

CITY OF WINTER HAVEN, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2021

Prepared by:

Finance Department
Calvin T. Bowen, Finance Director

WINTER HAVEN

The Chain of Lakes City

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INTRODUCTORY SECTION

WINTER HAVEN

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LETTER OF TRANSMITTAL

WINTER HAVEN

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WINTER HAVEN

The Chain of Lakes City

March 28, 2022

FINANCE DIRECTOR

To the Honorable Mayor, Members of the
City Commission and City Manager
The City of Winter Haven, Florida

The comprehensive annual financial report of the City of Winter Haven for the fiscal year ended September 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General for Local Government Entity Audits. Information related to this single audit, including the schedule of federal financial awards and state financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in the single audit section of this report.

This report includes all funds of the government. The City provides a full range of services. These services include police and fire protection; sanitation services; water and sewer services; cemetery services; the construction and maintenance of streets, and infrastructure; recreational activities and cultural events. For an easy-to-read analysis of the City's financial activities see the Management's Discussion and Analysis which is contained in this report.

ECONOMIC CONDITION AND OUTLOOK

Winter Haven is located in central Polk County which lies in the center of the State of Florida, equidistant between the major metropolitan areas of Orlando and Tampa. The County, which encompasses the Lakeland-Winter Haven Metropolitan Statistical Area, is the ninth most populous county in the state with an estimated population of 748,365 in 2021. Polk County's population grew 3.2 percent from 2020, which exceeded Florida's growth rate as a whole.

General economic conditions in Polk County have mirrored the national trend of economic growth over the last few years. Between 2019, and 2020, the unemployment rate for Winter Haven increased from 3.5 percent to 4.3 percent. The preliminary rate of 4.1 percent for 2021 reflects a decrease in the area's unemployment rate as a result of recovery from pandemic related job loss. Polk County exhibits a diversified economy with service, retail trade, construction, healthcare, business and financial services, and manufacturing being the major employment sectors in the county. Significant employment also comes from the mining, tourism, and citrus industries.

City building permits issued during the 12 months between October 2020 and September 2021 authorized \$414,349,156 worth of commercial and residential activity. This represents a 26.8 percent increase over the \$326,768,406 worth of activity for the period between October 2019 and September 2020. The 26.8 percent increase from 2020 to 2021, represents sustained growth when compared to the growth rate of 0.76 percent decrease observed between 2019 and 2020. As evidenced by these numbers, growth in construction activity remains strong.

Winter Haven's estimated population for 2021 was 51,126. This represents an increase of 4,082 persons or 8.7 percent over 2020, and a 47.4 percent increase since 2010. There have been 6,623 new housing units built in the City since 2010, including a mix of single-family homes, mobile homes, and multiple family units.

The outlook for Winter Haven remains positive for the remainder of the decade, for both physical and economic growth. The Southeast and Lucerne Park areas contain a significant amount of platted residential lots, serviceable by City water and sewer utilities. In the last ten years, the City has annexed 1.2 square miles into the City limits of Winter Haven. This represents an increase in the City's area by 3.0 percent. Additionally, developers continue to show interest in the City's downtown. Within the past two years several new commercial and multi-family projects have been permitted within the downtown and surrounding areas. In total, 94 new housing units have been completed in or near downtown since 2014, with a new additional 105 units scheduled for completion in 2022.

Following the 2020 recession brought on by the Covid19 pandemic, the economy is expected to resume moderate growth in 2022, as many of the large economic developments initiated in the last few of years continue to grow. New growth is expected in the multi-family housing, service, wholesale/retail trade, hospitality, and warehousing and distribution sectors. With the continued success of LEGOLAND Florida, and expansion of the CSX Rail Terminal, the area will likely see increased growth for the remainder of the decade. Locational factors, and active local economic developments efforts, are the basis of the outlook.

MAJOR INITIATIVES

Polk Regional Water Cooperative

The Polk Regional Water Cooperative is a utility service created by interlocal agreement between Polk County and fifteen (15) municipalities to develop mutually beneficial long-term alternative water supplies and to identify projects for state funding consideration pursuant to the Heartland Headwaters Protection and Sustainability Act. The Cooperative was created in May 2016 for the purpose of evaluating and implementing alternative water supply projects for future potable water demands which would supplement and be complimentary to the withdrawal of traditional water supply as allowed under existing permits issued by the Southwest Florida Water Management District ("SWFWMD") to each Member Government for withdrawal from the Upper Floridian Aquifer. Four Approved Projects were identified for further feasibility investigators namely (1) the Southeast Wellfield Lower Floridian Aquifer Project; (2) the West Polk Lower Floridian Aquifer Wellfield Project; (3) the Peace Creek Integrated Water Supply Plan; and (4) the Peace River Land Transition Water Supply Project.

In May 2017, the Cooperative's Member Governments entered into a Combined Projects Implementation Agreement to begin conceptual development of the aforementioned Approved Projects, to include the West Polk Wellfield Project and the Southeast Wellfield Project. In April 2021 the Cooperatives Member Governments executed an implementation agreement to advance both Projects.

The City of Winter Haven agreed to purchase 1.52 million gallons of water per day from the Southeast Wellfield Project, which is 12.43% of the estimated output and purchase 0.1 million gallons of water per day from the West Polk Wellfield Project which is 1.27% of the output. The City's estimated annual cost is \$3,140,286 for participation in the Southeast Wellfield Project and \$68,552 for participation in the West Polk County Wellfield Project.

Bond Refunding

On March 31, 2021 the City refunded the outstanding principal of the 2016A and 2016B Non Ad Valorem Bonds with a \$10,055,000 Non Ad Valorem Refunding Bond Series 2021. The refunded bonds had an interest rate of 2.32% and 2.52% respectively. The 2021 bond interest rate is 1.89% and matures October 1, 2036. The present value of the savings was \$330,000 or 3.18% of the par amount of the refunded bonds. The City wired \$496,625 out of the debt service fund (\$320,000 principal, \$176,625 interest) as part of the refunding. The City received \$50,703 for expenses.

Fire Station No. 3

Due to population growth in the southeast section of the City, a new fire station was constructed in FY 2021 to serve that population. Certain invoices remain to be paid at yearend, but the final cost of the facility will be approximately \$4.5 million.

Lake Elbert Trail

For a number of years, the City has attempted to construct a walking trail around Lake Elbert. Due to a road widening project on the southside of the lake a section of the trail was constructed in conjunction with the widening of the street. At a cost of \$584,502 most of the additional right of way needed was purchased. Construction of the trail will begin in the later half of FY 2021-2022.

Winter Haven Recreation and Cultural Center

The City originally planned a \$9.5 million makeover of the Winter Haven Recreation and Cultural Center. However, at FY 2020-2021 yearend it was determined that perhaps a new facility is wanted for an additional \$4.5 million. The additional funds were secured by a bond issued subsequent to yearend.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting records are complete to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal, state and county financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the government.

As a part of the City's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations.

Budgeting Controls

In addition to the accounting internal control structure, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund, three capital project funds and eight of the nine special revenue funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is on the departmental level and is reported by function and activity within an individual fund.

The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues meeting its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of CliftonLarsonAllen, L.L.P. has fulfilled this role.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2020. This was the thirty first consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

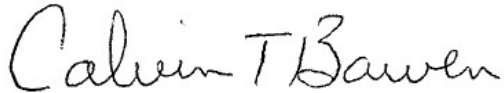
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the governing body of the government, preparation of this report would not have been made possible.

Sincerely,

A handwritten signature in cursive script that reads "Calvin T. Bowen". The signature is written in dark ink and is positioned above the printed name.

Calvin T. Bowen

Financial Services Department Director

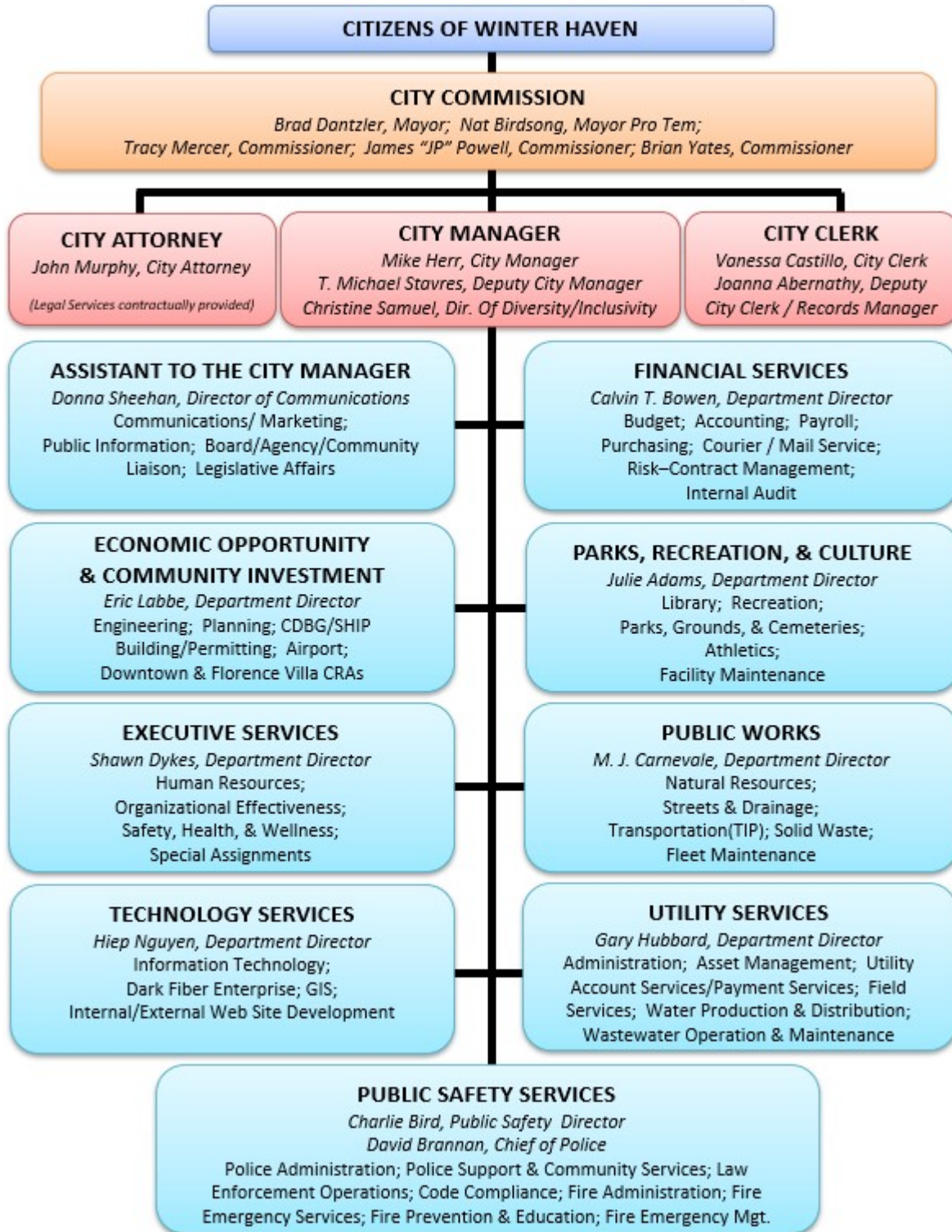
WINTER HAVEN

The Chain of Lakes City

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ORGANIZATIONAL CHART

CITY OF WINTER HAVEN ORGANIZATIONAL CHART 2020/2021





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Winter Haven
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

**CITY OF WINTER HAVEN, FLORIDA
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE
IN FINANCIAL REPORTING (CONTINUED)
SEPTEMBER 30, 2021**

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 of Winter Haven, Florida for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

**CITY OF WINTER HAVEN, FLORIDA
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2021**

Mayor

Bradley T. Dantzler

Commissioners

Nathaniel J. Birdsong Jr.

L. Tracy Mercer

William Brian Yates

James H. Powell

City Manager

Mike Herr

City Clerk

Vanessa Castillo

City Attorney

Frederick J. Murphy, Jr.

City Auditors

CliftonLarsonAllen LLP

WINTER HAVEN

The Chain of Lakes City

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FINANCIAL SECTION

WINTER HAVEN

The Chain of Lakes City

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INDEPENDENT AUDITORS' REPORT

WINTER HAVEN

The Chain of Lakes City

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission
City of Winter Haven, 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 Haven, Florida (City), as of and for the year ended September 30, 2021, 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.

Auditors' 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 auditors' 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 entity'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 entity'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.

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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Community Redevelopment Agency Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the City restated beginning balances to correct accounting errors that occurred in a prior year. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 35 and information on pension plans and other postemployment benefits on pages 118 through 135 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 combining and individual fund financial statements and schedules and introductory and statistical sections are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Local Governmental Entity Audits*, Rules of the Auditor General of the State of Florida, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

Honorable Mayor and Members of the City Commission
City of Winter Haven, Florida

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards and state financial assistance 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 information is 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 28, 2022, on our consideration of the 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 solely 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 effectiveness of the City's 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Winter Haven, Florida
March 28, 2022

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2021**

The City of Winter Haven's discussion and analysis (MD&A) is designed to provide an objective and easy to read analysis of the City's financial activities. The analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify the changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues of concern.

Since the Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Transmittal Letter, and the City's financial statements and auditor's report.

Financial Highlights

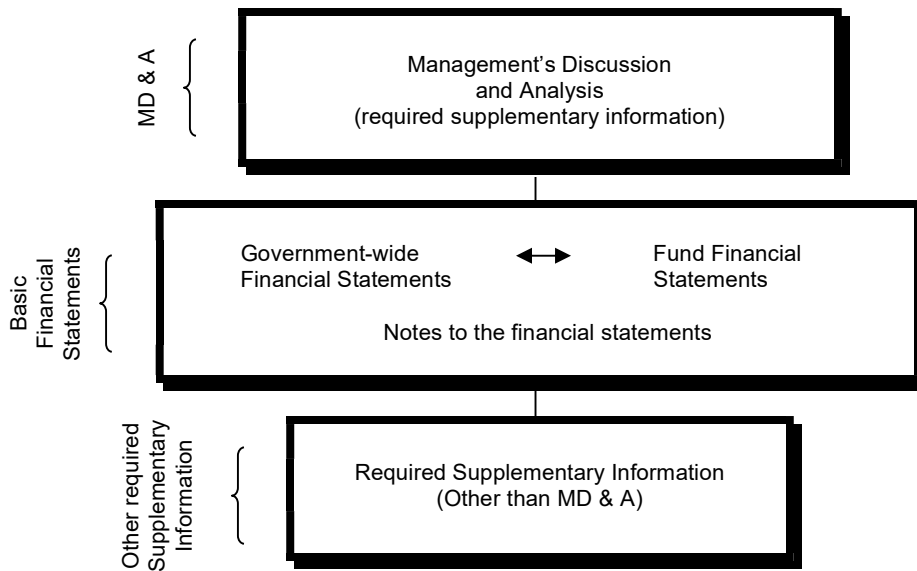
- The assets and deferred outflows of the City of Winter Haven exceeded its liabilities and deferred inflows at September 30, 2021 by \$181,006,825 (net position). Of this amount, \$25,690,485 (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased \$19,055,478 during the year.
- As of September 30, 2021, the City of Winter Haven's governmental funds reported combined ending fund balances of \$50,992,471 an increase of \$6,030,211 over the previous year.
- All business-type funds had positive changes to net position for the year. The Water and Sewer Fund operated with an increase in net position of \$6,670,203.

UNDERSTANDING THE BASIC FINANCIAL STATEMENTS

The financial statements focus on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability. The Statement of Net Position and Statement of Activities seek to give the user a combined overview of the City's financial position; eliminates interfund activities, and "other people's money", such as pension funds, which can mislead users when incorporated in a combined manner.

The financial statements use accrual accounting (which focuses on economic resources) in the government wide statements, while maintaining modified accrual accounting (which focuses on current financial resources-budget resources) for governmental activities at the individual fund level. The impact of long-term financial decisions can be more appropriately matched to the period in which the expense or revenue is more properly attributed. A fairer presentation is achieved, and the impacts of long-term decisions are promptly recorded as the transactions occur, as opposed to the traditional method of recording transactions when the bill is paid. This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which are presented in the following graph.

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2021**



Government-wide Financial Statements

The government-wide financial statements (pages 36-37) consist of a Statement of Net Position and a Statement of Activities. Both statements represent an overview of the City as a whole, separating its operations between governmental and business-type activities. The governmental activities of the City include general government, public safety, transportation, economic development, human services and culture and recreation. The business-type activities of the City consist of the water and sewer utility services, solid waste services, a stormwater utility, a golf course and a DARK Fiber Fund. All information is presented utilizing the economic resource measurement focus and accrual basis of accounting. This method best matches revenues and expenses to the period in which the revenue is earned and the expense attributed. Fiduciary funds, such as pension trust funds, are excluded from the Government-wide Financial Statements as they represent money and funds legally set aside for use by the employee groups they benefit. Florida law requires municipalities to fund pension plans on an actuarially sound basis; therefore, it is important for the user to study the Fund Financial Statements as well as the footnotes and statistical sections of this report.

The Statement of Net Position presents information on all the City's assets and deferred outflows and liabilities and deferred inflows with the difference reported as net position. The focus of the Statement of Net Position is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increase or decrease 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 City's net position changed during the most recent fiscal year, focusing on both the gross and net cost of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over the 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 the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2021**

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statement. 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 the City'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 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 Change in Fund Balances provide a reconciliation (pages 39 and 41) to facilitate this comparison between governmental funds and governmental activities.

The City maintains three separate governmental funds classified as major funds: the General Fund, the 2015 Construction Fund, and the Community Redevelopment Agency. Fifteen other funds are reported collectively as non-major funds. Information is presented separately for each major fund in the governmental fund Balance Sheet and the governmental fund Statement of Revenue, Expenditures and Change in Fund Balances.

The City adopts an annual appropriated budget each year in September. Budgetary comparison statements have been provided to demonstrate compliance with the budget (pages 42-43 and 140-152).

The Governmental Funds financial statements presentation is on a sources and uses of resources basis. This is the manner in which the financial plan (the budget) is developed. The flow and availability of resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance for each fund.

Proprietary Funds. The City maintains five enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The City uses an enterprise fund to account for the services detailed in the Government-wide Financial Statement section of this letter under business-type activities. The proprietary fund financial statements can be found on pages 44-48 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties other than the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support City activities. While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. The accounting used for fiduciary funds is similar to that used for proprietary funds. The basic fiduciary fund financial statement can be found on pages 49 and 50 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. They can be found on pages 51-117 of this report.

Infrastructure assets. The City implemented for the first time in FY 2007 the infrastructure portion related to general governmental activities. Historically, a government's largest group of assets (infrastructure-roads, bridges, traffic signals and underground pipes not associated with a utility, etc.) have not been reported nor depreciated in governmental financial statements. The current standard requires that these assets be valued and reported within the governmental column of the government-wide statement. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government elects the asset management system or the modified approach, which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City of Winter Haven has elected to depreciate its infrastructure assets.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the current year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$181.0 million.

The following table reflects the condensed Statement of Net Position for the current year and the previous year. For more detailed information see the Statement of Net Position on page 36.

**Statement of Net Position (Summary)
As of September 30, 2021**

	Governmental Activities*		Business-Type Activities*		Totals*	
	2020	2021	2020	2021	2020	2021
Assets:						
Current and Other Assets	\$ 69.4	\$ 80.2	\$ 72.4	\$ 66.5	\$ 141.8	\$ 146.7
Capital Assets	105.4	108.0	84.7	102.4	190.1	210.4
Total Assets	174.8	188.2	157.1	168.9	331.9	357.1
Deferred Outflows of Resources	15.0	10.8	5.9	5.0	20.9	15.8
Liabilities:						
Short-Term Liabilities	12.9	18.4	11.2	15.1	24.1	33.5
Long-Term Liabilities	95.9	82.2	64.4	60.3	160.3	142.5
Total Liabilities	108.8	100.6	75.6	75.4	184.4	176.0
Deferred Inflows of Resources	5.4	12.3	1.2	3.6	6.6	15.9
Net Position:						
Net Investment in Capital Assets	56.4	62.3	38.5	55.5	94.9	117.8
Restricted	14.7	17.6	16.4	19.9	31.1	37.5
Unrestricted	4.5	6.2	31.3	19.5	35.8	25.7
Total Net Position	\$ 75.6	\$ 86.1	\$ 86.2	\$ 94.9	\$ 161.8	\$ 181.0

* in million dollars

The largest portion of the City's net position (65.1%) reflects the investment in capital assets (land, buildings, machinery, equipment) net of any debt used to acquire the assets. Approximately 20.7% of the City's net position represents resources which are subject to external restrictions on how they can be used. These assets are used to provide services to citizens and are therefore not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance \$25.7 million, is available to meet the City's on-going obligations to citizens and creditors.

At September 30, 2021, the City is able to report positive balances in all three categories of net position for the City as a whole and for both the governmental and business activities.

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Statement of Activities. Net position of the City represents the difference between Assets and Liabilities of the City using the economic resources measurement focus and accrual basis of accounting. The City has in place many charges that are designed to recover in part or in whole the cost of providing services. Governmental activities increased the City's net position by \$10,337,827 and business activities increased net position by \$8,717,651. The following table reflects the condensed Statement of Activities for the current and prior year. For more detailed information see the Statement of Activities on page 37.

Statement of Activities (Summary)
As of September 30, 2021

	Governmental Activities*		Business-Type Activities*		Totals*	
	2020	2021	2020	2021	2020	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 13.8	\$ 15.5	\$ 48.2	\$ 48.8	\$ 62.0	\$ 64.3
Operating Grants and Contributions	1.8	1.8	0.2	0.1	2.0	1.9
Capital Grants and Contributions	1.8	3.3	7.7	5.7	9.5	9.0
General Revenues:						
Property Taxes	18.3	19.9	-	-	18.3	19.9
Franchise/Public Service Tax	10.2	11.0	-	-	10.2	11.0
Other	8.5	9.0	4.1	0.3	12.6	9.3
Total Revenues	54.4	60.5	60.2	54.9	114.6	115.4
Expenses:						
General Government	9.6	11.1	-	-	9.6	11.1
Public Safety	23.6	23.6	-	-	23.6	23.6
Transportation	6.0	6.3	-	-	6.0	6.3
Economic Environment	1.6	2.2	-	-	1.6	2.2
Human Services	0.9	0.9	-	-	0.9	0.9
Culture and Recreation	9.7	10.9	-	-	9.7	10.9
Debt Service	1.3	1.3	-	-	1.3	1.3
Water and Sewer	-	-	26.0	29.8	26.0	29.8
Solid Waste	-	-	6.9	7.4	6.9	7.4
Willowbrook Golf Course	-	-	1.1	1.0	1.1	1.0
Stormwater	-	-	1.7	1.7	1.7	1.7
Dark Fiber	-	-	0.2	0.2	0.2	0.2
Total Expenses	52.7	56.3	35.9	40.1	88.6	96.4
Increase (Decrease) in Net Position Before Transfers	1.7	4.2	24.3	14.8	26.0	19.0
Transfers	9.6	6.1	(9.6)	(6.1)	-	-
Increase (Decrease) in Net Position	11.3	10.3	14.7	8.7	26.0	19.0
Net Position-October 1	64.3	75.6	71.5	86.2	135.8	161.8
Prior Period Adjustment	-	0.2	-	-	-	0.2
Net Position-September 30	\$ 75.6	\$ 86.1	\$ 86.2	\$ 94.9	\$ 161.8	\$ 181.0

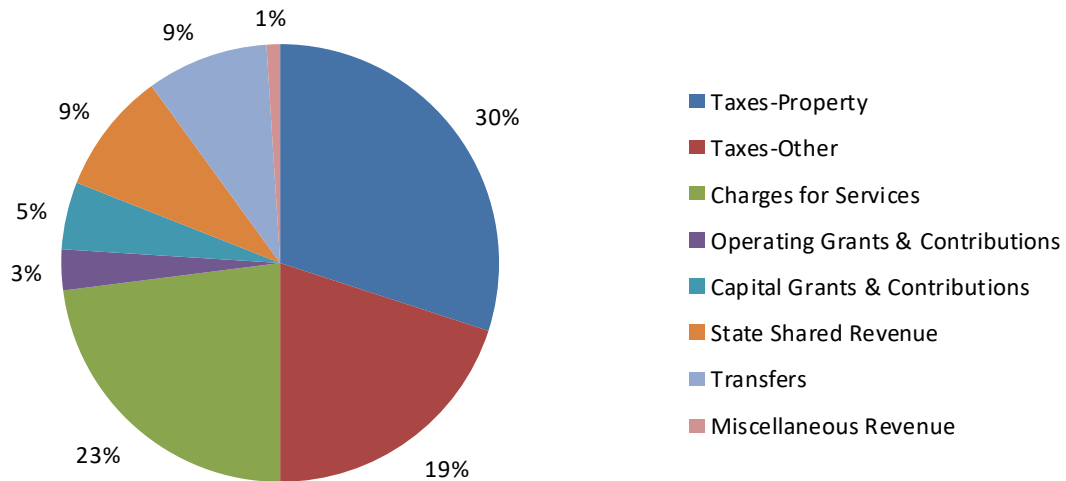
* in million dollars

Ad valorem and Franchise/Utility Service Tax make up 51.1% of the governmental activities' revenues. The Other category, which makes up 14.9% of the revenues, consists of motor fuel taxes, sales taxes and cigarette taxes. Charges for services, made up of recreation fees, library fees, sale of cemetery spaces, airport hangar rents and other miscellaneous revenues is 25.6% of governmental activities revenues. Governmental activities increased the City's net position by \$10,337,827. The governmental activities increase in net position was due largely to an increase in Ad Valorem Revenue and transfers from the

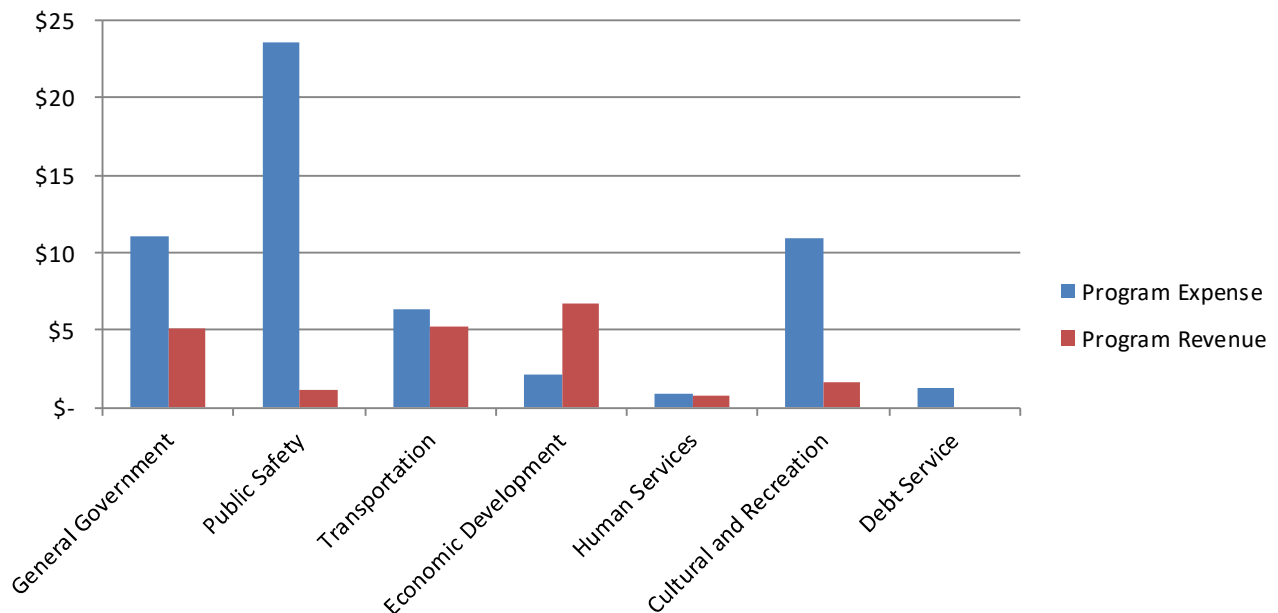
**City of Winter Haven
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enterprise fund. Business-type activities increase in net position was due to revenues exceeding expectations, developer contributions of assets valued at \$3.2 million and expenditures finishing the year lower than anticipated.

Revenue by Source - Governmental Activities

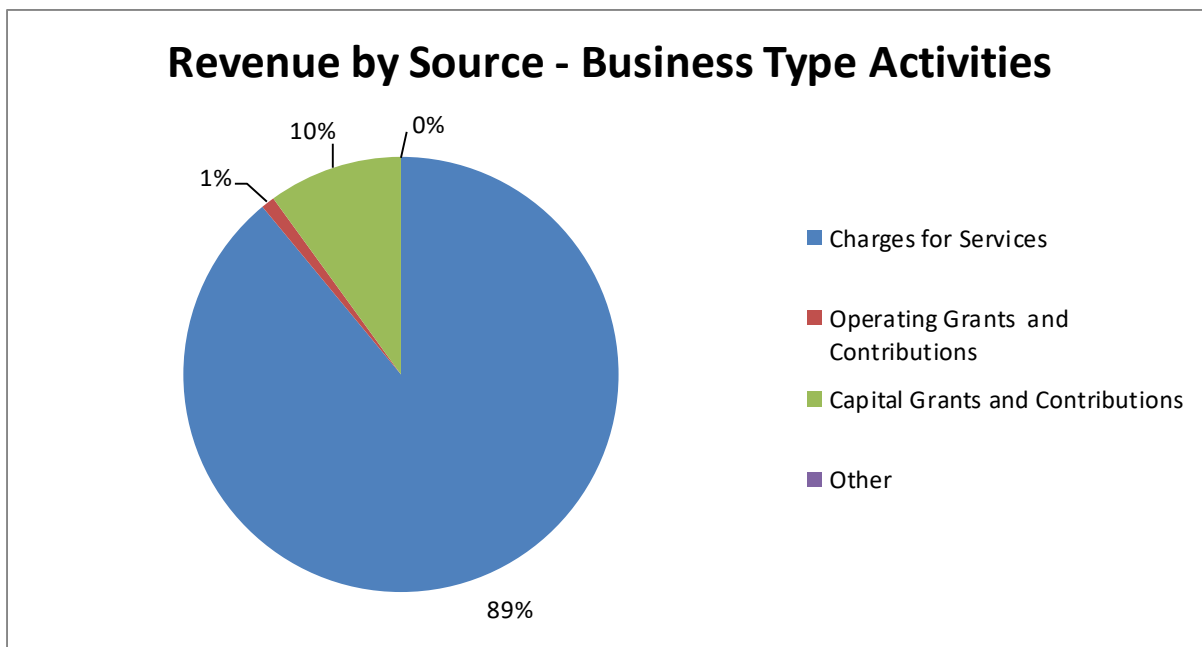
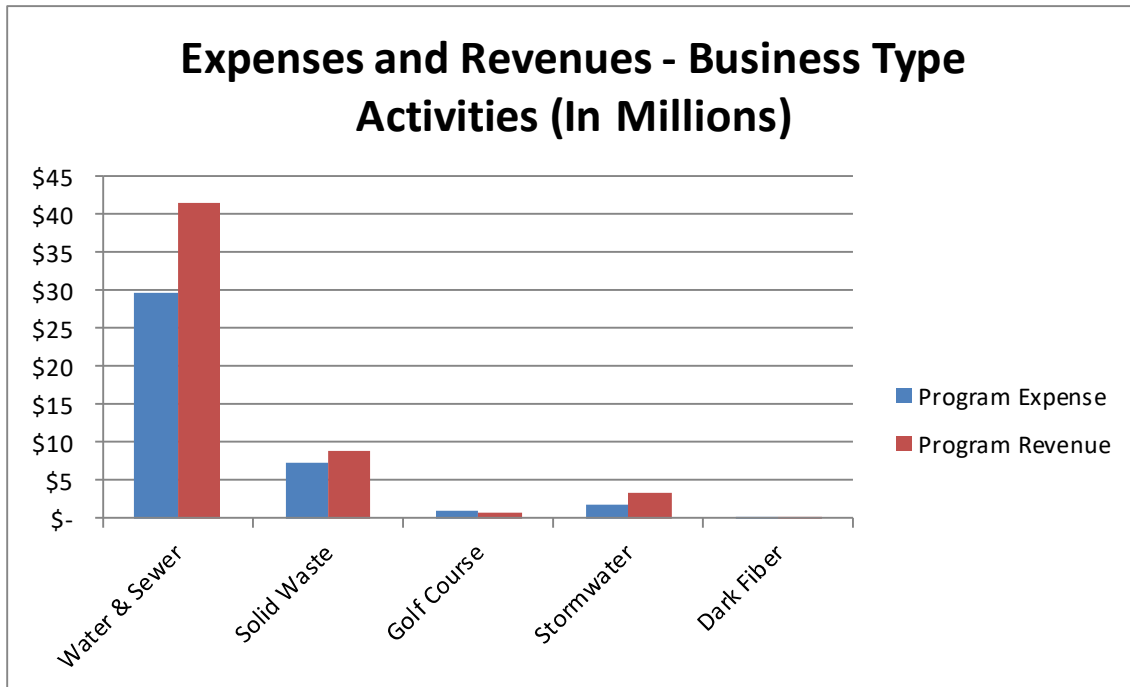


Expenses and Revenues - Governmental Activities (In Millions)



Business-type activities

Business-type activities increased the City's net position by \$8,717,651.



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FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City used 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.

GENERAL FUND

The General Fund was budgeted to operate with expenditures exceeding revenues by \$1,155,000. However, revenues exceeded budget by 4.6% and expenditures were 5.7% under budget creating a surplus of \$2,584,303. The surplus was despite the COVID-19 virus which negatively impacted some revenues. The surplus increased the General Fund ending fund balance to \$19,394,775. Not all of the fund balance is spendable as shown in the following calculation:

FY 2021 Ending Fund Balance	\$19,394,775
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Less:

Non-spendable balances:

Prepays	\$32,492	
Golf Fund Loan	<u>1,563,872</u>	1,596,364

Restricted balances:

Public Safety	\$14,523	
Environmental Restriction	<u>200,000</u>	214,523

Assigned balances:

Leisure Services	\$13,173	
Public Safety	14,160	
Transportation	<u>73,468</u>	<u>100,801</u>

Unassigned FY 2021 Fund Balance:	<u>\$17,483,087</u>
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FUND BALANCE

The City Commission adopted a General Fund Balance Policy which prescribes a minimum of 17% of General Fund expenditures will be retained in Unassigned Fund Balance. The \$17,483,087 FY 2020-2021 balance equates to 34.9% of current year General Fund expenditures and 31.7% of FY 2021-2022 budgeted expenditure. This calculates to a surplus of \$8,093,297 above the 17% policy.

The question arises as to how much surplus is too much? A too large fund balance should be returned to taxpayers via a cut in property taxes. An article published in the first quarter of 2021 Quality Cities magazine addresses this issue. The article states most professionals suggest municipal reserves should be between 16% and 33% of operating general government expenditures. The article presents a case this threshold is too low for a Florida Municipality. Florida is unique because the State Constitution precludes government from overspending their budgets and using borrowed funds such as bonds, bank loans and lines of credit to balance budgets or pay operating expenditures. For this reason and due to the threat of hurricanes and other natural disasters the reserve balance should be much higher than the 16 to 33 percent often prescribed.

Miscellaneous Items

October 2020- The City Commission agreed to sell four vacant lots to the Florence Villa Development Corporation for \$24,433. The lots are required to have single family homes built within thirty months. Proceeds were deposited into the SHIP Fund.

The City Commission agreed to commit \$50,000 for Affordable Housing to a development named Sunset Lake. The agreement fell through when the Developer failed to get SAIL Fund financing from the State.

November 2020- The City Commission approved a limited duration lien amnesty program. Violators who brought their property into compliance could reduce the fine by 5% or \$1,000. The program expired on June 30, 2021

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The City accepted donation of the Garden Center from the Winter Haven Garden Club via Resolution R-20-75.

The City agreed to sell a vacant lot located at 0 7th Street NE to Jaquis McCullough for \$5,599. Mr. McCullough must apply for a building permit by September 30, 2021 and have a home completed in twenty four months or the lot reverts back to the City. Proceeds were deposited into the SHIP Fund. At September 30, 2021 it did not appear that a building permit had been issued.

December 2020- The City Commission approved the purchase of 65 radios from Motorola for \$228,296 using Capital Depletion Funds and a month later approve the purchase of 50 more at a cost of \$175,592. The second purchase was from the General Fund Police Budget.

January 2021- The City received confirmation from the Department of Economic Opportunity that two City Projects received funding.

- a) Award of \$179,375 CDBG Mitigation funds as parts of the Rebuild Florida Program for Ultra High Speed Intergovernmental Partnership Networks Plan.
- b) Award \$500,000 same as above for East Winter Haven Peace Creek Flood Mitigation Plan. Kimley-Horn to do the study at \$465,000.

February 2021- Resolution R-21-07 calling for civility in the public square was approved.

Ordinance NO. O-21-06 was passed allowing residents to keep up to five chickens, but no roosters.

A Public Safety Advisory Committee was approved.

A letter was received awarding the City \$778,800 from the Florida Department of Economic Opportunity CDBG-MIT Critical Facility Hardening funds for Fire Station #2.

March 2021- A 30-year franchise with Florida Public Utilities, formerly Central Florida Gas was approved.

A \$49,950 task order with Kimley-Horn for pedestrian enhancements along South Lake Howard Drive was approved.

April 2021- The City Commission approved payments of \$71,137 and \$523,764 to Ridge Arts and Theater Winter Haven respectively due to the impact of COVID on their operations. General Fund equity is the funding source.

The Florida Housing Commission was approved to conduct an Affordable Housing Study for \$48,000.

Repairs to the Garden Center for \$200,000 was approved.

May 2021- Nancy Rigterink donated \$100,000 for repairs to the South Lake Howard Boardwalk. McCoy Development performed the work.

The City received \$47,714 from Department of Justice for PP & E (2020-VDBX0166).

Florida Department of Health awarded the City \$37,969 (non-federal) for the purchase of 34 AEDs. The City's match is \$12,656. The grant ending date is June 30, 2022. Quarterly reports are required (Grant ID Code M9048).

June 2021- The City agreed to partner with the Winter Haven Economic Development Council (EDC) on affordable housing. The City agreed to pay the EDC \$110,000 per year to be increased by 3% per year for the EDC to hire an employee to work on affordable housing issues.

The City submitted an application for a grant in the amount of \$12,426,115 million to the Florida Job Growth Fund. The grant application had a \$1.0 million City match component. The grant is to extend

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Logistic Parkway to Pollard Road. At year-end there was unofficial word that the City will receive \$6,411,612 from the State and \$3.0 million from FDOT for the road.

The City received the first of two payments from the American Rescue Plan (ARP) in the amount of \$3,888,481. The second payment in the same amount will be received in June 2022. The proceeds were not recorded as revenue but rather as unearned revenue on the General Fund balance sheet due to the fact that the money was not yet earned. Subsequent to yearend a ruling was announced allowing recipients to declare amounts of ARP less than \$10 million as loss of revenue without providing proof of loss. The City has committed \$1.5 million of ARP funds for Affordable Housing.

July 2021- The City received a letter awarding \$12,192 for citation printers. This is a 100% award (#2021-JAGC-Polk-4-38-018).

August 2021- The City filed a grant request through the Rebuild Florida Infrastructure Plan administered by the Florida Department of Economic Opportunity through the CDBG-MIT Program.

- a) \$16.5 million for Central Winter Haven Projects.
- b) \$9.0 million for North Lake Shipp Drive.

The City Commission approved a \$460,000 commitment to Blue Sky Communities LLC for the development of a low-income housing project. The City Commission also approved a \$1.0 million contribution for a public housing development to be located at Avenue Y and 6th Street NE. The funds will be paid at the earliest in 2023 or 2024.

September 2021- The City Commission approved an application for a FRDAP Grant for the South Lake Howard Trail and Nature Center.

The City Commission approved an "Affordable Housing Trust Fund" and declared it a Special Revenue Fund. In FY 2021-2022 \$1.5 million will be deposited into the Fund and \$250,000 each year thereafter.

CRA FUND

Downtown CRA District

Economic Development

A. Tax Rebate-First Street North LLC	\$31,685
B. Tax Rebate-20 on 2 nd LLC	25,306
C. Tax Rebate-Dundee Storage	377
Sidewalk at 750 Ave. C	<u>10,350</u>
Total	*\$67,718

*At year-end, Physicians Partnership was owed \$33,162 for 2019 & 2020.

Winter Haven Main Street

A. Budgeted Contribution	\$45,000
B. Gateway Sign Project	<u>88,000</u>
Total	\$133,000

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Transfers

A. Transportation Fund-Sidewalks	\$15,000
B. General Fund- Debt Service	668,832
Policing Downtown	98,778
C. 2015 Construction Fund-Lake Silver Lighting	100,000
D. Dark Fiber Fund-Fiber Use Fee	12,600

Facade Grants

A. Fat Cat Equities	5,000
B. Best Cuts Barber Shop	206
C. Bach Lac Bakery	4,794
D. Moise Fritz	5,000

December 14, 2020: The City Commission approved a number of incentives for the Rain Dance Development which is to be located on 2nd Street SW. Rain Dance shall receive up to \$5,000 TIF for each residential apartment (105 units). In addition, they will receive an REDA TIF rebate (60%) on the total increment value. They also will receive a rebate of their water and sewer impact fees (\$210,676) to be paid over three years.

July 13, 2021: The City received a letter from the Florida Department of Economic Development Opportunity stating the City was awarded a \$40,000 Community Planning Technical Grant to update the Downtown Community Redevelopment Plan. The Central Florida Regional Planning Council will update the plan.

September 14, 2021: The City Commission approved development incentives for a six story 108 room Staybridge Suites Hotel to be located at 5th Street NW. The owner, Winter Haven, FL 0721 LLC, will receive two incentives. A 90% tax increment rebate until September 30, 2030 and an incentive equal to the water and sewer impact fees not to exceed \$190,000.

Florence Villa District

Facade and Residential Grants

Angela Mathews, Chris Child Care Center	\$10,000
Angela Mathews, Residential Grant	5,000
Raymond Leonard, Residential Grant	3,344
Lula Bivins, Residential Grant	4,800
Terry Dewdney, Facade Grant	10,000
Melodie Stevenson, Residential Grant	2,000
Mary English, Residential Grant	4,994
Celeste Murdock, Facade Grant	10,000
Deborah Thompson, Facade Grant	10,000
Teresa Timmons, Residential Grant	2,162
Hakim Rasheed, Residential Grant	1,100
Let's Close 5, LLC Façade Grant	5,000
Emma Ely, Residential Grant	4,422
St. James Free Will Baptist Church, Facade Grant	10,000
Celeste Murdock, Residential Grant	<u>5,000</u>
Total	\$87,821

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Transfers

A. Dark Fiber Fund, Fiber Connection	\$4,200
B. Transportation Fund, Avenue K NE	50,000
Sidewalks	15,000
C. General Fund, Debt Service	106,179
D. 2015 Construction Fund, NE Complex	100,000

October 26, 2020: The City Commission approved the Florence Villa CRA Plan.

September 14, 2021: The City Commission approved a Florence Villa CRA Developers Agreement with Katina Campbell. Ms. Campbell will build up to five units north of Avenue P NW and will receive up to \$10,000 TIF rebate per unit. The payment will be made annually until \$10,000 per unit is paid or until the year 2030, whichever comes first.

Tax Increment Calculation

	<u>Florence Villa District</u>		<u>Downtown District</u>
Taxable Value	\$73,993,447		\$347,260,311
Base Valuation	<u>39,596,638</u>		<u>171,310,567</u>
Increase	\$34,396,638		\$175,949,744
Tax Increment %	95%		95%
Taxable Value	\$32,676,806		\$167,152,257
County Millage Rate	6.899	mills	6.899
City Millage Rate	6.790	mills	6.790
County Tax Increment	\$225,437		\$1,153,183
City Tax Increment	\$221,876		\$1,134,964

2015 CONSTRUCTION FUND

Winter Haven Recreational and Cultural Center

In addition to the funding sources allocated to the project in prior years (\$5,200,000) a November 2021 Bond will add an additional \$4.5 million so a facility which better fits the needs of the community can be constructed. The City has a \$95,000 agreement with the Collage Design Group for the review of the Master Plan and \$4,519,600 for construction of the project, \$2,500 having been paid in FY 2020-2021. The City also has a \$680,400 agreement with Straughn Trout for design and construction oversight. At year-end \$44,432 had been paid on the Straughn Trout agreement. At FY 2022 year-end \$9,876,958 is anticipated to be available to pay the remainder of these agreements after the issuance of a bond in November 2021. An amendment to the Collage contract is anticipated since the scope of the project has changed since the project was bid.

Lake Elbert Trail

The Lake Elbert Project was not budgeted to begin until FY 2021-2022 when the initial \$800,000 transfer from the General Fund was to take place. However, it was decided that the City should move ahead with the project in FY 2020-2021 by advancing \$400,000 from the Intersection Improvement Project to the Lake Elbert Project. In FY 2021-2022 General Fund's \$800,000 contribution will be split evenly between the Intersection and Lake Elbert Projects to repay the advance. An additional \$750,000 is added to the project in FY 2021-2022 from a November 2021 bond issue. Florida Acquisition and Appraisal Inc (\$141,888 to date) Mancuso Appraisal Services and Chastain Skillman have been assisting with right-of-way purchasing and survey work. At FY 2020-2021 year-end only two required right-of-way agreements needed to construct the path were outstanding. Another \$800,000 will be transferred from the General Fund for the project in FY 2022-2023.

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Sertoma Park

On March 8, 2021 the City Commission approved a contract with Whitehead Construction Inc. for the Renovation of Sertoma Park. The design and construction costs has a maximum project value of \$2,861,373. At year-end the \$144,765 allocated to the design phase of the contract had been paid, as well as \$134,767 construction costs. In addition \$14,974 retainage was accrued. \$72,404 was taken from the Fund's Contingency to completely fund the project.

MLK Jr. Park and Skate Park

In March 2021 the City Commission approved a design build agreement with Whitehead Construction for Phase III of the Martin Luther King Jr. Park (MLK). The maximum price of the agreement is to be \$1,675,247. Many adjustments to the cost of the project were subsequently made:

Water Front Stage	\$76,211	to be paid by the County.
Fiber	\$20,211	transfer from IT Dept.
Reuse Line	\$69,727	transfer from Utility Fund.
MLK Park Lift Station	\$89,000	transfer from Utility Fund.
Stormwater	\$78,500	transfer from Stormwater Fund.
Stage & Infrastructure Improvements	\$125,000	transfer from CRA Fund.

The proceeds from two grants remain unpaid at year-end.

FRDAP	\$200,000
Polk County	<u>76,211</u>
	\$276,211

At FY 2020-2021 year-end \$1,031,400 in project costs remained outstanding. The fund had \$965,498 allocated to cover these costs.

Smart City Master Plan

The City approved a \$48,500 contract with Straughn Trout to prepare a Smart City Square Master Plan. The City paid \$46,250 for the Plan.

Chain of Lakes Project-Phase II

Phase II of this project involves reconfiguring the lower baseball fields located on the property. In December 2020 the City Commission authorized the City Manager to execute an agreement with the Polk County Tourism Development Council (TDC) whereas the TDC will pay up to \$200,000 toward the cost of design, engineering and permitting of the Phase II improvements. The TDC will commit up to \$5.0 million as a 50-50 match with the City for construction of the project. Preliminary estimates of the cost of Phase II are in the \$8.0 million range. Therefore the FY 2021-2022 budget only anticipates \$4.0 million from the TDC for construction and \$200,000 for engineering. The City's \$4.0 million share of the costs will be provided from Bond proceeds. The engineering firm Carter Kaye will provide a conceptual plan for the Phase II Project at a cost of \$18,600.

Lake Maude-Phase II

Phase II of the Lake Maude Project concerns completing development of the site. The Turgeson baseball field currently located at the Winter Haven Recreation and Cultural Complex will likely be reconstructed at the Lake Maude site due to the expansion of the Winter Haven Recreation and Cultural Center. The \$1.8 million cost will be provided by a Bond issue to be sold in November 2021.

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Fire Station NO. 3 and Pocket Park

The construction of Fire Station NO. 3 was complete at year-end. There are minor furniture items to be purchased and the pocket park is still under construction. The final September 2021 invoice from Whitehead Construction indicates that \$807,090 is still outstanding with \$398,430 remaining in the account to pay invoices. However, there are \$805,869 items purchased by the City which will reduce the amount outstanding down to within the amount available. In FY 2021-2022 an additional \$500,000 for improvements to the park are slated to occur with the November 2021 Bond to supply the proceeds.

Fund Balance

The fund balance includes \$5,628,050 at the conclusion of FY 2021-2022. This balance is Building Fund Proceeds transferred to the Construction Fund for the construction of a new Building Permit Facility in the future. The balance also serves as a hedge against the cyclical nature of the construction industry. In FY 2020-2021 the fund also contained \$1,536,712 in unbudgeted land sale proceeds. These moneys are used in FY 2021-2022 in conjunction with bond proceeds to construct a new set of projects, many of which are budgeted in the 305 Construction Fund.

The ending cash balance does not agree to the Fund balance reported in the financial statement because the cash balance includes transactions which do not flow through the revenue and expenditure accounts and the timing of payments made for certain expenditures. A reconciliation is as follows:

Ending Fund Balance per Financial Statement	\$13,758,484
Add: Utility Fund Loan	+ 1,220,000
Less: Principal on Debt Service	- 211,132
Less: Accounts Payable	<u>+1,123,866</u>
Ending 9-30-21 cash balance	\$15,891,217

NOTE: In addition to the above, at yearend 2021 Construction Fund Projects funded from Proprietary Funds were reversed and recorded in the appropriate Proprietary Fund. The schedule on the next page includes the project costs and transfers so that the total cost of each project is recorded in one place as well as the funding sources.

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Revenue	Before 2021	FY 2021	FY 2022	Total
Grant Proceeds	\$ -0-	\$ 200,000	\$ 276,211	\$ 476,211
Building Fund	4,410,000	1,418,050	-0-	5,828,050
Tourist Development	1,000,000	-0-	4,200,000	5,200,000
Bond Proceeds	32,429,948	-0-	-0-	32,429,948
General Fund	8,469,688	3,445,000	973,957	12,888,645
Utility Fund Loan	1,220,000	-0-	-0-	1,220,000
Impact Fees	4,483,481	1,415,927	947,222	6,846,630
Interest	998,665	21,366	20,000	1,040,031
Other Funds Contrib.	6,883,430	50,000	-0-	6,933,430
Transfer Utility Fund	3,768,640	334,041	1,321,678	5,424,359
Transfer Stormwater	120,805	78,500	189,109	388,414
Transfer Dark Fiber	37,095	20,211	93,125	150,431
Transfer CDBG	194,025	44,431	630,568	869,024
Transfer CRA Fund	1,449,951	200,000	379,723	2,029,674
Transfer 305 Fund	-0-	-0-	8,063,288	8,063,288
Total Revenue	\$65,465,728	\$7,227,526	\$17,094,881	\$89,788,135
Expense				
Lake Elbert Trail	\$ -0-	\$ 584,502	\$ 965,498	\$ 1,550,000
Sidewalks	-0-	-0-	-0-	-0-
Lake Maude	5,427,732	-0-	1,800,000	7,227,732
Sertoma	378,641	294,506	2,566,867	3,240,014
COL Complex	29,133,928	10,657	-0-	29,144,585
Smart City Master Plan	-0-	46,250	-0-	46,250
Nora Mayo Hall	182,197	78,662	21,671	282,530
Fire Station	1,545,625	2,938,600	-0-	4,484,225
Pocket Park	-0-	440,001	398,430	838,431
Seventh Street	3,059,582	-0-	-0-	3,059,582
Intersection Improv.	-0-	-0-	-0-	-0-
Projects Completed Prior to FY 2020	8,370,550	-0-	-0-	8,370,550
NE Complex	213,670	46,932	9,616,356	9,876,958
Trailhead Playground	245,349	245,349	-0-	490,698
Skate Park/MLK Park	1,782,515	996,842	969,555	3,748,912
COL Phase II	20,676	2,785	8,200,000	8,223,461
Piazza	98,286	4,500	1,498,821	1,601,607
Principal Interest	144,769	144,769	141,169	430,707
Transfer to General Fund	1,088,027	400,000	-0-	1,488,027
Contingency	-0-	-0-	55,816	55,816
Total Expense	\$51,691,547	\$ 6,234,355	\$ 26,234,183	\$84,160,085
Surplus<deficit>	13,774,181	993,171	-9,139,302	5,628,050
Beginning Cash Bal	-0-	13,774,181	14,767,352	-0-
Ending Cash Balance Less Accounts Payable	\$13,774,181	\$14,767,352	*\$5,628,050	*\$5,628,050

*The ending cash balance belongs to the Building Fund as savings for a new building.

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2021**

Business Type Activity Funds

Changes in net position was positive for the two business funds classified as major funds.

Issues of note from the Solid Waste Fund are as follows:

The Solid Waste Fund operated with a loss on the cash basis of \$311,904 and an increase in net position of \$114,667 on the GAAP basis.

Two Year History of Solid Waste Accounts:

	FY 2020 <u>Accounts</u>	FY 2021 <u>Accounts</u>	Increase <u><Decrease></u>	% <u>Change</u>	
Residential	17,660	18,605	945	5.4	%
Commercial	1,793	1,783	<10>	<.6>	%
Municipal	<u>65</u>	<u>70</u>	<u>5</u>	<u>7.7</u>	%
Total	19,518	20,458	940	4.8	%

A number of vehicles were added to the Fleet in FY 2020-2021. A majority of the costs for the vehicles came from fund equity rather than from Capital Depletion Fund. This resulted in the cash basis loss. A detail of the funding in the fleet additions is as follows:

Solid Waste Capital Expenditures

	<u>Solid Waste Fund</u>	<u>Purchased From Capital Depletion Fund</u>
Downtown Garbage Project	\$26,121	\$ -0-
Garbage Truck	52,401	107,574
Garbage Truck	185,584	-0-
Cart Building	31,411	-0-
4 Crane Carriers-Let 2-44	314,961	314,961
	-0-	314,961
	310,039	4,922
Fund 350	<u>64,796</u>	<u>-0-</u>
Total	\$985,313	\$742,418

In June 2021 the City Commission approved an agreement with Everett Whitehead to construct a 40 yard roll off trash compactor in the downtown area close to the parking garage. The agreed price is \$439,000.

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2021**

Reconciliation of Cash Basis Expenditures to GAAP Expenditures:

Cash Basis Expenditures		\$9,198,078
Plus:		
Bad Debt Expense	2,820	
Depreciation	785,238	
GASB 68 Expense	44,076	
OPEB Expense	356,599	1,185,913
Less:		
Sick/Vacation Accrual	-\$31,314	
Capital Expenditure	-985,313	
Capital Depletion	-461,097	
Pension Adjustment	<u>-163,934</u>	<u>-1,641,658</u>
GAAP Basis Expenses and Transfers Out		\$8,742,333

Notes from the Water and Sewer Fund are as follows:

The Water and Sewer Fund operated with an increase in net position on the GAAP basis of accounting of \$6,670,203 and at a \$8,356,600 loss on the Cash basis. At year-end the Fund had \$79,509,091 in Net Assets.

A five year comparison of pertinent water and sewer statistics is as follows:

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Water accounts	35,691	36,783	37,969	39,077	40,649
Sewer accounts	22,404	23,150	24,023	24,934	25,947
Gallons water billed	3,240 m	3,194 m	3,159 m	3,329 m	3,376 m
Consumption per customer	90,779 g	86,826 g	83,192 g	85,195 g	83,076 g
Rainfall (from plant #3)	47.70 in	54.86 in	50.61 in	49.42 in	48.02 in

Developer Agreements

At September 30 the only open developer agreement was with John Wood. The John Wood prepaids were part of the purchase of the Garden Grove Utility System. A detail of the agreement is as follows:

	<u>Original Balance</u>	<u>Balance at 9-30-21</u>
**John Wood-Prepaid Connections	1,050 prepaids	654 prepaids

**The value of these prepaids is between \$2,747,632 and \$3,434,872.

**City of Winter Haven
Management's Discussion and Analysis
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Developer Contributions

	<u>Water Lines</u>	<u>Sewer Lines</u>	<u>Lift Station</u>	<u>Reuse</u>	<u>Total</u>
Evergreen	\$199,062	\$ -0-	\$ -0-	\$ -0-	\$199,062
Sanctuary by the Lakes	327,366	298,534	-0-	160,256	786,156
Eagles Landing	-0-	331,265	189,312	-0-	520,577
Lake Lucerne 5	260,056	207,990	-0-	160,437	628,483
Sunset West	133,531	9,216	-0-	-0-	142,747
Tucker's Office	99,147	127,418	-0-	20,527	247,092
Krenson Bay	205,692	177,898	166,745	113,957	664,292
Total	\$1,224,854	\$1,152,321	\$356,057	\$455,177	\$3,188,409

Other Items:

October 12, 2020

The City Commission approved two SRF Loan Agreements. One application was for \$500,000 at 0%, 2% service fee, 20 years. Proceeds will be used for The One Water Master Plan (SW531350). The second loan for \$1.0 million funds two projects with separate loan numbers. DW53134 is for the Drinking Water Planning Document with CW53135 funding Water, Wastewater, Reuse and Stormwater elements of the Plan. The loan will be for a 20 year period at 1.11% and a 2% loan fee. This loan was not activated at the conclusion of FY 2020-2021.

November 9, 2020

- 1.A \$100,000 increase in the bio-solids contract with Republic Services was approved. The contract expired March 31, 2021.
2. Ordinance O-20-36 was approved for second reading on November 30. Developments within 500 ft. of a reuse line will continue to be required to install reuse lines in the development. Developments in excess of 500 ft. from a reuse line will pay the City a fee of 50% of the costs which would have been incurred to install reuse lines had the development been within 500 ft. of a reuse line.

December 14, 2020

The City Commission approved a \$12,321,877 bid from DBE Management Inc. to install 22,850 ft. of reclaimed water transmission line, 23,350 ft. of 24" sewer force main, 23,000 ft. of fiber from Wastewater Plant No.3 to the Master Life Station. The agreement will also install 6,700 ft. of 16" potable water line from Wastewater Plant No. 3 to Eloise Loop Road.

January 11, 2021

The City Commission approved phase 2 of a 3 phased contract with Smart Energy Water to upgrade the Utilities current customer service information system from ADG to New World Systems. The cost is \$253,800.

February 8, 2021

The following was approved by the City Commission:

1. Approved Chastain Skillman to design, bid and provide CEI services for the Lake Elbert Drive Water and Sewer Main Project. Cost \$227,930. Construction estimated to cost \$1.7 million.
2. Approved Atkins North America Inc. to design AC Force main along North Lake Howard Drive. Cost \$69,958 construction estimated to be \$.6 million.
3. Approved Wright-Pierce for professional services regarding Cypresswood Water Plant.
4. Approved \$374,875 for purchase of an automated information system from Sun State Meter.

March 22, 2021

1. Ordinance O-21-18 approved eliminating the same day turn on fee. The Ordinance increased the normal turn on fee by 12.5%.

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2021**

2. Angie Brewer and Associates was hired to prepare SRF Applications and execute the loans. The fee is \$88,376.
3. A grant from the Federal Clean Water Act and State Water Quality Assistance (SWAG) was approved. The grant amount is \$275,800 with a \$119,800 City match. The proceeds will be used to connect 52 homes in Boggy Bottom to the City's Sewer System.

April 26, 2021

1. The City Commission approved loan WW531302 (\$22,454,050) which replaces loan WW53130 (\$12,000,000). The loan is a 0% interest, 20 year loan with a 2% loan service fee. The proceeds will fund the interconnect between the Master Lift Station and Wastewater Plant No. 3 (sewer, reuse and fiber). An additional lift station in Eloise will be built to relieve some flow from the Master Lift Station. There were no funds drawn on the loan in FY 2020-2021.
2. The City Commission approved an Implementation Agreement for the Southeast Wellfield Project. The City is requesting 1.52 MGD allotment of water from the Project which is 12.0253 percent of the anticipated output. The City's share of the \$11,160,000 cost is \$1,370,000. This is the first project of the Polk Water Cooperative which the City joined in May 2016. The City Commission also agreed to pay \$80,000 as part of the West Polk Wellfield Project. The City is only buying 0.1 MGD from this project.

May 10, 2021

1. The City Commission approved an agreement with Main Stay Health Care whereby the City will reimburse Main Stay \$545,000 for a lift station to replace LS #115 at the Banyan Beach Motel.
2. The City Commission approved an agreement with SWFWMD (50-50) for the cost of a study to determine the feasibility of using reuse water for drinking water. The study will cost \$200,000 (#21CF0003411).
3. CenState was approved to upgrade the utility lines on Avenue K NE for \$355,455.

June 14, 2021

1. Absolute Tree and Asset Services was approved to clear brush on 9.6 acres of City land on Pollard Road. Bok Tower Gardens is funding the work (\$15,000) with an A & E Johnson Foundation grant.
2. An agreement with Wright Pierce Inc. was approved for design, plan and CEI services for septic to sewer services in the Lake Hartridge area (\$382,750) and also in the Boggy Bottom area (\$128,700). A grant is anticipated from the Heartland Headwaters Act.

August 23, 2021

1. Ordinance O-21-34 which amended the rules for industrial pretreatment of wastewater was approved.
2. The reuse agreement with the Gates of Lake Region was extended to March 31, 2022 to allow time for negotiation of a new agreement.
3. The City received \$340,294 principal and \$135,535 interest reimbursement from the escrowed amounts for State Road 542.

September 14, 2021

The City Commission authorized steps to be taken to sell the property purchased in October 2019 at 2024 Leisure Way. Should the property sell for less than \$300,000 the developer of Country Walk will reimburse the City 31% of the net real estate costs.

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2021**

Reconciliation of Cash Basis Expenditures and GAAP Expenditures:

Cash Basis Expenditures		\$45,736,470
Plus:		
GASB 68	\$752,215	
Bad Debt	134,843	
Amortization	101,666	
Depreciation	3,935,945	
OPEB	<u>1,245,962</u>	6,170,631
Less:		
Debt Principle	-2,162,140	
Sick/Vacation Accrual	-65,745	
Pension Adjustment	-839,189	
Capital Expenditures	-13,295,446	
Capital Depletion	-407,878	
Insurance Adjustment	<u>-0-</u>	<u>-16,770,398</u>
GAAP Basis Expenses and Transfers Out		\$35,135,703

Reconciliation of Cash Basis Revenues with GAAP Revenues:

Cash Basis Revenues	\$37,379,870
Plus:	
Developer Contributions	\$3,188,410
Accrued Grant Revenue	1,238,631
GAAP Basis Revenue	\$41,806,911

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2021**

Fiduciary Funds

Three separate Boards administer the affairs of the City's three pension plans. Board members are elected by plan members, appointed by the City Commission or are designated by City ordinance. A detail of the service providers for the three boards and basic plan provisions is as follows:

	<u>Police</u>	<u>Fire</u>	<u>General</u>
Actuary	Foster & Foster	Foster & Foster	Foster & Foster
Custodian	Salem Trust	Salem Trust	Regions Trust
Investment Advisor	Dana Investment Advisor Bowen Haines Co.	ICC	ICC
Investment Monitor	AndCo	AndCo	AndCo
Attorney	Christiansen & Dehner	Klausner, Kaufman, Jensen & Levinson	Christiansen & Dehner
Administrator	HYN Consulting	HYN Consulting	None (see note)
Benefit Rate per year	3.50%	3.8%	3% & 2.3%
Full vesting	10 yrs.	10 yrs.	10 yrs.
Normal Retirement Age	55 or 25 yrs svc	55 or 25 yrs svc	55 & 60 or 33 yrs svc
% Employee Contribution	8.2%	10%	7.0%
% Employer Contribution	11.62%	28.34%	33.12%
Active Plan Participants 10-1-20	68	64	158
DROP Participants 10-1-20	5	7	32
Unfunded Actuarial Liability @ 10-1-20	\$3,723,777	\$5,769,504	\$13,371,697
Funded Ratio 10-1-20	99.7%	86.4%	86.6%

City of Winter Haven
Management's Discussion and Analysis
September 30, 2021

A summary of the assets of each fund is as follows:

	<u>Police</u>	<u>Fire</u>	<u>General</u>
City's Pooled Investments	\$ -0-	\$ -0-	\$ -0-
Salem Trust	40,927,998	41,738,233	-0-
Regions Trust	-0-	-0-	82,090,654
Total Assets	\$40,927,998	\$41,738,233	\$82,090,654

The September 30, 2021 value of other retirement plans and tax deferred savings plans was as follows:

Nationwide 457	\$4,926,145.31
ICMA-RC 457	\$4,743,257.82
Non-Director 401(a)	\$1,459,527.26
Director 401(a)	\$4,128,556.45

Analysis of Significant General Fund Variances

There were no significant adjustments to the General Fund Budget during the year. Department Directors operated within the \$52.3 million beginning allotment and returned \$2.6 million of unused expenditure budget to offset a budgeted use of equity.

Capital Assets and Debt Administered

At the end of 2019, the City had invested \$210.4 million in a broad range of capital assets, including police and fire equipment, general infrastructure, buildings, recreation facilities, and water and sewer facilities and equipment. This amount represents a net increase (including additions and deductions) of \$20.3 million, or over last year. For a detailed description of the City's Capital Assets see the notes to the financial statements on pages 76 and 77.

Capital Assets (Net of depreciation, in millions of dollars)								
	Governmental Activities		Business-Type Activities		Total		Total Change	Total % Change
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020		
Land	\$8.0	\$ 7.9	\$5.8	\$ 5.5	\$13.8	\$ 13.4	\$ 0.4	3.0%
Construction in Progress	4.0	5.1	17.1	10.3	21.1	15.4	5.7	37.0%
Buildings and Improvements	58.8	54.8	2.2	2.2	61.0	57.0	<4.0>	7.0%
Other Improvements	30.8	30.5	70.0	61.4	100.8	91.9	8.9	9.7%
Equipment	6.4	7.1	7.3	5.3	13.7	12.4	1.3	10.5%
	\$108.0	\$ 105.4	\$102.4	\$ 84.7	\$210.4	\$ 190.1	\$ 20.3	10.7%

*in millions of dollars

Debt Administration

During the year the City refunded Governmental Debt.

	Governmental Activities*		Business-Type Activities*		Total*	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Revenue						
Bonds and Notes Payable	\$ 46.4	\$ 50.1	\$ 44.1	\$ 46.4	\$ 90.5	\$ 96.5

*in millions of dollars

Detailed information on City debt can be found in the notes to the Financial Statements pages 81 to 92 titled Long Term Liabilities.

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2021**

Economic Factors and Next Year's Budget and Rates

- The City of Winter Haven is the second largest city (17 cities total) in Polk County. The unemployment rate in Polk County decreased from 9% in 2020 to 4.1% in 2021.
- The substantial inflation increase in FY 2022 over FY 2021 was not anticipated in the FY 2022 Budget
- According to the estimate made by the University of Florida The City's population from 47,044 in 2020 to 51,126 in 2022, an 8.7% increase
- Economically driven revenues such as gasoline taxes and sales taxes increased 9.7% and 20.6% respectively in FY 2021 compared to FY 2020
- Property values increased 8.46% in FY 2021 compared to FY 2020 and is budgeted to increase 8.5% in FY 2022 over FY 2021

The City of Winter Haven is not a primary tourist destination but because of the City's close proximity to Disney World (40 miles) and the annexation of Legoland the City receives a spillover effect from these tourist attractions. Legoland opened in October 2011 on the site of what was once Cypress Gardens. It is estimated that after all the attractions are complete, 1,000 new jobs will be created and will draw 1.5 to 2.0 million visitors per year. After eleven years of operation, Legoland reported that attendance is exceeding their expectations. Subsequent to yearend Legoland opened a new Pepa Pig attraction.

The above factors were considered in preparing the FY 2022 budget.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the City's Director of Financial Services, 551 3rd Street NW, Winter Haven, Florida 33881.

BASIC FINANCIAL STATEMENTS

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 59,795,436	\$ 35,730,652	\$ 95,526,088
Restricted Cash and Investments	470,311	25,501,426	25,971,737
Accounts Receivable, Net	1,369,006	6,101,040	7,470,046
Due from Other Governments	13,843,382	2,852,854	16,696,236
Internal Balances	4,257,609	(4,257,609)	-
Inventory	184,420	542,972	727,392
Prepaid Items	306,252	37,482	343,734
Capital Assets, Not Being Depreciated	11,971,673	22,851,513	34,823,186
Capital Assets, Being Depreciated - Net	95,997,097	79,528,814	175,525,911
Total Assets	188,195,186	168,889,144	357,084,330
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	4,744,573	1,524,772	6,269,345
OPEB Related Items	5,928,871	2,776,675	8,705,546
Deferred Charge on Debt Refunding	173,776	688,868	862,644
Total Deferred Outflows of Resources	10,847,220	4,990,315	15,837,535
LIABILITIES			
Accounts Payable	7,088,322	5,910,550	12,998,872
Accrued Liabilities	1,097,137	347,800	1,444,937
Claims Payable	1,748,553	-	1,748,553
Due to Other Governments	17,733	-	17,733
Accrued Interest Payable	618,155	733,880	1,352,035
Current Liabilities Payable from Restricted Assets:			
Customer Deposits	-	5,539,246	5,539,246
Unearned Revenue	3,916,390	-	3,916,390
Noncurrent Liabilities:			
Due Within One Year			
Bonds and Notes Payable	2,850,000	2,187,154	5,037,154
Compensated Absences	268,658	49,137	317,795
Total OPEB Liability	741,750	347,456	1,089,206
Due in More than One Year			
Bonds and Notes Payable	41,612,132	41,468,206	83,080,338
Compensated Absences	1,708,315	442,227	2,150,542
Net Pension Liability	9,948,988	4,802,803	14,751,791
Total OPEB Liability	28,996,740	13,580,005	42,576,745
Total Liabilities	100,612,873	75,408,464	176,021,337
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	8,989,530	2,122,220	11,111,750
OPEB Related Items	3,091,740	1,447,958	4,539,698
Deferred Charge on Debt Refunding	242,255	-	242,255
Total Deferred Inflows of Resources	12,323,525	3,570,178	15,893,703
NET POSITION			
Net Investment in Capital Assets	62,278,545	55,466,315	117,744,860
Restricted for:			
Public Safety	14,523	-	14,523
Community Redevelopment Agency	2,733,714	-	2,733,714
Environmental Awareness	200,000	-	200,000
Human Services	292,305	-	292,305
Police Training, Confiscation and Abandoned Property	188,283	-	188,283
Building Safety	6,972,185	-	6,972,185
Impact Fees	2,380,300	-	2,380,300
Debt Service	2,871,981	2,891,561	5,763,542
Transportation	1,956,009	-	1,956,009
Renewal, Replacement, and Improvements	-	17,070,619	17,070,619
Unrestricted	6,218,163	19,472,322	25,690,485
Total Net Position	\$ 86,106,008	\$ 94,900,817	\$ 181,006,825

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Primary Government:							
Governmental Activities:							
General Government	\$ 11,114,046	\$ 4,785,777	\$ 30,655	\$ 242,908	\$ (6,054,706)	\$ -	\$ (6,054,706)
Public Safety	23,635,420	779,377	336,035	-	(22,520,008)	-	(22,520,008)
Transportation	6,299,855	2,173,427	-	3,019,984	(1,106,444)	-	(1,106,444)
Economic Development	2,225,114	6,264,955	398,911	-	4,438,752	-	4,438,752
Human Services	902,963	419,032	394,124	-	(89,807)	-	(89,807)
Culture and Recreation	10,846,957	1,047,598	596,639	-	(9,202,720)	-	(9,202,720)
Debt Service:							
Interest on Long-Term Debt	1,246,129	-	-	-	(1,246,129)	-	(1,246,129)
Total Governmental Activities	56,270,484	15,470,166	1,756,364	3,262,892	(35,781,062)	-	(35,781,062)
Business-Type Activities:							
Water and Sewer	29,761,397	37,000,299	-	4,504,446	-	11,743,348	11,743,348
Solid Waste	7,440,990	8,838,860	-	-	-	1,397,870	1,397,870
Willowbrook Golf Course	995,179	784,450	-	-	-	(210,729)	(210,729)
Stormwater	1,653,763	2,016,554	104,402	1,182,593	-	1,649,786	1,649,786
Dark Fiber	204,043	129,900	-	-	-	(74,143)	(74,143)
Total Business-Type Activities	40,055,372	48,770,063	104,402	5,687,039	-	14,506,132	14,506,132
Total Primary Government	\$ 96,325,856	\$ 64,240,229	\$ 1,860,766	\$ 8,949,931	(35,781,062)	14,506,132	(21,274,930)
General Revenues							
Taxes:							
Property Taxes					19,887,554	-	19,887,554
Utility Taxes					7,259,809	-	7,259,809
Franchise Taxes					3,734,923	-	3,734,923
Fuel Taxes					2,191,325	-	2,191,325
Unrestricted State-Shared Revenues:							
Sales Taxes					3,427,130	-	3,427,130
Cigarette Taxes					1,382,975	-	1,382,975
Other Taxes					1,524,877	-	1,524,877
Investment Income					127,393	311,408	438,801
Gain on Sale of Capital Assets					-	23,306	23,306
Miscellaneous					459,708	-	459,708
Transfers					6,123,195	(6,123,195)	-
Total General Revenues and Transfers					46,118,889	(5,788,481)	40,330,408
Change in Net Position					10,337,827	8,717,651	19,055,478
Net Position - Beginning of Year							
Prior Period Adjustment (Note 18)					136,523	-	136,523
Net Position - Beginning of Year, as Restated					75,768,181	86,183,166	161,951,347
Net Position - End of Year							
					\$ 86,106,008	\$ 94,900,817	\$ 181,006,825

See accompanying Notes to Financial Statements.

**CITY OF WINTER HAVEN, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	General Fund	Community Redevelopment Agency	2015 Construction	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 21,081,611	\$ 2,392,249	\$ 15,891,217	\$ 15,636,739	\$ 55,001,816
Investments - Reserved for Perpetual Care	-	-	-	470,311	470,311
Accounts Receivable	1,100,906	452	-	61,647	1,163,005
Due from Other Governments	12,998,069	-	198,911	646,402	13,843,382
Due from Other Funds	65,894	-	-	538,302	604,196
Advances to Other Funds	1,563,872	-	-	2,050,310	3,614,182
Inventory	-	-	-	30,796	30,796
Prepaid Items	32,492	4,841	-	27,658	64,991
Total Assets	<u>\$ 36,842,844</u>	<u>\$ 2,397,542</u>	<u>\$ 16,090,128</u>	<u>\$ 19,462,165</u>	<u>\$ 74,792,679</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 761,846	\$ 57,239	\$ 1,123,866	\$ 3,595,106	\$ 5,538,057
Accrued Liabilities	1,148,428	4,089	-	89,396	1,241,913
Due to Other Funds	-	-	111,232	104,267	215,499
Due to Other Governments	-	-	-	17,733	17,733
Advances from Other Funds	-	-	897,635	124,756	1,022,391
Unearned Revenue	3,888,481	-	-	27,909	3,916,390
Total Liabilities	<u>5,798,755</u>	<u>61,328</u>	<u>2,132,733</u>	<u>3,959,167</u>	<u>11,951,983</u>
Deferred Inflows of Resources:					
Unavailable Revenue	11,649,314	-	198,911	-	11,848,225
Fund Balances:					
Nonspendable	1,596,364	4,841	-	58,454	1,659,659
Restricted	214,523	2,331,373	7,136,696	8,362,098	18,044,690
Committed	-	-	-	704,349	704,349
Assigned	100,801	-	6,621,788	6,392,577	13,115,166
Unassigned	17,483,087	-	-	(14,480)	17,468,607
Total Fund Balances	<u>19,394,775</u>	<u>2,336,214</u>	<u>13,758,484</u>	<u>15,502,998</u>	<u>50,992,471</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 36,842,844</u>	<u>\$ 2,397,542</u>	<u>\$ 16,090,128</u>	<u>\$ 19,462,165</u>	<u>\$ 74,792,679</u>

See accompanying Notes to Financial Statements.

**CITY OF WINTER HAVEN, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS

\$ 50,992,471

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Costs of Capital Assets	\$ 191,734,751	
Accumulated Depreciation	(84,229,484)	
Total Capital Assets Added		107,505,267

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and, therefore, are not reported in the governmental funds.

173,776

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for governmental activities bonds is included in the statement of net position.

(618,155)

The City's net pension liability and related deferred outflows and inflows of resources for governmental activities are recorded only on the Statement of Net Position.

Net Pension Liability	(8,340,211)	
Deferred Outflows of Resources - Pension Related	4,233,826	
Deferred Inflows of Resources - Pension Related	(8,278,659)	
Total Pension Related Items		(12,385,044)

The City's total other postemployment benefits liability and related deferred outflows and inflows of resources are recorded only on the Statement of Net Position.

Total OPEB Liability	(27,290,812)	
Deferred Outflows of Resources - OPEB Related	5,440,886	
Deferred Inflows of Resources - OPEB Related	(2,837,269)	
Total Pension Related Items		(24,687,195)

Certain liabilities including bonds payable and accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(44,115,000)	
Premium on Bond Issue	(347,132)	
Prepaid Insurance	7,814	
Accrued Compensated Absences	(1,515,558)	
Total Long-Term Liabilities		(45,969,876)

Unavailable revenue is recorded in the funds to offset receivables that do not meet the criteria for revenue recognition in the current period.

11,848,225

Deferred inflows of resources represent an addition of net position that applies to a future period(s) and, therefore, are not reported in the governmental funds.

(242,255)

Internal service funds are used by management to charge the costs of certain activities, such as employer health insurance and equipment maintenance, to individual funds.

(511,206)

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 86,106,008

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Community Redevelopment Agency	2015 Construction	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 31,164,660	\$ 2,735,461	\$ -	\$ -	\$ 33,900,121
Licenses and Permits	261,094	-	-	-	261,094
Intergovernmental	6,554,366	-	244,432	4,013,069	10,811,867
Charges for Services	3,350,223	-	-	7,296,400	10,646,623
Fines and Forfeitures	300,130	-	-	57,540	357,670
Rents	353,428	3,300	-	1,050,037	1,406,765
Investment Income	46,188	3,528	21,365	46,152	117,233
Contributions	-	-	-	22,222	22,222
Other	750,711	15,999	-	122,083	888,793
Total Revenues	42,780,800	2,758,288	265,797	12,607,503	58,412,388
EXPENDITURES					
Current:					
General Government	7,644,058	-	-	-	7,644,058
Public Safety	20,359,827	-	-	1,732,282	22,092,109
Transportation	1,953,144	-	-	6,218,290	8,171,434
Economic Development	1,138,128	722,038	-	-	1,860,166
Human Services	-	-	-	921,723	921,723
Culture and Recreation	5,853,770	-	-	1,863,334	7,717,104
Capital Projects	-	-	5,206,834	14,480	5,221,314
Debt Service:					
Principal Retirement	-	-	-	3,641,625	3,641,625
Interest and Fiscal Charges	-	-	37,358	1,342,927	1,380,285
Other Debt Service	-	-	-	48,664	48,664
Total Expenditures	36,948,927	722,038	5,244,192	15,783,325	58,698,482
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,831,873	2,036,250	(4,978,395)	(3,175,822)	(286,094)
OTHER FINANCING SOURCES (USES)					
Sale of Assets	20,377	-	-	2,908	23,285
Issuance of Refunding Bonds	-	-	-	10,055,000	10,055,000
Payments to Refunded Bond Escrow Agent	-	-	-	(9,878,375)	(9,878,375)
Transfers In	9,816,927	-	6,478,977	9,528,837	25,824,741
Transfers Out	(13,084,874)	(1,170,589)	(400,000)	(5,052,883)	(19,708,346)
Total Other Financing Sources (Uses)	(3,247,570)	(1,170,589)	6,078,977	4,655,487	6,316,305
NET CHANGE IN FUND BALANCES	2,584,303	865,661	1,100,582	1,479,665	6,030,211
Fund Balances - Beginning of Year, as Previously Reported	16,810,472	1,334,030	12,657,902	14,023,333	44,825,737
Prior Period Adjustment (Note 18)	-	136,523	-	-	136,523
Fund Balances - Beginning of Year, as restated	16,810,472	1,470,553	12,657,902	14,023,333	44,962,260
FUND BALANCES - END OF YEAR	\$ 19,394,775	\$ 2,336,214	\$ 13,758,484	\$ 15,502,998	\$ 50,992,471

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 6,030,211

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

Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position. 9,348,326

Depreciation of capital assets is not a use of financial resources to governmental funds; however, it is expensed in the statement of net position. (6,770,443)

In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the carrying value of the capital assets sold. (5,002)

The issuance of long-term debt (e.g., bonds, note payables and 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from Bonds	\$ (10,055,000)	
Bond and Note Payments	3,641,625	
Payments to refunding escrow agent	9,878,375	
Total Long-Term Debt	3,465,000	3,465,000

The amortization of bond premium and similar items do not require the use of financial resources of the governmental funds and, therefore, are not reported as expenditures in governmental funds:

Amortization of Deferred Charges on Refunding	33,684	
Amortization of Prepaid Insurance	(709)	
Amortization of Bond Premium	31,557	
Total Amortization	64,532	64,532

The (increase) decrease in certain accrued liabilities reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.

Net Change in OPEB Liability and Related Amounts	(1,916,844)	
Net Change in Accrued Compensated Absences	93,378	
Net Change in Bond Interest Payable	68,915	
Net Change in Net Pension Liability and Related Amounts	1,006,546	
Net Adjustment	(748,005)	(748,005)

Some revenues reported in the statement of activities will not be collected for several months after the fiscal year and, therefore, are not reported as revenue in the governmental funds. (632,535)

Internal service funds are used by management to charge the costs of insurance and equipment and vehicle maintenance to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities. (414,257)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 10,337,827**

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 30,337,707	\$ 30,337,707	\$ 31,164,660	\$ 826,953
Licenses and Permits	224,000	224,000	261,094	37,094
Intergovernmental	4,972,458	5,462,538	6,554,366	1,091,828
Charges for Services	3,324,078	3,324,078	3,350,223	26,145
Fines and Forfeitures	265,100	265,100	300,130	35,030
Rents	480,120	480,120	353,428	(126,692)
Investment Income	190,000	190,000	46,188	(143,812)
Other	614,760	614,760	750,711	135,951
Total Revenues	40,408,223	40,898,303	42,780,800	1,882,497
EXPENDITURES				
Current:				
General Government	7,536,796	7,911,876	7,644,058	267,818
Public Safety	20,426,125	20,426,125	20,359,827	66,298
Transportation	3,053,816	3,053,816	1,953,144	1,100,672
Economic Development	1,253,474	1,253,474	1,138,128	115,346
Culture and Recreation	6,746,611	6,546,611	5,853,770	692,841
Total Expenditures	39,016,822	39,191,902	36,948,927	2,242,975
EXCESS OF REVENUES OVER EXPENDITURES	1,391,401	1,706,401	5,831,873	4,125,472
OTHER FINANCING SOURCES (USES)				
Sales of Assets	15,100	15,100	20,377	5,277
Transfers In	10,208,372	10,208,372	9,816,927	(391,445)
Transfers Out	(12,784,874)	(13,084,874)	(13,084,874)	-
Total Other Financing Sources (Uses)	(2,561,402)	(2,861,402)	(3,247,570)	(386,168)
NET CHANGE IN FUND BALANCES	(1,170,001)	(1,155,001)	2,584,303	3,739,304
Fund Balances - Beginning of Year	16,810,472	16,810,472	16,810,472	-
FUND BALANCES - END OF YEAR	<u>\$ 15,640,471</u>	<u>\$ 15,655,471</u>	<u>\$ 19,394,775</u>	<u>\$ 3,739,304</u>

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,738,761	\$ 2,738,761	\$ 2,735,461	\$ (3,300)
Miscellaneous:				
Rents	4,200	4,200	3,300	(900)
Investment Income	24,000	24,000	3,528	(20,472)
Other	-	-	15,999	15,999
Total Revenues	<u>2,766,961</u>	<u>2,766,961</u>	<u>2,758,288</u>	<u>(8,673)</u>
EXPENDITURES				
Current:				
Economic Development	<u>2,836,084</u>	<u>2,836,084</u>	<u>722,038</u>	<u>2,114,046</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(69,123)	(69,123)	2,036,250	2,105,373
OTHER FINANCING USES				
Transfers Out	<u>(1,005,589)</u>	<u>(1,005,589)</u>	<u>(1,170,589)</u>	<u>(165,000)</u>
NET CHANGE IN FUND BALANCES	(1,074,712)	(1,074,712)	865,661	1,940,373
Fund Balances - Beginning of Year as Previously Reported	1,334,030	1,334,030	1,334,030	-
Prior Period Adjustment (Note 18)	136,523	136,523	136,523	-
Fund Balances - Beginning of Year, as restated	<u>1,470,553</u>	<u>1,470,553</u>	<u>1,470,553</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 395,841</u>	<u>\$ 395,841</u>	<u>\$ 2,336,214</u>	<u>\$ 1,940,373</u>

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
CURRENT ASSETS					
Cash and Investments	\$ 24,606,412	\$ 4,130,804	\$ 5,079,704	\$ 33,816,920	\$ 4,793,620
Cash With Fiscal Agent	1,769,727	-	144,005	1,913,732	-
Restricted Cash and Investments					
Customer Deposits	5,539,246	-	-	5,539,246	-
Receivables:					
Accounts	4,426,125	1,446,981	353,256	6,226,362	206,001
Less: Allowance for Doubtful Accounts	(125,322)	-	-	(125,322)	-
Due from Other Governments	1,302,141	463	1,550,250	2,852,854	-
Due from Other Funds	111,232	-	-	111,232	-
Advances to Other Funds	897,635	-	-	897,635	-
Inventories	511,186	-	31,786	542,972	153,624
Prepaid Items	19,209	1,496	16,777	37,482	233,447
Total Current Assets	39,057,591	5,579,744	7,175,778	51,813,113	5,386,692
NONCURRENT ASSETS					
Restricted Cash, Cash Equivalents, and Investments:					
Bond Asset Replacement Funds	3,691,916	-	-	3,691,916	-
Construction Funds	13,378,703	-	-	13,378,703	-
Debt Service	2,891,561	-	-	2,891,561	-
Total Restricted Assets	19,962,180	-	-	19,962,180	-
Capital Assets:					
Land	2,865,053	-	2,918,295	5,783,348	-
Construction in Progress	16,876,346	29,023	162,796	17,068,165	-
Building	8,512,446	31,411	391,795	8,935,652	151,763
Improvements Other than Buildings	169,962,812	10,654	11,865,696	181,839,162	430,249
Equipment	7,676,281	8,502,307	1,696,317	17,874,905	2,730,744
	205,892,938	8,573,395	17,034,899	231,501,232	3,312,756
Less: Accumulated Depreciation	(117,574,755)	(4,793,414)	(6,752,736)	(129,120,905)	(2,849,253)
Net Capital Assets	88,318,183	3,779,981	10,282,163	102,380,327	463,503
Total Noncurrent Assets	108,280,363	3,779,981	10,282,163	122,342,507	463,503
Total Assets	147,337,954	9,359,725	17,457,941	174,155,620	5,850,195
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Items	1,178,500	230,218	116,054	1,524,772	510,747
OPEB Related Items	1,921,946	671,235	183,494	2,776,675	487,985
Deferred Charge on Debt Refunding	688,868	-	-	688,868	-
Total Deferred Outflows of Resources	3,789,314	901,453	299,548	4,990,315	998,732

See accompanying Notes to Financial Statements.

**CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2021**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)					
CURRENT LIABILITIES					
Accounts Payable	\$ 5,101,554	\$ 307,116	\$ 501,880	\$ 5,910,550	\$ 1,550,265
Accrued Liabilities	238,146	85,119	24,535	347,800	102,465
Due to Other Funds	-	-	499,929	499,929	-
Claims Payable	-	-	-	-	1,748,553
Accrued Interest Payable	733,880	-	-	733,880	-
Current Portion of Bonds and Notes Payable	2,187,154	-	-	2,187,154	-
Current Portion of Compensated Absences	35,514	10,206	3,417	49,137	21,418
Current Portion of Total OPEB Liability	240,496	83,978	22,982	347,456	60,887
Total	8,536,744	486,419	1,052,743	10,075,906	3,483,588
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS					
Customer Deposits	5,539,246	-	-	5,539,246	-
Total Current Liabilities	14,075,990	486,419	1,052,743	15,615,152	3,483,588
LONG-TERM LIABILITIES					
Advances from Other Funds	-	-	3,489,426	3,489,426	-
Bonds and Notes Payable (Net of Unamortized Premiums)	41,468,206	-	-	41,468,206	-
Compensated Absences	319,621	91,850	30,756	442,227	192,756
Total OPEB Liability	9,399,751	3,282,852	897,402	13,580,005	2,386,791
Net Pension Liability	3,712,099	725,151	365,553	4,802,803	1,608,777
Total Long-Term Liabilities	54,899,677	4,099,853	4,783,137	63,782,667	4,188,324
Total Liabilities	68,975,667	4,586,272	5,835,880	79,397,819	7,671,912
DEFERRED INFLOWS OF RESOURCES					
Pension Related Items	1,640,269	320,424	161,527	2,122,220	710,871
OPEB Related Items	1,002,241	350,030	95,687	1,447,958	254,471
Total Deferred Inflows of Resources	2,642,510	670,454	257,214	3,570,178	965,342
NET POSITION (DEFICIT)					
Net Investment in Capital Assets	41,852,191	3,766,729	9,847,395	55,466,315	463,503
Restricted for:					
Revenue Bonds Debt Service	2,891,561	-	-	2,891,561	-
Renewal, Replacement and Improvements	17,070,619	-	-	17,070,619	-
Unrestricted (Deficit)	17,694,720	1,237,723	1,817,000	20,749,443	(2,251,830)
Total Net Position (Deficit)	\$ 79,509,091	\$ 5,004,452	\$ 11,664,395	96,177,938	\$ (1,788,327)
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds				(1,277,121)	
Net Assets of Business-Type Activities				\$ 94,900,817	

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 35,980,068	\$ 8,808,263	\$ 2,930,024	\$ 47,718,355	\$ 14,825,025
Tap Fees	708,931	-	-	708,931	-
Miscellaneous	311,300	30,597	880	342,777	722,328
Total Operating Revenues	37,000,299	8,838,860	2,930,904	48,770,063	15,547,353
OPERATING EXPENSES					
Personal Services	8,510,336	2,316,259	723,727	11,550,322	2,770,725
Material and Supplies	2,635,523	527,861	45,210	3,208,594	2,038,426
Depreciation	3,935,945	785,238	497,944	5,219,127	151,103
Other Services and Charges	12,933,096	3,848,765	1,505,047	18,286,908	11,171,395
Total Operating Expenses	28,014,900	7,478,123	2,771,928	38,264,951	16,131,649
OPERATING INCOME (LOSS)	8,985,399	1,360,737	158,976	10,505,112	(584,296)
NONOPERATING REVENUES (EXPENSES)					
Grants and Contributions	-	-	104,402	104,402	-
Investment Income	284,025	18,140	9,243	311,408	10,160
Interest Expense	(1,569,505)	-	(68,427)	(1,637,932)	-
Gain on Disposal of Assets	16,838	-	6,468	23,306	590
Total Nonoperating Revenues (Expenses)	(1,268,642)	18,140	51,686	(1,198,816)	10,750
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	7,716,757	1,378,877	210,662	9,306,296	(573,546)
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Grants and Contributions	4,504,446	-	1,182,593	5,687,039	-
Transfers In	-	-	705,505	705,505	1,286,200
Transfers Out	(5,551,000)	(1,264,200)	(13,500)	(6,828,700)	(1,279,400)
Total Capital Contributions and Transfers	(1,046,554)	(1,264,200)	1,874,598	(436,156)	6,800
CHANGE IN NET POSITION (DEFICIT)	6,670,203	114,677	2,085,260	8,870,140	(566,746)
Net Position (Deficit) - Beginning of Year	72,838,888	4,889,775	9,579,135		(1,221,581)
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 79,509,091</u>	<u>\$ 5,004,452</u>	<u>\$ 11,664,395</u>		<u>\$ (1,788,327)</u>
Some Amounts Reported for Business-Type Activities in the Statement of Activities are Different Because the Net Revenue (Expense) of Certain Internal Service Funds is Reported with Business-Type Activities.				(152,489)	
Change in Net Position of Business-Type Activities				<u>\$ 8,717,651</u>	

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 37,298,121	\$ 8,755,424	\$ 2,931,804	\$ 48,985,349	\$ 15,399,940
Cash Paid to Employees for Services	(7,407,565)	(2,091,504)	(712,822)	(10,211,891)	(2,735,320)
Cash Paid to Suppliers for Goods and Services	(14,915,611)	(4,276,860)	(1,582,067)	(20,774,538)	(12,519,139)
Net Cash Provided by Operating Activities	14,974,945	2,387,060	636,915	17,998,920	145,481
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants and Contributions	385	-	104,402	104,787	2,582
Transfers from Other Funds	-	-	436,705	436,705	1,286,200
Transfers to Other Funds	(5,551,000)	(1,264,200)	(13,500)	(6,828,700)	(1,279,400)
Repayment of Advances To Other Funds	107,410	-	-	107,410	-
Repayment of Advances From Other Funds	-	-	(111,668)	(111,668)	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	(5,443,205)	(1,264,200)	415,939	(6,291,466)	9,382
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Grants and Contributions	208,503	-	725,230	933,733	-
Transfers from Other Funds	-	-	268,800	268,800	-
Advances from Other Funds	-	-	(450,377)	(450,377)	-
Interest Paid	(1,485,337)	-	(68,427)	(1,553,764)	-
Acquisition and Construction of Capital Assets	(12,554,947)	(1,903,031)	(2,825,159)	(17,283,137)	(159,746)
Proceeds from Sale of Assets	410,214	-	6,668	416,882	590
Principal Payments on Long-Term Debt	(2,162,140)	-	-	(2,162,140)	-
Proceeds from Capital Debt	-	-	-	-	-
Net Cash Used by Capital and Related Financing Activities	(15,583,707)	(1,903,031)	(2,343,265)	(19,830,003)	(159,156)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net Investment Income	284,025	18,140	9,243	311,408	10,160
Net Cash Provided by Investing Activities	284,025	18,140	9,243	311,408	10,160
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,767,942)	(762,031)	(1,281,168)	(7,811,141)	5,867
Cash and Cash Equivalents - Beginning of Year	57,645,507	4,892,835	6,504,877	69,043,219	4,787,753
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 51,877,565</u>	<u>\$ 4,130,804</u>	<u>\$ 5,223,709</u>	<u>\$ 61,232,078</u>	<u>\$ 4,793,620</u>

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 8,985,399	\$ 1,360,737	\$ 158,976	\$ 10,505,112	\$ (584,296)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	3,935,945	785,238	497,944	5,219,127	151,103
(Increase) Decrease in Assets and Deferred Outflows of Resources:					
Accounts Receivable	(34,044)	(79,271)	900	(112,415)	(147,413)
Inventories	(56,283)	15,452	(7,707)	(48,538)	(23,160)
Prepaid Items	98,767	16,995	21,032	136,794	43,616
Due from Other Governments	-	-	-	-	-
Deferred Outflows of Resources- Pension Related Items	110,824	52,777	21,871	185,472	34,238
Deferred Outflows of Resources- OPEB Related Items	373,590	154,598	56,586	584,774	177,029
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts Payable	641,345	68,254	(45,135)	664,464	670,226
Accrued Liabilities	14,974	21,924	2,408	39,306	16,367
Due to Other Governments	(30,821)	(935)	-	(31,756)	-
Customer Deposits	331,866	(4,165)	-	327,701	-
Compensated Absences	(71,191)	(33,909)	2,433	(102,667)	(37,634)
Total OPEB Liability	610,910	118,470	(23,955)	705,425	(168,108)
Net Pension Liability	(1,720,447)	(467,242)	(215,594)	(2,403,283)	(687,508)
Deferred Inflows of Resources- Pension Related Items	1,522,649	294,607	148,944	1,966,200	661,154
Deferred Inflows of Resources- OPEB Related Items	261,462	83,530	18,212	363,204	39,867
Net Cash Provided by Operating Activities	<u>\$ 14,974,945</u>	<u>\$ 2,387,060</u>	<u>\$ 636,915</u>	<u>\$ 17,998,920</u>	<u>\$ 145,481</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contributions of Capital Assets by Developers	<u>\$ 3,188,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,188,410</u>	<u>\$ -</u>
Capital Additions Funded by Accounts Payable	<u>\$ 3,499,500</u>	<u>\$ 13,252</u>	<u>\$ 434,768</u>	<u>\$ 3,947,520</u>	<u>\$ -</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITIONS					
Cash, Investments, and Cash Equivalents	\$ 24,606,412	\$ 4,130,804	\$ 5,079,704	\$ 33,816,920	\$ 4,793,620
Cash With Fiscal Agent	1,769,727	-	144,005	1,913,732	-
Restricted Assets:					
Customer Deposits	5,539,246	-	-	5,539,246	-
Bond Asset Replacement Funds	3,691,916	-	-	3,691,916	-
Construction Funds	13,378,703	-	-	13,378,703	-
Debt Service	2,891,561	-	-	2,891,561	-
Total Cash, Investments, and Cash Equivalents	<u>\$ 51,877,565</u>	<u>\$ 4,130,804</u>	<u>\$ 5,223,709</u>	<u>\$ 61,232,078</u>	<u>\$ 4,793,620</u>

See accompanying Notes to Financial Statements.

**CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

	<u>Employee Retirement Funds</u>
ASSETS	
Cash	\$ 28,670
Prepaid Items	4,705
Investments:	
Short-Term Money Market Funds	5,517,117
Government Securities	18,762,232
Commercial Asset-Backed Securities	2,015,490
Consumer Asset-Backed Securities	1,129,503
Corporate and Other Bonds	17,410,311
Mutual Funds	7,928,408
Equity Securities	97,583,296
Real Estate Fund	15,137,045
Total Investments	<u>165,483,402</u>
Receivables:	
Contribution Receivables	53,158
Interest and Dividends Receivable	225,371
Total Receivables	<u>278,529</u>
Total Assets	165,795,306
LIABILITIES	
Accounts Payable	<u>1,038,421</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>\$ 164,756,885</u></u>

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	<u>Employee Retirement Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 3,934,186
Employee	1,266,752
State	826,510
Total Contributions	<u>6,027,448</u>
Investment Income	27,624,548
Less: Investment Expenses	<u>(602,879)</u>
Net Investment Income	<u>27,021,669</u>
Miscellaneous Revenue	<u>762</u>
Total Additions	33,049,879
DEDUCTIONS	
Benefits	13,079,852
Refunds	262,305
Administrative Expenses	325,906
Total Deductions	<u>13,668,063</u>
CHANGE IN NET POSITION	19,381,816
NET POSITION RESTRICTED FOR PENSIONS	
Net Position - Beginning of Year	<u>145,375,069</u>
Net Position - End of Year	<u><u>\$ 164,756,885</u></u>

See accompanying Notes to Financial Statements.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Winter Haven (the City) conform to accounting principles generally accepted in the United States as applicable to governmental units. The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be reviewed as an integral part of the accompanying financial statements.

A. Reporting Entity

The City was created and re-established as a municipal government when its present charter was approved by voters at a general referendum on October 2, 1973 and by Laws of Florida, Chapter 73-660.

These financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The blended component unit, although a legally separate entity, is in substance part of the City's operations. The Community Redevelopment Agency, (CRA), authorized by Chapter 163, Florida Statutes, is a legally separate entity, but since the City Commission also serves as its governing board, it is reported as a blended component unit. Management of the City has operational responsibility for the CRA. The CRA consists of two distinct geographic districts: Downtown and Florence Villa. The CRA's fiscal year ends on September 30. Separate financial statements for the CRA may be obtained by writing to the Winter Haven Community Redevelopment Agency, 451 Third Street NW, Winter Haven, Florida 33881.

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Administrative overhead charged by the General Fund to other funds are included in the direct expenses of other functions in the Statement of Activities.

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.

Fund Accounting

The City organizes its accounts on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, and deferred inflows of resources, fund balance/net position, revenues and expenditures or expenses, as appropriate. The City has the following funds:

Governmental Fund Types

Governmental fund types are those funds through which most governmental functions are typically financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The City electively added the Community Redevelopment Agency as a major fund due to its specific community focus. The following comprise the City's major governmental funds:

- **General Fund** – The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many of the more important activities of the City, including operation of the City's general service departments; street and highway maintenance; public safety; and parks and recreation programs are accounted for in this fund.
- **Community Redevelopment Agency Fund** – The Community Redevelopment Agency Fund was established pursuant to F.S. Chapter 163 to account for the operations of the CRA. Revenue is generated from ad-valorem taxes in the redevelopment district. The CRA is reported as a special revenue fund of the City.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Governmental Fund Types (Continued)

- **2015 Construction Fund** – The 2015 Construction Fund is a Capital Projects Fund used to account for resources used in the acquisition and construction of capital facilities and other capital assets.

The other governmental funds of the City are considered nonmajor and are as follows:

Special Revenue Funds – Special Revenue Funds are used to account for revenues derived from specific sources, which are usually required by law, regulation, or administrative action to be accounted for in separate funds.

The following nonmajor funds are included in this fund type:

Library Fund was established by the Polk County Library Cooperative Interlocal Agreement for 2014 through 2024. Polk County (the County) is an eligible political subdivision under Florida Statutes (F.S.) 257.17 and may participate in the State Aid to Libraries Program. Polk County enacted an ordinance allowing them to levy an impact fee to provide for library capital improvements required by growth within Polk County. Also, Polk County can levy ad-valorem taxes to unincorporated areas to fund new libraries. The cooperative agreement is considered restricted revenue and is utilized for operations first. Additional financing is provided by membership fees and donations from the General Fund and the public.

Airport Fund was established by Resolution No. R-10-15 to assure that all revenue generated by the airport will be expended for capital or operating costs. This is to comply with the Joint Participation Agreement with the Florida Department of Transportation for multiple projects at the Winter Haven Municipal Airport.

Cemetery Fund was established by Ordinance No. O-85-13 to provide adequate revenue to cover all operating expenses, capital improvements, debt service and to provide a contribution to the perpetual care fund. Revenues are generated from interment space sales, interment fees, monument costs and other charges.

Community Development Grant Fund was established due to grant requirements to account for the receipt and expenditure of Community Development Block Grant funds.

SHIP Grant Fund was established due to grant requirements. The State Housing Initiatives Partnership Program was created by Florida Statute Chapter 420.9072 for the purpose of providing funds to counties and eligible municipalities as an incentive for the creation of local housing partnerships, to expand production of and to preserve affordable housing, to further the housing element of the local government comprehensive plan specific to affordable housing, and to increase housing-related employment.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Governmental Fund Types (Continued)

Special Revenue Funds (Continued)

Police Training, Confiscation, and Abandoned Property Fund was established by the several Florida Statutes to account for asset seizures and training expenses related to law enforcement. State and local forfeitures are considered restricted based upon F.S. Chapter 932. Police training monies are received monthly from the office of the Polk County Clerk of the Circuit Court and Polk County Sheriff's Office. The source of these funds is a \$2 per conviction fee for violation of municipal or county ordinance under F.S. 938.15. The fees are used to pay expenditures for programs and courses for training police officers. Unclaimed evidence is also restricted based upon F.S. 705. The City receives funds from federal agencies as a result of Winter Haven police cooperation in federal investigations. The funds must be spent in accordance with federal regulations. No budget is adopted for this fund.

Building Safety Fund was established by F.S. 468.631 and F.S. 553.721 to account for the operations of building and permitting. Revenues are generated from permits, inspections, planning reviews and other charges for service.

Impact Fee Fund was established by Ordinance No. O-06-44 to charge impact fees for police, fire, library, and parks and recreational services. In addition, the City passed Ordinance No. O-06-45 to charge impact fees related to new development, which necessitates new roads and related facilities. Water and sewer impact fees are accounted for in the Water and Sewer Fund.

Federal Building Fund was established by Resolution No. R-03-13 to account for activities of the Federal Building. The building is considered a historical monument. Rental income in excess of repair, rehabilitation, restoration, and maintenance is used by the City only for public historic preservation, park, and recreational purposes as enunciated in its Program of Preservation and Utilization.

Debt Service Funds – The Debt Service Funds are used to account for the funding and payment of interest and principal of general obligation and tax increment debt of the City.

Capital Project Funds – The Capital Project Funds are used to account for resources used in the acquisition and construction of capital facilities and other capital assets, with the exception of those that are financed through proprietary funds.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Proprietary Fund Types

Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position, and cash flows.

Enterprise Funds – The Enterprise Funds are used to finance and account for the acquisition, operation and maintenance of the City's facilities and services which are supported primarily by user charges. The following comprise the City's major enterprise funds:

Water and Sewer Fund – To account for the operation and maintenance of the City's Water and Sewer System.

Solid Waste Fund – To account for the operation and maintenance of the City's Solid Waste Collection System.

The other enterprise funds of the City are considered nonmajor and are as follows:

Willowbrook Golf Course Fund – To account for the operation and maintenance of the City's municipal golf course.

Stormwater Fund – To account for the operation and maintenance of the City's Stormwater Management Services System.

Dark Fiber Fund – To account for the operation and maintenance of the City's Dark Fiber Services System.

Internal Service Funds – The Internal Service Funds are used to finance and account for services and commodities provided by designated departments or agencies to other departments and agencies of the City on a cost reimbursement basis. The following funds are included in this fund type:

Self-Insurance Fund – To account for the costs of providing health insurance to all covered City employees, retirees and dependents.

General Services Fund – To account for the costs of providing centralized services to other City departments. The services provided are human resources, engineering, facilities support, and information technology.

Central Garage Fund – To account for the costs of operating a maintenance facility for automotive equipment used by other City departments. The automotive equipment itself is acquired and owned by the various user departments which are also responsible for financing replacement vehicles as necessary through contributions to the Capital Projects Fund.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Fiduciary Fund Types

Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as fiduciary for individuals, private organizations, other governmental units and / or other funds.

Employee Retirement Funds – To account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by respective pension boards with City commission approval and by the City at amounts determined by an annual actuarial study.

In addition, the state of Florida remits income received from a 0.85% excise tax on casualty insurance premiums, per Florida Statutes 185.08, to the Municipal Firefighters' Pension Fund and the Municipal Police Officers' Pension Fund. These are considered on-behalf payments for the benefit of the City's police officers and firefighters and the \$826,510 at September 30, 2021 was included as revenues and expenditures of the General Fund.

The following funds are included in this fund type:

General Employees' Pension Fund – Accounts for pension funds for eligible current and former employees (hired prior to November 20, 2017) of the City except those currently participating in the Firefighters' Pension, Police Officers' Pension, or Director 401(a) Plan.

Municipal Firefighters' Pension Fund – Accounts for pension funds of qualified current and former employees of the City's Firefighting Department.

Municipal Police Officers' Fund – Accounts for pension funds of qualified current and former employees of the City's Police Department.

C. Measurement Focus and Basis of Accounting

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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, pensions, other postemployment benefits, and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Property taxes, sales taxes, and franchise taxes 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. Licenses and permits, fines and forfeitures, charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. In the category of use of money and property, property rentals are recorded as revenue when received in cash, but investment earnings are recorded as earned, since they are measurable and available.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City's fiduciary funds are presented in the fund financial statements by type (pension). Since, by definition, these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Cash and Pooled Cash Investments

All of the City's cash and investments, except pension funds and certain bond related investments, are combined in a pooled cash accounting system to allow the investment of idle cash for short periods of time, thereby maximizing interest earnings for the City as a whole. Interest earned on pooled cash is allocated to each fund participating in the pool on a pro-rata basis. Funds which incur negative equity balances in the pooled cash incur a charge for interest.

Statement of Cash Flows

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments, which are comprised of FL PRIME and pension fund monies deposited with various trustees that are recorded at fair value.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Investments (Continued)

The City invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration (SBA), under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2021, the SBA contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three month LIBOR rates. These investments represent 4.4% of Florida PRIME's portfolio at September 30, 2021.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2021 was 49 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2021 was 64 days. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's. On September 30, 2021, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Investments (Continued)

As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

Fair Value Measures

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. For Level 2 securities, the pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices. Level 3, unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

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 noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds reported in the general fund financial statements are classified as nonspendable fund balance to indicate that they are not available for appropriation and do not constitute available spendable resources.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Property Taxes

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are designed to assure a consistent property valuation method statewide.

State statutes permit cities to levy property taxes at a rate of up to 10 mills. The millage rate in effect for the fiscal year ended September 30, 2021 was 6.7900.

The tax levy of the City is established by the City Commission prior to October 1 of each year and the Polk County Property Appraiser incorporates the millages into the total tax levy, which includes the municipalities, independent districts, and County School Board tax requirements.

All property is reassessed according to its fair value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the roll meets all of the appropriate requirements of state statutes.

All taxes are due and payable on November 1 (levy date) of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest of up to 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

Delinquent taxes on personal property bear interest of up to 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Inventories and Prepaid Items

Inventories are stated at cost on the basis of the "first-in, first-out" method of accounting, except for the Water and Sewer Fund and the Central Garage Fund parts inventories. Inventories in the Special Revenue Funds consist of expendable supplies held for consumption (consumption method). Governmental fund inventories are classified as nonspendable fund balance, which indicates that they do not constitute available spendable resources.

The Water and Sewer and Central Garage inventories are stated at the lower of cost or market on the basis of weighted average cost. The effect of this method is to price and charge inventory to operations on the basis of average prices paid for the items, weighted according to the quantity purchased at each price.

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. Prepaid items are recorded using the consumption method of accounting. Under the consumption method, services paid for in advance are reported as an asset until the period in which the services are actually consumed.

Capital Assets

Capital assets, including land, buildings, improvements, infrastructure, and equipment assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an initial useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated acquisition value at the date of donation.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Capital Assets (Continued)

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.

Depreciation is provided using the straight-line method over the estimated useful lives of the various classes of depreciable assets as follows:

<u>Assets</u>	
Buildings	30 to 50 Years
Infrastructure Systems	25 to 100 Years
Improvements Other than Buildings	10 to 33 Years
Equipment	3 to 33 Years

The City's collection of works of art, library books, and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has multiple items that qualify for reporting in this category including the deferred charge on refunding, differences between expected and actual experience, changes in actuarial assumptions, and projected versus actual earnings on pension plan investments, and changes in actuarial assumptions related to the OPEB valuation. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other amounts will be recognized as increases in pension expense and OPEB expense in future years.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has multiple pension and OPEB related items that qualify for reporting in this category including changes in assumptions, projected versus actual earnings on pension plan investments, and differences between expected and actual experience.

The City also has items which arise only under a modified accrual basis of accounting that qualify for reporting as deferred inflows of resources in the governmental funds balance sheet. The governmental funds report unavailable revenues for revenue collected after the period of availability. The amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

Compensated Absences

The City records the "vested" portion of accumulated unused compensated absences at each year-end based on each employee's accumulated unused hours and rate of pay, plus certain salary-related fringe benefits. All accumulated unused compensated absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is normally reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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. Bond premiums and discounts on bonds, are amortized over the life of the bonds using the effective interest method.

Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and costs related to bond refundings during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Unearned Revenues

Unearned revenues in the governmental funds and in the government-wide statement of net position represent amounts which have been received but are not yet earned.

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Fund Balances

The classifications of fund balances are described as follows:

Nonspendable – Amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and generally long-term items such as advances to other funds or amounts that are required to be maintained intact (corpus of a permanent fund).

Restricted – Amounts that can be spent only for specific purposes stipulated by (a) external resources providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes determined by a formal action (ordinance) of the Commissioners, the City’s highest level of decision making authority. Commitments may be changed or lifted only by the Commission taking the same formal action (ordinance) that imposed the constraints originally. Resources accumulated pursuant to stabilization arrangements are reported in this category only if they are specific and nonrecurring.

Assigned – Amounts intended to be used by the City for specific purposes. According to the City’s fund balance policy, this includes spendable fund balance amounts established by the City Commission or City Management that are neither restricted nor committed. The City’s fund balance policy does not describe the specific action required to assign fund balance.

Unassigned – Includes the residual classification for the general fund. This classification represents fund balance that is spendable and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Fund Balances (Continued)

The City spends restricted amounts first, when both restricted and unrestricted fund balance is available, unless prohibited by legal documents, grant agreements or contracts. Additionally, the City uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The Government Finance Officers Association recommends, at a minimum, that general-purpose governments, regardless of size, incorporate a financial policy maintaining unassigned fund balance in the general fund of no less than two months (17%) of regular general fund operating revenues or regular general fund operating expenditures. The Commission established the targeted minimum reserve balance in the City's General Fund Unassigned Fund Balance equal to 17% of the General Fund's current fiscal year operating expenditures and transfers out budgeted for the fund. For purposes of this calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 30th for the subsequent fiscal year. The required balance as of September 30, 2021 was approximately \$9,390,000.

The City strives to maintain adequate levels of fund balance to mitigate risks and provide a back-up for revenue shortfalls. If, at the end of any fiscal year, the actual amount of Unassigned Fund Balance falls below the targeted levels set forth herein, a plan shall be established to achieve the target by adding a designated amount to the budget to cover the deficiency over a period not to exceed five fiscal years.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted resources are used first to fund appropriation. Below are the proprietary funds and certain fiduciary fund restrictions:

Restricted for Revenue Bonds Debt Service – Restricted for payment of principal and interest on revenue bonds.

Restricted for Renewal, Replacement, and Improvements – Restricted for meeting of various contingencies as may be so specified and defined in the indenture.

Restricted for Pensions – Restricted for payment of employee retirement benefits.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Interfund Transactions

Transactions between City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures or expenses made from it which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

Interfund receivables and payables in the amount of \$229,023 between governmental funds must be eliminated for the statement of net position.

Transfers in and transfers out in the amount of \$20,987,746 between governmental activities are eliminated.

Use of Estimates

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

Change in Accounting Principle

During the year ended September 30, 2021, the City adopted new account guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. There was no impact to the financial statements as a result of this standard.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- The City Manager submits to the City Commission a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the sources of revenues to finance those expenditures. The budgets are prepared in accordance with GAAP.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budgets and Budgetary Accounting (Continued)

- Public hearings are conducted to obtain taxpayer comments.
- The budget is approved by the Commission and becomes the basis for the millage levied by the Commission.
- The City Commission must approve transfers between departments.
- The City legally adopts annual budgets for the General Fund, Capital Projects, and certain Special Revenue Funds (Community Redevelopment, Library, Airport, Cemetery, Community Development Grants, SHIP Grants, Building Safety, Impact Fees and Federal Building). Budgets for the General and budgeted Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America at the department level. Budgets for Capital Projects are adopted annually based on the amount to be spent in the fiscal year, not for the length of the project. The City does not adopt annual budgets for the Capital Depletion Fund or the debt service funds. Florida Statutes require only the General Fund to legally adopt an annual budget.
- Budgeted amounts are as originally adopted, and as amended, in accordance with City ordinance. Appropriations not expended at the end of each fiscal year lapse and become subject to future appropriation.
- Supplemental budget appropriations were made during the current year.
- Section 40 of the City's Charter makes it unlawful to expend or contract for the expenditure, in any fiscal year, of more than the amount appropriated by the City Commission. The Commission appropriates monies for expenditures on a departmental and fund basis.

Deficit Fund Equity

The Willowbrook Golf Course Fund had a deficit in net position of \$217,051 at September 30, 2021. Management believes this deficit will be recovered through subsidy payments from the General Fund over the next several years.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Deficit Fund Equity (Continued)

The General Services Fund had a deficit in net position of \$1,515,727 at September 30, 2021. Management believes this deficit will be recovered through operations in future years.

The Central Garage Fund had a deficit in net position of \$364,104 at September 30, 2021. Management believes this deficit will be recovered through operations in future years.

The 2021 Construction Fund had a deficit in fund balance of \$14,480 at September 30, 2021. This deficit will be recovered through Bonds issued after year end.

NOTE 3 CASH AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its deposits and securities that are in the possession of an outside party.

At September 30, 2021, the bank balance of the City's deposits was \$14,615,984. The City also had \$4,355 cash on hand at September 30, 2021.

All balances in excess of the Federal Deposit Insurance Corporation (FDIC) for demand and time deposits are fully collateralized pursuant to Chapter 280, Florida Statutes. The City's investment policy requires that the deposit be entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

The City's investment policy requires that securities be secured through third-party custody in the City's name and safekeeping procedures. All of the City's investments are held by the counterparties' trust departments in the City's name.

Investments

Statutes authorize the City to invest excess monies in the Florida PRIME, S.E.C. registered money market funds, interest-bearing time deposits or savings accounts in qualified public depositories and in direct obligations of the U.S. Treasury. All of the City's investments are in Florida PRIME except those investments related to the pension funds.

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

State statutes limit the pension funds to the following types of investments: (1) annuity and life insurance contracts with life insurance companies, (2) time or savings accounts of a national bank, a state bank or a savings / building and loan association insured by the Federal Deposit Insurance Corporation, (3) obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States, (4) stocks, commingled or mutual funds, bonds or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, or state or organized territory of the United States, or the District of Columbia, (5) international securities, not to exceed at market value 25% or 15% at cost of the Funds' assets, and (6) real estate investments in an amount not to exceed at cost value 15% of the Funds' assets.

At September 30, 2021, the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Florida PRIME	\$ 106,808,625
Short-Term Money Market Funds	5,517,117
Collateralized Mortgage Obligations	6,643,646
United States Treasuries	7,273,449
Government Agencies	2,167,099
Government Mortgage Pools	3,775,758
Corporate Bonds	15,973,725
Commercial Asset-Backed Securities	2,015,490
Consumer Asset-Backed Securities	1,129,503
Municipal Obligations	338,866
Mutual Funds	7,928,408
Equity Securities	97,583,296
Real Estate Fund	15,137,045
Total Investments	<u><u>\$ 272,292,027</u></u>

Reconciliation of deposits and investments to amounts shown on statement of net position and statement of fiduciary net position:

Deposits	\$ 14,713,515
Cash on Hand	4,355
Investments	272,292,027
Total	<u><u>\$ 287,009,897</u></u>

Statement of Net Position:	
Cash and Investments	\$ 95,526,088
Restricted Cash and Investments	25,971,737

Statement of Fiduciary Net Position:	
Cash	28,670
Investments	165,483,402
Total Cash and Investments	<u><u>\$ 287,009,897</u></u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

- **Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of September 30, 2021, the City had the following investments and maturities:

Investment Maturities (in Years)

<u>Investment Type</u>	<u>Less Than One</u>	<u>One to Five</u>	<u>Six to Ten</u>	<u>More Than Ten</u>	<u>Total Fair Value</u>
Florida PRIME	\$ 106,808,625	\$ -	\$ -	\$ -	\$ 106,808,625
United States Treasuries	-	777,875	5,396,919	1,098,655	7,273,449
Government Agencies:					
FFCB	-	-	69,068	-	69,068
FHLB Mortgage Pools	-	58,160	38,812	21,002	117,974
FHLMC	-	148,826	179,472	57,979	386,277
FHLMC Mortgage Pools	-	2,353	54,669	95,688	152,710
FNMA	-	104,251	358,379	1,104,159	1,566,789
FNMA Mortgage Pools	-	925,476	956,563	1,396,923	3,278,962
GNMA	-	27,788	-	117,177	144,965
GNMA Mortgage Pools	-	12,408	54,173	159,531	226,112
Commercial Asset-Backed Securities	-	792,702	575,425	647,363	2,015,490
Consumer Asset-Backed Securities	-	346,207	496,888	286,408	1,129,503
Municipal Obligations	-	30,658	-	308,208	338,866
Collateralized Mortgage Obligations:					
Collateralized Mortgage Obligations	-	720,551	1,520,320	4,210,048	6,450,919
FHLMC	-	-	63,071	48,418	111,489
GNMA	-	213	-	81,025	81,238
Corporate Bonds	438,053	6,100,891	6,041,305	3,393,476	15,973,725
Total	<u>\$ 107,246,678</u>	<u>\$ 10,048,359</u>	<u>\$ 15,805,064</u>	<u>\$ 13,026,060</u>	<u>\$ 146,126,161</u>

The mortgage pools include collateralized mortgage backed securities. In management's opinion, the credit and legal risk associated with these investments is comparable to other investments within the portfolio. The collateralized mortgage backed securities are based on cash flows from the underlying mortgages. The principal repayment portions could be sensitive to prepayment by mortgagees, which may be affected by interest rate changes. The prepayments and anticipated interest rate changes can therefore affect the market values of the investments. The City has no policy regarding interest rate risk.

- **Credit Risk** – The investment policies of the pension funds allow the Plans to only invest in securities meeting the following ranking criteria: (1) fixed income securities must be rated investment grade or higher as reported by a major credit rating service, (2) at least 85% of the equities must have a value line ranking for safety of 1, 2, or 3, and (3) money market funds must be rated A1 by Standard and Poor's or P1 by Moody's.

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

The following illustrates the credit quality distribution with credit exposure as a percentage of the City's investment securities.

Investment Type	Credit Rating	Portfolio	Market Value in U.S. Dollars
U.S. Agencies:			
Federal National Mortgage Association	Aaa	0.58%	\$ 1,566,789
Federal Home Loan Bank	Aaa	0.14%	386,277
Federal Farm Credit Bank	Aaa	0.03%	69,068
Government National Mortgage Association	Aaa	0.05%	144,965
U.S. Agencies Mortgage Pools:			
Federal Home Loan Bank	Aaa	0.04%	117,974
Federal National Mortgage Association	Aaa	1.07%	2,918,589
Federal National Mortgage Association	No Rating	0.13%	360,372
Federal Home Loan Mortgage Corporation	Aaa	0.03%	72,686
Federal Home Loan Mortgage Corporation	No Rating	0.03%	80,024
Government National Mortgage Association	Aaa	0.02%	53,457
Government National Mortgage Association	No Rating	0.06%	172,656
Collateralized Mortgage Obligations	A	0.24%	640,220
Collateralized Mortgage Obligations	A-	0.02%	50,226
Collateralized Mortgage Obligations	A1	0.02%	53,394
Collateralized Mortgage Obligations	AA-	0.13%	353,113
Collateralized Mortgage Obligations	Aaa	0.71%	1,933,671
Collateralized Mortgage Obligations	BBB	0.06%	152,263
Collateralized Mortgage Obligations	No Rating	1.27%	3,460,759
Commercial Asset-Backed Securities	A	0.10%	281,597
Commercial Asset-Backed Securities	A1	0.09%	247,635
Commercial Asset-Backed Securities	A3	0.06%	149,982
Commercial Asset-Backed Securities	Aaa	0.09%	249,395
Commercial Asset-Backed Securities	BBB	0.04%	97,348
Commercial Asset-Backed Securities	No Rating	0.36%	989,533
Consumer Asset-Backed Securities	A	0.07%	185,956
Consumer Asset-Backed Securities	A-	0.04%	100,452
Consumer Asset-Backed Securities	A2	0.04%	99,656
Consumer Asset-Backed Securities	AA+	0.04%	95,960
Consumer Asset-Backed Securities	Aaa	0.11%	300,955
Consumer Asset-Backed Securities	BBB	0.05%	146,332
Consumer Asset-Backed Securities	No Rating	0.07%	200,192
Municipal Obligations	A-	0.01%	26,874
Municipal Obligations	A1	0.01%	37,835
Municipal Obligations	Aa2	0.03%	91,592
Municipal Obligations	Aa3	0.02%	43,695
Municipal Obligations	Aaa	0.05%	138,870

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Credit Risk (Continued)

Investment Type	Credit Rating	Portfolio	Market Value in U.S. Dollars
U.S. Treasuries	Aaa	2.67%	\$ 7,273,449
Corporate Bonds	A	0.16%	423,997
Corporate Bonds	A-	0.06%	166,521
Corporate Bonds	A+	0.06%	167,883
Corporate Bonds	A1	0.11%	301,958
Corporate Bonds	A2	0.37%	1,014,419
Corporate Bonds	A3	0.35%	960,518
Corporate Bonds	Aa2	0.05%	130,376
Corporate Bonds	Aa3	0.09%	237,528
Corporate Bonds	Aaa	0.26%	703,687
Corporate Bonds	B1	0.01%	40,593
Corporate Bonds	Baa1	0.53%	1,446,860
Corporate Bonds	Baa2	0.68%	1,847,719
Corporate Bonds	Baa3	1.40%	3,819,108
Corporate Bonds	BBB	0.06%	166,109
Corporate Bonds	BBB-	0.07%	183,714
Corporate Bonds	BBB+	0.01%	30,800
Corporate Bonds	No Rating	1.58%	4,294,850
Corporate Bonds	WR	0.01%	37,085
Short-Term Money Market Funds	No rating	2.03%	5,517,117
Florida PRIME	No rating	39.23%	106,808,625
Mutual Funds Fixed	No rating	1.29%	3,504,416
Mutual Funds Other	No rating	1.62%	4,423,992
Real Estate Fund	No rating	5.56%	15,137,045
Total			<u>\$ 174,708,731</u>

- **Concentration of Credit Risk** – No more than 5% of the Pension Plans' assets may be invested in the common stock, capital stock or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of that company. The value of bonds issued by any single company may not exceed 3% of the total fund. No more than 60% of the Plans' assets at cost for the Police Officers' Pension Plan and no more than 70% of the Plans' assets at cost for the Firefighters' and General Employees' Pension Plans may be invested in common stock and convertible bonds. No more than 15% of the Plans' assets at cost or 25% of the Plans' assets at fair value may be invested in international securities.
- **Foreign Currency Risk** – As of September 30, 2021 the Pension Funds have \$15,834,230 invested in foreign equities. Foreign securities are limited to those that settle in U.S. dollars and trade on one or more of the national exchanges.

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

- **Fair Value** – The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified as Level 2 of the fair value hierarchy are valued using quoted prices for similar assets in active markets. The City had the following fair value measurements as of September 30, 2021:

	Total	Fair Value Measurement Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Domestic Equities	\$ 68,692,513	\$ 65,951,314	\$ 2,741,199	\$ -
International Equities	15,834,230	15,724,621	109,609	-
Equity Mutual Funds	13,056,553	13,056,553	-	-
Commercial Asset-Backed Securities	2,015,490	-	2,015,490	-
Consumer Asset-Backed Securities	1,129,503	-	1,129,503	-
Corporate Bonds	15,973,725	-	15,973,725	-
Collateralized Mortgage Obligations	6,643,646	-	6,443,646	200,000
Mortgage Backed Securities	5,745,656	2,353	5,743,303	-
Municipal Obligations	338,866	-	338,866	-
U.S. Government Obligations	7,470,650	5,770,670	1,699,980	-
Mutual Funds Fixed	3,504,416	3,504,416	-	-
Mutual Funds Other	4,423,992	4,423,992	-	-
Total Investments Measured at Fair Value	<u>144,829,240</u>	<u>\$ 108,433,919</u>	<u>\$ 36,195,321</u>	<u>\$ 200,000</u>
Investments Measured at Net Asset Value (NAV)				
Real Estate Fund	<u>15,137,045</u>			
Total Investments Measured at the NAV	<u>15,137,045</u>			
Investments Measured at Amortized Cost				
Florida PRIME	106,808,625			
Short-Term Money Market Funds	<u>5,517,117</u>			
Total Investments Measured at Amortized Cost	<u>112,325,742</u>			
Total Investments	<u>\$ 272,292,027</u>			

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Other information for investments measured at the NAV or its equivalent is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Fund	\$ 15,137,045	\$ 19,753	Quarterly	Daily

Real Estate Fund – The American Core Realty Fund is an open-end diversified core real estate commingled fund whose primary objective is to provide returns that are attractive relative to other asset classes with stable income and the potential for market appreciation. The American Core Realty Fund invests primarily in core institutional quality industrial, multi-family, office and retail properties located throughout the United States, and is diversified by product type, geographic region, and economic exposure in order to mitigate investment risk.

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

Primary Government

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	CIP Transfers	Ending Balance
Governmental Activities:						
Capital Assets, Not Being Depreciated:						
Land	\$ 7,911,094	\$ 120,487	\$ (20,727)	\$ 7,010	\$ -	\$ 8,017,864
Construction in Progress	5,058,896	3,149,653	(2,362)	-	(4,252,378)	3,953,809
Total Capital Assets, Not Being Depreciated	12,969,990	3,270,140	(23,089)	7,010	(4,252,378)	11,971,673
Capital Assets, Being Depreciated:						
Buildings and Improvements	72,760,347	2,829,533	(15,331)	-	2,941,149	78,515,698
Improvements Other than Buildings	80,109,311	2,279,174	(1,479,932)	(7,010)	1,311,229	82,212,772
Equipment	21,604,674	1,372,132	(547,153)	(82,289)	-	22,347,364
Total Capital Assets, Being Depreciated	174,474,332	6,480,839	(2,042,416)	(89,299)	4,252,378	183,075,834
Less Accumulated Depreciation for:						
Buildings and Improvements	(17,958,507)	(1,758,315)	15,330	-	-	(19,701,492)
Improvements Other than Buildings	(49,569,345)	(3,114,343)	1,284,945	-	-	(51,398,743)
Equipment	(14,529,225)	(2,048,888)	517,322	82,289	-	(15,978,502)
Total Accumulated Depreciation	(82,057,077)	(6,921,546)	1,817,597	82,289	-	(87,078,737)
Total Capital Assets, Being Depreciated, Net	92,417,255	(440,707)	(224,819)	(7,010)	4,252,378	95,997,097
Governmental Activities Capital Assets, Net	\$ 105,387,245	\$ 2,829,433	\$ (247,908)	\$ -	\$ -	\$ 107,968,770
Business-Type Activities:						
Capital Assets, Not Being Depreciated:						
Land	\$ 5,489,152	\$ 294,394	\$ (198)	\$ -	\$ -	\$ 5,783,348
Construction in progress	10,303,900	13,826,172	(301,363)	-	(6,760,544)	17,068,165
Total Capital Assets, Not Being Depreciated	15,793,052	14,120,566	(301,561)	-	(6,760,544)	22,851,513
Capital Assets, Being Depreciated:						
Buildings and Improvements	8,729,826	205,826	-	-	-	8,935,652
Improvements Other than Buildings	171,320,490	6,019,749	(1,624,721)	-	6,123,644	181,839,162
Equipment	14,438,493	2,881,685	(164,462)	82,289	636,900	17,874,905
Total Capital Assets, Being Depreciated	194,488,809	9,107,260	(1,789,183)	82,289	6,760,544	208,649,719
Less Accumulated Depreciation for:						
Buildings and Improvements	(6,556,731)	(125,082)	-	-	-	(6,681,813)
Improvements Other than Buildings	(109,890,327)	(3,594,184)	1,624,721	-	-	(111,859,790)
Equipment	(9,160,316)	(1,499,859)	163,162	(82,289)	-	(10,579,302)
Total Accumulated Depreciation	(125,607,374)	(5,219,125)	1,787,883	(82,289)	-	(129,120,905)
Total Capital Assets, Being Depreciated, Net	68,881,435	3,888,135	(1,300)	-	6,760,544	79,528,814
Business-Type Activities Capital Assets, Net	\$ 84,674,487	\$ 18,008,701	\$ (302,861)	\$ -	\$ -	\$ 102,380,327

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

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

Governmental Activities:

General Government	\$ 866,747
Public Safety	1,302,124
Transportation	1,465,408
Economic Development	166,956
Human Services	91,704
Culture and Recreation	2,877,504
Capital Assets held by the Government's Internal Service Funds	151,103
Total Depreciation Expense - Governmental Activities	<u>\$ 6,921,546</u>

Business-Type Activities:

Water and Sewer	\$ 3,935,943
Solid Waste	785,238
Willowbrook Golf Course	45,009
Stormwater	319,174
Dark Fiber	133,761
Total Depreciation Expense - Business-Type Activities	<u>\$ 5,219,125</u>

NOTE 5 ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS OF RECEIVABLES

The City provides for an allowance for water and sewer accounts that may become uncollectible. At September 30, 2021, the allowance for doubtful accounts associated with the receivables of the Water and Sewer Fund was \$125,322. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at September 30, 2021.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Transfers for the year ended September 30, 2021 consisted of the following:

Interfund Transfers

Transfers to the General Fund from:

Community Redevelopment Agency Fund	\$ 873,789
Nonmajor Governmental Funds	1,335,138
2015 Construction Fund	400,000
Internal Service Funds	950,000
Water and Sewer Fund	5,030,000
Solid Waste Fund	1,228,000
Total	<u><u>\$ 9,816,927</u></u>

Transfers to the 2015 Construction Fund from:

General Fund	\$ 3,445,000
Community Redevelopment Agency Fund	200,000
Nonmajor Governmental Funds	2,833,977
Total	<u><u>\$ 6,478,977</u></u>

Transfers to the Nonmajor Governmental Funds from:

General Fund	\$ 8,594,669
Community Redevelopment Agency Fund	80,000
Nonmajor Governmental Funds	854,168
Total	<u><u>\$ 9,528,837</u></u>

Transfers to the Nonmajor Proprietary Funds from:

General Fund	\$ 592,105
Community Redevelopment Agency Fund	16,800
Nonmajor Governmental Funds	25,200
Internal Service Funds	29,400
Water and Sewer Fund	33,600
Solid Waste Fund	8,400
Total	<u><u>\$ 705,505</u></u>

Transfers to the Internal Service Funds from:

General Fund	\$ 453,100
Nonmajor Governmental Funds	4,400
Internal Service Funds	300,000
Water and Sewer Fund	487,400
Solid Waste Fund	27,800
Nonmajor Proprietary Funds	13,500
Total	<u><u>\$ 1,286,200</u></u>

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Transfers are used to: (1) move revenues from the fund with collection authorizations to the debt service funds as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, (3) move revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, or (4) move portions of enterprise fund profits to the general fund to assist in financing the operations of governmental activities.

Due To / From Other Funds

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 65,894
Water and Sewer Fund	2015 Construction Fund	111,232
Nonmajor Governmental Funds	Nonmajor Governmental Funds	38,373
Nonmajor Governmental Funds	Nonmajor Proprietary Funds	499,929
Total		<u>\$ 715,428</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances also include the amount of working capital loans that will be repaid in the subsequent year.

Advances to / from Other Funds

<u>Advances To</u>	<u>Advances From</u>	<u>Amount</u>
Nonmajor Proprietary Funds	General Fund	\$ 1,563,872
2015 Construction Fund	Water and Sewer Fund	897,635
Nonmajor Governmental Funds	Nonmajor Governmental Funds	124,756
Nonmajor Proprietary Funds	Nonmajor Governmental Funds	1,925,554
Total		<u>\$ 4,511,817</u>

Through September 30, 2021, the General Fund has advanced \$1,563,872 to the Willowbrook Golf Course Fund. Though there were budgeted transfers, no transfers on this advance were made during the year ending September 30, 2021. Since repayment to the General Fund will not occur within the next few months, these funds are not available for appropriation in the General Fund. Accordingly, fund balance in the General Fund has been classified as nonspendable.

On April 1, 2018, the Capital Depletion Fund advanced \$180,000 to the Willowbrook Golf Course Fund to provide financing to fund vehicle purchases, \$19,660 of which was outstanding at September 30, 2021. The advance will be paid down monthly through March 1, 2023 at 4%. Additionally, the Capital Depletion Fund advanced \$608,475 on October 1, 2018 and \$2,700,000 on September 1, 2019 to the Dark Fiber Fund to aid in operations for expansions, \$1,905,894 of which was outstanding at September 30, 2021. The advances will be paid down monthly through September 1, 2025 and October 1, 2026 respectively at 2.5%.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

During the year ending September 30, 2019, the Water and Sewer Fund advanced \$1,220,000 to the 2015 Construction Fund to provide financing for construction plans in future years, \$897,635 of which was outstanding at September 30, 2021. The advance will be paid down monthly through September 1, 2029 at 3.5%.

During the year ending September 30, 2020, the Capital Depletion Fund advanced \$163,129 to the Airport Fund to provide financing for construction of a new T-Hanger building, \$124,756 of which was outstanding at September 30, 2021. The advance will be repaid upon completion of construction.

NOTE 7 FUND BALANCE CLASSIFICATIONS

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at September 30, 2021 is as follows:

	General Fund	Community Redevelopment Agency	2015 Construction Fund	Other Governmental Fund	Total Governmental Funds
Nonspendable:					
Advances to Other Funds	\$ 1,563,872	\$ -	\$ -	\$ -	\$ 1,563,872
Inventory	-	-	-	30,796	30,796
Prepaid Items	32,492	4,841	-	27,658	64,991
Total Nonspendable Fund Balance	1,596,364	4,841	-	58,454	1,659,659
Restricted for:					
Public Safety	14,523	-	-	-	14,523
Community Redevelopment	-	2,331,373	397,500	-	2,728,873
Human Services	-	-	-	292,305	292,305
Police Training, Confiscation and Abandoned Property	-	-	-	188,283	188,283
Building Inspections and Enforcement	-	-	5,728,050	1,229,420	6,957,470
Impact Fees	-	-	1,011,146	1,369,154	2,380,300
Debt Service	-	-	-	3,490,136	3,490,136
Transportation	-	-	-	1,792,800	1,792,800
Environmental Awareness	200,000	-	-	-	200,000
Total Restricted Fund Balance	214,523	2,331,373	7,136,696	8,362,098	18,044,690
Committed:					
Perpetual Care	-	-	-	684,794	684,794
Federal Building	-	-	-	19,555	19,555
Total Committed Fund Balance	-	-	-	704,349	704,349
Assigned:					
Leisure Services	13,173	-	-	-	13,173
Public Safety	14,160	-	-	-	14,160
Library	-	-	-	227,228	227,228
Airport	-	-	-	456,378	456,378
Transportation	73,468	-	-	-	73,468
Capital Projects	-	-	6,621,788	5,708,971	12,330,759
Total Assigned Fund Balance	100,801	-	6,621,788	6,392,577	13,115,166
Unassigned Fund Balance	17,483,087	-	-	(14,480)	17,468,607
Total Fund Balances	\$ 19,394,775	\$ 2,336,214	\$ 13,758,484	\$ 15,502,998	\$ 50,992,471

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 LONG-TERM LIABILITIES

Long-term liability activity of the City for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable:					
2015A Non-Ad Valorem	\$ 11,100,000	\$ -	\$ (725,000)	\$ 10,375,000	\$ 715,000
Plus: Unamortized Bond Premium	378,689	-	(31,557)	347,132	-
Total Bonds Payable	11,478,689	-	(756,557)	10,722,132	715,000
Direct Placements:					
2011 Sales Tax Refunding	1,375,000	-	(680,000)	695,000	695,000
2016A Non-Ad Valorem	4,505,000	-	(4,505,000)	-	-
2016B Non-Ad Valorem	6,590,000	-	(6,590,000)	-	-
2017 Non-Ad Valorem	24,010,000	-	(1,020,000)	22,990,000	1,050,000
2021 Non-Ad Valorem Refunding	-	10,055,000	-	10,055,000	390,000
Total Direct Placements	36,480,000	10,055,000	(12,795,000)	33,740,000	2,135,000
Compensated Absences	2,141,397	1,463,288	(1,627,712)	1,976,973	268,658
Governmental Activity Long-Term Liabilities	<u>\$ 50,100,086</u>	<u>\$ 11,518,288</u>	<u>\$ (15,179,269)</u>	<u>\$ 46,439,105</u>	<u>\$ 3,118,658</u>
BUSINESS-TYPE ACTIVITIES					
Bonds Payable:					
2015 Utility System Refunding					
Revenue Bonds	\$ 24,175,000	\$ -	\$ (495,000)	\$ 23,680,000	\$ -
Less: Unamortized Bond Discount	(48,835)	-	3,256	(45,579)	-
Total Bonds Payable	24,126,165	-	(491,744)	23,634,421	-
Direct Placements:					
2010 Utility System Refunding	19,230,000	-	(60,000)	19,170,000	2,140,000
2015B Utility System Refunding	1,560,000	-	(1,560,000)	-	-
Total Direct Placements	20,790,000	-	(1,620,000)	19,170,000	2,140,000
Direct Borrowing - State Revolving Fund	898,079	-	(47,140)	850,939	47,154
Compensated Absences	594,031	488,788	(591,455)	491,364	49,137
Business-Type Activity Long-Term Liabilities	<u>\$ 46,408,275</u>	<u>\$ 488,788</u>	<u>\$ (2,750,339)</u>	<u>\$ 44,146,724</u>	<u>\$ 2,236,291</u>

The annual requirements to amortize the debt outstanding as of September 30, 2021 are as follows:

Year	Governmental Activities			
	Bonds Payable		Direct Placements	
	Principal	Interest	Principal	Interest
2022	\$ 715,000	\$ 313,411	\$ 2,135,000	\$ 881,862
2023	750,000	284,113	1,865,000	831,131
2024	775,000	257,488	1,910,000	782,532
2025	800,000	229,863	1,960,000	732,654
2026	825,000	204,581	2,010,000	681,419
2027 - 2031	4,505,000	647,025	10,365,000	2,592,590
2032 - 2036	2,005,000	60,525	9,690,000	1,251,258
2037 - 2041	-	-	3,805,000	107,744
Total	<u>\$ 10,375,000</u>	<u>\$ 1,997,006</u>	<u>\$ 33,740,000</u>	<u>\$ 7,861,190</u>

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Year	Business-Type Activities			
	Bonds Payable		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2022	\$ -	\$ 715,013	\$ 2,187,154	\$ 710,802
2023	-	715,013	2,252,168	625,503
2024	-	715,013	2,327,182	537,454
2025	-	715,013	2,402,196	446,462
2026	-	715,013	2,472,211	352,624
2027 - 2031	6,275,000	3,388,238	8,001,265	464,486
2032 - 2036	17,405,000	1,357,329	236,620	409
2037 - 2041	-	-	142,143	75
Total	<u>\$ 23,680,000</u>	<u>\$ 8,320,632</u>	<u>\$ 20,020,939</u>	<u>\$ 3,137,815</u>

The annual requirements to amortize the individual debt issues outstanding as of September 30, 2021 are as follows:

Year	Governmental Activities			
	Direct Placement - 2011 Sales Tax	Revenue Bond - 2015A Public Improvement	Direct Placement - 2017 Non-Ad Valorem	Direct Placement - 2021 Non-Ad Valorem
2022	\$ 701,428	\$ 1,028,413	\$ 1,738,552	\$ 576,882
2023	-	1,034,113	1,740,833	955,298
2024	-	1,032,488	1,737,118	955,414
2025	-	1,029,863	1,737,407	955,247
2026	-	1,029,581	1,736,623	954,796
2027 - 2031	-	5,152,024	8,680,901	4,276,689
2032 - 2036	-	2,065,524	8,660,775	2,280,481
2037 - 2041	-	-	3,453,446	459,300
Totals	701,428	12,372,006	29,485,655	11,414,107
Less: Amount Representing Interest	(6,428)	(1,997,006)	(6,495,655)	(1,359,107)
Total	<u>\$ 695,000</u>	<u>\$ 10,375,000</u>	<u>\$ 22,990,000</u>	<u>\$ 10,055,000</u>

Year	Business-Type Activities		
	Direct Placement - 2010 Water and Sewer	Revenue Bond - 2015 Utility System	Direct Borrowing - State Revolving Fund
2022	\$ 2,850,550	\$ 715,013	\$ 47,406
2023	2,830,265	715,013	47,406
2024	2,817,231	715,013	47,406
2025	2,801,253	715,013	47,406
2026	2,777,429	715,013	47,406
2027 - 2031	8,228,723	9,663,238	237,028
2032 - 2036	-	18,762,329	237,028
2037 - 2041	-	-	142,217
Totals	22,305,451	32,000,632	853,303
Less: Amount Representing Interest	(3,135,451)	(8,320,632)	(2,364)
Total	<u>\$ 19,170,000</u>	<u>\$ 23,680,000</u>	<u>\$ 850,939</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

The following were outstanding at September 30, 2021:

Direct Placement – 2011 Sales Tax Refunding Note

The Resolution provides for:

- **Application of Proceeds** – On September 20, 2011, the City obtained a commercial loan for \$6,405,000 with an interest rate of 1.85% to advance refund the 2002 Sales Tax Revenue serial bonds with interest rates ranging from 3.00% to 4.875%. The serial bonds mature on October 1, 2021. After paying issuance costs of \$106,757, the net proceeds were \$6,363,250. The net proceeds from the commercial loan along with the debt service payment due October 1, 2011 of \$627,142 were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the serial bonds were to be called on October 1, 2012. The advance refunding met the requirements of an in-substance debt defeasance and the serial bonds were removed from the City's government-wide financial statements.
- **Restrictions on the Use of Cash from Operations** – This bond is payable solely from and secured by a pledge of the Local Government Half-Cent Sales Tax received by the City from the state of Florida pursuant to the provisions of Chapter 218 Part IV, Florida Statutes.
- **Redemption** – The City may partially redeem the Series 2011 Bond at its option at any time in an amount not exceeding 15% of the then outstanding principal amount at a redemption price of par, plus accrued and unpaid interest to the date of redemption, without penalty or premium. The City may partially or fully redeem the Series 2011 Bond at its option at any time in an amount equal to or greater than 15% of the then outstanding principal amount at the redemption price of par, plus accrued and unpaid interest to the date of redemption, plus an additional fee to the Registered Holder, referred to as the "make whole payment."
- The note contains a provision that in the event of default, outstanding balances will become due on a special record date.
- The Revenue Bond consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2021
Sales Tax Refunding Bond, Series 2011	1.85% 10/1; 4/1	10/01/2021	\$ 6,405,000	\$ 695,000

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Revenue Bond – 2015A Non Ad Valorem Refunding Revenue Bond

The Resolution provides for:

- **Application of Bond Proceeds** – On January 27, 2015, the City issued Non Ad Valorem Revenue Bonds Series 2015A in the amount of \$13,205,000 for purposes of advance refunding a portion of the Non Ad Valorem Refunding Revenue Bonds Series 2007 and paying associated closing costs. The series 2015A bonds have a redemption date of October 1, 2032.
- **Restrictions on the Use of Cash from Operations** – This bond is payable solely from and secured by a pledge of non ad valorem tax dollars received by the City.
- **Redemption** – The Series 2015A Bonds that mature on or before October 1, 2024 are not subject to redemption prior to their maturities. The Series 2015A Bonds that mature on or after October 1, 2025, are subject to redemption beginning October 1, 2024, in whole or in part at any time, in any order of maturities at the option of the City, and by lot within a maturity if less than a full maturity is redeemed, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date.
- The Revenue Bond consists of the following:

<u>Description</u>	<u>Interest Rate and Dates</u>	<u>Final Maturity</u>	<u>Original Amounts Issued</u>	<u>Outstanding at September 30, 2021</u>
Non Ad Valorem Refunding Revenue Bonds - Series 2015A	2% - 4% 4/1; 10/1	10/1/2032	<u>\$ 13,205,000</u>	<u>\$ 10,375,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement – 2016A Non Ad Valorem Refunding Note

The Resolution provides for:

- **Application of Bond Proceeds** – On December 15, 2016, the City issued Non Ad Valorem Refunding Bonds Series 2016A in the amount of \$5,570,000 for the purposes of advance refunding the remaining portion of the Non Ad Valorem Refunding Revenue Bonds Series 2007 and paying associated closing costs. The series 2016A bonds have a redemption date of October 1, 2029.
- **Restrictions on the Use of Cash from Operations** – This bond is payable solely from and secured by a pledge of non ad valorem tax dollars received by the City.
- **Redemption** – There are no provisions for early redemption for Series 2016A.
- The note contains a provision that in the event of default, the unpaid principal amount shall become immediately due and payable, and the interest rate will be adjusted to a default rate. In addition, the City may be obligated to pay a late payment fee.
- The Revenue Note consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2021
Non Ad Valorem Refunding Bonds - Series 2016A	2.32% 4/1; 10/1	10/01/2029	\$ 5,570,000	\$ -

This bond was refunded with the proceeds from the Series 2021 Non Ad Valorem Revenue Bond.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement – 2016B Non Ad Valorem Revenue Note

The Resolution provides for:

- **Application of Bond Proceeds** – On December 15, 2016, the City issued Non Ad Valorem Revenue Bonds Series 2016B in the amount of \$7,435,000 for the purposes of funding capital projects in the 2015 Construction Fund, including the construction of tennis courts. The series 2016B bonds have a redemption date of October 1, 2036.
- **Restrictions on the Use of Cash from Operations** – This note is payable solely from and secured by a pledge of non ad valorem tax dollars received by the City.
- **Redemption** – There are no provisions for early redemption for Series 2016B.
- The note contains a provision that in the event of default, the unpaid principal amount shall become immediately due and payable, and the interest rate will be adjusted to a default rate. In addition, the City may be obligated to pay a late payment fee.
- The Revenue Note consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2021
Non Ad Valorem Revenue Bonds - Series 2016B	2.52% 4/1; 10/1	10/01/2036	\$ 7,435,000	\$ -

This bond was refunded with the proceeds from the Series 2021 Non Ad Valorem Revenue Bond.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement – 2017 Non Ad Valorem Revenue Note

The Resolution provides for:

- **Application of Bond Proceeds** – On August 16, 2017, the City issued Non Ad Valorem Revenue Bonds Series 2017 in the amount of \$25,000,000 for the purpose of funding the construction of capital improvements, including parks, recreation, fire station, transportation, and other public facilities. The Series 2017 bonds have a redemption date of October 1, 2037.
- **Restrictions on the Use of Cash from Operations** – This note is payable solely from and secured by a pledge of non ad valorem tax dollars received by the City.
- **Redemption** – There are no provisions for early redemption for Series 2017.
- The note contains a provision that in the event of default, the entire outstanding balance shall become immediately due and payable, and the interest rate will be adjusted to a default rate. In addition, the City may be obligated to pay a late payment fee.
- The Revenue Bond consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2021
Non Ad Valorem Revenue Bonds - Series 2017	3.07% 10/1; 4/1	10/01/2037	<u>\$ 25,000,000</u>	<u>\$ 22,990,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement – 2021 Non Ad Valorem Refunding Note

The Resolution provides for:

- **Application of Bond Proceeds** – On March 30, 2021, the City issued Non Ad Valorem Refunding Bond Series 2021 in the amount of \$10,055,000 for the purpose of current refunding of the remaining portions of the Non Ad Valorem Refunding Revenue Bond Series 2016A and Non Ad Valorem Revenue Bond Series 2016B, and paying associated closing costs. The current refunding achieved an aggregate debt service savings of \$382,412 which resulted in an economic gain (difference between the present value of the debt service payments on the old debt and new debt) of \$330,000. The series 2021 bond has a redemption date of October 1, 2036.
- **Restrictions on the Use of Cash from Operations** – This bond is payable solely from and secured by a pledge of non ad valorem tax dollars received by the City.
- **Redemption** – There are no provisions for early redemption for Series 2021.
- The bond contains a provision that in the event of default, the interest rate shall increase to the default rate after five days and through the date which payment is made. Default rate means the lesser of (i) two percent per annum over the interest rate then in effect or (ii) the maximum interest rate permitted by applicable law.
- The Revenue Note consists of the following:

<u>Description</u>	<u>Interest Rate and Dates</u>	<u>Final Maturity</u>	<u>Original Amounts Issued</u>	<u>Outstanding at September 30, 2021</u>
Non Ad Valorem Revenue Refunding Bond - Series 2021	1.89% 10/1; 4/1	10/01/2036	<u>\$ 10,055,000</u>	<u>\$ 10,055,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement – 2010 Utility System Refunding Revenue Note

The Resolution provides for:

- **Application of Bond Proceeds** – On October 10, 2010, the City obtained a commercial loan for \$20,925,000 with an interest rate of 3.23% to advance refund the 1998 Utility System Improvement serial and term bonds with interest rates ranging from 3.85% to 5.00%. The serial and term bonds mature on October 1, 2028. After liquidating the Debt Service Reserve Fund monies of \$122,338 and paying issuance costs of \$66,260, the net proceeds were \$20,981,078. The net proceeds from the commercial loan were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the serial and term bonds are called on November 10, 2010. The advance refunding met the requirements of an in-substance debt defeasance and the serial and term bonds were removed from the City's government-wide financial statements.
- **Restrictions on Use of Cash from Operations** – This Bond is payable solely from and secured by pledged revenues as defined in the resolution derived from the ownership, use or operation of the City's water and sewer system, the sewer system development charges as defined in the resolution and the water system charges as defined in the resolution.
- **Redemption** – The Resolution provides for early redemption of the note at an amount equal to the net present value of the bondholder's future cost of the liability for the original maturity of such liability prorated to the amount of principal repayment over total principal outstanding at the U.S. Treasury Yield curve for the then remaining original life of the Bond as determined on the date of redemption.
- The note contains a provision that in the event of default, any amount due will bear interest at a default rate, which is the higher of the JP Morgan Chase Bank's Prime Interest Rate and the adjusted one-month LIBOR Rate plus 4%.
- The Revenue note consists of the following:

<u>Description</u>	<u>Interest Rate and Dates</u>	<u>Final Maturity</u>	<u>Original Amounts Issued</u>	<u>Outstanding at September 30, 2021</u>
Utility System				
Refunding Revenue	3.23%			
Bonds - Series 2010	4/1; 10/1	10/01/2028	<u>\$ 20,925,000</u>	<u>\$ 19,170,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Revenue Bond – 2015 Utility System Refunding Revenue Bonds

The Resolution provides for:

- **Application of Bond Proceeds** – On February 3, 2015, City issued the Utility System Refunding Bonds Series 2015 in the par amount of \$26,070,000. These bonds were issued for the purpose of advance refunding a portion of the City's outstanding Utility System Improvement and Refunding Revenue Bond Series 2005. The Series 2015 bonds have a redemption date of October 1, 2035.
- **Restrictions on Use of Cash from Operations** – The Series 2015 Bonds are payable solely from and shall be secured by a lien upon and pledge of the Pledged Revenues on a parity with the lien thereon of the Parity Bonds and any Additional Parity Obligations hereafter issued. The System is defined collectively as the Water System, the Sewer System and Reuse System. Upon compliance with certain provisions of the Resolution, the term "System" may be deemed to include other utility functions added to the System, including, but not limited to a storm water system, the acquisition, distribution, and sale of natural gas, the providing of electricity, the providing of cable television services, the providing of telecommunication services or other utility functions that are, in accordance with Prudent Utility Practice, reasonably related to the services provided by the System. Notwithstanding the foregoing definition of the term System, such term shall not include any properties or interest in properties of the City which the City determines shall not constitute a part of the System for the purpose of the Resolution.
- **Redemption** – The Series 2015 Bonds that mature on or before October 1, 2024 are not subject to redemption prior to their maturities. The series 2015 Bonds that mature on or after October 1, 2025, are subject to redemption beginning October 1, 2024, in whole or in part at any time in any order of maturities at the option of the City and by lot within a maturity if less than a full maturity is redeemed, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date.
- The Revenue Bond consists of the following:

<u>Description</u>	<u>Interest Rate and Dates</u>	<u>Final Maturity</u>	<u>Original Amounts Issued</u>	<u>Outstanding at September 30, 2021</u>
Utility System				
Refunding Revenue	2% - 3.125%			
Bonds - Series 2015	4/1; 10/1	10/1/2035	<u>\$ 26,070,000</u>	<u>\$ 23,680,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement – 2015B Utility System Refunding Revenue Note

The Resolution provides for:

- **Application of Bond Proceeds** – On July 17, 2015, City issued the Utility System Refunding Bonds Series 2015B in the par amount of \$7,910,000. These bonds were issued for the purpose of advance refunding a portion of the City's outstanding Utility System Refunding Revenue Bond Series 2005. The Series 2015B bonds have a redemption date of October 1, 2020.
- **Restrictions on Use of Cash from Operations** – The principal of and interest and redemption premium on the Series 2015B Bonds and all other payments shall be payable solely from the Pledged Revenues. The Issuer shall never be required to levy ad valorem taxes on any real or personal property therein to pay the principal of and interest on the Series 2015B Bonds herein authorized or to make any other Payments provided for in the Resolution. The Series 2015B Bonds shall not constitute a lien upon any properties owned by or located within the boundaries of the Issuer or upon any property other than the Pledged Revenues.
- **Redemption** – The Series 2015B Bonds shall be subject to redemption prior to their maturity at the option of the Issuer, at such times and in such manner as set forth in the Official Notice of Sale and/or in the Certificate of Financial Services Director.
- The note contains a provision that in the event of default, any amount due will bear interest at a default rate, which is the prime rate plus 6%. Additionally, a late charge of 6% of the overdue payment shall be assessed.
- The Revenue Note consists of the following:

<u>Description</u>	<u>Interest Rate and Dates</u>	<u>Final Maturity</u>	<u>Original Amounts Issued</u>	<u>Outstanding at September 30, 2021</u>
Utility System Refunding Revenue Bonds - Series 2015B	1.20% 4/1; 10/1	10/1/2020	<u>\$ 7,910,000</u>	<u>\$ -</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Direct Borrowing – State Revolving Funds Loan

The City also has a State Revolving Fund loan in the amount of \$969,085 with a rate of 0.03% repayable over 20 years. The loan will be used for wastewater projects. The loan is secured by pledged revenues of the water and sewer system. At September 30, 2021 the balance was \$850,939.

In the event of default, the timing of repayment of outstanding balances may be accelerated, or the financing rate on the unpaid principal of the loans may be increased as much as 1.667 times the financing rate.

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2021, all funds are being maintained in accordance with the ordinances and resolutions.

The amounts available in the Debt Service Funds to service long-term debt are as follows:

Sales Tax Refunding, Series 2011	\$ 701,429
Public Improvement Revenue Bonds, Series 2015A, 2017, and 2021	2,788,707
Total	<u>\$ 3,490,136</u>

Long-term liabilities, including accumulated compensated absences, are typically liquidated by the individual fund to which the liability is directly associated. Typically, the governmental funds used to liquidate the accumulated compensated absences include the General, Library, Airport, Cemetery, CRA and Building/Safety funds. Claims and judgments are classified as short-term debt.

Revenue Bonds and Notes – Pledged Revenue

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$46,995,000 in revenue bonds issued in 2010 and 2015. Proceeds from the bonds were used to finance the cost of the acquisition and construction of additions, extensions, and improvements to the system. Principal and interest on the bonds are payable through 2035 from the water and sewer gross revenues and connection charges. The resolutions authorizing the revenue bonds include an obligation for the City to fix, establish, revise from time to time whenever necessary, maintain and collect such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide net revenues in each year sufficient to pay the lesser of either the aggregate of 115% of the bond service requirement becoming due in such year on the outstanding bonds, or the aggregate of 110% of the bond service requirement as the same become due in such year, provided that net revenues plus sewer system development charges and water system development charges in such year are sufficient to pay the aggregate of 120% of the bond service requirement becoming due in such year on the outstanding bonds. Fiscal year 2021 pledged revenues, net of operating expenses, were approximately \$10,000,000. Annual principal and interest paid are expected to require 10% of such gross revenues and connection charges. Principal and interest paid during the year ended September 30, 2021 was \$3,647,162.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 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; injuries to employees and natural disasters. The City insures itself against these risks with various insurance policies. Insurance settlements have not exceeded the City's insurance coverage in the three prior fiscal years. All insurance coverage amounts remained constant from the prior year.

The City is self-insured for group health insurance. Estimated claims incurred but not reported of \$1,748,553 were recorded at September 30, 2021. This is the amount established by a specialist to have been incurred but not yet billed as of September 30, 2021. This entire amount is considered to be payable within the next year.

In addition, the City has insurance to cover individual stop/loss after \$280,000. In 2019, 2020 and 2021, settlements exceeded insurance coverage by \$296,165 \$21,289, and \$246,179 respectively.

The liability currently provided is the City's maximum run-off claims liability. The City is reinsured for all losses greater than the maximum claims liability through Symetra Life Insurance.

Changes in the City's claims payable at September 30 are as follows:

	Claims Payable Beginning of Year	Claims and Changes in Estimates	Claim Payments	Claims Payable End of Year
2019-2020 Total	<u>\$ 1,748,553</u>	<u>\$ 5,301,964</u>	<u>\$ 5,301,964</u>	<u>\$ 1,748,553</u>
2020-2021 Total	<u>\$ 1,748,553</u>	<u>\$ 6,763,227</u>	<u>\$ 6,763,227</u>	<u>\$ 1,748,553</u>

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 10 PENSION PLANS

The City maintains three single-employer, defined benefit pension plans. The plans do not issue stand-alone financial reports and are not included in any other retirement system's or entity's financial report.

The statements of fiduciary net position for the three pension plans at September 30, 2021 are as follows:

	General Employees' Pension	Municipal Firefighters' Pension	Municipal Police Officers' Pension	Total
Assets				
Cash	\$ 28,670	\$ -	\$ -	\$ 28,670
Prepaid Items	-	4,705	-	4,705
Investments:				
Short-Term Money Market Funds	1,386,915	1,603,628	2,526,574	5,517,117
Government Securities	7,223,506	2,124,130	9,414,596	18,762,232
Commercial Asset-Backed Securities	2,015,490	-	-	2,015,490
Consumer Asset-Backed Securities	1,129,503	-	-	1,129,503
Corporate and Other Bonds	8,804,326	5,240,248	3,365,737	17,410,311
Mutual Funds	4,423,992	3,504,416	-	7,928,408
Equity Securities	49,008,775	25,117,561	23,456,960	97,583,296
Real Estate Fund	8,899,701	4,123,678	2,113,666	15,137,045
Total Investments	82,892,208	41,713,661	40,877,533	165,483,402
Receivables:				
Contributions Receivable	53,158	-	-	53,158
Interest and Dividends Receivable	111,326	52,538	61,507	225,371
Total Receivables	164,484	52,538	61,507	278,529
 Total Assets	 83,085,362	 41,770,904	 40,939,040	 165,795,306
Liabilities				
Accounts Payable	994,708	32,671	11,042	1,038,421
Net Position				
Net Position Restricted for Pensions	\$ 82,090,654	\$ 41,738,233	\$ 40,927,998	\$ 164,756,885

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 10 PENSION PLANS (CONTINUED)

The statement of changes in fiduciary net position for the three pension plans for the year ended September 30, 2021 follows:

	General Employees' Pension	Municipal Firefighters' Pension	Municipal Police Officers' Pension	Total
Additions:				
Contributions:				
Employer	\$ 2,562,853	\$ 975,129	\$ 396,204	\$ 3,934,186
Employee	502,176	406,695	357,881	1,266,752
State	-	365,621	460,889	826,510
Total Contributions	3,065,029	1,747,445	1,214,974	6,027,448
Investment Income	14,594,119	7,050,044	5,980,385	27,624,548
Less: Investment Expenses	(241,818)	(193,796)	(167,265)	(602,879)
	14,352,301	6,856,248	5,813,120	27,021,669
Miscellaneous Revenue	762	-	-	762
Total Additions	17,418,092	8,603,693	7,028,094	33,049,879
Deductions:				
Benefits	7,904,676	1,945,221	3,229,955	13,079,852
Refunds	160,365	44,925	57,015	262,305
Administrative Expenses	192,294	69,435	64,177	325,906
Total Deductions	8,257,335	2,059,581	3,351,147	13,668,063
CHANGE IN NET POSITION	9,160,757	6,544,112	3,676,947	19,381,816
Net Position Restricted for Pensions:				
Net Position - Beginning of Year	72,929,897	35,194,121	37,251,051	145,375,069
Net Position - End of Year	<u>\$ 82,090,654</u>	<u>\$ 41,738,233</u>	<u>\$ 40,927,998</u>	<u>\$ 164,756,885</u>

Summary of Significant Accounting Policies

- **Basis of Accounting** – The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.
- **Method Used to Value Investments** – Investments are reported at fair value, as described in Note 4.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

Plan Description

The General Employees' Pension Plan, Police Officers' Pension Plan, and Firefighters' Pension plans are defined benefit pension plans. Each plan is administered by a Board of Trustees which acts as the administrator of the plan.

General Employees' Pension Plan

The Board for the General Employees' Plan consists of five Trustees. One Trustee is the Finance Director of the City, who will be a permanent Trustee. The remaining four trustees are members of the system who are elected by a majority of the General Employees who are members of the system. Each Trustee serves a four-year term. Each person employed by the City as a full-time General Employee before November 20, 2017 became a member of the Plan as a condition of his or her employment. All eligible General Employees are therefore eligible for plan benefits as provided for in the plan document and by applicable law. There are no new entrants to the plan after November 20, 2017.

Employees become eligible for benefits the first day of the month following age 55 and completion of 10 years of credited service. For members who had not attained age 40 with 10 years of service on November 20, 2017, normal retirement is the earlier of age 60 with 10 years of credited service or the completion of 33 years of credited service, regardless of age. Members are entitled to 3.0% of their average final compensation times years of credited service. The benefit accrual reduces to 2.3% of average final compensation for service earned on or after November 20, 2017. The form of benefit is 10-year certain and life annuity. The plan provides for early retirement and disability benefits. All employees not included in the Firefighters' or Police Officers' pension plans are eligible under the plan.

General employees are required to contribute 9.5% of their salary up until November 20, 2017, and 7.00% effective November 20, 2017. The City is required to contribute the remaining amounts necessary to fund the plan as specified by ordinance. Administrative costs of the plan are financed through investment earnings. Service and disability retirees receive cost of living increases of 0.5% each October 1 for 10 years, beginning the first October following one complete year of retirement.

Firefighters' Pension Plan

The Board for the Firefighters' Plan consists of five Trustees, two of whom are legal residents of the City appointed by the City Commission, two of whom are members of the system who are elected by a majority of the Firefighters who are members of the system and a fifth trustee who is chosen by a majority of the other four trustees. Each Trustee serves a four-year term. Each person employed by the City Fire Department as a full-time Firefighter becomes a member of the Plan as a condition of his or her employment. All Firefighters are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

Plan Description (Continued)

Firefighters' Pension Plan (Continued)

Employees under the Firefighter's Pension Plan are entitled to 3.8% of their average final compensation times years of credited service and become eligible the first day of the month following the earlier of age 55 and 10 years of credited service or 25 years of service, regardless of age. The form of benefit is 10-year certain and life annuity. The plan provides for early retirement and disability benefits. Service and disability retirees receive cost of living increases of 0.5% each October 1 for 10 years, beginning the first October following one complete year of retirement.

Police Officers' Pension Plan

The Board for the Police Officers' Plan consists of five Trustees, two of whom are appointed by the City Commission, two of whom are members of the system who are elected by a majority of the Police Officers who are members of the system, and a fifth trustee who is chosen by a majority of the other four trustees. Each Trustee serves a four-year term. Each person employed by the City Police Department as a full-time Police Officer becomes a member of the Plan as a condition of his or her employment. All Police Officers are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

Police employees attaining the earlier of age 55 and 10 years of credited service or the completion of 25 years of credited service or age 60 are entitled to annual benefits of 3.5% of their average final compensation times years of credited service. The form of benefit is 10-year certain and life thereafter. The plan provides for early retirement and disability benefits. Service and disability retirees receive cost of living increases of 0.5% each October 1 for 10 years, beginning the first October following one complete year of retirement.

Police and fire employees are required to contribute 8.2% and 10.0%, respectively, of their annual salary. The City is required to contribute the remaining amounts after employee and state contributions necessary to fund the plans as specified by ordinance. The State remits income received from the 0.85% excise tax on casualty insurance premiums for the police fund, and income received from the 1.85% excise tax on premiums for fire insurance for the firefighters' fund. Contributions received from the State as on-behalf payments were \$460,889 for police employees and \$365,621 for firefighters for 2021. Administrative costs of the plan are financed through investment earnings.

Other information with respect to the Pension Plans is as follows:

	General Employees'	Municipal Firefighters'	Municipal Police Officers'
Plan Establishment/Restatement	January 1, 1971	October 1, 1986	October 1, 1985
Payroll for Covered Employees	\$ 7,173,941	\$ 4,066,945	\$ 4,364,397
Total City Payroll	25,886,525	25,886,525	25,886,525

The systems also provide disability and survivor benefits.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

Employees Covered by Benefit Terms

At October 1, 2020, the date of the City's most recent valuation, the following employees were covered by the benefit terms:

	General Employees'	Municipal Firefighters'	Municipal Police Officers'
Inactive Plan Members or Beneficiaries			
Currently Receiving Benefits	266	47	64
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	35	6	25
Active Plan Members	158	61	68
Total	459	114	157

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions.

	General Employees'	Municipal Firefighters'	Municipal Police Officers'
Valuation Date	10/1/2020	10/1/2020	10/1/2020
Inflation	2.50%	2.50%	2.50%
Projected Salary Increases	Service Based	Service Based	Service Based
Discount Rate	6.50%	7.60%	7.45%
Investment Rate of Return	6.50%	7.60%	7.45%
 Mortality Rate	 PubG.H-2010 with Scale MP-2018	 PubS.H-2010 with Scale MP-2018	 PubS.H-2010 with Scale MP-2018
 Date of Actuarial Experience Study	 7/23/2021	 10/23/2019	 10/23/2019

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Changes in assumption for the 2021 fiscal year for the General Employees' Pension, Police Officers' Pension, and Firefighters' Pension plans included the following:

General Employees' – For measurement date September 30, 2021, as a result of an experience study prepared July 23, 2021, the following changes were approved:

- Discount Rate – decreased from 7.10% to 6.50%.
- Investment Return – decreased from 7.10% to 6.50% per year, net of investment-related expenses.
- Salary Increases – The rates were generally adjusted downward based on experience observed during the period.
- Withdrawal Rates – A slight adjustment to the assumed rates of withdrawal based on experience observed in the period.
- Disability Rates – reduction of the disability rates to 1/3 of the original rates.

Discount Rate

The discount rate used to measure the total pension liability was 6.50% for general employees', 7.45% for municipal police officers', and 7.60% for municipal firefighters'. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

Investments

Each Board of Trustees (Board) is responsible for administering the investment policies of the Plans and providing oversight for the management of the Plans' asset. The investment strategy of each Plan is to emphasize total return (defined as the aggregate return from capital appreciation and dividend and interest income). The investment policy for each plan requires that all Plan assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Plan, with minimal impact on market price. Following are the adopted asset allocation policies for each plan as of September 30, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

General Employees':

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
All Cap Value Equity	25.0 %	7.5 %
Broad Growth Equity	25.0	7.5
International Equity	15.0	8.5
Fixed Income (Core)	20.0	2.5
Global Bond	5.0	3.5
Real Estate	10.0	4.5
Total	100.0 %	

Municipal Firefighters':

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
All Cap Value Equity	22.5 %	7.5 %
Broad Growth Equity	22.5	7.5
International Equity	15.0	8.5
Fixed Income (Core)	20.0	2.5
Global Bond	5.0	3.5
Real Estate	15.0	4.5
Total	100.0 %	

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

Investments (Continued)

Municipal Police Officers':

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
All Cap Value Equity	25.0 %	7.5 %
Broad Growth Equity	25.0	7.5
International Equity	15.0	8.5
Fixed Income (Core)	20.0	2.5
Global Bond	5.0	3.5
Real Estate	10.0	4.5
Total	100.0 %	

Concentrations

The Plans did not hold investments in any one organization that represent 5% or more of the respective Plan's fiduciary net position.

Money-Weighted Rate of Return on Investments

For the year ended September 30, 2021 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 20.08% for the General Employees' Plan, 19.68% for the Firefighters' Plan, and 16.16% for the Police Officers' Plan. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability of the City, calculated using the discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

General Employees':

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Sponsor's Net Pension Liability	\$ 21,922,009	\$ 11,290,556	\$ 2,452,225

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

Municipal Firefighters':

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
Sponsor's Net Pension Liability	\$ 8,134,522	\$ 2,887,465	\$ (1,502,470)

Municipal Police Officers':

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Sponsor's Net Pension Liability	\$ 5,414,060	\$ 573,770	\$ (3,457,317)

Deferred Retirement Option Program (DROP)

The Plans permit the members to elect to receive retirement benefits while still employed and receiving a salary. Members are eligible upon reaching normal retirement. The participant's retirement benefits are credited into an individual member account and paid out to the member upon termination or retirement not to exceed a period of up to 60 months for the General Employees', Firefighters', Police Officers' Plan. Amounts credited to the members' DROP accounts earn interest and remain in the pension plan's net assets until paid out. Amounts held in DROP accounts as of September 30, 2021 totaled \$2,113,201 for the General Employees' Plan, \$1,184,589 for the Firefighters' Plan, and \$688,735 for the Police Officers' Plan.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined as of that date. The net pension liability recorded by the City as of September 30, 2021 consists of the following:

General Employees'	\$ 11,290,556
Municipal Firefighters'	2,887,465
Municipal Police Officers'	573,770
Total Net Pension Liability	<u>\$ 14,751,791</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

Changes in Net Pension Liability

General Employees':

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at September 30, 2020	\$ 89,714,293	\$ 72,929,897	\$ 16,784,396
Changes for the Year:			
Service Cost	853,608	-	853,608
Interest	6,144,012	-	6,144,012
Change in Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(199,860)	-	(199,860)
Changes of Assumptions	4,934,198	-	4,934,198
Contributions - Employer	-	2,562,853	(2,562,853)
Contributions - Employee	-	502,176	(502,176)
Net Investment Income	-	14,352,301	(14,352,301)
Miscellaneous	-	762	(762)
Benefit Payments, Including Refunds of Employee Contributions	(8,065,041)	(8,065,041)	-
Administrative Expenses	-	(192,294)	192,294
Net Changes	<u>3,666,917</u>	<u>9,160,757</u>	<u>(5,493,840)</u>
Balance at September 30, 2021	<u>\$ 93,381,210</u>	<u>\$ 82,090,654</u>	<u>\$ 11,290,556</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			87.91%

Municipal Firefighters':

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at September 30, 2020	\$ 41,545,844	\$ 35,194,121	\$ 6,351,723
Changes for the Year:			
Service Cost	1,175,351	-	1,175,351
Interest	3,171,185	-	3,171,185
Change in Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	723,464	-	723,464
Changes of Assumptions	-	-	-
Contributions - Employer	-	975,129	(975,129)
Contributions - State	-	365,621	(365,621)
Contributions - Employee	-	406,695	(406,695)
Net Investment Income	-	6,856,248	(6,856,248)
Miscellaneous Revenue	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,990,146)	(1,990,146)	-
Administrative Expenses	-	(69,435)	69,435
Net Changes	<u>3,079,854</u>	<u>6,544,112</u>	<u>(3,464,258)</u>
Balance at September 30, 2021	<u>\$ 44,625,698</u>	<u>\$ 41,738,233</u>	<u>\$ 2,887,465</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			93.53%

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

Changes in Net Pension Liability (Continued)

Municipal Police Officers':

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at September 30, 2020	\$ 41,033,420	\$ 37,251,051	\$ 3,782,369
Changes for the Year:			
Service Cost	782,346	-	782,346
Interest	2,992,835	-	2,992,835
Change in Excess State Money	-	-	-
Difference Between Expected and Actual Experience	(19,863)	-	(19,863)
Changes of Assumptions	-	-	-
Contributions - Employer	-	396,204	(396,204)
Contributions - State	-	460,889	(460,889)
Contributions - Employee	-	357,881	(357,881)
Net Investment Income	-	5,813,120	(5,813,120)
Benefit Payments, Including Refunds of Employee Contributions	(3,286,970)	(3,286,970)	-
Administrative Expenses	-	(64,177)	64,177
Net Changes	468,348	3,676,947	(3,208,599)
Balance at September 30, 2021	<u>\$ 41,501,768</u>	<u>\$ 40,927,998</u>	<u>\$ 573,770</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 98.62%

For the year ended September 30, 2021, the City recognized pension expense of \$2,093,606 for General Employees, \$1,127,505 for Municipal Firefighters, and \$295,157 for Municipal Police Officers.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

On September 30, 2021, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

General Employees':

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 310,072
Changes of Assumptions	3,584,473	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	4,678,898
Total	<u>\$ 3,584,473</u>	<u>\$ 4,988,970</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Municipal Firefighters':

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 771,464	\$ 1,390,602
Changes of Assumptions	1,486,184	145,430
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,966,607
Total	<u>\$ 2,257,648</u>	<u>\$ 3,502,639</u>

Municipal Police Officers':

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 197,625
Changes of Assumptions	427,224	204,207
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,218,309
Total	<u>\$ 427,224</u>	<u>\$ 2,620,141</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

General Employees':

<u>Year Ended September 30.</u>	Amount
2022	\$ 829,578
2023	887,272
2024	(1,275,828)
2025	(1,845,519)

Municipal Firefighters':

<u>Year Ended September 30.</u>	Amount
2022	\$ (21,244)
2023	(7,399)
2024	(423,358)
2025	(743,511)
2026	(49,479)

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Municipal Police Officers':

<u>Year Ended September 30</u>	<u>Amount</u>
2022	\$ (457,680)
2023	(265,561)
2024	(846,178)
2025	(623,498)

Summary

The aggregate amount of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the City's pension plans are summarized below. These liabilities are typically liquidated by the individual activity in which the employee's costs are associated.

Description	General Employees'	Municipal Firefighters'	Municipal Police Officers'	Total
Net Pension Liability	\$ 11,290,556	\$ 2,887,465	\$ 573,770	\$ 14,751,791
Deferred Outflows of Resources Related to Pensions	3,584,473	2,257,648	427,224	6,269,345
Deferred Inflows of Resources Related to Pensions	4,988,970	3,502,639	2,620,141	11,111,750
Pension Expense	2,093,606	1,127,505	295,157	3,516,268

Other Retirement Plans

In addition to the three defined benefit plans, the City offers employees two Internal Revenue Code (IRC) Section 457 plans.

The City also provides pension benefits through a defined contribution IRC Section 401(a) profit sharing plan to Directors and the City Manager in lieu of participating in the general employees' pension. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees that participate in the plan are required to contribute 10% of their salary. Effective September 25, 2017, Resolution R-17-46 changed the City's contribution rate to 15% of the employee's gross pay. The City's contribution for each employee (and interest allocated to the employee's account) is fully vested upon contribution. The City Council by ordinance maintains the authority to establish new and amend existing benefit provision of the plan and contribution requirements. The City's contributions to this IRC Section 401(a) plan for the year ended September 30, 2021 were approximately \$103,452.

The City also has a pre-tax defined contribution plan that became effective for non-Police and non-Fire employees hired on or after November 20, 2017. Normal retirement age is 60 and early retirement age is 55. The City contributes 7.5% while employees are required to contribute 3% of pay to the Plan. For the year ended September 30, 2021, the City contributed \$441,461. Employees vest at a rate of 20% per year. A participant who separates from service prior to obtaining full vesting (five years) shall forfeit that percentage of the City's contribution account balance that has not yet been vested. Forfeited amounts will be used to offset future City contributions required in succeeding plan years and investment advisory services. The amount of forfeitures available at September 30, 2021 was \$12,869.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 11 POSTEMPLOYMENT HEALTH CARE BENEFITS

The City is obligated to make available to qualified retired employees the option to maintain coverage with the group health, life, and dental insurance plans.

Plan Description

The City of Winter Haven's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue medical and life insurance coverage as a participant in the City's Plan.

A retired employee and his or her spouse and eligible dependents are eligible to continue health insurance identical to active employees if they meet the eligibility for retirement under the applicable retirement plan. The City subsidizes retiree health premiums at a rate determined by the City. The retiree is responsible for paying the remaining active monthly premium for health and coverage and that of any covered spouse or eligible dependents.

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. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The plan does not issue a publicly available financial report.

For the Postemployment Health Care Benefits Plan, contribution requirements of the City are established and may be amended through the City. The plan is currently being funded on a pay-as-you-go basis. No trust fund has been established for the plan, and there are no assets accumulated in trust for payment of benefits. The plan does not issue a separate financial report.

Employees Covered by Benefit Terms

At September 30, 2020 valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	93
Active Plan Members	482
Total	<u>575</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 11 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Total OPEB Liability

The City's Total OPEB liability was measured as of September 30, 2021 and was determined by an actuarial valuation as of September 30, 2020. The following table shows the City's total OPEB liability for the year ended September 30, 2021.

	Total OPEB Liability
Balances - October 1, 2020	\$ 43,344,542
Changes for the Year:	
Service Cost	2,694,177
Interest	973,635
Changes in Assumptions	(2,257,198)
Differences Between Expected and Actual Experience	-
Benefit Payments	(1,089,205)
Net Changes	321,409
Balances - September 30, 2021	<u>\$ 43,665,951</u>

Discount Rate Sensitivity

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	1.43 %	2.43 %	3.43 %
Total OPEB Liability	\$ 52,246,768	\$ 43,665,951	\$ 37,051,872

Healthcare Trend Rate Sensitivity

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Healthcare Cost Rate	6.5% decreasing to 3%	7.5% decreasing to 4%	8.5% decreasing to 5%
Total OPEB Liability	\$ 36,103,409	\$ 43,665,951	\$ 53,659,776

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 11 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of \$4,710,840. In addition, the City reported deferred inflows of resources of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,728,028
Changes of Assumptions	8,705,546	2,811,670
Total	<u>\$ 8,705,546</u>	<u>\$ 4,539,698</u>

Amounts reported as deferred inflows of resources related to OPEB will be amortized over five years and will be recognized as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2022	\$ 1,040,428
2023	1,040,426
2024	1,505,762
2025	955,430
2026	(376,198)

Actuarial Assumptions

The total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Healthcare Cost	Initial rate of 7.0% in fiscal 2021,
Trend Rates	grading down to the ultimate trend rate of 4% in fiscal 2075.

Salary Inflation

<u>Credited Service</u>	<u>General Pension Plans and 401a Employees</u>	<u>Police Pension Plan Employees</u>
First Year	11.00%	13.00%
Years 2-10	5.00%	4.50%
Greater than 10 Years	4.00%	4.00%

<u>Credited Service</u>	<u>Fire Pension Plan Employees</u>
Less than 5 Years	7.50%
Years 6-10	6.00%
Years 11-15	5.00%
Greater than 15 Years	4.50%

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 11 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

The actuarial cost method used was the Entry Age Cost method, level percentage of pay.

For female (non-special risk) lives, the headcount-weighted PubG-2010 female employee table was used. For female special risk lives, the headcount-weighted PubS-2010 female below-median income employee table, set forward one year, was used. For male (non-special risk) lives, the headcount-weighted PubG-2010 male below-median income employee table, set back one year, was used. For male special risk lives, the headcount-weighted PubS-2010 male below-median income employee table, set forward one year, was used.

The discount rate used to measure the total OPEB liability was 2.43%, based on the September 30, 2021 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.

Changes of Assumptions reflect a change in the discount rate from 2.14% for the reporting period ended September 30, 2020, to 2.43% for the reporting period ended September 30, 2021.

NOTE 12 LEASES

The City is the lessor of various types of commercial buildings and airport hangars over periods ranging from month to month to thirty years. All of the City's leases are classified as operating leases. For the year ended September 30, 2021, the City received rent revenue from noncancellable operating leases of \$133,848. The following schedule presents minimum future rentals from noncancellable operating leases:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 110,281
2023	79,789
2024	39,793
2025	20,777
2026	14,822
Thereafter	143,253
Total	<u>\$ 408,715</u>

At September 30, 2021, the value of the buildings and hangars held for leasing was as follows:

Land	\$ 83,906
Buildings and Hangars	4,051,012
Building Improvements	2,173,863
Total	<u>6,308,781</u>
Less: Accumulated Depreciation	(3,317,036)
Net Book Value	<u>\$ 2,991,745</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 13 COMMITMENTS AND CONTINGENCIES

Federal and State Grant Programs

The City participates in several federal and state programs. Grant programs are subject to financial and compliance audits by the grantors or their representatives. The grantor audits of all programs for or including the year ended September 30, 2021 have not been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Litigation

Various suits and claims, arising in the ordinary course of the City's operations, are pending. These claims consist of suits involving loss of employment and discrimination. Management does not expect the resolution of these matters to have a material effect on the City's financial statements.

Construction Commitments

The City routinely enters into various construction commitments. At September 30, 2021, the City had the following outstanding major construction commitments in process:

Project	Project Authorization	Expended in Prior Years	Expended in September 30, 2021	Commitment
Governmental Activities:				
South Lake Silver Drive	\$ 1,242,564	\$ -	\$ 959,190	\$ 283,374
MLK Park	1,592,806	-	874,692	718,114
Fire Station #3 including Pocket Park/Dog Park	3,629,682	540,783	2,595,430	493,469
Sertoma Park	2,861,373	-	294,506	2,566,867
Total Governmental Activities	<u>\$ 9,326,425</u>	<u>\$ 540,783</u>	<u>\$ 4,723,818</u>	<u>\$ 4,061,824</u>
Business-Type Activities:				
UT Const RWP MFM - Ph 1 Reclaimed WM & FM & Pollard Rd WTP construction	<u>\$ 12,321,877</u>	<u>\$ -</u>	<u>\$ 9,040,331</u>	<u>\$ 3,281,546</u>

Contingencies

No accrual has been made in the financial statements for contingencies related to claims not yet asserted, because the amount cannot be reasonably estimated. In management's opinion, any such claims, if asserted, would not have a material adverse effect on the operations or financial position of the City.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 14 TAX ABATEMENTS

The City determined that it is desirable to facilitate redevelopment opportunities within the Florence Villa and Downtown Community Redevelopment Areas of the City through tax increment rebatement and other incentives. The development incentives are consistent with the Community Redevelopment Plans for the two CRA Districts and are in compliance with Florida State Statutes 163, Part III and 163.370(1)(d), Resolution R-00-19. A Summary description of the incentives available is as follows:

- **Real Estate Development Accelerator (REDA)** – This incentive targets large-scale development projects that enhance the economic diversity of the Florence Villa Community Redevelopment and/or Downtown Community Redevelopment Areas and are anticipated to increase, by \$5 million or more, the ad valorem Taxable Value within the Florence Villa Community Redevelopment and/or Downtown Community Redevelopment Areas. This incentive can be utilized in the form of a land purchase price mark-down, tax increment financing rebates or similar types of assistance. Each project is negotiated on an individual basis.
- **Housing Investment Program (HIP)** – This incentive targets developers of new housing units, renovations of existing housing units that increase the taxable value of the project by at least 100%, and for sale/for rent residential projects investing at least \$2 million dollars. Projects could qualify for a \$5,000 per unit incentive for market-rate housing. An additional \$5,000 incentive could be provided for each affordable unit constructed with the maximum number of affordable units not to exceed 20% of the number of units of the project.
- **Facade and Exterior Improvement Program (for Developers)** – A reimbursement program which provides reimbursement of up to 50% of the cost of facade improvements. The maximum reimbursement is \$25,000.
- **Commercial Redevelopment** – Redevelopment of existing commercial buildings within the Downtown Community Redevelopment and/or Florence Villa Community Redevelopment Areas that will increase the ad valorem taxable value by at least 100%. A factor in qualifying for this incentive is the degree to which the project retains authentic character and appearance deemed desirable. Qualifying projects may be eligible for a rebate of 50% of the tax increment created by the renovation for up to 10 years.
- **Capital Improvement Grant Program** – Annual reimbursement of tax increment revenue, up to 50% of the previous year annual "interest only" portion on the principal amount of a loan obtained for rehabilitation or renovation of a project located in the Downtown Community Redevelopment and/or Florence Villa Community Redevelopment Areas. Amortized points, fees and closing costs are not reimbursable. Loans from participating lenders would be based on the lower of the prime rate or actual loan interest rate. The maximum reimbursement is based on the annual amount of tax increment revenue actually received by the City and/or CRA from the project.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 14 TAX ABATEMENTS (CONTINUED)

At the conclusion of fiscal year 2021, the City had the following economic incentive agreements outstanding:

1. Physician's Partnership

A December 9, 2013 development agreement with Physician's Partnership for the development of a 11,440 square foot medical office building located in the Downtown CRA District. Physicians Partnership annually receives 100% of the County's tax increment paid on this structure. The payments will be continued until \$239,107 has been amortized. In addition, the City paid \$35,691 water and sewer impact fees on behalf of Physician's Partnership. The City made no payment in the current fiscal year.

2. First Street North LLC

This agreement approved by the City Commission in March 2017 will rebate 60% of the annual tax increment actually received by the City for a period of ten years. The incentive was approved for the construction of a Bond Clinic facility on First Street North. The City made incentive payments totaling \$31,685 in the current year.

3. Six-Ten Development Agreement

The Six-Ten Corporation plans to build 128 market rate apartments in four downtown locations with an investment of \$21 million. Six-Ten will be due a tax rebate of up to \$5,000 per unit. The City made payments totaling \$25,306 in the current year.

4. Taylor Hotel, LLC

Taylor Hotel is redeveloping three vacant buildings on Central Avenue and 3rd Street SW into a new 75-room hotel with food, beverage and limited retail use. The agreement, approved by the City Commission in October 2017 allows for a 50% rebate of the actual tax increment revenue received for 10 years, or for as long as the CRA exists, whichever is earlier, not to exceed \$308,002. The City made no payments in the current year.

5. Dundee Self Storage LLC

Resolution R-16-01 entitles Dundee Self Storage to a rebate of 50% of the actual façade improvements at 335 Magnolia Avenue, up to \$15,000. The annual rebate will continue for 10 years, or for as long as the CRA exists, but shall not exceed 100% of the actual tax increment revenue generated from the improvements. This agreement was approved by the City Commission in October 2017. The City made payments of \$377 in the current year.

6. Central South, LLC

Resolution R-16-01 entitles Central South, LLC to a rebate of 50% of the actual façade improvements at 150 3rd Street SW, up to \$15,000. The annual rebate will continue for 10 years, or for as long as the CRA exists, but shall not exceed 100% of the actual tax increment revenue generated from the improvements. This agreement was approved by the City Commission in June 2020. The City made no payments in the current year.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 14 TAX ABATEMENTS (CONTINUED)

7. RainDance Development Agreement

RainDance, LLC plans to build 105 multifamily units on 10.5 lots in the Overstreet Subdivision. Rain Dance will be due a tax rebate of up to \$5,000 per unit. The City made no payments in the current year.

8. 750 Avenue C SW, LLC Development Agreement

750 Avenue C SW, LLC plans to build 15 multifamily units at 450 Avenue C SW, in the Downtown CRA District. 750 Avenue C SW will be due a tax rebate of up to \$5,000 per unit. The City made payments of \$10,350 in the current year.

9. Winter Haven, FL 0721 LLC

This agreement approved by the City Commission in September 2021 will rebate 90% of the annual tax increment actually received by the City for a period of ten years, and an additional development incentive of \$1,759 per room for three years. The incentive was approved for the construction of a six story hotel with approximately 108 rooms on five parcels within the Downtown CRA district. The City made no payments in the current year.

10. Ave F SW LLC

Resolution R-21-01 entitles Ave F SW to a rebate of 50% of the actual façade improvements to redevelop 7 lots on 212 Ave F SW, up to \$15,000. The annual rebate will continue for 10 years, or for as long as the CRA exists, but shall not exceed 100% of the actual tax increment revenue generated from the improvements. This agreement was approved by the City Commission in September 2021. The City made no payments in the current year.

11. Six-Ten LLC

Resolution R-16-01 entitles Six-Ten to a rebate of 50% of the actual façade improvements at 543 Avenue B SW, up to \$15,000. The annual rebate will continue for 10 years, or for as long as the CRA exists, but shall not exceed 100% of the actual tax increment revenue generated from the improvements. This agreement was approved by the City Commission in March 2021. The City made no payments in the current year.

12. Six-Ten LLC

Resolution R-16-01 entitles Six-Ten to a rebate of 50% of the actual façade improvements at 140 6th Street SW, up to \$15,000. The annual rebate will continue for 10 years, or for as long as the CRA exists, but shall not exceed 100% of the actual tax increment revenue generated from the improvements. This agreement was approved by the City Commission in March 2021. The City made no payments in the current year.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 15 INTERLOCAL AGREEMENT WITH POLK COUNTY

On May 17, 2017, the City entered into an interlocal agreement with Polk County. The County will pay the City amounts equal to semi-annual principal and interest payments on a total amount of \$10,000,000 of debt principal incurred by the City to finance a new facility and improvements at the Chain o' Lakes Complex over a period of 20 years. The City issued the 2017 Non Ad Valorem bonds on August 16, 2017, as described in Note 9, to finance the project. The City and County will mutually determine the configuration and siting of the new facility and will share in sponsorship revenue. At September 30, 2021, \$11,575,184 is due from Polk County and has been recorded as a receivable and deferred inflow of resources in the General Fund. During fiscal year 2021 the City collected \$701,827 from the County.

NOTE 16 JOINT VENTURE

Background – The Polk Regional Water Cooperative (PRWC) was created on April 1, 2016 by an interlocal agreement between the City of Lake Alfred, City of Auburndale, City of Bartow, City of Davenport, City of Eagle Lake, City of Fort Meade, City of Frostproof, City of Haines City, City of Lakeland, City of Lake Wales, City of Mulberry, Polk City, City of Winter Haven, Town of Dundee, Town of Lake Hamilton and Polk County in accordance with Chapter 163 and 373 of the Florida Statutes. These local government units are collectively considered the Member Governments. The PRWC is a separate legal entity organized under the laws of the state of Florida, and the Member Governments have no equity ownership in the PRWC.

The PRWC is devoted to encouraging the development of fully integrated, robust public water supply systems comprised of diverse sources managed in a manner that take full advantage of Florida's intense climatic cycles to ensure reliable, sustainable and drought resistant system which maximize the use of alternative water supplies to the greatest extent practicable. The PRWC will evaluate, plan and implement water projects and coordinate partnerships with other water users.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 16 JOINT VENTURE (CONTINUED)

Membership Fees – The terms of the interlocal agreement require each Member Government to contribute their proportionate share of the PRWC’s annual working capital needs which are established annually by a resolution of the PRWC’s Board of Directors. For the year ended September 30, 2021, the total annual working capital needs of the PRWC was \$198,000 of which the City’s proportionate share was \$28,912.

Combined Projects Funding – In May 2017, the Cooperative’s Member Governments entered into a Combined Projects Implementation Agreement to begin conceptual development of four Approved Projects, to include the Southeast Wellfield Lower Floridian Aquifer Project (Southeast Wellfield), a new Lower Floridian aquifer wellfield with associated water treatment facility, water transmission lines, and supporting facilities, and the West Polk Wellfield lower Floridian aquifer project (West Polk Wellfield).

In April 2021, the Cooperative’s member governments executed an implementation agreement to advance the Southeast Wellfield and the West Polk Wellfield from the conceptual stage to construction and initial operation. According to the Southeast Wellfield and West Polk Wellfield agreements, each project “Participant” government would pay its proportionate share of the initial construction costs for the wellfield’s plant and pipeline system and agree to take generated water to distribute as potable supply.

At its April 26, 2021 regular meeting, the City Commission approved the West Wellfield and Southeast Wellfield Implementation Agreements and elected to join the project as a “Project Participant” with a requested 2045 Water Allotment of 1.52 million gallons per day (MGD) of finished water from the Southeast Wellfield Project and 0.1 million gallons per day from the West Polk Wellfield Project.

According to the Cooperatives financial projections the total cost of the Southeast Wellfield Project and the West Polk Wellfield Project is \$239,325,000 and \$91,168,000 respectively. The City’s percentage share of the Southeast Wellfield productions is estimated to be 12.23% and approximately 1.27% of the West Polk Wellfield production. Based on the percentages of Wellfield production to be utilized by the City the annual debt service payment of the Southeast Wellfield Project is estimated to be \$3,140,286 and \$68,552 annually on the West Polk Wellfield Project. The debt service and consumption changes are estimated to begin in 2027.

Subsequent to September 30, 2021 – On February 28, 2022 the City Commission approved two agreements with the PRWC. One agreement is for the City to buy 1.52 million gallons of water per day, or 12.23% of the estimated output from the Southeast Wellfield project. The project is estimated to cost \$239,325,000, with the City’s estimated annual cost to be \$3,140,286. The second agreement is for the City to buy 0.1 million gallons per day from the West Polk County Wellfield Project, which is 1.27% of the estimated output. The estimated cost to the City is \$68,552 per year.

Contact – Complete financial statements of the PRWC may be obtained from the PRWC’s Executive Director at 330 W. Church Street, P.O. Box 9005, Drawer CA01, Bartow, Florida 33831-9005.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 17 SUBSEQUENT EVENTS

On October 26, 2021, the City issued two bonds, \$4,390,000 Taxable Non Ad Valorem Revenue Bonds, Series 2021B and \$17,245,000 Non Ad Valorem Revenue Bonds, Series 2021C. Robert W. Baird purchased both bonds to yield 2.18% over a 20-year period. Proceeds from the 2021B bonds will fund the construction of a parking garage, the proceeds from the 2021C bonds will fund various recreation facility improvements.

The City was granted a State Revolving Fund (SRF) loan in the amount of \$22,454,050 by the Florida Department of Environmental Protection for construction of Lift Station Improvements, a Master Force Main and Reuse Water Interconnect Projects. The loan period is 20 years with a 0% interest rate and a \$449,081 loan service fee. Subsequent to yearend the City received the first installment.

NOTE 18 PRIOR PERIOD ADJUSTMENT

The City has restated the financial statements of the governmental activities and the CRA fund to correct an error in liabilities reported in prior years. To correct this error, beginning net position of the governmental activities and fund balances of the CRA fund have been restated as follows:

	Governmental Activities		Community Redevelopment Agency
Net Position, September 30, 2020, as Previously Reported	\$ 75,631,658	Fund Balance, September 30, 2020, as Previously Reported	\$ 1,334,030
Prior Period Adjustment for:		Prior Period Adjustment for:	
CRA Liability Recorded in the Prior Year	136,523	CRA Liability Recorded in the Prior Year	136,523
Net Position, September 30, 2020, as Restated	<u>\$ 75,768,181</u>	Fund Balance, September 30, 2020, as Restated	<u>\$ 1,470,553</u>

WINTER HAVEN

The Chain of Lakes City

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan

The following presents the changes in the employer's net pension liability:

	General Employees' for the Years Ended September 30:							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 853,608	\$ 849,951	\$ 924,122	\$ 1,100,750	\$ 1,064,435	\$ 1,244,642	\$ 1,217,350	\$ 1,262,098
Interest	6,144,012	6,195,448	6,131,191	6,084,568	5,928,154	5,727,485	5,599,457	5,391,437
Change in Benefit Terms	-	-	-	-	(2,607,103)	-	-	-
Difference Between Expected and Actual Experience	(199,860)	(530,496)	(29,206)	(865,698)	434,635	1,243,148	(701,805)	-
Changes of Assumptions	4,934,198	885,020	855,724	836,005	2,591,313	2,026,654	723,201	705,471
Benefit Payments, Including Refunds	(8,065,041)	(5,767,143)	(5,730,248)	(4,719,393)	(4,905,122)	(4,785,641)	(3,755,355)	(3,789,392)
Net Change in Total Pension Liability	3,666,917	1,632,780	2,151,583	2,436,232	2,506,312	5,456,288	3,082,848	3,569,614
Total Pension Liability - Beginning	89,714,293	88,081,513	85,929,930	83,493,698	80,987,386	75,531,098	72,448,250	68,878,636
Total Pension Liability - Ending (A)	<u>\$ 93,381,210</u>	<u>\$ 89,714,293</u>	<u>\$ 88,081,513</u>	<u>\$ 85,929,930</u>	<u>\$ 83,493,698</u>	<u>\$ 80,987,386</u>	<u>\$ 75,531,098</u>	<u>\$ 72,448,250</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 2,562,853	\$ 2,763,957	\$ 2,676,390	\$ 3,221,324	\$ 3,452,742	\$ 4,177,044	\$ 3,673,711	\$ 3,711,480
Contributions - State	-	-	-	-	-	-	-	-
Contributions - Employee	502,176	527,015	552,552	700,047	920,969	1,039,335	933,696	967,961
Net Investment Income	14,352,301	2,426,053	2,426,582	6,014,674	7,682,616	5,132,137	605,140	5,418,479
Miscellaneous Revenue	762	18,183	25,318	-	-	-	-	-
Benefit Payments, Including Refunds	(8,065,041)	(5,767,143)	(5,741,101)	(4,708,540)	(4,905,122)	(4,785,641)	(3,755,355)	(3,797,392)
Administrative Expense	(192,294)	(177,791)	(160,700)	(156,854)	(170,306)	(147,550)	(142,670)	(125,730)
Net Change in Plan Fiduciary Net Position	9,160,757	(209,726)	(220,959)	5,070,651	6,980,899	5,415,325	1,314,522	6,174,798
Plan Fiduciary Net Position - Beginning	72,929,897	73,139,623	73,360,582	68,289,931	61,309,032	55,893,707	54,579,185	48,404,387
Plan Fiduciary Net Position - Ending (B)	<u>\$ 82,090,654</u>	<u>\$ 72,929,897</u>	<u>\$ 73,139,623</u>	<u>\$ 73,360,582</u>	<u>\$ 68,289,931</u>	<u>\$ 61,309,032</u>	<u>\$ 55,893,707</u>	<u>\$ 54,579,185</u>
Net Pension Liability - Ending (A) - (B)	<u>\$ 11,290,556</u>	<u>\$ 16,784,396</u>	<u>\$ 14,941,890</u>	<u>\$ 12,569,348</u>	<u>\$ 15,203,767</u>	<u>\$ 19,678,354</u>	<u>\$ 19,637,391</u>	<u>\$ 17,869,065</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.91%	81.29%	83.04%	85.37%	81.79%	75.70%	74.00%	75.34%
Covered Payroll	\$ 7,173,941	\$ 7,528,785	\$ 7,893,594	\$ 9,456,212	\$ 9,694,044	\$ 10,940,741	\$ 11,033,219	\$ 10,189,066
Net Pension Liability as a Percentage of Covered Payroll	157.38%	222.94%	189.29%	132.92%	156.84%	179.86%	177.98%	175.37%

Additional years will be added to this schedule annually until 10 years of data is presented.

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule

Changes of Benefit Terms:

For measurement date September 30, 2017, amounts reported as changes of benefit terms resulted from Ordinance O-17-25, adopted and effective October 23, 2017, closed the Plan to general employees hired on or after November 20, 2017.

Changes of Assumptions:

For measurement date September 30, 2021, as a result of an Experience Study prepared July 23, 2021, the Board has approved the following changes:

1. Investment Return – decreased from 7.10% to 6.50% per year, net of investment-related expenses.
2. Salary Increases – The rates were generally adjusted downward based on experience observed during the period.
3. Withdrawal Rates – A slight adjustment to the assumed rates of withdrawal based on experience observed in the period.
4. Disability Rates – reduction of the disability rates to 1/3 of the original rates.

For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics. Additionally, the investment rate of return was lowered from 7.20% to 7.10%.

For measurement date September 30, 2019, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.30% to 7.20%.

For measurement date September 30, 2018, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.40% to 7.30%.

For 2017, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Combined Healthy Table, projected to the valuation date using scale AA, to the mortality table used by the Florida Retirement System actuary in the July 1, 2016 actuarial valuation for non-special-risk employees.

As described in the March 31, 2017 Actuarial Impact Statement, the following assumption changes are utilized in conjunction with passage of Ordinance O-17-25:

1. Normal Retirement Date – For members who have currently attained age 40 with at least 10 years of Credited Service, no change to the current assumption. For Members who do not currently meet the age 40 with 10 or more years of credited service requirements, 100% assumed retirement upon first eligibility.
2. Early Retirement Date – Maintain the current assumption for all Members, i.e., an assumed 5% retirement for each year of eligibility.
3. Vested Terminated Members – Commencement Date for Benefit Payments. For members who have currently attained age 40 with at least 10 years of credited service, no change to the current assumption, i.e. age 55 unreduced, or age 50, reduced as for early retirement. For members who do not currently meet the age 40 with 10 or more years of credited service requirements, age 60 unreduced, or age 55, reduced as for early retirement.

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule (Continued)

Changes of Assumptions (Continued):

4. Investment Return – In conjunction with the March 31, 2017 actuarial impact statement, a reduction from 7.70% to 7.50%. Additionally, the Board of Trustees elected further reductions according to the following schedule:

<u>Valuation Date</u>	<u>Investment Return Assumption</u>
October 1, 2017	7.4%
October 1, 2018	7.3%
October 1, 2019	7.2%
October 1, 2020	7.1%
October 1, 2021	7.0%

For measurement date September 30, 2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For the measurement date September 30, 2015, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.80% to 7.70%.

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS

Retirement System – Defined Benefit Plan (Continued)

	Municipal Firefighters' for the Years Ended September 30:							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 1,175,351	\$ 1,134,943	\$ 1,058,222	\$ 1,058,208	\$ 1,083,811	\$ 981,995	\$ 960,946	\$ 930,014
Interest	3,171,185	3,076,072	2,872,901	2,734,227	2,583,788	2,345,959	2,192,966	2,163,683
Change in Excess State Money	-	-	(14,442)	-	(981,312)	135,110	134,190	150,505
Difference Between Expected and Actual Experience	723,464	(986,791)	(1,160,630)	17,965	365,252	90,497	(101,413)	-
Changes of Assumptions	-	(203,603)	2,155,627	-	-	1,017,583	-	(884,685)
Contributions - Employee	-	-	-	-	55,704	-	-	-
Benefit Payments, Including Refunds	(1,990,146)	(1,628,935)	(1,566,862)	(2,455,649)	(1,778,717)	(1,159,453)	(1,039,426)	(939,873)
Net Change in Total Pension Liability	3,079,854	1,391,686	3,344,816	1,354,751	1,328,526	3,411,691	2,147,263	1,419,644
Total Pension Liability - Beginning	41,545,844	40,154,158	36,809,342	35,454,591	34,126,065	30,714,374	28,567,111	27,147,467
Total Pension Liability - Ending (A)	<u>\$ 44,625,698</u>	<u>\$ 41,545,844</u>	<u>\$ 40,154,158</u>	<u>\$ 36,809,342</u>	<u>\$ 35,454,591</u>	<u>\$ 34,126,065</u>	<u>\$ 30,714,374</u>	<u>\$ 28,567,111</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 975,129	\$ 1,088,055	\$ 1,330,123	\$ 1,240,969	\$ 1,515,857	\$ 1,586,480	\$ 1,333,181	\$ 1,372,178
Contributions - State	365,621	344,621	343,132	341,245	328,419	323,495	322,575	338,890
Contributions - Employee	406,695	402,978	369,750	370,069	443,832	402,477	364,180	356,596
Net Investment Income	6,856,248	1,214,255	1,094,036	2,435,714	3,107,129	2,208,912	85,409	2,087,278
Miscellaneous Revenue	-	963	1,087	-	-	-	-	-
Benefit Payments, Including Refunds	(1,990,146)	(1,628,935)	(1,566,862)	(2,455,648)	(1,778,717)	(1,159,453)	(1,039,427)	(939,873)
Administrative Expense	(69,435)	(81,385)	(75,211)	(82,860)	(77,351)	(71,825)	(66,436)	(64,399)
Net Change in Plan Fiduciary Net Position	6,544,112	1,340,552	1,496,055	1,849,489	3,539,169	3,290,086	999,482	3,150,670
Plan Fiduciary Net Position - Beginning	35,194,121	33,853,569	32,357,514	30,508,025	26,968,856	23,678,770	22,679,288	19,528,618
Plan Fiduciary Net Position - Ending (B)	<u>\$ 41,738,233</u>	<u>\$ 35,194,121</u>	<u>\$ 33,853,569</u>	<u>\$ 32,357,514</u>	<u>\$ 30,508,025</u>	<u>\$ 26,968,856</u>	<u>\$ 23,678,770</u>	<u>\$ 22,679,288</u>
Net Pension Liability - Ending (A) - (B)	<u>\$ 2,887,465</u>	<u>\$ 6,351,723</u>	<u>\$ 6,300,589</u>	<u>\$ 4,451,828</u>	<u>\$ 4,946,566</u>	<u>\$ 7,157,209</u>	<u>\$ 7,035,604</u>	<u>\$ 5,887,823</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.53%	84.71%	84.31%	87.91%	86.05%	79.03%	77.09%	79.39%
Covered Payroll	\$ 4,066,945	\$ 4,029,779	\$ 3,697,501	\$ 3,700,691	\$ 3,902,070	\$ 4,003,979	\$ 3,909,235	\$ 3,565,959
Net Pension Liability as a Percentage of Covered Payroll	71.00%	157.62%	170.40%	120.30%	126.77%	178.75%	179.97%	165.11%

Additional years will be added to this schedule annually until 10 years of data is presented.

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule

Changes of Benefit Terms:

For measurement date September 30, 2019, Chapter 2019-21, Laws of Florida was signed into effect granting certain disability and death benefits to firefighters participating in an employer-sponsored retirement plan.

- 1.) Effective July 1, 2019, an additional presumption was added to the death in the line of duty section. "A firefighter shall be considered to have died in the line of duty if he or she dies as a result of cancer or circumstances that arise out of the treatment of cancer."
- 2.) Effective July 1, 2019, an additional presumption was added to the disability in-line-of-duty presumption. "Diagnosis of cancer or the circumstances that arise out of the treatment of cancer. A firefighter shall be considered totally and permanently disabled in the line of duty if he or she meets the Plan's definition of total and permanently disabled due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer."

Please note that the benefit changes only relate to the disability and death benefits for the Pension Fund and do not provide for other additional benefits that are provided for in Florida Statutes Section 112.1816.

For measurement date September 30, 2017, the following plan changes were made:

Pursuant to a Mutual Consent Agreement between the Plan membership and City under Chapter 2015-39, Laws of Florida, \$846,202.72 of the Excess State Monies Reserve is applied as a credit to the Unfunded Actuarial Accrued Liability.

Additionally, the City may use all future Chapter 175 Premium Tax Revenue for meeting its funding obligation to the Firefighters' Retirement System. Based on the agreements, \$135,109 of the remaining portion of the Excess State Monies Reserve is set aside as a prepaid City contribution. Furthermore, a Share Plan was established but is currently not funded under the current Mutual Consent Agreement.

Changes of Assumptions:

For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date September 30, 2019, the Board adopted changes of actuarial assumptions described in the experience study dated October 23, 2019, as follows:

- The assumptions for salary increases, withdrawal, and retirement were updated to better align with the anticipated plan experience.
- The assumed rate of investment return has been lowered from 7.75% per year to 7.60% per year, net of investment related expenses.

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule (Continued)

Changes of Assumptions (Continued):

For measurement date September 30, 2016, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables for special risk employees used by the Florida Retirement System actuary in the July 1, 2016 actuarial valuation. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

	Municipal Police Officers' for the Years Ended September 30:							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 782,346	\$ 860,015	\$ 820,751	\$ 843,956	\$ 853,283	\$ 793,963	\$ 776,050	\$ 801,709
Interest	2,992,835	2,960,939	2,863,568	2,769,998	2,581,169	2,417,435	2,346,583	2,248,123
Change in Excess State Money	-	-	-	-	-	(28,857)	21,977	6,879
Difference Between Expected and Actual Experience	(19,863)	(216,376)	(24,010)	(216,491)	1,188,026	(203,836)	(11,110)	-
Changes of Assumptions	-	(340,344)	1,068,060	-	-	1,200,550	152,399	313,191
Benefit Payments, Including Refund	(3,286,970)	(2,229,889)	(2,195,474)	(2,147,670)	(2,148,969)	(2,133,049)	(1,808,907)	(1,611,524)
Net Change in Total Pension Liability	468,348	1,034,345	2,532,895	1,249,793	2,473,509	2,046,206	1,476,992	1,758,378
Total Pension Liability - Beginning	41,033,420	39,999,075	37,466,180	36,216,387	33,742,878	31,696,672	30,219,680	28,461,302
Total Pension Liability - Ending (A)	<u>\$ 41,501,768</u>	<u>\$ 41,033,420</u>	<u>\$ 39,999,075</u>	<u>\$ 37,466,180</u>	<u>\$ 36,216,387</u>	<u>\$ 33,742,878</u>	<u>\$ 31,696,672</u>	<u>\$ 30,219,680</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 396,204	\$ 556,013	\$ 719,814	\$ 626,513	\$ 602,998	\$ 704,008	\$ 725,579	\$ 1,314,419
Contributions - State	460,889	460,621	437,823	433,238	387,358	369,988	321,673	306,575
Contributions - Employee	357,881	351,357	364,598	376,478	369,604	388,964	349,588	344,499
Net Investment Income	5,813,120	3,109,994	803,013	3,225,778	3,614,442	2,288,900	(99,825)	3,499,732
Benefit Payments, Including Refunds	(3,286,970)	(2,229,889)	(2,204,858)	(2,138,286)	(2,148,970)	(2,133,049)	(1,808,906)	(1,611,524)
Administrative Expense	(64,177)	(67,985)	(62,843)	(69,552)	(57,811)	(55,026)	(49,560)	(48,688)
Net Change in Plan Fiduciary Net Position	3,676,947	2,180,111	57,547	2,454,169	2,767,621	1,563,785	(561,451)	3,805,013
Plan Fiduciary Net Position - Beginning	37,251,051	35,070,940	35,013,393	32,559,224	29,791,603	28,227,818	28,789,269	24,984,256
Plan Fiduciary Net Position - Ending (B)	<u>\$ 40,927,998</u>	<u>\$ 37,251,051</u>	<u>\$ 35,070,940</u>	<u>\$ 35,013,393</u>	<u>\$ 32,559,224</u>	<u>\$ 29,791,603</u>	<u>\$ 28,227,818</u>	<u>\$ 28,789,269</u>
Net Pension Liability - Ending (A) - (B)	<u>\$ 573,770</u>	<u>\$ 3,782,369</u>	<u>\$ 4,928,135</u>	<u>\$ 2,452,787</u>	<u>\$ 3,657,163</u>	<u>\$ 3,951,275</u>	<u>\$ 3,468,854</u>	<u>\$ 1,430,411</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.62%	90.78%	87.68%	93.45%	89.90%	88.29%	89.06%	95.27%
Covered Payroll	\$ 4,364,397	\$ 4,284,845	\$ 4,427,931	\$ 4,609,577	\$ 4,507,362	\$ 4,744,893	\$ 4,321,215	\$ 4,201,204
Net Pension Liability as a Percentage of Covered Payroll	13.15%	88.27%	111.30%	53.21%	81.14%	83.27%	80.27%	34.05%

Additional years will be added to this schedule annually until 10 years of data is presented.

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule

Changes of Assumptions:

For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date September 30, 2019, as a result of an actuarial experience study, the Board approved several actuarial assumption changes as follows:

- The assumed rate of investment return has been lowered from 7.70% per year to 7.45% per year, net of investment related expenses.
- The assumed rate of salary increase prior to completion of ten (10) years of service has been lowered.
- The assumed service-based termination rates have been amended.
- The assumed rates of retirement have been amended for normal and early retirement.

For measurement date September 30, 2016, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables for special risk employees used by the Florida Retirement System actuary in the July 1, 2016 actuarial valuation. The inflation assumption rate was lowered from 3.0% to 2.5%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date September 30, 2015, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.80% to 7.70%.

For measurement date September 30, 2014, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.90% to 7.80%.

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

The following information presents a schedule of contributions:

General Employees' Pension					
Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2021	\$ 2,580,772	\$ 2,562,853	\$ 17,919	\$ 7,173,941	35.72%
2020	2,766,076	2,763,957	2,119	7,528,785	36.71%
2019	2,677,507	2,676,390	1,117	7,893,594	33.91%
2018	3,227,405	3,221,324	6,081	9,456,212	34.07%
2017	3,429,753	3,452,742	(22,989)	9,694,044	35.62%
2016	4,172,799	4,177,044	(4,245)	10,940,741	38.18%
2015	3,673,711	3,673,711	-	11,033,219	33.30%
2014	4,120,459	3,711,480	408,979	10,189,066	36.43%
2013	3,693,642	3,694,547	(905)	10,288,697	35.91%
Municipal Firefighters' Pension					
Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2021	\$ 1,494,603	\$ 1,340,750	\$ 153,853	\$ 4,066,945	32.97%
2020	1,527,690	1,432,676	95,014	4,029,779	35.55%
2019	1,635,035	1,673,256	(38,221)	3,697,501	45.25%
2018	1,638,296	1,582,214	56,082	3,700,691	42.75%
2017	1,702,083	1,979,385	(277,302)	3,902,070	50.73%
2016	1,785,374	1,774,865	10,509	4,003,979	44.33%
2015	1,580,540	1,591,049	(10,509)	3,909,235	40.70%
2014	1,514,462	1,560,563	(46,101)	3,565,959	43.76%
2013	1,484,155	1,489,635	(5,480)	3,587,515	41.52%
Municipal Police Officers' Pension					
Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2021	\$ 1,000,320	\$ 857,093	\$ 143,227	\$ 4,364,397	19.64%
2020	987,657	1,016,634	(28,977)	4,284,845	23.73%
2019	1,085,729	1,157,638	(71,909)	4,427,931	26.14%
2018	1,143,636	1,059,751	83,885	4,609,577	22.99%
2017	901,022	990,355	(89,333)	4,507,362	21.97%
2016	1,053,841	1,073,994	(20,153)	4,744,893	22.63%
2015	1,061,555	1,107,123	(45,568)	4,321,215	25.62%
2014	1,515,794	1,614,115	(98,321)	4,201,204	38.42%
2013	1,566,442	1,587,016	(20,574)	4,161,643	38.13%

Additional years will be added to this schedule until 10 years of data is presented.

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

Notes to the Schedule of Contributions

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

The following are the methods and assumptions used to determine the contribution rates:

General Employees' Pension											
Valuation Date	10/1/2019										
Funding Method	Entry Age Normal Actuarial Cost Method										
Amortization Method	New UAAL amortization bases are established according to the following amortization periods:										
	Experience: 10 Years										
	Assumption/Method Changes: 20 Years										
	Benefit Changes: 30 Years										
Mortality Rate	<i>Healthy Active Lives:</i> Female: RP2000 Generational, 100% White Collar, Scale BB. Male: RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB. <i>Healthy Inactive Lives:</i> Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB. <i>Disabled Lives:</i> Female: 100% RP2000 Disabled Female set forward two years. Male: 100% RP2000 Disabled Male set back four years.										
Inflation	2.5% per year										
Interest Rate	7.2% per year, compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.										
Termination Rates	<table> <tr> <th>Credited Service</th><th>Termination Probability</th></tr> <tr> <td>0</td><td>30.0%</td></tr> <tr> <td>1-9</td><td>13.0%</td></tr> <tr> <td>10-19</td><td>5.0%</td></tr> <tr> <td>20+</td><td>1.0%</td></tr> </table>	Credited Service	Termination Probability	0	30.0%	1-9	13.0%	10-19	5.0%	20+	1.0%
Credited Service	Termination Probability										
0	30.0%										
1-9	13.0%										
10-19	5.0%										
20+	1.0%										
Normal Retirement	<table> <tr> <th>Number of Years after first Eligible</th><th>Retirement Probability</th></tr> <tr> <td>0</td><td>50%</td></tr> <tr> <td>1-3</td><td>25%</td></tr> <tr> <td>4</td><td>50%</td></tr> <tr> <td>5+</td><td>100%</td></tr> </table> This assumption is supported by an experience study issued on May 12, 2014, analyzing plan experience from valuations performed from October 1, 1988 to October 1, 2013.	Number of Years after first Eligible	Retirement Probability	0	50%	1-3	25%	4	50%	5+	100%
Number of Years after first Eligible	Retirement Probability										
0	50%										
1-3	25%										
4	50%										
5+	100%										
Early Retirement	Commencing upon age 55 (age 50 for members who attained age 40 with 10 years of service before November 20, 2017) with 10 years of Credited Service, members are assumed to retire with an immediate subsidized benefit at the rate of 5.00% per year. This assumption is supported by an experience study issued on May 12, 2014, analyzing plan experience from valuations performed from October 1, 1988 to October 1, 2013.										
Cost-of-Living	0.5% for 10 years, beginning one year after retirement. Applicable for all categories except vested terminated members.										

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
LAST TEN FISCAL YEARS**

Notes to the Schedule of Contributions (Continued)

General Employees' Pension (Continued)		
Salary Increases	Credited Service	Assumption
	0	11.0%
	1-9	5.0%
	10+	4.0%
This assumption is supported by an experience study issued on May 12, 2014, analyzing plan experience from valuations performed from October 1, 1988 to October 1, 2013.		
Final Year Salary Load	Service as of 10/1/2012	Final Salary Load
	0	0%
	1-4	5%
	5-9	10%
	10+	15%
This assumption was developed based on expectations of unused sick and annual leave time for impacted actives.		
Disability Rates	Age	Rates
	20	0.05%
	25	0.05%
	30	0.06%
	35	0.07%
	40	0.12%
	45	0.22%
	50	0.43%
	55	0.89%
	60	1.61%
	65	2.80%
Asset Smoothing Methodology	The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a deminis bias that is above or below the Market Value of Assets.	
Payroll Increase	0.0%, in compliance with Part VII of Chapter 112, Florida Statutes.	

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

Notes to the Schedule of Contributions (Continued)

Municipal Firefighters' Pension																							
Valuation Date	10/1/2019																						
Funding Method	Entry Age Normal Actuarial Cost Method																						
Amortization Method	New UAAL amortization bases are established according to the following amortization periods:																						
	Experience: 10 Years																						
	Assumption/Method Changes: 20 Years																						
	Benefit Changes: 30 Years																						
Mortality	<i>Healthy Active Lives:</i> Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB. Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB. <i>Healthy Inactive Lives:</i> Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB. <i>Disabled Lives:</i> Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male set back four years / 40% Annuitant White Collar with no setback, no projection scale.																						
Inflation	2.5% per year																						
Interest Rate	7.6% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.																						
Termination Rates	<table> <tr> <th>Credited Service</th><th>Termination Probability</th></tr> <tr> <td>0-4</td><td>6.0%</td></tr> <tr> <td>5-14</td><td>1.0%</td></tr> <tr> <td>15+</td><td>0.0%</td></tr> </table> The above rates are based on the results of an Experience Study for the period October 1, 2008 through September 30, 2018.	Credited Service	Termination Probability	0-4	6.0%	5-14	1.0%	15+	0.0%														
Credited Service	Termination Probability																						
0-4	6.0%																						
5-14	1.0%																						
15+	0.0%																						
Disability Rates	These rates were examined in the experience study dated October 23, 2019, and no changes were recommended at that time. <table> <tr> <th>Age</th><th>Probability</th></tr> <tr> <td>20</td><td>0.05%</td></tr> <tr> <td>25</td><td>0.05%</td></tr> <tr> <td>30</td><td>0.06%</td></tr> <tr> <td>35</td><td>0.07%</td></tr> <tr> <td>40</td><td>0.12%</td></tr> <tr> <td>45</td><td>0.22%</td></tr> <tr> <td>50</td><td>0.43%</td></tr> <tr> <td>55</td><td>0.89%</td></tr> <tr> <td>60</td><td>1.61%</td></tr> <tr> <td>65</td><td>2.80%</td></tr> </table>	Age	Probability	20	0.05%	25	0.05%	30	0.06%	35	0.07%	40	0.12%	45	0.22%	50	0.43%	55	0.89%	60	1.61%	65	2.80%
Age	Probability																						
20	0.05%																						
25	0.05%																						
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**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

Notes to the Schedule of Contributions (Continued)

Municipal Firefighters' Pension (Continued)		
Retirement Rates	% Retiring During the Year (10-24 Years of Service)	
	Age Retirement Probability	
	45-49 3%	
	50-54 5%	
	55-56 25%	
	57+ 100%	
	% Retiring During the Year (>= 25 Years of Service)	
	Age Retirement Probability	
	Any 100%	
	The above rates are based on the results of an Experience Study for the period October 1, 2008 through September 30, 2018.	
Salary Increases	Service Assumption	
	0-4 7.5%	
	5-9 6.0%	
	10-14 5.0%	
	15+ 4.5%	
	The above rates are based on the results of an Experience Study for the period October 1, 2008 through September 30, 2018.	
	Additionally, the projected salary in the year of retirement is increased as shown below, supported by data provided by the City:	
	Service as of 10/1/12 Final Salary Load Assumption	
	Less than 1 Year 0%	
	1 to 10 Years 5%	
10 to 20 Years 10%		
Greater than 20 Years 15%		
Payroll Growth	1.31% for purposes of amortizing Unfunded Actuarial Accrued Liability bases established prior to October 1, 2019. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes. Subsequent bases are amortized on a level-dollar basis.	
Asset Smoothing Methodology	The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in an insignificant bias that is above or below the Market Value of Assets.	

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

Notes to the Schedule of Contributions (Continued)

Municipal Police Officers' Pension																	
Valuation Date	10/1/2019																
Funding Method	Entry Age Normal Actuarial Cost Method																
Amortization Method	Effective October 1, 2019, the UAAL was consolidated into a single based with a 20-year amortization period. Future UAAL amortization bases will be amortized over 15 years. Previously, amortization amounts were determined according to the following amortization periods:																
	Experience: 10 Years																
	Assumption/Method Changes: 20 Years																
	Benefit Changes: 30 Years																
Mortality Rate	<i>Healthy Active Lives:</i> Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB. Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB. <i>Healthy Inactive Lives:</i> Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB. <i>Disabled Lives:</i> Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male set back four years / 40% Annuitant White Collar with no setback, no projection scale.																
Inflation	2.5% per year																
Interest Rate	7.45% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.																
Termination Rates	<table> <tr> <th>Credited Service</th><th>Termination Probability</th></tr> <tr> <td>0-4</td><td>13.0%</td></tr> <tr> <td>5-9</td><td>6.0%</td></tr> <tr> <td>10+</td><td>4.5%</td></tr> </table> The assumed rates of termination were approved in conjunction with an actuarial experience study dated October 2019.	Credited Service	Termination Probability	0-4	13.0%	5-9	6.0%	10+	4.5%								
Credited Service	Termination Probability																
0-4	13.0%																
5-9	6.0%																
10+	4.5%																
Normal Retirement	<table> <tr> <th colspan="2">% Retiring During the Year (10-24 Years of Service)</th></tr> <tr> <th>Age</th><th>Retirement Probability</th></tr> <tr> <td>55</td><td>20%</td></tr> <tr> <td>56+</td><td>100%</td></tr> <tr> <th colspan="2">% Retiring During the Year (All Ages)</th></tr> <tr> <th>Service</th><th>Retirement Probability</th></tr> <tr> <td>25</td><td>60%</td></tr> <tr> <td>26+</td><td>100%</td></tr> </table>	% Retiring During the Year (10-24 Years of Service)		Age	Retirement Probability	55	20%	56+	100%	% Retiring During the Year (All Ages)		Service	Retirement Probability	25	60%	26+	100%
% Retiring During the Year (10-24 Years of Service)																	
Age	Retirement Probability																
55	20%																
56+	100%																
% Retiring During the Year (All Ages)																	
Service	Retirement Probability																
25	60%																
26+	100%																
Early Retirement	<table> <tr> <th colspan="2">% Retiring During the Year (10-24 Years of Service)</th></tr> <tr> <th>Age</th><th>Retirement Probability</th></tr> <tr> <td>50-52</td><td>10%</td></tr> <tr> <td>53-54</td><td>0%</td></tr> <tr> <th colspan="2">% Retiring During the Year (All Ages)</th></tr> <tr> <th>Service</th><th>Retirement Probability</th></tr> <tr> <td>20-22</td><td>10%</td></tr> <tr> <td>23-24</td><td>0%</td></tr> </table>	% Retiring During the Year (10-24 Years of Service)		Age	Retirement Probability	50-52	10%	53-54	0%	% Retiring During the Year (All Ages)		Service	Retirement Probability	20-22	10%	23-24	0%
% Retiring During the Year (10-24 Years of Service)																	
Age	Retirement Probability																
50-52	10%																
53-54	0%																
% Retiring During the Year (All Ages)																	
Service	Retirement Probability																
20-22	10%																
23-24	0%																

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

Notes to the Schedule of Contributions (Continued)

Municipal Police Officers' Pension (Continued)		
Salary Increases	Credited Service	Assumption
	0	13.0%
	1-9	4.5%
	10+	4.0%
The assumed rates of normal retirement were approved in conjunction with an actuarial experience study dated October 2019.		
Final Year Salary Load	Service as of 10/1/2012	Final Salary Load
	Less than 1 Year	0%
	1 to 5 Years	5%
	5 to 10 Years	10%
	Greater than 10 Years	15%
These assumptions were based on data provided by the City.		
Disability Rates	Age	Rates
	25	0.03%
	35	0.05%
	45	0.10%
	55	0.36%
	65	2.22%
Aged Based: Sample rates above. It is assumed that 75% of disablements are service-related. The assumed rates were developed from those used by other plans containing Florida municipal police officers.		
Asset Smoothing Methodology	The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in an insignificant bias that is above or below the Market Value of Assets.	
Payroll Growth	0.00% per year for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.	

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
SEPTEMBER 30, 2021**

Retirement System – Defined Benefit Plan

The following presents the annual money-weighted rate of return, net of investment expenses:

<u>General Employees' Pension</u>		<u>Municipal Firefighters' Pension</u>		<u>Municipal Police Officers' Pension</u>	
Fiscal Year		Fiscal Year		Fiscal Year	
Ended		Ended		Ended	
<u>September 30</u>	<u>Rate</u>	<u>September 30</u>	<u>Rate</u>	<u>September 30</u>	<u>Rate</u>
2021	20.08%	2021	19.68%	2021	16.16%
2020	3.24%	2020	3.57%	2020	9.02%
2019	3.25%	2019	3.34%	2019	2.53%
2018	8.70%	2018	7.98%	2018	10.04%
2017	12.41%	2017	11.48%	2017	12.33%
2016	9.07%	2016	9.19%	2016	8.27%
2015	0.60%	2015	0.32%	2015	-0.35%
2014	10.95%	2014	10.47%	2014	14.04%
2013	15.82%	2013	14.27%	2013	9.68%

Additional years will be added to this schedule until 10 years of data is presented.

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 2,694,177	\$ 1,603,661	\$ 1,291,931	\$ 1,425,372
Interest	973,635	1,236,986	1,222,847	1,107,069
Changes of Benefit Terms	-	-	-	-
Difference Between Expected and Actual Experience	-	(2,592,042)	-	-
Changes of Assumptions	(2,257,198)	10,581,817	3,302,003	(2,792,012)
Benefit Payments	<u>(1,089,205)</u>	<u>(862,186)</u>	<u>(798,320)</u>	<u>(735,779)</u>
Net Change in Total OPEB Liability	321,409	9,968,236	5,018,461	(995,350)
Total OPEB Liability - Beginning	<u>43,344,542</u>	<u>33,376,306</u>	<u>28,357,845</u>	<u>29,353,195</u>
Total OPEB Liability - Ending	<u><u>\$ 43,665,951</u></u>	<u><u>\$ 43,344,542</u></u>	<u><u>\$ 33,376,306</u></u>	<u><u>\$ 28,357,845</u></u>
 Covered Employee Payroll	 \$ 25,367,270	 \$ 23,978,892	 \$ 22,466,817	 \$ 21,319,811
 Total OPEB Liability as a percentage of the Covered Employee Payroll	 172.14%	 180.76%	 148.56%	 133.01%

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS**

Notes to schedule:

The OPEB plan is not administered through a trust, and there are no assets accumulated in trust for payment of benefits.

Covered Employee Payroll was projected one year forward from the valuation date.

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of the changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2021:	2.43%
Fiscal Year Ending September 30, 2020:	2.14%
Fiscal Year Ending September 30, 2019:	3.58%

Benefit Payments: The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on September 30, 2021. Expected net benefit payments produced by the valuation model for the same period are shown in the table above.

WINTER HAVEN

The Chain of Lakes City

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**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

WINTER HAVEN

The Chain of Lakes City

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**CITY OF WINTER HAVEN, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2021**

Special Revenue									
	Library	Airport	Cemetery	Community Development Grant	SHIP Grant	Police Training Confiscation and Abandoned Property	Building Safety	Impact Fees	Federal Building
ASSETS									
Cash and Investments	\$ 264,004	\$ 756,369	\$ 198,678	\$ -	\$ 293,203	\$ 192,248	\$ 4,451,625	\$ 1,422,405	\$ 22,058
Investments - Reserved for Perpetual Care	-	-	470,311	-	-	-	-	-	-
Accounts Receivable	8,883	8,208	38,842	-	-	-	-	-	-
Due from Other Governments	-	-	-	51,414	-	632	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-
Inventory	-	-	30,796	-	-	-	-	-	-
Prepaid Items	3,560	9,203	180	-	-	-	14,715	-	-
Total Assets	<u>\$ 276,447</u>	<u>\$ 773,780</u>	<u>\$ 738,807</u>	<u>\$ 51,414</u>	<u>\$ 293,203</u>	<u>\$ 192,880</u>	<u>\$ 4,466,340</u>	<u>\$ 1,422,405</u>	<u>\$ 22,058</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)									
Liabilities:									
Accounts Payable	\$ 9,656	\$ 103,363	\$ 11,360	\$ -	\$ 898	\$ 4,597	\$ 3,176,554	\$ 53,251	\$ 2,503
Accrued Liabilities	36,003	13,798	11,677	-	-	-	27,918	-	-
Due to Other Funds	-	38,373	-	51,414	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	17,733	-	-
Advances from Other Funds	-	124,756	-	-	-	-	-	-	-
Unearned Revenue	-	27,909	-	-	-	-	-	-	-
Total Liabilities	<u>45,659</u>	<u>308,199</u>	<u>23,037</u>	<u>51,414</u>	<u>898</u>	<u>4,597</u>	<u>3,222,205</u>	<u>53,251</u>	<u>2,503</u>
Fund Balances (Deficits):									
Nonspendable	3,560	9,203	30,976	-	-	-	14,715	-	-
Restricted	-	-	-	-	292,305	188,283	1,229,420	1,369,154	-
Committed	-	-	684,794	-	-	-	-	-	19,555
Assigned	227,228	456,378	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	<u>230,788</u>	<u>465,581</u>	<u>715,770</u>	<u>-</u>	<u>292,305</u>	<u>188,283</u>	<u>1,244,135</u>	<u>1,369,154</u>	<u>19,555</u>
Total Liabilities and Fund Balances	<u>\$ 276,447</u>	<u>\$ 773,780</u>	<u>\$ 738,807</u>	<u>\$ 51,414</u>	<u>\$ 293,203</u>	<u>\$ 192,880</u>	<u>\$ 4,466,340</u>	<u>\$ 1,422,405</u>	<u>\$ 22,058</u>

**CITY OF WINTER HAVEN, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2021**

	Debt Service		Capital Projects				
	2007 Improvement Revenue Bonds	2011 Sales Tax Bond	Capital Depletion	2007 Construction	Transportation	2021 Construction	Total All Nonmajor Governmental Funds
ASSETS							
Cash and Investments	\$ 2,788,707	\$ 701,429	\$ 2,948,764	\$ 225,789	\$ 1,371,460	\$ -	\$ 15,636,739
Investments - Reserved for Perpetual Care	-	-	-	-	-	-	470,311
Accounts Receivable	-	-	5,714	-	-	-	61,647
Due from Other Governments	-	-	-	-	594,356	-	646,402
Due from Other Funds	-	-	538,302	-	-	-	538,302
Advances to Other Funds	-	-	2,050,310	-	-	-	2,050,310
Inventory	-	-	-	-	-	-	30,796
Prepaid Items	-	-	-	-	-	-	27,658
Total Assets	<u>\$ 2,788,707</u>	<u>\$ 701,429</u>	<u>\$ 5,543,090</u>	<u>\$ 225,789</u>	<u>\$ 1,965,816</u>	<u>\$ -</u>	<u>\$ 19,462,165</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ 59,908	\$ -	\$ 173,016	\$ -	\$ 3,595,106
Accrued Liabilities	-	-	-	-	-	-	89,396
Due to Other Funds	-	-	-	-	-	14,480	104,267
Due to Other Governments	-	-	-	-	-	-	17,733
Advances from Other Funds	-	-	-	-	-	-	124,756
Unearned Revenue	-	-	-	-	-	-	27,909
Total Liabilities	-	-	59,908	-	173,016	14,480	3,959,167
Fund Balances (Deficits):							
Nonspendable	-	-	-	-	-	-	58,454
Restricted	2,788,707	701,429	-	-	1,792,800	-	8,362,098
Committed	-	-	-	-	-	-	704,349
Assigned	-	-	5,483,182	225,789	-	-	6,392,577
Unassigned	-	-	-	-	-	(14,480)	(14,480)
Total Fund Balances (Deficits)	<u>2,788,707</u>	<u>701,429</u>	<u>5,483,182</u>	<u>225,789</u>	<u>1,792,800</u>	<u>(14,480)</u>	<u>15,502,998</u>
Total Liabilities and Fund Balances	<u>\$ 2,788,707</u>	<u>\$ 701,429</u>	<u>\$ 5,543,090</u>	<u>\$ 225,789</u>	<u>\$ 1,965,816</u>	<u>\$ -</u>	<u>\$ 19,462,165</u>

**CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2021**

	Special Revenue								
	Library	Airport	Cemetery	Community Development Grant	SHIP Grant	Police Training, Confiscation, and Abandoned Property	Building Safety	Impact Fees	Federal Building
REVENUES									
Intergovernmental	\$ 501,941	\$ 2,294,256	\$ -	\$ -	\$ 349,692	\$ -	\$ -	\$ -	\$ -
Charges for Services	552	840,077	415,777	-	-	-	3,501,840	2,538,154	-
Fines and Forfeits	622	-	-	-	-	56,918	-	-	-
Miscellaneous:									
Rents	23,940	886,633	-	-	-	-	-	-	139,464
Investment Income	169	35	727	-	405	236	5,940	1,312	24
Contributions	22,222	-	-	-	-	-	-	-	-
Other	124	49,811	3,374	-	60,833	-	7,941	-	-
Total Revenues	549,570	4,070,812	419,878	-	410,930	57,154	3,515,721	2,539,466	139,488
EXPENDITURES									
Current:									
Public Safety	-	-	-	-	-	4,187	1,239,387	-	-
Transportation	-	4,156,834	-	-	-	-	-	-	-
Human Services	-	-	462,843	-	411,873	-	-	-	-
Culture and Recreation	1,703,821	-	-	-	-	-	-	-	84,813
Capital Projects	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	7,329	-	-	-	-	-	-	-
Other Debt Service	-	-	-	-	-	-	-	-	-
Total Expenditures	1,703,821	4,164,163	462,843	-	411,873	4,187	1,239,387	-	84,813
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,154,251)	(93,351)	(42,965)	-	(943)	52,967	2,276,334	2,539,466	54,675
OTHER FINANCING SOURCES (USES)									
Sale of Assets	-	-	2,908	-	-	-	-	-	-
Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-
Transfers In	1,313,967	1,496,183	159,833	-	-	-	-	-	-
Transfers Out	(220,757)	(461,351)	(13,184)	-	-	-	(1,910,682)	(2,212,077)	(75,000)
Total Other Financing Sources (Uses)	1,093,210	1,034,832	149,557	-	-	-	(1,910,682)	(2,212,077)	(75,000)
NET CHANGE IN FUND BALANCES	(61,041)	941,481	106,592	-	(943)	52,967	365,652	327,389	(20,325)
Fund Balances - Beginning of Year	291,829	(475,900)	609,178	-	293,248	135,316	878,483	1,041,765	39,880
FUND BALANCES - END OF YEAR	\$ 230,788	\$ 465,581	\$ 715,770	\$ -	\$ 292,305	\$ 188,283	\$ 1,244,135	\$ 1,369,154	\$ 19,555

**CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

	Debt Service		Capital Projects				Total All Nonmajor Governmental Funds
	2007 Improvement Revenue Bonds	2011 Sales Tax Bond	Capital Depletion	2007 Construction	Transportation	2021 Construction	
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 867,180	\$ -	\$ 4,013,069
Charges for Services	-	-	-	-	-	-	7,296,400
Fines and Forfeits	-	-	-	-	-	-	57,540
Miscellaneous:							
Rents	-	-	-	-	-	-	1,050,037
Investment Income	-	-	35,414	268	1,622	-	46,152
Contributions	-	-	-	-	-	-	22,222
Other	-	-	-	-	-	-	122,083
Total Revenues	-	-	35,414	268	868,802	-	12,607,503
EXPENDITURES							
Current:							
Public Safety	-	-	488,708	-	-	-	1,732,282
Transportation	-	-	159,975	-	1,901,481	-	6,218,290
Human Services	-	-	47,007	-	-	-	921,723
Culture and Recreation	-	-	74,700	-	-	-	1,863,334
Capital Projects	-	-	-	-	-	14,480	14,480
Debt Service:							
Principal Retirement	2,961,625	680,000	-	-	-	-	3,641,625
Interest and Fiscal Charges	1,316,451	19,147	-	-	-	-	1,342,927
Other Debt Service	48,664	-	-	-	-	-	48,664
Total Expenditures	4,326,740	699,147	770,390	-	1,901,481	14,480	15,783,325
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,326,740)	(699,147)	(734,976)	268	(1,032,679)	(14,480)	(3,175,822)
OTHER FINANCING SOURCES (USES)							
Sale of Assets	-	-	-	-	-	-	2,908
Issuance of Refunding Bonds	10,055,000	-	-	-	-	-	10,055,000
Payments to Refunded Bond Escrow Agent	(9,878,375)	-	-	-	-	-	(9,878,375)
Transfers In	3,790,609	707,857	930,438	-	1,129,950	-	9,528,837
Transfers Out	-	-	(67,858)	(91,974)	-	-	(5,052,883)
Total Other Financing Sources (Uses)	3,967,234	707,857	862,580	(91,974)	1,129,950	-	4,655,487
NET CHANGE IN FUND BALANCES	(359,506)	8,710	127,604	(91,706)	97,271	(14,480)	1,479,665
Fund Balances - Beginning of Year	3,148,213	692,719	5,355,578	317,495	1,695,529	-	14,023,333
FUND BALANCES - END OF YEAR	<u>\$ 2,788,707</u>	<u>\$ 701,429</u>	<u>\$ 5,483,182</u>	<u>\$ 225,789</u>	<u>\$ 1,792,800</u>	<u>\$ (14,480)</u>	<u>\$ 15,502,998</u>

**BUDGET TO ACTUAL COMPARISON
OTHER MAJOR AND NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Function and Activity				
General Government:				
City Commission/Legal/Clerk	\$ 796,108	\$ 829,108	\$ 815,696	\$ 13,412
City Manager	892,117	892,117	845,349	46,768
Finance	1,314,481	1,214,481	1,180,299	34,182
Nondepartmental	4,534,090	4,976,170	4,802,714	173,456
Public Safety:				
Police	11,578,204	11,300,204	11,273,256	26,948
Fire	8,363,161	8,641,161	8,641,001	160
Code Enforcement	484,760	484,760	445,570	39,190
Transportation:				
Streets and Buses	3,053,816	3,053,816	1,953,144	1,100,672
Economic Development				
Public Service Buildings	481,391	481,391	480,006	1,385
Community Development/Planning	772,083	772,083	658,122	113,961
Culture and Recreation:				
Leisure Services	6,746,611	6,546,611	5,853,770	692,841
Total Expenditures	39,016,822	39,191,902	36,948,927	2,242,975
Transfers to:				
Library Fund	1,197,767	1,197,767	1,197,767	-
Airport Fund	1,496,183	1,496,183	1,496,183	-
Cemetery Fund	159,833	159,833	159,833	-
2015 Construction Fund	3,445,000	3,445,000	3,445,000	-
Capital Depletion Fund	905,099	905,099	905,099	-
Debt Service Fund	3,835,787	3,835,787	3,835,787	-
Self-Insurance Fund	153,100	453,100	453,100	-
Willowbrook Golf Course Fund	436,705	436,705	436,705	-
Dark Fiber Fund	155,400	155,400	155,400	-
Transportation Fund	1,000,000	1,000,000	1,000,000	-
Total Transfers	12,784,874	13,084,874	13,084,874	-
Total Expenditures and Transfers	\$ 51,801,696	\$ 52,276,776	\$ 50,033,801	\$ 2,242,975

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
2015 CONSTRUCTION FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 244,432	\$ (155,568)
Miscellaneous:				
Investment Income	100,000	100,000	21,365	(78,635)
Total Revenues	<u>500,000</u>	<u>500,000</u>	<u>265,797</u>	<u>(234,203)</u>
EXPENDITURES				
Capital Projects	12,493,719	12,918,172	5,206,834	7,711,338
Debt Service:				
Principal Retirement	107,411	107,411	-	107,411
Interest and Fiscal Charges	37,358	37,358	37,358	-
Total Expenditures	<u>12,638,488</u>	<u>13,062,941</u>	<u>5,244,192</u>	<u>7,818,749</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(12,138,488)	(12,562,941)	(4,978,395)	7,584,546
OTHER FINANCING SOURCES (USES)				
Transfers In	4,822,203	5,246,656	6,478,977	1,232,321
Transfers Out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>4,422,203</u>	<u>4,846,656</u>	<u>6,078,977</u>	<u>1,232,321</u>
NET CHANGE IN FUND BALANCES	(7,716,285)	(7,716,285)	1,100,582	8,816,867
Fund Balances - Beginning of Year	<u>12,657,902</u>	<u>12,657,902</u>	<u>12,657,902</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,941,617</u>	<u>\$ 4,941,617</u>	<u>\$ 13,758,484</u>	<u>\$ 8,816,867</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LIBRARY FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 410,871	\$ 410,871	\$ 501,941	\$ 91,070
Charges for Services	24,200	24,200	552	(23,648)
Fines and Forfeits	28,000	28,000	622	(27,378)
Miscellaneous:				
Rents	25,300	25,300	23,940	(1,360)
Investment Income	4,000	4,000	169	(3,831)
Contributions	320	320	22,222	21,902
Other	11,400	11,400	124	(11,276)
Total Revenues	504,091	504,091	549,570	45,479
EXPENDITURES				
Current:				
Culture and Recreation	1,790,701	1,790,701	1,703,821	86,880
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,286,610)	(1,286,610)	(1,154,251)	132,359
OTHER FINANCING SOURCES (USES)				
Transfers In	1,313,967	1,313,967	1,313,967	-
Transfers Out	(220,757)	(220,757)	(220,757)	-
Total Other Financing Sources (Uses)	1,093,210	1,093,210	1,093,210	-
NET CHANGE IN FUND BALANCES	(193,400)	(193,400)	(61,041)	132,359
Fund Balances - Beginning of Year	291,829	291,829	291,829	-
FUND BALANCES - END OF YEAR	\$ 98,429	\$ 98,429	\$ 230,788	\$ 132,359

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
AIRPORT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,031,956	\$ 3,031,956	\$ 2,294,256	\$ (737,700)
Charges for Services	741,100	741,100	840,077	98,977
Miscellaneous:				
Rents	770,890	770,890	886,633	115,743
Investment Income	10,000	10,000	35	(9,965)
Other	26,060	26,060	49,811	23,751
Total Revenues	<u>4,580,006</u>	<u>4,580,006</u>	<u>4,070,812</u>	<u>(509,194)</u>
EXPENDITURES				
Current:				
Transportation	5,324,724	5,324,724	4,156,834	1,167,890
Debt Service:				
Principal	36,871	36,871	-	36,871
Interest	7,329	7,329	7,329	-
Total Expenditures	<u>5,368,924</u>	<u>5,368,924</u>	<u>4,164,163</u>	<u>1,204,761</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(788,918)	(788,918)	(93,351)	695,567
OTHER FINANCING SOURCES (USES)				
Transfers In	1,496,183	1,496,183	1,496,183	-
Transfers Out	<u>(461,351)</u>	<u>(461,351)</u>	<u>(461,351)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,034,832</u>	<u>1,034,832</u>	<u>1,034,832</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	245,914	245,914	941,481	695,567
Fund Balances (Deficits) - Beginning of Year	<u>(475,900)</u>	<u>(475,900)</u>	<u>(475,900)</u>	<u>-</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (229,986)</u>	<u>\$ (229,986)</u>	<u>\$ 465,581</u>	<u>\$ 695,567</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CEMETERY FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 251,250	\$ 251,250	\$ 415,777	\$ 164,527
Miscellaneous:				
Investment Income	10,500	10,500	727	(9,773)
Other	2,000	2,000	3,374	1,374
Total Revenues	<u>263,750</u>	<u>263,750</u>	<u>419,878</u>	<u>156,128</u>
EXPENDITURES				
Current:				
Human Services	<u>510,399</u>	<u>510,399</u>	<u>462,843</u>	<u>47,556</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(246,649)	(246,649)	(42,965)	203,684
OTHER FINANCING SOURCES (USES)				
Sale of Assets	-	-	2,908	2,908
Transfers In	159,833	159,833	159,833	-
Transfers Out	<u>(13,184)</u>	<u>(13,184)</u>	<u>(13,184)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>146,649</u>	<u>146,649</u>	<u>149,557</u>	<u>2,908</u>
NET CHANGE IN FUND BALANCES	(100,000)	(100,000)	106,592	206,592
Fund Balances - Beginning of Year	<u>609,178</u>	<u>609,178</u>	<u>609,178</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 509,178</u>	<u>\$ 509,178</u>	<u>\$ 715,770</u>	<u>\$ 206,592</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT GRANT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 447,000	\$ 447,000	\$ -	\$ (447,000)
OTHER FINANCING USES				
Transfers Out	(447,000)	(447,000)	-	447,000
Total Other Financing Uses	(447,000)	(447,000)	-	447,000
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -	\$ -

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SHIP GRANT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 479,652	\$ 479,652	\$ 349,692	\$ (129,960)
Miscellaneous:				
Investment Income	2,000	2,000	405	(1,595)
Other	3,000	3,000	60,833	57,833
Total Revenues	<u>484,652</u>	<u>484,652</u>	<u>410,930</u>	<u>(73,722)</u>
EXPENDITURES				
Current:				
Human Services	<u>484,652</u>	<u>484,652</u>	<u>411,873</u>	<u>72,779</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(943)	(943)
Fund Balances - Beginning of Year	<u>293,248</u>	<u>293,248</u>	<u>293,248</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 293,248</u>	<u>\$ 293,248</u>	<u>\$ 292,305</u>	<u>\$ (943)</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
BUILDING SAFETY FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 1,353,550	\$ 2,671,600	\$ 3,501,840	\$ 830,240
Miscellaneous:				
Investment Income	30,000	30,000	5,940	(24,060)
Other	3,500	3,500	7,941	4,441
Total Revenues	<u>1,387,050</u>	<u>2,705,100</u>	<u>3,515,721</u>	<u>810,621</u>
EXPENDITURES				
Current:				
Public Safety	<u>1,273,104</u>	<u>1,273,104</u>	<u>1,239,387</u>	<u>33,717</u>
EXCESS OF REVENUES OVER EXPENDITURES	113,946	1,431,996	2,276,334	844,338
OTHER FINANCING USES				
Transfers Out	<u>(592,632)</u>	<u>(1,910,682)</u>	<u>(1,910,682)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(478,686)	(478,686)	365,652	844,338
Fund Balances - Beginning of Year	<u>878,483</u>	<u>878,483</u>	<u>878,483</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 399,797</u>	<u>\$ 399,797</u>	<u>\$ 1,244,135</u>	<u>\$ 844,338</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
IMPACT FEE FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 1,275,000	\$ 1,960,724	\$ 2,538,154	\$ 577,430
Miscellaneous:				
Investment Income	7,500	7,500	1,312	(6,188)
Total Revenues	<u>1,282,500</u>	<u>1,968,224</u>	<u>2,539,466</u>	<u>571,242</u>
OTHER FINANCING USES				
Transfers Out	<u>(1,476,403)</u>	<u>(2,212,077)</u>	<u>(2,212,077)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(193,903)</u>	<u>(243,853)</u>	<u>327,389</u>	<u>571,242</u>
Fund Balances - Beginning of Year	<u>1,041,765</u>	<u>1,041,765</u>	<u>1,041,765</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 847,862</u>	<u>\$ 797,912</u>	<u>\$ 1,369,154</u>	<u>\$ 571,242</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FEDERAL BUILDING FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Rents	\$ 136,067	\$ 136,067	\$ 139,464	\$ 3,397
Miscellaneous:				
Investment Income	600	600	24	(576)
Total Revenues	<u>136,667</u>	<u>136,667</u>	<u>139,488</u>	<u>2,821</u>
EXPENDITURES				
Current:				
Culture and Recreation	<u>49,939</u>	<u>49,939</u>	<u>84,813</u>	<u>(34,874)</u>
EXCESS OF REVENUES OVER EXPENDITURES	86,728	86,728	54,675	(32,053)
OTHER FINANCING USES				
Transfers Out	<u>(115,000)</u>	<u>(115,000)</u>	<u>(75,000)</u>	<u>40,000</u>
NET CHANGE IN FUND BALANCES	(28,272)	(28,272)	(20,325)	7,947
Fund Balances - Beginning of Year	<u>39,880</u>	<u>39,880</u>	<u>39,880</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 11,608</u>	<u>\$ 11,608</u>	<u>\$ 19,555</u>	<u>\$ 7,947</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
2007 CONSTRUCTION FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment Income	\$ 1,500	\$ 1,500	\$ 268	\$ (1,232)
OTHER FINANCING USES				
Transfers Out	(91,974)	(91,974)	(91,974)	-
NET CHANGE IN FUND BALANCES	(90,474)	(90,474)	(91,706)	(1,232)
Fund Balances - Beginning of Year	317,495	317,495	317,495	-
FUND BALANCES - END OF YEAR	<u>\$ 227,021</u>	<u>\$ 227,021</u>	<u>\$ 225,789</u>	<u>\$ (1,232)</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,006,024	\$ 3,006,024	\$ 867,180	\$ (2,138,844)
Miscellaneous:				
Investment Income	10,000	10,000	1,622	(8,378)
Total Revenues	3,016,024	3,016,024	868,802	(2,147,222)
EXPENDITURES				
Current:				
Transportation	4,030,187	4,030,187	1,901,481	2,128,706
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,014,163)	(1,014,163)	(1,032,679)	(18,516)
OTHER FINANCING SOURCES				
Transfers In	1,015,000	1,064,950	1,129,950	65,000
NET CHANGE IN FUND BALANCES	837	50,787	97,271	46,484
Fund Balances - Beginning of Year	1,695,529	1,695,529	1,695,529	-
FUND BALANCES - END OF YEAR	<u>\$ 1,696,366</u>	<u>\$ 1,746,316</u>	<u>\$ 1,792,800</u>	<u>\$ 46,484</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
2021 CONSTRUCTION FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
Capital Projects	\$ -	\$ 15,000	\$ 14,480	\$ 520
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(15,000)	(14,480)	520
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ (15,000)</u>	<u>\$ (14,480)</u>	<u>\$ 520</u>

NONMAJOR PROPRIETARY FUNDS

**CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Investments	\$ 311,706	\$ 3,402,084	\$ 1,365,914	\$ 5,079,704
Cash With Fiscal Agent	144,005	-	-	144,005
Receivables:				
Accounts	-	353,256	-	353,256
Due from Other Governments	-	1,550,250	-	1,550,250
Inventories	31,786	-	-	31,786
Prepaid Items	11,449	5,328	-	16,777
Total Current Assets	498,946	5,310,918	1,365,914	7,175,778
Capital Assets:				
Land	628,895	2,289,400	-	2,918,295
Construction in Progress	-	-	162,796	162,796
Building	217,380	174,415	-	391,795
Improvements Other than Buildings	1,022,934	8,077,171	2,765,591	11,865,696
Equipment	693,742	975,780	26,795	1,696,317
	2,562,951	11,516,766	2,955,182	17,034,899
Less: Accumulated Depreciation	(1,619,070)	(4,611,862)	(521,804)	(6,752,736)
Net Capital Assets	943,881	6,904,904	2,433,378	10,282,163
Total Noncurrent Assets	943,881	6,904,904	2,433,378	10,282,163
Total Assets	1,442,827	12,215,822	3,799,292	17,457,941
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	-	116,054	-	116,054
OPEB Related Items	-	183,494	-	183,494
Total Deferred Outflows of Resources	-	299,548	-	299,548

**CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2021**

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)				
CURRENT LIABILITIES				
Accounts Payable	\$ 38,185	\$ 457,745	\$ 5,950	\$ 501,880
Accrued Liabilities	-	24,535	-	24,535
Due to Other Funds	38,161	-	461,768	499,929
Current Portion of Compensated Absences	-	3,417	-	3,417
Current Portion of Total OPEB Liability	-	22,982	-	22,982
Total	76,346	508,679	467,718	1,052,743
LONG-TERM LIABILITIES				
Advances from Other Funds	1,583,532	-	1,905,894	3,489,426
Compensated Absences	-	30,756	-	30,756
Total OPEB Liability	-	897,402	-	897,402
Net Pension Liability	-	365,553	-	365,553
Total Long-Term Liabilities	1,583,532	1,293,711	1,905,894	4,783,137
Total Liabilities	1,659,878	1,802,390	2,373,612	5,835,880
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	-	161,527	-	161,527
OPEB Related Items	-	95,687	-	95,687
Total Deferred Inflows of Resources	-	257,214	-	257,214
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	943,881	6,470,136	2,433,378	9,847,395
Unrestricted (Deficit)	(1,160,932)	3,985,630	(1,007,698)	1,817,000
Total Net Position (Deficit)	\$ (217,051)	\$ 10,455,766	\$ 1,425,680	\$ 11,664,395

**CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2021**

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
OPERATING REVENUES				
Charges for Services	\$ 784,450	\$ 2,015,674	\$ 129,900	\$ 2,930,024
Miscellaneous	-	880	-	880
Total Operating Revenues	784,450	2,016,554	129,900	2,930,904
OPERATING EXPENSES				
Personal Services	-	723,727	-	723,727
Material and Supplies	9,566	35,644	-	45,210
Depreciation	45,009	319,174	133,761	497,944
Other Services and Charges	923,109	576,970	4,968	1,505,047
Total Operating Expenses	977,684	1,655,515	138,729	2,771,928
OPERATING INCOME (LOSS)	(193,234)	361,039	(8,829)	158,976
NONOPERATING REVENUES (EXPENSES)				
Grants and Contributions	-	104,402	-	104,402
Investment Income	1,710	5,465	2,068	9,243
Interest Expense	(3,113)	-	(65,314)	(68,427)
Gain (Loss) on Disposal of Assets - Net	4,015	2,453	-	6,468
Total Nonoperating Revenues (Expenses)	2,612	112,320	(63,246)	51,686
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(190,622)	473,359	(72,075)	210,662
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Grants and Contributions	-	1,182,593	-	1,182,593
Transfers In	436,705	-	268,800	705,505
Transfers Out	-	(13,500)	-	(13,500)
Total Capital Contributions and Transfers	436,705	1,169,093	268,800	1,874,598
CHANGE IN NET POSITION (DEFICIT)	246,083	1,642,452	196,725	2,085,260
Net Position (Deficit) - Beginning of Year	(463,134)	8,813,314	1,228,955	9,579,135
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ (217,051)</u>	<u>\$ 10,455,766</u>	<u>\$ 1,425,680</u>	<u>\$ 11,664,395</u>

**CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2021**

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 784,450	\$ 2,006,204	\$ 141,150	\$ 2,931,804
Cash Paid to Employees for Services	-	(705,897)	(6,925)	(712,822)
Cash Paid to Suppliers for Goods and Services	(950,649)	(634,437)	3,019	(1,582,067)
Net Cash Provided (Used) by Operating Activities	(166,199)	665,870	137,244	636,915
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants and Contributions	-	104,402	-	104,402
Transfers from Other Funds	436,705	-	-	436,705
Transfers to Other Funds	-	(13,500)	-	(13,500)
Advances from Other Funds	-	-	-	-
Repayment of Advance From Other Funds	(111,668)	-	-	(111,668)
Net Cash Provided by Noncapital and Related Financing Activities	325,037	90,902	-	415,939
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants and Contributions	-	725,230	-	725,230
Transfers from Other Funds	-	-	268,800	268,800
Advances from Other Funds	-	-	(450,377)	(450,377)
Interest Paid	(3,113)	-	(65,314)	(68,427)
Acquisition and Construction of Capital Assets	(114,498)	(2,434,274)	(276,387)	(2,825,159)
Proceeds from Sale of Assets	4,015	2,653	-	6,668
Net Cash Used by Capital and Related Financing Activities	(113,596)	(1,706,391)	(523,278)	(2,343,265)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net Investment Income	1,710	5,465	2,068	9,243
Net Cash Provided by Investing Activities	1,710	5,465	2,068	9,243
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	46,952	(944,154)	(383,966)	(1,281,168)
Cash and Cash Equivalents - Beginning of Year	408,759	4,346,238	1,749,880	6,504,877
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 455,711</u>	<u>\$ 3,402,084</u>	<u>\$ 1,365,914</u>	<u>\$ 5,223,709</u>

**CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (193,234)	\$ 361,039	\$ (8,829)	\$ 158,976
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	45,009	319,174	133,761	497,944
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts Receivable	-	(10,350)	11,250	900
Inventories	(7,707)	-	-	(7,707)
Prepaid Items	2,819	16,126	2,087	21,032
Deferred Outflows of Resources- Pension Related Items	-	21,120	751	21,871
Deferred Outflows of Resources- OPEB Related Items	-	55,222	1,364	56,586
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	(13,086)	(37,949)	5,900	(45,135)
Accrued Liabilities	-	2,408	-	2,408
Compensated Absences	-	2,433	-	2,433
Total OPEB Liability	-	(18,590)	(5,365)	(23,955)
Net Pension Liability	-	(212,428)	(3,166)	(215,594)
Deferred Inflows of Resources- Pension Related Items	-	149,013	(69)	148,944
Deferred Inflows of Resources- OPEB Related Items	-	18,652	(440)	18,212
Net Cash Provided (Used) by Operating Activities	<u>\$ (166,199)</u>	<u>\$ 665,870</u>	<u>\$ 137,244</u>	<u>\$ 636,915</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital Additions Funded by Accounts Payable	<u>\$ -</u>	<u>\$ 434,768</u>	<u>\$ -</u>	<u>\$ 434,768</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITIONS				
Cash, Investments, and Cash Equivalents	\$ 311,706	\$ 3,402,084	\$ 1,365,914	\$ 5,079,704
Cash With Fiscal Agent	144,005	-	-	144,005
Total Cash, Investments, and Cash Equivalents	<u>\$ 455,711</u>	<u>\$ 3,402,084</u>	<u>\$ 1,365,914</u>	<u>\$ 5,223,709</u>

INTERNAL SERVICE FUNDS

WINTER HAVEN

The Chain of Lakes City

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**CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021**

	Self-Insurance	General Services	Central Garage	Totals
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Investments	\$ 2,788,196	\$ 1,396,781	\$ 608,643	\$ 4,793,620
Accounts Receivable	179,688	26,313	-	206,001
Inventories	-	-	153,624	153,624
Prepaid Items	413	231,710	1,324	233,447
Total Current Assets	<u>2,968,297</u>	<u>1,654,804</u>	<u>763,591</u>	<u>5,386,692</u>
NONCURRENT ASSETS				
Capital Assets:				
Building	-	-	151,763	151,763
Improvements Other than Buildings	-	395,340	34,909	430,249
Equipment	-	2,325,137	405,607	2,730,744
	<u>-</u>	<u>2,720,477</u>	<u>592,279</u>	<u>3,312,756</u>
Less: Accumulated Depreciation	-	(2,299,114)	(550,139)	(2,849,253)
Net Capital Assets	<u>-</u>	<u>421,363</u>	<u>42,140</u>	<u>463,503</u>
Total Assets	2,968,297	2,076,167	805,731	5,850,195
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	-	373,697	137,050	510,747
OPEB Related Items	-	366,412	121,573	487,985
Total Deferred Outflows of Resources	<u>-</u>	<u>740,109</u>	<u>258,623</u>	<u>998,732</u>

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021

	Self-Insurance	General Services	Central Garage	Totals
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)				
CURRENT LIABILITIES				
Accounts Payable	\$ 1,128,240	\$ 374,691	\$ 47,334	\$ 1,550,265
Accrued Liabilities	-	71,773	30,692	102,465
Claims Payable	1,748,553	-	-	1,748,553
Current Portion of Compensated Absences	-	15,938	5,480	21,418
Current Portion of Total OPEB Liability	-	45,747	15,140	60,887
Total Current Liabilities	2,876,793	508,149	98,646	3,483,588
LONG-TERM LIABILITIES				
Compensated Absences	-	143,437	49,319	192,756
Total OPEB Liability	-	1,792,133	594,658	2,386,791
Net Pension Liability	-	1,177,089	431,688	1,608,777
Total Long-Term Liabilities	-	3,112,659	1,075,665	4,188,324
Total Liabilities	2,876,793	3,620,808	1,174,311	7,671,912
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	-	520,121	190,750	710,871
OPEB Related Items	-	191,074	63,397	254,471
Total Deferred Inflows of Resources	-	711,195	254,147	965,342
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	-	421,363	42,140	463,503
Unrestricted (Deficit)	91,504	(1,937,090)	(406,244)	(2,251,830)
Total Net Position (Deficit)	\$ 91,504	\$ (1,515,727)	\$ (364,104)	\$ (1,788,327)

**CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Self-Insurance	General Services	Central Garage	Totals
OPERATING REVENUES				
Charges for Services	\$ 6,686,196	\$ 5,436,879	\$ 2,701,950	\$ 14,825,025
Miscellaneous	579,987	142,341	-	722,328
Total Operating Revenues	<u>7,266,183</u>	<u>5,579,220</u>	<u>2,701,950</u>	<u>15,547,353</u>
OPERATING EXPENSES				
Personal Services	-	2,173,454	597,271	2,770,725
Material and Supplies	-	640,365	1,398,061	2,038,426
Depreciation	-	135,550	15,553	151,103
Other Services and Charges	8,447,358	2,290,138	433,899	11,171,395
Total Operating Expenses	<u>8,447,358</u>	<u>5,239,507</u>	<u>2,444,784</u>	<u>16,131,649</u>
OPERATING INCOME (LOSS)	(1,181,175)	339,713	257,166	(584,296)
NONOPERATING REVENUES				
Investment Income	3,474	3,727	2,959	10,160
Gain on Disposal of Assets - Net	-	590	-	590
Total Nonoperating Revenues	<u>3,474</u>	<u>4,317</u>	<u>2,959</u>	<u>10,750</u>
INCOME (LOSS) BEFORE TRANSFERS	(1,177,701)	344,030	260,125	(573,546)
TRANSFERS				
Transfers In	1,265,400	20,800	-	1,286,200
Transfers Out	-	(1,116,800)	(162,600)	(1,279,400)
Total Transfers	<u>1,265,400</u>	<u>(1,096,000)</u>	<u>(162,600)</u>	<u>6,800</u>
CHANGE IN NET POSITION (DEFICIT)	87,699	(751,970)	97,525	(566,746)
Net Position (Deficit) - Beginning of Year	<u>3,805</u>	<u>(763,757)</u>	<u>(461,629)</u>	<u>(1,221,581)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 91,504</u>	<u>\$ (1,515,727)</u>	<u>\$ (364,104)</u>	<u>\$ (1,788,327)</u>

**CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Self-Insurance	General Services	Central Garage	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 7,144,739	\$ 5,553,058	\$ 2,702,143	\$ 15,399,940
Cash Paid to Employees for Services	-	(2,057,763)	(677,557)	(2,735,320)
Cash Paid to Suppliers for Goods and Services	(7,882,132)	(2,877,378)	(1,759,629)	(12,519,139)
Net Cash Provided (Used) by Operating Activities	(737,393)	617,917	264,957	145,481
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants and Contributions	-	1,478	1,104	2,582
Transfers from Other Funds	1,265,400	20,800	-	1,286,200
Transfers to Other Funds	-	(1,116,800)	(162,600)	(1,279,400)
Net Cash Provided (Used) by Noncapital Financing Activities	1,265,400	(1,094,522)	(161,496)	9,382
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	-	(124,343)	(35,403)	(159,746)
Proceeds from Sale of Assets	-	590	-	590
Net Cash Used by Capital and Related Financing Activities	-	(123,753)	(35,403)	(159,156)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net Investment Income	3,474	3,727	2,959	10,160
Net Cash Provided by Investing Activities	3,474	3,727	2,959	10,160
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	531,481	(596,631)	71,017	5,867
Cash and Cash Equivalents - Beginning of Year	2,256,715	1,993,412	537,626	4,787,753
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,788,196</u>	<u>\$ 1,396,781</u>	<u>\$ 608,643</u>	<u>\$ 4,793,620</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (1,181,175)	\$ 339,713	\$ 257,166	\$ (584,296)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	135,550	15,553	151,103
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts Receivable	(121,444)	(26,162)	193	(147,413)
Inventories	-	-	(23,160)	(23,160)
Prepaid Items	(413)	(7,261)	51,290	43,616
Due from Other Governments	-	-	-	-
Deferred Outflows of Resources- Pension Related Items	-	3,938	30,300	34,238
Deferred Outflows of Resources- OPEB Related Items	-	130,716	46,313	177,029
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	565,639	60,386	44,201	670,226
Accrued Liabilities	-	9,216	7,151	16,367
Unearned Revenue	-	-	-	-
Compensated Absences	-	(12,888)	(24,746)	(37,634)
Total OPEB Liability	-	(117,541)	(50,567)	(168,108)
Net Pension Liability	-	(414,069)	(273,439)	(687,508)
Deferred Inflows of Resources- Pension Related Items	-	485,671	175,483	661,154
Deferred Inflows of Resources- OPEB Related Items	-	30,648	9,219	39,867
Net Cash Provided (Used) by Operating Activities	<u>\$ (737,393)</u>	<u>\$ 617,917</u>	<u>\$ 264,957</u>	<u>\$ 145,481</u>

STATISTICAL SECTION

(UNAUDITED)

STATISTICAL SECTION

(UNAUDITED)

This part of the City of Winter Haven'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 government's overall financial health.

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Financial Trends

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

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Revenue Capacity

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

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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future.

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Own Source Revenue

This schedule provides water and sewer consumption and rate information to help the reader assess the City's most significant own source revenue, water and sewer charges.

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Demographic and Economic Information

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

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STATISTICAL SECTION

(UNAUDITED)

Operating Information

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.

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

CITY OF WINTER HAVEN, FLORIDA
TABLE 1
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities										
Net Investment in Capital Assets	\$ 62,278,545	\$ 56,358,474	\$ 45,234,239	\$ 43,893,592	\$ 37,464,863	\$ 36,870,523	\$ 33,858,502	\$ 36,877,959	\$ 37,098,763	\$ 36,846,194
Restricted	17,609,300	14,730,235	11,298,724	6,149,488	4,565,096	3,409,302	2,397,480	2,851,631	2,102,573	2,764,373
Unrestricted	6,218,163	4,542,949	7,849,877	(10,341,098)	(1,771,610)	(6,940,999)	(10,346,605)	8,748,131	10,847,286	13,531,056
Subtotal Governmental Activities Net Position	<u>\$ 86,106,008</u>	<u>\$ 75,631,658</u>	<u>\$ 64,382,840</u>	<u>\$ 39,701,982</u>	<u>\$ 40,258,349</u>	<u>\$ 33,338,826</u>	<u>\$ 25,909,377</u>	<u>\$ 48,477,721</u>	<u>\$ 50,048,622</u>	<u>\$ 53,141,623</u>
Business Type Activities										
Net Investment in Capital Assets	\$ 55,466,315	\$ 38,547,062	\$ 25,873,607	\$ 20,741,636	\$ 14,654,234	\$ 13,754,969	\$ 12,017,199	\$ 8,999,168	\$ 10,358,279	\$ 6,912,528
Restricted	19,962,180	16,340,831	17,885,343	14,783,230	18,121,549	16,375,695	14,831,150	15,514,850	15,860,760	16,391,029
Unrestricted	19,472,322	31,295,273	27,775,495	25,856,950	23,218,885	13,263,706	12,942,084	21,863,614	14,895,681	16,920,140
Subtotal Business Type Activities	<u>\$ 94,900,817</u>	<u>\$ 86,183,166</u>	<u>\$ 71,534,445</u>	<u>\$ 61,381,816</u>	<u>\$ 55,994,668</u>	<u>\$ 43,394,370</u>	<u>\$ 39,790,433</u>	<u>\$ 46,377,632</u>	<u>\$ 41,114,720</u>	<u>\$ 40,223,697</u>
Primary government										
Net Investment in Capital Assets	\$ 117,744,860	\$ 94,905,536	\$ 71,107,846	\$ 64,635,228	\$ 52,119,097	\$ 50,625,492	\$ 45,875,701	\$ 45,877,127	\$ 47,457,042	\$ 43,758,722
Restricted	37,571,480	31,071,066	29,184,067	20,932,718	22,686,645	19,784,997	17,228,630	18,366,481	17,963,333	19,155,402
Unrestricted	25,690,485	35,838,222	35,625,372	15,515,852	21,447,275	6,322,707	2,595,479	30,611,745	25,742,967	30,451,196
Total Primary Government Net Position	<u>\$ 181,006,825</u>	<u>\$ 161,814,824</u>	<u>\$ 135,917,285</u>	<u>\$ 101,083,798</u>	<u>\$ 96,253,017</u>	<u>\$ 76,733,196</u>	<u>\$ 65,699,810</u>	<u>\$ 94,855,353</u>	<u>\$ 91,163,342</u>	<u>\$ 93,365,320</u>

CITY OF WINTER HAVEN, FLORIDA
TABLE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
EXPENSES										
Government Activities										
General Government	\$ 11,114,046	\$ 9,550,908	\$ 9,375,891	\$ 8,634,562	\$ 10,095,366	\$ 9,209,261	\$ 8,584,527	\$ 8,086,016	\$ 9,399,765	\$ 8,879,244
Public Safety	23,635,420	23,590,215	22,566,425	21,498,700	19,074,245	19,762,150	19,396,846	20,750,606	19,816,929	18,358,944
Transportation	6,299,855	6,023,386	4,823,105	4,526,558	3,564,670	5,023,998	3,667,560	3,183,123	3,052,186	3,128,571
Economic Development	2,225,114	1,629,153	1,429,659	2,313,490	1,818,752	1,806,586	1,732,069	2,069,015	1,845,250	1,786,618
Human Services	902,963	896,413	1,359,738	851,223	707,632	683,485	876,034	607,285	829,879	769,648
Culture and Recreation	10,846,957	9,662,913	8,369,798	8,082,653	7,030,761	7,416,463	7,858,528	8,423,328	7,884,145	7,684,359
Interest on Long Term Debt	1,246,129	1,308,899	1,389,279	681,215	612,463	706,844	2,293,143	1,117,958	1,162,384	1,225,629
Other Debt Service	-	-	-	-	141,339	1,260	249,322	-	-	2,404
Subtotal Governmental Activities Expenses	56,270,484	52,661,887	49,313,895	46,588,401	43,045,228	44,610,047	44,658,029	44,237,331	43,990,538	41,835,417
Business Type Activities										
Water and Sewer System	29,761,397	26,024,825	22,562,447	22,793,051	20,426,584	21,254,361	20,819,341	21,604,207	21,896,454	22,198,107
Solid Waste System	7,440,990	6,877,829	6,105,339	4,896,807	5,066,354	4,762,928	4,645,385	4,726,645	4,668,489	4,456,128
Stormwater	1,653,763	1,686,229	1,438,368	1,436,298	1,376,689	1,138,746	1,661,327	1,611,708	1,298,173	1,337,044
Willowbrook	995,179	1,076,599	999,155	1,285,690	1,043,259	1,035,457	1,017,227	1,370,458	1,076,752	1,127,260
Dark Fiber	204,043	223,797	150,763	66,913	12,531	-	-	-	-	-
Subtotal Business Type Activities	40,055,372	35,889,279	31,256,072	30,478,759	27,925,417	28,191,492	28,143,280	29,313,018	28,939,868	29,118,539
Total Primary Government	<u>\$ 96,325,856</u>	<u>\$ 88,551,166</u>	<u>\$ 80,569,967</u>	<u>\$ 77,067,160</u>	<u>\$ 70,970,645</u>	<u>\$ 72,801,539</u>	<u>\$ 72,801,309</u>	<u>\$ 73,550,349</u>	<u>\$ 72,930,406</u>	<u>\$ 70,953,956</u>
PROGRAM REVENUES										
Government Activities										
General Government	\$ 5,059,340	\$ 4,608,767	\$ 4,635,069	\$ 4,457,523	\$ 4,245,109	\$ 5,017,700	\$ 3,957,638	\$ 4,273,166	\$ 3,945,708	\$ 4,064,039
Public Safety	1,115,412	1,451,851	1,208,762	1,018,595	1,074,372	957,860	837,028	953,509	834,519	1,006,859
Transportation	5,193,411	3,680,433	4,125,237	5,596,578	3,223,216	2,226,255	1,284,179	993,093	1,101,177	968,631
Economic Development	6,663,866	5,505,995	4,590,129	3,879,413	4,571,176	3,230,752	1,984,091	3,272,936	2,327,772	1,270,321
Human Services	813,156	941,877	922,066	500,260	664,033	735,212	492,595	739,610	558,161	358,115
Culture and Recreation	1,644,237	1,241,245	14,128,691	1,193,752	1,141,820	1,178,352	1,119,366	1,049,519	1,041,328	1,030,719
Subtotal Governmental Activities Program Revenue	20,489,422	17,430,168	29,609,954	16,646,121	14,919,726	13,346,131	9,674,897	11,281,833	9,808,665	8,698,684
Business Type Activities										
Water and Sewer System	41,504,745	43,433,415	36,057,444	36,450,559	33,874,974	28,757,406	28,779,383	29,250,496	29,182,606	25,067,823
Solid Waste System	8,838,860	8,575,951	8,526,544	4,654,920	6,823,509	6,356,195	5,998,926	5,802,367	5,522,934	5,341,810
Stormwater	3,303,549	3,068,037	1,921,488	1,944,307	2,055,180	1,641,019	1,598,051	1,550,784	1,977,581	1,403,205
Willowbrook	784,450	866,629	825,384	783,825	847,548	782,513	763,584	908,176	774,646	870,596
Dark Fiber	129,900	139,327	129,152	132,996	116,603	-	-	-	-	-
Subtotal Business Type Activities Program Revenue	54,561,504	56,083,359	47,460,012	43,966,607	43,717,814	37,537,133	37,139,944	37,511,823	37,457,767	32,683,434
Total Primary Government	<u>\$ 75,050,926</u>	<u>\$ 73,513,527</u>	<u>\$ 77,069,966</u>	<u>\$ 60,612,728</u>	<u>\$ 58,637,540</u>	<u>\$ 50,883,264</u>	<u>\$ 46,814,841</u>	<u>\$ 48,793,656</u>	<u>\$ 47,266,432</u>	<u>\$ 41,382,118</u>

CITY OF WINTER HAVEN, FLORIDA
TABLE 2
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

NET (EXPENSE) REVENUE	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Government Activities										
General Government	\$ (6,054,706)	\$ (4,942,141)	\$ (4,740,822)	\$ (4,177,039)	\$ (5,850,257)	\$ (4,191,561)	\$ (4,626,889)	\$ (3,812,850)	\$ (5,454,057)	\$ (4,815,205)
Public Safety	(22,520,008)	(22,138,364)	(21,357,663)	(20,480,105)	(17,999,873)	(18,804,290)	(18,559,818)	(19,797,097)	(18,982,410)	(17,352,085)
Transportation	(1,106,444)	(2,342,953)	(697,868)	1,070,020	(341,454)	(2,797,743)	(2,383,381)	(2,190,030)	(1,951,009)	(2,159,940)
Economic Development	4,438,752	3,876,842	3,160,470	1,565,923	2,752,424	1,424,166	252,022	1,203,921	482,522	(516,297)
Human Services	(89,807)	45,464	(437,672)	(350,963)	(43,599)	51,727	(383,439)	132,325	(271,718)	(411,533)
Culture and Recreation	(9,202,720)	(8,421,668)	5,758,893	(6,888,901)	(5,888,941)	(6,238,111)	(6,739,162)	(7,373,809)	(6,842,817)	(6,653,640)
Interest on Long-Term Debt	(1,246,129)	(1,308,899)	(1,389,279)	(681,215)	(612,463)	(706,844)	(2,293,143)	(1,117,958)	(1,162,384)	(1,225,629)
Other Debt Service	-	-	-	-	(141,339)	(1,260)	(249,322)	-	-	(2,404)
Subtotal Governmental Activities										
Net Expense	(35,781,062)	(35,231,719)	(19,703,941)	(29,942,280)	(28,125,502)	(31,263,916)	(34,983,132)	(32,955,498)	(34,181,873)	(33,136,733)
Business Type Activities										
Water and Sewer System	11,743,348	17,408,590	13,494,997	13,657,508	13,448,390	7,503,045	7,960,042	7,646,289	7,286,152	2,869,716
Solid Waste System	1,397,870	1,698,122	2,421,205	2,758,113	1,757,155	1,593,267	1,353,541	1,075,722	854,445	885,682
Stormwater	1,649,786	1,381,808	483,120	508,009	678,491	502,273	(63,276)	(60,924)	679,408	66,161
Willowbrook	(210,729)	(209,970)	(173,771)	(501,865)	(195,711)	(252,944)	(253,643)	(462,282)	(302,106)	(256,664)
Dark Fiber	(74,143)	(84,470)	(21,611)	66,083	104,072	-	-	-	-	-
Subtotal Business Type										
Activities Net Expense	14,506,132	20,194,080	16,203,940	16,487,848	15,792,397	9,345,641	8,996,664	8,198,805	8,517,899	3,564,895
Total primary government	\$ (21,274,930)	\$ (15,037,639)	\$ (3,500,001)	\$ (13,454,432)	\$ (12,333,105)	\$ (21,918,275)	\$ (25,986,468)	\$ (24,756,693)	\$ (25,663,974)	\$ (29,571,838)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes: Property	\$ 19,887,554	\$ 18,341,292	\$ 16,820,550	\$ 12,772,488	\$ 11,508,749	\$ 10,233,775	\$ 9,512,073	\$ 9,061,747	\$ 8,700,645	\$ 8,986,133
Taxes: Utility	7,259,809	6,877,517	6,789,197	6,714,869	6,434,213	6,050,100	5,855,891	5,807,599	5,645,061	5,615,409
Taxes: Franchise	3,734,923	3,356,485	3,508,260	3,403,431	3,305,112	3,385,734	3,289,214	3,217,514	2,942,332	2,995,992
Taxes: Fuel	2,191,325	1,998,095	2,029,500	1,929,720	1,834,549	1,762,196	1,655,207	1,522,865	1,470,170	1,606,334
State Shared: Sales Tax	3,427,130	2,841,455	2,779,282	2,573,786	2,367,136	2,289,491	2,087,383	1,978,862	1,786,206	1,675,486
State Shared: Cigarette	1,382,975	1,111,606	1,172,897	1,082,745	1,016,784	936,602	886,585	802,560	724,236	704,388
State Shared: Other	1,524,877	1,396,100	1,930,675	1,339,122	1,271,176	1,215,171	1,157,860	1,140,984	1,107,502	1,242,734
Unrestricted Investment Earnings	127,393	503,831	1,264,406	612,858	349,143	119,220	119,941	(1,204)	124,448	248,102
Gain on Sale of Capital Assets	-	-	11,969	37,445	85,335	87,966	44,307	37,401	46,461	905,520
Miscellaneous	459,708	443,427	470,344	534,139	293,386	601,469	134,310	169,059	81,131	160,040
Transfers	6,123,195	9,610,729	7,607,719	7,680,835	6,579,442	12,011,641	8,286,612	7,244,577	7,856,974	4,578,926
Sub-Total Governmental Activities	46,118,889	46,480,537	44,384,799	38,681,438	35,045,025	38,693,365	33,029,383	30,981,964	30,485,166	28,719,064
Business Type Activities										
Unrestricted Investment Earnings	311,408	840,264	1,529,515	1,067,666	570,670	250,619	181,786	19,008	170,393	303,879
Gain on Sale of Capital Assets	23,306	3,225,106	26,893	37,440	-	6,019,318	38,132	4,871,675	59,705	34,619
Miscellaneous	-	-	-	140,600	-	-	-	-	-	-
Transfers	(6,123,195)	(9,610,729)	(7,607,719)	(7,680,835)	(6,579,442)	(12,011,641)	(8,286,612)	(7,244,577)	(7,856,974)	(4,578,926)
Sub-Total Business Activities	(5,788,481)	(5,545,359)	(6,051,311)	(6,435,129)	(6,008,772)	(5,741,704)	(8,066,694)	(2,353,894)	(7,626,876)	(4,240,428)
Total Primary Government	\$ 40,330,408	\$ 40,935,178	\$ 38,333,488	\$ 32,246,309	\$ 29,036,253	\$ 32,951,661	\$ 24,962,689	\$ 28,628,070	\$ 22,858,290	\$ 24,478,636
INCREASE(DECREASE) IN NET POSITION										
Governmental Activities	\$ 10,337,827	\$ 11,248,818	\$ 24,680,858	\$ 8,739,158	\$ 6,919,523	\$ 7,429,449	\$ (1,953,749)	\$ (1,973,534)	\$ (3,696,707)	\$ (4,417,669)
Business Type Activities	8,717,651	14,648,721	10,152,629	10,052,719	9,783,625	3,603,937	929,970	5,844,911	891,023	(675,533)
Total Primary Government	\$ 19,055,478	\$ 25,897,539	\$ 34,833,487	\$ 18,791,877	\$ 16,703,148	\$ 11,033,386	\$ (1,023,779)	\$ 3,871,377	\$ (2,805,684)	\$ (5,093,202)

CITY OF WINTER HAVEN, FLORIDA
TABLE 3
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Taxes	Sales Taxes	Franchise Taxes	Motor Fuel Taxes	Cigarette Taxes	Utility Taxes	Other Taxes	Total
2012	\$ 8,986,133	\$ 1,675,486	\$ 2,995,992	\$ 1,606,334	\$ 704,388	\$ 5,615,409	\$ 1,242,734	\$ 22,826,476
2013	8,700,645	1,786,206	2,942,332	1,470,170	724,236	5,645,061	1,107,502	22,376,152
2014	9,061,747	1,978,862	3,217,514	1,522,865	802,560	5,807,599	1,140,984	23,532,131
2015	9,512,073 *	2,087,383	3,289,214	1,655,207	886,585	5,855,891	1,157,860	24,444,213
2016	10,233,775 *	2,289,491	3,385,734	1,762,196	936,602	6,050,100	1,215,171	25,873,069
2017	11,508,749 *	2,367,136	3,305,112	1,834,549	1,016,784	6,434,213	1,271,176	27,737,719
2018	12,772,488 *	2,573,786	3,403,431	1,929,720	1,082,745	6,714,869	1,339,122	29,816,161
2019	16,820,550 *	2,779,282	3,508,260	2,029,500	1,172,897	6,789,197	1,930,675	35,030,361
2020	18,341,292 *	2,841,455	3,356,485	1,998,095	1,111,606	6,877,517	1,396,100	35,922,550
2021	19,887,554 *	3,427,130	3,734,923	2,191,325	1,382,975	7,259,809	1,524,877	39,408,593

* Property Taxes include Ad Valorem tax proceeds received from the County for the City's CRA Districts (Downtown and Florence Villa)

CITY OF WINTER HAVEN, FLORIDA
TABLE 4
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	\$ 1,596,364	\$ 1,739,402	\$ 2,148,072	\$ 1,888,799	\$ 1,859,389	\$ 1,858,826	\$ 1,814,373	\$ 1,780,015	\$ 1,727,263	\$ 1,712,676
Restricted	214,523	210,285	209,429	207,496	207,323	205,640	7,403	11,036	17,709	51,297
Assigned	100,801	72,381	68,054	25,666	25,183	23,751	905,947	903,900	25,566	19,166
Unassigned	17,483,087	14,788,404	12,594,889	12,870,923	10,453,368	8,486,848	8,060,985	6,943,484	7,714,673	7,505,482
Subtotal General Fund	<u>\$ 19,394,775</u>	<u>\$ 16,810,472</u>	<u>\$ 15,020,444</u>	<u>\$ 14,992,884</u>	<u>\$ 12,545,263</u>	<u>\$ 10,575,065</u>	<u>\$ 10,788,708</u>	<u>\$ 9,638,435</u>	<u>\$ 9,485,211</u>	<u>\$ 9,288,621</u>
All Other Governmental Funds										
Nonspendable	\$ 63,295	\$ 154,503	\$ 74,224	\$ 107,726	\$ 95,131	\$ 102,188	\$ 114,624	\$ 930,677	\$ 260,550	\$ 413,441
Restricted	17,830,167	15,181,290	11,791,458	6,294,133	4,735,537	3,589,298	2,799,676	3,379,498	2,622,342	3,310,779
Committed	704,349	607,620	494,565	500,862	414,011	349,764	316,174	279,841	399,978	489,678
Assigned	13,014,365	12,569,938	16,678,688	7,552,634	18,920,228	10,984,367	8,946,138	6,862,170	6,954,142	7,414,858
Unassigned	(14,480)	(498,086)	(365,336)	(306,783)	(864,361)	(863,897)	(594,614)	(553,061)	(373,848)	(830,612)
Subtotal All Other Governmental Funds	<u>31,597,696</u>	<u>28,015,265</u>	<u>28,673,599</u>	<u>14,148,572</u>	<u>23,300,546</u>	<u>14,161,720</u>	<u>11,581,998</u>	<u>10,899,125</u>	<u>9,863,164</u>	<u>10,798,144</u>
Total Fund Balance	<u>\$ 50,992,471</u>	<u>\$ 44,825,737</u>	<u>\$ 43,694,043</u>	<u>\$ 29,141,456</u>	<u>\$ 35,845,809</u>	<u>\$ 24,736,785</u>	<u>\$ 22,370,706</u>	<u>\$ 20,537,560</u>	<u>\$ 19,348,375</u>	<u>\$ 20,086,765</u>

CITY OF WINTER HAVEN, FLORIDA
TABLE 5
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
REVENUES										
Taxes	\$ 33,900,121	\$ 31,378,631	\$ 29,928,462	\$ 25,594,991	\$ 23,822,659	\$ 22,101,031	\$ 20,956,633	\$ 20,255,190	\$ 19,371,259	\$ 19,783,981
Licenses and Permits	261,094	241,126	196,399	220,086	260,496	243,150	244,559	273,263	254,556	264,350
Intergovernmental	10,811,867	8,572,270	9,308,255	9,093,018	7,161,660	6,644,191	4,572,857	6,632,713	4,902,836	4,642,204
Charges for Services	10,646,623	9,371,866	8,456,255	7,890,897	7,024,915	5,966,953	4,788,182	4,647,133	3,813,351	3,703,177
Fines and Forfeitures	357,670	429,314	317,373	327,074	321,480	384,320	334,092	378,166	334,356	363,045
Rents	1,406,765	1,156,265	1,101,015	1,134,734	1,054,939	1,069,563	1,069,223	1,026,903	922,314	894,509
Investment Income	117,233	448,173	1,158,233	533,693	309,953	98,546	89,119	7,125	87,884	172,620
Contributions	22,222	21,846	10,883	7,718	248	3,443	3,072	635	943	2,400
Miscellaneous	888,793	992,965	735,370	937,161	700,835	1,086,432	427,721	483,002	381,953	454,783
Total Revenues	58,412,388	52,612,456	51,212,245	45,739,372	40,657,185	37,597,629	32,485,458	33,704,130	30,069,452	30,281,069
EXPENDITURES										
Current										
General Government	7,644,058	7,208,554	6,754,965	6,494,528	7,496,910	7,848,300	4,824,803	5,347,528	4,767,319	4,673,312
Public Safety	22,092,109	21,554,089	20,798,574	21,660,084	20,077,109	21,117,034	19,267,427	19,377,853	18,911,630	18,067,731
Transportation	8,171,434	6,664,174	5,752,081	7,435,633	4,686,015	4,322,726	2,919,564	2,336,887	2,294,367	2,938,909
Economic Environment	1,860,166	1,426,091	975,746	845,182	801,939	755,579	613,187	895,825	742,328	837,566
Human Services	921,723	905,186	1,296,342	787,687	723,938	698,321	795,774	735,126	844,579	738,224
Culture and Recreation	7,717,104	7,610,247	7,043,748	7,151,773	6,841,385	6,971,999	7,633,831	7,258,920	6,746,504	6,607,340
Subtotal Current	48,406,594	45,368,341	42,621,456	44,374,887	40,627,296	41,713,959	36,054,586	35,952,139	34,306,727	33,863,082
Debt Service										
Principal	3,641,625	3,055,000	2,015,000	1,805,000	1,580,000	1,430,000	1,414,308	1,278,797	1,537,245	1,246,909
Interest	1,380,285	1,414,331	1,097,313	757,419	709,779	798,495	784,674	1,101,123	1,154,109	1,159,498
Other Debt Service	48,664	41,597	550	550	140,629	550	261,398	-	-	2,404
Subtotal Debt Service	5,070,574	4,510,928	3,112,863	2,562,969	2,430,408	2,229,045	2,460,380	2,379,920	2,691,354	2,408,811
Capital Projects	5,221,314	11,626,745	22,737,013	12,906,201	1,287,001	3,239,540	395,074	1,856,681	2,301,175	3,080,285
Total Expenditures	58,698,482	61,506,014	68,471,332	59,844,057	44,344,705	47,182,544	38,910,040	40,188,740	39,299,256	39,352,178
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(286,094)	(8,893,558)	(17,259,087)	(14,104,685)	(3,687,520)	(9,584,915)	(6,424,582)	(6,484,610)	(9,229,804)	(9,071,109)

CITY OF WINTER HAVEN, FLORIDA
TABLE 5
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Other Financing Sources (Uses)										
Sale of Assets	\$ 23,285	\$ 44,123	\$ 25,955	\$ 242,445	\$ 84,656	\$ 83,153	\$ 36,018	\$ 47,385	\$ 51,534	\$ 938,066
Transfers in	25,824,741	30,154,356	27,166,798	16,884,361	16,412,988	20,566,985	16,784,215	15,991,646	14,382,120	12,971,274
Transfers out	(19,708,346)	(20,173,227)	(20,281,079)	(9,726,474)	(9,114,259)	(8,699,144)	(8,568,403)	(8,767,869)	(6,545,946)	(8,413,148)
Issuance of Debt	-	-	24,900,000	-	7,535,000	-	-	-	-	-
Issuance of Refunding Bonds	10,055,000	-	-	-	5,570,000	-	13,205,000	-	-	-
Issuance Premium	-	-	-	-	-	-	557,512	-	-	-
Payments to Refunded Bond Escrow Agent	(9,878,375)	-	-	-	(5,691,841)	-	(13,756,614)	-	-	-
Total Other Financing Sources (Uses)	<u>6,316,305</u>	<u>10,025,252</u>	<u>31,811,674</u>	<u>7,400,332</u>	<u>14,796,544</u>	<u>11,950,994</u>	<u>8,257,728</u>	<u>7,271,162</u>	<u>7,887,708</u>	<u>5,496,192</u>
Net Change in Fund Balance	<u>\$ 6,030,211</u>	<u>\$ 1,131,694</u>	<u>\$ 14,552,587</u>	<u>\$ (6,704,353)</u>	<u>\$ 11,109,024</u>	<u>\$ 2,366,079</u>	<u>\$ 1,833,146</u>	<u>\$ 786,552</u>	<u>\$ (1,342,096)</u>	<u>\$ (3,574,917)</u>
Debt Service as % of Noncapital Expenditures	10.3%	9.8%	7.5%	6.1%	5.7%	5.4%	5.7%	6.4%	7.4%	6.6%

CITY OF WINTER HAVEN, FLORIDA
TABLE 6
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Assessed Value Personal Property	Centrally Assessed Property	Less: Tax Exempt Property	Taxable Assessed Valuation	Total Direct Tax	Estimated Actual Taxable Value
2012	\$ 1,877,957,535	\$ 288,126,268	\$ 488,373	\$ 649,788,842	\$ 1,516,783,334	5.790	\$ 1,516,783,334
2013	1,845,537,194	274,182,073	454,674	654,026,382	1,466,147,559	5.790	1,466,147,559
2014	1,924,849,048	263,189,818	554,760	659,546,692	1,529,046,934	5.790	1,529,046,934
2015	2,007,403,179	292,022,511	572,626	689,628,652	1,610,369,664	5.790	1,610,369,664
2016	2,144,565,792	309,321,654	10,473,300	741,075,963	1,723,284,783	5.790	1,723,284,783
2017	2,332,021,779	356,176,075	10,576,196	774,995,115	1,923,778,935	5.790	1,923,778,935
2018	2,546,345,759	380,868,003	10,450,270	817,745,867	2,119,918,165	5.790	2,119,918,165
2019	2,842,990,385	387,118,105	11,207,402	869,810,131	2,371,505,761	6.790	2,371,505,761
2020	3,081,865,632	382,257,505	11,164,336	886,582,002	2,588,705,471	6.790	2,588,705,471
2021	3,366,683,827	409,740,176	11,354,545	961,467,512	2,826,311,036	6.790	2,826,311,036

Source: Polk County Property Appraiser Form 403

Note: Property in the county is reassessed annually. The county assesses property at approximately 85-90 percent of market value.

CITY OF WINTER HAVEN, FLORIDA
TABLE 7
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Government</u>	<u>Debt Service</u>	<u>Other</u>	<u>Total Direct Rate</u>	<u>Polk County</u>	<u>School Board</u>	<u>Lake Region Management</u>	<u>Peace River</u>	<u>SWFMD</u>
2012	5.790	-	-	5.790	6.8665	7.670	0.4829	-	0.3928
2013	5.790	-	-	5.790	6.8665	7.492	0.4996	-	0.3928
2014	5.790	-	-	5.790	6.8665	7.547	0.4924	-	0.3818
2015	5.790	-	-	5.790	6.8665	7.208	0.4924	-	0.3658
2016	5.790	-	-	5.790	6.7815	7.149	0.4715	-	0.3488
2017	5.790	-	-	5.790	6.7815	6.797	0.4512	-	0.3317
2018	5.790	-	-	5.790	6.7815	6.514	0.4214	-	0.3131
2019	6.790	-	-	6.790	7.1565	6.251	0.4214	-	0.2955
2020	6.790	-	-	6.790	7.1565	6.086	0.4214	-	0.2801
2021	6.790	-	-	6.790	6.8990	5.935	0.4100	-	0.2669

Note: The City of Winter Haven has no overlapping tax rates due to there being no leveraging of property taxes by other governmental entities.

CITY OF WINTER HAVEN, FLORIDA
TABLE 8
PRINCIPAL TAXPAYERS
YEARS ENDED SEPTEMBER 30, 2021 AND SEPTEMBER 30, 2012

Taxpayer	2021			2012		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Legoland/Merlin Entertainment	\$ 89,073,631	1	3.15%			
Wal-Mart Stores, Inc.	62,560,442	2	2.12%	\$ 48,869,596	1	3.22%
Tampa Electric	42,915,691	3	1.52%	25,511,577	3	1.68%
Carlton Arms of Winter Haven LLP	38,419,918	4	1.36%	17,381,848	6	1.15%
SFFL001 Owner	26,319,907	5	0.93%			
Spring Haven Retirement LLC	22,657,748	6	0.80%			
Sunstone Winter Haven Florida LLC	22,461,155	7	0.79%			
Logistics Parkway	18,051,060	8	0.64%			
PVP Winter Haven	17,231,015	9	0.61%			
Metro 6/10 LLC	17,064,532	10	0.60%			
Landmark Investments Inc				10,441,977	8	0.69%
State Farm Mutual Automobile Ins. Co.				19,888,286	4	1.31%
Hanson Pipe and Products SE				25,655,998	2	1.69%
Frontier (formerly Verizon)				19,102,754	5	1.26%
Velda Farms				12,624,499	7	0.83%
Sherwin-Williams Co.				10,319,009	9	0.68%
AM Winter Haven				10,155,294	10	0.67%
Subtotal	356,755,099		12.62%	199,950,838		13.18%
All Other Taxpayers	2,469,555,937		87.38%	1,316,832,496		86.82%
Total	\$ 2,826,311,036		100.00%	\$ 1,516,783,334		100.00%

Source: Property Appraiser Form 403 and 2012 Comprehensive Annual Financial Report (Table 8)

CITY OF WINTER HAVEN, FLORIDA
TABLE 9
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy for Fiscal Year	Collections Within Fiscal Year of Levy	Percent of Levy Collected	Collections in Subsequent Years	City Collections Only	Ratio of Levy to Collections	Total Collections
2012	\$ 8,782,175 *	\$ 8,427,188	95.96%	\$ 30,013	\$ 8,457,201	96.30%	\$ 8,986,133
2013	8,488,994 *	8,205,453	96.66%	33,621	8,239,074	97.06%	8,667,023
2014	9,185,708 **	8,550,141	93.08%	29,308	8,579,449	93.40%	8,579,449
2015	9,313,686 **	8,975,963	96.37%	30,423	9,006,386	96.70%	9,006,386
2016	9,995,487 **	9,609,535	96.14%	27,294	9,636,829	96.41%	9,636,829
2017	11,175,917 **	10,753,112	96.22%	28,159	10,781,271	96.47%	10,781,271
2018	12,216,629 **	11,821,959	96.77%	33,273	11,855,232	97.04%	11,855,232
2019	16,102,524 **	15,603,176	96.90%	43,885	15,647,061	97.17%	15,647,061
2020	17,577,310 **	17,018,826	96.82%	43,422	17,062,248	97.07%	17,062,248
2021	19,232,123 **	18,530,584	96.35%	31,574	18,562,158	96.52%	18,562,158

* Total Collections **include** County Ad Valorem payments to City's CRA Districts (Downtown and Florence Villa)

** Total Collections **do not include** County Ad Valorem payments to City's CRA Districts (Downtown and Florence Villa)

CITY OF WINTER HAVEN, FLORIDA
TABLE 10
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Government Activities				Business Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Special Obligation Bonds	Public Improvement Rev Bonds	Sales Tax Revenue Bonds	Notes Payable	Water/Sewer Revenue Bonds	State Revolving Fund Loans			
2012	\$ 34,493	\$ 21,913,524	\$ 6,405,000	\$ 347,972	\$ 57,860,000	\$ -	\$ 86,560,989	13.8%	\$ 2,517
2013	-	21,214,166	5,558,182	236,246	55,777,738	-	82,786,332	11.2%	2,282
2014	-	21,175,921	5,220,000	119,308	55,968,807	-	82,484,036	10.4%	2,228
2015	-	21,214,149	4,610,000	-	53,409,884	-	79,234,033	9.2%	2,081
2016	-	20,365,499	3,985,000	-	53,083,141	-	77,433,640	8.1%	1,959
2017	-	26,678,360	3,350,000	-	51,081,397	-	81,109,757	8.0%	1,971
2018	-	25,486,803	2,705,000	-	49,116,653	-	77,308,456	5.3%	1,805
2019	-	49,000,246	2,045,000	-	47,053,709	62,000	98,160,955	5.2%	2,189
2020	-	46,583,689	1,375,000	-	44,916,165	898,079	93,772,933	5.2%	2,189
2021	-	43,767,132	695,000	-	42,804,421	850,939	88,117,492	6.7%	1,724

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

(1) See schedule of Demographic and Economic statistics (Table 14) for personal income and population data.

CITY OF WINTER HAVEN, FLORIDA
TABLE 11
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2021

Governmental unit	Debt Outstanding	Estimated % Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes: Polk County School Board	\$ 337,359,324	6.2723%	\$ 21,160,189
Overlapping debt	337,359,324		21,160,189
City of Winter Haven direct debt	44,462,132		44,462,132
Total direct and overlapping debt	\$ 381,821,456		\$ 65,622,321

Sources: School Board debt outstanding and Polk County outstanding debt obtained from 2021 Comprehensive Annual Financial Report.

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

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

**CITY OF WINTER HAVEN, FLORIDA
TABLE 12
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Gross W/S Fund Revenue	Less: Operating Expenses	Net Revenues	Bond Service Requirements	W/S System Development Charges	Debt Svc Coverage Test 1	Required Debt Svc Coverage Test 1	Debt Svc Coverage Test 2	Required Debt Svc Coverage Test 2
2012	\$ 24,063,228	\$ 13,179,690	\$ 10,883,538	\$ 3,840,726	\$ 462,288	283%	115%	295%	120%
2013	27,436,452	13,003,297	14,433,155	3,832,352	673,448	377%	115%	394%	120%
2014	31,701,970	14,738,168	16,963,802	3,776,418	830,120	449%	115%	471%	120%
2015	27,397,846	14,067,335	13,330,511	3,489,471	861,062	382%	115%	407%	120%
2016	32,575,899	19,249,338	13,326,561	1,819,029	790,282	733%	115%	776%	120%
2017	29,840,767	14,307,126	15,533,641	3,466,238	1,377,917	448%	115%	488%	120%
2018	30,000,937	15,809,782	14,191,155	3,554,438	1,391,495	399%	115%	438%	120%
2019	31,070,586	16,167,286	14,903,300	3,597,776	1,347,569	414%	115%	452%	120%
2020	33,433,006	20,218,327	13,214,679	3,743,595	1,704,966	353%	115%	399%	120%
2021	33,598,636	22,616,050	10,982,586	3,647,162	1,605,083	301%	115%	345%	120%

- 1.) Gross revenues includes all income and earnings, including connection fees but does not include proceeds from the sale of the system, contributions in aid of construction or water and sewer system development fees.
- 2.) Operating expenses include all costs of operating the system but does not include depreciation expense, bond amortization, renewal and replacement reserve payments, the annual bond service requirement or transfers to other funds.
- 3.) Bond service requirement is the amount required to be deposited in the bond service fund during each bond year (Oct 1). The amount is reduced by the amount to be transferred from the construction fund to pay interest.
- 4.) Allowable water and sewer development charges based on water and sewer expansion percentage provision of the bond resolution, 18.65% water development charges, 36.7% wastewater development charges.
- 5.) Net revenues divided by bond service requirements.
- 6.) Test 2 is net revenues plus legally available water and sewer system development charges divided by the bond service requirements.

CITY OF WINTER HAVEN, FLORIDA
TABLE 13
WATER AND SEWER CONSUMPTION
LAST TEN FISCAL YEARS

<u>Type of Customer</u>	Water Sold By Type of Customer (by millions of gallons)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Residential	2,193.2	2,174.4	1,974.7	2,007.4	2,041.0	1,656.2	1,748.7	1,699.0	1,760.7	1,904.2
Commercial	1,046.6	1,026.8	1,073.4	1,090.7	1,048.0	891.5	1,027.1	1,029.0	959.9	978.5
Municipal	137.1	128.0	110.9	95.6	131.0	119.2	138.4	124.0	114.3	124.9
Total	3,376.9	3,329.2	3,159.0	3,193.7	3,220.0	2,666.9	2,914.2	2,852.0	2,834.9	3,007.6

Source: Utility Department Consumption Journals

Water and Sewer Rates

Year	Water		Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gal
2012	5.15	1.70	7.18	3.95
2013	5.45	1.76	7.71	4.09
2014	5.70	1.84	8.06	4.28
2015	6.00	1.77	8.48	4.21
2016	6.15	1.81	8.69	4.32
2017	6.31	2.10	8.91	4.92
2018	6.31	2.10	8.91	4.92
2019	6.31	2.10	8.91	4.92
2020	6.31	2.10	8.91	4.92
2021	6.31	2.10	8.91	4.92

Notes: The rates are inside city residential rates and are based on a 3/4" meter which is the standard household meter size

The authority charges via a tiered rate schedule for above normal demand usage. Above charges do not include municipal tax.

Source: Utility Department

CITY OF WINTER HAVEN, FLORIDA
TABLE 14
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Personal Income</u>	<u>Unemployment Rate</u>	<u>Average Annual Population Growth</u>
2012	34,388	18,294	\$ 629,080,296	10.0%	0.8%
2013	36,280	20,358	738,588,240	8.0%	5.5%
2014	37,016	21,448	793,919,168	7.0%	2.0%
2015	38,080	22,595	860,417,600	6.2%	2.9%
2016	39,524	24,200	956,480,800	6.4%	3.8%
2017	41,143	24,500	1,008,003,500	5.6%	4.1%
2018	42,828	34,213	1,465,274,364	4.3%	4.1%
2019	44,815	42,019	1,883,081,485	3.3%	4.6%
2020	47,044	24,864	1,169,702,016	7.5%	5.0%
2021	51,126	25,753	1,316,647,878	4.1%	8.7%

Source: City of Winter Haven Growth Management Department

CITY OF WINTER HAVEN, FLORIDA
TABLE 15
PRINCIPAL EMPLOYERS
YEARS ENDED SEPTEMBER 30, 2021 AND SEPTEMBER 30, 2012

Employer	2021			2012		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Publix Super Markets	13,701	1	5.32%	9,300	2	4.79%
Polk County School Board	13,363	2	5.19%	11,885	1	6.13%
Lakeland Regional Health	5,888	3	2.29%	4,600	4	2.37%
Wal-Mart	5,523	4	2.14%	5,000	3	2.58%
Amazon	5,000	5	1.94%			
Geico	3,700	6	1.44%	2,300	7	1.19%
City of Lakeland	2,800	7	1.09%			
Bay Care	2,614	8	1.02%	2,600	5	1.34%
Advent Health	2,466	9	0.96%			
Polk County	2,134	10	0.83%	2,100	8	1.08%
Comcar Industries, Inc.				2,400	6	1.24%
MOSAIC				2,000	9	1.03%
State Farm Insurance				1,400	10	0.72%
Total	57,189		22.21%	43,585		22.47%
Average annual employment	257,484			194,000		

The above statistics are the principal employers of Polk County, Florida,
of which Winter Haven is a primary city.

Data for the City is not available nor accumulated at this time.

Source: Central Florida Development Council (Update from November 1, 2019)

2012 Data - 2012 Comprehensive Annual Financial Report, Table 15

CITY OF WINTER HAVEN, FLORIDA
TABLE 16
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government	55.90	67.60	58.00	57.50	65.75	57.03	54.03	62.69	61.03	60.23
Public safety										
Police	118.30	117.30	116.00	115.00	111.00	111.00	108.00	109.00	108.00	108.00
Fire	81.70	71.70	72.00	72.00	72.00	72.00	71.00	71.00	70.00	70.00
Building/Code Compliance	16.50	12.50	12.50	12.50	12.50	12.75	10.75	5.55	5.20	9.25
Transportation	19.80	12.60	11.30	15.30	11.50	13.50	13.50	12.63	11.70	12.08
Economic development	5.10	5.30	5.30	5.00	4.05	4.50	4.50	0.70	1.40	1.20
Human services	6.00	5.00	7.50	5.30	4.00	5.10	5.10	5.10	5.40	5.40
Culture and recreation										
Parks and recreation	74.45	62.55	61.55	57.55	55.55	55.65	55.65	55.65	56.75	58.15
Library	14.15	14.15	14.15	14.15	14.15	14.12	14.12	14.12	13.82	14.82
Willowbrook golf	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.00	8.00
Solid waste system	39.40	33.40	30.80	30.80	32.80	25.60	25.60	25.60	25.60	25.60
Utility system	118.00	106.00	104.00	105.00	104.00	92.00	81.00	76.21	82.20	81.37
Stormwater utility	13.70	11.90	10.90	10.90	6.70	6.75	6.75	7.75	7.90	7.90
Total	<u>563.00</u>	<u>520.00</u>	<u>504.00</u>	<u>501.00</u>	<u>494.00</u>	<u>470.00</u>	<u>450.00</u>	<u>446.00</u>	<u>457.00</u>	<u>462.00</u>

Note: Number of positions based on budgeted FTEs

CITY OF WINTER HAVEN, FLORIDA
TABLE 17
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public safety										
Police-physical arrests	1,248	1,013	1,487	2,341	1,837	1,895	1,578	1,647	1,389	2,151
Police-traffic violations	1,024	1,632	3,962	4,955	5,333	6,181	5,256	4,019	7,679	7,051
Fire-number of calls answered	10,213	9,104	8,820	8,273	8,192	7,344	6,450	5,912	6,032	6,046
Fire-number of fire inspections	2,246	2,009	2,372	2,139	1,969	2,282	2,215	1,973	1,926	1,513
Building permits issued	3,928	3,431	3,072	3,551	2,408	2,989	3,670	3,232	2,461	1,934
Transportation										
Street resurfacing in miles	4.50	0.00	0.00	1.80	0.00	1.73	2.34	2.56	2.81	0.81
Airport-landings and take offs	80,000	78,000	78,500	77,998	79,450	77,998	76,285	72,400	67,435	87,000
Airport-tenants	162	209	177	177	177	176	147	152	160	137
Leisure services										
Summer program participants	209	444	1,246	1,527	1,592	1,414	1,791	1,844	1,710	1,822
Swimming pool admissions	36,783	26,050	42,034	51,494	50,684	45,027	33,580	39,627	36,423	35,154
Library visitations	307,611	342,178	537,099	570,032	554,506	618,191	559,704	558,983	624,902	721,873
Library borrower cards	84,145	83,772	81,876	77,461	75,523	71,019	66,934	61,195	55,469	51,448
Human services										
Cemetery lot sales	222.0	183.0	114.0	141.0	161.0	132.0	147	154	104	152
Sanitation										
Tons of refuse disposed of	42,120	38,045	35,186	36,038	34,937	31,761	30,460	28,866	27,919	27,189
Solid waste accounts	20,458	19,518	18,606	17,900	16,397	14,864	14,864	14,692	14,250	12,782
Utility water/sewer										
Water accounts	40,649	39,077	37,969	36,783	35,691	34,424	33,669	32,734	31,893	31,256
Wastewater accounts	25,947	24,934	24,023	23,150	22,404	21,513	21,028	20,443	19,878	19,444
Gallons of water billed in (millions)	3,376	3,329	3,159	3,194	3,240	2,868	2,914	2,852	2,835	3,011
Consumption per customer (gallons)	83,076	85,195	83,192	86,826	90,779	83,325	86,548	87,128	88,890	96,321
Rainfall (inches)	48.02	49.42	50.61	54.86	47.70	52.86	75.59	51.35	40.49	52.74
Willowbrook golf course										
Rounds played	29,294	34,079	32,671	30,681	35,165	33,416	33,818	31,755	33,749	37,392

Source: Benchmark Statistics

CITY OF WINTER HAVEN, FLORIDA
TABLE 18
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government										
Number of building	158	157	157	157	157	157	157	157	157	157
Square footage of building space	833,000	830,000	814,453	804,453	804,453	804,453	804,453	804,453	804,453	804,453
Public safety										
Fire stations	5	3	3	3	3	3	3	3	3	3
Marked police vehicles	116	72	72	72	60	81	72	72	72	72
Transportation										
City lane miles	327.54	327.54	324.4	324.4	313.76	313.76	313.76	313.76	310.32	308
Traffic signals heads/Pedestrian signal	378/298	378/298	378/298	378/298	378/298	378/298	378/298	378/298	378/298	378/298
Street lights High Mast/Decorative	691/484	691/484	691/484	691/484	691/484	691/484	691/484	674/449	674/449	674/449
Commercial airport	1	1	1	1	1	1	1	1	1	1
Airport Hangars	28	30	30	30	30	30	30	30	30	30
Airport T-hangars	135	125	125	125	125	125	125	125	125	125
Economic environment										
Acres of land within city limits	26,244	26,209	26,290	26,203	25,937	26,050	26,116	25,705	25,699	25,697
Culture & recreation										
Parks	46	46	46	46	46	46	46	46	46	46
Parks acreage	655	655	655	655	655	655	655	655	655	634
Recreation centers	5	5	5	5	5	5	5	5	5	5
Activity fields	27	27	27	27	24	24	24	24	24	24
Playgrounds	15	15	15	15	14	14	14	14	14	14
Libraries	1	1	1	1	1	1	1	1	1	1
Tennis courts	9	9	9	9	11	11	11	11	11	11
Enterprise funds										
Utility system										
Water treatment plants	9	9	9	9	9	11	11	11	11	11
Fire hydrants	2,345	2,332	2,306	2,187	2,254	2,232	2,227	1,869	1,869	1,869
Wastewater treatment plants	2	2	2	2	2	2	2	2	2	2
Lift stations	218	213	208	208	195	193	192	192	192	192
Water main miles	535	529	524	518	509	509	510	385	505	505
Sanitary sewer miles	375	356	341	338	329	328	328	328	460	460
Reclaimed main miles	38	38	32	31	27	24	*	*	*	*
Solid waste system										
Number of collection vehicles	35	35	24	24	22	21	19	19	19	19
Stormwater										
Waterway acreage	5,242	5,242	5,242	5,242	5,242	5,242	5,242	5,242	5,242	5,242
Golf Courses										
Willowbrook golf course	1	1	1	1	1	1	1	1	1	1
Golf course acreage	126.54	126.54	126.54	126.54	126.54	126.54	126.54	126.54	126.54	126.54

* Not reported/tracked

CITY OF WINTER HAVEN, FLORIDA
TABLE 19
MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2021

Date of incorporation:	November 1923
Form of government:	Mayor/commissioners-four commissioners and mayor City manager: appointed
Location:	North Central Polk County, Central Florida
Area:	41.89 square miles
Topography:	Flat to gently rolling
Climate:	Subtropical
Average rainfall	52
Number of lakes:	30
Area of lakes	7.88 square miles (18.8% of city area)
Water supply source:	Florida Aquifer
Water district:	Southwest Florida Water Management District
Standard metropolitan statistical area:	Lakeland/Winter Haven
Industry/commerce	Logistics and Distribution, Tourism, Software and Information Technology, Medical, Business and Professional Services, Agribusiness
Area attractions:	Legoland Florida Bok Tower Historical Gardens

**CITY OF WINTER HAVEN, FLORIDA
TABLE 20
SCHEDULE OF INSURANCE IN FORCE
SEPTEMBER 30, 2021**

Coverage/Policy# Insurer/Agency	Deductible	Description	Amount	Expiration Date	Premium
FMIT					
Florida League of Cities				10/1/2021	\$ 1,497,846
FMIT 0662					
Property & Business Interruption	\$100,000 per occurrence 3% of value per named storm	Blanket Building & Personal Property Business Loss	\$150,000,000 \$2,245,151		
Inland Marine	\$1,000 per loss > \$50K \$500 per loss < \$50K	Watercraft and Equipment > \$ 15,000	\$3,245,271		
General Liability & Law Enforcement Liability	\$25,000 per occurrence \$411,116 Aggregate Stop Loss	Bodily or Personal Injury and Property Damage	\$200,000/\$300,000 \$5,000,000		
Privacy & Security Network Liability	\$35,000 per occurrence	Information privacy	\$2,000,000		
Auto Liability/ Physical Damage	\$25,000 per occurrence \$86,942 Aggregate Stop Loss	Automobile liability	\$200,000/\$300,000 \$5,000,000		
Workers Compensation	None	Employer's liability	\$1,000,000		
Community Redevelopment Agency				10/1/2021	\$8,897
FMIT1231	None	General liability per occurrence	\$300,000		
Florence Villa Community Redevelopment Agency				10/1/2021	\$8,039
FMIT1297	None	General liability per occurrence	\$300,000		
Crime				10/1/2021	\$14,657
105687807	\$50,000 per occurrence	Public employee dishonesty	\$5,000,000		
Travelers Casualty & Surety Co.		Forgery	\$5,000,000		
A.J. Gallagher		Theft	\$5,000,000		
		Computer Fraud	\$5,000,000		
Faithful Performance					
Finance Director	None	Each Loss	\$100,000	10/1/2021	\$375
285008730					
Liberty Mutual					
A.J. Gallagher & Co					

CITY OF WINTER HAVEN, FLORIDA
TABLE 20
SCHEDULE OF INSURANCE IN FORCE (CONTINUED)
SEPTEMBER 30, 2021

Coverage/Policy# Insurer/Agency	Deductible	Description	Amount	Expiration Date	Premium
Group Health (self insured) Claims Admin: BCBS Crowne Consulting	\$1,500 individual \$4,500 family \$25 co-pay \$50 co-pay for Specialist	All covered health/dental claims and prescriptions up to excess loss coverage amount		12/31/2021	\$815 employee per year
Group Life Insurance GL-5323-(6) Kansas City Life Ins Crowne Consulting	None	Life insurance per employee	\$10,000	12/31/2021	\$59,234
Excess Loss-Health 1600923400-Symetra Dental Claims Prescriptions Safeco Life Ins Co Crowne Consulting	\$280,000 per individual \$288,400 aggregate	Individual Max	Unlimited	12/31/2021	\$409 employee/retiree per year
Airport Owners & Operators Liability AAPN00979636013 Ace Property/Casualty AJ Gallagher & Co	None None	Bodily Injury and Property Damage per occurrence Personal and Advertising Injury Liability per occurrence	\$25,000,000 \$25,000,000	10/1/2021	\$30,744 3 years
	\$2,500 \$2,500	Hangarkeepers Liability Any one occurrence Any one aircraft	\$2,500,000 \$2,500,000		
	None	Non-Owned Aircraft Liability per occurrence	\$25,000,000		
Police Officers/Firefighters Statutory Death ETB 110527 Hartford Life and Accident Insurance AJ Gallagher & Co	None	Accidental Death on Duty Unlawful/Intentional Death	\$75,000 \$225,000	10/1/2021	\$15,124 2 years

CITY OF WINTER HAVEN, FLORIDA
TABLE 20
SCHEDULE OF INSURANCE IN FORCE (CONTINUED)
SEPTEMBER 30, 2021

Coverage/Policy# Insurer/Agency	Deductible	Description	Amount	Expiration Date	Premium
Liquor Liability					
Scottsdale Insurance Company	None	Each Common Cause	\$1,000,000	10/1/2021	\$1,100
A.J. Gallagher & Co	None	Aggregate	\$2,000,000		
CPS 3258553					
Storage Tank Liability					
FPL4973007	\$25,000 each incident	Each Incident Limit	\$1,000,000	6/23/2021	\$9,623
Commerce & Industry Ins Co		Aggregate Limit	\$5,000,000		
Public Officials and Employment Practices Liability					
EON G71746598-0002	\$50,000 each wrongful act or employment practice violation	Each Loss/Annual Aggregate	\$1,000,000	10/1/2021	\$36,064
Ace American					
A.J. Gallagher & Co					
Pollution Legal Liability					
0310-9733	\$50,000 each incident	Each Incident Limit	\$1,000,000	10/1/2021	\$51,176
Allied World Insurance Company		Policy Aggregate	\$2,000,000		3-year term
A.J. Gallagher & Co					
Pension & Welfare Fund					
Fiduciary Responsibility	\$10,000 each claim	Annual Aggregate	\$1,000,000	10/1/2021	\$7,271
105995320					
Travelers Casualty & Surety Co					
A.J. Gallagher & Co					
Special Event-Rentals LS					
ESE 201928	\$500 per claim	Each Occurrence/Aggregate	\$1,000,000	10/1/2021	\$250
Lloyds of London		Personal and Advertising Injury Limit	\$1,000,000		
A.J. Gallagher & Co		Fire Damage Liability	\$50,000		
International Special Risk					
Flood					
09115143903	\$1,000 per occurrence building	Building	\$100,000	12/13/2021	\$1,309
Wright National	\$1,000 per occurrence contents	Contents	\$50,000		
A.J. Gallagher & Co					

WINTER HAVEN

The Chain of Lakes City

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OTHER REPORTS

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2021**

Federal / State Agency Federal Program / State Project	Assistance Listing Number	Grant Contract Number	Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS				
U.S. Department of Agriculture				
Pass-Through from Florida Department of Agriculture:				
Cooperative Forestry Assistance	10.664	19-DG-11083112-001-A	\$ 11,984	\$ -
Total U.S. Department of Agriculture			11,984	-
U.S. Department of Housing and Urban Development				
Pass-Through from Polk County, Florida:				
<i>CDBG-Entitlements Grant Program Cluster:</i>				
Community Development Block Grant	14.218	M20004	44,431	-
Total CDBG-Entitlement Grants Program Cluster			44,431	-
Total U.S. Department of Housing and Urban Development			44,431	-
U.S. Department of Justice				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	1121-0235	8,594	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-DJ-BX-0166	14,223	-
Pass-Through from FDLE:				
JAG Countywide	16.738	2021-JAGC-POLK-1-5R-044	12,480	-
Total U.S. Department of Justice			35,297	-
U.S. Department of Transportation				
Direct Programs:				
Airport Improvement Program	20.106	3-12-0088-030-2020	1,819,117	-
COVID-19 - Airport Improvement Program	20.106	3-12-0088-033-2021	23,000	-
Total Airport Improvement Program			1,842,117	-
Pass-Through from Florida Department of Transportation:				
<i>Highway Planning and Construction Cluster:</i>				
Highway Planning and Construction	20.205	G0H93	867,180	-
Total U.S. Department of Transportation			2,709,297	-
U.S. Department of the Treasury:				
Pass-Through from Florida Housing Finance Corporation:				
COVID-19- Coronavirus Relief Fund	21.019	146-2020	125,773	-
COVID-19- Coronavirus Relief Fund	21.019	146-2021	274,100	-
Total U.S. Department of the Treasury			399,873	-
U.S. Environmental Protection Agency:				
Pass-Through from FDEP:				
Nonpoint Source Implementation	66.460	NF050	13,334	-
Total Environmental Protection Agency			13,334	-
Total Expenditures of Federal Awards			\$ 3,214,216	\$ -

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Federal / State Agency Federal Program / State Project	Assistance Listing Number	Grant Contract Number	Expenditures	Passed Through to Subrecipients
STATE AWARDS				
Florida Department of Environmental Protection:				
Direct Programs:				
Florida Recreation Development Assistance Program	37.017	A21003	\$ 198,911	\$ -
Statewide Surface Water Restoration and Wastewater Projects	37.039	NS104	750,000	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0133	510,320	-
Total Statewide Surface Water Restoration and Wastewater Projects			1,260,320	-
Total Florida Department of Environmental Protection			1,459,231	-
Florida Department of Economic Opportunity:				
Direct Programs:				
Local Economic Development Initiatives	40.038	HL116	200,000	-
Total Florida Department of Environmental Protection			200,000	-
Florida Housing Finance Corporation:				
Direct Programs:				
State Housing Initiative Partnership	40.901	2021-2022	11,000	11,000
Total Florida Department of Environmental Protection			11,000	11,000
Florida Department of Transportation				
Direct Programs:				
Joint Participation Agreement-Aviation Development	55.004	G0Z46	189,820	-
Joint Participation Agreement-Aviation Development	55.004	G1P40	10,855	-
Joint Participation Agreement-Aviation Development	55.004	G1P48	114,502	-
Joint Participation Agreement-Aviation Development	55.004	G1I11	10,707	-
Total Aviation Development			325,884	-
Total Florida Department of Transportation			325,884	-
Total Expenditures of State Finance Assistance			\$ 1,996,115	\$ 11,000

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2021**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal and state grant activity of the City of Winter Haven (City) under programs of the federal government and state of Florida for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 69I-5, Rules of the Florida Department of Financial Services. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The City did not receive noncash assistance during the year.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for awards and financial assistance recorded in governmental funds and the accrual basis of accounting for awards and financial assistance recorded in the proprietary funds, which are described in Note 1 to the City's basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services wherein certain types of expenditures are not allowable or are limited as to reimbursement, with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 CONTINGENCIES

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowances, if any would have a material effect on the financial position of the City. As of March 28, 2022, there were no material questioned or disallowed costs as a result of grant audits in process or completed.



**INDEPENDENT AUDITORS' 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 and Members of the City Commission
City of Winter Haven, 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 the City of Winter Haven, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2021-001 and 2021-002 that we consider to be material weaknesses.

Honorable Mayor and Members of the City Commission
City of Winter Haven, Florida

Compliance and Other Matters

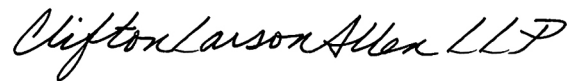
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

City of Winter Haven's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Winter Haven, Florida
March 28, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Honorable Mayor and Members of the City Commission
City of Winter Haven, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Winter Haven, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2021. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; and Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

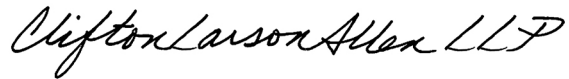
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-003, that we consider to be a significant deficiency.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Honorable Mayor and Members of the City Commission
City of Winter Haven, Florida

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The script is fluid and cursive, with the letters connected in a continuous line.

CliftonLarsonAllen LLP

Winter Haven, Florida
March 28, 2022

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? X yes no
 - Significant deficiency(ies) identified yes X none reported
3. Noncompliance material to financial statements noted? yes X no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? yes X no
 - Significant deficiency(ies) identified X yes none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of Major Federal Programs

CFDA Number(s)

20.106
20.205

Name of Federal Program or Cluster

Airport Improvement Program
Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 yes X no

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

Section I – Summary of Auditors' Results (Continued)

State Financial Assistance

1. Internal control over state projects:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified _____ yes X none reported

2. Type of auditors' report issued on compliance for state projects:

Unmodified

3. Any audit findings disclosed that are Required to be reported in accordance With Chapter 10.557, Rules of the Auditor General?

_____ yes X no

Identification of Major State Projects

CSFA Number(s)

37.039

Name of State Project

Statewide Water Quality Restoration Projects

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 598,834

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

Section II – Financial Statement Findings

2021-001 – Material Adjustments

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Several material errors were detected in the City's account balances during our audit. As a result, material adjustments were proposed to correct the account balances, including a restatement of prior year balances.

Criteria or specific requirement: City management is responsible for establishing and maintaining internal controls over proper recording of the City's transactions and reconciliation and review of the City's account balances.

Effect: Various assets, liabilities, revenues, and net position/fund balances were misstated.

Cause: Errors in account balances were not detected during the year-end close process.

Repeat Finding: See prior year findings 2019-001 and 2020-001.

Recommendation: Account reconciliations should be prepared by a staff member and reviewed by a member of management, allowing management the ability to perform analytical analysis to identify unusual account balances. Trial balances should be reviewed to ensure that all accounts are reconciled, and any related adjustments are posted.

Views of responsible officials and planned corrective actions: Supporting documentation provided for journal entry review will be more comprehensive.

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

Section II – Financial Statement Findings (Continued)

2021-002 – Schedule of Expenditures of Federal Awards and State Financial Assistance

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Our audit procedures identified one state grant incorrectly reported as a federal award.

Criteria or specific requirement: 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 69I-5, Rules of the Florida Department of Financial Services, require auditees to prepare a Schedule. The City's management is responsible for establishing and maintaining internal controls to ensure that Schedule is properly reported.

Effect: The Schedule is used by grantor agencies and auditors to monitor compliance with federal and state requirements. Errors in reporting expenditures on the Schedule may lead to improper testing and therefore, noncompliance with Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services.

Cause: The process for preparing the Schedule did not accurately identify the assistance listing number and CSFA numbers reported.

Repeat Finding: See prior year finding 2020-002.

Recommendation: We recommend developing additional preparation and review procedures related to grant reporting to ensure that federal program and state project expenditures are completely and accurately reported in accordance with Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services.

Views of responsible officials and planned corrective actions: Supporting documentation for State and Federal grants will be reviewed more thoroughly.

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs

2021-003 – Procurement Policy

Federal agency: U.S. Department of Transportation

Federal program title: Highway Planning and Construction Cluster

Assistance Listing Number: 20.205

Pass-Through Agency: Florida Department of Transportation

Pass-Through Number(s): G0H93

Award Period: December 29, 2016 through June 30, 2022

Type of Finding:

- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: Uniform Guidance, which became effective on December 26, 2014, is codified in Title 2 of the Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Under these rules certain general procurement policies are required to be in writing and performed in action. The OMB Compliance Supplement for the Highway Planning and Construction Cluster requires the auditor to review the procurement policy in place to ensure all required verbiage is included within the document. In addition, auditors are required to ensure the selected transactions follow proper procurement processes.

Condition: The City follows the required procurement standards under the *Uniform Guidance* as the pass-through agency, the Florida Department of Transportation, requires proof of compliance as part of the approval process with the projects. However, the procurement policy in place at the City fails to reference the applicable rules under the *Uniform Guidance*, has certain missing required verbiage, lacks micro-purchase threshold procedures, and does not make mention of entering into covered transactions with entities that are not suspended, debarred, or otherwise excluded from participating in the transaction as defined in 2 CFR section 180.995.

Questioned costs: None

Context: Our testing of procurement transactions noted a single contractor was properly awarded the construction work under the project. The procurement process did not have any exceptions, but the procurement policy does not meet all requirements.

Cause: The City has not updated the procurement policy since January 2012, before the *Uniform Guidance* became effective.

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect: Failure to update the policy could cause current or future federal grants to be out of compliance with federal regulations.

Repeat Finding: No

Recommendation: We recommend the City update their procurement policy to include all requirements of the *Uniform Guidance*.

Views of responsible officials: The City's Procurement Policy will be updated to include all of the requirements of the Uniform Guidance.

Section IV – Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Chapter 10.557, Rules of the Auditor General.

WINTER HAVEN

The Chain of Lakes City

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MANAGEMENT LETTER

Mayor and Members of the City Commission
City of Winter Haven, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Winter Haven, Florida (the City), as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated March 28, 2022.

Auditors' Responsibility

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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' 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*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 28, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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. Prior year findings were corrected except as noted below.

Prior Year Findings		Current Year Status			Current Year Finding #	2020 Finding #	2019 Finding #
		Cleared	Partially Cleared	Not Cleared			
Material Adjustments	Material Weaknesses			X	2021-001	2020-001	2019-001
Schedule of Expenditures of Federal Awards and State Financial Assistance	Material Weaknesses			X	2021-002	2020-002	Not Reported

Official Title and Legal Authority

Section 10.554(1)(i)4., 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. See Note 1 in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions 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.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. 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 review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Special District Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Community Redevelopment Agency of the City of Winter Haven (CRA) reported:

- a. The total number of district employees compensated in the last pay period of the CRA's fiscal year as: 0.9 people (1 at 15%, 1 at 49%, 1 at 5% and 1 at 21%).
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as five.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: \$97,706.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$38,116.

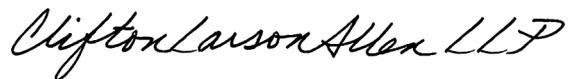
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
 - Lake Silver Project Assistance – \$100,000
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as: See page 43 of the financial statements.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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



CliftonLarsonAllen LLP

Winter Haven, Florida
March 28, 2022

WINTER HAVEN

The Chain of Lakes City

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INDEPENDENT ACCOUNTANTS' REPORT

Mayor and Members of the City Commission and the Florida Auditor General
City of Winter Haven, Florida

We have examined the City of Winter Haven, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City, complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Winter Haven, Florida
March 28, 2022



**CITY OF WINTER HAVEN
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2021**

U.S. Department of Transportation

The City of Winter Haven respectfully submits the following corrective action plan for the year ended September 30, 2021.

Audit period: October 1, 2020 through September 30, 2021

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

Material Weakness in Internal Control over Financial Reporting

2021-001 Material Adjustments

Recommendation: Account reconciliations should be prepared by a staff member and reviewed by a member of management, allowing management the ability to perform analytical analysis to identify unusual account balances. Trial balances should be reviewed to ensure that all accounts are reconciled, and any related adjustments are posted.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: Supporting documentation provided for journal entry review will be more comprehensive.

Name(s) of the contact person(s) responsible for corrective action: Cal Bowen/Debbie Tate

Planned completion date for corrective action plan: 9/30/2022

MATERIAL WEAKNESS

2021-002 Material Weakness in Internal Control over Financial Reporting

Recommendation: We recommend developing additional preparation and review procedures related to grant reporting to ensure that federal program and state project expenditures are completely and accurately reported in accordance with Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: Supporting documentation for State and Federal grants will be reviewed more thoroughly.

Name(s) of the contact person(s) responsible for corrective action: Debbie Tate

Planned completion date for corrective action plan: 9/30/2022

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Transportation

2021-003 Highway Planning and Construction Cluster – Assistance Listing No. 20.205

Recommendation: We recommend the City update their procurement policy to include all requirements of the *Uniform Guidance*.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The City's Procurement Policy will be updated to include all of the requirements of the Uniform Guidance.

Name(s) of the contact person(s) responsible for corrective action: Bethany Owen

Planned completion date for corrective action plan: 9/30/2022

If the U.S. Department of Transportation has questions regarding this plan, please call Calvin Bowen, Financial Services Director at (863) 291-5667.

WINTER HAVEN

The Chain of Lakes City

CITY OF WINTER HAVEN SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED SEPTEMBER 30, 2021

City of Winter Haven respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2021.

Audit period: October 1, 2020 through September 30, 2021

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2020-001- Material Adjustments

Condition: Several material errors were detected in the City's account balances during the audit. As a result, material adjustments were proposed to correct the account balances.

Status: See current year finding 2021-001.

Reason for finding's recurrence: In the current year, there were three entries that were either accrued in error or posted incorrectly. The amounts were deemed to be material.

Corrective Action: Supporting documentation provided for journal entry review will be more comprehensive.

2020-002- Schedule of Expenditures of Federal Awards and State Financial Assistance

Condition: Our audit procedures identified one omitted federal grant from the Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule). One grant was also reported with an incorrect CFDA number (subsequently referred to as assistance listing number).

Status: See current year finding 2021-002.

Reason for finding's recurrence: Audit procedures in the current year did not identify any omitted grants this year however, it was discovered that a grant was incorrectly presented as a federal grant under a federal assistance listing number when it should have been reported as a state grant with a state assistance listing number.

Corrective Action: City staff understood that a State grant was misreported in the prior year and agreed to correction in FY2021. Supporting documentation for State and Federal grants will be reviewed more thoroughly.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

If there are questions regarding this schedule, please call Calvin Bowen, Director of Financial Services at (863) 291-5667.