



Annual Comprehensive Financial Report

For the Period Ended September 30, 2023

WINTER HAVEN
THE CHAIN OF LAKES CITY

CITY OF WINTER HAVEN, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2023

Prepared by:

Finance Department
Colleen (CJ) Scott, CFO

**CITY OF WINTER HAVEN, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2023**

INTRODUCTORY SECTION	
LETTER OF TRANSMITTAL	1
ORGANIZATIONAL CHART	6
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	7
PRINCIPAL CITY OFFICIALS	9
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	10
MANAGEMENT’S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION)	14
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	27
STATEMENT OF ACTIVITIES	28
FUND FINANCIAL STATEMENTS	
GOVERNMENTAL FUNDS FINANCIAL STATEMENTS	
BALANCE SHEET	29
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	30
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	31
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	32
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	33
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – COMMUNITY REDEVELOPMENT AGENCY FUND	34
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – AIRPORT FUND	35
PROPRIETARY FUNDS FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	36
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	38
STATEMENT OF CASH FLOWS	39
FIDUCIARY FUNDS FINANCIAL STATEMENTS	
STATEMENT OF FIDUCIARY NET POSITION	41
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	42

**CITY OF WINTER HAVEN, FLORIDA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2023**

FINANCIAL SECTION (CONTINUED)	
NOTES TO FINANCIAL STATEMENTS	43
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF CHANGES IN THE EMPLOYER’S NET PENSION LIABILITY AND RELATED RATIOS	114
SCHEDULE OF EMPLOYER CONTRIBUTIONS	122
SCHEDULE OF INVESTMENT RETURNS	129
SCHEDULE OF CHANGES IN THE CITY’S TOTAL OPEB LIABILITY AND RELATED RATIOS	130
OTHER SUPPLEMENTARY INFORMATION	
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES NONMAJOR GOVERNMENTAL FUNDS	
COMBINING BALANCE SHEET	132
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE	134
BUDGET TO ACTUAL COMPARISON OTHER MAJOR AND NONMAJOR GOVERNMENTAL FUNDS	
SCHEDULE OF EXPENDITURES AND TRANSFERS – BUDGET AND ACTUAL – GENERAL FUND	136
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	
2015 CONSTRUCTION FUND	137
2021 CONSTRUCTION FUND	138
LIBRARY FUND	139
CEMETERY FUND	140
SHIP GRANT FUND	141
BUILDING SAFETY FUND	142
IMPACT FEE FUND	143
FEDERAL BUILDING FUND	144
AFFORDABLE HOUSING FUND	145
TRANSPORTATION FUND	146

**CITY OF WINTER HAVEN, FLORIDA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2023**

FINANCIAL SECTION (CONTINUED)	
NONMAJOR PROPRIETARY FUNDS	
COMBINING STATEMENT OF NET POSITION	147
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	149
COMBINING STATEMENT OF CASH FLOWS	150
INTERNAL SERVICE FUNDS	
COMBINING STATEMENT OF NET POSITION	152
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	154
COMBINING STATEMENT OF CASH FLOWS	155
STATISTICAL SECTION	
NET POSITION BY COMPONENTS	158
CHANGES IN NET POSITION	159
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE	161
FUND BALANCES OF GOVERNMENTAL FUNDS	162
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS	163
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY	165
PROPERTY TAX RATES	166
PRINCIPAL TAXPAYERS	167
PROPERTY TAX LEVIES AND COLLECTIONS	168
RATIOS OF OUTSTANDING DEBT BY TYPE	169
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT	170
PLEDGED-REVENUE COVERAGE	171
WATER AND SEWER CONSUMPTION	172
DEMOGRAPHIC AND ECONOMIC STATISTICS	173
PRINCIPAL EMPLOYERS	174
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION	175
OPERATING INDICATORS BY FUNCTION	176
CAPITAL ASSETS BY FUNCTION	177
MISCELLANEOUS STATISTICS	178
SCHEDULE OF INSURANCE IN FORCE	179

**CITY OF WINTER HAVEN, FLORIDA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2023**

OTHER REPORTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	182
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	184
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 <i>GOVERNMENT AUDITING STANDARDS</i>	185
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 OF THE STATE OF FLORIDA	187
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FEDERAL PROGRAMS	190
SCHEDULE OF PRIOR AUDIT FINDINGS	192
INDEPENDENT AUDITOR'S MANAGEMENT LETTER	193
INDEPENDENT ACCOUNTANT'S REPORT	196

INTRODUCTORY SECTION

WINTER HAVEN

THE CHAIN OF LAKES CITY

This page intentionally left blank

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

MARCH 26, 2024

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Winter Haven for the fiscal year ending September 30, 2023. This report is presented in conformity with generally accepted accounting principles (GAAP), and audited by an independent firm of certified public accountants, Mauldin & Jenkins, LLC, as mandated by both local ordinances and state statutes. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data as presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

City management is responsible for establishing and maintaining a system of internal controls designed to ensure the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal controls are designed to provide reasonable, but not absolute assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City

Winter Haven is located in central Polk County which lies in the center of the State of Florida, equidistant between the major metropolitan areas of Orlando and Tampa. Winter Haven, known as the "Chain of Lakes City" is Polk County's second largest city. Widely recognized as the water skiing capital of the world, the "Chain of Lakes" is a boater's paradise with beautiful waters and world-class fishing. There are fifty fresh-water lakes within or bordering the City limits, many of which are connected via two chain systems of navigable canals. Fourteen boat ramps, sixteen public docks/piers, two boardwalks, and nineteen waterfront parks allow residents and visitors alike to enjoy our lakes.

Winter Haven is home to the LEGOLAND Florida Resort which includes the historic Cypress Gardens botanical garden, two LEGOLAND Resort Hotels on property and the nearby Beach Retreat; a resort offering 83 beach-themed bungalows in a village-style layout with free transportation to LEGOLAND Florida.

The City operates under the commission-manager form of government. Policy-making and legislative authority are vested in the City Commission (Commission) consisting of the Mayor, Mayor Pro Tem and three commissioners. The Commission is responsible for, among other things, adopting local ordinances and resolutions, adopting the budget, appointing committees, and hiring the City Manager, City Attorney, and City Clerk. The City Manager is responsible for carrying out the policies and ordinances of the Commission, for overseeing the day-to-day operations of the City, and for appointing the heads of various departments. The Commission is elected on a non-partisan basis. Commission members serve four-year staggered terms, with two or three commission seats up for election every two years. The mayor and commissioners are elected at large. The commissioners select the Mayor and Mayor Pro Tem annually.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets, sidewalks and infrastructure; engineering; planning and community development; code compliance; general administration and support services; and recreational activities and cultural events. In addition, the City operates several enterprises: including water and sewer service, solid waste, stormwater, dark fiber, and a golf course.

The annual budget serves as the foundation of the City's financial planning and control. Departments are required to submit requests for appropriations including any new employee positions and capital projects to the Financial Services Department, which uses those requests as the starting point for developing a proposed budget. With the prudent oversight of the City Manager, a proposed budget and five-year capital improvement plan is prepared and presented to the City Commission by the City Manager annually in July.

The Mayor, Mayor Pro Tem, and Commissioners provide input and suggestions on initiatives they would like to see in the proposed budget. City Management and staff summarize these suggestions and add analysis of an operational impact, if any. At a special City Commission meeting, the Commission discusses modifications to the proposed budget and reaches a consensus as to what will be reflected in the proposed budget. Staff incorporates these suggestions in the budget for a Commission vote in September.

The Commission is required to hold two public hearings on the budget and millage rate in September and adopt a final budget and millage rate by no later than September 30, the close of the City's fiscal year.

The appropriated budget is prepared by fund. Transfers between accounts within the same fund may be made with City Manager approval. Transfers between funds and adjustments that increase the overall budget of a fund require approval of the City Commission. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated budget has been adopted.

Reserve Policies

The City's fiscal policy prescribes a minimum of 17% of the General Fund's operating expenditures will be retained in the Unassigned Fund Balance; with a reserve goal of 30%. Any Unassigned Fund Balance in excess of 30% may be transferred to the Construction Fund to defray costs and cover contingencies as recommended by the City Manager and approved by the City Commission.

Factors Affecting Financial Condition

Winter Haven's estimated population for 2023 was 55,000. This represents an increase of 17.5 percent over 2020's population. The current estimated rate of growth is 3.87%.

The City has experienced significant economic growth over the past year, driven by various factors including residential, industrial, commercial growth, and tourism. The City experienced a 15.24% increase in gross taxable values, providing an increase in ad valorem revenues. This growth also had positive impact on sales tax, franchise fees, and utility revenues.

Due to the City's strong financial performance and robust reserves, Standards & Poor and Fitch provided bond ratings of AA and AA-, for non-ad valorem revenue bonds and water and sewer revenue bonds, respectively.

Major Initiatives

Lake Elbert Trail

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

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

Winter Haven Recreational & Cultural Center

The City had contemplated and budgeted for improvements to the Winter Haven Recreational & Cultural Center (WHRCC), with an initial focus on improving the fitness center and addressing ADA needs. In 2021, during the initial design and master plan efforts, the breadth of the project warranted consideration of a complete rebuild versus a traditional renovation.

The proposed new building will feature a double multi-use gymnasium, a new zero-grade entry swimming pool, a splash pad, new playground, outdoor sport court, and all the amenities of an upgraded fitness center, community meeting space, library/technology area with WiFi, business support area, kitchen (caterer), offices, restrooms and additional storage.

Transportation Fund

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

Airport Fund

The Winter Haven airport initiated an Airport Security Improvement Project to enhance safety and operations of the airport. The project involves the design and construction of fencing, gates, access control and cameras as outlined in TSA guidelines.

Another major project of the airport is the rehabilitation of the South Apron. The project will also reconfigure Taxiway A to comply with new FAA standards. A complete repave is included, greatly increasing the airport's overall pavement condition index (PCI).

Pollard Road Water Production Facility

This initiative will be completed in two phases. Phase one of the Pollard Road Water Treatment Plant is the construction of approximately 6,700 feet of new 16-inch water main from the future water plant, which will be located adjacent to Wastewater Treatment Plant #3, to interconnect with an existing water main located on Lake Eloise Loop Road. Extending this water line will increase the capacity to receive future alternative water supplies from the Polk Regional Water Cooperative. This project will also be a critical link to transmit alternative water supplies to other communities through Winter Haven's system. The second phase of the project will be constructed in tandem with the reuse interconnect project funded through a cooperative funding request and the new force main from Wastewater Treatment Plant #3 to the Master Lift Station.

Affordable Housing Fund

The Affordable Housing Fund was established pursuant to Ordinance O-21-59 and approved in September 2021. The City is committed to fund the Affordable Housing Initiative in the amount of \$250,000 annually. Expenditures include \$460,000 for a low income development and a commitment of \$1 million to the Winter Haven Housing Authority for the demolition of dilapidated housing units and the construction of 120 new units at a selected site.

Awards and Acknowledgements

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting to the City of Winter Haven, for its Annual Comprehensive Financial Report for the fiscal year ending September 30, 2022. This was the 33rd consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Award for Distinguished Budget

The City received the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2022. This was the 30th consecutive year that the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, organization, and as a communications medium. We are pleased that we continue to achieve this distinction.

Acknowledgments

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. Their efforts have been instrumental in ensuring the accuracy and completeness of the financial information presented herein. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Sincerely,



T. Michael Stavres, ICMA-CM, CPM
CITY MANAGER



Colleen (CJ) Scott, CPA, CGFO, CPM
CHIEF FINANCIAL OFFICER

ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Winter Haven
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

**CITY OF WINTER HAVEN, FLORIDA
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE
IN FINANCIAL REPORTING (CONTINUED)
SEPTEMBER 30, 2023**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Winter Haven, Florida for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

**CITY OF WINTER HAVEN, FLORIDA
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2023**

Mayor

Bradley T. Dantzler

Commissioners

Nathaniel J. Birdsong Jr.

Vacant

Tracy Mercer

William "Brian" Yates

City Manager

T. Michael Stavres

City Clerk

Vanessa Castillo

City Attorney

Frederick J. Murphy, Jr.

City Auditors

Mauldin & Jenkins, LLC

FINANCIAL SECTION

WINTER HAVEN

THE CHAIN OF LAKES CITY

This page intentionally left blank

INDEPENDENT AUDITOR'S REPORT

WINTER HAVEN

THE CHAIN OF LAKES CITY

This page intentionally left blank

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winter Haven, Florida, (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, and the respective budgetary comparison for the General Fund, Community Redevelopment Agency Fund, and Airport Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

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 on pages 14 through 26 and the schedule of changes in the employer's net pension liability and related ratios, schedule of employer contributions, schedule of investment returns, and schedule of changes in the City's total OPEB liability and related ratios on pages 114 through 131, 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.

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 combining and individual nonmajor fund financial statements and schedules and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the Auditor General of the State of Florida, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our 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 March 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.



Bradenton, Florida
March 25, 2024

WINTER HAVEN

THE CHAIN OF LAKES CITY

This page intentionally left blank

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2023**

As management of the City of Winter Haven ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on page 1 of this report.

Financial Highlights

- The assets and deferred outflows of the City of Winter Haven exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$261,484,123 (net position). Of this amount, \$151,414,068 represents net investment in capital assets (capital assets net of related debt), \$60,116,861 is restricted for a specific purpose, and \$49,953,194 (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$44,256,864. Total revenues were \$156,051,855; an increase of \$18,450,500 over the previous year. Total expenses were \$111,794,991; an increase of \$10,414,070 over the previous year.
- As of September 30, 2023, the City of Winter Haven's governmental funds reported combined ending fund balances of \$109,440,445 an increase of \$17,436,135 over the previous year.
- Business-type funds reflected a change in net position of \$22,465,283.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$26,554,264, or 43% of total General Fund expenditures and Transfers Out. The unassigned fund balance reflects an increase of \$3,972,894 over prior year. This increase can be attributed to an increase in property tax revenues, franchise fees and sales tax revenues, investment earnings, and insurance receipts due to Hurricane Ian.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. 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. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2023**

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, transportation, economic development, human services, and culture and recreation. The business-type activities of the City include water and sewer, solid waste, stormwater, dark fiber, and a golf course.

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

Governmental funds. 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 financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Community Redevelopment Agency Fund, Airport Fund, 2015 Construction Fund, and 2021 Construction Fund, which are considered to be major funds. Data from the other fourteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and certain Special Revenue Funds. Budgetary comparison schedules have been provided for the General Fund and each major Special Revenue Fund that adopts a budget to demonstrate compliance with the budget. Budgetary comparisons for nonmajor special revenue funds are presented in the combining statements.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, solid waste, stormwater, dark fiber, and golf course.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet maintenance operations, general services, and, self-insurance. Because services accounted for in internal service funds predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2023**

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and Solid Waste Fund. The Water and Sewer Fund and Solid Waste Fund are considered to be major funds of the City. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

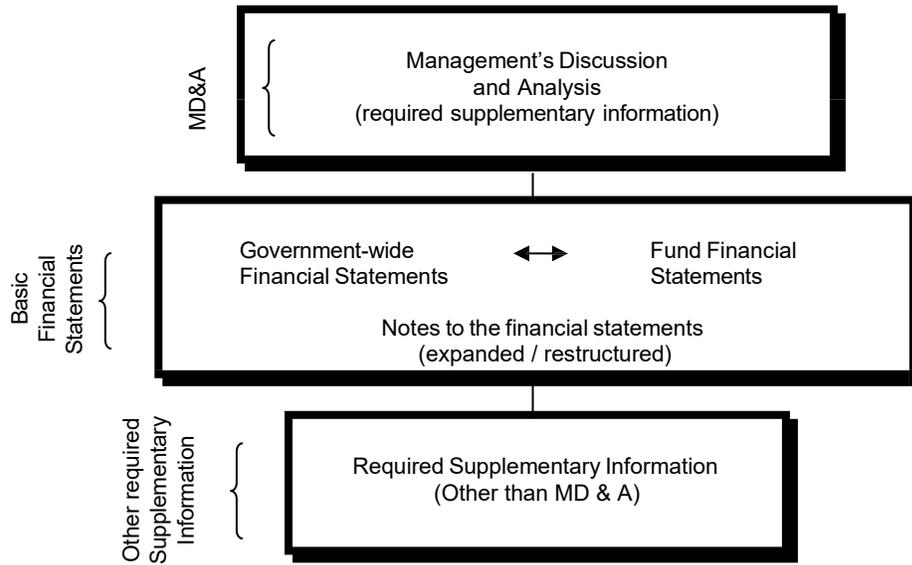
Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on starting on page 51 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons and the City's progress in funding its obligation to provide pension benefits to its employees and Other Postemployment Benefit (OPEB) obligations. The combining statements referred to earlier in connection with nonmajor governmental and internal service funds are presented immediately following the required supplementary information.

The chart below may assist in understanding the structure of the financial statements.

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2023**



Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$261,484,123 at the close of the most recent fiscal year.

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

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 138,986,323	\$ 115,653,132	\$ 89,963,022	\$ 77,801,638	\$ 228,949,345	\$ 193,454,770
Capital Assets (Net)	121,391,140	115,092,929	124,429,287	113,809,532	245,820,427	228,902,461
Total Assets	<u>260,377,463</u>	<u>230,746,061</u>	<u>214,392,309</u>	<u>191,611,170</u>	<u>474,769,772</u>	<u>422,357,231</u>
Deferred Outflows of Resource	<u>12,298,595</u>	<u>24,351,533</u>	<u>3,112,298</u>	<u>6,894,327</u>	<u>15,410,893</u>	<u>31,245,860</u>
Liabilities						
Current and other liabilities	10,475,047	12,178,849	13,669,371	14,863,630	24,144,418	27,042,479
Long-term liabilities	118,375,707	118,913,937	67,861,192	68,913,810	186,236,899	187,827,747
Total Liabilities	<u>128,850,754</u>	<u>131,092,786</u>	<u>81,530,563</u>	<u>83,777,440</u>	<u>210,381,317</u>	<u>214,870,226</u>
Deferred Inflows of Resources	<u>12,987,167</u>	<u>14,958,252</u>	<u>5,328,058</u>	<u>6,547,354</u>	<u>18,315,225</u>	<u>21,505,606</u>
Net Position:						
Net Investment in						
Capital Assets	79,663,112	71,751,549	71,750,956	59,759,453	151,414,068	131,511,002
Restricted	31,706,811	23,329,563	28,410,050	23,045,883	60,116,861	46,375,446
Unrestricted	<u>19,468,214</u>	<u>13,965,444</u>	<u>30,484,980</u>	<u>25,375,367</u>	<u>49,953,194</u>	<u>39,340,811</u>
Total Net Position	<u>\$ 130,838,137</u>	<u>\$ 109,046,556</u>	<u>\$ 130,645,986</u>	<u>\$ 108,180,703</u>	<u>\$ 261,484,123</u>	<u>\$ 217,227,259</u>

The largest portion of the City's net position (58%) reflects its investment in capital assets

City of Winter Haven
Management's Discussion and Analysis
September 30, 2023

(e.g., land, buildings, improvements other than buildings, machinery and equipment) net of any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in 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, 23% of the City's net position represents resources which are subject to external restrictions on how they can be used. These assets are used to provide services to citizens and therefore not available for future spending. The remaining \$49,953,194, is available to meet the City's on-going obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase of \$5,364,167 in restricted net position reported in connection with the City's business-type activities. This increase is mainly due to grants and developer contributions for specific water and sewer projects.

The City's Net Position increased by \$44,256,864. This increase represents the degree to which increases in revenues have exceeded expenses which can be attributed to property tax revenues, utility collections, insurance reimbursement, and unanticipated interest earnings.

Governmental activities. Governmental activities increased the City's net position by \$21,791,581, over the prior year. Key elements of this increase are as follows:

- Property taxes increased by \$4,048,042 due to a robust housing market and increase in property values.
- Investment earnings exceeded expectations with an increase over prior year of \$4,253,659. The interest rate on average was over 5% for the fiscal year.
- The City received \$1,419,266 in insurance receipts due to Hurricane Ian.
- Public Safety and Transportation increased by \$2,809,580 and \$3,870,700, respectively. Public Safety is attributable to the acquisition of vehicles and pension costs. Transportation expenses are due to roadway re-surfacing projects and Pollard Road expansion.

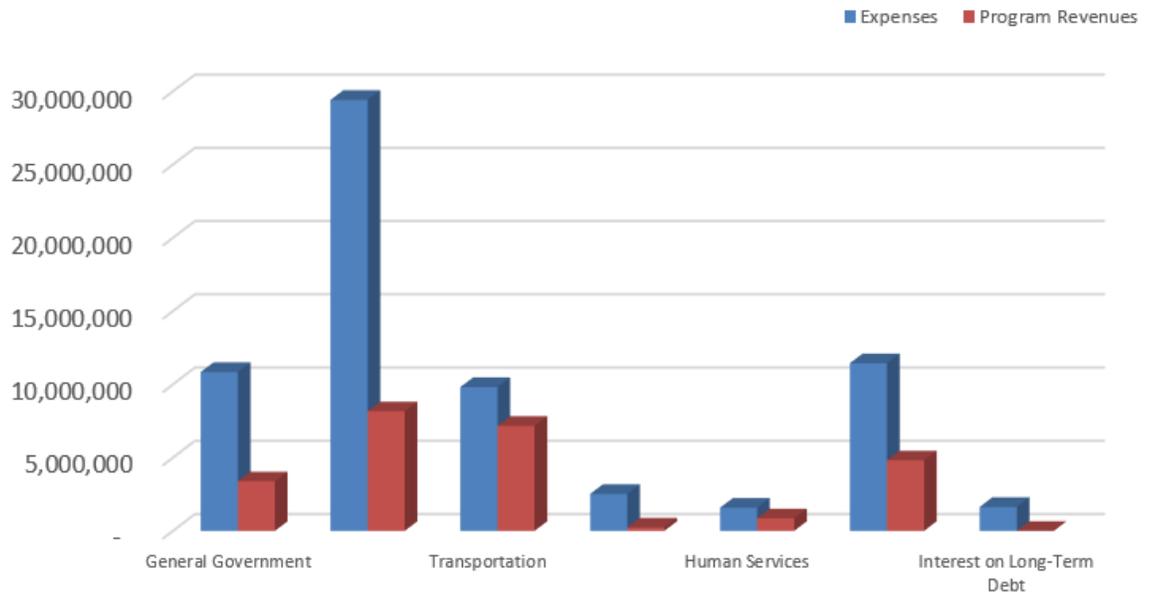
The changes in net position displayed below shows the governmental and business-type activities during the fiscal year

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2023**

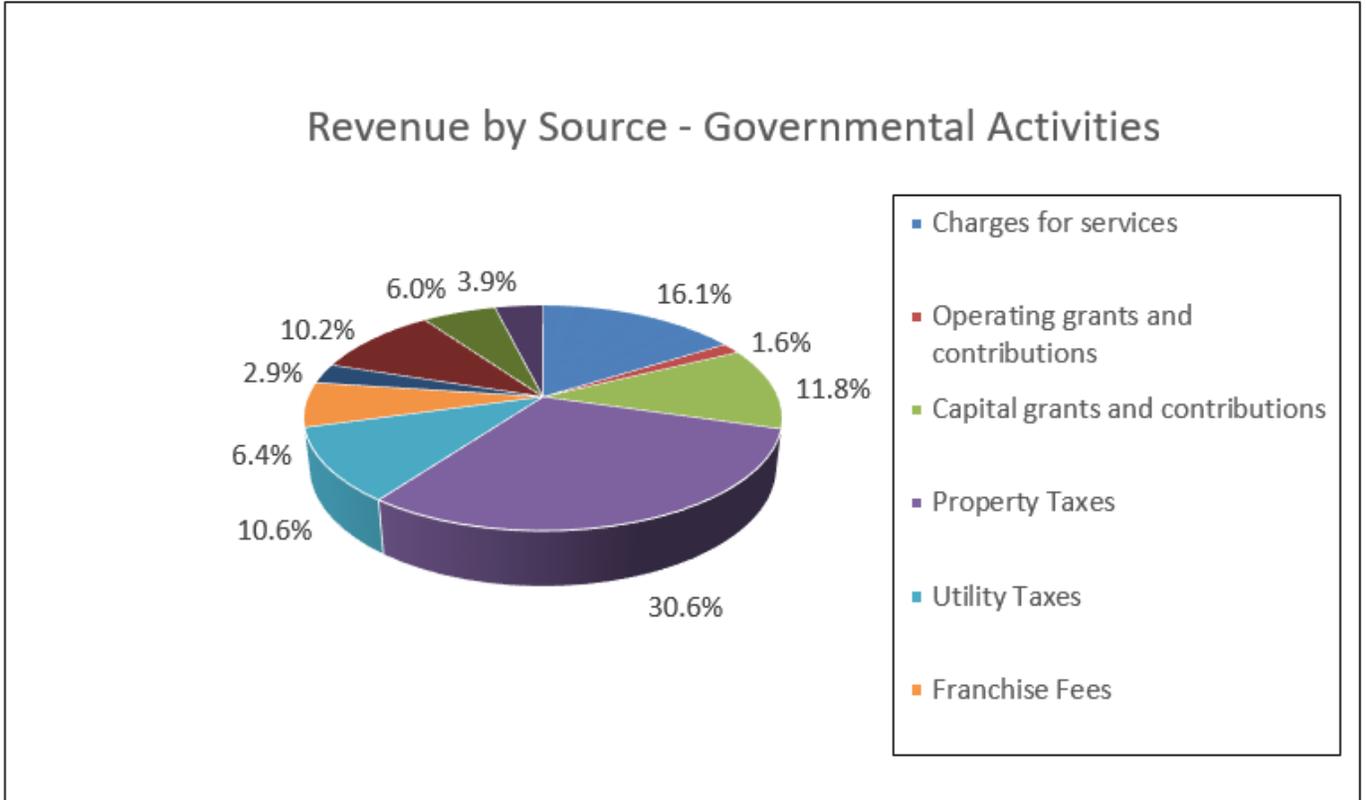
	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues:						
Charges for Services	\$ 13,476,896	\$ 16,259,294	\$ 57,284,906	\$ 51,389,555	\$ 70,761,802	\$ 67,648,849
Operating Grants and Contributions	1,310,483	9,487,606	6,553	2,652,175	1,317,036	12,139,781
Capital Grants and Contributions	9,844,119	5,419,871	10,431,748	6,828,330	20,275,867	12,248,201
General Revenues:						
Property Taxes	25,556,997	21,508,955	-	-	25,556,997	21,508,955
Utility Taxes	8,821,394	7,951,212	-	-	8,821,394	7,951,212
Franchise Fees	5,367,262	4,491,592	-	-	5,367,262	4,491,592
Fuel Taxes	2,399,551	2,253,960	-	-	2,399,551	2,253,960
Intergovernmental Revenues	8,475,475	7,552,575	-	-	8,475,475	7,552,575
Investment Income	4,971,231	717,572	3,636,526	649,583	8,607,757	1,367,155
Other	3,256,626	397,157	1,212,088	41,918	4,468,714	439,075
Total Revenues	83,480,034	76,039,794	72,571,821	61,561,561	156,051,855	137,601,355
EXPENSES						
General Government	10,843,922	11,212,951	-	-	10,843,922	11,212,951
Public Safety	29,418,690	26,609,110	-	-	29,418,690	26,609,110
Transportation	9,818,458	5,947,758	-	-	9,818,458	5,947,758
Economic Development	2,524,541	2,406,217	-	-	2,524,541	2,406,217
Human Resources	1,582,258	811,193	-	-	1,582,258	811,193
Culture/Recreation	11,447,769	11,763,457	-	-	11,447,769	11,763,457
Interest on Long-Term debt	1,631,223	1,598,363	-	-	1,631,223	1,598,363
Water and Sewer Operations	-	-	32,180,503	29,315,480	32,180,503	29,315,480
Solid Waste	-	-	8,751,981	7,988,577	8,751,981	7,988,577
Willowbrook Golf Course	-	-	1,300,364	1,257,843	1,300,364	1,257,843
Stormwater	-	-	2,070,209	2,261,851	2,070,209	2,261,851
Dark Fiber	-	-	225,073	208,121	225,073	208,121
Total Expenses	67,266,861	60,349,049	44,528,130	41,031,872	111,794,991	101,380,921
Increase (Decrease) in Net Position						
Before Transfers	16,213,173	15,690,745	28,043,691	20,529,689	44,256,864	36,220,434
Transfers	5,578,408	7,249,803	(5,578,408)	(7,249,803)	-	-
Change in Net Position	21,791,581	22,940,548	22,465,283	13,279,886	44,256,864	36,220,434
Net Position - Beginning of Year.	109,046,556	86,106,008	108,180,703	94,900,817	217,227,259	181,006,825
Net Position - End of Year	\$ 130,838,137	\$ 109,046,556	\$ 130,645,986	\$ 108,180,703	\$ 261,484,123	\$ 217,227,259

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2023**

Expenses and Program Revenues - Governmental Activities



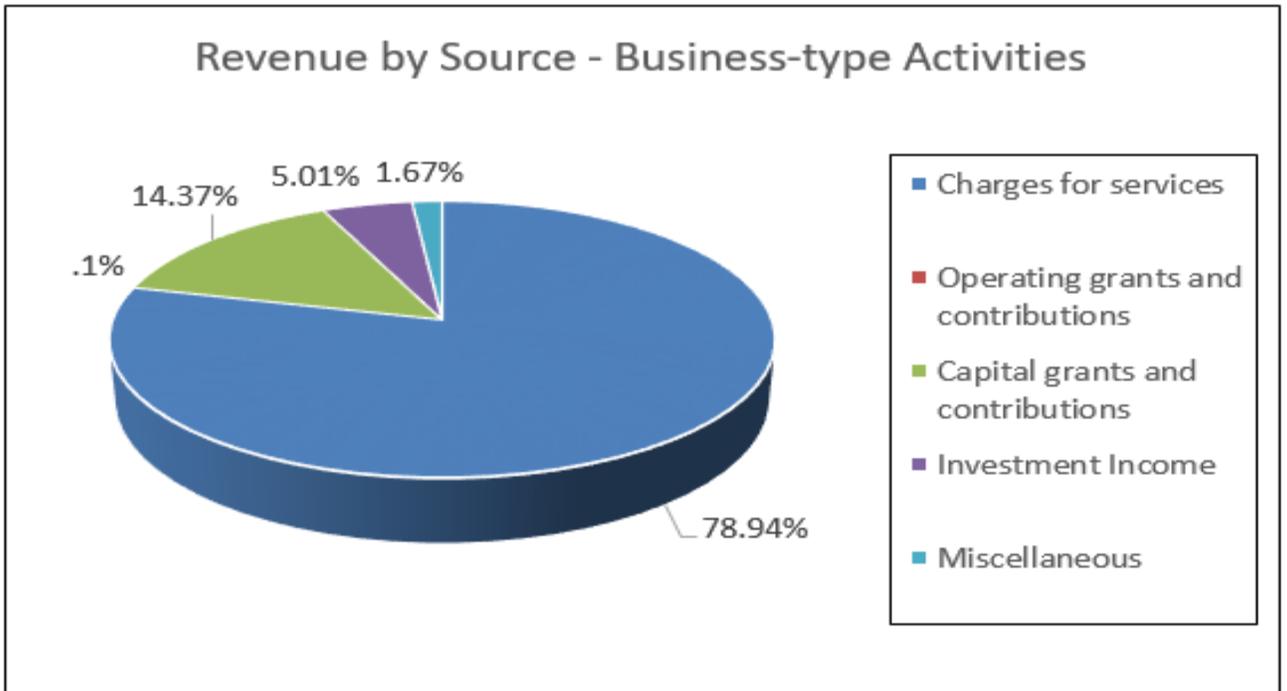
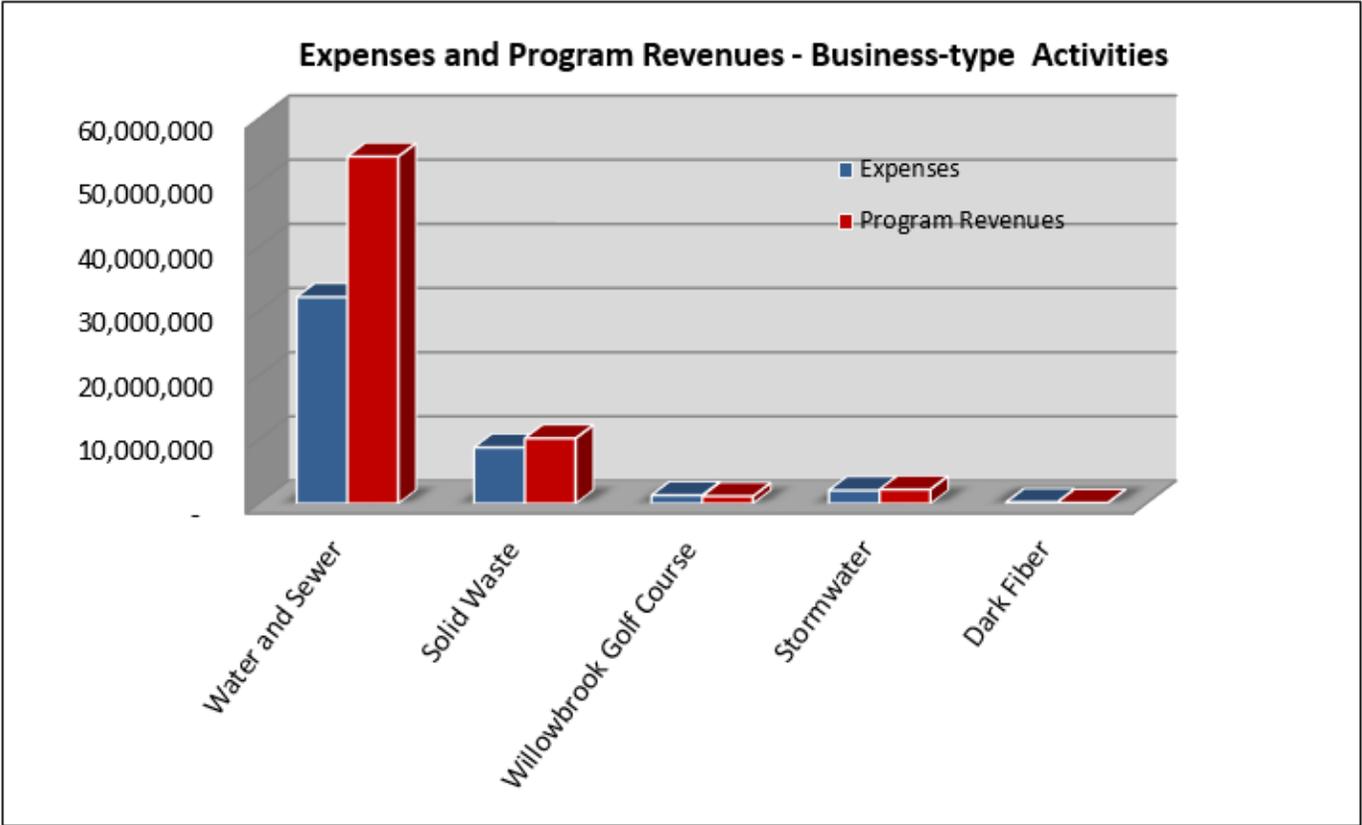
City of Winter Haven
Management's Discussion and Analysis
September 30, 2023



Business-type activities. Business-type activities increased the City's net position by \$22,465,283 as compared to an increase of \$13,279,886 in the prior year. Key elements of this increase are as follows:

- Revenues exceeding expectations are attributable to the robust housing market and commercial and industrial development providing a substantial increase in utility revenues.
- Capital Grants and Contributions include a wetland restoration grant from Pepsi Cola in the amount of \$2,100,000 and Developer Contributions of \$7,686,234.
- Investment earnings exceeded expectations with an increase over prior year of \$2,986,943.
- Expenses increased by \$4,294,206 over prior year, mainly due to waste water plant and lift station repairs, due to hurricane damage and an operation failure.

City of Winter Haven
 Management's Discussion and Analysis
 September 30, 2023



Financial Analysis of the City's Major Funds

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

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The City maintains five major governmental funds: the General Fund, the Community Redevelopment Agency Fund, the Airport Fund, the 2015 Construction Fund and the 2021 Construction Fund.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$109,440,445, an increase of \$17,436,135 in comparison with prior year. Approximately, 24% of this total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is not available for new spending as it is dedicated to specific purposes.

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$26,554,264, while total fund balance was \$28,862,898. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the fund's total current expenditures. Unassigned fund balance represents 43% of total expenditures and transfers out, while total fund balance represents 47% of that same amount.

The fund balance of the City's General Fund increased by \$4,316,976, during the current fiscal year. Key factors in this growth are as follows:

- Taxes increased by \$5,559,290 which is attributable to an increase property taxes as a result of a robust housing market and increase in property values and an increase in electric utility rates.
- Investment earnings exceeded expectations with an increase \$1,127,514 over prior year.

The Community Redevelopment Agency reflected an increase in fund balance of \$631,735 over prior year. This increase is attributable to an increase in property values and pending economic development projects.

The Airport Fund reflected a decrease in fund balance of (\$603,080) due to the timing of FAA and FDOT grant reimbursements for the South Apron Rehab project and an increase in capital improvement expenditures for the Airport Commerce Park.

The 2015 Construction Fund and 2021 Construction Fund reflect fund balance increases of \$6,594,178 and \$139,114, respectively. The increase in the 2015 Construction Fund is due to an interfund transfer, mainly from the General Fund, to provide funding for projects that have experienced an increase in costs, due to economic conditions. The increase in the 2021 Construction Fund is mainly due to investment income, while construction projects are pending.

Proprietary Funds. The fund financial statements for the proprietary funds essentially provide the same information found in the business-type activities column in the government-

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2023**

wide financial statements, but in more detail. Factors concerning the proprietary funds have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Total General Fund revenues reflect a difference of \$3,478,625 between the original and final amended budget. The main reasons for this positive variance were due to insurance receipts of \$1,400,063; franchise fees for electric utilities of \$1,097,055 due to an increase in rates; and investment income exceeding expectations by \$981,507.

Differences between the original budget and final amended budget were relatively minor for expenditures with an increase in appropriations of \$359,000. This cost is attributable to repairs and maintenance as a result of Hurricane Ian.

Capital Assets and Debt Administered

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, is \$242,057,161 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, infrastructure, utility systems and equipment. The total increase in the City's investment in capital assets for the current fiscal year was \$13,154,700 (reflecting a 5% increase for governmental activities and a 9% increase for business-type activities).

The schedule below reflects the City's capital assets as of September 30, 2023 and 2022:

	Capital Assets (Net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 8,272,852	\$ 8,050,546	\$ 5,735,857	\$ 5,483,266	\$ 14,008,709	\$ 13,533,812
Buildings and Improvements	79,435,014	79,411,643	8,935,652	8,935,652	88,370,666	88,347,295
Improvements Other than Buildin	91,860,367	89,274,911	221,983,697	190,695,410	313,844,064	279,970,321
Equipment	27,330,326	25,632,245	22,270,971	20,005,323	49,601,297	45,637,568
Right to use Leased Buildings	-	15,162	-	-	-	15,162
Right to use Leased Equipment	662,535	460,317	116,222	-	-	460,317
Right to use SBITAs	2,816,928	-	167,581	-	-	-
Construction in Progress	12,631,265	5,916,272	6,078,718	23,637,230	18,709,983	29,553,502
	<u>223,009,287</u>	<u>208,761,096</u>	<u>265,288,698</u>	<u>248,756,881</u>	<u>484,534,719</u>	<u>457,517,977</u>
Less: Accumulated Depreciation	<u>(101,618,147)</u>	<u>(93,668,167)</u>	<u>(140,859,411)</u>	<u>(134,947,349)</u>	<u>(242,477,558)</u>	<u>(228,615,516)</u>
Capital Assets, net	<u>\$121,391,140</u>	<u>\$115,092,929</u>	<u>\$124,429,287</u>	<u>\$113,809,532</u>	<u>\$242,057,161</u>	<u>\$228,902,461</u>

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

- Improvements Other than Buildings reflects a significant increase of \$33,987,053 due to various projects. These projects include the construction of a parking lot for the Market Piazza, and the Seaplane base parking lot, and paving of various roads for the governmental activities. Business-type activities include construction of utility lines to handle growth and capacity, the relocation of SR542 utility line, and the donation of utility lines for new housing developments.
- Equipment reflects an increase of \$3,963,729, reflecting the acquisition of police vehicles, utility vehicles, meters, and rolling stock.
- Construction in Progress reflected an increase in governmental funds as various parks and recreation projects were in the process of completion. Business-type activities decreased as several projects were completed including the relocation of

**City of Winter Haven
Management's Discussion and Analysis
September 30, 2023**

SR542 utility line, replacement of the water main on Pollard Road, and construction of utility lines.

Additional information on the City's capital assets can be found in Note 6 in the notes to the financial statements.

Debt Administration

At the end of the current fiscal year, the City had total outstanding debt of \$115,499,039. The revenue bonds and notes payables are secured by non-ad valorem tax dollars and specified revenue sources (water and sewer system charges). The City's total debt decreased by \$1,310,695, as principal payments were applied to debt.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Non-Ad Valorem	\$61,306,994	\$64,735,310	\$ -	\$ -	\$ 61,306,994	\$ 64,735,310
Water & Sewer Revenue						
Bonds and Notes	-	-	51,954,358	51,777,099	51,954,358	51,777,099
Leases Payable	459,045	297,325	99,125	-	558,170	297,325
SBITAs Payable	1,602,600	-	76,917	-	1,679,517.00	-
	<u>\$63,368,639</u>	<u>\$65,032,635</u>	<u>\$52,130,400</u>	<u>\$51,777,099</u>	<u>\$ 115,499,039</u>	<u>\$ 116,809,734</u>

Two major rating institutions (Standards & Poor, and Fitch Ratings) have evaluated the City's financial management, economic conditions and administrative practices. The bond ratings reflect that the City's bonds have the characteristics of investment quality, as shown below:

	Standards & Poor	Fitch Ratings
Non-Ad Valorem Revenue Bonds	AA	AA
Water and Sewer Revenue Bonds	AA	AA

Additional information on the City's long-term liabilities can be found in Note 9 in notes to the financial statements.

FUND BALANCE

The Government Finance Officers Association recommends, at a minimum, that general-purpose governments maintain unassigned fund balance in their General Fund of no less than one to two months of regular General Fund operating expenditures (or 8.33 – 16.67%). The City Commission adopted a General Fund Balance Policy which prescribes a minimum of 17% of General Fund expenditures will be retained in Unassigned Fund Balance and will work towards an unassigned fund balance of 30%. Any Unassigned Fund Balance in excess of 30% may be transferred to the Construction fund to defray costs and cover contingencies as recommended by the City Manager and approved by the City Commission.

Economic Factors and Next Year's Budgets and Rates

Staff monitors economic indicators on a continual basis. Taxable property values increased by 15% over prior year's taxable value. While construction activity continues to occur at a high rate, permit revenues are budgeted on a conservative basis, due to the uncertainty of this revenue source.

Ordinance O-22-03, approved by Commission, provides for a rate increase of no less than 2.5% for water, sewer, and reclaimed water service. The City is currently evaluating utility rates and impact fee rates to ensure proper funding to support these services.

The City experienced unanticipated investment earnings for fiscal year 2023. Due to the uncertainty of the economy and the Federal Reserve indication of an adjustment to the interest rate, the City will continue to budget conservatively.

Financial Contact

The financial report is designed to provide a general overview of the City's finances for all of 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 City's Chief Financial Officer, 551 3rd Street NW, Winter Haven, Florida 33881.

BASIC FINANCIAL STATEMENTS

WINTER HAVEN

THE CHAIN OF LAKES CITY

This page intentionally left blank

**CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 116,668,903	\$ 45,901,797	\$ 162,570,700
Restricted Cash and Investments	473,950	34,989,853	35,463,803
Accounts Receivable, Net	1,807,697	6,825,243	8,632,940
Lease Receivable	1,142,146	885,349	2,027,495
Due from Other Governments	14,911,158	3,125,061	18,036,219
Internal Balances	3,091,705	(3,091,705)	-
Inventory	223,750	1,189,437	1,413,187
Prepaid Items	667,014	137,987	805,001
Capital Assets, Not Being Depreciated	20,904,117	11,814,575	32,718,692
Capital Assets, Being Depreciated - Net	100,487,023	112,614,712	213,101,735
Total Assets	<u>260,377,463</u>	<u>214,392,309</u>	<u>474,769,772</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	9,440,554	1,378,634	10,819,188
OPEB Related Items	2,835,990	1,241,616	4,077,606
Deferred Charge on Debt Refunding	22,051	492,048	514,099
Total Deferred Outflows of Resources	<u>12,298,595</u>	<u>3,112,298</u>	<u>15,410,893</u>
LIABILITIES			
Accounts Payable	6,631,193	3,231,694	9,862,887
Accrued Liabilities	1,176,964	425,549	1,602,513
Claims Payable	1,748,553	-	1,748,553
Due to Other Governments	27,227	118,338	145,565
Accrued Interest Payable	849,257	651,669	1,500,926
Current Liabilities Payable from Restricted Assets:			
Customer Deposits	-	6,266,166	6,266,166
Unearned Revenue	41,853	-	41,853
Noncurrent Liabilities:			
Due Within One Year			
Bonds and Notes Payable	3,495,000	2,418,697	5,913,697
Leases Payable	202,137	22,693	224,830
SBITA Payable	940,385	65,494	1,005,879
Compensated Absences	70,727	66,644	137,371
Total OPEB Liability	843,099	369,115	1,212,214
Due in More than One Year			
Bonds and Notes Payable	57,811,994	49,535,661	107,347,655
Leases Payable	256,908	76,432	333,340
SBITA Payable	662,215	11,423	673,638
Compensated Absences	2,170,122	599,794	2,769,916
Net Pension Liability	31,421,946	8,695,640	40,117,586
Total OPEB Liability	20,501,174	8,975,554	29,476,728
Total Liabilities	<u>128,850,754</u>	<u>81,530,563</u>	<u>210,381,317</u>
DEFERRED INFLOWS OF RESOURCES			
Lease Related Items	1,126,322	834,494	1,960,816
Pension Related Items	1,798,998	112,817	1,911,815
OPEB Related Items	10,006,112	4,380,747	14,386,859
Deferred Charge on Debt Refunding	55,735	-	55,735
Total Deferred Inflows of Resources	<u>12,987,167</u>	<u>5,328,058</u>	<u>18,315,225</u>
NET POSITION			
Net Investment in Capital Assets	79,663,112	71,750,956	151,414,068
Restricted for:			
Public Safety	15,365	-	15,365
Community Redevelopment Agency	3,734,592	-	3,734,592
Environmental Awareness	200,000	-	200,000
Human Services	1,382,484	-	1,382,484
Police Training, Confiscation and Abandoned Property	131,989	-	131,989
Building Safety	11,128,748	-	11,128,748
Impact Fees	5,124,413	-	5,124,413
Debt Service	4,151,045	2,958,495	7,109,540
Transportation	5,838,175	-	5,838,175
Renewal, Replacement, and Improvements	-	25,451,555	25,451,555
Unrestricted	19,468,214	30,484,980	49,953,194
Total Net Position	<u>\$ 130,838,137</u>	<u>\$ 130,645,986</u>	<u>\$ 261,484,123</u>

See accompanying Notes to Financial Statements.

**CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Primary Government:							
Governmental Activities:							
General Government	\$ 10,843,923	\$ 3,356,110	\$ 28,486	\$ -	\$ (7,459,327)	\$ -	\$ (7,459,327)
Public Safety	29,418,690	6,046,280	127,624	1,992,771	(21,252,015)	-	(21,252,015)
Transportation	9,818,458	2,537,154	9,450	4,622,525	(2,649,329)	-	(2,649,329)
Economic Development	2,524,541	9,600	7,967	215,509	(2,291,465)	-	(2,291,465)
Human Services	1,582,258	297,183	521,292	41,772	(722,011)	-	(722,011)
Culture and Recreation	11,447,768	1,230,569	615,664	2,971,542	(6,629,993)	-	(6,629,993)
Debt Service:							
Interest on Long-Term Debt	1,631,223	-	-	-	(1,631,223)	-	(1,631,223)
Total Governmental Activities	67,266,861	13,476,896	1,310,483	9,844,119	(42,635,363)	-	(42,635,363)
Business-Type Activities:							
Water and Sewer	32,180,503	43,636,637	-	10,431,748	-	21,887,882	21,887,882
Solid Waste	8,751,981	10,172,418	-	-	-	1,420,437	1,420,437
Willowbrook Golf Course	1,300,364	1,150,035	-	-	-	(150,329)	(150,329)
Stormwater	2,070,209	2,201,940	6,553	-	-	138,284	138,284
Dark Fiber	225,073	123,876	-	-	-	(101,197)	(101,197)
Total Business-Type Activities	44,528,130	57,284,906	6,553	10,431,748	-	23,195,077	23,195,077
Total Primary Government	\$ 111,794,991	\$ 70,761,802	\$ 1,317,036	\$ 20,275,867	(42,635,363)	23,195,077	(19,440,286)
General Revenues							
Taxes:							
Property Taxes					25,556,997	-	25,556,997
Utility Taxes					8,821,394	-	8,821,394
Franchise Taxes					5,367,262	-	5,367,262
Fuel Taxes					2,399,551	-	2,399,551
Unrestricted State-Shared Revenues:							
Sales Taxes					4,263,656	-	4,263,656
Municipal Revenue Sharing					2,661,794	-	2,661,794
Other Taxes					1,550,025	-	1,550,025
Investment Income					4,971,231	3,636,526	8,607,757
Gain on Sale of Capital Assets					62,714	170,853	233,567
Miscellaneous					3,193,912	1,041,235	4,235,147
Transfers					5,578,408	(5,578,408)	-
Total General Revenues and Transfers					64,426,944	(729,794)	63,697,150
Change in Net Position					21,791,581	22,465,283	44,256,864
Net Position - Beginning of Year					109,046,556	108,180,703	217,227,259
Net Position - End of Year					\$ 130,838,137	\$ 130,645,986	\$ 261,484,123

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Community Redevelopment Agency	Airport Fund	2015 Construction Fund	2021 Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Investments	\$ 25,137,966	\$ 4,019,554	\$ 83,893	\$ 34,465,556	\$ 16,106,808	\$ 28,913,224	\$ 108,727,001
Investments - Reserved for Perpetual Care	-	-	-	-	-	473,950	473,950
Accounts Receivable	1,614,117	3,952	10,233	-	-	56,262	1,684,564
Lease Receivable	-	-	954,550	-	-	187,596	1,142,146
Due from Other Governments	11,824,396	-	419,068	345,748	22,763	2,299,183	14,911,158
Due from Other Funds	561,414	-	-	592	-	596,574	1,158,580
Advances to Other Funds	1,563,872	-	-	-	-	1,256,953	2,820,825
Inventory	-	-	-	-	-	19,983	19,983
Prepaid Items	429,841	319	2,157	-	-	126,257	558,574
Total Assets	\$ 41,131,606	\$ 4,023,825	\$ 1,469,901	\$ 34,811,896	\$ 16,129,571	\$ 33,929,982	\$ 131,496,781
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)							
Liabilities:							
Accounts Payable	\$ 1,059,400	\$ 510,864	\$ 349,735	\$ 363,459	\$ 108,329	\$ 3,323,099	\$ 5,714,886
Accrued Liabilities	986,671	4,441	18,345	-	-	76,635	1,086,092
Due to Other Funds	-	-	501,563	119,285	-	52,006	672,854
Due to Other Governments	-	-	-	-	-	27,227	27,227
Advances from Other Funds	-	-	43,257	663,162	-	-	706,419
Unearned Revenue	14,591	7,662	19,600	-	-	-	41,853
Total Liabilities	2,060,662	522,967	932,500	1,145,906	108,329	3,478,967	8,249,331
Deferred Inflows of Resources:							
Unavailable Revenue	10,208,046	-	237,207	41,772	-	2,193,658	12,680,683
Lease Related Items	-	-	946,120	-	-	180,202	1,126,322
Total Deferred Inflows of Resources	10,208,046	-	1,183,327	41,772	-	2,373,860	13,807,005
Fund Balances (Deficits):							
Nonspendable	1,993,713	319	2,157	-	-	146,240	2,142,429
Restricted	215,365	3,500,539	-	8,088,099	-	18,073,994	29,877,997
Committed	-	-	-	-	-	1,981,785	1,981,785
Assigned	99,556	-	-	25,536,119	16,021,242	7,875,728	49,532,645
Unassigned	26,554,264	-	(648,083)	-	-	(592)	25,905,589
Total Fund Balances (Deficits)	28,862,898	3,500,858	(645,926)	33,624,218	16,021,242	28,077,155	109,440,445
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 41,131,606	\$ 4,023,825	\$ 1,469,901	\$ 34,811,896	\$ 16,129,571	\$ 33,929,982	\$ 131,496,781

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
September 30, 2023

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS		\$ 109,440,445
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.		
Costs of Capital Assets	\$ 216,300,519	
Accumulated Depreciation	(97,501,183)	
Total Capital Assets Added		118,799,336
Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and, therefore, are not reported in the governmental funds.		
		22,051
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for governmental activities bonds is included in the statement of net position.		
		(849,257)
The City's net pension liability and related deferred outflows and inflows of resources for governmental activities are recorded only on the Statement of Net Position.		
Net Pension Liability	(27,839,890)	
Deferred Outflows of Resources - Pension Related	8,872,642	
Deferred Inflows of Resources - Pension Related	(1,752,525)	
Total Pension Related Items		(20,719,773)
The City's total other postemployment benefits liability and related deferred outflows and inflows of resources are recorded only on the Statement of Net Position.		
Total OPEB Liability	(19,503,136)	
Deferred Outflows of Resources - OPEB Related	2,591,361	
Deferred Inflows of Resources - OPEB Related	(9,142,996)	
Total Pension Related Items		(26,054,771)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds Payable	(59,600,000)	
Premium on Bond Issue	(1,706,994)	
SBITA Payable	(657,609)	
Accrued Compensated Absences	(1,883,467)	
Total Long-Term Liabilities		(63,848,070)
Unavailable revenue is recorded in the funds to offset receivables that do not meet the criteria for revenue recognition in the current period.		
		12,680,683
Deferred inflows of resources represent an addition of net position that applies to a future period(s) and, therefore, are not reported in the governmental funds.		
		(55,735)
Internal service funds are used by management to charge the costs of certain activities, such as employer health insurance and equipment maintenance, to individual funds.		
		1,423,228
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 130,838,137

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Community Redevelopment Agency	Airport	2015 Construction	2021 Construction	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 39,802,023	\$ 3,671,749	\$ -	\$ -	\$ -	\$ -	\$ 43,473,772
Licenses and Permits	72,186	-	10,038	-	-	9,475,651	9,557,875
Intergovernmental	8,343,637	-	1,783,723	519,485	300,000	1,793,246	12,740,091
Charges for Services	5,255,054	-	1,049,377	-	-	312,927	6,617,358
Fines and Forfeitures	295,637	-	-	-	-	25,649	321,286
Rents	386,089	9,600	1,029,295	-	-	167,757	1,592,741
Investment Income	1,302,097	168,354	5,796	1,479,407	770,168	965,086	4,690,908
Other	1,020,525	3,500	236,537	-	-	140,722	1,401,284
Total Revenues	<u>56,477,248</u>	<u>3,853,203</u>	<u>4,114,766</u>	<u>1,998,892</u>	<u>1,070,168</u>	<u>12,881,038</u>	<u>80,395,315</u>
EXPENDITURES							
Current:							
General Government	9,814,527	-	-	-	-	-	9,814,527
Public Safety	23,622,993	-	-	-	-	2,250,509	25,873,502
Transportation	2,518,977	-	5,016,014	-	-	4,596,256	12,131,247
Economic Development	1,059,501	2,209,426	-	-	-	-	3,268,927
Human Services	-	-	-	-	-	1,486,060	1,486,060
Culture and Recreation	7,423,290	-	-	-	-	2,215,335	9,638,625
Capital Projects	-	-	-	1,501,349	931,054	-	2,432,403
Debt Service:							
Principal Retirement	114,456	-	-	-	-	3,435,301	3,549,757
Interest and Fiscal Charges	2,878	-	4,264	29,582	-	1,750,471	1,787,195
Other Debt Service	-	-	-	-	-	1,142	1,142
Total Expenditures	<u>44,556,622</u>	<u>2,209,426</u>	<u>5,020,278</u>	<u>1,530,931</u>	<u>931,054</u>	<u>15,735,074</u>	<u>69,983,385</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,920,626	1,643,777	(905,512)	467,961	139,114	(2,854,036)	10,411,930
OTHER FINANCING SOURCES (USES)							
Issuance of Leases and SBITAs	450,883	-	-	-	-	452,686	903,569
Transfers In	8,858,277	-	792,993	6,126,217	-	11,649,185	27,426,672
Transfers Out	(16,912,810)	(1,012,042)	(490,561)	-	-	(2,890,623)	(21,306,036)
Total Other Financing Sources (Uses)	<u>(7,603,650)</u>	<u>(1,012,042)</u>	<u>302,432</u>	<u>6,126,217</u>	<u>-</u>	<u>9,211,248</u>	<u>7,024,205</u>
NET CHANGE IN FUND BALANCES	4,316,976	631,735	(603,080)	6,594,178	139,114	6,357,212	17,436,135
Fund Balances (Deficit) - Beginning of Year	24,545,922	2,869,123	(42,846)	27,030,040	15,882,128	21,719,943	92,004,310
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 28,862,898</u>	<u>\$ 3,500,858</u>	<u>\$ (645,926)</u>	<u>\$ 33,624,218</u>	<u>\$ 16,021,242</u>	<u>\$ 28,077,155</u>	<u>\$ 109,440,445</u>

See accompanying Notes to Financial Statements.

**CITY OF WINTER HAVEN, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITY
GOVERNMENTAL ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ 17,436,135
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.		12,147,188
Depreciation of capital assets is not a use of financial resources to governmental funds; however, it is expensed in the statement of net position.		(7,335,749)
In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the carrying value of the capital assets sold.		(41,889)
The issuance of long-term debt (e.g., bonds, note payables and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Bond and Note Payments	\$ 3,300,000	
Proceeds from Leases and SBITAs	(903,569)	
Lease and SBITA Payments	249,757	
Total Long-Term Debt	2,646,188	2,646,188
<p>The amortization of bond premium and similar items do not require the use of financial resources of the governmental funds and, therefore, are not reported as expenditures in governmental funds:</p>		
Amortization of Deferred Charges on Refunding	1,111	
Prepaid insurance	(7,104)	
Amortization of Bond Premium	128,313	
Total Amortization	122,320	122,320
<p>The (increase) decrease in certain accrued liabilities reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.</p>		
Net Change in OPEB Liability and Related Amounts	(701,946)	
Net Change in Accrued Compensated Absences	(339,077)	
Net Change in Bond Interest Payable	49,273	
Net Change in Net Pension Liability and Related Amounts	(4,718,874)	
Net Adjustment	(5,710,624)	(5,710,624)
Some revenues reported in the statement of activities will not be collected for several months after the fiscal year and, therefore, are not reported as revenue in the governmental funds.		859,672
Internal service funds are used by management to charge the costs of insurance and equipment and vehicle maintenance to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.		1,668,340
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 21,791,581

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 37,274,709	\$ 38,371,764	\$ 39,802,023	\$ 1,430,259
Licenses and Permits	75,000	75,000	72,186	(2,814)
Intergovernmental	7,388,952	7,388,952	8,343,637	954,685
Charges for Services	3,903,991	5,304,054	5,255,054	(49,000)
Fines and Forfeitures	299,000	299,000	295,637	(3,363)
Rents	452,600	452,600	386,089	(66,511)
Investment Income	252,525	1,234,032	1,302,097	68,065
Other	828,250	828,250	1,020,525	192,275
Total Revenues	<u>50,475,027</u>	<u>53,953,652</u>	<u>56,477,248</u>	<u>2,523,596</u>
EXPENDITURES				
Current:				
General Government	9,819,919	10,178,919	9,814,527	364,392
Public Safety	24,046,888	24,046,888	23,622,993	423,895
Transportation	3,557,618	3,557,618	2,518,977	1,038,641
Economic Development	1,388,552	1,444,652	1,059,501	385,151
Culture and Recreation	8,788,966	8,732,866	7,423,290	1,309,576
Debt Service:				
Principal Retirement	-	-	114,456	(114,456)
Interest and Fiscal Charges	-	-	2,878	(2,878)
Total Expenditures	<u>47,601,943</u>	<u>47,960,943</u>	<u>44,556,622</u>	<u>3,404,321</u>
EXCESS OF REVENUES OVER EXPENDITURES	2,873,084	5,992,709	11,920,626	5,927,917
OTHER FINANCING SOURCES (USES)				
Issuance of Leases and SBITAs	-	-	450,883	450,883
Transfers In	8,858,278	8,858,278	8,858,277	(1)
Transfers Out	(11,731,362)	(16,882,509)	(16,912,810)	(30,301)
Total Other Financing Sources (Uses)	<u>(2,873,084)</u>	<u>(8,024,231)</u>	<u>(7,603,650)</u>	<u>420,581</u>
NET CHANGE IN FUND BALANCES	-	(2,031,522)	4,316,976	6,348,498
Fund Balances - Beginning of Year	<u>24,545,922</u>	<u>24,545,922</u>	<u>24,545,922</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 24,545,922</u>	<u>\$ 22,514,400</u>	<u>\$ 28,862,898</u>	<u>\$ 6,348,498</u>

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,740,950	\$ 3,740,950	\$ 3,671,749	\$ (69,201)
Miscellaneous:				
Rents	7,500	7,500	9,600	2,100
Investment Income	5,500	5,500	168,354	162,854
Other	-	-	3,500	3,500
Total Revenues	<u>3,753,950</u>	<u>3,753,950</u>	<u>3,853,203</u>	<u>99,253</u>
EXPENDITURES				
Current:				
Economic Development	<u>4,876,717</u>	<u>4,876,717</u>	<u>2,209,426</u>	<u>2,667,291</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,122,767)	(1,122,767)	1,643,777	2,766,544
OTHER FINANCING USES				
Transfers Out	<u>(1,012,042)</u>	<u>(1,012,042)</u>	<u>(1,012,042)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(2,134,809)	(2,134,809)	631,735	2,766,544
Fund Balances - Beginning of Year	<u>2,869,123</u>	<u>2,869,123</u>	<u>2,869,123</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 734,314</u>	<u>\$ 734,314</u>	<u>\$ 3,500,858</u>	<u>\$ 2,766,544</u>

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AIRPORT FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Licenses and Permits	\$ -	\$ -	\$ 10,038	\$ 10,038
Intergovernmental	1,577,158	1,577,158	1,783,723	206,565
Charges for Services	1,054,100	1,054,100	1,049,377	(4,723)
Miscellaneous:				
Rents	986,667	986,667	1,029,295	42,628
Investment Income	-	-	5,796	5,796
Other	72,858	72,858	236,537	163,679
Total Revenues	<u>3,690,783</u>	<u>3,690,783</u>	<u>4,114,766</u>	<u>423,983</u>
EXPENDITURES				
Current:				
Transportation	4,710,397	4,710,397	5,016,014	(305,617)
Debt Service:				
Principal Retirement	39,937	39,937	-	39,937
Interest and Fiscal Charges	4,264	4,264	4,264	-
Total Expenditures	<u>4,754,598</u>	<u>4,754,598</u>	<u>5,020,278</u>	<u>(265,680)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,063,815)	(1,063,815)	(905,512)	158,303
OTHER FINANCING SOURCES (USES)				
Transfers In	792,993	792,993	792,993	-
Transfers Out	(490,561)	(490,561)	(490,561)	-
Total Other Financing Sources (Uses)	<u>302,432</u>	<u>302,432</u>	<u>302,432</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(761,383)	(761,383)	(603,080)	158,303
Fund Balances (Deficit) - Beginning of Year	<u>(42,846)</u>	<u>(42,846)</u>	<u>(42,846)</u>	<u>-</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (804,229)</u>	<u>\$ (804,229)</u>	<u>\$ (645,926)</u>	<u>\$ 158,303</u>

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
CURRENT ASSETS					
Cash and Investments	\$ 34,016,906	\$ 4,404,573	\$ 7,480,318	\$ 45,901,797	\$ 7,941,902
Cash With Fiscal Agent	19,435	-	293,828	313,263	-
Restricted Cash and Investments					
Customer Deposits	6,266,166	374	-	6,266,540	-
Receivables:					
Accounts	5,044,996	1,404,722	530,367	6,980,085	123,133
Less: Allowance for Doubtful Accounts	(154,842)	-	-	(154,842)	-
Leases	776,299	-	109,050	885,349	-
Due from Other Governments	2,133,756	-	991,305	3,125,061	-
Due from Other Funds	119,285	-	-	119,285	-
Advances to Other Funds	663,162	-	-	663,162	-
Inventories	1,116,359	-	73,078	1,189,437	203,767
Prepaid Items	35,267	39	102,681	137,987	108,440
Total Current Assets	<u>50,036,789</u>	<u>5,809,708</u>	<u>9,580,627</u>	<u>65,427,124</u>	<u>8,377,242</u>
NONCURRENT ASSETS					
Restricted Cash, Cash Equivalents, and Investments:					
Bond Asset Replacement Funds	4,980,178	-	-	4,980,178	-
Construction Funds	20,471,377	-	-	20,471,377	-
Debt Service	2,958,495	-	-	2,958,495	-
Total Restricted Assets	<u>28,410,050</u>	<u>-</u>	<u>-</u>	<u>28,410,050</u>	<u>-</u>
Capital Assets:					
Land	2,735,942	-	2,999,915	5,735,857	-
Construction in Progress	5,262,776	815,942	-	6,078,718	-
Building	8,512,446	31,411	391,795	8,935,652	214,392
Improvements Other than Buildings	208,941,536	10,654	13,031,507	221,983,697	430,249
Equipment	9,642,975	10,023,390	2,604,606	22,270,971	3,498,680
Right-to-Use Leased Equipment	-	116,222	-	116,222	662,535
Right-to-Use Subscription Software	167,581	-	-	167,581	1,902,910
	<u>235,263,256</u>	<u>10,997,619</u>	<u>19,027,823</u>	<u>265,288,698</u>	<u>6,708,766</u>
Less: Accumulated Depreciation	(125,584,436)	(6,841,750)	(8,433,225)	(140,859,411)	(4,116,962)
Net Capital Assets	<u>109,678,820</u>	<u>4,155,869</u>	<u>10,594,598</u>	<u>124,429,287</u>	<u>2,591,804</u>
Total Noncurrent Assets	<u>138,088,870</u>	<u>4,155,869</u>	<u>10,594,598</u>	<u>152,839,337</u>	<u>2,591,804</u>
Total Assets	<u>188,125,659</u>	<u>9,965,577</u>	<u>20,175,225</u>	<u>218,266,461</u>	<u>10,969,046</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Items	1,076,778	186,527	115,329	1,378,634	567,912
OPEB Related Items	843,403	303,800	94,413	1,241,616	244,629
Deferred Charge on Debt Refunding	492,048	-	-	492,048	-
Total Deferred Outflows of Resources	<u>2,412,229</u>	<u>490,327</u>	<u>209,742</u>	<u>3,112,298</u>	<u>812,541</u>

**CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)					
CURRENT LIABILITIES					
Accounts Payable	\$ 2,797,456	\$ 278,705	\$ 155,533	\$ 3,231,694	\$ 916,307
Accrued Liabilities	295,731	92,259	37,559	425,549	129,747
Due to Other Funds	-	-	605,011	605,011	-
Due to Other Governments	118,338	-	-	118,338	-
Claims Payable	-	-	-	-	1,748,553
Accrued Interest Payable	651,669	-	-	651,669	-
Current Portion of Bonds and Notes Payable	2,418,697	-	-	2,418,697	-
Current Portion of Lease Payable	-	22,693	-	22,693	202,137
Current Portion of SBITA Payable	65,494	-	-	65,494	680,717
Current Portion of Compensated Absences	49,805	11,195	5,644	66,644	31,850
Current Portion of Total OPEB Liability	250,732	90,315	28,068	369,115	72,725
Total	<u>6,647,922</u>	<u>495,167</u>	<u>831,815</u>	<u>7,974,904</u>	<u>3,782,036</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS					
Customer Deposits	6,265,792	374	-	6,266,166	-
Total Current Liabilities	<u>12,913,714</u>	<u>495,541</u>	<u>831,815</u>	<u>14,241,070</u>	<u>3,782,036</u>
LONG-TERM LIABILITIES					
Advances from Other Funds	-	-	2,777,568	2,777,568	-
Bonds and Notes Payable (Net of Unamortized Premiums)	49,535,661	-	-	49,535,661	-
Lease Payable	-	76,432	-	76,432	256,908
SBITA Payable	11,423	-	-	11,423	264,274
Compensated Absences	448,248	100,749	50,797	599,794	286,657
Total OPEB Liability	6,096,901	2,196,148	682,505	8,975,554	1,768,412
Net Pension Liability	6,791,705	1,176,504	727,431	8,695,640	3,582,056
Total Long-Term Liabilities	<u>62,883,938</u>	<u>3,549,833</u>	<u>4,238,301</u>	<u>70,672,072</u>	<u>6,158,307</u>
Total Liabilities	<u>75,797,652</u>	<u>4,045,374</u>	<u>5,070,116</u>	<u>84,913,142</u>	<u>9,940,343</u>
DEFERRED INFLOWS OF RESOURCES					
Lease Related Items	725,933	-	108,561	834,494	-
Pension Related Items	88,115	15,264	9,438	112,817	46,473
OPEB Related Items	2,975,747	1,071,885	333,115	4,380,747	863,116
Total Deferred Inflows of Resources	<u>3,789,795</u>	<u>1,087,149</u>	<u>451,114</u>	<u>5,328,058</u>	<u>909,589</u>
NET POSITION (DEFICIT)					
Net Investment in Capital Assets	57,170,983	3,985,375	10,594,598	71,750,956	1,143,117
Restricted for:					
Revenue Bonds Debt Service	2,958,495	-	-	2,958,495	-
Renewal, Replacement and Improvements	25,451,555	-	-	25,451,555	-
Unrestricted (Deficit)	25,369,408	1,338,006	4,269,139	30,976,553	(211,462)
Total Net Position (Deficit)	<u>\$ 110,950,441</u>	<u>\$ 5,323,381</u>	<u>\$ 14,863,737</u>	<u>131,137,559</u>	<u>\$ 931,655</u>
				Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds	<u>(491,573)</u>
				Net Assets of Business-Type Activities	<u>\$ 130,645,986</u>

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 42,914,837	\$ 10,172,418	\$ 3,475,851	\$ 56,563,106	\$ 18,757,638
Tap Fees	721,800	-	-	721,800	-
Miscellaneous	875,212	50,899	115,124	1,041,235	997,946
Total Operating Revenues	<u>44,511,849</u>	<u>10,223,317</u>	<u>3,590,975</u>	<u>58,326,141</u>	<u>19,755,584</u>
OPERATING EXPENSES					
Personal Services	8,609,174	2,566,299	960,397	12,135,870	3,544,438
Material and Supplies	4,271,609	761,595	92,632	5,125,836	1,998,705
Depreciation	4,282,961	1,081,529	862,819	6,227,309	951,194
Other Services and Charges	14,145,253	4,537,599	1,690,477	20,373,329	10,519,771
Total Operating Expenses	<u>31,308,997</u>	<u>8,947,022</u>	<u>3,606,325</u>	<u>43,862,344</u>	<u>17,014,108</u>
OPERATING INCOME (LOSS)	13,202,852	1,276,295	(15,350)	14,463,797	2,741,476
NONOPERATING REVENUES (EXPENSES)					
Grants and Contributions	-	-	6,553	6,553	-
Investment Income	3,090,345	181,090	365,091	3,636,526	280,323
Interest Expense	(1,413,093)	(1,039)	(49,602)	(1,463,734)	(14,479)
Gain on Disposal of Assets	-	5,853	165,000	170,853	1,196
Total Nonoperating Revenues (Expenses)	<u>1,677,252</u>	<u>185,904</u>	<u>487,042</u>	<u>2,350,198</u>	<u>267,040</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	14,880,104	1,462,199	471,692	16,813,995	3,008,516
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Grants and Contributions	10,431,748	-	-	10,431,748	-
Transfers In	-	-	268,800	268,800	366,771
Transfers Out	(4,581,210)	(1,265,998)	-	(5,847,208)	(908,999)
Total Capital Contributions and Transfers	<u>5,850,538</u>	<u>(1,265,998)</u>	<u>268,800</u>	<u>4,853,340</u>	<u>(542,228)</u>
CHANGE IN NET POSITION (DEFICIT)	20,730,642	196,201	740,492	21,667,335	2,466,288
Net Position (Deficit) - Beginning of Year	<u>90,219,799</u>	<u>5,127,180</u>	<u>14,123,245</u>		<u>(1,534,633)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 110,950,441</u>	<u>\$ 5,323,381</u>	<u>\$ 14,863,737</u>		<u>\$ 931,655</u>

Some Amounts Reported for Business-Type Activities in the Statement of Activities are Different Because the Net Revenue (Expense) of Certain Internal Service Funds is Reported with Business-Type Activities.

797,948

Change in Net Position of Business-Type Activities

\$ 22,465,283

See accompanying Notes to Financial Statements.

**CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2023**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 44,333,013	\$ 10,042,193	\$ 3,463,690	\$ 57,838,896	\$ 19,773,621
Cash Paid to Employees for Services	(19,858,789)	(5,399,685)	(904,690)	(26,163,164)	(2,985,327)
Cash Paid to Suppliers for Goods and Services	(7,792,852)	(2,472,837)	(1,814,654)	(12,080,343)	(12,510,176)
Net Cash Provided by Operating Activities	16,681,372	2,169,671	744,346	19,595,389	4,278,118
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants and Contributions	(108,635)	-	-	(108,635)	-
Advances from Other Funds	-	-	316,598	316,598	-
Transfers from Other Funds	-	-	268,800	268,800	366,771
Transfers to Other Funds	(4,581,210)	(1,265,998)	-	(5,847,208)	(908,999)
Repayment of Advances To Other Funds	115,188	-	-	115,188	-
Repayment of Advances From Other Funds	-	-	(423,445)	(423,445)	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	(4,574,657)	(1,265,998)	161,953	(5,678,702)	(542,228)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Grants and Contributions	10,431,748	-	-	10,431,748	-
Interest Paid	(1,351,627)	(1,039)	(49,602)	(1,402,268)	(14,479)
Acquisition and Construction of Capital Assets	(14,281,297)	(768,622)	(1,621,103)	(16,671,022)	(2,435,207)
Proceeds from Sale of Assets	-	5,853	165,000	170,853	1,196
Principal Payments on Bonds and Notes	(2,326,240)	-	-	(2,326,240)	-
Principal Payments on Leases	-	-	-	-	(191,679)
Proceeds from Capital Debt	2,500,243	-	-	2,500,243	1,302,187
Receipts from Leasing Activities	(25,139)	-	(490)	(25,629)	-
Net Cash Used by Capital and Related Financing Activities	(5,052,312)	(763,808)	(1,506,195)	(7,322,315)	(1,337,982)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net Investment Income	3,090,345	181,090	365,091	3,636,526	280,323
Net Cash Provided by Investing Activities	3,090,345	181,090	365,091	3,636,526	280,323
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	10,144,748	320,955	(234,805)	10,230,898	2,678,231
Cash and Cash Equivalents - Beginning of Year	58,567,809	4,083,992	8,008,951	70,660,752	5,263,671
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 68,712,557	\$ 4,404,947	\$ 7,774,146	\$ 80,891,650	\$ 7,941,902

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 13,202,852	\$ 1,276,295	\$ (15,350)	\$ 14,463,797	\$ 2,741,476
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	4,282,961	1,081,529	862,819	6,227,309	951,194
(Increase) Decrease in Assets and Deferred Outflows of Resources:					
Accounts Receivable	(514,382)	(181,498)	(57,390)	(753,270)	19,875
Inventories	(261,090)	-	(26,318)	(287,408)	(30,862)
Prepaid Items	(5,609)	433	(90,415)	(95,591)	143,031
Due from Other Governments	-	-	(52,502)	(52,502)	-
Deferred Outflows of Resources- Pension Related Items	2,218,286	455,434	258,367	2,932,087	1,044,962
Deferred Outflows of Resources- OPEB Related Items	520,492	172,182	58,858	751,532	174,528
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts Payable	(1,293,504)	(100,924)	85,188	(1,309,240)	(103,869)
Accrued Liabilities	(17,801)	9,009	(637)	(9,429)	16,281
Due to Other Governments	118,276	-	-	118,276	-
Unearned Revenue	-	-	(17,393)	(17,393)	(1,838)
Customer Deposits	335,546	374	-	335,920	-
Compensated Absences	62,068	(3,443)	8,837	67,462	53,056
Total OPEB Liability	55,696	90,659	3,502	149,857	(92,520)
Net Pension Liability	(1,303,984)	(400,740)	(190,707)	(1,895,431)	(380,636)
Deferred Inflows of Resources- Pension Related Items	67,465	11,241	7,096	85,802	36,365
Deferred Inflows of Resources- OPEB Related Items	(785,900)	(240,880)	(89,609)	(1,116,389)	(292,925)
Net Cash Provided by Operating Activities	<u>\$ 16,681,372</u>	<u>\$ 2,169,671</u>	<u>\$ 744,346</u>	<u>\$ 19,595,389</u>	<u>\$ 4,278,118</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITIONS					
Cash, Investments, and Cash Equivalents	\$ 34,016,906	\$ 4,404,573	\$ 7,480,318	\$ 45,901,797	\$ 7,941,902
Cash With Fiscal Agent	19,435	-	293,828	313,263	-
Restricted Assets:					
Customer Deposits	6,266,166	374	-	6,266,540	-
Bond Asset Replacement Funds	4,980,178	-	-	4,980,178	-
Construction Funds	20,471,377	-	-	20,471,377	-
Debt Service	2,958,495	-	-	2,958,495	-
Total Cash, Investments, and Cash Equivalents	<u>\$ 68,712,557</u>	<u>\$ 4,404,947</u>	<u>\$ 7,774,146</u>	<u>\$ 80,891,650</u>	<u>\$ 7,941,902</u>

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	<u>Employee Retirement Funds</u>
ASSETS	
Cash	\$ 36,008
Prepaid Items	4,785
Investments:	
Short-Term Money Market Funds	6,485,824
US Treasuries	7,730,458
Government Agencies	1,688,523
Government Mortgage Pools	5,941,319
Commercial Asset-Backed Securities	4,306,740
Consumer Asset-Backed Securities	3,250
Municipal Obligations	493,710
Mutual Funds	5,133,658
Collateralized Mortgage Obligations	2,447,492
Corporate Bonds	4,191,830
Equity Securities	92,016,777
Real Estate Fund	16,099,883
Total Investments	<u>146,539,464</u>
Receivables:	
Contribution Receivables	48,344
Interest and Dividends Receivable	205,384
Total Receivables	<u>253,728</u>
Total Assets	<u>146,833,985</u>
LIABILITIES	
Accounts Payable	<u>1,017,393</u>
NET POSITION	
Net Position Restricted for Pensions	<u>\$ 145,816,592</u>

See accompanying Notes to Financial Statements.

CITY OF WINTER HAVEN, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	<u>Employee Retirement Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 3,329,112
Employee	1,333,264
State	1,088,980
Total Contributions	<u>5,751,356</u>
Investments Income	16,491,794
Less: Investment Expenses	<u>(616,750)</u>
Net Investment Loss	<u>15,875,044</u>
Miscellaneous Revenue	<u>13,987</u>
Total Additions	21,640,387
DEDUCTIONS	
Benefits	12,131,554
Refunds	224,866
Administrative Expenses	393,365
Total Deductions	<u>12,749,785</u>
CHANGE IN NET POSITION	8,890,602
NET POSITION RESTRICTED FOR PENSIONS	
Net Position - Beginning of Year	<u>136,925,990</u>
Net Position - End of Year	<u><u>\$ 145,816,592</u></u>

See accompanying Notes to Financial Statements.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

The City maintains three single-employer, defined benefit pension plans for which the government is considered to be financially accountable. The fiduciary component units are reported as part of the aggregate remaining fund information. See Note 11 for additional information regarding these plans.

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Accounting

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

Governmental Fund Types

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

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental Fund Types (Continued)

- **Airport Fund** – The Airport Fund is a special revenue fund established by Resolution No. R-10-15 to assure that all revenue generated by the airport will be expended for capital or operating costs. This is to comply with the Joint Participation Agreement with the Florida Department of Transportation for multiple projects at the Winter Haven Municipal Airport
- **2015 Construction Fund** – The 2015 Construction Fund is a capital projects fund used to account for resources used in the acquisition and construction of capital facilities and other capital assets.
- **2021 Construction Fund** – The 2021 Construction Fund is a capital projects fund used to account for resources used in the acquisition and construction of capital facilities and other capital assets.

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

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

The following nonmajor funds are included in this fund type:

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

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

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental Fund Types (Continued)

Special Revenue Funds (Continued)

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

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

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

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

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

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Proprietary Fund Types

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

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

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

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

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

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

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

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

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

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Internal Service Funds (Continued)

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

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

Fiduciary Fund Types

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

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

In addition, the state of Florida remits income received from a 0.85% excise tax on casualty insurance premiums, per Florida Statutes 185.08, to the Municipal Firefighters' Pension Fund and the Municipal Police Officers' Pension Fund. These are considered on-behalf payments for the benefit of the City's police officers and firefighters and the \$1,088,980 at September 30, 2023 was included as revenues and expenditures of the General Fund.

The following funds are included in this fund type:

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

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

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease and SBITA liabilities, as well as expenditures related to compensated absences, pensions, other postemployment benefits, and claims and judgments, are recognized based on specific accounting rules applicable to each, generally when payment is due.

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

Property taxes, sales taxes, and franchise taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, fines and forfeitures, charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. In the category of use of money and property, property rentals are recorded as revenue when received in cash, but investment earnings are recorded as earned, since they are measurable and available.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

Cash and Pooled Cash Investments

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

Statement of Cash Flows

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

Investments

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration (SBA), under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2023, the SBA contained certain floating and adjustable rate securities. These investments represent 31.4% of Florida PRIME’s portfolio at September 30, 2023.

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

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2023 was 35 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2023 was 75 days. Investments in Florida PRIME must carry an “AAAm” rating from Standard and Poor’s. On September 30, 2023, Standard and Poor’s Ratings Services assigned the Florida PRIME an “AAAm” principal stability funding rating.

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

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

CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Investments (Continued)

As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

Fair Value Measures

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

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property Taxes

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

State statutes permit cities to levy property taxes at a rate of up to 10 mills. The millage rate in effect for the fiscal year ended September 30, 2023 was 6.5900.

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

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

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

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

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Inventories and Prepaid Items

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

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded using the consumption method of accounting. Under the consumption method, services paid for in advance are reported as an asset until the period in which the services are actually consumed.

Capital Assets

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	
Buildings	30 to 50 Years
Infrastructure Systems	25 to 100 Years
Improvements Other than Buildings	10 to 33 Years
Equipment	3 to 33 Years
Right-to-use Lease Buildings	Lease Term
Right-to-use Lease Equipment	Lease Term
Right-to-use Subscription Software	Subscription

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

Leases – Lessee and Lessor

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

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Leases – Lessee and Lessor (Continued)

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

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

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

Subscription-Based Information Technology Arrangements (SBITAs)

The City is a user of certain subscription software arrangements. The City recognizes an intangible right-to-use asset and corresponding liability for those transactions in the governmental and business-type activities of the government-wide and proprietary fund financial statements. The City recognizes SBITA liabilities with an initial, individual value of \$5,000 or more. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

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

Deferred Outflows/Inflows of Resources

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows/Inflows of Resources (Continued)

This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other amounts will be recognized as increases in pension expense and OPEB expense in future years.

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

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

Compensated Absences

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

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts on bonds, are amortized over the life of the bonds using the effective interest method.

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

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Unearned Revenues

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

Fund Balances

The classifications of fund balances are described as follows:

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

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

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

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

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balances (Continued)

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

The Government Finance Officers Association recommends, at a minimum, that general-purpose governments, regardless of size, incorporate a financial policy maintaining unassigned fund balance in the general fund of no less than two months (17%) of regular general fund operating revenues or regular general fund operating expenditures. The Commission established the targeted minimum reserve balance in the City's General Fund Unassigned Fund Balance equal to 17% of the General Fund's current fiscal year operating expenditures and transfers out budgeted for the fund. For purposes of this calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 30th for the subsequent fiscal year. The required balance as of September 30, 2023 was approximately \$11,995,338.

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

Net Position

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

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

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

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Interfund Transactions

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

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

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

Interfund receivables and payables in the amount of \$554,671 between governmental funds must be eliminated for the statement of net position.

Transfers in and transfers out in the amount of \$21,897,965 between governmental activities are eliminated.

Use of Estimates

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

Adoption of New Accounting Standards:

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard requires the recognition of subscription-based information technology arrangements (SBITA) for government users. It establishes that a SBITA results in a right-to-use intangible asset and corresponding subscription liability. The implementation resulted in recognition of right-to-use SBITA assets and liabilities during the current fiscal year with no change to beginning net position or fund balance.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Deficit Fund Equity

The Airport Fund has a deficit fund balance of \$645,926 at September 30, 2023. Due to grant funding, commercial activities, and interest, management believes that this deficit will be recovered through intergovernmental revenues collected after the period of availability.

The 2023 Bond Fund has a deficit fund balance of \$592 at September 30, 2023. This deficit will be remedied by a future debt issuance.

The General Services Fund had a deficit net position of \$1,554,320 at September 30, 2023. Management believes this deficit will be recovered through operations in future years.

The Central Garage Fund had a deficit net position of \$281,664 at September 30, 2023. Management believes this deficit will be recovered through operations in future years.

NOTE 3 CASH AND INVESTMENTS

Custodial Credit Risk

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

At September 30, 2023, the bank balance of the City's deposits was \$22,193,166. The City also had \$7,261 cash on hand at September 30, 2023.

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

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

Investments

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

At September 30, 2023, the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Florida PRIME	\$ 176,283,364
Short-Term Money Market Funds	6,443,649
Collateralized Mortgage Obligations	2,447,492
United States Treasuries	7,730,456
Government Agencies	1,688,523
Government Mortgage Pools	5,941,319
Corporate Bonds	4,191,830
Commercial Asset-Backed Securities	4,306,740
Consumer Asset-Backed Securities	3,250
Municipal Obligations	493,710
Mutual Funds	5,133,658
Equity Securities	92,016,777
Real Estate Fund	16,099,883
Total Investments	<u>\$ 322,780,651</u>

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

Deposits	\$ 21,822,063
Cash on Hand	7,261
Investments	<u>322,780,651</u>
Total	<u>\$ 344,609,975</u>

Statement of Net Position:

Cash and Investments	\$ 162,570,700
Restricted Cash and Investments	35,463,803

Statement of Fiduciary Net Position:

Cash	36,008
Investments	<u>146,539,464</u>
Total Cash and Investments	<u>\$ 344,609,975</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

- **Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of September 30, 2023, the City had the following investments and maturities:

Investment Maturities (in Years)

<u>Investment Type</u>	<u>Less Than One</u>	<u>One to Five</u>	<u>Six to Ten</u>	<u>More Than Ten</u>	<u>Total Fair Value</u>
Florida PRIME	\$ 176,283,364	\$ -	\$ -	\$ -	\$ 176,283,364
United States Treasuries	-	792,007	2,983,965	3,954,484	7,730,456
Government Agencies:					
FHLB Mortgage Pools	53,123	-	-	9,361	62,484
FHLMC	-	442,980	289,258	114,385	846,623
FHLMC Mortgage Pools	-	-	67,667	2,379,561	2,447,228
FNMA	-	61,250	-	180,441	241,691
FNMA Mortgage Pools	-	298,584	188,278	2,652,971	3,139,833
GNMA	-	-	-	600,209	600,209
GNMA Mortgage Pools	-	-	45,163	246,611	291,774
Commercial Asset-Backed Securities	-	994,997	632,908	2,678,835	4,306,740
Consumer Asset-Backed Securities	3,250	-	-	-	3,250
Municipal Obligations	-	27,841	41,071	424,798	493,710
Collateralized Mortgage Obligations:					
Collateralized Mortgage Obligations	-	633,981	322,849	1,106,782	2,063,612
FHLMC	-	54,642	222,107	26,841	303,590
FNMA	-	-	-	18,259	18,259
GNMA	-	-	-	62,031	62,031
Corporate Bonds	156,208	1,223,640	2,065,025	746,958	4,191,831
Total	<u>\$ 176,495,945</u>	<u>\$ 4,529,922</u>	<u>\$ 6,858,291</u>	<u>\$ 15,202,527</u>	<u>\$ 203,086,685</u>

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

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Credit Risk (Continued)

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

Investment Type	Credit Rating	Portfolio	Market Value in U.S. Dollars
U.S. Agencies:			
Federal National Mortgage Association	Aaa	0.01%	\$ 16,926
Federal National Mortgage Association	No Rating	0.06%	209,394
Federal Home Loan Mortgage Corporation	Aaa	0.03%	107,425
Federal Home Loan Mortgage Corporation	No Rating	0.25%	801,683
Government National Mortgage Association	No Rating	0.19%	600,209
U.S. Agencies Mortgage Pools:			
Federal National Mortgage Association	No Rating	0.98%	3,155,205
Federal Home Loan Mortgage Corporation	No Rating	0.76%	2,447,228
Government National Mortgage Association	No Rating	0.09%	291,773
Collateralized Mortgage Obligations	A	0.09%	276,852
Collateralized Mortgage Obligations	A1	0.01%	38,967
Collateralized Mortgage Obligations	A-	0.01%	43,737
Collateralized Mortgage Obligations	AA-	0.01%	47,990
Collateralized Mortgage Obligations	AAA-	0.02%	58,148
Collateralized Mortgage Obligations	Aaa	0.13%	430,029
Collateralized Mortgage Obligations	BBB	0.06%	197,419
Collateralized Mortgage Obligations	BBB-	0.03%	96,061
Collateralized Mortgage Obligations	No Rating	0.39%	1,258,289
Commercial Asset-Backed Securities	A	0.23%	727,616
Commercial Asset-Backed Securities	A-	0.05%	157,339
Commercial Asset-Backed Securities	A1	0.06%	181,416
Commercial Asset-Backed Securities	A2	0.03%	87,623
Commercial Asset-Backed Securities	AAA	0.06%	199,094
Commercial Asset-Backed Securities	Aaa	0.19%	602,606
Commercial Asset-Backed Securities	BBB	0.14%	442,580
Commercial Asset-Backed Securities	BBB-	0.05%	164,207
Commercial Asset-Backed Securities	No Rating	0.54%	1,744,257
Consumer Asset-Backed Securities	No Rating	0.00%	3,250
Municipal Obligations	A	0.01%	20,208
Municipal Obligations	A1	0.02%	60,816
Municipal Obligations	Aa1	0.01%	19,591
Municipal Obligations	Aa2	0.03%	93,936
Municipal Obligations	A++	0.02%	60,351
Municipal Obligations	Aa3	0.03%	101,408
Municipal Obligations	Aaa	0.02%	56,148
Municipal Obligations	No Rating	0.03%	81,252

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

**Investments (Continued)
Credit Risk (Continued)**

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Portfolio</u>	<u>Market Value in U.S. Dollars</u>
U.S. Treasuries	Aaa	2.39%	\$ 7,730,457
Corporate Bonds	A	0.02%	71,206
Corporate Bonds	A1	0.27%	869,387
Corporate Bonds	A2	0.13%	425,941
Corporate Bonds	A3	0.23%	758,312
Corporate Bonds	Aa2	0.01%	17,949
Corporate Bonds	Aa3	0.01%	20,982
Corporate Bonds	Aaa	0.03%	100,531
Corporate Bonds	Baa1	0.03%	103,534
Corporate Bonds	Baa2	0.17%	562,060
Corporate Bonds	Baa3	0.19%	626,490
Corporate Bonds	BBB	0.01%	35,155
Corporate Bonds	BBB-	0.02%	77,246
Corporate Bonds	No Rating	0.16%	523,038
Short-Term Money Market Funds	No rating	2.02%	6,534,499
Florida PRIME	No rating	52.61%	176,283,364
Mutual Funds Fixed	No rating	0.49%	1,580,241
Mutual Funds Other - Global	No rating	1.06%	3,417,182
Foreign Bonds	No rating	0.04%	136,235
Real Estate Fund	No rating	4.99%	16,099,883
Total			<u>\$ 230,854,725</u>

- Concentration of Credit Risk** – No more than 5% of the Pension Plans’ assets may be invested in the common stock, capital stock or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of that company. The value of bonds issued by any single company may not exceed 3% of the total fund. No more than 60% of the Plans’ assets at cost for the Police Officers’ Pension Plan and no more than 70% of the Plans’ assets at cost for the Firefighters’ and General Employees’ Pension Plans may be invested in common stock and convertible bonds. No more than 15% of the Plans’ assets at cost or 25% of the Plans’ assets at fair value may be invested in international securities.
- Foreign Currency Risk** – As of September 30, 2023 the Pension Funds have \$15,647,637 invested in foreign equities. Foreign securities are limited to those that settle in U.S. dollars and trade on one or more of the national exchanges.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

- **Fair Value** – The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified as Level 2 of the fair value hierarchy are valued using quoted prices for similar assets in active markets. The City had the following fair value measurements as of September 30, 2023:

	Total	Fair Value Measurement Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Domestic Equities	\$ 76,369,140	\$ 76,369,140	\$ -	\$ -
International Equities	15,647,637	13,329,155	2,318,482	-
Equity Mutual Funds	136,235	-	136,235	-
Commercial Asset-Backed Securities	4,306,740	-	4,306,740	-
Consumer Asset-Backed Securities	3,250	-	3,250	-
Corporate Bonds	4,191,829	40,420	4,151,409	-
Collateralized Mortgage Obligations	2,447,492	-	2,447,492	-
Mortgage Backed Securities	7,629,842	16,926	7,612,916	-
Municipal Obligations	493,710	-	493,710	-
U.S. Government Obligations	7,730,457	1,503,150	6,227,307	-
Mutual Funds Fixed	1,580,241	1,580,241	-	-
Mutual Funds Other	3,417,182	3,417,182	-	-
Total Investments Measured at Fair Value	123,953,755	\$ 96,256,214	\$ 27,697,541	\$ -
Investments Measured at Net Asset Value (NAV)				
Real Estate Fund	16,099,883			
Total Investments Measured at the NAV	16,099,883			
Investments Measured at Amortized Cost				
Florida PRIME	176,283,364			
Short-Term Money Market Funds	6,443,649			
Total Investments Measured at Amortized Cost	182,727,013			
Total Investments	\$ 322,780,651			

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

	Fair Value	Redemption Frequency	Redemption Notice Period
Real Estate Fund	\$ 16,099,883	Quarterly	Daily

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS OF RECEIVABLES

The City provides for an allowance for water and sewer accounts that may become uncollectible. At September 30, 2023, the allowance for doubtful accounts associated with the receivables of the Water and Sewer Fund was \$154,842. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at fiscal yearend.

NOTE 5 LEASES RECEIVABLES

The City, acting as lessor, leases buildings, water towers, fiber-optic infrastructure, and land under long-term, noncancelable lease agreements. The leases expire at various dates through 2037 and provide for renewal options ranging from one year to five years. During the year ended September 30, 2023, the City recognized \$440,719 and \$47,171 in lease revenue and interest revenue, respectively, pursuant to these contracts.

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

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

	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2024	\$ 352,949	\$ 21,331	\$ 145,728	\$ 34,175	\$ 554,183
2025	221,423	15,341	40,269	32,081	309,114
2026	190,235	11,205	44,079	30,272	275,791
2027	184,421	7,101	48,121	28,288	267,931
2028	124,010	3,510	52,407	26,116	206,043
2029-2033	69,108	673	335,835	90,617	496,233
2034-2038	-	-	218,910	14,573	233,483
Total minimum lease payments	\$ 1,142,146	\$ 59,161	\$ 885,349	\$ 256,122	\$ 2,342,778

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

Primary Government

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	CIP Transfers	Ending Balance
Governmental Activities:						
Capital Assets, Not Being Depreciated:						
Land	\$ 8,050,546	\$ 240,676	\$ (18,370)	\$ -	\$ -	\$ 8,272,852
Construction in Progress	5,916,272	8,494,515	-	-	(1,779,522)	12,631,265
Total Capital Assets, Not Being Depreciated	13,966,818	8,735,191	(18,370)	-	(1,779,522)	20,904,117
Capital Assets, Being Depreciated:						
Buildings and Improvements	79,411,643	23,371	-	-	-	79,435,014
Improvements Other than Buildings	89,274,911	859,330	(53,396)	-	1,779,522	91,860,367
Equipment	25,632,245	1,922,051	(322,993)	99,023	-	27,330,326
Right-to-use Assets						
Leased Buildings	15,162	-	(15,162)	-	-	-
Leased Equipment	460,317	270,175	(67,957)	-	-	662,535
Subscription Software	-	2,816,928	-	-	-	2,816,928
Total Capital Assets, Being Depreciated	194,794,278	5,891,855	(459,508)	99,023	1,779,522	202,105,170
Less Accumulated Depreciation and Amortization for:						
Buildings and Improvements	(21,596,234)	(1,920,892)	-	-	-	(23,517,126)
Improvements Other than Buildings	(54,131,376)	(3,432,856)	53,395	-	-	(57,510,837)
Equipment	(17,760,619)	(1,954,540)	299,473	(99,023)	-	(19,514,709)
Right-to-use Assets						
Leased Buildings	(11,371)	(3,791)	15,162	-	-	-
Leased Equipment	(168,567)	(75,855)	67,956	-	-	(176,466)
Subscription Software	-	(899,009)	-	-	-	(899,009)
Total Accumulated Depreciation	(93,668,167)	(8,286,943)	435,986	(99,023)	-	(101,618,147)
Total Capital Assets, Being Depreciated, Net	101,126,111	(2,395,088)	(23,522)	-	1,779,522	100,487,023
Governmental Activities Capital Assets, Net	<u>\$ 115,092,929</u>	<u>\$ 6,340,103</u>	<u>\$ (41,892)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,391,140</u>
Business-Type Activities:						
Capital Assets, Not Being Depreciated:						
Land	\$ 5,483,266	\$ 252,591	\$ -	\$ -	\$ -	\$ 5,735,857
Construction in progress	23,637,230	3,752,004	-	-	(21,310,516)	6,078,718
Total Capital Assets, Not Being Depreciated	29,120,496	4,004,595	-	-	(21,310,516)	11,814,575
Capital Assets, Being Depreciated:						
Buildings and Improvements	8,935,652	-	-	-	-	8,935,652
Improvements Other than Buildings	190,695,410	10,081,595	(103,824)	-	21,310,516	221,983,697
Equipment	20,005,323	2,477,072	(112,401)	(99,023)	-	22,270,971
Right-to-use Assets						
Leased Equipment	-	116,222	-	-	-	116,222
Subscription Software	-	167,581	-	-	-	167,581
Total Capital Assets, Being Depreciated	219,636,385	12,842,470	(216,225)	(99,023)	21,310,516	253,474,123
Less Accumulated Depreciation and Amortization for:						
Buildings and Improvements	(6,806,340)	(124,528)	-	-	-	(6,930,868)
Improvements Other than Buildings	(115,850,501)	(4,091,231)	103,824	-	-	(119,837,908)
Equipment	(12,290,508)	(1,935,459)	112,400	99,023	-	(14,014,544)
Right-to-use Assets						
Leased Equipment	-	(15,496)	-	-	-	(15,496)
Subscription Software	-	(60,595)	-	-	-	(60,595)
Total Accumulated Depreciation	(134,947,349)	(6,227,309)	216,224	99,023	-	(140,859,411)
Total Capital Assets, Being Depreciated, Net	84,689,036	6,615,161	(1)	-	21,310,516	112,614,712
Business-Type Activities Capital Assets, Net	<u>\$ 113,809,532</u>	<u>\$ 10,619,756</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,429,287</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

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

Governmental Activities:	
General Government	\$ 813,871
Public Safety	1,218,889
Transportation	1,784,967
Economic Development	1,323,514
Human Services	89,970
Culture and Recreation	2,104,538
Capital Assets held by the Government's Internal Service Funds	951,194
Total Depreciation Expense - Governmental Activities	<u>\$ 8,286,943</u>
Business-Type Activities:	
Water and Sewer	\$ 4,282,961
Solid Waste	1,081,529
Willow brook Golf Course	79,973
Stormwater	632,463
Dark Fiber	150,383
Total Depreciation Expense - Business-Type Activities	<u>\$ 6,227,309</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Transfers for the year ended September 30, 2023 consisted of the following:

Interfund Transfers

Transfers to the General Fund from:

Community Redevelopment Agency Fund	\$ 995,242
Nonmajor Governmental Funds	2,194,999
Water and Sewer Fund	4,440,036
Solid Waste Fund	1,228,000
Total	<u>\$ 8,858,277</u>

Transfers to the Airport Fund from:

General Fund	\$ 792,993
	<u>\$ 792,993</u>

Transfers to the 2015 Construction Fund from:

General Fund	\$ 5,876,217
Nonmajor Governmental Funds	250,000
Total	<u>\$ 6,126,217</u>

Transfers to the Nonmajor Governmental Funds from:

General Fund	\$ 9,888,200
Airport Fund	482,161
Nonmajor Governmental Funds	1,278,824
Total	<u>\$ 11,649,185</u>

Transfers to the Nonmajor Proprietary Funds from:

General Fund	\$ 155,400
Community Redevelopment Agency Fund	16,800
Airport Fund	8,400
Nonmajor Governmental Funds	16,800
Internal Service Funds	29,400
Water and Sewer Fund	33,600
Solid Waste Fund	8,400
Total	<u>\$ 268,800</u>

Transfers to the Internal Service Funds from:

General Fund	\$ 200,000
Water and Sewer Fund	107,574
Solid Waste Fund	29,598
Internal Service Funds	29,599
Total	<u>\$ 366,771</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

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

Due To / From Other Funds

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Airport Fund	\$ 460,000
General Fund	Nonmajor Governmental Funds	51,414
General Fund	Nonmajor Proprietary Funds	50,000
2015 Construction Fund	Nonmajor Governmental Funds	592
Water and Sewer Fund	2015 Construction Fund	119,285
Nonmajor Governmental Funds	Airport Fund	41,563
Nonmajor Governmental Funds	Nonmajor Proprietary Funds	555,011
Total		<u>\$ 1,277,865</u>

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

Advances to / from Other Funds

<u>Advances To</u>	<u>Advances From</u>	<u>Amount</u>
Nonmajor Proprietary Funds	General Fund	\$ 1,563,872
2015 Construction Fund	Water and Sewer Fund	663,162
Airport Fund	Nonmajor Governmental Funds	43,257
Nonmajor Proprietary Funds	Nonmajor Governmental Funds	1,213,696
Total		<u>\$ 3,483,987</u>

Through September 30, 2022, the General Fund has advanced \$1,563,872 to the Willowbrook Golf Course Fund. Though there were budgeted transfers, no transfers on this advance were made during the year ending September 30, 2023. Since repayment to the General Fund will not occur within the next few months, these funds are not available for appropriation in the General Fund. Accordingly, fund balance in the General Fund has been classified as nonspendable.

The Capital Depletion Fund advanced \$370,025 on April 1, 2023 to the Willowbrook Golf Course to fund the acquisition of golf carts, \$266,666 of which was outstanding at September 30, 2023. The advance will be paid down monthly through March 2028 at a 4.0% interest rate. The Capital Depletion Fund advanced \$608,475 on October 1, 2018 and \$2,700,000 on September 1, 2019 to the Dark Fiber Fund to aid in operations for expansions, \$947,030 of which was outstanding at September 30, 2023. The advances will be paid down monthly through September 1, 2025 and October 1, 2026 respectively at 2.5%.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

During the year ending September 30, 2019, the Water and Sewer Fund advanced \$1,220,000 to the 2015 Construction Fund to provide financing for construction plans in future years, \$663,162 of which was outstanding at September 30, 2023. The advance will be paid down monthly through September 1, 2029 at 3.5%.

During the year ending September 30, 2020, the Capital Depletion Fund advanced \$163,129 to the Airport Fund to provide financing for construction of a new T-Hangar building, \$43,257 of which was outstanding at September 30, 2023. The advance will be repaid upon completion of construction.

NOTE 8 FUND BALANCE CLASSIFICATIONS

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at September 30, 2023 is as follows:

	General Fund	Community Redevelopment Agency	Airport	2015 Construction Fund	2021 Construction Fund	Other Governmental Fund	Total Governmental Funds
Nonspendable:							
Advances to Other Funds	\$ 1,563,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,563,872
Inventory	-	-	-	-	-	19,983	19,983
Prepaid Items	429,841	319	2,157	-	-	126,257	558,574
Total Nonspendable Fund Balance	1,993,713	319	2,157	-	-	146,240	2,142,429
Restricted for:							
Public Safety	15,365	-	-	-	-	-	15,365
Community Redevelopment	-	3,500,539	-	237,262	-	-	3,737,801
Human Services	-	-	-	-	-	1,382,484	1,382,484
Police Training, Confiscation and Abandoned Property	-	-	-	-	-	131,989	131,989
Building Inspections and Enforcement	-	-	-	7,291,266	-	3,746,157	11,037,423
Impact Fees	-	-	-	559,571	-	4,564,842	5,124,413
Debt Service	-	-	-	-	-	4,151,045	4,151,045
Transportation	-	-	-	-	-	4,097,477	4,097,477
Environmental Awareness	200,000	-	-	-	-	-	200,000
Total Restricted Fund Balance	215,365	3,500,539	-	8,088,099	-	18,073,994	29,877,997
Committed:							
Affordable Housing	-	-	-	-	-	1,380,746	1,380,746
Perpetual Care	-	-	-	-	-	494,938	494,938
Federal Building	-	-	-	-	-	106,101	106,101
Total Committed Fund Balance	-	-	-	-	-	1,981,785	1,981,785
Assigned:							
Leisure Services	13,936	-	-	11,814,237	-	-	11,828,173
Public Safety	14,981	-	-	-	8,691,209	-	8,706,190
Library	-	-	-	-	-	197,350	197,350
Transportation	70,639	-	-	-	4,373,167	-	4,443,806
Capital Projects	-	-	-	13,721,882	2,956,866	7,678,378	24,357,126
Total Assigned Fund Balance	99,556	-	-	25,536,119	16,021,242	7,875,728	49,532,645
Unassigned Fund Balance	26,554,264	-	(648,083)	-	-	(592)	25,905,589
Total Fund Balances	\$ 28,862,898	\$ 3,500,858	\$ (645,926)	\$ 33,624,218	\$ 16,021,242	\$ 28,077,155	\$ 109,440,445

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 LONG-TERM LIABILITIES

Long-term liability activity of the City for the year ended September 30, 2023 was as follows:

	Beginning Balance *	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable:					
2015A Non-Ad Valorem	\$ 9,660,000	\$ -	\$ (750,000)	\$ 8,910,000	\$ 775,000
2021B Non-Ad Valorem	4,390,000	-	(685,000)	3,705,000	810,000
2021C Non-Ad Valorem	17,245,000	-	-	17,245,000	-
Plus: Unamortized Bond Premium	1,835,310	-	(128,316)	1,706,994	-
Total Bonds Payable	<u>33,130,310</u>	<u>-</u>	<u>(1,563,316)</u>	<u>31,566,994</u>	<u>1,585,000</u>
Direct Placements:					
2017 Non-Ad Valorem	21,940,000	-	(1,085,000)	20,855,000	1,115,000
2021 Non-Ad Valorem Refunding	9,665,000	-	(780,000)	8,885,000	795,000
Total Direct Placements	<u>31,605,000</u>	<u>-</u>	<u>(1,865,000)</u>	<u>29,740,000</u>	<u>1,910,000</u>
Leases Payable	297,325	270,175	(108,455)	459,045	202,137
SBITAs Payable	-	2,757,144	(1,154,544)	1,602,600	940,385
Compensated Absences	2,059,140	2,068,567	(1,886,858)	2,240,849	70,727
Governmental Activity Long-Term Liabilities	<u>\$ 67,091,775</u>	<u>\$ 5,095,886</u>	<u>\$ (6,578,173)</u>	<u>\$ 65,609,488</u>	<u>\$ 4,708,249</u>
BUSINESS-TYPE ACTIVITIES					
Bonds Payable:					
2015 Utility System Refunding					
Revenue Bonds	\$ 23,680,000	\$ -	\$ -	\$ 23,680,000	\$ -
Less: Unamortized Bond Discount	(42,323)	-	3,391	(38,932)	-
Total Bonds Payable	<u>23,637,677</u>	<u>-</u>	<u>3,391</u>	<u>23,641,068</u>	<u>-</u>
Direct Placements:					
2010 Utility System Refunding	17,030,000	-	(2,205,000)	14,825,000	2,280,000
Total Direct Placements	<u>17,030,000</u>	<u>-</u>	<u>(2,205,000)</u>	<u>14,825,000</u>	<u>2,280,000</u>
Direct Borrowings:					
State Revolving Fund - WW531320	803,785	-	(47,168)	756,617	47,182
State Revolving Fund - WW531302	10,305,637	1,321,056	-	11,626,693	-
State Revolving Fund - WW531340	-	790,055	(48,707)	741,348	60,202
State Revolving Fund - WW531350	-	389,132	(25,500)	363,632	31,313
Total Direct Borrowings	<u>11,109,422</u>	<u>2,500,243</u>	<u>(121,375)</u>	<u>13,488,290</u>	<u>138,697</u>
Leases Payable	-	238,040	(138,915)	99,125	22,693
SBITAs Payable	167,581	-	(90,664)	76,917	65,494
Compensated Absences	598,976	620,855	(553,393)	666,438	66,644
Business-Type Activity Long-Term Liabilities	<u>\$ 52,543,656</u>	<u>\$ 3,359,138</u>	<u>\$ (3,105,956)</u>	<u>\$ 52,796,838</u>	<u>\$ 2,573,528</u>

* Beginning balance restated due to implementation of GASB Statement No. 96, SBITAs.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

The annual requirements to amortize the debt outstanding as of September 30, 2023 are as follows:

Year	Governmental Activities			
	Bonds Payable		Direct Placements	
	Principal	Interest	Principal	Interest
2024	\$ 1,585,000	\$ 867,606	\$ 1,910,000	\$ 782,532
2025	1,635,000	815,306	1,960,000	732,654
2026	1,680,000	768,950	2,010,000	681,419
2027	1,720,000	729,694	2,065,000	628,752
2028	1,770,000	677,668	2,115,000	574,651
2029 - 3033	9,940,000	2,271,644	9,905,000	2,052,008
2034 - 2038	6,125,000	977,328	9,775,000	696,181
2039 - 2042	5,405,000	265,788	-	-
Total	<u>\$ 29,860,000</u>	<u>\$ 7,373,984</u>	<u>\$ 29,740,000</u>	<u>\$ 6,148,197</u>

Year	Business-Type Activities			
	Bonds Payable		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2024	\$ -	\$ 715,013	\$ 2,418,697	545,561
2025	-	715,013	2,518,141	453,810
2026	-	715,013	3,734,167	359,117
2027	-	715,013	3,815,045	261,469
2028	-	715,013	3,900,935	160,575
2029 - 3033	12,925,000	2,813,738	9,176,703	63,333
2034 - 2038	10,755,000	501,806	2,702,207	266
2039 - 2042	-	-	47,395	11
Total	<u>\$ 23,680,000</u>	<u>\$ 6,890,609</u>	<u>\$ 28,313,290</u>	<u>\$ 1,844,142</u>

The annual requirements to amortize the individual debt issues outstanding as of September 30, 2023 are as follows:

Year	Governmental Activities				
	Revenue Bond - 2015A Public Improvement	Direct	Direct	Revenue Bond - 2021B Public Improvement	Revenue Bond - 2021C Public Improvement
		Placement - 2017 Non-Ad Valorem	Placement - 2021 Non-Ad Valorem		
2024	\$ 1,032,488	\$ 1,737,118	\$ 955,414	\$ 888,400	\$ 531,719
2025	1,029,863	1,737,407	955,247	888,725	531,719
2026	1,029,581	1,736,623	954,796	887,650	531,719
2027	1,027,625	1,739,690	954,062	890,350	531,719
2028	1,026,900	1,736,609	953,044	333,300	1,087,469
2029 - 3033	5,163,025	8,675,114	3,281,893	-	7,048,619
2034 - 2038	-	8,643,708	1,827,473	-	7,038,084
2039 - 2042	-	-	-	-	5,735,030
Totals	10,309,482	26,006,269	9,881,929	3,888,425	23,036,078
Less: Amount Representing Interest	(1,399,482)	(5,151,269)	(996,929)	(183,425)	(5,791,078)
Total	<u>\$ 8,910,000</u>	<u>\$ 20,855,000</u>	<u>\$ 8,885,000</u>	<u>\$ 3,705,000</u>	<u>\$ 17,245,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Year	Business-Type Activities					
	Direct Placement - 2010 Water and Sewer	Revenue Bond - 2015 Utility System	Direct Borrowing - State Revolving Fund 531320	Direct Borrowing - State Revolving Fund 531302	Direct Borrowing - State Revolving Fund 531340	Direct Borrowing - State Revolving Fund 531350
2024	\$ 2,817,231	\$ 715,013	\$ 47,406	\$ -	\$ 68,308	\$ 31,313
2025	2,801,253	715,013	47,406	572,578	84,197	39,096
2026	2,777,429	715,013	47,406	1,145,156	84,197	39,096
2027	2,760,661	715,013	47,406	1,145,156	84,197	39,096
2028	2,745,654	715,013	47,406	1,145,156	84,197	39,096
2029 - 3033	2,722,407	15,738,735	237,028	5,725,780	336,786	156,387
2034 - 2038	-	11,256,806	237,028	1,145,156	42,098	19,548
2039 - 2042	-	-	47,406	747,711	-	-
Totals	16,624,635	30,570,606	758,492	11,626,693	783,980	363,632
Less: Amount Representing Interest	(1,799,635)	(6,890,606)	(1,875)	-	(42,632)	-
Total	<u>\$ 14,825,000</u>	<u>\$ 23,680,000</u>	<u>\$ 756,617</u>	<u>\$ 11,626,693</u>	<u>\$ 741,348</u>	<u>\$ 363,632</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

The following were outstanding at September 30, 2023:

Revenue Bond – 2015A Non Ad Valorem Refunding Revenue Bond

The Resolution provides for:

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

<u>Description</u>	<u>Interest Rate and Dates</u>	<u>Final Maturity</u>	<u>Original Amounts Issued</u>	<u>Outstanding at September 30, 2023</u>
Non Ad Valorem Refunding Revenue Bonds - Series 2015A	2% - 4% 4/1; 10/1	10/1/2032	<u>\$ 13,205,000</u>	<u>\$ 8,910,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement – 2017 Non Ad Valorem Revenue Note

The Resolution provides for:

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

<u>Description</u>	<u>Interest Rate and Dates</u>	<u>Final Maturity</u>	<u>Original Amounts Issued</u>	<u>Outstanding at September 30, 2023</u>
Non Ad Valorem Revenue Bonds - Series 2017	3.07% 10/1; 4/1	10/01/2037	<u>\$ 25,000,000</u>	<u>\$ 20,855,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement – 2021 Non Ad Valorem Refunding Note

The Resolution provides for:

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

<u>Description</u>	<u>Interest Rate and Dates</u>	<u>Final Maturity</u>	<u>Original Amounts Issued</u>	<u>Outstanding at September 30, 2023</u>
Non Ad Valorem Revenue Refunding Bond - Series 2021	1.89% 10/1; 4/1	10/01/2036	<u>\$ 10,055,000</u>	<u>\$ 8,885,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Revenue Bond – 2021B Non Ad Valorem Revenue Bond

The Resolution provides for:

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

<u>Description</u>	<u>Interest Rate and Dates</u>	<u>Final Maturity</u>	<u>Original Amounts Issued</u>	<u>Outstanding at September 30, 2023</u>
Non Ad Valorem Revenue Bonds - Series 2021B	2% - 3% 4/1; 10/1	10/01/2027	<u>\$ 4,390,000</u>	<u>\$ 3,705,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Revenue Bond – 2021C Non Ad Valorem Revenue Bond

The Resolution provides for:

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

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

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

<u>Description</u>	<u>Interest Rate and Dates</u>	<u>Final Maturity</u>	<u>Original Amounts Issued</u>	<u>Outstanding at September 30, 2023</u>
Non Ad Valorem Revenue Bonds - Series 2021C	2% - 5% 4/1; 10/1	10/01/2041	<u>\$ 17,245,000</u>	<u>\$ 17,245,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement – 2010 Utility System Refunding Revenue Note

The Resolution provides for:

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

<u>Description</u>	<u>Interest Rate and Dates</u>	<u>Final Maturity</u>	<u>Original Amounts Issued</u>	<u>Outstanding at September 30, 2023</u>
Utility System Refunding Revenue Bonds - Series 2010	3.23% 4/1; 10/1	10/01/2028	<u>\$ 20,925,000</u>	<u>\$ 14,825,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Revenue Bond – 2015 Utility System Refunding Revenue Bonds

The Resolution provides for:

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

<u>Description</u>	<u>Interest Rate and Dates</u>	<u>Final Maturity</u>	<u>Original Amounts Issued</u>	<u>Outstanding at September 30, 2023</u>
Utility System Refunding Revenue Bonds - Series 2015	2% - 3.125% 4/1; 10/1	10/1/2035	<u>\$ 26,070,000</u>	<u>\$ 23,680,000</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Direct Borrowing – State Revolving Funds Loan – WW531320

The City has a State Revolving Fund loan in the amount of \$969,085 with a rate of 0.03% repayable over 20 years. The loan will be used for wastewater projects. The loan is secured by pledged revenues of the water and sewer system. At September 30, 2023 the balance was \$756,617.

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

Direct Borrowing – State Revolving Funds Loan – WW531302

The City has a State Revolving Fund loan in the amount of \$22,903,131 with a rate of 0.00% repayable over 20 years. The loan will be used for lift station rehabilitation and reclaimed water system expansion. The loan is secured by pledged revenues of the water and sewer system. Through September 30, 2023, \$1,321,056 had been drawn. At September 30, 2023, the balance was \$11,626,693.

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

Direct Borrowing – State Revolving Funds Loan – WW531340

The City has a State Revolving Fund loan in the amount of \$1,000,000 with a rate of 1.11% repayable over 10 years. The loan will be used for planning activities for the water infrastructure study. The loan is secured by pledged revenues of the water and sewer system. Through September 30, 2023, \$790,055 had been drawn. At September 30, 2023 the balance was \$741,348.

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

Direct Borrowing – State Revolving Funds Loan – WW531350

The City has a State Revolving Fund loan in the amount of \$500,000 with a rate of 0.00% repayable over 10 years. The loan will be used for a stormwater and wastewater master plan. The loan is secured by pledged revenues of the water and sewer system. Through September 30, 202, \$389,132 had been drawn. At September 30, 2023, the balance was \$363,632.

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2023, all funds are being maintained in accordance with the ordinances and resolutions.

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

Public Improvement Revenue Bonds, Series 2015A, 2017, 2021, 2021B and 2021C \$ 4,227,349

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

Revenue Bonds and Notes – Pledged Revenue

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$46,995,000 in revenue bonds issued in 2010 and 2015. Proceeds from the bonds were used to finance the cost of the acquisition and construction of additions, extensions, and improvements to the system. Principal and interest on the bonds are payable through fiscal year 2036 from the water and sewer gross revenues and connection charges.

The resolutions authorizing the revenue bonds include an obligation for the City to fix, establish, revise from time to time whenever necessary, maintain and collect such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide net revenues in each year sufficient to pay the lesser of either the aggregate of 115% of the bond service requirement becoming due in such year on the outstanding bonds, or the aggregate of 110% of the bond service requirement as the same become due in such year, provided that net revenues plus sewer system development charges and water system development charges in such year are sufficient to pay the aggregate of 120% of the bond service requirement becoming due in such year on the outstanding bonds. Fiscal year 2023 pledged revenues, net of operating expenses, were approximately \$13.2 million. Principal and interest paid during the year ended September 30, 2023 was \$3,545,277.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Lessee Arrangements

The City leases equipment for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2028 and provide for renewal options in various terms.

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

	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2024	\$ 202,137	\$ 2,966	\$ 22,693	\$ 1,487	\$ 229,283
2025	144,475	1,788	23,076	1,104	170,443
2026	81,150	797	23,466	714	106,127
2027	29,949	136	23,862	318	54,265
2028	1,334	5	6,028	17	7,384
2029-2033	-	-	-	-	-
Total minimum lease payments	\$ 459,045	\$ 5,692	\$ 99,125	\$ 3,640	\$ 567,502

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

	Governmental Activities	Business-Type Activities
Buildings	\$ -	\$ -
Equipment	662,535	116,222
Less: accumulated amortization	(176,466)	(15,496)
	\$ 486,069	\$ 100,726

SBITA Arrangements

The City contracts for software in its operations for various terms under long-term, non-cancelable subscription agreements. The leases expire at various dates through 2026 and provide for renewal options in various terms.

	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2024	\$ 940,385	\$ 11,909	\$ 65,494	\$ 607	\$ 1,018,395
2025	529,223	2,805	11,423	23	543,474
2026	132,992	580	-	-	133,572
Total minimum payments	\$ 1,602,600	\$ 15,294	\$ 76,917	\$ 630	\$ 1,695,441

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

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

	Governmental Activities	Business-Type Activities
Software	\$ 2,816,928	\$ 167,581
Less: accumulated amortization	(899,009)	(60,595)
	\$ 1,917,919	\$ 106,986

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City insures itself against these risks with various insurance policies. Insurance settlements have not exceeded the City's insurance coverage in the three prior fiscal years. All insurance coverage amounts remained constant from the prior year.

The City is self-insured for group health insurance. Estimated claims incurred but not reported of \$1,748,553 were recorded at September 30, 2023. This is the amount established by a specialist to have been incurred but not yet billed as of September 30, 2023. This entire amount is considered to be payable within the next year.

In addition, the City has insurance to cover individual stop/loss after \$300,000. In 2021, 2022 and 2023, settlements exceeded insurance coverage by \$224,890, \$205,013, and \$0, respectively.

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

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

	Claims Payable Beginning of Year	Claims and Changes in Estimates	Claim Payments	Claims Payable End of Year
2021-2022 Total	\$ 1,748,553	\$ 5,848,792	\$ 5,848,792	\$ 1,748,553
2022-2023 Total	\$ 1,748,553	\$ 4,949,542	\$ 4,949,542	\$ 1,748,553

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11 PENSION PLANS

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

The statements of fiduciary net position for the three pension plans at September 30, 2023 are as follows:

	General Employees' Pension	Municipal Firefighters' Pension	Municipal Police Officers' Pension	Total
Assets				
Cash	\$ 35,509	\$ -	\$ 499	\$ 36,008
Prepaid Items	-	4,785	-	4,785
Investments:				
Short-Term Money Market Funds	2,821,067	2,434,719	1,230,038	6,485,824
US Treasuries	2,106,154	1,308,171	4,316,133	7,730,458
Government Agencies	1,120,781	567,742	-	1,688,523
Government Mortgage Pools	788,039	449,678	4,703,602	5,941,319
Commercial Asset-Backed Securities	4,306,740	-	-	4,306,740
Consumer Asset-Backed Securities	3,250	-	-	3,250
Municipal Obligations	256,835	236,875	-	493,710
Mutual Funds	3,417,182	1,716,476	-	5,133,658
Collateralized Mortgage Obligations	-	2,447,492	-	2,447,492
Corporate Bonds	322,206	2,556,262	1,313,362	4,191,830
Equity Securities	46,916,711	22,628,180	22,471,886	92,016,777
Real Estate Fund	9,387,005	4,438,067	2,274,811	16,099,883
Total Investments	<u>71,445,970</u>	<u>38,783,662</u>	<u>36,309,832</u>	<u>146,539,464</u>
Receivables:				
Contributions Receivable	-	48,344	-	48,344
Interest and Dividends Receivable	90,850	52,706	61,828	205,384
Total Receivables	<u>90,850</u>	<u>101,050</u>	<u>61,828</u>	<u>253,728</u>
Total Assets	71,572,329	38,889,497	36,372,159	146,833,985
Liabilities				
Accounts Payable	<u>486,058</u>	<u>495,869</u>	<u>35,466</u>	<u>1,017,393</u>
Net Position				
Net Position Restricted for Pensions	<u>\$ 71,086,271</u>	<u>\$ 38,393,628</u>	<u>\$ 36,336,693</u>	<u>\$ 145,816,592</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

The statement of changes in fiduciary net position for the three pension plans for the year ended September 30, 2023 follows:

	General Employees' Pension	Municipal Firefighters' Pension	Municipal Police Officers' Pension	Total
Additions:				
Contributions:				
Employer	\$ 1,807,805	\$ 1,060,709	\$ 460,598	\$ 3,329,112
Employee	464,235	447,970	421,059	1,333,264
State	-	497,915	591,065	1,088,980
Total Contributions	<u>2,272,040</u>	<u>2,006,594</u>	<u>1,472,722</u>	<u>5,751,356</u>
Investment Income (Loss)	8,246,967	3,949,574	4,295,253	16,491,794
Less: Investment Expenses	<u>(257,705)</u>	<u>(197,394)</u>	<u>(161,651)</u>	<u>(616,750)</u>
Net Investment Loss	7,989,262	3,752,180	4,133,602	15,875,044
Miscellaneous Revenue	<u>11,548</u>	<u>375</u>	<u>2,064</u>	<u>13,987</u>
Total Additions (Loss)	10,272,850	5,759,149	5,608,388	21,640,387
Deductions:				
Benefits	6,745,451	2,888,445	2,497,658	12,131,554
Refunds	125,597	-	99,269	224,866
Administrative Expenses	<u>197,223</u>	<u>110,563</u>	<u>85,579</u>	<u>393,365</u>
Total Deductions	<u>7,068,271</u>	<u>2,999,008</u>	<u>2,682,506</u>	<u>12,749,785</u>
CHANGE IN NET POSITION	3,204,579	2,760,141	2,925,882	8,890,602
Net Position Restricted for Pensions:				
Net Position - Beginning of Year	<u>67,881,692</u>	<u>35,633,487</u>	<u>33,410,811</u>	<u>136,925,990</u>
Net Position - End of Year	<u>\$ 71,086,271</u>	<u>\$ 38,393,628</u>	<u>\$ 36,336,693</u>	<u>\$ 145,816,592</u>

Summary of Significant Accounting Policies

- **Basis of Accounting** – The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.
- **Method Used to Value Investments** – Investments are reported at fair value, as described in Note 3.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

Plan Description

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

General Employees' Pension Plan

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

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

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

Firefighters' Pension Plan

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

Plan Description (Continued)

Firefighters' Pension Plan (Continued)

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

Police Officers' Pension Plan

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

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

Police and fire employees are required to contribute 8.2% and 10.0%, respectively, of their annual salary. The City is required to contribute the remaining amounts after employee and state contributions necessary to fund the plans as specified by ordinance. The State remits income received from the 0.85% excise tax on casualty insurance premiums for the police fund, and income received from the 1.85% excise tax on premiums for fire insurance for the firefighters' fund. Contributions received from the State as on-behalf payments were \$591,065 for police employees and \$497,915 for firefighters for 2023. Administrative costs of the plan are financed through investment earnings.

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

	General Employees'	Municipal Firefighters'	Municipal Police Officers'
Plan Establishment/Restatement	January 1, 1971	October 1, 1986	October 1, 1985
Payroll for Covered Employees	\$ 6,631,925	\$ 4,479,704	\$ 5,134,868

The systems also provide disability and survivor benefits.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

Employees Covered by Benefit Terms

At October 1, 2022, the date of the City's most recent valuation, the following employees were covered by the benefit terms:

	General Employees'	Municipal Firefighters'	Municipal Police Officers'
Inactive Plan Members or Beneficiaries			
Currently Receiving Benefits	266	53	65
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	36	14	27
Active Plan Members	117	61	72
Total	<u>419</u>	<u>128</u>	<u>164</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2023 using the following actuarial assumptions.

	General Employees'	Municipal Firefighters'	Municipal Police Officers'
Valuation Date	10/1/2022	10/1/2022	10/1/2022
Inflation	2.50%	2.50%	2.50%
Projected Salary Increases	Service Based	Service Based	Service Based
Discount Rate	6.50%	7.45%	7.35%
Investment Rate of Return	6.50%	7.45%	7.35%
Mortality Rate	PubG.H-2010 with Scale MP- 2018	PubS.H-2010 & PubG.H-2010 with Scale MP- 2018	PubS.H-2010 & PubG.H-2010 with Scale MP- 2018
Date of Actuarial Experience Study	7/23/2021	10/23/2019	10/23/2019

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Changes in assumptions for the 2023 fiscal year for the General Employees' Pension, Police Officers' Pension, and Firefighters' Pension plans included the following:

Firefighters' – For measurement date September 30, 2023, the investment rate of return remained constant as the prior year at 7.45% per year compounded annually, net of investment-related expenses.

Police Officers' – For measurement date September 30, 2023, the investment rate of return remained constant as the prior year at 7.35% per year compounded annually, net of investment-related expenses.

Discount Rate

The discount rate used to measure the total pension liability was 6.50% for general employees' plan, 7.45% for municipal firefighters' plan, and 7.35% for municipal police officers' plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

Investments

Each Board of Trustees (Board) is responsible for administering the investment policies of the Plans and providing oversight for the management of the Plans' asset. The investment strategy of each Plan is to emphasize total return (defined as the aggregate return from capital appreciation and dividend and interest income). The investment policy for each plan requires that all Plan assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Plan, with minimal impact on market price. Following are the adopted asset allocation policies for each plan as of September 30, 2023.

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

General Employees' Plan:

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

Municipal Firefighters' Plan:

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

Municipal Police Officers' Plan:

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

Concentrations

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

Money-Weighted Rate of Return on Investments

For the year ended September 30, 2023 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 11.98% for the General Employees' Plan, 10.63% for the Firefighters' Plan, and 12.70% for the Police Officers' Plan. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

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

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
General Employees' Pension			
Sponsor's Net Pension Liability	\$ 32,622,687	\$ 22,127,868	\$ 13,380,185

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

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

	1% Decrease (6.35%)	Current Discount Rate (7.35%)	1% Increase (8.35%)
Municipal Police Officers' Pension			
Sponsor's Net Pension Liability	\$ 13,707,056	\$ 8,430,356	\$ 4,043,561

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Municipal Firefighters' Pension			
Sponsor's Net Pension Liability	\$ 15,286,136	\$ 9,555,074	\$ 4,772,646

Deferred Retirement Option Program (DROP)

The Plans permit the members to elect to receive retirement benefits while still employed and receiving a salary. Members are eligible upon reaching normal retirement. The participant's retirement benefits are credited into an individual member account and paid out to the member upon termination or retirement not to exceed a period of up to 60 months for the General Employees', Firefighters', Police Officers' Plan. Amounts credited to the members' DROP accounts earn interest and remain in the pension plan's net assets until paid out. Amounts held in DROP accounts as of September 30, 2023 totaled \$1,113,691 for the General Employees' Plan, \$348,728 for the Firefighters' Plan, and \$412,440 for the Police Officers' Plan.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined as of that date. The net pension liability recorded by the City as of September 30, 2023 consists of the following:

General Employees'	\$ 22,132,156
Municipal Firefighters'	9,555,075
Municipal Police Officers'	8,430,355
Total Net Pension Liability	\$ 40,117,586

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

Changes in Net Pension Liability

General Employees' Pension	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at September 30, 2022	\$ 93,999,674	\$ 67,881,692	\$ 26,117,982
Changes for the Year:			
Service Cost	725,937	-	725,937
Interest	5,933,856	-	5,933,856
Change in Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(574,280)	-	(574,280)
Changes of Assumptions	-	-	-
Contributions - Employer	-	1,807,803	(1,807,803)
Contributions - Employee	-	464,235	(464,235)
Net Investment Income	-	7,891,487	(7,891,487)
Miscellaneous	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(6,871,048)	(6,871,048)	-
Administrative Expenses	-	(87,898)	87,898
Net Changes	(785,535)	3,204,579	(3,990,114)
Balance at September 30, 2023	\$ 93,214,139	\$ 71,086,271	\$ 22,127,868
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			76.26%

Municipal Firefighters' Pension	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at September 30, 2022	\$ 46,412,550	\$ 35,633,487	\$ 10,779,063
Changes for the Year:			
Service Cost	1,201,770	-	1,201,770
Interest	3,439,672	-	3,439,672
Change in Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(216,845)	-	(216,845)
Changes of Assumptions	-	-	-
Contributions - Employer	-	1,060,709	(1,060,709)
Contributions - State	-	497,915	(497,915)
Contributions - Employee	-	447,970	(447,970)
Net Investment Income	-	3,751,091	(3,751,091)
Miscellaneous Revenue	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,888,445)	(2,888,445)	-
Administrative Expenses	-	(109,099)	109,099
Net Changes	1,536,152	2,760,141	(1,223,989)
Balance at September 30, 2023	\$ 47,948,702	\$ 38,393,628	\$ 9,555,074
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			80.07%

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

Changes in Net Pension Liability (Continued)

<u>Municipal Police Officers' Pension</u>	Increase (Decrease)		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at September 30, 2022	\$ 43,193,755	\$ 33,410,810	\$ 9,782,945
Changes for the Year:			
Service Cost	913,561	-	913,561
Interest	3,146,451	-	3,146,451
Change in Excess State Money	-	-	-
Difference Between Expected and Actual Experience	110,208	-	110,208
Changes of Assumptions	-	-	-
Contributions - Employer	-	460,598	(460,598)
Contributions - State	-	591,065	(591,065)
Contributions - Employee	-	421,059	(421,059)
Net Investment Income	-	4,135,667	(4,135,667)
Benefit Payments, Including Refunds of Employee Contributions	(2,596,926)	(2,596,926)	-
Administrative Expenses	-	(85,580)	85,580
Net Changes	<u>1,573,294</u>	<u>2,925,883</u>	<u>(1,352,589)</u>
Balance at September 30, 2023	<u>\$ 44,767,049</u>	<u>\$ 36,336,693</u>	<u>\$ 8,430,356</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 81.17%

For the year ended September 30, 2023, the City recognized pension expense of \$10,955,824 (\$5,159,708 for General Employees, \$3,102,095 for Municipal Firefighters, and \$2,694,021 for Municipal Police Officers).

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

On September 30, 2023, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

General Employees' Pension:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 125,662	\$ 287,140
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,383,240	-
Total	<u>\$ 3,508,902</u>	<u>\$ 287,140</u>

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

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

Municipal Firefighters' Plan:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 411,880	\$ 1,421,107
Changes of Assumptions	1,113,270	87,258
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,744,902	-
Total	<u>\$ 4,270,052</u>	<u>\$ 1,508,365</u>

Municipal Police Officers' Plan:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 254,004	\$ 48,241
Changes of Assumptions	229,402	68,069
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,556,828	-
Total	<u>\$ 3,040,234</u>	<u>\$ 116,310</u>

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

General Employees' Plan:

<u>Year Ended September 30.</u>	<u>Amount</u>
2024	\$ 972,999
2025	564,786
2026	2,410,305
2027	(726,328)

Municipal Firefighters' Plan:

<u>Year Ended September 30.</u>	<u>Amount</u>
2024	\$ 1,001,344
2025	681,191
2026	1,375,223
2027	(259,930)
2028	(36,141)

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11 PENSION PLANS (CONTINUED)

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

Municipal Police Officers':

<u>Year Ended September 30</u>	<u>Amount</u>
2024	\$ 800,109
2025	1,022,789
2026	1,445,912
2027	(344,886)

Summary

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

<u>Description</u>	<u>General Employees'</u>	<u>Municipal Firefighters'</u>	<u>Municipal Police Officers'</u>	<u>Total</u>
Net Pension Liability	\$22,132,156	\$ 9,555,075	\$ 8,430,355	\$ 40,117,586
Deferred Outflows of Resources Related to Pensions	3,508,902	4,270,052	3,040,234	10,819,188
Deferred Inflows of Resources Related to Pensions	287,140	1,508,365	116,310	1,911,815
Pension Expense	5,159,708	3,102,095	2,694,021	10,955,824

Other Retirement Plans

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

The City also provides pension benefits through a defined contribution IRC Section 401(a) profit sharing plan to Directors and the City Manager in lieu of participating in the general employees' pension. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees that participate in the plan are required to contribute 10% of their salary. Effective September 25, 2017, Resolution R-17- 46 changed the City's contribution rate to 15% of the employee's gross pay. The City's contribution for each employee (and interest allocated to the employee's account) is fully vested upon contribution. The City Council by ordinance maintains the authority to establish new and amend existing benefit provision of the plan and contribution requirements. The City's contributions to this IRC Section 401(a) plan for the year ended September 30, 2023 were approximately \$150,122.

The City also has a pre-tax defined contribution plan that became effective for non-Police and non-Fire employees hired on or after November 20, 2017. Normal retirement age is 60 and early retirement age is 55. The City contributes 7.5% while employees are required to contribute 3% of pay to the Plan. For the year ended September 30, 2023, the City contributed \$674,104. Employees vest at a rate of 20% per year. A participant who separates from service prior to obtaining full vesting (five years) shall forfeit that percentage of the City's contribution account balance that has not yet been vested. Forfeited amounts will be used to offset future City contributions required in succeeding plan years and investment advisory services. The amount of forfeitures available at September 30, 2023 was \$107,848.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS

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

Plan Description

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

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

The City subsidizes the premium rates paid by retirees by allowing them to participate in the plans at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible.

For the Postemployment Health Care Benefits Plan, contribution requirements of the City are established and may be amended through the City. The plan is currently being funded on a pay-as-you-go basis. No trust fund has been established for the plan, and there are no assets accumulated in trust for payment of benefits. The plan does not issue a separate publicly available financial report. The OPEB liabilities are typically liquidated by the individual fund in which the employee's costs are associated.

Employees Covered by Benefit Terms

At September 30, 2022 valuation date, the following employees were covered by the benefit terms:

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Total OPEB Liability

The City's Total OPEB liability was measured as of September 30, 2023 and was determined by an actuarial valuation as of September 30, 2022. The following table shows the City's total OPEB liability for the year ended September 30, 2023.

	Total OPEB Liability
Balances - October 1, 2022	\$ 29,485,674
Changes for the Year:	
Service Cost	1,292,555
Interest	1,443,701
Changes in Assumptions	(496,985)
Differences Between Expected and Actual Experience	-
Benefit Payments	(1,036,003)
Net Changes	1,203,268
Balances - September 30, 2023	\$ 30,688,942

Discount Rate Sensitivity

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

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	3.87 %	4.87 %	5.87 %
Total OPEB Liability	\$ 36,283,220	\$ 30,688,942	\$ 26,338,835

Healthcare Trend Rate Sensitivity

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

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
	6.25%	7.25%	8.25%
OPEB Plan Healthcare Cost Rate	decreasing to 3.00%	decreasing to 4.00%	decreasing to 5.00%
Total OPEB Liability	\$ 25,753,313	\$ 30,688,942	\$ 37,113,607

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$1,314,682. In addition, the City reported deferred inflows of resources of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,387,951
Changes of Assumptions	4,077,606	11,998,908
Total	\$ 4,077,606	\$ 14,386,859

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

<u>Year Ending September 30:</u>	<u>Amount</u>
2024	\$ (958,888)
2025	(1,509,220)
2026	(2,840,848)
2027	(2,464,650)
2028	(2,464,650)
Thereafter	(70,997)

Actuarial Assumptions

The total OPEB liability in the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Healthcare Cost Trend Rates	Initial rate of 7.25% in fiscal 2023, grading down to the ultimate trend rate of 4% in fiscal 2075.

Salary Inflation

Credited Service	General Pension Plans and 401a Employees
First Year	9.00%
Years 2-9	5.00%
Years 10-14	3.50%
Greater than 14 Years	3.25%
	Police Pension Plan Employees
First Year	13.00%
Years 2-10	4.50%
Greater than 10 Years	4.00%

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

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

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

All mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018. Rates are based on those outlined in the July 1, 2021 Florida Retirement System actuarial valuation report.

The discount rate used to measure the total OPEB liability was 4.87%, based on the September 30, 2023 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.

Changes of Assumptions reflect a change in the discount rate from 4.77% for the reporting period ended September 30, 2022, to 4.87% for the reporting period ended September 30, 2023. Also reflected as assumption changes are updated health care costs and premiums, and updated salary increases, termination rates, and disability rates for General employees.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 13 COMMITMENTS AND CONTINGENCIES

Federal and State Grant Programs

Amounts received or receivable from grantors are subject to audit and adjustment by grantor agencies, principally federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts to be immaterial.

Litigation

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

Construction Commitments

The City routinely enters into various construction commitments. At September 30, 2023, the City had the following outstanding major construction commitments in process:

Project	Project Authorization	Expended in Prior Years	Expended in September 30, 2023	Commitment
Governmental Activities:				
Lake Maude Phase II	\$ 3,073,015	\$ -	\$ 303,338	\$ 2,769,677
Ave K NE Complete Street	2,236,158	-	486,386	1,749,772
Joyce B Davis Park & Downtown Sidewalk Café	2,610,204	-	1,077,342	1,532,862
Lake Elbert Trail	10,061,226	-	-	10,061,226
Total Governmental Activities	<u>\$ 17,980,603</u>	<u>\$ -</u>	<u>\$ 1,867,066</u>	<u>\$ 16,113,537</u>
Business-Type Activities:				
Construction of Harmony Lift Station	<u>\$ 7,978,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,978,041</u>

Contingencies

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 14 TAX ABATEMENTS

The City determined that it is desirable to facilitate redevelopment opportunities within the Florence Villa and Downtown Community Redevelopment Areas (CRA) of the City through tax increment rebatement and other incentives. The development incentives are consistent with the Community Redevelopment Plans for the two CRA Districts and are in compliance with Florida State Statutes 163, Part III and 163.370(1)(d), Resolution R-00-19, CRA Resolution R-16-01, and Resolution R-CRA-21-01.. A Summary description of the incentives available is as follows:

- **Real Estate Development Accelerator (REDA)** – This incentive targets large-scale development projects that enhance the economic diversity of the Florence Villa Community Redevelopment and/or Downtown Community Redevelopment Areas and are anticipated to increase, by \$5 million or more, the ad valorem Taxable Value within the Florence Villa Community Redevelopment and/or Downtown Community Redevelopment Areas. This incentive can be utilized in the form of a land purchase price mark-down, tax increment financing rebates or similar types of assistance. Each project is negotiated on an individual basis.
- **Real Estate Development Accelerator II (REDA II)** – This incentive is for large-scale development projects that enhance the economic diversity of the Florence Villa and/or Downtown Community Redevelopment Areas and are anticipated to increase the ad valorem Taxable Value of the subject site by \$15 million or more. This incentive can be utilized in the form of land mark-down, infrastructure improvements, tax increment financing rebates or similar types of assistance. Each project is negotiated on an individual basis.
- **Housing Investment Program (HIP)** – This incentive targets developers of new housing units, renovations of existing housing units that increase the taxable value of the project by at least 100%, and for sale/for rent residential projects investing at least \$2 million dollars. Projects could qualify for a \$10,000 per unit incentive for market-rate housing. Developers are given the choice of A or B below plus the option of the Smart City Bonus:
 - A. Reimbursement not to exceed \$10,000 per units from the project’s actual tax increment; or
 - B. Reimbursement of up to 80% of the project’s actual tax increment for years 1-5 and reimbursement of 70% of the project’s actual tax increment for years 6-15; and Smart City Bonus:Both A. and B. above could also receive \$1,500 per unit grant upon completion of construction when the project includes three or more approved Smart City technologies as provided by the Smart City Advisory Committee or City Staff.
- **Facade and Exterior Improvement Program (for Developers)** – A reimbursement program which provides reimbursement of up to 50% of the cost of facade improvements. The maximum reimbursement is \$25,000.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 14 TAX ABATEMENTS (CONTINUED)

- **Commercial Redevelopment** – Redevelopment of existing commercial buildings within the Downtown Community Redevelopment and/or Florence Villa Community Redevelopment Areas that will increase the ad valorem taxable value by at least 100%. A factor in qualifying for this incentive is the degree to which the project retains authentic character and appearance deemed desirable. Qualifying projects may be eligible for a rebate of 50% of the tax increment created by the renovation for up to 10 years.
- **Capital Improvement Grant Program** – Annual reimbursement of tax increment revenue, up to 50% of the previous year annual "interest only" portion on the principal amount of a loan obtained for rehabilitation or renovation of a project located in the Downtown Community Redevelopment and/or Florence Villa Community Redevelopment Areas. Amortized points, fees and closing costs are not reimbursable. Loans from participating lenders would be based on the lower of the prime rate or actual loan interest rate. The maximum reimbursement is based on the annual amount of tax increment revenue actually received by the City and/or CRA from the project.

At the conclusion of fiscal year 2023, the City had the following economic incentive agreements outstanding:

1. Physician's Partnership

A December 9, 2013 development agreement with Physician's Partnership for the development of a 11,440 square foot medical office building located in the Downtown CRA District. Physicians Partnership annually receives 100% of the County's tax increment paid on this structure. The payments will be continued until \$239,107 has been amortized. The City made incentive payments totaling \$17,501 in the current fiscal year.

2. First Street North LLC

This agreement approved by the City Commission in March 2017 will rebate 60% of the annual tax increment actually received by the City for a period of ten years. The incentive was approved for the construction of a Bond Clinic facility on First Street North. The City made incentive payments totaling \$37,850 in the current fiscal year.

3. Six-Ten Development Agreement

The Six-Ten Corporation plans to build 128 market rate apartments in four downtown locations with an investment of \$21 million. Six-Ten will be due a tax rebate of up to \$5,000 per unit. The City made payments totaling \$30,705 in the current fiscal year.

4. Dundee Self Storage LLC

Resolution R-16-01 entitles Dundee Self Storage to a rebate of 50% of the actual façade improvements at 335 Magnolia Avenue, up to \$15,000. The annual rebate will continue for 10 years, or for as long as the CRA exists, but shall not exceed 100% of the actual tax increment revenue generated from the improvements. This agreement was approved by the City Commission in October 2017. The City made payments of \$429 in the current fiscal year.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 14 TAX ABATEMENTS (CONTINUED)

5. Central South, LLC

Resolution R-16-01 entitles Central South, LLC to a rebate of 50% of the actual façade improvements at 150 3rd Street SW, up to \$15,000. The annual rebate will continue for 10 years, or for as long as the CRA exists, but shall not exceed 100% of the actual tax increment revenue generated from the improvements. This agreement was approved by the City Commission in June 2020. The City made payments of \$233 in the current fiscal year.

6. RainDance Development Agreement

RainDance, LLC plans to build 105 multifamily units on 10.5 lots in the Overstreet Subdivision. Rain Dance will be due a tax rebate of 60% of the annual tax increment and up to \$5,000 per unit. The City made no payments in the current fiscal year. The first rebate will commence next fiscal year.

7. 750 Avenue C SW, LLC Development Agreement

750 Avenue C SW, LLC plans to build 15 multifamily units at 450 Avenue C SW, in the Downtown CRA District. 750 Avenue C SW will be due a tax rebate of up to \$5,000 per unit. The City made payments of \$20,894 in the current fiscal year.

8. Winter Haven, FL 0721 LLC

This agreement approved by the City Commission in September 2021 will rebate 90% of the annual tax increment actually received by the City until September 30, 2030, and an additional development incentive of \$1,759 per room for three years, not to exceed \$190,000. The incentive was approved for the construction of a six-story hotel with approximately 108 rooms on five parcels within the Downtown CRA district. The City made no payments in the current fiscal year.

9. Ave F SW LLC

Resolution R-21-01 entitles Ave F SW to a rebate of 50% of the actual façade improvements to redevelop 7 lots on 212 Ave F SW, up to \$15,000. The annual rebate will continue for 10 years, or for as long as the CRA exists, but shall not exceed 100% of the actual tax increment revenue generated from the improvements. This agreement was approved by the City Commission in September 2021. The City made payments of \$1,490 in the current fiscal year.

10. Six-Ten LLC

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 14 TAX ABATEMENTS (CONTINUED)

11. Six-Ten LLC

Resolution R-16-01 entitles Six-Ten to a rebate of 50% of the actual façade improvements at 140 6th Street SW, up to \$15,000. The annual rebate will continue for 10 years, or for as long as the CRA exists, but shall not exceed 100% of the actual tax increment revenue generated from the improvements. This agreement was approved by the City Commission in March 2021. The City made payments of \$19 in the current fiscal year.

12. Onicx Group LLC

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

13. Benge Development PMF Lake Idyl, LLC Agreement

Benge Development PMF Lake Idyl, LLC plans to build 96 multifamily units at the corner of MLK Blvd. and 11th Street NE, in the Florence Villa District. Benge Development PMF Lake Idyl, LLC will be due a tax rebate of up to \$10,000 per unit. The developer has not yet commenced construction of this project and, therefore, the City made no payments in the current fiscal year.

14. Katina Campbell Agreement

This agreement was approved by the City Commission on September 14, 2021. Katina Campbell plans to construct not more than 5 multi-family units upon 2 parcels within the Florence Villa Community Redevelopment Area. Ms. Campbell will receive \$10,000 per unit constructed tax increment rebate. The project is currently under construction. The City made no payment in the current fiscal year.

15. 1150 WHG LLC Agreement

This agreement was approved by the City Commission on November 14th, 2022. 1150 WHG LLC is redeveloping a former motel into a 211 unit multi-family project. 1150 WHG LLC will receive \$10,000 per unit tax rebate incentives plus the Smart City Bonus. The project is currently under construction. The City made no payment in the current fiscal year.

16. Brett and Eric Cranmer Agreement

This agreement was approved by the City Commission on March 13th, 2023. Brett and Eric Cranmer are developing 2 residential rental units upon a property within the Downtown Community Redevelopment Area. They will receive \$10,000 per unit tax increment financing upon completion of the project. The City made no payment in the current fiscal year.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 14 TAX ABATEMENTS (CONTINUED)

17. The Breeze Winter Haven, LLC Agreement

This agreement was approved by the City Commission on June 12th, 2023. The Breeze Winter Haven, LLC plans to develop 102 units of multi-family within the Downtown Community Redevelopment Area. They will receive 90% of the tax increment for 20 years. The project is currently under construction. The City made no payment in the current fiscal year.

NOTE 15 INTERLOCAL AGREEMENT WITH POLK COUNTY

On May 17, 2017, the City entered into an interlocal agreement with Polk County. The County will pay the City amounts equal to semi-annual principal and interest payments on a total amount of \$10,000,000 of debt principal incurred by the City to finance a new facility and improvements at the Chain o' Lakes Complex over a period of 20 years. The City issued the 2017 Non Ad Valorem bonds on August 16, 2017, as described in Note 9, to finance the project. The City and County will mutually determine the configuration and siting of the new facility and will share in sponsorship revenue. At September 30, 2023, \$10,170,609 is due from Polk County and has been recorded as a receivable and deferred inflow of resources in the General Fund. During fiscal year 2023 the City collected \$700,621 from the County.

NOTE 16 JOINT VENTURE

Polk Regional Water Cooperative (PRWC)

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

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

Membership Fees – The terms of the interlocal agreement require each Member Government to contribute their proportionate share of the PRWC's annual working capital needs which are established annually by a resolution of the PRWC's Board of Directors. For the year ended September 30, 2023, the City's proportionate share of the PRWC's capital needs was \$222,727.

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 16 JOINT VENTURE (CONTINUED)

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

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

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

According to the Cooperatives financial projections the total cost of the Southeast Wellfield Project and the West Polk Wellfield Project is \$239,325,000 and \$91,168,000 respectively. The City’s percentage share of the Southeast Wellfield productions is estimated to be 10.89% and approximately 1.27% of the West Polk Wellfield production. Based on the percentages of Wellfield production to be utilized by the City the annual debt service payment of the Southeast Wellfield Project will climb to approximately \$3,140,286 and \$68,552 annually on the West Polk Wellfield Project in 2032. The debt service and consumption changes are estimated to begin in October of 2027.

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

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

**CITY OF WINTER HAVEN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 17 SUBSEQUENT EVENTS

On October 31, 2023, Polk County and the City entered into an Interlocal Agreement for Tourist Development Tax Funding for the renovation of the Chain of Lakes Complex ("Interlocal Agreement"). The total buildout of the project is estimated to be \$20 Million. The funding plan for the \$20 Million will be shared between the City and County. The City and County will each provide \$5 Million in cash. The City will bond \$10 Million with the County providing equal semiannual payments for principal and interest of their portion of the bond (\$5 Million).

On December 14, 2023, the City issued Non-Ad Valorem Revenue Bonds, Series 2023 in the amount of \$24.2 Million with the purpose of the acquisition, expansion, design, construction, and equipping of various capital improvements to the City's various parks, roads, recreational facilities, and water and sewer system, including but not limited to the construction of a new recreational complex consisting of athletic and event fields, pedestrian facilities, docks and parking facilities, the construction of a roadway extension that will provide multi-modal trails, sidewalk and lighting to support the roadway, and the acquisition of approximately 370 acre tract of land that will house a planned wetland reclaim/ recharge area and operations facility.

REQUIRED SUPPLEMENTARY INFORMATION

WINTER HAVEN

THE CHAIN OF LAKES CITY

This page intentionally left blank

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

	General Employees' for the Years Ended September 30:									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability										
Service Cost	\$ 725,937	\$ 798,355	\$ 853,608	\$ 849,951	\$ 924,122	\$ 1,100,750	\$ 1,064,435	\$ 1,244,642	\$ 1,217,350	\$ 1,262,098
Interest	5,933,856	5,911,452	6,144,012	6,195,448	6,131,191	6,084,568	5,928,154	5,727,485	5,599,457	5,391,437
Change in Benefit Terms	-	-	-	-	-	-	(2,607,103)	-	-	-
Difference Between Expected and Actual Experience	(574,280)	376,986	(199,860)	(530,496)	(29,206)	(865,698)	434,635	1,243,148	(701,805)	-
Changes of Assumptions	-	-	4,934,198	885,020	855,724	836,005	2,591,313	2,026,654	723,201	705,471
Benefit Payments, Including Refunds	(6,871,048)	(6,468,329)	(8,065,041)	(5,767,143)	(5,730,248)	(4,719,393)	(4,905,122)	(4,785,641)	(3,755,355)	(3,789,392)
Net Change in Total Pension Liability	(785,535)	618,464	3,666,917	1,632,780	2,151,583	2,436,232	2,506,312	5,456,288	3,082,848	3,569,614
Total Pension Liability - Beginning	93,999,674	93,381,210	89,714,293	88,081,513	85,929,930	83,493,698	80,987,386	75,531,098	72,448,250	68,878,636
Total Pension Liability - Ending (A)	<u>\$ 93,214,139</u>	<u>\$ 93,999,674</u>	<u>\$ 93,381,210</u>	<u>\$ 89,714,293</u>	<u>\$ 88,081,513</u>	<u>\$ 85,929,930</u>	<u>\$ 83,493,698</u>	<u>\$ 80,987,386</u>	<u>\$ 75,531,098</u>	<u>\$ 72,448,250</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 1,807,803	\$ 2,354,610	\$ 2,562,853	\$ 2,763,957	\$ 2,676,390	\$ 3,221,324	\$ 3,452,742	\$ 4,177,044	\$ 3,673,711	\$ 3,711,480
Contributions - State	-	-	-	-	-	-	-	-	-	-
Contributions - Employee	464,235	447,531	502,176	527,015	552,552	700,047	920,969	1,039,335	933,696	967,961
Net Investment Income	7,891,487	(10,354,603)	14,352,301	2,426,053	2,426,582	6,014,674	7,682,616	5,132,137	605,140	5,418,479
Miscellaneous Revenue	-	1,865	762	18,183	25,318	-	-	-	-	-
Benefit Payments, Including Refunds	(6,871,048)	(6,468,329)	(8,065,041)	(5,767,143)	(5,741,101)	(4,708,540)	(4,905,122)	(4,785,641)	(3,755,355)	(3,797,392)
Administrative Expense	(87,898)	(190,036)	(192,294)	(177,791)	(160,700)	(156,854)	(170,306)	(147,550)	(142,670)	(125,730)
Net Change in Plan Fiduciary Net Position	3,204,579	(14,208,962)	9,160,757	(209,726)	(220,959)	5,070,651	6,980,899	5,415,325	1,314,522	6,174,798
Plan Fiduciary Net Position - Beginning	67,881,692	82,090,654	72,929,897	73,139,623	73,360,582	68,289,931	61,309,032	55,893,707	54,579,185	48,404,387
Plan Fiduciary Net Position - Ending (B)	<u>\$ 71,086,271</u>	<u>\$ 67,881,692</u>	<u>\$ 82,090,654</u>	<u>\$ 72,929,897</u>	<u>\$ 73,139,623</u>	<u>\$ 73,360,582</u>	<u>\$ 68,289,931</u>	<u>\$ 61,309,032</u>	<u>\$ 55,893,707</u>	<u>\$ 54,579,185</u>
Net Pension Liability - Ending (A) - (B)	<u>\$ 22,127,868</u>	<u>\$ 26,117,982</u>	<u>\$ 11,290,556</u>	<u>\$ 16,784,396</u>	<u>\$ 14,941,890</u>	<u>\$ 12,569,348</u>	<u>\$ 15,203,767</u>	<u>\$ 19,678,354</u>	<u>\$ 19,637,391</u>	<u>\$ 17,869,065</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.26%	72.21%	87.91%	81.29%	83.04%	85.37%	81.79%	75.70%	74.00%	75.34%
Covered Payroll	\$ 6,631,925	\$ 6,393,295	\$ 7,173,941	\$ 7,528,785	\$ 7,893,594	\$ 9,456,212	\$ 9,694,044	\$ 10,940,741	\$ 11,033,219	\$ 10,189,066
Net Pension Liability as a Percentage of Covered Payroll	333.72%	408.52%	157.38%	222.94%	189.29%	132.92%	156.84%	179.86%	177.98%	175.37%

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

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule

Changes of Benefit Terms:

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

Changes of Assumptions:

For measurement dates September 30, 2023 and September 30, 2022 there were no changes in assumptions.

For measurement date September 30, 2021, as a result of an Experience Study prepared July 23, 2021, the Board has approved the following changes: 1) Investment Return – decreased from 7.10% to 6.50% per year, net of investment-related expenses. 2) Salary Increases – The rates were generally adjusted downward based on experience observed during the period. 3) Withdrawal Rates – A slight adjustment to the assumed rates of withdrawal based on experience observed in the period. 4) Disability Rates – reduction of the disability rates to 1/3 of the original rates.

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

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

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

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

As described in the March 31, 2017 Actuarial Impact Statement, the following assumption changes are utilized in conjunction with passage of Ordinance O-17-25: 1) Normal Retirement Date – For members who have currently attained age 40 with at least 10 years of Credited Service, no change to the current assumption. For Members who do not currently meet the age 40 with 10 or more years of credited service requirements, 100% assumed retirement upon first eligibility. 2) Early Retirement Date – Maintain the current assumption for all Members, i.e., an assumed 5% retirement for each year of eligibility. 3) Vested Terminated Members – Commencement Date for Benefit Payments. For members who have currently attained age 40 with at least 10 years of credited service, no change to the current assumption, i.e. age 55 unreduced, or age 50, reduced as for early retirement. For members who do not currently meet the age 40 with 10 or more years of credited service requirements, age 60 unreduced, or age 55, reduced as for early retirement.

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

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule (Continued)

Changes of Assumptions (Continued):

1. Investment Return – In conjunction with the March 31, 2017 actuarial impact statement, a reduction from 7.70% to 7.50%. Additionally, the Board of Trustees elected further reductions according to the following schedule:
- 2.

<u>Valuation Date</u>	<u>Investment Return Assumption</u>
October 1, 2017	7.4%
October 1, 2018	7.3%
October 1, 2019	7.2%
October 1, 2020	7.1%
October 1, 2021	6.5%
October 1, 2022	6.5%
October 1, 2023	6.5%

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

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

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

Municipal Firefighters' for the Years Ended September 30:

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 1,201,770	\$ 1,149,168	\$ 1,175,351	\$ 1,134,943	\$ 1,058,222	\$ 1,058,208	\$ 1,083,811	\$ 981,995	\$ 960,946	\$ 930,014
Interest	3,439,672	3,372,362	3,171,185	3,076,072	2,872,901	2,734,227	2,583,788	2,345,959	2,192,966	2,163,683
Change in Excess State Money	-	-	-	-	(14,442)	-	(981,312)	135,110	134,190	150,505
Difference Between Expected and Actual Experience	(216,845)	(728,826)	723,464	(986,791)	(1,160,630)	17,965	365,252	90,497	(101,413)	-
Changes of Assumptions	-	746,061	-	(203,603)	2,155,627	-	-	1,017,583	-	(884,685)
Contributions - Buy Back/Employee	-	51,446	-	-	-	-	55,704	-	-	-
Benefit Payments, Including Refunds	(2,888,445)	(2,803,359)	(1,990,146)	(1,628,935)	(1,566,862)	(2,455,649)	(1,778,717)	(1,159,453)	(1,039,426)	(939,873)
Net Change in Total Pension Liability	1,536,152	1,786,852	3,079,854	1,391,686	3,344,816	1,354,751	1,328,526	3,411,691	2,147,263	1,419,644
Total Pension Liability - Beginning	46,412,550	44,625,698	41,545,844	40,154,158	36,809,342	35,454,591	34,126,065	30,714,374	28,567,111	27,147,467
Total Pension Liability - Ending (A)	<u>\$ 47,948,702</u>	<u>\$ 46,412,550</u>	<u>\$ 44,625,698</u>	<u>\$ 41,545,844</u>	<u>\$ 40,154,158</u>	<u>\$ 36,809,342</u>	<u>\$ 35,454,591</u>	<u>\$ 34,126,065</u>	<u>\$ 30,714,374</u>	<u>\$ 28,567,111</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 1,060,709	\$ 1,191,772	\$ 975,129	\$ 1,088,055	\$ 1,330,123	\$ 1,240,969	\$ 1,515,857	\$ 1,586,480	\$ 1,333,181	\$ 1,372,178
Contributions - State	497,915	405,618	365,621	344,621	343,132	341,245	328,419	323,495	322,575	338,890
Contributions - Employee	447,970	452,095	406,695	402,978	369,750	370,069	443,832	402,477	364,180	356,596
Net Investment Income	3,751,091	(5,281,729)	6,856,248	1,214,255	1,094,036	2,435,714	3,107,129	2,208,912	85,409	2,087,278
Miscellaneous Revenue	-	243	-	963	1,087	-	-	-	-	-
Benefit Payments, Including Refunds	(2,888,445)	(2,803,359)	(1,990,146)	(1,628,935)	(1,566,862)	(2,455,648)	(1,778,717)	(1,159,453)	(1,039,427)	(939,873)
Administrative Expense	(109,099)	(69,386)	(69,435)	(81,385)	(75,211)	(82,860)	(77,351)	(71,825)	(66,436)	(64,399)
Net Change in Plan Fiduciary Net Position	2,760,141	(6,104,746)	6,544,112	1,340,552	1,496,055	1,849,489	3,539,169	3,290,086	999,482	3,150,670
Plan Fiduciary Net Position - Beginning	35,633,487	41,738,233	35,194,121	33,853,569	32,357,514	30,508,025	26,968,856	23,678,770	22,679,288	19,528,618
Plan Fiduciary Net Position - Ending (B)	<u>\$ 38,393,628</u>	<u>\$ 35,633,487</u>	<u>\$ 41,738,233</u>	<u>\$ 35,194,121</u>	<u>\$ 33,853,569</u>	<u>\$ 32,357,514</u>	<u>\$ 30,508,025</u>	<u>\$ 26,968,856</u>	<u>\$ 23,678,770</u>	<u>\$ 22,679,288</u>
Net Pension Liability - Ending (A) - (B)	<u>\$ 9,555,074</u>	<u>\$ 10,779,063</u>	<u>\$ 2,887,465</u>	<u>\$ 6,351,723</u>	<u>\$ 6,300,589</u>	<u>\$ 4,451,828</u>	<u>\$ 4,946,566</u>	<u>\$ 7,157,209</u>	<u>\$ 7,035,604</u>	<u>\$ 5,887,823</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.07%	76.78%	93.53%	84.71%	84.31%	87.91%	86.05%	79.03%	77.09%	79.39%
Covered Payroll	\$ 4,479,704	\$ 4,006,494	\$ 4,066,945	\$ 4,029,779	\$ 3,697,501	\$ 3,700,691	\$ 3,902,070	\$ 4,003,979	\$ 3,909,235	\$ 3,565,959
Net Pension Liability as a Percentage of Covered Payroll	213.30%	269.04%	71.00%	157.62%	170.40%	120.30%	126.77%	178.75%	179.97%	165.11%

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

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule

Changes of Benefit Terms:

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

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

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

For measurement date September 30, 2017, the following plan changes were made: Pursuant to a Mutual Consent Agreement between the Plan membership and City under Chapter 2015-39, Laws of Florida, \$846,202.72 of the Excess State Monies Reserve is applied as a credit to the Unfunded Actuarial Accrued Liability.

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

Changes of Assumptions:

For measurement date September 30, 2023, there were no changes in assumptions.

For measurement date September 30, 2022, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.60% to 7.45% per year compounded annually, net of investment related expenses.

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

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

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule (Continued)

Changes of Assumptions (Continued):

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

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

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

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

Municipal Police Officers' for the Years Ended September 30:

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 913,561	\$ 862,529	\$ 782,346	\$ 860,015	\$ 820,751	\$ 843,956	\$ 853,283	\$ 793,963	\$ 776,050	\$ 801,709
Interest	3,146,451	3,043,800	2,992,835	2,960,939	2,863,568	2,769,998	2,581,169	2,417,435	2,346,583	2,248,123
Change in Excess State Money	-	-	-	-	-	-	-	(28,857)	21,977	6,879
Difference Between Expected and Actual Experience	110,208	342,695	(19,863)	(216,376)	(24,010)	(216,491)	1,188,026	(203,836)	(11,110)	-
Changes of Assumptions	-	458,803	-	(340,344)	1,068,060	-	-	1,200,550	152,399	313,191
Benefit Payments, Including Refund	(2,596,926)	(3,015,839)	(3,286,970)	(2,229,889)	(2,195,474)	(2,147,670)	(2,148,969)	(2,133,049)	(1,808,907)	(1,611,524)
Net Change in Total Pension Liability	1,573,294	1,691,988	468,348	1,034,345	2,532,895	1,249,793	2,473,509	2,046,206	1,476,992	1,758,378
Total Pension Liability - Beginning	43,193,756	41,501,768	41,033,420	39,999,075	37,466,180	36,216,387	33,742,878	31,696,672	30,219,680	28,461,302
Total Pension Liability - Ending (A)	<u>\$ 44,767,050</u>	<u>\$ 43,193,756</u>	<u>\$ 41,501,768</u>	<u>\$ 41,033,420</u>	<u>\$ 39,999,075</u>	<u>\$ 37,466,180</u>	<u>\$ 36,216,387</u>	<u>\$ 33,742,878</u>	<u>\$ 31,696,672</u>	<u>\$ 30,219,680</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 460,598	\$ 489,319	\$ 396,204	\$ 556,013	\$ 719,814	\$ 626,513	\$ 602,998	\$ 704,008	\$ 725,579	\$ 1,314,419
Contributions - State	591,065	514,953	460,889	460,621	437,823	433,238	387,358	369,988	321,673	306,575
Contributions - Employee	421,059	398,280	357,881	351,357	364,598	376,478	369,604	388,964	349,588	344,499
Net Investment Income	4,135,667	(5,829,943)	5,813,120	3,109,994	803,013	3,225,778	3,614,442	2,288,900	(99,825)	3,499,732
Benefit Payments, Including Refunds	(2,596,926)	(3,015,839)	(3,286,970)	(2,229,889)	(2,204,858)	(2,138,286)	(2,148,970)	(2,133,049)	(1,808,906)	(1,611,524)
Administrative Expense	(85,580)	(73,957)	(64,177)	(67,985)	(62,843)	(69,552)	(57,811)	(55,026)	(49,560)	(48,688)
Net Change in Plan Fiduciary Net Position	2,925,883	(7,517,187)	3,676,947	2,180,111	57,547	2,454,169	2,767,621	1,563,785	(561,451)	3,805,013
Plan Fiduciary Net Position - Beginning	33,410,811	40,927,998	37,251,051	35,070,940	35,013,393	32,559,224	29,791,603	28,227,818	28,789,269	24,984,256
Plan Fiduciary Net Position - Ending (B)	<u>\$ 36,336,694</u>	<u>\$ 33,410,811</u>	<u>\$ 40,927,998</u>	<u>\$ 37,251,051</u>	<u>\$ 35,070,940</u>	<u>\$ 35,013,393</u>	<u>\$ 32,559,224</u>	<u>\$ 29,791,603</u>	<u>\$ 28,227,818</u>	<u>\$ 28,789,269</u>
Net Pension Liability - Ending (A) - (B)	<u>\$ 8,430,356</u>	<u>\$ 9,782,945</u>	<u>\$ 573,770</u>	<u>\$ 3,782,369</u>	<u>\$ 4,928,135</u>	<u>\$ 2,452,787</u>	<u>\$ 3,657,163</u>	<u>\$ 3,951,275</u>	<u>\$ 3,468,854</u>	<u>\$ 1,430,411</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.17%	77.35%	98.62%	90.78%	87.68%	93.45%	89.90%	88.29%	89.06%	95.27%
Covered Payroll	\$ 5,134,868	\$ 4,857,078	\$ 4,364,397	\$ 4,284,845	\$ 4,427,931	\$ 4,609,577	\$ 4,507,362	\$ 4,744,893	\$ 4,321,215	\$ 4,201,204
Net Pension Liability as a Percentage of Covered Payroll	164.18%	201.42%	13.15%	88.27%	111.30%	53.21%	81.14%	83.27%	80.27%	34.05%

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

Retirement System – Defined Benefit Plan (Continued)

Notes to Schedule

Changes of Assumptions:

For measurement date September 30, 2023, there were no changes in assumptions.

For measurement date September 30, 2022, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.45% to 7.35% per year compounded annually, net of investment related expenses.

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

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

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

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

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

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

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

General Employees' Pension

Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2023	\$ 1,867,549	\$ 1,803,515	\$ 64,034	\$ 6,631,925	27.19%
2022	2,290,575	2,354,610	(64,035)	6,393,295	36.83%
2021	2,580,772	2,562,853	17,919	7,173,941	35.72%
2020	2,766,076	2,763,957	2,119	7,528,785	36.71%
2019	2,677,507	2,676,390	1,117	7,893,594	33.91%
2018	3,227,405	3,221,324	6,081	9,456,212	34.07%
2017	3,429,753	3,452,742	(22,989)	9,694,044	35.62%
2016	4,172,799	4,177,044	(4,245)	10,940,741	38.18%
2015	3,673,711	3,673,711	-	11,033,219	33.30%
2014	4,120,459	3,711,480	408,979	10,189,066	36.43%

Municipal Firefighters' Pension

Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2023	\$ 1,534,298	\$ 1,558,624	\$ (24,326)	\$ 4,479,704	34.79%
2022	1,539,295	1,597,390	(58,095)	4,006,494	39.87%
2021	1,494,603	1,340,750	153,853	4,066,945	32.97%
2020	1,527,690	1,432,676	95,014	4,029,779	35.55%
2019	1,635,035	1,673,256	(38,221)	3,697,501	45.25%
2018	1,638,296	1,582,214	56,082	3,700,691	42.75%
2017	1,702,083	1,979,385	(277,302)	3,902,070	50.73%
2016	1,785,374	1,774,865	10,509	4,003,979	44.33%
2015	1,580,540	1,591,049	(10,509)	3,909,235	40.70%
2014	1,514,462	1,560,563	(46,101)	3,565,959	43.76%

Municipal Police Officers' Pension

Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2023	\$ 986,922	\$ 1,051,663	\$ (64,741)	\$ 5,134,868	20.48%
2022	1,033,101	1,004,272	28,829	4,857,078	20.68%
2021	1,000,320	857,093	143,227	4,364,397	19.64%
2020	987,657	1,016,634	(28,977)	4,284,845	23.73%
2019	1,085,729	1,157,638	(71,909)	4,427,931	26.14%
2018	1,143,636	1,059,751	83,885	4,609,577	22.99%
2017	901,022	990,355	(89,333)	4,507,362	21.97%
2016	1,053,841	1,073,994	(20,153)	4,744,893	22.63%
2015	1,061,555	1,107,123	(45,568)	4,321,215	25.62%
2014	1,515,794	1,614,115	(98,321)	4,201,204	38.42%

CITY OF WINTER HAVEN, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

General Employees' Pension

Valuation Date	10/1/2021	
Funding Method	Entry Age Normal Actuarial Cost Method	
Amortization Method	New UAAL amortization bases are established according to the following amortization periods:	
	Experience:	10 Years
	Assumption/Method Changes:	20 Years
	Benefit Changes:	30 Years
Mortality Rate	<p><i>Healthy Active Lives:</i> Female: PubG.H-2010 for Employees. Male: PubG.H-2010 (Below Median) for Employees, set back one year.</p> <p><i>Healthy Inactive Lives:</i> Female: PubG.H-2010 for Healthy Retirees Male: PubG.H-2010 for Healthy Retirees, set back one year.</p> <p><i>Beneficiary Lives:</i> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year.</p> <p><i>Disabled Lives:</i> PubG.H-2010 for Disabled Retirees, set forward three years.</p> <p><i>All rates projected generationally with Mortality Improvement Scale MP-2018.</i></p>	
Inflation	2.5% per year	
Interest Rate	6.5% per year, compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.	
Termination Rates	Credited Service	Termination Probability
	0	25.0%
	1-9	13.0%
	10-19	5.0%
	20+	1.0%
Normal Retirement	Number of Years after first Eligible	Retirement Probability
	0	50%
	1-3	25%
	4	50%
	5+	100%
	This assumption is supported by an experience study issued on May 12, 2014, analyzing plan experience from valuations performed from October 1, 1988 to October 1, 2013.	
Early Retirement	Commencing upon age 55 (age 50 for members who attained age 40 with 10 years of service before November 20, 2017) with 10 years of Credited Service, members are assumed to retire with an immediate subsidized benefit at the rate of 5.00% per year. This assumption is supported by an experience study issued on July 23, 2021, analyzing plan experience from valuations performed from October 1, 2010 to September 30, 2020.	
Cost-of-Living	Service and Disability Retirees receive 0.50% increases each October 1 for ten years, beginning the first October 1 following one complete year of retirement.	

CITY OF WINTER HAVEN, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

General Employees' Pension (Continued)

Salary Increases	Credited Service	Assumption
	0	9.00%
	1-9	5.00%
	10-14	3.50%
	15+	3.25%

This assumption is supported by an experience study issued on July 23, 2021, analyzing plan experience from valuations performed from October 1, 2010 to September 30, 2020.

Final Year Salary Load	Service as of 10/1/2012	Final Salary Load
	0	0.00%
	1-4	5.00%
	5-9	10.00%
	10+	15.00%

This assumption was developed based on expectations of unused sick and annual leave time for impacted actives.

Disability Rates	Age	Rates
	20	0.02%
	25	0.02%
	30	0.02%
	35	0.02%
	40	0.04%
	45	0.07%
	50	0.14%
	55	0.30%
	60	0.54%
	65	0.93%

Asset Smoothing Methodology The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

Payroll Increase 0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

CITY OF WINTER HAVEN, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Municipal Firefighters' Pension

Valuation Date	10/1/2021																						
Funding Method	Entry Age Normal Actuarial Cost Method																						
Amortization Method	New UAAL amortization bases are established according to the following amortization periods: <div style="text-align: right; margin-left: 200px;"> Experience: 10 Years Assumption/Method Changes: 20 Years Benefit Changes: 30 Years </div>																						
Mortality	<p><i>Healthy Active Lives:</i> Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year.</p> <p><i>Healthy Inactive Lives:</i> Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 for Healthy Retirees, set forward one year.</p> <p><i>Beneficiary Lives:</i> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year.</p> <p><i>Disabled Lives:</i> 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. <i>All rates projects generationally with Mortality Improvement Scale MP-2018.</i></p>																						
Inflation	2.5% per year																						
Interest Rate	7.6% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.																						
Termination Rates	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Credited Service</th> <th style="text-align: center; border-bottom: 1px solid black;">Termination Probability</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0-4</td> <td style="text-align: center;">6.0%</td> </tr> <tr> <td style="text-align: center;">5-14</td> <td style="text-align: center;">1.0%</td> </tr> <tr> <td style="text-align: center;">15+</td> <td style="text-align: center;">0.0%</td> </tr> </tbody> </table> <p>The above rates are based on the results of an Experience Study for the period October 1, 2008 through September 30, 2018.</p>	Credited Service	Termination Probability	0-4	6.0%	5-14	1.0%	15+	0.0%														
Credited Service	Termination Probability																						
0-4	6.0%																						
5-14	1.0%																						
15+	0.0%																						
Disability Rates	<p>These rates were examined in the experience study dated October 23, 2019, and no changes were recommended at that time.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Age</th> <th style="text-align: center; border-bottom: 1px solid black;">Probability</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">20</td><td style="text-align: center;">0.05%</td></tr> <tr><td style="text-align: center;">25</td><td style="text-align: center;">0.05%</td></tr> <tr><td style="text-align: center;">30</td><td style="text-align: center;">0.06%</td></tr> <tr><td style="text-align: center;">35</td><td style="text-align: center;">0.07%</td></tr> <tr><td style="text-align: center;">40</td><td style="text-align: center;">0.12%</td></tr> <tr><td style="text-align: center;">45</td><td style="text-align: center;">0.22%</td></tr> <tr><td style="text-align: center;">50</td><td style="text-align: center;">0.43%</td></tr> <tr><td style="text-align: center;">55</td><td style="text-align: center;">0.89%</td></tr> <tr><td style="text-align: center;">60</td><td style="text-align: center;">1.61%</td></tr> <tr><td style="text-align: center;">65</td><td style="text-align: center;">2.80%</td></tr> </tbody> </table>	Age	Probability	20	0.05%	25	0.05%	30	0.06%	35	0.07%	40	0.12%	45	0.22%	50	0.43%	55	0.89%	60	1.61%	65	2.80%
Age	Probability																						
20	0.05%																						
25	0.05%																						
30	0.06%																						
35	0.07%																						
40	0.12%																						
45	0.22%																						
50	0.43%																						
55	0.89%																						
60	1.61%																						
65	2.80%																						

CITY OF WINTER HAVEN, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Municipal Firefighters' Pension (Continued)

Retirement Rates	% Retiring During the Year (10-24 Years of Service)	
	Age	Retirement Probability
	45-49	3%
	50-54	5%
	55-56	25%
	57+	100%

% Retiring During the Year (>= 25 Years of Service)	
Age	Retirement Probability
Any	100%

The above rates are based on the results of an Experience Study for the period October 1, 2008 through September 30, 2018.

Salary Increases	Service	Assumption
	0-4	7.5%
	5-9	6.0%
	10-14	5.0%
	15+	4.5%

The above rates are based on the results of an Experience Study for the period October 1, 2008 through September 30, 2018.

Additionally, the projected salary in the year of retirement is increased as shown below, supported by data provided by the City:

Service as of 10/1/12	Final Salary Load Assumption
Less than 1 Year	0%
1 to 10 Years	5%
10 to 20 Years	10%
Greater than 20 Years	15%

Payroll Growth 0.90% for purposes of amortizing Unfunded Actuarial Accrued Liability bases established prior to October 1, 2019; level dollar amortization is utilized for bases established on and after October 1, 2019. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Asset Smoothing Methodology The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in an insignificant bias that is above or below the Market Value of Assets.

CITY OF WINTER HAVEN, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Municipal Police Officers' Pension

Valuation Date	10/1/2021
Funding Method	Entry Age Normal Actuarial Cost Method
Amortization Method	New UAAL amortization bases are amortized over 15 years.
Mortality Rate	<p><i>Healthy Active Lives:</i> Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year.</p> <p><i>Healthy Inactive Lives:</i> Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 for Healthy Retirees, set forward one year.</p> <p><i>Beneficiary Lives:</i> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year.</p> <p><i>Disabled Lives:</i> 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.</p> <p><i>All rates projected generationally with Mortality Improvement Scale MP-2018.</i></p>

Inflation	2.5% per year
Interest Rate	7.45% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Termination Rates	Credited Service	Termination Probability
	0-4	13.0%
	5-9	6.0%
	10+	4.5%

The assumed rates of termination were approved in conjunction with an actuarial experience study dated October 2019.

Normal Retirement	% Retiring During the Year (10-24 Years of Service)	
	Age	Retirement Probability
	55	20%
	56+	100%

	% Retiring During the Year (All Ages)	
Service	Retirement Probability	
25	60%	
26+	100%	

Early Retirement	% Retiring During the Year (10-24 Years of Service)	
	Age	Retirement Probability
	50-52	10%
	53-54	0%

	% Retiring During the Year (All Ages)	
Service	Retirement Probability	
20-22	10%	
23-24	0%	

CITY OF WINTER HAVEN, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Municipal Police Officers' Pension (Continued)

Salary Increases	Credited Service	Assumption
	0	13.0%
	1-9	4.5%
	10+	4.0%

The assumed rates of normal and early retirement were approved in conjunction with an actuarial experience study dated October 2019.

Final Year Salary Load	Service as of 10/1/2012	Final Salary Load
	Less than 1 Year	0%
	1 to 5 Years	5%
	5 to 10 Years	10%
	Greater than 10 Years	15%

These assumptions were based on data provided by the City.

Disability Rates	Age	Rates
	25	0.03%
	35	0.05%
	45	0.10%
	55	0.36%
	65	2.22%

Aged Based: Sample rates above. It is assumed that 75% of disablements are service-related. The assumed rates were developed from those used by other plans containing Florida municipal police officers.

Asset Smoothing Methodology The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in an insignificant bias that is above or below the Market Value of Assets.

Payroll Growth None.

CITY OF WINTER HAVEN, FLORIDA
 SCHEDULE OF INVESTMENT RETURNS
 SEPTEMBER 30, 2023

Schedule of Investment Returns*

<u>General Employees' Pension</u>		<u>Municipal Firefighters' Pension</u>		<u>Municipal Police Officers' Pension</u>	
<u>Fiscal Year</u>		<u>Fiscal Year</u>		<u>Fiscal Year</u>	
<u>Ended</u>		<u>Ended</u>		<u>Ended</u>	
<u>September 30</u>	<u>Rate</u>	<u>September 30</u>	<u>Rate</u>	<u>September 30</u>	<u>Rate</u>
2023	11.98%	2023	10.63%	2023	12.70%
2022	-13.09%	2022	-12.76%	2022	-14.64%
2021	20.08%	2021	19.68%	2021	16.16%
2020	3.24%	2020	3.57%	2020	9.02%
2019	3.25%	2019	3.34%	2019	2.53%
2018	8.70%	2018	7.98%	2018	10.04%
2017	12.41%	2017	11.48%	2017	12.33%
2016	9.07%	2016	9.19%	2016	8.27%
2015	0.60%	2015	0.32%	2015	-0.35%
2014	10.95%	2014	10.47%	2014	14.04%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 1,292,555	\$ 2,629,823	\$ 2,694,177	\$ 1,603,661	\$ 1,291,931	\$ 1,425,372
Interest	1,443,701	1,110,913	973,635	1,236,986	1,222,847	1,107,069
Difference Between Expected and Actual Experience	-	(2,133,511)	-	(2,592,042)	-	-
Changes of Assumptions	(496,985)	(14,622,053)	(2,257,198)	10,581,817	3,302,003	(2,792,012)
Benefit Payments	<u>(1,036,003)</u>	<u>(1,165,449)</u>	<u>(1,089,205)</u>	<u>(862,186)</u>	<u>(798,320)</u>	<u>(735,779)</u>
Net Change in Total OPEB Liability	1,203,268	(14,180,277)	321,409	9,968,236	5,018,461	(995,350)
Total OPEB Liability - Beginning	<u>29,485,674</u>	<u>43,665,951</u>	<u>43,344,542</u>	<u>33,376,306</u>	<u>28,357,845</u>	<u>29,353,195</u>
Total OPEB Liability - Ending	<u><u>\$ 30,688,942</u></u>	<u><u>\$ 29,485,674</u></u>	<u><u>\$ 43,665,951</u></u>	<u><u>\$ 43,344,542</u></u>	<u><u>\$ 33,376,306</u></u>	<u><u>\$ 28,357,845</u></u>
 Covered Employee Payroll	 \$ 24,738,144	 \$ 23,228,305	 \$ 25,367,270	 \$ 23,978,892	 \$ 22,466,817	 \$ 21,319,811
 Total OPEB Liability as a percentage of the Covered Employee Payroll	 124.06%	 126.94%	 172.14%	 180.76%	 148.56%	 133.01%

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

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

Notes to schedule:

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

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

Differences Between Expected and Actual Experience. Differences Between Expected and Actual Experience reflects the impact of changes to the census data from the prior valuation to the valuation as of September 30, 2023.

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

Fiscal Year Ending September 30, 2023:	4.87%
Fiscal Year Ending September 30, 2022:	4.77%
Fiscal Year Ending September 30, 2021:	2.43%
Fiscal Year Ending September 30, 2020:	2.14%
Fiscal Year Ending September 30, 2019:	3.58%

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

Benefit Payments: The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on September 30, 2023. Expected net benefit payments produced by the valuation model for the same period are shown in the table above.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

WINTER HAVEN

THE CHAIN OF LAKES CITY

This page intentionally left blank

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023

	Special Revenue							
	Library	Cemetery	Community Development Grant	SHIP Grant	Police Training Confiscation and Abandoned Property	Building Safety	Impact Fees	
ASSETS								
Cash and Investments	\$ 231,853	\$ -	\$ -	\$ 1,329,541	\$ 135,671	\$ 6,057,340	\$ 4,564,842	\$ 102,703
Investments - Reserved for Perpetual Care	-	473,950	-	-	-	-	-	-
Accounts Receivable	8,883	42,634	-	-	-	-	-	-
Lease Receivable	13,542	-	-	-	-	-	-	174,054
Due from Other Governments	-	-	51,414	53,418	693	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-
Inventory	-	19,983	-	-	-	-	-	-
Prepaid Items	3,926	6	-	-	-	91,325	-	-
Total Assets	<u>\$ 258,204</u>	<u>\$ 536,573</u>	<u>\$ 51,414</u>	<u>\$ 1,382,959</u>	<u>\$ 136,364</u>	<u>\$ 6,148,665</u>	<u>\$ 4,564,842</u>	<u>\$ 276,757</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (Deficit)								
Liabilities:								
Accounts Payable	\$ 10,338	\$ 10,039	\$ -	\$ 475	\$ 4,375	\$ 2,252,449	\$ -	\$ 3,523
Accrued Liabilities	33,521	11,607	-	-	-	31,507	-	-
Due to Other Funds	-	-	51,414	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	27,227	-	-
Total Liabilities	<u>43,859</u>	<u>21,646</u>	<u>51,414</u>	<u>475</u>	<u>4,375</u>	<u>2,311,183</u>	<u>-</u>	<u>3,523</u>
Deferred Inflows of Resources:								
Unavailable Revenue	-	-	-	-	-	-	-	-
Related to Leases	13,069	-	-	-	-	-	-	167,133
Total Deferred Inflows of Resources	<u>13,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,133</u>
Fund Balances (Deficit):								
Nonspendable	3,926	19,989	-	-	-	91,325	-	-
Restricted	-	-	-	1,382,484	131,989	3,746,157	4,564,842	-
Committed	-	494,938	-	-	-	-	-	106,101
Assigned	197,350	-	-	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	<u>201,276</u>	<u>514,927</u>	<u>-</u>	<u>1,382,484</u>	<u>131,989</u>	<u>3,837,482</u>	<u>4,564,842</u>	<u>106,101</u>
Total Liabilities, Deferred Inflows and Fund Balances (Deficit)	<u>\$ 258,204</u>	<u>\$ 536,573</u>	<u>\$ 51,414</u>	<u>\$ 1,382,959</u>	<u>\$ 136,364</u>	<u>\$ 6,148,665</u>	<u>\$ 4,564,842</u>	<u>\$ 276,757</u>

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023

	Special Revenue	Debt Service		Capital Projects		Total All Nonmajor Governmental Funds
	Affordable Housing	2007 Improvement Revenue Bonds	2023 Bond Fund	Capital Depletion	Transportation	
ASSETS						
Cash and Investments	\$ 1,380,746	\$ 4,151,045	\$ -	\$ 5,915,297	\$ 5,044,186	\$ 28,913,224
Investments - Reserved for Perpetual Care	-	-	-	-	-	473,950
Accounts Receivable	-	-	-	4,745	-	56,262
Lease Receivable	-	-	-	-	-	187,596
Due from Other Governments	-	-	-	-	2,193,658	2,299,183
Due from Other Funds	-	-	-	596,574	-	596,574
Advances to Other Funds	-	-	-	1,256,953	-	1,256,953
Inventory	-	-	-	-	-	19,983
Prepaid Items	-	-	-	-	31,000	126,257
Total Assets	<u>\$ 1,380,746</u>	<u>\$ 4,151,045</u>	<u>\$ -</u>	<u>\$ 7,773,569</u>	<u>\$ 7,268,844</u>	<u>\$ 33,929,982</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (Deficit)						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ 95,191	\$ 946,709	\$ 3,323,099
Accrued Liabilities	-	-	-	-	-	76,635
Due to Other Funds	-	-	592	-	-	52,006
Due to Other Governments	-	-	-	-	-	27,227
Total Liabilities	-	-	592	95,191	946,709	3,478,967
Deferred Inflows of Resources:						
Unavailable Revenue	-	-	-	-	2,193,658	2,193,658
Related to Leases	-	-	-	-	-	180,202
Total Deferred Inflows of Resources	-	-	-	-	2,193,658	2,373,860
Fund Balances (Deficit):						
Nonspendable	-	-	-	-	31,000	146,240
Restricted	-	4,151,045	-	-	4,097,477	18,073,994
Committed	1,380,746	-	-	-	-	1,981,785
Assigned	-	-	-	7,678,378	-	7,875,728
Unassigned (Deficit)	-	-	(592)	-	-	(592)
Total Fund Balances (Deficit)	<u>1,380,746</u>	<u>4,151,045</u>	<u>(592)</u>	<u>7,678,378</u>	<u>4,128,477</u>	<u>28,077,155</u>
Total Liabilities, Deferred Inflows and Fund Balances (Deficit)	<u>\$ 1,380,746</u>	<u>\$ 4,151,045</u>	<u>\$ -</u>	<u>\$ 7,773,569</u>	<u>\$ 7,268,844</u>	<u>\$ 33,929,982</u>

CITY OF WINTER HAVEN, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue							
	Library	Cemetery	Community Development Grant	SHIP Grant	Police Training, Confiscation, and Abandoned Property	Building Safety	Impact Fees	Federal Building
REVENUES								
Intergovernmental	\$ 615,664	\$ -	\$ -	\$ 521,292	\$ -	\$ -	\$ -	\$ -
Permits and Fees	-	-	-	-	-	4,441,543	5,034,108	-
Charges for Services	15,731	297,183	-	-	-	13	-	-
Fines and Forfeits	4,060	-	-	-	21,589	-	-	-
Miscellaneous:								
Rents	24,500	-	-	-	-	-	-	143,257
Investment Income	10,172	20,071	-	50,401	5,945	176,241	129,047	4,110
Other	-	76,403	-	53,000	-	11,319	-	-
Total Revenues	<u>670,127</u>	<u>393,657</u>	<u>-</u>	<u>624,693</u>	<u>27,534</u>	<u>4,629,116</u>	<u>5,163,155</u>	<u>147,367</u>
EXPENDITURES								
Current:								
Public Safety	-	-	-	-	8,080	1,782,114	-	-
Transportation	-	-	-	-	-	-	-	-
Human Services	-	763,520	-	54,288	-	-	-	-
Culture and Recreation	2,097,898	-	-	-	-	-	-	101,712
Debt Service:								
Principal Retirement	-	-	-	-	-	89,285	-	-
Interest and Fiscal Charges	-	-	-	-	-	2,015	-	-
Other Debt Service	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,097,898</u>	<u>763,520</u>	<u>-</u>	<u>54,288</u>	<u>8,080</u>	<u>1,873,414</u>	<u>-</u>	<u>101,712</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,427,771)	(369,863)	-	570,405	19,454	2,755,702	5,163,155	45,655
OTHER FINANCING SOURCES (USES)								
Issuance of Leases / SBITAs	-	-	-	-	-	270,594	-	-
Transfers In	1,345,701	451,195	-	-	-	-	-	-
Transfers Out	(8,400)	(18,048)	-	-	-	(620,425)	(2,016,507)	-
Total Other Financing Sources (Uses)	<u>1,337,301</u>	<u>433,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(349,831)</u>	<u>(2,016,507)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(90,470)	63,284	-	570,405	19,454	2,405,871	3,146,648	45,655
Fund Balances - Beginning of Year	291,746	451,643	-	812,079	112,535	1,431,611	1,418,194	60,446
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 201,276</u>	<u>\$ 514,927</u>	<u>\$ -</u>	<u>\$ 1,382,484</u>	<u>\$ 131,989</u>	<u>\$ 3,837,482</u>	<u>\$ 4,564,842</u>	<u>\$ 106,101</u>

CITY OF WINTER HAVEN, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue	Debt Service		Capital Projects			Total All Nonmajor Governmental Funds
	Affordable Housing	2007 Improvement Revenue Bonds	2023 Bond Fund	Capital Depletion	2007 Construction Fund	Transportation	
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 656,290	\$ 1,793,246
Permits and Fees	-	-	-	-	-	-	9,475,651
Charges for Services	-	-	-	-	-	-	312,927
Fines and Forfeits	-	-	-	-	-	-	25,649
Miscellaneous:							
Rents	-	-	-	-	-	-	167,757
Investment Income	73,434	-	-	293,007	-	202,658	965,086
Other	-	-	-	-	-	-	140,722
Total Revenues	<u>73,434</u>	<u>-</u>	<u>-</u>	<u>293,007</u>	<u>-</u>	<u>858,948</u>	<u>12,881,038</u>
EXPENDITURES							
Current:							
Public Safety	-	-	-	460,315	-	-	2,250,509
Transportation	-	-	-	-	-	4,596,256	4,596,256
Human Services	657,264	-	-	10,988	-	-	1,486,060
Culture and Recreation	-	-	-	15,725	-	-	2,215,335
Debt Service:							
Principal Retirement	-	3,300,000	-	-	-	46,016	3,435,301
Interest and Fiscal Charges	-	1,747,972	-	-	-	484	1,750,471
Other Debt Service	-	550	592	-	-	-	1,142
Total Expenditures	<u>657,264</u>	<u>5,048,522</u>	<u>592</u>	<u>487,028</u>	<u>-</u>	<u>4,642,756</u>	<u>15,735,074</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(583,830)	(5,048,522)	(592)	(194,021)	-	(3,783,808)	(2,854,036)
OTHER FINANCING SOURCES (USES)							
Issuance of Leases / SBITAs	-	-	-	-	-	182,092	452,686
Transfers In	250,000	4,972,218	-	1,627,828	-	3,002,243	11,649,185
Transfers Out	-	-	-	-	(227,243)	-	(2,890,623)
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>4,972,218</u>	<u>-</u>	<u>1,627,828</u>	<u>(227,243)</u>	<u>3,184,335</u>	<u>9,211,248</u>
NET CHANGE IN FUND BALANCES	(333,830)	(76,304)	(592)	1,433,807	(227,243)	(599,473)	6,357,212
Fund Balances - Beginning of Year	<u>1,714,576</u>	<u>4,227,349</u>	<u>-</u>	<u>6,244,571</u>	<u>227,243</u>	<u>4,727,950</u>	<u>21,719,943</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 1,380,746</u>	<u>\$ 4,151,045</u>	<u>\$ (592)</u>	<u>\$ 7,678,378</u>	<u>\$ -</u>	<u>\$ 4,128,477</u>	<u>\$ 28,077,155</u>

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

WINTER HAVEN

THE CHAIN OF LAKES CITY

This page intentionally left blank

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023

Function and Activity	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government:				
City Commission/Legal/Clerk	\$ 892,108	\$ 985,358	\$ 970,867	\$ 14,491
City Manager	1,580,184	1,486,934	1,340,076	146,858
Finance	1,314,491	1,314,491	1,212,384	102,107
Nondepartmental	6,033,136	6,392,136	6,291,200	100,936
Public Safety:				
Police	13,011,992	13,011,992	13,134,981	(122,989)
Fire	10,324,515	10,324,515	9,782,908	541,607
Code Enforcement	710,381	710,381	705,104	5,277
Transportation:				
Streets and Buses	3,557,618	3,557,618	2,518,977	1,038,641
Economic Development				
Public Service Buildings	355,378	411,478	409,827	1,651
Community Development/Planning	1,033,174	1,033,174	649,674	383,500
Culture and Recreation:				
Leisure Services	8,788,966	8,732,866	7,423,290	1,309,576
Debt Service:				
Principal Retirement	-	-	114,456	(114,456)
Interest and Fiscal Charges	-	-	2,878	(2,878)
Total Expenditures	<u>47,601,943</u>	<u>47,960,943</u>	<u>44,556,622</u>	<u>3,404,321</u>
Transfers to:				
Library Fund	1,289,001	1,289,001	1,289,001	-
Airport Fund	792,993	792,993	792,993	-
Cemetery Fund	286,387	286,387	286,387	-
Affordable Housing Fund	250,000	250,000	250,000	-
2015 Construction Fund	694,769	5,845,916	5,876,217	(30,301)
2021 Construction Fund	-	-	-	-
Capital Depletion Fund	1,572,456	1,572,456	1,572,456	-
Debt Service Fund	4,515,356	4,515,356	4,515,356	-
Self-Insurance Fund	200,000	200,000	200,000	-
Willowbrook Golf Course Fund	-	-	-	-
Dark Fiber Fund	155,400	155,400	155,400	-
Transportation Fund	1,975,000	1,975,000	1,975,000	-
Total Transfers	<u>11,731,362</u>	<u>16,882,509</u>	<u>16,912,810</u>	<u>(30,301)</u>
Total Expenditures and Transfers	<u>\$ 59,333,305</u>	<u>\$ 64,843,452</u>	<u>\$ 61,469,432</u>	<u>\$ 3,374,020</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
2015 CONSTRUCTION FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,830,568	\$ 4,830,568	\$ 519,485	\$ (4,311,083)
Miscellaneous:				
Investment Income	200,000	200,000	1,479,407	1,279,407
Total Revenues	<u>5,030,568</u>	<u>5,030,568</u>	<u>1,998,892</u>	<u>(3,031,676)</u>
EXPENDITURES				
Capital Projects	24,612,193	24,612,193	1,501,349	23,110,844
Debt Service:				
Principal Retirement	115,188	115,188	-	115,188
Interest and Fiscal Charges	29,582	29,582	29,582	-
Total Expenditures	<u>24,756,963</u>	<u>24,756,963</u>	<u>1,530,931</u>	<u>23,226,032</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(19,726,395)	(19,726,395)	467,961	20,194,356
OTHER FINANCING SOURCES				
Transfers In	944,769	6,095,916	6,126,217	30,301
Total Other Financing Sources	<u>944,769</u>	<u>6,095,916</u>	<u>6,126,217</u>	<u>30,301</u>
NET CHANGE IN FUND BALANCES	(18,781,626)	(13,630,479)	6,594,178	20,224,657
Fund Balances - Beginning of Year	<u>27,030,040</u>	<u>27,030,040</u>	<u>27,030,040</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,248,414</u>	<u>\$ 13,399,561</u>	<u>\$ 33,624,218</u>	<u>\$ 20,224,657</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
2021 CONSTRUCTION FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 300,000	\$ (200,000)
Miscellaneous:				
Investment Income	125,000	125,000	770,168	645,168
Contributions	-	-	-	-
Total Revenues	<u>625,000</u>	<u>625,000</u>	<u>1,070,168</u>	<u>445,168</u>
EXPENDITURES				
Current:				
Capital Projects	<u>15,400,000</u>	<u>15,400,000</u>	<u>931,054</u>	<u>14,468,946</u>
Total Expenditures	<u>15,400,000</u>	<u>15,400,000</u>	<u>931,054</u>	<u>14,468,946</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(14,775,000)	(14,775,000)	139,114	14,914,114
Fund Balances - Beginning of Year	<u>15,882,128</u>	<u>15,882,128</u>	<u>15,882,128</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 1,107,128</u></u>	<u><u>\$ 1,107,128</u></u>	<u><u>\$ 16,021,242</u></u>	<u><u>\$ 14,914,114</u></u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LIBRARY FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 501,941	\$ 501,941	\$ 615,664	\$ 113,723
Charges for Services	10,000	10,000	15,731	5,731
Fines and Forfeits	2,000	2,000	4,060	2,060
Miscellaneous:				
Rents	26,917	26,917	24,500	(2,417)
Investment Income	175	175	10,172	9,997
Total Revenues	<u>541,033</u>	<u>541,033</u>	<u>670,127</u>	<u>129,094</u>
EXPENDITURES				
Current:				
Culture and Recreation	<u>2,103,046</u>	<u>2,103,046</u>	<u>2,097,898</u>	<u>5,148</u>
Total Expenditures	<u>2,103,046</u>	<u>2,103,046</u>	<u>2,097,898</u>	<u>5,148</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,562,013)	(1,562,013)	(1,427,771)	134,242
OTHER FINANCING SOURCES (USES)				
Transfers In	1,345,701	1,345,701	1,345,701	-
Transfers Out	<u>(8,400)</u>	<u>(8,400)</u>	<u>(8,400)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,337,301</u>	<u>1,337,301</u>	<u>1,337,301</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(224,712)	(224,712)	(90,470)	134,242
Fund Balances - Beginning of Year	<u>291,746</u>	<u>291,746</u>	<u>291,746</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 67,034</u>	<u>\$ 67,034</u>	<u>\$ 201,276</u>	<u>\$ 134,242</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CEMETERY FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 352,700	\$ 352,700	\$ 297,183	\$ (55,517)
Miscellaneous:				
Investment Income	7,840	7,840	20,071	12,231
Other	2,500	2,500	76,403	73,903
Total Revenues	<u>363,040</u>	<u>363,040</u>	<u>393,657</u>	<u>30,617</u>
EXPENDITURES				
Current:				
Human Services	859,115	859,115	763,520	95,595
Total Expenditures	<u>859,115</u>	<u>859,115</u>	<u>763,520</u>	<u>95,595</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(496,075)	(496,075)	(369,863)	126,212
OTHER FINANCING USES				
Transfers In	486,387	486,387	451,195	(35,192)
Transfers Out	(18,048)	(18,048)	(18,048)	-
Total Other Financing Sources (Uses)	<u>468,339</u>	<u>468,339</u>	<u>433,147</u>	<u>(35,192)</u>
NET CHANGE IN FUND BALANCES	(27,736)	(27,736)	63,284	91,020
Fund Balances - Beginning of Year	<u>451,643</u>	<u>451,643</u>	<u>451,643</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 423,907</u>	<u>\$ 423,907</u>	<u>\$ 514,927</u>	<u>\$ 91,020</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SHIP GRANT FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 490,042	\$ 490,042	\$ 521,292	\$ 31,250
Miscellaneous:				
Investment Income	800	800	50,401	49,601
Other	30,000	30,000	53,000	23,000
Total Revenues	<u>520,842</u>	<u>520,842</u>	<u>624,693</u>	<u>103,851</u>
EXPENDITURES				
Current:				
Human Services	1,041,604	1,041,604	54,288	987,316
Total Expenditures	<u>1,041,604</u>	<u>1,041,604</u>	<u>54,288</u>	<u>987,316</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(520,762)	(520,762)	570,405	1,091,167
Fund Balances - Beginning of Year	<u>812,079</u>	<u>812,079</u>	<u>812,079</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 291,317</u></u>	<u><u>\$ 291,317</u></u>	<u><u>\$ 1,382,484</u></u>	<u><u>\$ 1,091,167</u></u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
BUILDING SAFETY FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Permits and Fees	\$ 2,278,500	\$ 2,278,500	\$ 4,441,543	\$ 2,163,043
Charges for Services	50	50	13	(37)
Miscellaneous:				
Investment Income	22,000	22,000	176,241	154,241
Other	3,500	3,500	11,319	7,819
Total Revenues	<u>2,304,050</u>	<u>2,304,050</u>	<u>4,629,116</u>	<u>2,325,066</u>
EXPENDITURES				
Current:				
Public Safety	1,598,239	1,598,239	1,782,114	(183,875)
Debt Service				
Principal on Debt	-	-	89,285	(89,285)
Interest on Debt	-	-	2,015	(2,015)
Total Expenditures	<u>1,598,239</u>	<u>1,598,239</u>	<u>1,873,414</u>	<u>(275,175)</u>
EXCESS OF REVENUES OVER EXPENDITURES	705,811	705,811	2,755,702	2,049,891
OTHER FINANCING SOURCES (USES)				
Proceeds of Leases / SBITAs	-	-	270,594	270,594
Transfers Out	(620,425)	(620,425)	(620,425)	-
Total Other Financing Sources (Uses)	<u>(620,425)</u>	<u>(620,425)</u>	<u>(349,831)</u>	<u>270,594</u>
NET CHANGE IN FUND BALANCES	85,386	85,386	2,405,871	2,320,485
Fund Balances - Beginning of Year	<u>1,431,611</u>	<u>1,431,611</u>	<u>1,431,611</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 1,516,997</u></u>	<u><u>\$ 1,516,997</u></u>	<u><u>\$ 3,837,482</u></u>	<u><u>\$ 2,320,485</u></u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
IMPACT FEE FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Permits and Fees	\$ 1,620,000	\$ 1,620,000	\$ 5,034,108	\$ 3,414,108
Miscellaneous:				
Investment Income	5,100	5,100	129,047	123,947
Total Revenues	<u>1,625,100</u>	<u>1,625,100</u>	<u>5,163,155</u>	<u>3,538,055</u>
OTHER FINANCING USES				
Transfers Out	(2,051,700)	(2,051,700)	(2,016,507)	35,193
Total Other Financing Uses	<u>(2,051,700)</u>	<u>(2,051,700)</u>	<u>(2,016,507)</u>	<u>35,193</u>
NET CHANGE IN FUND BALANCES	(426,600)	(426,600)	3,146,648	3,573,248
Fund Balances - Beginning of Year	<u>1,418,194</u>	<u>1,418,194</u>	<u>1,418,194</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 991,594</u>	<u>\$ 991,594</u>	<u>\$ 4,564,842</u>	<u>\$ 3,573,248</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FEDERAL BUILDING FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Rents	\$ 146,524	\$ 146,524	\$ 143,257	\$ (3,267)
Miscellaneous:				
Investment Income	25	25	4,110	4,085
Total Revenues	<u>146,549</u>	<u>146,549</u>	<u>147,367</u>	<u>818</u>
EXPENDITURES				
Current:				
Culture and Recreation	128,433	128,433	101,712	26,721
Total Expenditures	<u>128,433</u>	<u>128,433</u>	<u>101,712</u>	<u>26,721</u>
EXCESS OF REVENUES OVER EXPENDITURES	18,116	18,116	45,655	27,539
OTHER FINANCING USES				
Transfers Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCES	(31,884)	(31,884)	45,655	77,539
Fund Balances - Beginning of Year	<u>60,446</u>	<u>60,446</u>	<u>60,446</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 28,562</u></u>	<u><u>\$ 28,562</u></u>	<u><u>\$ 106,101</u></u>	<u><u>\$ 77,539</u></u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
AFFORDABLE HOUSING FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Miscellaneous:				
Investment Income	\$ 5,000	\$ 5,000	\$ 73,434	\$ 68,434
EXPENDITURES				
Current:				
Human Services	1,680,000	1,680,000	657,264	1,022,736
Total Expenditures	<u>1,680,000</u>	<u>1,680,000</u>	<u>657,264</u>	<u>1,022,736</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,675,000)	(1,675,000)	(583,830)	1,091,170
OTHER FINANCING SOURCES				
Transfers In	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,425,000)	(1,425,000)	(333,830)	1,091,170
Fund Balances - Beginning of Year	<u>1,714,576</u>	<u>1,714,576</u>	<u>1,714,576</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 289,576</u>	<u>\$ 289,576</u>	<u>\$ 1,380,746</u>	<u>\$ 1,091,170</u>

CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 11,371,590	\$ 11,371,590	\$ 656,290	\$ (10,715,300)
Miscellaneous:				
Investment Income	500	500	202,658	202,158
Total Revenues	<u>11,372,090</u>	<u>11,372,090</u>	<u>858,948</u>	<u>(10,513,142)</u>
EXPENDITURES				
Current:				
Transportation	16,878,018	16,878,018	4,596,256	12,281,762
Debt Service				
Principal on Debt	-	-	46,016	(46,016)
Interest on Debt	-	-	484	(484)
Total Expenditures	<u>16,878,018</u>	<u>16,878,018</u>	<u>4,642,756</u>	<u>12,235,262</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(5,505,928)	(5,505,928)	(3,783,808)	1,722,120
OTHER FINANCING SOURCES				
Proceeds of Leases / SBITAs	-	-	182,092	182,092
Transfers In	2,775,000	2,775,000	3,002,243	227,243
Total Other Financing Uses	<u>2,775,000</u>	<u>2,775,000</u>	<u>3,184,335</u>	<u>409,335</u>
NET CHANGE IN FUND BALANCES	(2,730,928)	(2,730,928)	(599,473)	2,131,455
Fund Balances - Beginning of Year	<u>4,727,950</u>	<u>4,727,950</u>	<u>4,727,950</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,997,022</u>	<u>\$ 1,997,022</u>	<u>\$ 4,128,477</u>	<u>\$ 2,131,455</u>

NONMAJOR PROPRIETARY FUND

WINTER HAVEN

THE CHAIN OF LAKES CITY

This page intentionally left blank

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Investments	\$ 2,906,869	\$ 4,572,580	\$ 869	\$ 7,480,318
Cash With Fiscal Agent	293,828	-	-	293,828
Receivables:				
Accounts	20,441	500,465	9,461	530,367
Leases	-	-	109,050	109,050
Due from Other Governments	-	938,803	52,502	991,305
Inventories	73,078	-	-	73,078
Prepaid Items	14,390	88,290	1	102,681
Total Current Assets	<u>3,308,606</u>	<u>6,100,138</u>	<u>171,883</u>	<u>9,580,627</u>
Capital Assets:				
Land	628,895	2,371,020	-	2,999,915
Building	217,380	174,415	-	391,795
Improvements Other than Buildings	1,022,934	8,077,171	3,931,402	13,031,507
Equipment	1,320,213	1,257,598	26,795	2,604,606
	<u>3,189,422</u>	<u>11,880,204</u>	<u>3,958,197</u>	<u>19,027,823</u>
Less: Accumulated Depreciation	(1,760,386)	(5,861,102)	(811,737)	(8,433,225)
Net Capital Assets	<u>1,429,036</u>	<u>6,019,102</u>	<u>3,146,460</u>	<u>10,594,598</u>
Total Noncurrent Assets	<u>1,429,036</u>	<u>6,019,102</u>	<u>3,146,460</u>	<u>10,594,598</u>
Total Assets	<u>4,737,642</u>	<u>12,119,240</u>	<u>3,318,343</u>	<u>20,175,225</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	-	115,329	-	115,329
OPEB Related Items	-	94,189	224	94,413
Total Deferred Outflows of Resources	<u>-</u>	<u>209,518</u>	<u>224</u>	<u>209,742</u>

Continued

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)				
CURRENT LIABILITIES				
Accounts Payable	\$ 48,973	\$ 106,548	\$ 12	\$ 155,533
Accrued Liabilities	-	33,192	4,367	37,559
Due to Other Funds	69,592	-	535,419	605,011
Current Portion of Compensated Absences	-	5,644	-	5,644
Current Portion of Total OPEB Liability	-	28,001	67	28,068
Total	<u>118,565</u>	<u>173,385</u>	<u>539,865</u>	<u>831,815</u>
LONG-TERM LIABILITIES				
Advances from Other Funds	1,830,538	-	947,030	2,777,568
Compensated Absences	-	50,797	-	50,797
Total OPEB Liability	-	680,887	1,618	682,505
Net Pension Liability	-	727,431	-	727,431
Total Long-Term Liabilities	<u>1,830,538</u>	<u>1,459,115</u>	<u>948,648</u>	<u>4,238,301</u>
Total Liabilities	1,949,103	1,632,500	1,488,513	5,070,116
DEFERRED INFLOWS OF RESOURCES				
Lease Related Items	-	-	108,561	108,561
Pension Related Items	-	9,438	-	9,438
OPEB Related Items	-	332,325	790	333,115
Total Deferred Inflows of Resources	<u>-</u>	<u>341,763</u>	<u>109,351</u>	<u>451,114</u>
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	1,429,036	6,019,102	3,146,460	10,594,598
Unrestricted (Deficit)	<u>1,359,503</u>	<u>4,335,393</u>	<u>(1,425,757)</u>	<u>4,269,139</u>
Total Net Position (Deficit)	<u>\$ 2,788,539</u>	<u>\$ 10,354,495</u>	<u>\$ 1,720,703</u>	<u>\$ 14,863,737</u>

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2023

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
OPERATING REVENUES				
Charges for Services	\$ 1,150,035	\$ 2,201,940	\$ 123,876	\$ 3,475,851
Miscellaneous	99,570	15,554	-	115,124
Total Operating Revenues	<u>1,249,605</u>	<u>2,217,494</u>	<u>123,876</u>	<u>3,590,975</u>
OPERATING EXPENSES				
Personal Services	-	941,600	18,797	960,397
Material and Supplies	16,159	76,456	17	92,632
Depreciation	79,973	632,463	150,383	862,819
Other Services and Charges	1,199,471	476,549	14,457	1,690,477
Total Operating Expenses	<u>1,295,603</u>	<u>2,127,068</u>	<u>183,654</u>	<u>3,606,325</u>
OPERATING INCOME (LOSS)	(45,998)	90,426	(59,778)	(15,350)
NONOPERATING REVENUES (EXPENSES)				
Grants and Contributions	-	6,553	-	6,553
Investment Income	131,106	194,645	39,340	365,091
Interest Expense	(7,353)	-	(42,249)	(49,602)
Gain (Loss) on Disposal of Assets - Net	165,000	-	-	165,000
Total Nonoperating Revenues (Expenses)	<u>288,753</u>	<u>201,198</u>	<u>(2,909)</u>	<u>487,042</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	242,755	291,624	(62,687)	471,692
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Transfers In	-	-	268,800	268,800
Total Capital Contributions and Transfers	<u>-</u>	<u>-</u>	<u>268,800</u>	<u>268,800</u>
CHANGE IN NET POSITION	242,755	291,624	206,113	740,492
Net Position - Beginning of Year	<u>2,545,784</u>	<u>10,062,871</u>	<u>1,514,590</u>	<u>14,123,245</u>
NET POSITION - END OF YEAR	<u>\$ 2,788,539</u>	<u>\$ 10,354,495</u>	<u>\$ 1,720,703</u>	<u>\$ 14,863,737</u>

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,229,164	\$ 2,189,952	\$ 44,574	\$ 3,463,690
Cash Paid to Employees for Services	-	(892,511)	(12,179)	(904,690)
Cash Paid to Suppliers for Goods and Services	(1,255,852)	(544,339)	(14,463)	(1,814,654)
Net Cash Provided (Used) by Operating Activities	(26,688)	753,102	17,932	744,346
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	-	-	268,800	268,800
Advances from Other Funds	316,598	-	-	316,598
Repayment of Advance From Other Funds	-	-	(423,445)	(423,445)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	316,598	-	(154,645)	161,953
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest Paid	(7,353)	-	(42,249)	(49,602)
Acquisition and Construction of Capital Assets	(606,031)	(344,203)	(670,869)	(1,621,103)
Proceeds from Sale of Assets	165,000	-	-	165,000
Proceeds from Leasing Activities	-	-	(490)	(490)
Net Cash Provided (Used) by Capital and Related Financing Activities	(448,384)	(344,203)	(713,608)	(1,506,195)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net Investment Income	131,106	194,645	39,340	365,091
Net Cash Provided by Investing Activities	131,106	194,645	39,340	365,091
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(27,368)	603,544	(810,981)	(234,805)
Cash and Cash Equivalents - Beginning of Year	3,228,065	3,969,036	811,850	8,008,951
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,200,697	\$ 4,572,580	\$ 869	\$ 7,774,146

CITY OF WINTER HAVEN, FLORIDA
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023

	Willowbrook Golf Course	Stormwater	Dark Fiber	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (45,998)	\$ 90,426	\$ (59,778)	\$ (15,350)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	79,973	632,463	150,383	862,819
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts Receivable	(20,441)	(27,542)	(9,407)	(57,390)
Inventories	(26,318)	-	-	(26,318)
Prepaid Items	(5,323)	(85,091)	(1)	(90,415)
Due from Other Governments	-	-	(52,502)	(52,502)
Deferred Outflows of Resources- Pension Related Items	-	258,367	-	258,367
Deferred Outflows of Resources- OPEB Related Items	-	59,082	(224)	58,858
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	(8,581)	93,757	12	85,188
Accrued Liabilities	-	(5,004)	4,367	(637)
Unearned Revenue	-	-	(17,393)	(17,393)
Compensated Absences	-	8,837	-	8,837
Total OPEB Liability	-	1,817	1,685	3,502
Net Pension Liability	-	(190,707)	-	(190,707)
Deferred Inflows of Resources- Pension Related Items	-	7,096	-	7,096
Deferred Inflows of Resources- OPEB Related Items	-	(90,399)	790	(89,609)
Net Cash Provided (Used) by Operating Activities	<u>\$ (26,688)</u>	<u>\$ 753,102</u>	<u>\$ 17,932</u>	<u>\$ 744,346</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITIONS				
Cash, Investments, and Cash Equivalents	\$ 2,906,869	\$ 4,572,580	\$ 869	\$ 7,480,318
Cash With Fiscal Agent	293,828	-	-	293,828
Total Cash, Investments, and Cash Equivalents	<u>\$ 3,200,697</u>	<u>\$ 4,572,580</u>	<u>\$ 869</u>	<u>\$ 7,774,146</u>

INTERNAL SERVICE FUNDS

WINTER HAVEN

THE CHAIN OF LAKES CITY

This page intentionally left blank

CITY OF WINTER HAVEN, FLORIDA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 SEPTEMBER 30, 2023

	Self-Insurance	General Services	Central Garage	Totals
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Investments	\$ 4,895,222	\$ 2,434,147	\$ 612,533	\$ 7,941,902
Accounts Receivable	120,584	956	1,593	123,133
Inventories	-	-	203,767	203,767
Prepaid Items	-	102,847	5,593	108,440
Total Current Assets	<u>5,015,806</u>	<u>2,537,950</u>	<u>823,486</u>	<u>8,377,242</u>
NONCURRENT ASSETS				
Capital Assets:				
Building	-	-	214,392	214,392
Improvements Other than Buildings	-	395,340	34,909	430,249
Equipment	-	2,659,565	839,115	3,498,680
Right-to-Use Leased Equipment	-	662,535	-	662,535
Right-to-Use Subscription Software	-	1,884,925	17,985	1,902,910
	-	5,602,365	1,106,401	6,708,766
Less: Accumulated Depreciation	-	(3,391,552)	(725,410)	(4,116,962)
Net Capital Assets	<u>-</u>	<u>2,210,813</u>	<u>380,991</u>	<u>2,591,804</u>
Total Assets	5,015,806	4,748,763	1,204,477	10,969,046
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	-	425,264	142,648	567,912
OPEB Related Items	-	193,412	51,217	244,629
Total Deferred Outflows of Resources	<u>-</u>	<u>618,676</u>	<u>193,865</u>	<u>812,541</u>

CITY OF WINTER HAVEN, FLORIDA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 SEPTEMBER 30, 2023

	Self-Insurance	General Services	Central Garage	Totals
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)				
CURRENT LIABILITIES				
Accounts Payable	\$ 499,614	\$ 331,091	\$ 85,602	\$ 916,307
Accrued Liabilities	-	100,095	29,652	129,747
Claims Payable	1,748,553	-	-	1,748,553
Current Portion of Leases Payable	-	202,137	-	202,137
Current Portion of SBITA Payable	-	678,598	2,119	680,717
Current Portion of Compensated Absences	-	23,345	8,505	31,850
Current Portion of Total OPEB Liability	-	57,499	15,226	72,725
Total Current Liabilities	<u>2,248,167</u>	<u>1,392,765</u>	<u>141,104</u>	<u>3,782,036</u>
LONG-TERM LIABILITIES				
Leases Payable	-	256,908	-	256,908
SBITA Payable	-	264,274	-	264,274
Compensated Absences	-	210,110	76,547	286,657
Total OPEB Liability	-	1,398,171	370,241	1,768,412
Net Pension Liability	-	2,682,320	899,736	3,582,056
Total Long-Term Liabilities	<u>-</u>	<u>4,811,783</u>	<u>1,346,524</u>	<u>6,158,307</u>
Total Liabilities	2,248,167	6,204,548	1,487,628	9,940,343
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	-	34,800	11,673	46,473
OPEB Related Items	-	682,411	180,705	863,116
Total Deferred Inflows of Resources	<u>-</u>	<u>717,211</u>	<u>192,378</u>	<u>909,589</u>
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	-	764,245	378,872	1,143,117
Unrestricted (Deficit)	<u>2,767,639</u>	<u>(2,318,565)</u>	<u>(660,536)</u>	<u>(211,462)</u>
Total Net Position (Deficit)	<u>\$ 2,767,639</u>	<u>\$ (1,554,320)</u>	<u>\$ (281,664)</u>	<u>\$ 931,655</u>

CITY OF WINTER HAVEN, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED SEPTEMBER 30, 2023

	Self-Insurance	General Services	Central Garage	Totals
OPERATING REVENUES				
Charges for Services	\$ 7,290,645	\$ 7,835,721	\$ 3,631,272	\$ 18,757,638
Miscellaneous	673,712	310,287	13,947	997,946
Total Operating Revenues	<u>7,964,357</u>	<u>8,146,008</u>	<u>3,645,219</u>	<u>19,755,584</u>
OPERATING EXPENSES				
Personal Services	-	2,719,416	825,022	3,544,438
Material and Supplies	-	632,628	1,366,077	1,998,705
Depreciation	-	902,716	48,478	951,194
Other Services and Charges	6,476,773	2,740,869	1,302,129	10,519,771
Total Operating Expenses	<u>6,476,773</u>	<u>6,995,629</u>	<u>3,541,706</u>	<u>17,014,108</u>
OPERATING INCOME	1,487,584	1,150,379	103,513	2,741,476
NONOPERATING REVENUES (EXPENSES)				
Investment Income	178,973	81,363	19,987	280,323
Interest Expense	-	(14,460)	(19)	(14,479)
Gain on Disposal of Assets - Net	-	461	735	1,196
Total Nonoperating Revenues	<u>178,973</u>	<u>67,364</u>	<u>20,703</u>	<u>267,040</u>
INCOME BEFORE TRANSFERS	1,666,557	1,217,743	124,216	3,008,516
TRANSFERS				
Transfers In	366,771	-	-	366,771
Transfers Out	-	(890,479)	(18,520)	(908,999)
Total Transfers	<u>366,771</u>	<u>(890,479)</u>	<u>(18,520)</u>	<u>(542,228)</u>
CHANGE IN NET POSITION (DEFICIT)	2,033,328	327,264	105,696	2,466,288
Net Position (Deficit) - Beginning of Year	<u>734,311</u>	<u>(1,881,584)</u>	<u>(387,360)</u>	<u>(1,534,633)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 2,767,639</u>	<u>\$ (1,554,320)</u>	<u>\$ (281,664)</u>	<u>\$ 931,655</u>

**CITY OF WINTER HAVEN, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2023**

	Self-Insurance	General Services	Central Garage	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 7,974,057	\$ 8,155,938	\$ 3,643,626	\$ 19,773,621
Cash Paid to Employees for Services	-	(2,294,252)	(691,075)	(2,985,327)
Cash Paid to Suppliers for Goods and Services	(6,632,348)	(3,125,155)	(2,752,673)	(12,510,176)
Net Cash Provided by Operating Activities	1,341,709	2,736,531	199,878	4,278,118
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	366,771	-	-	366,771
Transfers to Other Funds	-	(890,479)	(18,520)	(908,999)
Net Cash Provided (Used) by Noncapital Financing Activities	366,771	(890,479)	(18,520)	(542,228)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Issuance of Debt	-	1,300,068	2,119	1,302,187
Acquisition and Construction of Capital Assets	-	(2,291,429)	(143,778)	(2,435,207)
Proceeds from Sale of Assets	-	461	735	1,196
Principal Payments on Leases	-	(191,679)	-	(191,679)
Interest Paid	-	(14,460)	(19)	(14,479)
Net Cash Used by Capital and Related Financing Activities	-	(1,197,039)	(140,943)	(1,337,982)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net Investment Income	178,973	81,363	19,987	280,323
Net Cash Provided by Investing Activities	178,973	81,363	19,987	280,323
NET INCREASE IN CASH AND CASH EQUIVALENTS				
	1,887,453	730,376	60,402	2,678,231
Cash and Cash Equivalents - Beginning of Year	3,007,769	1,703,771	552,131	5,263,671
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,895,222	\$ 2,434,147	\$ 612,533	\$ 7,941,902
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 1,487,584	\$ 1,150,379	\$ 103,513	\$ 2,741,476
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	902,716	48,478	951,194
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts Receivable	11,538	9,930	(1,593)	19,875
Inventories	-	-	(30,862)	(30,862)
Prepaid Items	-	146,365	(3,334)	143,031
Deferred Outflows of Resources- Pension Related Items	-	790,957	254,005	1,044,962
Deferred Outflows of Resources- OPEB Related Items	-	133,485	41,043	174,528
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	(155,575)	101,977	(50,271)	(103,869)
Accrued Liabilities	-	14,053	2,228	16,281
Unearned Revenue	(1,838)	-	-	(1,838)
Compensated Absences	-	36,867	16,189	53,056
Total OPEB Liability	-	(52,370)	(40,150)	(92,520)
Net Pension Liability	-	(305,832)	(74,804)	(380,636)
Deferred Inflows of Resources- Pension Related Items	-	27,178	9,187	36,365
Deferred Inflows of Resources- OPEB Related Items	-	(219,174)	(73,751)	(292,925)
Net Cash Provided (Used) by Operating Activities	\$ 1,341,709	\$ 2,736,531	\$ 199,878	\$ 4,278,118

STATISTICAL SECTION

(UNAUDITED)

WINTER HAVEN

THE CHAIN OF LAKES CITY

This page intentionally left blank

STATISTICAL SECTION

(UNAUDITED)

This part of the City of Winter Haven’s 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 says about the government’s overall financial health.

Contents

Financial Trends

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

Net Position by Components, Last Ten Fiscal Years
Changes in Net Position, Last Ten Fiscal Years
Governmental Activities Tax Revenues by Source, Last Ten Fiscal Years
Fund Balances of Governmental Funds, Last Ten Fiscal Years
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years

Revenue Capacity

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

Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years
Property Tax Rates, Direct and Overlapping Governments, Last Ten Fiscal Years
Principal Taxpayers, Current Fiscal Year and Ten Years Prior
Property Tax Levies and Collections, Last Ten Fiscal Years

Debt Capacity

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

Ratios of Outstanding Debt by Type, Last Ten Fiscal Years
Direct and Overlapping Governmental Activities Debt
Pledged-Revenue Coverage, Last Ten Fiscal Years

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

Own Source Revenue

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

Water and Sewer Consumption, Last Ten Fiscal Years
--

Demographic and Economic Information

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

Demographic and Economic Statistics, Last Ten Fiscal Years
Principal Employers, Current Fiscal Year and Nine Years Prior

STATISTICAL SECTION

(UNAUDITED)

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Full-Time Equivalent City Government Employees by Function, Last Ten Fiscal Years
Operating Indicators by Function, Last Ten Fiscal Years.....
Capital Assets by Function, Last Ten Fiscal Years.....
Miscellaneous Statistics
Schedule of Insurance in Force

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

CITY OF WINTER HAVEN
TABLE 1
NET POSITION BY COMPONENTS
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Net Investment in Capital Assets	\$ 79,663,112	\$ 62,278,545	\$ 62,278,545	\$ 56,358,474	\$ 45,234,239	\$ 43,893,592	\$ 37,464,863	\$ 36,870,523	\$ 33,858,502	\$ 36,877,959
Restricted	31,706,811	23,329,563	17,609,300	14,730,235	11,298,724	6,149,488	4,565,096	3,409,302	2,397,480	2,851,631
Unrestricted	19,468,214	23,437,818	6,218,163	4,542,949	7,849,877	(10,341,098)	(1,771,610)	(6,940,999)	(10,346,605)	8,748,131
Subtotal Governmental Activities Net Position	<u>\$ 130,838,137</u>	<u>\$ 109,045,926</u>	<u>\$ 86,106,008</u>	<u>\$ 75,631,658</u>	<u>\$ 64,382,840</u>	<u>\$ 39,701,982</u>	<u>\$ 40,258,349</u>	<u>\$ 33,338,826</u>	<u>\$ 25,909,377</u>	<u>\$ 48,477,721</u>
Business Type Activities										
Net Investment in Capital Assets	\$ 71,750,956	\$ 60,014,179	\$ 55,466,315	\$ 38,547,062	\$ 25,873,607	\$ 20,741,636	\$ 14,654,234	\$ 13,754,969	\$ 12,017,199	\$ 8,999,168
Restricted	28,410,050	23,045,883	19,962,180	16,340,831	17,885,343	14,783,230	18,121,549	16,375,695	14,831,150	15,514,850
Unrestricted	30,484,980	25,120,641	19,472,322	31,295,273	27,775,495	25,856,950	23,218,885	13,263,706	12,942,084	21,863,614
Subtotal Business Type Activities	<u>\$ 130,645,986</u>	<u>\$ 108,180,703</u>	<u>\$ 94,900,817</u>	<u>\$ 86,183,166</u>	<u>\$ 71,534,445</u>	<u>\$ 61,381,816</u>	<u>\$ 55,994,668</u>	<u>\$ 43,394,370</u>	<u>\$ 39,790,433</u>	<u>\$ 46,377,632</u>
Primary government										
Net Investment in Capital Assets	\$ 151,414,068	\$ 122,292,724	\$ 117,744,860	\$ 94,905,536	\$ 71,107,846	\$ 64,635,228	\$ 52,119,097	\$ 50,625,492	\$ 45,875,701	\$ 45,877,127
Restricted	60,116,861	46,375,446	37,571,480	31,071,066	29,184,067	20,932,718	22,686,645	19,784,997	17,228,630	18,366,481
Unrestricted	49,953,194	48,558,459	25,690,485	35,838,222	35,625,372	15,515,852	21,447,275	6,322,707	2,595,479	30,611,745
Total Primary Government Net Position	<u>\$ 261,484,123</u>	<u>\$ 217,226,629</u>	<u>\$ 181,006,825</u>	<u>\$ 161,814,824</u>	<u>\$ 135,917,285</u>	<u>\$ 101,083,798</u>	<u>\$ 96,253,017</u>	<u>\$ 76,733,196</u>	<u>\$ 65,699,810</u>	<u>\$ 94,855,353</u>

CITY OF WINTER HAVEN
TABLE 2
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
Government Activities										
General Government	\$ 10,843,922	\$ 11,212,950	\$ 11,114,046	\$ 9,550,908	\$ 9,375,891	\$ 8,634,562	\$ 10,095,366	\$ 9,209,261	\$ 8,584,527	\$ 8,086,016
Public Safety	29,418,690	26,609,110	23,635,420	23,590,215	22,566,425	21,498,700	19,074,245	19,762,150	19,396,846	20,750,606
Transportation	9,818,458	5,947,758	6,299,855	6,023,386	4,823,105	4,526,558	3,564,670	5,023,998	3,667,560	3,183,123
Economic Development	2,524,541	2,406,217	2,225,114	1,629,153	1,429,659	2,313,490	1,818,752	1,806,586	1,732,069	2,069,015
Human Services	1,582,258	811,193	902,963	896,413	1,359,738	851,223	707,632	683,485	706,034	607,285
Culture and Recreation	11,447,769	11,763,457	10,846,957	9,662,913	8,369,798	8,082,653	7,030,761	7,416,463	7,858,528	8,423,328
Interest on Long Term Debt	1,631,223	1,598,364	1,246,129	1,308,899	1,389,279	681,215	612,463	706,844	2,293,143	1,117,958
Other Debt Service	-	-	-	-	-	-	141,339	1,260	249,322	-
Subtotal Governmental Activities Expenses	67,266,861	60,349,049	56,270,484	52,661,887	49,313,895	46,588,401	43,045,228	44,610,047	44,658,029	44,237,331
Business Type Activities										
Water and Sewer System	32,180,503	29,315,480	29,761,397	26,024,825	22,562,447	22,793,051	20,426,584	21,254,361	20,819,341	21,604,207
Solid Waste System	8,751,981	7,988,577	7,440,990	6,877,829	6,105,339	4,896,807	5,066,354	4,762,928	4,645,385	4,726,645
Stormwater	1,300,364	2,261,851	1,353,763	1,686,229	1,438,368	1,436,298	1,376,689	1,138,746	1,661,327	1,611,708
Willowbrook	2,070,209	1,257,843	995,179	1,076,599	999,155	1,285,690	1,043,259	1,035,457	1,017,227	1,370,458
Dark Fiber	225,073	208,121	204,053	223,797	150,763	66,913	12,531	-	-	-
Subtotal Business Type Activities	44,528,130	41,031,872	39,755,382	35,889,279	31,256,072	30,478,759	27,925,417	28,191,492	28,143,280	29,313,018
Total Primary Government	\$ 111,794,991	\$ 101,380,921	\$ 96,025,866	\$ 88,551,166	\$ 80,569,967	\$ 77,067,160	\$ 70,970,645	\$ 72,801,539	\$ 72,801,309	\$ 73,550,349
PROGRAM REVENUES										
Government Activities										
General Government	\$ 3,384,596	\$ 4,889,971	\$ 5,059,340	\$ 4,608,767	\$ 4,635,069	\$ 4,457,523	\$ 4,245,109	\$ 5,017,700	\$ 3,957,638	\$ 4,273,166
Public Safety	8,166,675	8,965,949	1,115,412	1,451,851	1,208,762	1,018,595	1,074,372	957,860	837,028	953,509
Transportation	7,169,129	7,848,803	5,193,411	3,680,433	4,125,237	5,596,578	3,223,216	2,226,255	1,284,179	993,093
Economic Development	233,076	6,694,599	6,663,866	5,505,995	4,590,129	3,879,413	4,571,176	3,230,752	1,984,091	3,272,936
Human Services	860,247	880,254	813,156	941,877	922,066	500,260	664,033	735,212	492,595	739,610
Culture and Recreation	4,817,775	1,886,565	1,644,237	1,241,245	14,128,691	1,193,752	1,141,820	1,178,352	1,119,366	1,049,519
Subtotal Governmental Activities Program Revenue	24,631,498	31,166,141	20,489,422	17,430,168	29,609,954	16,646,121	14,919,726	13,346,131	9,674,897	11,281,833
Business Type Activities										
Water and Sewer System	54,068,385	45,553,402	41,504,745	43,433,415	36,057,444	36,450,559	33,874,974	28,757,406	28,779,383	29,250,496
Solid Waste System	10,172,418	9,359,993	8,838,860	8,575,951	8,526,544	4,654,920	6,823,509	6,356,195	5,998,926	5,802,367
Stormwater	1,150,035	2,095,248	3,303,549	3,068,037	1,921,488	1,944,307	2,055,180	1,641,019	1,598,051	1,550,784
Willowbrook	2,208,493	3,754,165	784,450	866,629	825,384	783,825	847,548	782,513	763,584	908,176
Dark Fiber	123,876	107,252	129,900	139,327	129,152	132,996	116,603	-	-	-
Subtotal Business Type Activities Program Revenue	67,723,207	60,870,060	54,561,504	56,083,359	47,460,012	43,966,607	43,717,814	37,537,133	37,139,944	37,511,823
Total Primary Government	\$ 92,354,705	\$ 92,036,201	\$ 75,050,926	\$ 73,513,527	\$ 77,069,966	\$ 60,612,728	\$ 58,637,540	\$ 50,883,264	\$ 46,814,841	\$ 48,793,656

Continued

CITY OF WINTER HAVEN
TABLE 2
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

NET (EXPENSE) REVENUE	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Government Activities										
General Government	\$ (7,459,326)	\$ (6,322,979)	\$ (6,054,706)	\$ (4,942,141)	\$ (4,740,822)	\$ (4,177,039)	\$ (5,850,257)	\$ (4,191,561)	\$ (4,626,889)	\$ (3,812,850)
Public Safety	(21,252,015)	(17,643,161)	(22,520,008)	(22,138,364)	(21,357,663)	(20,480,105)	(17,999,873)	(18,804,290)	(18,559,818)	(19,797,097)
Transportation	(2,649,329)	1,901,045	(1,106,444)	(2,342,953)	(697,868)	1,070,020	(341,454)	(2,797,743)	(2,383,381)	(2,190,030)
Economic Development	(2,291,465)	4,288,382	4,438,752	3,876,842	3,160,470	1,565,923	2,752,424	1,424,166	252,022	1,203,921
Human Services	(722,011)	69,061	(89,807)	45,464	(437,672)	(350,963)	(43,599)	51,727	(383,439)	132,325
Culture and Recreation	(6,629,994)	(9,876,892)	(9,202,720)	(8,421,668)	5,758,893	(6,888,901)	(5,888,941)	(6,238,111)	(6,739,162)	(7,373,809)
Interest on Long-Term Debt	-	(1,598,364)	(1,246,129)	(1,308,899)	(1,389,279)	(681,215)	(612,463)	(706,844)	(2,293,143)	(1,117,958)
Other Debt Service	(1,631,223)	-	-	-	-	-	(141,339)	(1,260)	(249,322)	-
Subtotal Governmental Activities										
Net Expense	(42,635,363)	(29,182,908)	(35,781,062)	(35,231,719)	(19,703,941)	(29,942,280)	(28,125,502)	(31,263,916)	(34,983,132)	(32,955,498)
Business Type Activities										
Water and Sewer System	21,887,882	16,237,922	11,743,348	17,408,590	13,494,997	13,657,508	13,448,390	7,503,045	7,960,042	7,646,289
Solid Waste System	1,420,437	1,371,416	1,397,870	1,698,122	2,421,205	2,758,113	1,757,155	1,593,267	1,353,541	1,075,722
Stormwater	(150,329)	(166,603)	1,649,786	1,381,808	483,120	508,009	678,491	502,273	(63,276)	(60,924)
Willowbrook	138,284	2,496,322	(210,729)	(209,970)	(173,771)	(501,865)	(195,711)	(252,944)	(253,643)	(462,282)
Dark Fiber	(101,197)	(100,869)	(74,143)	(84,470)	(21,611)	66,083	104,072	-	-	-
Subtotal Business Type										
Activities Net Expense	23,195,077	19,838,188	14,506,132	20,194,080	16,203,940	16,487,848	15,792,397	9,345,641	8,996,664	8,198,805
Total primary government	\$ (19,440,286)	\$ (9,344,720)	\$ (21,274,930)	\$ (15,037,639)	\$ (3,500,001)	\$ (13,454,432)	\$ (12,333,105)	\$ (21,918,275)	\$ (25,986,468)	\$ (24,756,693)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes: Property	\$ 25,556,997	\$ 21,508,955	\$ 18,887,554	\$ 18,341,292	\$ 16,820,550	\$ 12,772,488	\$ 11,508,749	\$ 10,233,775	\$ 9,512,073	\$ 9,061,747
Taxes: Utility	8,821,394	7,951,212	7,259,809	6,877,517	6,789,197	6,714,869	6,434,213	6,050,100	5,855,891	5,807,599
Taxes: Franchise	5,367,262	4,491,592	3,734,923	3,356,485	3,508,260	3,403,431	3,305,112	3,385,734	3,289,214	3,217,514
Taxes: Fuel	2,399,551	2,325,960	2,191,325	1,998,095	2,029,500	1,929,720	1,834,549	1,762,196	1,655,207	1,522,865
State Shared: Sales Tax	4,263,656	3,967,798	3,427,130	2,841,455	2,779,282	2,573,786	2,367,136	2,289,491	2,087,383	1,978,862
State Shared: Municipal	2,661,794	2,381,829	1,382,975	1,111,606	1,172,897	1,082,745	1,016,784	936,602	886,585	802,560
State Shared: Other	1,550,025	1,202,948	1,524,877	1,396,100	1,930,675	1,339,122	1,271,176	1,215,171	1,157,860	1,140,984
Unrestricted Investment Earnings	4,971,231	717,572	127,393	503,831	1,264,406	612,858	349,143	119,220	119,941	(1,204)
Gain on Sale of Capital Assets	62,714	-	-	-	11,969	37,445	85,335	87,966	44,307	37,401
Miscellaneous	3,193,912	397,157	459,708	443,427	470,344	534,139	293,386	601,469	134,310	169,059
Transfers	5,578,408	7,249,803	6,123,195	9,610,729	7,607,719	7,680,835	6,579,442	12,011,641	8,286,612	7,244,577
Sub-Total Governmental Activities	64,426,944	52,122,826	45,118,889	46,480,537	44,384,799	38,681,438	35,045,025	38,693,365	33,029,383	30,981,964
Business Type Activities										
Unrestricted Investment Earnings	3,636,526	649,583	311,408	840,264	1,529,515	1,067,666	570,670	250,619	181,786	19,008
Gain on Sale of Capital Assets	170,853	41,918	23,306	3,225,106	26,893	37,440	-	6,019,318	38,132	4,871,675
Miscellaneous	1,041,235	-	-	-	-	140,600	-	-	-	-
Transfers	(5,578,408)	(7,249,803)	(6,123,195)	(9,610,729)	(7,607,719)	(7,680,835)	(6,579,442)	(12,011,641)	(8,286,612)	(7,244,577)
Sub-Total Business Activities	(729,794)	(6,558,302)	(5,788,481)	(5,545,359)	(6,051,311)	(6,435,129)	(6,008,772)	(5,741,704)	(8,066,694)	(2,353,894)
Total Primary Government	\$ 63,697,150	\$ 45,564,524	\$ 39,330,408	\$ 40,935,178	\$ 38,333,488	\$ 32,246,309	\$ 29,036,253	\$ 32,951,661	\$ 24,962,689	\$ 28,628,070
INCREASE(DECREASE) IN NET POSITION										
Governmental Activities	\$ 21,791,581	\$ 22,939,918	\$ 9,337,827	\$ 11,248,818	\$ 24,680,858	\$ 8,739,158	\$ 6,919,523	\$ 7,429,449	\$ (1,953,749)	\$ (1,973,534)
Business Type Activities	22,465,283	13,279,886	8,717,651	14,648,721	10,152,629	10,052,719	9,783,625	3,603,937	929,970	5,844,911
Total Primary Government	\$ 44,256,864	\$ 36,219,804	\$ 18,055,478	\$ 25,897,539	\$ 34,833,487	\$ 18,791,877	\$ 16,703,148	\$ 11,033,386	\$ (1,023,779)	\$ 3,871,377

CITY OF WINTER HAVEN
TABLE 3
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	Property Taxes	Sales Taxes	Franchise Taxes	Motor Fuel Taxes	Municipal Revenue Sharing	Utility Taxes	Other Taxes	Total
2014	\$ 9,061,747	\$ 1,978,862	\$ 3,217,514	\$ 1,522,865	\$ 802,560	\$ 5,807,599	\$ 1,140,984	\$ 23,532,131
2015	9,512,073 *	2,087,383	3,289,214	1,655,207	886,585	5,855,891	1,157,860	24,444,213
2016	10,233,775 *	2,289,491	3,385,734	1,762,196	936,602	6,050,100	1,215,171	25,873,069
2017	11,508,749 *	2,367,136	3,305,112	1,834,549	1,016,784	6,434,213	1,271,176	27,737,719
2018	12,772,488 *	2,573,786	3,403,431	1,929,720	1,082,745	6,714,869	1,339,122	29,816,161
2019	16,820,550 *	2,779,282	3,508,260	2,029,500	1,172,897	6,789,197	1,930,675	35,030,361
2020	18,341,292 *	2,841,455	3,356,485	1,998,095	1,111,606	6,877,517	1,396,100	35,922,550
2021	19,887,554 *	3,427,130	3,734,923	2,191,325	1,382,975	7,259,809	1,524,877	39,408,593
2022	21,508,955 *	3,967,798	4,491,592	2,253,960	2,381,829	7,951,212	1,202,948	43,758,294
2023	25,556,997 *	4,263,656	5,367,262	2,399,551	2,661,794	8,821,394	1,550,025	50,620,679

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

CITY OF WINTER HAVEN
TABLE 4
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 1,993,713	\$ 1,655,022	\$ 1,596,364	\$ 1,739,402	\$ 2,148,072	\$ 1,888,799	\$ 1,859,389	\$ 1,858,826	\$ 1,814,373	\$ 1,780,015
Restricted	215,365	214,644	214,523	210,285	209,429	207,496	207,323	205,640	7,403	11,036
Assigned	99,556	94,885	100,801	72,381	68,054	25,666	25,183	23,751	905,947	903,900
Unassigned	26,554,264	22,581,371	17,483,087	14,788,404	12,594,889	12,870,923	10,453,368	8,486,848	8,060,985	6,943,484
Subtotal General Fund	<u>\$ 28,862,898</u>	<u>\$ 24,545,922</u>	<u>\$ 19,394,775</u>	<u>\$ 16,810,472</u>	<u>\$ 15,020,444</u>	<u>\$ 14,992,884</u>	<u>\$ 12,545,263</u>	<u>\$ 10,575,065</u>	<u>\$ 10,788,708</u>	<u>\$ 9,638,435</u>
All Other Governmental Funds										
Nonspendable	\$ 148,716	\$ 54,652	\$ 63,295	\$ 154,503	\$ 74,224	\$ 107,726	\$ 95,131	\$ 102,188	\$ 114,624	\$ 930,677
Restricted	29,662,632	24,128,153	1,783,167	15,181,290	11,791,458	6,294,133	4,735,537	3,589,298	2,799,676	3,379,498
Committed	1,981,785	2,202,110	704,349	607,620	494,565	500,862	414,011	349,764	316,174	279,841
Assigned	49,433,089	41,121,377	13,014,365	12,569,938	16,678,688	7,552,634	18,920,228	10,984,367	8,946,138	6,862,170
Unassigned	(648,675)	(47,904)	(14,480)	(498,086)	(365,336)	(306,783)	(864,361)	(863,897)	(594,614)	(553,061)
Subtotal All Other Governmental Funds	<u>80,577,547</u>	<u>67,458,388</u>	<u>15,550,696</u>	<u>28,015,265</u>	<u>28,673,599</u>	<u>14,148,572</u>	<u>23,300,546</u>	<u>14,161,720</u>	<u>11,581,998</u>	<u>10,899,125</u>
Total Fund Balance	<u>\$ 109,440,445</u>	<u>\$ 92,004,310</u>	<u>\$ 34,945,471</u>	<u>\$ 44,825,737</u>	<u>\$ 43,694,043</u>	<u>\$ 29,141,456</u>	<u>\$ 35,845,809</u>	<u>\$ 24,736,785</u>	<u>\$ 22,370,706</u>	<u>\$ 20,537,560</u>

CITY OF WINTER HAVEN
TABLE 5
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Taxes	\$ 43,473,772	\$ 37,126,290	\$ 33,900,121	\$ 31,378,631	\$ 29,928,462	\$ 25,594,991	\$ 23,822,659	\$ 22,101,031	\$ 20,956,633	\$ 20,255,190
Licenses and Permits	9,557,875	233,385	261,094	241,126	196,399	220,086	260,496	243,150	244,559	273,263
Intergovernmental	12,740,091	21,449,558	10,811,867	8,572,270	9,308,255	9,093,018	7,161,660	6,644,191	4,572,857	6,632,713
Charges for Services	6,617,358	11,420,367	10,646,623	9,371,866	8,456,255	7,890,897	7,024,915	5,966,953	4,788,182	4,647,133
Fines and Forfeitures	321,286	214,188	357,670	429,314	317,373	327,074	321,480	384,320	334,092	378,166
Rents	1,592,741	1,517,030	1,406,765	1,156,265	1,101,015	1,134,734	1,054,939	1,069,563	1,069,223	1,026,903
Investment Income	4,690,908	671,807	117,233	448,173	1,158,233	533,693	309,953	98,546	89,119	7,125
Contributions	-	15,232	22,222	21,846	10,883	7,718	248	3,443	3,072	635
Miscellaneous	1,401,284	1,054,437	888,793	992,965	735,370	937,161	700,835	1,086,432	427,721	483,002
Total Revenues	80,395,315	73,702,294	58,412,388	52,612,456	51,212,245	45,739,372	40,657,185	37,597,629	32,485,458	33,704,130
EXPENDITURES										
Current										
General Government	9,814,527	7,822,512	7,644,058	7,208,554	6,754,965	6,494,528	7,496,910	7,848,300	4,824,803	5,347,528
Public Safety	25,873,502	23,094,317	22,092,109	21,554,089	20,798,574	21,660,084	20,077,109	21,117,034	19,267,427	19,377,853
Transportation	12,131,247	10,595,302	8,171,434	6,664,174	5,752,081	7,435,633	4,686,015	4,322,726	2,919,564	2,336,887
Economic Environment	3,268,927	2,129,281	1,860,166	1,426,091	975,746	845,182	801,939	755,579	613,187	895,825
Human Services	1,486,060	605,401	921,723	905,186	1,296,342	787,687	723,938	698,321	795,774	735,126
Culture and Recreation	9,638,625	7,992,738	7,717,104	7,610,247	7,043,748	7,151,773	6,841,385	6,971,999	7,633,831	7,258,920
Subtotal Current	62,212,888	52,239,551	48,406,594	45,368,341	42,621,456	44,374,887	40,627,296	41,713,959	36,054,586	35,952,139
Debt Service										
Principal	3,549,757	2,861,364	3,641,625	3,055,000	2,015,000	1,805,000	1,580,000	1,430,000	1,414,308	1,278,797
Interest	1,787,195	1,473,946	1,380,285	1,414,331	1,097,313	757,419	709,779	798,495	784,674	1,101,123
Other Debt Service	1,142	248,343	48,664	41,597	550	550	140,629	550	261,398	-
Subtotal Debt Service	5,338,094	4,583,653	5,070,574	4,510,928	3,112,863	2,562,969	2,430,408	2,229,045	2,460,380	2,379,920
Capital Projects	2,432,403	6,038,783	5,221,314	11,626,745	22,737,013	12,906,201	1,287,001	3,239,540	395,074	1,856,681
Total Expenditures	69,983,385	62,861,987	58,698,482	61,506,014	68,471,332	59,844,057	44,344,705	47,182,544	38,910,040	40,188,740
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,411,930	10,840,307	(286,094)	(8,893,558)	(17,259,087)	(14,104,685)	(3,687,520)	(9,584,915)	(6,424,582)	(6,484,610)

Continued

CITY OF WINTER HAVEN
TABLE 5
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Other Financing Sources (Uses)										
Sale of Assets	\$ -	\$ 10,087	\$ 23,285	\$ 44,123	\$ 25,955	\$ 242,445	\$ 84,656	\$ 83,153	\$ 36,018	\$ 47,385
Transfers in	27,199,429	42,862,014	25,824,741	30,154,356	27,166,798	16,884,361	16,412,988	20,566,985	16,784,215	15,991,646
Transfers out	(21,078,793)	(35,948,211)	(19,708,346)	(20,173,227)	(20,281,079)	(9,726,474)	(9,114,259)	(8,699,144)	(8,568,403)	(8,767,869)
Issuance of Debt	-	23,247,642	-	-	24,900,000	-	7,535,000	-	-	-
Issuance of Refunding Bonds	-	-	10,055,000	-	-	-	5,570,000	-	13,205,000	-
Issuance Premium	-	-	-	-	-	-	-	-	557,512	-
Issuance of Leases and SBITAs	903,569	-	-	-	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	(9,878,375)	-	-	-	(5,691,841)	-	(13,756,614)	-
Total Other Financing Sources (Uses)	<u>7,024,205</u>	<u>30,171,532</u>	<u>6,316,305</u>	<u>10,025,252</u>	<u>31,811,674</u>	<u>7,400,332</u>	<u>14,796,544</u>	<u>11,950,994</u>	<u>8,257,728</u>	<u>7,271,162</u>
Net Change in Fund Balance	<u>\$ 17,436,135</u>	<u>\$ 41,011,839</u>	<u>\$ 6,030,211</u>	<u>\$ 1,131,694</u>	<u>\$ 14,552,587</u>	<u>\$ (6,704,353)</u>	<u>\$ 11,109,024</u>	<u>\$ 2,366,079</u>	<u>\$ 1,833,146</u>	<u>\$ 786,552</u>
Debt Service as % of Noncapital Expenditures	9.2%	9.3%	9.8%	9.8%	7.5%	6.1%	5.7%	5.4%	5.7%	6.4%

CITY OF WINTER HAVEN
TABLE 6
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year	Real Property	Assessed Value Personal Property	Centrally Assessed Property	Less: Tax Exempt Property	Taxable Assessed Valuation	Total Direct Tax	Estimated Actual Taxable Value
2014	1,924,849,048	263,189,818	554,760	659,546,692	1,529,046,934	5.790	1,529,046,934
2015	2,007,403,179	292,022,511	572,626	689,628,652	1,610,369,664	5.790	1,610,369,664
2016	2,144,565,792	309,321,654	10,473,300	741,075,963	1,723,284,783	5.790	1,723,284,783
2017	2,332,021,779	356,176,075	10,576,196	774,995,115	1,923,778,935	5.790	1,923,778,935
2018	2,546,345,759	380,868,003	10,450,270	817,745,867	2,119,918,165	5.790	2,119,918,165
2019	2,842,990,385	387,118,105	11,207,402	869,810,131	2,371,505,761	6.790	2,371,505,761
2020	3,081,865,632	382,257,505	11,164,336	886,582,002	2,588,705,471	6.790	2,588,705,471
2021	3,366,683,827	409,740,176	11,354,545	961,467,512	2,826,311,036	6.790	2,826,311,036
2022	3,637,052,513	447,023,470	12,876,071	1,037,530,860	3,059,421,194	6.790	3,059,421,194
2023	4,238,010,634	580,567,107	14,800,488	1,116,185,122	3,717,193,107	6.590	3,717,193,107

Source: Polk County Property Appraiser Form 403

Note: Property in the county is reassessed annually. The county assesses property at approximately 85-90 percent of market value.

**CITY OF WINTER HAVEN
TABLE 7
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Total Direct Rate</u>	<u>Polk County</u>	<u>School Board</u>	<u>Lake Region Management</u>	<u>SWFMD</u>
2014	5.790	5.790	6.8665	7.547	0.4924	0.3818
2015	5.790	5.790	6.8665	7.208	0.4924	0.3658
2016	5.790	5.790	6.7815	7.149	0.4715	0.3488
2017	5.790	5.790	6.7815	6.797	0.4512	0.3317
2018	5.790	5.790	6.7815	6.514	0.4214	0.3131
2019	6.790	6.790	7.1565	6.251	0.4214	0.2955
2020	6.790	6.790	7.1565	6.086	0.4214	0.2801
2021	6.790	6.790	6.8990	5.935	0.4100	0.2669
2022	6.790	6.790	6.8990	5.829	0.4100	0.2535
2023	6.590	6.590	6.6920	5.519	0.4100	0.2260

Note: The City of Winter Haven has no overlapping tax rates due to there being no leveraging of property taxes by other governmental entities.

**CITY OF WINTER HAVEN
TABLE 8
PRINCIPAL TAXPAYERS**

Taxpayer	2023			2014		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Florida Can Manufacturing LLC	\$ 118,595,333	1	0.74			
Legoland/Merlin Entertainment	100,505,028	2	2.65			
Wal-Mart Stores, Inc.	65,844,011	3	2.01	\$ 49,000,280	1	3.04
Tampa Electric	52,508,402	4	1.23	27,675,886	3	1.72
Carlton Arms of Winter Haven LLP	46,562,064	5	1.38	28,066,441	2	1.74
SFFL001 Owner	30,630,868	6	0.87			
Coca Cola	25,676,806	7	0.57			
GAHC4 Spring Haven FL SH LLC	25,112,973	8	0.56			
Winter Haven Apartments	19,416,239	9	0.58			
PVP Winter Haven	19,110,993	10	0.57			
Hanson Pipe				20,262,437	4	1.26
Tractor REO Winter Haven				19,240,313	5	1.19
Verizon				17,825,603	6	1.11
Landmark Investments INC				11,700,606	7	0.73
CCH Ltd. Partnerships				11,612,142	8	0.72
Florida Chemical				11,208,134	9	0.70
AM Winter Haven LLC				11,054,958	10	0.69
Subtotal	503,962,717		13.56%	207,646,800		12.89%
All Other Taxpayers	3,213,230,390		86.44%	1,402,722,864		87.11%
Total	\$ 3,717,193,107		100.00%	\$ 1,610,369,664		100.00%

Source: Property Appraiser Form 403 and 2013 Comprehensive Annual Financial Report (Table 8)

CITY OF WINTER HAVEN
TABLE 9
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collections Within Fiscal Year of Levy	Percent of Levy Collected	Collections in Subsequent Years	City Collections Only	Ratio of Levy to Collections	Total Collections
2014	9,185,708 *	8,550,141	93.08%	29,308	8,579,449	93.40%	8,579,449
2015	9,313,686 *	8,975,963	96.37%	30,423	9,006,386	96.70%	9,006,386
2016	9,995,487 *	9,609,535	96.14%	27,294	9,636,829	96.41%	9,636,829
2017	11,175,917 *	10,753,112	96.22%	28,159	10,781,271	96.47%	10,781,271
2018	12,216,629 *	11,821,959	96.77%	33,273	11,855,232	97.04%	11,855,232
2019	16,102,524 *	15,603,176	96.90%	43,885	15,647,061	97.17%	15,647,061
2020	17,577,310 *	17,018,826	96.82%	43,422	17,062,248	97.07%	17,062,248
2021	19,232,123 *	18,530,584	96.35%	31,574	18,562,158	96.52%	18,562,158
2022	20,773,470 *	20,054,284	96.54%	1,413	20,055,697	96.54%	20,055,697
2023	23,250,065 *	21,825,009	93.87%	939,473	22,764,482	97.91%	22,764,482

* Total Collections **include** County Ad Valorem payments to City's CRA Districts (Downtown and Florence Villa)

** Total Collections **do not include** County Ad Valorem payments to City's CRA Districts (Downtown and Florence Villa)

CITY OF WINTER HAVEN
TABLE 10
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Government Activities				Business Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Public Improvement Rev Bonds	Sales Tax Revenue Bonds	Notes Payable	Other Loans and Leases ⁽²⁾	Water/Sewer Revenue Bonds	State Revolving Fund Loans	Other Loans and Leases ⁽²⁾			
2014	21,175,921	5,220,000	119,308	-	55,968,807	-	119,308	82,603,344	10.4%	2,228
2015	21,214,149	4,610,000	-	-	53,409,884	-	-	79,234,033	9.2%	2,081
2016	20,365,499	3,985,000	-	-	53,083,141	-	-	77,433,640	8.1%	1,959
2017	26,678,360	3,350,000	-	-	51,081,397	-	-	81,109,757	8.0%	1,971
2018	25,486,803	2,705,000	-	-	49,116,653	-	-	77,308,456	5.3%	1,805
2019	49,000,246	2,045,000	-	-	47,053,709	62,000	-	98,160,955	5.2%	2,189
2020	46,583,689	1,375,000	-	-	44,916,165	898,079	-	93,772,933	5.2%	2,189
2021	43,767,132	695,000	-	-	42,804,421	850,969	-	88,117,522	6.7%	1,724
2022	64,735,310	-	-	297,325	40,667,677	11,109,422	297,325	116,809,734	7.8%	2,190
2023	61,306,994	-	-	2,061,645	38,466,068	13,488,290	176,042	115,499,039	7.2%	2,100

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

(1) See schedule of Demographic and Economic statistics (Table 14) for personal income and population data.

(2) Includes Leases and SBITAs payable

**CITY OF WINTER HAVEN
TABLE 11
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

<u>Governmental unit</u>	<u>Debt Outstanding</u>	<u>Estimated % Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: Polk County School Board Overlapping debt	\$ 309,889,204 309,889,204	6.1901%	\$ 19,182,452 19,182,452
City of Winter Haven direct debt	61,306,994		61,306,994
Total direct and overlapping debt	<u>\$ 371,196,198</u>		<u>\$ 80,489,446</u>

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

Note: Overlapping governments are those that coincide at least in part, with the geographic boundaries of the city. This schedule estimates the portioning of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Winter Haven. This process recognizes that, when considering the governments' ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the school board's taxable assessed value that is within the City's boundaries and dividing it by the City's total taxable assessed value.

CITY OF WINTER HAVEN
TABLE 12
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year	Gross W/S Fund Revenue	Less: Operating Expenses	Net Revenues	Bond Service Requirements	W/S System Development Charges	Debt Svc Coverage Test 1	Required Debt Svc Coverage Test 1	Debt Svc Coverage Test 2	Required Debt Svc Coverage Test 2
2014	31,701,970	14,738,168	16,963,802	3,776,418	830,120	449%	115%	471%	120%
2015	27,397,846	14,067,335	13,330,511	3,489,471	861,062	382%	115%	407%	120%
2016	32,575,899	19,249,338	13,326,561	1,819,029	790,282	733%	115%	776%	120%
2017	29,840,767	14,307,126	15,533,641	3,466,238	1,377,917	448%	115%	488%	120%
2018	30,000,937	15,809,782	14,191,155	3,554,438	1,391,495	399%	115%	438%	120%
2019	31,070,586	16,167,286	14,903,300	3,597,776	1,347,569	414%	115%	452%	120%
2020	33,433,006	20,218,327	13,214,679	3,743,595	1,704,966	353%	115%	399%	120%
2021	33,598,636	22,616,050	10,982,586	3,647,162	1,605,083	301%	115%	345%	120%
2022	34,151,083	23,776,803	10,374,280	3,612,968	3,102,685	287%	115%	373%	120%
2023	43,314,803	27,027,932	16,286,871	4,245,328	3,879,300	384%	115%	475%	120%

- 1.) Gross revenues includes all income and earnings, including connection fees but does not include proceeds from the sale of the system, contributions in aid of construction or water and sewer system development fees.
- 2.) Operating expenses include all costs of operating the system but does not include depreciation expense, bond amortization, renewal and replacement reserve payments, the annual bond service requirement or transfers to other funds.
- 3.) Bond service requirement is the amount required to be deposited in the bond service fund during each bond year (Oct 1). The amount is reduced by the amount to be transferred from the construction fund to pay interest.
- 4.) Allowable water and sewer development charges based on water and sewer expansion percentage provision of the bond resolution, 18.65% water development charges, 36.7% wastewater development charges.
- 5.) Net revenues divided by bond service requirements.
- 6.) Test 2 is net revenues plus legally available water and sewer system development charges divided by the bond service requirements.

CITY OF WINTER HAVEN
TABLE 13
WATER AND SEWER CONSUMPTION
Last Ten Fiscal Years

Type of Customer	Water Sold By Type of Customer (by millions of gallons)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Residential	2463.8	2,247.5	2,193.2	2,174.4	1,974.7	2,007.4	2,041.0	1,656.2	1,748.7	1,699.0
Commercial	1111.7	1,046.7	1,046.6	1,026.8	1,073.4	1,090.7	1,048.0	891.5	1,027.1	1,029.0
Municipal	122.1	134.2	137.1	128.0	110.9	95.6	131.0	119.2	138.4	124.0
Total	3697.6	3,428.4	3,376.9	3,329.2	3,159.0	3,193.7	3,220.0	2,666.9	2,914.2	2,852.0

Source: Utility Department Consumption Journals

Water and Sewer Rates

Year	Water		Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gal
2014	5.70	1.84	8.06	4.28
2015	6.00	1.77	8.48	4.21
2016	6.15	1.81	8.69	4.32
2017	6.31	2.10	8.91	4.92
2018	6.31	2.10	8.91	4.92
2019	6.31	2.10	8.91	4.92
2020	6.31	2.10	8.91	4.92
2021	6.31	2.10	8.91	4.92
2022	6.46	2.15	9.13	5.26
2023	6.62	2.20	9.35	5.39

Notes: The rates are inside city residential rates and are based on a 3/4" meter which is the standard household meter size

The authority charges via a tiered rate schedule for above normal demand usage. Above charges do not include municipal tax.

Source: Utility Department

CITY OF WINTER HAVEN
TABLE 14
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Personal Income</u>	<u>Unemployment Rate</u>	<u>Average Annual Population Growth</u>
2014	37,016	21,448	793,919,168	7.0%	2.0%
2015	38,080	22,595	860,417,600	6.2%	2.9%
2016	39,524	24,200	956,480,800	6.4%	3.8%
2017	41,143	24,500	1,008,003,500	5.6%	4.1%
2018	42,828	34,213	1,465,274,364	4.3%	4.1%
2019	44,815	42,019	1,883,081,485	3.3%	4.6%
2020	47,044	24,864	1,169,702,016	7.5%	5.0%
2021	51,126	25,753	1,316,647,878	4.1%	8.7%
2022	53,331	28,207	1,504,307,517	3.4%	4.3%
2023	55,764	28,967	1,615,315,788	3.8%	4.6%

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

**CITY OF WINTER HAVEN
TABLE 15
PRINCIPAL EMPLOYERS
Current Year**

Employer	2023			2014		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Publix Super Markets	15,361	1	6.07%	10,249	1	
Polk County School Board	13,459	2	5.32%	6,210	3	
Lakeland Regional Health	6,942	3	2.74%	4,499	4	
Wal-Mart	5,523	4	2.18%	6,238	2	
Amazon	5,500	5	2.17%			
Geico	3,800	6	1.50%	2,139	8	
Bay Care	2,614	7	1.03%			
Polk County	2,251	8	0.89%	2,990	5	
City of Lakeland	2,000	9	0.79%	2,359	7	
Polk County Sheriff's Office	1,830	10	0.72%			
Watson Clinic				1,600	10	
MOSAIC				1,993	9	
Winter Haven Hospital				2,567	6	
Total	57,189		23.42%	62,660		
Average annual employment	253,130					

The above statistics are the principal employers of Polk County, Florida, of which Winter Haven is a primary city.
Data for the City is not available nor accumulated at this time.
Source: Central Florida Development Council May 2023
2014 Data - 2014 Comprehensive Annual Financial Report, Table 15
2014 annual employment data was not available "for confidentiality reasons,"

CITY OF WINTER HAVEN
TABLE 16
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	79.82	73.40	55.90	67.60	58.00	57.50	65.75	57.03	54.03	62.69
Public safety										
Police	118.30	118.30	118.30	117.30	116.00	115.00	111.00	111.00	108.00	109.00
Fire	85.70	81.70	81.70	71.70	72.00	72.00	72.00	72.00	71.00	71.00
Building/Code Compliance	17.50	15.50	16.50	12.50	12.50	12.50	12.50	12.75	10.75	5.55
Transportation	24.35	23.30	19.80	12.60	11.30	15.30	11.50	13.50	13.50	12.63
Economic development	10.00	8.00	5.10	5.30	5.30	5.00	4.05	4.50	4.50	0.70
Human services	7.00	6.00	6.00	5.00	7.50	5.30	4.00	5.10	5.10	5.10
Culture and recreation										
Parks and recreation	83.04	75.33	74.45	62.55	61.55	57.55	55.55	55.65	55.65	55.65
Library	15.65	15.65	14.15	14.15	14.15	14.15	14.15	14.12	14.12	14.12
Willowbrook Golf	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Solid waste system	41.90	39.90	39.40	33.40	30.80	30.80	32.80	25.60	25.60	25.60
Utility system	120.25	120.00	118.00	106.00	104.00	105.00	104.00	92.00	81.00	76.21
Stormwater utility	13.90	14.20	13.70	11.90	10.90	10.90	6.70	6.75	6.75	7.75
Total	<u>617.41</u>	<u>591.28</u>	<u>563.00</u>	<u>520.00</u>	<u>504.00</u>	<u>501.00</u>	<u>494.00</u>	<u>470.00</u>	<u>450.00</u>	<u>446.00</u>

Note: Number of positions based on budgeted FTEs

CITY OF WINTER HAVEN
TABLE 17
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public safety										
Police-physical arrests	2,033	1,562	1,248	1,013	1,487	2,341	1,837	1,895	1,578	1,647
Police-traffic violations	2,084	2,725	1,024	1,632	3,962	4,955	5,333	6,181	5,256	4,019
Fire-number of calls answered	10,844	10,483	10,213	9,104	8,820	8,273	8,192	7,344	6,450	5,912
Fire-number of fire inspections	2,907	2,526	2,246	2,009	2,372	2,139	1,969	2,282	2,215	1,973
Building permits issued	5,010	3,931	3,928	3,431	3,072	3,551	2,408	2,989	3,670	3,232
Transportation										
Street resurfacing in miles	4.03	3.50	4.50	0.00	0.00	1.80	0.00	1.73	2.34	2.56
Airport-landings and take offs	54,000	80,000	80,000	78,000	78,500	77,998	79,450	77,998	76,285	72,400
Airport-tenants	175	175	162	209	177	177	177	176	147	152
Leisure services										
Summer program participants	293	245	209	444	1,246	1,527	1,592	1,414	1,791	1,844
Swimming pool admissions	36,952	36,592	36,783	26,050	42,034	51,494	50,684	45,027	33,580	39,627
Library visitations	419,627	375,910	307,611	342,178	537,099	570,032	554,506	618,191	559,704	558,983
Library borrower cards	87,154	83,943	84,145	83,772	81,876	77,461	75,523	71,019	66,934	61,195
Human services										
Cemetery lot sales	129	183	222	183	114	141	161	132	147	154
Sanitation										
Tons of refuse disposed of	42,096	42,084	42,120	38,045	35,186	36,038	34,937	31,761	30,460	28,866
Solid waste accounts	21,060	20,210	20,458	19,518	18,606	17,900	16,397	14,864	14,864	14,692
Utility water/sewer										
Water accounts	40,453	40,149	40,649	39,077	37,969	36,783	35,691	34,424	33,669	32,734
Wastewater accounts	26,277	25,858	25,947	24,934	24,023	23,150	22,404	21,513	21,028	20,443
Gallons of water billed in (millions)	3,693	3,428	3,376	3,329	3,159	3,194	3,240	2,868	2,914	2,852
Consumption per customer (gallons)	91,285	97,585	83,076	85,195	83,192	86,826	90,779	83,325	86,548	87,128
Rainfall (inches)	46.75	70.11	48.02	49.42	50.61	54.86	47.70	52.86	75.59	51.35
Willowbrook golf course										
Rounds played	34,581	35,213	29,294	34,079	32,671	30,681	35,165	33,416	33,818	31,755

Source: Benchmark Statistics

CITY OF WINTER HAVEN
TABLE 18
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government										
Number of building	158	158	158	157	157	157	157	157	157	157
Square footage of building space	833,000	833,000	833,000	830,000	814,453	804,453	804,453	804,453	804,453	804,453
Public safety										
Fire stations	4	4	5	3	3	3	3	3	3	3
Marked police vehicles	70	71	116	72	72	72	60	81	72	72
Transportation										
City lane miles	339.74	338.34	327.54	327.54	324.4	324.4	313.76	313.76	313.76	313.76
Traffic signals heads/Pedestrian signal	378/298	378/298	378/298	378/298	378/298	378/298	378/298	378/298	378/298	378/298
Street lights High Mast/Decorative	734/569	691/484	691/484	691/484	691/484	691/484	691/484	691/484	691/484	674/449
Commercial airport	1	1	1	1	1	1	1	1	1	1
Airport Hangars	30	30	28	30	30	30	30	30	30	30
Airport T-hangars	135	135	135	125	125	125	125	125	125	125
Economic environment										
Acres of land within city limits	26,964	26,933	26,244	26,209	26,290	26,203	25,937	26,050	26,116	25,705
Culture & recreation										
Parks	46	46	46	46	46	46	46	46	46	46
Parks acreage	655	655	655	655	655	655	655	655	655	655
Recreation centers	5	5	5	5	5	5	5	5	5	5
Activity fields	27	27	27	27	27	27	24	24	24	24
Playgrounds	15	15	15	15	15	15	14	14	14	14
Libraries	1	1	1	1	1	1	1	1	1	1
Tennis courts	9	9	9	9	9	9	11	11	11	11
Enterprise funds										
Utility system										
Water treatment plants	9	9	9	9	9	9	9	11	11	11
Fire hydrants	2,555	2,345	2,345	2,332	2,306	2,187	2,254	2,232	2,227	1,869
Wastewater treatment plants	2	2	2	2	2	2	2	2	2	2
Lift stations	230	224	218	213	208	208	195	193	192	192
Water main miles	553	541	535	529	524	518	509	509	510	385
Sanitary sewer miles	401	385	375	356	341	338	329	328	328	328
Reclaimed main miles	60	50	38	38	32	31	27	24	*	*
Solid waste system										
Number of collection vehicles	47	44	35	35	24	24	22	21	19	19
Stormwater										
Waterway acreage	5,242	5,242	5,242	5,242	5,242	5,242	5,242	5,242	5,242	5,242
Golf Courses										
Willowbrook golf course	1	1	1	1	1	1	1	1	1	1
Golf course acreage	126.54	126.54	126.54	126.54	126.54	126.54	126.54	126.54	126.54	126.54

* Not reported/tracked

**CITY OF WINTER HAVEN
TABLE 19
MISCELLANEOUS STATISTICS**

Date of incorporation:	November 1923
Form of government:	Mayor/commissioners-four commissioners and mayor City manager: appointed
Location:	North Central Polk County, Central Florida
Area:	42.13 square miles
Topography:	Flat to gently rolling
Climate:	Subtropical
Average rainfall	55 inches
Number of lakes:	30
Area of lakes	7.88 square miles (18.8% of city area)
Water supply source:	Florida Aquifer
Water district:	Southwest Florida Water Management District
Standard metropolitan statistical area:	Lakeland/Winter Haven
Industry/commerce	Logistics and Distribution, Tourism, Software and Information Technology, Medical, Business and Professional Services, Agribusiness
Area attractions:	Legoland Florida Bok Tower Historical Gardens

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF INSURANCE IN FORCE
September 30, 2023
Table 20**

Coverage/Policy# Insurer/Agency	Deductible	Description	Amount	Expiration Date	Premium
FMIT					
Florida League of Cities				10/1/2023	\$2,046,155
FMIT 0662					
Property & Business Interruption	\$100,000 per occurrence 2% of value per named storm	Blanket Building & Personal Property Business Loss	\$251,207,492 \$2,245,151		
Inland Marine	\$1,000 per loss > \$50K \$500 per loss < \$50K	Watercraft and Equipment > \$ 25,000	\$3,255,935		
General Liability & Law Enforcement Liability	\$25,000 per occurrence \$445,807 Aggregate Stop Loss	Bodily or Personal Injury and Property Damage	\$200,000/\$300,000 \$5,000,000		
Breach Response and Cyber Liability	\$35,000 per occurrence	Breach Response/Data and Network Liability	\$2,000,000		
Auto Liability/ Physical Damage	\$25,000 per occurrence \$122,672 Aggregate Stop Loss	Automobile liability	\$200,000/\$300,000 \$5,000,000		
Workers' Compensation	None	Employer's liability	\$1,000,000		
Community Redevelopment Agency FMIT1231	None	General liability per occurrence	\$300,000	10/1/2023	\$10,571
Florence Villa Community Redevelopment Agency FMIT1297	None	General liability per occurrence	\$300,000	10/1/2023	\$9,518
Crime 105687807 Travelers Casualty & Surety Co. A.J. Gallagher	\$50,000 per occurrence	Public employee dishonesty Forgery Theft Computer Fraud	\$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000	10/1/2023	\$15,647
Faithful Performance Finance Director 285008730 Liberty Mutual AJ Gallagher & Co	None	Each Loss	\$100,000	10/1/2023	\$375

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF INSURANCE IN FORCE
September 30, 2023
Table 20**

Coverage/Policy# Insurer/Agency	Deductible	Description	Amount	Expiration Date	Premium
Group Health (self insured)				12/31/2023	
Claims Admin: BCBS Crowne Consulting	\$1,500 individual \$4,500 family \$25 co-pay \$50 co-pay for Specialist	All covered health/dental claims and prescriptions up to excess loss coverage amount			\$1,249 employee per year
Group Life Insurance GL-5323-(6) Kansas City Life Ins Crowne Consulting	None	Life insurance per employee	\$10,000	12/31/2023	\$82,590
Excess Loss-Health 1600923400 - Symetra Life Insurance Co. Dental Claims Prescriptions Safeco Life Ins Co Crowne Consulting	\$300,000 per individual \$330,000 aggregate	Individual Max	Unlimited	12/31/2023	\$515 employee/retiree per year
Airport Owners & Operators Liability AAPN00979636013 Ace Property/Casualty AJ Gallagher & Co	None None	Bodily Injury and Property Damage per occurrence Personal and Advertising Injury Liability per occurrence	 \$25,000,000 \$25,000,000	11/1/2023	 \$30,744 3 year term
	\$2,500 \$2,500	Hangarkeepers Liability Any one occurrence Any one aircraft	 \$25,000,000 \$2,500,000		
	None	Non-Owned Aircraft Liability per occurrence	\$25,000,000		
Police Officers/Firefighters					
Statutory Death 21-GTA-101457 Hartford Fire Insurance AJ Gallagher & Co	None	Accidental Death on Duty Unlawful/Intentional Death	\$75,000 \$225,000	10/1/2024	\$15,910 2 year term

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF INSURANCE IN FORCE
September 30, 2023
Table 20**

Coverage/Policy# Insurer/Agency	Deductible	Description	Amount	Expiration Date	Premium
Liquor Liability					
Mount Vernon Fire Insurance Company	None	Each Common Cause	\$1,000,000	2/2/2024	\$4,110
AJ Gallagher & Co LQ 2009385	None	Aggregate	\$2,000,000		
Storage Tank Liability					
4973007	\$25,000 each incident	Each Incident Limit	\$1,000,000	6/23/2023	\$9,780
Commerce & Industry Ins Co		Aggregate Limit	\$10,000,000		
Public Officials and Employment Practices Liability					
EON G71746598-0034 Ace American AJ Gallagher & Co	\$50,000 each wrongful act or employment practice violation	Each Loss/Annual Aggregate	\$1,000,000	10/1/2023	\$41,693
Pollution Legal Liability					
0310-9733	\$50,000 each incident	Each Incident Limit	\$1,000,000	10/1/2023	\$51,176 3 year term
Allied World Insurance Company		Policy Aggregate	\$2,000,000		
AJ Gallagher & Co		Separate Claim Expense Limit	\$1,000,000		
Pension & Welfare Fund					
Fiduciary Responsibility 105995320 Travelers Casualty & Surety Co AJ Gallagher & Co	\$10,000 each claim	Annual Aggregate	\$1,000,000	10/1/2023	\$7,271
Special Event-Rentals LS					
ESE 210013 Lloyds of London AJ Gallagher & Co International Special Risk	\$500 per claim	Each Occurrence/Aggregate Personal and Advertising Injury Limit Fire Damage Liability (any one fire)	\$1,000,000 \$1,000,000 \$50,000	10/1/2023	\$500
Flood					
091151439303 06 Wright National AJ Gallagher & Co	\$1,000 per occurrence building \$1,000 per occurrence contents	Building Contents	\$100,000 \$50,000	12/13/2023	\$1,022
Aircraft Liability (Drone) 9020510 Global Aerospace AJ Gallagher & Co	Liability: None Physical Damage: 5% Payload Physical Damage: 10%	Personal and Advertising Injury Occurrence/Aggregate Premises Coverage Each Occurrence Fire Legal Liability Each Occurrence Non-Owned Aircraft Each Occurrence Medical Expense Each Person	\$3,000,000 \$3,000,000 \$100,000 \$3,000,000 \$5,000	11/29/2023	\$8,647

OTHER REPORTS

WINTER HAVEN

THE CHAIN OF LAKES CITY

This page intentionally left blank

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2023**

Federal / State Agency Federal Program / State Project	Assistance Listing # / CSFA #	Grant Identification Number	Award Amount	Expenditures	Passed Through to Subrecipients
Federal Awards					
U. S. Department of Agriculture					
Passed through Florida Department of Agriculture:					
Cooperative Forestry Assistance	10.664	21-DG-11083112-001-A	\$ 20,000	\$ 20,000	\$ -
U. S. Department of Agriculture			20,000	20,000	-
U.S. Department of Housing and Urban Development:					
Passed through from Polk County:					
Community Development Block Grant	14.218	M210005	179,074	-	-
Community Development Block Grant	14.218	M220005	454,450	472,498	-
Community Development Block Grant	14.218	M220005	230,450	-	-
Community Development Block Grant	14.218	M210006	300,000	254,700	-
			1,163,974	727,198	-
Community Development Block Grant	14.228	MT019	179,375	-	-
Passed through FDEO:					
Community Development Block Grant	14.228	IO161	778,000	-	-
Community Development Block Grant	14.228	MT018	500,000	62,034	-
			1,457,375	62,034	-
Total U.S. Department of Housing and Urban Development			2,621,349	789,232	-
U.S. Department of Justice:					
Bulletproof Vests Partnership Program	16.607	1121-0235	10,263	4,479	-
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-21-GG-00241-MUMU	13,600	13,600	-
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-22-GG-02755-JAGX	16,562	14,415	-
			30,162	28,015	-
Equitable Sharing Program	16.922	FL0531600	7,531	7,531	-
Total U.S. Department of Justice			47,956	40,025	-
U.S. Department of Transportation:					
Airport Improvement Program	20.106	3-12-0088-034-2021	3,544,038	-	-
Airport Improvement Program	20.106	3-12-0088-038-2023	3,878,741	3,150	-
Airport Improvement Program	20.106	3-12-0088-037-2022	298,968	298,968	-
Total U.S. Department of Transportation			7,721,747	302,118	-
U. S. Federal Highway Administration					
<i>Passed through Florida Department of Transportation</i>					
Highway Planning and Construction	20.205	438265-1-38-01 / G0H93	125,000	-	-
Highway Planning and Construction	20.205	438265-1-58-01 / G0H93	1,437,138	-	-
Highway Planning and Construction	20.205	440276-1-58-01 / G1M65	1,441,866	673,985	-
Highway Planning and Construction	20.205	441906-1-58-01 / G2A44	1,301,000	486,623	-
Total U.S. Federal Highway Administration			4,305,004	1,160,608	-
U.S. Department of the Treasury:					
Coronavirus State and Local Fiscal Recovery Funds	21.027		7,776,962	-	-
Total U.S. Department of the Treasury			7,776,962	-	-
U.S. Federal Communications Commission:					
Universal Service Fund - Schools and Libraries	32.004	2023	11,340	11,340	-
Total U.S. Federal Communications Commission			11,340	11,340	-
U.S. Department of Homeland Security:					
<i>Passed through Florida Department of Emergency Management</i>					
Public Assistance - Hurricane Ian	97.036	Z3069 / DR-4673-FL	30,984	30,984	-
Assistance to Firefighters	97.044	EMW-2020-FG-18853	9,091	9,091	-
Total U.S. Department of Homeland Security			40,075	40,075	-
Total Expenditures of Federal Awards				\$ 2,363,398	\$ -

**CITY OF WINTER HAVEN, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2023**

Federal / State Agency Federal Program / State Project	Assistance Listing # / CSFA #	Grant Identification Number	Award Amount	Expenditures	Passed Through to Subrecipients
State Financial Assistance					
Florida Department of Environmental Protection:					
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0133	\$ 663,904	\$ -	
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0442	1,500,000	16,271	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0212	2,375,000	319,902	-
				336,173	-
Capitalization Grants for State Revolving Fund	37.077	WW531300	2,648,805	-	
Capitalization Grants for State Revolving Fund	37.077	WW531302	22,454,050	1,321,056	
Capitalization Grants for State Revolving Fund	37.077	DW531340	1,004,400	790,055	
Capitalization Grants for State Revolving Fund	37.077	WW531350	500,000	389,132	
				2,500,243	-
Total Florida Department of Environmental Protection			31,146,159	2,836,416	-
Florida Department of Economic Opportunity:					
Economic Development Tax Refund, Tax Credit and Grant Program	40.043	G0073	6,411,612	1,327,994	
Total Florida Department of Economic Opportunity			6,411,612	1,327,994	-
Florida Housing Finance Corporation:					
State Housing Initiative Partnership	40.901	2021/2022	321,703	54,288	17,000
State Housing Initiative Partnership	40.901	2022/2023	489,968	-	-
Total Florida Housing Finance Corporation			811,671	54,288	17,000
Florida Department of Transportation:					
Joint Participation Agreement - Aviation Development	55.004	446382-1-94-01 / G1I11	1,877,040	\$ 1,259,621	\$ -
Joint Participation Agreement - Aviation Development	55.004	452131-2-94-01 / G2H30	1,230,000	-	-
Joint Participation Agreement - Aviation Development	55.004	450763-1-94-01 / G2857	17,446	17,283	-
Joint Participation Agreement - Aviation Development	55.004	450763-1-94-01 / G2857	202,233	175	-
Joint Participation Agreement - Aviation Development	55.004	449746-1-94-01 / G2522	541,274	25,983	-
Total Florida Department of Transportation			3,867,993	1,303,062	-
Executive Office of the Governor					
Public Assistance - Hurricane Ian		PA-B3-07-63-01-240	4,222	4,222	-
Total Executive Office of the Governor			4,222	4,222	-
Florida Department of Health:					
Emergency Medical Services	64.003	M9048	37,969	37,969	-
Total Florida Department of Health			37,969	37,969	-
Total Expenditures of State Financial Assistance				\$ 5,563,951	\$ 17,000

**SCHEDULE OF FEDERAL
EXPENDITURES AND STATE
FINANCIAL ASSISTANCE
SEPTEMBER 30, 2023**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal and state grant activity of the City of Winter Haven (City) under programs of the federal government and state of Florida for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 69I-5, Rules of the Florida Department of Financial Services. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The City did not receive noncash assistance during the year.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for awards and financial assistance recorded in governmental funds and the accrual basis of accounting for awards and financial assistance recorded in the proprietary funds, which are described in Note 1 to the City's basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in Uniform Guidance and Chapter 69I-5, Rules of the Florida Department of Financial Services wherein certain types of expenditures are not allowable or are limited as to reimbursement, with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 CONTINGENCIES

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowances, if any would have a material effect on the financial position of the City. As of March 31, 2024, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winter Haven, Florida (the "City"), as of and for the year ended September 30, 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 March 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 opinion 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
March 25, 2024

Mauldin & Jenkins, LLC

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

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Winter Haven, 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 the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General 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*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, 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 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 will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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
March 25, 2024

CITY OF WINTER HAVEN, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 no

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

Noncompliance material to financial statements noted? yes no

Federal Programs and State Financial Assistance Projects

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

Significant deficiencies identified not considered to be material weaknesses? yes 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) and Chapter 10.550, Rules of the Auditor General? yes no

Identification of major federal programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	U.S. Federal Highway Administration – Highway Planning and Construction

Identification of major state financial assistance:

<u>CSFA Number</u>	<u>Name of State Program</u>
37.077	Florida Department of Environmental Protection – Capitalization Grants for State Revolving Fund
44.043	Florida Department of Economic Opportunity – Economic Development Tax Refund, Tax Credit and Grant Program
55.004	Florida Department of Transportation – Joint Participation Agreement – Aviation Development

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

Auditee qualified as low-risk auditee? yes no

CITY OF WINTER HAVEN, FLORIDA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None noted.

**SECTION III
FEDERAL/STATE AWARDS FINDINGS AND QUESTIONED COSTS**

None noted.

CITY OF WINTER HAVEN, FLORIDA

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

Criteria: 2 *CFR* Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 69I-5, Rules of the Florida Department of Financial Services, require auditees to prepare a Schedule. The City's management is responsible for establishing and maintaining internal controls to ensure that Schedule is properly reported.

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

Status: Resolved

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Winter Haven, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 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; the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 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. As indicated in the accompanying summary schedule of prior audit findings, Finding 2022-001 has been resolved in the current year.

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. This information is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific 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 for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided 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 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 Commission, 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
March 25, 2024

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Winter Haven, 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 judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our 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 for 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
March 25, 2024