

**CITY OF HAINES CITY, FLORIDA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**Fiscal Year Ended  
September 30, 2023**

**Prepared by:  
Office of Management and Budget**



**CITY OF HAINES CITY, FLORIDA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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# **INTRODUCTORY SECTION**

This section contains the following subsections:

- Letter of Transmittal
- Organizational Chart
- Principal City Officials
- GFOA Certificate of Excellence





# HAINES CITY

WWW.HAINESCITY.COM

April 25, 2024

To the Honorable Mayor, City Commissioners and Citizens of the City of Haines City, Florida:

State law requires all local governments publish each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Haines City for the fiscal year ended September 30, 2023.

The report consists of management's representation concerning the finances of the City of Haines City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City of Haines City has established a comprehensive internal control framework designed both to protect the City's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City of Haines City's financial statements in conformity with GAAP. Furthermore, the cost of internal controls should not outweigh its benefits, the City of Haines City's comprehensive framework of internal controls has been designed to provide reasonable - rather than absolute - assurance the financial statements will be free from material misstatements. As management, we assert, to the best of our knowledge and belief, the financial report is complete and reliable in all material respects.

The City of Haines City's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance the basic financial statements of the City of Haines City for the fiscal year ended September 30, 2023 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that the City of Haines City's financial statements for the fiscal year ended September 30, 2023 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

## Our Mission

*"Our team of professionals will provide our residents and business community with the highest quality services in a fiscally responsible manner through cooperation, strong ethical leadership with a lifelong commitment to enriching lives."*

GAAP requires management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Haines City’s MD&A can be found immediately following the independent auditors’ report.

## **Profile of the City**

The City of Haines City, Florida, is a municipal corporation of the State of Florida and was incorporated in 1914. The City is located in Central Florida, some 40 miles west of Orlando and 60 miles east of Tampa. Because of this central location, Haines City is referred to as the “Heart of Florida”. The current permanent population is 35,285. The jurisdiction of the City encompasses 24.1 square miles of territory. The City is empowered to levy a property tax on real estate and personal properties located within its boundaries. It is empowered by state statute to extend its corporate limits by annexation, which occurs when deemed appropriate by the City Commission.

The City of Haines City operates under the Commission-Manager form of government. Policy direction and legislative authority are vested in a governing Commission consisting of five members. The City Commission is responsible for, among other things, enacting Ordinances, Resolutions and regulations governing the City, as well as appointing members of various boards, the City Manager, the City Clerk, and the City Attorney. The City Manager is responsible for implementing the policies adopted by the City Commission and for overseeing the day-to-day operations of the government. The City Manager is also charged with the hiring of department directors and with preparing a balanced recommended annual budget for the review and approval by the City Commission.

The City of Haines City provides a full range of services to its citizenry. These services include general government, police and fire protection, public works (including solid waste service), recreation and parks, library, economic and community development, and emergency management. In addition, the City operates the Water and Wastewater Utility and Stormwater Utility as enterprise activities and the Haines City Community Redevelopment Agency (CRA) as a Special Revenue Fund.

The financial reporting entity (the City of Haines City) includes all funds of the primary government (i.e., the City of Haines City as legally defined), as well as, all of its component units. Component units are legally separate entities for which the City of Haines City is financially accountable or the nature and significance of the relationship between the City and the entity was such that exclusion would cause the City’s financial statements to be misleading or incomplete.

The City has identified one component unit. The Community Redevelopment Agency (CRA) is reported as a blended component unit of the City and its governing body is composed of the members of the City Commission and two citizens or business owners appointed by the City Commission. Additional information can be found in (Note 1) of the notes to the basic financial statements.

The annual budget serves as a foundation for the City of Haines City's financial planning and control systems. All departments of the City are required to submit requests for appropriations to the City Manager and these requests are the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Commission for review. The City Commission holds two public hearings on the proposed budget prior to adopting the final budget and setting the tax rates for the budget year. Budgetary control over expenditures is legally maintained at the fund level. Therefore, management must have the City Commission's approval to reallocate resources into or out of the fund. The budget to actual comparison for the General Fund is included as required supplementary information following the notes to the basic financial statements.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment with which the City of Haines City operates.

**Local Economy Growth:** The City is comprised of extensive residential housing stock with prices covering a broad range. Commercial projects have picked up steam and started to slowly develop throughout the City including major developments on the Highway 27 corridor, as well as industrial projects in the City's southern industrial park.

The City has experienced steady growth each year with a large number of developments on the books. The strength of the local economy is underscored by the issuance of over 4,000 permits in the last three fiscal years. This robust level of permit activity reflects sustained growth and investment across various sectors, from commercial and residential development to infrastructure projects. The high demand provides the foundations to propel a vibrant business environment within the City. The City will continue to work in unison to be good stewards of the financial resources collected from our residents to ensure we manage the financial resources we have judiciously for future generations.

**Relevant Financial Practices:** The City incorporates fiscal practices within each budgetary cycle, on a fiscal year basis. These include not only budgetary practices, but financial practices. The fiscal practices encompass the City's budgetary cycle from preparation to adoption. The process for amending the budget, the outline of legal level of budgetary control, as well as, the use of revenues and appropriations are addressed. The practices speak to the use of funds from non-recurring revenue sources, the percentage makeup of Ad Valorem, or Property Taxes, of the total General Fund revenues, and process to apply for and subsequently accept grants staff may want to acquire.

In addition to these budgetary related issues, the fiscal practices also address long-range financial planning strategies, accounting and reporting practices, and establish the capitalization thresholds and capital expenditure limits. These practices allow for the administration of investments and procurements through other external policies, for which the City also maintains separate external policies.

**Major Initiatives:** During fiscal year 2023, the City of Haines City achieved many significant accomplishments in furtherance of the goals and objectives established by the City Commission.

The accomplishments include the following:

- The development growth provided a 27.30% increase in taxable value for 2023 ad valorem taxes. The consistent and steady growth has kept the millage rate consistent for seven consecutive years.
- The City received three State Appropriation Grants for fiscal year 2023 totaling \$6,624,941 for the replacement and resiliency of utility infrastructure. Projects include the Liftstation 22 replacement, Liftstation resiliency bypass pumps, and the Lake Eva RIB construction.
- The City demonstrated its commitment to infrastructure development by investing \$20,123,396 in the enterprise fund and \$10,470,530 in the General Fund, ensuring the continued improvement and maintenance of essential public services and facilities.

Fiscal year 2023 encompassed a lot of change for the City, but the future will unfold even more rigorous accomplishments for the City, its employees, and its citizens.

### **Awards and Acknowledgements**

The City of Haines City received the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting award for the fifteenth consecutive year for the City's Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022.

The City also received its seventh Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award for the fiscal year 2024 budget. These Certificates of Achievement are the highest form of recognition for excellence in state and local government financial reporting and budgeting.

In order to be awarded a Certificate of Achievement, the City 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.

The City considers these awards not merely to be accolades hung on a wall, but yearly goals to hit and surpass the efforts of the previous year. The City understands idle governments do not grow, yet it is the proactive vision of an organization that will continuously propel itself ahead.

For 2023, the City also received the Best Places to Work Award from Career Source Polk becoming the first municipality to win.

The preparation of this report would not have been accomplished without the efficient and dedicated services 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. The unconditional cooperation of the other departments and their respective staff is also greatly appreciated.

We also would like to express a special note of thanks to our external auditors, Mauldin & Jenkins, LLC, for their professional approach and high standards in the conduct of the independent audit of the City's financial records and transactions.

Sincere appreciation is also expressed to the members of the City Commission for their leadership and support in matters pertaining to the financial affairs of the City.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jim Elenksy".

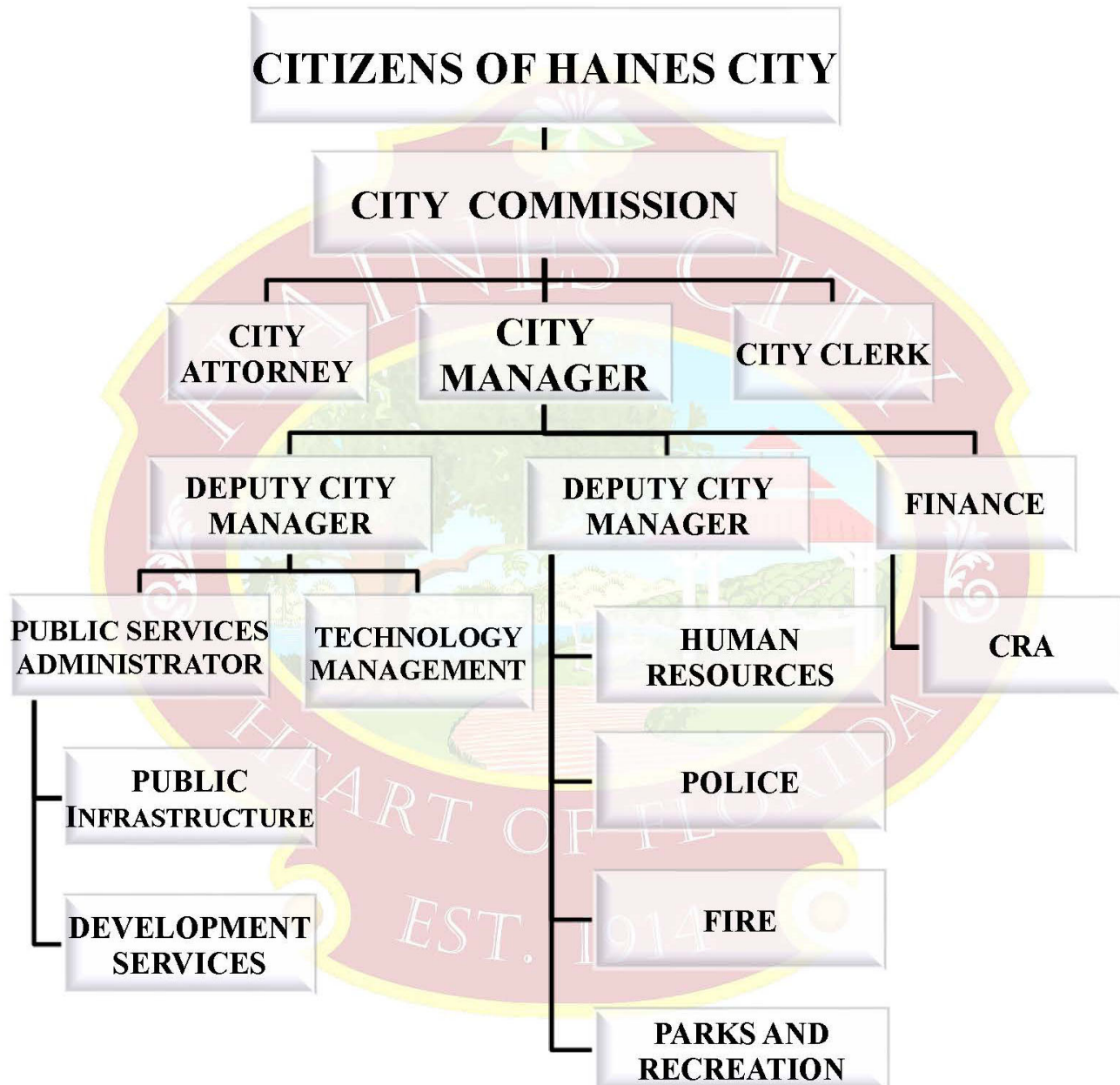
Jim Elenksy, CPM  
City Manager

A handwritten signature in cursive script that reads "Omar DeJesus, CPA".

Omar DeJesus, CPA  
Finance Director

# City of Haines City, Florida

## Organizational Chart



**CITY OF HAINES CITY, FLORIDA**

**PRINCIPAL CITY OFFICIALS  
SEPTEMBER 30, 2023**

**CITY COMMISSION**

H. L. “Roy” Tyler, Mayor/Commissioner  
Omar Arroyo, Vice Mayor/Commissioner  
Anne Huffman, Commissioner  
Vernel Smith, Commissioner  
Morris West, Commissioner

**CITY MANAGER**

James Elensky

**CITY CLERK**

Sharon Lauther

**CITY ATTORNEY**

Fred Reilly



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Haines City  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morvill*

Executive Director/CEO

## **FINANCIAL SECTION**

This section contains the following subsections:

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information



## INDEPENDENT AUDITOR'S REPORT

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To the Honorable Mayor,  
Members of the City Council  
City of Haines City, 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 Haines City, Florida (the "City"), as of and for the year ended September 30, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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.

#### ***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.

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### ***Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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, budgetary comparison information, and pension and other post-employment benefit schedules on pages 4 through 14, 65 and 66, and 67 through 74, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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***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 accompanying 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* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is 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 auditor's 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2024, 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 City's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
April 25, 2024



**CITY OF HAINES CITY, FLORIDA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**Year Ended September 30, 2023**

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The City of Haines City’s (the “City”) discussion and analysis is designed to provide the users with a narrative introduction, overview and analysis of the basic financial statements. Please read the information presented here in conjunction with the City’s financial statements and footnotes that follow this report.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows on September 30, 2023, by \$270,037,057 (net position). This amount includes \$112,862,326 invested in capital assets net of all related debt. Of this amount, unrestricted net position totals \$97,294,724.
- The City’s total net position increased by \$55,363,876 or 25.79%.
- As of September 30, 2023, the City’s governmental funds reported combined ending fund balances of \$82,926,189, an increase of \$17,072,278 from the prior year. The fund balance saw a notable increase due to the strategic management of impact fees and diligent cost management.
- The City’s total debt (including compensated absences, the net pension liability, and the total OPEB liability) increased by \$18,508,944 (35.5%) during the current fiscal year. The increase stemmed from the reopening of the general employee pension fund and the additional State Revolving Fund (SRF) debt for utility projects.

**OVERVIEW OF THE 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 City’s basic financial statements are comprised of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. The Annual Comprehensive Financial Report also contains other supplementary information in addition to the basic financial statements.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has \$8,101,527 that qualifies for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents consumption of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City currently has \$4,175,243 that qualifies for reporting in this category.

The *government-wide financial statements* are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business. The focus is on “activities” rather than (the previous model’s) “fund types.”

**CITY OF HAINES CITY, FLORIDA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**Year Ended September 30, 2023**

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The *Statement of Net Position* presents information on all of the City’s assets, deferred outflows, liabilities, and deferred inflows, with the difference between the items reported as net position. The focus of the statement of net position (the “unrestricted net position”) is designed to be similar to bottom line results for the City and its governmental and business-type activities. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, physical environment, transportation, economic environment, and culture and recreation. The business-type activities of the City consist of water/sewer utility and stormwater utility.

The government-wide financial statements include not only the City itself (the primary government) but also the legally separate community redevelopment agency (“CRA”). Financial information for this component unit is blended with the financial information presented for the primary government itself since its Board members are primarily the same as the members of the City Commission.

The City has three defined benefit pension plans established for the exclusive benefit of its employees and beneficiaries.

**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 of the funds of the City can be divided into three categories: (1) governmental funds, (2) proprietary funds, and (3) fiduciary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating 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 funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**CITY OF HAINES CITY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended September 30, 2023**

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for: (1) the General Fund, (2) the Capital Projects Fund, (3) the CRA Fund, and (4) the Debt Service Fund, all of which are considered to be major funds.

The City adopts an annual appropriated budget for its General Fund and the CRA Fund. Budgetary comparison schedules have been provided for the General Fund and CRA Fund to demonstrate compliance with the budget.

**Proprietary funds.** The City maintains two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water/sewer and stormwater utility systems.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's pension trust funds are included in the fiduciary fund type.

**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.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statements of Net Position**

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. For the current year, the City's assets exceeded liabilities by \$270,037,057.

The following table reflects the condensed statements of net position for the current and prior years:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 92,065,922	71,989,368	95,201,277	73,349,133	187,267,199	145,338,501
Capital assets	62,534,472	56,833,279	102,077,403	85,951,582	164,611,875	142,784,861
Total assets	<u>154,600,394</u>	<u>128,822,647</u>	<u>197,278,680</u>	<u>159,300,715</u>	<u>351,879,074</u>	<u>288,123,362</u>
Deferred outflows	<u>7,233,866</u>	<u>2,737,332</u>	<u>867,661</u>	<u>77,213</u>	<u>8,101,527</u>	<u>2,814,545</u>
Long-term liabilities						
outstanding	42,721,170	36,796,601	27,890,027	15,305,652	70,611,197	52,102,253
Other liabilities	8,123,009	4,335,850	7,034,095	14,514,583	15,157,104	18,850,433
Total liabilities	<u>50,844,179</u>	<u>41,132,451</u>	<u>34,924,122</u>	<u>29,820,235</u>	<u>85,768,301</u>	<u>70,952,686</u>
Deferred inflows	<u>3,765,920</u>	<u>4,631,203</u>	<u>409,323</u>	<u>680,837</u>	<u>4,175,243</u>	<u>5,312,040</u>
Net investment in						
capital assets	35,855,480	28,425,855	77,006,846	71,906,183	112,862,326	100,332,038
Restricted	35,878,630	30,898,389	24,001,377	23,099,529	59,880,007	53,997,918
Unrestricted	35,490,051	26,472,081	61,804,673	33,871,144	97,294,724	60,343,225
Total net position	<u>\$ 107,224,161</u>	<u>85,796,325</u>	<u>162,812,896</u>	<u>128,876,856</u>	<u>270,037,057</u>	<u>214,673,181</u>

**CITY OF HAINES CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended September 30, 2023**

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Of the City's net position, forty-two percent (41.8%) reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure, and vehicles and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately twenty-two percent (22.2%) of the City's net position represents resources that are subject to external restrictions on how they may be used.

The increase in assets and net position of the City's business-type activities is due to additions made to the City's water distribution and sewer collection systems, but primarily due to increases in restricted assets because the City is experiencing record growth.

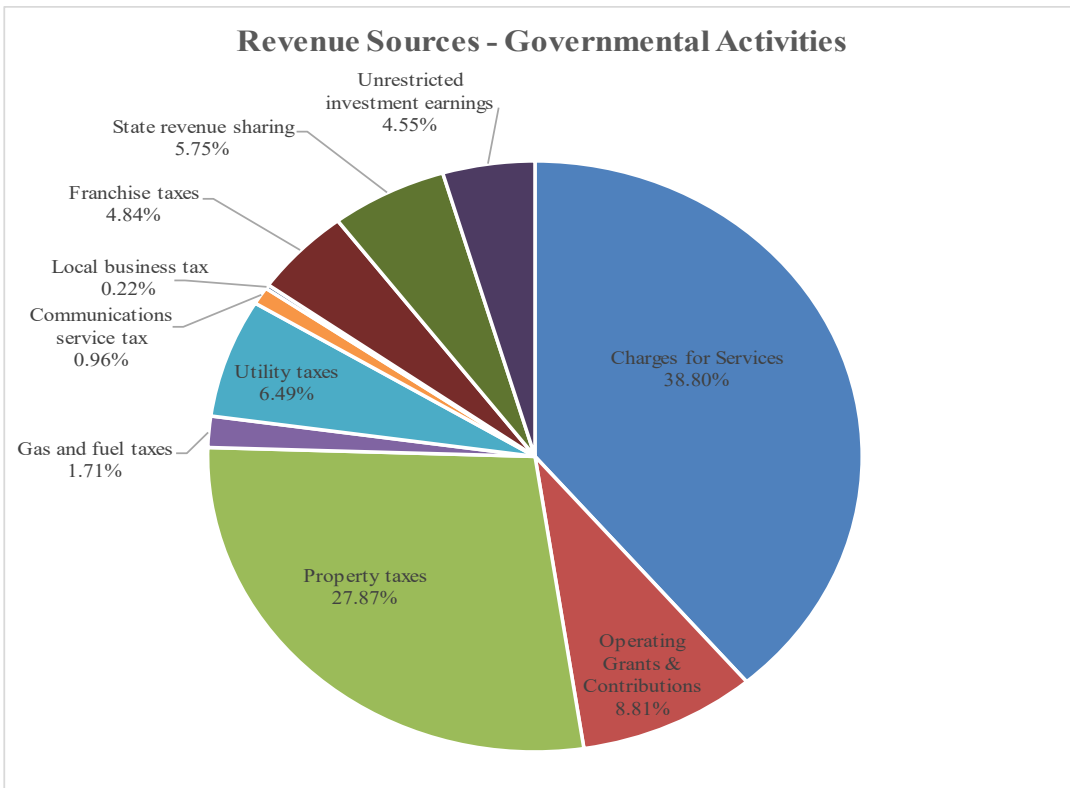
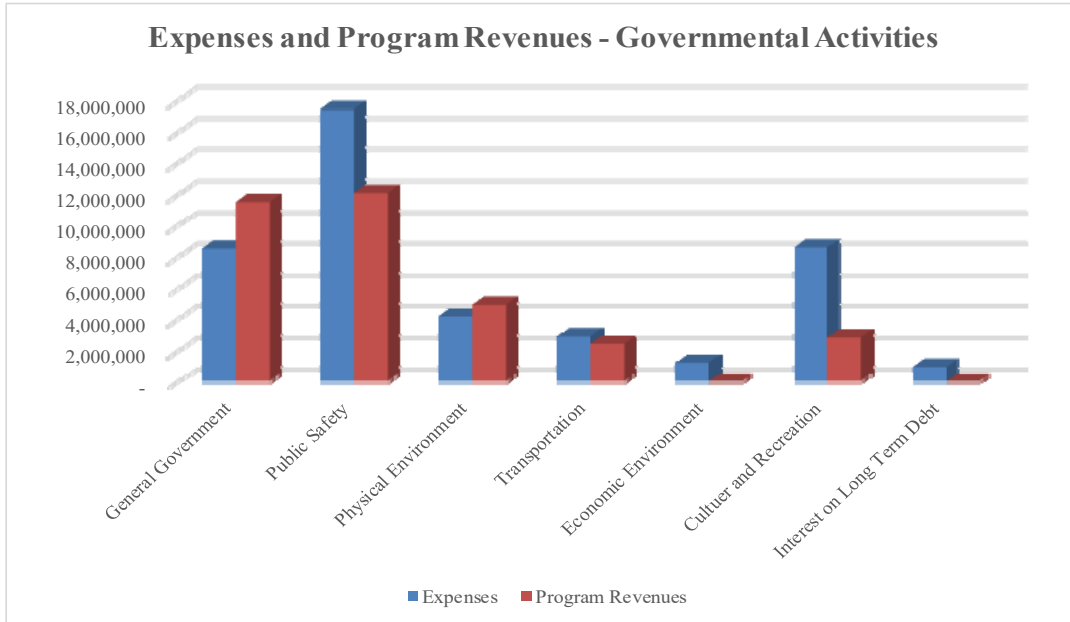
**CITY OF HAINES CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended September 30, 2023**

**Statements of Activities**

The following table reflects the condensed statements of activities for the current and prior years:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 27,477,210	24,338,376	35,806,631	35,967,772	63,283,841	60,306,148
Operating grants and contributions	6,240,685	5,061,629	-	-	6,240,685	5,061,629
Capital grants and contributions	-	2,269,398	7,534,252	11,946,230	7,534,252	14,215,628
General revenues						
Property taxes	19,736,987	15,507,959	-	-	19,736,987	15,507,959
Franchise taxes	3,430,002	2,936,328	-	-	3,430,002	2,936,328
Utility taxes	4,593,234	3,929,722	-	-	4,593,234	3,929,722
Communications service tax	679,399	646,582	-	-	679,399	646,582
Local business tax	156,418	116,117	-	-	156,418	116,117
Gas and fuel taxes	1,211,366	1,147,587	-	-	1,211,366	1,147,587
State revenue sharing	4,070,164	3,796,678	-	-	4,070,164	3,796,678
Unrestricted investment earnings	3,222,484	129,413	2,509,870	35,545	5,732,354	164,958
Gain on disposal	-	217,428	-	-	-	217,428
<b>Total revenues</b>	<b>70,817,949</b>	<b>60,097,217</b>	<b>45,850,753</b>	<b>47,949,547</b>	<b>116,668,702</b>	<b>108,046,764</b>
<b>Expenses</b>						
General government	8,495,276	6,633,635	-	-	8,495,276	6,633,635
Public safety	17,445,860	13,855,278	-	-	17,445,860	13,855,278
Physical environment	4,147,839	4,031,222	-	-	4,147,839	4,031,222
Transportation	2,899,818	2,149,747	-	-	2,899,818	2,149,747
Economic environment	1,241,852	1,067,485	-	-	1,241,852	1,067,485
Culture and recreation	8,570,203	7,072,663	-	-	8,570,203	7,072,663
Interest on long-term debt	969,198	1,060,746	-	-	969,198	1,060,746
Water/sewer utility	-	-	16,901,370	12,251,686	16,901,370	12,251,686
Stormwater utility	-	-	633,410	440,350	633,410	440,350
<b>Total expenses</b>	<b>43,770,046</b>	<b>35,870,776</b>	<b>17,534,780</b>	<b>12,692,036</b>	<b>61,304,826</b>	<b>48,562,812</b>
Change in net position before transfers	27,047,903	24,226,441	28,315,973	35,257,511	55,363,876	59,483,952
Transfers	(5,620,067)	(4,379,932)	5,620,067	4,379,932	-	-
Change in net position	21,427,836	19,846,509	33,936,040	39,637,443	55,363,876	59,483,952
Net position, beginning	85,796,325	65,949,816	128,876,856	89,239,413	214,673,181	155,189,229
<b>Net position, ending</b>	<b>\$ 107,224,161</b>	<b>85,796,325</b>	<b>162,812,896</b>	<b>128,876,856</b>	<b>270,037,057</b>	<b>214,673,181</b>

**CITY OF HAINES CITY, FLORIDA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
Year Ended September 30, 2023**



**CITY OF HAINES CITY, FLORIDA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
Year Ended September 30, 2023**

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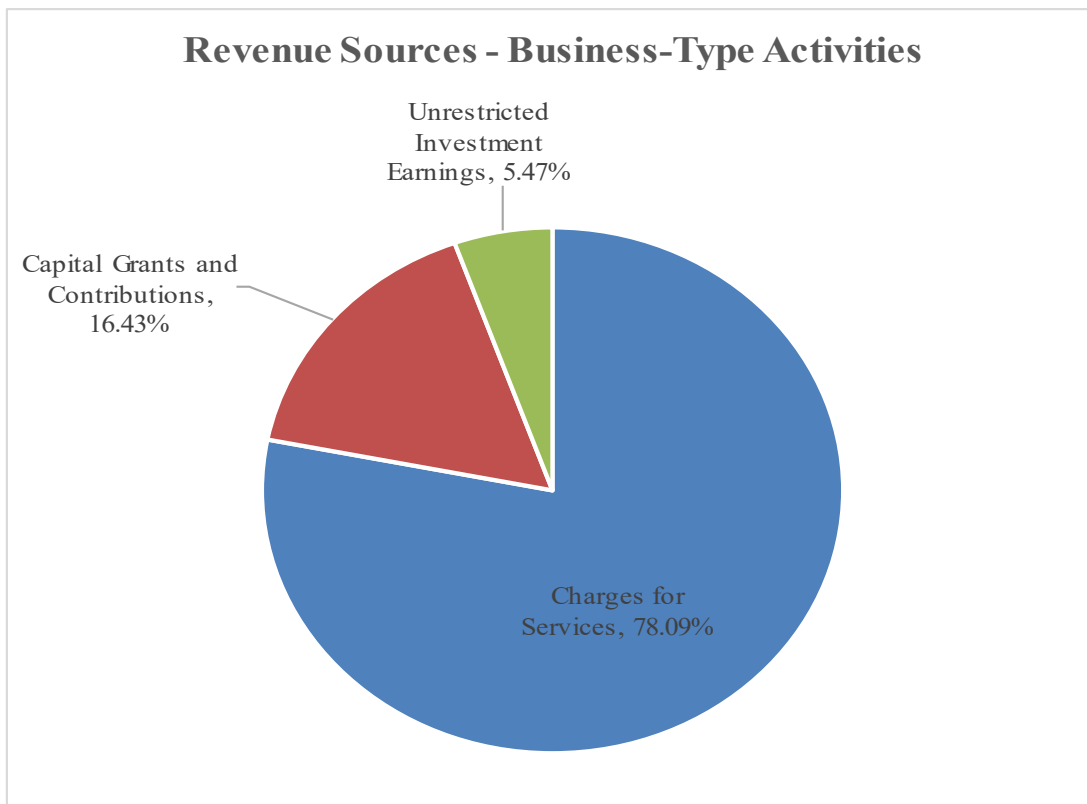
**Governmental Activities**

Governmental activities net position increased by \$21,427,836.

General revenues of governmental activities increased by \$8,672,240. Property values have continued to increase as new homes continue to be built at higher prices. Favorable economic markets have allowed for greater investment returns.

Program revenues of governmental activities increased by \$2,048,492, showing a large increase over last year’s building permits and related revenues collected. Charges for services increased by \$3,138,834 and grant contributions decreased by \$1,090,342 due to continued growth within the City and the recognition of ARPA grant funding. The City has been and will continue to be active in securing grant funding.

The expenses for governmental activities increased by \$7,899,270 compared to the prior year. Governmental expenses surged due to higher investment in infrastructure projects, expanded public services, and increased personnel costs to meet growing community needs.



**Business-Type Activities**

Business-type activities net position increased by \$33,936,040.

Program revenues of business type activities decreased by \$4,573,119 due to reduction in grant funding revenues in comparison to the prior year. Community initiatives were not impacted as a result of strategic planning and continued customer accounts growth leading to higher water and sewer service revenues.

**CITY OF HAINES CITY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended September 30, 2023**

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Expenses of business-type activities increased by \$4,842,744 which reflects a combination of factors including escalating energy costs, increased preventative maintenance costs, and necessary infrastructure upgrades to maintain service reliability. Despite concentrated efforts to optimize operational efficiency, these unavoidable expenses have contributed to the overall upward trend in utility expenses. To mitigate the impact on ratepayers, the City continues to develop the most effective and efficient ways to provide services to its citizens while maintaining its current infrastructure as new developments are built.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

**Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2023, the City's governmental funds reported combined ending fund balances of \$82,926,189, an increase of \$17,072,278 in comparison with the prior year. Despite the economic shifts, the increase is due to the improvement of the overall economic condition of the City. As mentioned before, many factors resulted in the City's increased fund balances with the primary being restricted funds as a result of the development growth from new construction. The City plans to heavily invest in its capital infrastructure in its next budget cycle with strategic funding to minimize future debt obligation.

The City has implemented the requirements of GASB 54 defining the manner in which Governmental Funds fund balance is classified. Fund balance is now divided into five categories: (1) non-spendable, (2) restricted, (3) committed, (4) assigned, and (5) unassigned.

- Non-spendable fund balance includes amounts that are not in spendable form (inventory or long-term receivables) or amounts that are required to be maintained intact (corpus of a permanent fund). \$107,743 or 0.1% of total fund balance is classified as non-spendable.
- Restricted fund balance includes amounts that can be spent only for specific purposes stipulated by external resource providers such as creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. \$35,878,630 or 43.3% of total fund balance is classified as restricted.
- Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution or ordinance) of the City Commission, the City's highest level of decision-making authority. Committed amounts cannot be used for any other purposes unless the City Commission removes or changes the specified use by taking the same type of formal action (resolution or ordinance) it employed to commit those funds. \$310,589 or 0.4% of total fund balance is classified as committed.
- Assigned fund balance includes amounts established by City Management intended to be used for specific purposes. \$600,000 or 0.7% of total fund balance is classified as assigned.
- Unassigned fund balance is the residual classification representing fund balance that has not been restricted, committed or assigned. \$46,029,227 or 55.5% of total fund balance is classified as unassigned.

**CITY OF HAINES CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended September 30, 2023**

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The General Fund is the chief operating fund of the City. At September 30, 2023, total fund balance of the General Fund is \$75,550,830. Non-spendable fund balance equals \$107,743 or 0.1%; restricted fund balance equals \$28,503,271 or 37.7%; committed fund balance equals \$310,589 or 0.4%; assigned fund balance equals \$600,000 or 0.8%; and unassigned fund balance equals \$46,029,227 or 60.9%.

The fund balance of the City's General Fund increased by \$15,484,443 during the current fiscal year. As stated earlier, this increase is due to an overall improvement in the City's economic condition developer growth imploded largely impacting restricted use funds from impact fees.

The fund balance of the City's CRA fund increased by \$1,587,835 during the current fiscal year due to increased revenues as a result of taxable values being affected by the economic growth and expense savings due to staffing turnover.

It is essential that governments maintain an adequate level of fund balance to mitigate risks and provide a back-up for revenue shortfalls. Therefore, the City has established the target minimum reserve balance in the City's General Fund unassigned fund balance equal to 17% of the General Fund's current fiscal year operating budget as recommended by the Governmental Finance Officers Association (GFOA). Currently the City is maintaining a 78.05% unassigned balance in relation to the 2024 Operating Budget of \$58,967,500. The City is now in a position to fund its capital improvement plan aggressively with reserves and not create recurring costs.

### **Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund and the Stormwater Utility Fund at September 30, 2023 amounted to \$61,060,547 and \$744,126, respectively. All stormwater fees are being collected through an assessment process on an annual basis. The stormwater fees will be collected in arrears going forward; therefore, there is a natural lag in the collection cycle. Net position invested in capital assets, net of related debt, was \$75,475,563 in the Water and Sewer Fund at year-end. The change in net position for these funds was an increase of \$33,677,132 in the Water and Sewer Fund and an increase of \$258,908 in the Stormwater Fund. The change in net position for the Water and Sewer Fund was due to improved revenue collection with increased rates and new customers coming online and the collection of state grant funding.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

There is a \$498,500 difference in appropriations between the original budget and the final amended budget for this fiscal year. The major reason for the difference is an increase in funding due from interest revenues and additional capital outlay expenditures.

The difference between the final amended budget and actual expenditures was \$5,879,858 and can be summarized as follows:

- Various general government departments under budget.
- Impact fees budgeted but not expended.
- Salary savings within other departments throughout the City due to vacant positions.
- Delays in supply chain for Capital Purchases. Fire Trucks have carried over two years since order.

**CITY OF HAINES CITY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended September 30, 2023**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities, amounts to \$164,611,875 (net of accumulated depreciation/amortization) as of September 30, 2023. This investment in capital assets includes land, buildings, improvements, infrastructure, vehicles, leased assets, and equipment. The total increase in the City's investment in capital assets for the current fiscal year (net of accumulated depreciation) was \$20,629,490 (an increase of \$4,552,424 governmental activities and an increase of \$16,077,066 for business-type activities, respectively).

**City of Haines City, Florida**  
**Capital Assets (Net of Accumulated Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 11,781,208	11,485,366	5,350,581	5,350,581	17,131,789	16,835,947
Plant improvements	-	-	61,872,271	57,741,662	61,872,271	57,741,662
Buildings and improvements	30,001,787	31,981,266	254,063	278,223	30,255,850	32,259,489
Equipment	2,689,748	2,769,195	2,858,909	3,283,166	5,548,657	6,052,361
Right to use leased assets, equipment	764,034	1,148,769	35,754	48,755	799,788	1,197,524
Transportation equipment	2,640,979	1,465,380	949,819	796,845	3,590,798	2,262,225
Infrastructure	8,002,580	7,009,280	369,827	384,245	8,372,407	7,393,525
Construction in progress	6,654,136	2,122,792	30,386,179	18,116,860	37,040,315	20,239,652
Total	\$ 62,534,472	57,982,048	102,077,403	86,000,337	164,611,875	143,982,385

Additional information on the City's capital assets can be found in Note 4 to the financial statements on pages 42 and 43 of this report.

**Long-Term Debt**

At the end of the current fiscal year, the City had total long-term liabilities of \$70,611,197, an increase of \$18,508,944 from the prior year.

**City of Haines City, Florida**  
**Long-Term Debt**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Total long-term liabilities	\$ 42,721,170	36,796,601	27,890,027	15,305,652	70,611,197	52,102,253

Additional information on the City's long-term debt can be found in Note 7 to the financial statements on pages 45 through 49 of this report.

**CITY OF HAINES CITY, FLORIDA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
Year Ended September 30, 2023**

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**NEXT YEAR’S BUDGETS AND RATES**

For fiscal year 2024, the City’s millage rate remained the same at 7.5895 mills. For taxable year 2023, the City’s property tax valuation increased by \$602,982,709 (27.3%). The increase is due to the upturn in property values as well as new growth on old agriculture properties now being developed. Next year’s budget prioritizes key objectives aimed at fostering employee retention, stimulating economic growth, and advancing strategic planning initiatives. To help, the City continues to levy a Fire Service Assessment for property within City limits of Haines City. Each parcel of land will be assessed a flat amount of \$144.93 plus \$0.85 per every \$1,000 of value for all relative improvements upon that parcel. The billing for the assessment will be included on the property owner’s tax bill which is issued by the Polk County Tax Collector. The City has plans to construct additional fire stations and this revenue stream, along with its enhanced savings, will provide the means for it. Reserve funding has been strategically utilized to support vital capital projects, ensuring the timely implementation of infrastructure improvements and enhancements essential for sustained economic growth and community development. Moreover, impact fees augment these efforts, leveraging dedicated funds to mitigate the impact of growth on critical infrastructure and services.

**ECONOMIC FACTORS**

The dynamic economic environment is marked by resilience and adaptation. Despite global economic uncertainties and supply chain disruptions, Haines City continues to capitalize by marketing to diverse local industries and proactive development initiatives. Key sectors such as tourism, healthcare, and technology remained resilient, contributing to commercial development, job creation and sustained customer spending within the community. However the persistent challenges of rising inflation and increasing costs of living necessitated prudent financial management and targeted support measures to alleviate strain on residents and businesses. To maintain growth momentum, the City prioritized initiatives focused on economic diversification, infrastructure investment, and workforce development, aiming to attract new investment and foster innovation. Residential development continues to soar with no current indications of a potential downturn. Therefore, optimism remains high that this upward momentum will continue even with economic indicators trying to intentionally slow down the growth with increased interest rates. The City will continue to work in unison to be good stewards of the financial resources collected from our residents to ensure that we manage the financial resources we have judiciously for future generations. The City is optimistic with the economic growth that is occurring in the community and excited about the opportunity to fund many looming infrastructure needs. There is still work to be done and we have a long way to go.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the City’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Haines City, 620 East Main Street, Haines City, Florida 33844.



**CITY OF HAINES CITY, FLORIDA**

**STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 29,399,234	26,277,130	55,676,364
Investments	43,248,481	32,795,179	76,043,660
Accounts receivable, net	3,080,336	9,242,949	12,323,285
Internal balances	91,970	(91,970)	-
Due from other governments	749,151	368	749,519
Inventory	103,389	608,983	712,372
Prepaid items	4,354	2,736	7,090
Restricted cash and cash equivalents	15,389,007	26,365,902	41,754,909
Capital assets			
Non-depreciable assets	18,435,344	35,736,760	54,172,104
Depreciable assets, net of depreciation	44,099,128	66,340,643	110,439,771
<b>TOTAL ASSETS</b>	<b>154,600,394</b>	<b>197,278,680</b>	<b>351,879,074</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - pensions	6,677,147	846,645	7,523,792
Deferred outflows - OPEB	110,441	21,016	131,457
Deferred loss on refunding	446,278	-	446,278
Total deferred outflows of resources	<b>7,233,866</b>	<b>867,661</b>	<b>8,101,527</b>
<b>LIABILITIES</b>			
Accounts payable	4,417,108	1,652,454	6,069,562
Due to other governments	345,527	-	345,527
Accrued interest	211,331	-	211,331
Accrued payroll	780,364	144,709	925,073
Deposits	2,368,679	-	2,368,679
Unearned revenues	-	2,841,558	2,841,558
Current liabilities payable from restricted assets			
Accrued interest payable	-	30,849	30,849
Deposits	-	2,364,525	2,364,525
Noncurrent liabilities			
Portion due within one year	3,409,481	1,296,163	4,705,644
Portion due after one year	39,311,689	26,593,864	65,905,553
<b>TOTAL LIABILITIES</b>	<b>50,844,179</b>	<b>34,924,122</b>	<b>85,768,301</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - leases	1,228,055	-	1,228,055
Deferred inflows - pensions	386,740	-	386,740
Deferred inflows - OPEB	2,151,125	409,323	2,560,448
Total deferred inflows of resources	<b>3,765,920</b>	<b>409,323</b>	<b>4,175,243</b>
<b>NET POSITION</b>			
Net investment in capital assets	35,855,480	77,006,846	112,862,326
Restricted for			
Building permits	13,126,177	-	13,126,177
Impact fee requirements	15,077,248	-	15,077,248
Confiscated property	193,376	-	193,376
Law enforcement training	106,470	-	106,470
Capital projects - from impact fees	-	22,944,073	22,944,073
Community development	7,375,359	-	7,375,359
Debt service	-	1,057,304	1,057,304
Unrestricted	35,490,051	61,804,673	97,294,724
<b>TOTAL NET POSITION</b>	<b>\$ 107,224,161</b>	<b>162,812,896</b>	<b>270,037,057</b>

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



**CITY OF HAINES CITY, FLORIDA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>CRA Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 20,909,628	939,183	7,550,423	-	29,399,234
Investments	43,248,481		-	-	43,248,481
Accounts receivable, net	3,080,286	-	50	-	3,080,336
Due from other funds	91,970	-	-	-	91,970
Due from other governments	749,151	-	-	-	749,151
Inventory	103,389	-	-	-	103,389
Prepaid items	4,354	-	-	-	4,354
Restricted cash and cash equivalents	15,389,007	-	-	-	15,389,007
<b>Total assets</b>	<b>\$ 83,576,266</b>	<b>939,183</b>	<b>7,550,473</b>	<b>-</b>	<b>92,065,922</b>
<b>Liabilities</b>					
Accounts payable	\$ 3,322,291	939,183	155,634	-	4,417,108
Due to other governments	345,527	-	-	-	345,527
Accrued payroll	765,329	-	15,035	-	780,364
Other current liabilities	2,364,234	-	4,445	-	2,368,679
<b>Total liabilities</b>	<b>6,797,381</b>	<b>939,183</b>	<b>175,114</b>	<b>-</b>	<b>7,911,678</b>
<b>Deferred inflows of resources</b>					
Deferred inflow - leases	1,228,055				1,228,055
<b>Total deferred inflows of resources</b>	<b>1,228,055</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,228,055</b>
<b>Fund balances</b>					
Nonspendable					
Inventory	103,389	-	-	-	103,389
Prepaid items	4,354	-	-	-	4,354
Restricted for					
Building permits	13,126,177	-	-	-	13,126,177
Impact fee requirements	15,077,248	-	-	-	15,077,248
Confiscated property	193,376	-	-	-	193,376
Law enforcement training	106,470	-	-	-	106,470
Community development	-	-	7,375,359	-	7,375,359
Committed for capital projects	310,589	-	-	-	310,589
Assigned for					
Subsequent years budget:					
Appropriation of fund balance	600,000	-	-	-	600,000
Unassigned	46,029,227	-	-	-	46,029,227
<b>Total fund balances</b>	<b>75,550,830</b>	<b>-</b>	<b>7,375,359</b>	<b>-</b>	<b>82,926,189</b>
<b>Total liabilities and fund balances</b>	<b>\$ 83,576,266</b>	<b>939,183</b>	<b>7,550,473</b>	<b>-</b>	<b>92,065,922</b>

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

**CITY OF HAINES CITY, FLORIDA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

Total fund balances for governmental funds		\$ 82,926,189
<p>Total net position reported for governmental activities in the statement of net position is different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of :</p>		
Land	\$ 11,781,208	
Buildings and improvements, net of \$36,104,947 accumulated depreciation	30,001,787	
Equipment, net of \$7,592,512 accumulated depreciation	2,689,748	
Transportation equipment, net of \$4,310,659 accumulated depreciation	2,640,979	
Infrastructure, net of \$5,669,707 accumulated depreciation	8,002,580	
Construction in progress	6,654,136	
<b>Total capital assets, net</b>		61,770,438
<p>Right to use lease assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of :</p>		
Equipment, net of \$1,001,291 accumulated amortization		764,034
<p>Long-term liabilities and related accrued interest applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities, except for portions payable early in the following year for which sufficient resources have been accumulated in the funds to liquidate the liabilities. These liabilities consist of:</p>		
SouthState Bank loans	(26,003,000)	
Deferred loss on refunding	446,278	
Financed purchase obligation	(325,114)	
Lease liability	(797,156)	
Accrued interest on long-term debt	(211,331)	
Compensated absences	(2,611,623)	
Net pension liability	(10,654,526)	
Total OPEB liability	(2,329,751)	
<b>Total long-term liabilities and accrued interest</b>		(42,486,223)
<p>Deferred outflows and deferred inflows related to the City's pension plans and OPEB plan are not expected to be liquidated with expendable available financial resources and are therefore, not reported in the funds.</p>		
Deferred outflows - pensions	6,677,147	
Deferred outflows - OPEB	110,441	
Deferred inflows - pensions	(386,740)	
Deferred inflows - OPEB	(2,151,125)	
<b>Total deferred outflows/inflows of resources</b>		4,249,723
<b>Total net position of governmental activities</b>		<b>\$ 107,224,161</b>

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

CITY OF HAINES CITY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Capital Projects Fund	CRA Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 16,202,344	-	3,534,643	-	19,736,987
Gas and fuel taxes	1,211,366	-	-	-	1,211,366
Utility taxes	4,593,234	-	-	-	4,593,234
Communications service tax	679,399	-	-	-	679,399
Local business tax	156,418	-	-	-	156,418
Franchise fees	3,430,002	-	-	-	3,430,002
Licenses and permits	10,566,049	-	-	-	10,566,049
Intergovernmental	10,120,177	-	-	-	10,120,177
Charges for services	6,705,947	-	-	-	6,705,947
Fines and forfeitures	1,721,082	-	-	-	1,721,082
Assessments	3,405,522	-	-	-	3,405,522
Impact fees	4,917,729	-	-	-	4,917,729
Contributions	211,739	-	600	-	212,339
Interest	2,894,092	-	220,771	107,621	3,222,484
Other	116,964	-	22,250	-	139,214
<b>Total revenues</b>	<u>66,932,064</u>	<u>-</u>	<u>3,778,264</u>	<u>107,621</u>	<u>70,817,949</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	7,094,737	-	-	-	7,094,737
Public safety	14,386,407	-	199,349	-	14,585,756
Physical environment	4,125,159	-	-	-	4,125,159
Transportation	2,169,321	-	-	-	2,169,321
Economic environment	-	-	1,009,127	-	1,009,127
Culture and recreation	5,576,508	-	342,551	-	5,919,059
Debt service					
Principal	-	-	-	2,966,457	2,966,457
Interest	-	-	-	918,104	918,104
Capital outlay	5,695,690	1,583,782	2,454,805	-	9,734,277
<b>Total expenditures</b>	<u>39,047,822</u>	<u>1,583,782</u>	<u>4,005,832</u>	<u>3,884,561</u>	<u>48,521,997</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>27,884,242</u>	<u>(1,583,782)</u>	<u>(227,568)</u>	<u>(3,776,940)</u>	<u>22,295,952</u>
<b>Other financing sources (uses)</b>					
Insurance proceeds	280,993	-	-	-	280,993
Sale of capital assets	115,400	-	-	-	115,400
Transfers in	-	1,583,782	3,647,750	3,776,940	9,008,472
Transfers out	(12,796,192)	-	(1,832,347)	-	(14,628,539)
<b>Total other financing sources (uses)</b>	<u>(12,399,799)</u>	<u>1,583,782</u>	<u>1,815,403</u>	<u>3,776,940</u>	<u>(5,223,674)</u>
<b>Net change in fund balances</b>	<u>15,484,443</u>	<u>-</u>	<u>1,587,835</u>	<u>-</u>	<u>17,072,278</u>
<b>Fund balances, beginning of year</b>	<u>60,066,387</u>	<u>-</u>	<u>5,787,524</u>	<u>-</u>	<u>65,853,911</u>
<b>Fund balances, end of year</b>	<u>\$ 75,550,830</u>	<u>-</u>	<u>7,375,359</u>	<u>-</u>	<u>82,926,189</u>

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

**CITY OF HAINES CITY, FLORIDA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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Total net change in fund balances for governmental funds	\$ 17,072,278
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense in the current period.

Capital outlay	\$ 9,660,770	
Depreciation/amortization expense	<u>(4,510,263)</u>	5,150,507

The net effect of various miscellaneous transactions (i.e. sales and donations) is to increase net position.

Net book value of assets disposed	(598,083)
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Proceeds of certain long-term debt are reported as financing sources in governmental funds and thus contribute to the increase in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. This is the amount by which payment of principal on this debt exceeds the proceeds from issuance of new debt.

Principal payments	2,966,457
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Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are used. The net change associated with these expenses/expenditures is as follows:

Accrued interest on long-term debt	38,162	
Pension expense	(2,874,496)	
Compensated absences	(83,564)	
Total OPEB liability	<u>(154,169)</u>	(3,074,067)

Expense is recorded on the statement of activities for amortization of the following items:

Deferred loss on refunding	<u>(89,256)</u>
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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 21,427,836</u></b>
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**The notes to the financial statements are an integral part of this statement.**

**CITY OF HAINES CITY, FLORIDA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2023**

	<b>Water and Sewer Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 25,260,743	1,016,387	26,277,130
Investments	32,795,179	-	32,795,179
Accounts receivable, net of allowances	9,242,949	-	9,242,949
Due from other governments	-	368	368
Inventories	608,983	-	608,983
Prepaid items	2,736	-	2,736
<b>Total current assets</b>	<b>67,910,590</b>	<b>1,016,755</b>	<b>68,927,345</b>
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	26,365,902	-	26,365,902
Capital assets			
Land	5,294,628	55,952	5,350,580
Stormwater improvements	-	839,126	839,126
Plant and plant improvements	95,930,911	-	95,930,911
Buildings and improvements	475,306	-	475,306
Equipment	10,943,752	308,286	11,252,038
Right to use leased assets, equipment	68,258	-	68,258
Transportation equipment	2,784,827	-	2,784,827
Construction in progress	29,488,835	897,345	30,386,180
Less accumulated depreciation/amortization	(44,440,397)	(569,426)	(45,009,823)
Total capital assets (net of accumulated depreciation)	100,546,120	1,531,283	102,077,403
<b>Total noncurrent assets</b>	<b>126,912,022</b>	<b>1,531,283</b>	<b>128,443,305</b>
<b>Total assets</b>	<b>194,822,612</b>	<b>2,548,038</b>	<b>197,370,650</b>
<b>Deferred outflows of resources</b>			
Deferred outflows - pensions	748,955	97,690	846,645
Deferred outflows - OPEB	19,227	1,789	21,016
Total deferred outflows of resources	768,182	99,479	867,661

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

(Continued)

**CITY OF HAINES CITY, FLORIDA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2023**

	<u>Water and Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 1,615,902	36,552	1,652,454
Due to other funds	91,970	-	91,970
Accrued liabilities	132,886	11,823	144,709
Current portion of compensated absences	87,322	6,189	93,511
Current portion of lease liability	13,176	-	13,176
<b>Current liabilities payable from restricted assets</b>			
Current portion of long-term debt	1,189,476	-	1,189,476
Accrued interest payable	30,849	-	30,849
Deposits	2,364,525	-	2,364,525
Unearned revenue	2,841,558	-	2,841,558
<b>Total current liabilities</b>	<u>8,367,664</u>	<u>54,564</u>	<u>8,422,228</u>
<b>Noncurrent liabilities</b>			
Long-term liabilities	26,311,156	282,708	26,593,864
<b>Total noncurrent liabilities</b>	<u>26,311,156</u>	<u>282,708</u>	<u>26,593,864</u>
<b>Total liabilities</b>	<u>34,678,820</u>	<u>337,272</u>	<u>35,016,092</u>
<b>Deferred inflows of resources</b>			
Deferred inflows - OPEB	374,487	34,836	409,323
Total deferred inflows of resources	<u>374,487</u>	<u>34,836</u>	<u>409,323</u>
<b>Net position</b>			
Net investment in capital assets	75,475,563	1,531,283	77,006,846
Restricted for			
Capital projects - from impact fees	22,944,073	-	22,944,073
Debt service	1,057,304	-	1,057,304
Unrestricted	61,060,547	744,126	61,804,673
<b>Total net position</b>	<u>\$ 160,537,487</u>	<u>2,275,409</u>	<u>162,812,896</u>

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

**CITY OF HAINES CITY, FLORIDA**

**STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<b>Water and Sewer Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
Operating revenues			
Charges for services	\$ 26,168,947	855,000	27,023,947
Impact fees	8,705,852	-	8,705,852
Miscellaneous	76,832	-	76,832
Total operating revenues	<u>34,951,631</u>	<u>855,000</u>	<u>35,806,631</u>
Operating expenses			
Personnel services	4,538,774	472,678	5,011,452
Other services and charges	8,931,240	129,010	9,060,250
Depreciation/amortization	3,335,948	30,143	3,366,091
Total operating expenses	<u>16,805,962</u>	<u>631,831</u>	<u>17,437,793</u>
Operating income	<u>18,145,669</u>	<u>223,169</u>	<u>18,368,838</u>
Nonoperating revenues (expenses)			
Interest revenue	2,472,552	37,318	2,509,870
Interest expense	(98,953)	-	(98,953)
Loss on disposal of capital assets	3,545	(1,579)	1,966
Total nonoperating revenues, net	<u>2,377,144</u>	<u>35,739</u>	<u>2,412,883</u>
Income before capital contributions and transfers	20,522,813	258,908	20,781,721
Capital contributions	7,534,252	-	7,534,252
Transfers in	5,620,067	-	5,620,067
Change in net position	33,677,132	258,908	33,936,040
Net position, beginning of year	<u>126,860,355</u>	<u>2,016,501</u>	<u>128,876,856</u>
Net position, end of year	<u>\$ 160,537,487</u>	<u>2,275,409</u>	<u>162,812,896</u>

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

**CITY OF HAINES CITY, FLORIDA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<b>Water and Sewer Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 23,545,939	855,815	24,401,754
Cash payments to suppliers for goods and services	(11,084,785)	(94,213)	(11,178,998)
Cash payments to employees for services	(3,779,012)	(385,144)	(4,164,156)
Net cash provided by operating activities	<u>8,682,142</u>	<u>376,458</u>	<u>9,058,600</u>
<b>Cash flows from noncapital financing activities</b>			
Transfer from other funds	5,620,067	-	5,620,067
Net cash provided by noncapital financing activities	<u>5,620,067</u>	<u>-</u>	<u>5,620,067</u>
<b>Cash flows from capital and related financing activities</b>			
Capital contributions	7,534,252	-	7,534,252
Acquisition and construction of capital assets	(19,314,268)	(135,323)	(19,449,591)
Principal paid on loans payable and lease liability	(1,182,452)	-	(1,182,452)
Interest paid on loans payable	(124,966)	-	(124,966)
Proceeds from issuance of notes payable	12,158,856	-	12,158,856
Proceeds from sale of capital assets	8,400	-	8,400
Net cash used in capital and related financing activities	<u>(920,178)</u>	<u>(135,323)</u>	<u>(1,055,501)</u>
<b>Cash flows from investing activities</b>			
Purchases of investments	(40,387,762)	-	(40,387,762)
Sales of investments	40,104,823	-	40,104,823
Interest received	1,589,504	37,318	1,626,822
Net cash provided by investing activities	<u>1,306,565</u>	<u>37,318</u>	<u>1,343,883</u>
Net change in cash and cash equivalents	14,688,596	278,453	14,967,049
Cash and cash equivalents, beginning of year	36,938,049	737,934	37,675,983
Cash and cash equivalents, end of year	<u>\$ 51,626,645</u>	<u>1,016,387</u>	<u>52,643,032</u>
<b>Cash and cash equivalents classified as</b>			
Current assets	\$ 25,260,743	1,016,387	26,277,130
Restricted assets	26,365,902	-	26,365,902
	<u>\$ 51,626,645</u>	<u>1,016,387</u>	<u>52,643,032</u>

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

(Continued)

**CITY OF HAINES CITY, FLORIDA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<b>Water and Sewer Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>Reconciliation of operating income to net cash provided by operating activities</b>			
Operating income	\$ 18,145,669	223,169	18,368,838
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation expense	3,335,948	30,143	3,366,091
Change in assets and liabilities			
(Increase) decrease in			
Accounts receivable	(5,818,540)	-	(5,818,540)
Due from other governments	-	815	815
Inventory	(313,206)	-	(313,206)
Deferred outflows - pensions	(693,474)	(90,453)	(783,927)
Deferred outflows - OPEB	(6,154)	(367)	(6,521)
Increase (decrease) in			
Accounts payable	(1,897,315)	34,552	(1,862,763)
Due to other funds	56,976	-	56,976
Accrued liabilities	(4,805)	245	(4,560)
Customer deposits	206,855	-	206,855
Deferred inflows - pensions	(401,615)	(52,385)	(454,000)
Deferred inflows - OPEB	169,904	12,582	182,486
Net pension liability/asset	1,959,153	255,541	2,214,694
Total OPEB liability	(358,319)	(45,368)	(403,687)
Compensated absences	95,072	7,984	103,056
Unearned revenue	(5,794,007)	-	(5,794,007)
Total adjustments	<u>(9,463,527)</u>	<u>153,289</u>	<u>(9,310,238)</u>
Net cash provided by operating activities	<u>\$ 8,682,142</u>	<u>376,458</u>	<u>9,058,600</u>
<b>Noncash investing, capital, and financing activities</b>			
Unrealized gain on investments	<u>\$ 883,048</u>	<u>-</u>	<u>883,048</u>

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

CITY OF HAINES CITY, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2023

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	<b>Pension Trust Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 644,061
Receivables	
Accrued interest and dividends	38,673
Investments, at fair value	
U.S. government agencies	1,517,294
Municipal obligations	90,512
Corporate bonds	2,220,672
Equities and equity mutual funds	27,885,124
Fixed income mutual funds	8,372,412
Commingled real estate funds	<u>3,928,810</u>
<b>Total assets</b>	<u><u>\$ 44,832,538</u></u>
<b>Liabilities</b>	
Accounts payable	<u>\$ 62,977</u>
<b>Total liabilities</b>	<u>62,977</u>
<b>Net position</b>	
Restricted for pension benefits	<u><u>\$ 44,769,561</u></u>

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

**CITY OF HAINES CITY, FLORIDA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<b>Pension Trust Funds</b>
<b>Additions</b>	
<b>Contributions</b>	
Employer	\$ 2,209,761
Employee	4,744,345
State of Florida	478,146
<b>Total contributions</b>	7,432,252
<b>Investment earnings</b>	
Interest	214,472
Dividends	848,606
Net appreciation in fair value of investments	2,665,113
Less investment expense	(121,904)
<b>Net investment income</b>	3,606,287
<b>Total additions</b>	11,038,539
<b>Deductions</b>	
Pension benefits	2,949,633
Administrative expenses	235,995
<b>Total deductions</b>	3,185,628
<b>Change in net position</b>	7,852,911
<b>Net position, restricted for pension benefits</b>	
<b>Beginning of year</b>	36,916,650
<b>End of year</b>	\$ 44,769,561

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



**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The City of Haines City, Florida (the “City”), was originally incorporated under the General Statutes of Florida as the Town of Haines City on February 23, 1914. The first state legislative act affecting the City was enacted on May 20, 1919 and, by Chapter 8272, it was reincorporated under a City Council form of government. The present charter was adopted as Chapter 12790 on July 1, 1927, changing the form of government to "Commission-Manager Plan," as amended. The City operates under a commission-manager form of government and provides the following services as authorized by its charter: Public Safety (Police and Fire), Streets and Highways, Culture-Recreation, Public Improvements, Sanitation, Planning and Zoning, and General and Administrative Services.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The government's more significant accounting policies are described below.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The City does not have any discretely presented component units.

**Blended Component Units**

The following component units are blended with the primary government for financial statement purposes because the component unit's governing body is substantially the same as the City Commission and because the City has operational responsibility for the component unit or because the component unit exclusively serves the City.

*Community Redevelopment Agency (CRA)*

The CRA, which was created on April 4, 1991, by Resolution No. 558 pursuant to the Community Redevelopment Act, as found in Chapter 163 of the Florida Statutes, is an entity which is legally separate from the City and is governed by a seven-member board; five Board members are the City Commission members and the other two members are appointed by the City Commission. Its sole purpose is to finance and develop the City's designated redevelopment areas. The CRA is reported as a major special revenue fund. Separately issued statements are prepared and may be obtained from the City Finance Department.

The following retirement plans are reported as fiduciary component units in accordance with Governmental Accounting Standards Board Statement Number 84:

*The City of Haines City General Employees’ Retirement Plan (the “General Plan”)*

The City of Haines City General Employees' Retirement Plan is a single-employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of five Trustees, two of whom shall be legal residents of the City who are appointed by the City Commission, two of whom are Members of the plan who are elected by a majority of the General Employees who are Members of the plan and a fifth Trustee who is appointed by the City Commission as recommended by a majority of the other four Trustees.

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*The City of Haines City Police Officers' Retirement Plan (the "Police Plan")*

The City of Haines City Police Officers' Retirement Plan is a single-employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of five Trustees, two Commission appointees, two Members of the Police Department elected by the membership, and a fifth Member elected by the other four and appointed by the Commission.

*The City of Haines City Firefighters' Retirement Plan (the "Fire Plan")*

The City of Haines City Firefighters' Retirement Plan is a single-employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of five Trustees, two Commission appointees, two Members of the Fire Department elected by the membership, and a fifth Member elected by the other four and appointed by the Commission.

**Government-Wide and Fund Financial Statements**

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements required under this statement (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its blended component unit. For the most part, the effect of interfund activity has been removed from these statements so as not to distort financial results.

Fiduciary funds are also excluded from the government-wide financial statements since by definition these assets are being held for the benefit of third parties and cannot be used to address activities or obligations of the government. 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 or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements (fund financial statements) are provided for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City's fiduciary funds are presented in the fund financial statements but, as noted above, are not included in the government-wide statements. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements, the proprietary fund financial statements and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, with the exception of property taxes, for which the period is 60 days.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Revenues of the City which are susceptible to accrual under the modified accrual basis include property taxes, franchise fees, licenses and interest revenue associated with the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The City reports the following major governmental funds:

- The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Capital Projects Fund** is used to account for the construction and acquisition of significant capital assets of the City.
- The **CRA Fund** is the community redevelopment agency special revenue fund. Its purpose is to finance and redevelop the City's designated redevelopment areas. Financing is provided primarily through tax increment funding from the City and Polk County.
- The **Debt Service Fund** is used to account for the payment of current principal and interest due on loans payable.

The City reports the following major proprietary funds:

- The **Water and Sewer Fund** accounts for the operations of the City's regional water and sewer system.
- The **Stormwater Fund** accounts for the operations of the City's stormwater activities.

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Additionally, the City reports the following fund types:

- The Pension Trust Funds account for the activities of the General Employees' Pension Fund, Police Officers' Pension Fund and Firefighters' Pension Fund, which accumulate resources for pension benefit payments to qualified employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided, and other charges between the City's water and sewer functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services or privileges provided, as well as fees, fines and forfeitures, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from 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 proprietary funds are charges to customers for sales and services. Operating expenses for proprietary 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. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**Budget Process and Accounting**

On or before September 1 of each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1. A public hearing is conducted at City Hall to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of an ordinance. As set forth in the City Charter, the City Commission legally adopts an annual budget for the General Fund and Special Revenue Fund. Budgets are prepared for Proprietary Funds as a control measure only. The City does not adopt a budget for the Debt Service Fund, because effective budgetary control is achieved through bond indenture provisions. The annual budgets for the General Fund and Special Revenue Fund are prepared in accordance with GAAP for governmental fund types (modified accrual basis). The operating annual budgets for the Proprietary Funds are generally prepared in accordance with GAAP for enterprise fund types (accrual basis); except that capital expenses are included in the budget and depreciation expense is not included. All annual appropriations lapse at fiscal year-end.

Budgetary control is legally maintained at the fund level. City policy requires that expenditures do not exceed budgeted appropriations at the department level. Department heads are permitted to transfer appropriations between line items within their department, with the approval of the Finance Director. Appropriations may be transferred between departments with the approval of the Finance Director. The City Commission approves budget amendments for expenditures/ expenses which are funded by new or increased revenue sources through passage of an ordinance. All outstanding commitments at fiscal year-end are re-appropriated at fiscal year-end as part of the following year's budget.

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities and Net Position or Equity**

*Deposits and Investments*

The City’s cash and cash equivalents include cash on hand, time and demand deposits and short-term investments. For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

All investments, including pension funds, are stated at fair value. All fair market valuations are based on quoted market prices.

*Receivables and Payables*

Receivables consist of trade receivables, leases receivable, due from other governments and interest receivable, recorded net of an allowance for doubtful accounts. The City's General Fund and Water and Sewer Fund accounts receivable are presented net of an allowance for doubtful accounts of \$55,850 and \$293,550, respectively, at September 30, 2023. All other receivables are considered fully collectible.

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.”

*Inventory and Prepaid Items*

Inventory is valued at cost using the first-in/first-out (FIFO) method. Inventory in the governmental funds are recorded as expenditures when consumed rather than when purchased (consumption method). 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.

*Restricted Assets*

Certain proceeds of revenue bonds and loans, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond/loan covenants.

*Capital Assets*

Capital assets, which include land, plant and plant improvements, buildings and improvements, equipment, transportation equipment, library books, and infrastructure (i.e., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the fair value of the assets or materially extend assets lives are not capitalized.

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciable capital assets are amortized using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Stormwater improvements	10 - 30 years
Plant and plant improvements	5 - 50 years
Buildings and improvements	5 - 50 years
Equipment	3 - 50 years
Transportation equipment	3 - 15 years
Library books	3 - 7 years
Infrastructure	20 - 40 years
Right to use equipment	5 years

*Leases*

Lessee: The City is a lessee for noncancellable leases of equipment and recognizes a lease liability and an intangible right-to-use lease asset in the government-wide 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 on a straight-line basis over its useful life (five years).

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 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.

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Lessor: The City is a lessor for noncancellable leases of land for cell towers. The City recognizes a lease receivable and a deferred inflow of resources in the fund level statements. The City evaluates each lease arrangement for recognition in accordance to GASB 87. 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. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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 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 are 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 inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

*Unavailable Revenue/Unearned Revenue*

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned – unavailable revenue.

*Compensated Absences*

All non-exempt full-time employees with less than five years continuous service earn 80 hours of annual leave at a minimum. The number of hours of annual leave increases relative to the number of years of continuous service, in increments of five years. The maximum of 160 hours of annual leave is obtained after 20 years of continuous service. For exempt employees with ten years or less of continuous service with the City, a maximum of 25 days of annual leave may be carried over to the next year. For employees with more than ten years of continuous service, a maximum of 35 days may be carried over. Employees who terminate with more than six month's service are paid for 100% of their unused annual leave. The City has accrued 100% of the annual leave liability, including related fringe benefits.

All full-time employees earn eight hours of sick leave per month. A maximum of 112 days sick leave may be accumulated. Employees who voluntarily terminate or retire are paid for 100% of their accumulated sick leave balance up to a maximum of 112 days. Sick leave is only paid after one year of service per City policy. The City has accrued the estimated amount of vested sick leave liability, including related fringe benefits.

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Long-Term Obligations*

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 are deferred and amortized over the life of the bonds using the straight line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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.

*Fund Balance Reporting*

Governmental Accounting Board Statement No. 54 (“GASB 54”) provides for two major types of fund balances, which are spendable and nonspendable. Nonspendable fund balances cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and long-term receivables.

In addition to the nonspendable fund balance, GASB 54 provides a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- **Restricted**—Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed**—Fund balances are reported as “committed” when they can be used for only specific purposes pursuant to constraints imposed by formal action of the City Commission through the adoption of a resolution. Only the City Commission may modify or rescind the commitment.
- **Assigned**—Fund balances are reported as “assigned” when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Manager has been authorized by the City Commission to assign fund balances.
- **Unassigned**—This classification represents the residual positive balance within the General Fund, which has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

*Flow Assumptions* – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order: (1) committed, (2) assigned, and (3) unassigned.

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Net Position* – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

*Deferred Outflows/Inflows of Resources*

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of October 1, 2012. These standards establish accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualifies for reporting in this category. Under the modified accrual basis of accounting the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from interest rebates and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. In the government-wide financial statements and in the fund level financial statements, the City reports deferred amounts related to leases. Deferred outflows of resources represent a consumption of net assets that applies to future periods.

The City also has deferred inflows and deferred outflows related to the recording of changes in its net pension liability and total OPEB liability. Certain changes in the net pension liability and total OPEB liability are recognized as pension or OPEB expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the liabilities for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension or OPEB expense over the expected remaining service life of plan members. Changes in actuarial assumptions which adjust the liabilities are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining lives of plan members. The difference between projected investment return on investments and actual return on those investments is also deferred and amortized against expense over a five-year period. The changes in proportion and differences between City contributions and proportionate share of contributions are also deferred and amortized against expense over a five-year period. Additionally, any contributions made by the City to the pension or OPEB plan before year-end but subsequent to the measurement date of the City's liabilities are reported as deferred outflows of resources.

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Pension*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City’s three plans and additions to/deductions from these plan’s fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from management’s estimates.

**NOTE 2 – PROPERTY TAXES**

Property tax collections are governed by Chapter 197, Florida Statutes. The Polk County Tax Collector bills and collects all property taxes levied within the county. Discounts of 4, 3, 2 and 1% are allowed for early payment in November, December, January and February, respectively.

The Tax Collector remits collected taxes at least monthly to the City. The City recognizes property tax revenues in the year for which they are levied.

A calendar of property tax events is as follows:

January 1	Property taxes are based on assessed value at this date as determined by the Polk County Property Appraiser.
July 1	Assessment roll approved by the state.
September 30	Millage resolution approved by the City Commission.
October 1	Beginning of fiscal year for which taxes have been levied.
November 1	Property taxes due and payable.
November 30	Last day for 4% maximum discount.
April 1	Unpaid property taxes become delinquent.
Not later than June 1	Tax certificates are sold by the Polk County Tax Collector. An enforceable legal claim arises this date.

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DEPOSITS AND INVESTMENTS**

In accordance with Florida Statutes and the City’s (except for the pension trust funds) written investment policy (which was adopted by the City Commission by Resolution), the City may invest in the following types of investments: the Local Government Surplus Funds Trust Fund (Florida PRIME); SEC-registered money market funds with the highest credit quality rating; interest-bearing time deposits or savings accounts in qualified public depositories; direct obligations of the U.S. Treasury; federal agencies and instrumentalities; securities of investment companies or investment trusts provided their portfolio is limited to obligations of the U.S. government or agencies or instrumentalities; repurchase agreements fully collateralized by U.S. government obligations and other investments authorized by law or ordinance for a municipality.

The City pools the majority of its cash in a single bank account that is available for use by all funds, except the Pension Trust Funds. At September 30, 2023, the bank balances of the City’s total deposits was \$98,928,556 with a carrying value of \$97,431,273. All such deposits are covered either by the Federal Deposit Insurance Corporation or by the State of Florida Collateral Pool, a multiple financial institution pool with the ability to assess its members' financial institution for collateral shortfalls if a member fails. The City also invests excess cash in short term United States Treasuries.

Each of the City’s three defined benefit pension plans (Police Officers’, Firefighters’ and other General Employees’) has adopted an investment policy that specifies objectives and guidelines for the portfolio as a whole and for each individual manager. The policy also details limits by investment and issuer. Investments of the pension trust funds shall be limited to annuity and life insurance contracts, time or savings accounts, obligations of the United States, bonds issued by the State of Israel, stocks, commingled funds administered by national or state banks, mutual funds and bonds rated in one of the three highest classifications by a major rating service. Up to 10% of the assets may be invested in foreign securities and no more than 5% of the pension funds’ assets may be invested in equities of any one issuing company. The aggregate of its investments in common stock, capital stock and convertible securities at cost shall not exceed 50% of the assets of the Police Officers’ and Firefighters’ Pension Funds and 65% of the General Employees’ Pension Fund.

The City's and the City’s Pension Trust Funds' investment balances at September 30, 2023 are as shown below and on the following page. For purposes of credit quality rating, investments explicitly guaranteed by the United States Government are rated as “N/A.”

*Interest Rate Risk Policy*

Interest rate risk is the risk that the fair value of securities in the portfolio will fall due to change in the general interest rate. The City and the Pension Trust Funds mitigate this risk by:

- Structuring the investment portfolio so that securities mature to meet cash flow requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and
- Investing operating funds primarily in shorter-term securities.

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*Credit Risk Policy*

The City has an investment policy that limits investments to the safest types of securities. It requires pre-qualifying of all financial institutions, broker/dealers, intermediaries and advisors with whom the City conducts business. Also, the City diversifies their investment portfolio to minimize any potential loss on an individual security.

The Pension Trust Funds have investment policies that limit investments to those with a minimum credit quality rating of BBB by Standard & Poor's or an equivalent rating by another major rating service. Fixed income securities that are downgraded below the minimum rating are sold at the earliest beneficial opportunity.

<b>City Investment Portfolio</b>		<b>Years to Maturity</b>				
<b>Investment Type</b>	<b>Rating</b>	<b>Fair Value</b>	<b>&lt; 1</b>	<b>1-5</b>	<b>6-10</b>	<b>&gt;10</b>
U.S. Treasuries	N/A	\$ 76,043,660	72,807,816	3,235,844	-	-
<b>Total fair value</b>		<b>\$ 76,043,660</b>	<b>72,807,816</b>	<b>3,235,844</b>	<b>-</b>	<b>-</b>

<b>General Employees' Pension</b>		<b>Years to Maturity</b>				
<b>Investment Type</b>	<b>Rating</b>	<b>Fair Value</b>	<b>&lt; 1</b>	<b>1-5</b>	<b>6-10</b>	<b>&gt;10</b>
Fixed income mutual funds	NA	\$ 6,504,472	6,504,472	-	-	-
Equity mutual funds	N/A	12,949,514	12,949,514	-	-	-
Commingled real estate funds	N/A	1,727,764	1,727,764	-	-	-
Money market/cash	N/A	362,803	362,803	-	-	-
<b>Total fair value</b>		<b>\$ 21,544,553</b>	<b>21,544,553</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Police Officers' Pension</b>		<b>Years to Maturity</b>				
<b>Investment Type</b>	<b>Rating</b>	<b>Fair Value</b>	<b>&lt; 1</b>	<b>1-5</b>	<b>6-10</b>	<b>&gt;10</b>
U.S. government securities	Aaa..AA+	\$ 1,517,294	-	382,193	597,790	537,311
Corporate bonds	Aa..BBB	2,220,672	790,241	452,106	978,325	-
Municipal obligations	A1..AAA	90,512	-	35,434	-	55,078
Equities and equity mutual funds	N/A	9,112,037	9,112,037	-	-	-
Foreign stocks	N/A	85,360	85,360	-	-	-
Commingled real estate funds	N/A	1,211,336	1,211,336	-	-	-
Money market/cash	N/A	114,757	114,757	-	-	-
<b>Total fair value</b>		<b>\$ 14,351,968</b>	<b>11,313,731</b>	<b>869,733</b>	<b>1,576,115</b>	<b>592,389</b>

<b>Fire fighters' Pension</b>		<b>Years to Maturity</b>				
<b>Investment Type</b>	<b>Rating</b>	<b>Fair Value</b>	<b>&lt; 1</b>	<b>1-5</b>	<b>6-10</b>	<b>&gt;10</b>
Fixed income mutual funds	N/A	\$ 1,867,940	1,867,940	-	-	-
Equity mutual funds	N/A	5,738,213	5,738,213	-	-	-
Commingled real estate funds	N/A	989,710	989,710	-	-	-
Money market/cash	N/A	166,501	166,501	-	-	-
<b>Total fair value</b>		<b>\$ 8,762,364</b>	<b>8,762,364</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*Fair Value Measurements*

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for an asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the City has the ability to access.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the asset which are typically based on the City’s own assumptions, as there is little, if any, related market activity.

Investments that are measured at fair value using the net asset value (NAV) per share, or its equivalent, as a practical expedient are not classified in the fair value hierarchy.

The City had the following recurring fair value measurements, broken into the fair value hierarchy, as of September 30, 2023:

<b>City Investment Portfolio</b>	<b>Fair Value Hierarchy</b>			
<b>Investment Type</b>	<b>Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
U.S. Treasuries	\$ 76,043,660	76,043,660	-	-
<b>Total fair value</b>	<b>\$ 76,043,660</b>	<b>76,043,660</b>	<b>-</b>	<b>-</b>
<b>General Employees' Pension</b>	<b>Fair Value Hierarchy</b>			
<b>Investment Type</b>	<b>Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Fixed income mutual funds	\$ 6,504,472	6,504,472	-	-
Equity mutual funds	12,949,514	12,949,514	-	-
Money market/cash	362,803	362,803	-	-
	19,816,789	19,816,789	-	-
<b>Investments measured at NAV:</b>				
Commingled real estate funds	1,727,764			
<b>Total fair value</b>	<b>\$ 21,544,553</b>			

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

<b>Police Officers' Pension</b>	<b>Fair Value Hierarchy</b>			
	<b>Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Investment Type</b>				
U.S. government securities	\$ 1,517,294	41,281	1,476,013	-
Corporate bonds	2,220,672	16,760	2,203,912	-
Municipal obligations	90,512	-	90,512	-
Equities and equity mutual funds	9,112,037	9,112,037	-	-
Foreign stocks	85,360	85,360	-	-
Money market/cash	114,757	114,757	-	-
	<u>13,140,632</u>	<u>9,370,195</u>	<u>3,770,437</u>	<u>-</u>
<b>Investments measured at NAV:</b>				
Commingled real estate funds	<u>1,211,336</u>			
<b>Total fair value</b>	<u>\$ 14,351,968</u>			
<b>Firefighters' Pension</b>	<b>Fair Value Hierarchy</b>			
	<b>Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Investment Type</b>				
Fixed income mutual funds	\$ 1,867,940	1,867,940	-	-
Equity mutual funds	5,738,213	5,738,213	-	-
Money market/cash	166,501	166,501	-	-
	<u>7,772,654</u>	<u>7,772,654</u>	<u>-</u>	<u>-</u>
<b>Investments measured at NAV:</b>				
Commingled real estate funds	<u>989,710</u>			
<b>Total fair value</b>	<u>\$ 8,762,364</u>			

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 4 – CAPITAL ASSETS**

Capital asset balances and activity for the year ended September 30, 2023 were as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 11,485,366	295,842	-	11,781,208
Construction in progress	2,122,792	5,216,539	(685,195)	6,654,136
Total capital assets not being depreciated	<u>13,608,158</u>	<u>5,512,381</u>	<u>(685,195)</u>	<u>18,435,344</u>
Capital assets being depreciated				
Buildings and improvements	65,379,719	1,399,936	(672,921)	66,106,734
Equipment	9,830,669	699,652	(248,061)	10,282,260
Transportation equipment	5,510,531	1,702,221	(261,114)	6,951,638
Infrastructure	12,640,513	1,031,774	-	13,672,287
Total capital assets being depreciated	<u>93,361,432</u>	<u>4,833,583</u>	<u>(1,182,096)</u>	<u>97,012,919</u>
Less accumulated depreciation for:				
Buildings and improvements	(33,398,453)	(2,839,411)	132,917	(36,104,947)
Equipment	(7,061,474)	(691,433)	160,395	(7,592,512)
Transportation equipment	(4,045,151)	(524,945)	259,437	(4,310,659)
Infrastructure	(5,631,233)	(95,054)	56,580	(5,669,707)
Total accumulated depreciation	<u>(50,136,311)</u>	<u>(4,150,843)</u>	<u>609,329</u>	<u>(53,677,825)</u>
Capital assets being depreciated, net	<u>43,225,121</u>	<u>682,740</u>	<u>(572,767)</u>	<u>43,335,094</u>
Governmental activities capital assets, net	<u>\$ 56,833,279</u>	<u>6,195,121</u>	<u>(1,257,962)</u>	<u>61,770,438</u>
Right to use leased assets				
Equipment	\$ 1,807,516	-	(42,191)	1,765,325
Accumulated amortization	(658,747)	(359,420)	16,876	(1,001,291)
Right to use leased assets, net	<u>\$ 1,148,769</u>	<u>(359,420)</u>	<u>(25,315)</u>	<u>764,034</u>

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 5,350,581	-	-	5,350,581
Construction in progress	18,116,860	13,827,895	(1,558,576)	30,386,179
Total capital assets not being depreciated	<u>23,467,441</u>	<u>13,827,895</u>	<u>(1,558,576)</u>	<u>35,736,760</u>
Capital assets being depreciated				
Plant and plant improvements	89,534,102	6,396,811	-	95,930,913
Buildings and improvements	475,307	-	-	475,307
Equipment	10,964,887	293,584	(6,436)	11,252,035
Right to use leased assets, equipment	68,258	-	-	68,258
Infrastructure	839,125	-	-	839,125
Transportation equipment	2,294,952	489,879	-	2,784,831
Total capital assets being depreciated	<u>104,176,631</u>	<u>7,180,274</u>	<u>(6,436)</u>	<u>111,350,469</u>
Less accumulated depreciation/amortization				
Plant and plant improvements	(31,792,440)	(2,266,202)	-	(34,058,642)
Buildings and improvements	(197,084)	(24,160)	-	(221,244)
Equipment	(7,681,721)	(711,405)	-	(8,393,126)
Right to use leased assets, equipment	(19,503)	(13,001)	-	(32,504)
Infrastructure	(454,880)	(14,418)	-	(469,298)
Transportation equipment	(1,498,107)	(336,905)	-	(1,835,012)
Total accumulated depreciation	<u>(41,643,735)</u>	<u>(3,366,091)</u>	<u>-</u>	<u>(45,009,826)</u>
Capital assets being depreciated, net	62,532,896	3,814,183	(6,436)	66,340,643
Business-type activities capital assets, net	<u>\$ 86,000,337</u>	<u>17,642,078</u>	<u>(1,565,012)</u>	<u>102,077,403</u>

Depreciation and amortization expense was charged to function/programs of the City as follows:

Governmental activities:	
General government	\$ 639,844
Public safety	1,193,230
Transportation	545,709
Economic environment	225,563
Culture and recreation	1,903,217
Total depreciation expense, governmental functions	<u>\$ 4,510,263</u>
Business-type activities:	
Water and sewer	\$ 3,335,948
Stormwater	30,143
Total depreciation expense, business-type functions	<u>\$ 3,366,091</u>

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 5 – CONSTRUCTION COMMITMENTS**

Commitments for uncompleted construction projects at September 30, 2023 consist of the following:

	<b>Committed</b>
General Fund	
EOC Fiber Cabling	\$ 505,500
	\$ 505,500
Water and Sewer Fund	
Robinson Lift Station Improvements	\$ 644,500
Wastewater Treatment Plant Expansion	1,864,300
Lake Eva Recharge Project	273,900
Integrated Water Supply Plan	328,100
Lift Station #4 Replacement	1,991,100
Reclaimed Water GST Project	119,500
Reclaimed Water Storage Tank	42,700
	\$ 5,264,100

**NOTE 6 – INTERFUND BALANCES AND TRANSFERS**

Interfund loans for short-term operating purposes resulted in the following balances at September 30, 2023:

	<b>Receivable</b>	<b>Payable</b>
General Fund	\$ 91,970	-
Water and Sewer Fund	-	91,970
	\$ 91,970	91,970

The outstanding balance between funds results from the annual accrual of utility billing. All amounts are expected to be repaid within one year.

Interfund transfers for operating purposes from the fund that collected them to the fund that is authorized to expend them were as follows for the year ended September 30, 2023:

	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ -	12,796,192
Capital Projects Fund	1,583,782	-
CRA Fund	3,647,750	1,832,347
Debt Service Fund	3,776,940	-
Water and Sewer Fund	5,620,067	-
	\$ 14,628,539	14,628,539

Transfers between the funds are used to fund various activities of the City such as the General Fund's contribution to the CRA for redevelopment projects, debt service payments and administrative duties paid by the General Fund.

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 7 – LONG-TERM DEBT**

Summarized below is the City's debt issued to finance the acquisition and construction of major capital facilities that is outstanding as of September 30, 2023:

1. Governmental activities debt (direct borrowings)

\$11,748,000 loan payable (\$7,750,000 in principle remaining at September 30, 2023), SouthState Bank–Funds borrowed to finance the construction of a new City Hall/Library municipal complex and fire station in the downtown area. The financing was accomplished through the Build America Bond Program, under the Recovery Zone Economic Development Bond (RZEDB) provision, with a 25-year variable rate bank note with SouthState Bank in the principal amount of \$11,748,000. The RZEDB program is a stimulus program administered through the Department of Treasury/IRS where 45% of interest payments associated with qualified financing is federally subsidized.

The SouthState Bank loan is secured by a pledge and lien upon the revenues derived by the City from the electricity portion of the City's Utility Services Tax together with a lien on the rebate subsidy credit that it will receive from the federal government. Semi-annual payments will be made over a 25-year period, including interest at 4.92%. The total principal and interest remaining to be paid on the SouthState Bank loan was \$10,364,943, less a subsidy of \$1,176,724, as of September 30, 2023. Interest paid was \$395,248 and total pledged revenue was \$3,470,556 for the fiscal year ended September 30, 2023.

\$4,636,000 loan payable (\$2,284,000 in principle remaining at September 30, 2023), SouthState Bank–Funds borrowed during fiscal year 2016 to refund two previous notes with Municipal Loan Council. Annual payments will be made over a 15-year period, including interest at 2.70%.

\$24,109,000 loan payable (\$15,969,000 in principle remaining at September 30, 2023), SouthState Bank–Funds borrowed during fiscal year 2017 to refund \$2,725,000 of the Police Station Loan from the Florida Municipal Loan Council and \$21,780,000 of the CRA projects loan from the Florida Municipal Loan Council. Semi-annual payments will be made over a 17-year period, including interest at 2.95%. The excess of the reacquisition price over the net carrying amount of the old debt of \$1,071,069 is reflected as a deferred outflow and is being amortized over 17 years.

Financed Purchase Agreements

The City has entered into various financed purchase agreements for financing the acquisition of various equipment including police two way radios and information technology infrastructure. These agreements have been recorded at the present value of their future minimum payments as of the inception date. These agreements carry various interest rates and are payable through 2024.

Lease Liability Agreements

The City has entered into various lease agreements for usage of vehicles and copier equipment. These agreements have been recorded at the present value of their future minimum lease payments as of the inception date. These agreements carry various interest rates and are payable through 2027.

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

2. Business-type activities debt (direct borrowings)

\$3,670,000 Utility System Revenue Note, Series 2013A (\$398,000 in principle remaining on September 30, 2023) – Funds borrowed to finance construction of various water and sewer system improvements. Semi-annual loan payments began in October 2014, including interest of 1.83%.

\$4,031,127 State Revolving Fund Loan (\$1,954,479 in principle remaining at September 30, 2023) – Funds borrowed to finance construction of a sewer plant expansion project. The maximum amount of the loan is \$4,124,761, including capitalized interest of \$75,565. Semi-annual loan payments began on April 15, 2014. The loan will be repaid in 40 semi-annual payments including interest at 2.26%, 2.31% and 2.34%, which applies to various loan increments.

\$369,362 State Revolving Fund Loan (\$163,345 in principal remaining at September 30, 2023) – Funds borrowed to finance construction of a water main expansion and new ground storage reservoirs projects. Semi-annual loan payments began on June 15, 2011. The loan will be repaid in 40 semi-annual payments including interest at 2.71%. The loan is part of an agreement with the Florida Department of Environmental Protection which provides principal forgiveness on loans funded by the American Recovery and Reinvestment Act. Of the total \$2,462,413 awarded under this agreement, the estimated amount of principal forgiveness is \$2,093,051, the amount of money awarded pursuant to this agreement that is not to be repaid.

\$319,529 State Revolving Fund Loan (\$141,250 in principle remaining at September 30, 2023) – Funds borrowed to finance construction of a water main expansion and new ground storage reservoirs projects. Semi-annual loan payments began on June 15, 2011. The loan is paid in 40 semi-annual payments, including interest at 2.61%.

\$4,912,507 State Revolving Fund Loan (\$2,423,594 in principle remaining on September 30, 2023) – Funds borrowed to finance construction of the BCR Neutralizer and Sludge Treatment Facilities Project. The maximum amount of the loan is \$5,222,820, including capitalized interest of \$38,600. Semi-annual loan payments began on May 15, 2017, including interest of 2.18%.

\$5,025,000 State Revolving Fund Loan (\$3,238,776 in principle remaining on September 30, 2023) – Funds borrowed to finance construction of a new compost facility. 40 semi-annual loan payments (\$124,568) have begun and are due through 2036. This loan does not bear interest.

\$911,110 State Revolving Fund Loan (\$467,210 in principle remaining on September 30, 2023) – Funds borrowed to finance construction of the WTP #1 and 2 treatment system upgrades. The maximum amount of the loan is \$6,238,744 less principal forgiveness of \$5,302,931. 40 semi-annual loan payments began in 2023, including interest of 1.16%.

\$14,621,323 State Revolving Fund Loan (\$1,508,753 in principle on September 30, 2023) – Funds borrowed to finance construction of various wastewater treatment and reclaimed water improvements. This loan is currently in the draw-down phase. 40 semi-annual loan payments will begin once the project has been completed. This loan does not bear interest.

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

\$9,326,960 State Revolving Fund Loan (\$8,822,500 in principle on September 30, 2023) – Funds borrowed to finance construction of various wastewater treatment and reclaimed water improvements. This loan is currently in the draw-down phase. 40 semi-annual loan payments will begin once the project has been completed. This loan does not bear interest.

\$4,241,865 State Revolving Fund Loan (\$3,918,463 in principle on September 30, 2023) – Funds borrowed to finance construction of various water treatment improvements. This loan is currently in the draw-down phase. 40 semi-annual loan payments will begin once the project has been completed. This loan bears interest at a rate of 0.15%.

\$10,415,240 State Revolving Fund Loan (\$1,998,109 in principle on September 30, 2023) – Funds borrowed to finance construction of various lift station improvements. This loan is currently in the draw-down phase. 40 semi-annual loan payments will begin once the project has been completed. This loan does not bear interest.

State Revolving Fund Loans Payable

The total principal and interest remaining to be paid on these loans that are in repayment was \$8,915,713 (includes interest of \$527,058) as of September 30, 2023. This does not include the \$16,247,825 of loans that are still in the draw-down phase. Principal and interest paid was \$900,396 and total available pledged revenue was \$14,847,392 for the fiscal year ended September 30, 2023. The loans are secured by pledged revenue, which consists of the gross revenues derived from the operation of the Water and Sewer Systems after payment of the Operations and Maintenance Expense and the satisfaction of all yearly payment obligations on account of the Senior Revenue Obligations.

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

3. Changes in long-term debt

The following is a summary of changes in long-term debt of the City for the year ended September 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b><u>Governmental activities:</u></b>					
Direct borrowings:					
SouthState Bank Loan	\$ 8,201,000	-	(451,000)	7,750,000	473,000
SouthState Bank Loan, Series 2014	2,577,000	-	(293,000)	2,284,000	301,000
SouthState Bank Loan, Series 2016 Refunding	17,378,000	-	(1,409,000)	15,969,000	1,452,000
Loans payable	<u>28,156,000</u>	<u>-</u>	<u>(2,153,000)</u>	<u>26,003,000</u>	<u>2,226,000</u>
Financed purchases	753,281	-	(428,167)	325,114	325,114
Leases payable	1,182,446	-	(385,290)	797,156	337,806
Compensated absences	2,528,059	718,517	(634,953)	2,611,623	520,561
Net pension liability	805,689	13,375,442	(3,526,605)	10,654,526	-
Total OPEB liability	<u>3,371,126</u>	<u>654,800</u>	<u>(1,696,175)</u>	<u>2,329,751</u>	<u>-</u>
	<u>8,640,601</u>	<u>14,748,759</u>	<u>(6,671,190)</u>	<u>16,718,170</u>	<u>1,183,481</u>
Total governmental activities					
Long-term liabilities	<u>\$ 36,796,601</u>	<u>14,748,759</u>	<u>(8,824,190)</u>	<u>42,721,170</u>	<u>3,409,481</u>

For governmental activities, compensated absences, the net pension liability, and total OPEB liability are generally liquidated by the General Fund.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b><u>Business-type activities:</u></b>					
Direct borrowings:					
Utility System Revenue Note, Series 2013	\$ 788,000	-	(390,000)	398,000	398,000
State Revolving Fund Loan, WW765080	2,160,317	-	(205,838)	1,954,479	210,623
State Revolving Fund Loan, DW530410	182,738	-	(19,393)	163,345	19,922
State Revolving Fund Loan, DW530411	158,098	-	(16,848)	141,250	17,289
State Revolving Fund Loan, WW530400	2,680,244	-	(256,650)	2,423,594	262,320
State Revolving Fund Loan, WW530440	3,487,913	-	(249,137)	3,238,776	249,137
State Revolving Fund Loan, DW530450	499,029	-	(31,819)	467,210	32,185
State Revolving Fund Loan, WW530460	559,316	949,437	-	1,508,753	-
State Revolving Fund Loan, WW530461	3,529,653	5,292,847	-	8,822,500	-
State Revolving Fund Loan, WW530451	-	3,918,463	-	3,918,463	-
State Revolving Fund Loan, WW530470	-	1,998,109	-	1,998,109	-
	<u>14,045,308</u>	<u>12,158,856</u>	<u>(1,169,685)</u>	<u>25,034,479</u>	<u>1,189,476</u>
Leases payable	48,846	-	(12,768)	36,078	13,176
Compensated absences	364,498	194,181	(91,124)	467,555	93,511
Net pension liability (asset)	(306,093)	2,428,693	(213,998)	1,908,602	-
Total OPEB liability	<u>847,000</u>	<u>124,598</u>	<u>(528,285)</u>	<u>443,313</u>	<u>-</u>
	<u>954,251</u>	<u>2,747,472</u>	<u>(846,175)</u>	<u>2,855,548</u>	<u>106,687</u>
Total business-type activities					
Long-term liabilities	<u>\$ 14,999,559</u>	<u>14,906,328</u>	<u>(2,015,860)</u>	<u>27,890,027</u>	<u>1,296,163</u>

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

4. Principal and interest requirements to maturity

The following represents the annual debt service requirements to maturity for all debt outstanding as of September 30, 2023 (except for the four SRF loans still in the draw down phase):

Fiscal Year Ending	Governmental Activities				Business-Type Activities		
	Principal	Interest	Subsidy	Total	Principal	Interest	Total
2024	\$ 2,888,920	916,941	(167,694)	3,638,167	1,202,652	113,509	1,316,161
2025	2,550,186	821,447	(157,034)	3,214,599	817,133	97,386	914,519
2026	2,570,225	735,091	(145,820)	3,159,496	825,173	84,638	909,811
2027	2,490,939	649,760	(134,058)	3,006,641	828,480	71,917	900,397
2028	2,545,000	565,727	(121,693)	2,989,034	841,376	59,020	900,396
2029-2033	12,289,000	1,519,585	(400,053)	13,408,532	3,432,361	102,853	3,535,214
2034-2036	1,791,000	111,942	(50,374)	1,852,568	875,557	2,961	878,518
	<u>\$ 27,125,270</u>	<u>5,320,493</u>	<u>(1,176,726)</u>	<u>31,269,037</u>	<u>8,822,732</u>	<u>532,284</u>	<u>9,355,016</u>

**NOTE 8 – RESTRICTED ASSETS**

Certain cash and cash equivalents that are legally restricted in the statement of net position at September 30, 2023 are as follows:

	Governmental Activities	Business-Type Activities
Impact fees	\$ 15,077,248	22,944,073
Debt service	-	1,057,304
Other purposes:		
Confiscated property	193,376	-
Law enforcement training	106,470	-
Deposits	11,913	2,364,525
Total	<u>\$ 15,389,007</u>	<u>26,365,902</u>

**NOTE 9 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health and medical claims; and natural disasters for which the City carries commercial insurance. There have been no significant reductions in insurance coverage from the previous year. Settlement amounts have not exceeded insurance coverage for the current year nor the three prior years.

As of September 30, 2023, the City's risk retention for certain types of risk is as follows:

	Retention/Deductible	Coverage after Retention/Deductible
Worker's compensation	None	100% - liabilities under F.S. 440
General liability	\$2,500	\$2,000,000/\$4,000,000 limit
Property, multi-peril	\$5,000	\$2,000,000 limit
Public officials liability	\$2,500	\$2,000,000 limit
Storage tank pollution liability	\$10,000	\$1,000,000 each incident \$2,000,000 aggregate

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 10 – CONTINGENT LIABILITIES**

The City receives revenues from various federal and state grants. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement for expenditures disallowed under the terms of the grants. Based upon prior experience, City management believes such disallowances, if any, will be immaterial. The City is involved in legal actions and has certain workers' compensation claims outstanding, as described above. In the opinion of management, associated contingent obligations will not have a material effect on the financial statements of the City.

**NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

In addition to providing pension benefits, the City offers its retirees the option of continuing to participate in health and dental insurance benefits and a \$5,000 group term life insurance benefit at the same rate as active employees, in accordance with state statutes. Retirees can also insure eligible dependents for health and dental insurance only. Each retiree must pay 100% of the costs of any insurance they elect to continue. Funding is on a "pay as you go" basis. Most of the City's employees would become eligible for those benefits should they reach normal retirement age while working for the City. Life, dental and health insurance are fully insured and provided through outside providers. Retiree premium costs are paid in full by the retirees. The City does not intend to fund the total OPEB liability. The post-employment benefit plan is a single-employer plan.

*Membership*

As of September 30, 2022, the most recent actuarial evaluation date, membership consisted of:

Active employees	266
Inactive participants, currently receiving benefits	47
Inactive participants, entitled to but not yet receiving benefits	0

*Total OPEB Liability of the City*

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.

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS  
(CONTINUED)**

*Actuarial Assumptions*

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2022, updated to September 30, 2023, using the following actuarial assumptions:

Discount rate	4.77%
Inflation rate	2.50%
Salary increases including inflation	Varies by service
Participation rate	40.00%
Initial trend rate	7.25%
Ultimate trend rate	4.00%
Years to ultimate	52

Mortality rates were based on the Pub-2010 mortality tables with fully generational improvements using Scale MP-2018. Base mortality rates are consistent with those outlined in the July 1, 2023 Florida Retirement System actuarial valuation report.

*Discount Rate*

Given the City’s decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.77%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used.

*Changes in the Total OPEB Liability of the City*

The changes in the total OPEB liability of the City for the year ended September 30, 2023 were as follows:

	<u>Total OPEB Liability</u>
Balances at September 30, 2022	\$ 4,218,126
Changes for the year:	
Service cost	661,640
Interest on total OPEB liability	117,758
Differences between expected and actual experience	(1,143,778)
Changes of assumptions	(1,012,803)
Benefit payments	(67,879)
Balance as of September 30, 2023	<u>\$ 2,773,064</u>

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS  
(CONTINUED)**

Changes of Assumptions reflect a change in the discount rate from 2.43% for the reporting period ended September 30, 2022, to 4.77% for the reporting period ended September 30, 2023. The required schedule of changes in the City’s total OPEB liability and related ratios in the Required Supplementary Information immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following represents the total OPEB liability of the City, calculated using the discount rate of 4.77%, 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 (3.77%) or 1 percentage point higher (5.77%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>3.77%</u>	<u>4.77%</u>	<u>5.77%</u>
Total OPEB liability	\$ 3,145,339	2,773,064	2,466,304

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate*

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 healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate of 4% - 7.25%:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
	<u></u>	<u></u>	<u></u>
Total OPEB liability	\$ 2,438,864	2,773,064	3,186,945

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2022, and the current sharing pattern of costs between employer and inactive employees.

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS  
(CONTINUED)**

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$56,775. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,129	980,506
Changes of assumptions	-	1,579,942
Contributions subsequent to the measurement date	130,328	-
Total	<u>\$ 131,457</u>	<u>2,560,448</u>

The deferred outflows of resources totaling \$130,328 resulting from City contributions to the plan subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2024	\$ (697,751)
2025	(658,110)
2026	(452,151)
2027	(391,881)
2028	<u>(359,426)</u>
Total	<u>\$ (2,559,319)</u>

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 12 – PENSION PLANS**

*Defined Benefit Plans*

The City Commission has established a single-employer public employee retirement system to provide defined retirement benefits to its qualifying employees. Separate plans are maintained for its Police Officers', Firefighters' and other General Employees'. The City Commission has established separate governing boards for each of the plans, which have the authority to make recommendations to amend plan provisions, including contribution rates. Stand-alone plan financial reports are not issued, and the plans are not included in the reports of any other public employee retirement system or entity. Benefits and refunds of these plans are recognized when due and payable in accordance with the terms of the plan.

Membership

At October 1, 2022, the date of the latest actuarial valuations for the plans, participation in the plans consisted of:

	<b>General Employees'</b>	<b>Police Officers'</b>	<b>Firefighters'</b>
Retirees and beneficiaries receiving benefits	74	31	17
Terminated employees entitled to benefits but not yet receiving them	71	15	8
Active plan members	134	57	27
Total membership	<u>279</u>	<u>103</u>	<u>52</u>

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 12 – PENSION PLANS (CONTINUED)**

The following is a summary of the funding policies, contribution methods, and benefit provisions of the defined benefit plans:

	<u>General Employees'</u>	<u>Police Officers' and Firefighters'</u>
Eligibility to participate	Full-time (30 hours per week) City employees not classified as sworn police officers or firefighters.	Full-time sworn police officers and firefighters.
Determination of contributions	Actuarially determined.	Actuarially determined.
Funding of administration costs	Included in normal cost.	Included in normal cost.
Period required to vest	If employed on or before 8/1/99, 20% after three years of credited service, plus 20% annually thereafter to 100% after seven years; if employed after 8/1/99, 100% after seven years of credited service.	100% after 10 years of credited service.
Required contributions	5% of compensation.	Police Officers: 9.4% of salary. Firefighters: 9% of salary.
<b>Eligibility for Benefits</b>		
Normal retirement	If employed before 8/1/99, age 60 and five years of credited service; if employed on or after 8/1/99 age 60 and seven years of credited service.	Earlier of age 55 and 10 years of credited service or age 52 and 25 years of credited service or age 60 (fire only).
Early retirement	Age 55 and 10 years of credited service.	Age 50 & 10 years of credited service for fire. Age 55 & 10 years or 25 years of service for police.
<b>Benefits</b>		
Normal retirement	3% of average final compensation times credited service.	Police Officers: 3.35% of average final compensation times credited service earned before 10/1/11 plus 3.30% of average final compensation times credited service earned after 10/1/11. Firefighters: 3.3% of final compensation times credited service earned before 10/1/11 plus 3.11% of average final compensation times credited service earned on or after 10/1/11.
Early retirement	Accrued benefit, reduced 2% for each year up to five and 4% for each year between five and ten that early retirement precedes normal retirement. No reduction for participants age 55 and with 25 years of service.	Accrued benefit, reduced 3% for each year prior to normal retirement.

The plans also have provisions for benefits in case of termination, disability, or death.

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 12 – PENSION PLANS (CONTINUED)**

Plan Disclosures

The Plans do not issue separate financial statements.

Net Pension Liability of the City

The components of the net pension liability of the City at September 30, 2023 are as follows:

	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firefighters'</u>	<u>Total</u>
Total pension liability	\$ 23,181,819	16,414,730	9,883,229	49,479,778
Plan fiduciary net position	<u>(15,841,042)</u>	<u>(13,044,831)</u>	<u>(8,030,777)</u>	<u>(36,916,650)</u>
City's net pension liability	<u>\$ 7,340,777</u>	<u>3,369,899</u>	<u>1,852,452</u>	<u>12,563,128</u>
Plan fiduciary net position as a percentage of total pension liability	68.33%	79.47%	81.26%	74.61%

For the year ended September 30, 2023, the City recognized pension expense of \$10,408,682 for the three plans combined. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows related to its General Employees' pension plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ -	-
Difference between expected and actual experience	-	-
Net difference between projected and actual earnings on investments	1,826,794	-
City pension plan contributions subsequent to the measurement date	<u>1,429,532</u>	-
Total	<u>\$ 3,256,326</u>	<u>-</u>

The deferred outflows of resources related to the General Employee's Pension Plan, totaling \$1,429,532 resulting from City contributions to the plans subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plans will be recognized in pension expense as follows:

Year ended September 30,	
2024	\$ 368,730
2025	289,366
2026	392,679
2027	776,019
2028	-
Total	<u>\$ 1,826,794</u>

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 12 – PENSION PLANS (CONTINUED)**

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows related to its Police Officers’ Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 189,991	75,354
Difference between expected and actual experience	150,930	146,218
Net difference between projected and actual earnings on investments	1,541,259	-
City pension plan contributions subsequent to the measurement date	908,236	-
Total	<u>\$ 2,790,416</u>	<u>221,572</u>

The deferred outflows of resources related to the Police Officers’ Pension Plan, totaling \$908,236 resulting from City contributions to the plans subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plans will be recognized in pension expense as follows:

Year ended September 30,	
2024	\$ 457,010
2025	263,450
2026	320,903
2027	619,245
2028	-
Total	<u>\$ 1,660,608</u>

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows related to its Firefighters’ Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	40,104
Difference between expected and actual experience	119,254	125,064
Net difference between projected and actual earnings on investments	1,007,657	-
City pension plan contributions subsequent to the measurement date	350,139	-
Total	<u>\$ 1,477,050</u>	<u>165,168</u>

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 12 – PENSION PLANS (CONTINUED)**

The deferred outflows of resources related to the Firefighters’ Pension Plan, totaling \$350,139 resulting from City contributions to the plans subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plans will be recognized in pension expense as follows:

Year ended September 30,			
2024	\$	189,823	
2025		169,472	
2026		176,105	
2027		426,343	
2028		-	
Total	\$	961,743	

The required schedule of changes in the City’s net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of October 1, 2021, updated through September 30, 2023. The following actuarial assumptions applied to all periods included in the measurement:

	General Employees'	Police Officers'	Firefighters'
Inflation	2.5%	2.7%	2.5%
Salary increases	6.0%	Service based	Service based
Investment rate of return	7.25%	7.30%	7.00%

Mortality rates were based upon the Pub S.H-2010 mortality tables.

The actuarial assumptions used in the October 1, 2021, valuation were based on the results of an actuarial experience study dated June 4, 2019.

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2023, are: Domestic Equities – 7.5%; International Equities – 8.5% and Broad Market Fixed Income – 2.5%; Global Fixed Income – 3.5%; and Real Estate – 4.5%.

The target asset allocation as of September 30, 2023, are: Domestic Equities – 50%; International Equities – 10%; Broad Market Fixed Income – 25%; Global Fixed Income – 5%; and Real Estate – 10% for the General Employees’ Pension Plan.

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 12 – PENSION PLANS (CONTINUED)**

The target asset allocation as of September 30, 2023, are: Domestic Equities – 36%; International Equities – 12%; Bonds – 27%; Convertibles – 10%; Private Real Estate – 10% and MLPs – 5% for the Police Officers’ Pension Plan.

The target asset allocation as of September 30, 2023, are: Domestic Equities – 50%; International Equities – 15%; Broad Market Fixed Income – 20%; Global Bonds – 5%; and Real Estate – 10% for the Firefighters’ Pension Plan.

*Discount Rate.* The discount rate used to measure the total pension liability for the General Employees’ Pension Plan was 7.25%, 7.30% for the Police Officers’ Pension Plan and 7.00% for the Firefighter’s Pension Plan. The projection of cash flows used to determine the discount rate assumed that plan member 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 member 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 plan members. 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.

*Changes in the Net Pension Liability (Asset) of the City.* The changes in the components of the General Employees’ net pension liability (asset) of the City for the fiscal year ended September 30, 2023, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Liability (a-b) (Asset)
<b>Balances at September 30, 2022</b>	\$ 18,279,491	19,456,770	(1,177,279)
<b>Changes for the year:</b>			
Service cost	736,534	-	736,534
Interest on total pension liability	1,648,526	-	1,648,526
Differences between expected and actual experience	(581,851)	-	(581,851)
Change in benefit terms	4,345,450	-	4,345,450
Benefit payments, including refunds of employee contributions	(1,246,331)	(1,246,331)	-
Contributions - employer	-	241,220	(241,220)
Net investment income (loss)	-	(2,524,178)	2,524,178
Administrative expenses	-	(86,439)	86,439
<b>Net change</b>	<u>4,902,328</u>	<u>(3,615,728)</u>	<u>8,518,056</u>
<b>Balances at September 30, 2023</b>	<u>\$ 23,181,819</u>	<u>15,841,042</u>	<u>7,340,777</u>

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 12 – PENSION PLANS (CONTINUED)**

The changes in the components of the Police Officers’ net pension liability of the City for the fiscal year ended September 30, 2023 were as follows:

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a-b)</u>
<b>Balances at September 30, 2022</b>	\$ 15,693,450	14,989,736	703,714
<b>Changes for the year:</b>			
Service cost	550,787	-	550,787
Interest on total pension liability	1,143,992	-	1,143,992
Change in excess state money	80,589	-	80,589
Differences between expected and actual experience	(179,663)	-	(179,663)
Change in assumptions	94,385	-	94,385
Changes of benefit terms	-	-	-
Benefit payments, including refunds of employee contributions	(968,810)	(968,810)	-
Contributions - employer	-	847,166	(847,166)
Contributions - employees	-	314,882	(314,882)
Net investment income (loss)	-	(2,080,286)	2,080,286
Administrative expenses	-	(57,857)	57,857
<b>Net change</b>	<u>721,280</u>	<u>(1,944,905)</u>	<u>2,666,185</u>
<b>Balances at September 30, 2023</b>	<u>\$ 16,414,730</u>	<u>13,044,831</u>	<u>3,369,899</u>

The changes in the components of the Firefighters’ net pension liability of the City for the fiscal year ended September 30, 2023 were as follows:

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a-b)</u>
<b>Balances at September 30, 2022</b>	\$ 9,738,020	9,636,045	101,975
<b>Changes for the year:</b>			
Service cost	244,619	-	244,619
Interest on total pension liability	676,900	-	676,900
Change in excess state money	(23,541)	-	(23,541)
Share plan allocation	16,031	-	16,031
13th check allocation	934	-	934
Differences between expected and actual experience	(166,750)	-	(166,750)
Change in assumptions	-	-	-
Change of benefit terms	-	-	-
Benefit payments, including refunds of employee contributions	(602,984)	(602,984)	-
Contributions - state	-	160,312	(160,312)
Contributions - employer	-	193,295	(193,295)
Contributions - employees	-	160,737	(160,737)
Net investment income	-	(1,462,659)	1,462,659
Administrative expenses	-	(53,969)	53,969
<b>Net change</b>	<u>145,209</u>	<u>(1,605,268)</u>	<u>1,750,477</u>
<b>Balances at September 30, 2023</b>	<u>\$ 9,883,229</u>	<u>8,030,777</u>	<u>1,852,452</u>

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 12 – PENSION PLANS (CONTINUED)**

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following table presents the net pension liability (asset) of the City using the measurement date of September 30, 2022, calculated using the discount rate indicated, as well as what the City’s net pension 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 rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Sponsor's Net Pension Liability General Employees'	\$ 9,921,833	7,340,777	5,150,441

	1% Decrease 6.35%	Current Discount Rate 7.35%	1% Increase 8.35%
Police Officers'	\$ 5,465,770	3,369,899	1,632,315

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Firefighters'	\$ 3,204,262	1,852,452	751,910
Total	<u>\$ 18,591,865</u>	<u>12,563,128</u>	<u>7,534,666</u>

The following presents the net pension liabilities of the City using the measurement date of September 30, 2023:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Sponsor's Net Pension Liability General Employees'	\$ 8,229,861	5,636,245	3,469,869

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Police Officers'	\$ 5,415,966	3,416,933	1,266,964

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Firefighters'	\$ 3,052,270	1,604,073	430,253
Total	<u>\$ 16,698,097</u>	<u>10,657,251</u>	<u>5,167,086</u>

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 12 – PENSION PLANS (CONTINUED)**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2023, and the current sharing pattern of costs between employer and employee.

Contributions

Members of the General Employees’ plan are required to contribute 5% of total compensation. The City is required to contribute the actuarially determined amounts. Administrative costs of the General Employees’ Pension Fund are financed through plan contributions and investment earnings.

Members of the Police Officers’ plan are required to contribute 9.4% of their salary. The City is required to contribute the actuarially determined rates less amounts received from the State of Florida for insurance surcharges on policies sold within the City. The State’s contribution to the Police Officer’s Pension Fund for fiscal year 2023 was \$313,459. The City recognizes these on-behalf payments as revenues and expenditures in the governmental funds financial statements.

Members of the Firefighters’ plan are required to contribute 9% of their salary. The City is required to contribute the actuarially determined rates less amounts received from the State of Florida for insurance surcharges on policies sold within the City. The state’s contribution to the Firefighter’s Pension Fund for fiscal year 2023 was \$164,687. The City recognizes these on-behalf payments as revenues and expenditures in the governmental funds financial statements.

Applicable totals for all of the City’s defined benefit pension plans are reflected below:

	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firefighters'</u>	<u>Total</u>
City's net pension liability	\$ 7,340,777	3,369,899	1,852,452	12,563,128
Deferred outflows of resources	3,256,326	2,790,416	1,477,050	7,523,792
Deferred inflows of resources	-	221,572	165,168	386,740
Pension expense/expenditure	5,186,331	3,369,899	1,852,452	10,408,682

**CITY OF HAINES CITY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 12 – PENSION PLANS (CONTINUED)**

Financial statements for the City’s pension plans at September 30, 2023 are as follows:

	<b>General Employees'</b>	<b>Police Officers'</b>	<b>Firefighters'</b>	
	<b>Pension Fund</b>	<b>Pension Fund</b>	<b>Pension Fund</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 362,803	114,757	166,501	644,061
Receivables				
Contributions receivable	43,274	91,706	-	134,980
Accrued interest and dividends	13,051	25,622	-	38,673
Investments, at fair value:				
U.S. government agencies	-	1,517,294	-	1,517,294
Municipal obligations	-	90,512	-	90,512
Corporate bonds	-	2,220,672	-	2,220,672
Equities and equity mutual funds	12,949,514	9,197,397	5,738,213	27,885,124
Fixed income mutual funds	6,504,472	-	1,867,940	8,372,412
Comingled real estate funds	1,727,764	1,211,336	989,710	3,928,810
<b>Total assets</b>	<b>\$ 21,600,878</b>	<b>14,469,296</b>	<b>8,762,364</b>	<b>44,832,538</b>
<b>Liabilities</b>				
Accounts payable and prepaid contributions	\$ 59,374	3,603	-	62,977
<b>Net Position</b>				
Restricted for pension benefits	\$ 21,541,504	14,465,693	8,762,364	44,769,561
	<b>General Employees'</b>	<b>Police Officers'</b>	<b>Firefighters'</b>	
	<b>Pension Fund</b>	<b>Pension Fund</b>	<b>Pension Fund</b>	<b>Total</b>
<b>Additions</b>				
Contributions				
Employer	\$ 1,429,532	594,777	185,452	2,209,761
Employees	4,132,914	433,917	177,514	4,744,345
State of Florida	-	313,459	164,687	478,146
Total contributions	5,562,446	1,342,153	527,653	7,432,252
Investment earnings				
Interest	48,149	132,083	34,240	214,472
Dividends	368,420	226,121	254,065	848,606
Net appreciation in fair value	1,170,018	904,664	590,431	2,665,113
Less investment expense	(38,838)	(49,354)	(33,712)	(121,904)
Net investment earnings	1,547,749	1,213,514	845,024	3,606,287
Total additions	7,110,195	2,555,667	1,372,677	11,038,539
<b>Deductions</b>				
Pension benefits	1,299,550	1,069,223	580,860	2,949,633
Administrative expenses	110,183	65,582	60,230	235,995
Total deductions	1,409,733	1,134,805	641,090	3,185,628
Change in net position	5,700,462	1,420,862	731,587	7,852,911
Net position, beginning of year	15,841,042	13,044,831	8,030,777	36,916,650
Net position, end of year	\$ 21,541,504	14,465,693	8,762,364	44,769,561

**CITY OF HAINES CITY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 13 – COMMUNITY REDEVELOPMENT AGENCY**

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits into, and the amount and purpose of withdrawals from the Community Redevelopment Agency (CRA) for the fiscal year ended September 30, 2023:

	<b>Revenues</b>	<b>Expenditures</b>
<b>Source of revenues</b>		
Ad valorem taxes	\$ 3,534,643	-
Ad valorem taxes received from Polk County	3,647,750	-
Interest	220,771	-
Other	22,850	-
<b>Purpose of expenditures</b>		
Professional services	-	1,208,476
Culture and recreation	-	342,551
Capital outlay	-	2,454,805
Debt service	-	1,832,347
	\$ 7,426,014	5,838,179

**NOTE 14 – SUBSEQUENT EVENTS**

The City has evaluated all subsequent events through April 25, 2024 the date the financial statements were available to be issued.



## **REQUIRED SUPPLEMENTARY INFORMATION**

In accordance with the Governmental Accounting Standards Board Statement Number 34, the following budgetary comparison for the General Fund and CRA Fund is required supplementary information.

In accordance with the Governmental Accounting Standards Board Statement Number 68, the following historical trend information of the City's General Employees', Police Officers' and Firefighters' Pension Trust Funds is required supplementary information.

In accordance with the Governmental Accounting Standards Board Statement Number 75, the following historical trend information of the City's post-employment benefits other than pensions is required supplementary information.



**CITY OF HAINES CITY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-**  
**BUDGET AND ACTUAL-GENERAL FUND (GAAP BASIS)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 16,050,750	16,050,750	16,202,344	151,594
Gas and fuel taxes	1,050,000	1,050,000	1,211,366	161,366
Utility taxes	3,200,000	3,200,000	4,593,234	1,393,234
Communications service tax	600,000	600,000	679,399	79,399
Local business tax	75,000	75,000	156,418	81,418
Franchise fees	2,365,000	2,365,000	3,430,002	1,065,002
Licenses and permits	6,604,500	6,604,500	10,566,049	3,961,549
Intergovernmental	3,389,000	3,389,000	10,120,177	6,731,177
Charges for services	5,505,500	5,505,500	6,705,947	1,200,447
Fines and forfeitures	1,755,500	1,755,500	1,721,082	(34,418)
Assessments	3,100,000	3,100,000	3,405,522	305,522
Impact fees	2,468,000	2,468,000	4,917,729	2,449,729
Contributions	65,000	65,000	211,739	146,739
Interest	453,900	453,900	2,894,092	2,440,192
Other	2,619,134	3,097,634	116,964	(2,980,670)
Total revenues	<u>49,301,284</u>	<u>49,779,784</u>	<u>66,932,064</u>	<u>17,152,280</u>
<b>Expenditures</b>				
Current				
General government	7,170,180	7,365,180	7,094,737	270,443
Public safety	16,286,690	16,351,690	14,386,407	1,965,283
Physical environment	3,434,500	4,184,500	4,125,159	59,341
Transportation	2,690,550	2,690,550	2,169,321	521,229
Culture and recreation	5,965,765	6,397,765	5,576,508	821,257
Capital outlay	8,901,495	7,937,995	5,695,690	2,242,305
Total expenditures	<u>44,449,180</u>	<u>44,927,680</u>	<u>39,047,822</u>	<u>5,879,858</u>
Excess of revenues over expenditures	<u>4,852,104</u>	<u>4,852,104</u>	<u>27,884,242</u>	<u>23,032,138</u>
<b>Other financing sources (uses)</b>				
Insurance proceeds	-	-	280,993	280,993
Transfers out	(5,053,789)	(5,053,789)	(12,796,192)	(7,742,403)
Total other financing uses, net	<u>(5,053,789)</u>	<u>(5,053,789)</u>	<u>(12,399,799)</u>	<u>(7,346,010)</u>
Net change in fund balance	(201,685)	(201,685)	15,484,443	15,686,128
<b>Fund balance, beginning of year</b>	<u>60,066,387</u>	<u>60,066,387</u>	<u>60,066,387</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 59,864,702</u>	<u>59,864,702</u>	<u>75,550,830</u>	<u>15,686,128</u>

**CITY OF HAINES CITY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES–**  
**BUDGET AND ACTUAL–CRA FUND (GAAP BASIS)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 3,800,525	152,775	3,534,643	3,381,868
Contributions	-	-	600	600
Interest revenue	5,000	5,000	220,771	215,771
Other	-	-	22,250	22,250
Total revenues	<u>3,805,525</u>	<u>157,775</u>	<u>3,778,264</u>	<u>3,620,489</u>
<b>Expenditures</b>				
Current				
Public safety	154,525	154,525	199,349	(44,824)
Economic development	1,092,255	1,092,255	1,009,127	83,128
Culture and recreation	1,170,443	1,170,443	342,551	827,892
Capital outlay	<u>3,674,100</u>	<u>3,674,100</u>	<u>2,454,805</u>	<u>1,219,295</u>
Total expenditures	<u>6,091,323</u>	<u>6,091,323</u>	<u>4,005,832</u>	<u>2,085,491</u>
Deficiency of revenues under expenditures	<u>(2,285,798)</u>	<u>(5,933,548)</u>	<u>(227,568)</u>	<u>5,705,980</u>
<b>Other financing sources (uses)</b>				
Transfers in	4,147,750	7,795,500	3,647,750	(4,147,750)
Transfers out	<u>(1,861,952)</u>	<u>(1,861,952)</u>	<u>(1,832,347)</u>	<u>29,605</u>
Total other financing sources (uses)	<u>2,285,798</u>	<u>5,933,548</u>	<u>1,815,403</u>	<u>(4,118,145)</u>
Net change in fund balance	-	-	1,587,835	1,587,835
Fund balance, beginning of year	<u>5,787,524</u>	<u>5,787,524</u>	<u>5,787,524</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,787,524</u>	<u>5,787,524</u>	<u>7,375,359</u>	<u>1,587,835</u>

CITY OF HAINES CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS—GENERAL EMPLOYEES' PENSION

Reporting period ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
<b>Total pension liability</b>										
Service cost	\$ 696,347	736,534	143,164	149,281	176,250	176,863	209,833	280,460	323,073	797,644
Interest on total pension liability	1,684,058	1,648,527	1,279,102	1,285,607	1,330,781	1,317,907	1,245,293	1,189,882	1,233,630	1,451,733
Changes of benefit terms	(118,391)	4,345,450	-	-	-	-	-	-	(3,433,675)	-
Differences between expected and actual experience	(778,905)	(581,851)	(5,286)	(3,625)	(393,291)	(79,183)	746,612	(106,141)	(662,677)	-
Changes of assumptions	-	-	-	(292,575)	194,848	-	-	556,036	734,704	-
Contributions - buy back	3,812,369	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,299,549)	(1,246,331)	(1,274,225)	(1,261,239)	(1,233,584)	(1,253,062)	(1,148,111)	(1,073,479)	(1,209,317)	(925,509)
<b>Net change in total pension liability</b>	<b>3,995,929</b>	<b>4,902,329</b>	<b>142,755</b>	<b>(122,551)</b>	<b>75,004</b>	<b>162,525</b>	<b>1,053,627</b>	<b>846,758</b>	<b>(3,014,262)</b>	<b>1,323,868</b>
<b>Total pension liability - beginning</b>	<b>23,181,820</b>	<b>18,279,491</b>	<b>18,136,736</b>	<b>18,259,287</b>	<b>18,184,283</b>	<b>18,021,758</b>	<b>16,968,131</b>	<b>16,121,373</b>	<b>19,135,635</b>	<b>17,811,767</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 27,177,749</b>	<b>23,181,820</b>	<b>18,279,491</b>	<b>18,136,736</b>	<b>18,259,287</b>	<b>18,184,283</b>	<b>18,021,758</b>	<b>16,968,131</b>	<b>16,121,373</b>	<b>19,135,635</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 1,429,532	241,220	416,758	76,944	734,486	330,764	112,300	130,025	443,084	893,398
Contributions - employee	320,545	-	-	-	-	-	-	-	84,740	221,592
Contributions - buy back	3,812,369	-	-	-	-	-	-	-	-	-
Net investment income	1,547,749	(2,524,177)	3,151,878	1,687,696	834,153	1,473,203	1,595,225	560,035	218,081	1,769,864
Benefit payments, including refunds of member contributions	(1,299,550)	(1,246,331)	(1,274,225)	(1,261,239)	(1,233,693)	(1,253,062)	(1,150,412)	(1,073,479)	(1,220,354)	(923,182)
Administrative expenses	(110,183)	(86,440)	(74,983)	(56,616)	(76,591)	(55,315)	(117,991)	(56,501)	(180,013)	(141,662)
<b>Net change in plan fiduciary net position</b>	<b>5,700,462</b>	<b>(3,615,728)</b>	<b>2,219,428</b>	<b>446,785</b>	<b>258,355</b>	<b>495,590</b>	<b>439,122</b>	<b>(439,920)</b>	<b>(654,462)</b>	<b>1,820,010</b>
<b>Plan fiduciary net position - beginning</b>	<b>15,841,042</b>	<b>19,456,770</b>	<b>17,237,342</b>	<b>16,790,557</b>	<b>16,532,202</b>	<b>16,036,612</b>	<b>15,597,490</b>	<b>16,037,410</b>	<b>16,691,872</b>	<b>14,871,862</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 21,541,504</b>	<b>15,841,042</b>	<b>19,456,770</b>	<b>17,237,342</b>	<b>16,790,557</b>	<b>16,532,202</b>	<b>16,036,612</b>	<b>15,597,490</b>	<b>16,037,410</b>	<b>16,691,872</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 5,636,245</b>	<b>7,340,778</b>	<b>(1,177,279)</b>	<b>899,394</b>	<b>1,468,730</b>	<b>1,652,081</b>	<b>1,985,146</b>	<b>1,370,641</b>	<b>83,963</b>	<b>2,443,763</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	79.26%	68.33%	106.44%	95.04%	91.96%	90.91%	88.98%	91.92%	99.48%	87.23%
<b>Covered payroll</b>	\$ 6,410,891	1,849,162	1,681,238	1,711,778	1,851,807	2,047,811	2,124,711	2,549,511	3,690,825	4,454,410
<b>City's net pension liability as a percentage of covered payroll</b>	87.92%	396.98%	-70.02%	52.54%	79.31%	80.68%	93.43%	53.76%	2.27%	54.86%

CITY OF HAINES CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
GENERAL EMPLOYEES' PENSION

	9/20/2023	9/20/2022	9/20/2021	9/20/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially determined contribution	\$ 794,624	352,966	403,344	362,920	366,462	325,166	131,366	130,025	472,548	890,882
Contributions in relation to the actuarially determined contribution	1,429,532	241,220	416,758	81,533	734,486	330,764	112,300	130,025	512,763	890,882
Contribution deficiency (excess)	\$ (634,908)	111,746	(13,414)	281,387	(368,024)	(5,598)	19,066	-	(40,215)	-
Covered payroll	\$ 6,410,891	1,849,162	1,681,238	1,711,778	1,851,807	2,047,811	2,124,711	2,549,511	3,690,825	4,454,410
Contributions as a percentage of covered payroll	22.30%	13.04%	24.79%	4.76%	39.66%	16.15%	5.29%	5.10%	13.89%	20.00%

Notes to the Schedule:

Valuation date: October 1, 2021  
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.

Methods and assumptions used to determine contribution rates: Traditional unit credit cost method.  
Funding method: Level percentage of compensation.  
Amortization method: 18 years (as of October 1, 2020).  
Remaining amortization period: All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four year period.  
Asset valuation method:

Inflation: 2.50% per year.  
Salary increases: Not applicable.  
Final salary load: Individually determined based upon current accruals.  
Interest rate: 7.25% per year, compounded annually, net of investment-related expenses. This assumption is supported by the asset allocation.  
Payroll increases: None.  
Retirement age: The earlier of age 60 with the completion of 7 years of service and age 55 with the completion of 25 years of service. Members at or over the normal retirement age on the valuation date are assumed to work one additional year.  
Early retirement: Commencing with the earliest early retirement age (55 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.  
Mortality: *Healthy Active Lives* : Female: PubG.H-2010 for employees. Male: PubG.H-2010 (below median) for employees, set back one year.  
*Healthy Retiree Lives* : Female: PubG.H-2010 for healthy retirees. Male: PubG.H-2010 (below median) for healthy retirees, set back one year.  
*Beneficiary Lives* : Female: PubG.H-2010 (below median) for healthy retirees. Male: PubG.H-2010 for healthy retirees, set back one year.  
*Disabled Lives* : PubG.H-2010 for disabled retirees, set forward three years.

**CITY OF HAINES CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF PENSION INVESTMENT RETURNS**

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
General Employees':										
Annual money-weighted rate of return, net of investment expenses	9.24%	-13.22%	18.62%	10.40%	5.05%	9.50%	10.09%	3.59%	0.65%	11.18%
Police Officers':										
Annual money-weighted rate of return, net of investment expenses	9.32%	-13.92%	21.53%	8.34%	4.29%	5.86%	12.31%	9.52%	-3.69%	8.76%
Firefighters':										
Annual money-weighted rate of return, net of investment expenses	10.70%	-15.39%	20.07%	10.76%	4.60%	9.45%	11.28%	9.43%	-0.70%	12.42%

CITY OF HAINES CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS—POLICE OFFICERS' PENSION

Reporting period ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
<b>Total pension liability</b>										
Service cost	\$ 621,246	550,787	564,141	536,712	486,883	411,856	366,092	386,608	343,572	355,679
Interest on total pension liability	1,184,254	1,143,793	1,084,070	1,053,002	964,367	873,191	824,923	753,430	745,463	704,103
Change in excess state money	116,318	80,589	60,540	53,445	47,981	(54,868)	23,539	(36,548)	30,503	24,392
Change in benefit terms	-	-	-	-	-	217,251	-	-	-	-
Differences between expected and actual experience	453,549	(179,663)	142,313	(6,214)	327,704	637,626	-	196,061	(423,476)	-
Changes of assumptions	102,378	94,385	92,239	(188,384)	295,697	-	(67,601)	352,225	-	-
Contributions - buy back	59,374	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,069,223)	(968,611)	(945,775)	(868,622)	(828,281)	(735,772)	(749,932)	(679,205)	(525,538)	(466,873)
<b>Net change in total pension liability</b>	<b>1,467,896</b>	<b>721,280</b>	<b>997,528</b>	<b>579,939</b>	<b>1,294,351</b>	<b>1,349,284</b>	<b>397,021</b>	<b>972,571</b>	<b>170,524</b>	<b>617,301</b>
<b>Total pension liability - beginning</b>	<b>16,414,730</b>	<b>15,693,450</b>	<b>14,695,922</b>	<b>14,115,983</b>	<b>12,821,632</b>	<b>11,472,348</b>	<b>11,075,327</b>	<b>10,102,756</b>	<b>9,932,232</b>	<b>9,314,931</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 17,882,626</b>	<b>16,414,730</b>	<b>15,693,450</b>	<b>14,695,922</b>	<b>14,115,983</b>	<b>12,821,632</b>	<b>11,472,348</b>	<b>11,075,327</b>	<b>10,102,756</b>	<b>9,932,232</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 594,777	576,816	596,253	590,590	577,221	500,417	437,529	532,313	554,255	434,076
Contributions - state	313,459	270,350	230,250	216,062	205,133	181,471	156,249	-	-	117,527
Contributions - employee	433,917	314,882	313,249	312,165	288,857	259,632	230,087	223,621	203,417	196,385
Net investment income	1,213,514	(2,080,286)	2,634,952	926,846	448,816	567,254	1,105,157	748,956	(220,314)	674,400
Benefit payments, including refunds of member contributions	(1,069,223)	(968,811)	(945,775)	(868,623)	(828,280)	(738,288)	(749,932)	(679,205)	(553,565)	(466,873)
Administrative expenses	(65,582)	(57,856)	(79,976)	(51,122)	(73,960)	(50,982)	(81,378)	(57,128)	(81,990)	(80,961)
<b>Net change in plan fiduciary net position</b>	<b>1,420,862</b>	<b>(1,944,905)</b>	<b>2,748,953</b>	<b>1,125,918</b>	<b>617,787</b>	<b>719,504</b>	<b>1,097,712</b>	<b>768,557</b>	<b>(98,197)</b>	<b>874,554</b>
<b>Plan fiduciary net position - beginning</b>	<b>13,044,831</b>	<b>14,989,736</b>	<b>12,240,783</b>	<b>11,114,865</b>	<b>10,497,078</b>	<b>9,777,574</b>	<b>8,679,862</b>	<b>7,911,305</b>	<b>8,009,502</b>	<b>7,134,948</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 14,465,693</b>	<b>13,044,831</b>	<b>14,989,736</b>	<b>12,240,783</b>	<b>11,114,865</b>	<b>10,497,078</b>	<b>9,777,574</b>	<b>8,679,862</b>	<b>7,911,305</b>	<b>8,009,502</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 3,416,933</b>	<b>3,369,899</b>	<b>703,714</b>	<b>2,455,139</b>	<b>3,001,118</b>	<b>2,324,554</b>	<b>1,694,774</b>	<b>2,395,465</b>	<b>2,191,451</b>	<b>1,922,730</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>80.89%</b>	<b>79.47%</b>	<b>95.52%</b>	<b>83.29%</b>	<b>78.74%</b>	<b>81.87%</b>	<b>85.23%</b>	<b>78.37%</b>	<b>78.31%</b>	<b>80.64%</b>
<b>Covered payroll</b>	<b>\$ 3,984,501</b>	<b>\$ 3,449,099</b>	<b>3,249,868</b>	<b>3,317,378</b>	<b>3,113,482</b>	<b>2,828,741</b>	<b>2,465,118</b>	<b>2,484,672</b>	<b>2,310,767</b>	<b>2,173,174</b>
<b>City's net pension liability as a percentage of covered payroll</b>	<b>85.76%</b>	<b>97.70%</b>	<b>21.65%</b>	<b>74.01%</b>	<b>96.39%</b>	<b>82.18%</b>	<b>68.75%</b>	<b>96.41%</b>	<b>94.84%</b>	<b>88.48%</b>

CITY OF HAINES CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
POLICE OFFICERS' PENSION

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially determined contribution	\$ 852,683	769,149	757,219	753,045	750,349	667,583	525,070	529,235	520,137	517,215
Contributions in relation to the actuarially determined contribution	806,092	786,163	862,503	750,258	782,354	681,888	593,778	532,313	554,255	551,603
Contribution deficiency (excess)	\$ 46,591	(17,014)	(105,284)	2,787	(32,005)	(14,305)	(68,708)	(3,078)	(34,118)	(34,388)
Covered payroll	\$ 3,984,501	3,449,099	3,249,868	3,317,378	3,113,482	2,828,741	2,465,118	2,484,672	2,310,767	2,173,174
Contributions as a percentage of covered payroll	20.23%	22.79%	26.54%	22.62%	25.13%	24.11%	24.09%	21.42%	23.99%	25.38%

Notes to the Schedule:

Valuation date: October 1, 2021

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.

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal actuarial cost method.

Amortization method: Level percentage of pay, closed.

Remaining amortization period: 25 years (as of October 1, 2020).

Asset valuation method: Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric 5-year average market value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below market value.

Inflation: 2.70% per year.

Salary increases: Service based.

Discount rate: 7.35%

Investment rate of return: 7.35%

Retirement age: Earlier of age 56 and 11 years of service, or age 53 and 26 years of service. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.

Early retirement: Commencing with the earliest early retirement age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

Mortality: *Healthy Active Lives* : Female: PubG.H-2010 (below median) for employees, set forward one year. Male: PubG.H-2010 (below median) for employees, set forward one year.

*Healthy Retiree Lives* : Female: PubG.H-2010 for healthy retirees, set forward one year. Male: PubG.H-2010 (below median) for healthy retirees, set forward one year.

*Beneficiary Lives* : Female: PubG.H-2010 (below median) for healthy retirees. Male: PubG.H-2010 for healthy retirees, set back one year.

*Disabled Lives* : 80% PubG.H-2010 for disabled retirees/20% PubS.H-2010 for disabled retirees.

75% of active deaths are assumed to be service-incurred.

CITY OF HAINES CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS—FIREFIGHTERS' PENSION

Reporting period ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
<b>Total pension liability</b>										
Service cost	\$ 269,236	244,619	283,364	257,039	204,357	167,939	149,580	109,002	121,753	130,593
Interest on total pension liability	690,342	676,062	641,582	623,567	587,110	547,173	548,290	520,966	516,128	506,406
Change in excess state money	-	(23,541)	-	-	(122,844)	(317,257)	76,052	65,351	69,107	70,342
Share plan allocation	16,469	16,031	15,098	13,333	12,382	11,998	-	-	-	-
13th check allocation	437	934	1,765	950	384	11,998	-	-	-	-
Changes of benefit terms	-	-	-	-	(392)	(81,400)	-	-	-	-
Differences between expected and actual experience	87,584	(166,750)	192,910	91,192	301,527	324,409	(100,367)	(17,885)	(17,148)	-
Changes of assumptions	-	-	-	(160,414)	248,666	232,731	-	247,330	-	-
Benefit payments, including refunds of employee contributions	(580,860)	(602,146)	(604,662)	(584,623)	(542,200)	(584,802)	(513,928)	(557,414)	(529,529)	(467,541)
<b>Net change in total pension liability</b>	<b>483,208</b>	<b>145,209</b>	<b>530,057</b>	<b>241,044</b>	<b>688,990</b>	<b>312,789</b>	<b>159,627</b>	<b>367,350</b>	<b>160,311</b>	<b>239,800</b>
<b>Total pension liability - beginning</b>	<b>9,883,229</b>	<b>9,738,020</b>	<b>9,207,963</b>	<b>8,966,919</b>	<b>8,277,929</b>	<b>7,965,140</b>	<b>7,805,513</b>	<b>7,438,163</b>	<b>7,277,852</b>	<b>7,038,052</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 10,366,437</b>	<b>9,883,229</b>	<b>9,738,020</b>	<b>9,207,963</b>	<b>8,966,919</b>	<b>8,277,929</b>	<b>7,965,140</b>	<b>7,805,513</b>	<b>7,438,163</b>	<b>7,277,852</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 185,452	193,295	295,133	216,558	491,203	458,872	398,748	479,629	430,712	352,192
Contributions - state	164,687	160,312	150,974	133,324	123,819	119,975	116,083	-	-	110,374
Contributions - employee	177,514	160,737	172,870	169,020	154,222	145,830	125,920	108,784	104,266	105,867
Net investment income	845,024	(1,462,659)	1,604,771	786,618	319,572	579,035	640,637	472,199	11,234	592,615
Benefit payments, including refunds of member contributions	(580,860)	(602,146)	(604,662)	(584,623)	(542,200)	(584,803)	(514,641)	(557,414)	(529,529)	(467,541)
Administrative expenses	(60,230)	(54,807)	(45,429)	(45,848)	(55,498)	(42,353)	(58,103)	(91,883)	(84,623)	(68,237)
<b>Net change in plan fiduciary net position</b>	<b>731,587</b>	<b>(1,605,268)</b>	<b>1,573,657</b>	<b>675,049</b>	<b>491,118</b>	<b>676,556</b>	<b>708,644</b>	<b>411,315</b>	<b>(67,940)</b>	<b>625,270</b>
<b>Plan fiduciary net position - beginning</b>	<b>8,030,777</b>	<b>9,636,045</b>	<b>8,062,388</b>	<b>7,387,339</b>	<b>6,896,221</b>	<b>6,219,665</b>	<b>5,511,021</b>	<b>5,099,706</b>	<b>5,167,646</b>	<b>4,542,376</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 8,762,364</b>	<b>8,030,777</b>	<b>9,636,045</b>	<b>8,062,388</b>	<b>7,387,339</b>	<b>6,896,221</b>	<b>6,219,665</b>	<b>5,511,021</b>	<b>5,099,706</b>	<b>5,167,646</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 1,604,073</b>	<b>1,852,452</b>	<b>101,975</b>	<b>1,145,575</b>	<b>1,579,580</b>	<b>1,381,708</b>	<b>1,745,475</b>	<b>2,294,492</b>	<b>2,338,457</b>	<b>2,110,206</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>84.53%</b>	<b>81.26%</b>	<b>98.95%</b>	<b>87.56%</b>	<b>82.38%</b>	<b>83.31%</b>	<b>78.09%</b>	<b>70.60%</b>	<b>68.56%</b>	<b>71.01%</b>
<b>Covered payroll</b>	<b>\$ 1,972,382</b>	<b>1,866,157</b>	<b>1,862,831</b>	<b>1,884,339</b>	<b>1,759,644</b>	<b>1,588,231</b>	<b>1,352,142</b>	<b>1,208,709</b>	<b>1,233,777</b>	<b>1,146,263</b>
<b>City's net pension liability as a percentage of covered payroll</b>	<b>81.33%</b>	<b>99.27%</b>	<b>5.47%</b>	<b>60.79%</b>	<b>89.77%</b>	<b>87.00%</b>	<b>129.09%</b>	<b>189.83%</b>	<b>189.54%</b>	<b>184.09%</b>

**CITY OF HAINES CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
FIREFIGHTERS' PENSION**

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially determined contribution	\$ 293,885	343,372	396,783	450,357	490,941	493,939	450,263	389,204	356,077	385,144
Contributions in relation to the actuarially determined contribution	317,202	329,979	446,107	328,250	615,022	578,847	514,831	479,629	430,712	462,566
Contribution deficiency (excess)	\$ (23,317)	13,393	(49,324)	122,107	(124,081)	(84,908)	(64,568)	(90,425)	(74,635)	(77,422)
Covered payroll	\$ 1,972,382	1,866,157	1,862,831	1,884,339	1,759,644	1,588,231	1,352,142	1,208,709	1,233,777	1,146,263
Contributions as a percentage of covered payroll	16.08%	17.68%	23.95%	17.42%	34.95%	36.45%	38.08%	39.68%	34.91%	40.35%

**Notes to the Schedule:**

Valuation date: October 1, 2021

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.

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal actuarial cost method.

Amortization method: Level percentage of pay, closed.

Remaining amortization period: 25 years (as of October 1, 2020).

Asset valuation method: Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric five-year average market value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below market value.

Inflation: 2.50%

Salary increases: Service based.

Discount rate: 7.00%

Investment rate of return: 7.00%

Retirement age: Earlier of age 55 and 10 years of service, age 52 and 25 years of service, and age 60. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.

Early retirement: Commencing with the earliest early retirement age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year.

Disability rates: Members are assumed to become disabled at varying rates based on age. Sample rates are as follows:

Age	Probability
20	0.051%
30	0.058%
40	0.121%
50	0.429%

Additionally, it is assumed that 75% of disablements and active member deaths are service related.

Termination rates: Members are assumed to terminate employment prior to retirement as follows:

Age	Probability
Before age 45	15.0%
Age 45 and above	5.0%

Mortality: *Healthy Active Lives* : Female: PubS.H-2010 (below median) for employees, set forward one year. Male: PubS.H-2010 (below median) for employees, set forward one year.  
*Healthy Retiree Lives* : Female: PubS.H-2010 for healthy retirees, set forward one year. Male: PubS.H-2010 (below median) for healthy retirees, set forward one year.  
*Beneficiary Lives* : Female: PubG.H-2010 (below median) for healthy retirees. Male: PubG.H-2010 for healthy retirees, set back one year.  
*Disabled Lives* : 80% PubG.H-2010 for disabled retirees/20% PubS.H-2010 for disabled retirees.

**CITY OF HAINES CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE CITY'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS**

Measurement year ended September 30,	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB liability</b>						
Service cost	\$ 661,640	690,585	421,962	411,871	336,206	360,840
Interest on the total OPEB liability	117,758	93,124	106,391	191,966	155,293	124,111
Differences between expected and actual experience	(1,143,778)	-	2,260	-	-	-
Economic/demographic gains or (losses)	-	-	-	(82,074)	-	-
Changes in assumptions and other inputs	(1,012,803)	(194,690)	(363,892)	(1,073,428)	(242,733)	(269,562)
Benefit payments	(67,879)	(63,438)	(103,123)	-	3,478	30,235
<b>Net change in total OPEB liability</b>	<b>(1,445,062)</b>	<b>525,581</b>	<b>63,598</b>	<b>(551,665)</b>	<b>252,244</b>	<b>245,624</b>
<b>Total OPEB liability - beginning</b>	<b>4,218,126</b>	<b>3,692,545</b>	<b>3,628,947</b>	<b>4,180,612</b>	<b>3,928,368</b>	<b>3,682,744</b>
<b>Total OPEB liability - ending</b>	<b>\$ 2,773,064</b>	<b>4,218,126</b>	<b>3,692,545</b>	<b>3,628,947</b>	<b>4,180,612</b>	<b>3,928,368</b>
<b>Covered employee payroll</b>	<b>\$ 15,390,497</b>	<b>11,647,754</b>	<b>11,369,208</b>	<b>11,921,595</b>	<b>11,009,000</b>	<b>9,904,000</b>
<b>City's total OPEB liability as a percentage of covered employee payroll</b>	<b>18.02%</b>	<b>36.21%</b>	<b>32.48%</b>	<b>30.44%</b>	<b>37.97%</b>	<b>39.66%</b>

**Notes to the Schedule**

No assets are accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits.

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

Fiscal year ending September 30, 2023:	4.77%
Fiscal year ending September 30, 2022:	2.43%
Fiscal year ending September 30, 2021:	2.14%
Fiscal year ending September 30, 2020:	2.66%

Also reflected as assumption changes are updated health care costs and premiums, updated health care cost trend rates, updated disability and life participation, removal of dental benefits, and updated mortality improvement scales.

The schedule will present 10 years of information once it is accumulated.

## Statistical Section

The statistical section of the Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the City's overall financial health. Below is a summary of the components and purpose for the tables provided herein.

	<b>Page</b>
Financial Trends .....	75
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity .....	80
<i>These schedules contain trend information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity .....	84
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt, the City's ability to issue additional debt in the future and related historical trend data.</i>	
Demographic and Economic Information .....	89
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information .....	91
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.</i>	



**CITY OF HAINES CITY, FLORIDA**  
**NET POSITION BY COMPONENT**  
**(accrual basis of accounting)**  
**Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 21,701,775	22,290,761	21,719,202	22,040,679	20,809,496	21,898,498	23,169,970	22,895,353	28,425,855	35,855,480
Restricted	5,653,280	4,523,550	4,677,821	5,420,884	7,797,320	9,714,656	12,850,855	20,836,634	30,898,389	35,878,630
Unrestricted	3,629,398	(30,669)	4,125,794	4,295,233	5,394,687	8,075,388	12,933,375	22,217,829	26,472,081	35,490,051
 Total governmental activities net position	 <u>\$ 30,984,453</u>	 <u>26,783,642</u>	 <u>30,522,817</u>	 <u>31,756,796</u>	 <u>34,001,503</u>	 <u>39,688,542</u>	 <u>48,954,200</u>	 <u>65,949,816</u>	 <u>85,796,325</u>	 <u>107,224,161</u>
 <b>Business-type activities</b>										
Net investment in capital assets	\$ 34,971,248	36,985,880	39,912,100	44,208,739	45,586,148	47,243,443	48,781,258	48,691,838	71,906,183	77,006,846
Restricted	3,292,321	3,075,986	3,919,286	3,919,286	5,354,889	6,947,433	9,380,684	15,384,018	23,099,529	24,001,377
Unrestricted	8,082,240	7,570,207	9,543,360	10,053,371	10,074,677	11,907,387	15,158,653	25,163,557	33,871,144	61,804,673
 Total business-type activities net position	 <u>\$ 46,345,809</u>	 <u>47,632,073</u>	 <u>53,374,746</u>	 <u>58,181,396</u>	 <u>61,015,714</u>	 <u>66,098,263</u>	 <u>73,320,595</u>	 <u>89,239,413</u>	 <u>128,876,856</u>	 <u>162,812,896</u>
 <b>Primary government</b>										
Net investment in capital assets	\$ 56,673,023	59,276,641	61,631,302	66,249,418	66,395,644	69,141,941	71,951,228	71,587,191	100,332,038	112,862,326
Restricted	8,945,601	7,599,536	8,597,107	9,340,170	13,152,209	16,662,089	22,231,539	36,220,652	53,997,918	59,880,007
Unrestricted	11,711,638	7,539,538	13,669,154	14,348,604	15,469,364	19,982,775	28,092,028	47,381,386	60,343,225	97,294,724
 Total primary government net position	 <u>\$ 77,330,262</u>	 <u>74,415,715</u>	 <u>83,897,563</u>	 <u>89,938,192</u>	 <u>95,017,217</u>	 <u>105,786,805</u>	 <u>122,274,795</u>	 <u>155,189,229</u>	 <u>214,673,181</u>	 <u>270,037,057</u>

Sources: Information derived from the Annual Comprehensive Financial Report or annual financial reports for the relevant year.

**CITY OF HAINES CITY, FLORIDA**  
**CHANGES IN NET POSITION**  
**(accrual basis of accounting)**  
**Last Ten Fiscal Years**

<b>Expenses</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Governmental activities</b>										
General government	\$ 3,799,284	3,595,254	3,468,800	4,703,311	4,632,235	5,212,258	5,456,794	5,518,518	6,633,635	8,495,276
Public safety	8,746,663	8,762,723	8,703,603	9,053,067	10,836,046	11,804,561	12,992,295	12,969,992	13,855,278	17,445,860
Physical environment	2,078,854	1,964,600	1,834,507	2,470,348	2,783,402	3,049,988	3,181,953	3,474,576	4,031,222	4,147,839
Transportation	1,389,983	2,331,126	1,305,397	2,725,828	2,017,654	1,958,444	1,974,706	1,741,992	2,149,747	2,899,818
Economic environment	228,518	227,942	292,272	237,847	329,280	503,292	1,041,023	1,347,390	1,067,485	1,241,852
Culture and recreation	4,904,738	4,826,880	4,610,486	5,889,679	6,402,986	6,601,436	6,342,173	6,382,456	7,072,663	8,570,203
Interest on long-term debt	2,019,532	1,989,212	1,976,589	1,367,571	1,396,518	1,329,174	1,260,270	1,193,871	1,060,746	969,198
<b>Total governmental activities expenses</b>	<b>23,167,572</b>	<b>23,697,737</b>	<b>22,191,654</b>	<b>26,447,651</b>	<b>28,398,121</b>	<b>30,459,153</b>	<b>32,249,214</b>	<b>32,628,795</b>	<b>35,870,776</b>	<b>43,770,046</b>
<b>Business-type activities</b>										
Water/sewer utility	6,655,355	6,724,698	6,349,429	8,461,798	9,255,799	9,735,538	10,658,998	10,314,609	12,251,686	16,901,370
Stormwater utility	255,380	237,584	297,363	511,350	544,091	703,885	529,775	439,731	440,350	633,410
<b>Total business-type activities expenses</b>	<b>6,910,735</b>	<b>6,962,282</b>	<b>6,646,792</b>	<b>8,973,148</b>	<b>9,799,890</b>	<b>10,439,423</b>	<b>11,188,773</b>	<b>10,754,340</b>	<b>12,692,036</b>	<b>17,534,780</b>
<b>Total primary government net position</b>	<b>30,078,307</b>	<b>30,660,019</b>	<b>28,838,446</b>	<b>35,420,799</b>	<b>38,198,011</b>	<b>40,898,576</b>	<b>43,437,987</b>	<b>43,383,135</b>	<b>48,562,812</b>	<b>61,304,826</b>
<b>Program revenues</b>										
<b>Governmental activities</b>										
Charges for services										
General government	2,625,437	3,581,673	1,701,926	1,529,739	3,016,454	3,718,876	6,154,604	8,758,081	9,370,607	11,483,881
Public safety	1,159,008	1,055,096	3,331,891	3,583,282	3,735,242	3,894,943	4,368,055	5,217,970	5,845,029	6,423,310
Physical environment	2,433,752	2,476,577	2,530,455	2,993,238	3,280,338	3,519,498	3,698,294	4,090,916	4,783,257	4,874,951
Transportation	225,720	502,397	406,958	350,078	686,631	693,580	986,632	2,261,065	2,297,768	2,440,476
Economic environment	-	-	-	-	-	-	-	-	-	-
Culture and recreation	554,736	585,832	647,163	568,418	785,961	879,494	926,021	1,955,473	2,041,715	2,254,592
Operating grants and contributions	401,003	383,394	333,123	411,824	592,882	1,154,076	593,245	405,384	5,061,629	6,240,685
Capital grants and contributions	-	25,000	-	-	250,032	-	-	-	2,269,398	-
<b>Total governmental activities program revenues</b>	<b>7,399,656</b>	<b>8,609,969</b>	<b>8,951,516</b>	<b>9,436,579</b>	<b>12,347,540</b>	<b>13,860,467</b>	<b>16,726,851</b>	<b>22,688,889</b>	<b>31,669,403</b>	<b>33,717,895</b>
<b>Business-type activities</b>										
Charges for services	9,787,688	9,850,613	11,676,899	12,865,511	14,344,022	15,990,103	20,044,833	28,431,843	35,967,772	35,806,631
Operating grants and contributions	-	-	-	-	248,797	-	-	-	-	-
Capital grants and contributions	-	580,776	2,290,678	2,886,407	314,367	145,200	174,040	414,010	11,946,230	7,534,252
<b>Total business-type activities program revenues</b>	<b>9,787,688</b>	<b>10,431,389</b>	<b>13,967,577</b>	<b>15,751,918</b>	<b>14,907,186</b>	<b>16,135,303</b>	<b>20,218,873</b>	<b>28,845,853</b>	<b>47,914,002</b>	<b>43,340,883</b>
<b>Total primary government program revenues</b>	<b>17,187,344</b>	<b>19,041,358</b>	<b>22,919,093</b>	<b>25,188,497</b>	<b>27,254,726</b>	<b>29,995,770</b>	<b>36,945,724</b>	<b>51,534,742</b>	<b>79,583,405</b>	<b>77,058,778</b>
<b>Net (expenses)/revenue</b>										
Governmental activities	(15,767,916)	(15,087,768)	(13,240,138)	(17,011,072)	(16,050,581)	(16,598,686)	(15,522,363)	(9,939,906)	(4,201,373)	(10,052,151)
Business-type activities	2,876,953	3,469,107	7,320,785	6,778,770	5,107,296	5,695,880	9,030,100	18,091,513	35,221,966	25,806,103
<b>Total primary government net expenses</b>	<b>(12,890,963)</b>	<b>(11,618,661)</b>	<b>(5,919,353)</b>	<b>(10,232,302)</b>	<b>(10,943,285)</b>	<b>(10,902,806)</b>	<b>(6,492,263)</b>	<b>8,151,607</b>	<b>31,020,593</b>	<b>15,753,952</b>

Sources: Information derived from the Annual Comprehensive Financial Report or annual financial reports for the relevant year.

(Continued)

**CITY OF HAINES CITY, FLORIDA**  
**CHANGES IN NET POSITION**  
**(accrual basis of accounting)**  
**Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>General revenues and other changes in net position</b>										
Governmental activities										
Property taxes	6,658,896	7,191,929	7,797,395	8,275,047	9,338,910	10,768,775	12,195,561	13,347,454	15,507,959	19,736,987
Franchise taxes	1,979,579	1,971,016	1,810,206	1,869,686	1,977,252	2,258,770	2,370,709	2,430,508	2,936,328	3,430,002
Utility taxes	1,557,792	1,637,064	1,771,016	1,839,880	1,913,806	2,199,599	2,434,310	3,299,040	3,929,722	4,593,234
Communications taxes	533,364	514,898	518,919	566,800	533,196	526,052	591,481	605,354	646,582	679,399
Local business tax	71,948	75,354	73,739	76,335	81,157	96,828	39,371	75,594	116,117	156,418
Gas and fuel taxes	824,130	884,346	962,003	950,758	1,021,713	1,036,779	992,938	1,096,859	1,147,587	1,211,366
State revenue sharing	1,872,644	2,019,140	2,184,678	2,310,556	2,451,402	2,606,090	2,595,405	3,089,010	3,796,678	4,070,164
Unrestricted investment earnings	257,673	253,126	254,099	249,119	291,513	692,832	391,204	304,114	129,413	3,222,484
Gain/(loss) on sale of capital assets	-	155,580	7,258	106,870	290,255	-	977,042	387,589	217,428	-
Transfers in (out)	1,385,835	1,554,447	1,600,000	2,000,000	2,000,000	2,100,000	2,200,000	2,300,000	(4,379,932)	(5,620,067)
<b>Total governmental activities</b>	<u>15,141,861</u>	<u>16,256,900</u>	<u>16,979,313</u>	<u>18,245,051</u>	<u>19,899,204</u>	<u>22,285,725</u>	<u>24,788,021</u>	<u>26,935,522</u>	<u>24,047,882</u>	<u>31,479,987</u>
Business-type activities										
Unrestricted investment earnings	22,778	22,284	21,888	27,880	62,168	327,386	123,010	71,683	35,545	2,509,870
Unrestricted intergovernmental revenues	-	-	-	-	-	1,159,283	269,222	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on sale of capital assets	-	-	-	-	-	-	-	55,622	-	-
Transfers in (out)	(1,385,835)	(1,554,447)	(1,600,000)	(2,000,000)	(2,000,000)	(2,100,000)	(2,200,000)	(2,300,000)	4,379,932	5,620,067
<b>Total business-type activities</b>	<u>(1,363,057)</u>	<u>(1,532,163)</u>	<u>(1,578,112)</u>	<u>(1,972,120)</u>	<u>(1,937,832)</u>	<u>(613,331)</u>	<u>(1,807,768)</u>	<u>(2,172,695)</u>	<u>4,415,477</u>	<u>8,129,937</u>
<b>Total primary government</b>	<u>13,778,804</u>	<u>14,724,737</u>	<u>15,401,201</u>	<u>16,272,931</u>	<u>17,961,372</u>	<u>21,672,394</u>	<u>22,980,253</u>	<u>24,762,827</u>	<u>28,463,359</u>	<u>39,609,924</u>
<b>Change in net position</b>										
Governmental activities	(626,055)	1,169,132	3,739,175	1,233,979	3,848,623	5,687,039	9,265,658	16,995,616	19,846,509	21,427,836
Business-type activities	1,513,896	1,936,944	5,742,673	4,806,650	3,169,464	5,082,549	7,222,332	15,918,818	39,637,443	33,936,040
<b>Total primary government</b>	<u>\$ 887,841</u>	<u>3,106,076</u>	<u>9,481,848</u>	<u>6,040,629</u>	<u>7,018,087</u>	<u>10,769,588</u>	<u>16,487,990</u>	<u>32,914,434</u>	<u>59,483,952</u>	<u>55,363,876</u>

Sources: Information derived from the Annual Comprehensive Financial Report or annual financial reports for the relevant year.

**CITY OF HAINES CITY, FLORIDA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
(modified accrual basis of accounting)  
**Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>General Fund</b>										
Nonspendable	\$ 76,171	529,201	48,483	223,119	56,742	64,370	76,598	175,858	104,199	107,743
Restricted	3,473,360	3,491,462	3,962,535	3,999,802	5,981,355	6,833,744	10,689,541	17,970,126	25,110,865	28,503,271
Committed	-	-	-	-	-	487,388	507,549	539,394	495,455	310,589
Assigned	-	-	-	-	-	500,000	349,610	943,505	2,516,634	600,000
Unassigned	<u>5,522,732</u>	<u>6,705,320</u>	<u>8,456,022</u>	<u>9,518,384</u>	<u>12,228,941</u>	<u>15,190,449</u>	<u>21,117,846</u>	<u>29,248,352</u>	<u>31,839,234</u>	<u>46,029,227</u>
Total General Fund	<u>\$ 9,072,263</u>	<u>10,725,983</u>	<u>12,467,040</u>	<u>13,741,305</u>	<u>18,267,038</u>	<u>23,075,951</u>	<u>32,741,144</u>	<u>48,877,235</u>	<u>60,066,387</u>	<u>75,550,830</u>
<b>All other governmental funds</b>										
Nonspendable, reported in										
Debt Service Fund	\$ -	-	-	-	-	-	20,687	-	-	-
Restricted, reported in										
Capital Projects Fund	1,365,494	-	-	8	8	8	8	-	-	-
CRA Fund	-	203,453	924,322	1,736,705	2,131,385	2,810,199	2,131,749	2,836,921	5,787,524	7,375,359
Debt Service Fund	<u>1,310,652</u>	<u>1,324,861</u>	<u>62,830</u>	<u>69,651</u>	<u>69,854</u>	<u>70,705</u>	<u>29,557</u>	<u>29,619</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 2,676,146</u>	<u>1,528,314</u>	<u>987,152</u>	<u>1,806,364</u>	<u>2,201,247</u>	<u>2,880,912</u>	<u>2,182,001</u>	<u>2,866,540</u>	<u>5,787,524</u>	<u>7,375,359</u>

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Sources: Information derived from the Annual Comprehensive Financial Report or annual financial reports for the relevant year.

**CITY OF HAINES CITY, FLORIDA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**(modified accrual basis of accounting)**  
**Last Ten Fiscal Years**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Revenues</b>										
Taxes	\$ 11,625,709	12,274,607	12,933,278	13,578,506	14,866,034	16,886,803	18,624,370	20,854,809	24,284,295	29,807,406
Licenses and permits	839,587	972,785	1,253,265	1,029,087	2,435,564	3,173,911	5,405,458	7,770,438	8,561,514	10,566,049
Intergovernmental revenues	2,100,591	2,254,622	2,406,563	2,574,270	2,937,604	3,588,887	3,083,441	3,440,237	8,667,531	10,120,177
Charges for services	3,219,722	3,476,117	3,538,090	4,127,686	4,381,628	4,821,282	4,729,886	5,604,074	6,414,318	6,705,947
Fines and forfeitures	1,089,915	964,305	1,366,205	1,528,630	1,623,451	1,636,036	1,702,594	1,924,533	1,901,696	1,721,082
Assessments	1,375,927	2,116,849	1,810,363	1,882,041	1,908,268	1,925,787	2,134,580	2,266,709	2,870,673	3,405,522
Impact fees	357,460	478,991	498,955	328,930	1,032,106	1,015,699	2,039,317	4,539,563	4,457,403	4,917,729
Miscellaneous revenues	546,771	618,566	403,436	639,026	521,802	997,787	618,184	536,459	425,202	3,574,037
<b>Total revenues</b>	<b>21,155,682</b>	<b>23,156,842</b>	<b>24,210,155</b>	<b>25,688,176</b>	<b>29,706,457</b>	<b>34,046,192</b>	<b>38,337,830</b>	<b>46,936,822</b>	<b>57,582,632</b>	<b>70,817,949</b>
<b>Expenditures</b>										
<b>Current</b>										
General government	3,207,655	3,289,508	3,364,526	3,685,154	3,813,138	4,353,305	4,815,406	4,957,003	5,919,796	7,094,737
Public safety	8,302,665	8,449,776	8,581,570	9,203,478	10,097,383	11,385,689	11,532,987	12,358,574	13,050,291	14,585,756
Physical environment	2,079,602	1,959,226	1,847,682	2,446,731	2,765,626	3,022,060	3,164,078	3,478,379	4,011,377	4,125,159
Transportation	1,006,979	1,977,480	1,022,060	2,292,148	1,575,714	1,510,283	1,473,535	1,295,609	1,689,228	2,169,321
Economic environment	22,762	19,963	85,986	25,018	118,643	279,916	816,592	1,134,918	827,069	1,009,127
Culture and recreation	3,014,287	2,995,290	3,478,620	3,790,021	4,247,671	4,618,726	4,313,545	4,593,261	5,132,365	5,919,059
Capital outlay	1,094,505	3,343,484	1,674,996	2,792,757	1,102,004	2,766,812	3,784,841	1,641,453	5,712,595	9,734,277
<b>Debt service</b>										
Principal retirement	1,651,907	1,614,880	1,842,347	1,179,577	2,039,735	2,056,039	2,123,679	2,260,158	3,713,352	2,966,457
Interest and fiscal charges	2,065,990	2,038,540	1,895,153	1,192,116	1,324,930	1,258,190	1,190,028	1,123,946	993,487	918,104
<b>Total expenditures</b>	<b>22,446,352</b>	<b>25,688,147</b>	<b>23,792,940</b>	<b>26,607,000</b>	<b>27,084,844</b>	<b>31,251,020</b>	<b>33,214,691</b>	<b>32,843,301</b>	<b>41,049,560</b>	<b>48,521,997</b>
Excess of revenues over (under) expenditures	(1,290,670)	(2,531,305)	417,215	(918,824)	2,621,613	2,795,172	5,123,139	14,093,521	16,533,072	22,295,952
<b>Other financing sources (uses)</b>										
Bond/loan proceeds	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	7,224	9,767	7,258	106,870	290,986	258,271	381,272	361,054	255,618	280,993
Lease liability issued	-	-	-	-	-	-	-	-	700,199	-
Installment purchase obligation	-	-	-	-	-	-	-	-	1,001,179	-
Proceeds from sale of capital assets	596,665	146,024	-	70,431	8,017	335,135	937,793	66,055	-	115,400
Issuance of capital lease	477,996	1,205,402	93,092	835,000	-	-	-	-	-	-
Refunding notes issued	-	4,636,000	24,109,000	-	-	-	324,078	-	-	-
Payment to refunded debt escrow agent	-	(4,560,000)	(25,026,670)	-	-	-	-	-	-	-
Transfers in	6,326,611	6,738,627	6,349,853	6,128,800	7,077,141	7,576,371	8,010,709	8,451,074	7,998,199	9,008,472
Transfers out	(4,940,776)	(5,138,627)	(4,749,853)	(4,128,800)	(5,077,141)	(5,476,371)	(5,810,709)	(6,151,074)	(12,378,131)	(14,628,539)
<b>Total other financing sources (uses)</b>	<b>2,467,720</b>	<b>3,037,193</b>	<b>782,680</b>	<b>3,012,301</b>	<b>2,299,003</b>	<b>2,693,406</b>	<b>3,843,143</b>	<b>2,727,109</b>	<b>(2,422,936)</b>	<b>(5,223,674)</b>
<b>Net change in fund balances</b>	<b>\$ 1,177,050</b>	<b>505,888</b>	<b>1,199,895</b>	<b>2,093,477</b>	<b>4,920,616</b>	<b>5,488,578</b>	<b>8,966,282</b>	<b>16,820,630</b>	<b>14,110,136</b>	<b>17,072,278</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>17.58%</b>	<b>16.50%</b>	<b>16.90%</b>	<b>9.90%</b>	<b>12.96%</b>	<b>11.60%</b>	<b>11.27%</b>	<b>10.82%</b>	<b>13.31%</b>	<b>10.00%</b>

Sources: Information derived from the Annual Comprehensive Financial Report or annual financial reports for the relevant year.

**CITY OF HAINES CITY, FLORIDA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**NET OF EXEMPTIONS**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Property</b>		<b>Personal Property</b>		<b>Totals</b>		<b>Total Direct Tax Rate</b>
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	
2014	\$ 651,343,372	651,343,372	110,380,551	110,380,551	761,723,923	761,723,923	7.7900
2015	698,680,015	698,680,015	110,105,197	110,105,197	808,785,212	808,785,212	7.7900
2016	830,566,349	830,566,349	112,118,392	112,118,392	942,684,741	942,684,741	7.7900
2017	916,232,983	916,232,983	124,788,633	124,788,633	1,041,021,616	1,041,021,616	7.5895
2018	1,196,234,092	1,196,234,092	145,189,671	145,189,671	1,341,423,763	1,341,423,763	7.5895
2019	1,470,510,878	1,470,510,878	170,029,820	170,029,820	1,640,540,698	1,640,540,698	7.5895
2020	1,680,169,125	1,680,169,125	172,402,792	172,402,792	1,852,571,917	1,852,571,917	7.5895
2021	1,966,961,480	1,966,961,480	185,566,592	185,566,592	2,152,528,072	2,152,528,072	7.5895
2022	2,525,035,800	2,525,035,800	206,271,845	206,271,845	2,731,307,645	2,731,307,645	7.5895
2023	3,177,280,393	3,177,280,393	233,174,366	233,174,366	3,410,454,759	3,410,454,759	7.5895

Source: Polk County Property Appraiser.

Note: Tax rate are per every \$1,000 of assessed value.

**CITY OF HAINES CITY, FLORIDA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**Last Ten Fiscal Years**  
**Millage Rates (\$1 per \$1,000 Valuation)**

City of Haines City				Overlapping Rates <sup>(a)</sup>				
Fiscal Year	Operating Millage	GO Debt Service Millage	Total Direct Millage	Polk County	Southwest Florida Water Management District	Polk County School Board	Peace River Water Basin	Total
2014	7.7900	0.000	7.7900	6.8665	0.3650	7.5470	0.0000	22.5685
2015	7.7900	0.000	7.7900	6.7815	0.3490	7.2080	0.0000	22.1285
2016	7.7900	0.000	7.7900	6.7815	0.3317	6.7970	0.0000	21.7002
2017	7.5895	0.000	7.5895	6.7815	0.3131	6.5140	0.0000	21.1981
2018	7.5895	0.000	7.5895	7.1565	0.2955	6.2510	0.0000	21.2925
2019	7.5895	0.000	7.5895	7.1565	0.2801	6.0860	0.0000	21.1121
2020	7.5895	0.000	7.5895	6.8990	0.2669	5.9350	0.0000	20.6904
2021	7.5895	0.000	7.5895	6.8990	0.2535	5.8290	0.0000	20.5710
2022	7.5895	0.000	7.5895	6.6920	0.2260	5.5190	0.0000	20.0265
2023	7.5895	0.000	7.5895	6.6852	0.2043	5.4080	0.0000	19.8870

<sup>(a)</sup> Overlapping rates are those of local and county governments that apply to property owners within the incorporated areas.

Source: Polk County Tax Collector.

**CITY OF HAINES CITY  
PRINCIPAL TAXPAYERS  
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2022/2023			Fiscal Year 2013/2014		
	Taxable Value	Percent of Total Taxable Value	Rank	Taxable Value	Percent of Total Taxable Value	Rank
ALDI	\$ 69,942,902	2.5%	1	23,845,256	2.7%	3
DUKE ENERGY/FLORIDA POWER	29,661,115	1.1%	2	21,703,886	2.5%	4
SOFIDEL AMERICA CORP	28,286,337	1.0%	3	33,838,115	3.9%	2
CARVANNA LLC	28,204,753	1.0%	4			
AERCON FLORIDA LLC	17,886,705	0.6%	5			
CASSIDY WESTSIDE DAVENPORT LP	16,158,000	0.6%	6			
D R HORTON INC	15,211,756	0.5%	7			
WALMART	14,856,758	0.5%	8	8,851,513	1.0%	6
ROYAL PALM VILLAGE LLC	14,027,958	0.5%	9	10,148,498	1.2%	5
DR HORTON INC	13,688,640	0.5%	10			
HEART OF FLORIDA				39,182,434	4.5%	1
VERIZON				7,905,319	0.9%	7
OLDCASTLE APG SOUTH				7,505,397	0.9%	8
LOWES				7,110,178	0.8%	9
HAINES MALL LLC				6,918,695	0.8%	10
Total ten largest taxpayers	247,924,924	8.8%		167,009,291	19.0%	
Other taxpayers	2,567,909,766	91.2%		711,791,476	81.0%	
Total per 2023 tax roll	<u>\$ 2,815,834,690</u>	<u>100.0%</u>				
Total per 2014 tax roll				<u>\$ 878,800,767</u>	<u>100.0%</u>	

\*Data not available.

Source: Polk County Property Appraiser.

**CITY OF HAINES CITY  
PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Tax Levy <sup>(1)</sup></b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Prior Years Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percentage of Total Collections To Tax Levy</b>
2014	\$ 5,933,829	5,718,569	96.37%	36,919	5,755,488	96.99%
2015	6,300,431	6,082,038	96.53%	68,306	6,150,344	97.62%
2016	6,845,858	6,592,527	96.30%	34,170	6,626,697	96.80%
2017	6,904,098	6,850,251	99.22%	37,845	6,888,096	99.77%
2018	7,844,563	7,645,055	97.46%	40,007	7,685,062	97.97%
2019	8,794,759	8,567,254	97.41%	21,258	8,588,512	97.65%
2020	9,939,056	9,690,279	97.50%	15,163	9,705,442	97.65%
2021	10,918,330	10,589,289	96.99%	39,461	10,628,750	97.35%
2022	12,882,803	12,020,715	93.31%	464,592	12,485,307	96.91%
2023	16,665,289	15,771,335	94.64%	431,009	16,202,344	97.22%

<sup>(1)</sup> Total assessed value times millage rate. Gross taxes before discounts.

Source: Polk County Tax Collector.

**CITY OF HAINES CITY, FLORIDA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Haines City Personal Income	Percentage of Personal Income	Per Capita
	Financed Purchases	Leases Payable	Bank Loans	Utility System Revenue Bonds/Notes	State Revolving Loans	Leases Payable				
2014	\$ 366,089	-	41,084,285	5,353,000	8,789,510	-	55,592,884	735,494,305	7.56%	2,600
2015	368,717	-	40,744,859	4,349,000	10,087,021	-	55,549,597	724,351,968	7.67%	2,504
2016	224,816	-	39,602,540	3,329,000	13,377,104	-	56,533,460	784,127,196	7.21%	2,371
2017	72,403	-	39,410,376	2,638,000	13,060,377	-	55,181,156	815,543,553	6.77%	2,314
2018	55,744	-	37,387,300	2,281,000	12,432,182	-	52,156,226	831,307,474	6.27%	2,147
2019	38,158	-	35,348,847	1,918,000	11,680,348	-	48,985,353	975,258,468	5.02%	1,919
2020	343,672	-	33,243,732	1,548,000	11,060,953	-	46,196,357	1,149,659,170	4.02%	1,646
2021	219,429	-	31,107,817	1,171,000	10,356,374	-	42,854,620	1,270,920,524	3.37%	1,469
2022	753,281	1,182,446	28,156,000	788,000	13,257,308	48,846	44,185,881	1,488,985,859	2.97%	1,343
2023	325,114	797,156	26,003,000	398,000	18,719,907	36,078	46,279,255	1,488,985,859	3.11%	1,312

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Sources: Population data from the City of Haines City Department of Economic Development. Personal income data from the U.S. Department of Commerce.

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

Debt limitation: There are no legal debt limits for Florida municipalities.

**CITY OF HAINES CITY, FLORIDA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**

Fiscal Year	Florida Municipal Loan Council			SouthState			Less: Amounts Available in Debt Service Fund	Total	Percent of Actual Taxable Value of Property	Per Capita
	CRA	Police	Rail Spur	Library/ City Hall	CRA/ Rail Spur	CRA/ Police				
2014	\$ 24,652,679	2,756,606	2,560,000	11,115,000	-	-	1,310,652	39,773,633	5.22%	1,860
2015	21,903,834	2,642,131	-	10,809,000	4,422,000	-	1,324,861	38,452,104	4.38%	1,733
2016	-	-	-	10,489,000	4,179,000	24,934,540	62,830	39,539,710	4.50%	1,700
2017	-	-	-	10,153,000	3,929,000	24,515,376	69,651	38,527,725	3.70%	1,616
2018	-	-	-	9,799,000	3,673,000	23,149,300	69,854	36,551,446	2.72%	1,504
2019	-	-	-	9,429,000	3,410,000	21,791,847	50,018	34,580,829	2.11%	1,354
2020	-	-	-	9,039,000	3,140,000	21,064,732	29,557	33,214,175	1.79%	1,184
2021	-	-	-	8,630,000	2,862,000	19,615,817	29,619	31,078,198	1.44%	1,065
2022	-	-	-	8,201,000	2,577,000	17,378,000	-	28,156,000	1.03%	880
2023	-	-	-	7,750,000	2,284,000	15,969,000	-	26,003,000	0.76%	737

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

**CITY OF HAINES CITY, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**GENERAL OBLIGATION BONDS**  
**September 30, 2023**

<u>Jurisdiction</u>	<u>Total Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Haines City</u>	<u>Amount Applicable to City of Haines City</u>
District School Board of Polk County	\$ 163,686,738	2.85% <sup>(1)</sup>	<u>\$ 4,666,523</u>
Total overlapping debt			4,666,523
Total direct debt	27,125,270	100.0%	<u>27,125,270</u>
Total direct and overlapping debt			<u><u>\$ 31,791,793</u></u>

<sup>(1)</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by dividing the City's taxable assessed values by the County's total taxable assessed values.

Source: Polk County School Board.

**CITY OF HAINES CITY, FLORIDA**  
**LEGAL DEBT MARGIN INFORMATION**  
**September 30, 2023**

The constitution of the State of Florida, Florida Statute 200.181 and the City of Haines City, Florida, set no legal debt limit.

**CITY OF HAINES CITY, FLORIDA  
PLEDGED REVENUE COVERAGE  
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues <sup>(1)</sup>	Less Operating Expenses <sup>(2)</sup>	Net Available For Debt Service	Debt Service Requirements		
				Principal	Interest	Coverage
<b>Water and Sewer Revenue Bonds</b>						
2014	\$ 8,701,975	4,598,428	4,103,547	607,000	90,815	5.88
2015	8,807,681	4,645,953	4,161,728	1,007,000	76,131	3.84
2016	9,994,381	4,071,219	5,923,162	1,020,000	61,215	5.48
2017	10,900,093	6,143,440	4,756,653	691,000	48,275	6.43
2018	11,505,947	6,704,683	4,801,264	357,000	41,742	12.04
2019	13,589,176	6,906,060	6,683,116	363,000	35,099	16.79
2020	16,141,004	7,682,046	8,458,958	370,000	28,328	21.24
2021	20,456,787	7,287,157	13,169,630	377,000	24,879	32.77
2022	22,880,375	9,077,442	13,802,933	383,000	17,925	34.43
2023	28,718,331	13,470,014	15,248,317	390,000	10,852	38.04
<b>State Revolving Fund Loans</b>						
2014	\$ 8,701,975	5,296,243	3,405,732	406,778	207,021	5.55
2015	8,807,681	5,729,084	3,078,597	416,092	193,892	5.05
2016	9,994,381	5,152,434	4,841,947	425,619	188,180	7.89
2017	10,900,093	6,882,715	4,017,378	572,285	178,434	5.35
2018	11,505,947	7,103,425	4,402,522	652,962	177,065	5.30
2019	13,589,176	7,304,159	6,285,017	751,834	168,137	6.83
2020	16,141,004	8,080,374	8,060,630	804,816	157,150	8.38
2021	20,456,787	7,689,036	12,767,751	878,053	145,266	12.48
2022	22,880,375	9,478,367	13,402,008	829,137	132,594	13.94
2023	28,718,331	13,870,866	14,847,465	779,684	120,711	16.49

<sup>(1)</sup> Gross revenues from water and sewer charges for services, plus interest income and service charges.

<sup>(2)</sup> Total operating expenses exclusive of depreciation, sewer impact fees, amortization of intangibles and non-recurring costs. State Revolving Fund Loans operating expenses include the annual debt service for revenue bonds.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
Source: City of Haines City Finance Department.

**CITY OF HAINES CITY, FLORIDA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**

<b>Year</b>	<b>Population <sup>(1)</sup></b>	<b>Polk County Per Capita Personal Income <sup>(2)</sup></b>	<b>Personal Income <sup>(2)</sup></b>	<b>Public School Enrollment <sup>(3)</sup></b>	<b>Unemployment Rate <sup>(4)</sup></b>
2014	21,385	\$ 34,393	735,494,305	8,533	6.6%
2015	22,184	32,652	724,351,968	6,881	5.9%
2016	23,252	33,723	784,127,196	6,227	5.9%
2017	23,847	34,199	815,543,553	7,219	4.6%
2018	24,298	34,213	831,307,474	7,472	3.4%
2019	25,533	38,196	975,258,468	6,744	3.0%
2020	28,061	40,970	1,149,659,170	6,744	7.9%
2021	29,179	43,556	1,270,920,524	7,030	5.4%
2022	31,979	46,561	1,488,974,219	9,869	3.2%
2023	35,285	56,425	1,990,956,125	9,404	3.2%

- Sources:
- <sup>(1)</sup> City of Haines City Community Development Department.
  - <sup>(2)</sup> U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System.  
The actual per capita personal income is for Lakeland/Winter Haven MSA. The per capita figures are multiplied by population to determine the total personal income.
  - <sup>(3)</sup> [www.greatschools.org](http://www.greatschools.org) website.
  - <sup>(4)</sup> U.S. Department of Labor Bureau labor Statistics Data, - Lakeland, Florida.

**CITY OF HAINES CITY, FLORIDA  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago**

Employer	Type of Business	Fiscal Year 2022/2023			Fiscal Year 2013/2014		
		Number of Employees	Percent of Total City Employment	Rank	Number of Employees	Percent of Total City Employment	Rank
ADVENT HEALTH	Health Care	1,800	15.92%	1	*	*	*
ALDI	Food Service	501	4.43%	2	*	*	*
CITY OF HAINES CITY	Municipal Government	331	2.93%	3	*	*	*
WALMART	Retailer	300	2.65%	4	*	*	*
SOFIDEL AMERICA CORP	Manufacturer	285	2.52%	5	*	*	*
CARVANNA	Automotive	200	1.77%	6	*	*	*
PUBLIX SUPERMARKET	Food Service	187	1.65%	7	*	*	*
LOWES	Retailer	166	1.47%	8	*	*	*
MCDONALDS	Health Care	165	1.46%	9	*	*	*
CROWN LINEN	Manufacturer	160	1.41%	10	*	*	*
Total		<u>4,095</u>					

\* Data not available.

Source: Community Development Department.  
Haines City Economic Development Council.

**CITY OF HAINES CITY, FLORIDA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

		<b>Fiscal Year</b>									
		<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>General government</b>											
	City manager	3	3	3	5	5	4	4	4	5	5
	City clerk	2	2	2	3	3	3	3	4	4.5	4.5
	Finance	2.8	3.8	4.7	4.7	4.7	4.2	4.6	4.6	6	7
	Human resources	2	3	3	3	3.5	3.5	3	4	4	4
	Information technology	2.5	4	4	4	4	4	5	5	5	6
	Community development	12	8	10	10	11.5	12	16.1	17.1	19	19
	Facilities maintenance	5	6	9.4	9.4	13	10	10	10	11.5	11.5
<b>16</b>	<b>Public safety</b>										
	Police	64	63.6	62.7	63.7	69	69	74	85	85	87
	Fire	32	31.4	31.3	29.7	37	38	38	38	39	40
	<b>Public works</b>	8.8	9.25	15.5	17.2	18.3	18.3	19.3	20.3	23	24
	<b>Utilities</b>	45.95	44.95	39.1	46.5	51	55.45	59	60	60	64
	<b>Parks and recreation</b>	33	32	35	45	45	48	48	48	52	59
	<b>Library</b>	8	8	8	8	8	8	8	8	9	9
	<b>Total</b>	<u>221</u>	<u>219</u>	<u>228</u>	<u>249</u>	<u>273</u>	<u>277</u>	<u>292</u>	<u>308</u>	<u>323</u>	<u>340</u>

Source: City of Haines City Annual Budget.

**CITY OF HAINES CITY**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Building inspection</b>										
Building permits issued	1,235	1,101	1,364	1,891	3,760	5,942	2,640	4,477	4,753	4,785
Number of building inspections completed	5,129	4,554	5,365	6,719	14,462	23,769	15,020	33,251	25,580	25,641
Number of re-inspections	*	*	*	*	*	*	2,617	1,153	1,115	1,626
Number of total building construction plans reviewed	368	498	667	442	708	2,215	1,506	2,744	3,498	3,881
<b>Law enforcement</b>										
Physical arrests	1,435	1,058	779	914	1,374	1,073	1,840	979	918	827
DUI arrests	77	17	22	29	45	52	93	188	70	62
Traffic violations	4,011	2,428	2,959	3,384	7,512	6,525	6,326	3,143	2,845	5,150
Red light camera violations	22,357	11,428	18,470	17,708	20,586	20,241	20,600	24,239	24,371	69,658
Traffic crashes	719	814	1,315	1,490	1,449	1,069	921	1,208	1,579	1,654
Calls for service	22,741	21,241	17,424	20,244	12,734	11,886	11,905	12,852	13,695	15,036
<b>Fire</b>										
Emergency responses	2,711	2,838	3,705	4,054	4,300	3,998	4,000	4,335	4,853	6,776
Number of actual fires suppressed	23	20	105	140	144	58	97	105	22	28
Number of building inspections	448	60	307	206	323	344	300	428	129	274
Number of school inspections	12	2	1	8	6	12	25	25	12	12
Number of re-inspection	995	50	98	20	148	133	800	685	22	28
Number of plans reviewed	69	70	53	60	60	60	60	60	60	137
<b>Public works</b>										
Street resurfacing (miles)	*	3	4	7	7	2	2	-	4	5
Other street repairs	*	*	*	*	*	*	*	*	*	14
Paved streets (miles)	*	84	84	84	86	98	92	92	92	108
Unpaved streets (miles)	*	6	6	6	6	6	6	6	6	3

\* Data not available.

Source: Various City departments.

**CITY OF HAINES CITY, FLORIDA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Transportation</b>										
Miles of streets	*	*	*	*	*	*	*	*	*	111
<b>Public safety</b>										
Number of fire stations	1	1	1	2	2	2	2	2	2	2
Number of firefighters and officers	32	30	30	36	36	36	36	36	37	37
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of sworn officers	53	53	53	53	53	53	59	59	70	72
<b>Municipal water system</b>										
Number of customers	9,714	9,871	9,493	9,158	10,084	10,700	11,815	12,643	16,023	18,981
Average daily consumption	3.99MGD	4.39MGD	4.51MGD	4.51MGD	4.51MGD	4.88MGD	5.078MGD	6.914MGD	6.914MGD	6.89MGD
Plant capacity, all plants	9.0MGD	9.0MGD	9.0MGD	9.0MGD	9.0MGD	9.0MGD	9.0MGD	9.0MGD	9.0MGD	9.0MGD
Deep wells	7	7	7	7	7	7	7	7	7	7
Number of fire hydrants	700	710	718	718	718	730	860	860	860	1,000
<b>Municipal sewer system</b>										
Number of customers	7,467	7,363	7,286	7,142	7,218	7,310	7,649	8,256	8,706	8,850
Treatment facility capacity	2.97MGD	2.97MGD	2.97MGD	2.97MGD	2.97MGD	2.97MGD	2.97MGD	2.97MGD	2.97MGD	2.97MGD
Annual average flow	1.65MGD	1.65MGD	1.50MGD	1.50MGD	1.50MGD	1.87MGD	1.97MGD	1.97MGD	1.97MGD	2.37MGD
<b>Municipal stormwater system</b>										
Number of customers	7,426	7,910	7,910	7,910	8,562	9,300	10,000	10,000	11,826	15,798
<b>Building permits issued</b>										
	1,235	1,101	1,364	1,891	3,760	5,942	2,640	4,477	4,753	4,785
<b>Recreation and culture</b>										
Number of neighborhood parks	4	4	4	4	4	6	6	6	7	8
Park area, number of acres	39	39	39	39	39	107	107	107	115	120
Number of books	61,500	61,500	62,099	63,400	70,508	80,289	67,772	67,772	68,137	55,355

\* Data not available.

Source: Various City departments.



## COMPLIANCE SECTION

This section contains the following subsections:

- Independent Auditor's report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Schedule of Findings and Responses
- Independent Auditor's Management Letter
- Independent Accountant's Report on Investment Compliance





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

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To the Honorable Mayor,  
Members of the City Council  
City of Haines City, 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 Haines City, Florida (the “City”), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated April 25, 2024.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

---

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, 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*.

### 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.

Bradenton, Florida  
April 25, 2024

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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To the Honorable Mayor,  
Members of the City Council  
City of Haines City, Florida

**Report on Compliance For Each Major Federal Program and State Project**

***Opinion on Each Major Federal Program and State Project***

We have audited the City of Haines City, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *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, 2023. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2023.

***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; 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 Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's 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. Our audit does not provide a legal determination of 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 City's federal and state programs.

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### ***Auditor's 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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, 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.

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Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
April 25, 2024



**CITY OF HAINES CITY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Federal Grantors/Pass Through Grantor/Program Title	AL Number	Pass Through Grantor's/Lender's Number	Expenditures
<b>U.S. Department of Housing and Urban Development</b>			
Passed through the State of Florida			
Community Development Block Grant (CDBG)	14.228	I0126	\$ 44,137
Community Development Block Grant (CDBG)	14.228	MT006	206,925
Community Development Block Grant (CDBG)	14.228	MT007	154,653
<b>Total U.S. Department of Housing and Urban Development</b>			<u>405,715</u>
<b>U.S. Department of Justice</b>			
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	15PBJA-21GG-00241-MUMU	\$ 17,650
<b>Total U.S. Department of Justice</b>			<u>17,650</u>
<b>U.S. Department of Treasury</b>			
Coronavirus Local Fiscal Recovery Funds	21.027	Y5107	\$ 5,794,007
<b>Total U.S. Department of the Treasury</b>			<u>5,794,007</u>
<b>U.S. Department of Environmental Protection</b>			
Passed through the State of Florida			
Drinking Water State Revolving Fund	66.468	DW530451	\$ 4,233,836
Stormwater Quality Improvements	66.460	NF093	2,773
<b>Total U.S. Department of Environment Protection</b>			<u>4,236,609</u>
<b>U.S. Department of Homeland Security</b>			
Passed through the State of Florida			
Emergency Operations Center Grant Program	97.052	R0747	\$ 88,775
<b>Total U.S. Department of Homeland Security</b>			<u>88,775</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 10,542,756</u>
State Agency/Pass Through Entity/State Program	CSFA Number	Grantors Number	Expenditures
<b>Department of Environmental Protection</b>			
Wastewater Treatment Facility Construction	37.077	WW530461	\$ 5,292,847
Wastewater Treatment Facility Construction	37.077	WW530460	949,437
Wastewater Treatment Facility Construction	37.077	WW530470	1,998,109
Reclaimed Water Recharge (Lake Eva)	37.039	LPA0299	\$ 198,596
<b>Total Department of Environmental Protection</b>			<u>8,438,989</u>
<b>Total Expenditures of State Financial Assistance</b>			<u>\$ 8,438,989</u>

**CITY OF HAINES CITY, FLORIDA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Haines City, Florida (the “City”), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the Auditor General of the State of Florida. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 – DE MINIMIS INDIRECT COST RATE**

The City chose not to use the 10% de minimis cost rate for the year ended September 30, 2023.

**NOTE 3 – NON-CASH AWARDS**

The City did not receive non-cash federal awards during the year ended September 30, 2023.

**NOTE 4 – 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 disallowed expenditures under the terms of the grants. Based upon prior experience, the City does not believe that such disallowances, if any, would be material.

**CITY OF HAINES CITY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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**SECTION I  
SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:  
Material weaknesses identified? \_\_\_ yes   X   no

Significant deficiencies identified not considered to be material weaknesses? \_\_\_ yes   X   none reported

Noncompliance material to financial statements noted? \_\_\_ yes   X   no

**Federal Programs and State Financial Assistance Projects**

Internal control over major federal programs:  
Material weaknesses identified? \_\_\_ yes   X   no

Significant deficiencies identified not considered to be material weaknesses? \_\_\_ yes   X   none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

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:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	U.S. Department of the Treasury – Coronavirus State and Local Fiscal Recovery Funds
66.468	U.S. Environmental Protection Agency – Drinking Water State Revolving Fund

Identification of major state financial assistance:

<u>CSFA Number</u>	<u>Name of State Program</u>
37.077	Wastewater Treatment Facility Construction

Dollar threshold used to distinguish between  
Type A and Type B federal programs: \$750,000  
Type A and Type B state awards: \$750,000

Auditee qualified as low-risk auditee? \_\_\_ yes   X   no

**CITY OF HAINES CITY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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**SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Not applicable.

**SECTION IV  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

None.



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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The Honorable Mayor,  
Members of the City Council  
City of Haines City, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the City of Haines City, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 25, 2024.

### **Auditor's 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; and Chapter 10.550, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Questioned Costs; Independent Auditor's Report on Compliance for each Major Federal Program and State Project and on Internal Control over Compliance required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; 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 April 25, 2024, 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. There were no prior year findings.

### **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. The City of Haines City, Florida was incorporated in 1914. Additional information on the City's creation and the City's component unit is disclosed within the City's footnotes.

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## **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 condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and 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 the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

## **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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

## **Purpose of this Letter**

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

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
April 25, 2024



## INDEPENDENT ACCOUNTANT'S REPORT

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The Honorable Mayor,  
Members of the City Council  
City of Haines City, Florida

We have examined the City of Haines City, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance 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 judgement, 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 ethical responsibilities in accordance with relevant ethical requirements relating to the examination 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 the aforementioned requirements during the year ended September 30, 2023.

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.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
April 25, 2024

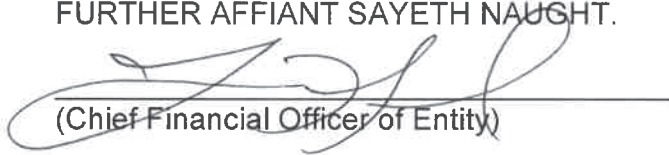


**IMPACT FEE AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared Omar DeJesus, CPA, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer<sup>1</sup> of **City of Haines City** which is a local governmental entity of the State of Florida.
2. The governing body of **the City of Haines City** adopted Ordinance No. **15-159, 20-1674** and 20-1675 implementing an impact fee.
3. **The City of Haines City** has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

  
(Chief Financial Officer of Entity)

STATE OF FLORIDA  
COUNTY OF POLK

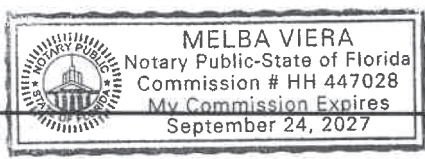
SWORN TO AND SUBSCRIBED before me this 24<sup>th</sup> day of April, 2024.

  
NOTARY PUBLIC  
Print Name Melba Viera

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_



<sup>1</sup> Pursuant to Section 163.31801(8), Florida Statutes, if there is no chief financial officer, the executive officer must sign the affidavit.