

WINTER HAVEN
The Chain of Lakes City



CITY OF WINTER HAVEN ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended September 30, 2022

WINTER HAVEN

The Chain of Lakes City

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CITY OF WINTER HAVEN, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2022

Prepared by:

Finance Department
Colleen (CJ) Scott, CFO

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INTRODUCTORY SECTION

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LETTER OF TRANSMITTAL

WINTER HAVEN

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WINTER HAVEN

The Chain of Lakes City

March 22, 2023

FINANCE DIRECTOR

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Winter Haven for the fiscal year ending September 30, 2022. This report is presented in conformity with generally accepted accounting principles (GAAP) and audited by an independent firm of certified public accountants, CliftonLarsonAllen CPA's L.L.P, as mandated by both local ordinances and State Statute. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data as presented 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 expenditures of Federal 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 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 770,019 in 2022. Polk County's population grew 6.2 percent from 2020's 725,046, 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. The preliminary unemployment rate of 3.4 percent for 2022 reflects a significant decrease in the area's unemployment rate of 5.4 percent, and a significant decrease from the 9.0 percent observed in 2020 as a result of the COVID-19 pandemic. 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 of Winter Haven building permits issued during the 12 months between October 2021 and September 2022 authorized \$385,061,141 worth of commercial, industrial and residential activity. This represents a 17.8 percent increase over the \$326,768,406 worth of activity for the period between October 2019 and September 2020. The 17.8 percent increase from FY 2020 to FY 2022, represents a resumption of growth rates observed prior to the COVID-19 pandemic. As evidenced by these numbers, growth in construction activity remains strong.

Winter Haven's estimated population for 2022 was 53,331. This represents an increase of 4,112 persons or 8.4 percent over 2020's population of 49,219. There have been 7,853 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 0.9 square miles into the City limits of Winter Haven. This represents an increase in the City's area by 2.3 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 2023.

While there are early indications the overall economy may be slowing from the accelerated pace of growth following the last recession, the local economy is expected to hold steady in 2023. 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 development efforts, are the basis of the outlook.

MAJOR INITIATIVES

Lake Elbert Trail

Winter Haven has the distinction of being one of only 13 Cities in Florida to have received the "Trail Town" designation from the Florida Department of Environmental Protection. Winter Haven's trail network spans over 14 miles and includes an interconnected system of parks, neighborhoods, schools, community destinations and downtown. Many special events and community celebrations take place each year in the City's parks and trail network.

The City is proud that one of its next major trails will be the Lake Elbert Trail. A trail around Lake Elbert has been a vision within the Winter Haven Community for many years. A portion of the trail is already in place along the Lake's southern shore. The remaining 1.8 miles of trail will provide upgrades to the entire corridor. The Trail is generally six feet wide on the east side of the Lake and eight feet wide on the north and west sides. The project includes upgrades to water and sewer lines, storm inlets and pipes, and an enhanced shoreline.

Winter Haven Recreational & Cultural Center

The City had contemplated and budgeted for improvements to the Winter Haven Recreational & Cultural Center (WHRCC); with an initial focus on improving the fitness center and addressing ADA needs. The project expanded over the years to include major renovations to the existing building, which was constructed in 1974. In 2021, during the initial design and master plan efforts, the breadth of the project warranted consideration of a complete rebuild versus a traditional renovation. Staff worked to establish a budget for such an effort. In June 2022, the Commission approved a complete redevelopment of the WHRCC, with a projected budget of \$14.12 million.

The existing 20,294 square-foot building has a 7,160 square-foot gymnasium, whereas the proposed new building would feature a 17,000 square-foot double multi-use gymnasium, a new zero-grade entry swimming pool, a splash pad, new playground, outdoor sport court, and all the amenities of an upgraded fitness center, community meeting space, library/technology area with WiFi, business support area, kitchen (caterer), offices, restrooms and additional storage. Due to economic challenges, such as fluctuating oil prices, supply and distribution issues, and the significant inflation of goods and services, the budget was modified to accommodate an increase in cost.

Transportation Fund

The City strives to maintain the quality of life for its neighborhoods by resurfacing streets and maintaining trails and walkways. Major initiatives include a walkway around Lake Howard, and pedestrian improvements between Avenue C and Avenue G along 2nd Street Southwest. Cypress Gardens Boulevard is one of the busiest stretches of roadway in the City. The Florida Department of Transportation will begin traffic and safety improvements along a stretch of Cypress Gardens Boulevard from U.S. 17 to 1st Street South. This project will improve traffic flow, reduce wait times, and enhance public safety.

Airport Fund

In May 2022, the City Commission approved an agreement with Polk County School Board to lease Airport land to locate portable classrooms for the creation of the Central Florida Aerospace Academy. Winter Haven High School's Aerospace Academy is a full four-year program using the Airline Owners and Pilots Association (AOPA) curriculum. Focusing on Aerospace Technology, this academy is designed to introduce students to the aerospace environment with a focus on flight, navigation, aircraft systems, drones, aircraft maintenance, air traffic control, and the engineering of both aircraft and spacecraft. Upon graduation, students will have the necessary skills to pursue a variety of careers in the aviation industry.

Affordable Housing Fund

The Affordable Housing Fund was established pursuant to Ordinance O-21-59 and approved in September 2021. The City is committed to fund the Affordable Housing Initiative in the amount of \$250,000 annually. During FY 2021-2022, the City directed, \$1,500,000 from the Federal American Rescue Plan Act to the Affordable Housing Fund.

Expenditure commitments include \$460,000 for a low-income development and \$1.0 million to the Winter Haven Housing Authority for the demolition of dilapidated housing units and the construction of 120 new units at a selected site.

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.

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 of the City's financial statements by independent certified public accountants. This requirement has been complied with and the independent auditors' report is included in the financial section of this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting to the City of Winter Haven, for its Annual Comprehensive Financial Report for the fiscal year ending September 30, 2021. This was the thirty-second consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive 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 our current 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.

Award for Distinguished Budget

The City received the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2021. This was the twenty-ninth consecutive year that the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, organization, and as a communications medium. We are pleased that we continue to achieve this distinction.

Acknowledgments

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

In closing, the continued leadership and support by the Mayor and members of the City Commission in the planning and guidance of the financial operations of the City is much appreciated.

Sincerely,

T. Michael Stavres, ICMA-CM , CPM
City Manager

Colleen J. Scott, CPA, CGFO, CPM
Chief Financial Officer

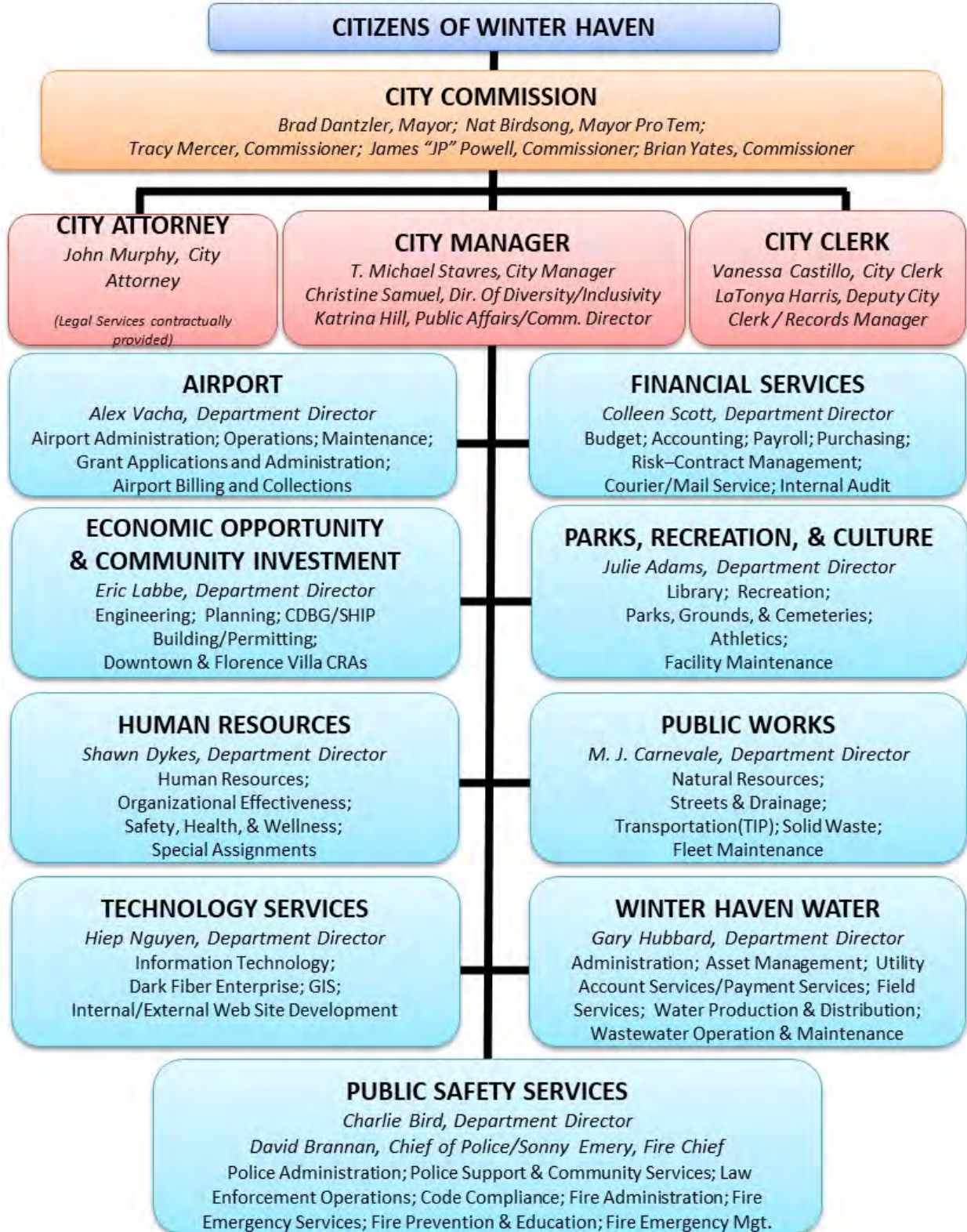
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ORGANIZATIONAL CHART

CITY OF WINTER HAVEN ORGANIZATIONAL CHART





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, 2021

Christopher P. Morill

Executive Director/CEO

**CITY OF WINTER HAVEN, FLORIDA
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE
IN FINANCIAL REPORTING (CONTINUED)
SEPTEMBER 30, 2022**

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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive 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 Annual Comprehensive 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, 2022**

Mayor

Bradley T. Dantzler

Commissioners

Nathaniel J. Birdsong Jr.

L. Tracy Mercer

William Brian Yates

James H. Powell

City Manager

T. Michael Stavres

City Clerk

Vanessa Castillo

City Attorney

Frederick J. Murphy, Jr.

City Auditors

CliftonLarsonAllen LLP

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FINANCIAL SECTION

WINTER HAVEN

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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 Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Community Redevelopment Agency Fund, and Airport Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective October 1, 2021, the City adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and a corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and information on pension plans and other postemployment benefits be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary 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 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2023 , 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Winter Haven, Florida
March 22, 2023

City of Winter Haven
Management's Discussion and Analysis
September 30, 2022

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

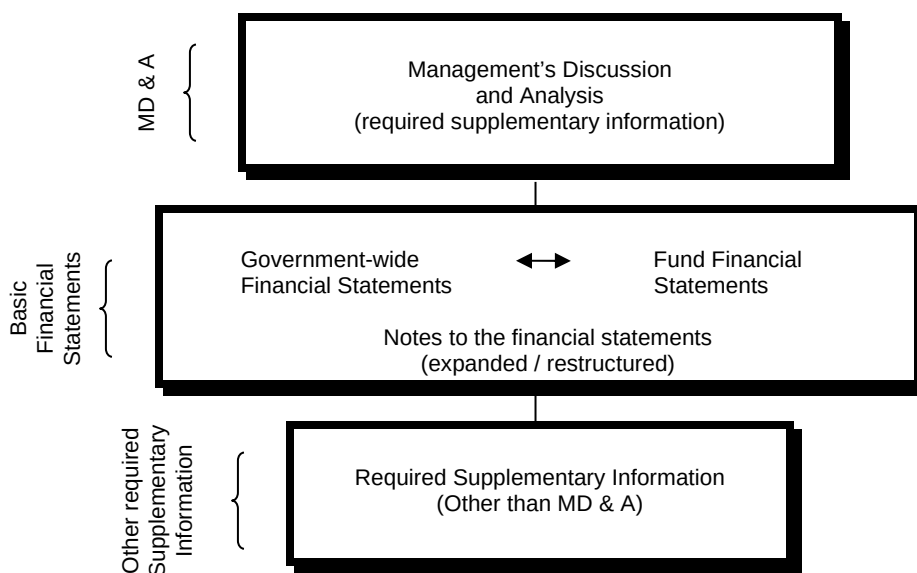
- The assets and deferred outflows of the City of Winter Haven exceeded its liabilities and deferred inflows at September 30, 2022 by \$217,226,629 (net position). Of this amount, \$131,511,002 represents net investment in capital assets (capital assets net of related debt), \$46,375,446 is restricted for a specific purpose, and \$39,340,811 (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased \$36,220,434 during the year. Total revenues were \$137,601,355; an increase of \$22,220,021 over the previous year. Total expenses were \$101,380,921; an increase of \$5,055,065 over the previous year.
- As of September 30, 2022, the City of Winter Haven's governmental funds reported combined ending fund balances of \$92,004,310 an increase of \$41,011,839 over the previous year.
- Business-type funds reflected a change in net position of \$13,279,886.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$22,581,371.

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
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Government-wide Financial Statements

The government-wide financial statements 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.

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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 to facilitate this comparison between governmental funds and governmental activities.

The City maintains five separate governmental funds classified as major funds: the General Fund, the Community Redevelopment Agency, the Airport Fund, the 2015 Construction Fund and the 2021 Construction Fund. Thirteen 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 within the financial section to demonstrate compliance with the budget.

The Governmental Funds financial statements presentation is on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is developed. The flow and availability of liquid 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 within the financial section 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 within the financial section 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.

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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 \$217.2 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.

Statement of Net Position (Summary)						
As of September 30, 2022						
	Governmental		Business-Type		Totals*	
	Activities*		Activities*			
	2022	2021	2022	2021	2022	2021
Assets:						
Current and Other Assets	\$ 115.6	\$ 80.2	\$ 77.8	\$ 66.5	\$ 193.4	\$ 146.7
Capital Assets	115.1	108.0	113.8	102.4	228.9	210.4
Total Assets	230.7	188.2	191.6	168.9	422.3	357.1
Deferred Outflows of Resources	24.4	10.8	6.9	5.0	31.3	15.8
Liabilities:						
Short-Term Liabilities	12.2	18.4	14.9	15.1	27.1	33.5
Long-Term Liabilities	118.9	82.2	68.9	60.3	187.8	142.5
Total Liabilities	131.1	100.6	83.8	75.4	214.9	176.0
Deferred Inflows of Resources	15.0	12.3	6.5	3.6	21.5	15.9
Net Position:						
Net Investment in Capital Assets	71.7	62.3	59.8	55.5	131.5	117.8
Restricted	23.3	17.6	23.0	19.9	46.3	37.5
Unrestricted	14.0	6.2	25.4	19.5	39.4	25.7
Total Net Position	\$ 109.0	\$ 86.1	\$ 108.2	\$ 94.9	\$ 217.2	\$ 181.0

* in million dollars

The largest portion of the City's net position (60.5%) reflects the investment in capital assets (land, buildings, machinery, equipment) net of any debt used to acquire the assets. Approximately 21.3% 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 \$39.4 million, is available to meet the City's on-going obligations to citizens and creditors.

At September 30, 2022, 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.

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 \$22,939,918 and business activities increased net position by \$13,279,886. The following table reflects the condensed Statement of Activities for the current and prior year. For more detailed information see the Statement of Activities.

**City of Winter Haven
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**Statement of Activities (Summary)
As of September 30, 2022**

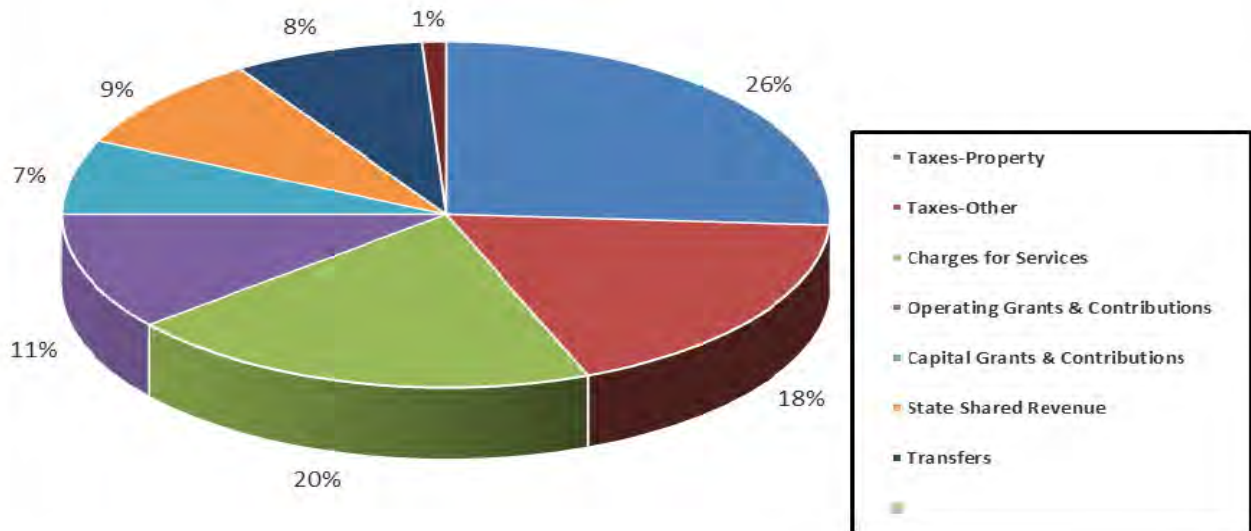
	Governmental Activities*		Business-Type Activities*		Totals*	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 16.3	\$ 15.5	\$ 51.4	\$ 48.8	\$ 67.7	\$ 64.3
Operating Grants and Contributions	9.5	1.8	2.7	0.1	12.2	1.9
Capital Grants and Contributions	5.4	3.3	6.8	5.7	12.2	9.0
General Revenues:						
Property Taxes	21.5	19.9	-	-	21.5	19.9
Franchise/Public Service Tax	12.4	11.0	-	-	12.4	11.0
Other	10.9	9.0	0.7	0.3	11.6	9.3
Total Revenues	<u>76.0</u>	<u>60.5</u>	<u>61.6</u>	<u>54.9</u>	<u>137.6</u>	<u>115.4</u>
Expenses:						
General Government	11.2	11.1	-	-	11.2	11.1
Public Safety	26.6	23.6	-	-	26.6	23.6
Transportation	5.9	6.3	-	-	5.9	6.3
Economic Environment	2.4	2.2	-	-	2.4	2.2
Human Services	0.8	0.9	-	-	0.8	0.9
Culture and Recreation	11.8	10.9	-	-	11.8	10.9
Debt Service	1.6	1.3	-	-	1.6	1.3
Water and Sewer	-	-	29.3	29.8	29.3	29.8
Solid Waste	-	-	8.0	7.4	8.0	7.4
Willowbrook Golf Course	-	-	1.3	1.0	1.3	1.0
Stormwater	-	-	2.3	1.7	2.3	1.7
Dark Fiber	-	-	0.2	0.2	0.2	0.2
Total Expenses	<u>60.3</u>	<u>56.3</u>	<u>41.1</u>	<u>40.1</u>	<u>101.4</u>	<u>96.4</u>
Increase (Decrease) in Net Position Before Transfers	15.7	4.2	20.5	14.8	36.2	19.0
Transfers	<u>7.2</u>	<u>6.1</u>	<u>(7.2)</u>	<u>(6.1)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	22.9	10.3	13.3	8.7	36.2	19.0
Net Position-Beginning of Year	<u>86.1</u>	<u>75.6</u>	<u>94.9</u>	<u>86.2</u>	<u>181.0</u>	<u>161.8</u>
Prior Period Adjustment	-	0.2	-	-	-	0.2
Net Position-End of Year	<u>\$ 109.0</u>	<u>\$ 86.1</u>	<u>\$ 108.2</u>	<u>\$ 94.9</u>	<u>\$ 217.2</u>	<u>\$ 181.0</u>

* in million dollars

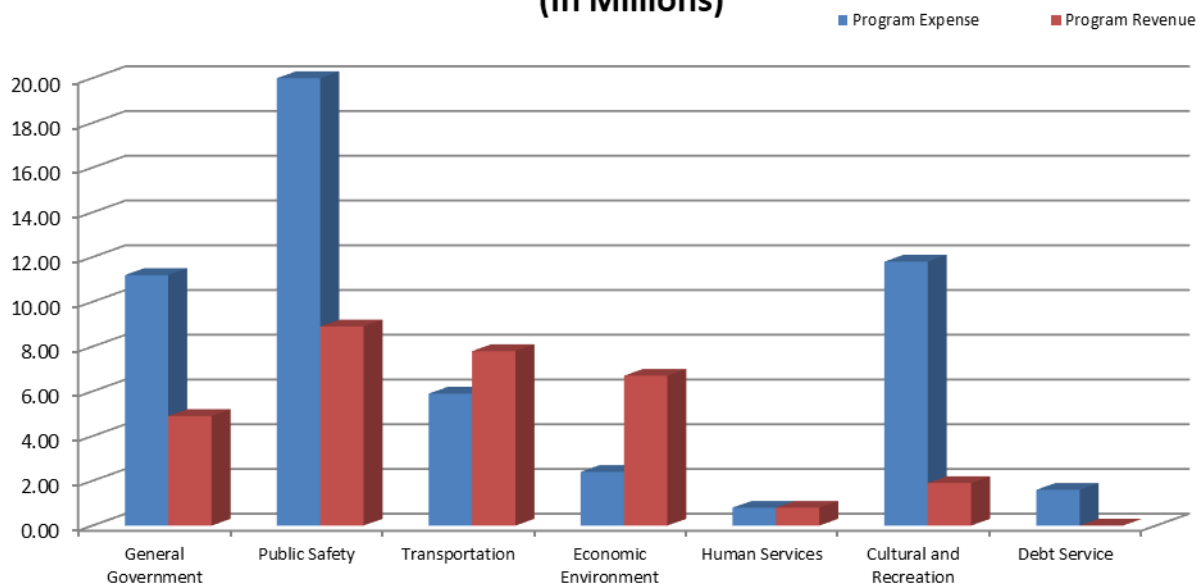
Ad valorem and Franchise/Utility Service Tax make up 44.6% of the governmental activities' revenues. The Other category, which makes up 14.3% of the revenues, consists of motor fuel taxes, sales taxes and cigarette taxes. Charges for services, made up of recreation fees, library fees, sale of cemetery spaces, airport hangar rents and other miscellaneous revenues is 21.4% of governmental activities revenues. Governmental activities increased the City's net position by \$22,939,918. The governmental activities increase in net position was due largely to an increase in operating and capital grants due to funding from the Federal Government for the American Rescue Plan Act, the Florida Department of Transportation and the Federal Aviation Administration. Franchise Fees also increased due to an increase in service provider rates. Business-type activities increase in net position was due to revenues exceeding expectations, developer contributions of assets valued at \$6.0 million, Duke Energy acquiring City easements for \$2.6 million, and expenditures finishing the year lower than anticipated.

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Revenue by Source - Governmental Activities

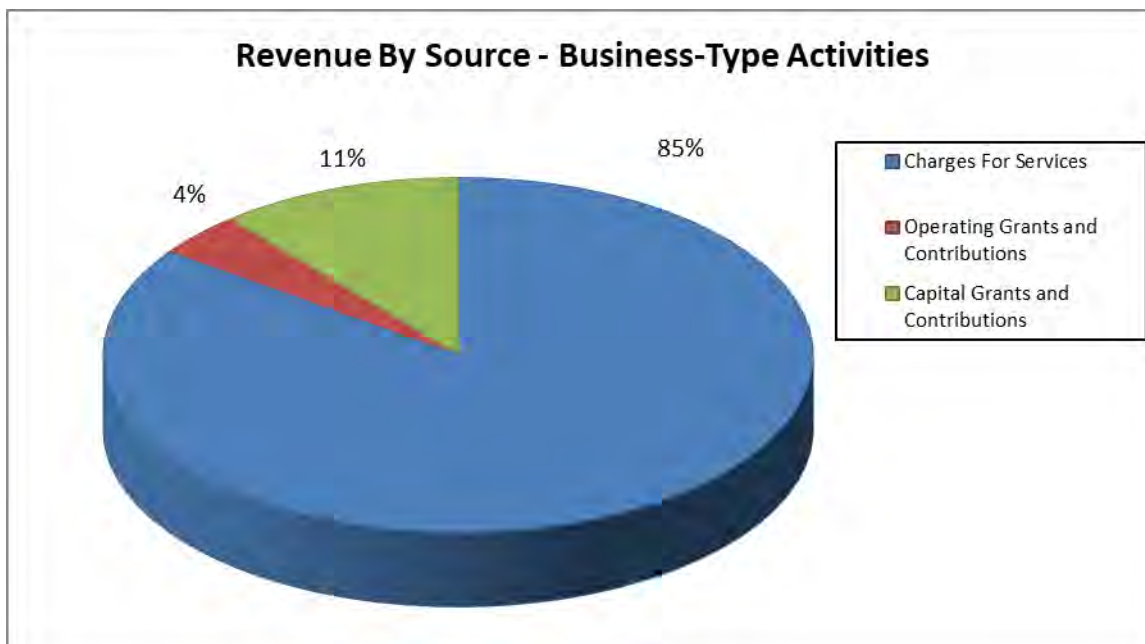
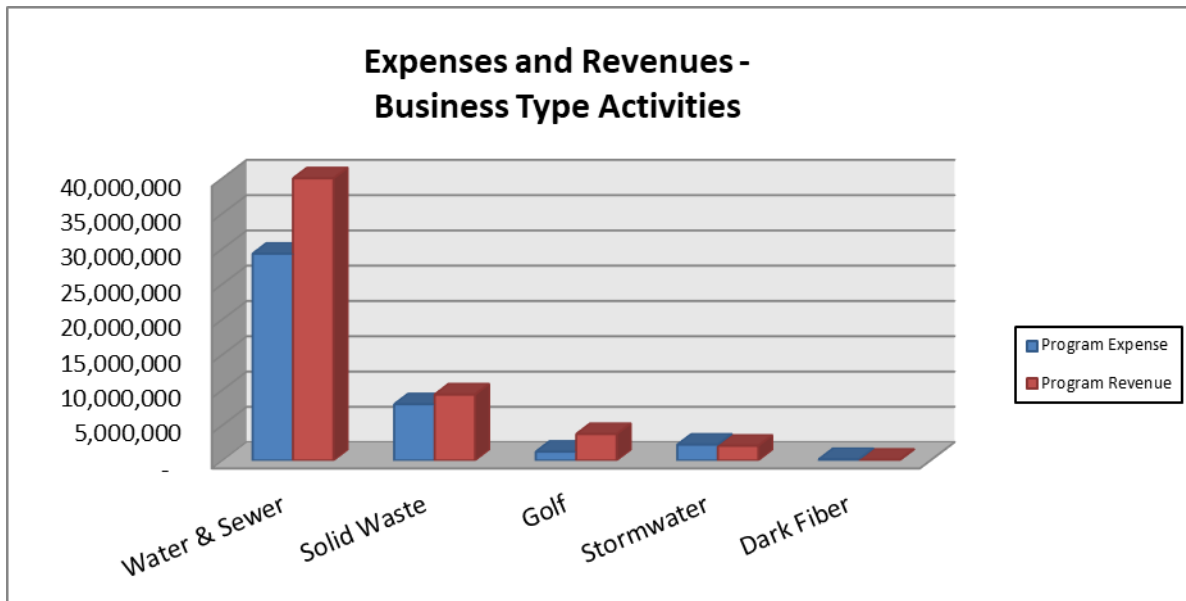


**Expenditures and Revenues - Governmental Activities
(In Millions)**



Business-type activities

Business-type activities increased the City's net position by \$13,279,886.



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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 \$1,109,781. However, revenues exceeded budget by 5.72% and expenditures were 7.97% under budget creating a surplus of \$5,151,147. The surplus was despite the COVID-19 virus which negatively impacted some revenues. The surplus increased the General Fund ending equity balance to \$24,545,922. Not all of the equity balance is spendable as shown in the following calculation:

FY 2022 Ending Fund Balance			\$ 24,545,922
Less:			
Non-spendable balances			
	Golf Fund Loan	\$ 1,563,872	
	Golf Fund Loan	<u>91,150</u>	
			1,655,022
Restricted balances			
	Public Safety	\$ 14,644	
	Environmental Restriction	<u>200,000</u>	
			214,644
Assigned balances			
	Leisure Services	\$ 13,283	
	Public Safety	14,278	
	Transportation	<u>67,324</u>	
			94,885
Unassigned FY 2022 Fund Balance			<u><u>\$ 22,581,371</u></u>

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 \$22,581,371 FY 2021-2022 balance equates to 38.1% of current year General Fund expenditures and 38.1% of FY 2022-2023 budgeted expenditure. This calculates to a surplus of \$12,502,188 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 2021- The City Commission approved a 90% tax incentive rebate and agreed to negotiate on City owned land with the Onicx Taylor Hospitality LLC (Marriott Hotel).

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December 2021- The City Commission approved two CDBG allocations from the County:

- a) Winter Haven Recreation and Cultural Center in the amount of \$633,524.
- b) Lake Conine Recreation Element in the amount of \$300,000.

February 2022- The City Commission approved a 100 foot easement with Duke Energy to covering four City properties. Duke Energy paid the City \$2,650,000 for the easement which was deposited into the Golf Course Fund for improvements to the course.

The City Commission approved Resolution R-22-03 establishing a PACE Program in Winter Haven. The agreement will allow the Onicx Taylor Hospitality LLC to potentially achieve financing from the Florida Green Finance Authority.

The Assistant City Manager updated the City Commission on the use of American Rescue Plan money as follows:

- \$1.5 million for Affordable Housing
- \$4.5 million for Winter Haven Recreation and Culture Center
- \$1.0 million Fire Station NO. 4
- \$.776 million for Community Health

Subsequent to the City receiving the American Rescue Plan (ARP) funds, the Department of Treasury declared government entities receiving less the \$10 million could declare the funds as "lost revenue" which would eliminate quarterly reporting to the Treasury and eliminate the requirement that the funds be spent in certain ways. The City decided to spend the ARP money consistent with Treasury guidelines.

The City Attorney received permission for the City's share of an opioid settlement to go to the County for their opioid program. The City's share is in excess of \$250,000.

March 2022- The City Commission approved three firms as project managers:

- Carter/Kaye
- Kimley Horn
- Cost Management Inc.

The City Commission approved the sale of .03 acres of vacant land to the First Missionary Baptist Church for \$6,000. The property was located on the west side of First Street North.

The City Commission approved the Police Department's request to hire a licensed Clinician Social Worker for \$45,406.

April 2022 - The City Commission approved adding Juneteenth as an additional City Holiday.

May 2022 - The City Commission approved a Federal Urban Forestry grant, 50% City, 50% Federal. Total grant \$40,000.

The City Commission approved purchase of 98 AEDs (Automated External Defibrillators) for \$51,862. A Medical Service Grant will pay \$38,896 of the purchase price.

June 2022 -The City Commission approved the use of General Fund equity to match \$350,000 from the School Board and \$350,000 from Winter Haven High School for the renovation of Denison Stadium.

July 2022 - The City Commission approved a cost of living adjustment (COLA) for all City employees to be effective July 25 rather than October 1st to get ahead of the competition and to keep employees from seeking employment elsewhere. The COLA rate was as follows:

Classifications 13-28	8% COLA
Classifications 29-31	5% COLA
Classification > 31	2% COLA

Additional adjustments were made for Fleet and Solid Waste personnel.

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August 2022- The City Commission agreed to lease 114 spaces in the parking garage to Onicx Taylor Hospitality LLC for \$12,540 per month. The lease is to become effective on January 1, 2024 and is for a 15- year period with two additional 5 year periods.

The City Commission agreed to sell the City owned parking lot at 0 Third Street Southwest to Onicx Taylor Hospitality LLC for \$220,000.

September 2022- FEMA awarded the City \$2,193,948 Staffing for Adequate Fire and Emergency Response (SAFER) Grant money to hire up to 12 fire fighters.

The City Commission accepted ownership of a vacant lot located at 322 Quentin Ave. from the County.

CRA FUND

Downtown CRA District

Economic Development

A. Tax Rebate-20 on 2 nd LLC	\$28,681
B. Tax Rebate - Physicians Partnership	16,229
C. Tax Rebate – First Street North (Bond Clinic)	35,419
D. Tax Rebate-Dundee Storage	<u>342</u>
Total	\$80,741

Community Involvement

Contribution to Main Street for Christmas Lights	\$50,500
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Capital Expenditures

Joyce B Davis Park Master Plan (Kimley Horn)	\$80,731
2 nd Street SW Complete Street Project	<u>27,224</u>
Total	\$107,955

Grants

Residential:

Davina Pomaika	\$5,000
Emmaline Doles	5,000
Todd Brittain	4,901
Yuksel Cam	4,850
William DeLoach	4,580
Ethan Gilmore	5,000
Tanya Ramand	5,000
Wilfred Smith	4,785
Sonia Meza-Leon	<u>4,965</u>
Subtotal	\$44,081

Commercial:

Dragon Painting & Sealing	\$5,000
Lucille's American Café	3,000
Jensen's Corner Bar	3,000
Heartfelt Quilting/Sewing	<u>5,000</u>
Subtotal	\$16,000

Outdoor Seating:

Jensen's Corner Bar	\$3,000
Benjamin Vickers-Honey Bread	2,317
George Darr Jr.	5,000
Haven Coffee Roasters	<u>2,532</u>
Subtotal	<u>\$12,849</u>
Grants Grand Total	\$72,929

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Transfers

2015 Construction Fund:

Skate Park	\$100,000
MLK Park Design	25,000
Market Piazza	<u>254,723</u>
Total	\$379,723

General Fund:

Community Policing	\$73,778
Off Duty CRA Police	50,000
Debt Service Payments	<u>747,710</u>
Total	\$871,488

Dark Fiber Fund-Fiber Use Fee	\$12,600
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March 14, 2022: The CRA Board approved Resolution 22-01 establishing that the CRA Budget will be held to the same level of accountability as City Funds and Departments.

June 25, 2022: The Central Florida Regional Planning Council completed a Downtown CRA Plan update. The cost was \$40,000. The Plan was funded by a \$40,000 DEO Grant.

June 27, 2022: The City Commission approved an application from Bengé Development for tax incentives on 14.5 acres of land located at the corner of 11th Street NE and MLK Boulevard. The agreement is for rebates pursuant to the City's Housing Investment Program (HIP). The HIP Program provides a tax rebate not to exceed \$10,000 per unit, plus an additional \$1,500 per unit for incorporating three or more smart City technologies. The Project can construct up to 104 units.

July 11, 2022: The City Commission approved a task order with Kimley Horn to develop plans for Joyce B Davis Park. The cost is \$92,747.

September 13, 2022: The City Commission approved Ordinance O-22-51, allowing sidewalk cafes in Winter Haven. The City Commission also approved Resolution R-22-38 extending the life of the CRA from December 31, 2030 to December 31, 2060.

Florence Villa CRA

Demolitions- Johnson's Excavation and Services Inc. was paid \$21,550 to demolish a house at 2305 1st Street N.

Transfer to Transportation Fund- The Fund transferred \$15,000 to the Transportation Fund for sidewalk materials for the District.

Transfer to General Fund- The Fund transferred \$148,622 to the General Fund for debt service.

Facade Grants:

Living Word of Faith	\$10,000
Edwin Davis Jr.	10,000
First Missionary Baptist Church	10,000
Veronica Groover	2,618
Benita Callahan	5,000
Andrew Lewis	5,000
Kenneth James	4,936
Deborah Wellman	5,000
Bobby McKennon	4,411
Hakim Rasheed	3,900
David Clark Jr.	5,000
Faye Bellamy	5,000
Tender Touch Dry Cleaners	10,000
Ruth Robinson	5,000
Six Two Four Development Corp.	10,000

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Rosa Parnell	4,900
Williams Temple Christian Methodist Episcopal	10,000
Flarine Sanders	2,500
George Kachell	5,000
Jamie Alls Hudson	1,700
Betty Ann Smathers	5,000
Brian Keith Whitten	2,180
Linda Grant	5,000
William Chamberlan	5,000
Helen Lewis	5,000
Albertus Maultsby	9,792
Melodie Stevenson	3,000
Gardner, Dustin, Boden	2,810
Addison Brown	5,000
Cassandra Robinson	4,443
Jamie Alls Hudson	<u>3,300</u>
Total	\$170,490

Tax Increment Calculation

	<u>Florence Villa District</u>	<u>Downtown District</u>
Taxable Value	\$80,579,826	\$353,321,234
Base Valuation	<u>39,596,809</u>	<u>171,310,567</u>
Increase	\$40,983,017	\$182,010,667
Tax Increment %	95%	95%
Taxable Value to CRA	\$38,933,866	\$172,910,134
County Millage Rate	6.8990 mills	6.8990 mills
City Millage Rate	6.7900 mills	6.7900 mills
County Tax Increment	\$268,605 *	\$1,192,907 *
City Tax Increment	\$264,361 *	\$1,174,060 *

*Millage Increment Calculation is different than revenue recognized due to the County overpaying in 2020 and reducing the 2022 increment. The City adjusted the City's payment also.

2015 CONSTRUCTION FUND

Four Major Projects remain open:

Lake Elbert Trail

At year-end the necessary right-of-way had been purchased. Chastain Skillman provided project design services at a cost of \$169,737. At the end of August 2022 design was 53.35% complete. Carter/Kaye provides oversight services. The project will be bid in FY 2023.

Lake Maude-Phase II

On April 11, 2022 the City Commission approved a design/build contract with Whitehead Construction for the Lake Maude Phase II Project. Whitehead was given a design contract in the amount of \$136,350. At year-end design was 26.7% complete. On June 13, 2022 the City Commission approved a construction contract with Whitehead not to exceed \$1.8 million including design costs.

Winter Haven Recreational and Cultural Center

After several public meetings it was decided that a complete rebuild of the facility is in order rather than a remodel of the existing facility. Straughn Trout has a \$680,400 design contract. At year-end, \$133,209 had been paid on the contract.

Chain of Lakes Project-Phase II

The Tourist Development Council (TDC) is slated to provide a \$4.0 million grant for construction of the project and \$200,000 for engineering. The City is slated to match the \$4,000,000 construction amount. Carter/Kaye Engineering is doing a project assessment and preliminary design at a cost of \$342,550. At year-end \$92,600 had been paid on the contract.

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2015 CONSTRUCTION FUND NARRATIVE

Revenue	Before 2022	FY 2022	FY 2023	Total
Grant Proceeds	\$ 200,000	\$ 276,211	\$ -0-	\$ 476,211
Building Fund	5,828,050	1,400,000	-0-	7,228,050
Tourist Development	1,000,000	-0-	4,200,000	5,200,000
Bond Proceeds	32,429,948	-0-	-0-	32,429,948
General Fund	11,914,688	6,473,957	694,769	19,083,414
Utility Fund Loan	1,220,000	-0-	-0-	1,220,000
Impact Fees	5,899,408	947,222	250,000	7,096,630
Interest	1,020,031	203,025	200,000	1,423,056
Other Funds Contrib.	6,933,430	14,796	-0-	6,948,226
Transfer Utility Fund	4,102,681	1,321,678	-0-	5,424,359
Transfer Stormwater	199,305	241,901	-0-	441,206
Transfer Dark Fiber	57,306	93,125	-0-	150,431
Transfer CDBG	238,456	-0-	630,568	869,024
Transfer CRA Fund	1,649,951	379,723	-0-	2,029,674
Transfer 305 Fund	-0-	8,063,288	-0-	8,063,288
Total Revenue	\$72,693,254	\$19,414,926	\$5,975,337	\$98,083,517
Expense				
Lake Elbert Trail	\$ 584,502	\$ 326,731	\$ 1,491,559	\$ 2,402,792
Sidewalks	-0-	-0-	-0-	-0-
Lake Maude	5,427,732	36,405	1,763,595	7,227,732
Sertoma	673,147	2,784,648	-0-	3,457,795
COL Complex	29,144,585	-0-	-0-	29,144,585
Smart City Master Plan	46,250	-0-	-0-	46,250
Nora Mayo Hall	260,859	-0-	21,671	282,530
Fire Station	4,484,225	-0-	-0-	4,484,225
Pocket Park	440,001	186,995	-0-	626,996
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	260,602	88,778	14,027,578	14,376,958
Trailhead Playground	490,698	-0-	-0-	490,698
Skate Park/MLK Park	2,779,357	952,338	71,662	3,803,357
COL Phase II	23,461	111,200	8,088,800	8,223,461
Piazza	102,786	1,621,728	81,229	1,805,743
Principal Interest	289,538	144,769	144,769	579,076
Transfer to General Fund	1,488,027	-0-	-0-	1,488,027
Contingency	-0-	-0-	1,185,110	1,185,110
Total Expense	\$57,925,902	\$ 6,253,592	\$ 26,875,973	\$91,055,467
Surplus<deficit>	14,767,352	13,161,334	-20,900,636	7,028,050
Beginning Cash Bal	-0-	14,767,352	27,928,686	-0-
Ending Cash Balance	\$14,767,352	\$27,928,686	\$7,028,050	\$7,028,050

The ending cash balance belongs to the Building Fund \$7,028,050.

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2022**

2021 CONSTRUCTION FUND

The City issued two bonds which closed in November 2021. One of the two bonds was taxable (\$4,390,000) and one was non-taxable (\$17,245,000). The taxable bond was issued to give the City more legal flexibility working in partnership with the private sector on the construction of a parking garage. The two bonds par value totaled \$21,635,000 with a premium of \$1,612,642 with an Underwriters Fee reduction of \$93,221.06 netting the City \$23,154,421.19 for projects with issue costs (\$154,421.19).

At September 30, 2022 year-end the Fund had \$15,882,128 available for projects. The monies are allocated as follows:

Lake Conine Recreation	\$1,854,700
Parking Garage	4,500,000
Fire Station 4 & 5	9,000,000
Contingency	<u>527,428</u>
TOTAL	\$15,927,428

The contingency will increase by another \$625,000 in FY 2023, with receipt of grant proceeds from the Lake Conine Recreation Project plus interest earnings.

Due to a number of above listed projects being accounted for in the 2015 Construction Fund in November 2021 the following amounts were transferred to the 2015 Construction Fund.

Lake Maude	\$1,800,000
Northeast Complex	4,500,000
Pocket Park	500,000
COL Phase II	513,288
Lake Elbert Trail	<u>750,000</u>
TOTAL	\$8,063,288

Transfer to Airport

The Bond issue costs were budgeted to be \$382,291 but actually turned out to be \$137,521. On March 28, 2022 the City Commission authorized \$126,832 surplus from these fees be transferred to the Airport Fund to assist with the funding of the Security System.

Lake Conine Recreation Element

Whitehead Construction was given a \$200,000 contract to design the recreation element at the Lake Conine Water Treatment Project.

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2022**

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 \$1,100,679 and a loss of \$29,480 on the GAAP basis before recording of the OPEB expense.

The City has over 20,000 Solid Waste customer accounts. The City's billing software changed from ADG to Tyler during the year to streamline processes and gain efficiencies.

Reconciliation of Cash Basis Expenditures to GAAP Expenditures:

Cash Basis Expenditures		\$10,494,912
Plus:		
Depreciation	1,001,699	
GASB 68 Liability	266,535	
OPEB Liability	-0-	1,268,234
Less:		
Sick/Vacation Accrual	\$13,331	
Capital Expenditure	1,591,368	
Capital Depletion	<u>734,734</u>	<u>(2,339,433)</u>
GAAP Basis Expenditures		\$9,423,713

Notes from the Water and Sewer Fund are as follows:

The Water and Sewer Fund operated with a surplus of \$1,940,857 on the Budget Basis and \$10,768,530 on the GAAP Basis, before posting the OPEB expense.

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

	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>
Water accounts	40,149	40,649	39,077	37,969	36,783
Sewer accounts	25,858	25,947	24,934	24,023	23,150
Gallons water billed	3,918 m	3,376 m	3,329 m	3,159 m	3,194 m
Consumption per customer	97,585 g	83,076 g	85,195 g	83,192 g	86,826 g
Rainfall (from plant #3)	70.11 in	48.02 in	49.42 in	50.61 in	54.86 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 9-30-2022</u>
John Wood-Prepaid Connections	1,050 prepaids	651 prepaids

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

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2022**

Developer Contributions

	<u>Water Lines</u>	<u>Sewer Lines</u>	<u>Lift Station</u>	<u>Reuse</u>	<u>Total</u>
Eagles Landing	\$ -0-	\$ 93,714	\$ -0-	\$ -0-	\$93,714
Estates of Lake Florence	-0-	-0-	739,069	-0-	739,069
Lake Lucerne-Phase 6	283,8945	102,392	-0-	75,005	461,292
Jackson Street-Grove Park	87,556	-0-	-0-	-0-	87,556
Chestnut Creek	622,446	-0-	-0-	-0-	622,446
Inman Groves	345,396	305,468	340,701	-0-	991,566
Villamar-Phase III	403,074	535,541	-0-	331,151	1,269,766
Villamar-Phase IV	376,532	790,995	408,714	-0-	1,576,241
Eagles Landing-Phase II	-0-	199,191	-0-	-0-	199,191
Total	\$2,118,899	\$2,027,301	\$1,488,485	\$406,156	\$6,040,840

Other Items:

October 25, 2021

The City Commission approved an amendment to SRF Loan WW 531302 in the amount of \$10,954,000. The amended loan total is \$22,454,070. The amendment was to add a master lift station at the Harmony Development. At year-end, \$10,305,637 had been drawn on the loan.

November 21, 2021

The City purchased five by-pass pumps for lift stations 118 and 335 plus a lift station at the Orleans subdivision. The Orleans purchase (\$51,059) was the result of a developer's agreement with JDT of Central Florida. JDT will reimburse the City \$13,275.34.

December 2021

The City was awarded a grant from the Heartland Headwaters Act in the amount of \$1,375,000 for the Aquifer Storage Recover and Recharge Project. Jones Edmonds will design the project at a cost of \$218,820.

- The City Commission approved a contract with Raftelis for general consulting at a price not to exceed \$50,000, per year.
- The City Commission approved a Water and Wastewater needs assessment required by House Bill 53. Black and Veatch will do the study at a cost of \$112,804.
- The City Commission approved a settlement with the Wahneta Water System regarding the Eagles Landing Subdivision. Eagles Landing was annexed by the City but is in the Wahneta service area. Wahneta will provide water services and the City will provide sewer services.
- The City Commission approved a grant in the amount of \$6,411,612 from the Florida Job Growth Infrastructure Grant Program administered by FDEO. Proceeds will construct a road connecting Pollard Road to Logistic Parkway.
- The City Commission approved a renewal of Cartograph for three years.

January 24, 2022

- The City Commission passed Ordinance O-22-03 increasing water, sewer and reuse rates 2 ½%. Rates will be increased each May 1st.
- Ordinance O-22-04 was approved increasing impact fees as follows:
Water per ERC from \$1,121.34 to \$1,669.50
Sewer per ERC from \$3,637.76 to \$4,196.50
The name was changed from "Impact Fees" to Connection Fees". Rates will continue to be adjusted each October 1st by the increase in the Engineering News Record.

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2022**

February 14, 2022

- Atkins Engineering was approved to design Pollard Road water plant at a cost of \$367,093.22.
- The City Commission approved an agreement with SWFWMD for the City to construct 17,600 ft. of reuse line in Southeast Winter Haven. SWFWMD will share 50% of the estimated \$2,820,000 cost.

February 28, 2022

The City Commission approved an amendment to the Restated Implementation Agreement for the Southeast Wellfield Lower Floridian Aquifer Project. The City agrees to purchase 1.52 MGD from the Project which is 10.89% of the projected output. The City's estimated cost is to be \$3,140,286. The City also agreed to purchase 0.1 MGD from the West Polk Wellfield Project. This amount is estimated to be 1.27% of the water output and to cost the City \$68,552.

March 14, 2022

The City Commission approved Resolution R-22-11 which amended Resolution R-87-07 providing an additional exception to annexing into the City when provided utility services. Participants in the Septic to Sewer Program are exempted from annexing.

March 28, 2022

- The City Commission approved a \$298,397.99 amendment to DBE Managements Contract for extending fiber, reuse and new sewer line to WW #3. The project cost is \$12,890,294.96.
- The City donated 17,015 ft. of land to Polk County to widen East Eloise Loop Road at the Winterset Water Plant. The City Commission approved submitting three projects for Congressman Soto to submit to Congress:
Permanent By-Pass Pump
Smart City Man Hole Covers
SW Lake Howard Pedestrian Project

April 11, 2022

- The City Commission approved the sale of .37 acres located at 6603 Princeton Drive NE to Lake and Golf Estates for \$42,000.
- The City Commission approved the renewal of the water reuse agreement with the Gates of Lake Region.
- The City Commission agreed to continue to provide Orchid Springs Wastewater Service a 1.10 per thousand gallons but will no longer provide maintenance services.
- The City Commission agreed to purchase vacant land from John G Wood for a new Water Treatment Plant at a price not to exceed \$170,000.

April 25, 2022

The City Commission approved an agreement with Eagles Landing Subdivision to extend sewer and a future water line to the subdivision along Pollard Road. The cost is \$118,830 which is to be shared with the developer.

May 23, 2022

The City Commission approved a contract with RCM Utilities LLC to connect 50 homes in Boggy Bottom to the City's sewer system at a cost of \$677,166.

June 26, 2022

The City Commission agreed to a second amendment to the Southeast Wellfield Lower Aquifer Project. The agreement locks the City into the previously committed amounts of water. The City also agreed to the same amendment with the Southwest Project. The City along with the County and three other Cities agreed to be "Anchor Participants".

August 22, 2022

The City agreed to sale property located at 2024 Leisure Drive Northwest to Arin Ghalami for \$300,000. The City had purchased the property to expand the footprint of a lift station.

City of Winter Haven
Management's Discussion and Analysis
September 30, 2022

September 13, 2022

- The City Commission approved two grants from FDEP through the Polk Regional Water Cooperative. \$1.0 million for the Septic to Sewer Project and \$1,375,000 for the ASR Wellfield. These are 50/50 grants.
- An Agreement with the Town of Dundee was approved for a water interconnect. The costs will be shared 50/50.

September 26, 2022

- The City agreed to a water interconnect with Polk County. The estimated \$277,531.04 costs will be shared 50/50.
- The City agreed to cost share the extension of water, reuse, sewer and fiber to B & B Ranch with HR Baxter and Sons. The City's cost will be \$1,954,219.23. The total cost of the Project will be \$2,814,311.01.
- The City Commission authorized the City Manager to submit a letter of Interest to EPA for consideration of a WIFIA Loan.

Reconciliation of Budget Basis Expenditures and GAAP Expenditures:

Cash Basis Expenditures		\$48,867,006
Plus:		
GASB 68	\$664,885	
Bad Debt	152,230	
Amortization	101,666	
Depreciation	4,114,954	
OPEB	<u>-0-</u>	5,033,735
Less:		
Debt Principle	2,310,029	
Sick/Vacation Accrual	80,850	
Capital Expenditures	15,588,878	
Capital Depletion	<u>446,448</u>	(18,426,705)
GAAP Basis Expenditures		\$35,474,036

Reconciliation of Budget Basis Revenues with GAAP Revenues:

Budget Basis Revenues	\$50,807,863
Plus:	
Developer Contributions	\$6,040,840
Less:	
Debt Proceeds	(10,305,637)
Land Sale Proceeds	<u>(300,000)</u>
GAAP Basis Revenue	\$46,243,066

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2022**

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	11.02%	29.38%	29.33%
Active Plan Participants 10-1-21	74	61	137
DROP Participants 10-1-21	3	5	20
Unfunded Actuarial Liability @ 10-1-21	\$3,121,901	\$4,545,095	\$16,137,955
Funded Ratio 10-1-21	108.3%	89.7%	93.1%

City of Winter Haven
Management's Discussion and Analysis
September 30, 2022

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	33,410,810	35,633,487	-0-
Regions Trust	<u>-0-</u>	<u>-0-</u>	<u>67,881,692</u>
Total Assets	\$33,410,810	\$35,633,487	\$67,881,692

The September 30, 2022 value of other retirement plans and tax deferred savings plans was as follows:

Nationwide 457	\$5,079,649
ICMA-RC 457	\$4,305,484
Non-Director 401(a)	\$1,629,698
Director 401(a)	\$3,691,578
Roth-ICMA	\$ 28,732

Analysis of Significant General Fund Variances

There were no significant adjustments to the General Fund Budget during the year. Department Directors operated within the \$62.6 million beginning allotment and returned \$3.3 million of unused expenditure budget to offset a budgeted use of equity.

Capital Assets and Debt Administered

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, is \$228,902,461 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, infrastructure, utility systems and equipment. The total increase (additions less retirements and depreciation) in the City's investment in capital assets for the current fiscal year was \$18,553,364 (a 6.6% increase for governmental activities and a 11.2 % increase for business-type activities).

The schedule below reflects the City's capital assets as of September 30, 2022 and 2021:

	Capital Assets (Net of depreciation)					
	Governmental Activities*		Business-Type Activities*		Totals*	
	2022	2021	2022	2021	2022	2021
Land	\$ 8,050,546	\$ 8,017,864	\$ 5,483,266	\$ 5,783,348	\$ 13,533,812	\$ 13,801,212
Construction in Progress	5,916,272	3,953,809	23,637,230	17,068,165	29,553,502	21,021,974
Buildings and Improvements	57,815,409	58,814,206	2,129,312	2,253,839	59,944,721	61,068,045
Other Improvements	35,143,535	30,814,029	74,844,909	69,979,372	109,988,444	100,793,401
Equipment	7,871,626	6,368,862	7,714,815	7,295,603	15,586,441	13,664,465
Right-to-use Leased Buildings	3,791	-	-	-	3,791	-
Right-to-use Leased Equipment	291,750	-	-	-	291,750	-
Total net position	<u>▼ \$115,092,929</u>	<u>▼ \$107,968,770</u>	<u>▼ \$113,809,532</u>	<u>▼ \$102,380,327</u>	<u>\$228,902,461</u>	<u>\$210,349,097</u>

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2022**

Debt Administration

Two new bond issues were issued in November 2021:

1. Taxable Non Ad Valorem Revenue Bond Series 2021 B

This bond in the amount of \$4,390,000 issued with a premium of \$171,568 was sold to provide money for a parking facility. It was sold as a taxable bond to expand the options of the City should the facility be built in partnership with a private entity.

2. Non Ad Valorem Revenue Bond Series 2021 C

This bond in the amount of \$17,245,000 was sold with a premium of \$1,441,074 to provide funds for capital projects accounted for in the 2021 Construction Fund and the 2015 Construction Fund

At the end of the current fiscal year, the City had total bonded debt outstanding of \$56,767,987. Detailed information on City debt can be found in the notes to the Financial Statements titled Long Term Liabilities.

Economic Factors and Next Year's Budget and Rates

Due to the robust housing and construction market, as well as increased development activity, the City continues to experience positive taxable property values. Taxable values increased 8.25% this year, compared to prior year's taxable value. The millage rate was reduced from 6.7900 mills in FY2021-2022 to 6.5900 mills in FY2022-2023.

- The City's reserve policy states that the City have an unassigned fund balance in the General Fund for emergency purposes and/or liquidity purposes, of 17%. The City continues to exceed the 17% reserve.
- The City of Winter Haven is the second largest city (17 cities total) in Polk County. The unemployment rate in Polk County decreased from 4.1% in 2021 to 3.3% in 2022.
- 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.
- It is anticipated that property values will increase 12% in FY 2023 over FY 2022

The above factors were considered in preparing the FY 2023 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.

WINTER HAVEN

The Chain of Lakes City

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BASIC FINANCIAL STATEMENTS

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 94,557,337	\$ 41,684,623	\$ 136,241,960
Restricted Cash and Investments	406,512	28,976,129	29,382,641
Accounts Receivable, Net	2,252,146	6,071,973	8,324,119
Lease Receivable	575,547	1,048,429	1,623,976
Due from Other Governments	13,402,996	2,957,371	16,360,367
Internal Balances	3,881,312	(3,881,312)	-
Inventory	197,387	902,029	1,099,416
Prepaid Items	379,895	42,396	422,291
Capital Assets, Not Being Depreciated	13,966,818	29,120,496	43,087,314
Capital Assets, Being Depreciated - Net	101,126,111	84,689,036	185,815,147
Total Assets	230,746,061	191,611,170	422,357,231
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	19,801,380	4,310,721	24,112,101
OPEB Related Items	4,398,428	1,993,148	6,391,576
Deferred Charge on Debt Refunding	151,725	590,458	742,183
Total Deferred Outflows of Resources	24,351,533	6,894,327	31,245,860
LIABILITIES			
Accounts Payable	3,485,420	4,540,934	8,026,354
Accrued Liabilities	1,397,626	434,978	1,832,604
Claims Payable	1,748,553	-	1,748,553
Due to Other Governments	8,175	62	8,237
Accrued Interest Payable	898,530	691,869	1,590,399
Current Liabilities Payable from Restricted Assets:			
Customer Deposits	-	5,930,246	5,930,246
Unearned Revenue	82,926	17,393	100,319
Noncurrent Liabilities:			
Due Within One Year			
Bonds and Notes Payable	3,300,000	2,824,746	6,124,746
Leases Payable	179,829	-	179,829
Compensated Absences	275,844	59,898	335,742
Total OPEB Liability	801,946	363,504	1,165,450
Due in More than One Year			
Bonds and Notes Payable	61,435,310	48,952,353	110,387,663
Leases Payable	117,496	-	117,496
Compensated Absences	1,783,296	539,078	2,322,374
Net Pension Liability	36,088,919	10,591,071	46,679,990
Total OPEB Liability	19,488,916	8,831,308	28,320,224
Total Liabilities	131,092,786	83,777,440	214,870,226
DEFERRED INFLOWS OF RESOURCES			
Lease related Items	567,514	1,023,203	1,590,717
Pension Related Items	2,073,286	27,015	2,100,301
OPEB Related Items	12,130,932	5,497,136	17,628,068
Deferred Charge on Debt Refunding	186,520	-	186,520
Total Deferred Inflows of Resources	14,958,252	6,547,354	21,505,606
NET POSITION			
Net Investment in Capital Assets	71,751,549	59,759,453	131,511,002
Restricted for:			
Public Safety	14,644	-	14,644
Community Redevelopment Agency	3,240,906	-	3,240,906
Environmental Awareness	200,000	-	200,000
Human Services	812,079	-	812,079
Police Training, Confiscation and Abandoned Property	112,535	-	112,535
Building Safety	8,473,900	-	8,473,900
Impact Fees	2,504,005	-	2,504,005
Debt Service	4,642,675	2,926,776	7,569,451
Transportation	3,328,819	-	3,328,819
Renewal, Replacement, and Improvements	-	20,119,107	20,119,107
Unrestricted	13,965,444	25,375,367	39,340,811
Total Net Position	\$ 109,046,556	\$ 108,180,703	\$ 217,227,259

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022

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	\$ 11,212,951	\$ 4,848,763	\$ 7,805,604	\$ 12,566	\$ 1,453,982	\$ -	\$ 1,453,982
Public Safety	26,609,110	770,380	418,607	-	(25,420,123)	-	(25,420,123)
Transportation	5,947,758	2,428,428	59,000	5,362,005	1,901,675	-	1,901,675
Economic Development	2,406,217	6,577,299	117,300	-	4,288,382	-	4,288,382
Human Services	811,193	341,525	538,729	-	69,061	-	69,061
Culture and Recreation	11,763,457	1,292,899	548,366	45,300	(9,876,892)	-	(9,876,892)
Debt Service:							
Interest on Long-Term Debt	1,598,363	-	-	-	(1,598,363)	-	(1,598,363)
Total Governmental Activities	60,349,049	16,259,294	9,487,606	5,419,871	(29,182,278)	-	(29,182,278)
Business-Type Activities:							
Water and Sewer	29,315,480	38,725,072	-	6,828,330	-	16,237,922	16,237,922
Solid Waste	7,988,577	9,359,993	-	-	-	1,371,416	1,371,416
Willowbrook Golf Course	1,257,843	1,104,165	2,650,000	-	-	2,496,322	2,496,322
Stormwater	2,261,851	2,093,073	2,175	-	-	(166,603)	(166,603)
Dark Fiber	208,121	107,252	-	-	-	(100,869)	(100,869)
Total Business-Type Activities	41,031,872	51,389,555	2,652,175	6,828,330	-	19,838,188	19,838,188
Total Primary Government	\$ 101,380,921	\$ 67,648,849	\$ 12,139,781	\$ 12,248,201	(29,182,278)	19,838,188	(9,344,090)
General Revenues							
Taxes:							
Property Taxes					21,508,955	-	21,508,955
Utility Taxes					7,951,212	-	7,951,212
Franchise Taxes					4,491,592	-	4,491,592
Fuel Taxes					2,253,960	-	2,253,960
Unrestricted State-Shared Revenues:							
Sales Taxes					3,967,798	-	3,967,798
Municipal Revenue Sharing					2,381,829	-	2,381,829
Other Taxes					1,202,948	-	1,202,948
Investment Income					717,572	649,583	1,367,155
Gain on Sale of Capital Assets					-	41,918	41,918
Miscellaneous					397,157	-	397,157
Transfers					7,249,803	(7,249,803)	-
Total General Revenues and Transfers					52,122,826	(6,558,302)	45,564,524
Change in Net Position					22,940,548	13,279,886	36,220,434
Net Position - Beginning of Year					86,106,008	94,900,817	181,006,825
Net Position - End of Year					\$ 109,046,556	\$ 108,180,703	\$ 217,227,259

See accompanying Notes to Financial Statements.

**CITY OF WINTER HAVEN, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	General Fund	Community Redevelopment Agency Fund	Airport Fund	2015 Construction Fund	2021 Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Investments	\$ 21,706,472	\$ 2,926,732	\$ 847,484	\$ 28,239,978	\$ 15,912,520	\$ 19,660,480	\$ 89,293,666
Investments - Reserved for Perpetual Care	-	-	-	-	-	406,512	406,512
Accounts Receivable	2,051,670	452	1,171	395	-	55,450	2,109,138
Lease Receivable	1,398	-	226,658	-	-	347,491	575,547
Due from Other Governments	12,260,393	-	407,052	-	45,300	690,251	13,402,996
Due from Other Funds	201,414	-	-	-	-	533,041	734,455
Advances to Other Funds	1,563,872	-	-	-	-	1,517,269	3,081,141
Inventory	-	-	-	-	-	24,482	24,482
Prepaid Items	91,150	3,930	5,058	-	-	21,182	121,320
Total Assets	<u>\$ 37,876,369</u>	<u>\$ 2,931,114</u>	<u>\$ 1,487,423</u>	<u>\$ 28,240,373</u>	<u>\$ 15,957,820</u>	<u>\$ 23,256,158</u>	<u>\$ 109,749,257</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 972,702	\$ 51,479	\$ 582,863	\$ 312,698	\$ 30,392	\$ 559,761	\$ 2,509,895
Accrued Liabilities	1,417,630	4,734	19,073	-	-	92,022	1,533,459
Due to Other Funds	-	-	189,936	115,188	-	51,414	356,538
Due to Other Governments	-	-	-	-	-	8,175	8,175
Advances from Other Funds	-	-	84,820	782,447	-	-	867,267
Unearned Revenue	54,020	5,778	21,290	-	-	-	81,088
Total Liabilities	<u>2,444,352</u>	<u>61,991</u>	<u>897,982</u>	<u>1,210,333</u>	<u>30,392</u>	<u>711,372</u>	<u>5,356,422</u>
Deferred Inflows of Resources:							
Unavailable Revenue	10,884,699	-	407,052	-	45,300	483,960	11,821,011
Lease Related Items	1,396	-	225,235	-	-	340,883	567,514
Total Deferred Inflows of Resources	<u>10,886,095</u>	<u>-</u>	<u>632,287</u>	<u>-</u>	<u>45,300</u>	<u>824,843</u>	<u>12,388,525</u>
Fund Balances:							
Nonspendable	1,655,022	3,930	5,058	-	-	45,664	1,709,674
Restricted	214,644	2,865,193	-	8,550,340	-	12,712,620	24,342,797
Committed	-	-	-	-	-	2,202,110	2,202,110
Assigned	94,885	-	-	18,479,700	15,882,128	6,759,549	41,216,262
Unassigned	22,581,371	-	(47,904)	-	-	-	22,533,467
Total Fund Balances	<u>24,545,922</u>	<u>2,869,123</u>	<u>(42,846)</u>	<u>27,030,040</u>	<u>15,882,128</u>	<u>21,719,943</u>	<u>92,004,310</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 37,876,369</u>	<u>\$ 2,931,114</u>	<u>\$ 1,487,423</u>	<u>\$ 28,240,373</u>	<u>\$ 15,957,820</u>	<u>\$ 23,256,158</u>	<u>\$ 109,749,257</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, 2022**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS

\$ 92,004,310

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	\$ 204,518,606	
Accumulated Depreciation	(90,488,817)	
Total Capital Assets Added		114,029,789

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.

151,725

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.

(898,530)

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	(32,126,227)	
Deferred Outflows of Resources - Pension Related	18,188,506	
Deferred Inflows of Resources - Pension Related	(2,063,178)	
Total Pension Related Items		(16,000,899)

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	(18,357,205)	
Deferred Outflows of Resources - OPEB Related	3,979,271	
Deferred Inflows of Resources - OPEB Related	(10,974,891)	
Total Pension Related Items		(25,352,825)

Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(62,900,000)	
Premium on Bond Issue	(1,835,310)	
Prepaid Insurance	7,104	
Leases Payable	(3,797)	
Accrued Compensated Absences	(1,544,390)	
Total Long-Term Liabilities		(66,276,393)

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

11,821,011

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.

(186,520)

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.

(245,112)

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 109,046,556

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, 2022

	General Fund	Community Redevelopment Agency Fund	Airport Fund	2015 Construction Fund	2021 Construction Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 34,242,733	\$ 2,883,557	\$ -	\$ -	\$ -	\$ -	\$ 37,126,290
Licenses and Permits	233,385	-	-	-	-	-	233,385
Intergovernmental	15,482,371	40,000	3,548,293	276,211	-	2,102,683	21,449,558
Charges for Services	3,848,498	-	993,668	-	-	6,578,201	11,420,367
Fines and Forfeitures	190,244	-	-	-	-	23,944	214,188
Rents	399,292	7,500	943,005	-	-	167,233	1,517,030
Investment Income	174,583	24,091	5,230	203,025	112,006	152,872	671,807
Contributions	-	-	-	-	3,122	12,110	15,232
Other	882,574	-	60,865	-	-	110,998	1,054,437
Total Revenues	55,453,680	2,955,148	5,551,061	479,236	115,128	9,148,041	73,702,294
EXPENDITURES							
Current:							
General Government	7,822,512	-	-	-	-	-	7,822,512
Public Safety	21,001,342	-	-	-	-	2,092,975	23,094,317
Transportation	2,267,476	-	6,730,289	-	-	1,597,537	10,595,302
Economic Development	1,132,675	996,606	-	-	-	-	2,129,281
Human Services	-	-	-	-	-	605,401	605,401
Culture and Recreation	6,223,606	-	-	-	-	1,769,132	7,992,738
Capital Projects	-	-	-	5,993,483	45,300	-	6,038,783
Debt Service:							
Principal Retirement	11,365	-	-	-	-	2,850,000	2,861,365
Interest and Fiscal Charges	34	-	5,827	33,537	-	1,434,547	1,473,945
Other Debt Service	-	-	-	-	230,742	17,601	248,343
Total Expenditures	38,459,010	996,606	6,736,116	6,027,020	276,042	10,367,193	62,861,987
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	16,994,670	1,958,542	(1,185,055)	(5,547,784)	(160,914)	(1,219,152)	10,840,307
OTHER FINANCING SOURCES (USES)							
Sale of Assets	10,087	-	-	-	-	-	10,087
Issuance of Debt	-	-	-	-	23,247,642	-	23,247,642
Transfers In	8,976,690	-	1,168,587	18,819,340	1,000,000	12,897,397	42,862,014
Transfers Out	(20,830,300)	(1,425,633)	(491,959)	-	(8,190,120)	(5,010,199)	(35,948,211)
Total Other Financing Sources (Uses)	(11,843,523)	(1,425,633)	676,628	18,819,340	16,057,522	7,887,198	30,171,532
NET CHANGE IN FUND BALANCES	5,151,147	532,909	(508,427)	13,271,556	15,896,608	6,668,046	41,011,839
Fund Balances - Beginning of Year	19,394,775	2,336,214	465,581	13,758,484	(14,480)	15,051,897	50,992,471
FUND BALANCES - END OF YEAR	<u>\$ 24,545,922</u>	<u>\$ 2,869,123</u>	<u>\$ (42,846)</u>	<u>\$ 27,030,040</u>	<u>\$ 15,882,128</u>	<u>\$ 21,719,943</u>	<u>\$ 92,004,310</u>

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, 2022

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 41,011,839**

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. 13,466,502

Depreciation of capital assets is not a use of financial resources to governmental funds; however, it is expensed in the statement of net position. (6,834,402)

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. (122,740)

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	\$ (23,247,642)	
Bond and Note Payments	2,850,000	
Lease Payments	11,365	
Total Long-Term Debt	(20,386,277)	(20,386,277)

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	(710)	
Amortization of Bond Premium	124,464	
Total Amortization	157,438	157,438

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	(665,630)	
Net Change in Accrued Compensated Absences	(28,832)	
Net Change in Bond Interest Payable	(280,375)	
Net Change in Net Pension Liability and Related Amounts	(3,615,855)	
Net Adjustment	(4,590,692)	(4,590,692)

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. (27,214)

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. 266,094

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 22,940,548**

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, 2022

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 32,244,463	\$ 32,244,463	\$ 34,242,733	\$ 1,998,270
Licenses and Permits	230,000	230,000	233,385	3,385
Intergovernmental	6,855,530	14,632,492	15,482,371	849,879
Charges for Services	3,738,744	3,738,744	3,848,498	109,754
Fines and Forfeitures	301,000	301,000	190,244	(110,756)
Rents	480,500	480,500	399,292	(81,208)
Investment Income	55,000	55,000	174,583	119,583
Other	771,810	771,810	882,574	110,764
Total Revenues	44,677,047	52,454,009	55,453,680	2,999,671
EXPENDITURES				
Current:				
General Government	8,209,138	8,409,138	7,822,512	586,626
Public Safety	21,778,805	21,778,805	21,001,342	777,463
Transportation	2,975,749	2,975,749	2,267,476	708,273
Economic Development	1,334,897	1,336,897	1,132,675	204,222
Culture and Recreation	7,289,912	7,289,912	6,223,606	1,066,306
Debt Service:				
Principal Retirement	-	-	11,365	(11,365)
Interest and Fiscal Charges	-	-	34	(34)
Total Expenditures	41,588,501	41,790,501	38,459,010	3,331,491
EXCESS OF REVENUES OVER EXPENDITURES	3,088,546	10,663,508	16,994,670	6,331,162
OTHER FINANCING SOURCES (USES)				
Sales of Assets	20,100	20,100	10,087	(10,013)
Transfers In	9,036,911	9,036,911	8,976,690	(60,221)
Transfers Out	(13,645,557)	(20,830,300)	(20,830,300)	-
Total Other Financing Sources (Uses)	(4,588,546)	(11,773,289)	(11,843,523)	(70,234)
NET CHANGE IN FUND BALANCES	(1,500,000)	(1,109,781)	5,151,147	6,260,928
Fund Balances - Beginning of Year	19,394,775	19,394,775	19,394,775	-
FUND BALANCES - END OF YEAR	<u>\$ 17,894,775</u>	<u>\$ 18,284,994</u>	<u>\$ 24,545,922</u>	<u>\$ 6,260,928</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, 2022

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,915,535	\$ 2,915,535	\$ 2,883,557	\$ (31,978)
Intergovernmental	40,000	40,000	40,000	-
Miscellaneous:				
Rents	3,300	3,300	7,500	4,200
Investment Income	3,500	3,500	24,091	20,591
Total Revenues	<u>2,962,335</u>	<u>2,962,335</u>	<u>2,955,148</u>	<u>(7,187)</u>
EXPENDITURES				
Current:				
Economic Development	<u>3,377,693</u>	<u>3,377,693</u>	<u>996,606</u>	<u>2,381,087</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(415,358)	(415,358)	1,958,542	2,373,900
OTHER FINANCING USES				
Transfers Out	<u>(1,311,633)</u>	<u>(1,311,633)</u>	<u>(1,425,633)</u>	<u>(114,000)</u>
NET CHANGE IN FUND BALANCES	(1,726,991)	(1,726,991)	532,909	2,259,900
Fund Balances - Beginning of Year	<u>2,336,214</u>	<u>2,336,214</u>	<u>2,336,214</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 609,223</u></u>	<u><u>\$ 609,223</u></u>	<u><u>\$ 2,869,123</u></u>	<u><u>\$ 2,259,900</u></u>

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AIRPORT FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,544,038	\$ 4,544,038	\$ 3,548,293	\$ (995,745)
Charges for Services	848,100	848,100	993,668	145,568
Miscellaneous:				
Rents	860,212	860,212	943,005	82,793
Investment Income	50	50	5,230	5,180
Other	55,435	55,435	60,865	5,430
Total Revenues	<u>6,307,835</u>	<u>6,307,835</u>	<u>5,551,061</u>	<u>(756,774)</u>
EXPENDITURES				
Current:				
Transportation	6,842,062	6,842,062	6,730,289	111,773
Debt Service:				
Principal Retirement	38,373	38,373	-	38,373
Interest and Fiscal Charges	5,827	5,827	5,827	-
Total Expenditures	<u>6,886,262</u>	<u>6,886,262</u>	<u>6,736,116</u>	<u>150,146</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(578,427)	(578,427)	(1,185,055)	(606,628)
OTHER FINANCING SOURCES (USES)				
Transfers In	348,012	348,012	1,168,587	820,575
Transfers Out	<u>(491,959)</u>	<u>(491,959)</u>	<u>(491,959)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(143,947)</u>	<u>(143,947)</u>	<u>676,628</u>	<u>820,575</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(722,374)	(722,374)	(508,427)	213,947
Fund Balances - Beginning of Year	<u>465,581</u>	<u>465,581</u>	<u>465,581</u>	<u>-</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (256,793)</u>	<u>\$ (256,793)</u>	<u>\$ (42,846)</u>	<u>\$ 213,947</u>

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	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	\$ 29,233,048	\$ 4,083,992	\$ 7,798,291	\$ 41,115,331	\$ 5,263,671
Cash With Fiscal Agent	358,632	-	210,660	569,292	-
Restricted Cash and Investments					
Customer Deposits	5,930,246	-	-	5,930,246	-
Receivables:					
Accounts	4,528,266	1,223,224	472,977	6,224,467	143,008
Less: Allowance for Doubtful Accounts	(152,494)	-	-	(152,494)	-
Leases	809,595	-	238,834	1,048,429	-
Due from Other Governments	2,025,121	-	932,250	2,957,371	-
Due from Other Funds	115,188	-	-	115,188	-
Advances to Other Funds	782,447	-	-	782,447	-
Inventories	855,269	-	46,760	902,029	172,905
Prepaid Items	29,658	472	12,266	42,396	251,471
Total Current Assets	44,514,976	5,307,688	9,712,038	59,534,702	5,831,055
NONCURRENT ASSETS					
Restricted Cash, Cash Equivalents, and Investments:					
Bond Asset Replacement Funds	4,415,909	-	-	4,415,909	-
Construction Funds	15,703,198	-	-	15,703,198	-
Debt Service	2,926,776	-	-	2,926,776	-
Total Restricted Assets	23,045,883	-	-	23,045,883	-
Capital Assets:					
Land	2,564,971	-	2,918,295	5,483,266	-
Construction in Progress	23,284,633	69,896	282,701	23,637,230	39,258
Building	8,512,446	31,411	391,795	8,935,652	151,763
Improvements Other than Buildings	178,606,819	10,654	12,077,937	190,695,410	430,249
Equipment	8,212,864	10,052,802	1,739,657	20,005,323	3,160,903
Right-to-Use Leased Equipment	-	-	-	-	460,317
	221,181,733	10,164,763	17,410,385	248,756,881	4,242,490
Less: Accumulated Depreciation	(121,578,166)	(5,795,112)	(7,574,071)	(134,947,349)	(3,179,350)
Net Capital Assets	99,603,567	4,369,651	9,836,314	113,809,532	1,063,140
Total Noncurrent Assets	122,649,450	4,369,651	9,836,314	136,855,415	1,063,140
Total Assets	167,164,426	9,677,339	19,548,352	196,390,117	6,894,195
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Items	3,295,064	641,961	373,696	4,310,721	1,612,874
OPEB Related Items	1,363,895	475,982	153,271	1,993,148	419,157
Deferred Charge on Debt Refunding	590,458	-	-	590,458	-
Total Deferred Outflows of Resources	5,249,417	1,117,943	526,967	6,894,327	2,032,031

See accompanying Notes to Financial Statements.

**CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2022**

	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	\$ 4,090,960	\$ 379,629	\$ 70,345	\$ 4,540,934	\$ 975,525
Accrued Liabilities	313,532	83,250	38,196	434,978	113,466
Unearned Revenue	-	-	17,393	17,393	1,838
Due to Other Funds	-	-	493,105	493,105	-
Due to Other Governments	62	-	-	62	-
Claims Payable	-	-	-	-	1,748,553
Accrued Interest Payable	691,869	-	-	691,869	-
Current Portion of Bonds and Notes Payable	2,824,746	-	-	2,824,746	-
Current Portion of Lease Payable	-	-	-	-	176,032
Current Portion of Compensated Absences	43,599	11,539	4,760	59,898	26,545
Current Portion of Total OPEB Liability	248,707	86,826	27,971	363,504	76,336
Total	8,213,475	561,244	651,770	9,426,489	3,118,295
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS					
Customer Deposits	5,930,246	-	-	5,930,246	-
Total Current Liabilities	14,143,721	561,244	651,770	15,356,735	3,118,295
LONG-TERM LIABILITIES					
Advances from Other Funds	-	-	2,996,321	2,996,321	-
Bonds and Notes Payable (Net of Unamortized Premiums)	48,952,353	-	-	48,952,353	-
Lease Payable	-	-	-	-	117,496
Compensated Absences	392,386	103,848	42,844	539,078	238,906
Total OPEB Liability	6,043,230	2,108,978	679,100	8,831,308	1,857,321
Net Pension Liability	8,095,689	1,577,244	918,138	10,591,071	3,962,692
Total Long-Term Liabilities	63,483,658	3,790,070	4,636,403	71,910,131	6,176,415
Total Liabilities	77,627,379	4,351,314	5,288,173	87,266,866	9,294,710
DEFERRED INFLOWS OF RESOURCES					
Lease Related Items	784,368	-	238,835	1,023,203	-
Pension Related Items	20,650	4,023	2,342	27,015	10,108
OPEB Related Items	3,761,647	1,312,765	422,724	5,497,136	1,156,041
Total Deferred Inflows of Resources	4,566,665	1,316,788	663,901	6,547,354	1,166,149
NET POSITION (DEFICIT)					
Net Investment in Capital Assets	45,576,388	4,369,651	9,813,414	59,759,453	769,612
Restricted for:					
Revenue Bonds Debt Service	2,926,776	-	-	2,926,776	-
Renewal, Replacement and Improvements	20,119,107	-	-	20,119,107	-
Unrestricted (Deficit)	21,597,528	757,529	4,309,831	26,664,888	(2,304,245)
Total Net Position (Deficit)	\$ 90,219,799	\$ 5,127,180	\$ 14,123,245	109,470,224	\$ (1,534,633)
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds				(1,289,521)	
Net Assets of Business-Type Activities				\$ 108,180,703	

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, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 37,763,312	\$ 9,321,584	\$ 3,304,490	\$ 50,389,386	\$ 16,497,033
Tap Fees	552,581	-	-	552,581	-
Miscellaneous	409,179	38,409	-	447,588	691,761
Total Operating Revenues	38,725,072	9,359,993	3,304,490	51,389,555	17,188,794
OPERATING EXPENSES					
Personal Services	7,931,812	2,299,046	1,122,748	11,353,606	3,933,109
Material and Supplies	3,087,384	895,164	91,621	4,074,169	2,513,626
Depreciation	4,114,954	1,001,698	821,335	5,937,987	323,456
Other Services and Charges	12,681,844	3,796,602	1,634,253	18,112,699	10,547,934
Total Operating Expenses	27,815,994	7,992,510	3,669,957	39,478,461	17,318,125
OPERATING INCOME (LOSS)	10,909,078	1,367,483	(365,467)	11,911,094	(129,331)
NONOPERATING REVENUES (EXPENSES)					
Grants and Contributions	-	-	2,652,175	2,652,175	-
Investment Income	558,987	34,241	56,355	649,583	45,765
Interest Expense	(1,485,469)	-	(55,542)	(1,541,011)	(2,191)
Gain on Disposal of Assets	41,918	-	-	41,918	3,451
Total Nonoperating Revenues (Expenses)	(884,564)	34,241	2,652,988	1,802,665	47,025
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	10,024,514	1,401,724	2,287,521	13,713,759	(82,306)
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Grants and Contributions	6,828,330	-	-	6,828,330	-
Transfers In	-	-	513,247	513,247	365,400
Transfers Out	(6,142,136)	(1,278,996)	(341,918)	(7,763,050)	(29,400)
Total Capital Contributions and Transfers	686,194	(1,278,996)	171,329	(421,473)	336,000
CHANGE IN NET POSITION (DEFICIT)	10,710,708	122,728	2,458,850	13,292,286	253,694
Net Position (Deficit) - Beginning of Year	79,509,091	5,004,452	11,664,395		(1,788,327)
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 90,219,799</u>	<u>\$ 5,127,180</u>	<u>\$ 14,123,245</u>		<u>\$ (1,534,633)</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.

(12,400)

Change in Net Position of Business-Type Activities

\$ 13,279,886

See accompanying Notes to Financial Statements.

**CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	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	\$ 38,982,669	\$ 9,583,750	\$ 3,202,163	\$ 51,768,582	\$ 17,253,625
Cash Paid to Employees for Services	(7,159,022)	(2,176,673)	(815,951)	(10,151,646)	(2,863,429)
Cash Paid to Suppliers for Goods and Services	(16,243,504)	(4,604,977)	(1,733,104)	(22,581,585)	(13,673,605)
Net Cash Provided by Operating Activities	15,580,143	2,802,100	653,108	19,035,351	716,591
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants and Contributions	-	-	2,652,175	2,652,175	-
Transfers from Other Funds	-	-	244,447	244,447	365,400
Transfers to Other Funds	(6,142,136)	(1,278,996)	(341,918)	(7,763,050)	(29,400)
Repayment of Advances To Other Funds	111,232	-	-	111,232	-
Repayment of Advances From Other Funds	-	-	(38,161)	(38,161)	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	(6,030,904)	(1,278,996)	2,516,543	(4,793,357)	336,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Grants and Contributions	64,510	-	618,000	682,510	-
Transfers from Other Funds	-	-	268,800	268,800	-
Advances from Other Funds	-	-	(461,768)	(461,768)	-
Interest Paid	(1,425,814)	-	(55,542)	(1,481,356)	(2,191)
Acquisition and Construction of Capital Assets	(10,955,978)	(1,604,157)	(810,254)	(13,370,389)	(462,776)
Proceeds from Sale of Assets	747,610	-	-	747,610	3,451
Principal Payments on Bonds and Notes	(2,187,154)	-	-	(2,187,154)	-
Principal Payments on Leases	-	-	-	-	(166,789)
Proceeds from Capital Debt	10,305,637	-	-	10,305,637	-
Receipts from Leasing Activities	66,667	-	-	66,667	-
Net Cash Used by Capital and Related Financing Activities	(3,384,522)	(1,604,157)	(440,764)	(5,429,443)	(628,305)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net Investment Income	525,527	34,241	56,355	616,123	45,765
Net Cash Provided by Investing Activities	525,527	34,241	56,355	616,123	45,765
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,690,244	(46,812)	2,785,242	9,428,674	470,051
Cash and Cash Equivalents - Beginning of Year	51,877,565	4,130,804	5,223,709	61,232,078	4,793,620
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 58,567,809</u>	<u>\$ 4,083,992</u>	<u>\$ 8,008,951</u>	<u>\$ 70,660,752</u>	<u>\$ 5,263,671</u>

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	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 BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 10,909,078	\$ 1,367,483	\$ (365,467)	\$ 11,911,094	\$ (129,331)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	4,114,954	1,001,698	821,335	5,937,987	323,456
(Increase) Decrease in Assets and Deferred Outflows of Resources:					
Accounts Receivable	(74,969)	223,757	(119,667)	29,121	62,993
Lease Receivable	-	-	(238,888)	(238,888)	-
Inventories	(344,083)	-	(14,974)	(359,057)	(19,281)
Prepaid Items	(10,449)	1,024	4,511	(4,914)	(18,024)
Due from Other Governments	-	-	-	-	-
Deferred Outflows of Resources- Pension Related Items	(2,116,564)	(411,743)	(257,642)	(2,785,949)	(1,102,127)
Deferred Outflows of Resources- OPEB Related Items	558,051	195,253	30,223	783,527	68,828
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts Payable	(119,806)	85,765	3,233	(30,808)	(574,740)
Accrued Liabilities	75,386	(1,869)	13,661	87,178	11,001
Due to Other Governments	62	-	-	62	-
Customer Deposits	391,000	-	-	391,000	-
Compensated Absences	80,850	13,331	13,431	107,612	51,277
Total OPEB Liability	(3,348,310)	(1,171,026)	(213,313)	(4,732,649)	(514,021)
Net Pension Liability	4,383,590	852,093	552,585	5,788,268	2,353,915
Deferred Inflows of Resources - Lease Related Items	(58,434)	-	238,835	180,401	-
Deferred Inflows of Resources- Pension Related Items	(1,619,619)	(316,401)	(159,185)	(2,095,205)	(700,763)
Deferred Inflows of Resources- OPEB Related Items	2,759,406	962,735	327,037	4,049,178	901,570
Net Cash Provided by Operating Activities	<u>\$ 15,580,143</u>	<u>\$ 2,802,100</u>	<u>\$ 653,108</u>	<u>\$ 19,035,351</u>	<u>\$ 716,591</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contributions of Capital Assets by Developers	<u>\$ 6,040,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,040,840</u>	<u>\$ -</u>
Capital Additions Funded by Accounts Payable	<u>\$ 2,608,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,608,712</u>	<u>\$ -</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITIONS					
Cash, Investments, and Cash Equivalents	\$ 29,233,048	\$ 4,083,992	\$ 7,798,291	\$ 41,115,331	\$ 5,263,671
Cash With Fiscal Agent	358,632	-	210,660	569,292	-
Restricted Assets:					
Customer Deposits	5,930,246	-	-	5,930,246	-
Bond Asset Replacement Funds	4,415,909	-	-	4,415,909	-
Construction Funds	15,703,198	-	-	15,703,198	-
Debt Service	2,926,776	-	-	2,926,776	-
Total Cash, Investments, and Cash Equivalents	<u>\$ 58,567,809</u>	<u>\$ 4,083,992</u>	<u>\$ 8,008,951</u>	<u>\$ 70,660,752</u>	<u>\$ 5,263,671</u>

See accompanying Notes to Financial Statements.

**CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022**

	<u>Employee Retirement Funds</u>
ASSETS	
Cash	\$ 20,501
Prepaid Items	8,700
Investments:	
Short-Term Money Market Funds	5,022,548
Government Securities	14,534,578
Commercial Asset-Backed Securities	1,856,048
Consumer Asset-Backed Securities	1,503,045
Corporate and Other Bonds	8,262,432
Mutual Funds	5,683,143
Equity Securities	81,769,823
Real Estate Fund	18,832,278
Total Investments	<u>137,463,895</u>
Receivables:	
Contribution Receivables	33,897
Interest and Dividends Receivable	180,955
Total Receivables	<u>214,852</u>
Total Assets	137,707,948
LIABILITIES	
Accounts Payable	<u>781,958</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>\$ 136,925,990</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, 2022

	<u>Employee Retirement Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 4,035,701
Employee	1,297,906
State	<u>920,571</u>
Total Contributions	6,254,178
Investments Income (Loss)	(20,799,335)
Less: Investment Expenses	<u>(666,940)</u>
Net Investment Loss	<u>(21,466,275)</u>
Miscellaneous Revenue	<u>2,108</u>
Total Additions (Loss)	(15,209,989)
DEDUCTIONS	
Benefits	11,743,613
Refunds	543,914
Administrative Expenses	<u>333,379</u>
Total Deductions	<u>12,620,906</u>
CHANGE IN NET POSITION	(27,830,895)
NET POSITION RESTRICTED FOR PENSIONS	
Net Position - Beginning of Year	<u>164,756,885</u>
Net Position - End of Year	<u><u>\$ 136,925,990</u></u>

See accompanying Notes to Financial Statements.

WINTER HAVEN

The Chain of Lakes City

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**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022**

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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental Fund Types (Continued)

- **Airport Fund** – The Airport Fund is a special revenue fund 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
- **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.
- **2021 Construction Fund** – The 2021 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.

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.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental Fund Types (Continued)

Special Revenue Funds (Continued)

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.

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 Fees 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.

Affordable Housing Fund was established by Ord O-21-59 to provide for additional flexibility to meet varied and evolving housing needs and priorities while enabling the development and provision of affordable housing that is safe, sound and financially viable within the municipal limits of the City.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Internal Service Funds (Continued)

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.

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 \$920,571 at September 30, 2022 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.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, including lease liabilities, as well as expenditures related to compensated absences, pensions, other postemployment benefits, and claims and judgments, are recognized based on specific accounting rules applicable to each, generally 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, 2022**

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, 2022**

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, 2022, the SBA contained certain floating and adjustable rate securities. These investments represent 34.7% of Florida PRIME's portfolio at September 30, 2022.

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, 2022 was 21days. 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, 2022 was 72 days. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's. On September 30, 2022, 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, 2022**

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, 2022, 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, 2022**

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, 2022 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, 2022**

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, equipment, and right-to-use lease 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, 2022**

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
Right-to-use Lease Buildings	Lease Term
Right-to-use Lease Equipment	Lease Term

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.

Leases – Lessee and Lessor

The City is a lessee for noncancellable leases of equipment and buildings. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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)

Leases – Lessee and Lessor (Continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

The City is a lessor for noncancellable leases of buildings, infrastructure systems, and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities or business-type activities in the government-wide and in the governmental and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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)

Leases – Lessee and Lessor (Continued)

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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 assets 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, 2022**

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 assets 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 statement of net position and the governmental funds balance sheet also report a deferred inflow of resources related to leases.

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.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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)

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.

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, 2022**

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, 2022 was approximately \$9,389,790.

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, 2022**

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 \$286,234 between governmental funds must be eliminated for the statement of net position.

Transfers in and transfers out in the amount of \$35,977,611 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.

Adoption of New Accounting Standards:

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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.
- 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, Federal Building, and Affordable Housing). 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 Funds 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.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Deficit Fund Equity

The Airport Fund has a deficit in fund balance of \$42,846 at September 30, 2022. Due to grant funding, commercial activities, and interest, management believes that this deficit will be recovered through intergovernmental revenues collected after the period of availability.

The General Services Fund had a deficit in net position of \$1,881,584 at September 30, 2022. Management believes this deficit will be recovered through operations in future years.

The Central Garage Fund had a deficit in net position of \$287,360 at September 30, 2022. Management believes this deficit will be recovered through operations in future years.

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, 2022, the bank balance of the City's deposits was \$14,350,145. The City also had \$6,104 cash on hand at September 30, 2022.

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, 2022

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, 2022, the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Florida PRIME	\$ 150,012,593
Short-Term Money Market Funds	5,022,548
Collateralized Mortgage Obligations	6,307,299
United States Treasuries	7,149,787
Government Agencies	859,363
Government Mortgage Pools	1,336,984
Corporate Bonds	6,148,237
Commercial Asset-Backed Securities	1,856,048
Consumer Asset-Backed Securities	1,503,045
Municipal Obligations	995,340
Mutual Funds	5,683,143
Equity Securities	81,769,823
Real Estate Fund	18,832,278
Total Investments	<u><u>\$ 287,476,488</u></u>

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

Deposits	\$ 15,626,405
Cash on Hand	6,104
Investments	287,476,488
Total	<u><u>\$ 303,108,997</u></u>

Statement of Net Position:	
Cash and Investments	\$ 136,241,960
Restricted Cash and Investments	29,382,641
Statement of Fiduciary Net Position:	
Cash	20,501
Investments	137,463,895
Total Cash and Investments	<u><u>\$ 303,108,997</u></u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022, the City had the following investments and maturities:

Investment Maturities (in Years)

<u>Investment Type</u>	Less Than One	One to Five	Six to Ten	More Than Ten	Total Fair Value
Florida PRIME	\$ 150,012,593	\$ -	\$ -	\$ -	\$ 150,012,593
United States Treasuries	-	278,506	4,963,850	1,967,046	7,209,402
Government Agencies:					
FHLB Mortgage Pools	-	53,200	33,076	11,343	97,619
FHLMC	-	141,681	142,640	22,701	307,022
FHLMC Mortgage Pools	-	-	48,308	46,795	95,103
FNMA	-	-	20,846	471,225	492,071
FNMA Mortgage Pools	-	150,595	273,274	467,313	891,182
GNMA	-	20,701	-	85,975	106,676
GNMA Mortgage Pools	3,866	-	39,410	103,783	147,059
Commercial Asset-Backed Securities	-	1,330,920	-	525,128	1,856,048
Consumer Asset-Backed Securities	-	897,992	376,036	229,017	1,503,045
Municipal Obligations	-	229,344	315,157	450,839	995,340
Collateralized Mortgage Obligations:					
Collateralized Mortgage Obligations	-	1,155,763	1,113,853	3,889,772	6,159,388
FHLMC	-	-	55,118	50,906	106,024
GNMA	-	-	-	41,887	41,887
Corporate Bonds	80,040	1,761,314	3,315,258	991,625	6,148,237
Total	<u>\$ 150,096,499</u>	<u>\$ 6,020,016</u>	<u>\$ 10,696,826</u>	<u>\$ 9,355,355</u>	<u>\$ 176,168,696</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, 2022

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	0.03%	\$ 76,193
Federal National Mortgage Association	No Rating	0.11%	327,585
Federal Home Loan Mortgage Corporation	Aaa	0.11%	307,021
Government National Mortgage Association	Aaa	0.05%	148,564
U.S. Agencies Mortgage Pools:			
Federal Home Loan Bank	Aaa	0.03%	97,620
Federal National Mortgage Association	Aaa	0.07%	196,618
Federal National Mortgage Association	No Rating	0.24%	694,562
Federal Home Loan Mortgage Corporation	Aaa	0.02%	60,453
Federal Home Loan Mortgage Corporation	No Rating	0.05%	140,673
Government National Mortgage Association	Aaa	0.01%	34,691
Government National Mortgage Association	No Rating	0.04%	112,367
Collateralized Mortgage Obligations	A	0.15%	443,038
Collateralized Mortgage Obligations	AA-	0.09%	244,771
Collateralized Mortgage Obligations	Aaa	0.26%	752,349
Collateralized Mortgage Obligations	BBB	0.03%	84,023
Collateralized Mortgage Obligations	BBB-	0.05%	158,009
Collateralized Mortgage Obligations	No Rating	1.61%	4,625,109
Commercial Asset-Backed Securities	A	0.08%	221,586
Commercial Asset-Backed Securities	A1	0.06%	186,287
Commercial Asset-Backed Securities	A2	0.02%	71,424
Commercial Asset-Backed Securities	Aa2	0.07%	197,322
Commercial Asset-Backed Securities	Aaa	0.08%	238,161
Commercial Asset-Backed Securities	BBB	0.09%	269,522
Commercial Asset-Backed Securities	No Rating	0.23%	671,746
Consumer Asset-Backed Securities	A	0.05%	143,755
Consumer Asset-Backed Securities	A-	0.03%	85,262
Consumer Asset-Backed Securities	A2	0.03%	85,044
Consumer Asset-Backed Securities	AA+	0.03%	79,364
Consumer Asset-Backed Securities	Aaa	0.10%	276,671
Consumer Asset-Backed Securities	BBB	0.04%	108,790
Consumer Asset-Backed Securities	No Rating	0.25%	724,159
Municipal Obligations	A	0.01%	20,778
Municipal Obligations	A1	0.01%	28,444
Municipal Obligations	Aa2	0.02%	71,394
Municipal Obligations	Aa3	0.01%	28,465
Municipal Obligations	Aaa	0.29%	846,259

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Credit Risk (Continued)

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Portfolio</u>	<u>Market Value in U.S. Dollars</u>
U.S. Treasuries	Aaa	2.49%	\$ 7,149,787
Corporate Bonds	A	0.03%	94,905
Corporate Bonds	A1	0.41%	1,174,000
Corporate Bonds	A2	0.26%	758,288
Corporate Bonds	A3	0.34%	972,146
Corporate Bonds	Aa2	0.01%	38,737
Corporate Bonds	Aa3	0.04%	101,889
Corporate Bonds	Aaa	0.05%	142,387
Corporate Bonds	Baa1	0.07%	209,088
Corporate Bonds	Baa2	0.15%	432,981
Corporate Bonds	Baa3	0.32%	911,910
Corporate Bonds	BBB	0.01%	33,362
Corporate Bonds	BBB-	0.07%	213,887
Corporate Bonds	No Rating	0.37%	1,064,657
Short-Term Money Market Funds	No rating	1.75%	5,022,548
Florida PRIME	No rating	52.18%	150,012,593
Mutual Funds Fixed	No rating	0.80%	2,287,778
Mutual Funds Other	No rating	1.18%	3,395,365
Real Estate Fund	No rating	6.55%	18,832,278
Total			<u>\$ 205,706,665</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, 2022 the Pension Funds have \$13,300,984 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, 2022

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, 2022:

		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)
	Total			
Investments by Fair Value Level				
Domestic Equities	\$ 57,170,815	\$ 57,170,815	\$ -	\$ -
International Equities	13,300,984	11,217,038	2,083,946	-
Equity Mutual Funds	11,298,024	11,298,024	-	-
Commercial Asset-Backed Securities	1,856,048	591,338	1,264,710	-
Consumer Asset-Backed Securities	1,503,045	-	1,503,045	-
Corporate Bonds	6,148,237	44,371	6,103,866	-
Collateralized Mortgage Obligations	6,307,299	-	6,164,845	142,454
Mortgage Backed Securities	2,136,730	-	2,136,730	-
Municipal Obligations	995,340	117,331	878,009	-
U.S. Government Obligations	7,209,404	2,984,805	4,224,599	-
Mutual Funds Fixed	2,287,778	2,287,778	-	-
Mutual Funds Other	3,395,365	3,395,365	-	-
Total Investments Measured at Fair Value	113,609,069	<u>\$ 89,106,865</u>	<u>\$ 24,359,750</u>	<u>\$ 142,454</u>
Investments Measured at Net Asset Value (NAV)				
Real Estate Fund	<u>18,832,278</u>			
Total Investments Measured at the NAV	18,832,278			
Investments Measured at Amortized Cost				
Florida PRIME	150,012,593			
Short-Term Money Market Funds	<u>5,022,548</u>			
Total Investments Measured at Amortized Cost	<u>155,035,141</u>			
Total Investments	\$ 287,476,488			

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	\$ 18,832,278	\$ 254,797	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, 2022

NOTE 4 ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS OF RECEIVABLES

The City provides for an allowance for water and sewer accounts that may become uncollectible. At September 30, 2022, the allowance for doubtful accounts associated with the receivables of the Water and Sewer Fund was \$152,494. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at September 30, 2022.

NOTE 5 LEASES RECEIVABLES

The City, acting as lessor, leases buildings, water towers, fiber-optic infrastructure, and land under long-term, noncancelable lease agreements. The leases expire at various dates through 2037 and provide for renewal options ranging from one year to five years. During the year ended September 30, 2022, the City recognized \$333,202 and \$43,095 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Total future minimum lease payments to be received under lease agreements are as follows:

	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 237,566	\$ 8,409	\$ 163,081	\$ 36,828	\$ 445,884
2024	208,697	4,522	145,728	34,175	393,122
2025	64,712	1,714	40,269	32,081	138,776
2026	34,968	930	44,079	30,272	110,249
2027	29,604	245	48,121	28,288	106,258
2028-2032	-	-	310,254	104,707	414,961
2033-2037	-	-	296,897	26,598	323,495
Total Minimum Lease Payments	<u>\$ 575,547</u>	<u>\$ 15,820</u>	<u>\$ 1,048,429</u>	<u>\$ 292,949</u>	<u>\$ 1,932,745</u>

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

Primary Government

	Beginning Balance *	Additions	Deletions	Transfers and Reclassifications	CIP Transfers	Ending Balance
Governmental Activities:						
Capital Assets, Not Being Depreciated:						
Land	\$ 8,017,864	\$ 32,682	\$ -	\$ -	\$ -	\$ 8,050,546
Construction in Progress	3,953,809	4,404,397	-	-	(2,441,934)	5,916,272
Total Capital Assets, Not Being Depreciated	11,971,673	4,437,079	-	-	(2,441,934)	13,966,818
Capital Assets, Being Depreciated:						
Buildings and Improvements	78,515,698	1,029,898	(133,953)	-	-	79,411,643
Improvements Other than Buildings	82,212,772	5,037,954	(417,749)	-	2,441,934	89,274,911
Equipment	22,347,364	3,436,913	(257,096)	105,064	-	25,632,245
Right-to-use Leased Buildings	15,162	-	-	-	-	15,162
Right-to-use Leased Equipment	357,196	103,121	-	-	-	460,317
Total Capital Assets, Being Depreciated	183,448,192	9,607,886	(808,798)	105,064	2,441,934	194,794,278
Less Accumulated Depreciation for:						
Buildings and Improvements	(19,701,492)	(1,894,742)	-	-	-	(21,596,234)
Improvements Other than Buildings	(51,398,743)	(3,149,029)	416,396	-	-	(54,131,376)
Equipment	(15,978,502)	(1,934,149)	257,096	(105,064)	-	(17,760,619)
Right-to-use Lease Buildings	-	(11,371)	-	-	-	(11,371)
Right-to-use Lease Equipment	-	(168,567)	-	-	-	(168,567)
Total Accumulated Depreciation	(87,078,737)	(7,157,858)	673,492	(105,064)	-	(93,668,167)
Total Capital Assets, Being Depreciated, Net	96,369,455	2,450,028	(135,306)	-	2,441,934	101,126,111
Governmental Activities Capital Assets, Net	<u>\$ 108,341,128</u>	<u>\$ 6,887,107</u>	<u>\$ (135,306)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,092,929</u>
Business-Type Activities:						
Capital Assets, Not Being Depreciated:						
Land	\$ 5,783,348	\$ -	\$ (300,082)	\$ -	\$ -	\$ 5,483,266
Construction in progress	17,068,165	8,085,787	(405,610)	-	(1,111,112)	23,637,230
Total Capital Assets, Not Being Depreciated	22,851,513	8,085,787	(705,692)	-	(1,111,112)	29,120,496
Capital Assets, Being Depreciated:						
Buildings and Improvements	8,935,652	-	-	-	-	8,935,652
Improvements Other than Buildings	181,839,162	7,745,136	-	-	1,111,112	190,695,410
Equipment	17,874,905	2,241,961	(6,479)	(105,064)	-	20,005,323
Total Capital Assets, Being Depreciated	208,649,719	9,987,097	(6,479)	(105,064)	1,111,112	219,636,385
Less Accumulated Depreciation for:						
Buildings and Improvements	(6,681,813)	(124,527)	-	-	-	(6,806,340)
Improvements Other than Buildings	(111,859,790)	(3,990,711)	-	-	-	(115,850,501)
Equipment	(10,579,302)	(1,822,749)	6,479	105,064	-	(12,290,508)
Total Accumulated Depreciation	(129,120,905)	(5,937,987)	6,479	105,064	-	(134,947,349)
Total Capital Assets, Being Depreciated, Net	79,528,814	4,049,110	-	-	1,111,112	84,689,036
Business-Type Activities Capital Assets, Net	<u>\$ 102,380,327</u>	<u>\$ 12,134,897</u>	<u>\$ (705,692)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,809,532</u>

* Restatement of capital assets as of October 1, 2021, is a result of implementing GASB Statement No. 87, Leases during the 2021 fiscal year.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

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

Governmental Activities:

General Government	\$ 814,059
Public Safety	1,230,920
Transportation	1,572,343
Economic Development	162,946
Human Services	79,769
Culture and Recreation	2,974,365
Capital Assets held by the Government's Internal Service Funds	323,456
Total Depreciation Expense - Governmental Activities	<u><u>\$ 7,157,858</u></u>

Business-Type Activities:

Water and Sewer	\$ 4,114,954
Solid Waste	1,001,698
Willowbrook Golf Course	61,343
Stormwater	620,442
Dark Fiber	139,550
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 5,937,987</u></u>

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Transfers for the year ended September 30, 2022 consisted of the following:

Interfund Transfers

Transfers to the General Fund from:

Community Redevelopment Agency Fund	\$ 1,014,110
Nonmajor Governmental Funds	2,004,580
Water and Sewer Fund	4,730,000
Solid Waste Fund	1,228,000
Total	<u>\$ 8,976,690</u>

Transfers to the Airport Fund from:

General Fund	\$ 1,041,755
2021 Construction Fund	126,832
Total	<u>\$ 1,168,587</u>

Transfers to the 2015 Construction Fund from:

General Fund	\$ 6,473,957
Community Redevelopment Agency Fund	379,723
2021 Construction Fund	8,063,288
Water and Sewer Fund	1,211,936
Solid Waste Fund	14,796
Nonmajor Governmental Funds	2,347,222
Nonmajor Proprietary Funds	328,418
Total	<u>\$ 18,819,340</u>

Transfers to the 2021 Construction Fund from:

General Fund	<u>\$ 1,000,000</u>
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Transfers to the Nonmajor Governmental Funds from:

General Fund	\$ 11,761,641
Community Redevelopment Agency Fund	15,000
Nonmajor Governmental Funds	1,120,756
Total	<u>\$ 12,897,397</u>

Transfers to the Nonmajor Proprietary Funds from:

General Fund	\$ 399,847
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>\$ 513,247</u>

Transfers to the Internal Service Funds from:

General Fund	\$ 153,100
Nonmajor Governmental Funds	4,400
Water and Sewer Fund	166,600
Solid Waste Fund	27,800
Nonmajor Proprietary Funds	13,500
Total	<u>\$ 365,400</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 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	\$ 201,414
Water and Sewer Fund	2015 Construction Fund	115,188
Nonmajor Governmental Funds	Nonmajor Proprietary Funds	533,041
Total		<u>\$ 849,643</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	782,447
Airport Fund	Nonmajor Governmental Funds	84,820
Nonmajor Proprietary Funds	Nonmajor Governmental Funds	1,432,449
Total		<u>\$ 3,863,588</u>

Through September 30, 2022, 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, 2022. 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.

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, \$1,432,449 of which was outstanding at September 30, 2022. 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, 2022

NOTE 7 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, \$782,447 of which was outstanding at September 30, 2022. 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-Hangar building, \$84,820 of which was outstanding at September 30, 2022. The advance will be repaid upon completion of construction.

NOTE 8 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, 2022 is as follows:

	General Fund	Community Redevelopment Agency Fund	Airport Fund	2015 Construction Fund	2021 Construction Fund	Other Governmental Fund	Total Governmental Funds
Nonspendable:							
Advances to Other Funds	\$ 1,563,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,563,872
Inventory	-	-	-	-	-	24,482	24,482
Prepaid Items	91,150	3,930	5,058	-	-	21,182	121,320
Total Nonspendable Fund Balance	1,655,022	3,930	5,058	-	-	45,664	1,709,674
Restricted for:							
Public Safety	14,644	-	-	-	-	-	14,644
Community Redevelopment	-	2,865,193	-	422,240	-	-	3,287,433
Human Services	-	-	-	-	-	812,079	812,079
Police Training, Confiscation and Abandoned Property	-	-	-	-	-	112,535	112,535
Building Inspections and Enforcement	-	-	-	7,042,289	-	1,417,054	8,459,343
Impact Fees	-	-	-	1,085,811	-	1,418,194	2,504,005
Debt Service	-	-	-	-	-	4,227,349	4,227,349
Transportation	-	-	-	-	-	4,725,409	4,725,409
Environmental Awareness	200,000	-	-	-	-	-	200,000
Total Restricted Fund Balance	214,644	2,865,193	-	8,550,340	-	12,712,620	24,342,797
Committed:							
Affordable Housing	-	-	-	-	-	1,714,576	1,714,576
Perpetual Care	-	-	-	-	-	427,088	427,088
Federal Building	-	-	-	-	-	60,446	60,446
Total Committed Fund Balance	-	-	-	-	-	2,202,110	2,202,110
Assigned:							
Leisure Services	13,283	-	-	6,082,788	-	-	6,096,071
Public Safety	14,278	-	-	-	985,520	-	999,798
Library	-	-	-	-	-	287,735	287,735
Transportation	67,324	-	-	-	-	-	67,324
Capital Projects	-	-	-	12,396,912	14,896,608	6,471,814	33,765,334
Total Assigned Fund Balance	94,885	-	-	18,479,700	15,882,128	6,759,549	41,216,262
Unassigned Fund Balance	22,581,371	-	(47,904)	-	-	-	22,533,467
Total Fund Balances	\$ 24,545,922	\$ 2,869,123	\$ (42,846)	\$ 27,030,040	\$ 15,882,128	\$ 21,719,943	\$ 92,004,310

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 9 LONG-TERM LIABILITIES

Long-term liability activity of the City for the year ended September 30, 2022 was as follows:

	Beginning Balance *	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable:					
2015A Non-Ad Valorem	\$ 10,375,000	\$ -	\$ (715,000)	\$ 9,660,000	\$ 750,000
2021B Non-Ad Valorem	-	4,390,000	-	4,390,000	685,000
2021C Non-Ad Valorem	-	17,245,000	-	17,245,000	-
Plus: Unamortized Bond Premium	347,132	1,612,642	(124,464)	1,835,310	-
Total Bonds Payable	10,722,132	23,247,642	(839,464)	33,130,310	1,435,000
Direct Placements:					
2011 Sales Tax Refunding	695,000	-	(695,000)	-	-
2017 Non-Ad Valorem	22,990,000	-	(1,050,000)	21,940,000	1,085,000
2021 Non-Ad Valorem Refunding	10,055,000	-	(390,000)	9,665,000	780,000
Total Direct Placements	33,740,000	-	(2,135,000)	31,605,000	1,865,000
Leases Payable	372,358	103,121	(178,154)	297,325	179,829
Compensated Absences	1,976,973	2,049,623	(1,967,456)	2,059,140	275,844
Governmental Activity Long-Term Liabilities	<u>\$ 46,811,463</u>	<u>\$ 25,400,386</u>	<u>\$ (5,120,074)</u>	<u>\$ 67,091,775</u>	<u>\$ 3,755,673</u>
BUSINESS-TYPE ACTIVITIES					
Bonds Payable:					
2015 Utility System Refunding					
Revenue Bonds	\$ 23,680,000	\$ -	\$ -	\$ 23,680,000	\$ -
Less: Unamortized Bond Discount	(45,579)	-	3,256	(42,323)	-
Total Bonds Payable	23,634,421	-	3,256	23,637,677	-
Direct Placements:					
2010 Utility System Refunding	19,170,000	-	(2,140,000)	17,030,000	2,205,000
Total Direct Placements	19,170,000	-	(2,140,000)	17,030,000	2,205,000
Direct Borrowings:					
State Revolving Fund - WW531320	850,939	-	(47,154)	803,785	47,168
State Revolving Fund - WW531302	-	10,305,637	-	10,305,637	572,578
Total Direct Borrowings	850,939	10,305,637	(47,154)	11,109,422	619,746
Compensated Absences	491,364	655,541	(547,929)	598,976	59,898
Business-Type Activity Long-Term Liabilities	<u>\$ 44,146,724</u>	<u>\$ 10,961,178</u>	<u>\$ (2,731,827)</u>	<u>\$ 52,376,075</u>	<u>\$ 2,884,644</u>

* Restatement of long-term liabilities as of October 1, 2021, is a result of implementing GASB Statement No. 87, *Leases*, during the 2021 fiscal year.

The annual requirements to amortize the debt outstanding as of September 30, 2022 are as follows:

Year	Governmental Activities			
	Bonds Payable		Direct Placements	
	Principal	Interest	Principal	Interest
2023	\$ 1,435,000	\$ 912,735	\$ 1,865,000	\$ 831,131
2024	1,585,000	879,756	1,910,000	782,532
2025	1,635,000	827,831	1,960,000	732,654
2026	1,680,000	777,500	2,010,000	681,419
2027	1,720,000	738,444	2,065,000	628,752
2028 - 2032	9,565,000	2,657,519	10,135,000	2,321,315
2033 - 2037	6,995,000	1,129,591	9,960,000	975,473
2038 - 2042	6,680,000	408,619	1,700,000	26,053
Total	<u>\$ 31,295,000</u>	<u>\$ 8,331,995</u>	<u>\$ 31,605,000</u>	<u>\$ 6,979,329</u>

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Year	Business-Type Activities			
	Bonds Payable		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2023	\$ -	\$ 715,013	\$ 2,824,746	\$ 625,503
2024	-	715,013	3,472,338	537,454
2025	-	715,013	3,547,352	446,462
2026	-	715,013	3,617,367	352,624
2027	-	715,013	3,697,381	255,842
2028 - 2032	9,550,000	3,150,861	10,648,771	208,754
2033 - 2037	14,130,000	879,693	236,691	338
2038 - 2042	-	-	94,776	36
Total	<u>\$ 23,680,000</u>	<u>\$ 7,605,619</u>	<u>\$ 28,139,422</u>	<u>\$ 2,427,013</u>

The annual requirements to amortize the individual debt issues outstanding as of September 30, 2022 are as follows:

Year	Governmental Activities				
	Revenue Bond -	Direct	Direct	Revenue Bond -	Revenue Bond -
	2015A Public	Placement -	Placement -	2021B Public	2021C Public
	Improvement	2017 Non-Ad	2021 Non-Ad	Improvement	Improvement
		Valorem	Valorem		
2023	\$ 1,034,113	\$ 1,740,833	\$ 955,298	\$ 781,904	\$ 531,719
2024	1,032,488	1,737,118	955,414	900,550	531,719
2025	1,029,863	1,737,407	955,247	901,250	531,719
2026	1,029,581	1,736,623	954,796	896,200	531,719
2027	1,027,625	1,739,690	954,062	899,100	531,719
2028 - 2032	5,159,700	8,678,611	3,777,704	336,600	6,726,218
2033 - 2037	1,030,224	8,650,767	2,284,705	-	7,094,365
2038 - 2042	-	1,726,054	-	-	7,088,619
Totals	11,343,594	27,747,103	10,837,226	4,715,604	23,567,797
Less: Amount					
Representing Interest	(1,683,594)	(5,807,103)	(1,172,226)	(325,604)	(6,322,797)
Total	<u>\$ 9,660,000</u>	<u>\$ 21,940,000</u>	<u>\$ 9,665,000</u>	<u>\$ 4,390,000</u>	<u>\$ 17,245,000</u>

Year	Business-Type Activities			
	Direct	Revenue Bond -	Direct Borrowing	Direct Borrowing
	Placement -	2015 Utility	- State	- State
	2010 Water and	System	Revolving Fund	Revolving Fund
	Sewer		531320	531302
2023	\$ 2,830,265	\$ 715,013	\$ 47,406	\$ 572,578
2024	2,817,231	715,013	47,406	1,145,156
2025	2,801,253	715,013	47,406	1,145,156
2026	2,777,429	715,013	47,406	1,145,156
2027	2,760,661	715,013	47,406	1,145,156
2028 - 2032	5,468,062	12,700,862	237,028	5,152,435
2033 - 2037	-	15,009,692	237,028	-
2038 - 2042	-	-	94,811	-
Totals	19,454,901	31,285,619	805,897	10,305,637
Less: Amount				
Representing Interest	(2,424,901)	(7,605,619)	(2,112)	-
Total	<u>\$ 17,030,000</u>	<u>\$ 23,680,000</u>	<u>\$ 803,785</u>	<u>\$ 10,305,637</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

The following were outstanding at September 30, 2022:

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, 2022
Sales Tax Refunding Bond, Series 2011	1.85% 10/1; 4/1	10/01/2021	\$ 6,405,000	\$ -

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 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:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2022
Non Ad Valorem Refunding Revenue Bonds - Series 2015A	2% - 4% 4/1; 10/1	10/1/2032	<u>\$ 13,205,000</u>	<u>\$ 9,660,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 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:

<u>Description</u>	<u>Interest Rate and Dates</u>	<u>Final Maturity</u>	<u>Original Amounts Issued</u>	<u>Outstanding at September 30, 2022</u>
Non Ad Valorem Revenue Bonds - Series 2017	3.07% 10/1; 4/1	10/01/2037	<u>\$ 25,000,000</u>	<u>\$ 21,940,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 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:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2022
Non Ad Valorem Revenue Refunding Bond - Series 2021	1.89% 10/1; 4/1	10/01/2036	<u>\$ 10,055,000</u>	<u>\$ 9,665,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Revenue Bond – 2021B Non Ad Valorem Revenue Bond

The Resolution provides for:

- **Application of Bond Proceeds** – On October 26, 2021, the City issued Non Ad Valorem Revenue Bonds Series 2021B in the amount of \$4,390,000 for the purpose of funding the acquisition, expansion, design, construction and equipping of various capital improvements, including without limitation, improvements to a parking garage to be owned and/or used by the City. The Series 2021B bonds have a redemption date of October 1, 2027.
- **Restrictions on the Use of Cash from Operations** – This note is payable solely from and secured by a pledge of non ad valorem dollars received by the City.
- **Redemption** – There are no provisions for early redemption for Series 2021B.
- The note contains a provision that in the event of default, the entire outstanding balance may become immediately due and payable.
- The Revenue Bond consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2022
Non Ad Valorem Revenue Bonds - Series 2021B	2% - 3% 4/1; 10/1	10/01/2027	<u>\$ 4,390,000</u>	<u>\$ 4,390,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Revenue Bond – 2021C Non Ad Valorem Revenue Bond

The Resolution provides for:

- **Application of Bond Proceeds** – On October 26, 2021, the City issued Non Ad Valorem Revenue Bonds Series 2021C in the amount of \$17,245,000 for the purpose of funding the acquisition, expansion, design, construction and equipping of various capital improvements to the City's various public parks and public safety stations, recreational and cultural center, and a trail. The Series 2021C bonds have a redemption date of October 1, 2041.
- **Restrictions on the Use of Cash from Operations** – This note is payable solely from and secured by a pledge of non ad valorem dollars received by the City.
- **Redemption** – The Series 2021C Bonds that mature on or before October 1, 2031 are not subject to redemption prior to their maturities. The Series 2021C Bonds that mature on or after October 1, 2032, are subject to redemption prior to maturity, at the option of the City, in whole or in part on any date on or after October 1, 2031, and if in part, in such order of maturities and in such amounts as the City shall select and by lot within a maturity, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, and without premium.

The Series 2021C Bonds maturing on October 1, 2036, are subject to mandatory redemption or purchase prior to their stated dates of maturity, in part by lot, in such manner as the City may deem appropriate from amortization installments deposited by the City in the bond amortization account, at the principal amount thereof, unless purchased pursuant to the operation of such account, plus accrued interest to the redemption date, on October 1 of the years and in the principal amounts of \$1,225,000 for 2035 and \$1,250,000 for 2036.

- The note contains a provision that in the event of default, the entire outstanding balance may become immediately due and payable.
- The Revenue Bond consists of the following:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2022
Non Ad Valorem Revenue Bonds - Series 2021C	2% - 5% 4/1; 10/1	10/01/2041	<u>\$ 17,245,000</u>	<u>\$ 17,245,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 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:

Description	Interest Rate and Dates	Final Maturity	Original Amounts Issued	Outstanding at September 30, 2022
Utility System Refunding Revenue Bonds - Series 2010	3.23% 4/1; 10/1	10/01/2028	<u>\$ 20,925,000</u>	<u>\$ 17,030,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 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, 2022</u>
Utility System				
Refunding Revenue Bonds - Series 2015	2% - 3.125% 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, 2022**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Direct Borrowing – State Revolving Funds Loan – WW531320

The City 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, 2022 the balance was \$803,785.

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.

Direct Borrowing – State Revolving Funds Loan – WW531302

The City has a State Revolving Fund loan in the amount of \$22,454,050 with a rate of 0.00% repayable over 20 years. The loan will be used for lift station rehabilitation and reclaimed water system expansion. The loan is secured by pledged revenues of the water and sewer system. Through September 30, 2022 \$10,305,637 had been drawn. At September 30, 2022 the balance was \$10,305,637.

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.

Direct Borrowing – State Revolving Funds Loan – WW531340

The City has a State Revolving Fund loan in the amount of \$1,000,000 with a rate of 1.11% repayable over 10 years. The loan will be used for planning activities for the water infrastructure study. The loan is secured by pledged revenues of the water and sewer system. Through September 30, 2022 no amounts had been drawn. At September 30, 2022 the balance was \$0.

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.

Direct Borrowing – State Revolving Funds Loan – WW531350

The City has a State Revolving Fund loan in the amount of \$500,000 with a rate of 0.00% repayable over 10 years. The loan will be used for a stormwater and wastewater master plan. The loan is secured by pledged revenues of the water and sewer system. Through September 30, 2022 no amounts had been drawn. At September 30, 2022 the balance was \$-0.

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.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2022, 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:

Public Improvement Revenue Bonds, Series 2015A, 2017, 2021, 2021B and 2021C	\$ 4,227,349
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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 fiscal year 2036 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 2022 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, 2022 was \$3,565,563.

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Lessee Arrangement

The City leases equipment as well as certain building facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2026 and provide for renewal options in various terms.

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities	
	Principal	Interest
2023	\$ 179,829	\$ 2,289
2024	72,998	935
2025	36,328	626
2026	8,170	224
2027	-	-
2028-2032	-	-
Total Minimum Lease Payments	<u>\$ 297,325</u>	<u>\$ 4,074</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	Governmental Activities
Buildings	\$ 15,162
Equipment	460,317
Less: Accumulated Amortization	(179,938)
	<u>\$ 295,541</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10 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, 2022. This is the amount established by a specialist to have been incurred but not yet billed as of September 30, 2022. 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 2020, 2021 and 2022, settlements exceeded insurance coverage by \$21,289, \$246,179, and \$205,013 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
2020-2021 Total	<u>\$ 1,748,553</u>	<u>\$ 6,763,227</u>	<u>\$ 6,763,227</u>	<u>\$ 1,748,553</u>
2020-2022 Total	<u>\$ 1,748,553</u>	<u>\$ 5,848,792</u>	<u>\$ 5,848,792</u>	<u>\$ 1,748,553</u>

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 11 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, 2022 are as follows:

	General Employees' Pension	Municipal Firefighters' Pension	Municipal Police Officers' Pension	Total
Assets				
Cash	\$ 3,395	\$ 4,543	\$ 12,563	\$ 20,501
Prepaid Items	-	3,400	5,300	8,700
Investments:				
Short-Term Money Market Funds	2,379,253	1,694,682	948,613	5,022,548
Government Securities	4,886,238	2,059,668	7,588,672	14,534,578
Commercial Asset-Backed Securities	1,856,048	-	-	1,856,048
Consumer Asset-Backed Securities	1,503,045	-	-	1,503,045
Corporate and Other Bonds	727,029	5,256,011	2,279,392	8,262,432
Mutual Funds	3,395,365	2,287,778	-	5,683,143
Equity Securities	42,114,080	19,799,312	19,856,431	81,769,823
Real Estate Fund	11,072,284	5,130,344	2,629,650	18,832,278
Total Investments	67,933,342	36,227,795	33,302,758	137,463,895
Receivables:				
Contributions Receivable	-	-	33,897	33,897
Interest and Dividends Receivable	61,688	54,617	64,650	180,955
Total Receivables	61,688	54,617	98,547	214,852
Total Assets	67,998,425	36,290,355	33,419,168	137,707,948
Liabilities				
Accounts Payable	116,733	656,868	8,357	781,958
Net Position				
Net Position Restricted for Pensions	<u>\$ 67,881,692</u>	<u>\$ 35,633,487</u>	<u>\$ 33,410,811</u>	<u>\$ 136,925,990</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 11 PENSION PLANS (CONTINUED)

The statement of changes in fiduciary net position for the three pension plans for the year ended September 30, 2022 follows:

	General Employees' Pension	Municipal Firefighters' Pension	Municipal Police Officers' Pension	Total
Additions:				
Contributions:				
Employer	\$ 2,354,610	\$ 1,191,772	\$ 489,319	\$ 4,035,701
Employee	447,531	452,095	398,280	1,297,906
State	-	405,618	514,953	920,571
Total Contributions	2,802,141	2,049,485	1,402,552	6,254,178
Investment Income (Loss)	(10,073,342)	(5,073,442)	(5,652,551)	(20,799,335)
Less: Investment Expenses	(281,261)	(208,287)	(177,392)	(666,940)
Net Investment Loss	(10,354,603)	(5,281,729)	(5,829,943)	(21,466,275)
Miscellaneous Revenue	1,865	243	-	2,108
Total Additions (Loss)	(7,550,597)	(3,232,001)	(4,427,391)	(15,209,989)
Deductions:				
Benefits	6,075,941	2,733,594	2,934,078	11,743,613
Refunds	392,388	69,765	81,761	543,914
Administrative Expenses	190,036	69,386	73,957	333,379
Total Deductions	6,658,365	2,872,745	3,089,796	12,620,906
CHANGE IN NET POSITION	(14,208,962)	(6,104,746)	(7,517,187)	(27,830,895)
Net Position Restricted for Pensions:				
Net Position - Beginning of Year	82,090,654	41,738,233	40,927,998	164,756,885
Net Position - End of Year	<u>\$ 67,881,692</u>	<u>\$ 35,633,487</u>	<u>\$ 33,410,811</u>	<u>\$ 136,925,990</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, 2022**

NOTE 11 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 Chief Financial Officer 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, 2022**

NOTE 11 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 \$514,953 for police employees and \$405,618 for firefighters for 2022. 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	\$ 6,393,295	\$ 4,006,494	\$ 4,857,078
Total City Payroll	26,445,250	26,445,250	26,445,250

The systems also provide disability and survivor benefits.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 11 PENSION PLANS (CONTINUED)

Employees Covered by Benefit Terms

At October 1, 2021, 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	271	48	65
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	35	12	23
Active Plan Members	137	61	74
Total	443	121	162

Actuarial Assumptions

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

	General Employees'	Municipal Firefighters'	Municipal Police Officers'
Valuation Date	10/1/2021	10/1/2021	10/1/2021
Inflation	2.50%	2.50%	2.50%
Projected Salary Increases	Service Based	Service Based	Service Based
Discount Rate	6.50%	7.45%	7.35%
Investment Rate of Return	6.50%	7.45%	7.35%
 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, 2022**

NOTE 11 PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Changes in assumptions for the 2022 fiscal year for the General Employees' Pension, Police Officers' Pension, and Firefighters' Pension plans included the following:

Firefighters' – For measurement date September 30, 2022, the investment rate of return decreased from 7.60% to 7.45% per year compounded annually, net of investment-related expenses.

Police Officers' – For measurement date September 30, 2022, the investment rate of return decreased from 7.45% to 7.35% per year compounded annually, net of investment-related expenses.

Discount Rate

The discount rate used to measure the total pension liability was 6.50% for general employees' plan, 7.45% for municipal firefighters' plan, and 7.35% for municipal police officers' plan. 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, 2022**

NOTE 11 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, 2022.

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' Plan:

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' Plan:

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, 2022**

NOTE 11 PENSION PLANS (CONTINUED)

Investments (Continued)

Municipal Police Officers' Plan:

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, 2022 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was -13.09% for the General Employees' Plan, -12.76% for the Firefighters' Plan, and -14.64% 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' Plan:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Sponsor's Net Pension Liability	\$ 36,777,165	\$ 26,117,982	\$ 17,245,430

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 11 PENSION PLANS (CONTINUED)

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

Municipal Firefighters' Plan:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Sponsor's Net Pension Liability	\$ 16,314,188	\$ 10,779,063	\$ 6,156,163

Municipal Police Officers' Plan:

	1% Decrease (6.35%)	Current Discount Rate (7.35%)	1% Increase (8.35%)
Sponsor's Net Pension Liability	\$ 14,885,027	\$ 9,782,945	\$ 5,539,005

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, 2022 totaled \$1,946,125 for the General Employees' Plan, \$739,384 for the Firefighters' Plan, and \$318,966 for the Police Officers' Plan.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2022, 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, 2022 consists of the following:

General Employees'	\$ 26,117,982
Municipal Firefighters'	10,779,063
Municipal Police Officers'	9,782,945
Total Net Pension Liability	<u>\$ 46,679,990</u>

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 11 PENSION PLANS (CONTINUED)

Changes in Net Pension Liability

General Employees' Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at September 30, 2021	\$ 93,381,210	\$ 82,090,654	\$ 11,290,556
Changes for the Year:			
Service Cost	798,355	-	798,355
Interest	5,911,452	-	5,911,452
Change in Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	376,986	-	376,986
Changes of Assumptions	-	-	-
Contributions - Employer	-	2,354,610	(2,354,610)
Contributions - Employee	-	447,531	(447,531)
Net Investment Income	-	(10,354,603)	10,354,603
Miscellaneous	-	1,865	(1,865)
Benefit Payments, Including Refunds of Employee Contributions	(6,468,329)	(6,468,329)	-
Administrative Expenses	-	(190,036)	190,036
Net Changes	618,464	(14,208,962)	14,827,426
Balance at September 30, 2022	<u>\$ 93,999,674</u>	<u>\$ 67,881,692</u>	<u>\$ 26,117,982</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			72.21%

Municipal Firefighters' Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at September 30, 2021	\$ 44,625,698	\$ 41,738,233	\$ 2,887,465
Changes for the Year:			
Service Cost	1,149,168	-	1,149,168
Interest	3,372,362	-	3,372,362
Change in Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(728,826)	-	(728,826)
Changes of Assumptions	746,061	-	746,061
Contributions - Employer	-	1,191,772	(1,191,772)
Contributions - State	-	405,618	(405,618)
Contributions - Employee	51,446	452,095	(400,649)
Net Investment Income	-	(5,281,729)	5,281,729
Miscellaneous Revenue	-	243	(243)
Benefit Payments, Including Refunds of Employee Contributions	(2,803,359)	(2,803,359)	-
Administrative Expenses	-	(69,386)	69,386
Net Changes	1,786,852	(6,104,746)	7,891,598
Balance at September 30, 2022	<u>\$ 46,412,550</u>	<u>\$ 35,633,487</u>	<u>\$ 10,779,063</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			76.78%

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 11 PENSION PLANS (CONTINUED)

Changes in Net Pension Liability (Continued)

Municipal Police Officers' Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at September 30, 2021	\$ 41,501,768	\$ 40,927,998	\$ 573,770
Changes for the Year:			
Service Cost	862,529	-	862,529
Interest	3,043,800	-	3,043,800
Change in Excess State Money	-	-	-
Difference Between Expected and Actual Experience	342,695	-	342,695
Changes of Assumptions	458,803	-	458,803
Contributions - Employer	-	489,319	(489,319)
Contributions - State	-	514,953	(514,953)
Contributions - Employee	-	398,280	(398,280)
Net Investment Income	-	(5,829,943)	5,829,943
Benefit Payments, Including Refunds of Employee Contributions	(3,015,839)	(3,015,839)	-
Administrative Expenses	-	(73,957)	73,957
Net Changes	1,691,988	(7,517,187)	9,209,175
Balance at September 30, 2022	\$ 43,193,756	\$ 33,410,811	\$ 9,782,945

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 77.35%

For the year ended September 30, 2022, the City recognized pension expense of \$5,213,758 for General Employees, \$2,714,802 for Municipal Firefighters, and \$2,101,656 for Municipal Police Officers.

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

On September 30, 2022, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

General Employees' Plan:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 251,325	\$ 66,620
Changes of Assumptions	1,644,733	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,734,344	-
Total	\$ 10,630,402	\$ 66,620

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 11 PENSION PLANS (CONTINUED)

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

Municipal Firefighters' Plan:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 591,672	\$ 1,679,915
Changes of Assumptions	1,672,759	116,344
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,060,974	-
Total	<u>\$ 7,325,405</u>	<u>\$ 1,796,259</u>

Municipal Police Officers' Plan:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 257,022	\$ 101,284
Changes of Assumptions	557,715	136,138
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,341,557	-
Total	<u>\$ 6,156,294</u>	<u>\$ 237,422</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' Plan:

<u>Year Ended September 30,</u>	<u>Amount</u>
2023	\$ 4,149,567
2024	1,986,467
2025	1,291,114
2026	3,136,634

Municipal Firefighters' Plan:

<u>Year Ended September 30,</u>	<u>Amount</u>
2023	\$ 1,680,106
2024	1,264,147
2025	943,994
2026	1,638,026
2027	2,873

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 11 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>
2023	\$ 1,698,060
2024	1,117,443
2025	1,340,123
2026	1,763,246

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	\$ 26,117,982	\$ 10,779,063	\$ 9,782,945	\$ 46,679,990
Deferred Outflows of Resources Related to Pensions	10,630,402	7,325,405	6,156,294	24,112,101
Deferred Inflows of Resources Related to Pensions	66,620	1,796,259	237,422	2,100,301
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, 2022 were approximately \$153,107.

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, 2022, the City contributed \$493,466. 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, 2022 was \$8,632.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 12 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, 2022 valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	101
Active Plan Members	<u>451</u>
Total	<u><u>552</u></u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Total OPEB Liability

The City's Total OPEB liability was measured as of September 30, 2022 and was determined by an actuarial valuation as of September 30, 2022. The following table shows the City's total OPEB liability for the year ended September 30, 2022.

	Total OPEB Liability
Balances - October 1, 2021	\$ 43,665,951
Changes for the Year:	
Service Cost	2,629,823
Interest	1,110,913
Changes in Assumptions	(14,622,053)
Differences Between Expected and Actual Experience	(2,133,511)
Benefit Payments	(1,165,449)
Net Changes	(14,180,277)
Balances - September 30, 2022	<u>\$ 29,485,674</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	3.77 %	4.77 %	5.77 %
Total OPEB Liability	\$ 34,895,716	\$ 29,485,674	\$ 25,283,754

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
	6.25%		
	decreasing to	7.25% decreasing	8.25% decreasing
	3.00%	to 4.00%	to 5.00%
OPEB Plan Healthcare Cost Rate			
Total OPEB Liability	\$ 24,961,190	\$ 29,485,674	\$ 35,353,766

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$4,710,840. In addition, the City reported deferred inflows of resources of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 3,124,745
Changes of Assumptions	6,391,576	14,503,323
Total	<u>\$ 6,391,576</u>	<u>\$ 17,628,068</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	\$ (1,353,226)
2023	(887,890)
2024	(1,438,222)
2025	(2,769,850)
2026	(2,393,652)
2027	(2,393,652)

Actuarial Assumptions

The total OPEB liability in the September 30, 2022 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 Trend Rates	Initial rate of 7.5% in fiscal 2022, 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>
First Year	9.00%
Years 2-9	5.00%
Years 10-14	3.50%
Greater than 14 Years	3.25%

	<u>Police Pension Plan Employees</u>
First Year	13.00%
Years 2-10	4.50%
Greater than 10 Years	4.00%

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

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

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 4.77%, based on the September 30, 2022 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 2.43% for the reporting period ended September 30, 2021, to 4.77% for the reporting period ended September 30, 2022. Also reflected as assumption changes are updated health care costs and premiums, and updated salary increases, termination rates, and disability rates for General employees.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022 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, 2022, the City had the following outstanding major construction commitments in process:

Project	Project Authorization	Expended in Prior Years	Expended in September 30, 2022	Commitment
Governmental Activities:				
Avenue C, SW & Second Street, SW	\$ 1,466,907	\$ -	\$ 852,751	\$ 614,156
MLK Park	1,600,203	444,887	1,095,342	59,974
Airport Security Improvements	1,822,465	-	657,924	1,164,541
Downtown Streetscape	1,613,299	-	1,597,641	15,658
Total Governmental Activities	<u>\$ 6,502,874</u>	<u>\$ 444,887</u>	<u>\$ 4,203,658</u>	<u>\$ 1,854,329</u>
Business-Type Activities:				
UT Const RWP MFM - Ph 1 Reclaimed WM & FM & Pollard Rd WTP construction	<u>\$ 13,033,641</u>	<u>\$ 9,040,331</u>	<u>\$ 3,167,265</u>	<u>\$ 826,045</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, 2022**

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, 2022**

NOTE 14 TAX ABATEMENTS (CONTINUED)

At the conclusion of fiscal year 2022, 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. The City made incentive payments totaling \$16,299 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 \$35,419 in the current fiscal 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 \$28,691 in the current fiscal year.

4. 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 \$342 in the current fiscal year.

5. 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 fiscal year.

6. 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 fiscal year.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 14 TAX ABATEMENTS (CONTINUED)

7. 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 no payments in the current fiscal year.

8. 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 fiscal year.

9. 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 fiscal year.

10. 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 fiscal year.

11. 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 fiscal year.

12. Onicx Group LLC

This agreement approved by City Commission in October 2021 will rebate 90% of the annual tax increment received by the city. The incentive was approved for the construction of a 130-room Residence Inn by Marriott and up to 10,000, but not limited to 6,000 square feet of new activated ground floor retail and restaurant space. The City made no payments in the current fiscal year.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 14 TAX ABATEMENTS (CONTINUED)

13. Bengé Development PMF Lake Idyl, LLC Agreement

Bengé Development PMF Lake Idyl, LLC plans to build 96 multifamily units at the corner of MLK Blvd. and 11th Street NE, in the Florence Villa District. Bengé Development PMF Lake Idyl, LLC will be due a tax rebate of up to \$10,000 per unit. The City made no payments in the current fiscal year.

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, 2022, \$10,871,230 is due from Polk County and has been recorded as a receivable and deferred inflow of resources in the General Fund. During fiscal year 2022 the City collected \$703,954 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, 2022**

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, 2022, the City's proportionate share of the PRWC's capital needs was \$48,381.

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 10.89% 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.

The City Commission agreed to a second amendment to the Southeast Wellfield Lower Aquifer Project. The agreement locks the City into the previously committed amounts of water. The City also agreed to the same amendment with the Southwest Project. The City along with the County and three other Cities agreed to be "Anchor Participants".

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.

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:								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 798,355	\$ 853,608	\$ 849,951	\$ 924,122	\$ 1,100,750	\$ 1,064,435	\$ 1,244,642	\$ 1,217,350	\$ 1,262,098
Interest	5,911,452	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	376,986	(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	(6,468,329)	(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	618,464	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	93,381,210	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>\$ 93,999,674</u>	<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	\$ 2,354,610	\$ 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	447,531	502,176	527,015	552,552	700,047	920,969	1,039,335	933,696	967,961
Net Investment Income	(10,354,603)	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	1,865	762	18,183	25,318	-	-	-	-	-
Benefit Payments, Including Refunds	(6,468,329)	(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	(190,036)	(192,294)	(177,791)	(160,700)	(156,854)	(170,306)	(147,550)	(142,670)	(125,730)
Net Change in Plan Fiduciary Net Position	(14,208,962)	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	82,090,654	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>\$ 67,881,692</u>	<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>\$ 26,117,982</u>	<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	72.21%	87.91%	81.29%	83.04%	85.37%	81.79%	75.70%	74.00%	75.34%
Covered Payroll	\$ 6,393,295	\$ 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	408.52%	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, 2022 there were no changes in 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):

1. 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:
- 2.

<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	6.5%
October 1, 2022	6.5%

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:								
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability									
Service Cost	\$ 1,149,168	\$ 1,175,351	\$ 1,134,943	\$ 1,058,222	\$ 1,058,208	\$ 1,083,811	\$ 981,995	\$ 960,946	\$ 930,014
Interest	3,372,362	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	(728,826)	723,464	(986,791)	(1,160,630)	17,965	365,252	90,497	(101,413)	-
Changes of Assumptions	746,061	-	(203,603)	2,155,627	-	-	1,017,583	-	(884,685)
Contributions - Buy Back/Employee	51,446	-	-	-	-	55,704	-	-	-
Benefit Payments, Including Refunds	(2,803,359)	(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	1,786,852	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	44,625,698	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>\$ 46,412,550</u>	<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	\$ 1,191,772	\$ 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	405,618	365,621	344,621	343,132	341,245	328,419	323,495	322,575	338,890
Contributions - Employee	452,095	406,695	402,978	369,750	370,069	443,832	402,477	364,180	356,596
Net Investment Income	(5,281,729)	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	243	-	963	1,087	-	-	-	-	-
Benefit Payments, Including Refunds	(2,803,359)	(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	(69,386)	(69,435)	(81,385)	(75,211)	(82,860)	(77,351)	(71,825)	(66,436)	(64,399)
Net Change in Plan Fiduciary Net Position	(6,104,746)	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	41,738,233	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>\$ 35,633,487</u>	<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>\$ 10,779,063</u>	<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	76.78%	93.53%	84.71%	84.31%	87.91%	86.05%	79.03%	77.09%	79.39%
Covered Payroll	\$ 4,006,494	\$ 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	269.04%	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, 2022, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.60% to 7.45% per year compounded annually, net of investment related expenses.

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.

**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, 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.

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:								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 862,529	\$ 782,346	\$ 860,015	\$ 820,751	\$ 843,956	\$ 853,283	\$ 793,963	\$ 776,050	\$ 801,709
Interest	3,043,800	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	342,695	(19,863)	(216,376)	(24,010)	(216,491)	1,188,026	(203,836)	(11,110)	-
Changes of Assumptions	458,803	-	(340,344)	1,068,060	-	-	1,200,550	152,399	313,191
Benefit Payments, Including Refund	(3,015,839)	(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	1,691,988	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	41,501,768	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>\$ 43,193,756</u>	<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	\$ 489,319	\$ 396,204	\$ 556,013	\$ 719,814	\$ 626,513	\$ 602,998	\$ 704,008	\$ 725,579	\$ 1,314,419
Contributions - State	514,953	460,889	460,621	437,823	433,238	387,358	369,988	321,673	306,575
Contributions - Employee	398,280	357,881	351,357	364,598	376,478	369,604	388,964	349,588	344,499
Net Investment Income	(5,829,943)	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	(3,015,839)	(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	(73,957)	(64,177)	(67,985)	(62,843)	(69,552)	(57,811)	(55,026)	(49,560)	(48,688)
Net Change in Plan Fiduciary Net Position	(7,517,187)	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	40,927,998	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>\$ 33,410,811</u>	<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>\$ 9,782,945</u>	<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	77.35%	98.62%	90.78%	87.68%	93.45%	89.90%	88.29%	89.06%	95.27%
Covered Payroll	\$ 4,857,078	\$ 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	201.42%	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, 2022, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.45% to 7.35% per year compounded annually, net of investment related expenses.

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
2022	\$ 2,290,575	\$ 2,354,610	\$ (64,035)	\$ 6,393,295	36.83%
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
2022	\$ 1,539,295	\$ 1,597,390	\$ (58,095)	\$ 4,006,494	39.87%
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
2022	\$ 1,033,101	\$ 1,004,272	\$ 28,829	\$ 4,857,078	20.68%
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%

**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	10/1/2020										
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: PubG.H-2010 for Employees. Male: PubG.H-2010 (Below Median) for Employees, set back one year. <i>Healthy Inactive Lives:</i> Female: PubG.H-2010 for Healthy Retirees Male: PubG.H-2010 for Healthy Retirees, set back one year. <i>Beneficiary Lives:</i> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. <i>Disabled Lives:</i> PubG.H-2010 for Disabled Retirees, set forward three years.										
Inflation	2.5% per year										
Interest Rate	7.1% 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	Service and Disability Retirees receive 0.50% increases each October 1 for ten years, beginning the first October 1 following one complete year of retirement.										

**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)

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	0.00% 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 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	10/1/2020																							
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: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. <i>Healthy Inactive Lives:</i> Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 for Healthy Retirees, set forward one year. <i>Beneficiary Lives:</i> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. <i>Disabled Lives:</i> 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.																							
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%																							
30	0.06%																							
35	0.07%																							
40	0.12%																							
45	0.22%																							
50	0.43%																							
55	0.89%																							
60	1.61%																							
65	2.80%																							

**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 Final Salary Load 10/1/12 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; level dollar amortization is utilized for bases established on and after October 1, 2019. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.
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	10/1/2012																
Funding Method	Entry Age Normal Actuarial Cost Method																
Amortization Method	New UAAL amortization bases are amortized over 15 years.																
Mortality Rate	<i>Healthy Active Lives:</i> Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. <i>Healthy Inactive Lives:</i> Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 for Healthy Retirees, set forward one year. <i>Beneficiary Lives:</i> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. <i>Disabled Lives:</i> 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.																
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	Final Salary Load
	10/1/2012	
	Less than 1 Year	0%
	1 to 5 Years	5%
	5 to 10 Years	10%
Disability Rates	Greater than 10 Years	15%
	These assumptions were based on data provided by the City.	
	Age	Rates
	25	0.03%
	35	0.05%
Asset Smoothing Methodology	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.	
	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	None.	

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
SEPTEMBER 30, 2022**

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>
2022	-13.09%	2022	-12.76%	2022	-14.64%
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%

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

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 2,629,823	\$ 2,694,177	\$ 1,603,661	\$ 1,291,931	\$ 1,425,372
Interest	1,110,913	973,635	1,236,986	1,222,847	1,107,069
Difference Between Expected and Actual Experience	(2,133,511)	-	(2,592,042)	-	-
Changes of Assumptions	(14,622,053)	(2,257,198)	10,581,817	3,302,003	(2,792,012)
Benefit Payments	(1,165,449)	(1,089,205)	(862,186)	(798,320)	(735,779)
Net Change in Total OPEB Liability	(14,180,277)	321,409	9,968,236	5,018,461	(995,350)
Total OPEB Liability - Beginning	43,665,951	43,344,542	33,376,306	28,357,845	29,353,195
Total OPEB Liability - Ending	<u>\$ 29,485,674</u>	<u>\$ 43,665,951</u>	<u>\$ 43,344,542</u>	<u>\$ 33,376,306</u>	<u>\$ 28,357,845</u>
Covered Employee Payroll	\$ 25,367,270	\$ 25,367,270	\$ 23,978,892	\$ 22,466,817	\$ 21,319,811
Total OPEB Liability as a percentage of the Covered Employee Payroll	116.24%	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.

Differences Between Expected and Actual Experience. Differences Between Expected and Actual Experience reflects the impact of changes to the census data from the prior valuation to the valuation as of September 30, 2022.

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, 2022:	4.77%
Fiscal Year Ending September 30, 2021:	2.43%
Fiscal Year Ending September 30, 2020:	2.14%
Fiscal Year Ending September 30, 2019:	3.58%

Also reflected as assumption changes are updated health care costs and premiums, and updated salary increase rates, termination rates, and disability rates for General employees.

Benefit Payments: The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on September 30, 2022. 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, 2022**

ASSETS	Special Revenue							
	Library Fund	Cemetery Fund	Community Development Grant Fund	SHIP Grant Fund	Police Training Confiscation and Abandoned Property Fund	Building Safety Fund	Impact Fees Fund	Federal Building Fund
Cash and Investments	\$ 332,656	\$ -	\$ -	\$ 812,079	\$ 115,812	\$ 1,651,591	\$ 1,420,626	\$ 56,242
Investments - Reserved for Perpetual Care	-	406,512	-	-	-	-	-	-
Accounts Receivable	8,883	40,014	-	-	-	-	-	320
Lease Receivable	31,024	-	-	-	-	-	-	316,467
Due from Other Governments	-	-	51,414	-	893	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-
Inventory	-	24,482	-	-	-	-	-	-
Prepaid Items	4,011	73	-	-	-	14,557	-	-
Total Assets	<u>\$ 376,574</u>	<u>\$ 471,081</u>	<u>\$ 51,414</u>	<u>\$ 812,079</u>	<u>\$ 116,705</u>	<u>\$ 1,666,148</u>	<u>\$ 1,420,626</u>	<u>\$ 373,029</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 13,309	\$ 3,864	\$ -	\$ -	\$ 4,170	\$ 190,940	\$ 2,432	\$ 2,193
Accrued Liabilities	41,026	15,574	-	-	-	35,422	-	-
Due to Other Funds	-	-	51,414	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	8,175	-	-
Total Liabilities	<u>54,335</u>	<u>19,438</u>	<u>51,414</u>	<u>-</u>	<u>4,170</u>	<u>234,537</u>	<u>2,432</u>	<u>2,193</u>
Deferred Inflows of Resources:								
Unavailable Revenue	-	-	-	-	-	-	-	-
Related to Leases	30,493	-	-	-	-	-	-	310,390
Total Deferred Inflows of Resources	<u>30,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,390</u>
Fund Balances:								
Nonspendable	4,011	24,555	-	-	-	14,557	-	-
Restricted	-	-	-	812,079	112,535	1,417,054	1,418,194	-
Committed	-	427,088	-	-	-	-	-	60,446
Assigned	287,735	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	<u>291,746</u>	<u>451,643</u>	<u>-</u>	<u>812,079</u>	<u>112,535</u>	<u>1,431,611</u>	<u>1,418,194</u>	<u>60,446</u>
Total Liabilities and Fund Balances	<u>\$ 376,574</u>	<u>\$ 471,081</u>	<u>\$ 51,414</u>	<u>\$ 812,079</u>	<u>\$ 116,705</u>	<u>\$ 1,666,148</u>	<u>\$ 1,420,626</u>	<u>\$ 373,029</u>

**CITY OF WINTER HAVEN, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2022**

	Special Revenue	Debt Service		Capital Projects			Total All Nonmajor Governmental Funds
	Affordable Housing Fund	Non Ad Valorem Refunding Revenue Bonds Fund	2011 Sales Tax Bond Fund	Capital Depletion Fund	2007 Construction Fund	Transportation Fund	
ASSETS							
Cash and Investments	\$ 1,721,452	\$ 4,230,374	\$ -	\$ 4,188,028	\$ 227,243	\$ 4,904,377	\$ 19,660,480
Investments - Reserved for Perpetual Care	-	-	-	-	-	-	406,512
Accounts Receivable	-	-	-	6,233	-	-	55,450
Lease Receivable	-	-	-	-	-	-	347,491
Due from Other Governments	-	-	-	-	-	637,944	690,251
Due from Other Funds	-	-	-	533,041	-	-	533,041
Advances to Other Funds	-	-	-	1,517,269	-	-	1,517,269
Inventory	-	-	-	-	-	-	24,482
Prepaid Items	-	-	-	-	-	2,541	21,182
Total Assets	<u>\$ 1,721,452</u>	<u>\$ 4,230,374</u>	<u>\$ -</u>	<u>\$ 6,244,571</u>	<u>\$ 227,243</u>	<u>\$ 5,544,862</u>	<u>\$ 23,256,158</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 6,876	\$ 3,025	\$ -	\$ -	\$ -	\$ 332,952	\$ 559,761
Accrued Liabilities	-	-	-	-	-	-	92,022
Due to Other Funds	-	-	-	-	-	-	51,414
Due to Other Governments	-	-	-	-	-	-	8,175
Total Liabilities	<u>6,876</u>	<u>3,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>332,952</u>	<u>711,372</u>
Deferred Inflows of Resources:							
Unavailable Revenue	-	-	-	-	-	483,960	483,960
Related to Leases	-	-	-	-	-	-	340,883
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>483,960</u>	<u>824,843</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	2,541	45,664
Restricted	-	4,227,349	-	-	-	4,725,409	12,712,620
Committed	1,714,576	-	-	-	-	-	2,202,110
Assigned	-	-	-	6,244,571	227,243	-	6,759,549
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>1,714,576</u>	<u>4,227,349</u>	<u>-</u>	<u>6,244,571</u>	<u>227,243</u>	<u>4,727,950</u>	<u>21,719,943</u>
Total Liabilities and Fund Balances	<u>\$ 1,721,452</u>	<u>\$ 4,230,374</u>	<u>\$ -</u>	<u>\$ 6,244,571</u>	<u>\$ 227,243</u>	<u>\$ 5,544,862</u>	<u>\$ 23,256,158</u>

**CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue							
	Library Fund	Cemetery Fund	Community Development Grant Fund	SHIP Grant Fund	Police Training, Confiscation, and Abandoned Property Fund	Building Safety Fund	Impact Fees Fund	Federal Building Fund
REVENUES								
Intergovernmental	\$ 554,975	\$ -	\$ -	\$ 538,729	\$ -	\$ -	\$ -	\$ -
Charges for Services	14,897	338,765	-	-	-	3,329,520	2,895,019	-
Fines and Forfeits	3,229	-	-	-	20,715	-	-	-
Miscellaneous:								
Rents	23,975	-	-	-	-	-	-	143,258
Investment Income	4,546	3,868	-	5,942	985	24,976	11,031	5,769
Contributions	12,110	-	-	-	-	-	-	-
Other	-	2,760	-	100,221	-	8,017	-	-
Total Revenues	613,732	345,393	-	644,892	21,700	3,362,513	2,906,050	149,027
EXPENDITURES								
Current:								
Public Safety	-	-	-	-	97,448	1,241,357	-	-
Transportation	-	-	-	-	-	-	-	-
Human Services	-	497,529	-	76,000	-	-	-	-
Culture and Recreation	1,710,996	-	-	-	-	-	-	58,136
Debt Service:								
Principal Retirement	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Other Debt Service	-	-	-	-	-	-	-	-
Total Expenditures	1,710,996	497,529	-	76,000	97,448	1,241,357	-	58,136
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,097,264)	(152,136)	-	568,892	(75,748)	2,121,156	2,906,050	90,891
OTHER FINANCING SOURCES (USES)								
Transfers In	1,166,622	-	-	-	-	-	-	-
Transfers Out	(8,400)	(111,991)	-	(49,118)	-	(1,933,680)	(2,857,010)	(50,000)
Total Other Financing Sources (Uses)	1,158,222	(111,991)	-	(49,118)	-	(1,933,680)	(2,857,010)	(50,000)
NET CHANGE IN FUND BALANCES	60,958	(264,127)	-	519,774	(75,748)	187,476	49,040	40,891
Fund Balances - Beginning of Year	230,788	715,770	-	292,305	188,283	1,244,135	1,369,154	19,555
FUND BALANCES - END OF YEAR	\$ 291,746	\$ 451,643	\$ -	\$ 812,079	\$ 112,535	\$ 1,431,611	\$ 1,418,194	\$ 60,446

**CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue	Debt Service		Capital Projects			Total All Nonmajor Governmental Funds
	Affordable Housing Fund	Non Ad Valorem Refunding Revenue Bonds Fund	2011 Sales Tax Bond Fund	Capital Depletion Fund	2007 Construction Fund	Transportation Fund	
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,008,979	\$ 2,102,683
Charges for Services	-	-	-	-	-	-	6,578,201
Fines and Forfeits	-	-	-	-	-	-	23,944
Miscellaneous:							
Rents	-	-	-	-	-	-	167,233
Investment Income	6,330	-	-	62,263	1,454	25,708	152,872
Contributions	-	-	-	-	-	-	12,110
Other	-	-	-	-	-	-	110,998
Total Revenues	6,330	-	-	62,263	1,454	1,034,687	9,148,041
EXPENDITURES							
Current:							
Public Safety	-	-	-	754,170	-	-	2,092,975
Transportation	-	-	-	-	-	1,597,537	1,597,537
Human Services	31,872	-	-	-	-	-	605,401
Culture and Recreation	-	-	-	-	-	-	1,769,132
Debt Service:							
Principal Retirement	-	2,155,000	695,000	-	-	-	2,850,000
Interest and Fiscal Charges	-	1,428,118	6,429	-	-	-	1,434,547
Other Debt Service	-	17,601	-	-	-	-	17,601
Total Expenditures	31,872	3,600,719	701,429	754,170	-	1,597,537	10,367,193
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(25,542)	(3,600,719)	(701,429)	(691,907)	1,454	(562,850)	(1,219,152)
OTHER FINANCING SOURCES (USES)							
Transfers In	1,740,118	5,039,361	-	1,453,296	-	3,498,000	12,897,397
Transfers Out	-	-	-	-	-	-	(5,010,199)
Total Other Financing Sources (Uses)	1,740,118	5,039,361	-	1,453,296	-	3,498,000	7,887,198
NET CHANGE IN FUND BALANCES	1,714,576	1,438,642	(701,429)	761,389	1,454	2,935,150	6,668,046
Fund Balances - Beginning of Year	-	2,788,707	701,429	5,483,182	225,789	1,792,800	15,051,897
FUND BALANCES - END OF YEAR	\$ 1,714,576	\$ 4,227,349	\$ -	\$ 6,244,571	\$ 227,243	\$ 4,727,950	\$ 21,719,943

**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, 2022

Function and Activity	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government:				
City Commission/Legal/Clerk	\$ 927,508	\$ 927,508	\$ 918,650	\$ 8,858
City Manager	939,063	939,063	924,461	14,602
Finance	1,246,823	1,246,823	1,109,903	136,920
Nondepartmental	5,095,744	5,295,744	4,869,498	426,246
Police	11,881,140	11,881,140	11,650,343	230,797
Fire	9,391,886	9,391,886	8,951,002	440,884
Code Enforcement	505,779	505,779	399,997	105,782
Transportation:				
Streets and Buses	2,975,749	2,975,749	2,267,476	708,273
Economic Development				
Public Service Buildings	363,970	365,970	364,160	1,810
Community Development/Planning	970,927	970,927	768,515	202,412
Culture and Recreation:				
Leisure Services	7,289,912	7,289,912	6,223,606	1,066,306
Debt Service:				
Principal Retirement	-	-	11,365	(11,365)
Interest and Fiscal Charges	-	-	34	(34)
Total Expenditures	<u>41,588,501</u>	<u>41,790,501</u>	<u>38,459,010</u>	<u>3,331,491</u>
Transfers to:				
Library Fund	1,114,622	1,114,622	1,114,622	-
Airport Fund	348,012	1,041,755	1,041,755	-
Affordable Housing Fund	1,500,000	1,691,000	1,691,000	-
2015 Construction Fund	973,957	6,473,957	6,473,957	-
2021 Construction Fund	-	1,000,000	1,000,000	-
Capital Depletion Fund	1,399,928	1,399,928	1,399,928	-
Debt Service Fund	4,781,091	4,581,091	4,581,091	-
Self-Insurance Fund	153,100	153,100	153,100	-
Willowbrook Golf Course Fund	244,447	244,447	244,447	-
Dark Fiber Fund	155,400	155,400	155,400	-
Transportation Fund	2,975,000	2,975,000	2,975,000	-
Total Transfers	<u>13,645,557</u>	<u>20,830,300</u>	<u>20,830,300</u>	<u>-</u>
Total Expenditures and Transfers	<u>\$ 55,234,058</u>	<u>\$ 62,620,801</u>	<u>\$ 59,289,310</u>	<u>\$ 3,331,491</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
2015 CONSTRUCTION FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,900,000	\$ 4,400,000	\$ 276,211	\$ (4,123,789)
Miscellaneous:				
Investment Income	20,000	20,000	203,025	183,025
Total Revenues	4,920,000	4,420,000	479,236	(3,940,764)
EXPENDITURES				
Capital Projects	40,777,933	26,377,933	5,993,483	20,384,450
Debt Service:				
Principal Retirement	111,232	111,232	-	111,232
Interest and Fiscal Charges	33,537	33,537	33,537	-
Other Debt Service	536,712	-	-	-
Total Expenditures	41,459,414	26,522,702	6,027,020	20,495,682
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(36,539,414)	(22,102,702)	(5,547,784)	16,554,918
OTHER FINANCING SOURCES				
Issuance of Debt	22,500,000	-	-	-
Transfers In	4,007,814	12,071,102	18,819,340	6,748,238
Total Other Financing Sources	26,507,814	12,071,102	18,819,340	6,748,238
NET CHANGE IN FUND BALANCES	(10,031,600)	(10,031,600)	13,271,556	23,303,156
Fund Balances - Beginning of Year	13,758,484	13,758,484	13,758,484	-
FUND BALANCES - END OF YEAR	<u>\$ 3,726,884</u>	<u>\$ 3,726,884</u>	<u>\$ 27,030,040</u>	<u>\$ 23,303,156</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, 2022

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 500,000	\$ -	\$ (500,000)
Miscellaneous:				
Investment Income	-	-	112,006	112,006
Contributions	-	-	3,122	3,122
Total Revenues	-	500,000	115,128	(384,872)
EXPENDITURES				
Current:				
Capital Projects	-	14,400,000	45,300	14,354,700
Debt Service:				
Other Debt Service	-	536,712	230,742	305,970
Total Expenditures	-	14,936,712	276,042	14,660,670
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(14,436,712)	(160,914)	14,275,798
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	22,500,000	23,247,642	747,642
Transfers In	-	-	1,000,000	1,000,000
Transfers Out	-	(8,063,288)	(8,190,120)	(126,832)
Total Other Financing Sources (Uses)	-	14,436,712	16,057,522	1,620,810
NET CHANGE IN FUND BALANCES	-	-	15,896,608	15,896,608
Fund Balances - Beginning of Year	(14,480)	(14,480)	(14,480)	-
FUND BALANCES - END OF YEAR	<u>\$ (14,480)</u>	<u>\$ (14,480)</u>	<u>\$ 15,882,128</u>	<u>\$ 15,896,608</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LIBRARY FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 501,941	\$ 501,941	\$ 554,975	\$ 53,034
Charges for Services	-	-	14,897	14,897
Fines and Forfeits	-	-	3,229	3,229
Miscellaneous:				
Rents	23,923	23,923	23,975	52
Investment Income	175	175	4,546	4,371
Contributions	-	-	12,110	12,110
Total Revenues	<u>526,039</u>	<u>526,039</u>	<u>613,732</u>	<u>87,693</u>
EXPENDITURES				
Current:				
Culture and Recreation	<u>1,927,999</u>	<u>1,927,999</u>	<u>1,710,996</u>	<u>217,003</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,401,960)	(1,401,960)	(1,097,264)	304,696
OTHER FINANCING SOURCES (USES)				
Transfers In	1,166,622	1,166,622	1,166,622	-
Transfers Out	<u>(8,400)</u>	<u>(8,400)</u>	<u>(8,400)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,158,222</u>	<u>1,158,222</u>	<u>1,158,222</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(243,738)	(243,738)	60,958	304,696
Fund Balances - Beginning of Year	<u>230,788</u>	<u>230,788</u>	<u>230,788</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ (12,950)</u>	<u>\$ (12,950)</u>	<u>\$ 291,746</u>	<u>\$ 304,696</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CEMETERY FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 329,250	\$ 329,250	\$ 338,765	\$ 9,515
Miscellaneous:				
Investment Income	600	600	3,868	3,268
Other	2,500	2,500	2,760	260
Total Revenues	<u>332,350</u>	<u>332,350</u>	<u>345,393</u>	<u>13,043</u>
EXPENDITURES				
Current:				
Human Services	<u>508,973</u>	<u>508,973</u>	<u>497,529</u>	<u>11,444</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(176,623)	(176,623)	(152,136)	24,487
OTHER FINANCING USES				
Transfers Out	<u>(146,212)</u>	<u>(146,212)</u>	<u>(111,991)</u>	<u>34,221</u>
NET CHANGE IN FUND BALANCES	(322,835)	(322,835)	(264,127)	58,708
Fund Balances - Beginning of Year	<u>715,770</u>	<u>715,770</u>	<u>715,770</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 392,935</u>	<u>\$ 392,935</u>	<u>\$ 451,643</u>	<u>\$ 58,708</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, 2022

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 228,000	\$ 228,000	\$ -	\$ (228,000)
OTHER FINANCING USES				
Transfers Out	(228,000)	(228,000)	-	228,000
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SHIP GRANT FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 310,965	\$ 310,965	\$ 538,729	\$ 227,764
Miscellaneous:				
Investment Income	375	375	5,942	5,567
Other	3,000	3,000	100,221	97,221
Total Revenues	<u>314,340</u>	<u>314,340</u>	<u>644,892</u>	<u>330,552</u>
EXPENDITURES				
Current:				
Human Services	<u>514,995</u>	<u>514,995</u>	<u>76,000</u>	<u>438,995</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(200,655)	(200,655)	568,892	769,547
OTHER FINANCING USES				
Transfers Out	<u>-</u>	<u>-</u>	<u>(49,118)</u>	<u>(49,118)</u>
NET CHANGE IN FUND BALANCES	(200,655)	(200,655)	519,774	720,429
Fund Balances - Beginning of Year	<u>292,305</u>	<u>292,305</u>	<u>292,305</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 91,650</u></u>	<u><u>\$ 91,650</u></u>	<u><u>\$ 812,079</u></u>	<u><u>\$ 720,429</u></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, 2022

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 1,845,500	\$ 1,845,500	\$ 3,329,520	\$ 1,484,020
Miscellaneous:				
Investment Income	7,000	7,000	24,976	17,976
Other	3,500	3,500	8,017	4,517
Total Revenues	<u>1,856,000</u>	<u>1,856,000</u>	<u>3,362,513</u>	<u>1,506,513</u>
EXPENDITURES				
Current:				
Public Safety	<u>1,432,722</u>	<u>1,432,722</u>	<u>1,241,357</u>	<u>191,365</u>
EXCESS OF REVENUES OVER EXPENDITURES	423,278	423,278	2,121,156	1,697,878
OTHER FINANCING USES				
Transfers Out	<u>(533,680)</u>	<u>(1,933,680)</u>	<u>(1,933,680)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(110,402)	(1,510,402)	187,476	1,697,878
Fund Balances - Beginning of Year	<u>1,244,135</u>	<u>1,244,135</u>	<u>1,244,135</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,133,733</u>	<u>\$ (266,267)</u>	<u>\$ 1,431,611</u>	<u>\$ 1,697,878</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, 2022

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 2,025,000	\$ 2,025,000	\$ 2,895,019	\$ 870,019
Miscellaneous:				
Investment Income	1,000	1,000	11,031	10,031
Total Revenues	2,026,000	2,026,000	2,906,050	880,050
OTHER FINANCING USES				
Transfers Out	(2,857,010)	(2,857,010)	(2,857,010)	-
NET CHANGE IN FUND BALANCES	(831,010)	(831,010)	49,040	880,050
Fund Balances - Beginning of Year	1,369,154	1,369,154	1,369,154	-
FUND BALANCES - END OF YEAR	<u>\$ 538,144</u>	<u>\$ 538,144</u>	<u>\$ 1,418,194</u>	<u>\$ 880,050</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, 2022

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Rents	\$ 142,950	\$ 142,950	\$ 143,258	\$ 308
Miscellaneous:				
Investment Income	25	25	5,769	5,744
Total Revenues	142,975	142,975	149,027	6,052
EXPENDITURES				
Current:				
Culture and Recreation	73,691	73,691	58,136	15,555
EXCESS OF REVENUES OVER EXPENDITURES	69,284	69,284	90,891	21,607
OTHER FINANCING USES				
Transfers Out	(50,000)	(50,000)	(50,000)	-
NET CHANGE IN FUND BALANCES	19,284	19,284	40,891	21,607
Fund Balances - Beginning of Year	19,555	19,555	19,555	-
FUND BALANCES - END OF YEAR	\$ 38,839	\$ 38,839	\$ 60,446	\$ 21,607

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
2007 CONSTRUCTION FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment Income	\$ 2,021	\$ 2,021	\$ 1,454	\$ (567)
EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	2,021	2,021	1,454	(567)
Fund Balances - Beginning of Year	225,789	225,789	225,789	-
FUND BALANCES - END OF YEAR	<u>\$ 227,810</u>	<u>\$ 227,810</u>	<u>\$ 227,243</u>	<u>\$ (567)</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,685,541	\$ 2,685,541	\$ 1,008,979	\$ (1,676,562)
Miscellaneous:				
Investment Income	6,500	6,500	25,708	19,208
Total Revenues	2,692,041	2,692,041	1,034,687	(1,657,354)
EXPENDITURES				
Current:				
Transportation	6,823,605	6,823,605	1,597,537	5,226,068
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(4,131,564)	(4,131,564)	(562,850)	3,568,714
OTHER FINANCING SOURCES				
Transfers In	3,483,000	3,483,000	3,498,000	15,000
NET CHANGE IN FUND BALANCES	(648,564)	(648,564)	2,935,150	3,583,714
Fund Balances - Beginning of Year	1,792,800	1,792,800	1,792,800	-
FUND BALANCES - END OF YEAR	<u>\$ 1,144,236</u>	<u>\$ 1,144,236</u>	<u>\$ 4,727,950</u>	<u>\$ 3,583,714</u>

WINTER HAVEN

The Chain of Lakes City

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NONMAJOR PROPRIETARY FUNDS

**CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

	<u>Willowbrook Golf Course</u>	<u>Stormwater</u>	<u>Dark Fiber</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Investments	\$ 3,017,405	\$ 3,969,036	\$ 811,850	\$ 7,798,291
Cash With Fiscal Agent	210,660	-	-	210,660
Receivables:				
Accounts	-	472,923	54	472,977
Leases	-	-	238,834	238,834
Due from Other Governments	-	932,250	-	932,250
Inventories	46,760	-	-	46,760
Prepaid Items	9,067	3,199	-	12,266
Total Current Assets	<u>3,283,892</u>	<u>5,377,408</u>	<u>1,050,738</u>	<u>9,712,038</u>
Capital Assets:				
Land	628,895	2,289,400	-	2,918,295
Construction in Progress	-	-	282,701	282,701
Building	217,380	174,415	-	391,795
Improvements Other than Buildings	1,022,934	8,077,171	2,977,832	12,077,937
Equipment	714,182	998,680	26,795	1,739,657
	<u>2,583,391</u>	<u>11,539,666</u>	<u>3,287,328</u>	<u>17,410,385</u>
Less: Accumulated Depreciation	<u>(1,680,413)</u>	<u>(5,232,304)</u>	<u>(661,354)</u>	<u>(7,574,071)</u>
Net Capital Assets	<u>902,978</u>	<u>6,307,362</u>	<u>2,625,974</u>	<u>9,836,314</u>
Total Noncurrent Assets	<u>902,978</u>	<u>6,307,362</u>	<u>2,625,974</u>	<u>9,836,314</u>
Total Assets	4,186,870	11,684,770	3,676,712	19,548,352
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	-	373,696	-	373,696
OPEB Related Items	-	153,271	-	153,271
Total Deferred Outflows of Resources	<u>-</u>	<u>526,967</u>	<u>-</u>	<u>526,967</u>

**CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2022**

	<u>Willowbrook Golf Course</u>	<u>Stormwater</u>	<u>Dark Fiber</u>	<u>Total</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)				
CURRENT LIABILITIES				
Accounts Payable	\$ 57,554	\$ 12,791	\$ -	\$ 70,345
Accrued Liabilities	-	38,196	-	38,196
Unearned Revenue	-	-	17,393	17,393
Due to Other Funds	19,660	-	473,445	493,105
Current Portion of Compensated Absences	-	4,760	-	4,760
Current Portion of Total OPEB Liability	-	27,971	-	27,971
Total	<u>77,214</u>	<u>83,718</u>	<u>490,838</u>	<u>651,770</u>
LONG-TERM LIABILITIES				
Advances from Other Funds	1,563,872	-	1,432,449	2,996,321
Compensated Absences	-	42,844	-	42,844
Total OPEB Liability	-	679,100	-	679,100
Net Pension Liability	-	918,138	-	918,138
Total Long-Term Liabilities	<u>1,563,872</u>	<u>1,640,082</u>	<u>1,432,449</u>	<u>4,636,403</u>
Total Liabilities	1,641,086	1,723,800	1,923,287	5,288,173
DEFERRED INFLOWS OF RESOURCES				
Lease Related Items	-	-	238,835	238,835
Pension Related Items	-	2,342	-	2,342
OPEB Related Items	-	422,724	-	422,724
Total Deferred Inflows of Resources	<u>-</u>	<u>425,066</u>	<u>238,835</u>	<u>663,901</u>
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	902,978	6,284,462	2,625,974	9,813,414
Unrestricted (Deficit)	<u>1,642,806</u>	<u>3,778,409</u>	<u>(1,111,384)</u>	<u>4,309,831</u>
Total Net Position (Deficit)	<u>\$ 2,545,784</u>	<u>\$ 10,062,871</u>	<u>\$ 1,514,590</u>	<u>\$ 14,123,245</u>

**CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2022**

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
OPERATING REVENUES				
Charges for Services	\$ 1,104,165	\$ 2,093,073	\$ 107,252	\$ 3,304,490
OPERATING EXPENSES				
Personal Services	-	1,121,186	1,562	1,122,748
Material and Supplies	23,127	68,494	-	91,621
Depreciation	61,343	620,442	139,550	821,335
Other Services and Charges	1,171,267	450,144	12,842	1,634,253
Total Operating Expenses	<u>1,255,737</u>	<u>2,260,266</u>	<u>153,954</u>	<u>3,669,957</u>
OPERATING LOSS	(151,572)	(167,193)	(46,702)	(365,467)
NONOPERATING REVENUES (EXPENSES)				
Grants and Contributions	2,650,000	2,175	-	2,652,175
Investment Income	21,578	27,524	7,253	56,355
Interest Expense	(1,618)	-	(53,924)	(55,542)
Total Nonoperating Revenues (Expenses)	<u>2,669,960</u>	<u>29,699</u>	<u>(46,671)</u>	<u>2,652,988</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	2,518,388	(137,494)	(93,373)	2,287,521
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Transfers In	244,447	-	268,800	513,247
Transfers Out	-	(255,401)	(86,517)	(341,918)
Total Capital Contributions and Transfers	<u>244,447</u>	<u>(255,401)</u>	<u>182,283</u>	<u>171,329</u>
CHANGE IN NET POSITION (DEFICIT)	2,762,835	(392,895)	88,910	2,458,850
Net Position (Deficit) - Beginning of Year	<u>(217,051)</u>	<u>10,455,766</u>	<u>1,425,680</u>	<u>11,664,395</u>
NET POSITION (DEFICIT) - END OF YEAR	<u><u>\$ 2,545,784</u></u>	<u><u>\$ 10,062,871</u></u>	<u><u>\$ 1,514,590</u></u>	<u><u>\$ 14,123,245</u></u>

**CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2022**

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,104,165	\$ 1,973,406	\$ 124,592	\$ 3,202,163
Cash Paid to Employees for Services	-	(814,389)	(1,562)	(815,951)
Cash Paid to Suppliers for Goods and Services	(1,187,617)	(526,695)	(18,792)	(1,733,104)
Net Cash Provided (Used) by Operating Activities	(83,452)	632,322	104,238	653,108
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants and Contributions	2,650,000	2,175	-	2,652,175
Transfers from Other Funds	244,447	-	-	244,447
Transfers to Other Funds	-	(255,401)	(86,517)	(341,918)
Repayment of Advance From Other Funds	(38,161)	-	-	(38,161)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	2,856,286	(253,226)	(86,517)	2,516,543
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants and Contributions	-	618,000	-	618,000
Transfers from Other Funds	-	-	268,800	268,800
Advances from Other Funds	-	-	(461,768)	(461,768)
Interest Paid	(1,618)	-	(53,924)	(55,542)
Acquisition and Construction of Capital Assets	(20,440)	(457,668)	(332,146)	(810,254)
Net Cash Provided (Used) by Capital and Related Financing Activities	(22,058)	160,332	(579,038)	(440,764)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net Investment Income	21,578	27,524	7,253	56,355
Net Cash Provided by Investing Activities	21,578	27,524	7,253	56,355
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,772,354	566,952	(554,064)	2,785,242
Cash and Cash Equivalents - Beginning of Year	455,711	3,402,084	1,365,914	5,223,709
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,228,065</u>	<u>\$ 3,969,036</u>	<u>\$ 811,850</u>	<u>\$ 8,008,951</u>

**CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Loss	\$ (151,572)	\$ (167,193)	\$ (46,702)	\$ (365,467)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	61,343	620,442	139,550	821,335
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts Receivable	-	(119,667)	-	(119,667)
Lease Receivable	-	-	(238,888)	(238,888)
Inventories	(14,974)	-	-	(14,974)
Prepaid Items	2,382	2,129	-	4,511
Deferred Outflows of Resources- Pension Related Items	-	(257,642)	-	(257,642)
Deferred Outflows of Resources- OPEB Related Items	-	30,223	-	30,223
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	19,369	(10,186)	(5,950)	3,233
Accrued Liabilities	-	13,661	-	13,661
Compensated Absences	-	13,431	-	13,431
Total OPEB Liability	-	(213,313)	-	(213,313)
Net Pension Liability	-	552,585	-	552,585
Deferred Inflows of Resources - Lease Related Items	-	-	238,835	238,835
Deferred Inflows of Resources- Pension Related Items	-	(159,185)	-	(159,185)
Deferred Inflows of Resources- OPEB Related Items	-	327,037	-	327,037
Net Cash Provided (Used) by Operating Activities	<u>\$ (83,452)</u>	<u>\$ 632,322</u>	<u>\$ 104,238</u>	<u>\$ 653,108</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITIONS				
Cash, Investments, and Cash Equivalents	\$ 3,017,405	\$ 3,969,036	\$ 811,850	\$ 7,798,291
Cash With Fiscal Agent	<u>210,660</u>	<u>-</u>	<u>-</u>	<u>210,660</u>
Total Cash, Investments, and Cash Equivalents	<u>\$ 3,228,065</u>	<u>\$ 3,969,036</u>	<u>\$ 811,850</u>	<u>\$ 8,008,951</u>

INTERNAL SERVICE FUNDS

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2022

	Self-Insurance	General Services	Central Garage	Totals
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Investments	\$ 3,007,769	\$ 1,703,771	\$ 552,131	\$ 5,263,671
Accounts Receivable	132,122	10,886	-	143,008
Inventories	-	-	172,905	172,905
Prepaid Items	-	249,212	2,259	251,471
Total Current Assets	<u>3,139,891</u>	<u>1,963,869</u>	<u>727,295</u>	<u>5,831,055</u>
NONCURRENT ASSETS				
Capital Assets:				
Construction in Progress	-	-	39,258	39,258
Building	-	-	151,763	151,763
Improvements Other than Buildings	-	395,340	34,909	430,249
Equipment	-	2,478,584	682,319	3,160,903
Right-to-Use Leased Equipment	-	460,317	-	460,317
	<u>-</u>	<u>3,334,241</u>	<u>908,249</u>	<u>4,242,490</u>
Less: Accumulated Depreciation	-	(2,556,792)	(622,558)	(3,179,350)
Net Capital Assets	<u>-</u>	<u>777,449</u>	<u>285,691</u>	<u>1,063,140</u>
Total Assets	3,139,891	2,741,318	1,012,986	6,894,195
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	-	1,216,221	396,653	1,612,874
OPEB Related Items	-	326,897	92,260	419,157
Total Deferred Outflows of Resources	<u>-</u>	<u>1,543,118</u>	<u>488,913</u>	<u>2,032,031</u>

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2022

	Self-Insurance	General Services	Central Garage	Totals
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)				
CURRENT LIABILITIES				
Accounts Payable	\$ 655,189	\$ 184,463	\$ 135,873	\$ 975,525
Accrued Liabilities	-	86,042	27,424	113,466
Unearned Revenue	1,838	-	-	1,838
Claims Payable	1,748,553	-	-	1,748,553
Current Portion of Leases Payable	-	176,032	-	176,032
Current Portion of Compensated Absences	-	19,659	6,886	26,545
Current Portion of Total OPEB Liability	-	59,554	16,782	76,336
Total Current Liabilities	2,405,580	525,750	186,965	3,118,295
LONG-TERM LIABILITIES				
Leases Payable	-	117,496	-	117,496
Compensated Absences	-	176,929	61,977	238,906
Total OPEB Liability	-	1,448,486	408,835	1,857,321
Net Pension Liability	-	2,988,152	974,540	3,962,692
Total Long-Term Liabilities	-	4,731,063	1,445,352	6,176,415
Total Liabilities	2,405,580	5,256,813	1,632,317	9,294,710
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	-	7,622	2,486	10,108
OPEB Related Items	-	901,585	254,456	1,156,041
Total Deferred Inflows of Resources	-	909,207	256,942	1,166,149
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	-	483,921	285,691	769,612
Unrestricted (Deficit)	734,311	(2,365,505)	(673,051)	(2,304,245)
Total Net Position (Deficit)	\$ 734,311	\$ (1,881,584)	\$ (387,360)	\$ (1,534,633)

**CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Self-Insurance</u>	<u>General Services</u>	<u>Central Garage</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for Services	\$ 6,876,616	\$ 6,240,643	\$ 3,379,774	\$ 16,497,033
Miscellaneous	<u>521,269</u>	<u>170,492</u>	<u>-</u>	<u>691,761</u>
Total Operating Revenues	7,397,885	6,411,135	3,379,774	17,188,794
OPERATING EXPENSES				
Personal Services	-	3,126,652	806,457	3,933,109
Material and Supplies	-	542,937	1,970,689	2,513,626
Depreciation	-	297,352	26,104	323,456
Other Services and Charges	<u>7,142,759</u>	<u>2,811,054</u>	<u>594,121</u>	<u>10,547,934</u>
Total Operating Expenses	<u>7,142,759</u>	<u>6,777,995</u>	<u>3,397,371</u>	<u>17,318,125</u>
OPERATING INCOME (LOSS)	255,126	(366,860)	(17,597)	(129,331)
NONOPERATING REVENUES				
Investment Income	22,281	16,543	6,941	45,765
Interest Expense	-	(2,191)	-	(2,191)
Gain on Disposal of Assets - Net	<u>-</u>	<u>3,451</u>	<u>-</u>	<u>3,451</u>
Total Nonoperating Revenues	<u>22,281</u>	<u>17,803</u>	<u>6,941</u>	<u>47,025</u>
INCOME (LOSS) BEFORE TRANSFERS	277,407	(349,057)	(10,656)	(82,306)
TRANSFERS				
Transfers In	365,400	-	-	365,400
Transfers Out	<u>-</u>	<u>(16,800)</u>	<u>(12,600)</u>	<u>(29,400)</u>
Total Transfers	<u>365,400</u>	<u>(16,800)</u>	<u>(12,600)</u>	<u>336,000</u>
CHANGE IN NET POSITION (DEFICIT)	642,807	(365,857)	(23,256)	253,694
Net Position (Deficit) - Beginning of Year	<u>91,504</u>	<u>(1,515,727)</u>	<u>(364,104)</u>	<u>(1,788,327)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 734,311</u>	<u>\$ (1,881,584)</u>	<u>\$ (387,360)</u>	<u>\$ (1,534,633)</u>

CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	Self-Insurance	General Services	Central Garage	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 7,447,289	\$ 6,426,562	\$ 3,379,774	\$ 17,253,625
Cash Paid to Employees for Services	-	(2,198,944)	(664,485)	(2,863,429)
Cash Paid to Suppliers for Goods and Services	(7,615,397)	(3,561,721)	(2,496,487)	(13,673,605)
Net Cash Provided (Used) by Operating Activities	(168,108)	665,897	218,802	716,591
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	365,400	-	-	365,400
Transfers to Other Funds	-	(16,800)	(12,600)	(29,400)
Net Cash Provided (Used) by Noncapital Financing Activities	365,400	(16,800)	(12,600)	336,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	-	(193,121)	(269,655)	(462,776)
Proceeds from Sale of Assets	-	3,451	-	3,451
Principal Payments on Leases	-	(166,789)	-	(166,789)
Interest Paid	-	(2,191)	-	(2,191)
Net Cash Used by Capital and Related Financing Activities	-	(358,650)	(269,655)	(628,305)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net Investment Income	22,281	16,543	6,941	45,765
Net Cash Provided by Investing Activities	22,281	16,543	6,941	45,765
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	219,573	306,990	(56,512)	470,051
Cash and Cash Equivalents - Beginning of Year	2,788,196	1,396,781	608,643	4,793,620
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,007,769</u>	<u>\$ 1,703,771</u>	<u>\$ 552,131</u>	<u>\$ 5,263,671</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 255,126	\$ (366,860)	\$ (17,597)	\$ (129,331)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	297,352	26,104	323,456
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts Receivable	47,566	15,427	-	62,993
Inventories	-	-	(19,281)	(19,281)
Prepaid Items	413	(17,502)	(935)	(18,024)
Deferred Outflows of Resources- Pension Related Items	-	(842,524)	(259,603)	(1,102,127)
Deferred Outflows of Resources- OPEB Related Items	-	39,515	29,313	68,828
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	(473,051)	(190,228)	88,539	(574,740)
Accrued Liabilities	-	14,269	(3,268)	11,001
Unearned Revenue	1,838	-	-	1,838
Compensated Absences	-	37,213	14,064	51,277
Total OPEB Liability	-	(329,840)	(184,181)	(514,021)
Net Pension Liability	-	1,811,063	542,852	2,353,915
Deferred Inflows of Resources- Pension Related Items	-	(512,499)	(188,264)	(700,763)
Deferred Inflows of Resources- OPEB Related Items	-	710,511	191,059	901,570
Net Cash Provided (Used) by Operating Activities	<u>\$ (168,108)</u>	<u>\$ 665,897</u>	<u>\$ 218,802</u>	<u>\$ 716,591</u>

WINTER HAVEN

The Chain of Lakes City

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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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Governmental Activities Tax Revenues by Source, Last Ten Fiscal Years	168
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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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Debt Capacity

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The table which concerns computation of legal debt margin is omitted because the Constitution of the State of Florida, Section 200.181, Florida Statutes, and the City of Winter Haven set no legal debt limit.

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.

Water and Sewer Consumption, Last Ten Fiscal Years	179
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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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Principal Employers, Current Fiscal Year and Nine Years Prior	181

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
Net Investment in Capital Assets	\$ 71,751,549	\$ 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
Restricted	23,329,563	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
Unrestricted	13,965,444	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
Subtotal Governmental Activities Net Position	<u>\$ 109,046,556</u>	<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>
Business-Type Activities										
Net Investment in Capital Assets	\$ 59,759,453	\$ 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
Restricted	23,045,883	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
Unrestricted	25,375,367	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
Subtotal Business-Type Activities	<u>\$ 108,180,703</u>	<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>
Primary government										
Net Investment in Capital Assets	\$ 131,511,002	\$ 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
Restricted	46,375,446	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
Unrestricted	39,340,811	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
Total Primary Government Net Position	<u>\$ 217,227,259</u>	<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>

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
EXPENSES										
Government Activities										
General Government	\$ 11,212,951	\$ 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
Public Safety	26,609,110	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
Transportation	5,947,758	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
Economic Development	2,406,217	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
Human Services	811,193	902,963	896,413	1,359,738	851,223	707,632	683,485	876,034	607,285	829,879
Culture and Recreation	11,763,457	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
Interest on Long Term Debt	1,598,363	1,246,129	1,308,899	1,389,279	681,215	612,463	706,844	2,293,143	1,117,958	1,162,384
Other Debt Service	-	-	-	-	-	141,339	1,260	249,322	-	-
Subtotal Governmental Activities Expenses	60,349,049	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
Business Type Activities										
Water and Sewer System	29,315,480	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
Solid Waste System	7,988,577	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
Stormwater	2,261,851	1,353,763	1,686,229	1,438,368	1,436,298	1,376,689	1,138,746	1,661,327	1,611,708	1,298,173
Willowbrook	1,257,843	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
Dark Fiber	208,121	204,053	223,797	150,763	66,913	12,531	-	-	-	-
Subtotal Business Type Activities	41,031,872	39,755,382	35,889,279	31,256,072	30,478,759	27,925,417	28,191,492	28,143,280	29,313,018	28,939,868
Total Primary Government	<u>\$ 101,380,921</u>	<u>\$ 96,025,866</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>
PROGRAM REVENUES										
Government Activities										
General Government	\$ 12,666,933	\$ 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
Public Safety	1,188,987	1,115,412	1,451,851	1,208,762	1,018,595	1,074,372	957,860	837,028	953,509	834,519
Transportation	7,849,433	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
Economic Development	6,694,599	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
Human Services	880,254	813,156	941,877	922,066	500,260	664,033	735,212	492,595	739,610	558,161
Culture and Recreation	1,886,565	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
Subtotal Governmental Activities Program Revenue	31,166,771	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
Business Type Activities										
Water and Sewer System	45,553,402	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
Solid Waste System	9,359,993	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
Stormwater	2,095,248	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
Willowbrook	3,754,165	784,450	866,629	825,384	783,825	847,548	782,513	763,584	908,176	774,646
Dark Fiber	107,252	129,900	139,327	129,152	132,996	116,603	-	-	-	-
Subtotal Business Type Activities Program Revenue	60,870,060	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
Total Primary Government	<u>\$ 92,036,831</u>	<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>

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Government Activities										
General Government	\$ 1,453,982	\$ (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)
Public Safety	(25,420,123)	(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)
Transportation	1,901,675	(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)
Economic Development	4,288,382	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
Human Services	69,061	(89,807)	45,464	(437,672)	(350,963)	(43,599)	51,727	(383,439)	132,325	(271,718)
Culture and Recreation	(9,876,892)	(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)
Interest on Long-Term Debt	(1,598,363)	(1,246,129)	(1,308,899)	(1,389,279)	(681,215)	(612,463)	(706,844)	(2,293,143)	(1,117,958)	(1,162,384)
Other Debt Service	-	-	-	-	-	(141,339)	(1,260)	(249,322)	-	-
Subtotal Governmental Activities										
Net Expense	(29,182,278)	(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)
Business Type Activities										
Water and Sewer System	16,237,922	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
Solid Waste System	1,371,416	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
Stormwater	(166,603)	1,649,786	1,381,808	483,120	508,009	678,491	502,273	(63,276)	(60,924)	679,408
Willowbrook	2,496,322	(210,729)	(209,970)	(173,771)	(501,865)	(195,711)	(252,944)	(253,643)	(462,282)	(302,106)
Dark Fiber	(100,869)	(74,143)	(84,470)	(21,611)	66,083	104,072	-	-	-	-
Subtotal Business Type										
Activities Net Expense	19,838,188	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
Total primary government	\$ (9,344,090)	\$ (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)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes: Property	\$ 21,508,955	\$ 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
Taxes: Utility	7,951,212	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
Taxes: Franchise	4,491,592	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
Taxes: Fuel	2,253,960	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
State Shared: Sales Tax	3,967,798	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
State Shared: Municipal	2,381,829	1,382,975	1,111,606	1,172,897	1,082,745	1,016,784	936,602	886,585	802,560	724,236
State Shared: Other	1,202,948	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
Unrestricted Investment Earnings	717,572	127,393	503,831	1,264,406	612,858	349,143	119,220	119,941	(1,204)	124,448
Gain on Sale of Capital Assets	-	-	-	11,969	37,445	85,335	87,966	44,307	37,401	46,461
Miscellaneous	397,157	459,708	443,427	470,344	534,139	293,386	601,469	134,310	169,059	81,131
Transfers	7,249,803	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
Subtotal Governmental Activities	52,122,826	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
Business Type Activities										
Unrestricted Investment Earnings	649,583	311,408	840,264	1,529,515	1,067,666	570,670	250,619	181,786	19,008	170,393
Gain on Sale of Capital Assets	41,918	23,306	3,225,106	26,893	37,440	-	6,019,318	38,132	4,871,675	59,705
Miscellaneous	-	-	-	-	140,600	-	-	-	-	-
Transfers	(7,249,803)	(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)
Subtotal Business Activities	(6,558,302)	(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)
Total Primary Government	\$ 45,564,524	\$ 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
INCREASE(DECREASE) IN NET POSITION										
Governmental Activities	\$ 22,940,548	\$ 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)
Business-Type Activities	13,279,886	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
Total Primary Government	\$ 36,220,434	\$ 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)

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	Revenue Sharing	Utility Taxes	Other Taxes	Total
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
2022	21,508,955 *	3,967,798	4,491,592	2,253,960	2,381,829	7,951,212	1,202,948	43,758,294

* 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 A
TABLE 4
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable	\$ 1,655,022	\$ 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
Restricted	214,644	214,523	210,285	209,429	207,496	207,323	205,640	7,403	11,036	17,709
Assigned	94,885	100,801	72,381	68,054	25,666	25,183	23,751	905,947	903,900	25,566
Unassigned	22,581,371	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
Subtotal General Fund	<u>\$ 24,545,922</u>	<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>
All Other Governmental Funds										
Nonspendable	\$ 54,652	\$ 63,295	\$ 154,503	\$ 74,224	\$ 107,726	\$ 95,131	\$ 102,188	\$ 114,624	\$ 930,677	\$ 260,550
Restricted	24,128,153	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
Committed	2,202,110	704,349	607,620	494,565	500,862	414,011	349,764	316,174	279,841	399,978
Assigned	41,121,377	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
Unassigned	(47,904)	(14,480)	(498,086)	(365,336)	(306,783)	(864,361)	(863,897)	(594,614)	(553,061)	(373,848)
Subtotal All Other Governmental Funds	<u>67,458,388</u>	<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>
Total Fund Balance	<u>\$ 92,004,310</u>	<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>

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
REVENUES										
Taxes	\$ 37,126,290	\$ 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
Licenses and Permits	233,385	261,094	241,126	196,399	220,086	260,496	243,150	244,559	273,263	254,556
Intergovernmental	21,449,558	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
Charges for Services	11,420,367	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
Fines and Forfeitures	214,188	357,670	429,314	317,373	327,074	321,480	384,320	334,092	378,166	334,356
Rents	1,517,030	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
Investment Income	671,807	117,233	448,173	1,158,233	533,693	309,953	98,546	89,119	7,125	87,884
Contributions	15,232	22,222	21,846	10,883	7,718	248	3,443	3,072	635	943
Miscellaneous	1,054,437	888,793	992,965	735,370	937,161	700,835	1,086,432	427,721	483,002	381,953
Total Revenues	73,702,294	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
EXPENDITURES										
Current										
General Government	7,822,512	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
Public Safety	23,094,317	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
Transportation	10,595,302	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
Economic Environment	2,129,281	1,860,166	1,426,091	975,746	845,182	801,939	755,579	613,187	895,825	742,328
Human Services	605,401	921,723	905,186	1,296,342	787,687	723,938	698,321	795,774	735,126	844,579
Culture and Recreation	7,992,738	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
Subtotal Current	52,239,551	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
Debt Service										
Principal	2,861,365	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
Interest	1,473,945	1,380,285	1,414,331	1,097,313	757,419	709,779	798,495	784,674	1,101,123	1,154,109
Other Debt Service	248,343	48,664	41,597	550	550	140,629	550	261,398	-	-
Subtotal Debt Service	4,583,653	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
Capital Projects	6,038,783	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
Total Expenditures	62,861,987	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
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,840,307	(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)

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Other Financing Sources (Uses)										
Sale of Assets	\$ 10,087	\$ 23,285	\$ 44,123	\$ 25,955	\$ 242,445	\$ 84,656	\$ 83,153	\$ 36,018	\$ 47,385	\$ 51,534
Transfers in	42,862,014	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
Transfers out	(35,948,211)	(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)
Issuance of Debt	23,247,642	-	-	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)	30,171,532	6,316,305	10,025,252	31,811,674	7,400,332	14,796,544	11,950,994	8,257,728	7,271,162	7,887,708
Net Change in Fund Balance	\$ 41,011,839	\$ 6,030,211	\$ 1,131,694	\$ 14,552,587	\$ (6,704,353)	\$ 11,109,024	\$ 2,366,079	\$ 1,833,146	\$ 786,552	\$ (1,342,096)
Debt Service as % of Noncapital Expenditures	9.3%	10.3%	9.8%	7.5%	6.1%	5.7%	5.4%	5.7%	6.4%	7.4%

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
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
2022	3,637,052,513	447,023,470	12,876,071	1,037,530,860	3,059,421,194	6.790	3,059,421,194

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>
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
2022	6.790	-	-	6.7900	6.6920	5.519	0.4100	-	0.2260

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, 2022 AND SEPTEMBER 30, 2013

Taxpayer	2022			2013		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Legoland/Merlin Entertainment	\$ 81,130,596	1	2.65			
Wal-Mart Stores, Inc.	61,605,557	2	2.01	\$ 45,395,195	1	2.96
Carlton Arms of Winter Haven LLP	42,252,223	3	1.38	28,064,921	2	1.83
Tampa Electric	37,714,555	4	1.23	27,482,385	3	1.79
SFFL001 Owner	26,677,437	5	0.87			
Spring Haven Retirement LLC	22,516,407	6	0.74			
Winter Haven Apartments	17,651,126	7	0.58			
Coca Cola	17,452,952	8	0.57			
PVP Winter Haven	17,373,630	9	0.57			
Sunstone Winter Haven Florida LLC	17,212,689	10	0.56			
State Farm Mutual Automobile Ins. Co.				26,624,216	4	1.74
Verizon				17,458,831	5	1.14
Florida Chemical				11,726,805	6	0.76
Landmark Investments INC				11,703,128	7	0.76
Hanson Pipe				11,698,653	8	0.76
AM Winter Haven LLC				10,692,274	9	0.70
CCH Ltd. Partnerships				10,556,502	10	0.69
Subtotal	341,587,172		11.17%	201,402,910		13.14%
All Other Taxpayers	2,717,834,022		88.83%	1,331,555,090		86.86%
Total	\$ 3,059,421,194		100.00%	\$ 1,532,958,000		100.00%

Source: Property Appraiser Form 403 and 2013 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
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
2022	20,773,470 **	20,054,284	96.54%	1,413	20,055,697	96.54%	20,055,697

* 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
	Public Improvement Rev Bonds	Sales Tax Revenue Bonds	Notes Payable	Other Loans and Leases ⁽²⁾	Water/Sewer Revenue Bonds	State Revolving Fund Loans			
2013	\$ 21,214,166	\$ 5,558,182	\$ 236,246	\$ 236,246	\$ 55,777,738	\$ -	\$ 83,022,578	11.2%	2,282
2014	21,175,921	5,220,000	119,308	119,308	55,968,807	-	82,603,344	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	850,969	88,117,522	6.7%	1,724
2022	64,735,310	-	-	297,325	40,667,677	11,109,422	116,809,734	7.8%	2,190

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, 2022

<u>Governmental unit</u>	<u>Debt Outstanding</u>	<u>Estimated % Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: Polk County School Board	\$ 309,889,204	6.1901%	\$ 19,182,308
Overlapping debt	309,889,204		19,182,308
City of Winter Haven direct debt	64,735,310		64,735,310
Total direct and overlapping debt	<u><u>\$ 374,624,514</u></u>		<u><u>\$ 83,917,618</u></u>

Note: Polk County has no debt outstanding funded by property taxes

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
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%
2022	34,151,083	23,776,803	10,374,280	3,612,968	3,102,685	287%	115%	373%	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)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Residential	2,247.5	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
Commercial	1,046.7	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
Municipal	134.2	137.1	128.0	110.9	95.6	131.0	119.2	138.4	124.0	114.3
Total	3,428.4	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

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
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
2022	6.46	2.15	9.13	5.26

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>
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%
2022	53,331	28,207	1,504,307,517	3.4%	4.3%

Source: City of Winter Haven Economic Opportunity & Community Investment Department

CITY OF WINTER HAVEN, FLORIDA
TABLE 15
PRINCIPAL EMPLOYERS
YEARS ENDED SEPTEMBER 30, 2022 AND SEPTEMBER 30, 2013

Employer	2022			2013		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Publix Super Markets	13,701	1	6.73%	15,800	2	8.14%
Polk County School Board	13,363	2	6.57%	19,000	1	9.79%
Lakeland Regional Health	5,888	3	2.89%	3,100	6	1.60%
Wal-Mart	5,523	4	2.71%			
Amazon	5,000	5	2.46%			
Geico	3,700	6	1.82%			
City of Lakeland	2,800	7	1.38%	2,300	8	1.19%
Bay Care	2,614	8	1.28%			
Advent Health	2,466	9	1.21%			
Polk County	2,134	10	1.05%	3,600	5	1.86%
Comcar Industries, Inc.				5,400	4	2.78%
Discount Auto Parts				6,460	3	3.33%
Meadowbrook Golf Group, Inc.				2,700	7	1.39%
Mid-Florida Medical Services, Inc.				2,300	9	1.19%
Florida Annual Conference of United Methodist Church				2,000	10	1.03%
Total	57,189		28.11%	62,660		32.30%
Average annual employment	203,461			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 (Data for 2022 is not available and is not updated from 2021)

2013 Data - 2013 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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government	73.40	55.90	67.60	58.00	57.50	65.75	57.03	54.03	62.69	61.03
Public safety										
Police	118.30	118.30	117.30	116.00	115.00	111.00	111.00	108.00	109.00	108.00
Fire	81.70	81.70	71.70	72.00	72.00	72.00	72.00	71.00	71.00	70.00
Building/Code Compliance	15.50	16.50	12.50	12.50	12.50	12.50	12.75	10.75	5.55	5.20
Transportation	23.30	19.80	12.60	11.30	15.30	11.50	13.50	13.50	12.63	11.70
Economic development	8.00	5.10	5.30	5.30	5.00	4.05	4.50	4.50	0.70	1.40
Human services	6.00	6.00	5.00	7.50	5.30	4.00	5.10	5.10	5.10	5.40
Culture and recreation										
Parks and recreation	75.33	74.45	62.55	61.55	57.55	55.55	55.65	55.65	55.65	56.75
Library	15.65	14.15	14.15	14.15	14.15	14.15	14.12	14.12	14.12	13.82
Willowbrook golf	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.00
Solid waste system	39.90	39.40	33.40	30.80	30.80	32.80	25.60	25.60	25.60	25.60
Utility system	120.00	118.00	106.00	104.00	105.00	104.00	92.00	81.00	76.21	82.20
Stormwater utility	14.20	13.70	11.90	10.90	10.90	6.70	6.75	6.75	7.75	7.90
Total	<u>591.28</u>	<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>

Note: Number of positions based on budgeted FTEs

CITY OF WINTER HAVEN, FLORIDA
TABLE 17
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public safety										
Police-physical arrests	1,562	1,248	1,013	1,487	2,341	1,837	1,895	1,578	1,647	1,389
Police-traffic violations	2,725	1,024	1,632	3,962	4,955	5,333	6,181	5,256	4,019	7,679
Fire-number of calls answered	10,483	10,213	9,104	8,820	8,273	8,192	7,344	6,450	5,912	6,032
Fire-number of fire inspections	2,526	2,246	2,009	2,372	2,139	1,969	2,282	2,215	1,973	1,926
Building permits issued	3,931	3,928	3,431	3,072	3,551	2,408	2,989	3,670	3,232	2,461
Transportation										
Street resurfacing in miles	3.50	4.50	0.00	0.00	1.80	0.00	1.73	2.34	2.56	2.81
Airport-landings and take offs	80,000	80,000	78,000	78,500	77,998	79,450	77,998	76,285	72,400	67,435
Airport-tenants	175	162	209	177	177	177	176	147	152	160
Leisure services										
Summer program participants	245	209	444	1,246	1,527	1,592	1,414	1,791	1,844	1,710
Swimming pool admissions	36,592	36,783	26,050	42,034	51,494	50,684	45,027	33,580	39,627	36,423
Library visitations	375,910	307,611	342,178	537,099	570,032	554,506	618,191	559,704	558,983	624,902
Library borrower cards	83,943	84,145	83,772	81,876	77,461	75,523	71,019	66,934	61,195	55,469
Human services										
Cemetery lot sales	183	222.0	183.0	114.0	141.0	161.0	132.0	147	154	104
Sanitation										
Tons of refuse disposed of	42,084	42,120	38,045	35,186	36,038	34,937	31,761	30,460	28,866	27,919
Solid waste accounts	20,210	20,458	19,518	18,606	17,900	16,397	14,864	14,864	14,692	14,250
Utility water/sewer										
Water accounts	40,149	40,649	39,077	37,969	36,783	35,691	34,424	33,669	32,734	31,893
Wastewater accounts	25,858	25,947	24,934	24,023	23,150	22,404	21,513	21,028	20,443	19,878
Gallons of water billed in (millions)	3,428	3,376	3,329	3,159	3,194	3,240	2,868	2,914	2,852	2,835
Consumption per customer (gallons)	97,585	83,076	85,195	83,192	86,826	90,779	83,325	86,548	87,128	88,890
Rainfall (inches)	70.11	48.02	49.42	50.61	54.86	47.70	52.86	75.59	51.35	40.49
Willowbrook golf course										
Rounds played	35,213	29,294	34,079	32,671	30,681	35,165	33,416	33,818	31,755	33,749

Source: Benchmark Statistics

CITY OF WINTER HAVEN, FLORIDA
TABLE 18
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government										
Number of building	158	158	157	157	157	157	157	157	157	157
Square footage of building space	833,000	833,000	830,000	814,453	804,453	804,453	804,453	804,453	804,453	804,453
Public safety										
Fire stations	4	5	3	3	3	3	3	3	3	3
Marked police vehicles	71	116	72	72	72	60	81	72	72	72
Transportation										
City lane miles	338.34	327.54	327.54	324.4	324.4	313.76	313.76	313.76	313.76	310.32
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	691/484	674/449	674/449
Commercial airport	1	1	1	1	1	1	1	1	1	1
Airport Hangars	30	28	30	30	30	30	30	30	30	30
Airport T-hangars	135	135	125	125	125	125	125	125	125	125
Economic environment										
Acres of land within city limits	26,933	26,244	26,209	26,290	26,203	25,937	26,050	26,116	25,705	25,699
Culture & recreation										
Parks	46	46	46	46	46	46	46	46	46	46
Parks acreage	655	655	655	655	655	655	655	655	655	655
Recreation centers	5	5	5	5	5	5	5	5	5	5
Activity fields	27	27	27	27	27	24	24	24	24	24
Playgrounds	15	15	15	15	15	14	14	14	14	14
Libraries	1	1	1	1	1	1	1	1	1	1
Tennis courts	9	9	9	9	9	11	11	11	11	11
Enterprise funds										
Utility system										
Water treatment plants	9	9	9	9	9	9	11	11	11	11
Fire hydrants	2	2,345	2,332	2,306	2,187	2,254	2,232	2,227	1,869	1,869
Wastewater treatment plants	224	2	2	2	2	2	2	2	2	2
Lift stations	541	218	213	208	208	195	193	192	192	192
Water main miles	385	535	529	524	518	509	509	510	385	505
Sanitary sewer miles	50	375	356	341	338	329	328	328	328	460
Reclaimed main miles		38	38	32	31	27	24	*	*	*
Solid waste system										
Number of collection vehicles	44	35	35	24	24	22	21	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, 2022

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:	42.08 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, 2022

Coverage/Policy# Insurer/Agency	Deductible	Description	Amount	Expiration Date	Premium
FMIT					
Florida League of Cities				10/1/2022	\$1,741,514
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 > \$ 25,000	\$3,125,228		
General Liability & Law Enforcement Liability	\$25,000 per occurrence \$383,748 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 \$112,684 Aggregate Stop Loss	Automobile liability	\$200,000/\$300,000 \$5,000,000		
Workers' Compensation	None	Employer's liability	\$1,000,000		
Community Redevelopment Agency FMIT1231	None	General liability per occurrence	\$300,000	10/1/2022	\$9,197
Florence Villa Community Redevelopment Agency FMIT1297	None	General liability per occurrence	\$300,000	10/1/2022	\$8,292
Crime 105687807 Travelers Casualty & Surety Co. A.J. Gallagher	\$50,000 per occurrence	Public employee dishonesty Forgery Theft Computer Fraud	\$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000	10/1/2022	\$14,524
Faithful Performance Finance Director 285008730 Liberty Mutual AJ Gallagher & Co	None	Each Loss	\$100,000	10/1/2022	\$375

CITY OF WINTER HAVEN, FLORIDA
TABLE 20
SCHEDULE OF INSURANCE IN FORCE (CONTINUED)
SEPTEMBER 30, 2022

Coverage/Policy# Insurer/Agency	Deductible	Description	Amount	Expiration Date	Premium
FMIT					
Florida League of Cities				10/1/2022	\$1,741,514
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 > \$ 25,000	\$3,125,228		
General Liability & Law Enforcement Liability	\$25,000 per occurrence \$383,748 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 \$112,684 Aggregate Stop Loss	Automobile liability	\$200,000/\$300,000 \$5,000,000		
Workers' Compensation	None	Employer's liability	\$1,000,000		
Community Redevelopment Agency FMIT1231	None	General liability per occurrence	\$300,000	10/1/2022	\$9,197
Florence Villa Community Redevelopment Agency FMIT1297	None	General liability per occurrence	\$300,000	10/1/2022	\$8,292
Crime 105687807 Travelers Casualty & Surety Co. A.J. Gallagher	\$50,000 per occurrence	Public employee dishonesty Forgery Theft Computer Fraud	\$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000	10/1/2022	\$14,524
Faithful Performance Finance Director 285008730 Liberty Mutual AJ Gallagher & Co	None	Each Loss	\$100,000	10/1/2022	\$375

CITY OF WINTER HAVEN, FLORIDA
TABLE 20
SCHEDULE OF INSURANCE IN FORCE (CONTINUED)
SEPTEMBER 30, 2022

Coverage/Policy# Insurer/Agency	Deductible	Description	Amount	Expiration Date	Premium
Liquor Liability					
Scottsdale Insurance Company	None	Each Common Cause	\$1,000,000	10/1/2022	\$1,100
AJ Gallagher & Co	None	Aggregate	\$2,000,000		
CPS 7392120					
Storage Tank Liability					
4973007	\$25,000 each incident	Each Incident Limit	\$1,000,000	6/23/2022	\$9,665
Commerce & Industry Ins Co		Aggregate Limit	\$5,000,000		
Public Officials and Employment Practices Liability					
EON G71746598-003	\$50,000 each wrongful act or employment practice violation	Each Loss/Annual Aggregate	\$1,000,000	10/1/2022	\$40,419
Ace American					
AJ Gallagher & Co					
Pollution Legal Liability					
0310-9733	\$50,000 each incident	Each Incident Limit	\$1,000,000	10/1/2023	\$51,176
Allied World Insurance Company		Policy Aggregate	\$2,000,000		3 year term
AJ Gallagher & Co					
Pension & Welfare Fund					
Fiduciary Responsibility	\$10,000 each claim	Annual Aggregate	\$1,000,000	10/1/2022	\$7,271
105995320					
Travelers Casualty & Surety Co					
AJ Gallagher & Co					
Special Event-Rentals LS					
ESE 210036	\$500 per claim	Each Occurrence/Aggregate	\$1,000,000	10/1/2022	\$500
Lloyds of London		Personal and Advertising Injury Limit	\$1,000,000		
AJ Gallagher & Co		Fire Damage Liability	\$50,000		
International Special Risk					
Flood					
091151439303 05	\$1,000 per occurrence building	Building	\$100,000	12/13/2022	\$1,431
Wright National	\$1,000 per occurrence contents	Contents	\$50,000		
AJ Gallagher & Co					
Aircraft Liability (Drone)					
9020510	Liability: None	Personal and Advertising Injury	\$3,000,000	11/29/2022	\$8,610
Global Aerospace	Physical Damage: 5%	Occurrence/Aggregate			
AJ Gallagher & Co	Payload Physical Damage: 10%	Premises Coverage Each Occurrence	\$3,000,000		
		Fire Legal Liability Each Occurrence	\$100,000		
		Non-Owned Aircraft Each Occurrence	\$3,000,000		
		Medical Expense Each Person	\$5,000		

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, 2022**

Federal / State Agency Federal Program / State Project	Assistance Listing Number	Grant Contract Number	Expenditures	Passed Through to Subrecipients
<u>FEDERAL AWARDS</u>				
U.S. Department of Housing and Urban Development				
Pass-Through from Polk County, Florida:				
CDBG-Entitlements Grant Program Cluster:				
Community Development Block Grant	14.218	M210006	\$ 45,300	\$ -
Pass-Through from Florida Department of Economic Opportunity				
Community Development Block Grant	14.228	MT018	84,400	-
Total U.S. Department of Housing and Urban Development			129,700	-
U.S. Department of Justice				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	1121-0235	5,465	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-15PBJA-21-GG-01362-JAGZ	16,731	-
Pass-Through from FDLE:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JAGC-POLK-4-3B-018	12,192	-
Total Edward Byrne Memorial Justice Assistance Grant Program			28,923	-
Total U.S. Department of Justice			34,388	-
U.S. Department of Transportation				
Direct Programs:				
Airport Improvement Program	20.106	3-12-0088-033-2021	3,377,154	-
COVID-19 - Airport Improvement Program	20.106	3-12-0088-036-2022	59,000	-
Total Airport Improvement Program			3,436,154	-
Pass-Through from Florida Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	G0H93	434,816	-
Highway Planning and Construction	20.205	G1M65	767,881	-
Total Highway Planning and Construction			1,202,697	-
Total U.S. Department of Transportation			4,638,851	-
U.S. Department of the Treasury:				
Pass-Through from Florida Housing Finance Corporation:				
COVID-19- Coronavirus State and Local Fiscal Recovery Funds	21.027		7,776,962	-
Total Expenditures of Federal Awards			\$ 12,579,901	\$ -

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

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	\$ 1,089	\$ -
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0133	111,961	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0133	423,192	-
Total Statewide Surface Water Restoration and Wastewater Projects			<u>535,153</u>	<u>-</u>
Capitalization Grants for State Revolving Fund	37.077	WW531302	10,305,637	-
Total Florida Department of Environmental Protection			10,841,879	-
Florida Department of Economic Opportunity:				
Direct Programs:				
Growth Management Implementation	40.024	P0414	40,000	-
Economic Development Tax Refund, Tax Credit and Grant Program	40.043	G0073	290,648	-
Total Florida Department of Environmental Protection			<u>330,648</u>	<u>-</u>
Florida Housing Finance Corporation:				
Direct Programs:				
State Housing Initiative Partnership	40.901	2021-2022	75,000	75,000
Total Florida Department of Environmental Protection			75,000	75,000
Florida Department of Transportation				
Direct Programs:				
Joint Participation Agreement-Aviation Development	55.004	G1I11	512,487	-
Joint Participation Agreement-Aviation Development	55.004	G2522	6,705	-
Total Aviation Development			<u>519,192</u>	<u>-</u>
Total Florida Department of Transportation			<u>519,192</u>	<u>-</u>
Total Expenditures of State Finance Assistance			<u><u>\$ 11,766,719</u></u>	<u><u>\$ 75,000</u></u>

CITY OF WINTER HAVEN, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
SEPTEMBER 30, 2022

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, 2022. 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 22, 2023, 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, 2022, 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 22, 2023.

Report on 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

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

Report on 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 Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Winter Haven, Florida
March 22, 2023



CliftonLarsonAllen LLP
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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

Opinion on Each Major Federal Program and State Project

We have audited City of Winter Haven, Florida's (the City)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements identified as subject to audit 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, 2022. 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.

In our opinion, the City complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Winter Haven, Florida
March 22, 2023

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2022**

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? _____ yes _____ X _____ no
 - Significant deficiency(ies) identified _____ X _____ yes _____ 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 _____ yes _____ X _____ 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)? _____ yes _____ X _____ no

Identification of Major Federal Programs

CFDA Number(s)

20.106
21.027

Name of Federal Program or Cluster

Airport Improvement Program
Coronavirus State and Local Fiscal Recovery Funds

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 (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

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)

37.077

Name of State Project

Wastewater Treatment Facility Construction

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022

Section II – Financial Statement Findings

2022-001 – Schedule of Expenditures of Federal Awards and State Financial Assistance

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition: Our audit procedures identified that total expenditures of federal awards were understated.

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 expenditures of two federal awards.

Repeat Finding: See prior year finding 2021-002

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: Management agrees with the finding and the recommendation of additional preparation and review procedures. Management is in the process of staffing modifications along with a formalized review process to ensure proper reporting of grants.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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

CITY OF WINTER HAVEN SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED SEPTEMBER 30, 2022

City of Winter Haven respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2022.

Audit period: October 1, 2021 through September 30, 2022

The findings from the prior audit's Schedule of Findings and Questioned Costs are presented below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2021-001- 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, including a restatement of prior year balances.

Status: Corrective action was taken; audit findings were fully corrected.

2021-002- Schedule of Expenditures of Federal Awards and State Financial Assistance

Condition: Audit procedures identified one state grant that was incorrectly reported as a federal award.

Status: See current year finding 2022-001.

Reason for finding's recurrence: Audit procedures identified that total expenditures of federal awards were understated.

Corrective Action: Management has evaluated staff positions and is in the process of implementing staffing modifications which will provide oversight and management of grant reporting. Management is also implementing a formal monthly review of grant reporting and transactions, which will be reviewed and approved by management.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

2021-003- Procurement Policy

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 City's procurement policy fails to reference the applicable rules under the *Uniform Guidance*, as it is missing certain 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.

Status: Corrective action was taken; audit findings were fully corrected.

If there are questions regarding this schedule, please call CJ Scott, Chief Financial Officer at (863) 291-5667.



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, 2022 and have issued our report thereon dated March 22, 2023.

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 22, 2023, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report except as noted below.

Prior Year Findings		Current Year Status			Current Year Finding #	2021 Finding #	2020 Finding #
		Cleared	Partially Cleared	Not Cleared			
Material Adjustments	Material Weakness	X			N/A	2021-001	2020-001
Schedule of Expenditures of Federal Awards and State Financial Assistance	Material Weakness		X		2022-001	2021-002	2020-002

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 (We do not express an opinion or provide any assurance on the following information):

- 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: 13.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: \$88,523.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$220,515.

- 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:
- 2nd St. Streetscape Project – \$150,000
 - Sidewalk Café Construction - \$500,000
 - Joyce B. Davis. Park - \$300,000
 - Dog Park - \$150,000
 - Lighting/Fencing/Infrastructure Improvements at Skate Park - \$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 the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Community Redevelopment Agency Fund.

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. See item 2022-002 in the accompanying schedule of findings and responses.

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

CliftonLarsonAllen LLP

Winter Haven, Florida
March 22, 2023

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2022**

2022-002 – Coronavirus State and Local Fiscal Recovery Funds - Documentation of Grant Expenditures

Type of Finding:

- Deficiency in Internal Control over Compliance

Condition: The City did not specifically identify the costs charged to the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) grant as charged under of the lost revenue standard allowance at the time the election was made and the reports were submitted to the Treasury on April 21, 2022.

Criteria or specific requirement: City management is responsible for establishing and maintaining internal controls over the compliance requirements of federal award programs. Entities are required to specifically identify the costs charged to the grant in order to document compliance with eligible use categories and period of performance requirements.

Context: Our testing of activities allowed or unallowed, allowable cost/cost principles, and period of performance compliance requirements identified the deficiency in internal control. Once requested as part of the audit procedures, the City provided a listing of costs which were tested; and no disallowed costs or period of performance exceptions were noted.

Effect: The City did not have internal controls in place related to identification of costs charged to the federal award.

Cause: After the U.S. Treasury Final Rule was published, the City elected the one-time “standard allowance” of the lesser of \$10 million or the award amount to spend on government services during the period of performance and were not aware of the compliance requirements that were still applicable.

Recommendation: Each grant award agreement and the related agency program requirements in Part 4 of the Compliance Supplement, published by the Office of Management and Budget, should be reviewed to determine all applicable compliance requirements of each federal award. This includes reviewing expenditures to ensure that they are eligible for the category, provision of government services, and to make a determination of what costs the City wanted to charge to CSLFRF. Those decisions should be documented at the time of election or reporting in order to demonstrate compliance.

Views of responsible officials: Management respectfully disagrees with the finding.

American Rescue Plan Act (ARPA) was signed into law on March 11, 2021. The intent of the program was to provide support to government entities responding to the economic and public health impacts of COVID-19, and their efforts to contain the epidemics’ impact on their communities, residents, and businesses.

On February 28, 2022, the City Manager presented to the Mayor and City Commissioners a recommendation for distribution of the ARPA funds. The presentation was for informational purposes with the Commission’s acceptance of the recommendation. The recommendation was to fund several construction and affordable housing projects.

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

The U.S. Department of Treasury's final rule became effective April 1, 2022; adding broader flexibility and greater simplicity by offering a standard allowance of revenue loss of \$10 million. Due to supply issues, economic uncertainty, and increasing construction costs, the City was concerned about completing the original proposed projects by December 31, 2026. Based on these concerns, the City opted to use the ARPA funds for "governmental personnel and operating expenses".

On April 22, 2022, the City filed with the Treasury, the lost revenue standard allowance of up to \$10 million. A list of eligible personnel services costs were provided to the auditors, with a focus on public safety wages. The City spent a considerable amount of time determining the most prudent options of the ARPA funds. By selecting eligible wages, the City streamlined the reporting process, per Treasury rules.

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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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 22, 2023