485,110
Net total receivables	<u>\$507,928</u>	<u>\$ 976,789</u>	<u>\$207,028</u>	<u>\$542,864</u>	<u>\$2,234,609</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,

CITY OF WINTER GARDEN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
for the year ended September 30, 2004

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>Unavailable</u>	<u>Unearned</u>
Federal Emergency Management Agency reimbursements	\$137,705	
Customer credit balances		\$107,518
Developer escrow accounts		10,838
Total deferred revenue for governmental funds	\$137,705	\$118,356

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	\$85,702

**C. Capital assets and construction commitments**

Capital asset activity for the year ended September 30, 2004 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,731,070	\$645,142	\$ (288,500)	\$ 7,087,712
Construction in progress	6,510,941	-	(4,332,077)	2,178,864
Total capital assets, not being depreciated	13,242,011	645,142	(4,620,577)	9,266,576
Capital assets, being depreciated:				
Buildings	3,974,095	591,700	(443,080)	4,122,715
Improvements other than buildings	1,488,739	248,940	(38,655)	1,699,024
Machinery and equipment	5,572,882	987,871	(357,720)	6,203,033
Infrastructure	10,920,865	5,643,428	(71,057)	16,493,236
Total capital assets, being depreciated	21,956,581	7,471,939	(910,512)	28,518,008
Less accumulated depreciation for:				
Buildings	(1,486,488)	(254,750)	-	(1,741,238)
Improvements other than buildings	(1,002,973)	(76,395)	-	(1,079,368)
Machinery and equipment	(3,645,446)	(615,735)	181,174	(4,080,007)
Infrastructure	(1,236,844)	(548,711)	-	(1,785,555)
Total accumulated depreciation	(7,371,751)	(1,495,591)	181,174	(8,686,168)
Total capital assets, being depreciated, net	14,584,830	5,976,348	(729,338)	19,831,840
Governmental activities capital assets, net	\$27,826,841	\$6,621,490	\$(5,349,915)	\$29,098,416

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	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,024,601	\$ -	\$ -	\$ 1,024,601
Construction in progress	13,219,200	6,956,035	-	20,175,235
Total capital assets, not being depreciated	14,243,801	6,956,035	-	21,199,836
Capital assets, being depreciated:				
Buildings and infrastructure	13,504,769	522,562	-	14,027,331
Improvements other than buildings	10,065,515	262,753	-	10,328,268
Machinery and equipment	4,699,895	189,188	(382,512)	4,506,571
Total capital assets, being depreciated	28,270,179	974,503	(382,512)	28,862,170
Less accumulated depreciation for:				
Buildings and infrastructure	(3,378,852)	(443,397)	-	(3,822,249)
Improvements other than buildings	(5,102,414)	(318,221)	-	(5,420,635)
Machinery and equipment	(3,184,785)	(356,263)	382,512	(3,158,536)
Total accumulated depreciation	(11,666,051)	(1,117,881)	382,512	(12,401,420)
Total capital assets, being depreciated, net	16,604,128	(143,378)	-	16,460,750
Business-type activities capital assets, net	\$ 30,847,929	\$ 6,812,657	\$ -	\$37,660,586

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

Governmental activities:	
General government	\$ 217,484
Public safety	420,319
Physical environment	28,330
Transportation	595,533
Economic environment	17,803
Culture and recreation	<u>216,061</u>
Total depreciation expense—governmental activities	<u>\$1,495,530</u>
Business-type activities:	
Water and sewer	\$840,273
Solid waste	175,411
Stormwater	90,841
Residential mobile home lot rentals	<u>11,356</u>
Total depreciation expense—business-type activities	<u>\$1,117,881</u>

The City has active construction projects as of September 30, 2004. The projects include wastewater treatment facility expansion; utility line upgrades; street, utility line, and storm

CITY OF WINTER GARDEN, FLORIDA  
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for the year ended September 30, 2004

drain rehabilitation; street and storm drain construction; and water main and force main construction. At year end the City's commitments with contractors were as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Wastewater treatment facility	\$ 9,748,189	\$ 187,846
Utility line upgrades	-	1,369,000
Street, utility line, and storm drain rehabilitation	319,380	206
Street and storm drain construction	-	301,747
Water main and force main construction	-	419,464
Total	<u>\$10,067,569</u>	<u>\$2,278,263</u>

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 utility line upgrades is being financed by water and sewer impact fees, utility renewal and replacement restricted funds, and stormwater charges for services. The commitment for the street, utility line, and storm drain rehabilitation is being funded by local option gasoline taxes, utility renewal and replacement restricted funds, and stormwater charges for services. The commitment for the street and storm drain construction is being financed by a grant from the Florida Executive Office of the Governor, road impact fees, and stormwater charges for services. The commitment for the water main and force main construction is being financed by water and sewer impact fees.

**D. Interfund receivables, payables, and transfers**

The composition of interfund balances as of September 30, 2004, 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	<u>1,174,071</u>
Total		<u>\$1,768,092</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.

There is no set repayment schedule for the advance payable from the Nonmajor enterprise fund. There are two advances payable from the Community Redevelopment Agency Fund.

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One has a balance of \$18,628 with three annual installments remaining. The other has a balance of \$1,155,443 with 38 semi-annual installments remaining.

Interfund transfers:

Transfer In:				
	General	Community	Nonmajor	Total
	Fund	Redevelopment Agency	Governmental	
Transfer out:				
General Fund	\$ -	\$191,446	\$142,858	\$ 334,304
Community Redevelopment Agency	-	-	330,931	330,931
Nonmajor governmental funds	526,317	-	179,881	706,198
Nonmajor enterprise funds	61,981	-	-	61,981
Total transfers out	\$588,298	\$191,446	\$653,670	\$1,433,414

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 (\$1,624) and debt service (\$141,234). Transfers from the Community Redevelopment Agency Fund to nonmajor governmental funds were for debt service. Transfers from nonmajor governmental funds to the General Fund were for excess funds in the State Revenue Sharing and Division Street Improvements Funds. Transfers from nonmajor governmental funds to other nonmajor governmental funds were transfers of State Revenue Sharing funds for debt service. Transfers from nonmajor enterprise funds to the General Fund were a transfer of profits from the Trailer City Fund.

**E. Leases**

Operating Leases

The City leases vehicles, holiday decorations, and other equipment under noncancelable operating leases. Total costs for such leases were \$241,962 for the year ended September 30, 2004. The future minimum lease payments for these leases are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2005	\$ 59,445
2006	33,381
2007	16,196
2008	5,485
Total	\$114,507

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Capital Leases

The City has entered into a lease agreement as lessee for financing the acquisition of its phone system. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

The asset acquired through a capital lease is as follows:

	<u>Governmental Activities</u>
Asset:	
Machinery and equipment	\$118,531
Less: Accumulated depreciation	<u>(23,706)</u>
Total	<u><u>\$ 94,825</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2004, were as follows:

	<u>Governmental Activities</u>
<u>Year Ending September 30</u>	
2005	\$24,895
2006	27,158
2007	27,158
2008	27,158
2009	<u>2,263</u>
Total minimum lease payments	108,632
Less: amount representing interest	<u>(11,288)</u>
Present value of minimum lease payments	<u><u>\$97,344</u></u>

**F. 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 \$1,087,000, 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:

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Purpose	Interest Rates	Amount
Refund Series 1976 Bonds	4.26%	\$127,000
Governmental activities—capital acquisitions and improvements	4.26%	46,370
Business-type activities—capital acquisitions and improvements	4.26%	26,630
		<u>\$200,000</u>

Revenue bond debt service requirements to maturity are as follows:

Year Ending September 30	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	Principal	Interest	Principal	Interest
2005	\$173,370	\$7,393	\$26,630	\$1,135

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:

Purpose	Interest Rates	Amount
Road project	5.62%	\$5,177,551

Intergovernmental agreement debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2005	\$ 63,005	\$ 378,296
2006	156,231	285,070
2007	165,128	276,173
2008	174,532	266,769
2009	184,471	256,830
2010-2014	1,092,425	1,114,079
2015-2019	1,440,989	765,515
2020-2024	1,900,770	305,733
	<u>\$5,177,551</u>	<u>\$3,648,465</u>

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NOTES TO FINANCIAL STATEMENTS  
for the year ended September 30, 2004

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 of Community Redevelopment Agency tax increment revenues and certain non-ad valorem funds. Revenue notes outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Capital improvements	4.93%	\$3,551,479

Revenue note debt service requirements to maturity are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ -	\$ 87,544
2006	173,042	170,822
2007	181,573	162,081
2008	190,525	152,909
2009	199,917	143,285
2010-2014	1,157,511	554,607
2015-2019	1,472,392	231,964
2020-2024	176,519	4,351
	<u>\$3,551,479</u>	<u>\$1,507,563</u>

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 and the construction of a water treatment plant. The program operates on a reimbursement basis, and the total amount authorized for reimbursement under existing agreements is \$14,264,511. As of September 30, 2004, the City has received reimbursements totaling \$12,564,778. Proceeds accrue interest from the time they are received by the City until repayment begins in fiscal year 2005. As of September 30, 2004, interest has accrued in the amount of \$578,751. The City has pledged income derived from the constructed assets to pay debt service. Loans outstanding at year end are as follows:

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NOTES TO FINANCIAL STATEMENTS  
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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%	9,480,059
Water treatment construction—Water and Sewer Utility	2.67%	2,066,219
Total reimbursements received		12,564,778
Accrued interest		578,751
Total amounts outstanding		<u>\$13,143,529</u>

Loan debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2005	\$ 179,986	\$ 805,738
2006	608,505	377,219
2007	655,998	329,726
2008	674,716	311,008
2009	693,969	291,755
2010-2014	3,778,479	1,150,140
2015-2019	4,349,483	579,136
2020-2024	1,623,642	91,802
	<u>\$12,564,778</u>	<u>\$3,936,524</u>

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2004, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Revenue bonds	\$ 474,646	\$ -	\$ (301,276)	\$ 173,370	\$173,370
Intergovernmental agreements	6,826,450	-	(1,648,899)	5,177,551	63,005
Revenue notes	3,700,000	-	(148,521)	3,551,479	-
Compensated absences	256,498	365,427	(330,012)	291,913	83,370
Governmental activity Long-term liabilities	<u>\$11,257,594</u>	<u>\$ 365,427</u>	<u>\$(2,428,708)</u>	<u>\$ 9,194,313</u>	<u>\$319,745</u>
<b>Business-type activities</b>					
Revenue bonds	\$ 52,165	\$ -	\$ (25,535)	\$ 26,630	\$ 26,630
Loans	4,613,604	7,951,174	-	12,564,778	179,986
Compensated absences	64,723	94,782	(80,737)	78,768	22,496
Business-type activity Long-term liabilities	<u>\$ 4,730,492</u>	<u>\$8,045,956</u>	<u>\$ (106,272)</u>	<u>\$12,670,176</u>	<u>\$229,112</u>

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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. Compensated absences for governmental activities will be liquidated in future periods by the General Fund.

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, 2004 was \$1,415,000.

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.

**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. The District is not a financial burden to the City and net revenues derived from the system which are not otherwise covenanted, are paid over to the member municipalities in a

CITY OF WINTER GARDEN, FLORIDA  
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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 for health coverage for ten years or until the attainment of age 65, whichever comes first, for those employees who retired under their respective pension plan and who agree to pay the remaining premium. The City's regular health benefit provider underwrites the retirees' policies.

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 thirteen 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, 2004, the City paid \$37,457 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. The Plan does not issue a stand-alone financial report.

*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.

CITY OF WINTER GARDEN, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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*Funding policy.* The contribution requirements of the City are established by ordinance and may be amended by the City. The City is required to contribute at an actuarially determined rate; the current rate is 16.14 percent of annual covered payroll.

*Annual pension cost.* For 2004, the City's annual pension cost was \$700,725 and the City's annual required contribution was \$688,394 for the Pension Plan for General Employees. Actual contributions were \$719,626. The required contribution was determined as part of the October 1, 2002 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, 2004 was 24 years.

*Net Pension Obligation – NPO:*

NPO at September 30, 2003	\$(261,263)
Annual pension cost:	
Annual Required Contribution (ARC)	688,394
Interest credit	(19,595)
Adjustments to ARC	31,926
Total annual pension cost	700,725
Contributions made	(719,626)
Change in NPO	(18,901)
NPO at September 30, 2004	\$(280,164)

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)
9/30/02	\$167,943	132%	\$(225,291)
9/30/03	338,034	111%	(261,263)
9/30/04	700,725	103%	(280,164)

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. The Plan does not issue a stand-alone financial report.

*Summary of significant accounting policies—basis of accounting and valuation of investments.* The financial statements of the Pension Plan for Firefighters and Police Officers

CITY OF WINTER GARDEN, FLORIDA  
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for the year ended September 30, 2004

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 by ordinance 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 19.20 percent of annual covered payroll.

*Annual pension cost.* For 2004, the City's annual pension cost was \$632,544 and the City's annual required contribution was \$618,042, including State Premium Taxes, for the Pension Plan for Firefighters and Police Officers. Actual City contributions were \$600,721, and on-behalf payments of excise tax proceeds from the state were \$212,966. The City recognized revenues and corresponding expenditures for these on-behalf payments in the Police and Fire Premium Tax Trust Special Revenue Fund. The required contribution was determined as part of the October 1, 2002 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 on a closed basis. The remaining amortization period at September 30, 2004 was 21 years.

*Net Pension Obligation – NPO:*

NPO at September 30, 2003	\$(373,071)
Annual pension cost:	
Annual Required Contribution (ARC)	618,042
Interest credit	(27,550)
Adjustments to ARC	47,786
Total annual pension cost	638,278
Contributions made	(813,687)
Change in NPO	(175,409)
NPO at September 30, 2004	\$(548,480)

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 NOTES TO FINANCIAL STATEMENTS  
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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)
9/30/02	\$315,288	118%	\$(308,191)
9/30/03	501,173	112%	(373,071)
9/30/04	632,544	129%	(548,480)

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, 2004, there were six 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 by ordinance and may be amended by the City Commission. Total contributions for the year ended September 30, 2004 were \$25,732.

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NOTES TO FINANCIAL STATEMENTS  
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	General Employees		Firefighters and Police Officers <sup>3</sup>
	Defined Benefit <sup>1</sup>	Defined Contribution <sup>2</sup>	
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
Condensed financial:			
Cash and investments	\$10,463,636	N/A	\$11,850,753
Receivables	251,139	N/A	233,971
Due from other governmental Units	-	N/A	123,750
Total assets	10,714,775	N/A	12,208,474
Accounts payable	8,610	N/A	6,842
Deferred revenue	-	N/A	123,750
Total liabilities	8,610	N/A	130,592
Net assets	\$10,706,165	N/A	\$12,077,882
Contributions	719,626	N/A	844,629
Net investment earnings	560,661	N/A	964,999
Benefits and refunds	325,267	N/A	408,138
Administrative expenses	24,021	N/A	22,017

<sup>1</sup>The 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.

<sup>2</sup>A 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.

<sup>3</sup>The 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.

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 REQUIRED SUPPLEMENTARY INFORMATION  
 for the year ended September 30, 2004

Schedules of Funding Progress

Actuarial Valuation Date		Actuarial Value of Assets (a)	Actuarial Liability (AAL)— Entry Age (b)	Unfunded AAL (1) (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
<b>Pension Plan for General Employees</b>							
10/01/98		\$7,873,314	\$8,470,845	\$597,531	92.9%	\$2,628,433	22.7%
10/01/99	(2)	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	(5)	9,344,154	8,808,434	(535,720)	106.1	4,265,155	(12.6)
10/01/03	(5)	9,591,486	10,648,253	-	90.1	4,389,139	24.1
<b>Pension Plan for Firefighters and Police Officers</b>							
10/01/98		\$8,519,695	\$8,546,640	\$26,945	99.7%	\$1,817,028	1.5%
10/01/99	(2)	8,955,108	8,991,209	36,101	99.6	1,849,687	2.0
10/01/00	(6)	9,671,479	9,801,378	129,899	98.7	2,183,011	6.0
10/01/01		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)
10/01/03	(7)	10,187,320	11,673,586	-	87.3	2,879,824	51.6

- (1) Remains \$0 under the Aggregate Actuarial Cost Method and funded over future normal costs.
- (2) No valuation performed. UAAL updated with interest and actual contributions in year. Assets and payroll provided by the City.
- (3) Before interest rate assumption change.
- (4) After benefit changes adopted September 26, 2002, to be used for funding the fiscal year ending September 30, 2003.
- (5) Change in assumptions/method.
- (6) After amendment.
- (7) Based upon Entry Age Normal Cost Method as of 10/1/03

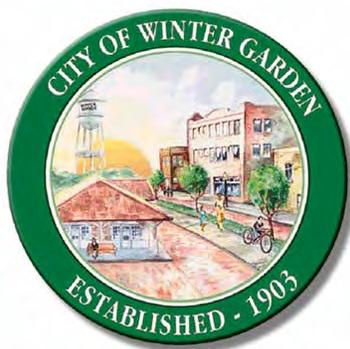
CITY OF WINTER GARDEN, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 for the year ended September 30, 2004

Pension Plan for General Employees  
Schedule of Employer Contributions

Year Ended September 30	Annual Required Contribution	Percentage Contributed
1999	\$189,940	103%
2000	203,757	109
2001	233,475	108
2002	160,305	139
2003	329,019	114
2004	688,394	105

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

Year Ended September 30	Annual Required Contribution	Percentage Contributed
1999	\$203,066	99%
2000	207,944	121
2001	350,906	110
2002	325,729	121
2003	509,490	115
2004	642,172	132



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## **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.

Police and Fire Premium Tax Trust Fund—This fund is used to account for excise tax imposed on homeowners' insurance premiums collected by the State and remitted to the City. Revenues are restricted to be used as retirement contributions to police and fire pension plans.

### **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.

Downtown Renovations Capital Projects Fund—This fund is used to account for improvements to the City's downtown area.

City of Winter Garden, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2004

	<b>Special Revenue</b>				
	<b>Law Enforcement Trust Fund</b>	<b>Law Enforcement Block Grant Fund</b>	<b>State Revenue Sharing Fund</b>	<b>Local Option Gas Tax Fund</b>	<b>Heritage Depot Museum Trust Fund</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,155	\$ -	\$ 87,711	\$ 752,161	\$ 647
Due from other governmental units	-	-	-	68,095	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 3,155</u>	<u>\$ -</u>	<u>\$ 87,711</u>	<u>\$ 820,256</u>	<u>\$ 647</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 16,597	\$ -
Contracts payable	-	-	-	5,299	-
Other current liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,896</u>	<u>-</u>
<b>FUND BALANCES</b>					
Reserved for:					
Encumbrances	-	-	-	206	-
Debt service	-	-	-	-	-
Unreserved, undesignated	3,155	-	87,711	798,154	647
Total fund balances	<u>3,155</u>	<u>-</u>	<u>87,711</u>	<u>798,360</u>	<u>647</u>
Total liabilities and fund balances	<u>\$ 3,155</u>	<u>\$ -</u>	<u>\$ 87,711</u>	<u>\$ 820,256</u>	<u>\$ 647</u>

Police and Fire Premium Tax Trust Fund	Capital Projects					Total Nonmajor Governmental Funds
	Total	Debt Service Fund	Division Street Improvements Fund	Downtown Renovations Fund	Total	
\$ -	\$ 843,674	\$ -	\$ -	\$ 285,039	\$ 285,039	\$ 1,128,713
-	68,095	-	-	-	-	68,095
-	-	69,621	-	-	-	69,621
<u>\$ -</u>	<u>\$ 911,769</u>	<u>\$ 69,621</u>	<u>\$ -</u>	<u>\$ 285,039</u>	<u>\$ 285,039</u>	<u>\$ 1,266,429</u>
\$ -	\$ 16,597	\$ -	\$ -	\$ -	\$ -	\$ 16,597
-	5,299	-	-	-	-	5,299
-	-	9,255	-	-	-	9,255
-	21,896	9,255	-	-	-	31,151
-	206	-	-	-	-	206
-	-	60,366	-	-	-	60,366
-	889,667	-	-	285,039	285,039	1,174,706
-	889,873	60,366	-	285,039	285,039	1,235,278
<u>\$ -</u>	<u>\$ 911,769</u>	<u>\$ 69,621</u>	<u>\$ -</u>	<u>\$ 285,039</u>	<u>\$ 285,039</u>	<u>\$ 1,266,429</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, 2004**

	<b>Special Revenue</b>				
	<b>Law Enforcement Trust Fund</b>	<b>Law Enforcement Block Grant Fund</b>	<b>State Revenue Sharing Fund</b>	<b>Local Option Gas Tax Fund</b>	<b>Heritage Depot Museum Trust Fund</b>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 14,619	\$ 567,340	\$ 714,573	\$ -
Fines and forfeits	(8,354)	-	-	-	-
Investment earnings	171	(661)	141	7,494	8
Contributions and donations	-	-	-	-	-
Total revenues	<u>(8,183)</u>	<u>13,958</u>	<u>567,481</u>	<u>722,067</u>	<u>8</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	10,685	15,645	-	-	-
Transportation	-	-	-	383,704	-
Capital outlay:					
Economic environment	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>10,685</u>	<u>15,645</u>	<u>-</u>	<u>383,704</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,868)</u>	<u>(1,687)</u>	<u>567,481</u>	<u>338,363</u>	<u>8</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	1,624	-	-	-
Transfers out	-	-	(479,770)	-	-
Total other financing sources and (uses)	<u>-</u>	<u>1,624</u>	<u>(479,770)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(18,868)	(63)	87,711	338,363	8
Fund balances—beginning	<u>22,023</u>	<u>63</u>	<u>-</u>	<u>459,997</u>	<u>639</u>
Fund balances—ending	<u>\$ 3,155</u>	<u>\$ -</u>	<u>\$ 87,711</u>	<u>\$ 798,360</u>	<u>\$ 647</u>

Police and Fire Premium Tax Trust Fund	Capital Projects					Total Nonmajor Governmental Funds
	Total	Debt Service Fund	Division Street Improvements Fund	Downtown Renovations Fund	Total	
\$ 212,966	\$ 1,509,498	\$ -	\$ -	\$ -	\$ -	\$ 1,509,498
-	(8,354)	-	-	-	-	(8,354)
-	7,153	1,055	1,484	-	1,484	9,692
-	-	-	-	52,575	52,575	52,575
<u>212,966</u>	<u>1,508,297</u>	<u>1,055</u>	<u>1,484</u>	<u>52,575</u>	<u>54,059</u>	<u>1,563,411</u>
212,966	239,296	-	-	-	-	239,296
-	383,704	-	-	-	-	383,704
-	-	-	-	(120,793)	(120,793)	(120,793)
-	-	449,797	-	-	-	449,797
-	-	203,324	-	-	-	203,324
<u>212,966</u>	<u>623,000</u>	<u>653,121</u>	<u>-</u>	<u>(120,793)</u>	<u>(120,793)</u>	<u>1,155,328</u>
-	885,297	(652,066)	1,484	173,368	174,852	408,083
-	1,624	652,046	-	-	-	653,670
-	(479,770)	-	(226,428)	-	(226,428)	(706,198)
-	(478,146)	652,046	(226,428)	-	(226,428)	(52,528)
-	407,151	(20)	(224,944)	173,368	(51,576)	355,555
-	482,722	60,386	224,944	111,671	336,615	879,723
<u>\$ -</u>	<u>\$ 889,873</u>	<u>\$ 60,366</u>	<u>\$ -</u>	<u>\$ 285,039</u>	<u>\$ 285,039</u>	<u>\$ 1,235,278</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, 2004**

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget— Positive (Neg)</b>
<b>REVENUES</b>			
Fines and forfeits	\$ 5,000	\$ (8,354)	\$ (13,354)
Investment earnings	<u>75</u>	<u>171</u>	<u>96</u>
Total revenues	<u>5,075</u>	<u>(8,183)</u>	<u>(13,258)</u>
<b>EXPENDITURES</b>			
Current:			
Public safety:			
Law enforcement	<u>5,075</u>	<u>10,685</u>	<u>(5,610)</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>(18,868)</u>	<u>(18,868)</u>
Fund balances—beginning	<u>22,023</u>	<u>22,023</u>	<u>-</u>
Fund balances—ending	<u><u>\$ 22,023</u></u>	<u><u>\$ 3,155</u></u>	<u><u>\$ (18,868)</u></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, 2004**

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget— Positive (Neg)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 16,243	\$ 14,619	\$ (1,624)
Investment earnings	-	(661)	(661)
Total revenues	16,243	13,958	(2,285)
<b>EXPENDITURES</b>			
Current:			
Public safety:			
Law enforcement	18,047	15,645	2,402
(Deficiency) of revenues (under) expenditures	(1,804)	(1,687)	117
<b>OTHER FINANCING SOURCES</b>			
Transfers in	1,804	1,624	(180)
Net change in fund balances	-	(63)	(63)
Fund balances—beginning	63	63	-
Fund balances—ending	\$ 63	\$ -	\$ (63)

**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, 2004**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget— Positive (Neg)</u>
<b>REVENUES</b>			
Intergovernmental	\$ 509,454	\$ 567,340	\$ 57,886
Investment earnings	-	141	141
Total revenues	<u>509,454</u>	<u>567,481</u>	<u>58,027</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(509,454)</u>	<u>(479,770)</u>	<u>29,684</u>
Net change in fund balances	-	87,711	87,711
Fund balances—beginning	-	-	-
Fund balances—ending	<u>\$ -</u>	<u>\$ 87,711</u>	<u>\$ 87,711</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, 2004**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget— Positive (Neg)</u>
<b>REVENUES</b>			
Intergovernmental	\$ 687,000	\$ 714,573	\$ 27,573
Investment earnings	-	7,494	7,494
Total revenues	<u>687,000</u>	<u>722,067</u>	<u>35,067</u>
<b>EXPENDITURES</b>			
Current:			
Transportation:			
Construction and maintenance	<u>1,028,918</u>	<u>383,704</u>	<u>645,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(341,918)</u>	<u>338,363</u>	<u>680,281</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>341,918</u>	<u>-</u>	<u>(341,918)</u>
Net change in fund balances	-	338,363	338,363
Fund balances—beginning	<u>459,997</u>	<u>459,997</u>	<u>-</u>
Fund balances—ending	<u>\$ 459,997</u>	<u>\$ 798,360</u>	<u>\$ 338,363</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, 2004**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget— Positive (Neg)</u>
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 8	\$ 8
Total revenues	<u>-</u>	<u>8</u>	<u>8</u>
Net change in fund balances	-	8	8
Fund balances—beginning	<u>639</u>	<u>639</u>	<u>-</u>
Fund balances—ending	<u>\$ 639</u>	<u>\$ 647</u>	<u>\$ 8</u>

**City of Winter Garden, Florida**  
**Police and Fire Premium Tax Trust Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**For the Year Ended September 30, 2004**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget— Positive (Neg)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 212,966	\$ 212,966
Total revenues	<u>-</u>	<u>212,966</u>	<u>212,966</u>
<b>EXPENDITURES</b>			
Current:			
Public safety:			
Law enforcement	-	73,896	(73,896)
Fire control	-	139,070	(139,070)
Total public safety	<u>-</u>	<u>212,966</u>	<u>(212,966)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances—beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2004**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget— Positive (Neg)</u>
<b>REVENUES</b>			
Investment earnings	\$ 1,500	\$ 1,055	\$ (445)
Total revenues	<u>1,500</u>	<u>1,055</u>	<u>(445)</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	475,332	449,797	25,535
Interest	<u>205,582</u>	<u>203,324</u>	<u>2,258</u>
Total expenditures	<u>680,914</u>	<u>653,121</u>	<u>27,793</u>
 (Deficiency) of revenues (under) expenditures	 <u>(679,414)</u>	 <u>(652,066)</u>	 <u>27,348</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>679,414</u>	<u>652,046</u>	<u>(27,368)</u>
 Net change in fund balances	 -	 (20)	 (20)
Fund balances—beginning	<u>60,386</u>	<u>60,386</u>	<u>-</u>
Fund balances—ending	<u>\$ 60,386</u>	<u>\$ 60,366</u>	<u>\$ (20)</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, 2004**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Investment earnings	\$ 30,298	\$ 1,484	\$ 31,782	\$ 2,506
Contributions and donations	<u>152,727</u>	-	<u>152,727</u>	-
Total revenues	<u>183,025</u>	<u>1,484</u>	<u>184,509</u>	<u>2,506</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Transportation	<u>298,903</u>	-	<u>298,903</u>	-
Excess (deficiency) of revenues over (under) expenditures	<u>(115,878)</u>	<u>1,484</u>	<u>(114,394)</u>	<u>2,506</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	340,822	-	340,822	-
Transfers out	<u>-</u>	<u>(226,428)</u>	<u>(226,428)</u>	<u>(226,428)</u>
Total other financing sources and (uses)	<u>340,822</u>	<u>(226,428)</u>	<u>114,394</u>	<u>(226,428)</u>
Net change in fund balances	<u>\$ 224,944</u>	<u>(224,944)</u>	<u>\$ -</u>	<u>\$ (223,922)</u>
Fund balances—beginning		<u>224,944</u>		
Fund balances—ending		<u>\$ -</u>		

**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, 2004**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ 250,000	\$ -	\$ 250,000	\$ 250,000
Contributions and donations	<u>124,500</u>	<u>52,575</u>	<u>177,075</u>	<u>-</u>
Total revenues	<u>374,500</u>	<u>52,575</u>	<u>427,075</u>	<u>250,000</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Economic environment	<u>5,162,829</u>	<u>(120,793)</u>	<u>5,042,036</u>	<u>5,150,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,788,329)</u>	<u>173,368</u>	<u>(4,614,961)</u>	<u>(4,900,000)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>4,900,000</u>	<u>-</u>	<u>4,900,000</u>	<u>4,900,000</u>
Net change in fund balances	<u>\$ 111,671</u>	<u>173,368</u>	<u>\$ 285,039</u>	<u>\$ -</u>
Fund balances—beginning		<u>111,671</u>		
Fund balances—ending		<u>\$ 285,039</u>		

## **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, 2004**

	<u>Stormwater Utility</u>	<u>Trailer City</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 388,657	\$ 16,462	\$ 405,119
Accounts receivable (net of allowance for uncollectibles)	51,889	5,865	57,754
Other assets	<u>-</u>	<u>4,723</u>	<u>4,723</u>
Total current assets	<u>440,546</u>	<u>27,050</u>	<u>467,596</u>
Noncurrent assets:			
Capital assets:			
Land	-	63,300	63,300
Buildings	-	34,337	34,337
Improvements other than buildings	1,030,601	112,828	1,143,429
Equipment and furniture	270,377	27,486	297,863
Infrastructure	844,216	34,555	878,771
Construction work in progress	714,703	-	714,703
Less accumulated depreciation	<u>(669,668)</u>	<u>(64,162)</u>	<u>(733,830)</u>
Total capital assets (net of accumulated depreciation)	<u>2,190,229</u>	<u>208,344</u>	<u>2,398,573</u>
Total assets	<u>2,630,775</u>	<u>235,394</u>	<u>2,866,169</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	38,957	5,096	44,053
Contracts payable	4,030	-	4,030
Compensated absences	1,370	1,838	3,208
Accrued wages payable	7,293	1,310	8,603
Deferred revenue	-	9,447	9,447
Other current liabilities	<u>5,268</u>	<u>2,158</u>	<u>7,426</u>
Total current liabilities	56,918	19,849	76,767
Noncurrent liabilities:			
Compensated absences	3,426	4,599	8,025
Advances from other funds	<u>594,021</u>	<u>-</u>	<u>594,021</u>
Total noncurrent liabilities	<u>597,447</u>	<u>4,599</u>	<u>602,046</u>
Total liabilities	<u>654,365</u>	<u>24,448</u>	<u>678,813</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	2,190,229	208,344	2,398,573
Unrestricted	<u>(213,819)</u>	<u>2,602</u>	<u>(211,217)</u>
Total net assets	<u>\$ 1,976,410</u>	<u>\$ 210,946</u>	<u>\$ 2,187,356</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, 2004**

	<u>Stormwater Utility</u>	<u>Trailer City</u>	<u>Totals</u>
Operating revenues:			
Charges for services	\$ 550,577	\$ -	\$ 550,577
Other	<u>8,280</u>	<u>235,938</u>	<u>244,218</u>
Total operating revenues	<u>558,857</u>	<u>235,938</u>	<u>794,795</u>
Operating expenses:			
Personal services	120,065	69,722	189,787
Contractual services	33,461	31,647	65,108
Utilities	2,707	5,252	7,959
Supplies	12,441	2,380	14,821
Depreciation	90,841	11,356	102,197
Other services and charges	<u>91,421</u>	<u>63,842</u>	<u>155,263</u>
Total operating expenses	<u>350,936</u>	<u>184,199</u>	<u>535,135</u>
Operating income	<u>207,921</u>	<u>51,739</u>	<u>259,660</u>
Nonoperating revenues:			
Investment earnings	3,801	172	3,973
Gain on disposition of fixed assets	<u>-</u>	<u>700</u>	<u>700</u>
Total nonoperating revenues	<u>3,801</u>	<u>872</u>	<u>4,673</u>
Income before transfers	211,722	52,611	264,333
Transfers out	<u>-</u>	<u>(61,981)</u>	<u>(61,981)</u>
Change in net assets	211,722	(9,370)	202,352
Total net assets—beginning	<u>1,764,688</u>	<u>220,316</u>	<u>1,985,004</u>
Total net assets—ending	<u>\$ 1,976,410</u>	<u>\$ 210,946</u>	<u>\$ 2,187,356</u>

**City of Winter Garden, Florida**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2004**

	<u>Stormwater Utility</u>	<u>Trailer City</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 554,272	\$ 230,069	\$ 784,341
Payments to suppliers	(132,462)	(104,009)	(236,471)
Payments to employees	(116,149)	(70,394)	(186,543)
Net cash provided by operating activities	<u>305,661</u>	<u>55,666</u>	<u>361,327</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to other funds	-	(61,981)	(61,981)
Net cash (used) by noncapital and related financing activities	<u>-</u>	<u>(61,981)</u>	<u>(61,981)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(146,951)	(5,169)	(152,120)
Proceeds from sales of capital assets	-	700	700
Net cash (used) by capital and related financing activities	<u>(146,951)</u>	<u>(4,469)</u>	<u>(151,420)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	3,801	172	3,973
Net cash provided by investing activities	<u>3,801</u>	<u>172</u>	<u>3,973</u>
Net increase (decrease) in cash and equivalents	162,511	(10,612)	151,899
Cash and cash equivalents, October 1	<u>224,776</u>	<u>20,511</u>	<u>245,287</u>
Cash and cash equivalents, September 30	<u>\$ 387,287</u>	<u>\$ 9,899</u>	<u>\$ 397,186</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 207,921	\$ 51,739	\$ 259,660
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	90,841	11,356	102,197
(Increase) in accounts receivable	(6,411)	(9,847)	(16,258)
Increase in allowance for uncollectible accounts	1,826	5,925	7,751
Decrease in other assets	3,125	-	3,125
Increase (decrease) in accounts payable	830	(2,010)	(1,180)
Increase (decrease) in accrued wages payable	4,256	(670)	3,586
(Decrease) in deferred revenue	-	(1,947)	(1,947)
Increase in other current liabilities	3,613	1,122	4,735
Increase in compensated absences payable	(340)	(2)	(342)
Total adjustments	<u>97,740</u>	<u>3,927</u>	<u>101,667</u>
Net cash provided by operating activities	<u>\$ 305,661</u>	<u>\$ 55,666</u>	<u>\$ 361,327</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.

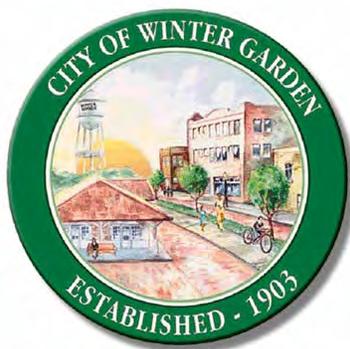
Fire and Police Pension Trust Fund—This fund is used to account for the accumulation of resources to be used for retirement and disability annuity payments to qualified firefighters and police officers and retirees. Resources are contributed by employees at rates fixed by law and by the City at amounts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

**City of Winter Garden, Florida**  
**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**September 30, 2004**

	<b>General Pension Trust Fund</b>	<b>Fire and Police Pension Trust Fund</b>	<b>Total Pension Trust Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,006,240	\$ 589,104	\$ 1,595,344
Receivables:			
Employer	207,717	171,085	378,802
Retiree	-	9,960	9,960
Interest and dividends	<u>43,422</u>	<u>52,926</u>	<u>96,348</u>
Total receivables	<u>251,139</u>	<u>233,971</u>	<u>485,110</u>
Due from other governmental units	-	123,750	123,750
Investments, at fair value:			
Fixed income securities	4,398,048	4,633,675	9,031,723
Equities	<u>5,059,348</u>	<u>6,627,974</u>	<u>11,687,322</u>
Total investments	<u>9,457,396</u>	<u>11,261,649</u>	<u>20,719,045</u>
Total assets	<u>10,714,775</u>	<u>12,208,474</u>	<u>22,923,249</u>
<b>LIABILITIES</b>			
Accounts payable	8,610	6,842	15,452
Deferred revenue	-	<u>123,750</u>	<u>123,750</u>
Total liabilities	<u>8,610</u>	<u>130,592</u>	<u>139,202</u>
<b>NET ASSETS</b>			
Held in trust for pension benefits	<u>\$ 10,706,165</u>	<u>\$ 12,077,882</u>	<u>\$ 22,784,047</u>

**City of Winter Garden, Florida**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2004**

	<b>General Pension Trust Fund</b>	<b>Fire and Police Pension Trust Fund</b>	<b>Total Pension Trust Funds</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 719,626	\$ 600,721	\$ 1,320,347
Plan members	-	30,942	30,942
Excise tax proceeds	-	212,966	212,966
Total contributions	<u>719,626</u>	<u>844,629</u>	<u>1,564,255</u>
Investment earnings:			
Interest	193,045	200,383	393,428
Dividends	73,158	113,077	186,235
Net increase in the fair value of investments	<u>357,401</u>	<u>708,536</u>	<u>1,065,937</u>
Total investment earnings	623,604	1,021,996	1,645,600
Less investment expense	<u>62,943</u>	<u>56,997</u>	<u>119,940</u>
Net investment earnings	<u>560,661</u>	<u>964,999</u>	<u>1,525,660</u>
Total additions	<u>1,280,287</u>	<u>1,809,628</u>	<u>3,089,915</u>
<b>DEDUCTIONS</b>			
Benefits	325,267	406,382	731,649
Refunds	-	1,756	1,756
Administrative	<u>24,021</u>	<u>22,017</u>	<u>46,038</u>
Total deductions	<u>349,288</u>	<u>430,155</u>	<u>779,443</u>
Change in net assets	930,999	1,379,473	2,310,472
Net assets—beginning	<u>9,775,166</u>	<u>10,698,409</u>	<u>20,473,575</u>
Net assets—ending	<u>\$ 10,706,165</u>	<u>\$ 12,077,882</u>	<u>\$ 22,784,047</u>



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



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**City of Winter Garden, Florida**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedules By Source**  
**September 30, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Governmental funds capital assets:		
Land	\$ 7,087,712	\$ 6,731,070
Buildings	4,122,715	3,974,095
Improvements other than buildings	1,699,024	1,488,739
Machinery and equipment	6,203,033	5,572,882
Infrastructure	16,493,236	10,920,865
Construction in progress	2,178,864	6,510,941
Total governmental funds capital assets	<u>\$ 37,784,584</u>	<u>\$ 35,198,592</u>
Investments in governmental funds capital assets by source:		
General fund	\$ 16,517,267	\$ 15,098,096
Special revenue fund	15,759,569	14,473,631
Capital projects funds	5,507,748	5,626,865
Total governmental funds capital assets	<u>\$ 37,784,584</u>	<u>\$ 35,198,592</u>

**City of Winter Garden, Florida**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Function and Activity**  
**September 30, 2004**

Function and Activity	Land	Buildings	Improvements Other Than Buildings
General government:			
Legislative	\$ -	\$ -	\$ -
Financial and administrative	1,091,864	2,357,411	9,598
Comprehensive Planning	-	-	-
Total general government	<u>1,091,864</u>	<u>2,357,411</u>	<u>9,598</u>
Public safety:			
Law enforcement	-	188,908	15,831
Fire control	154,597	410,289	23,452
Protective inspections	-	-	-
Total public safety	<u>154,597</u>	<u>599,197</u>	<u>39,283</u>
Physical environment:			
Cemetery	83,020	25,527	95,846
Building maintenance	-	23,010	-
Fleet maintenance	14,288	54,140	-
Total physical environment	<u>97,308</u>	<u>102,677</u>	<u>95,846</u>
Transportation:			
Engineering	-	12,400	-
Construction and maintenance	4,681,677	-	98,470
Total transportation	<u>4,681,677</u>	<u>12,400</u>	<u>98,470</u>
Economic environment	<u>10,078</u>	<u>3,559</u>	<u>1,676</u>
Culture and recreation	<u>1,052,188</u>	<u>1,047,471</u>	<u>1,454,151</u>
Total governmental funds capital assets	<u>\$ 7,087,712</u>	<u>\$ 4,122,715</u>	<u>\$ 1,699,024</u>

<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Construction in Progress</b>	<b>Total</b>
\$ 839	\$ -	\$ -	\$ 839
540,194	54,237	-	4,053,304
46,572	-	-	46,572
<u>587,605</u>	<u>54,237</u>	<u>-</u>	<u>4,100,715</u>
2,023,809	13,134	-	2,241,682
1,272,533	-	-	1,860,871
209,028	-	-	209,028
<u>3,505,370</u>	<u>13,134</u>	<u>-</u>	<u>4,311,581</u>
45,410	18,530	-	268,333
92,967	-	-	115,977
202,997	-	-	271,425
<u>341,374</u>	<u>18,530</u>	<u>-</u>	<u>655,735</u>
119,360	-	-	131,760
1,051,429	11,441,882	2,178,864	19,452,322
<u>1,170,789</u>	<u>11,441,882</u>	<u>2,178,864</u>	<u>19,584,082</u>
15,605	4,763,093	-	4,794,011
582,290	202,360	-	4,338,460
<u>\$ 6,203,033</u>	<u>\$ 16,493,236</u>	<u>\$ 2,178,864</u>	<u>\$ 37,784,584</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, 2004**

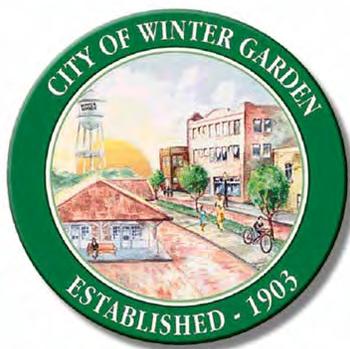
Function and Activity	Governmental Funds Capital Assets October 1, 2003	Additions	Deductions	Governmental Funds Capital Assets September 30, 2004
General government:				
Legislative	\$ 839	\$ -	\$ -	\$ 839
Financial and administrative	4,151,108	222,158	319,962	4,053,304
Comprehensive Planning	32,939	18,544	4,911	46,572
Total general government	<u>4,184,886</u>	<u>240,702</u>	<u>324,873</u>	<u>4,100,715</u>
Public safety:				
Law enforcement	1,987,233	351,676	97,227	2,241,682
Fire control	1,797,843	63,028	-	1,860,871
Protective inspections	251,585	55,778	98,335	209,028
Total public safety	<u>4,036,661</u>	<u>470,482</u>	<u>195,562</u>	<u>4,311,581</u>
Physical environment:				
Cemetery	245,147	23,186	-	268,333
Building maintenance	90,566	25,411	-	115,977
Fleet maintenance	203,537	67,888	-	271,425
Total physical environment	<u>539,250</u>	<u>116,485</u>	<u>-</u>	<u>655,735</u>
Transportation:				
Engineering	111,411	20,349	-	131,760
Construction and maintenance	17,333,755	2,252,760	134,193	19,452,322
Total transportation	<u>17,445,166</u>	<u>2,273,109</u>	<u>134,193</u>	<u>19,584,082</u>
Economic environment	<u>4,913,128</u>	<u>(119,117)</u>	<u>-</u>	<u>4,794,011</u>
Culture and recreation	<u>4,079,501</u>	<u>803,342</u>	<u>544,383</u>	<u>4,338,460</u>
Total governmental funds capital assets	<u>\$ 35,198,592</u>	<u>\$ 3,785,003</u>	<u>\$ 1,199,011</u>	<u>\$ 37,784,584</u>



# STATISTICAL SECTION







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**City of Winter Garden, Florida**  
**General Governmental Expenditures by Function<sup>1</sup>**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Physical Environment</b>	<b>Transportation</b>
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
2004	2,336,743	7,003,985	780,387	3,563,224

<sup>1</sup>Includes 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>
\$ 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
131,623	391,384	1,861,015	3,461,413	19,529,774

**City of Winter Garden, Florida**  
**General Governmental Revenues by Source<sup>1</sup>**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Licenses and Permits</b>	<b>Inter-governmental</b>	<b>Charges for Services</b>
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	6,337,721	1,888,809	4,752,209	1,275,651
2004	7,275,986	2,770,604	5,291,960	1,635,726

<sup>1</sup>Includes general, special revenue, and debt service funds

**City of Winter Garden, Florida**  
**General Governmental Tax Revenues by Source<sup>1</sup>**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Ad Valorem</b>	<b>Franchise Fees</b>	<b>Utility Services</b>	<b>Communications Services</b>
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 <sup>2</sup>	756,005 <sup>2</sup>
2003	3,098,149	903,925	1,466,794	855,324
2004	3,770,795	1,008,447	1,571,435	925,309

<sup>1</sup>Includes general, special revenue, and debt service funds

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

<b>Fines and Forfeits</b>	<b>Investment Earnings</b>	<b>Rents and Royalties</b>	<b>Miscellaneous</b>	<b>Total</b>
\$ 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	18,254,755
246,132	262,405	128,048	4,500,216	22,111,077

<b>Total</b>
\$ 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
7,275,986

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

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percentage Current Taxes Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Ratio of Total Tax Collections to Total Tax Levy</b>
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
2004	3,916,343	3,757,140	95.9	13,655	3,770,795	96.3

Source: Orange County Tax Collector's Office

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

<b>Fiscal Year</b>	<b>Real and Personal Property</b>		<b>Ratio of Total Assessed Value to Total Estimated Actual Value</b>
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	
1995	\$ 306,064,286	\$ 413,690,776	73.98%
1996	318,429,770	434,454,774	73.29
1997	346,124,980	475,361,779	72.81
1998	371,850,220	508,368,966	73.15
1999	409,373,971	550,213,771	74.40
2000	472,296,384	622,576,590	75.86
2001	592,739,751	775,272,073	76.46
2002	747,650,002	976,700,654	76.55
2003	908,118,889	1,169,398,119	77.66
2004	1,084,432,369	1,391,096,737	77.96

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)

<b>Fiscal Year</b>	<b>City</b>	<b>School District</b>	<b>County</b>	<b>Library</b>	<b>St. Johns River Water Mgmt. District</b>	<b>Health Central (WOHD)</b>	<b>Total</b>
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
2004	4.3040	7.8880	5.1639	0.4365	0.4620	-	18.2544

Source: Orange County Property Appraiser's Office

**City of Winter Garden, Florida  
Principal Taxpayers  
September 30, 2004**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2004 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
West Pointe Villas LTD	Apartment property management	\$ 9,607,030	0.9 %
West Point Commons LLC	Shopping center property management	9,161,551	0.8
BRH Berkshire West LLC	Apartment property management	9,080,865	0.8
Stoneybrook Joint Venture	Property development	8,414,258	0.8
Gar Shing Realty Corp	Shopping center property management	8,021,173	0.7
4000 Goldenrod LLC	Shopping center property management	7,435,961	0.7
M/I Homes of Orlando LLC	Property development	7,381,358	0.7
Hyde Park Communities	Mobile home park/campground	6,876,278	0.6
Winter Country Garden Assoc.	Apartment property management	6,286,677	0.6
Manheim Remarketing L P	Automobile auction	5,247,422	0.5
Totals		<u>\$ 77,512,573</u>	<u>7.1 %</u>

Source: Orange County Property Appraiser's Office

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

<b>Fiscal Year</b>	<b>Special Assessment Billings</b>	<b>Special Assessments Collected</b>
1995	\$ -	\$ -
1996	-	-
1997	-	-
1998	-	-
1999	-	-
2000	-	-
2001	-	-
2002	-	-
2003	-	-
2004	-	-

**City of Winter Garden, Florida  
Computation of Legal Debt Margin  
September 30, 2004**

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**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Assessed Value<sup>2</sup></b>	<b>Gross Bonded Debt</b>	<b>Less Debt Service Fund</b>
1995	12,413	306,064,286	-	-
1996	12,761	318,429,770	-	-
1997	13,118	346,124,980	-	-
1998	13,485	371,850,220	-	-
1999	13,863	409,373,971	-	-
2000	14,251	472,296,384	-	-
2001	16,097	592,739,751	-	-
2002	18,301	747,650,002	-	-
2003	20,378	908,118,889	-	-
2004	22,242	1,084,432,369	-	-

<sup>1</sup>Source: University of Florida, Bureau of Economics and Business Research

<sup>2</sup>Source: Orange County Property Appraiser's Office

<b>Debt Payable from Enterprise Revenues</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
-	-	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**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Governmental Expenditures<sup>1</sup></b>	<b>Ratio of Debt Service to General Governmental Expenditures</b>
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
2004	-	-	-	19,529,774	0.0

<sup>1</sup>Includes general, special revenue, and debt service funds

**City of Winter Garden, Florida**  
**Computation of Direct and Overlapping Bonded Debt**  
**General Obligation Bonds**  
**September 30, 2004**

<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>2,350,000</u>	1.6	<u>37,600</u>
Total	<u>\$ 2,350,000</u>		<u>\$ 37,600</u>

Source: Orange County Library System

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

Fiscal Year	Gross Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
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	5,799,376	3,809,422	1,989,954	-	-	-	N/A
2004	6,974,607	4,658,418	2,316,189	-	-	-	N/A

<sup>1</sup>Total revenues exclusive of impact fees and investment earnings thereon

<sup>2</sup>Total operating expenses exclusive of depreciation

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

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>		<b>Labor Force (Countywide)<sup>2</sup></b>			<b>Unemployment Rate</b>
	<b>City of Winter Garden</b>	<b>Orange County</b>	<b>Civilian Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	
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
2004	22,242	1,013,937	569,814	544,606	25,208	4.4

<sup>1</sup>Source: University of Florida, Bureau of Economics and Business Research

<sup>2</sup>Source: Florida Department of Labor and Employment Security (1995-2002)  
Florida Agency for Workforce Innovation (2003-2004)

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

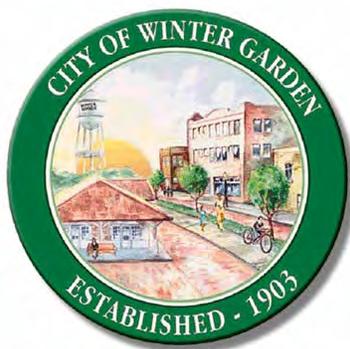
Fiscal Year	Real and Personal Property Value <sup>1</sup>	Commercial Construction <sup>2</sup>		Residential Construction <sup>2</sup>	
		Number of		Number of	
		Units	Value	Units	Valuation
1995	\$ 413,690,776	62	\$ 1,390,409	138	\$ 7,521,560
1996	434,454,774	67	7,264,413	182	13,620,286
1997	475,361,779	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
2004	1,391,096,737	461	23,664,014	1,372	193,764,408

<sup>1</sup>Source: Orange County Property Appraiser's Office

<sup>2</sup>Source: Planning, Zoning, and Development Department

**City of Winter Garden, Florida  
Miscellaneous Statistics  
September 30, 2004**

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	29
Number of inspections conducted:	
Initial inspections	694
Re-inspections	550
Occupational license inspections	140
Number of plan reviews conducted:	
Site plan reviews	224
Construction plan reviews	119
Number of public education events held	30
Police Protection:	
Number of stations	1
Number of police personnel and officers:	
Non-sworn	22
Sworn	43
Number of law violations:	
Physical arrests:	
Adult	1,498
Juvenile	247
Traffic violations	6,520
Sewerage System:	
Number of treatment plants	1
Number of service connections	9,450
Water System:	
Number of treatment plants	4
Number of service connections	10,044



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# COMPLIANCE AND INTERNAL CONTROL SECTION







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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE BASED ON AN AUDIT OF 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 financial statements of the City of Winter Garden, Florida, ("the City") as of and for the year ended September 30, 2004, and issued our report thereon dated February 28, 2005. 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.

### 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 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.

### Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, 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

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.  
February 28, 2005



# Sines, Girvin, Blakeslee & Campbell

*Certified Public Accountants, P.A.*

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE  
PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 AND THE EXECUTIVE OFFICE OF THE  
GOVERNOR'S STATE PROJECTS COMPLIANCE SUPPLEMENT**

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, 2004. The City's major federal programs and major 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 major 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, 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 major 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.

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 major state projects for the year ended September 30, 2004.

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.

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, 2004 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 financial statements. Such information has been subjected to auditing procedures, as considered necessary, and, in our opinion, is fairly stated, in all material respects, in relation to the 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.  
February 28, 2005

**City of Winter Garden, Florida  
Schedule of Expenditures of Federal Awards  
And State Financial Assistance  
For the Year Ended September 30, 2004**

**EXPENDITURES OF FEDERAL AWARDS**

Grantor/Pass-through Grantor/Program	Identification Number	CFDA Number	Federal Expenditures
<u>U.S. Department of Justice</u> Local Law Enforcement Block Grant	2003-LB-BX-0272	16.592	\$ 14,619
Passed through the Florida Department of Law Enforcement: Byrne Formula Grant	Not Available	16.579	36,000
Bulletproof Vest Partnership Program	XT2-1 SMU-II+P+102210	16.607 16.607	9,179 3,750
<u>U.S. Department of Treasury</u> Gang Resistance Education & Training	ATC0300284 2004-JV-FX-0047	21.053 21.053	1,448 1,800
<u>U.S. Environmental Protection Agency</u> Passed through Florida Department of Environmental Protection: Capitalization Grants for Clean Water State Revolving Funds	CS12039808P WWG12039808L	66.458 66.458	31,469 5,307,091 <hr/> 5,338,560
Capitalization Grants for Drinking Water State Revolving Funds	DW4801010	66.468	1,967,511
<u>U.S. Department of Homeland Security</u> Passed through the Florida Department of Community Affairs Public Assistance Grants	FEMA-1539-DR-FL FEMA-1545-DR-FL FEMA-1561-DR-FL	97.036 97.036 97.036	92,113 118,976 106,340 <hr/> 317,429
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<hr/> <b>\$ 7,690,296</b> <hr/>

**EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

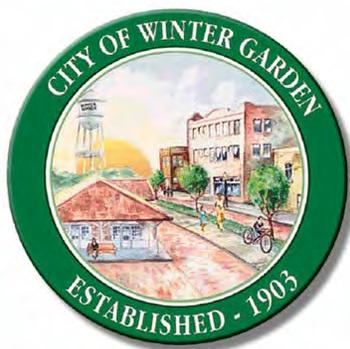
Grantor/Pass-through Grantor/Program	Identification Number	CSFA Number	State Expenditures
<u>Florida Executive Office of the Governor</u> Economic Development Transportation Fund	OT04-066	31.002	\$ 32,944
<u>Florida Department of Community Affairs</u> Greater Winter Garden Weatherization Grant	03WX-1D06-58-02-037	52.025	307,998
<u>Florida Department of Transportation</u> County Incentive Grant Program	410518-54-01	55.008	852,755
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<hr/> <b>\$ 1,193,697</b> <hr/>

**City of Winter Garden, Florida**  
**Notes to Schedule of Expenditures of Federal Awards**  
**And State Financial Assistance**  
**Fiscal Year Ended September 30, 2004**

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.





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## INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Mayor and 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, as of and for the fiscal year ended September 30, 2004, and have issued our report thereon dated February 28, 2005.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. We have issued our report on compliance and internal control over financial reporting, which is dated February 28, 2005, and should be considered in conjunction with this management letter.

The Rules of the Auditor General (Section 10.554(1) (h) 1.) require that we address in the management letter, if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs, whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report

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

The Rules of the Auditor General (Section 10.554(1)(h) 4.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed no such matters.

As required by the Rules of the Auditor General (Section 10.554(1) (h) 6.b.), we determined that the annual financial report for the City of Winter Garden, Florida for the fiscal year ended September 30, 2004, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2004.

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

Page Two

As required by the Rules of the Auditor General (Section 10.554(1) (h) 6.a.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, regarding financial emergencies. In connection with our audit, we determined that the City of Winter Garden, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Sections 10.554(1) (h) 6.c. and 10.556(8)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

This management letter is intended solely for the information of the City Commission, management, federal and state awarding agencies and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.



Sines, Girvin, Blakeslee and Campbell, P.A.  
February 28, 2005