CITY OF WINTER GARDEN, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2010

CITY OF WINTER GARDEN, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended

September 30, 2010

Prepared by:

Finance Department

WINTER GARDEN

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CITY OF WINTER GARDEN, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended September 30, 2010

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WINTER GARDEN

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INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

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CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

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ORGANIZATIONAL CHART

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LIST OF ELECTED AND APPOINTED OFFICIALS

WINTER GARDEN

June 15, 2011

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, 2010 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 Blakeslee Madyda, 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, 2010, 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, 2010, 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 recent years. The City currently occupies a land area of approximately seventeen square miles and serves a population of 34,568. 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 11.8 percent in 2010, as compared to 11.4 percent in 2009, and is expected to decrease 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.

While many residents commute to jobs in Orlando and the major tourist attractions, the City maintains a diverse economy within its boundaries. In addition to an industrial component in the City's northeast area, the City has three main commercial districts:

- The downtown historical district is situated along a stretch of the 19 mile West Orange Trail, which attracts bicyclists, roller-bladers, walkers, and joggers year-round. Its brick-lined streets, decorative fountain, and clock tower give this area a quaint, small town feel. The district boasts a number of specialty shops, restaurants, museums, offices, an historic hotel, and a recently renovated historic theatre.
- The State Road 50 corridor is the major thoroughfare through the City and home to a number of major and specialty retail stores, offices, fast-food and full-service restaurants, and financial institutions.
- Winter Garden Village at Fowler Groves is a 1.15 million square foot regional open-air shopping center on 175 acres in the City's southern area, the largest of its kind in Central Florida. It draws shoppers from all of West Orange County in addition to providing convenient shopping for local residents, and contains a mix of big-box, specialty shops, financial institutions, and more than 20 eateries.

This fiscal year, the Florida Department of Transportation began widening the segment of State Road 50 through the City from a five-lane rural roadway to a six-lane urban divided roadway. The project includes a number of aesthetic upgrades in coordination with the City, including mast-arm traffic signals and upgraded landscape and hardscape elements. Construction is expected to take approximately one and a half years, with completion anticipated in the summer of 2011. While this is a burden to nearby businesses during the construction phase, it has created a large number of construction jobs, and it is expected to have a long-term positive impact to the local economy after construction is complete.

Long-term financial planning

Unreserved, undesignated fund balance in the General Fund increased as a percentage of total expenditures from 19% to 22% during the current fiscal year, which is below management's target level of 30%. While the City has undertaken several major capital projects in recent years using General Fund dollars, other funding sources will need to be utilized for such projects in future years in order to bring fund balance back in line with the target level and difficult decisions will need to be made regarding the allocation of available dollars among the various services the City provides to its citizens.

Relevant financial policies

Given the expectation of rising interest rates in the near future, durations of investments were held fairly constant during the fiscal year. Effective durations at the beginning of the fiscal year were 1.45 years for the governmental fund portfolio and 1.46 years for the enterprise fund portfolio, and 1.48 years and 1.43 years at the end of the fiscal year, respectively.

The City provides postretirement healthcare benefits in the form of an implied rate subsidy for group health insurance for retirees and their dependents. In addition, the City pays a portion of the health premium for retirees meeting certain criteria. As of the end of the current fiscal year there were 22 retired employees receiving these benefits, of which the City was paying a portion of the premiums for twenty. These benefits are financed on a pay-as-you-go basis. The Governmental Accounting Standards Board (GASB) statement number 45 requires governments to report a liability in the financial statements in connection with the obligation to provide these benefits. The liability reported by the City in 2010 for these benefits is $681,968.

Major initiatives

In the current fiscal year, the City completed renovations of an existing building to be used as the City's new Jessie Brock Community Center. Total costs of $2,516,354 were funded from the General Fund.

The following projects are being funded primarily from transportation impact fees:

- Preliminary planning and engineering work continued on the widening of County Road 545. Total design, right-of-way acquisition, and construction costs for this project are expected to be $14,000,000.
- Preliminary planning and engineering work continued on the widening of Marsh Road from County Road 545 to Hickory Hammock. Total design and construction costs are expected to be $5,435,810.
- Construction continued on the widening of Plant Street from 9th Street to State Road 429, including intersection improvements at Plant Street and West Crown Point Road. Total design, right-of-way acquisition, and construction costs are expected to be $12,926,254.
- Preliminary planning and engineering work continued on the widening of Sessions Road. Total design and construction costs are expected to be $3,124,191.

Construction was completed on Reclaim Water Storage Tank number 2. Total design and construction costs were $2,598,512 which were funded with sewer impact fees.

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, 2009. This was the seventh 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

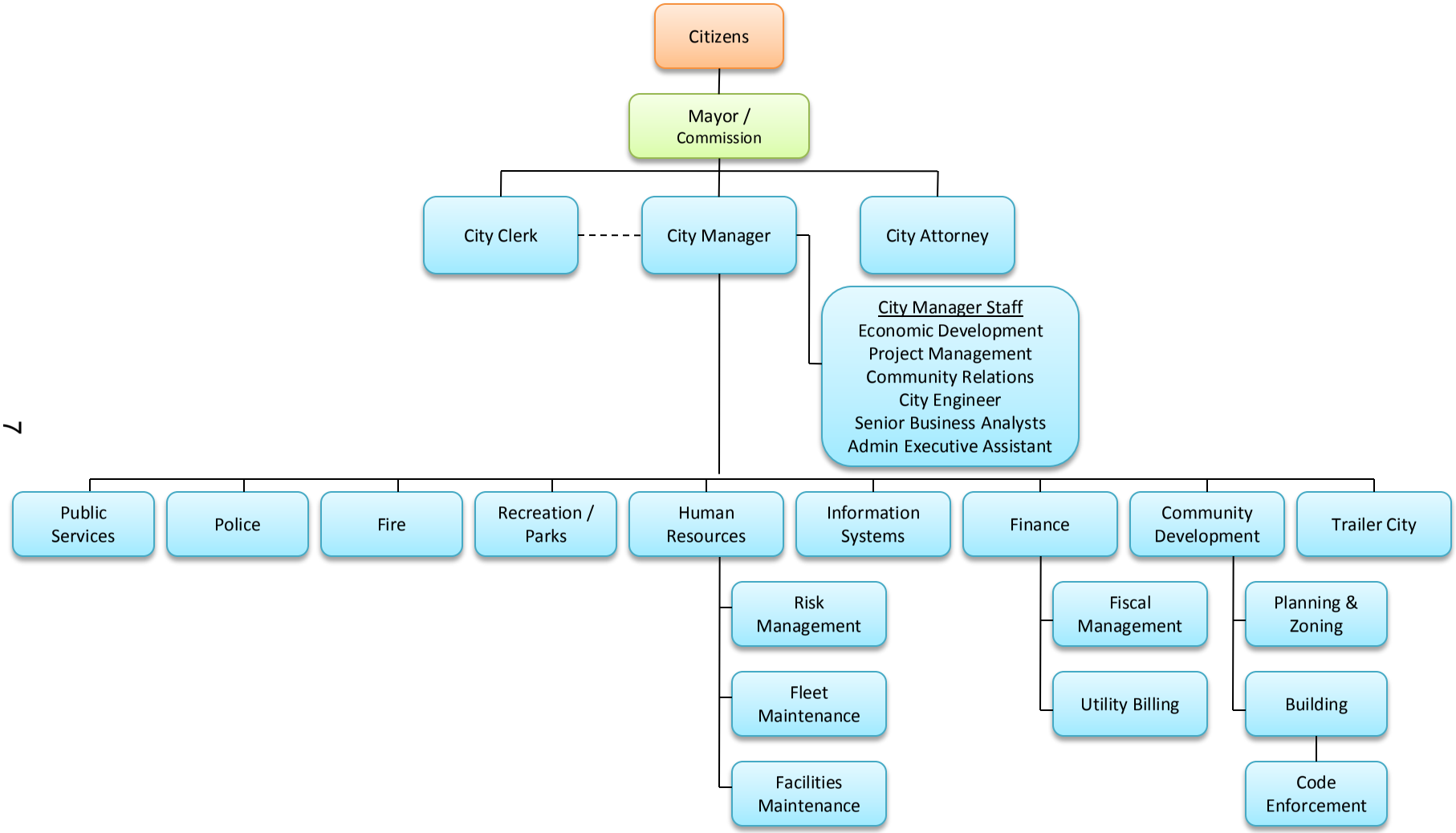
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

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.

President

Executive Director

City of Winter Garden
Organization Chart



CITY OF WINTER GARDEN, FLORIDA
LIST OF ELECTED AND APPOINTED OFFICIALS
As of September 30, 2010

Elected Officials

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

Appointed Officials

City Manager	Michael L. Bollhoefer
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	Tanja D. Gerhartz
Finance Director	Robin R. Hayes
Information Technology Director	Robert D. Reilly
Community Development Director	Timothy A. Wilson
Police Chief	George A. Brennan
Fire Chief	John W. Williamson, II
Recreation Director	Joseph H. Conn

FINANCIAL SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

—

BASIC FINANCIAL STATEMENTS

—

REQUIRED SUPPLEMENTARY INFORMATION

—

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

SBM Sines Blakeslee Madyda
certified public accountants, p.a.

Report of Independent Certified Public Accountants

Honorable Mayor, Members of the
City Commission and City Manager
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, 2010, 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Community Redevelopment, and Impact Fee Funds 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 June 15, 2011 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them

Sines Blakeslee Madyda
Certified Public Accountants, P.A.
June 15, 2011

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, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

Financial Highlights

- The assets of the City exceeded liabilities on September 30, 2010 by $191,510,960. The unrestricted net assets on this date were $21,513,684. These funds are available to meet the ongoing obligations of the City.
- The net assets of governmental activities on September 30, 2010 equaled $109,165,920. Of this amount, $8,390,451 was unrestricted. The net assets of business-type activities equaled $82,345,040. Of this amount $13,123,233 was unrestricted.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $31,344,589. Of this amount, $29,437,868 is available for spending at the government's discretion (unreserved fund balance); however, $22,572,116 reported in the Impact Fee Fund is required to be used for capital projects and equipment purchases related to growth for police, fire, roads, and recreation.
- Unreserved fund balance in the General Fund was $5,418,984 at the end of the fiscal year, or 22 percent of total expenditures.
- Net assets in the Pension Trust Fund for General Employees increased $1,706,220. Net assets in the Pension Trust Fund for Firefighters and Police Officers increased $2,172,735.

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 25-27 of this report.

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

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

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

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Community Redevelopment Agency Fund, and the Impact Fee Fund, all of which are considered to be major funds. Data from the other eight funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 28-37 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, solid waste collection operation, stormwater utility, 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 38-41 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 statements 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 42-43 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 45-73 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 and other postemployment benefits to its employees. Required supplementary information can be found on pages 74-75 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. Combining and individual fund statements and schedules can be found on pages 78-92 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 $191,510,960 at the close of the

most recent fiscal year. The City's increase in net assets for this fiscal year amounts to $4,875,406.

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 $130,532,319 or 68 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	
	2010	2009	2010	2009	2010	2009
Current and other assets	$ 37,092,005	$ 38,909,468	$32,346,011	$36,409,429	$ 69,438,016	$ 75,318,897
Capital assets	89,222,036	87,568,514	64,982,201	55,775,481	154,204,237	143,343,995
Total assets	126,314,041	126,477,982	97,328,212	92,184,910	223,642,253	218,662,892
Long-term liabilities outstanding	13,828,585	14,007,012	11,328,713	11,924,008	25,157,298	25,931,020
Other liabilities	3,319,536	4,141,659	3,654,459	1,954,659	6,973,995	6,096,318
Total liabilities	17,148,121	18,148,671	14,983,172	13,878,667	32,131,293	32,027,338
Net assets:						
Invested in capital assets, net of related debt	76,625,652	74,042,719	53,906,667	44,000,691	130,532,319	118,043,410
Restricted	24,149,817	24,220,705	15,315,140	19,069,072	39,464,957	43,289,777
Unrestricted	8,390,451	10,065,887	13,123,233	15,236,480	21,513,684	25,302,367
Total net assets	$109,165,920	$108,329,311	$82,345,040	$78,306,243	$191,510,960	$186,635,554

An additional portion of the City's net assets (21 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($21,513,684) 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 $4,875,406 during the current fiscal year. The majority of this increase represents the degree to which impact fee revenues and investment earnings thereon have outstripped depreciation expense on the related capital assets.

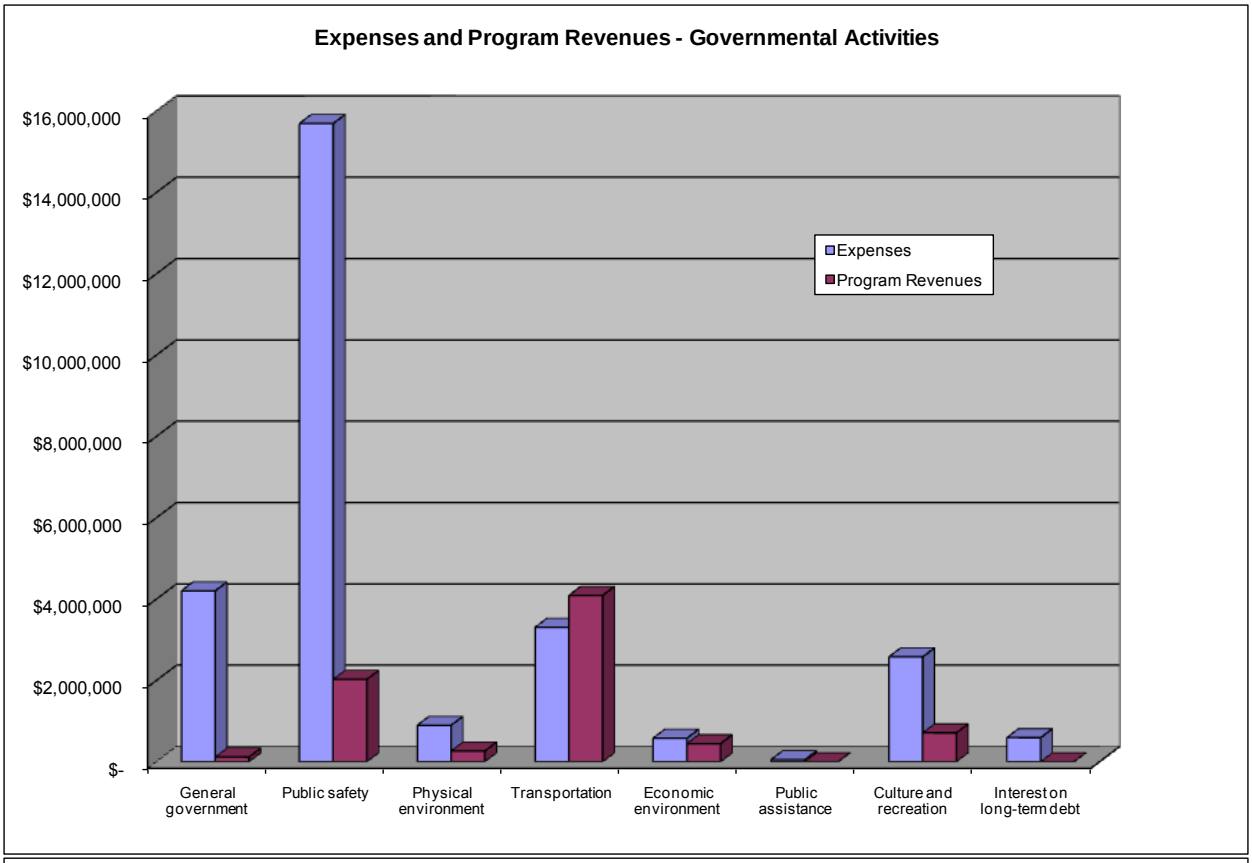
Governmental activities. Governmental activities increased the City's net assets by $836,609, thereby accounting for seventeen percent of the total growth in net assets of the City. A key element of this increase was new construction during the current fiscal year, resulting in the collection of $1,791,219 for transportation, police, fire, and recreation impact fees, plus $557,604 in investment earnings on unexpended impact fee funds. While these funds are used

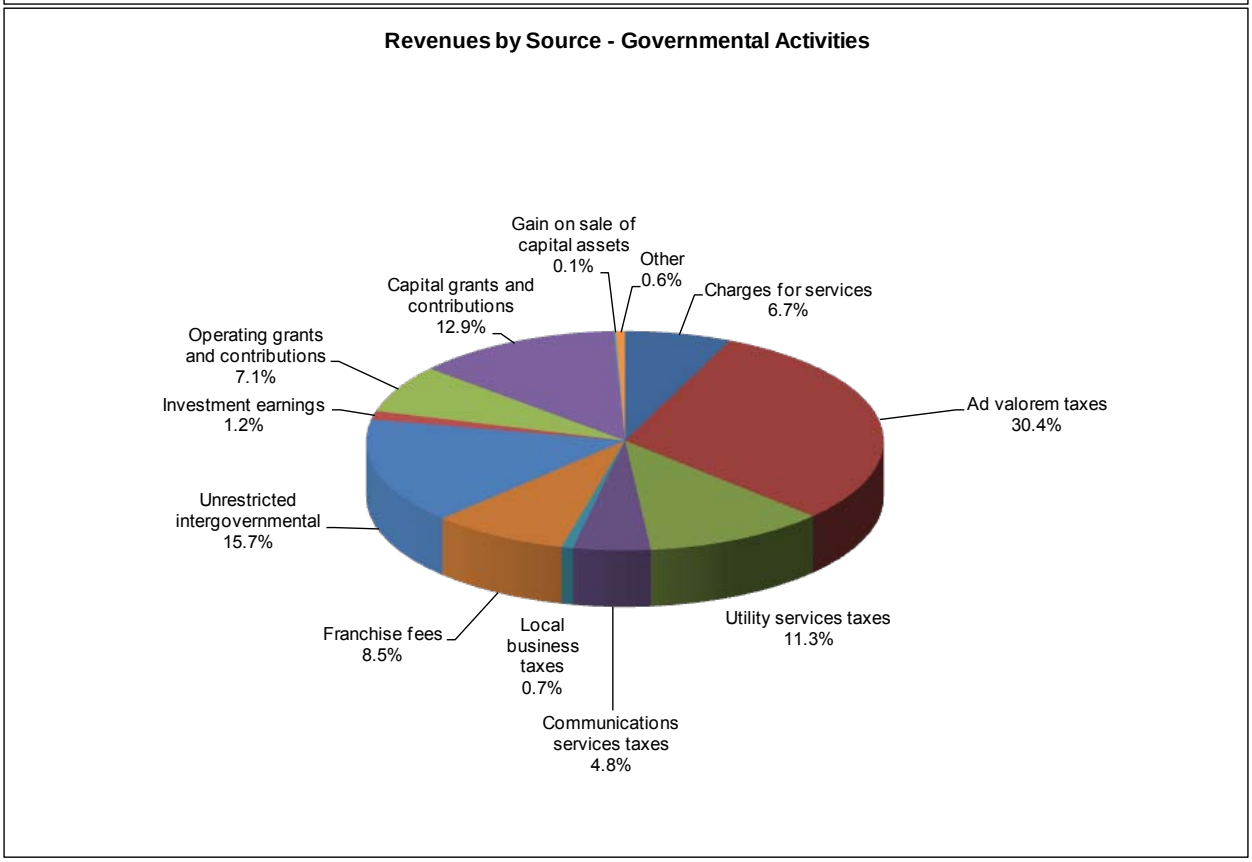
CITY OF WINTER GARDEN'S Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	$ 1,915,320	$ 1,906,214	$15,191,546	$14,958,077	$ 17,106,866	$ 16,864,291
Operating grants and contributions	2,027,849	2,085,928	-	-	2,027,849	2,085,928
Capital grants and contributions	3,711,145	3,573,081	1,427,272	1,715,627	5,138,417	5,288,708
General revenues:						
Ad valorem	8,741,248	8,722,152	-	-	8,741,248	8,722,152
Utility service taxes	3,254,555	2,710,435	-	-	3,254,555	2,710,435
Communication services Taxes	1,386,589	1,455,478	-	-	1,386,589	1,455,478
Local business tax	203,056	228,320	-	-	203,056	228,320
Franchise fees	2,445,559	2,242,640	-	-	2,445,559	2,242,640
Unrestricted intergovernmental	4,500,340	4,394,094	-	-	4,500,340	4,394,094
Investment earnings	358,149	543,291	301,818	587,924	659,967	1,131,215
Gain on sale of capital assets	32,032	155,656	25,112	5,622	57,144	161,278
Other	164,333	88,354	-	-	164,333	88,354
Total revenues	28,740,175	28,105,643	16,945,748	17,267,250	45,685,923	45,372,893
Expenses:						
General government	4,204,008	3,899,034	-	-	4,204,008	3,899,034
Public safety	15,694,684	14,902,345	-	-	15,694,684	14,902,345
Physical environment	896,501	943,939	-	-	896,501	943,939
Transportation	3,307,541	2,580,474	-	-	3,307,541	2,580,474
Economic environment	579,934	481,303	-	-	579,934	481,303
Public assistance	49,692	119,971	-	-	49,692	119,971
Culture and recreation	2,578,911	2,357,923	-	-	2,578,911	2,357,923
Interest on long-term debt	592,295	645,030	-	-	592,295	645,030
Water and sewer	-	-	8,491,442	8,696,615	8,491,442	8,696,615
Solid Waste	-	-	3,345,376	3,224,466	3,345,376	3,224,466
Stormwater	-	-	860,946	746,381	860,946	746,381
Mobile home lot rentals	-	-	209,187	204,642	209,187	204,642
Total expenses	27,903,566	25,930,019	12,906,951	12,872,104	40,810,517	38,802,123
Increase in net assets	836,609	2,175,624	4,038,797	4,395,146	4,875,406	6,570,770
Net assets- beginning	108,329,311	106,153,687	78,306,243	73,911,097	186,635,554	180,064,784
Net assets- ending	$109,165,592	$108,329,311	$82,345,040	$78,306,243	$191,510,960	$186,635,554

for major capital purchases, the related assets are depreciated over many years in the government-wide financial statements, or not depreciated at all in the case of land. Thus, the related expense is largely not recognized in the same year as the impact fee revenues and related investment earnings 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 $4,038,797, accounting for 83 percent of the total growth in the City's net assets. Key elements of this increase are as follows:


Expenses and Program Revenues - Governmental Activities
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$-
Expenses
Program Revenues
General government
Public safety
Physical environment
Transportation
Economic environment
Public assistance
Culture and recreation
Interest on long-term debt


Revenues by Source - Governmental Activities
Gain on sale of capital assets 0.1%
Other 0.6%
Charges for services 6.7%
Capital grants and contributions 12.9%
Operating grants and contributions 7.1%
Investment earnings 1.2%
Ad valorem taxes 30.4%
Unrestricted intergovernmental 15.7%
Franchise fees 8.5%
Local business taxes 0.7%
Utility services taxes 11.3%
Communications services taxes 4.8%

- Utility rates for the water and sewer, solid waste, and stormwater utilities have been set to accommodate the long-range capital needs of these utilities, in addition to annual operating costs. Thus, these utilities have reported a combined operating income of $2,642,010. While the City makes capital improvements and major equipment purchases as deemed necessary, these assets are depreciated over many years, or not depreciated at all in the case of land. Thus, capital outlay expenses are largely not recognized in the same year as operating revenues are received. This has the effect of increasing net assets.
- The City experienced new construction during the current fiscal year, resulting in the collection of $829,866 for water and sewer impact fees, plus $405,969 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

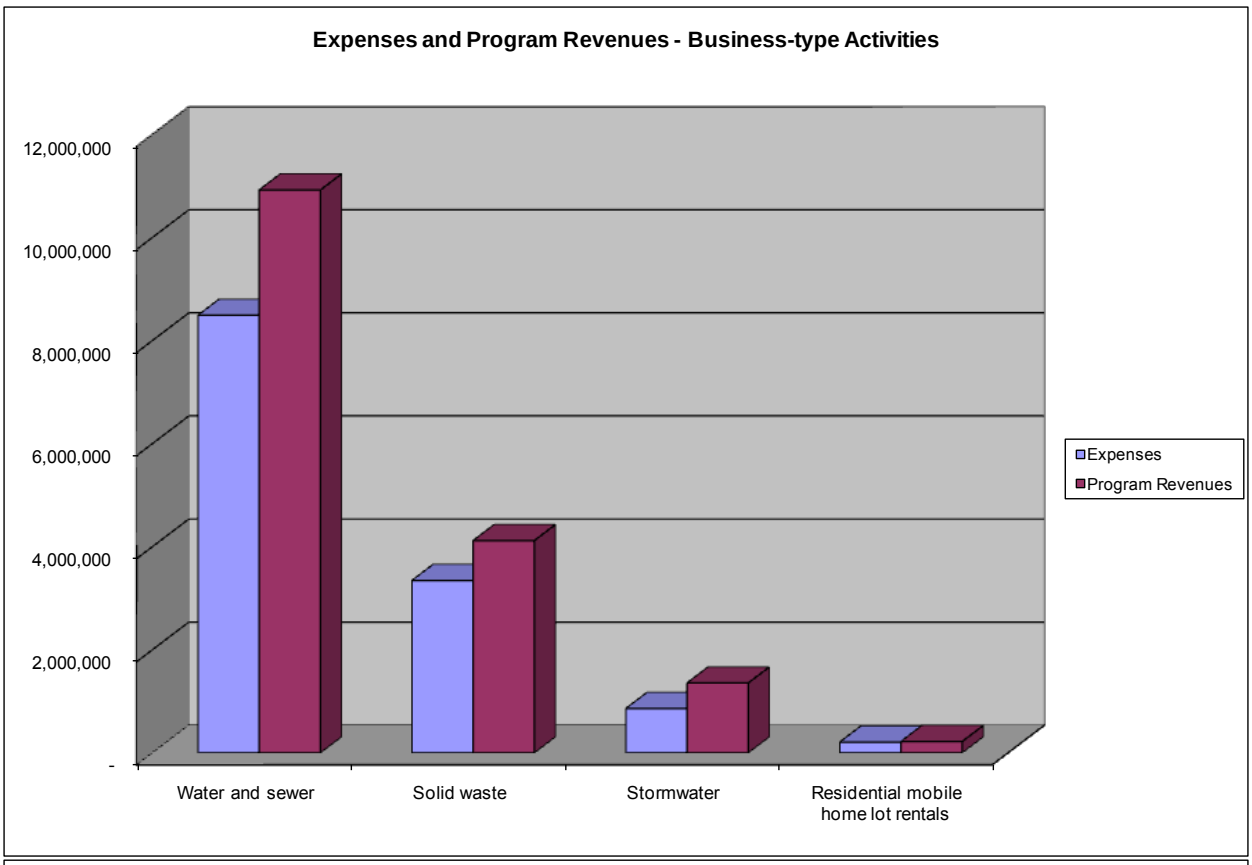
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

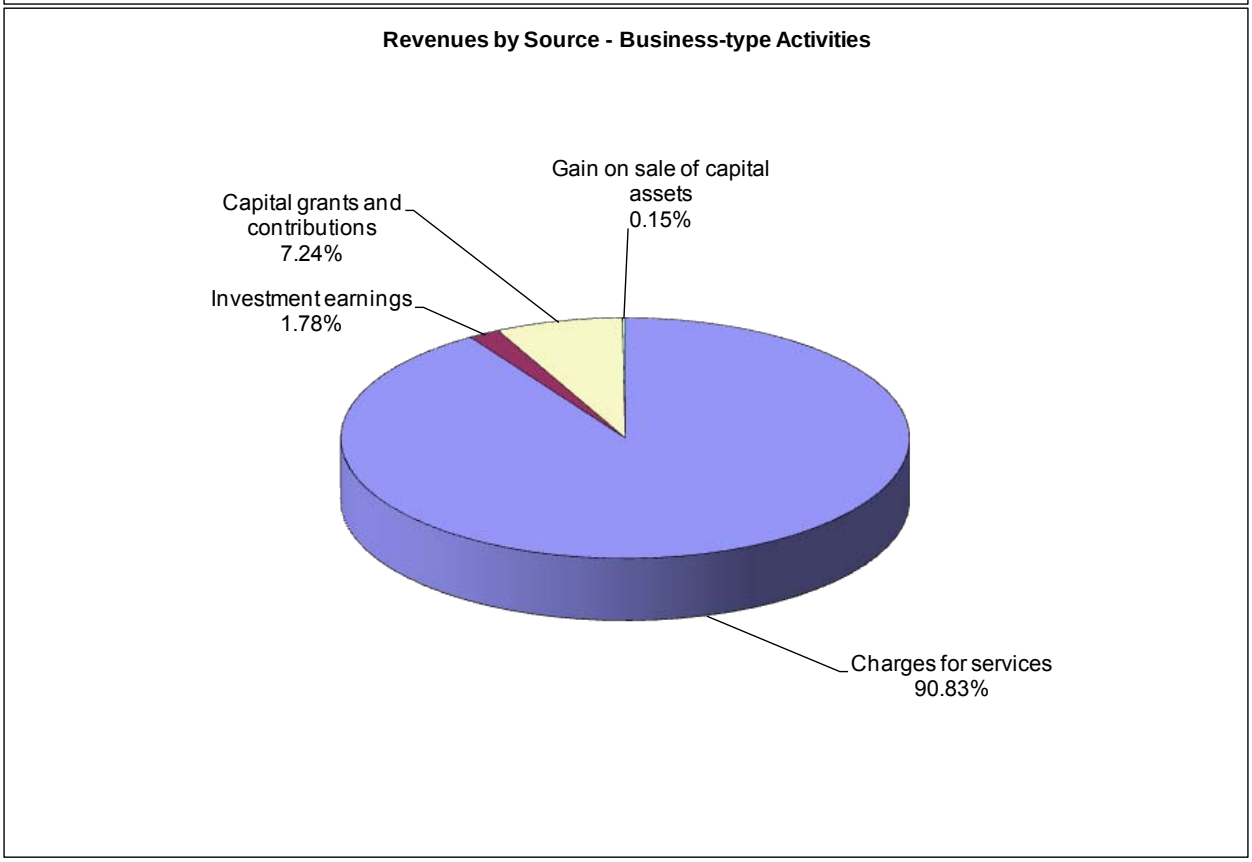
Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure 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 $31,344,589, a decrease of $1,023,975. Of this amount, $29,437,868 is unreserved, which is available for spending at the City's discretion; however, $22,572,116 reported in the Impact Fee Fund is required to be used for capital projects and equipment purchases related to growth for police, fire, roads, 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 advances to other funds ($1,252,080), 2) for enforcement of the Florida Building Code ($321,743), 3) for prepaid items ($257,310), or 4) for a variety of other restricted purposes ($75,588).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was $5,418,984, while total fund balance was $7,325,705. 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 22 percent of general fund expenditures, while total fund balance represents 30 percent of the same amount.

The fund balance of the City's General Fund decreased by $1,079,943 during the current fiscal year. The key factor in this decrease was culture and recreation expenditures for building renovations for a new community center with costs of $1,087,170 incurred during the fiscal year.


Expenses and Program Revenues - Business-type Activities
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
-
Water and sewer
Solid waste
Stormwater
Residential mobile home lot rentals
Expenses
Program Revenues


Revenues by Source - Business-type Activities
Gain on sale of capital assets 0.15%
Capital grants and contributions 7.24%
Investment earnings 1.78%
Charges for services 90.83%

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 increased $85,728 in this fund. The key factors in this increase are as follows:

- Projects budgeted but not expended ($50,000).
- Grants budgeted but not expended ($50,000).

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 decreased $357,022 in this fund. The key factor in this decrease was impact fee revenues fell short of the budgeted amount by $382,400.

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 $11,219,334. Total growth in net assets for this fund was $2,735,651. 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 $1,254,891, with an increase in net assets of $781,604. This is primarily due to a rate increase that was implemented during fiscal year 2008.

General Fund Budgetary Highlights

The General Fund budget was increased by $2,220,039 from the original budget to the final amended budget (an increase of 10%). These increases can be summarized as follows:

- $515,749 increase in general government activities. This was primarily due to increases for executive activities, including a reappropriation from the prior fiscal year budget for the City's contribution ($511,000) toward a new community gymnasium to be primarily funded by the Orlando Magic basketball franchise.
- $356,142 increase in public safety activities.
- $21,846 decrease in physical environment activities.
- $203,337 increase in transportation activities.
- $1,573 decrease in economic environment activities.
- $1,235,436 increase in culture and recreation activities. This was primarily due to a reappropriation from the prior fiscal year budget for building renovations for a new community center ($977,213) as well as change orders for this project ($135,000).

The final budget for intergovernmental revenue was $4,265,481, while the actual amount was $4,606,809, a variance of $341,328. This was primarily due to Local Government Half-Cent Sales Tax Revenues, which came in higher than anticipated by $288,462.

The final budget for public safety expenditures was $13,309,716, while the actual amount was $13,719,457, a variance of ($409,741). This was primarily due to expenditures in excess of budget for salaries and benefits in the Police Department ($190,835) and in the Fire Department ($276,087).

The final budget for culture and recreation expenditures was $3,938,004, while the actual amount was $3,549,299, a variance of $388,705. This was primarily due to the construction of a new park and fountain that was not yet completed at the end of the fiscal year ($280,797).

While the final budget provided for the use of $2,338,547 of fund balance during the year, fund balance decreased only $1,079,943. This is primarily due to the positive budget variances mentioned above.

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, 2010 amounts to $154,204,237 (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 eight percent (a two percent increase for governmental activities and a seventeen percent increase for business-type activities).

CITY OF WINTER GARDEN'S Capital Assets

	Governmental Activities	Business-type Activities	Total
Land	$ 20,048,666	$ 1,024,601	$ 21,073,267
Buildings	26,223,339	6,249,076	32,472,415
Improvements other than buildings	8,030,806	20,234,931	28,265,737
Machinery and equipment	12,392,079	6,489,369	18,881,448
Infrastructure	40,565,401	44,236,265	84,801,666
Construction work in progress	5,821,726	11,570,119	17,391,845
Less: accumulated depreciation	(23,859,981)	(24,822,160)	(48,682,141)
Net capital assets	$ 89,222,036	$ 64,982,201	$154,204,237

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

- Construction was completed on renovations of an existing building to be used for a new community center at a total cost of $2,516,354.
- Preliminary planning and engineering work continued on the widening of County Road 545. As of the end of the current fiscal year, $426,101 had been expended on this project. Total design, right-of-way acquisition, and construction costs are expected to be $14,000,000.

- Preliminary planning and engineering work continued on the widening of Marsh Road from County Road 545 to Hickory Hammock. As of the end of the current fiscal year, $297,362 had been expended on this project. Total design and construction costs are expected to be $5,435,810.
- Construction continued on the widening of Plant Street from 9th Street to State Road 429, including intersection improvements at Plant Street and West Crown Point Road. As of the end of the current fiscal year, $5,039,443 had been expended on this project. Total design, right-of-way acquisition, and construction costs are expected to be $12,926,254.
- Preliminary planning and engineering work continued on the widening of Sessions Road. As of the end of the current fiscal year, $278,299 had been expended on this project. Total design and construction costs are expected to be $3,124,191
- Construction was completed on Reclaim Water Storage Tank number 2 at a total cost of $2,598,512.

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 $23,446,724. Of this amount, $1,441,384 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	$11,155,000
2001 CRA Loan	1,441,384
Sub-total	12,596,384
Business Type:	
Capital Leases	225,194
2005 SRF Loan	10,594
2004 SRF Loan	1,573,598
2003 SRF Loan	8,431,788
2001 SRF Loan	834,360
Sub-total	11,075,534
Total	$23,671,918

The City's total debt decreased by $1,298,136 (five percent) during the current fiscal year due to 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 moderate growth over the past several years, thus the costs of providing governmental services have likewise been increasing; however, pressures to reduce property taxes due to recent legislative tax reform have significantly reduced revenues available to fund these services. For fiscal year 2011, the City increased its millage rate from 3.7500 to 4.2500. However, the adopted rate was below the rolled-back rate of 4.514 by 5.85% due to decreased property values. During the budget process for fiscal year 2011, department heads focused on controlling costs and were successful in doing so.

On December 1, 2010, the Winter Garden Heritage Foundation, Inc. (WGHF) transferred ownership of the Garden Theatre building to the City in consideration of retirement of a debt owed to the City by WGHF that was in default. The City took responsibility for the building's structural maintenance and the City entered into an operating agreement with Garden Theatre, Inc. to lease the building and assume responsibility for daily operations of the theatre. As of September 30, 2010, the balance of the loan was $1,423,059, including accrued interest and penalties. Because governmental funds report capital outlays as expenditures, this will result in a corresponding reduction in the fund balance of the City's General Fund in fiscal year 2011.

On October 1, 2010, the City implemented a scheduled rate increase for the County Road 545 Benefit Overlay Area that assigns an additional traffic impact fee to new development in a designated geographic area surrounding this road. For fiscal year 2011, the Overlay Area traffic impact fee for a single family home is $6,226. There are scheduled increases of 5% annually for the Overlay Area traffic impact fee through October 1, 2021.

On January 13, 2011, the City implemented reduced water and sewer impact fees. For fiscal year 2011, the rates for water and sewer impact fees for a single family home were $1,310 and $2,035, respectively, through January 13, 2011 and $1,086 and $1,767, respectively, thereafter.

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.

BASIC FINANCIAL STATEMENTS

WINTER GARDEN

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City of Winter Garden, Florida
Statement of Net Assets
September 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,840,419	$ 828,535	$ 2,668,954
Receivables (net of allowance for uncollectibles)	2,132,042	2,098,134	4,230,176
Internal balances	(837,177)	837,177	-
Due from other governmental units	857,666	-	857,666
Inventories	152,808	417,094	569,902
Investments	30,852,451	8,477,614	39,330,065
Prepaid items	257,310	-	257,310
Restricted cash, cash equivalents, and investments	-	19,687,457	19,687,457
Pension assets	1,836,486	-	1,836,486
Capital assets (net of accumulated depreciation):			
Land	20,048,666	1,024,601	21,073,267
Buildings	21,801,882	2,555,167	24,357,049
Improvements other than buildings	5,916,162	11,052,025	16,968,187
Machinery and equipment	4,281,277	2,627,612	6,908,889
Infrastructure	31,352,323	36,152,677	67,505,000
Construction work in progress	5,821,726	11,570,119	17,391,845
Total assets	126,314,041	97,328,212	223,642,253
LIABILITIES			
Accounts payable	863,423	504,704	1,368,127
Contracts payable	34,208	-	34,208
Due to other governmental units	448,138	928	449,066
Accrued interest payable	-	4,595	4,595
Accrued wages payable	411,753	65,456	477,209
Deposits	244,748	-	244,748
Unearned revenue	412,341	74,511	486,852
Other current liabilities	904,925	-	904,925
Liabilities payable from restricted assets	-	3,004,265	3,004,265
Noncurrent liabilities:			
Due within one year	94,691	740,883	835,574
Due in more than one year	13,733,894	10,587,830	24,321,724
Total liabilities	17,148,121	14,983,172	32,131,293
NET ASSETS			
Invested in capital assets, net of related debt	76,625,652	53,906,667	130,532,319
Restricted for:			
Public safety	736,301	-	736,301
Transportation	23,413,516	-	23,413,516
Debt service	-	560,282	560,282
Capital projects	-	14,754,858	14,754,858
Unrestricted	8,390,451	13,123,233	21,513,684
Total net assets	$ 109,165,920	$ 82,345,040	$ 191,510,960

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, 2010

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:					
General government	$ 5,591,152	$ (1,387,144)	$ 114,377	$ 1,117	$ -
Public safety	15,694,684	-	1,103,146	526,333	397,235
Physical environment	1,313,128	(416,627)	263,291	-	-
Transportation	3,307,541	-	38,239	1,046,179	3,006,576
Economic environment	558,123	21,811	-	446,220	-
Public assistance	49,692	-	-	-	-
Culture and recreation	2,578,911	-	396,267	8,000	307,334
Interest on long-term debt	592,295	-	-	-	-
Total governmental activities	29,685,526	(1,781,960)	1,915,320	2,027,849	3,711,145
Business-type activities:					
Water and sewer	7,472,226	1,019,216	9,503,437	-	1,419,447
Solid waste	2,747,051	598,325	4,119,340	-	-
Stormwater	710,509	150,437	1,348,220	-	7,825
Residential mobile home lot rentals	195,205	13,982	220,549	-	-
Total business-type activities	11,124,991	1,781,960	15,191,546	-	1,427,272
Total Functions/Programs	$ 40,810,517	$ -	$ 17,106,866	$ 2,027,849	$ 5,138,417

General revenues:
Taxes:
Ad valorem
Utility services
Communications services
Local business
Franchise fees
Unrestricted intergovernmental
Investment earnings
Gain on sale of capital assets
Other
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
$ (4,088,514)	$ -	$ (4,088,514)
(13,667,970)	-	(13,667,970)
(633,210)	-	(633,210)
783,453	-	783,453
(133,714)	-	(133,714)
(49,692)	-	(49,692)
(1,867,310)	-	(1,867,310)
(592,295)	-	(592,295)
(20,249,252)	-	(20,249,252)
-	2,431,442	2,431,442
-	773,964	773,964
-	495,099	495,099
-	11,362	11,362
-	3,711,867	3,711,867
(20,249,252)	3,711,867	(16,537,385)
8,741,248	-	8,741,248
3,254,555	-	3,254,555
1,386,589	-	1,386,589
203,056	-	203,056
2,445,559	-	2,445,559
4,500,340	-	4,500,340
358,149	301,818	659,967
32,032	25,112	57,144
164,333	-	164,333
21,085,861	326,930	21,412,791
836,609	4,038,797	4,875,406
108,329,311	78,306,243	186,635,554
$ 109,165,920	$ 82,345,040	$ 191,510,960

City of Winter Garden, Florida
Balance Sheet
Governmental Funds
September 30, 2010

	General	Community Redevelopment Agency
ASSETS		
Cash and cash equivalents	$ 547,852	$ 403,023
Receivables (net of allowance for uncollectibles)	2,132,042	-
Due from other funds	-	-
Advances to other funds	1,252,080	-
Due from other governmental units	461,718	-
Investments	8,764,443	-
Prepaid items	257,310	-
Total assets	$ 13,415,445	$ 403,023
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	$ 675,669	$ -
Contracts payable	7,679	-
Due to other funds	2,867,063	-
Due to other governmental units	448,138	-
Accrued wages payable	408,606	-
Deposits	244,748	-
Deferred revenue	532,912	-
Other current liabilities	904,925	-
Advances from other funds	-	658,059
Total liabilities	6,089,740	658,059
Fund balances:		
Reserved for:		
Advances to other funds	1,252,080	-
Police training and education	47,148	-
Television production equipment	28,440	-
Enforcement of Florida Building Code	321,743	-
Prepaid items	257,310	-
Unreserved (deficit), reported in:		
General fund	5,418,984	-
Special revenue funds	-	(255,036)
Permanent funds	-	-
Total fund balances (deficit)	7,325,705	(255,036)
Total liabilities and fund balances	$ 13,415,445	$ 403,023

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

Impact Fee	Other Governmental Funds	Total Governmental Funds
$ 633,017	$ 256,527	$ 1,840,419
-	-	2,132,042
-	1,435,865	1,435,865
-	-	1,252,080
-	395,948	857,666
22,088,008	-	30,852,451
-	-	257,310
$ 22,721,025	$ 2,088,340	$ 38,627,833
$ 122,380	$ 65,374	$ 863,423
26,529	-	34,208
-	-	2,867,063
-	-	448,138
-	3,147	411,753
-	-	244,748
-	318,015	850,927
-	-	904,925
-	-	658,059
148,909	386,536	7,283,244
-	-	1,252,080
-	-	47,148
-	-	28,440
-	-	321,743
-	-	257,310
-	-	5,418,984
22,572,116	1,671,690	23,988,770
-	30,114	30,114
22,572,116	1,701,804	31,344,589
$ 22,721,025	$ 2,088,340	$ 38,627,833

WINTER GARDEN

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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, 2010

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

Fund balances-total governmental funds	$ 31,344,589
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	89,222,036
Inventories are recognized as an expenditure at the time of purchase in the governmental funds.	152,808
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.	1,836,486
Earned but deferred revenue is recognized as a liability in the governmental funds.	438,586
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(13,828,585)
Net assets of governmental activities	$ 109,165,920

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, 2010

	General	Community Redevelopment Agency
REVENUES		
Taxes:		
Ad valorem	$ 8,741,248	$ -
Utility services	3,254,555	-
Communications services	1,386,589	-
Local business	203,056	-
Permits, fees, and special assessments	3,019,107	-
Intergovernmental	4,606,809	446,220
Charges for services	2,793,277	-
Fines and forfeits	179,807	-
Investment earnings	281,569	2,292
Rents and royalties	167,579	-
Contributions and donations	11,497	-
Other	164,333	-
Total revenues	24,809,426	448,512
EXPENDITURES		
Current:		
General government	4,954,865	-
Public safety	13,719,457	-
Physical environment	1,241,023	-
Transportation	1,074,141	-
Economic environment	231,355	194,444
Public assistance	49,692	-
Culture and recreation	3,549,299	-
Debt service:		
Principal	-	-
Interest	-	15,536
Total expenditures	24,819,832	209,980
Excess (deficiency) of revenues over (under) expenditures	(10,406)	238,532
OTHER FINANCING SOURCES (USES)		
Transfers in	30,133	366,514
Transfers out	(1,141,641)	(519,318)
Sale of capital assets	41,971	-
Total other financing sources and (uses)	(1,069,537)	(152,804)
Net change in fund balances	(1,079,943)	85,728
Fund balances (deficit)—beginning	8,405,648	(340,764)
Fund balances (deficit)—ending	$ 7,325,705	$ (255,036)

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

Impact Fee	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 8,741,248
-	-	3,254,555
-	-	1,386,589
-	-	203,056
1,791,219	91,757	4,902,083
-	1,619,634	6,672,663
-	-	2,793,277
-	4,881	184,688
557,604	12,241	853,706
-	-	167,579
472,482	627,643	1,111,622
-	-	164,333
2,821,305	2,356,156	30,435,399
-	-	4,954,865
158,235	739,538	14,617,230
-	-	1,241,023
3,020,092	1,309,712	5,403,945
-	-	425,799
-	-	49,692
-	-	3,549,299
-	667,197	667,197
-	576,759	592,295
3,178,327	3,293,206	31,501,345
(357,022)	(937,050)	(1,065,946)
-	1,294,445	1,691,092
-	(30,133)	(1,691,092)
-	-	41,971
-	1,264,312	41,971
(357,022)	327,262	(1,023,975)
22,929,138	1,374,542	32,368,564
$ 22,572,116	$ 1,701,804	$ 31,344,589

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, 2010

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

Net change in fund balances—total governmental funds	$	(1,023,975)
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.		76,516
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		1,663,461
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.		(9,939)
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.		667,197
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.		(536,651)
Change in net assets of governmental activities	$	836,609

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, 2010

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
REVENUES				
Taxes:				
Ad valorem	$ 8,704,273	$ 8,704,273	$ 8,741,248	$ 36,975
Utility services	3,044,106	3,044,106	3,254,555	210,449
Communications services	1,417,782	1,417,782	1,386,589	(31,193)
Local business	211,142	211,142	203,056	(8,086)
Permits, fees, and special assessments	3,048,144	2,971,935	3,019,107	47,172
Intergovernmental	4,265,481	4,265,481	4,606,809	341,328
Charges for services	2,556,843	2,692,731	2,793,277	100,546
Fines and forfeits	296,483	203,993	179,807	(24,186)
Investment earnings	248,106	200,744	281,569	80,825
Rents and royalties	127,003	142,003	167,579	25,576
Contributions and donations	2,790	5,790	11,497	5,707
Other	64,560	137,463	164,333	26,870
Total revenues	23,986,713	23,997,443	24,809,426	811,983
EXPENDITURES				
Current:				
General government:				
Legislative	103,395	108,995	89,810	19,185
Executive	1,291,638	1,800,435	1,556,287	244,148
Financial and administrative	2,369,040	2,366,846	2,385,473	(18,627)
Legal counsel	230,724	231,095	277,635	(46,540)
Comprehensive planning	646,543	649,718	645,660	4,058
Total general government	4,641,340	5,157,089	4,954,865	202,224
Public safety:				
Law enforcement	7,895,882	8,085,911	8,210,091	(124,180)
Fire control	4,361,917	4,458,181	4,757,230	(299,049)
Protective inspections	695,775	765,624	752,136	13,488
Total public safety	12,953,574	13,309,716	13,719,457	(409,741)
Physical environment:				
Cemetery	136,372	136,372	148,664	(12,292)
Building maintenance	416,047	396,471	394,734	1,737
Fleet maintenance	412,496	412,496	422,088	(9,592)
Public Services Administration	276,447	274,177	275,537	(1,360)
Total physical environment	1,241,362	1,219,516	1,241,023	(21,507)
Transportation:				
Engineering	482,476	384,183	217,066	167,117
Construction and maintenance	546,507	848,137	857,075	(8,938)
Total transportation	1,028,983	1,232,320	1,074,141	158,179
Economic environment	254,402	252,829	231,355	21,474
Public assistance	45,000	45,000	49,692	(4,692)
Culture and recreation	2,702,568	3,938,004	3,549,299	388,705
Reserve for contingencies	150,000	82,794	-	82,794
Total expenditures	23,017,229	25,237,268	24,819,832	417,436
Excess (deficiency) of revenues over (under) expenditures	969,484	(1,239,825)	(10,406)	1,229,419
OTHER FINANCING SOURCES (USES)				
Transfers in	32,000	30,133	30,133	-
Transfers out	(1,167,522)	(1,167,522)	(1,141,641)	25,881
Sale of capital assets	12,421	38,667	41,971	3,304
Total other financing sources and (uses)	(1,123,101)	(1,098,722)	(1,069,537)	29,185
Net change in fund balances	(153,617)	(2,338,547)	(1,079,943)	1,258,604
Fund balances—beginning	8,405,648	8,405,648	8,405,648	-
Fund balances—ending	$ 8,252,031	$ 6,067,101	$ 7,325,705	$ 1,258,604

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, 2010

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
REVENUES				
Intergovernmental	$ 433,434	$ 446,220	$ 446,220	$ -
Investment earnings	2,702	2,702	2,292	(410)
Total revenues	436,136	448,922	448,512	(410)
EXPENDITURES				
Current:				
Economic environment	123,711	295,711	194,444	101,267
Debt service:				
Interest	15,536	15,536	15,536	-
Total expenditures	139,247	311,247	209,980	101,267
Excess of revenues over expenditures	296,889	137,675	238,532	100,857
OTHER FINANCING SOURCES (USES)				
Transfers in	366,514	366,514	366,514	-
Transfers out	(519,319)	(519,319)	(519,318)	1
Total other financing sources and (uses)	(152,805)	(152,805)	(152,804)	1
Net change in fund balances	144,084	(15,130)	85,728	100,858
Fund balances (deficits)—beginning	(340,764)	(340,764)	(340,764)	-
Fund balances (deficits)—ending	$ (196,680)	$ (355,894)	$ (255,036)	$ 100,858

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, 2010

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
REVENUES				
Permits, fees, and special assessments	$ 1,471,161	$ 2,173,619	$ 1,791,219	$ (382,400)
Investment earnings	606,348	365,710	557,604	191,894
Contributions and donations	-	116,000	472,482	356,482
Total revenues	2,077,509	2,655,329	2,821,305	165,976
EXPENDITURES				
Current:				
Public safety:				
Law enforcement	130,569	158,569	158,235	334
Total public safety	130,569	158,569	158,235	334
Transportation	8,412,000	15,164,631	3,020,092	12,144,539
Total expenditures	8,542,569	15,323,200	3,178,327	12,144,873
Excess (deficiency) of revenues over (under) expenditures	(6,465,060)	(12,667,871)	(357,022)	12,310,849
OTHER FINANCING SOURCES (USES)				
Issuance of debt	13,189,807	13,189,807	-	(13,189,807)
Discount on debt issuance	(77,000)	(77,000)	-	77,000
Total other financing sources and (uses)	13,112,807	13,112,807	-	(13,112,807)
Net change in fund balances	6,647,747	444,936	(357,022)	(801,958)
Fund balances—beginning	22,929,138	22,929,138	22,929,138	-
Fund balances—ending	$ 49,337,439	$ 36,931,817	$ 22,572,116	$ (14,359,701)

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, 2010

	Business-type Activities—Enterprise Funds			
	Water and Sewer Utility	Solid Waste	Other Enterprise Funds	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	$ 568,176	$ 60,110	$ 200,249	$ 828,535
Accounts receivable (net of allowance for uncollectibles)	1,454,928	419,989	138,575	2,013,492
Due from other funds	1,096,180	1,129,007	1,000,000	3,225,187
Interest receivable	84,642	-	-	84,642
Inventories--materials and supplies	413,026	-	4,068	417,094
Investments	8,477,614	-	-	8,477,614
Restricted cash, cash equivalents, and investments for payment of current liabilities	5,012,898	-	-	5,012,898
Total current assets	17,107,464	1,609,106	1,342,892	20,059,462
Noncurrent assets:				
Restricted cash, cash equivalents, and investments:				
Capital projects	14,114,277	-	-	14,114,277
Debt service	560,282	-	-	560,282
Total restricted	14,674,559	-	-	14,674,559
Capital assets:				
Land	700,149	261,152	63,300	1,024,601
Buildings	5,655,798	521,284	71,994	6,249,076
Improvements other than buildings	17,614,880	311,145	2,308,906	20,234,931
Machinery and equipment	2,549,298	3,228,230	711,841	6,489,369
Infrastructure	41,241,540	-	2,994,725	44,236,265
Construction work in progress	10,917,072	-	653,047	11,570,119
Less accumulated depreciation	(20,610,953)	(2,168,238)	(2,042,969)	(24,822,160)
Total capital assets (net of accumulated depreciation)	58,067,784	2,153,573	4,760,844	64,982,201
Total noncurrent assets	72,742,343	2,153,573	4,760,844	79,656,760
Total assets	89,849,807	3,762,679	6,103,736	99,716,222
LIABILITIES				
Current liabilities:				
Accounts payable	206,519	262,385	35,800	504,704
Notes and loans payable	-	-	7,190	7,190
Due to other funds	425,937	-	-	425,937
Due to other governmental units	928	-	-	928
Compensated absences	13,931	4,854	2,751	21,536
Accrued interest payable	-	-	4,595	4,595
Accrued wages payable	37,321	21,297	6,838	65,456
Unearned revenue	66,456	-	8,055	74,511
Payable from restricted assets:				
Accounts payable	1,074,797	-	-	1,074,797
Notes and loans payable	640,581	-	-	640,581
Contracts payable	522,815	-	-	522,815
Due to other funds	1,368,052	-	-	1,368,052
Accrued interest payable	71,908	-	-	71,908
Customer deposits	1,334,745	-	-	1,334,745
Capital leases	-	-	71,576	71,576
Total current liabilities	5,763,990	288,536	136,805	6,189,331
Noncurrent liabilities:				
Notes and loans payable	10,199,165	-	3,404	10,202,569
Compensated absences	45,130	20,837	32,384	98,351
Capital leases	-	-	153,618	153,618
Advances from other funds	-	-	594,021	594,021
Other postemployment benefits	79,010	44,842	9,440	133,292
Total noncurrent liabilities	10,323,305	65,679	792,867	11,181,851
Total liabilities	16,087,295	354,215	929,672	17,371,182
NET ASSETS				
Invested in capital assets, net of related debt	47,228,038	2,153,573	4,525,056	53,906,667
Restricted for:				
Capital projects	14,754,858	-	-	14,754,858
Debt service	560,282	-	-	560,282
Unrestricted	11,219,334	1,254,891	649,008	13,123,233
Total net assets	$ 73,762,512	$ 3,408,464	$ 5,174,064	$ 82,345,040

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, 2010

	Business-type Activities—Enterprise Funds			
	Water and Sewer Utility	**Solid Waste**	**Other Enterprise Funds**	**Totals**
Operating revenues:				
Permits, fees, and special assessments	$ 5,272	$ -	$ 1,346,991	$ 1,352,263
Charges for services	8,820,211	4,117,508	-	12,937,719
Other	677,954	1,832	221,778	901,564
Total operating revenues	9,503,437	4,119,340	1,568,769	15,191,546
Operating expenses:				
Personal services	1,844,848	1,017,578	340,726	3,203,152
Contractual services	735,977	985,152	64,501	1,785,630
Utilities	885,224	-	6,346	891,570
Supplies	540,581	234,563	24,281	799,425
Depreciation	2,350,086	267,308	346,444	2,963,838
Other services and charges	1,779,182	840,775	274,602	2,894,559
Total operating expenses	8,135,898	3,345,376	1,056,900	12,538,174
Operating income	1,367,539	773,964	511,869	2,653,372
Nonoperating revenues (expenses):				
Investment earnings	703,277	1,952	2,558	707,787
Gain on sale of capital assets	6,901	5,688	12,523	25,112
Interest expense	(355,544)	-	(13,233)	(368,777)
Total nonoperating revenues (expenses)	354,634	7,640	1,848	364,122
Income before contributions	1,722,173	781,604	513,717	3,017,494
Capital contributions:				
Permits, fees, and special assessments	829,866	-	-	829,866
Intergovernmental revenue	183,612	-	-	183,612
Contributions	-	-	7,825	7,825
Change in net assets	2,735,651	781,604	521,542	4,038,797
Total net assets—beginning	71,026,861	2,626,860	4,652,522	78,306,243
Total net assets—ending	$ 73,762,512	$ 3,408,464	$ 5,174,064	$ 82,345,040

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

WINTER GARDEN

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City of Winter Garden, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2010

	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	$ 9,474,476	$ 4,100,595	$ 1,570,714	$ 15,145,785
Payments to suppliers	(3,144,756)	(1,908,644)	(395,956)	(5,449,356)
Payments to employees	(1,789,276)	(991,576)	(313,695)	(3,094,547)
Payments to other governmental units	(10,555)	-	-	(10,555)
Net cash provided by operating activities	4,529,889	1,200,375	861,063	6,591,327
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Increase in due to other funds	1,793,989	-	-	1,793,989
Interest paid on deposits	(38,826)	-	-	(38,826)
Net cash provided by noncapital and related financing activities	1,755,163	-	-	1,755,163
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Grants received	183,612	-	-	183,612
Contributions	-	-	7,825	7,825
Purchases of capital assets	(10,954,831)	(372,748)	(335,745)	(11,663,324)
Principal paid on capital debt	(622,795)	-	(75,970)	(698,765)
Interest paid on capital debt	(320,852)	-	(14,491)	(335,343)
Proceeds from sales of capital assets	7,345	5,688	12,523	25,556
Impact fees received	829,866	-	-	829,866
Net cash (used) by capital and related financing activities	(10,877,655)	(367,060)	(405,858)	(11,650,573)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	52,507,654	-	-	52,507,654
Decrease (increase) in due from other funds	2,403,820	(1,129,007)	(1,000,000)	274,813
Purchase of investments	(50,890,715)	-	-	(50,890,715)
Interest received	502,410	1,952	2,558	506,920
Net cash provided (used) by investing activities	4,523,169	(1,127,055)	(997,442)	2,398,672
Net (decrease) in cash and cash equivalents	(69,434)	(293,740)	(542,237)	(905,411)
Cash and cash equivalents, October 1 (including $483,283 for the water and sewer fund reported in restricted accounts)	708,921	353,850	742,486	1,805,257
Cash and cash equivalents, September 30 (including $71,311 for the water and sewer fund reported in restricted accounts)	$ 639,487	$ 60,110	$ 200,249	$ 899,846
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 1,367,539	$ 773,964	$ 511,869	$ 2,653,372
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	2,350,086	267,308	346,444	2,963,838
(Increase) in accounts receivable	(98,159)	(44,122)	(11,154)	(153,435)
Increase in allowance for uncollectible accounts	36,318	25,377	11,930	73,625
(Increase) in inventories--materials and supplies	(262,109)	-	-	(262,109)
Decrease in prepaid items	15,052	-	-	15,052
Increase in customer deposits	21,424	-	-	21,424
Increase (decrease) in accounts payable	1,043,265	151,846	(26,226)	1,168,885
(Decrease) in due to other governmental units	(4)	-	-	(4)
Increase in accrued wages payable	2,375	1,871	398	4,644
Increase in unearned revenue	905	-	1,169	2,074
Increase in compensated absences	12,450	671	21,695	34,816
Increase in other postemployment benefits	40,747	23,460	4,938	69,145
Total adjustments	3,162,350	426,411	349,194	3,937,955
Net cash provided by operating activities	$ 4,529,889	$ 1,200,375	$ 861,063	$ 6,591,327
Noncash investing, capital, and financing activities:				
Increase in fair value of investments	50,503	-	-	

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, 2010

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	$ 3,246,403
Receivables:	
Employer	915,318
Retiree	4,111
Member	602
Interest and dividends	119,605
Total receivables	1,039,636
Investments, at fair value:	
Real estate investment trusts	1,902,367
Fixed income securities	9,145,216
Equities	20,093,147
Total investments	31,140,730
Total assets	35,426,769
LIABILITIES	
Accounts payable	46,738
Total liabilities	46,738
NET ASSETS	
Held in trust for pension benefits	$ 35,380,031

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, 2010

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	$ 3,068,136
Plan members	63,749
Excise tax proceeds	394,817
Total contributions	3,526,702
Investment earnings:	
Interest	441,804
Dividends	467,140
Net increase in the fair value of investments	1,714,722
Total investment earnings	2,623,666
Less investment expense	198,916
Net investment earnings	2,424,750
Total additions	5,951,452
DEDUCTIONS	
Benefits	2,001,177
Refunds	7,536
Administrative	63,784
Total deductions	2,072,497
Change in net assets	3,878,955
Net assets—beginning	31,501,076
Net assets—ending	$ 35,380,031

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

WINTER GARDEN

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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

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.

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 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 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 (Florida PRIME and Fund B), 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 what was then known as the SBA pool into two separate pools. Fund A, now referred to as Florida PRIME, consisted of all money market appropriate assets, which was approximately $12 billion or 86% of Pool assets. Fund 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 Fund A and Fund B.

On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAm" principal stability fund rating to Fund A (Florida PRIME). As principal and interest payments are received on the underlying securities in LGIP-B, these funds are transferred to participants' Florida PRIME accounts. As of September 30, 2010, the fair value of the City's investments in Florida PRIME and LGIP-B were $6,842 and $296,298, respectively. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained

from the State Board of Administration. Investments in Florida PRIME, an external 2a7-like investment pool, are stated at share price. Florida PRIME shares are based on amortized cost, which approximates fair value. LGIP-B is accounted for as a fluctuating net asset value pool. The fair value factor as of September 30, 2010 was 0.707058. The Office of the Auditor General of the State of Florida performs the operational audit of the activities and investments of Florida PRIME.

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. These payments are recorded as expenditures when consumed rather than when purchased.

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 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. Sick leave is accrued in the government-wide and proprietary fund financial statements for employees who are expected to become eligible for payment at termination since the City's policy is to only pay these amounts when employees separate from service with the City due to retirement. Vacation pay is accrued when incurred for employees who have met their probationary period in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

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

8. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

E. Property taxes

For property taxes budgeted for the fiscal year ended September 30, 2010, all property was assessed according to its fair market value on January 1, 2009, 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 21, 2009. Tax bills were rendered November 1, 2009, and unpaid taxes became delinquent on April 1, 2010. On or prior to June 1, 2010, tax certificates were sold for all delinquent taxes on real property.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance—total governmental funds* and *net assets—governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $(13,828,585) difference are as follows:

Bonds, notes, and long-term agreements payable	$(12,596,384)
Compensated absences	(683,525)
Other postemployment benefits	(548,676)
Net adjustment to reduce *fund balance—total governmental funds* to arrive at *net assets—governmental activities*	$(13,828,585)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $1,663,461 difference are as follows:

Capital outlay	$ 6,344,003
Depreciation expense	(4,680,542)
Net adjustment to increase *net changes in fund balances—total governmental funds* to arrive at *changes in net assets of governmental activities*	$ 1,663,461

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 $667,197 difference are as follows:

Principal repayments:	
Revenue notes	$427,197
Revenue bonds	240,000
Net adjustment to decrease *net changes in fund balances—total governmental funds* to arrive at *changes in net assets of governmental activities*	$667,197

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 $(536,651) difference are as follows:

Compensated absences	$(202,308)
Other postemployment benefits	(286,462)
Pension asset	(47,881)
Net adjustment to decrease *net changes in fund balances—total governmental funds* to arrive at *changes in net assets of governmental activities*	$(536,651)

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 31st 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 31st, 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 30th.

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 $9,923,470 in the governmental funds. These were primarily due to encumbrances outstanding at the end of the 2009 fiscal year and reappropriation of funds for construction contracts.

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, 2010, expenditures in the Downtown Parking District Special Revenue Fund exceeded appropriations by $71. 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 $255,036 as of September 30, 2010. 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.

The Law Enforcement Grants Fund had a deficit fund balance of $1,620 as of September 30, 2010. This was due to grants funded on a reimbursement basis that were not yet received.

IV. Detailed notes on all funds

A. Deposits and investments

As of September 30, 2010, the City had the following investments:

	Government-wide		Pension Trust Funds	
Investment Type	**Fair Value**	**Weighted Average Maturity (Years)**	**Fair Value**	**Weighted Average Maturity (Years)**
Money market funds	$ 2,879,213	0.00	$ 941,460	0.00
United States Government securities	16,178,472	1.66	1,717,438	18.86
United States Government Agencies	31,032,922	1.48	2,410,926	18.26
Corporate obligations	7,058,804	1.46	4,748,105	6.08
Municipal obligations	-	0.00	268,747	26.63
Commercial paper	1,796,798	0.48	-	0.00
Local Government Surplus Funds Investment Pool Trust Fund	303,140	7.32	-	0.00
Total fair value—Government-wide	$59,249,349			
Portfolio weighted average maturity		1.46		8.41
Real estate investment trusts			1,902,367	
Equities			20,093,147	
Total fair value—Pension Trust Funds			$32,082,190	

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:

Investment Type	Maximum Length to Maturity (Years)	Minimum Credit Quality (Moody's/ S&P)	Maximum Percent with a Single Issuer
	Government-wide		
United States Government Securities	5.00	NA	100
United States Government Agencies	5.00	NA	25
Federal Instrumentalities	5.00	NA	40
Non-negotiable interest bearing time deposit or saving accounts	1.00	NA	15
Repurchase agreements	0.25	NA	25
Commercial paper	0.49	P-1/A-1	15
Corporate obligations (United States Government supported)	3.00	NA	25
Bankers acceptances	0.49	P-1/A-1	15
State and/or local government debt	3.00	Aa/AA or MIG-2/SP-2	20
Registered investment companies (Money market funds)	NA	Aaa/AAAm	25
Intergovernmental investment pool	NA	NA	25
	Pension Plan for General Employees		
Equities	NA	NA	5
Fixed income	No Maximum	A/A	3
Money market	No Maximum	P-1/A-1	35
Pooled funds	No Maximum	NA	100
	Pension Plan for Firefighters and Police Officers		
Equities	NA	NA	5
Fixed income	No Maximum	A/A	10
Money market	No Maximum	P-1/A-1	10

NA=Not Applicable

As of September 30, 2010, 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, $100,663 were rated A by Moody's and $841,235 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, $6,842 was rated AAAm by S&P and $296,298 was not rated. Corporate obligations reported in the government-wide statements were rated AAA by S&P and Moody's. Corporate obligations reported in the Pension Trust Funds were rated as follows:

S&P	Moody's	Fair Value
AAA	AAA	$ 123,794
AA	AA	752,384
AA	A	197,505
A	AA	536,931
A	A	3,013,388
BBB	A	113,225
BBB	BAA	10,878

Municipal obligations were rated as follows:

S&P	Moody's	Fair Value
AAA	AAA	$ 42,652
AAA	AA	111,069
AA	AA	115,026

Commercial paper was rated A by S&P and P-1 by Moody's.

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, 2010, the City's bank balances were $2,327,938. Of the bank balances, $1,493,502 was covered by federal depository insurance and $834,436 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, 2010, 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 and deferred revenues

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

	General	Water and Sewer Utility	Solid Waste	Nonmajor and Other Funds	Total
Receivables:					
Taxes	$ 365,990	$ -	$ -	$ -	$ 365,990
Accounts	550,429	1,910,531	562,159	235,957	3,259,076
Notes	1,615,589	-	-	-	1,615,589
Interest	106,524	84,642	-	119,605	310,771
Gross receivables	2,638,532	1,995,173	562,159	355,562	5,551,426
Less: allowance for Uncollectibles	(506,490)	(455,603)	(142,170)	(97,382)	(1,201,645)
Net total receivables	$2,132,042	$1,539,570	$ 419,989	$258,180	$4,349,781
Reported in:					
Governmental Activities	$2,132,042	$ -	$ -	$ -	$2,132,042
Business-type Activities	-	1,539,570	419,989	138,575	2,098,134
Fiduciary funds	-	-	-	119,605	119,605
Net total receivables	$2,132,042	$1,539,570	$ 419,989	$258,180	$4,349,781

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:

	Unavailable	Unearned
Police and fire premium taxes	$318,015	
Interest earnings	120,571	
Customer credit balances		$ 24,623
Developer agreements		210,114
Developer escrow accounts		177,604
Total deferred revenue for governmental funds	$438,586	$412,341

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:

	Unearned
Customer credit balances	$74,511

C. Capital assets and construction commitments

Capital asset activities for the year ended September 30, 2010 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$19,472,884	$ 575,782	$ -	$20,048,666
Construction in progress	4,310,097	3,088,303	(1,576,674)	5,821,726
Total capital assets, not being depreciated	23,782,981	3,664,085	(1,576,674)	25,870,392
Capital assets, being depreciated:				
Buildings	23,661,599	2,561,740	-	26,223,339
Improvements other than buildings	7,912,428	118,378	-	8,030,806
Machinery and equipment	12,085,262	833,986	(527,169)	12,392,079
Infrastructure	39,822,913	742,488	-	40,565,401
Total capital assets, being depreciated	83,482,202	4,256,592	(527,169)	87,211,625
Less accumulated depreciation for:				
Buildings	(3,642,332)	(779,125)	-	(4,421,457)
Improvements other than buildings	(1,726,438)	(388,206)	-	(2,114,644)
Machinery and equipment	(7,174,227)	(1,453,805)	517,230	(8,110,802)
Infrastructure	(7,153,672)	(2,059,406)	-	(9,213,078)
Total accumulated depreciation	(19,696,669)	(4,680,542)	517,230	(23,859,981)
Total capital assets, being depreciated, net	63,785,533	(423,950)	(9,939)	63,351,644
Governmental activities capital assets, net	$87,568,514	$3,240,135	$(1,586,613)	$89,222,036
Business-type activities				
Capital assets, not being depreciated:				
Land	$ 1,024,601	$ -	$ -	$ 1,024,601
Construction in progress	5,139,943	10,347,825	(3,917,649)	11,570,119
Total capital assets, not being depreciated	6,164,544	10,347,825	(3,917,649)	12,594,720
Capital assets, being depreciated:				
Buildings and infrastructure	45,593,000	4,892,341	-	50,485,341
Improvements other than buildings	19,884,761	350,170	-	20,234,931
Machinery and equipment	6,033,724	498,315	(42,670)	6,489,369
Total capital assets, being depreciated	71,511,485	5,740,826	(42,670)	77,209,641
Less accumulated depreciation for:				
Buildings and infrastructure	(9,910,969)	(1,866,528)	-	(11,777,497)
Improvements other than buildings	(8,219,736)	(963,170)	-	(9,182,906)
Machinery and equipment	(3,769,843)	(134,140)	42,226	(3,861,757)
Total accumulated depreciation	(21,900,548)	(2,963,838)	42,226	(24,822,160)
Total capital assets, being depreciated, net	49,610,937	2,776,988	(444)	52,387,481
Business-type activities capital assets, net	$55,775,481	$13,124,813	$(3,918,093)	$64,982,201

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

Governmental activities:	
General government	$ 635,449
Public safety	1,292,851
Physical environment	51,923
Transportation	2,053,699
Economic environment	198,527
Culture and recreation	448,093
Total depreciation expense—governmental activities	$4,680,542
Business-type activities:	
Water and sewer	$2,350,086
Solid waste	267,308
Stormwater	330,816
Residential mobile home lot rentals	15,628
Total depreciation expense—business-type activities	$2,963,838

The City has active construction projects as of September 30, 2010. The projects include water treatment plant improvements; and wastewater main replacement. At year end, the City's commitments with contractors were as follows:

Project	Spent-to-Date	Remaining Commitment
Water treatment plant improvements	$138,469	$34,362
Wastewater main replacement	329,041	3,502
Total	$467,510	$37,864

The commitment for the water treatment plant improvements is being funded by water impact fees. The commitment for the wastewater main replacement is being funded by water and sewer utility revenues.

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2010, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
Nonmajor governmental fund	General	$ 1,009,928
	Water and Sewer Utility	425,937
Water and Sewer Utility	General	1,096,180
Solid Waste	General	760,955
	Water and Sewer Utility	368,052
Nonmajor enterprise fund	Water and Sewer Utility	1,000,000
Total		$4,661,052

The outstanding balances between funds result from operating expenditures in the General and Water and Sewer Utility Funds.

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Community Redevelopment Agency	$ 658,059
	Nonmajor enterprise fund	594,021
Total		$1,252,080

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 26 semi-annual installments remaining.

Interfund transfers:

	Transfer In:			
Transfer out:	General Fund	Community Redevelopment Agency Fund	Nonmajor Governmental	Total
General Fund	$ -	$366,514	$ 775,127	$1,141,641
Community Redevelopment Agency Fund	-	-	519,318	519,318
Nonmajor Governmental	30,133	-	-	30,133
Total transfers out	$30,133	$366,514	$1,294,445	$1,691,092

Transfers from the General Fund to the Community Redevelopment Agency Fund were for the City's contribution of tax increment revenues. Transfers from the General Fund to nonmajor governmental funds were for debt service and for City match of law enforcement grants. Transfers from the Community Redevelopment Agency Fund to nonmajor governmental funds were for debt service. Transfers from nonmajor governmental funds to the General Fund were for closeout of unexpended funds remaining in the New City Hall Capital Projects Fund.

E. Leases

Operating Leases

The City leases vehicles, holiday decorations, and other equipment under noncancelable operating leases. Total costs for such leases were $142,750 for the year ended September 30, 2010. The future minimum lease payments for these leases are as follows:

Year Ending September 30	Amount
2011	$ 58,345
2012	33,435
2013	15,531
Total	$107,311

Capital Leases

The City has entered into various lease agreements for certain items of machinery and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The following is a schedule of future minimum lease payments applicable to business-type activities for $375,920 of assets capitalized under lease agreements, and the net present value of future minimum lease payments as of September 30, 2010:

Year Ending September 30	Governmental Activities
2011	$ 82,409
2012	82,409
2013	82,409
Total minimum lease payments	247,227
Less: amount representing interest	(22,033)
Present value of minimum lease payments	$225,194

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 20 percent of Local Government Half-Cent Sales Tax revenues. The total principal and interest remaining to be paid on the bonds is $19,024,272. Principal and interest paid for the current year and total Local Government Half-Cent Sales Tax revenues were $724,638 and $3,637,662, respectively. Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rates	Amount
New city hall	4.00%-4.50%	$11,155,000

Revenue bond debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2011	$ -	$ 479,838
2012	250,000	470,038
2013	255,000	459,938
2014	270,000	449,438
2015	280,000	438,438
2016-2020	1,570,000	2,012,188
2021-2025	1,915,000	1,658,897
2026-2030	2,350,000	1,206,075
2031-2035	2,915,000	633,297
2036-2040	1,350,000	61,425
	$11,155,000	$7,869,272

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%	$1,441,384

Revenue note debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2011	$ -	$ 35,530
2012	435,712	60,320
2013	457,193	38,310
2014	479,732	15,215
2015	68,747	1,695
	$1,441,384	$151,070

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 stormwater pollution control facilities. The original amount of the loans totaled $13,861,203. 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 loans are expected to require less than 47 percent of net revenues. The total principal and interest remaining to be paid on the loans is $13,222,399. Principal and interest paid for the current year and total customer net revenues were $951,699 and $2,068,247, respectively.

Loans outstanding at year end are as follows:

Purpose	Interest Rates	Amount
Wastewater treatment pre-construction—Water and Sewer Utility	3.33%	$ 834,360
Wastewater treatment construction—Water and Sewer Utility	2.82%	8,431,788
Water treatment construction—Water and Sewer Utility	2.67%	1,573,598
Stormwater pollution control planning, design, and construction—Stormwater Utility	2.37%	10,594
Total outstanding		10,850,340
Accrued interest		72,451
Total amounts outstanding		$10,922,791

Loan debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2011	$ 647,771	$ 303,771
2012	662,281	284,811
2013	677,696	265.951
2014	697,055	246,593
2015	716,968	226,679
2016-2020	3,904,088	814,148
2021-2025	3,544,481	230,106
	$10,850,340	$2,372,059

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	$11,395,000	$ -	$ (240,000)	$11,155,000	$ -
Revenue notes	1,868,581	-	(427,197)	1,441,384	-
Other postemployment benefits	262,214	468,276	(181,814)	548,676	-
Compensated absences	481,217	784,900	(582,592)	683,525	94,691
Governmental activity Long-term liabilities	$14,007,012	$1,253,176	$(1,431,603)	$13,828,585	$94,691
Business-type activities					
Loans	$11,481,279	$ -	$ (630,939)	$10,850,340	$647,771
Capital leases	293,511	-	(68,317)	225,194	71,576
Other postemployment benefits	64,147	113,032	(43,887)	133,292	-
Compensated absences	85,071	148,658	(113,842)	119,887	21,536
Business-type activity Long-term liabilities	$11,924,008	$ 261,690	$ (856,985)	$11,328,713	$740,883

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.

V. Other information

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for

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

In 2004, the City loaned $500,000 to Winter Garden Heritage Foundation, Inc. (WGHF), a Florida non-profit corporation for the purpose of renovating an existing theatre, closed since 1963, in the City's downtown area so that it may be reopened and operated as such. In 2006, the City loaned an additional $1,000,000 to complete the renovations. In February 2008, renovations were completed and the theatre reopened and resumed operations. On June 1, 2008, WGHF defaulted on repayment of the loan. As of September 30, 2010, the balance of the loan was $1,423,059, including accrued interest and penalties. On December 1, 2010, WGHF transferred ownership of the theatre to the City in consideration of retirement of the debt, and the City entered into an operating agreement with Garden Theatre, Inc. to lease the building from the City and assume responsibility for daily operations of the theatre, with the City assuming responsibility for the building's structural maintenance.

On January 14, 2011, the City purchased a piece of land for $2,075,000 with funds from the Impact Fee Special Revenue Fund.

C. 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.

D. 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.

E. Other post employment benefits

The City follows GASB Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*, to account for certain post employment health care benefits provided by the City. The actuarially determined liability of $5,555,484 at the October 1, 2008 date of transition is being amortized over 30 years. Accordingly, for financial reporting purposes, this liability is not reported for the other post employment health care benefits liability at the date of transition.

Plan description. The Post Employment Health Care Benefits Plan is a single-employer defined benefit plan administered by the City. The Plan may be amended through recommendations of staff and action from the City Commission. Pursuant to the provisions of section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the City may continue to participate in the City's fully insured health and hospitalization plan for medical and prescription drug coverages. Per the requirements of a local ordinance, employees 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 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. In addition to this, the City subsidizes the premium rates paid by retirees by allowing them to participate in the plans at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The Plan does not issue a stand-alone financial report.

Funding policy. For the Post Employment Health Care Benefits Plan, contribution requirements of the City are established and may be amended through recommendations of staff and action from the City Commission. The City has not advance-funded or established a funding methodology for the annual Other Post Employment Benefit (OPEB) costs or the net OPEB obligation. As of September 30, 2010, there were two employees who had retired with twenty years of full-time service that were receiving the 100 percent health premium-coverage benefit. Additionally, there were seventeen employees who had retired that were receiving the $250 per month health premium-coverage benefit. The City finances the plan on a pay-as-you-go basis. For the year ended September 30, 2010, the City paid $52,604 for these benefits. For the 2010 fiscal year, the City provided contributions of $225,701 toward the annual OPEB costs. Required contributions are based on projected pay-as-you-go financing.

Annual OPEB cost and net OPEB obligation. The following table shows the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for 2010:

Net OPEB obligation at September 30, 2009	$ 326,361
Annual OPEB cost (AOC):	
Annual Required Contribution (ARC)	578,274
Interest on net OPEB obligation	14,686
Adjustments to ARC	(11,652)
Total AOC	581,308
Contributions made	(225,701)
Change in NPO	355,607
Net OPEB obligation at September 30, 2010	$ 681,968

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30, 2010, was as follows:

Fiscal Year Ended	Annual OPEB Cost (AOC)	Percentage of APC Contributed	Net OPEB Obligation
9/30/2009	$ 554,386	41%	$326,361
9/30/2010	581,308	39%	681,968

Funded status and funding progress. As of October 1, 2007, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was $5,555,484, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability of $5,555,484. The covered payroll (annual payroll for active participating employees) was $11,968,850 for fiscal year 2010, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 46.4%. The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial methods and assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrences of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and

the actuarial value of assets, consistent with the long-term perspectives of the calculations. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

The City's initial OPEB actuarial valuation for the 2008-2010 two year period used the entry age actuarial cost method to estimate the unfunded actuarial liability and to determine the annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4.5 percent rate of return on invested assets, which is the City's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 4.0 percent per year, and an annual healthcare cost trend rate of 10.0 percent initially for fiscal year 2009, reduced by 0.5 percent per year, to an ultimate rate of 5.0 percent for the fiscal year ending September 30, 2019. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The unfunded actuarial accrued liability is being amortized over 30 years in calculating the City's 2008-2010 fiscal year annual required contributions.

F. 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. Plan provisions may be established or amended by the City Commission. 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 Employees	Pension Plan for Firefighters and Police Officers
Contribution rates:		
City	22.6%	25.3%
Plan members	0.0%	1.0%
Annual pension cost	$1,530,642	$1,593,384
Contributions made	$1,512,738	$1,563,407

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 $479,939. 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.

Net Pension Obligation – NPO:

	Pension Plan for General Employees	Pension Plan for Firefighters and Police Officers
NPO at September 30, 2009	$ (492,141)	$(1,392,226)
Annual pension cost:		
Annual Required Contribution (ARC)	1,512,738	1,563,407
Interest credit	(35,680)	(104,417)
Adjustments to ARC	53,584	134,394
Total annual pension cost	1,530,642	1,593,384
Contributions made	(1,512,738)	(1,563,407)
Change in NPO	17,904	29,977
NPO at September 30, 2010	$ (474,237)	$(1,362,249)

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

	Pension Plan for General Employees	Pension Plan for Firefighters and Police Officers
Actuarial valuation date	10/1/2008	10/1/2008
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:		
Price inflation	3.0%	3.0%
Investment rate of return	7.25%	7.5%
Projected salary increases	5.0-15.0%	5.0-14.0%
Post-retirement benefit increases	None	None

*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.

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Pension Plan for General Employees			
9/30/2008	$1,146,659	107%	$(642,170)
9/30/2009	1,480,929	90%	(492,141)
9/30/2010	1,530,642	99%	(474,237)
Pension Plan for Firefighters and Police Officers			
9/30/2008	$1,330,272	114%	$(1,366,504)
9/30/2009	1,639,330	102%	(1,392,226)
9/30/2010	1,593,384	98%	(1,362,249)

Funded Status and Funding Progress. The following is funded status information for each plan as of 10/1/2009, 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	$15,260,457	$20,125,132	$4,864,675	75.8%	$7,270,219	66.9%
Pension Plan For Firefighters and Police Officers	18,719,481	22,446,778	3,727,297	83.4	6,612,922	56.4

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

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

Pension Trust Fund Financial Statements. Financial statements for the defined benefit pension plans for the fiscal year ended September 30, 2010 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	$ 941,525	$ 2,304,878	$ 3,246,403
Receivables	492,404	547,232	1,039,636
Investments	14,014,898	17,125,832	31,140,730
Total assets	15,448,827	19,977,942	35,426,769
LIABILITIES			
Accounts payable	37,698	9,040	46,738
Total liabilities	37,698	9,040	46,738
NET ASSETS			
Held in trust for pension benefits	$15,411,129	$19,968,902	$35,380,031

Statement of Changes in Net Assets	General Pension Trust Fund	Fire and Police Pension Trust Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employer	$ 1,468,532	$ 1,599,604	$ 3,068,136
Plan members	-	63,749	63,749
Excise tax proceeds	-	394,817	394,817
Total contributions	1,468,532	2,058,170	3,526,702
Investment earnings:			
Interest	179,261	262,543	441,804
Dividends	210,239	256,901	467,140
Net increase in the fair value of investments	744,379	535,559	1,279,938
Gain on sale of investments	91,032	343,752	434,784
Total investment earnings	1,224,911	1,398,755	2,623,666
Less investment expense	95,993	102,923	198,916
Net investment earnings	1,128,918	1,295,832	2,424,750
Total additions	2,597,450	3,354,002	5,951,452
DEDUCTIONS			
Benefits	856,841	1,144,336	2,001,177
Refunds	-	7,536	7,536
Administrative	34,390	29,394	63,784
Total deductions	891,231	1,181,266	2,072,497
Change in net assets	1,706,219	2,172,736	3,878,955
Net assets—beginning	13,704,910	17,796,166	31,501,076
Net assets—ending	$15,411,129	$19,968,902	$35,380,031

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, 2010, there were ten 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, 2010 were $48,968.

	General Employees		
Normal Retirement Benefits:	Defined Benefit[1]	Defined Contribution[2]	Firefighters and Police Officers[3]
Age	65	59 ½	55
Years of service (minimum)	5	N/A	6
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	6

[1]The Pension Plan for General Employees allows retirement after five years of service if 60 or older with a 5% per year benefit penalty for each year before 65, retirement at any age with 30 years of credited service, or at 70 regardless of years of credited service.
[2]A General Employee under the FMPTF earns 20% vesting starting with one year of credited service and another 20% for each successive year of credited service through the fifth year of credited service at which time the employee will be 100% vested.
[3]The Pension Plan for Firefighters and Police Officers allows retirement after six 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, 2010

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						
10/1/2004	$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	6,755,690	53.0
10/1/2008	14,007,303	18,636,414	4,629,111	75.2	6,995,952	66.2
10/1/2009	15,260,457	20,125,132	4,864,675	75.8	7,270,219	66.9
Pension Plan for Firefighters and Police Officers						
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	19,071,118	3,256,749	82.9	5,483,008	59.4
10/1/2008	16,848,543	20,792,719	3,944,176	81.0	6,059,891	65.1
10/1/2009	18,719,481	22,446,778	3,727,297	83.4	6,612,922	56.4
Other Post Employment Benefits*						
10/1/2007	$0	$5,555,484	$5,555,484	0.0%	$11,968,850	46.4%

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

*Other post employment benefits liability was not reported prior to 2009.

CITY OF WINTER GARDEN, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
for the year ended September 30, 2010

Pension Plan for General Employees
Schedule of Employer Contributions

Year Ended September 30	Annual Required Contribution	Percentage Contributed
2005	$ 709,594	113%
2006	875,144	119
2007	1,014,294	110
2008	1,119,967	109
2009	1,330,900	100
2010	1,512,738	100

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
2005	$ 744,336	130%
2006	851,532	134
2007	1,029,630	124
2008	1,301,285	116
2009	1,628,374	102
2010	1,841,214	100

Other Post Employment Benefits Plan
Schedule of Employer Contributions

Year Ended September 30	Annual Required Contribution	Percentage Contributed
2009	$554,386	41%
2010	578,274	39

WINTER GARDEN

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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.

Capital Projects Fund

New City Hall Fund—This fund is used to account for financial resources to be used for the acquisition and construction of a new city hall site and building.

Permanent Fund

Cemetery Perpetual Care Fund—This fund is used to account for financial resources to be used for the perpetual care of the City's cemetery.

City of Winter Garden, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2010

	Special Revenue			
	Downtown Parking District Fund	**Law Enforcement Trust Fund**	**Law Enforcement Grants Fund**	**Local Option Gas Tax Fund**
ASSETS				
Cash and cash equivalents	$ 93,995	$ 28,107	$ 1,527	$ 102,784
Due from other funds	-	-	-	1,435,865
Due from other governmental units	-	-	-	77,933
Total assets	$ 93,995	$ 28,107	$ 1,527	$ 1,616,582
LIABILITIES				
Accounts payable	$ 6	$ -	$ -	$ 65,368
Accrued wages payable	-	-	3,147	-
Deferred revenue	-	-	-	-
Total liabilities	6	-	3,147	65,368
FUND BALANCES				
Unreserved, undesignated	93,989	28,107	(1,620)	1,551,214
Total fund balances	93,989	28,107	(1,620)	1,551,214
Total liabilities and fund balances	$ 93,995	$ 28,107	$ 1,527	$ 1,616,582

Police and Fire Premium Tax Trust Fund	Total	Debt Service Fund	Capital Projects Fund New City Hall	Permanent Fund Perpetual Care	Total Nonmajor Governmental Funds
$ -	$ 226,413	$ -	$ -	$ 30,114	$ 256,527
-	1,435,865	-	-	-	1,435,865
318,015	395,948	-	-	-	395,948
$ 318,015	$ 2,058,226	$ -	$ -	$ 30,114	$ 2,088,340
$ -	$ 65,374	$ -	$ -	$ -	$ 65,374
-	3,147	-	-	-	3,147
318,015	318,015	-	-	-	318,015
318,015	386,536	-	-	-	386,536
-	1,671,690	-	-	30,114	1,701,804
-	1,671,690	-	-	30,114	1,701,804
$ 318,015	$ 2,058,226	$ -	$ -	$ 30,114	$ 2,088,340

City of Winter Garden, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2010

	Special Revenue			
	Downtown Parking District Fund	Law Enforcement Trust Fund	Law Enforcement Grants Fund	Local Option Gas Tax Fund
REVENUES				
Permits, fees, and special assessments	$ 91,757	$ -	$ -	$ -
Intergovernmental	-	-	207,631	1,017,186
Fines and forfeits	-	4,881	-	-
Investment earnings (loss)	7,801	145	(105)	3,711
Contributions and donations	-	-	-	627,643
Total revenues	99,558	5,026	207,526	1,648,540
EXPENDITURES				
Current:				
Public safety	-	31,514	313,207	-
Transportation	28,391	-	-	1,281,321
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	28,391	31,514	313,207	1,281,321
Excess (deficiency) of revenues over (under) expenditures	71,167	(26,488)	(105,681)	367,219
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	51,084	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	51,084	-
Net change in fund balances	71,167	(26,488)	(54,597)	367,219
Fund balances—beginning	22,822	54,595	52,977	1,183,995
Fund balances (deficit)—ending	$ 93,989	$ 28,107	$ (1,620)	$ 1,551,214

Police and Fire Premium Tax Trust Fund	Total	Debt Service Fund	Capital Projects Fund New City Hall	Permanent Fund Perpetual Care	Total Nonmajor Governmental Funds
$ -	$ 91,757	$ -	$ -	$ -	$ 91,757
394,817	1,619,634	-	-	-	1,619,634
-	4,881	-	-	-	4,881
-	11,552	595	22	72	12,241
-	627,643	-	-	-	627,643
394,817	2,355,467	595	22	72	2,356,156
394,817	739,538	-	-	-	739,538
-	1,309,712	-	-	-	1,309,712
-	-	667,197	-	-	667,197
-	-	576,759	-	-	576,759
394,817	2,049,250	1,243,956	-	-	3,293,206
-	306,217	(1,243,361)	22	72	(937,050)
-	51,084	1,243,361	-	-	1,294,445
-	-	-	(30,133)	-	(30,133)
-	51,084	1,243,361	(30,133)	-	1,264,312
-	357,301	-	(30,111)	72	327,262
-	1,314,389	-	30,111	30,042	1,374,542
$ -	$ 1,671,690	$ -	$ -	$ 30,114	$ 1,701,804

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, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Permits, fees, and special assessments	$ 91,757	$ 91,757	$ -
Investment earnings	7,721	7,801	80
Total revenues	99,478	99,558	80
EXPENDITURES			
Current:			
Transportation:			
Construction and maintenance	28,320	28,391	(71)
Excess of revenues over expenditures	71,158	71,167	9
Net change in fund balances	71,158	71,167	-
Fund balances—beginning	22,822	22,822	-
Fund balances—ending	$ 93,980	$ 93,989	$ 9

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, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Fines and forfeits	$ 41,760	$ 4,881	$ (36,879)
Investment earnings	154	145	(9)
Total revenues	41,914	5,026	(36,888)
EXPENDITURES			
Current:			
Public safety:			
Law enforcement	44,210	31,514	12,696
(Deficiency) of revenues (under) expenditures	(2,296)	(26,488)	(24,192)
Fund balances—beginning	54,595	54,595	-
Fund balances—ending	$ 52,299	$ 28,107	$ (24,192)

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, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	$ 306,107	$ 207,631	$ (98,476)
Investment (loss)	-	(105)	(105)
Total revenues	306,107	207,526	(98,581)
EXPENDITURES			
Current:			
Public safety:			
Law enforcement	373,003	313,207	59,796
(Deficiency) of revenues (under) expenditures	(66,896)	(105,681)	(38,785)
OTHER FINANCING SOURCES			
Transfers in	42,180	51,084	8,904
Net change in fund balances	(24,716)	(54,597)	(29,881)
Fund balances—beginning	52,977	52,977	-
Fund balances—ending	$ 28,261	$ (1,620)	$ (29,881)

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, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	$ 900,829	$ 1,017,186	$ 116,357
Investment earnings	4,568	3,711	(857)
Contributions and donations	608,502	627,643	19,141
Total revenues	1,513,899	1,648,540	134,641
EXPENDITURES			
Current:			
Transportation:			
Construction and maintenance	1,390,715	1,281,321	109,394
Excess of revenues over expenditures	123,184	367,219	244,035
Net change in fund balances	123,184	367,219	244,035
Fund balances—beginning	1,183,995	1,183,995	-
Fund balances—ending	$ 1,307,179	$ 1,551,214	$ 244,035

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, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	$ 404,728	$ 394,817	$ (9,911)
Total revenues	404,728	394,817	(9,911)
EXPENDITURES			
Current:			
Public safety:			
Law enforcement	200,000	207,092	(7,092)
Fire control	204,728	187,725	17,003
Total public safety	404,728	394,817	9,911
Excess of revenues over expenditures	-	-	-
Net change in fund balances	-	-	-
Fund balances—beginning	-	-	-
Fund balances—ending	$ -	$ -	$ -

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, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Investment earnings	$ 810	$ 595	$ (215)
Total revenues	810	595	(215)
EXPENDITURES			
Debt service:			
Principal	667,197	667,197	-
Interest	576,760	576,759	1
Total expenditures	1,243,957	1,243,956	1
(Deficiency) of revenues (under) expenditures	(1,243,147)	(1,243,361)	(214)
OTHER FINANCING SOURCES			
Transfers in	1,243,147	1,243,361	214
Net change in fund balances	-	-	-
Fund balances—beginning	-	-	-
Fund balances—ending	$ -	$ -	$ -

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, 2010

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Investment earnings	$ 976,037	$ 22	$ 976,059	$ 957,656
Contributions and donations	2,880	-	2,880	-
Total revenues	978,917	22	978,939	957,656
EXPENDITURES				
Capital outlay:				
General government	16,201,721	-	16,201,721	16,493,870
Total expenditures	16,201,721	-	16,201,721	16,493,870
Excess (deficiency) of revenues over (under) expenditures	(15,222,804)	22	(15,222,782)	(15,536,214)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,304,234	-	3,304,234	3,304,234
Transfers out	-	(30,133)	(30,133)	(32,000)
Issuance of debt	12,025,000	-	12,025,000	12,025,000
Discount on debt issuance	(76,319)	-	(76,319)	(76,319)
Total other financing sources (uses)	15,252,915	(30,133)	15,222,782	15,220,915
Net change in fund balances	$ 30,111	(30,111)	$ -	$ (315,299)
Fund balances—beginning		30,111		
Fund balances—ending		$ -		

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, 2010

	Stormwater Utility	Trailer City	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	$ 50,550	$ 149,699	$ 200,249
Accounts receivable (net of allowance for uncollectibles)	138,226	349	138,575
Due from other funds	1,000,000	-	1,000,000
Inventories	4,068	-	4,068
Total current assets	1,192,844	150,048	1,342,892
Noncurrent assets:			
Capital assets:			
Land	-	63,300	63,300
Buildings	-	71,994	71,994
Improvements other than buildings	2,192,728	116,178	2,308,906
Machinery and equipment	669,026	42,815	711,841
Infrastructure	2,960,170	34,555	2,994,725
Construction work in progress	653,047	-	653,047
Less accumulated depreciation	(1,911,569)	(131,400)	(2,042,969)
Total capital assets (net of accumulated depreciation)	4,563,402	197,442	4,760,844
Total assets	5,756,246	347,490	6,103,736
LIABILITIES			
Current liabilities:			
Accounts payable	33,392	2,408	35,800
Notes and loans payable	7,190	-	7,190
Compensated absences	2,676	75	2,751
Accrued interest payable	4,595	-	4,595
Accrued wages payable	4,400	2,438	6,838
Unearned revenue	-	8,055	8,055
Capital leases	71,576	-	71,576
Total current liabilities	123,829	12,976	136,805
Noncurrent liabilities:			
Notes and loans payable	3,404	-	3,404
Compensated absences	27,400	4,984	32,384
Capital leases	153,618	-	153,618
Advances from other funds	594,021	-	594,021
Other postemployment benefits	4,720	4,720	9,440
Total noncurrent liabilities	783,163	9,704	792,867
Total liabilities	906,992	22,680	929,672
NET ASSETS			
Invested in capital assets, net of related debt	4,327,614	197,442	4,525,056
Unrestricted	521,640	127,368	649,008
Total net assets	$ 4,849,254	$ 324,810	$ 5,174,064

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, 2010

	Stormwater Utility	Trailer City	Totals
Operating revenues:			
Permits, fees, and special assessments	$ 1,346,991	$ -	$ 1,346,991
Other	1,229	220,549	221,778
Total operating revenues	1,348,220	220,549	1,568,769
Operating expenses:			
Personal services	228,567	112,159	340,726
Contractual services	61,880	2,621	64,501
Utilities	1,000	5,346	6,346
Supplies	19,777	4,504	24,281
Depreciation	330,816	15,628	346,444
Other services and charges	205,673	68,929	274,602
Total operating expenses	847,713	209,187	1,056,900
Operating income	500,507	11,362	511,869
Nonoperating revenues (expenses):			
Investment earnings	2,151	407	2,558
Gain on sale of capital assets	12,523	-	12,523
Interest expense	(13,233)	-	(13,233)
Total nonoperating revenues (expenses)	1,441	407	1,848
Income before contributions	501,948	11,769	513,717
Capital contributions:			
Contributions	7,825	-	7,825
Change in net assets	509,773	11,769	521,542
Total net assets—beginning	4,339,481	313,041	4,652,522
Total net assets—ending	$ 4,849,254	$ 324,810	$ 5,174,064

City of Winter Garden, Florida
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2010

	Stormwater Utility	Trailer City	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 1,348,442	$ 222,272	$ 1,570,714
Payments to suppliers	(315,503)	(80,453)	(395,956)
Payments to employees	(204,326)	(109,369)	(313,695)
Net cash provided (used) by operating activities	828,613	32,450	861,063
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Contributions	7,825	-	7,825
Purchases of capital assets	(284,976)	(50,769)	(335,745)
Principal paid on capital debt	(75,970)	-	(75,970)
Interest paid on capital debt	(14,491)	-	(14,491)
Proceeds from sales of capital assets	12,523	-	12,523
Net cash (used) by capital and related financing activities	(355,089)	(50,769)	(405,858)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) in due from other funds	(1,000,000)	-	(1,000,000)
Interest received	2,151	407	2,558
Net cash provided by investing activities	(997,849)	407	(997,442)
Net (decrease) in cash and cash equivalents	(524,325)	(17,912)	(542,237)
Cash and cash equivalents, October 1	574,875	167,611	742,486
Cash and cash equivalents, September 30	$ 50,550	$ 149,699	$ 200,249
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	$ 500,507	$ 11,362	$ 511,869
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	330,816	15,628	346,444
(Increase) in accounts receivable	(9,948)	(1,206)	(11,154)
Increase in allowance for uncollectible accounts	10,170	1,760	11,930
Increase (decrease) in accounts payable	(27,173)	947	(26,226)
Increase in accrued wages payable	182	216	398
Increase in unearned revenue	-	1,169	1,169
Increase in compensated absences payable	21,590	105	21,695
Increase in other postemployment benefits	2,469	2,469	4,938
Total adjustments	328,106	21,088	349,194
Net cash provided (used) by operating activities	$ 828,613	$ 32,450	$ 861,063

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 94

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

Revenue Capacity 105

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity 110

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.

Demographic and Economic Information 117

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

Operating Information 119

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.

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 Eight Fiscal Years
(accrual basis of accounting)

	2010	2009	2008
Governmental activities			
Invested in capital assets, net of related debt	$ 76,625,652	$ 74,042,719	$ 62,229,762
Restricted	24,149,817	24,220,705	31,054,530
Unrestricted	8,390,451	10,065,887	12,869,395
Total governmental activities net assets	$109,165,920	$108,329,311	$106,153,687
Business-type activities			
Invested in capital assets, net of related debt	$ 53,906,667	$ 44,000,691	$ 41,778,162
Restricted	15,315,140	19,069,072	21,015,352
Unrestricted	13,123,233	15,236,480	11,117,583
Total business-type activities net assets	$ 82,345,040	$ 78,306,243	$ 73,911,097
Primary government			
Invested in capital assets, net of related debt	$130,532,319	$118,043,410	$104,007,924
Restricted	39,464,957	43,289,777	52,069,882
Unrestricted	21,513,684	25,302,367	23,986,978
Total primary government net assets	$191,510,960	$186,635,554	$180,064,784

Fiscal Year						
2007	2006	2005	2004	2003	2002	2001
$ 48,751,070	$ 34,495,162	$ 23,447,882	$ 20,098,672	$ 16,025,215	Data is not available for years 2001 and 2002	
28,296,384	22,822,073	8,036,244	8,875,461	7,675,631		
15,713,022	12,189,529	14,214,099	9,638,873	7,446,446		
$ 92,760,476	$ 69,506,764	$ 45,698,225	$ 38,613,006	$ 31,147,292		
$ 35,774,224	$ 29,848,390	$ 26,238,677	$ 24,490,427	$ 26,182,160		
12,665,164	13,230,076	11,186,375	6,726,971	8,866,950		
20,850,291	20,011,017	22,608,146	20,333,080	10,266,710		
$ 69,289,679	$ 63,089,483	$ 60,033,198	$ 51,550,478	$ 45,315,820		
$ 84,525,294	$ 64,343,552	$ 49,686,559	$ 44,589,099	$ 42,207,375		
40,961,548	36,052,149	19,222,619	15,602,432	16,542,581		
36,563,313	32,200,546	36,822,245	29,971,953	17,713,156		
$162,050,155	$ 132,596,247	$ 105,731,423	$ 90,163,484	$ 76,463,112		

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Expenses										
Governmental activities:										
General government	$ 4,204,008	$ 3,899,034	$ 2,932,260	$ 2,701,941	$ 2,565,945	$ 2,095,732	$ 1,713,712	$ 1,723,324		
Public safety	15,694,684	14,902,345	13,736,706	11,898,442	9,998,835	8,786,447	7,152,781	5,779,190		
Physical environment	896,501	943,939	736,565	843,671	850,605	535,512	542,696	458,625		
Transportation	3,307,541	2,580,474	3,282,627	2,505,649	2,302,093	2,258,355	2,038,644	1,724,625		
Economic environment	579,934	481,303	877,845	641,944	214,813	158,183	149,425	84,710		
Public assistance	49,692	119,971	82,630	101,330	88,909	88,871	391,384	653,862		
Culture and recreation	2,578,911	2,357,923	2,236,885	2,328,830	2,082,868	1,766,330	1,873,007	1,937,778		
Interest and long-term debt	592,295	645,030	814,781	838,981	424,215	494,844	644,748	594,557		
Total government activities expenses	27,903,566	25,930,019	24,700,299	21,860,788	18,528,283	16,184,274	14,506,397	12,956,671		
Business-type activities:										
Water and Sewer	8,491,442	8,696,615	9,141,484	8,765,465	9,404,856	6,975,769	5,852,648	4,934,858		
Solid waste	3,345,376	3,224,466	3,285,187	3,455,158	3,140,333	2,673,105	2,449,158	2,122,438		
Stormwater	860,946	746,381	912,188	785,573	641,121	497,173	350,936	379,743		
Residential mobile home lot rentals	209,187	204,642	195,725	237,896	214,403	275,438	184,199	199,123		
Total business-type activities expenses	12,906,951	12,872,104	13,534,584	13,244,092	13,400,713	10,421,485	8,836,941	7,636,162		
Total primary government expenses	$ 40,810,517	$ 38,802,123	$ 38,234,883	$ 35,104,880	$ 31,928,996	$ 26,605,759	$ 23,343,338	$ 20,592,833		
Program Revenues									Data is not available for years 2001 and 2002	
Governmental activities:										
Charges for services:										
General government	$ 114,377	$ 95,675	$ 143,695	$ -	$ 522,068	$ 608,267	$ 674,970	$ 264,050		
Public safety	1,103,146	1,178,952	1,697,235	3,453,966	3,015,971	2,168,160	2,616,511	1,717,290		
Transportation	38,239	57,067	401,577	770,351	701,585	744,528	346,157	-		
Other activities	659,558	574,520	482,155	514,874	411,549	345,812	298,133	309,161		
Operating grants and contributions	2,027,849	2,085,928	1,911,035	1,935,703	1,549,023	1,456,767	1,716,165	640,597		
Capital grants and contributions	3,711,145	3,573,081	13,286,270	18,410,818	19,154,514	5,374,448	5,337,203	3,967,578		
Total government activities program revenues	7,654,314	7,565,223	17,921,967	25,085,712	25,354,710	10,697,982	10,989,139	6,898,676		
Business-type activities:										
Charges for services:										
Water and Sewer	9,503,437	9,344,622	9,708,145	9,320,260	8,220,991	7,898,591	6,732,207	5,617,145		
Solid waste	4,119,340	4,051,487	3,774,996	3,254,113	2,925,319	2,550,085	2,317,124	2,200,544		
Stormwater	1,348,220	1,339,830	1,293,968	1,025,423	855,282	706,782	558,857	497,345		
Residential mobile home lot rentals	220,549	222,138	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	1,427,272	1,715,627	2,652,612	5,052,885	5,144,437	7,338,743	4,958,553	5,354,065		
Total business-type activities program revenues	16,618,818	16,673,704	17,647,415	18,864,972	17,355,665	18,734,364	15,000,038	13,917,522		
Total primary government program revenues	$ 24,273,132	$ 24,238,927	$ 35,569,382	$ 43,950,684	$ 42,710,375	$ 29,432,346	$ 25,989,177	$ 20,816,198		
Net (expense)/revenue										
Governmental activities	$(20,249,252)	$ (18,364,796)	$ (6,778,332)	$ 3,224,924	$ 6,826,427	$ (5,486,292)	$ (3,517,258)	$ (6,057,995)		
Business-type activities:	3,711,867	3,801,600	4,112,831	5,620,880	3,954,952	8,312,879	6,163,097	6,281,360		
Total primary government net expense	$(16,537,385)	$ (14,563,196)	$ (2,665,501)	$ 8,845,804	$ 10,781,379	$ 2,826,587	$ 2,645,839	$ 223,365		

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Ad valorem	$ 8,741,248	$ 8,722,152	$ 8,351,424	$ 8,297,193	$ 5,777,996	$ 4,507,982	$ 3,770,795	$ 3,098,149		
Utility services	3,254,555	2,710,435	2,615,227	2,432,494	2,138,583	1,798,561	1,571,435	1,480,323		
Communications services	1,386,589	1,455,478	1,386,894	1,323,649	1,214,940	1,055,864	925,309	855,324		
Local business	203,056	228,320	206,343	-	-	-	-	-		
Franchise fees	2,445,559	2,242,640	1,906,941	1,773,927	1,563,590	1,191,851	1,008,447	903,925		
Licenses and permits	-	-	-	-	-	-	-	514,603		
Unrestricted intergovernmental	4,500,340	4,394,094	4,712,786	4,432,087	4,185,961	3,801,533	3,105,896	3,562,921		
Investment earnings	358,149	543,291	986,053	1,668,231	706,182	266,479	166,875	269,759		
Gain (loss) on sale of capital assets	32,032	155,656	5,875	-	-	13,099	239,065	(41,930)		
Other	164,333	88,354	-	101,207	90,626	82,622	133,169	79,426		
Transfers	-	-	-	-	1,304,234	(146,480)	61,981	64,310		
Total governmental activities	21,085,861	20,540,420	20,171,543	20,028,788	16,982,112	12,571,511	10,982,972	10,786,810		
Business-type activities:										
Investment earnings	301,818	587,924	432,272	564,484	385,411	142,967	122,842	159,094		
Gain (loss) on sale of capital assets	25,112	5,622	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	326,930	593,546	508,587	579,316	(898,667)	169,841	71,561	134,784		
Total primary government	$ 21,412,791	$ 21,133,966	$ 20,680,130	$ 20,608,104	$ 16,083,445	$ 12,741,352	$ 11,054,533	$ 10,921,594		
Changes in Net Assets										
Governmental activities	$ 836,609	$ 2,175,624	$ 13,393,211	$ 23,253,712	$ 23,808,539	$ 7,085,219	$ 7,465,714	$ 4,728,815		
Business-type activities	4,038,797	4,395,146	4,621,418	6,200,196	3,056,285	8,482,720	6,234,658	6,416,144		
Total primary government	$ 4,875,406	$ 6,570,770	$ 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	Utility Services	Communications Services	Local Business Tax
2010	$ 8,741,248	$ 3,254,555	$ 1,386,589	$ 203,056
2009	8,722,152	2,710,435	1,455,478	228,320
2008	8,351,424	2,615,227	1,386,894	206,343[2]
2007	8,297,193	2,432,494	1,323,649	-
2006	5,777,996	2,138,583	1,214,940	-
2005	4,507,982	1,798,561	1,055,864	-
2004	3,770,795	1,571,435	925,309	-
2003	3,098,149	1,480,323	855,324	-
2002	2,456,306	1,297,581[1]	756,005[1]	-
2001	1,961,339	1,414,148	-	-

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

[2]Local 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

[3]Franchise fees were reclassified in the State of Florida Uniform Accounting System Manual from taxes to permits, fees, and special assessments

Franchise Fees	Total
$ -	$ 13,585,448
-	13,116,385
-[3]	12,559,885
1,773,927	13,827,263
1,563,590	10,695,109
1,191,851	8,554,258
1,008,447	7,275,986
903,925	6,337,721
864,047	5,373,939
889,590	4,265,077

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

	2010	2009	2008	2007
General fund				
Reserved	$ 1,906,721	$ 3,226,357	$ 2,868,594	$ 3,613,214
Unreserved	5,418,984	5,179,291	8,164,181	9,628,932
Total general fund	$ 7,325,705	$ 8,405,648	$ 11,032,775	$ 13,242,146
All other governmental funds				
Reserved	$ -	$ 1,612,743	$ 2,497,257	$ 7,037,951
Unreserved, reported in:				
Special revenue funds	23,988,770	22,290,020	28,625,460	27,225,893
Debt service fund	-	-	-	8,079
Capital projects funds	-	30,111	168,623	1,205,154
Permanent funds	30,114	30,042	-	-
Total all other governmental funds	$ 24,018,884	$ 23,962,916	$ 31,291,340	$ 35,477,077

Fiscal Year					
2006	**2005**	**2004**	**2003**	**2002**	**2001**
$ 2,137,040	$ 2,108,976	$ 2,149,535	$ 2,361,289	$ 1,739,842	$ 1,775,166
9,621,567	9,086,094	7,492,876	5,244,645	6,180,327	5,228,703
$ 11,758,607	$ 11,195,070	$ 9,642,411	$ 7,605,934	$ 7,920,169	$ 7,003,869
$ 6,685,770	$ 453,776	$ 60,572	$ 174,404	$ 7,879,740	$ 7,877,255
15,731,030	9,995,418	7,930,656	6,642,164	(893,765)	-
-	-	-	-	-	-
12,959,202	-	285,039	291,499	-	-
-	-	-	-	-	-
$ 35,376,002	$ 10,449,194	$ 8,276,267	$ 7,108,067	$ 6,985,975	$ 7,877,255

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

	2010	2009	2008	2007	2006
Revenues					
Taxes	$ 13,585,448	$ 13,116,385	$ 12,559,888	$ 13,827,263	$ 10,695,109
Permits, fees, and special assessments	4,902,083	4,697,746[1]	3,257,290	3,354,710	3,305,453
Intergovermental	6,672,663	6,734,345	7,337,697	6,200,862	5,866,003
Charges for services	2,793,277	2,909,532	2,943,724	2,758,255	2,955,962
Fines and forfeits	184,688	346,495	448,516	374,414	391,774
Investment earnings	853,684	1,865,706	2,219,381	2,598,817	1,365,403
Rents and royalties	167,579	154,128	130,532	164,239	152,813
Special assessments	-	-[1]	70,000	-	-
Impact fees	-	-[1]	3,103,937	13,871,394	8,374,862
Contributions and donations	1,111,622	3,290	2,279,139	2,684,350	9,961,672
Miscellaneous	164,333	88,354	-	322,457	90,781
Total revenues	30,435,377	29,915,981	34,350,104	46,156,761	43,159,832
Expenditures					
General government	4,954,865	4,818,700	4,487,698	4,769,353	4,481,830
Public safety	14,617,230	17,143,109	16,681,387	13,402,701	10,575,014
Physical environment	1,241,023	1,291,287	1,190,697	1,313,892	1,258,938
Transportation	5,403,945	5,352,512	4,548,554	13,985,729	7,553,859
Economic environment	425,799	1,857,734	675,283	451,178	805,516
Public assistance	49,692	119,971	82,630	101,330	88,909
Culture and recreation	3,549,299	6,295,070	3,388,784	3,827,013	2,310,870
Debt Service					
Principal	667,197	2,883,904	653,247	588,534	2,012,062
Interest	592,295	1,000,696	676,539	740,535	548,850
Total expenditures	31,501,345	40,762,983	32,384,819	39,180,265	29,635,848
Excess (deficiency) of revenues over (under) expenditures	(1,065,968)	(10,847,002)	1,965,285	6,976,496	13,523,984
Other financing sources (uses)					
Transfers in	1,691,092	1,674,090	2,162,439	1,640,803	747,574
Transfers out	(1,660,959)	(1,674,090)	(3,162,439)	(1,640,803)	(1,747,574)
Sale of capital assets	41,971	1,029,963	16,460	21,844	7,160
Issuance of debt	-	-	-	-	-
Total other financing sources (uses)	72,104	1,029,963	(983,540)	21,844	(992,840)
Net change in fund balances	$ (993,864)	$ (9,817,039)	$ 981,745	$ 6,998,340	$ 12,531,144
Debt service as a percentage of noncapital expenditures	5.0%	14.3%	5.5%	6.0%	12.2%

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

[1]Special Assessments and Impact fees were reclassified in the State of Florida Uniform Accounting System Manual to permits, fees, and special assessments

Fiscal Year				
2005	2004	2003	2002	2001
$8,554,258	$7,275,986	$ 6,337,721	$5,373,939	$ 4,265,077
2,827,208	2,770,604	1,888,809	1,728,142	1,253,702
5,819,142	5,291,960	4,752,209	3,374,757	3,421,630
1,801,451	1,635,726	1,275,651	81,232	82,973
248,986	246,132	236,761	213,470	368,315
409,339	262,405	410,488	688,298	708,842
144,304	128,048	133,972	135,228	120,813
-	-	-	-	-
4,738,914	4,294,620	3,051,048	2,249,181	1,514,295
38,895	72,427	88,680	-	-
82,622	133,169	79,426	1,059,504	886,237
24,665,119	22,111,077	18,254,765	14,903,751	12,621,884
2,905,301	2,336,743	3,325,686	2,286,599	1,480,434
9,301,897	7,024,451	6,180,979	5,486,185	4,626,435
820,150	780,387	626,594	489,171	411,689
3,881,560	3,563,224	4,791,484	3,202,055	6,535,475
(32,137)	131,623	93,696	180,904	1,134,956
88,871	391,384	653,862	14,112	14,140
1,839,973	1,861,015	2,048,901	1,411,558	1,064,600
1,623,416	2,119,883	288,843	391,168	374,388
375,445	1,321,064	241,155	252,915	69,030
20,804,476	19,529,774	18,251,200	13,714,667	15,711,147
3,860,643	2,581,303	3,565	1,189,084	(3,089,263)
1,396,357	1,433,414	1,057,204	1,136,368	1,080,877
(1,259,474)	(1,250,640)	(2,192,894)	(1,060,670)	(800,087)
13,099	247,544	1,106,080	-	9,176
-	118,531	1,230,083	997,039	8,299,327
149,982	548,849	1,200,473	1,072,737	8,589,293
$4,010,625	$3,130,152	$ 1,204,038	$2,261,821	$ 5,500,030
11.7%	20.7%	4.3%	6.5%	5.3%

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
2010	$ 8,741,248	$ -	$ 3,254,555	$ 1,386,589	$ 203,056	$ 13,585,448
2009	8,722,152	-	2,710,435	1,455,478	228,320	13,116,385
2008	8,351,424	-[2]	2,615,227	1,386,894	206,343[3]	12,559,888
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

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

[2]Franchise fees were reclassified in the State of Florida Uniform Accounting System Manual from taxes to permits, fees, and special assessments

[3]Local 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 30[1]	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
2010	$2,921,457,010	$215,114,811	$ 725,044,206	$ 2,411,527,615	3.7500	$ 3,136,571,821	76.88%
2009	3,359,553,306	211,129,665	922,172,422	2,648,510,549	3.3866	3,570,682,971	74.17%
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%

Source: Orange County Property Appraiser's Office

[1]Information is reported based on the fiscal year in which associated tax revenue is recognized - e.g., the 2009 tax roll data is reported here for Fiscal Year 2010, 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)

	City Direct Rates	Overlapping Rates				
Fiscal Year	Basic Millage	County Millage	School District Millage	Library Millage	St. Johns River Water Mgmt. District Millage	Total Direct & Overlapping Rates
2010	3.7500	4.4347	7.6730	0.3748	0.4158	16.6483
2009	3.3866	4.4347	7.1500	0.3748	0.4158	15.7619
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	18.2450
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

Source: Orange County Property Appraiser's Office

City of Winter Garden, Florida
Principal Property Taxpayers
September 30, 2010

	2010			2001		
Taxpayer	**Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**	**Assessed Valuation**	**Rank**	**Percentage of Total Assessed Valuation**
Cole MT Winter Garden LLC	$120,685,968	1	5.00%	**Data is not available for 2001**		
West Pointe Villas LTD	10,911,799	2	0.45%			
El-Ad Promenade LLC	9,672,176	3	0.40%			
Manheim Remarketing L P	9,488,133	4	0.39%			
Castle & Cooke Florida LTD	9,135,763	5	0.38%			
Misty Ridge Ventures LLC	9,009,070	6	0.37%			
Stoneybrook West LLC	9,000,000	7	0.37%			
Target Corp	8,843,066	8	0.37%			
Hyde Park Communities	8,702,002	9	0.36%			
Sembler WG Partnership	8,019,850	10	0.33%			
Totals	$203,467,827		8.44%			

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
2010	$ 9,045,633	$ 8,689,850	96.1%	$ -	$ 8,689,850	96.1%
2009	8,973,852	8,641,588	96.3%	-	8,641,588	96.3%
2008	8,646,566	8,272,820	95.7%	71,120	8,343,940	96.5%
2007	8,608,324	8,269,756	96.1%	43,120	8,312,876	96.6%
2006	5,993,040	5,760,164	96.1%	17,066	5,777,230	96.4%
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%	6,165	3,767,059	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%

WINTER GARDEN

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

	Governmental Activities				Business-Type Activities		
Fiscal Year	Revenue Bonds	Revenue Notes	Agreements	Capital Leases	Water/ Sewer Bonds	Loans	Capital Leases
2010	$ 11,155,000	$ 1,441,384	$ -	$ -	$ -	$ 10,850,340	$ 225,194
2009	11,395,000	1,868,581	-	-	-	11,481,279	293,511
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	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
[1]See the schedule of Demographic and Economic Statistics for personal income and population data.

Total Primary Government	Percentage of Personal Income	Per Capita[1]
$ 23,671,918	2.68%	$ 685
25,038,371	3.02%	808
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

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 Value[1] of Property	Per Capita[2]
2010	$ -	$ -	$ -	-	$ -
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-
2006	-	-	-	-	-
2005	-	-	-	-	-
2004	-	-	-	-	-
2003	-	-	-	-	-
2002	-	-	-	-	-
2001	-	-	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
[1]See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
[2]Population 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, 2010

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
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.

[1]The 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 bounderies and dividing it by the County's total taxable assessed value.

City of Winter Garden, Florida
Legal Debt Margin Information
September 30, 2010

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

Year	Gross Revenues	Less: Operating Expenses[1]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2010	$ 11,227,093	$ 5,785,812	$ 5,441,281	$ -	$ -	N/A
2009	11,591,696	6,205,528	5,386,168	-	-	N/A
2008	12,892,992	6,746,718	6,146,274	-	-	N/A
2007	14,433,258	6,575,741	7,857,517	-	-	N/A
2006	13,734,197	7,264,721	6,469,476	-	-	N/A
2005	15,131,060	5,568,578	9,562,482	-	-	N/A
2004	11,898,799	4,658,418	7,240,381	-	-	N/A
2003	11,170,304	3,809,422	7,360,882	-	-	N/A
2002	10,181,280	3,227,291	6,953,989	16,000	27,500	159.86
2001	9,274,801	2,823,265	6,451,536	146,000	36,100	35.43

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

[1]Total operating expenses exclusive of depreciation

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

Year	Local Government Half-cent Sales Tax Revenues	Debt Service		Coverage
		Principal	Interest	
2010	$ 3,637,662	$ 240,000	$ 484,638	5.02
2009	3,530,583	230,000	494,125	4.88
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

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

	Population[1]		Personal Income[2]		Labor Force (Countywide)[3]			
Fiscal	City of	Orange	City of Winter Garden		Civilian			Unemployment
Year	Winter Garden	County	Annual Income	Per Capita	Labor Force	Employed	Unemployed	Rate[4]
2010	34,568	1,145,956	$ 970,363,454	$ 28,071	609,900	537,799	72,101	11.8
2009	30,987	1,108,882	828,419,688	26,734	604,165	535,531	68,634	11.4
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

[1]Source: University of Florida, Bureau of Economics and Business Research
[2]Source: Metro Orlando Ecomonic Development Commission (2000),
Note: Per capita income information is not available 2001-2010; amounts shown are estimated.
[3]Source: Florida Department of Labor and Employment Security (2000-2002)
Florida Agency for Workforce Innovation (2003-2010)
[4]Countywide

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

		2010			2001		
Employer	**Location**	**Employees**[1]	**Rank**	**Percentage of Total City Employment**[2]	**Employees**	**Rank**	**Percentage of Total City Employment**
Orange County Public Schools	Various (9)	1,347	1	15.71%	Data is not available for 2001		
Heller Bros Packing Co	9th Street	275	2	3.21%			
City of Winter Garden	Plant Street	265	3	3.09%			
Health Central Park	N Dillard Street	266	4	3.10%			
Publix Super Markets	SR 50/SBW	229	5	2.67%			
Target Super Center	Daniels Rd	208	6	2.43%			
Encore Construction	Crown Park Circle	151	7	1.76%			
C & W Trucking Inc	Hennis Road	142	8	1.66%			
Ranger Construction	Elboc Way	135	9	1.57%			
Louis Dreyfus Citrus	9th Street	128	10	1.49%			
Total		3,146		36.70%			

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

	Full-time Equivalent Employees as of September 30									
	2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**
Function										
General government	35	37	33	31	33	28	23	23	19	13
Public Safety										
Police										
Officers	66	64	63	58	58	56	47	43	39	36
Civilians	16	16	16	17	20	18	13	15	14	13
Fire										
Firefighters and officers	45	43	39	35	38	38	34	31	25	21
Civilians	2	2	2	2	1	1	-	-	-	-
Building	8	10	15	17	19	14	10	11	9	9
Public Works	28	31	31	31	36	34	34	21	20	19
Sanitation	19	18	18	18	15	16	16	16	15	16
Culture and recreation	8	8	8	7	9	8	6	15	13	12
Engineering	5	5	5	6	8	7	5	3	1	1
Utilities Administration	2	2	2	5	5	6	5	6	5	8
Water	11	12	11	14	14	15	15	13	11	10
Sewer	13	13	13	13	17	17	17	17	17	15
Environmental Services	2	3	2	-	-	-	-	-	-	-
Stormwater	3	3	4	5	4	3	2	2	2	2
Trailer park	2	2	2	2	1	1	3	5	4	4
Total	265	269	264	261	278	262	230	221	194	179

Source: City of Winter Garden Finance Department

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

					Fiscal
	2010	**2009**	**2008**	**2007**	**2006**
Function					
Police					
Physical arrests	1,216	1,084	1,142	1,170	1,878
Parking violations	321	380	644	802	80
Traffic violations	9,082	9,427	10,813	12,216	7,448
Fire					
Number of calls answered	3,880	3,851	3,714	3,642	3,427
Inspections	1,226	1,126	1,172	1,442	1,258
Public Works					
Street resurfacing	17,034	11,195	3,873	21,336	43,357
Potholes repaired	220	172	245	945	890
Sanitation					
Refuse collected (tons/day)	133	84	87	117	51
Recyclables collected	8	8	6	8	4
Culture and recreation					
Field permits issued	376	905	226	254	156
Facility rentals	294	319	151	196	194
Water					
New connections	373	209	602	699	1,095
Water main breaks	55	7	6	8	3
Average daily consumption	5,308,000	5,935,000	6,100,858	6,670,000	5,985,678
Wastewater					
Average daily sewage treatment	2,410,000	2,500,000	2,420,000	2,350,000	1,990,000

Sources: Various City departments.
Note: Indicators are not available for the general government function.

Year				
2005	**2004**	**2003**	**2002**	**2001**
2,093	1,903	1,604	981	3,006
362	299	518	571	249
8,994	6,918	6,402	5,684	5,775
3,231	2,998	2,556	2,500	2,499
1,222	1,111	919	766	639
22,551	34,332	29,412	42,549	48,010
1,000	1,200	1,005	1,116	1,239
50	50	50	48	46
4	4	3	2	2
85	92	83	97	101
182	175	182	182	137
676	533	593	630	499
3	5	2	5	3
4,616,786	4,354,230	4,236,041	3,289,789	2,828,219
2,010,000	1,870,000	1,790,000	1,620,000	1,370,000

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

Function	2010	2009	2008	2007
Public Safety				
Police:				
Stations	1	1	1	1
Patrol units	38	38	38	38
Fire stations	3	3	3	2
Sanitation				
Collection trucks	17	24	21	18
Public Works				
Streets (miles)	176	176	176	171
Streetlights	2,429	2,419	2,304	2,279
Traffic signals	20	16	22	19
Culture Recreation				
Parks acreage	90	90	60	60
Parks	11	11	9	9
Swimming pools	2	2	2	2
Tennis courts	6	6	6	6
Community centers	1	1	1	1
Water				
Water mains (miles)	190	186	186	186
Fire hydrants	1,380	1,366	1,300	1,300
Maximum daily capacity	12,912,000	10,368,000	10,368,000	10,368,000
Sewer				
Sanitary sewers (miles)	175	164	164	139
Maximum daily treatment capacity	4,000,000	4,000,000	4,000,000	4,000,000
Stormwater				
Storm sewers (miles)	117	112	112	102

Sources: Various City departments.
Note: No capital asset indicators are available for the general government function.

Fiscal Year					
2006	**2005**	**2004**	**2003**	**2002**	**2001**
1	1	1	1	1	1
36	32	29	27	26	26
2	2	2	2	1	1
15	15	14	14	13	11
137	119	103	90	78	69
2,266	2,017	1,795	1,598	1,422	1,266
14	13	11	10	9	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
105	98	90	83	75	68
1,300	1,215	1,116	1,029	930	843
10,368,000	10,368,000	10,368,000	10,368,000	8,064,000	8,064,000
135	127	118	110	101	93
4,000,000	4,000,000	4,000,000	4,000,000	2,000,000	2,000,000
63	56	50	44	40	35

WINTER GARDEN

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COMPLIANCE AND INTERNAL CONTROL SECTION

SBM Sines Blakeslee Madyda
certified public accountants, p.a.

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
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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents and have issued our report thereon dated June 15, 2011. 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 opinions 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or 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 or other matters that are required to be reported under *Government Auditing Standards*.

800 S Dillard Street, Winter Garden, FL 34787 • phone 407.656.6611 • fax 407.656.5372 • www.sbmcpa.us

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

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 is not intended to be, and should not be, used by anyone other than these specified parties.

Sines Blakeslee Madyda

Sines Blakeslee Madyda
Certified Public Accountants, P.A.
June 15, 2011

SBM Sines Blakeslee Madyda
certified public accountants, p.a.

Independent Certified Public Accountants' Management Letter

Honorable Mayor and Members of the
City Commission and City Manager
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, 2010, and have issued our report thereon dated June 15, 2011.

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. 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 *Government Auditing Standards*, which is dated June 15, 2011, 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 contracts or grant agreements , or abuse, that have occurred, or are likely to have occurred that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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- 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 have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. 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, 2010, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2010. 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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and it's 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 Blakeslee Madyda
Certified Public Accountants, P.A.
June 15, 2011