



CITY OF WINTER GARDEN, FLORIDA



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

CITY OF WINTER GARDEN, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ended
September 30, 2013

Prepared by:
Finance Department

CITY OF WINTER GARDEN, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended September 30, 2013

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INTRODUCTORY SECTION



March 21, 2014

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, 2013 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, 2013, 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 unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2013, are fairly presented in all material respects in conformity with GAAP. The Independent Auditor’s Report is presented as the first component of the financial section of this report.

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 Independent Auditor's Report.

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 slowed considerably for several years, but has now begun to pick up again. The City currently occupies a land area of approximately seventeen square miles and serves a population of 37,172. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Commission (the "Commission").

The City operates under the commission-manager form of government. Policy-making and legislative authority are vested in the Commission consisting of the Mayor and four commissioners. The Commission is responsible, among other things, for passing ordinances and resolutions, adopting the budget, authorizing indebtedness, appointing advisory boards, and hiring the City Manager, City Clerk, Attorney, and Auditor. The City Manager is responsible for carrying out the policies and ordinances of the Commission, for overseeing the day-to-day operations of the City, and for appointing the heads of various departments. The Commission is elected on a non-partisan basis. Commission members serve three-year staggered terms, with the Mayor and one Commissioner elected every three years and the other three Commissioners elected the following year. The Commissioners are elected by district, and the Mayor is elected at large.

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

The Commission is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources within the same fund with approval of the City Manager. Fund revenue and expenditure amounts may be increased or decreased by formal action of the City Commission following proper public notice.

Local economy

The City's economic environment is heavily influenced by the economy of Orlando and the Central Florida area. The unemployment rate for Orange County was 6.2 percent in 2013, as compared to 8.4 percent in 2012, 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 an 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 (the "Mall") 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.

On December 19, 2012, the City Commission approved a change of use within a 54 acre property adjacent to the Mall to allow for a hospital and ancillary uses, emergency department, and medically related professional and business offices, clinics, and laboratories. It is anticipated that construction will be done in phases over the next four to seven years. We believe this project will be a significant positive for our local economy through both the construction phase and after completion and will provide for superior healthcare for our citizenry into the future.

Long-term financial planning

Unassigned fund balance in the General Fund as a percentage of total expenditures was 26 percent as of September 30, 2013, 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 1.83 years for the governmental fund portfolio and 1.81 years for the enterprise fund portfolio, and 1.63 years and 1.61 years at the end of the fiscal year, respectively.

The City provides postemployment 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 26 retired employees receiving these benefits, of which the City was paying a portion of the premiums for 22. 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 2013 for these benefits is \$2,289,202.

Major initiatives

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

- Road improvements on Plant Street, east of Dillard Street, continued during the fiscal year to include the start of intersection improvements at Plant Street and 9th Street. As of the end of the fiscal year, \$10,195,200 had been expended on this project, which includes design, right-of-way acquisition, and construction costs.
- The third phase of Dillard Street Improvements, to include the section of Dillard Street located between Tilden and Verna, was substantially completed during the fiscal year. As of the end of the year, \$482,500 had been expended on this project.
- Intersection improvements at CR 545 South and Tilden Road were in the design phase as of the end of the fiscal year. Construction set to begin during the current fiscal year includes signalization of the intersection and the widening of CR 545 from Tilden Rd to just north of Stoneybrook West Parkway. The total project cost is expected to be \$3,100,000.

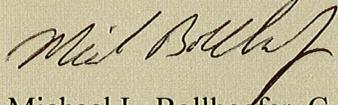
Awards and Acknowledgements

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, 2012. This was the tenth 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



Laura L. Zielonka, C.P.A.
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

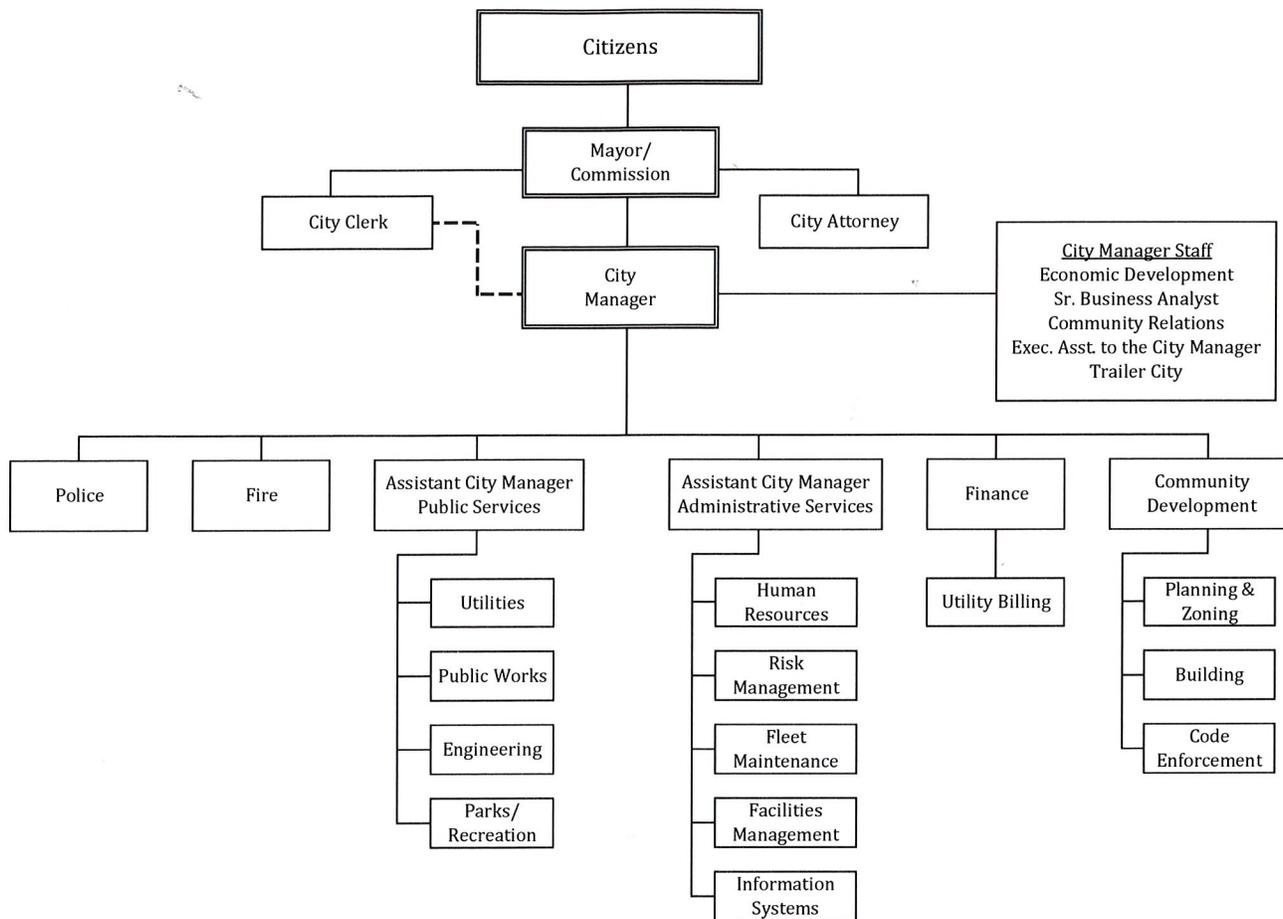
**City of Winter Garden
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

**CITY OF WINTER GARDEN
ORGANIZATION CHART**



CITY OF WINTER GARDEN, FLORIDA
LIST OF ELECTED AND APPOINTED OFFICIALS
As of September 30, 2013

Elected Officials

Mayor	John Rees
City Commissioner—District 1	Kent W. Makin
City Commissioner—District 2	James R. Buchanan
City Commissioner—District 3	Robert M. Olszewski
City Commissioner—District 4	Colin P. Sharman

Appointed Officials

City Manager	Michael L. Bollhoefer
Assistant City Manager—Administrative Services	Frank M. Gilbert
Assistant City Manager—Public Services	Donald R. Cochran
City Clerk	Kathy Golden
City Attorney	A. Kurt Ardaman
Economic Development Director	Tanja D. Gerhartz
Finance Director	Laura L. Zielonka
Community Development Director	Ed Williams
Police Chief	George A. Brennan
Fire Chief	John W. Williamson, II
Recreation Director	Joseph H. Conn



WINTER GARDEN

FINANCIAL SECTION



Sines Blakeslee Madyda

certified public accountants, p.a.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winter Garden, FL (the "City"), as of and for the fiscal year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion, the required supplementary information, and the combining and individual nonmajor fund statements and schedules, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Matters (Concluded)

Other Information (Concluded)

financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2014, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* in considering the City's internal control over financial reporting and compliance.



March 21, 2014
Winter Garden, Florida

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, 2013. 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, 2013 by \$202,080,515. The unrestricted net position on this date was \$26,042,126. These funds are available to meet the ongoing obligations of the City.
- The net position of governmental activities on September 30, 2013 equaled \$110,439,093. Of this amount, \$6,503,304 was unrestricted. The net position of business-type activities equaled \$91,641,422. Of this amount \$19,538,822 was unrestricted.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,297,673. Of this amount, \$6,028,343 is available for spending at the City's discretion (unassigned fund balance).
- Unassigned fund balance in the General Fund was \$6,028,343 at the end of the fiscal year, or 26 percent of total expenditures.
- Net position in the Pension Trust Fund for General Employees increased \$2,385,962. Net position restricted in the Pension Trust Fund for Firefighters and Police Officers increased \$3,394,030.

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 of 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 position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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 nine 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 six funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 28-36 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, solid waste collection operation, stormwater utility, 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 37-39 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 40-41 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 42-71 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found on pages 72-73 of this report.

The combining statements referred to earlier in connection with nonmajor governmental and enterprise funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 74-88 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$202,080,515 at the

close of the most recent fiscal year. The City's increase in net position for this fiscal year amounts to \$2,737,346.

The largest portion of the City's net position 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 \$148,521,449 or 73 percent of total net position. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

CITY OF WINTER GARDEN'S Net Position						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 31,622,879	\$ 31,880,697	\$ 32,104,263	\$29,348,819	\$ 63,727,142	\$ 61,229,516
Capital assets	96,455,929	95,282,592	71,476,289	71,111,711	167,932,218	166,394,303
Total assets	128,078,808	127,163,289	103,580,552	100,460,530	231,659,360	227,623,819
Long-term liabilities						
outstanding	13,425,470	13,551,139	9,450,002	10,100,823	22,875,472	23,651,962
Other liabilities	4,214,245	2,288,813	2,489,128	2,339,875	6,703,373	4,628,688
Total liabilities	17,639,715	15,839,952	11,939,130	12,440,698	29,578,845	28,280,650
Net position:						
Net investment in						
capital assets	85,907,752	84,043,498	62,613,697	61,492,810	148,521,449	145,536,308
Restricted	18,028,037	21,033,800	9,488,903	10,391,672	27,516,940	31,425,472
Unrestricted	6,503,304	6,246,039	19,538,822	16,135,350	26,042,126	22,381,389
Total net position	\$110,439,093	\$111,323,337	\$91,641,422	\$88,019,832	\$202,080,515	\$199,343,169

An additional portion of the City's net position (fourteen percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$26,042,126) 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 position, 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 position increased by \$2,737,346 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 decreased the City's net position by \$(884,244). A key element of this decrease was the elimination of the County Road 545 Benefit Overlay Area Impact Fee which resulted in the refund of \$(2,547,098) of transportation impact fees paid that were eligible for refunds.

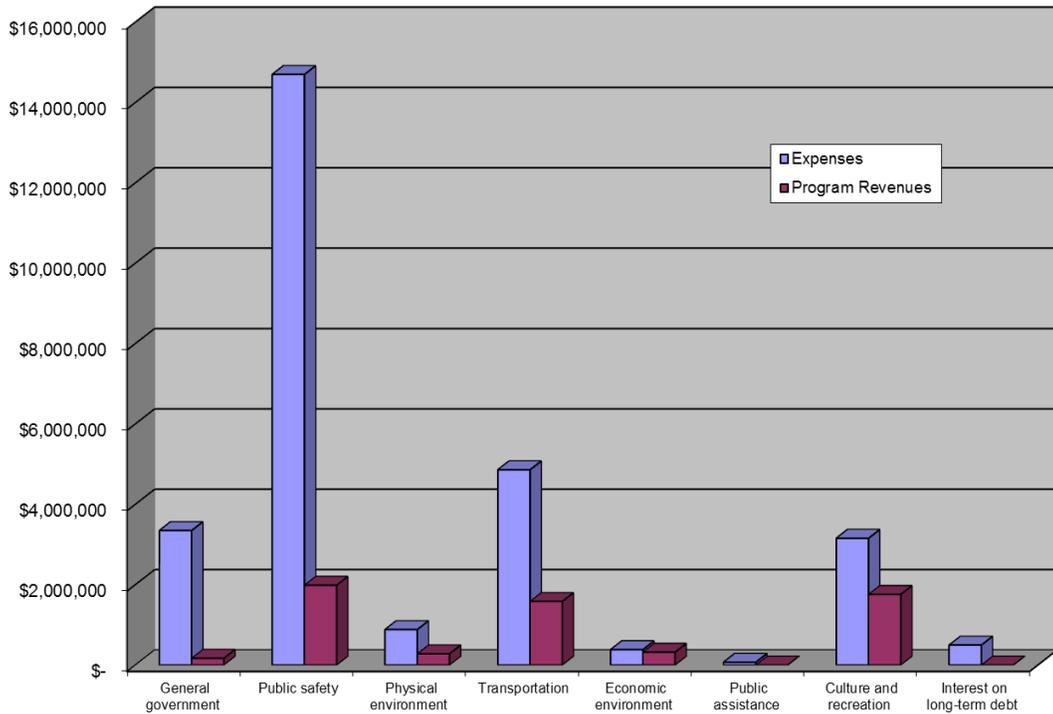
CITY OF WINTER GARDEN'S Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 2,660,425	\$ 1,836,952	\$15,361,383	\$15,301,875	\$ 18,021,808	\$ 17,138,827
Operating grants and contributions	2,171,833	2,109,519	-	-	2,171,833	2,109,519
Capital grants and contributions	1,264,890	3,741,057	2,423,465	2,171,441	3,688,355	5,912,498
General revenues:						
Ad valorem	7,790,846	7,837,097	-	-	7,790,846	7,837,097
Utility service taxes	3,093,927	2,959,428	-	-	3,093,927	2,959,428
Communication services						
Taxes	1,313,968	1,335,434	-	-	1,313,968	1,335,434
Local business tax	189,172	216,115	-	-	189,172	216,115
Franchise fees	2,066,681	2,219,911	-	-	2,066,681	2,219,911
Unrestricted						
intergovernmental	6,142,848	5,546,151	-	-	6,142,848	5,546,151
Investment earnings	77,619	128,671	58,287	141,859	135,906	270,530
Gain on sale of capital assets	365	-	2,416	12,369	2,781	12,369
Other	238,894	76,238	-	-	238,894	76,238
Total revenues	27,011,468	28,006,573	17,845,551	17,627,544	44,857,019	45,634,117
Expenses:						
General government	3,347,842	3,613,453	-	-	3,347,842	3,613,453
Public safety	14,698,706	14,358,645	-	-	14,698,706	14,358,645
Physical environment	882,923	880,896	-	-	882,923	880,896
Transportation	4,860,760	2,984,277	-	-	4,860,760	2,984,277
Economic environment	384,538	472,447	-	-	384,538	472,447
Public assistance	68,460	66,395	-	-	68,460	66,395
Culture and recreation	3,156,005	2,906,672	-	-	3,156,005	2,906,672
Interest on long-term debt	496,478	528,365	-	-	496,478	528,365
Water and sewer	-	-	9,415,688	9,328,982	9,415,688	9,328,982
Solid Waste	-	-	3,846,664	3,829,306	3,846,664	3,829,306
Stormwater	-	-	733,116	654,299	733,116	654,299
Mobile home lot rentals	-	-	228,493	246,233	228,493	246,233
Total expenses	27,895,712	25,811,150	14,223,961	14,058,820	42,119,673	39,869,970
Increase (decrease) in net position	(884,244)	2,195,423	3,621,590	3,568,724	2,737,346	5,764,147
Net position- beginning	111,323,337	109,127,914	88,019,832	84,451,108	199,343,169	193,579,022
Net position- ending	\$110,439,093	\$111,323,337	\$91,641,422	\$88,019,832	\$202,080,515	\$199,343,169

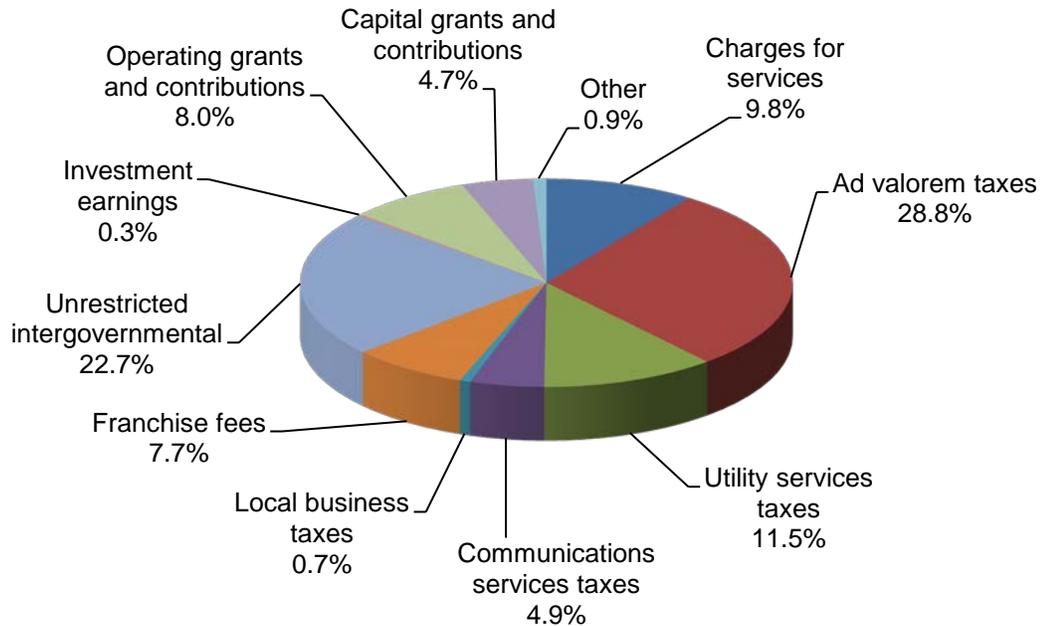
Business-type activities. Business-type activities increased the City's net position by \$3,621,590, accounting for 132 percent of the total growth in the City's net position. Key elements of this increase are as follows:

- 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 \$1,418,491. While the City makes capital improvements and major

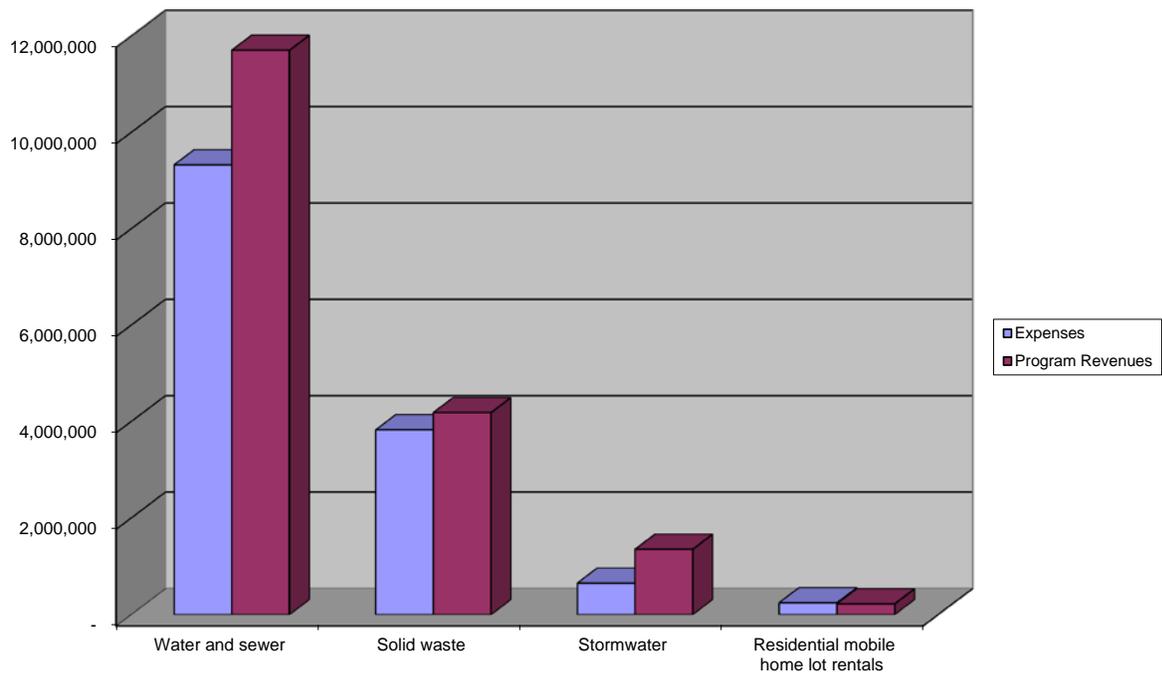
Expenses and Program Revenues - Governmental Activities



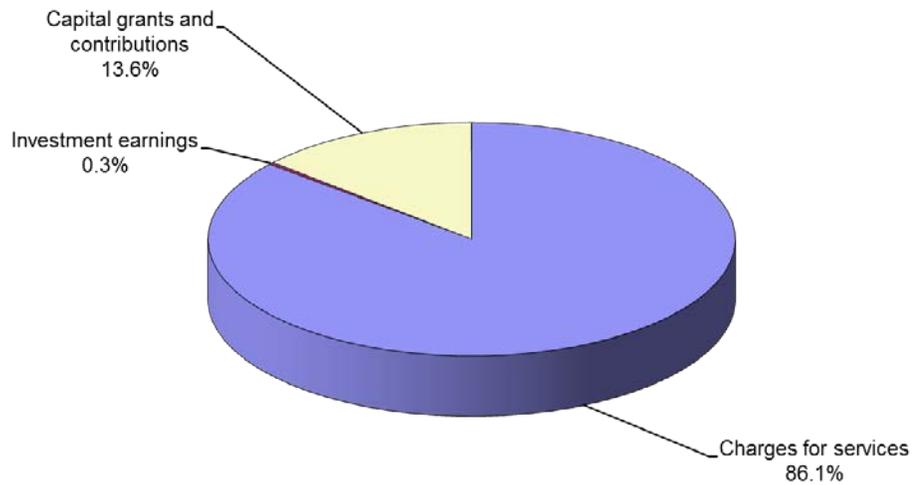
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



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 position.

- The City experienced new construction during the current fiscal year, resulting in the collection of \$2,122,507 for water and sewer impact fees, plus receipts of \$265,925 for developer and intergovernmental cost-share agreements. 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.

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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's governmental funds reported combined ending fund balances of \$25,297,673 at September 30, 2013, which consisted of \$910,500 in nonspendable, \$1,439,632 in restricted, \$16,919,198 in committed, and \$6,028,343 in unassigned fund balance. The fund balance is a net decrease of \$(2,056,086) from the reported fund balance of \$27,353,759 in the prior year. The decrease is primarily a result of the refunds of the CR545 impact fees during the fiscal year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,028,343, while total fund balance was \$7,175,041. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26 percent of General Fund expenditures, while total fund balance represents 31 percent of the same amount.

The fund balance of the City's General Fund increased by \$873,576 during the current fiscal year. The key factors in this increase are as follows:

- General government expenditures were under budget by \$315,699 primarily due to position vacancies.
- Public safety expenditures were under budget by \$407,425 primarily due to the timing of the purchase of the new fire engine. It was budgeted to be purchased and delivered in FY2013, however, it was not delivered until October 2013.

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 \$109,660 in this fund. The key factor in this increase was due to projects budgeted but not expended (\$110,000).

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 \$(2,393,649) in this fund. The decrease is primarily a result of the elimination of the County Road 545 Benefit Overlay Area Impact Fee that provided for partial refund of such impact fees previously paid. The amount of impact fees refunded totaled to \$(2,547,098).

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 position of the Water and Sewer Utility Fund at the end of the year amounted to \$15,754,285. Total growth in net position for this fund was \$2,514,276. Factors concerning this increase have already been addressed in the discussion of the City's business-type activities. Unrestricted net position in the Solid Waste Fund at the end of the year amounted to \$2,373,622, with an increase in net position of \$454,021. 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 \$1,593,922 from the original budget to the final amended budget (an increase of seven percent). These increases can be summarized as follows:

- \$481,908 increase in general government activities. This was primarily due to an increase for executive activities for the purchase of land for parking and a parking expansion project (\$297,031). There was also an increase for executive activities for a reappropriation from the prior year for environmental cleanup of a City owned parcel of land (\$176,451).
- \$386,367 increase in public safety activities. This was primarily due to increases for law enforcement activities for a reappropriation from the prior year for new dispatch consoles (\$300,000).

The final budget for intergovernmental revenue was \$6,230,878, while the actual amount was \$6,359,306, a variance of \$128,428 due to additional state shared revenue proceeds. The final budget for permits, fees and special assessments was \$3,132,099, which the actual amount was \$3,274,597, a variance of \$142,498 due to increase in building permits. Both of these were the main contributors for total revenues of \$25,659,873 to be \$310,672 above the final budget of \$25,349,201.

The final budget for Transportation was \$1,342,321, while the actual amount was \$1,005,284, a variance of \$337,037. This was primarily due to construction projects that were not yet completed as of the end of the fiscal year.

While the final budget provided for the use of \$661,231 of fund balance during the year, fund balance increased \$873,576. This is primarily due to the 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, 2013 amounts to \$167,932,218 (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 one percent (a 1.2 percent increase for governmental activities and a 0.5 percent increase for business-type activities).

CITY OF WINTER GARDEN'S Capital Assets			
	Governmental Activities	Business-type Activities	Total
Land	\$ 24,554,384	\$ 1,024,601	\$ 25,578,985
Buildings	27,866,823	2,413,631	30,280,454
Improvements other than buildings	11,106,496	21,495,989	32,602,485
Machinery and equipment	12,872,074	7,990,661	20,862,735
Infrastructure	53,053,569	61,694,864	114,748,433
Construction work in progress	2,895,644	12,172,196	15,067,840
Less: accumulated depreciation	(35,893,060)	(35,315,653)	(71,208,714)
Net capital assets	<u>\$ 96,455,929</u>	<u>\$ 71,476,289</u>	<u>\$167,932,218</u>

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

- Road improvements on Plant Street, east of Dillard Street, continued during the fiscal year to include the start of intersection improvements at Plant Street and 9th Street. As of the end of the fiscal year, \$10,195,200 had been expended on this project, which includes design, right-of-way acquisition, and construction costs.
- The third phase of Dillard Street Improvements, to include the section of Dillard Street located between Tilden and Verna, was substantially completed during the fiscal year. As of the end of the year, \$482,500 had been expended on this project.
- Intersection improvements at CR 545 South and Tilden Road were in the design phase as of the end of the fiscal year. Construction set to begin during the current fiscal year includes signalization of the intersection and the widening of CR 545 from Tilden Rd to just north of Stoneybrook West Parkway. The total project cost is expected to be \$3,100,000.

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

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$19,410,769. Of this amount, \$168,177 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	\$10,380,000
2001 CRA Loan	168,177
Sub-total	<u>10,548,177</u>
Business Type:	
2004 SRF Loan	1,283,760
2003 SRF Loan	6,892,307
2001 SRF Loan	686,525
Sub-total	<u>8,862,592</u>
Total	<u>\$19,410,769</u>

The City's total debt decreased by \$1,447,226 (seven 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 2014, the City retained its millage rate of 4.2500. However, the adopted rate was above the rolled-back rate of 4.1188 by 3.19% due to increased property values. During the budget process for fiscal year 2014, department heads focused on controlling costs and were successful in doing so.

On January 9, 2014, the City approved entering into a cost share agreement with St. Johns River Water Management District for phase 2 of the Southwest Reclaimed Water Service Expansion Project. The cost share agreement provides the City with a 40% cost share, not to exceed \$479,040. The purpose of the project is to continue to connect neighborhoods within the Stonybrook subdivision in the southwest area of the City through the Conserv II reuse water main, which is required as part of the City's consumptive use permit.

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 Position
September 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,586,510	\$ 1,988,385	\$ 4,574,895
Receivables (net of allowance for uncollectibles)	378,490	2,067,279	2,445,769
Internal balances	918,940	(918,940)	-
Due from other governmental units	902,564	-	902,564
Inventories	24,041	473,762	497,803
Investments	24,664,867	14,251,508	38,916,375
Prepaid items	387,775	-	387,775
Employee Advances	668	-	668
Restricted cash, cash equivalents, and investments	-	14,242,269	14,242,269
Pension assets	1,759,024	-	1,759,024
Capital assets (net of accumulated depreciation):			
Land	24,554,384	1,024,601	25,578,985
Buildings	21,034,812	2,413,631	23,448,443
Improvements other than buildings	7,467,800	10,066,805	17,534,605
Machinery and equipment	2,217,533	2,948,599	5,166,132
Infrastructure	38,285,756	42,850,457	81,136,213
Construction work in progress	2,895,644	12,172,196	15,067,840
Total assets	128,078,808	103,580,552	231,659,360
LIABILITIES			
Accounts payable	1,103,704	384,351	1,488,055
Contracts payable	227,479	-	227,479
Due to other governmental units	468,507	16,529	485,036
Accrued wages payable	692,739	128,716	821,455
Deposits	229,908	-	229,908
Unearned revenue	1,136,580	78,962	1,215,542
Other current liabilities	355,328	-	355,328
Liabilities payable from restricted assets	-	1,880,570	1,880,570
Noncurrent liabilities:			
Due within one year	157,407	728,548	885,955
Due in more than one year	13,268,063	8,721,454	21,989,517
Total liabilities	17,639,715	11,939,130	29,578,845
NET POSITION			
Net investment in capital assets	85,907,752	62,613,697	148,521,449
Restricted for:			
Public safety	1,350,259	-	1,350,259
Transportation	16,677,778	-	16,677,778
Debt service	-	560,282	560,282
Capital projects	-	8,928,621	8,928,621
Unrestricted	6,503,304	19,538,822	26,042,126
Total net position	\$ 110,439,093	\$ 91,641,422	\$ 202,080,515

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, 2013

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government	\$ 4,805,546	\$ (1,457,704)	\$ 168,104	\$ -	\$ -
Public safety	14,698,706	-	1,257,015	504,739	225,884
Physical environment	1,350,793	(467,870)	279,611	-	-
Transportation	4,860,760	-	415,181	1,168,292	-
Economic environment	363,154	21,384	-	319,576	-
Public assistance	68,460	-	-	-	-
Culture and recreation	3,156,005	-	540,514	179,226	1,039,006
Interest on long-term debt	496,478	-	-	-	-
Total governmental activities	<u>29,799,902</u>	<u>(1,904,190)</u>	<u>2,660,425</u>	<u>2,171,833</u>	<u>1,264,890</u>
Business-type activities:					
Water and sewer	8,245,758	1,169,930	9,449,881	-	2,423,465
Solid waste	3,264,385	582,279	4,300,684	-	-
Stormwater	592,206	140,910	1,380,755	-	-
Residential mobile home lot rentals	217,422	11,071	230,063	-	-
Total business-type activities	<u>12,319,771</u>	<u>1,904,190</u>	<u>15,361,383</u>	<u>-</u>	<u>2,423,465</u>
Total Functions/Programs	<u>\$ 42,119,673</u>	<u>\$ -</u>	<u>\$ 18,021,808</u>	<u>\$ 2,171,833</u>	<u>\$ 3,688,355</u>

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 position
Net position—beginning
Net position—ending

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

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

Governmental Activities	Business-type Activities	Total
\$ (3,179,738)	\$ -	\$ (3,179,738)
(12,711,068)	-	(12,711,068)
(603,312)	-	(603,312)
(3,277,287)	-	(3,277,287)
(64,962)	-	(64,962)
(68,460)	-	(68,460)
(1,397,259)	-	(1,397,259)
(496,478)	-	(496,478)
<u>(21,798,564)</u>	<u>-</u>	<u>(21,798,564)</u>
-	2,457,658	2,457,658
-	454,020	454,020
-	647,639	647,639
-	1,570	1,570
-	<u>3,560,887</u>	<u>3,560,887</u>
<u>(21,798,564)</u>	<u>3,560,887</u>	<u>(18,237,677)</u>
7,790,846	-	7,790,846
3,093,927	-	3,093,927
1,313,968	-	1,313,968
189,172	-	189,172
2,066,681	-	2,066,681
6,142,848	-	6,142,848
77,619	58,287	135,906
365	2,416	2,781
238,894	-	238,894
<u>20,914,320</u>	<u>60,703</u>	<u>20,975,023</u>
(884,244)	3,621,590	2,737,346
<u>111,323,337</u>	<u>88,019,832</u>	<u>199,343,169</u>
<u>\$ 110,439,093</u>	<u>\$ 91,641,422</u>	<u>\$ 202,080,515</u>

City of Winter Garden, Florida
Balance Sheet
Governmental Funds
September 30, 2013

	General	Community Redevelopment Agency
ASSETS		
Cash and cash equivalents	\$ 503,991	\$ 626,770
Receivables (net of allowance for uncollectibles)	378,490	-
Due from other funds	-	-
Advances to other funds	522,725	-
Due from other governmental units	500,965	-
Investments	8,518,437	-
Prepaid items	387,775	-
Employee Advances	668	-
Total assets	\$ 10,813,051	\$ 626,770
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 754,948	\$ 9,450
Contracts payable	-	-
Due to other funds	-	-
Due to other governmental units	468,507	-
Accrued wages payable	692,739	-
Deposits	229,908	-
Deferred revenue	1,136,580	-
Other current liabilities	355,328	-
Advances from other funds	-	522,725
Total liabilities	3,638,010	532,175
Fund balances:		
Nonspendable:		
Advances to other funds	522,725	-
Prepaid items	387,775	-
Restricted for:		
Law enforcement	31,645	-
Television production equipment	28,440	-
Enforcement of Florida Building Code	176,113	-
Transportation projects	-	94,595
Committed to:		
Law enforcement	-	-
Fire control	-	-
Transportation projects	-	-
Unassigned	6,028,343	-
Total fund balances	7,175,041	94,595
Total liabilities and fund balances	\$ 10,813,051	\$ 626,770

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

<u>Impact Fee</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 980,355	\$ 475,394	\$ 2,586,510
-	-	378,490
-	918,940	918,940
-	-	522,725
-	401,599	902,564
16,146,430	-	24,664,867
-	-	387,775
-	-	668
<u>\$ 17,126,785</u>	<u>\$ 1,795,933</u>	<u>\$ 30,362,539</u>
\$ 80,457	\$ 258,849	\$ 1,103,704
199,818	27,661	227,479
-	-	-
-	-	468,507
-	-	692,739
-	-	229,908
-	327,896	1,464,476
-	-	355,328
-	-	522,725
<u>280,275</u>	<u>614,406</u>	<u>5,064,866</u>
-	-	522,725
-	-	387,775
-	186,973	218,618
-	-	28,440
-	-	176,113
-	921,866	1,016,461
533,612	-	533,612
629,674	-	629,674
15,683,224	72,688	15,755,912
-	-	6,028,343
<u>16,846,510</u>	<u>1,181,527</u>	<u>25,297,673</u>
<u>\$ 17,126,785</u>	<u>\$ 1,795,933</u>	<u>\$ 30,362,539</u>



WINTER GARDEN

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**City of Winter Garden, Florida
 Reconciliation of the Balance Sheet of
 Governmental Funds to the Statement of Net Position
 September 30, 2013**

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

Fund balances-total governmental funds	\$ 25,297,673
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	96,455,929
Inventories are recognized as an expenditure at the time of purchase in the governmental funds.	24,041
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.	1,759,024
Earned but deferred revenue is recognized as a liability in the governmental funds.	327,896
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(13,425,470)</u>
Net position of governmental activities	<u><u>\$ 110,439,093</u></u>

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

City of Winter Garden, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2013

	General	Community Redevelopment Agency
REVENUES		
Taxes:		
Ad valorem	\$ 7,790,846	\$ -
Utility services	3,093,927	-
Communications services	1,313,968	-
Local business	189,172	-
Permits, fees, and special assessments	3,274,597	-
Intergovernmental	6,359,306	319,576
Charges for services	2,900,804	-
Fines and forfeits	93,514	-
Investment earnings	74,125	1
Rents and royalties	295,471	-
Contributions and donations	36,233	-
Other	237,910	-
Total revenues	25,659,873	319,577
EXPENDITURES		
Current:		
General government	4,599,049	-
Public safety	13,277,433	-
Physical environment	1,455,848	-
Transportation	1,005,284	-
Economic environment	121,712	52,702
Public assistance	68,460	-
Culture and recreation	2,820,801	-
Debt service:		
Principal	-	-
Interest	-	12,541
Total expenditures	23,348,587	65,243
Excess (deficiency) of revenues over (under) expenditures	2,311,286	254,334
OTHER FINANCING SOURCES (USES)		
Transfers in	-	305,342
Transfers out	(1,437,710)	(450,016)
Total other financing sources and (uses)	(1,437,710)	(144,674)
Net change in fund balances	873,576	109,660
Fund balances (deficit)—beginning	6,301,465	(15,065)
Fund balances—ending	\$ 7,175,041	\$ 94,595

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

<u>Impact Fee</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 7,790,846
-	-	3,093,927
-	-	1,313,968
-	-	189,172
1,685,253	42,500	5,002,350
838,377	1,599,817	9,117,076
-	-	2,900,804
-	107,986	201,500
63,366	3,493	140,985
-	-	295,471
-	-	36,233
-	-	237,910
<u>2,586,996</u>	<u>1,753,796</u>	<u>30,320,242</u>
-	-	4,599,049
5,888	543,718	13,827,039
-	-	1,455,848
5,374,757	1,863,281	8,243,322
-	-	174,414
-	-	68,460
-	-	2,820,801
-	690,917	690,917
-	483,937	496,478
<u>5,380,645</u>	<u>3,581,853</u>	<u>32,376,328</u>
<u>(2,793,649)</u>	<u>(1,828,057)</u>	<u>(2,056,086)</u>
400,000	1,182,384	1,887,726
-	-	(1,887,726)
<u>400,000</u>	<u>1,182,384</u>	<u>-</u>
(2,393,649)	(645,673)	(2,056,086)
19,240,159	1,827,200	27,353,759
<u>\$ 16,846,510</u>	<u>\$ 1,181,527</u>	<u>\$ 25,297,673</u>

**City of Winter Garden, Florida
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2013**

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

Net change in fund balances—total governmental funds	\$ (2,056,086)
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.	1,173,709
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.	(372)
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.	690,917
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.	(679,325)
In the governmental funds, purchases of inventories are reported as expenditures, whereas in the Statement of Activities, only the change in the balance of inventories is expensed.	<u>(13,087)</u>
Change in net position of governmental activities	<u>\$ (884,244)</u>

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

City of Winter Garden, Florida
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Ad valorem	\$ 7,770,831	\$ 7,770,831	\$ 7,790,846	\$ 20,015
Utility services	3,130,691	3,130,691	3,093,927	(36,764)
Communications services	1,332,921	1,332,921	1,313,968	(18,953)
Local business	175,860	175,860	189,172	13,312
Permits, fees, and special assessments	2,906,702	3,132,099	3,274,597	142,498
Intergovernmental	5,903,872	6,230,878	6,359,306	128,428
Charges for services	2,721,690	2,847,786	2,900,804	53,018
Fines and forfeits	92,706	111,768	93,514	(18,254)
Investment earnings	60,632	60,632	74,125	13,493
Rents and royalties	223,636	291,095	295,471	4,376
Contributions and donations	8,287	28,287	36,233	7,946
Other	47,610	236,353	237,910	1,557
Total revenues	<u>24,375,438</u>	<u>25,349,201</u>	<u>25,659,873</u>	<u>310,672</u>
EXPENDITURES				
Current:				
General government:				
Legislative	130,820	141,085	104,416	36,669
Executive	1,026,622	1,516,553	1,207,554	308,999
Financial and administrative	2,614,933	2,596,645	2,573,268	23,377
Legal counsel	234,703	234,703	309,833	(75,130)
Comprehensive planning	425,762	425,762	403,978	21,784
Total general government	<u>4,432,840</u>	<u>4,914,748</u>	<u>4,599,049</u>	<u>315,699</u>
Public safety:				
Law enforcement	7,958,836	8,283,932	8,063,444	220,488
Fire control	4,768,011	4,829,282	4,605,896	223,386
Protective inspections	571,644	571,644	608,093	(36,449)
Total public safety	<u>13,298,491</u>	<u>13,684,858</u>	<u>13,277,433</u>	<u>407,425</u>
Physical environment:				
Cemetery	125,723	255,067	306,171	(51,104)
Building maintenance	488,609	488,609	473,938	14,671
Fleet maintenance	450,847	450,847	449,898	949
Public Services Administration	202,869	210,869	225,841	(14,972)
Total physical environment	<u>1,268,048</u>	<u>1,405,392</u>	<u>1,455,848</u>	<u>(50,456)</u>
Transportation:				
Engineering	288,845	351,552	381,064	(29,512)
Construction and maintenance	724,104	990,769	624,220	366,549
Total transportation	<u>1,012,949</u>	<u>1,342,321</u>	<u>1,005,284</u>	<u>337,037</u>
Economic environment	207,818	207,818	121,712	86,106
Public assistance	70,560	70,560	68,460	2,100
Culture and recreation	2,565,210	2,824,141	2,820,801	3,340
Reserve for contingencies	100,000	100,000	-	100,000
Total expenditures	<u>22,955,916</u>	<u>24,549,838</u>	<u>23,348,587</u>	<u>1,201,251</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,419,522</u>	<u>799,363</u>	<u>2,311,286</u>	<u>1,511,923</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,478,043)	(1,478,043)	(1,437,710)	40,333
Sale of capital assets	17,449	17,449	-	(17,449)
Total other financing sources and (uses)	<u>(1,460,594)</u>	<u>(1,460,594)</u>	<u>(1,437,710)</u>	<u>22,884</u>
Net change in fund balances	(41,072)	(661,231)	873,576	1,534,807
Fund balances—beginning	6,301,465	6,301,465	6,301,465	-
Fund balances—ending	<u>\$ 6,260,393</u>	<u>\$ 5,640,234</u>	<u>\$ 7,175,041</u>	<u>\$ 1,534,807</u>

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

City of Winter Garden, Florida
Community Redevelopment Agency Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ 319,855	\$ 319,855	\$ 319,576	\$ (279)
Investment earnings	<u>5</u>	<u>5</u>	<u>1</u>	<u>(4)</u>
Total revenues	<u>319,860</u>	<u>319,860</u>	<u>319,577</u>	<u>(283)</u>
EXPENDITURES				
Current:				
Economic environment	7,379,464	7,379,464	52,702	7,326,762
Debt service:				
Interest	<u>12,541</u>	<u>12,541</u>	<u>12,541</u>	<u>-</u>
Total expenditures	<u>7,392,005</u>	<u>7,392,005</u>	<u>65,243</u>	<u>7,326,762</u>
Excess of revenues over expenditures	<u>(7,072,145)</u>	<u>(7,072,145)</u>	<u>254,334</u>	<u>7,326,479</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	305,342	305,342	305,342	-
Transfers out	<u>(559,793)</u>	<u>(559,793)</u>	<u>(450,016)</u>	<u>109,777</u>
Total other financing sources and (uses)	<u>(254,451)</u>	<u>(254,451)</u>	<u>(144,674)</u>	<u>109,777</u>
Net change in fund balances	(7,326,596)	(7,326,596)	109,660	7,436,256
Fund (deficits)—beginning	<u>(15,065)</u>	<u>(15,065)</u>	<u>(15,065)</u>	<u>-</u>
Fund (deficits)—ending	<u>\$ (7,341,661)</u>	<u>\$ (7,341,661)</u>	<u>\$ 94,595</u>	<u>\$ 7,436,256</u>

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

City of Winter Garden, Florida
Impact Fee Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
REVENUES				
Permits, fees, and special assessments	\$ 981,090	\$ 919,005	\$ 1,685,253	\$ 766,248
Intergovernmental	-	840,252	838,377	(1,875)
Investment earnings	149,911	135,088	63,366	(71,722)
Contributions and donations	-	-	-	-
Total revenues	1,131,001	1,894,345	2,586,996	692,651
EXPENDITURES				
Current:				
Public safety:				
Law enforcement	5,988	5,988	5,888	100
Total public safety	5,988	5,988	5,888	100
Transportation	3,350,000	11,874,426	5,374,757	6,499,669
Total expenditures	3,355,988	11,880,414	5,380,645	6,499,769
Excess (deficiency) of revenues over (under) expenditures	(2,224,987)	(9,986,069)	(2,793,649)	7,192,420
OTHER FINANCING SOURCES (USES)				
Transfers in	3,975,768	3,975,768	400,000	(3,575,768)
Total other financing sources and (uses)	3,975,768	3,975,768	400,000	(3,575,768)
Net change in fund balances	1,750,781	(6,010,301)	(2,393,649)	3,616,652
Fund balances—beginning	19,240,159	19,240,159	19,240,159	-
Fund balances—ending	\$ 26,717,489	\$ 11,195,325	\$ 16,846,510	\$ 5,651,185

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

City of Winter Garden, Florida
Statement of Net Position
Proprietary Funds
For the Year Ended September 30, 2013

	Business-type Activities—Enterprise Funds			
	Water and Sewer Utility	Solid Waste	Other Enterprise Funds	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 262,280	\$ 877,911	\$ 848,194	\$ 1,988,385
Accounts receivable (net of allowance for uncollectibles)	1,457,758	402,014	133,966	1,993,738
Due from other funds	-	1,429,007	605,978	2,034,985
Interest receivable	73,541	-	-	73,541
Inventories--materials and supplies	473,762	-	-	473,762
Investments	14,251,508	-	-	14,251,508
Restricted cash, cash equivalents, and investments for payment of current liabilities	5,512,191	-	-	5,512,191
Total current assets	22,031,040	2,708,932	1,588,138	26,328,110
Noncurrent assets:				
Restricted cash, cash equivalents, and investments:				
Capital projects	8,169,796	-	-	8,169,796
Debt service	560,282	-	-	560,282
Total restricted	8,730,078	-	-	8,730,078
Capital assets:				
Land	700,149	261,152	63,300	1,024,601
Buildings	5,882,871	606,760	77,227	6,566,858
Improvements other than buildings	18,418,849	317,018	2,760,123	21,495,990
Machinery and equipment	3,206,149	4,028,777	755,735	7,990,661
Infrastructure	54,323,722	-	3,217,913	57,541,635
Construction work in progress	10,615,730	-	1,556,466	12,172,196
Less accumulated depreciation	(29,291,350)	(3,012,919)	(3,011,383)	(35,315,652)
Total capital assets (net of accumulated depreciation)	63,856,120	2,200,788	5,419,381	71,476,289
Total noncurrent assets	72,586,198	2,200,788	5,419,381	80,206,367
Total assets	94,617,238	4,909,720	7,007,519	106,534,477
LIABILITIES				
Current liabilities:				
Accounts payable	189,444	115,349	79,558	384,351
Due to other governmental units	856	-	15,673	16,529
Compensated absences	14,813	11,383	5,297	31,493
Accrued interest payable	-	-	-	-
Accrued wages payable	82,094	36,153	10,469	128,716
Unearned revenue	67,749	-	11,213	78,962
Payable from restricted assets:				
Accounts payable	308,398	-	-	308,398
Notes and loans payable	697,055	-	-	697,055
Contracts payable	97,015	-	-	97,015
Due to other funds	2,953,925	-	-	2,953,925
Accrued interest payable	35,872	-	-	35,872
Customer deposits	1,439,285	-	-	1,439,285
Total current liabilities	5,886,506	162,885	122,210	6,171,601
Noncurrent liabilities:				
Notes and loans payable	8,165,537	-	-	8,165,537
Compensated absences	52,660	20,879	23,109	96,648
Other postemployment benefits	275,819	151,546	31,904	459,269
Total noncurrent liabilities	8,494,016	172,425	55,013	8,721,454
Total liabilities	14,380,522	335,310	177,223	14,893,055
NET POSITION				
Net investment in capital assets	54,993,528	2,200,788	5,419,381	62,613,697
Restricted for:				
Capital projects	8,928,621	-	-	8,928,621
Debt service	560,282	-	-	560,282
Unrestricted	15,754,285	2,373,622	1,410,915	19,538,822
Total net position	\$ 80,236,716	\$ 4,574,410	\$ 6,830,296	\$ 91,641,422

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 Position
Proprietary Funds
For the Year Ended September 30, 2013

Business-type Activities—Enterprise Funds				
	Water and Sewer Utility	Solid Waste	Other Enterprise Funds	Totals
Operating revenues:				
Permits, fees, and special assessments	\$ 7,375	\$ -	\$ 1,379,039	\$ 1,386,414
Charges for services	9,402,907	4,296,027	-	13,698,934
Other	39,599	4,657	231,779	276,035
Total operating revenues	<u>9,449,881</u>	<u>4,300,684</u>	<u>1,610,818</u>	<u>15,361,383</u>
Operating expenses:				
Personal services	1,783,229	1,042,560	237,577	3,063,366
Contractual services	709,640	1,166,571	114,236	1,990,447
Utilities	863,348	-	5,728	869,076
Supplies	796,932	431,424	31,737	1,260,093
Depreciation	3,269,058	412,305	344,727	4,026,090
Other services and charges	1,714,787	793,804	225,229	2,733,820
Total operating expenses	<u>9,136,994</u>	<u>3,846,664</u>	<u>959,234</u>	<u>13,942,892</u>
Operating income	<u>312,887</u>	<u>454,020</u>	<u>651,584</u>	<u>1,418,491</u>
Nonoperating revenues (expenses):				
Investment earnings	93,318	1	1	93,320
Gain (loss) on sale of capital assets	(1,667)	-	4,083	2,416
Interest expense	(278,694)	-	(2,375)	(281,069)
Total nonoperating revenues (expenses)	<u>(187,043)</u>	<u>1</u>	<u>1,709</u>	<u>(185,333)</u>
Income before contributions	125,844	454,021	653,293	1,233,158
Capital contributions:				
Permits, fees, and special assessments	2,122,507	-	-	2,122,507
Contributions	265,925	-	-	265,925
Change in net position	2,514,276	454,021	653,293	3,621,590
Total net position—beginning	<u>77,722,440</u>	<u>4,120,389</u>	<u>6,177,003</u>	<u>88,019,832</u>
Total net position—ending	<u>\$ 80,236,716</u>	<u>\$ 4,574,410</u>	<u>\$ 6,830,296</u>	<u>\$ 91,641,422</u>

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

City of Winter Garden, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2013

	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	\$ 9,555,694	\$ 4,323,758	\$ 1,616,588	\$ 15,496,040
Payments to suppliers	(4,007,528)	(2,370,344)	(333,502)	(6,711,374)
Payments to employees	(1,711,648)	(999,713)	(221,177)	(2,932,538)
Payments to other governmental units	(10,590)	-	-	(10,590)
Net cash provided by operating activities	<u>3,825,928</u>	<u>953,701</u>	<u>1,061,909</u>	<u>5,841,538</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Decrease in due to other funds	(1,214,127)	-	-	(1,214,127)
Interest paid on deposits	(40,153)	-	-	(40,153)
Net cash (used) by noncapital and related financing activities	<u>(1,254,280)</u>	<u>-</u>	<u>-</u>	<u>(1,254,280)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Grants received	265,925	-	-	265,925
Proceeds from sales of capital assets	-	-	4,083	4,083
Purchases of capital assets	(3,346,331)	(465,532)	(594,282)	(4,406,145)
Principal paid on capital debt	(677,696)	-	(78,613)	(756,309)
Interest paid on capital debt	(265,951)	-	(3,797)	(269,748)
Impact fees received	2,122,507	-	-	2,122,507
Net cash (used) by capital and related financing activities	<u>(1,901,546)</u>	<u>(465,532)</u>	<u>(672,609)</u>	<u>(3,039,687)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	11,013,568	-	-	11,013,568
Purchase of investments	(10,133,884)	-	-	(10,133,884)
Interest received	219,127	1	1	219,129
Net cash provided by investing activities	<u>1,098,811</u>	<u>1</u>	<u>1</u>	<u>1,098,813</u>
Net increase in cash and cash equivalents	1,768,913	488,170	389,301	2,646,384
Cash and cash equivalents, October 1 (including \$43,564 for the water and sewer fund reported in restricted accounts)	<u>121,476</u>	<u>389,741</u>	<u>458,892</u>	<u>970,109</u>
Cash and cash equivalents, September 30 (including \$1,628,109 for the water and sewer fund reported in restricted accounts)	<u>\$ 1,890,389</u>	<u>\$ 877,911</u>	<u>\$ 848,193</u>	<u>\$ 3,616,493</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 312,887	\$ 454,020	\$ 651,584	\$ 1,418,491
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	3,269,058	412,305	344,727	4,026,090
Decrease (Increase) in accounts receivable	122,593	16,369	3,801	142,763
Decrease in allowance for uncollectible accounts	(129,436)	6,705	1,218	(121,513)
(Increase) in inventories--materials and supplies	102,954	-	-	102,954
Increase in customer deposits	92,881	-	-	92,881
(Decrease) in accounts payable	(25,775)	21,455	43,428	39,108
(Decrease) in due to other governmental units	(34)	-	-	(34)
Increase (decrease) in accrued wages payable	16,615	4,041	4,684	25,340
Increase (decrease) in unearned revenue	9,219	-	751	9,970
Increase (decrease) in compensated absences	(14,782)	1,994	3,966	(8,822)
Increase in other postemployment benefits	69,748	36,812	7,750	114,310
Total adjustments	<u>3,513,041</u>	<u>499,681</u>	<u>410,325</u>	<u>4,423,047</u>
Net cash provided by operating activities	<u>\$ 3,825,928</u>	<u>\$ 953,701</u>	<u>\$ 1,061,909</u>	<u>\$ 5,841,538</u>
Noncash investing, capital, and financing activities:				
Increase in fair value of investments	(165,264)	-	-	

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 Fiduciary Net Position
Fiduciary Funds
September 30, 2013**

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	\$ 2,754,967
Receivables:	
Employer	364,078
Retiree	1,059
Interest and dividends	115,384
Total receivables	480,521
Investments, at fair value:	
Real estate investment trusts	3,846,578
Fixed income securities	12,040,619
Equities	29,161,237
Total investments	45,048,434
Total assets	48,283,922
LIABILITIES	
Accounts payable	23,933
Total liabilities	23,933
NET POSITION	
Restricted for pension benefits	\$ 48,259,989

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

City of Winter Garden, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2013

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 1,136,912
Plan members	785,044
Excise tax proceeds	436,384
Total contributions	2,358,340
Investment earnings:	
Interest	294,799
Dividends	676,467
Net (decrease) in the fair value of investments	4,951,661
Total investment earnings	5,922,927
Less investment expense	257,070
Net investment earnings	5,665,857
Total additions	8,024,197
DEDUCTIONS	
Benefits	2,161,628
Refunds	25,289
Administrative	57,288
Total deductions	2,244,205
Change in net position	5,779,992
Net position—beginning	42,479,997
Net position—ending	\$ 48,259,989

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



WINTER GARDEN

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CITY OF WINTER GARDEN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
for the year ended September 30, 2013

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

The statement of activities presents a comparison between direct expenses and program revenues for each function or segment of the City’s governmental activities. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and

CITY OF WINTER GARDEN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
for the year ended September 30, 2013

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, which is an incremental tax district established pursuant to Florida Statutes and accounted for as a special revenue fund. The fund accounts for the incremental increase in ad valorem tax revenue collected within the

CITY OF WINTER GARDEN, FLORIDA
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designated community redevelopment area. Revenues must be utilized and expended in accordance with the Community Redevelopment Plan.

The *Impact Fee Fund* accounts for revenue received from impact fees and legal expenditures of these funds.

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.

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.

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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 position or fund balance

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 (SBA) Local Government Surplus Funds Trust Fund (Florida PRIME), United States government securities, United States government agencies, federal instrumentalities, non-negotiable interest bearing time certificates of deposit, repurchase agreements, bankers' acceptances, commercial paper, state and local government taxable and tax-exempt debt, registered investment companies, and intergovernmental investment pools.

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

Balances of advances between funds, as reported in the fund financial statements, are considered non-spendable fund balances of the respective funds since these balances are not available for appropriation.

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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 position 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 position 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.

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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 position.

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

CITY OF WINTER GARDEN, FLORIDA
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8. Fund balances

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of the City Commission. Those committed amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the City Commission, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the City Commission. The City has not adopted a formal policy to delegate this authority.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other

CITY OF WINTER GARDEN, FLORIDA
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governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

E. Property taxes

For property taxes budgeted for the fiscal year ended September 30, 2013, all property was assessed according to its fair market value on January 1, 2012, 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 25, 2012. Tax bills were rendered November 1, 2012, and unpaid taxes became delinquent on April 1, 2013. On or prior to June 1, 2013, 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 position

The governmental fund balance sheet includes a reconciliation between *fund balance—total governmental funds* and *net position—governmental activities* as reported in the government-wide statement of net position. 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 \$(13,425,470) difference are as follows:

Bonds and notes payable	\$(10,548,177)
Compensated absences	(1,047,358)
Other postemployment benefits	<u>(1,829,935)</u>
Net adjustment to reduce <i>fund balance—total governmental funds</i> to arrive at <i>net position—governmental activities</i>	<u>\$(13,425,470)</u>

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 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended September 30, 2013

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. 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 \$1,173,709 difference are as follows:

Capital outlay	\$ 5,427,852
Depreciation expense	<u>(4,254,143)</u>
Net adjustment to increase <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 1,173,709</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$690,917 difference are as follows:

Principal repayments:	
Revenue notes	\$420,917
Revenue bonds	<u>270,000</u>
Net adjustment to decrease <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$690,917</u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$(679,325) difference are as follows:

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Compensated absences	\$(124,482)
Other postemployment benefits	(440,766)
Pension asset	<u>(114,077)</u>
Net adjustment to decrease <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$(679,325)</u>

III. Budgetary compliance and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. 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 \$16,257,911 in the governmental funds. These were primarily due to encumbrances outstanding at the end of the 2012 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 committed fund balance and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

CITY OF WINTER GARDEN, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
for the year ended September 30, 2013

IV. Detailed notes on all funds

A. Deposits and investments

As of September 30, 2013, the City had the following investments:

<u>Investment Type</u>	<u>Government-wide</u>		<u>Pension Trust Funds</u>	
	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money market funds	\$ 163,798	0.12	\$ 2,758,186	3.74
United States Government securities	24,445,549	2.02	682,698	13.97
United States Government Agencies	22,970,457	1.30	1,148,270	19.46
Corporate obligations	-	0.00	7,267,492	6.67
Mortgage Pools	-	0.00	711,619	19.33
Municipal obligations	2,437,863	2.14	336,744	17.62
Commercial paper	1,369,845	0.07	-	0.00
Fixed Income Mutual Funds	-	0.00	1,991,133	3.46
SBA:				
Florida PRIME	1,002	0.12	-	0.00
Fund B	<u>142,020</u>	4.04	-	0.00
Total fair value—Government-Wide	<u>\$51,530,535</u>			
Portfolio weighted average Maturity		1.72		6.43
Real estate investment trusts			3,817,673	
Equities			22,395,515	
Equity Mutual Funds			<u>6,950,877</u>	
Total fair value—Pension Trust Funds			<u>\$48,060,207</u>	

The SBA administers the Florida PRIME Fund, formerly known as the Local Government Surplus Funds Trust Fund (LGIP), and the Fund B Surplus Funds Trust Fund (Fund B), both of which are governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME and Fund B. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The Fund B does not meet the requirements of an SEC

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2a-7 like fund and therefore is accounted for as a fluctuating NAV pool. As of September 30, 2013, the fair value factor for Fund B was 1.13262284 per share. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are affected by transferring eligible cash or securities to the Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida PRIME. The investments in the Florida PRIME and Fund B are not insured by the FDIC or any other governmental agency.

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:

<u>Investment Type</u>	<u>Maximum Length to Maturity (Years)</u>	<u>Minimum Credit Quality (S&P/ Moody's)</u>	<u>Maximum Percent with a Single Issuer</u>
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	A-1/P-1	15
Corporate obligations (United States Government supported)	3.00	NA	25
Bankers acceptances	0.49	A-1/P-1	15
State and/or local government debt	3.00	AA/Aa or SP-2/MIG-2	20
Registered investment companies (Money market funds)	NA	AAA/Aaa	25
Intergovernmental investment pool	NA	NA	25

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<u>Investment Type</u>	<u>Maximum Length to Maturity (Years)</u>	<u>Minimum Credit Quality (Moody's/S&P)</u>	<u>Maximum Percent with a Single Issuer</u>
Pension Plan for General Employees			
Equities	NA	NA	5
Fixed income	No Maximum	85% BBB/Baa	3
Money market	No Maximum	A-1/P-1	NA
Pooled funds	No Maximum	NA	NA
Pension Plan for Firefighters and Police Officers			
Equities	NA	NA	5
Fixed income	No Maximum	BBB/Baa	3
Money market	No Maximum	A-1/P-1	NA

NA=Not Applicable

As of September 30, 2013, 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, \$2,758,186 were rated Aaa-mf by Moody's. United States Government Agencies were rated AA+ by S&P. SBA Florida PRIME was rated AAAm by S&P. SBA Fund B was not rated. Corporate obligations reported in the Pension Trust Funds were rated as follows:

<u>S&P</u>	<u>Moody's</u>	<u>Fair Value</u>
AAA	Aaa	\$ 409,416
AA	Aa	973,250
AA	A	696,132
A	A	3,974,929
A	Baa	814,381
A		73,288
BBB	Baa	273,965

Municipal obligations were rated as follows:

<u>S&P</u>	<u>Moody's</u>	<u>Fair Value</u>
AAA	AA	\$ 109,419
AA	Aa	55,603
AA	A	166,211

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

CITY OF WINTER GARDEN, FLORIDA
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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, 2013, the City's bank balances were \$6,657,049. Of the bank balances, \$500,000 was covered by federal depository insurance and \$6,157,049 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, 2013, 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:

	<u>General</u>	<u>Water and Sewer Utility</u>	<u>Solid Waste</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 236,887	\$ -	\$ -	\$ -	\$ 236,887
Accounts	311,226	1,886,400	609,268	258,801	3,065,695
Interest	75,750	73,542	-	115,384	264,676
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>365,137</u>	<u>365,137</u>
Gross receivables	623,863	1,959,942	609,268	739,322	3,932,395
Less: allowance for Uncollectibles	<u>(245,373)</u>	<u>(428,643)</u>	<u>(207,254)</u>	<u>(124,835)</u>	<u>(1,006,105)</u>
Net total receivables	<u>\$ 378,490</u>	<u>\$1,531,299</u>	<u>\$ 402,014</u>	<u>\$ 614,487</u>	<u>\$2,926,290</u>
Reported in:					
Governmental Activities	\$ 378,490	\$ -	\$ -	\$ -	\$ 378,490
Business-type Activities	-	1,531,299	402,014	133,965	2,067,279
Fiduciary funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>480,521</u>	<u>480,521</u>
Net total receivables	<u>\$ 378,490</u>	<u>\$1,531,299</u>	<u>\$ 402,014</u>	<u>\$ 614,487</u>	<u>\$2,926,290</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Police and fire premium taxes	\$327,896	
Customer credit balances		\$ 27,493
Developer agreements		1,010,094
Developer escrow accounts		98,993
Total deferred revenue for governmental funds	\$327,896	\$1,136,580

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

	<u>Unearned</u>
Customer credit balances	\$78,962

C. Capital assets and construction commitments

Capital asset activities for the year ended September 30, 2013 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$24,299,989	\$ 254,395	\$ -	\$24,554,384
Construction in progress	3,562,285	3,302,512	(3,969,153)	2,895,644
Total capital assets, not being depreciated	27,862,274	3,556,907	(3,969,153)	27,450,028
Capital assets, being depreciated:				
Buildings	27,779,156	87,667	-	27,866,823
Improvements other than buildings	10,416,679	689,817	-	11,106,496
Machinery and equipment	12,569,669	707,424	(405,019)	12,872,074
Infrastructure	48,698,379	4,355,189	-	53,053,568
Total capital assets, being depreciated	99,463,883	5,840,097	(405,019)	104,898,961
Less accumulated depreciation for:				
Buildings	(6,043,448)	(788,564)	-	(6,832,012)
Improvements other than buildings	(3,083,866)	(554,831)	-	(3,638,697)
Machinery and equipment	(10,169,091)	(890,097)	404,647	(10,654,541)
Infrastructure	(12,747,160)	(2,020,651)	-	(14,767,811)
Total accumulated depreciation	(32,043,565)	(4,254,143)	404,647	(35,893,061)
Total capital assets, being depreciated, net	67,420,318	1,585,954	(372)	69,005,900
Governmental activities capital assets, net	\$95,282,592	\$5,142,861	\$(3,969,525)	\$96,455,928

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 1,024,601	\$ -	\$ -	\$ 1,024,601
Construction in progress	9,613,483	3,601,936	(1,043,223)	12,172,196
Total capital assets, not being depreciated	<u>10,638,084</u>	<u>3,601,936</u>	<u>(1,043,223)</u>	<u>13,196,797</u>
Capital assets, being depreciated:				
Buildings and infrastructure	63,102,650	1,005,845	-	64,108,495
Improvements other than buildings	21,533,497	1,527,304	(1,564,812)	21,495,989
Machinery and equipment	7,190,599	865,201	(65,139)	7,990,661
Total capital assets, being depreciated	<u>91,826,746</u>	<u>3,398,350</u>	<u>(1,629,951)</u>	<u>93,595,145</u>
Less accumulated depreciation for:				
Buildings and infrastructure	(16,234,515)	(2,609,975)	83	(18,844,407)
Improvements other than buildings	(10,652,988)	(776,196)	-	(11,429,184)
Machinery and equipment	(4,465,616)	(591,576)	15,130	(5,042,062)
Total accumulated depreciation	<u>(31,353,119)</u>	<u>(3,977,747)</u>	<u>15,130</u>	<u>(35,315,653)</u>
Total capital assets, being depreciated, net	<u>60,473,627</u>	<u>(579,397)</u>	<u>(1,614,738)</u>	<u>58,279,492</u>
Business-type activities capital assets, net	<u>\$71,111,711</u>	<u>\$3,022,539</u>	<u>\$(2,657,961)</u>	<u>\$71,476,289</u>

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

Governmental activities:	
General government	\$ 579,466
Public safety	781,930
Physical environment	34,463
Transportation	1,991,930
Economic environment	205,868
Culture and recreation	<u>660,486</u>
Total depreciation expense—governmental activities	<u>\$4,254,143</u>
Business-type activities:	
Water and sewer	\$3,269,058
Solid waste	412,305
Stormwater	325,857
Residential mobile home lot rentals	<u>18,870</u>
Total depreciation expense—business-type activities	<u>\$4,026,090</u>

The City has active construction projects as of September 30, 2013. The projects include recreational trail improvements, and median landscape improvements. At year end, the City's commitments with contractors were as follows:

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<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Recreational trail improvements	\$ 3,296,403	\$ 3,162,601
Median landscape improvements	210,530	39,063
Total	<u>\$3,506,933</u>	<u>\$3,201,664</u>

The commitment for the recreational trail improvements is being funded by a Federal grant. The commitment for the median landscape improvements is being funded by road impact fees. At September 30, 2013, the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
Local Option Gas Tax	\$ 27,661
Governmental Impact Fees	199,818
Utility Impact Fees	92,351
Utility Renewal and Replacement	4,664
Stormwater	15,673
Total Encumbrances	<u>\$340,167</u>

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2013, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor governmental fund	Water and Sewer Utility	\$ 918,940
Solid Waste	Water and Sewer Utility	1,429,007
Nonmajor enterprise fund	Water and Sewer Utility	605,979
Total		<u>\$2,953,926</u>

The outstanding balances between funds result from expenditures awaiting grant reimbursement in the nonmajor governmental funds and operating and renewal and replacement expenditures in the Water and Sewer Utility Funds.

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Community Redevelopment Agency	<u>\$522,725</u>

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Balances reported between the General Fund and the Community Redevelopment Agency Fund were for transfers to fund downtown renovations.

The advance payable from the Community Redevelopment Agency Fund has 20 semi-annual installments remaining.

Interfund transfers:

	Transfer In:			Total
	Community Redevelopment Agency Fund	Impact Fee Fund	Nonmajor Governmental	
Transfer out:				
General Fund	\$305,342	\$400,000	\$ 732,368	\$1,437,710
Community Redevelopment Agency Fund	-	-	450,016	450,016
Total transfers out	\$305,342	\$400,000	\$1,182,384	\$1,887,726

Transfers from the General Fund to the Community Redevelopment Agency Fund were for the City's contribution of tax increment revenues. Transfers from the General Fund to the Impact Fee Fund were to fund the purchase of land for a park. 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.

E. Leases

Operating Leases

The City leases vehicles, holiday decorations, and other equipment under noncancelable operating leases. Total costs for such leases were \$147,511 for the year ended September 30, 2013. The future minimum lease payments for these leases are as follows:

Year Ending September 30	Amount
2014	\$42,489
2015	32,719
2016	14,627
2017	1,704
Total	\$91,539

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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 sixteen percent of Local Government Half-Cent Sales Tax revenues. The total principal and interest remaining to be paid on the bonds is \$16,612,340. Principal and interest paid for the current year and total Local Government Half-Cent Sales Tax revenues were \$724,838 and \$4,823,757, respectively. Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rates	Amount
New city hall	4.00%-4.50%	\$10,380,000

Revenue bond debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2014	\$ -	\$ 222,019
2015	280,000	438,438
2016	290,000	427,038
2017	300,000	415,238
2018	315,000	402,938
2019-2023	1,765,000	1,810,928
2024-2028	2,165,000	1,400,269
2029-2033	2,675,000	877,641
2034-2038	2,590,000	237,831
	<u>\$10,380,000</u>	<u>\$6,232,340</u>

Revenue Notes

The City has issued a revenue note for the acquisition and construction of major capital improvements within the Community Redevelopment Agency area. The original amount of the note was \$3,700,000. This note is secured by a pledge 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%	\$168,177

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NOTES TO THE FINANCIAL STATEMENTS
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Revenue note debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2014	\$ -	\$18,667
2015	168,177	4,146
	\$168,177	\$22,813

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 77 percent of net revenues. The total principal and interest remaining to be paid on the loans is \$10,289,118. Principal and interest paid for the current year and total customer net revenues were \$943,647 and \$962,901, respectively.

Loans outstanding at year end are as follows:

Purpose	Interest Rates	Amount
Wastewater treatment pre-construction—Water and Sewer Utility	3.33%	\$ 686,525
Wastewater treatment construction—Water and Sewer Utility	2.82%	6,892,307
Water treatment construction—Water and Sewer Utility	2.67%	1,283,760
Total outstanding		8,862,592
Accrued interest		58,785
Total amounts outstanding		\$8,921,377

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Loan debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest
2014	\$ 697,055	\$ 246,593
2015	716,968	226,679
2016	737,451	206,196
2017	758,522	185,125
2018	780,196	163,451
2019-2023	4,248,471	469,764
2024-2028	923,929	19,718
	<u>\$8,862,592</u>	<u>\$1,517,526</u>

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$10,650,000	\$ -	\$ (270,000)	\$10,380,000	\$ -
Revenue notes	589,094	-	(420,917)	168,177	-
Other postemployment benefits	1,389,169	616,113	(175,347)	1,829,935	-
Compensated absences	922,876	737,241	(612,759)	1,047,358	157,407
Governmental activity Long-term liabilities	<u>\$13,551,139</u>	<u>\$1,353,354</u>	<u>\$(1,479,023)</u>	<u>\$13,425,470</u>	<u>\$157,407</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Loans	\$9,540,288	\$ -	\$ (677,696)	\$8,862,592	\$697,055
Capital leases	78,613	-	(78,613)	-	-
Other postemployment benefits	344,959	159,785	(45,475)	459,269	-
Compensated absences	136,963	103,859	(112,681)	128,141	31,493
Business-type activity Long-term liabilities	<u>\$10,100,823</u>	<u>\$ 263,644</u>	<u>\$(914,465)</u>	<u>\$9,450,002</u>	<u>\$728,548</u>

The official statements and resolutions authorizing the issuance of long-term debt described above contain certain restrictive covenants. The City has covenanted that it will deposit specified amounts derived from specific revenue sources into funds and accounts established by the resolutions. The City is in compliance with all covenants. For governmental activities, other postemployment benefits and compensated absences are generally liquidated by the General Fund.

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for the year ended September 30, 2013

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

On January 9, 2014, the City approved entering into a cost share agreement with St. Johns River Water Management District for phase 2 of the Southwest Reclaimed Water Service Expansion Project. The cost share agreement provides the City with a 40% cost share, not to exceed \$479,040. The purpose of the project is to continue to connect neighborhoods within the Stoneybrook subdivision in the southwest area of the City through the Conserv II reuse water main, which is required as part of the City's consumptive use permit.

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.

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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. A separate audited GAAP-basis postemployment benefit plan report is not prepared for this defined benefit plan.

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, for 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.

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, 2013, there were four employees who had retired with twenty years of full-time service that were receiving the 100 percent health premium-coverage benefit. Additionally, there were twenty-two 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, 2013, the City paid \$88,977 for these benefits. For the 2013 fiscal year, the City provided contributions of \$220,822 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 2013:

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The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

For the 2013 fiscal year, the City's actuarial valuation used the entry age normal cost actuarial 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 inflation assumption rate of 4.0 percent per year, an underlying inflation rate assumption of 3%, and an annual healthcare cost trend rate of 8.5 percent initially for fiscal year 2013, reduced by 1.0 percent per year, to an ultimate rate of 4.5 percent for the fiscal year ending September 30, 2017. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis over 30 years.

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:

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	<u>Pension Plan for General Employees</u>	<u>Pension Plan for Firefighters and Police Officers</u>
Contribution rates:		
City	13.8%	13.1%
Plan members	2.5%	3.5%
Annual pension cost	\$728,790	\$1,193,361
Contributions made	\$694,026	\$1,114,048

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 \$436,384. 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:

	<u>Pension Plan for General Employees</u>	<u>Pension Plan for Firefighters and Police Officers</u>
NPO at September 30, 2012	\$ (562,616)	\$(1,310,485)
Annual pension cost:		
Annual Required Contribution (ARC)	694,026	1,114,048
Interest credit	(40,790)	(98,286)
Adjustments to ARC	75,554	177,599
Total annual pension cost	728,790	1,193,361
Contributions made	(694,026)	(1,114,048)
Change in NPO	34,764	79,313
NPO at September 30, 2013	\$ (527,852)	\$(1,231,172)

The participant data of each Pension Plan is as follows:

	<u>Pension Plan for General Employees</u>	<u>Pension Plan for Firefighters and Police Officers</u>
Number included		
Actives	130	112
Service Retirees	47	26
Beneficiaries	5	2
Terminated Vested	65	38
Disability Retirees	2	8
Total	249	186

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Net OPEB obligation at September 30, 2012	\$1,734,128
Annual OPEB cost (AOC):	
Annual Required Contribution (ARC)	764,109
Interest on net OPEB obligation	78,036
Adjustments to ARC	(66,249)
Total AOC	775,896
Contributions made	(220,822)
Change in NPO	555,074
Net OPEB obligation at September 30, 2013	\$2,289,202

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, 2013, was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of APC Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2011	\$656,028	22%	\$1,191,682
9/30/2012	696,255	22%	1,734,128
9/30/2013	775,896	29%	2,289,202

Funded status and funding progress. As of October 1, 2011, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$6,393,532, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$6,393,532. The covered payroll (annual payroll for active participating employees) was \$12,448,479 for fiscal year 2013, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 51.4%. 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.

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

	<u>Pension Plan for General Employees</u>	<u>Pension Plan for Firefighters and Police Officers</u>
Actuarial valuation date	10/1/2012	10/1/2012
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	0.0-10.0%	0.0-9.0%
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

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
Pension Plan for General Employees			
9/30/2011	\$1,439,410	99%	\$(572,479)
9/30/2012	642,632	98%	(562,616)
9/30/2013	728,790	95%	(527,852)
Pension Plan for Firefighters and Police Officers			
9/30/2011	\$1,858,205	98%	\$(1,332,131)
9/30/2012	1,091,417	98%	(1,310,485)
9/30/2013	1,193,361	93%	(1,231,172)

Funded Status and Funding Progress. The following is funded status information for each plan as of 10/1/2012, the most recent actuarial valuation date:

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	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	\$18,177,671	\$20,608,909	\$2,431,238	88.2%	\$6,287,734	38.7%
Pension Plan For Firefighters and Police Officers	23,946,074	25,941,563	1,995,489	92.3%	6,806,435	29.3%

†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, 2013 are as follows:

Statement of Net Position	General Pension Trust Fund	Fire and Police Pension Trust Fund	Total Pension Trust Funds
ASSETS			
Cash and cash equivalents	\$ 941,035	\$ 1,813,932	\$ 2,754,967
Receivables	214,345	266,176	480,521
Investments	<u>19,771,127</u>	<u>25,277,307</u>	<u>45,048,434</u>
Total assets	<u>20,926,507</u>	<u>27,357,415</u>	<u>48,283,922</u>
LIABILITIES			
Accounts payable	<u>9,314</u>	<u>14,619</u>	<u>23,933</u>
Total liabilities	<u>9,314</u>	<u>14,619</u>	<u>23,933</u>
NET POSITION			
Restricted for pension benefits	<u>\$20,917,193</u>	<u>\$27,342,796</u>	<u>\$48,259,989</u>

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Statement of Changes in Net Position	General Pension <u>Trust Fund</u>	Fire and Police Pension <u>Trust Fund</u>	Total Pension Trust <u>Funds</u>
ADDITIONS			
Contributions:			
Employer	\$ 537,363	\$ 599,549	\$ 1,136,912
Plan members	332,748	452,296	785,044
Excise tax proceeds	-	436,384	436,384
Total contributions	<u>870,111</u>	<u>1,488,229</u>	<u>2,358,340</u>
Investment earnings:			
Interest	121,985	172,814	294,799
Dividends	333,782	342,685	676,467
Net increase in the fair value of investments	2,225,142	2,741,211	4,966,353
Gain (loss) on sale of investments	<u>(19,686)</u>	<u>4,994</u>	<u>(14,692)</u>
Total investment earnings	2,661,223	3,261,7043	5,922,927
Less investment expense	<u>112,020</u>	<u>145,050</u>	<u>257,070</u>
Net investment earnings	<u>2,549,203</u>	<u>3,116,654</u>	<u>5,665,857</u>
Total additions	<u>3,419,314</u>	<u>4,604,883</u>	<u>8,024,197</u>
DEDUCTIONS			
Benefits	1,006,184	1,155,444	2,161,628
Refunds	2,870	22,419	25,289
Administrative	<u>24,299</u>	<u>32,989</u>	<u>57,288</u>
Total deductions	<u>1,033,353</u>	<u>1,210,852</u>	<u>2,244,205</u>
Change in net position	2,385,961	3,394,031	5,779,992
Net position—beginning	<u>18,531,232</u>	<u>23,948,765</u>	<u>42,479,997</u>
Net position—ending	<u>\$20,917,193</u>	<u>\$27,342,796</u>	<u>\$48,259,989</u>

Defined Contribution Plan Description and Funding Requirements. The Florida Municipal Pension Trust Fund is a defined contribution pension plan established and administered by the Florida League of Cities, Inc. to provide retirement benefits for full-time general employees in certain designated positions who have elected to opt out of the Pension Plan for General Employees. At September 30, 2013, there were four 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, 2013 were \$33,896.

CITY OF WINTER GARDEN, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended September 30, 2013

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

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

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

³The Pension Plan for Firefighters and Police Officers allows retirement after 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, 2013

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						
10/1/2007	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
10/1/2010	16,530,052	17,922,988	1,392,936	92.2	6,604,647	21.1
10/1/2011	17,434,265	18,956,601	1,522,336	92.0	6,300,803	24.2
10/1/2012	18,177,671	20,608,909	2,431,238	88.2	6,287,734	38.7
Pension Plan for Firefighters and Police Officers						
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
10/1/2010	20,931,764	22,587,002	1,655,238	92.7	6,692,884	24.7
10/1/2011	22,552,147	24,189,021	1,636,874	93.2	6,533,385	25.1
10/1/2012	23,946,074	25,941,563	1,995,489	92.3	6,806,435	29.3
Other Post Employment Benefits*						
10/1/2007	\$0	\$5,555,484	\$5,555,484	0.0%	\$11,968,850	46.4%
10/1/2010	0	5,076,486	5,076,486	0.0	13,261,888	38.3
10/1/2012	0	6,393,532	6,393,532	0.0	12,448,479	51.4

†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, 2013

Pension Plan for General Employees
Schedule of Employer Contributions

Year Ended September 30	Annual Required Contribution	Percentage Contributed
2008	1,119,967	109
2009	1,330,900	100
2010	1,512,738	100
2011	1,417,557	100
2012	632,769	100
2013	694,026	99

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
2008	1,301,285	116
2009	1,628,374	102
2010	1,841,214	100
2011	1,828,086	100
2012	1,069,772	100
2013	1,114,048	102

Other Post Employment Benefits Plan
Schedule of Employer Contributions

Year Ended September 30	Annual Required Contribution	Percentage Contributed
2011	649,687	23
2012	687,195	22
2013	764,109	29

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

Debt Service Fund

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

**City of Winter Garden, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2013**

	Special		
	Downtown Parking District Fund	Law Enforcement Trust Fund	Law Enforcement Grants Fund
ASSETS			
Cash and cash equivalents	\$ 73,186	\$ 53,946	\$ 136,108
Due from other funds	-	-	-
Due from other governmental units	-	-	-
Total assets	<u>\$ 73,186</u>	<u>\$ 53,946</u>	<u>\$ 136,108</u>
LIABILITIES			
Accounts payable	\$ 498	\$ 2,342	\$ 739
Contracts Payable	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>498</u>	<u>2,342</u>	<u>739</u>
FUND BALANCES			
Restricted for:			
Public Safety	-	51,604	135,369
Transportation	-	-	-
Committed to:			
Transportation	<u>72,688</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>72,688</u>	<u>51,604</u>	<u>135,369</u>
Total liabilities and fund balances	<u>\$ 73,186</u>	<u>\$ 53,946</u>	<u>\$ 136,108</u>

Revenue			Total	
Local Option Gas Tax Fund	Police and Fire Premium Tax Trust Fund	Total	Debt Service Fund	Nonmajor Governmental Funds
\$ 212,154	\$ -	\$ 475,394	\$ -	\$ 475,394
918,940	-	918,940	-	918,940
73,703	327,896	401,599	-	401,599
<u>\$ 1,204,797</u>	<u>\$ 327,896</u>	<u>\$ 1,795,933</u>	<u>\$ -</u>	<u>\$ 1,795,933</u>
\$ 255,270	\$ -	\$ 258,849	\$ -	\$ 258,849
27,661	-	27,661	-	27,661
-	327,896	327,896	-	327,896
<u>282,931</u>	<u>327,896</u>	<u>614,406</u>	<u>-</u>	<u>614,406</u>
-	-	186,973	-	186,973
921,866	-	921,866	-	921,866
-	-	72,688	-	72,688
<u>921,866</u>	<u>-</u>	<u>1,181,527</u>	<u>-</u>	<u>1,181,527</u>
<u>\$ 1,204,797</u>	<u>\$ 327,896</u>	<u>\$ 1,795,933</u>	<u>\$ -</u>	<u>\$ 1,795,933</u>

City of Winter Garden, Florida
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2013

	Downtown Parking District Fund	Law Enforcement Trust Fund	Special Law Enforcement Grants Fund
REVENUES			
Permits, fees, and special assessments	\$ 42,500	\$ -	\$ -
Intergovernmental	-	-	32,692
Fines and forfeits	-	107,986	-
Investment earnings	2,143	-	-
Total revenues	<u>44,643</u>	<u>107,986</u>	<u>32,692</u>
EXPENDITURES			
Current:			
Public safety	-	73,716	33,618
Transportation	5,514	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>5,514</u>	<u>73,716</u>	<u>33,618</u>
Excess (deficiency) of revenues over (under) expenditures	<u>39,129</u>	<u>34,270</u>	<u>(926)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	7,530
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>7,530</u>
Net change in fund balances	39,129	34,270	6,604
Fund balances—beginning	<u>33,559</u>	<u>17,334</u>	<u>128,765</u>
Fund balances—ending	<u>\$ 72,688</u>	<u>\$ 51,604</u>	<u>\$ 135,369</u>

Revenue			Total	
Local Option Gas Tax Fund	Police and Fire Premium Tax Trust Fund	Total	Debt Service Fund	Nonmajor Governmental Funds
\$ -	\$ -	\$ 42,500	\$ -	\$ 42,500
1,130,741	436,384	1,599,817	-	1,599,817
-	-	107,986	-	107,986
1,350	-	3,493	-	3,493
<u>1,132,091</u>	<u>436,384</u>	<u>1,753,796</u>	<u>-</u>	<u>1,753,796</u>
-	436,384	543,718	-	543,718
1,857,767	-	1,863,281	-	1,863,281
-	-	-	690,917	690,917
-	-	-	483,937	483,937
<u>1,857,767</u>	<u>436,384</u>	<u>2,406,999</u>	<u>1,174,854</u>	<u>3,581,853</u>
<u>(725,676)</u>	<u>-</u>	<u>(653,203)</u>	<u>(1,174,854)</u>	<u>(1,828,057)</u>
-	-	7,530	1,174,854	1,182,384
-	-	7,530	1,174,854	1,182,384
(725,676)	-	(645,673)	-	(645,673)
<u>1,647,542</u>	<u>-</u>	<u>1,827,200</u>	<u>-</u>	<u>1,827,200</u>
<u>\$ 921,866</u>	<u>\$ -</u>	<u>\$ 1,181,527</u>	<u>\$ -</u>	<u>\$ 1,181,527</u>

City of Winter Garden, Florida
Downtown Parking District Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2013

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Permits, fees, and special assessments	\$ 39,410	\$ 42,500	\$ 3,090
Investment earnings	<u>-</u>	<u>2,143</u>	<u>2,143</u>
Total revenues	<u>39,410</u>	<u>44,643</u>	<u>5,233</u>
EXPENDITURES			
Current:			
Transportation:			
Construction and maintenance	<u>5,377</u>	<u>5,514</u>	<u>(137)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,033</u>	<u>39,129</u>	<u>5,096</u>
Net change in fund balances	34,033	39,129	-
Fund balances—beginning	<u>33,559</u>	<u>33,559</u>	<u>-</u>
Fund balances—ending	<u>\$ 67,592</u>	<u>\$ 72,688</u>	<u>\$ 5,096</u>

City of Winter Garden, Florida
Law Enforcement Trust Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2013

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Fines and forfeits	\$ 81,519	\$ 107,986	\$ 26,467
Total revenues	<u>81,519</u>	<u>107,986</u>	<u>26,467</u>
EXPENDITURES			
Current:			
Public safety:			
Law enforcement	<u>88,000</u>	<u>73,716</u>	<u>14,284</u>
(Deficiency) of revenues (under) expenditures	<u>(6,481)</u>	<u>34,270</u>	<u>40,751</u>
Fund balances—beginning	<u>17,334</u>	<u>17,334</u>	<u>-</u>
Fund balances—ending	<u>\$ 10,853</u>	<u>\$ 51,604</u>	<u>\$ 40,751</u>

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, 2013

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ 28,081	\$ 32,692	\$ 4,611
Total revenues	<u>28,081</u>	<u>32,692</u>	<u>4,611</u>
EXPENDITURES			
Current:			
Public safety:			
Law enforcement	<u>35,611</u>	<u>33,618</u>	<u>1,993</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(7,530)</u>	<u>(926)</u>	<u>6,604</u>
OTHER FINANCING SOURCES			
Transfers in	<u>7,530</u>	<u>7,530</u>	<u>-</u>
Net change in fund balances	-	6,604	6,604
Fund balance—beginning	<u>128,765</u>	<u>128,765</u>	<u>-</u>
Fund balance—ending	<u>\$ 128,765</u>	<u>\$ 135,369</u>	<u>\$ 6,604</u>

City of Winter Garden, Florida
Local Option Gas Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2013

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ 1,100,839	\$ 1,130,741	\$ 29,902
Investment earnings	-	1,350	1,350
Total revenues	<u>1,100,839</u>	<u>1,132,091</u>	<u>31,252</u>
EXPENDITURES			
Current:			
Transportation:			
Construction and maintenance	<u>2,766,137</u>	<u>1,857,767</u>	<u>908,370</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,665,298)</u>	<u>(725,676)</u>	<u>939,622</u>
Net change in fund balances	(1,665,298)	(725,676)	939,622
Fund balances—beginning	<u>1,647,542</u>	<u>1,647,542</u>	-
Fund balance—ending	<u>\$ (17,756)</u>	<u>\$ 921,866</u>	<u>\$ 939,622</u>

City of Winter Garden, Florida
Police and Fire Premium Tax Trust Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2013

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ 437,195	\$ 436,384	\$ (811)
Total revenues	<u>437,195</u>	<u>436,384</u>	<u>(811)</u>
EXPENDITURES			
Current:			
Public safety:			
Law enforcement	212,032	222,578	(10,546)
Fire control	<u>225,163</u>	<u>213,806</u>	<u>11,357</u>
Total public safety	<u>437,195</u>	<u>436,384</u>	<u>811</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances—beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Winter Garden, Florida
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended September 30, 2013

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment earnings	\$ 1	\$ -	\$ (1)
Total revenues	<u>1</u>	<u>-</u>	<u>(1)</u>
EXPENDITURES			
Debt service:			
Principal	691,056	690,917	139
Interest	535,011	483,937	51,074
Total expenditures	<u>1,226,067</u>	<u>1,174,854</u>	<u>51,213</u>
(Deficiency) of revenues (under) expenditures	<u>(1,226,066)</u>	<u>(1,174,854)</u>	<u>51,212</u>
OTHER FINANCING SOURCES			
Transfers in	<u>1,374,861</u>	<u>1,174,854</u>	<u>(200,007)</u>
Net change in fund balances	148,795	-	(148,795)
Fund balances—beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances—ending	<u>\$ 148,795</u>	<u>\$ -</u>	<u>\$ (148,795)</u>



WINTER GARDEN

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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 Position
Nonmajor Enterprise Funds
September 30, 2013

	<u>Stormwater Utility</u>	<u>Trailer City</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 751,487	\$ 96,707	\$ 848,194
Accounts receivable (net of allowance for uncollectibles)	133,966	-	133,966
Due from other funds	<u>605,978</u>	<u>-</u>	<u>605,978</u>
Total current assets	<u>1,491,431</u>	<u>96,707</u>	<u>1,588,138</u>
Noncurrent assets:			
Capital assets:			
Land	-	63,300	63,300
Buildings	-	77,227	77,227
Improvements other than buildings	2,567,358	192,765	2,760,123
Machinery and equipment	728,049	27,686	755,735
Infrastructure	3,183,357	34,556	3,217,913
Construction work in progress	1,521,460	35,006	1,556,466
Less accumulated depreciation	<u>(2,841,589)</u>	<u>(169,794)</u>	<u>(3,011,383)</u>
Total capital assets (net of accumulated depreciation)	<u>5,158,635</u>	<u>260,746</u>	<u>5,419,381</u>
Total assets	<u>6,650,066</u>	<u>357,453</u>	<u>7,007,519</u>
LIABILITIES			
Current liabilities:			
Accounts payable	77,740	1,818	79,558
Contracts payable	15,673	-	15,673
Compensated absences	4,704	593	5,297
Accrued wages payable	5,588	4,881	10,469
Unearned revenue	<u>-</u>	<u>11,213</u>	<u>11,213</u>
Total current liabilities	<u>103,705</u>	<u>18,505</u>	<u>122,210</u>
Noncurrent liabilities:			
Compensated absences	16,913	6,196	23,109
Other postemployment benefits	<u>15,952</u>	<u>15,952</u>	<u>31,904</u>
Total noncurrent liabilities	<u>32,865</u>	<u>22,148</u>	<u>55,013</u>
Total liabilities	<u>136,570</u>	<u>40,653</u>	<u>177,223</u>
NET POSITION			
Net investment in capital assets	5,158,635	260,746	5,419,381
Unrestricted	<u>1,354,861</u>	<u>56,054</u>	<u>1,410,915</u>
Total net position	<u>\$ 6,513,496</u>	<u>\$ 316,800</u>	<u>\$ 6,830,296</u>

City of Winter Garden, Florida
Combining Statement of Revenues, Expenses, and Changes
in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2013

	<u>Stormwater Utility</u>	<u>Trailer City</u>	<u>Totals</u>
Operating revenues:			
Permits, fees, and special assessments	\$ 1,379,039	\$ -	\$ 1,379,039
Other	<u>1,716</u>	<u>230,063</u>	<u>231,779</u>
Total operating revenues	<u>1,380,755</u>	<u>230,063</u>	<u>1,610,818</u>
Operating expenses:			
Personal services	121,582	115,995	237,577
Contractual services	86,078	28,158	114,236
Utilities	-	5,728	5,728
Supplies	27,540	4,197	31,737
Depreciation	325,857	18,870	344,727
Other services and charges	<u>169,684</u>	<u>55,545</u>	<u>225,229</u>
Total operating expenses	<u>730,741</u>	<u>228,493</u>	<u>959,234</u>
Operating income	<u>650,014</u>	<u>1,570</u>	<u>651,584</u>
Nonoperating revenues (expenses):			
Investment earnings	1	-	1
Gain on sale of capital assets	-	4,083	4,083
Interest expense	<u>(2,375)</u>	<u>-</u>	<u>(2,375)</u>
Change in net position	647,640	5,653	653,293
Total net position—beginning	<u>5,865,856</u>	<u>311,147</u>	<u>6,177,003</u>
Total net position—ending	<u>\$ 6,513,496</u>	<u>\$ 316,800</u>	<u>\$ 6,830,296</u>

City of Winter Garden, Florida
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2013

	<u>Stormwater Utility</u>	<u>Trailer City</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,385,039	\$ 231,549	\$ 1,616,588
Payments to suppliers	(223,323)	(110,179)	(333,502)
Payments to employees	(109,965)	(111,212)	(221,177)
Net cash provided by operating activities	<u>1,051,751</u>	<u>10,158</u>	<u>1,061,909</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sales of capital assets	-	4,083	4,083
Purchases of capital assets	(559,193)	(35,089)	(594,282)
Principal paid on capital debt	(78,613)	-	(78,613)
Interest paid on capital debt	(3,797)	-	(3,797)
Net cash (used) by capital and related financing activities	<u>(641,603)</u>	<u>(31,006)</u>	<u>(672,609)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>1</u>	<u>-</u>	<u>1</u>
Net cash provided by investing activities	<u>1</u>	<u>-</u>	<u>1</u>
Net increase (decrease) in cash and cash equivalents	410,149	(20,848)	389,301
Cash and cash equivalents, October 1	<u>341,337</u>	<u>117,555</u>	<u>458,892</u>
Cash and cash equivalents, September 30	<u>\$ 751,486</u>	<u>\$ 96,707</u>	<u>\$ 848,193</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 650,014	\$ 1,570	\$ 651,584
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	325,857	18,870	344,727
(Increase) in accounts receivable	5,653	(1,852)	3,801
Increase in allowance for uncollectible accounts	(1,369)	2,587	1,218
Increase (decrease) in accounts payable	59,979	(16,551)	43,428
Increase (decrease) in accrued wages payable	3,038	1,646	4,684
Increase in unearned revenue	-	751	751
Increase (decrease) in compensated absences payable	4,704	(738)	3,966
Increase in other postemployment benefits	3,875	3,875	7,750
Total adjustments	<u>401,737</u>	<u>8,588</u>	<u>410,325</u>
Net cash provided by operating activities	<u>\$ 1,051,751</u>	<u>\$ 10,158</u>	<u>\$ 1,061,909</u>



WINTER GARDEN

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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

Financial Trends – Pages 90 - 99

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 – Pages 100 - 104

These schedules contain information to help the reader assess a significant local revenue source for the City, the property tax.

Debt Capacity – Pages 105 - 109

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. The schedule for Direct and Overlapping Governmental Activities Debt has been removed this year as there is no overlapping government debt.

Demographic and Economic Information – Pages 110 - 111

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 – Pages 112- 116

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 financial reports for the relevant year.

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities			
Net invested in capital assets	\$ 85,907,752	\$ 84,043,498	\$ 83,198,158
Restricted	18,028,037	21,033,800	19,723,001
Unrestricted	<u>6,503,304</u>	<u>6,246,039</u>	<u>6,206,755</u>
Total governmental activities net position	<u>\$110,439,093</u>	<u>\$111,323,337</u>	<u>\$109,127,914</u>
Business-type activities			
Net invested in capital assets	\$ 62,613,697	\$ 61,492,810	\$ 57,568,018
Restricted	9,488,903	10,391,672	13,430,411
Unrestricted	<u>19,538,822</u>	<u>16,135,350</u>	<u>13,452,679</u>
Total business-type activities net position	<u>\$ 91,641,422</u>	<u>\$ 88,019,832</u>	<u>\$ 84,451,108</u>
Primary government			
Net invested in capital assets	\$148,521,449	\$145,536,308	\$140,766,176
Restricted	27,516,940	31,425,472	33,153,412
Unrestricted	<u>26,042,126</u>	<u>22,381,389</u>	<u>19,659,434</u>
Total primary government net position	<u>\$202,080,515</u>	<u>\$199,343,169</u>	<u>\$193,579,022</u>

Fiscal Year

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 76,625,652	\$ 74,042,719	\$ 62,229,762	\$ 48,751,070	\$ 34,495,162	\$ 23,447,882	\$ 20,098,672
24,149,817	24,220,705	31,054,530	28,296,384	22,822,073	8,036,244	8,875,461
8,390,451	10,065,887	12,869,395	15,713,022	12,189,529	14,214,099	9,638,873
<u>\$109,165,920</u>	<u>\$108,329,311</u>	<u>\$106,153,687</u>	<u>\$ 92,760,476</u>	<u>\$ 69,506,764</u>	<u>\$ 45,698,225</u>	<u>\$ 38,613,006</u>
\$ 53,906,667	\$ 44,000,691	\$ 41,778,162	\$ 35,774,224	\$ 29,848,390	\$ 26,238,677	\$ 24,490,427
15,315,140	19,069,072	21,015,352	12,665,164	13,230,076	11,186,375	6,726,971
13,123,233	15,236,480	11,117,583	20,850,291	20,011,017	22,608,146	20,333,080
<u>\$ 82,345,040</u>	<u>\$ 78,306,243</u>	<u>\$ 73,911,097</u>	<u>\$ 69,289,679</u>	<u>\$ 63,089,483</u>	<u>\$ 60,033,198</u>	<u>\$ 51,550,478</u>
\$130,532,319	\$118,043,410	\$104,007,924	\$ 84,525,294	\$ 64,343,552	\$ 49,686,559	\$44,589,099
39,464,957	43,289,777	52,069,882	40,961,548	36,052,149	19,222,619	15,602,432
21,513,684	25,302,367	23,986,978	36,563,313	32,200,546	36,822,245	29,971,953
<u>\$191,510,960</u>	<u>\$186,635,554</u>	<u>\$180,064,784</u>	<u>\$162,050,155</u>	<u>\$132,596,247</u>	<u>\$105,731,423</u>	<u>\$90,163,484</u>

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities:										
General government	\$ 4,805,546	\$ 3,613,453	\$ 3,866,245	\$ 4,204,008	\$ 3,899,034	\$ 2,932,260	\$ 2,701,941	\$ 2,565,945	\$ 2,095,732	\$ 1,713,712
Public safety	14,698,706	14,358,645	15,081,176	15,694,684	14,902,345	13,736,706	11,998,442	9,998,835	8,786,447	7,152,781
Physical environment	1,350,793	880,896	926,611	896,501	943,939	736,565	843,671	850,605	535,512	542,696
Transportation	4,860,760	2,984,277	2,738,141	3,307,541	2,580,474	3,282,627	2,505,649	2,302,093	2,258,355	2,038,644
Economic environment	363,154	472,447	414,062	579,934	481,303	877,845	641,944	214,813	158,183	149,425
Public assistance	68,460	66,395	58,415	49,692	119,971	82,630	101,330	88,909	88,871	391,384
Culture and recreation	3,156,005	2,906,672	2,846,859	2,578,911	2,357,923	2,236,885	2,328,830	2,082,868	1,766,330	1,873,007
Interest and long-term debt	496,478	528,365	560,482	592,295	645,030	814,781	838,981	424,215	494,844	644,748
Total government activities expenses	29,799,902	25,811,150	26,491,991	27,903,566	25,930,019	24,700,299	21,860,788	18,528,283	16,184,274	14,506,397
Business-type activities:										
Water and Sewer	8,245,758	9,328,982	8,894,936	8,491,442	8,696,615	9,141,484	8,765,465	9,404,856	6,975,769	5,852,648
Solid waste	3,264,385	3,829,306	3,793,048	3,345,376	3,224,466	3,285,187	3,455,158	3,140,333	2,673,105	2,449,158
Stormwater	592,206	654,299	1,036,094	860,946	746,381	912,188	785,573	641,121	497,173	350,936
Residential mobile home lot rentals	217,422	246,233	227,000	209,187	204,642	195,725	237,896	214,403	275,438	184,199
Total business-type activities expenses	12,319,771	14,058,820	13,951,078	12,906,951	12,872,104	13,534,584	13,244,092	13,400,713	10,421,485	8,836,941
Total primary government expenses	\$ 42,119,673	\$ 39,869,970	\$ 40,443,069	\$ 40,810,517	\$ 38,802,123	\$ 38,234,883	\$ 35,104,880	\$ 31,928,996	\$ 26,605,759	\$ 23,343,338
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 168,104	\$ 96,612	\$ 104,751	\$ 114,377	\$ 95,675	\$ 143,695	\$ -	\$ 522,068	\$ 608,267	\$ 674,970
Public safety	1,257,015	816,653	809,341	1,103,146	1,178,952	1,697,235	3,453,966	3,015,971	2,168,160	2,616,511
Transportation	415,181	174,518	22,733	38,239	57,067	401,577	770,351	701,585	744,528	346,157
Other activities	820,125	749,169	710,147	659,558	574,520	482,155	514,874	411,549	345,812	298,133
Operating grants and contributions	2,171,833	2,109,519	2,119,603	2,027,849	2,085,928	1,911,035	1,935,703	1,549,023	1,456,767	1,716,165
Capital grants and contributions	1,264,890	3,741,057	2,142,478	3,711,145	3,573,081	13,286,270	18,410,818	19,154,514	5,374,448	5,337,203
Total government activities program revenues	6,097,148	7,687,528	5,909,053	7,654,314	7,565,223	17,921,967	25,085,712	25,354,710	10,697,982	10,989,139
Business-type activities:										
Charges for services:										
Water and Sewer	9,449,881	9,535,538	9,494,183	9,503,437	9,344,622	9,708,145	9,320,260	8,220,991	7,898,591	6,732,207
Solid waste	4,300,684	4,187,622	4,143,071	4,119,340	4,051,487	3,774,996	3,254,113	2,925,319	2,550,085	2,317,124
Stormwater	1,380,755	1,354,001	1,352,635	1,348,220	1,339,830	1,293,968	1,025,423	855,282	706,782	568,857
Residential mobile home lot rentals	230,063	224,714	222,226	220,549	222,138	217,694	212,291	186,377	253,075	235,938
Operating grants and contributions	-	-	-	-	-	-	-	23,259	(12,912)	197,359
Capital grants and contributions	2,423,465	2,171,441	721,044	1,427,272	1,715,627	2,652,612	5,052,885	5,144,437	7,338,743	4,958,553
Total business-type activities program revenues	17,784,848	17,473,316	15,933,159	16,618,818	16,673,704	17,647,415	18,864,972	17,355,665	18,734,364	15,000,038
Total primary government program revenues	\$ 23,881,996	\$ 25,160,844	\$ 21,842,212	\$ 24,273,132	\$ 24,238,927	\$ 35,569,382	\$ 43,950,684	\$ 42,710,375	\$ 29,432,346	\$ 25,989,177
Net (expense)/revenue	\$(23,702,754)	\$(18,123,622)	\$(20,582,938)	\$(20,249,252)	\$(18,364,796)	\$(6,778,332)	\$ 3,224,924	\$ 6,826,427	\$ (5,486,292)	\$ (3,517,258)
Governmental activities:	5,465,077	3,414,496	1,982,081	3,711,867	3,801,600	4,112,831	5,620,880	3,954,952	8,312,879	6,163,097
Business-type activities:	\$(18,237,677)	\$(14,709,126)	\$(18,600,857)	\$(16,537,385)	\$(14,563,196)	\$(2,665,501)	\$ 8,845,804	\$ 10,781,379	\$ 2,826,587	\$ 2,645,839

Fiscal Year

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Ad valorem	\$ 7,790,846	\$ 7,837,097	\$ 8,348,452	\$ 8,741,248	\$ 8,722,152	\$ 8,351,424	\$ 8,297,193	\$ 5,777,996	\$ 4,507,982	\$ 3,770,795
Utility services	3,093,927	2,959,428	3,158,550	3,254,555	2,710,435	2,615,227	2,432,494	2,138,583	1,798,561	1,571,435
Communications services	1,313,968	1,335,434	1,309,236	1,386,589	1,455,478	1,386,894	1,323,649	1,214,940	1,055,864	925,309
Local business	189,172	216,115	142,891	203,056	228,320	206,343	-	-	-	-
Franchise fees	2,066,681	2,219,911	2,280,401	2,445,559	2,242,640	1,906,941	1,773,927	1,563,590	1,191,851	1,008,447
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Unrestricted intergovernmental	6,142,848	5,546,151	4,930,295	4,500,340	4,394,094	4,712,786	4,432,087	4,185,961	3,801,533	3,105,896
Investment earnings	77,619	128,671	282,625	358,149	543,291	986,053	1,668,231	706,182	266,479	166,875
Gain (loss) on sale of capital assets	365	-	-	32,032	155,656	5,875	-	-	13,099	239,065
Other	238,894	76,238	92,482	164,333	88,354	-	101,207	90,626	82,622	133,169
Transfers	-	-	-	-	-	-	-	1,304,234	(146,480)	61,981
Total governmental activities	20,914,320	20,319,045	20,544,932	21,085,861	20,540,420	20,171,543	20,028,788	16,982,112	12,571,511	10,982,972
Business-type activities:										
Investment earnings	58,287	141,859	123,987	301,818	587,924	432,272	564,484	385,411	142,967	122,842
Gain (loss) on sale of capital assets	2,416	12,369	-	25,112	5,622	76,315	14,832	20,156	(119,606)	10,700
Transfers	-	-	-	-	-	-	-	(1,304,234)	146,480	(61,981)
Total business-type activities	60,703	154,228	123,987	326,930	593,546	508,587	579,316	(898,667)	169,841	71,561
Total primary government	\$ 20,975,023	\$ 20,473,273	\$ 20,668,919	\$ 21,412,791	\$ 21,133,966	\$ 20,680,130	\$ 20,608,104	\$ 16,083,445	\$ 12,741,352	\$ 11,054,533
Change in Net Position										
Governmental activities	\$ (2,788,434)	\$ 2,195,423	\$ (38,006)	\$ 836,609	\$ 2,175,624	\$ 13,393,211	\$ 23,253,712	\$ 23,808,539	\$ 7,085,219	\$ 7,465,714
Business-type activities	5,525,780	3,568,724	2,106,068	4,038,797	4,395,146	4,621,418	6,200,196	3,056,285	8,482,720	6,234,658
Total primary government	\$ 2,737,346	\$ 5,764,147	\$ 2,068,062	\$ 4,875,406	\$ 6,570,770	\$ 18,014,629	\$ 29,453,908	\$ 26,864,824	\$ 15,567,939	\$ 13,700,372

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
2013	\$ 7,790,846	\$ 3,093,927	\$ 1,313,968	\$ 189,172
2012	7,837,097	2,959,428	1,335,434	216,115
2011	8,348,452	3,158,550	1,309,236	142,891
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 ¹
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	-

¹Local 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

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

<u>Franchise Fees</u>	<u>Total</u>
\$ -	\$ 12,387,913
-	12,348,074
-	12,959,129
-	13,585,448
-	13,116,385
- ²	12,559,886
1,773,927	13,827,263
1,563,590	10,695,109
1,191,851	8,554,258
1,008,447	7,275,986

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund				
Non-spendable	\$ 910,500	\$ 606,371	\$ 872,198	\$ -
Restricted	236,198	156,249	310,372	-
Committed	-	80,923	-	-
Unassigned	6,028,343	5,457,922	4,478,790	-
Reserved	-	-	-	1,906,721
Unreserved	-	-	-	5,418,984
Total General Fund	<u>\$ 7,175,041</u>	<u>\$ 6,301,465</u>	<u>\$ 5,661,360</u>	<u>\$ 7,325,705</u>
All other governmental funds				
Restricted for:				
Law enforcement	\$ 186,973	\$ 146,099	\$ 61,281	\$ -
Transportation projects	1,016,461	1,647,542	1,575,301	-
Committed to:				
Law enforcement	533,612	441,211	435,073	-
Fire control	629,674	502,328	414,944	-
Transportation	15,755,912	18,330,179	17,294,851	-
Unassigned (deficit):	-	(15,065)	(80,584)	-
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	23,988,770
Debt service fund	-	-	-	-
Capital projects funds	-	-	-	-
Permanent funds	-	-	-	30,114
Total all other governmental funds	<u>\$ 18,122,632</u>	<u>\$ 21,052,294</u>	<u>\$ 19,700,866</u>	<u>\$ 24,018,884</u>

Note: GASB 54 was implemented in 2011 and reflects new fund balance classifications for 2011. The new classifications have not been restated for 2010 and prior.

Fiscal Year

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,226,357	2,868,594	3,613,214	2,137,040	2,108,976	2,149,535
5,179,291	8,164,181	9,628,932	9,621,567	9,086,094	7,492,876
<u>\$ 8,405,648</u>	<u>\$ 11,032,775</u>	<u>\$ 13,242,146</u>	<u>\$ 11,758,607</u>	<u>\$ 11,195,070</u>	<u>\$ 9,642,411</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,612,743	2,497,257	7,037,951	6,685,770	453,776	60,572
22,290,020	28,625,460	27,225,893	15,731,030	9,995,418	7,930,656
-	-	8,079	-	-	-
30,111	168,623	1,205,154	12,959,202	-	285,039
30,042	-	-	-	-	-
<u>\$ 23,962,916</u>	<u>\$ 31,291,340</u>	<u>\$ 35,477,077</u>	<u>\$ 35,376,002</u>	<u>\$ 10,449,194</u>	<u>\$ 8,276,267</u>

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues				
Taxes	\$ 12,387,913	\$ 12,348,074	\$ 12,959,129	\$ 13,585,448
Permits, fees, and special assessments	5,002,350	4,180,556	4,452,634	4,902,083
Intergovernmental	9,117,076	7,869,044	7,222,284	6,672,663
Charges for services	2,900,804	2,741,038	2,699,080	2,793,277
Fines and forfeits	201,500	79,575	124,675	184,688
Investment earnings	140,985	311,128	611,514	853,684
Rents and royalties	295,471	253,512	224,426	167,579
Special assessments	-	-	-	-
Impact fees	-	-	-	-
Contributions and donations	36,233	2,051,489	15,677	1,111,622
Other	237,910	76,238	92,482	164,333
Total revenues	<u>30,320,242</u>	<u>29,910,654</u>	<u>28,401,901</u>	<u>30,231,040</u>
Expenditures				
General government	4,599,049	4,604,402	4,751,328	4,954,865
Public safety	13,827,039	13,261,208	13,654,417	14,617,230
Physical environment	1,455,848	1,243,531	1,263,198	1,241,023
Transportation	8,243,322	4,526,474	5,649,128	5,403,945
Economic environment	174,414	506,987	215,570	425,799
Public assistance	68,460	66,395	58,415	49,692
Culture and recreation	2,820,801	2,510,042	7,560,152	3,549,299
Debt Service				
Principal	690,917	671,717	685,574	667,197
Interest	496,478	528,365	560,482	592,295
Total expenditures	<u>32,376,328</u>	<u>27,919,121</u>	<u>34,398,264</u>	<u>31,501,345</u>
Excess (deficiency) of revenues over (under) expenditures	(2,056,086)	1,991,533	(5,996,363)	(1,270,305)
Other financing sources (uses)				
Transfers in	1,887,726	1,912,474	1,630,942	1,691,092
Transfers out	(1,887,726)	(1,912,474)	(1,630,942)	(1,660,959)
Sale of capital assets	-	-	14,000	41,971
Issuance of debt	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>72,104</u>
Net change in fund balances	<u>\$ (2,056,086)</u>	<u>\$ 1,991,533</u>	<u>\$ (5,982,363)</u>	<u>\$ (1,198,201)</u>
Debt service as a percentage of noncapital expenditures	4.4%	5.1%	5.2%	5.0%

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

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

Fiscal Year

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 13,116,385	\$ 12,559,888	\$ 13,827,263	\$ 10,695,109	\$ 8,554,258	\$ 7,275,986
4,697,746 ¹	3,257,290	3,354,710	3,305,453	2,827,208	2,770,604
6,734,345	7,337,697	6,200,862	5,866,003	5,819,142	5,291,960
2,909,532	2,943,724	2,758,255	2,955,962	1,801,451	1,635,726
346,495	448,516	374,414	391,774	248,986	246,132
1,865,706	2,219,381	2,598,817	1,365,403	409,339	262,405
154,128	130,532	164,239	152,813	144,304	128,048
- ¹	70,000	-	-	-	-
- ¹	3,103,937	13,871,394	8,374,862	4,738,914	4,294,620
3,290	2,279,139	2,684,350	9,961,672	38,895	72,427
88,354	-	322,457	90,781	82,622	133,169
<u>29,915,981</u>	<u>34,350,104</u>	<u>46,156,761</u>	<u>43,159,832</u>	<u>24,665,119</u>	<u>22,111,077</u>
4,818,700	4,487,698	4,769,353	4,481,830	2,905,301	2,336,743
17,143,109	16,681,387	13,402,701	10,575,014	9,301,897	7,024,451
1,291,287	1,190,697	1,313,892	1,258,938	820,150	780,387
5,352,512	4,548,554	13,985,729	7,553,859	3,881,560	3,563,224
1,857,734	675,283	451,178	805,516	(32,137)	131,623
119,971	82,630	101,330	88,909	88,871	391,384
6,295,070	3,388,784	3,827,013	2,310,870	1,839,973	1,861,015
2,883,904	653,247	588,534	2,012,062	1,623,416	2,119,883
<u>1,000,696</u>	<u>676,539</u>	<u>740,535</u>	<u>548,850</u>	<u>375,445</u>	<u>1,321,064</u>
<u>40,762,983</u>	<u>32,384,819</u>	<u>39,180,265</u>	<u>29,635,848</u>	<u>20,804,476</u>	<u>19,529,774</u>
(10,847,002)	1,965,285	6,976,496	13,523,984	3,860,643	2,581,303
1,674,090	2,162,439	1,640,803	747,574	1,396,357	1,433,414
(1,674,090)	(3,162,439)	(1,640,803)	(1,747,574)	(1,259,474)	(1,250,640)
1,029,963	16,460	21,844	7,160	13,099	247,544
-	-	-	-	-	118,531
<u>1,029,963</u>	<u>(983,540)</u>	<u>21,844</u>	<u>(992,840)</u>	<u>149,982</u>	<u>548,849</u>
<u>\$ (9,817,039)</u>	<u>\$ 981,745</u>	<u>\$ 6,998,340</u>	<u>\$ 12,531,144</u>	<u>\$ 4,010,625</u>	<u>\$ 3,130,152</u>
14.3%	5.5%	6.0%	12.2%	11.7%	20.7%

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
2013	\$ 7,790,846	\$ -	\$ 3,093,927	\$ 1,313,968	\$ 189,172	\$ 12,387,913
2012	7,837,097	-	2,959,428	1,335,434	216,115	12,348,074
2011	8,348,452	-	3,158,550	1,309,236	142,891	12,959,129
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	- ¹	2,615,227	1,386,894	206,343 ²	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

¹Franchise fees were reclassified in the State of Florida Uniform Accounting System Manual from taxes to permits, fees, and special assessments

²Local business tax, formerly referred to as occupational licenses, was reclassified in the State of Florida Uniform Accounting System Manual from permits and fees to taxes

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

Fiscal Year Ended September 30¹	Real Property	Personal Property	Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2013	\$ 2,355,808,219	\$185,392,987	\$ 641,224,613	\$ 1,899,976,593	1.2500	\$ 2,541,201,206	74.77%
2012	2,355,772,909	184,152,336	634,121,843	1,905,803,402	4.2500	2,539,925,245	75.03%
2011	2,461,883,108	198,393,995	628,770,830	2,031,506,273	4.2500	2,660,277,103	76.36%
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%

Source: Orange County Property Appraiser's Office

¹Information is reported based on the fiscal year in which associated tax revenue is recognized - e.g., the 2012 tax roll data is reported here for Fiscal Year 2013, as that is the period of collection and revenue recognition

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

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

Fiscal Year	City Direct Rates		Overlapping Rates				Total Direct & Overlapping Rates
	Basic Millage	Total Direct	County Millage	School District Millage	Library Millage	St. Johns River Water Mgmt. District Millage	
2013	4.2500	4.2500	4.4347	8.4780	0.3748	0.3313	17.8688
2012	4.2500	4.2500	4.4347	8.5450	0.3748	0.3313	17.9358
2011	4.2500	4.2500	4.4347	7.8940	0.3748	0.4158	17.3693
2010	3.7500	3.7500	4.4347	7.6730	0.3748	0.4158	16.6483
2009	3.3866	3.3866	4.4347	7.1500	0.3748	0.4158	15.7619
2008	3.3866	3.3866	4.4347	7.1210	0.3748	0.4158	15.7329
2007	4.3040	4.3040	5.1639	7.1690	0.4325	0.4620	17.5314
2006	4.3040	4.3040	5.1639	7.7610	0.4325	0.4620	18.1234
2005	4.3040	4.3040	5.1639	7.5400	0.4352	0.4620	17.9051
2004	4.3040	4.3040	5.1639	7.8880	0.4365	0.4620	18.2544

Source: Orange County Property Appraiser's Office

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

Taxpayer	2013			2004		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
DDR Winter Garden LLC	\$118,289,458	1	5.82 %	\$ -	-	-
Progress Energy Florida	22,691,562	2	1.12	-	-	-
West Pointe Villas LTD	13,548,170	3	0.67	9,607,030	1	0.89 %
EI-Ad Promenade LLC	11,384,560	4	0.56	-	-	-
Adventist Health Systems	10,113,891	5	0.50	-	-	-
Embarq	9,915,434	6	0.49	-	-	-
Target Corp	8,423,955	7	0.41	-	-	-
Hyde Park Communities	8,354,610	8	0.41	6,876,278	8	0.63
Stoneybrook West LLC	8,103,439	9	0.40	-	-	-
Advanced Drainage System	7,279,849	10	0.36	-	-	-
West Point Commons LLC	-	-	-	9,161,551	2	0.84
BRH Berkshire West LLC	-	-	-	9,080,865	3	0.84
Stoneybrook Joint Venture	-	-	-	8,414,258	4	0.78
Gar Shing Realty Corp	-	-	-	8,021,173	5	0.74
4000 Goldenrod LLC	-	-	-	7,435,961	6	0.69
M/I Homes of Orlando LLC	-	-	-	7,381,358	7	0.68
Winter Country Garden Assoc.	-	-	-	6,286,677	9	0.58
Manheim Remarketing L P	-	-	-	5,247,422	10	0.48
Totals	\$218,104,928		10.74 %	\$ 77,512,573		7.15 %

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
2013	\$ 8,077,121	\$ 7,763,437	96.1%	\$ -	\$ 7,763,437	96.1%
2012	8,102,282	7,796,124	96.2%	-	7,796,124	96.2%
2011	8,674,809	8,327,773	96.0%	-	8,327,773	96.0%
2010	9,045,633	8,689,850	96.1%	7,439	8,697,289	96.1%
2009	8,973,852	8,641,588	96.3%	23,565	8,665,153	96.6%
2008	8,646,566	8,272,820	95.7%	79,184	8,352,004	96.6%
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%



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

Fiscal Year	Governmental Activities				Business-Type Activities		
	Revenue Bonds	Revenue Notes	Agreements	Capital Leases	Water/Sewer Bonds	Loans	Capital Leases
2013	\$ 10,380,000	\$ 168,177	\$ -	\$ -	\$ -	\$ 8,862,592	\$ -
2012	10,650,000	589,094	-	-	-	9,540,288	78,613
2011	10,905,000	1,005,811	-	-	-	10,203,068	153,618
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	-

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

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

Total Primary Government	Percentage of Personal Income	Per Capita¹
\$ 19,410,769	1.44%	\$ 522
20,857,995	1.60%	578
22,267,497	1.75%	631
23,671,918	1.96%	685
25,038,371	2.41%	808
28,239,867	2.54%	916
29,481,807	2.74%	981
30,612,089	3.09%	1,076
20,926,838	2.60%	850
21,591,152	3.16%	971

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value¹ of Property	Per Capita²
2013	\$ -	\$ -	\$ -	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-
2006	-	-	-	-	-
2005	-	-	-	-	-
2004	-	-	-	-	-

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

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

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



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**City of Winter Garden, Florida
Legal Debt Margin Information
September 30, 2013**

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
Sales Tax Revenue Bonds, Series 2006
Last Ten Fiscal Years**

<u>Year</u>	<u>Local Government</u>		<u>Debt Service</u>		<u>Coverage</u>		
	<u>Half-cent Sales</u>	<u>Tax Revenues</u>	<u>Principal</u>	<u>Interest</u>			
2013	\$	4,823,757	\$	270,000	\$	454,838	6.65
2012		4,488,577		255,000		465,038	6.23
2011		3,979,791		250,000		475,038	5.49
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	N/A
2006		3,237,896		-		-	N/A
2005		2,912,563		-		-	N/A
2004		2,454,241		-		-	N/A

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

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

Fiscal Year	Population ¹		Personal Income ²		Labor Force (Countywide) ³			Unemployment Rate ⁴
	City of	Orange	City of Winter Garden		Civilian			
	Winter Garden	County	Annual Income	Per Capita	Labor Force	Employed	Unemployed	
2013	37,172	1,202,978	\$ 1,351,233,796	\$ 36,351	649,312	608,781	40,531	6.2
2012	36,063	1,172,493	1,304,398,710	36,170	637,823	584,475	53,348	8.4
2011	35,281	1,157,342	1,269,763,190	35,990	609,366	547,964	61,402	10.1
2010	34,568	1,145,956	1,206,976,288	34,916	609,900	537,799	72,101	11.8
2009	30,987	1,108,882	1,036,856,007	33,461	604,165	535,531	68,634	11.4
2008	30,838	1,114,979	1,113,745,208	36,116	612,686	573,838	38,848	6.3
2007	30,065	1,105,603	1,075,244,660	35,764	601,260	578,008	23,252	3.9
2006	28,440	1,079,524	991,560,600	34,865	586,102	568,257	17,845	3.0
2005	24,610	1,043,437	805,411,470	32,727	560,375	540,809	19,566	3.5
2004	22,242	1,013,937	683,474,418	30,729	569,814	544,606	25,208	4.4

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

²Source: University of Florida, Bureau of Economic and Business Research (2003-2011), 2012 estimated.
Note: Personal income information is only available for Orange County [not City specific].

³Source: Florida Agency for Workforce Innovation

⁴Countywide

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

<u>Employer</u>	<u>Location</u>	<u>2013</u>			<u>2004</u>		
		<u>Employees</u> ¹	<u>Rank</u>	<u>Percentage of Total City Employment</u> ²	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Orange County Public Schools	Various (9)	812	1	8.15%	Data is not available for 2004		
Heller Bros Packing Co	9th Street	300	2	3.01%			
Target Super Center	Daniels Rd	-	3	0.00%			
Health Central Park	N Dillard Street	289	4	2.90%			
City of Winter Garden	Plant Street	288	5	2.89%			
Publix Super Markets	SR 50/SBW	262	6	2.63%			
Ranger Construction	Elboc Way	218	7	2.19%			
Encore Construction	Crown Park Circle	173	8	1.74%			
Orange County National Golf	Phil Ritson Way	134	9	1.35%			
Louis Dreyfus Citrus	9th Street	120	10	<u>1.20%</u>			
Total				<u>26.07%</u>			

¹Source: Surveys of employers listed.

²Source: Total City employment estimated based on 2010 Economic Census data :: US Census Bureau.

³Source: Target Super Center could not disclose their employee count information. Ranked as third based on past reported counts.



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

Function	Full-time Equivalent Employees as of September 30									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General government	42	42	35	35	37	33	31	33	28	23
Public Safety										
Police										
Officers	71	71	66	66	64	63	58	58	56	47
Civilians	23	23	16	16	16	16	17	20	18	13
Fire										
Firefighters and officers	44	44	45	45	43	39	35	38	38	34
Civilians	2	2	2	2	2	2	2	1	1	-
Building	16	16	8	8	10	15	17	19	14	10
Public Works	14	15	25	28	31	31	31	36	34	34
Sanitation	19	19	19	19	18	18	18	15	16	16
Culture and recreation	8	8	8	8	8	8	7	9	8	6
Engineering	4	5	5	5	5	5	6	8	7	5
Administration	5	4	2	2	2	2	5	5	6	5
Water	14	14	12	11	12	11	14	14	15	15
Sewer	19	19	16	13	13	13	13	17	17	17
Environmental Services	3	3	2	2	3	2	-	-	-	-
Stormwater	2	2	2	3	3	4	5	4	3	2
Trailer park	2	2	2	2	2	2	2	1	1	3
Total	288	289	265	265	269	264	261	278	262	230

Source: City of Winter Garden Human Resource Department

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

Function	Fiscal				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Police					
Physical arrests	1,320	1,273	1,525	1,216	1,084
Parking violations	87	115	114	321	380
Traffic violations	4,592	5,211	7,491	9,082	9,427
Fire					
Number of calls answered	4,252	4,280	4,049	3,880	3,851
Inspections	1,127	1,244	1,270	1,226	1,126
Public Works					
Street resurfacing	61,063	7,132	14,838	17,034	11,195
Potholes repaired	149	107	134	220	172
Sanitation					
Refuse collected (tons/day)	93	88	89	133	84
Recyclables collected	5	5	6	8	8
Culture and recreation					
Field permits issued	981	1,024	1,139	376	905
Facility rentals	481	493	335	294	319
Water					
New connections	506	176	338	373	209
Water main breaks	8	9	11	55	7
Average daily consumption	5,092,583	5,695,000	5,966,000	5,308,000	5,935,000
Wastewater					
Average daily sewage treatment	2,560,000	2,490,000	2,380,000	2,410,000	2,500,000

Sources: Various City departments.

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

Year

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
1,142	1,170	1,878	2,093	1,903
644	802	80	362	299
10,813	12,216	7,448	8,994	6,918
3,714	3,642	3,427	3,231	2,998
1,172	1,442	1,258	1,222	1,111
3,873	21,336	43,357	22,551	34,332
245	945	890	1,000	1,200
87	117	51	50	50
6	8	4	4	4
226	254	156	85	92
151	196	194	182	175
602	699	1,095	676	533
6	8	3	3	5
6,100,858	6,670,000	5,985,678	4,616,786	4,354,230
2,420,000	2,350,000	1,990,000	2,010,000	1,870,000

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

Function	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Public Safety				
Police:				
Stations	1	1	1	1
Patrol units	39	39	39	38
Fire stations	3	3	3	3
Sanitation				
Collection trucks	15	16	18	17
Public Works				
Streets (miles)	127	129	170	176
Streetlights	2,590	2,496	2,462	2,429
Traffic signals	29	29	28	20
Culture Recreation				
Parks acreage	307	301	297	90
Parks	12	12	12	11
Swimming pools	2	2	2	2
Tennis courts	6	6	6	6
Community centers	1	1	1	1
Water				
Water mains (miles)	195	190	190	190
Fire hydrants	1,447	1,403	1,403	1,380
Maximum daily capacity	12,912,000	12,912,000	12,912,000	12,912,000
Sewer				
Sanitary sewers (miles)	182	175	175	175
Maximum daily treatment capacity	4,000,000	4,000,000	4,000,000	4,000,000
Stormwater				
Storm sewers (miles)	67	121	121	117

Sources: Various City departments.

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

Fiscal Year						
<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	
1	1	1	1	1	1	
38	38	38	36	32	29	
3	3	2	2	2	2	
24	21	18	15	15	14	
176	176	171	137	119	103	
2,419	2,304	2,279	2,266	2,017	1,795	
16	22	19	14	13	11	
90	60	60	55	55	55	
11	9	9	8	8	8	
2	2	2	2	2	2	
6	6	6	6	6	6	
1	1	1	1	1	1	
186	186	186	105	98	90	
1,366	1,300	1,300	1,300	1,215	1,116	
10,368,000	10,368,000	10,368,000	10,368,000	10,368,000	10,368,000	
164	164	139	135	127	118	
4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	
112	112	102	63	56	50	



COMPLIANCE AND INTERNAL CONTROL



Sines Blakeslee Madyda

certified public accountants, p.a.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Winter Garden, FL (the "City"), as of and for the fiscal year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated March 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 21, 2014
Winter Garden, Florida



Sines Blakeslee Madyda

certified public accountants, p.a.

**INDEPENDENT AUDITORS' MANAGEMENT LETTER IN ACCORDANCE
WITH THE RULES OF THE AUDITOR GENERAL OF THE
STATE OF FLORIDA**

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, 2013, and have issued our report thereon dated March 21, 2014.

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 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based, on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, which is dated March 21, 2014, 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 noncompliance with 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

- Section 10.554(1)(i)5., 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 its blended component unit are disclosed in the notes to the financial statements.
- Section 10.554(1)(i)6.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)6.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, 2013, 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, 2012. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to sections 10.554(1)(i)6.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. In connection with our audit, no matters were noted that would require disclosure pursuant to the Rules of the Auditor General Section 10.554(1)(i)7.c and 10.556(7).

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Commission and management and is not intended to be and should not be used by anyone other than these specified parties.



March 21, 2014
Winter Garden, Florida