



CITY OF WINTER GARDEN, FLORIDA



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2008

CITY OF WINTER GARDEN, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended

September 30, 2008

Prepared by:

Finance Department



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended September 30, 2008

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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



March 27, 2009

City of Winter Garden

P: 407.656.4111

300 West Plant Street

Winter Garden, FL

34787

wintergarden-fl.gov

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, 2008 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, 2008, 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 certified public accountant 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, 2008, are fairly presented in all material respects in conformity with GAAP. The report of independent certified public accountants is presented as the first component of the financial 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 independent certified public accountants.

Profile of the City

The City, incorporated in 1903, is located in Central Florida in West Orange County. The City experienced significant growth from 1999 to 2007, which has slowed considerably in the current year. The City currently occupies a land area of approximately sixteen square miles and serves a population of 30,838. 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, City Clerk, 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 three-year staggered terms, with the Mayor and one Commissioner elected every three 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 Commission is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources 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.

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 6.3 percent in 2008, as compared to 3.9 percent in 2007. Unemployment is expected to increase further in the near term. Major industries located in Central Florida include the tourism industry, as well as digital media, software and hardware, and medical industries.

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 and specialty shops have opened, and the 1930's era "Garden Theatre", dark since 1962, has undergone a complete restoration and recently opened its doors once again. It is expected that the downtown area will develop into the business and cultural center of West Orange County. This revitalization should have a positive impact on the entire community.

In the fiscal year 2006, the City added an Economic Development Coordinator position to focus on improving business retention, business expansion, business attraction, and the encouragement of entrepreneurial growth. With an emphasis on attracting the digital media, software and hardware, and medical industries to the City, these efforts should work to ensure the long-term economic vitality of the community.

During the current fiscal year, construction was completed on Winter Garden Village at Fowler Groves, a 1.15 million square foot regional open-air shopping center (the "Mall") on 175 acres in the City's southern area. The Mall opened in the current fiscal year and is the largest of its kind in Central Florida. It draws shoppers from all of West Orange County and has created numerous jobs, in addition to providing convenient shopping for local residents.

Long-term financial planning

Unreserved, undesignated fund balance in the General Fund decreased as a percentage of total expenditures from 41% to 33% during the current fiscal year. This is consistent with management's target level of 30% and it is expected to move further toward that target based on the fiscal year 2009 budget. As part of that plan, the City has budgeted \$2 million for renovations of an existing building for a recreation complex. This complex will centralize many of the recreation programs into one location and is expected to reduce overall operating costs of the department in the long-run, while at the same time improving services to the citizens.

Relevant financial policies

Given the recent uncertainty of interest rates, durations of investments were held fairly constant during the fiscal year. Effective durations at the beginning of the fiscal year were 1.58 years for the governmental fund portfolio and 1.60 years for the enterprise fund portfolio, and 1.55 years and 1.61 years at the end of the fiscal year, respectively.

Major initiatives

In the current fiscal year, the City completed the construction of a new city hall at a total cost of \$16,493,870. Bonds were issued in fiscal year 2006 in the amount of \$12,025,000 with a pledge of local government half-cent sales tax revenues to fund the majority of the project. This new building has three floors and approximately 40,000 square feet of office space, which should accommodate City staff at build out. The old City Hall is currently undergoing renovations for use by the Police Department for additional office space.

During the current fiscal year, preliminary planning and engineering work began on the widening of County Road 545. Total construction costs for this project are expected to be \$14,000,000, the majority of which will be funded by the issuance of debt.

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 CAFR for the fiscal year ended September 30, 2007. This was the fifth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable legal requirements.

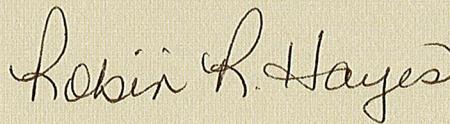
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,



Michael L. Bollhoefer, C.P.A.
City Manager



Robin R. Hayes
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, 2007

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.



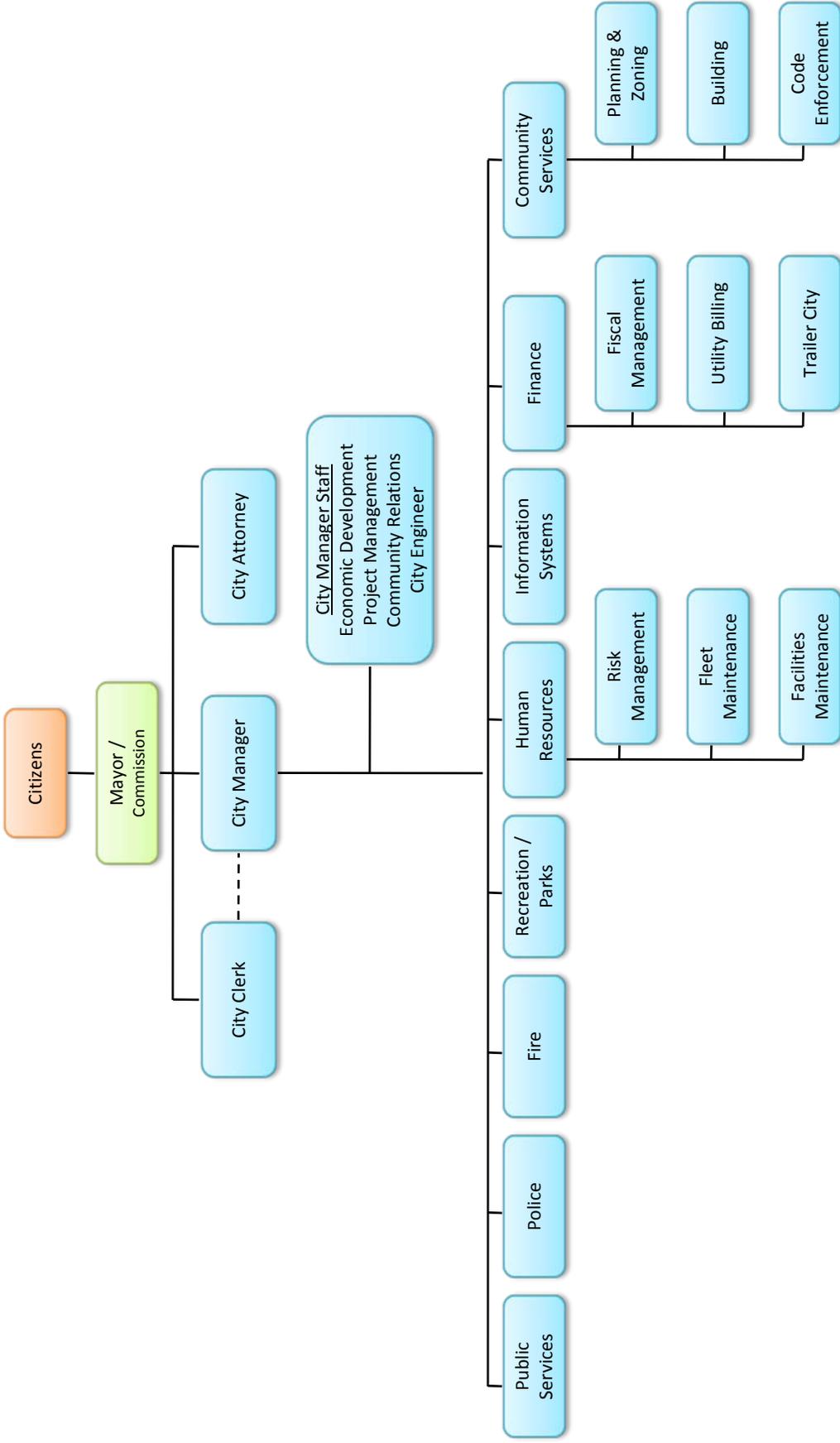
A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "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, 2008

Elected Officials

Mayor	John Rees
City Commissioner—District 1	Gerald H. Jowers
City Commissioner—District 2	James R. Buchanan
City Commissioner—District 3	Harold L. Boulter
City Commissioner—District 4	Colin P. Sharman

Appointed Officials

City Manager	Michael L. Bollhoefer
Assistant City Manager	Vacant
Assistant to the City Manager - Public Services	Donald R. Cochran
City Clerk	Kathy Golden
City Attorney	A. Kurt Ardaman
Human Resource Director	Frank M. Gilbert
Economic Development Director	Dolores A. Key
Finance Director	Robin R. Hayes
Information Technology Director	Robert D. Reilly
Planning Director	Ed Williams
Building Official	Skip A. Lukert
Police Chief	George A. Brennan
Fire Chief	John W. Williamson, II
Recreation Director	Joseph H. Conn



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FINANCIAL SECTION



**REPORT OF INDEPENDENT CERTIFIED PUBLIC
ACCOUNTANTS**

—
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

Report of Independent Certified Public Accountants

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, 2008, 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 of the City as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Community Redevelopment 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 March 27, 2009 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 grant agreements and other matters. 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, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing 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, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by 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 financial 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 is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City. The combining and individual fund financial statements and schedule of expenditures of federal awards 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 and statistical sections 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.
March 27, 2009

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, 2008. 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 1-4 of this report.

Financial Highlights

- The assets of the City exceeded liabilities on September 30, 2008 by \$180,064,784. The unrestricted net assets on this date were \$23,986,978. These funds are available to meet the ongoing obligations of the City.
- The net assets of governmental activities on September 30, 2008 equaled \$106,153,687. Of this amount, \$12,869,395 was unrestricted. The net assets of business-type activities equaled \$73,911,097. Of this amount \$11,117,583 was unrestricted.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$42,324,115. Of this amount, \$36,958,264 is available for spending at the government's discretion (unreserved fund balance); however, \$28,126,270 reported in the Impact Fee Fund is required to be used for capital projects and equipment purchases related to growth for police, fire, road, and recreation.
- Unreserved fund balance in the General Fund was \$8,164,181 at the end of the fiscal year, or 33 percent of total expenditures.
- Net assets in the Pension Trust Fund for General Employees decreased \$1,829,654. Net assets in the Pension Trust Fund for Firefighters and Police Officers decreased \$948,265.

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 ten 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, the Impact Fee Fund, and the New City Hall Capital Projects Fund, all of which are considered to be major funds. Data from the other six 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 utility, stormwater utility, solid waste collection operation, 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 47-75 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 76-77 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 80-94 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 \$180,064,784 at the close of the most recent fiscal year. The City's increase in net assets for this fiscal year amounts to \$18,014,629.

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 \$104,007,924 or 58 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.

CITY OF WINTER GARDEN’S Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 48,950,864	\$57,742,252	\$34,753,033	\$36,091,700	\$ 83,703,897	\$ 93,833,952
Capital assets	78,377,248	59,348,259	53,870,543	48,455,298	132,247,791	107,803,557
Total assets	127,328,112	117,090,511	88,623,576	84,546,998	215,951,688	201,637,509
Long-term liabilities						
outstanding	16,595,542	17,224,462	11,555,296	12,157,499	28,150,838	29,381,961
Other liabilities	4,578,883	7,105,573	3,157,183	3,099,820	7,736,066	10,205,393
Total liabilities	21,174,425	24,330,035	14,712,479	15,257,319	35,886,904	39,587,354
Net assets:						
Invested in capital assets, net of related debt	62,229,762	48,751,070	41,778,162	35,774,224	104,007,924	84,525,294
Restricted	31,054,530	28,296,384	21,015,352	12,665,164	52,069,882	40,961,548
Unrestricted	12,869,395	15,713,022	11,117,583	20,850,291	23,986,978	36,563,313
Total net assets	\$106,153,687	\$92,760,476	\$73,911,097	\$69,289,679	\$180,064,784	\$162,050,155

An additional portion of the City’s net assets (25 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$23,986,978) 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.

The City’s net assets increased by \$18,014,629 during the current fiscal year. The majority of this increase represents the degree to which in-kind contributions and impact fee revenues have outstripped depreciation expense on the related capital assets.

Governmental activities. Governmental activities increased the City’s net assets by \$13,393,211, thereby accounting for 74 percent of the total growth in net assets of the City. Key elements of this increase are as follows:

- The City received a contribution of road improvements from a developer valued at \$5,594,440 for road improvements necessitated by their project. This has the effect of increasing net assets since the contributed assets are depreciated over many years in the

government-wide financial statements. Thus, the related expense is largely not recognized in the same year as the contribution revenue.

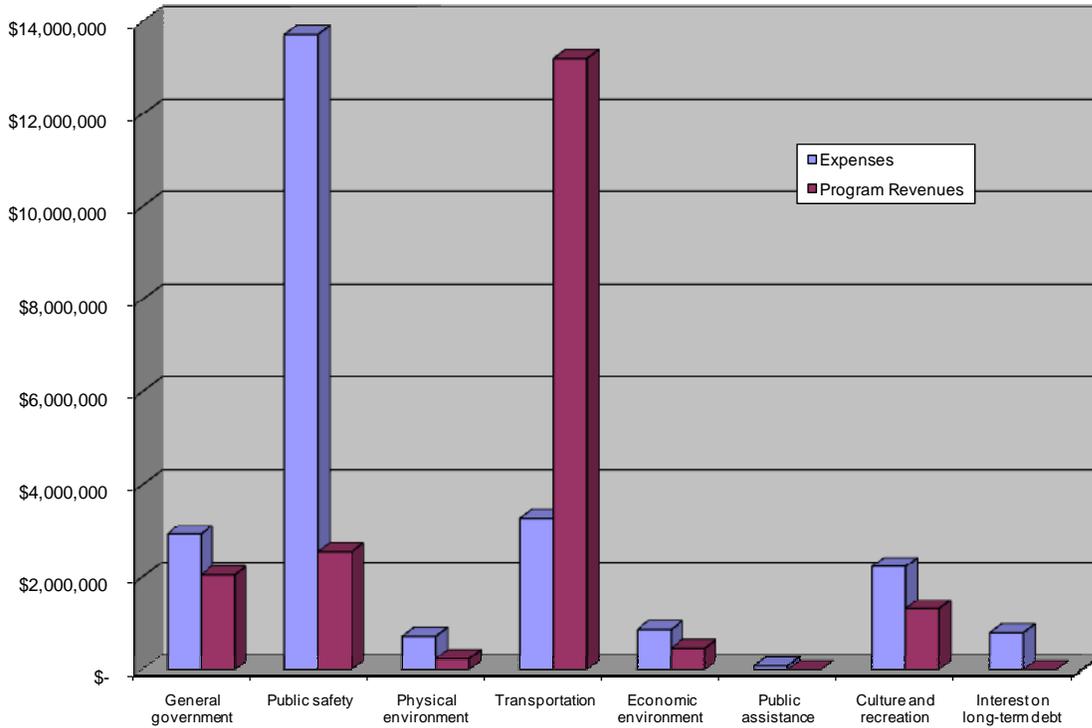
	CITY OF WINTER GARDEN'S Changes in Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services ^{1,2}	\$ 4,631,603	\$ 4,739,191	\$14,994,803	\$13,812,087	\$19,626,406	\$18,551,278
Operating grants and contributions	1,911,035	1,935,703	-	-	1,911,035	1,935,703
Capital grants and contributions	13,286,270	18,410,818	2,652,612	5,052,885	15,938,882	23,463,703
General revenues:						
Ad valorem	8,351,424	8,297,193	-	-	8,351,424	8,297,193
Franchise fees ¹	-	1,773,927	-	-	-	1,773,927
Utility service taxes	2,615,227	2,432,494	-	-	2,615,227	2,432,494
Communication services taxes	1,386,894	1,323,649	-	-	1,386,894	1,323,649
Local business tax ²	206,343	-	-	-	206,343	-
Unrestricted						
intergovernmental	4,712,786	4,432,087	-	-	4,712,786	4,432,087
Investment earnings	986,053	1,668,231	432,272	564,484	1,418,325	2,232,715
Gain (loss) on sale of capital assets	5,875	-	76,315	14,832	82,190	14,832
Other	-	101,207	-	-	-	101,207
Total revenues	38,093,510	45,114,500	18,156,002	19,444,288	56,249,512	64,558,788
Expenses:						
General government	2,932,260	2,701,941	-	-	2,932,260	2,701,941
Public safety	13,736,706	11,898,442	-	-	13,736,706	11,898,442
Physical environment	736,565	843,671	-	-	736,565	843,671
Transportation	3,282,627	2,505,649	-	-	3,282,627	2,505,649
Economic environment	877,845	641,944	-	-	877,845	641,944
Public assistance	82,630	101,330	-	-	82,630	101,330
Culture and recreation	2,236,885	2,328,830	-	-	2,236,885	2,328,830
Interest on long-term debt	814,781	838,981	-	-	814,781	838,981
Water and sewer	-	-	9,141,484	8,765,465	9,141,484	8,765,465
Solid Waste	-	-	3,285,187	3,455,158	3,285,187	3,455,158
Stormwater	-	-	912,188	785,573	912,188	785,573
Mobile home lot rentals	-	-	195,725	237,896	195,725	237,896
Total expenses	24,700,299	21,860,788	13,534,584	13,244,092	38,234,883	35,104,880
Increase in net assets	13,393,211	23,253,712	4,621,418	6,200,196	18,014,629	29,453,908
Net assets- beginning	92,760,476	69,506,764	69,289,679	63,089,483	162,050,155	132,596,247
Net assets- ending	\$106,153,687	\$92,760,476	\$73,911,097	\$69,289,679	\$180,064,784	\$162,050,155

¹Franchise fees were reclassified to permits and fees for fiscal year 2008 in the State of Florida Uniform Accounting System Manual.

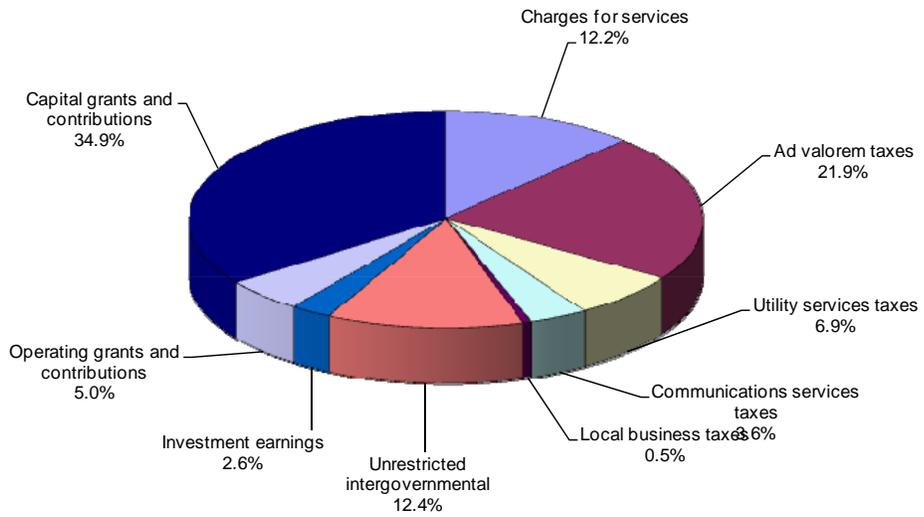
²Local business tax was reclassified from permits and fees for fiscal year 2008 in the State of Florida Uniform Accounting System Manual.

- The City experienced growth in new construction during the current fiscal year, resulting in the collection of \$3,103,937 for transportation, 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

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



the case of land. Thus, the related expense is largely not recognized in the same year as the impact fee revenues are received. During growth periods, this has the effect of increasing net assets.

Business-type activities. Business-type activities increased the City's net assets by \$4,621,418, accounting for 26 percent of the total growth in the City's net assets. A key element of this increase was growth in new construction during the current fiscal year, resulting in the collection of \$1,178,103 for water and sewer impact fees, plus \$1,343,981 in investment earnings on unexpended 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 and related investment earnings are received. During growth periods, this has the effect of increasing net assets.

Financial Analysis of the City's Funds

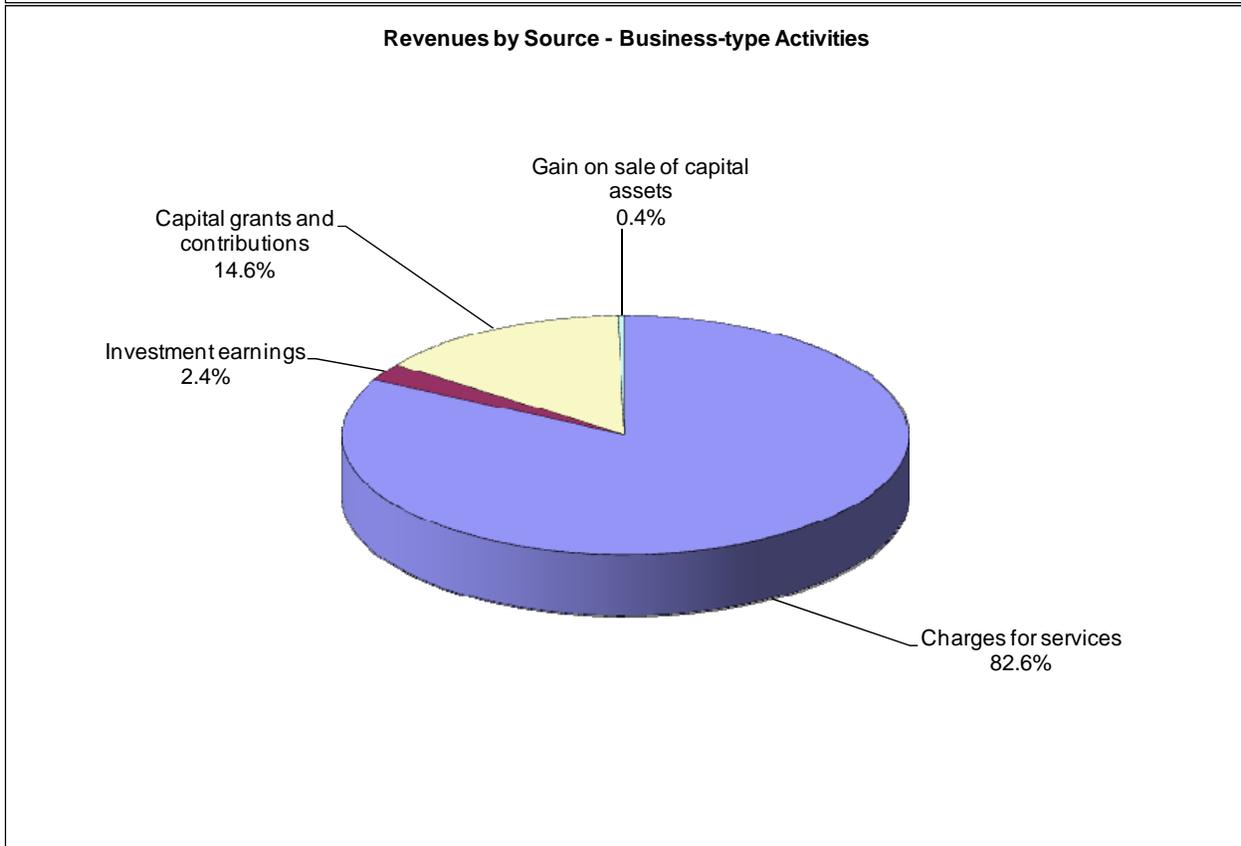
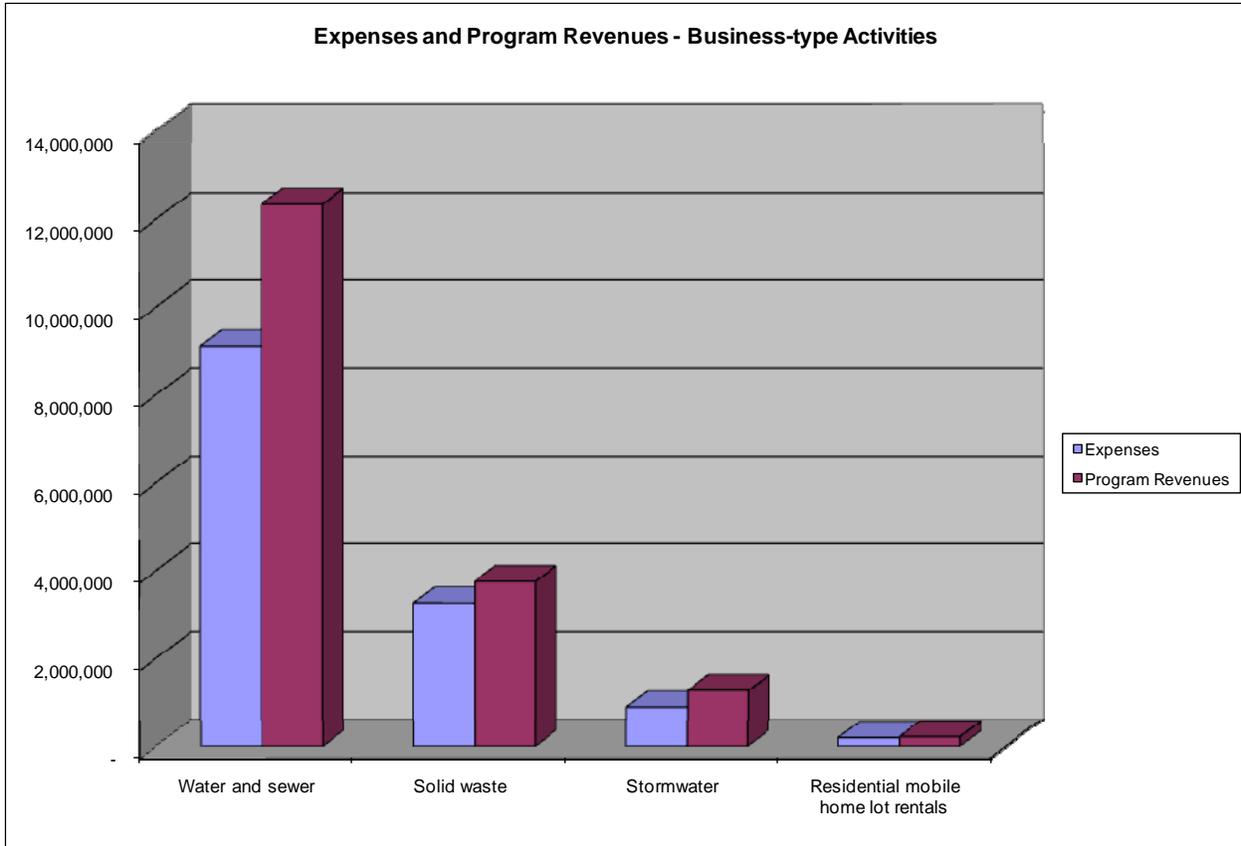
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 \$42,324,115, a decrease of \$6,395,108. Of this amount, \$36,958,264 is unreserved, which is available for spending at the City's discretion; however, \$28,126,270 reported in the Impact Fee Fund is required to be used for capital projects and equipment purchases related to growth for police, fire, road, and recreation. The remaining fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) for encumbrances (\$2,497,257), 2) for advances to other funds (\$1,337,386), 3) for enforcement of the Florida Building Code (\$1,224,334), or 4) for a variety of other restricted purposes (\$306,874).

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 \$8,164,181, while total fund balance was \$11,032,775. 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 33 percent of general fund expenditures, while total fund balance represents 45 percent of the same amount.

The fund balance of the City's General Fund decreased by \$2,209,371 during the current fiscal year. The key factors in this decrease are as follows:



- Fire control expenditures included the purchase of a new tower truck at a cost of \$868,258.
- An interfund property sale in the amount of \$1,000,000 was deferred to fiscal year 2009.

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 \$77,230 in this fund to result in a deficit fund balance of \$450,092. The deficit fund balance is a result of an advance from the General Fund in fiscal year 2003 that was used to fund a downtown renovation project. The liability is reported in the balance sheet of the Community Redevelopment Agency; however, these funds were transferred to a capital projects fund to pay for the renovations, causing the deficit balance. As tax increment revenues increase, the deficit 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 \$2,627,326 in this fund. The key factor in this increase was that transportation expenditures were under budget by \$8,989,784. This was primarily due to amounts budgeted for construction (\$16,147,851) for various road projects, of which only \$1,563,627 was expended during the current fiscal year.

The New City Hall Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of a new city hall site and building. Fund balance decreased \$7,376,853 in this fund due to the ongoing progress of the project.

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 \$11,471,555. It is anticipated that much of this amount will be needed over the next few years to fund the relocation of utility lines due to the expansion of a major State Road (at an estimated cost of \$7.5 million) and to further advance the City's reclaimed water initiative (at an estimated cost of \$16.7 million). Total growth in net assets for this fund was \$3,751,508. Factors concerning this increase have already been addressed in the discussion of the City's business-type activities. Unrestricted net assets in the Solid Waste Fund at the end of the year amounted to a deficit of \$115,121, with an increase in net assets of \$472,802. This is primarily due to a rate increase that was implemented during this fiscal year.

General Fund Budgetary Highlights

The General Fund budget was increased by \$2,138,427 from the original budget to the final amended budget (an increase of 8%). These increases can be summarized as follows:

- \$718,414 increase in general government activities. This was primarily due to increases for executive activities, including the clean-up of a contaminated property (\$400,000)
- \$593,632 increase in public safety activities.
- \$130,668 decrease in physical environment activities.
- \$162,598 increase in transportation activities.
- \$101,349 increase in economic environment activities.
- \$693,102 increase in culture and recreation activities. This was primarily due to increases for a park renovation project (\$449,428).

The final budget for intergovernmental revenue was \$5,110,933, while the actual amount was \$5,336,959, a variance of \$226,026. This was primarily due to an unbudgeted \$454,107 Community Development Block Grant that was awarded for a parks and street renovation project.

The final budget for public safety expenditures was \$14,866,039, while the actual amount was \$13,849,906, a variance of \$1,016,133. This was primarily due to unfilled building department positions (\$229,635), police department equipment that was not purchased (\$164,695), a new fire department headquarters building that was not yet completed at the end of the fiscal year (\$186,973), and fire department equipment that was not purchased (\$238,778).

The final budget for culture and recreation expenditures was \$5,177,777, while the actual amount was \$3,047,358, a variance of \$2,130,419. This was primarily due to the design and construction of a new recreation center that was not yet completed at the end of the fiscal year (\$1,863,162).

While the final budget provided for the use of \$5,442,444 of fund balance during the year, fund balance decreased only \$2,209,371. This is primarily due to expenditures coming in under budget for the majority of departments and budgeted reserve for contingencies not being needed.

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, 2008, amounts to \$132,247,791 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction work in progress. The total increase in the City's investment in capital assets for the current fiscal year was 23 percent (a 32 percent increase for governmental activities and an eleven percent increase for business-type activities).

CITY OF WINTER GARDEN'S Capital Assets

	Governmental Activities	Business-type Activities	Total
Land	\$ 16,908,161	\$ 1,024,601	\$ 17,932,762
Buildings	19,340,398	6,206,469	25,546,867
Improvements other than buildings	3,881,224	18,048,861	21,930,085
Machinery and equipment	11,205,750	5,270,755	16,476,505
Infrastructure	39,471,760	34,053,963	76,525,723
Construction work in progress	4,031,391	8,696,067	12,727,458
Less: accumulated depreciation	(16,461,436)	(19,430,173)	(35,891,609)
Net capital assets	<u>\$78,377,248</u>	<u>\$ 53,870,543</u>	<u>\$132,247,791</u>

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

- Construction of a new city hall was completed. Total costs for site acquisition, design, construction, and equipping were \$16,493,870.
- Preliminary planning and engineering work continued on the widening of County Road 545. As of the end of the current fiscal year, \$184,739 had been expended on this project. Total design and construction costs are expected to be \$14,000,000.

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 \$28,239,867. Of this amount, \$4,522,486 comprises debt backed by the full faith and credit of the City. The remainder of the debt represents debt secured solely by specified revenue sources.

CITY OF WINTER GARDEN'S Outstanding Debt, at year end

Governmental:	
Series 2006 Sales Tax Revenue Bonds	\$11,625,000
Series 2001 OOCEA Agreement	2,210,070
Series 2001 CRA Loan	2,312,416
Sub-total	<u>16,147,486</u>
Business Type:	
Series 2005 SRF Loan	24,336
Series 2004 SRF Loan	1,754,399
Series 2003 SRF Loan	9,388,560
Series 2001 SRF Loan	925,086
Sub-total	<u>12,092,381</u>
Total	<u><u>\$28,239,867</u></u>

The City's total debt decreased by \$1,213,440 (four percent) during the current fiscal year due to regular scheduled principal payments.

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 has experienced significant growth over the past several years, thus the costs of providing governmental services have likewise been increasing; however, due to legislative tax reform, the City was mandated to reduce its millage rate to 9% below the rolled-back rate for fiscal year 2008. Thus, the City lowered its millage rate from 4.3040 to 3.3866, which equates to a \$2,341,049 reduction in property tax revenues for fiscal year 2008 below the amount that would have been levied had the millage rate stayed the same. During the budget process for the fiscal year ended September 30, 2008, department heads focused on controlling costs and were successful in doing so.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 and \$75,000), except for school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

Amendment 1 became effective on October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property which became effective on January 1, 2009.

The annual loss of property tax revenues for our City from Amendment 1 was approximately \$610,370 for the fiscal 2009 budget year.

The City completed a study in fiscal year 2005 to examine its stormwater rates. This study resulted in increases which will be phased in over a period of five years. The City implemented a 2.2% increase for commercial solid waste and recycling on May 1, 2008, based on the increase in the Consumer Price Index, as well as an increase in residential rates from \$16 per month to \$19 per month. Effective October 26, 2006, the City implemented a new rate schedule for traffic impact fees, as well as a new County Road 545 Benefit Overlay Area assigning an additional traffic impact fee to new development in a designated geographic area surrounding this road.

There are scheduled increases of 2.5% annually for the regular traffic impact fee through October 1, 2016 and 5% annually for the Overlay Area traffic impact fee through October 1, 2021. For fiscal year 2008, the rate for the traffic impact fee for a single family home was \$5,910, with an additional \$5,374 traffic impact fee for a single family home in the new Overlay Area.

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, Fiscal Management Division, 300 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, 2008

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,319,838	\$ 543,192	\$ 6,863,030
Receivables (net of allowance for uncollectibles)	2,014,542	1,936,807	3,951,349
Internal balances	(8,627)	8,627	-
Due from other governmental units	775,487	-	775,487
Inventories	154,858	147,958	302,816
Investments	37,464,399	9,748,825	47,213,224
Prepaid items	217,693	15,052	232,745
Employee advances	4,000	-	4,000
Restricted cash, cash equivalents, and investments	-	22,352,572	22,352,572
Pension assets	2,008,674	-	2,008,674
Capital assets (net of accumulated depreciation):			
Land	16,908,161	1,024,601	17,932,762
Buildings	16,330,464	2,805,857	19,136,321
Improvements other than buildings	2,362,433	10,488,328	12,850,761
Machinery and equipment	5,200,998	1,687,500	6,888,498
Infrastructure	33,543,801	29,168,190	62,711,991
Construction work in progress	4,031,391	8,696,067	12,727,458
Total assets	<u>127,328,112</u>	<u>88,623,576</u>	<u>215,951,688</u>
LIABILITIES			
Accounts payable	1,534,013	619,245	2,153,258
Contracts payable	139,140	-	139,140
Due to other governmental units	550,622	931	551,553
Accrued interest payable	355,666	2,004	357,670
Accrued wages payable	304,280	52,189	356,469
Deposits	125,800	-	125,800
Unearned revenue	816,348	76,382	892,730
Other current liabilities	753,014	-	753,014
Liabilities payable from restricted assets	-	2,406,432	2,406,432
Noncurrent liabilities:			
Due within one year	102,760	25,501	128,261
Due in more than one year	16,492,782	11,529,795	28,022,577
Total liabilities	<u>21,174,425</u>	<u>14,712,479</u>	<u>35,886,904</u>
NET ASSETS			
Invested in capital assets, net of related debt	62,229,762	41,778,162	104,007,924
Restricted for:			
Public safety	2,691,642	-	2,691,642
Transportation	26,026,835	-	26,026,835
Culture and recreation	2,336,053	-	2,336,053
Debt service	-	560,282	560,282
Capital projects	-	20,455,070	20,455,070
Unrestricted	12,869,395	11,117,583	23,986,978
Total net assets	<u>\$ 106,153,687</u>	<u>\$ 73,911,097</u>	<u>\$ 180,064,784</u>

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

City of Winter Garden, Florida
Statement of Activities
For the Year Ended September 30, 2008

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government	\$ 4,576,379	\$ (1,644,119)	\$ 2,050,636	\$ -	\$ 2,880
Public safety	13,736,706	-	1,697,235	420,980	436,903
Physical environment	1,170,661	(434,096)	236,355	-	-
Transportation	3,352,871	(70,244)	401,577	1,032,236	11,772,919
Economic environment	847,520	30,325	-	457,599	-
Public assistance	82,630	-	-	-	-
Culture and recreation	2,236,885	-	245,800	220	1,073,568
Interest on long-term debt	814,781	-	-	-	-
Total governmental activities	26,818,433	(2,118,134)	4,631,603	1,911,035	13,286,270
Business-type activities:					
Water and sewer	7,806,405	1,335,079	9,708,145	-	2,652,612
Solid waste	2,672,735	612,452	3,774,996	-	-
Stormwater	762,234	149,954	1,293,968	-	-
Residential mobile home lot rentals	175,076	20,649	217,694	-	-
Total business-type activities	11,416,450	2,118,134	14,994,803	-	2,652,612
Total Functions/Programs	\$ 38,234,883	\$ -	\$ 19,626,406	\$ 1,911,035	\$ 15,938,882

General revenues:
Taxes:
Ad valorem
Utility services
Communications services
Local business tax
Unrestricted intergovernmental
Investment earnings
Gain on sale of capital assets
Total general revenues
Change in net assets
Net assets—beginning
Net assets—ending

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

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

Governmental Activities	Business-type Activities	Total
\$ (878,744)	\$ -	\$ (878,744)
(11,181,588)	-	(11,181,588)
(500,210)	-	(500,210)
9,924,105	-	9,924,105
(420,246)	-	(420,246)
(82,630)	-	(82,630)
(917,297)	-	(917,297)
(814,781)	-	(814,781)
<u>(4,871,391)</u>	<u>-</u>	<u>(4,871,391)</u>
-	3,219,273	3,219,273
-	489,809	489,809
-	381,780	381,780
-	21,969	21,969
-	<u>4,112,831</u>	<u>4,112,831</u>
<u>(4,871,391)</u>	<u>4,112,831</u>	<u>(758,560)</u>
8,351,424	-	8,351,424
2,615,227	-	2,615,227
1,386,894	-	1,386,894
206,343	-	206,343
4,712,786	-	4,712,786
986,053	432,272	1,418,325
5,875	76,315	82,190
<u>18,264,602</u>	<u>508,587</u>	<u>18,773,189</u>
<u>13,393,211</u>	<u>4,621,418</u>	<u>18,014,629</u>
<u>92,760,476</u>	<u>69,289,679</u>	<u>162,050,155</u>
<u>\$ 106,153,687</u>	<u>\$ 73,911,097</u>	<u>\$ 180,064,784</u>

**City of Winter Garden, Florida
Balance Sheet
Governmental Funds
September 30, 2008**

	General	Community Redevelopment Agency
ASSETS		
Cash and cash equivalents	\$ 1,088,536	\$ 293,273
Receivables (net of allowance for uncollectibles)	2,014,542	-
Advances to other funds	1,337,386	-
Due from other governmental units	445,626	-
Investments	9,716,766	-
Prepaid items	217,693	-
Employee advances	4,000	-
Total assets	\$ 14,824,549	\$ 293,273
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 639,062	\$ -
Contracts payable	-	-
Due to other funds	602,648	-
Due to other governmental units	550,622	-
Accrued wages payable	304,280	-
Deposits	125,800	-
Deferred revenue	816,348	-
Other current liabilities	753,014	-
Advances from other funds	-	743,365
Total liabilities	3,791,774	743,365
Fund balances:		
Reserved for:		
Encumbrances	-	-
Advances to other funds	1,337,386	-
Police training and education	59,181	-
Television production equipment	30,000	-
Enforcement of Florida Building Code	1,224,334	-
Prepaid items	217,693	-
Unreserved (deficit), reported in:		
General fund	8,164,181	-
Special revenue funds	-	(450,092)
Capital projects funds	-	-
Total fund balances (deficit)	11,032,775	(450,092)
Total liabilities and fund balances	\$ 14,824,549	\$ 293,273

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

Impact Fee	New City Hall Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 3,226,487	\$ 774,821	\$ 936,721	\$ 6,319,838
-	-	-	2,014,542
-	-	-	1,337,386
-	-	329,861	775,487
27,747,633	-	-	37,464,399
-	-	-	217,693
-	-	-	4,000
<u>\$ 30,974,120</u>	<u>\$ 774,821</u>	<u>\$ 1,266,582</u>	<u>\$ 48,133,345</u>
\$ 211,453	\$ 606,198	\$ 77,300	\$ 1,534,013
139,140	-	-	139,140
-	-	-	602,648
-	-	-	550,622
-	-	-	304,280
-	-	-	125,800
-	-	240,000	1,056,348
-	-	-	753,014
-	-	-	743,365
<u>350,593</u>	<u>606,198</u>	<u>317,300</u>	<u>5,809,230</u>
2,497,257	-	-	2,497,257
-	-	-	1,337,386
-	-	-	59,181
-	-	-	30,000
-	-	-	1,224,334
-	-	-	217,693
-	-	-	8,164,181
28,126,270	-	949,282	28,625,460
-	168,623	-	168,623
<u>30,623,527</u>	<u>168,623</u>	<u>949,282</u>	<u>42,324,115</u>
<u>\$ 30,974,120</u>	<u>\$ 774,821</u>	<u>\$ 1,266,582</u>	<u>\$ 48,133,345</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, 2008**

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

Fund balances-total governmental funds	\$ 42,324,115
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	78,377,248
Inventories are recognized as an expenditure at the time of purchase in the governmental funds.	154,858
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.	2,008,674
Earned but deferred revenue is recognized as a liability in the governmental funds.	240,000
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(16,595,542)
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>(355,666)</u>
Net assets of governmental activities	<u>\$ 106,153,687</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, 2008

	General	Community Redevelopment Agency
REVENUES		
Taxes:		
Ad valorem	\$ 8,351,424	\$ -
Utility services	2,615,227	-
Communications services	1,386,894	-
Local business tax	206,343	-
Permits and fees	3,257,290	-
Intergovernmental	5,336,959	457,599
Charges for services	2,943,724	-
Fines and forfeits	411,097	-
Investment earnings	659,924	22,280
Rents and royalties	130,532	-
Special Assessments	-	-
Impact fees	-	-
Contributions and donations	22,970	-
Total revenues	25,322,384	479,879
EXPENDITURES		
Current:		
General government	4,487,698	-
Public safety	13,849,906	-
Physical environment	1,190,697	-
Transportation	1,891,992	-
Economic environment	344,565	330,718
Public assistance	82,630	-
Culture and recreation	3,047,358	-
Capital outlay	-	-
Debt service:		
Principal	28,500	-
Interest	922	38,397
Total expenditures	24,924,268	369,115
Excess (deficiency) of revenues over (under) expenditures	398,116	110,764
OTHER FINANCING SOURCES (USES)		
Transfers in	-	350,498
Transfers out	(2,623,947)	(538,492)
Sale of capital assets	16,460	-
Total other financing sources and (uses)	(2,607,487)	(187,994)
Net change in fund balances	(2,209,371)	(77,230)
Fund balances (deficit)—beginning	13,242,146	(372,862)
Fund balances (deficit)—ending	\$ 11,032,775	\$ (450,092)

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

<u>Impact Fee</u>	<u>New City Hall Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 8,351,424
-	-	-	2,615,227
-	-	-	1,386,894
-	-	-	206,343
-	-	-	3,257,290
-	-	1,543,139	7,337,697
-	-	-	2,943,724
-	-	37,419	448,516
1,514,498	281,170	22,679	2,500,551
-	-	-	130,532
-	-	70,000	70,000
3,103,937	-	-	3,103,937
2,256,169	2,880	-	2,282,019
<u>6,874,604</u>	<u>284,050</u>	<u>1,673,237</u>	<u>34,634,154</u>
-	-	-	4,487,698
2,342,225	-	489,256	16,681,387
-	-	-	1,190,697
1,563,627	-	1,092,935	4,548,554
-	-	-	675,283
-	-	-	82,630
341,426	-	-	3,388,784
-	8,660,903	-	8,660,903
-	-	624,747	653,247
-	-	637,220	676,539
<u>4,247,278</u>	<u>8,660,903</u>	<u>2,844,158</u>	<u>41,045,722</u>
<u>2,627,326</u>	<u>(8,376,853)</u>	<u>(1,170,921)</u>	<u>(6,411,568)</u>
-	1,000,000	1,811,941	3,162,439
-	-	-	(3,162,439)
-	-	-	16,460
-	1,000,000	1,811,941	16,460
2,627,326	(7,376,853)	641,020	(6,395,108)
27,996,201	7,545,476	308,262	48,719,223
<u>\$ 30,623,527</u>	<u>\$ 168,623</u>	<u>\$ 949,282</u>	<u>\$ 42,324,115</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, 2008**

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

Net change in fund balances—total governmental funds	\$ (6,395,108)
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.	7,500
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.	13,445,134
Donations of capital assets are not recognized in the governmental funds. However, revenue is recognized for donations of capital assets in the statement of activities at the estimated fair value at the time of donation.	5,594,440
In the statement of activities, only the gain 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.	(10,585)
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.	653,247
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>98,583</u>
Change in net assets of governmental activities	<u>\$ 13,393,211</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Ad valorem	\$ 8,303,452	\$ 8,303,452	\$ 8,351,424	\$ 47,972
Utility services	2,529,082	2,547,117	2,615,227	68,110
Communications services	1,417,900	1,345,650	1,386,894	41,244
Local business tax	202,946	202,946	206,343	3,397
Permits and fees	4,277,865	3,158,835	3,257,290	98,455
Intergovernmental	5,487,072	5,110,933	5,336,959	226,026
Charges for services	2,779,714	3,141,453	2,943,724	(197,729)
Fines and forfeits	293,725	435,613	411,097	(24,516)
Investment earnings	806,042	848,534	659,924	(188,610)
Rents and royalties	156,920	125,087	130,532	5,445
Contributions and donations	-	22,750	22,970	220
Other	82,641	134,977	-	(134,977)
Total revenues	<u>26,337,359</u>	<u>25,377,347</u>	<u>25,322,384</u>	<u>(54,963)</u>
EXPENDITURES				
Current:				
General government:				
Legislative	208,397	235,736	156,185	79,551
Executive	1,064,260	1,567,715	1,514,315	53,400
Financial and administrative	1,893,577	2,012,734	1,991,848	20,886
Legal counsel	160,232	243,682	369,990	(126,308)
Comprehensive planning	579,163	564,176	455,360	108,816
Total general government	<u>3,905,629</u>	<u>4,624,043</u>	<u>4,487,698</u>	<u>136,345</u>
Public safety:				
Law enforcement	7,477,640	7,929,918	7,690,788	239,130
Fire control	5,075,105	5,568,855	5,112,125	456,730
Protective inspections	1,719,662	1,367,266	1,046,993	320,273
Total public safety	<u>14,272,407</u>	<u>14,866,039</u>	<u>13,849,906</u>	<u>1,016,133</u>
Physical environment:				
Cemetery	121,072	140,572	134,660	5,912
Building maintenance	391,036	389,501	353,978	35,523
Fleet maintenance	405,362	397,197	416,177	(18,980)
Public Services Administration	416,973	276,505	285,882	(9,377)
Total physical environment	<u>1,334,443</u>	<u>1,203,775</u>	<u>1,190,697</u>	<u>13,078</u>
Transportation:				
Engineering	934,941	928,931	899,769	29,162
Construction and maintenance	1,300,534	1,469,142	992,223	476,919
Total transportation	<u>2,235,475</u>	<u>2,398,073</u>	<u>1,891,992</u>	<u>506,081</u>
Economic environment	279,707	381,056	344,565	36,491
Public assistance	84,500	84,500	82,630	1,870
Culture and recreation	4,484,675	5,177,777	3,047,358	2,130,419
Reserve for contingencies	400,000	400,000	-	400,000
Debt service:				
Principal	24,850	24,850	28,500	(3,650)
Interest	2,308	2,308	922	1,386
Total expenditures	<u>27,023,994</u>	<u>29,162,421</u>	<u>24,924,268</u>	<u>4,238,153</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(686,635)</u>	<u>(3,785,074)</u>	<u>398,116</u>	<u>4,183,190</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,912,050)	(2,674,550)	(2,623,947)	50,603
Sale of capital assets	1,001,000	1,017,180	16,460	(1,000,720)
Total other financing sources and (uses)	<u>(1,911,050)</u>	<u>(1,657,370)</u>	<u>(2,607,487)</u>	<u>(950,117)</u>
Net change in fund balances	(2,597,685)	(5,442,444)	(2,209,371)	3,233,073
Fund balances—beginning	13,242,146	13,242,146	13,242,146	-
Fund balances—ending	<u>\$ 10,644,461</u>	<u>\$ 7,799,702</u>	<u>\$ 11,032,775</u>	<u>\$ 3,233,073</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ 451,992	\$ 457,599	\$ 457,599	\$ -
Investment earnings	57,428	26,670	22,280	(4,390)
Total revenues	<u>509,420</u>	<u>484,269</u>	<u>479,879</u>	<u>(4,390)</u>
EXPENDITURES				
Current:				
Economic environment	62,225	212,225	330,718	(118,493)
Debt service:				
Interest	38,397	38,397	38,397	-
Total expenditures	<u>100,622</u>	<u>250,622</u>	<u>369,115</u>	<u>(118,493)</u>
Excess of revenues over expenditures	<u>408,798</u>	<u>233,647</u>	<u>110,764</u>	<u>(122,883)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	350,498	350,498	350,498	-
Transfers out	<u>(538,704)</u>	<u>(538,704)</u>	<u>(538,492)</u>	<u>212</u>
Total other financing sources and (uses)	<u>(188,206)</u>	<u>(188,206)</u>	<u>(187,994)</u>	<u>212</u>
Net change in fund balances	220,592	45,441	(77,230)	(122,671)
Fund balances (deficits)—beginning	<u>(372,862)</u>	<u>(372,862)</u>	<u>(372,862)</u>	<u>-</u>
Fund balances (deficits)—ending	<u>\$ (152,270)</u>	<u>\$ (327,421)</u>	<u>\$ (450,092)</u>	<u>\$ (122,671)</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Investment earnings	\$ 1,177,315	\$ 1,901,802	\$ 1,514,498	\$ (387,304)
Impact fees	5,453,587	3,008,964	3,103,937	94,973
Contributions and donations	4,100,000	6,544,172	2,256,169	(4,288,003)
Total revenues	<u>10,730,902</u>	<u>11,454,938</u>	<u>6,874,604</u>	<u>(4,580,334)</u>
EXPENDITURES				
Current:				
Public safety:				
Law enforcement	1,620,815	1,795,808	268,376	1,527,432
Fire control	3,080,000	3,480,000	2,073,849	1,406,151
Total public safety	<u>4,700,815</u>	<u>5,275,808</u>	<u>2,342,225</u>	<u>2,933,583</u>
Transportation	17,474,500	16,147,851	1,563,627	14,584,224
Culture and recreation	100,000	3,038,000	341,426	2,696,574
Debt service:				
Principal	-	2,210,070	-	2,210,070
Interest	-	259,262	-	259,262
Total expenditures	<u>22,275,315</u>	<u>26,930,991</u>	<u>4,247,278</u>	<u>22,683,713</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,544,413)</u>	<u>(15,476,053)</u>	<u>2,627,326</u>	<u>18,103,379</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Issuance of debt	12,658,703	13,189,807	-	(13,189,807)
Total other financing sources and (uses)	<u>12,658,703</u>	<u>13,189,807</u>	<u>-</u>	<u>(13,189,807)</u>
Net change in fund balances	1,114,290	(2,286,246)	2,627,326	4,913,572
Fund balances—beginning	27,996,201	27,996,201	27,996,201	-
Fund balances—ending	<u>\$ 42,883,484</u>	<u>\$ 36,613,516</u>	<u>\$ 30,623,527</u>	<u>\$ (5,989,989)</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, 2008

Business-type Activities—Enterprise Funds				
	Water and Sewer Utility	Solid Waste	Other Enterprise Funds	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 287,613	\$ -	\$ 255,579	\$ 543,192
Accounts receivable (net of allowance for uncollectibles)	1,191,603	384,343	127,482	1,703,428
Due from other funds	1,000,245	-	-	1,000,245
Interest receivable	233,379	-	-	233,379
Inventories--materials and supplies	143,890	-	4,068	147,958
Investments	9,748,825	-	-	9,748,825
Prepaid Items	15,052	-	-	15,052
Restricted cash, cash equivalents, and investments for payment of current liabilities	1,942,725	-	-	1,942,725
Total current assets	14,563,332	384,343	387,129	15,334,804
Noncurrent assets:				
Restricted cash, cash equivalents, and investments:				
Capital projects	19,849,565	-	-	19,849,565
Debt service	560,282	-	-	560,282
Total restricted	20,409,847	-	-	20,409,847
Capital assets:				
Land	700,149	261,152	63,300	1,024,601
Buildings	5,655,798	521,284	29,387	6,206,469
Improvements other than buildings	15,573,100	311,145	2,164,616	18,048,861
Machinery and equipment	2,263,784	2,529,877	477,094	5,270,755
Infrastructure	31,284,894	-	2,769,069	34,053,963
Construction work in progress	8,443,991	-	252,076	8,696,067
Less accumulated depreciation	(16,208,798)	(1,713,358)	(1,508,017)	(19,430,173)
Total capital assets (net of accumulated depreciation)	47,712,918	1,910,100	4,247,525	53,870,543
Total noncurrent assets	68,122,765	1,910,100	4,247,525	74,280,390
Total assets	82,686,097	2,294,443	4,634,654	89,615,194
LIABILITIES				
Current liabilities:				
Accounts payable	548,550	63,199	7,496	619,245
Notes and loans payable	-	-	5,598	5,598
Due to other funds	-	397,597	-	397,597
Due to other governmental units	931	-	-	931
Compensated absences	9,202	6,020	4,681	19,903
Accrued interest payable	-	-	2,004	2,004
Accrued wages payable	28,758	17,606	5,825	52,189
Unearned revenue	68,843	-	7,539	76,382
Payable from restricted assets:				
Accounts payable	209,223	-	-	209,223
Notes and loans payable	605,504	-	-	605,504
Contracts payable	138,431	-	-	138,431
Accrued interest payable	80,062	-	-	80,062
Customer deposits	1,373,212	-	-	1,373,212
Total current liabilities	3,062,716	484,422	33,143	3,580,281
Noncurrent liabilities:				
Notes and loans payable	11,462,541	-	18,738	11,481,279
Compensated absences	29,060	15,042	4,414	48,516
Advances from other funds	-	-	594,021	594,021
Total noncurrent liabilities	11,491,601	15,042	617,173	12,123,816
Total liabilities	14,554,317	499,464	650,316	15,704,097
NET ASSETS				
Invested in capital assets, net of related debt	35,644,873	1,910,100	4,223,189	41,778,162
Restricted for:				
Capital projects	20,455,070	-	-	20,455,070
Debt service	560,282	-	-	560,282
Unrestricted	11,471,555	(115,121)	(238,851)	11,117,583
Total net assets	\$ 68,131,780	\$ 1,794,979	\$ 3,984,338	\$ 73,911,097

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, 2008

Business-type Activities—Enterprise Funds

	Water and Sewer Utility	Solid Waste	Other Enterprise Funds	Totals
Operating revenues:				
Licenses and permits	\$ 7,225	\$ -	\$ -	\$ 7,225
Charges for services	9,115,300	3,770,551	1,293,968	14,179,819
Judgments, fines, and forfeits	1,784	-	-	1,784
Other	583,836	4,445	217,694	805,975
Total operating revenues	<u>9,708,145</u>	<u>3,774,996</u>	<u>1,511,662</u>	<u>14,994,803</u>
Operating expenses:				
Personal services	1,876,787	990,638	429,692	3,297,117
Contractual services	972,740	914,397	20,360	1,907,497
Utilities	725,335	-	9,091	734,426
Supplies	547,440	316,290	34,202	897,932
Depreciation	2,003,118	204,843	274,548	2,482,509
Other services and charges	2,624,416	841,997	339,333	3,805,746
Total operating expenses	<u>8,749,836</u>	<u>3,268,165</u>	<u>1,107,226</u>	<u>13,125,227</u>
Operating income	<u>958,309</u>	<u>506,831</u>	<u>404,436</u>	<u>1,869,576</u>
Nonoperating revenues (expenses):				
Intergovernmental revenue	130,528	-	-	130,528
Investment earnings	1,771,428	-	4,825	1,776,253
Impact fees	1,178,103	-	-	1,178,103
Gain (loss) on sale of capital assets	104,788	(17,007)	(11,466)	76,315
Interest expense	(391,648)	(17,022)	(612)	(409,282)
Other grants and aids	-	-	(75)	(75)
Total nonoperating revenues (expenses)	<u>2,793,199</u>	<u>(34,029)</u>	<u>(7,328)</u>	<u>2,751,842</u>
Change in net assets	3,751,508	472,802	397,108	4,621,418
Total net assets—beginning	64,380,272	1,322,177	3,587,230	69,289,679
Total net assets—ending	<u>\$ 68,131,780</u>	<u>\$ 1,794,979</u>	<u>\$ 3,984,338</u>	<u>\$ 73,911,097</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, 2008

Business-type Activities—Enterprise Funds

	Water and Sewer Utility	Solid Waste	Other Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 9,820,169	\$ 3,693,332	\$ 1,488,192	\$ 15,001,693
Payments to suppliers	(5,744,624)	(2,480,594)	(458,635)	(8,683,853)
Payments to employees	(1,879,616)	(981,887)	(426,425)	(3,287,928)
Payments to other governmental units	(11,575)	-	-	(11,575)
Net cash provided by operating activities	<u>2,184,354</u>	<u>230,851</u>	<u>603,132</u>	<u>3,018,337</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Other grants and aids	-	-	(75)	(75)
Interest paid on deposits	(40,604)	-	-	(40,604)
Net cash (used) by noncapital and related financing activities	<u>(40,604)</u>	<u>-</u>	<u>(75)</u>	<u>(40,679)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Grants received	130,528	-	-	130,528
Purchases of capital assets	(7,000,321)	(214,069)	(700,392)	(7,914,782)
Principal paid on capital debt	(588,693)	-	-	(588,693)
Interest paid on capital debt	(354,953)	(17,022)	-	(371,975)
Proceeds from sales of capital assets	126,452	240	12,498	139,190
Impact fees received	1,178,103	-	-	1,178,103
Net cash (used) by capital and related financing activities	<u>(6,508,884)</u>	<u>(230,851)</u>	<u>(687,894)</u>	<u>(7,427,629)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	63,138,234	-	-	63,138,234
Purchase of investments	(64,617,987)	-	-	(64,617,987)
Interest received	1,453,152	-	4,825	1,457,977
Net cash provided (used) by investing activities	<u>(26,601)</u>	<u>-</u>	<u>4,825</u>	<u>(21,776)</u>
Net (decrease) in cash and cash equivalents	(4,391,735)	-	(80,012)	(4,471,747)
Cash and cash equivalents, October 1 (including \$1,647,132 for the water and sewer fund reported in restricted accounts)	<u>5,016,842</u>	<u>-</u>	<u>335,591</u>	<u>5,352,433</u>
Cash and cash equivalents, September 30 (including \$337,494 for the water and sewer fund reported in restricted accounts)	<u>\$ 625,107</u>	<u>\$ -</u>	<u>\$ 255,579</u>	<u>\$ 880,686</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 958,309	\$ 506,831	\$ 404,436	\$ 1,869,576
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	2,003,118	204,843	274,548	2,482,509
Decrease (increase) in accounts receivable	59,527	(101,702)	(64,025)	(106,200)
Increase in allowance for uncollectible accounts	65,314	20,038	38,823	124,175
(Increase) in due from other funds	(1,000,245)	-	-	(1,000,245)
Decrease in inventories--materials and supplies	28,240	-	-	28,240
(Decrease) in customer deposits	(17,434)	-	-	(17,434)
Increase (decrease) in accounts payable	97,312	(26,891)	(55,649)	14,772
(Decrease) in due to other funds	-	(381,019)	-	(381,019)
(Decrease) in due to other governmental units	(270)	-	-	(270)
Increase (decrease) in accrued wages payable	1,699	4,361	(171)	5,889
Increase (decrease) in unearned revenue	(6,688)	-	1,732	(4,956)
Increase (decrease) in compensated absences	(4,528)	4,390	3,438	3,300
Total adjustments	<u>1,226,045</u>	<u>(275,980)</u>	<u>198,696</u>	<u>1,148,761</u>
Net cash provided by operating activities	<u>\$ 2,184,354</u>	<u>\$ 230,851</u>	<u>\$ 603,132</u>	<u>\$ 3,018,337</u>
Noncash investing, capital, and financing activities:				
Increase in fair value of investments	10,352	-	-	-

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, 2008**

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	\$ 2,166,971
Receivables:	
Employer	748,084
Retiree	6,146
Member	2,509
Interest and dividends	155,516
Total receivables	912,255
Investments, at fair value:	
Real estate investment trusts	3,378,487
Fixed income securities	8,789,871
Equities	15,767,310
Total investments	27,935,668
Total assets	31,014,894
LIABILITIES	
Accounts payable	24,898
Total liabilities	24,898
NET ASSETS	
Held in trust for pension benefits	\$ 30,989,996

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, 2008

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 2,455,055
Plan members	55,743
Excise tax proceeds	<u>375,416</u>
Total contributions	<u>2,886,214</u>
Investment earnings:	
Interest	622,324
Dividends	480,333
Net decrease in the fair value of investments	<u>(4,421,581)</u>
Total investment (loss)	(3,318,924)
Less investment expense	<u>208,548</u>
Net investment (loss)	<u>(3,527,472)</u>
Total additions	<u>(641,258)</u>
DEDUCTIONS	
Benefits	2,074,950
Refunds	6,517
Administrative	<u>55,194</u>
Total deductions	<u>2,136,661</u>
Change in net assets	(2,777,919)
Net assets—beginning	<u>33,767,915</u>
Net assets—ending	<u>\$ 30,989,996</u>

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, 2008

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 was created by the City Commission pursuant to the requirements of Chapter 163, Part III of the Florida Statutes through Ordinance Number 92-48, adopted on June 25, 1992 with the consent of the Orange County Board of County Commissioners. 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

Government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary 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 presents a comparison between direct expenses and program revenues for each function or segment of the City’s governmental activities. *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

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

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*.

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 judgments, 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.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

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).

The *New City Hall Capital Projects Fund* accounts for financial resources to be used for the acquisition and construction of a new city hall site and building.

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 accumulate resources for pension benefit payments to qualified employees.

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 *non-operating* 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

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

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 non-operating revenues and expenses.

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

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

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

The City's investments are reported at fair value. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the SBA pool into two separate pools. Pool A, now referred to as LGIP, consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B, now referred to as LGIP-B, consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAm" principal stability fund rating to Pool A (LGIP). As principal and interest payments are received on the underlying securities in LGIP-B, these funds are transferred to participants' LGIP

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

accounts. As of September 30, 2008, the fair value of the City's investments in LGIP and LGIP-B were \$1,021 and \$523,271, respectively. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration. Investments in the LGIP, an external 2a7-like investment pool, are stated at share price. LGIP shares are based on amortized cost, which approximates fair market value. LGIP-B is accounted for as a fluctuating net asset value pool. The fair value factor as of September 30, 2008 was 0.798385. 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.

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

3. *Inventories and prepaid items*

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. *Restricted assets*

Certain resources of the Water and Sewer 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 fund asset renewals and replacements. Certain proceeds of the Water and Sewer Utility Fund's loan agreements, as

CITY OF WINTER GARDEN, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 for the year ended September 30, 2008

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.

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 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.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

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.

E. Property taxes

For property taxes budgeted for the fiscal year ended September 30, 2008, all property was assessed according to its fair market value on January 1, 2007, 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 27, 2007. Tax bills were rendered November 1, 2007, and unpaid taxes became delinquent on April 1, 2008. On or prior to June 1, 2008, tax certificates were sold for all delinquent taxes on real property.

F. New accounting pronouncements

Effective October 1, 2007, the City adopted the provisions of GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This statement establishes accounting and financial reporting standards for (1) transactions that are related to the sales of receivables and future revenues; intra-entity transfers of assets and future revenues; amortization of deferred revenues and charges; guidance for recognizing residual interest and recourse provision arising from these transactions; and (2) note disclosure for future revenues that have been pledged or sold.

Effective October 1, 2007, the City adopted the provisions of GASB Statement No. 50, *Pension Disclosures*. The effect of this adoption was to more closely align the financial reporting for the City's pensions with those for other postemployment benefits.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

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 \$16,595,542 difference are as follows:

Bonds, notes, and long-term agreements payable	\$16,147,486
Compensated absences	<u>448,056</u>
Net adjustment to reduce <i>fund balance—total governmental funds</i> to arrive at <i>net assets—governmental activities</i>	<u>\$16,595,542</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 \$13,445,134 difference are as follows:

Capital outlay	\$16,820,514
Depreciation expense	<u>(3,375,380)</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>\$13,445,134</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 \$653,247 difference are as follows:

CITY OF WINTER GARDEN, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 for the year ended September 30, 2008

Principal repayments:	
Capital leases	(28,500)
Revenue notes	(404,747)
Revenue bonds	<u>(220,000)</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>\$(653,247)</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 \$98,583 difference are as follows:

Compensated absences	\$ (24,327)
Accrued interest	(138,242)
Pension asset	<u>261,152</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>\$ 98,583</u>

III. Budgetary compliance and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles 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 \$15,570,406 in the governmental funds. These were primarily due to encumbrances outstanding at the end of the 2007 fiscal year and reappropriation of funds for construction contracts.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

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, 2008, expenditures in the Community Redevelopment Agency Fund exceeded appropriations by \$118,493. These over expenditures were funded by increasing the fund's deficit fund balance.

For the year ended September 30, 2008, expenditures in the Police and Fire Premium Tax Trust Fund exceeded appropriations by \$55,416. These over expenditures were funded by greater than anticipated revenues.

C. Deficit fund equity

The Community Redevelopment Agency Fund had a deficit fund balance of \$450,092 as of September 30, 2008. 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, 2008

IV. Detailed notes on all funds

A. Deposits and investments

As of September 30, 2008, the City had the following investments:

<u>Investment Type</u>	<u>Government-wide</u>		<u>Pension Trust Funds</u>	
	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money market funds	\$ 283,830	0.00	\$ 2,137,259	0.00
United States Government securities	16,498,100	1.38	826,619	13.48
United States Government Agencies	52,446,372	1.61	4,213,612	16.63
Corporate obligations	-	0.00	3,749,640	6.64
Repurchase agreements	6,351,998	0.00	-	0.00
Local Government Surplus Funds Investment Pool Trust Fund	<u>524,292</u>	9.34	-	0.00
Total fair value—Government-wide	<u>\$76,104,592</u>			
Portfolio weighted average maturity		1.47		9.68
Real estate investment trusts			3,378,487	
Equities			<u>15,767,310</u>	
Total fair value—Pension Trust Funds			<u>\$30,072,927</u>	

Interest rate risk, credit risk, and concentration of credit risk. In accordance with its investment policy, the City manages its exposure to (1) interest rate risk, and thus declines in fair values, by limiting the maximum length to maturity of investments; (2) credit risk by limiting the minimum credit quality of investments, as rated by nationally recognized statistical rating organizations (NRSROs); and (3) concentration of credit risk by limiting the maximum percentage that may be invested with a single issuer. These limitations are as follows:

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

<u>Investment Type</u>	<u>Maximum Length to Maturity (Years)</u>	<u>Minimum Credit Quality (Moody's/ S&P)</u>	<u>Maximum Percent with a Single Issuer</u>
Government-wide			
Florida Local Government Surplus Trust Fund	NA	NA	75%
United States Government Securities	5.00	NA	100
United States Government Agencies	5.00	NA	25
Federal Instrumentality's	5.00	NA	25
Non-negotiable interest bearing time certificates of deposit	1.00	NA	25
Repurchase agreements	0.16	NA	25
Commercial paper	0.49	Prime-1/A-1	15
State and/or local government debt	3.00	Aa/AA or MIG-2/SP-2	20
Fixed income money market mutual funds	NA	NA	25
Intergovernmental investment pool	NA	NA	25
Pension Trust Funds			
Time, savings, and money market deposits	No Maximum	P1/A1	Up to FDIC insurance limits
United States Government and Agency Securities	No Maximum	NA	100
Domestic Corporate bonds	No Maximum	A/A	10
Domestic Equities and foreign securities	NA	NA	5

NA=Not Applicable

As of September 30, 2008, the City's investments in money market funds reported in the government-wide statements were rated AAAM by Standard & Poor's (S&P) and Aaa by Moody's Investors Service (Moody's). Of the money market funds held in the Pension Trust Funds, \$100,689 were rated A by Moody's and \$2,036,570 were not rated. United States Government Agencies were rated AAA by Standard and Poor's. Of the investments held in the Florida Local Government Surplus Trust Fund, \$1,021 was rated AAAM by S&P and \$523,271 was not rated. Corporate Obligations were rated as follows:

CITY OF WINTER GARDEN, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 for the year ended September 30, 2008

<u>S&P</u>	<u>Moody's</u>	<u>Fair Value</u>
AAA	AAA	\$ 46,988
AA	AA	171,727
A	AA	693,841
A	A	2,714,081
BBB	A	111,753
D	B	11,250

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of September 30, 2008, the City's bank balance was \$384,900. Of the bank balance, \$100,000 was covered by federal depository insurance and \$284,900 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.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2008, the City's investments were not exposed to custodial credit risk because all securities were held by the City's agent in the City's name.

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:

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

	<u>General</u>	<u>Water and Sewer Utility</u>	<u>Solid Waste</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 422,294	\$ -	\$ -	\$ -	\$ 422,294
Accounts	528,060	1,564,409	466,466	231,503	2,790,438
Notes	1,302,488	-	-	-	1,302,488
Interest	<u>289,024</u>	<u>233,379</u>	<u>-</u>	<u>155,516</u>	<u>677,919</u>
Gross receivables	2,541,866	1,797,788	466,466	387,019	5,193,139
Less: allowance for Uncollectibles	<u>(527,324)</u>	<u>(372,806)</u>	<u>(82,123)</u>	<u>(104,021)</u>	<u>(1,086,274)</u>
Net total receivables	<u>\$2,014,542</u>	<u>\$ 1,424,982</u>	<u>\$384,343</u>	<u>\$282,998</u>	<u>\$4,106,865</u>
Reported in:					
Governmental					
Activities	\$2,014,542	\$ -	\$ -	\$ -	\$2,014,542
Business-type					
Activities	-	1,424,982	384,343	127,482	1,936,807
Fiduciary funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,516</u>	<u>155,516</u>
Net total receivables	<u>\$2,014,542</u>	<u>\$1,424,982</u>	<u>\$ 384,343</u>	<u>\$282,998</u>	<u>\$4,106,865</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Police and fire premium taxes	\$240,000	
Customer credit balances		\$ 32,976
Developer agreements		621,026
Developer escrow accounts		162,346
Total deferred revenue for governmental funds	<u>\$240,000</u>	<u>\$816,348</u>

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

	<u>Unearned</u>
Customer credit balances	<u>\$76,382</u>

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

C. Capital assets and construction commitments

Capital asset activities for the year ended September 30, 2008 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$16,317,325	\$ 590,836	\$ -	\$16,908,161
Construction in progress	8,235,638	3,526,771	(7,731,018)	4,031,391
Total capital assets, not being depreciated	<u>24,552,963</u>	<u>4,117,607</u>	<u>(7,731,018)</u>	<u>20,939,552</u>
Capital assets, being depreciated:				
Buildings	5,000,278	14,340,120	-	19,340,398
Improvements other than buildings	2,654,642	1,226,582	-	3,881,224
Machinery and equipment	9,568,790	2,404,271	(767,311)	11,205,750
Infrastructure	31,414,368	8,057,392	-	39,471,760
Total capital assets, being depreciated	<u>48,638,078</u>	<u>26,028,365</u>	<u>(767,311)</u>	<u>73,899,132</u>
Less accumulated depreciation for:				
Buildings	(2,615,856)	(394,078)	-	(3,009,934)
Improvements other than buildings	(1,378,701)	(140,090)	-	(1,518,791)
Machinery and equipment	(5,464,743)	(1,296,735)	756,726	(6,004,752)
Infrastructure	(4,383,482)	(1,544,477)	-	(5,927,959)
Total accumulated depreciation	<u>(13,842,782)</u>	<u>(3,375,380)</u>	<u>756,726</u>	<u>(16,461,436)</u>
Total capital assets, being depreciated, net	<u>34,795,296</u>	<u>22,652,985</u>	<u>(10,585)</u>	<u>57,437,696</u>
Governmental activities capital assets, net	<u>\$59,348,259</u>	<u>\$26,770,592</u>	<u>\$(7,741,603)</u>	<u>\$78,377,248</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 1,024,601	\$ -	\$ -	\$ 1,024,601
Construction in progress	2,755,718	6,739,170	(798,821)	8,696,067
Total capital assets, not being depreciated	<u>3,780,319</u>	<u>6,739,170</u>	<u>(798,821)</u>	<u>9,720,668</u>
Capital assets, being depreciated:				
Buildings and infrastructure	38,840,039	1,438,843	(18,450)	40,260,432
Improvements other than buildings	17,707,796	341,065	-	18,048,861
Machinery and equipment	5,495,258	240,371	(464,874)	5,270,755
Total capital assets, being depreciated	<u>62,043,093</u>	<u>2,020,279</u>	<u>(483,324)</u>	<u>63,580,048</u>
Less accumulated depreciation for:				
Buildings and infrastructure	(6,767,031)	(1,526,338)	6,984	(8,286,385)
Improvements other than buildings	(6,951,245)	(609,288)	-	(7,560,533)
Machinery and equipment	(3,649,838)	(346,883)	413,466	(3,583,255)
Total accumulated depreciation	<u>(17,368,114)</u>	<u>(2,482,509)</u>	<u>420,450</u>	<u>(19,430,173)</u>
Total capital assets, being depreciated, net	<u>44,674,979</u>	<u>(462,230)</u>	<u>(62,874)</u>	<u>44,149,875</u>
Business-type activities capital assets, net	<u>\$48,455,298</u>	<u>\$6,276,940</u>	<u>\$(861,695)</u>	<u>\$53,870,543</u>

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

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

Governmental activities:	
General government	\$ 478,502
Public safety	935,870
Physical environment	51,336
Transportation	1,486,825
Economic environment	196,573
Culture and recreation	<u>226,274</u>
 Total depreciation expense—governmental activities	 <u>\$3,375,380</u>
Business-type activities:	
Water and sewer	\$2,003,118
Solid waste	204,843
Stormwater	259,971
Residential mobile home lot rentals	<u>14,577</u>
 Total depreciation expense—business-type activities	 <u>\$2,482,509</u>

The City has active construction projects as of September 30, 2008. The projects include fire station construction; park improvements; utility line construction; and wastewater plant sludge dewatering improvements. At year end, the City's commitments with contractors were as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Fire station construction	\$1,391,397	\$ 63,132
Park improvements	163,875	2,434,125
Utility line construction	592,597	79,700
Wastewater plant sludge dewatering improvements	880,055	436,101
Total	<u>\$3,027,924</u>	<u>\$3,013,058</u>

The commitment for the fire station construction is being funded by fire impact fees. The commitment for park improvements is being funded by recreation impact fees. The commitments for utility line construction and wastewater plant sludge dewatering improvements are being funded by sewer impact fees.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2008, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
Water and Sewer Utility	General	\$ 602,648
	Solid Waste	397,597
Total		<u>\$1,000,245</u>

The outstanding balances between funds result from operating expenditures in the General Fund and capital expenditures in the Solid Waste Fund necessary to bring commercial solid waste pickup and recycling operations in-house.

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Community Redevelopment Agency	\$ 743,365
	Nonmajor enterprise fund	594,021
Total		<u>\$1,337,386</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 transfers to the Downtown Renovations Capital Projects Fund.

There is no set repayment schedule for the advance payable from the Nonmajor enterprise fund. The advance payable from the Community Redevelopment Agency Fund has 30 semi-annual installments remaining.

Interfund transfers:

	Transfer In:			
	Community Redevelopment Agency Fund	New City Hall Capital Projects Fund	Nonmajor Governmental	Total
Transfer out:				
General Fund	\$350,498	\$1,000,000	\$1,273,449	\$2,623,947
Community Redevelopment Agency Fund	-	-	538,492	538,492
Total transfers out	<u>\$350,498</u>	<u>\$1,000,000</u>	<u>\$1,811,941</u>	<u>\$3,162,439</u>

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

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 the New City Hall Capital Projects Fund were to fund construction costs of a new City Hall. Transfers from the General Fund to nonmajor governmental funds were for matching contributions to the Law Enforcement Grants Fund and for debt service. Transfers from the Community Redevelopment Agency Fund to nonmajor governmental funds were for debt service.

E. Leases

Operating Leases

The City leases vehicles, holiday decorations, and other equipment under noncancelable operating leases. Total costs for such leases were \$151,904 for the year ended September 30, 2008. The future minimum lease payments for these leases are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2009	\$ 77,530
2010	65,196
2011	20,129
2012	1,056
Total	<u>\$163,911</u>

F. Long-term debt

Revenue Bonds

The City has issued revenue bonds for the acquisition and construction of a new city hall. The original amount of the bonds was \$12,025,000. These bonds are secured by a pledge of Local Government Half-Cent Sales Tax revenues. The bonds are payable solely from Local Government Half-Cent Sales Tax revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require less than twenty percent of Local Government Half-Cent Sales Tax revenues. The total principal and interest remaining to be paid on the bonds is \$20,231,015. Principal and interest paid for the current year and total Local Government Half-Cent Sales Tax revenues were \$723,475 and \$3,779,419, respectively. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
New city hall	4.00%-4.50%	\$11,625,000

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

Revenue bond debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2009	\$ -	\$ 247,063
2010	230,000	489,381
2011	240,000	479,838
2012	250,000	470,038
2013	255,000	459,938
2014-2018	1,455,000	2,133,088
2019-2023	1,765,000	1,810,928
2024-2028	2,165,000	1,400,269
2029-2033	2,675,000	877,641
2034-2038	2,590,000	237,831
	<u>\$11,625,000</u>	<u>\$8,606,015</u>

Intergovernmental Agreements

The City has entered into an intergovernmental agreement to provide funds for the acquisition and construction of a major road project. The amount of the agreement to-date is \$6,826,450. This agreement is secured by a pledge of 75% of the transportation impact fee revenues assessed in the project area. The agreement is payable solely from these transportation impact fee revenues and are payable through 2029. As of September 30, 2008, the City had received sufficient transportation impact fee revenues in prior years to pay the agreement off in-full and has designated these funds for that purpose. The total principal and interest remaining to be paid on the agreement is \$4,376,639. The City did not make any principal or interest payments in the current year. The intergovernmental agreement outstanding at year end is as follows:

Purpose	Interest Rates	Amount
Road project	5.62%	\$2,210,070

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

Intergovernmental agreement debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2009	\$ -	\$ 109,343
2010	-	218,687
2011	-	218,687
2012	-	218,687
2013	-	218,687
2014-2018	492,934	600,499
2019-2023	694,578	398,855
2024-2028	916,200	177,233
2029-2033	106,358	5,891
	\$2,210,070	\$2,166,569

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-advalorem funds. Revenue notes outstanding at year end are as follows:

Purpose	Interest Rates	Amount
Capital improvements	4.93%	\$2,312,416

Revenue note debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2009	\$ -	\$ 57,001
2010	443,834	103,062
2011	465,715	80,641
2012	488,675	57,115
2013	512,767	32,430
2014-2018	401,425	9,895
	\$2,312,416	\$340,144

Loans

The City has entered into loan agreements with the State of Florida's State Revolving Funds Loan Program to finance the expansion of the City's existing wastewater treatment plant, the construction of a water treatment plant, and the planning, design, and construction of

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

stormwater pollution control facilities. The program operates on a reimbursement basis, and the total amount authorized for reimbursement under existing agreements is \$13,958,545. As of September 30, 2008, the City has received reimbursements totaling \$13,861,203. Proceeds accrue interest from the time they are received by the City until repayment begins. As of September 30, 2008, interest has accrued in the amount of \$82,066. The City has pledged future water, sewer, and stormwater customer revenues, net of specified operating expenses, to repay the loans. The loans are payable solely from water, sewer, and stormwater customer net revenues and are payable through 2024. Annual principal and interest payments on the bonds are expected to require less than 71 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$15,125,798. Principal and interest paid for the current year and total customer net revenues were \$943,647 and \$1,340,701, respectively.

Loans outstanding at year end are as follows:

Purpose	Interest Rates	Amount
Wastewater treatment pre-construction—Water and Sewer Utility	3.33%	\$ 925,086
Wastewater treatment construction—Water and Sewer Utility	2.82%	9,388,560
Water treatment construction—Water and Sewer Utility	2.67%	1,754,399
Stormwater pollution control planning, design, and construction—Stormwater Utility	2.37%	24,336
Total reimbursements received and outstanding		<u>12,092,381</u>
Accrued interest		82,066
Total amounts outstanding		<u><u>\$12,174,447</u></u>

Loan debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2009	\$ 611,102	\$ 340,597
2010	630,448	321,251
2011	648,416	303,283
2012	662,126	284,809
2013	677,696	265,951
2014-2018	3,690,192	1,028,044
2019-2023	4,248,471	469,764
2024-2028	923,930	19,718
	<u>\$12,092,381</u>	<u>\$3,033,417</u>

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$11,845,000	\$ -	\$ (220,000)	\$11,625,000	\$ -
Intergovernmental agreements	2,210,070	-	-	2,210,070	-
Revenue notes	2,717,163	-	(404,747)	2,312,416	-
Capital leases	28,500	-	(28,500)	-	-
Compensated absences	423,729	539,651	(515,324)	448,056	102,760
Governmental activity Long-term liabilities	<u>\$17,224,462</u>	<u>\$ 539,651</u>	<u>\$(1,168,571)</u>	<u>\$16,595,542</u>	<u>\$102,760</u>
Business-type activities					
Loans	\$12,681,074	\$ -	\$ (588,693)	\$12,092,381	\$611,102
Compensated absences	65,119	103,066	(99,766)	68,419	19,903
Business-type activity Long-term liabilities	<u>\$12,746,193</u>	<u>\$103,066</u>	<u>\$ (688,459)</u>	<u>\$12,160,800</u>	<u>\$631,005</u>

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, 2008 was \$330,000.

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

CITY OF WINTER GARDEN, FLORIDA
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for the year ended September 30, 2008

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. Settlements have not exceeded coverages for each of the past three fiscal years. PRMF absorbs losses up to a specified amount annually and purchases excess and other specific coverages from third-party carriers. PRMF assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments do not produce sufficient funds to meet its current obligations, PRMF can make additional assessments.

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

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 proportion determined by the board. The separate financial statements can be obtained from the District.

D. Other post-employment 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 nineteen 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, 2008, the City paid \$61,614 for these benefits.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

E. Employee retirement systems and pension plans

Defined Benefit Plan Descriptions. The City contributes to two single-employer, defined benefit pension plans: Pension Plan for General Employees and Pension Plan for Firefighters and Police Officers. Each Plan is administered by a separate Board of Trustees. All full-time general employees of the City who have not otherwise opted out of the Plan participate in the Pension Plan for General Employees. All full-time firefighters and police officers of the City participate in the Pension Plan for Firefighters and Police Officers. Each plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Plans do not issue stand-alone financial reports.

Summary of significant accounting policies—basis of accounting and valuation of investments. The financial statements of the Plans 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 plans. 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 and Annual Pension Cost. The contribution requirements of plan members are established by ordinance and may be amended by the City. The Board of Trustees of each plan establishes and may amend the contribution requirements of the City. The City’s annual pension cost for the current year and related information for each plan is as follows:

	Pension Plan for General <u>Employees</u>	Pension Plan for Firefighters and Police <u>Officers</u>
Contribution rates:		
City	18.1%	20.4%
Plan members	0.0%	1.0%
Annual pension cost	\$1,146,659	\$1,330,272
Contributions made	\$1,224,708	\$1,513,375

Administrative costs of the Plans are financed through investment earnings. For the Pension Plan for Firefighters and Police Officers, annual pension cost and contributions made include State Premium Taxes. On-behalf payments of excise tax proceeds from the state were \$375,416. The City also recognized revenues and expenditures in this amount for these on-behalf payments in the Police and Fire Premium Tax Trust Special Revenue Fund.

CITY OF WINTER GARDEN, FLORIDA
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for the year ended September 30, 2008

Net Pension Obligation – NPO:

	<u>Pension Plan for General Employees</u>	<u>Pension Plan for Firefighters and Police Officers</u>
NPO at September 30, 2007	\$ (564,121)	\$(1,183,401)
Annual pension cost:		
Annual Required Contribution (ARC)	1,119,967	1,301,285
Interest credit	(40,899)	(88,755)
Adjustments to ARC	67,591	117,742
Total annual pension cost	1,146,659	1,330,272
Contributions made	(1,224,708)	(1,513,375)
Change in NPO	(78,049)	(183,103)
NPO at September 30, 2008	\$(642,170)	\$(1,366,504)

Actuarial methods and assumptions: The following is information as of the most recent actuarial valuation:

	<u>Pension Plan for General Employees</u>	<u>Pension Plan for Firefighters and Police Officers</u>
Actuarial valuation date	10/1/2007	10/1/2007
Actuarial cost method	Aggregate*	Aggregate*
Amortization method	n/a*	n/a*
Remaining amortization period	n/a*	n/a*
Asset valuation method	5-year smoothed market	5-year smoothed market
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	4.5%	2.0-11.0%
COLAs	0.0% per year	0.0% per year

*The aggregate actuarial cost method is used to determine the annual required contribution of the employer (ARC). Because the method does not identify or separately amortize unfunded actuarial liabilities, information about funded status is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status of the plan.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
Pension Plan for General Employees			
9/30/06	\$ 902,135	115%	\$(490,699)
9/30/07	1,038,173	107%	(564,121)
9/30/08	1,146,659	107%	(642,170)
Pension Plan for Firefighters and Police Officers			
9/30/06	\$ 888,405	129%	\$ (968,877)
9/30/07	1,061,737	120%	(1,183,401)
9/30/08	1,330,272	114%	(1,366,504)

Funded Status and Funding Progress. The following is funded status information for each plan as of 10/1/2007, the most recent actuarial valuation date:

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)—Entry Age (b)†	Unfunded AAL (Excess of Assets over AAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (Excess of Assets over AAL) as a Percentage of Covered Payroll (b-a)/c
Pension Plan for General Employees	\$13,399,869	\$16,979,680	\$3,579,811	78.9%	\$6,246,249	57.3%
Pension Plan For Firefighters and Police Officers	15,814,369	19,069,507	3,255,138	82.9	5,483,008	59.4

†For purposes of this schedule, the AAL for each plan is determined using the entry age actuarial cost method.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

Pension Trust Fund Financial Statements. Financial statements for the defined benefit pension plans for the fiscal year ended September 30, 2008 are as follows:

Statement of Net Assets	General Pension Trust Fund	Fire and Police Pension Trust Fund	Total Pension Trust Funds
ASSETS			
Cash and cash equivalents	\$ 724,124	\$ 1,442,847	\$ 2,166,971
Receivables	428,483	483,772	912,255
Investments	<u>12,872,575</u>	<u>15,063,093</u>	<u>27,935,668</u>
Total assets	<u>14,025,182</u>	<u>16,989,712</u>	<u>31,014,894</u>
LIABILITIES			
Accounts payable	<u>17,879</u>	<u>7,019</u>	<u>24,898</u>
Total liabilities	<u>17,879</u>	<u>7,019</u>	<u>24,898</u>
NET ASSETS			
Held in trust for pension benefits	<u>\$14,007,303</u>	<u>\$16,982,693</u>	<u>\$30,989,996</u>

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

Statement of Changes in Net Assets	General Pension Trust Fund	Fire and Police Pension Trust Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 1,224,708	\$ 1,230,347	\$ 2,455,055
Plan members	-	55,743	55,743
Excise tax proceeds	-	375,416	375,416
Total contributions	<u>1,224,708</u>	<u>1,661,506</u>	<u>2,886,214</u>
Investment earnings:			
Interest	268,351	353,973	622,324
Dividends	219,720	260,613	480,333
Net increase in the fair value of investments	(2,073,102)	(2,370,051)	(4,443,153)
Gain on sale of investments	<u>(3,121)</u>	<u>24,693</u>	<u>21,572</u>
Total investment earnings	(1,588,152)	(1,730,772)	(3,318,924)
Less investment expense	<u>104,384</u>	<u>104,164</u>	<u>208,548</u>
Net investment earnings	<u>(1,692,536)</u>	<u>(1,834,936)</u>	<u>(3,527,472)</u>
Total additions	<u>(467,828)</u>	<u>(173,430)</u>	<u>(641,258)</u>
DEDUCTIONS			
Benefits	1,330,334	744,616	2,074,950
Refunds	-	6,517	6,517
Administrative	<u>31,492</u>	<u>23,702</u>	<u>55,194</u>
Total deductions	<u>1,361,826</u>	<u>774,835</u>	<u>2,136,661</u>
Change in net assets	(1,829,654)	(948,265)	(2,777,919)
Net assets—beginning	<u>15,836,957</u>	<u>17,930,958</u>	<u>33,767,915</u>
Net assets—ending	<u>\$14,007,303</u>	<u>\$16,982,693</u>	<u>\$30,989,996</u>

Defined Contribution 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, 2008, there were seven plan members from the City. The City contributes 7.5 percent of the annual covered payroll of plan participants. Plan provisions and contribution requirements are established by ordinance and may be amended by the City Commission. Total contributions for the year ended September 30, 2008 were \$31,531.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2008

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

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

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

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

CITY OF WINTER GARDEN, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 for the year ended September 30, 2008

Schedules of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)— Entry Age (b)†	Unfunded AAL (Excess of Assets over AAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (Excess of Assets over AAL) as a Percentage of Covered Payroll ((b-a)/c)
Pension Plan for General Employees						
10/1/2002	\$ 9,344,154	\$ 8,808,434	\$ (535,720)	106.1%	4,265,155	(12.6)%
10/1/2003	9,591,486	10,648,253	1,056,767	90.1	4,389,139	24.1
10/1/2004	10,114,598	11,662,964	1,548,366	86.7	4,626,404	33.5
10/1/2005	10,843,473	12,735,941	1,892,468	85.1	5,593,923	33.8
10/1/2006	11,863,516	13,705,409	1,841,893	86.6	5,908,433	31.2
10/1/2007	13,399,869	16,979,680	3,579,811	78.9	6,246,249	57.3
Pension Plan for Firefighters and Police Officers						
10/1/2002	\$ 9,571,784	\$ 9,022,732	\$ (549,052)	106.1%	\$2,412,994	(22.8)%
10/1/2003	10,187,320	11,673,586	1,486,266	87.3	2,879,824	51.6
10/1/2004	11,081,532	12,815,689	1,734,157	86.5	2,980,775	58.2
10/1/2005	12,220,633	14,211,695	1,991,062	86.0	3,864,547	51.5
10/1/2006	13,738,796	16,707,918	2,969,122	82.2	4,318,899	68.7
10/1/2007	15,814,369	19,069,507	3,255,138	82.9	5,483,008	59.4

†For purposes of this schedule, the AAL for each plan is determined using the entry age actuarial cost method.

CITY OF WINTER GARDEN, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 for the year ended September 30, 2008

Pension Plan for General Employees
Schedule of Employer Contributions

Year Ended September 30	Annual Required Contribution	Percentage Contributed
2003	\$ 329,019	114%
2004	688,394	105
2005	709,594	113
2006	875,144	119
2007	1,014,294	110
2008	1,119,967	109

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
2003	\$ 486,210	115%
2004	618,042	132
2005	744,336	130
2006	851,532	134
2007	1,029,630	124
2008	1,301,285	116



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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.

Downtown Parking District Fund—This fund is used to account for parking user fees assessed on new and expanding developments and all changes of use of existing properties within the downtown core. Revenues are restricted for the acquisition, construction, and maintenance of on-street and off-street parking serving land uses in the downtown core.

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

Law Enforcement Grants Fund—This fund is used to account for law enforcement grants.

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.

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.

**City of Winter Garden, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2008**

	Downtown Parking District Fund	Law Enforcement Trust Fund	Special Law Enforcement Grants Fund
ASSETS			
Cash and cash equivalents	\$ 570,930	\$ 76,855	\$ 24,107
Due from other governmental units	-	-	-
Total assets	<u>\$ 570,930</u>	<u>\$ 76,855</u>	<u>\$ 24,107</u>
LIABILITIES			
Accounts payable	\$ 52,651	\$ 9,000	\$ -
Deferred revenue	-	-	-
Total liabilities	<u>52,651</u>	<u>9,000</u>	<u>-</u>
FUND BALANCES			
Unreserved, undesignated	<u>518,279</u>	<u>67,855</u>	<u>24,107</u>
Total fund balances	<u>518,279</u>	<u>67,855</u>	<u>24,107</u>
Total liabilities and fund balances	<u>\$ 570,930</u>	<u>\$ 76,855</u>	<u>\$ 24,107</u>

Revenue					Total Nonmajor Governmental Funds
Local Option Gas Tax Fund	Police and Fire Premium Tax Trust Fund	Total	Debt Service Fund		
\$ 264,829	\$ -	\$ 936,721	\$ -	\$	936,721
89,861	240,000	329,861	-		329,861
<u>\$ 354,690</u>	<u>\$ 240,000</u>	<u>\$ 1,266,582</u>	<u>\$ -</u>	<u>\$</u>	<u>1,266,582</u>
\$ 15,649	\$ -	\$ 77,300	\$ -	\$	77,300
-	240,000	240,000	-		240,000
<u>15,649</u>	<u>240,000</u>	<u>317,300</u>	<u>-</u>	<u>\$</u>	<u>317,300</u>
339,041	-	949,282	-		949,282
339,041	-	949,282	-		949,282
<u>\$ 354,690</u>	<u>\$ 240,000</u>	<u>\$ 1,266,582</u>	<u>\$ -</u>	<u>\$</u>	<u>1,266,582</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, 2008

	Downtown Parking District Fund	Law Enforcement Trust Fund	Special Law Enforcement Grants Fund
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 30,584
Fines and forfeits	-	37,419	-
Investment earnings (loss)	14,717	2,935	260
Special assessments	<u>70,000</u>	<u>-</u>	<u>-</u>
Total revenues	<u>84,717</u>	<u>40,354</u>	<u>30,844</u>
EXPENDITURES			
Current:			
Public safety	-	75,999	37,841
Transportation	116,438	-	-
Debt service:			
Principal	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>116,438</u>	<u>75,999</u>	<u>37,841</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,721)</u>	<u>(35,645)</u>	<u>(6,997)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>550,000</u>	<u>-</u>	<u>13,474</u>
Total other financing sources	<u>550,000</u>	<u>-</u>	<u>13,474</u>
Net change in fund balances	518,279	(35,645)	6,477
Fund balances—beginning	<u>-</u>	<u>103,500</u>	<u>17,630</u>
Fund balances—ending	<u>\$ 518,279</u>	<u>\$ 67,855</u>	<u>\$ 24,107</u>

Revenue			Total Nonmajor Governmental Funds		
Local Option Gas Tax Fund	Police and Fire Premium Tax Trust Fund	Total	Debt Service Fund		
\$ 1,137,139	\$ 375,416	\$ 1,543,139	\$ -	\$ -	\$ 1,543,139
-	-	37,419	-	-	37,419
(654)	-	17,258	5,421	-	22,679
-	-	70,000	-	-	70,000
<u>1,136,485</u>	<u>375,416</u>	<u>1,667,816</u>	<u>5,421</u>		<u>1,673,237</u>
-	375,416	489,256	-	-	489,256
976,497	-	1,092,935	-	-	1,092,935
-	-	-	-	-	-
-	-	-	624,747	-	624,747
-	-	-	637,220	-	637,220
<u>976,497</u>	<u>375,416</u>	<u>1,582,191</u>	<u>1,261,967</u>		<u>2,844,158</u>
<u>159,988</u>	<u>-</u>	<u>85,625</u>	<u>(1,256,546)</u>		<u>(1,170,921)</u>
-	-	563,474	1,248,467	-	1,811,941
-	-	563,474	1,248,467	-	1,811,941
159,988	-	649,099	(8,079)	-	641,020
<u>179,053</u>	<u>-</u>	<u>300,183</u>	<u>8,079</u>		<u>308,262</u>
<u>\$ 339,041</u>	<u>\$ -</u>	<u>\$ 949,282</u>	<u>\$ -</u>		<u>\$ 949,282</u>

City of Winter Garden, Florida
New City Hall Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
From inception and for the Year Ended September 30, 2008

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
REVENUES				
Investment earnings	\$ 695,893	\$ 281,170	\$ 977,063	\$ 956,503
Contributions and donations	-	2,880	2,880	-
Total revenues	<u>695,893</u>	<u>284,050</u>	<u>979,943</u>	<u>956,503</u>
EXPENDITURES				
Capital outlay:				
General government	<u>7,403,332</u>	<u>8,660,903</u>	<u>16,064,235</u>	<u>16,493,870</u>
Total expenditures	<u>7,403,332</u>	<u>8,660,903</u>	<u>16,064,235</u>	<u>16,493,870</u>
(Deficiency) of revenues (under) expenditures	<u>(6,707,439)</u>	<u>(8,376,853)</u>	<u>(15,084,292)</u>	<u>(15,537,367)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,304,234	1,000,000	3,304,234	3,304,234
Issuance of debt	12,025,000	-	12,025,000	12,025,000
Discount on debt issuance	<u>(76,319)</u>	<u>-</u>	<u>(76,319)</u>	<u>(76,319)</u>
Total other financing sources (uses)	<u>14,252,915</u>	<u>1,000,000</u>	<u>15,252,915</u>	<u>15,252,915</u>
Net change in fund balances	<u>\$ 7,545,476</u>	<u>(7,376,853)</u>	<u>\$ 168,623</u>	<u>\$ (284,452)</u>
Fund balances—beginning		<u>7,545,476</u>		
Fund balances—ending		<u>\$ 168,623</u>		

City of Winter Garden, Florida
Downtown Parking District Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment earnings	\$ -	\$ 14,717	\$ 14,717
Special Assessments	<u>250,000</u>	<u>70,000</u>	<u>(180,000)</u>
Total revenues	<u>250,000</u>	<u>84,717</u>	<u>(165,283)</u>
EXPENDITURES			
Current:			
Transportation:			
Construction and maintenance	<u>800,000</u>	<u>116,438</u>	<u>683,562</u>
(Deficiency) of revenues (under) expenditures	<u>(550,000)</u>	<u>(31,721)</u>	<u>518,279</u>
OTHER FINANCING SOURCES			
Transfers in	<u>550,000</u>	<u>550,000</u>	<u>-</u>
Net change in fund balances	-	518,279	-
Fund balances—beginning	-	-	-
Fund balances—ending	<u>\$ -</u>	<u>\$ 518,279</u>	<u>\$ 518,279</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Fines and forfeits	\$ 47,115	\$ 37,419	\$ (9,696)
Investment earnings	6,010	2,935	(3,075)
Total revenues	53,125	40,354	(12,771)
EXPENDITURES			
Current:			
Public safety:			
Law enforcement	77,964	75,999	1,965
(Deficiency) of revenues (under) expenditures	(24,839)	(35,645)	(10,806)
Fund balances—beginning	103,500	103,500	-
Fund balances—ending	\$ 78,661	\$ 67,855	\$ (10,806)

City of Winter Garden, Florida
Law Enforcement Grants Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ 318,829	\$ 30,584	\$ (288,245)
Investment earnings	-	260	260
Total revenues	<u>318,829</u>	<u>30,844</u>	<u>(287,985)</u>
EXPENDITURES			
Current:			
Public safety:			
Law enforcement	<u>415,539</u>	<u>37,841</u>	<u>377,698</u>
(Deficiency) of revenues (under) expenditures	<u>(96,710)</u>	<u>(6,997)</u>	<u>89,713</u>
OTHER FINANCING SOURCES			
Transfers in	<u>108,077</u>	<u>13,474</u>	<u>(94,603)</u>
Net change in fund balances	11,367	6,477	(4,890)
Fund balances—beginning	<u>17,630</u>	<u>17,630</u>	<u>-</u>
Fund balances—ending	<u>\$ 28,997</u>	<u>\$ 24,107</u>	<u>\$ (4,890)</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 1,057,144	\$ 1,137,139	\$ 79,995
Investment earnings (loss)	-	(654)	(654)
Total revenues	1,057,144	1,136,485	79,341
EXPENDITURES			
Current:			
Transportation:			
Construction and maintenance	1,244,589	976,497	268,092
Excess (deficiency) of revenues over (under) expenditures	(187,445)	159,988	347,433
Net change in fund balances	(187,445)	159,988	347,433
Fund balances—beginning	179,053	179,053	-
Fund balances (deficits)—ending	\$ (8,392)	\$ 339,041	\$ 347,433

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, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ 320,000	\$ 375,416	\$ 55,416
Total revenues	<u>320,000</u>	<u>375,416</u>	<u>55,416</u>
EXPENDITURES			
Current:			
Public safety:			
Law enforcement	200,000	184,508	15,492
Fire control	<u>120,000</u>	<u>190,908</u>	<u>(70,908)</u>
Total public safety	<u>320,000</u>	<u>375,416</u>	<u>(55,416)</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, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment earnings	\$ 4,999	\$ 5,421	\$ 422
Total revenues	<u>4,999</u>	<u>5,421</u>	<u>422</u>
EXPENDITURES			
Debt service:			
Principal	624,747	624,747	-
Interest	637,431	637,220	211
Total expenditures	<u>1,262,178</u>	<u>1,261,967</u>	<u>211</u>
 (Deficiency) of revenues (under) expenditures	 <u>(1,257,179)</u>	 <u>(1,256,546)</u>	 <u>211</u>
OTHER FINANCING SOURCES			
Transfers in	<u>1,257,179</u>	<u>1,248,467</u>	<u>(8,712)</u>
Net change in fund balances	-	(8,079)	(8,501)
Fund balances—beginning	<u>8,079</u>	<u>8,079</u>	<u>-</u>
Fund balances—ending	<u>\$ 8,079</u>	<u>\$ -</u>	<u>\$ (8,079)</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, 2008

	<u>Stormwater Utility</u>	<u>Trailer City</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 117,247	\$ 138,332	\$ 255,579
Accounts receivable (net of allowance for uncollectibles)	126,657	825	127,482
Inventories	<u>4,068</u>	<u>-</u>	<u>4,068</u>
Total current assets	<u>247,972</u>	<u>139,157</u>	<u>387,129</u>
Noncurrent assets:			
Capital assets:			
Land	-	63,300	63,300
Buildings	-	29,387	29,387
Improvements other than buildings	2,048,438	116,178	2,164,616
Machinery and equipment	439,940	37,154	477,094
Infrastructure	2,734,514	34,555	2,769,069
Construction work in progress	252,076	-	252,076
Less accumulated depreciation	<u>(1,397,968)</u>	<u>(110,049)</u>	<u>(1,508,017)</u>
Total capital assets (net of accumulated depreciation)	<u>4,077,000</u>	<u>170,525</u>	<u>4,247,525</u>
Total assets	<u>4,324,972</u>	<u>309,682</u>	<u>4,634,654</u>
LIABILITIES			
Current liabilities:			
Accounts payable	6,678	818	7,496
Notes and loans payable	5,598	-	5,598
Compensated absences	789	3,892	4,681
Accrued interest payable	2,004	-	2,004
Accrued wages payable	3,873	1,952	5,825
Unearned revenue	<u>-</u>	<u>7,539</u>	<u>7,539</u>
Total current liabilities	<u>18,942</u>	<u>14,201</u>	<u>33,143</u>
Noncurrent liabilities:			
Notes and loans payable	18,738	-	18,738
Compensated absences	3,798	616	4,414
Advances from other funds	<u>594,021</u>	<u>-</u>	<u>594,021</u>
Total noncurrent liabilities	<u>616,557</u>	<u>616</u>	<u>617,173</u>
Total liabilities	<u>635,499</u>	<u>14,817</u>	<u>650,316</u>
NET ASSETS			
Invested in capital assets, net of related debt	4,052,664	170,525	4,223,189
Unrestricted	<u>(363,191)</u>	<u>124,340</u>	<u>(238,851)</u>
Total net assets	<u>\$ 3,689,473</u>	<u>\$ 294,865</u>	<u>\$ 3,984,338</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, 2008

	<u>Stormwater Utility</u>	<u>Trailer City</u>	<u>Totals</u>
Operating revenues:			
Charges for services	\$ 1,293,968	\$ -	\$ 1,293,968
Other	<u>-</u>	<u>217,694</u>	<u>217,694</u>
Total operating revenues	<u>1,293,968</u>	<u>217,694</u>	<u>1,511,662</u>
Operating expenses:			
Personal services	324,392	105,300	429,692
Contractual services	16,974	3,386	20,360
Utilities	2,356	6,735	9,091
Supplies	28,477	5,725	34,202
Depreciation	259,971	14,577	274,548
Other services and charges	<u>279,406</u>	<u>59,927</u>	<u>339,333</u>
Total operating expenses	<u>911,576</u>	<u>195,650</u>	<u>1,107,226</u>
Operating income	<u>382,392</u>	<u>22,044</u>	<u>404,436</u>
Nonoperating revenues (expenses):			
Investment earnings	1,860	2,965	4,825
Loss on sale of capital assets	-	(11,466)	(11,466)
Interest expense	(612)	-	(612)
Other grants and aids	<u>-</u>	<u>(75)</u>	<u>(75)</u>
Total nonoperating revenues (expenses)	<u>1,248</u>	<u>(8,576)</u>	<u>(7,328)</u>
Change in net assets	383,640	13,468	397,108
Total net assets—beginning	<u>3,305,833</u>	<u>281,397</u>	<u>3,587,230</u>
Total net assets—ending	<u>\$ 3,689,473</u>	<u>\$ 294,865</u>	<u>\$ 3,984,338</u>

City of Winter Garden, Florida
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2008

	<u>Stormwater Utility</u>	<u>Trailer City</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,269,029	\$ 219,163	\$ 1,488,192
Payments to suppliers	(382,724)	(75,911)	(458,635)
Payments to employees	(325,511)	(100,914)	(426,425)
Net cash provided by operating activities	<u>560,794</u>	<u>42,338</u>	<u>603,132</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Other grants and aids	-	(75)	(75)
Net cash (used) by noncapital and related financing activities	<u>-</u>	<u>(75)</u>	<u>(75)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(694,873)	(5,519)	(700,392)
Proceeds from sales of capital assets	12,498	-	12,498
Net cash (used) by capital and related financing activities	<u>(682,375)</u>	<u>(5,519)</u>	<u>(687,894)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	1,860	2,965	4,825
Net cash provided by investing activities	<u>1,860</u>	<u>2,965</u>	<u>4,825</u>
Net increase (decrease) in cash and cash equivalents	(119,721)	39,709	(80,012)
Cash and cash equivalents, October 1	<u>236,968</u>	<u>98,623</u>	<u>335,591</u>
Cash and cash equivalents, September 30	<u>\$ 117,247</u>	<u>\$ 138,332</u>	<u>\$ 255,579</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 382,392	\$ 22,044	\$ 404,436
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	259,971	14,577	274,548
Increase in accounts receivable	(63,842)	(183)	(64,025)
Increase (decrease) in allowance for uncollectible accounts	38,903	(80)	38,823
Decrease in accounts payable	(55,511)	(138)	(55,649)
Increase (decrease) in accrued wages payable	(635)	464	(171)
Increase in unearned revenue	-	1,732	1,732
Increase (decrease) in compensated absences payable	(484)	3,922	3,438
Total adjustments	<u>178,402</u>	<u>20,294</u>	<u>198,696</u>
Net cash provided by operating activities	<u>\$ 560,794</u>	<u>\$ 42,338</u>	<u>\$ 603,132</u>



STATISTICAL SECTION



STATISTICAL SECTION

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

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	96
Revenue Capacity <i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	107
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i>	112
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	119
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</i>	121

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

City of Winter Garden, Florida
Net Assets by Component
Last Six Fiscal Years
(accrual basis of accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental activities			
Invested in capital assets, net of related debt	\$ 62,229,762	\$ 48,751,070	\$ 34,495,162
Restricted	31,054,530	28,296,384	22,822,073
Unrestricted	<u>12,869,395</u>	<u>15,713,022</u>	<u>12,189,529</u>
Total governmental activities net assets	<u>\$106,153,687</u>	<u>\$ 92,760,476</u>	<u>\$ 69,506,764</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 41,778,162	\$ 35,774,224	\$ 29,848,390
Restricted	21,015,352	12,665,164	13,230,076
Unrestricted	<u>11,117,583</u>	<u>20,850,291</u>	<u>20,011,017</u>
Total business-type activities net assets	<u>\$ 73,911,097</u>	<u>\$ 69,289,679</u>	<u>\$ 63,089,483</u>
Primary government			
Invested in capital assets, net of related debt	\$104,007,924	\$ 84,525,294	\$ 64,343,552
Restricted	52,069,882	40,961,548	36,052,149
Unrestricted	<u>23,986,978</u>	<u>36,563,313</u>	<u>32,200,546</u>
Total primary government net assets	<u>\$180,064,784</u>	<u>\$162,050,155</u>	<u>\$132,596,247</u>

Fiscal Year

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 23,447,882	\$ 20,098,672	\$ 16,025,215	Data is not available for years 1999 to 2002			
8,036,244	8,875,461	7,675,631				
14,214,099	9,638,873	7,446,446				
<u>\$ 45,698,225</u>	<u>\$ 38,613,006</u>	<u>\$ 31,147,292</u>				
\$ 26,238,677	\$ 24,490,427	\$ 26,182,160				
11,186,375	6,726,971	8,866,950				
22,608,146	20,333,080	10,266,710				
<u>\$ 60,033,198</u>	<u>\$ 51,550,478</u>	<u>\$ 45,315,820</u>				
\$ 49,686,559	\$ 44,589,099	\$ 42,207,375				
19,222,619	15,602,432	16,542,581				
36,822,245	29,971,953	17,713,156				
<u>\$ 105,731,423</u>	<u>\$ 90,163,484</u>	<u>\$ 76,463,112</u>				

City of Winter Garden, Florida
Change in Net Assets
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	2008	2007	2006	2005	2004	2003
Expenses						
Governmental activities:						
General government	\$ 2,932,260	\$ 2,701,941	\$ 2,565,945	\$ 2,095,732	\$ 1,713,712	\$ 1,723,324
Public safety	13,736,706	11,898,442	9,998,835	8,786,447	7,152,781	5,779,190
Physical environment	736,565	843,671	850,605	535,512	542,696	458,625
Transportation	3,282,627	2,505,649	2,302,093	2,258,355	2,038,644	1,724,625
Economic environment	877,845	641,944	214,813	158,183	149,425	84,710
Public assistance	82,630	101,330	88,909	88,871	391,384	653,862
Culture and recreation	2,236,885	2,328,830	2,082,868	1,766,330	1,873,007	1,937,778
Interest and long-term debt	814,781	838,981	424,215	494,844	644,748	594,557
Total government activities expenses	<u>24,700,299</u>	<u>21,860,788</u>	<u>18,528,283</u>	<u>16,184,274</u>	<u>14,506,397</u>	<u>12,956,671</u>
Business-type activities:						
Water and Sewer	9,141,484	8,765,465	9,404,856	6,975,769	5,852,648	4,934,858
Sanitation	3,285,187	3,455,158	3,140,333	2,673,105	2,449,158	2,122,438
Stormwater	912,188	785,573	641,121	497,173	350,936	379,743
Residential mobile home lot rentals	195,725	237,896	214,403	275,438	184,199	199,123
Total business-type activities expenses	<u>13,534,584</u>	<u>13,244,092</u>	<u>13,400,713</u>	<u>10,421,485</u>	<u>8,836,941</u>	<u>7,636,162</u>
Total primary government expenses	<u>\$38,234,883</u>	<u>\$35,104,880</u>	<u>\$31,928,996</u>	<u>\$26,605,759</u>	<u>\$23,343,338</u>	<u>\$ 20,592,833</u>
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 2,050,636	\$ -	\$ 522,068	\$ 608,267	\$ 674,970	\$ 264,050
Public safety	1,697,235	3,453,966	3,015,971	2,168,160	2,616,511	1,717,290
Transportation	401,577	770,351	701,585	744,528	346,157	-
Other activities	482,155	514,874	411,549	345,812	298,133	309,161
Operating grants and contributions	1,911,035	1,935,703	1,549,023	1,456,767	1,716,165	640,597
Capital grants and contributions	13,286,270	18,410,818	19,154,514	5,374,448	5,337,203	3,967,578
Total government activities program revenues	<u>19,828,908</u>	<u>25,085,712</u>	<u>25,354,710</u>	<u>10,697,982</u>	<u>10,989,139</u>	<u>6,898,676</u>
Business-type activities:						
Charges for services:						
Water and Sewer	9,708,145	9,320,260	8,220,991	7,898,591	6,732,207	5,617,145
Sanitation	3,774,996	3,254,113	2,925,319	2,550,085	2,317,124	2,200,544
Stormwater	1,293,968	1,025,423	855,282	706,782	558,857	497,345
Residential mobile home lot rentals	217,694	212,291	186,377	253,075	235,938	248,423
Operating grants and contributions	-	-	23,259	(12,912)	197,359	-
Capital grants and contributions	2,652,612	5,052,885	5,144,437	7,338,743	4,958,553	5,354,065
Total business-type activities program revenues	<u>17,647,415</u>	<u>18,864,972</u>	<u>17,355,665</u>	<u>18,734,364</u>	<u>15,000,038</u>	<u>13,917,522</u>
Total primary government program revenues	<u>\$37,476,323</u>	<u>\$43,950,684</u>	<u>\$42,710,375</u>	<u>\$29,432,346</u>	<u>\$25,989,177</u>	<u>\$ 20,816,198</u>
Net (expense)/revenue	\$ (4,871,391)	\$ 3,224,924	\$ 6,826,427	\$ (5,486,292)	\$ (3,517,258)	\$ (6,057,995)
Governmental activities	4,112,831	5,620,880	3,954,952	8,312,879	6,163,097	6,281,360
Business-type activities:	<u>\$ (758,560)</u>	<u>\$ 8,845,804</u>	<u>\$ 10,781,379</u>	<u>\$ 2,826,587</u>	<u>\$ 2,645,839</u>	<u>\$ 223,365</u>

Data is not available for years 1999 to 2002

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Ad Valorem	\$ 8,351,424	\$ 8,297,193	\$ 5,777,996	\$ 4,507,982	\$ 3,770,795	\$ 3,098,149				
Franchise taxes	-	1,773,927	1,563,590	1,191,851	1,008,447	903,925				
Utility taxes	2,615,227	2,432,494	2,138,583	1,798,561	1,571,435	1,480,323				
Communication services	1,386,894	1,323,649	1,214,940	1,055,864	925,309	855,324				
Local business tax	206,343	-	-	-	-	-				
Licenses and permits	-	-	-	-	-	514,603				
Intergovernmental	4,712,786	4,432,087	4,185,961	3,801,533	3,105,896	3,562,921				
Investment earnings	986,053	1,668,231	706,182	266,479	166,875	269,759				
Gain (loss) on sale of capital assets	5,875	-	-	13,099	239,065	(41,930)				
Miscellaneous	-	101,207	90,626	82,622	133,169	79,426				
Transfers	-	-	1,304,234	(146,480)	61,981	64,310				
Total governmental activities	18,264,602	20,028,788	16,982,112	12,571,511	10,982,972	10,786,810				
Business-type activities:										
Investment earnings	432,272	564,484	385,411	142,967	122,842	159,094				
Gain (loss) on sale of capital assets	76,315	14,832	20,156	(119,606)	10,700	40,000				
Transfers	-	-	(1,304,234)	146,480	(61,981)	(64,310)				
Total business-type activities	508,587	579,316	(898,667)	169,841	71,561	134,784				
Total primary government	\$18,773,189	\$20,608,104	\$16,083,445	\$12,741,352	\$11,054,533	\$10,921,594				
Changes in Net Assets										
Governmental activities	\$13,393,211	\$23,253,712	\$23,808,539	\$7,085,219	\$7,465,714	\$4,728,815				
Business-type activities	4,621,418	6,200,196	3,056,285	8,482,720	6,234,658	6,416,144				
Total primary government	\$18,014,629	\$29,453,908	\$26,864,824	\$15,567,939	\$13,700,372	\$11,144,959				

City of Winter Garden, Florida
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Ad Valorem	Franchise Fees	Utility Services	Communications Services
2008	\$ 8,351,424	\$ - ²	\$ 2,615,227	\$ 1,386,894
2007	8,297,193	1,773,927	2,432,494	1,323,649
2006	5,777,996	1,563,590	2,138,583	1,214,940
2005	4,507,982	1,191,851	1,798,561	1,055,864
2004	3,770,795	1,008,447	1,571,435	925,309
2003	3,098,149	903,925	1,480,323	855,324
2002	2,456,306	864,047	1,297,581 ¹	756,005 ¹
2001	1,961,339	889,590	1,414,148	-
2000	1,737,378	712,040	1,196,001	-
1999	1,576,897	654,488	1,100,470	-

¹Utility Service Taxes on telecommunications were eliminated and the Communication Services Tax was created by State Statute

²Franchise fees were reclassified in the State of Florida Uniform Accounting System Manual from taxes to permits and fees

³Local business tax, formerly referred to as occupational licenses, was reclassified in the State of Florida Uniform Accounting System Manual from permits and fees to taxes

Local Business Tax	Total
\$ 206,343 ³	\$ 12,353,545
-	13,827,263
-	10,695,109
-	8,554,258
-	7,275,986
-	6,337,721
-	5,373,939
-	4,265,077
-	3,645,419
-	3,331,855

City of Winter Garden, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General fund				
Reserved	\$ 2,868,594	\$ 3,613,214	\$ 2,137,040	\$ 2,108,976
Unreserved	<u>8,164,181</u>	<u>9,628,932</u>	<u>9,621,567</u>	<u>9,086,094</u>
Total general fund	<u>\$ 11,032,775</u>	<u>\$ 13,242,146</u>	<u>\$ 11,758,607</u>	<u>\$ 11,195,070</u>
All other governmental funds				
Reserved	\$ 2,497,257	\$ 7,037,951	\$ 6,685,770	\$ 453,776
Unreserved, reported in:				
Special revenue funds	28,625,460	27,225,893	15,731,030	9,995,418
Debt service fund	-	8,079	-	-
Capital projects funds	<u>168,623</u>	<u>1,205,154</u>	<u>12,959,202</u>	<u>-</u>
Total all other governmental funds	<u>\$ 31,291,340</u>	<u>\$ 35,477,077</u>	<u>\$ 35,376,002</u>	<u>\$ 10,449,194</u>

Fiscal Year					
<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 2,149,535	\$ 2,361,289	\$ 1,739,842	\$ 1,775,166	\$ 453,496	\$ 471,605
<u>7,492,876</u>	<u>5,244,645</u>	<u>6,180,327</u>	<u>5,228,703</u>	<u>4,968,084</u>	<u>3,245,440</u>
<u>\$ 9,642,411</u>	<u>\$ 7,605,934</u>	<u>\$ 7,920,169</u>	<u>\$ 7,003,869</u>	<u>\$ 5,421,580</u>	<u>\$ 3,717,045</u>
\$ 60,572	\$ 174,404	\$ 7,879,740	\$ 7,877,255	\$ 4,336,123	\$ 2,054,959
7,930,656	6,642,164	(893,765)	-	-	-
-	-	-	-	-	-
<u>285,039</u>	<u>291,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 8,276,267</u>	<u>\$ 7,108,067</u>	<u>\$ 6,985,975</u>	<u>\$ 7,877,255</u>	<u>\$ 4,336,123</u>	<u>\$ 2,054,959</u>

City of Winter Garden, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues				
Taxes	\$ 12,559,888	\$ 13,827,263	\$ 10,695,109	\$ 8,554,258
Permits and fees	3,257,290	3,354,710	3,305,453	2,827,208
Intergovernmental	7,337,697	6,200,862	5,866,003	5,819,142
Charges for services	2,943,724	2,758,255	2,955,962	1,801,451
Fines and forfeits	448,516	374,414	391,774	248,986
Investment earnings	2,219,381	2,598,817	1,365,403	409,339
Rents and royalties	130,532	164,239	152,813	144,304
Special Assessments	70,000	-	-	-
Impact fees	3,103,937	13,871,394	8,374,862	4,738,914
Contributions and donations	2,279,139	2,684,350	9,961,672	38,895
Miscellaneous	-	322,457	90,781	82,622
Total revenues	<u>34,350,104</u>	<u>46,156,761</u>	<u>43,159,832</u>	<u>24,665,119</u>
Expenditures				
General government	4,487,698	4,769,353	4,481,830	2,905,301
Public safety	16,681,387	13,402,701	10,575,014	9,301,897
Physical environment	1,190,697	1,313,892	1,258,938	820,150
Transportation	4,548,554	13,985,729	7,553,859	3,881,560
Economic environment	675,283	451,178	805,516	(32,137)
Public assistance	82,630	101,330	88,909	88,871
Culture and recreation	3,388,784	3,827,013	2,310,870	1,839,973
Debt Service				
Principal	653,247	588,534	2,012,062	1,623,416
Interest	676,539	740,535	548,850	375,445
Other charges	-	-	-	-
Total expenditures	<u>32,384,819</u>	<u>39,180,265</u>	<u>29,635,848</u>	<u>20,804,476</u>
Excess of revenues over (under) expenditures	1,965,285	6,976,496	13,523,984	3,860,643
Other financing sources (uses)				
Transfers in	2,162,439	1,640,803	747,574	1,396,357
Transfers out	(3,162,439)	(1,640,803)	(1,747,574)	(1,259,474)
Sale of capital assets	16,460	21,844	7,160	13,099
Issuance of debt	-	-	-	-
Total other financing sources (uses)	<u>(983,540)</u>	<u>21,844</u>	<u>(992,840)</u>	<u>149,982</u>
Net change in fund balances	<u>\$ 981,745</u>	<u>\$ 6,998,340</u>	<u>\$ 12,531,144</u>	<u>\$ 4,010,625</u>
Debt service as a percentage of noncapital expenditures	5.5%	6.0%	12.2%	11.7%

Note: Includes general, special revenue, and debt service funds

Fiscal Year					
<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 7,275,986	\$ 6,337,721	\$ 5,373,939	\$ 4,265,077	\$ 3,645,419	\$ 3,331,855
2,770,604	1,888,809	1,728,142	1,253,702	1,271,089	681,940
5,291,960	4,752,209	3,374,757	3,421,630	3,232,655	2,849,026
1,635,726	1,275,651	81,232	82,973	436,323	121,373
246,132	236,761	213,470	368,315	329,968	228,951
262,405	410,488	688,298	708,842	504,011	243,342
128,048	133,972	135,228	120,813	102,216	94,184
-	-	-	-	-	-
4,294,620	3,051,048	2,249,181	1,514,295	2,012,190	668,350
72,427	88,680	-	-	-	-
133,169	79,426	1,059,504	886,237	678,804	535,747
<u>22,111,077</u>	<u>18,254,765</u>	<u>14,903,751</u>	<u>12,621,884</u>	<u>12,212,675</u>	<u>8,754,768</u>
2,336,743	3,325,686	2,286,599	1,480,434	1,259,904	1,109,730
7,024,451	6,180,979	5,486,185	4,626,435	4,337,820	3,486,117
780,387	626,594	489,171	411,689	457,576	369,346
3,563,224	4,791,484	3,202,055	6,535,475	1,754,786	2,589,391
131,623	93,696	180,904	1,134,956	74,333	85,412
391,384	653,862	14,112	14,140	14,196	14,896
1,861,015	2,048,901	1,411,558	1,064,600	1,041,353	1,048,323
2,119,883	288,843	391,168	374,388	317,769	314,371
1,321,064	241,155	252,915	69,030	78,658	74,345
-	-	-	-	-	26,522
<u>19,529,774</u>	<u>18,251,200</u>	<u>13,714,667</u>	<u>15,711,147</u>	<u>9,336,395</u>	<u>9,118,453</u>
2,581,303	3,565	1,189,084	(3,089,263)	2,876,280	(363,685)
1,433,414	1,057,204	1,136,368	1,080,877	727,719	1,129,678
(1,250,640)	(2,192,894)	(1,060,670)	(800,087)	(831,754)	(1,063,104)
247,544	1,106,080	-	9,176	905,000	51,000
118,531	1,230,083	997,039	8,299,327	19,327	66,814
<u>548,849</u>	<u>1,200,473</u>	<u>1,072,737</u>	<u>8,589,293</u>	<u>820,292</u>	<u>184,388</u>
<u>\$ 3,130,152</u>	<u>\$ 1,204,038</u>	<u>\$ 2,261,821</u>	<u>\$ 5,500,030</u>	<u>\$ 3,696,572</u>	<u>\$ (179,297)</u>
20.7%	4.3%	6.5%	5.3%	5.3%	7.1%

City of Winter Garden, Florida
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Ad Valorem	Franchise Fees	Utility Services	Communications Services	Local Business Tax	Total
2008	\$ 8,351,424	\$ - ²	\$ 2,615,227	\$ 1,386,894	\$ 206,343 ³	\$ 12,353,545
2007	8,297,193	1,773,927	2,432,494	1,323,649	-	13,827,263
2006	5,777,996	1,563,590	2,138,583	1,214,940	-	10,695,109
2005	4,507,982	1,191,851	1,798,561	1,055,864	-	8,554,258
2004	3,770,795	1,008,447	1,571,435	925,309	-	7,275,986
2003	3,098,149	903,925	1,480,323	855,324	-	6,337,721
2002	2,456,306	864,047	1,297,581 ¹	756,005 ¹	-	5,373,939
2001	1,961,339	889,590	1,414,148	-	-	4,265,077
2000	1,737,378	712,040	1,196,001	-	-	3,645,419
1999	1,576,897	654,488	1,100,470	-	-	3,331,855

¹Utility Service Taxes on telecommunications were eliminated and the Communication Services Tax was created by State Statute

²Franchise fees were reclassified in the State of Florida Uniform Accounting System Manual from taxes to permits and fees

³Local business tax, formerly referred to as occupational licenses, was reclassified in the State of Florida Uniform Accounting System Manual from permits and fees to taxes

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

Fiscal Year Ended September 30¹	Real Property	Personal Property	Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2008	\$3,238,428,147	\$175,381,966	\$ 861,979,717	\$ 2,551,830,396	3.3866	\$ 3,413,810,113	74.75%
2007	2,507,435,607	153,446,526	662,295,114	1,998,587,019	4.3040	2,660,882,133	75.11%
2006	1,658,489,839	121,482,460	388,305,142	1,391,667,157	4.3040	1,779,972,299	78.18%
2005	1,264,462,015	126,634,722	306,664,368	1,084,432,369	4.3040	1,391,096,737	77.96%
2004	1,036,271,956	133,126,163	261,279,230	908,118,889	4.3040	1,169,398,119	77.66%
2003	872,639,284	104,061,370	229,050,652	747,650,002	4.3040	976,700,654	76.55%
2002	687,911,009	87,361,064	182,532,322	592,739,751	4.3040	775,272,073	76.46%
2001	548,155,187	74,421,403	150,280,206	472,296,384	4.3040	622,576,590	75.86%
2000	475,712,432	74,501,339	140,839,800	409,373,971	4.3040	550,213,771	74.40%
1999	430,402,505	77,966,461	136,518,746	371,850,220	4.3040	508,368,966	73.15%

Source: Orange County Property Appraiser's Office

¹Information is reported based on the fiscal year in which associated tax revenue is recognized - e.g., the 2007 tax roll data is reported here for Fiscal Year 2008, as that is the period of collection and revenue recognition

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

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

Fiscal Year	City of Winter Garden Millage	Overlapping Rates					Total Direct & Overlapping Rates
		County Millage	School District Millage	Library Millage	St. Johns River Water Mgmt. District Millage	Health Central (WOHD) Millage	
2008	3.3866	4.4347	7.1210	0.3748	0.4158	-	15.7329
2007	4.3040	5.1639	7.1690	0.4325	0.4620	-	17.5314
2006	4.3040	5.1639	7.7610	0.4325	0.4620	-	18.1234
2005	4.3040	5.1639	7.5400	0.4352	0.4620	-	17.9051
2004	4.3040	5.1639	7.8880	0.4365	0.4620	-	18.2544
2003	4.3040	5.1639	7.8780	0.4371	0.4620	-	18.245
2002	4.3040	5.1639	8.4320	0.4383	0.4620	-	18.8002
2001	4.3040	5.1639	8.5770	0.4412	0.4720	-	18.9581
2000	4.3040	5.2264	8.6120	0.4412	0.4820	0.3221	19.3877
1999	4.3040	5.2889	9.0420	0.4412	0.4820	0.3300	19.8881

Source: Orange County Property Appraiser's Office

**City of Winter Garden, Florida
Principal Property Taxpayers
September 30, 2008**

<u>Taxpayer</u>	<u>2008</u>			<u>1999</u>		
	<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Sembler Winter Gdn LTD	\$101,691,099	1	3.84%	Data is not available for 1999		
Johns Lake Pointe LLC	20,217,700	2	0.76%			
Manheim Remarketing L P	14,364,024	3	0.54%			
Target Corp	12,667,508	4	0.48%			
Hyde Park Communities	12,640,785	5	0.48%			
El-Ad Promenade LLC	11,909,888	6	0.45%			
West Pointe Villas LTD	11,699,513	7	0.44%			
Barclay Stonebrook LLC	10,707,520	8	0.40%			
Gar Shing Realty Corp	10,161,728	9	0.38%			
Castle & Cooke Florida LTD	10,001,944	10	0.38%			
Totals	<u>\$216,061,709</u>		<u>8.16%</u>			

Source: Orange County Property Appraiser's Office

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

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 8,646,566	\$ 8,272,820	95.7%	\$ -	\$ 8,272,820	95.7%
2007	8,608,324	8,269,756	96.1%	-	8,269,756	96.1%
2006	5,993,040	5,760,164	96.1%	8,753	5,768,917	96.3%
2005	4,669,183	4,486,743	96.1%	10,467	4,497,210	96.3%
2004	3,911,478	3,760,894	96.2%	6,166	3,767,060	96.3%
2003	3,221,921	3,084,610	95.7%	22,151	3,106,761	96.4%
2002	2,553,121	2,445,791	95.8%	11,665	2,457,456	96.3%
2001	2,033,887	1,955,874	96.2%	1,196	1,957,070	96.2%
2000	1,763,357	1,696,576	96.2%	7,105	1,703,681	96.6%
1999	1,600,443	1,555,194	97.2%	6,996	1,562,190	97.6%



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City of Winter Garden, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities		
	Revenue Bonds	Revenue Notes	Agreements	Capital Leases	Water/Sewer Bonds	Mortgages	Loans
2008	\$ 11,625,000	\$ 2,312,416	\$ 2,210,070	\$ -	\$ -	\$ -	\$ 12,092,381
2007	11,845,000	2,717,163	2,210,070	28,500	-	-	12,681,074
2006	12,025,000	3,102,866	2,210,070	51,331	-	-	13,222,822
2005	-	3,378,426	3,922,936	74,966	-	-	13,550,510
2004	173,370	3,551,479	5,177,551	97,344	26,630	-	12,564,778
2003	474,646	3,700,000	6,826,450	-	52,165	-	4,613,604
2002	763,489	3,700,000	5,596,366	-	76,971	-	194,633
2001	1,154,657	3,700,000	4,599,327	-	650,682	-	184,400
2000	1,529,045	-	-	-	819,299	-	-
1999	941,814	-	-	-	976,186	35,917	-

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

¹See the schedule of Demographic and Economic Statistics for personal income and population data.

Total Primary Government	Percentage of Personal Income	Per Capita¹
\$ 28,239,867	3.60%	\$ 916
29,481,807	4.04%	981
30,612,089	4.66%	1,076
20,926,838	3.87%	850
21,591,152	4.63%	971
15,666,865	3.85%	769
10,331,459	2.97%	565
10,289,066	3.47%	639
2,348,344	0.92%	165
1,953,917	0.80%	141

City of Winter Garden, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value¹ of Property	Per Capita²
2008	\$ -	\$ -	\$ -	-	\$ -
2007	-	-	-	-	-
2006	-	-	-	-	-
2005	-	-	-	-	-
2004	-	-	-	-	-
2003	-	-	-	-	-
2002	-	-	-	-	-
2001	-	-	-	-	-
2000	-	-	-	-	-
1999	-	-	-	-	-

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

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

²Population data can be found in the Schedule of Demographic and Economic Statistics.

City of Winter Garden, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2008

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County	\$ -	2.5%	\$ -
Subtotal, overlapping debt			-
City of Winter Garden direct debt			-
Total direct and overlapping debt			\$ -

Sources: Assessed value data used to estimate applicable percentages provided by the County Property Appraiser. Debt outstanding data provided by the County.

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

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

**City of Winter Garden, Florida
Legal Debt Margin Information
September 30, 2008**

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
Pledged-Revenue Coverage
Water and Sewer Revenue Bonds
Last Ten Fiscal Years**

<u>Year</u>	<u>Charges</u> ¹	<u>Less:</u>		<u>Net Available</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Operating</u>	<u>Expenses</u> ²		<u>Revenue</u>	<u>Principal</u>	
2008	\$ 10,370,908	\$ 6,746,718	\$ 3,624,190	\$ -	\$ -		N/A
2007	9,880,373	6,575,741	3,304,632	-	-		N/A
2006	8,747,495	7,264,721	1,482,774	-	-		N/A
2005	7,928,757	5,568,578	2,360,179	-	-		N/A
2004	6,974,607	4,658,418	2,316,189	-	-		N/A
2003	5,799,376	3,809,422	1,989,954	-	-		N/A
2002	5,784,679	3,227,291	2,557,388	16,000	27,500		58.79
2001	4,968,544	2,823,265	2,145,279	146,000	36,100		11.78
2000	3,866,695	2,376,380	1,490,315	135,000	44,050		8.32
1999	3,302,282	2,251,908	1,050,374	129,000	51,650		5.81

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

¹Total revenues exclusive of impact fees and investment earnings thereon

²Total operating expenses exclusive of depreciation

**City of Winter Garden, Florida
Pledged-Revenue Coverage
Sales Tax Revenue Bonds, Series 2006
Last Ten Fiscal Years**

<u>Year</u>	<u>Local Government Half-cent Sales</u>		<u>Debt Service</u>		<u>Coverage</u>
	<u>Tax Revenues</u>		<u>Principal</u>	<u>Interest</u>	
2008	\$ 3,779,419	\$	220,000	\$ 503,475	5.22
2007	3,456,635		180,000	545,680	4.76
2006	3,237,896		-	-	N/A
2005	2,912,563		-	-	N/A
2004	2,454,241		-	-	N/A
2003	2,112,477		-	-	N/A
2002	1,858,106		-	-	N/A
2001	1,850,346		-	-	N/A
2000	1,757,140		-	-	N/A
1999	1,636,204		-	-	N/A

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

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

Fiscal Year	Population ¹		Personal Income ²		Labor Force (Countywide) ³			Unemployment Rate ⁴
	City of Winter Garden	Orange County	City of Winter Garden		Civilian Labor Force	Employed	Unemployed	
			Annual Income	Per Capita				
2008	30,838	1,114,979	\$ 785,177,389	\$ 25,461	612,686	573,838	38,848	6.3
2007	30,065	1,105,603	729,043,579	24,249	601,260	578,008	23,252	3.9
2006	28,440	1,079,524	656,799,138	23,094	586,102	568,257	17,845	3.0
2005	24,610	1,043,437	541,284,133	21,994	560,375	540,809	19,566	3.5
2004	22,242	1,013,937	465,905,911	20,947	569,814	544,606	25,208	4.4
2003	20,378	980,195	406,533,784	19,950	538,962	511,926	27,036	5.0
2002	18,301	955,865	347,712,743	19,000	511,641	485,262	26,379	5.2
2001	16,097	930,034	296,929,608	18,446	506,910	484,146	22,764	4.5
2000	14,251	896,344	255,221,159	17,909	519,131	505,459	13,672	2.6
1999	13,863	846,328	243,307,018	17,551	494,103	480,662	13,441	2.7

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

²Source: Metro Orlando Economic Development Commission (2000),

Note: Per capita income information is not available for 1999, 2001-2008; amounts shown are estimated.

³Source: Florida Department of Labor and Employment Security (1999-2002)

Florida Agency for Workforce Innovation (2003-2008)

⁴Countywide

**City of Winter Garden, Florida
Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>Location</u>	<u>2008</u>			<u>1999</u>		
		<u>Employees¹</u>	<u>Rank</u>	<u>Percentage of Total City Employment²</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Orange County Public Schools	Various (9)	970	1	11.20%	Data is not available for 1999		
City of Winter Garden	Plant Street	264	2	3.05%			
Health Central Park	N Dillard Street	257	3	2.97%			
Heller Bros Packing Co	9th Street	235	4	2.71%			
C & W Trucking Inc	Hennis Road	225	5	2.60%			
Publix Super Markets	SR 50/SBW	221	6	2.55%			
Target Super Center	Daniels Rd	220	7	2.54%			
Encore Construction	Crown Park Circle	188	8	2.17%			
Ranger Construction	Elboc Way	153	9	1.77%			
Louis Dreyfus Citrus	9th Street	150	10	1.73%			
Total		<u>2,883</u>		<u>33.29%</u>			

¹Source: Florida Research and Economic Database and surveys of employers listed.

²Source: Total City Employment estimated using 2000 Census and projected growth rate for the Orlando Metropolitan Statistical Area.

City of Winter Garden, Florida
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of September 30									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General government	33	31	33	28	23	23	19	13	12	11
Public Safety										
Police										
Officers	63	58	58	56	47	43	39	36	35	34
Civilians	16	17	20	18	13	15	14	13	12	11
Fire										
Firefighters and officers	39	35	38	38	34	31	25	21	21	18
Civilians	2	2	1	1	-	-	-	-	-	-
Building	15	17	19	14	10	11	9	9	7	5
Public Works	31	31	36	34	34	21	20	19	17	16
Sanitation	18	18	15	16	16	16	15	16	16	15
Culture and recreation	8	7	9	8	6	15	13	12	14	13
Engineering	5	6	8	7	5	3	1	1	2	2
Utilities Administration	2	5	5	6	5	6	5	8	6	6
Water	11	14	14	15	15	13	11	10	9	9
Sewer	13	13	17	17	17	17	17	15	15	15
Environmental Services	2	-	-	-	-	-	-	-	-	-
Stormwater	4	5	4	3	2	2	2	2	2	2
Trailer park	2	2	1	1	3	5	4	4	1	1
Total	264	261	278	262	230	221	194	179	169	158

Source: City of Winter Garden Finance Department

**City of Winter Garden, Florida
Operating Indicators by Function
Last Ten Fiscal Years**

Function	Fiscal				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Police					
Physical arrests	1,142	1,170	1,878	2,093	1,903
Parking violations	644	802	80	362	299
Traffic violations	10,813	12,216	7,448	8,994	6,918
Fire					
Number of calls answered	3,714	3,642	3,427	3,231	2,998
Inspections	1,172	1,442	1,258	1,222	1,111
Public Works					
Street resurfacing	3,873	21,336	43,357	22,551	34,332
Potholes repaired	245	945	890	1,000	1,200
Sanitation					
Refuse collected (tons/day)	87	117	51	50	50
Recyclables collected	6	8	4	4	4
Culture and recreation					
Field permits issued	226	254	156	85	92
Facility rentals	151	196	194	182	175
Water					
New connections	602	699	1,095	676	533
Water main breaks	6	8	3	3	5
Average daily consumption (thousands of gallons)	6,100,858	6,670,000	5,985,678	4,616,786	4,354,230
Wastewater					
Average daily sewage treatment (thousands of gallons)	2,420,000	2,350,000	1,990,000	2,010,000	1,870,000

Sources: Various City departments.

Note: Indicators are not available for the general government function.

Year

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
1,604	981	3,006	2,190	1,846
518	571	249	304	176
6,402	5,684	5,775	6,425	5,483
2,556	2,500	2,499	2,201	2,100
919	766	639	556	484
29,412	42,549	48,010	39,252	31,100
1,005	1,116	1,239	1,375	1,526
50	48	46	45	45
3	2	2	2	2
83	97	101	86	92
182	182	137	128	136
593	630	499	241	36
2	5	3	1	Data Not Available
4,236,041	3,289,789	2,828,219	2,923,186	2,147,315
1,790,000	1,620,000	1,370,000	1,390,000	1,430,000

**City of Winter Garden, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Public Safety				
Police:				
Stations	1	1	1	1
Patrol units	38	38	36	32
Fire stations	3	2	2	2
Sanitation				
Collection trucks	21	18	15	15
Public Works				
Streets (miles)	176	171	137	119
Streetlights	2,304	2,279	2,266	2,017
Traffic signals	22	19	14	13
Culture Recreation				
Parks acreage	60	60	55	55
Parks	9	9	8	8
Swimming pools	2	2	2	2
Tennis courts	6	6	6	6
Community centers	1	1	1	1
Water				
Water mains (miles)	186	186	105	98
Fire hydrants	1,300	1,300	1,300	1,215
Maximum daily capacity (thousands of gallons)	10,368,000	10,368,000	10,368,000	10,368,000
Sewer				
Sanitary sewers (miles)	164	139	135	127
Maximum daily treatment capacity	4,000,000	4,000,000	4,000,000	4,000,000
Stormwater				
Storm sewers (miles)	112	102	63	56

Sources: Various City departments.

Note: No capital asset indicators are available for the general government function.

Fiscal Year					
<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
1	1	1	1	1	1
29	27	26	26	25	24
2	2	1	1	1	1
14	14	13	11	11	9
103	90	78	69	60	52
1,795	1,598	1,422	1,266	1,127	1,003
11	10	9	8	8	8
55	55	55	55	55	55
8	8	8	8	8	8
2	2	2	2	2	2
6	6	6	6	6	6
1	1	1	1	1	1
90	83	75	68	60	53
1,116	1,029	930	843	744	657
10,368,000	10,368,000	8,064,000	8,064,000	8,064,000	8,064,000
118	110	101	93	84	76
4,000,000	4,000,000	2,000,000	2,000,000	2,000,000	2,000,000
50	44	40	35	31	28



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COMPLIANCE AND INTERNAL CONTROL SECTION





Sines, Girvin, Blakeslee & Campbell

Certified Public Accountants, P.A.

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

Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based On An Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winter Garden, Florida, ("the City") as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents and have issued our report thereon dated March 27, 2009. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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, grant agreements, 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*.

This report is intended solely for the information and use of the City Commission, management, the State of Florida Office of the Auditor General and federal and 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.
March 27, 2009



Sines, Girvin, Blakeslee & Campbell

Certified Public Accountants, P.A.

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Report of Independent Certified Public Accountants on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and the Department of Financial Services State 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 that are applicable to its major federal program for the year ended September 30, 2008. The City's major federal program is 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 its major federal program 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 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. 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 its major federal awards program for the year ended September 30, 2008.

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. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect non-compliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiency in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining information of the City as of and for the year ended September 30, 2008, and have issued our report thereon dated March 27, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements of the City. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements 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, management, the Florida Auditor General, and federal and 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.
March 27, 2009

**City of Winter Garden, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2008**

EXPENDITURES OF FEDERAL AWARDS

Grantor/Pass-through Grantor/Program	Identification Number	CFDA Number	Federal Expenditures
<u>U.S. Department of Justice</u>			
Passed through the Florida Department of Law Enforcement:			
Edward Byrne Memorial Justice Assistance Grant Program	2008-JAGC-ORAN-15-Q9-174	16.738	27,862
Bulletproof Vest Partnership Program		16.607	2,722
<u>U.S. Department of Housing and Urban Development</u>			
Passed through the Orange County Housing and Community Development Division			
Community Development Block Grant		14.218	587,000
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 617,584

Notes to Schedule of Expenditures of Federal Awards

Basis of Accounting

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

**CITY OF WINTER GARDEN, FLORIDA SCHEDULE OF FINDINGS AND
QUESTIONED COSTS**

For The Year Ended September 30, 2008

1. Summary of Audit Results

I. Type of Audit Report Issued on Basic Financial Statements

Unqualified Opinion

II. Significant Deficiencies and/or Material Weaknesses in Internal Control

None Reported

III. Noncompliance Material to Auditee Basic Financial Statements

Audit disclosed no material instances of noncompliance.

**IV. Significant Deficiencies and/or Material Weaknesses in Internal Control
Over the Major Programs**

None Reported

**V. Type of Audit Report Issued on Compliance with Requirements Applicable
to the Major Programs**

Unqualified Opinion

VI. Audit Findings Relative to Major Federal Award Programs

None

VII. Program Tested as Major Program

- Federal Programs
U.S. Department of Housing and Urban Development
Community Development Block Grant (14.218)

**VIII. Dollar Threshold Used to Distinguish Between Type A and Type B
Programs**

\$300,000 for major federal award programs.

IX. Auditee Qualification as Low-risk Auditee

The auditee does not qualify as a low-risk auditee pursuant to OMB Circular A-133.

**CITY OF WINTER GARDEN, FLORIDA SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (Concluded)**

For The Year Ended September 30, 2008

**2. Findings Related to the Basic Financial Statements Required to be Reported Under
GAGAS**

None Reported

**3. Findings and Questioned costs for Federal Awards Required to be Reported OMB
Circular A-133**

None Reported

4. Prior Year Audit Findings

None Reported



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Independent Certified Public Accountants' 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 (the "City"), as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated March 27, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. We have issued our Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards, which is dated March 27, 2009, and should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information which is not included in the aforementioned auditors' reports or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.
- Section 10.554(1) (i)2., Rules of the Auditor General, requires our audit to include 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 complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, require that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

- Section 10.554(1)(i)4., Rules of the Auditor General, requires, that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provide that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements or abuse that have occurred or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rules of the Auditor General requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Legal authority of the City and it's blended component unit are disclosed in the notes to the financial statements.
- Section 10.554(1) (i) 7.a., Rules of the Auditor General, requires a statement to be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1) (i) 7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2008, filed with the Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2008. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to sections 10.554(1)(i) 7.c and 10.556(7)), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the City Commission, management, and the Florida 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.
Certified Public Accountants, P.A.
March 27, 2009



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