

CITY OF WILDWOOD,
FLORIDA

AUDIT REPORT

SEPTEMBER 30, 2012

City of Wildwood, Florida
Audit Report
September 30, 2012
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Independent Auditor's Report

The Honorable Mayor and
City Commissioners
City of Wildwood, Florida

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 Wildwood, Florida (the "City"), as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

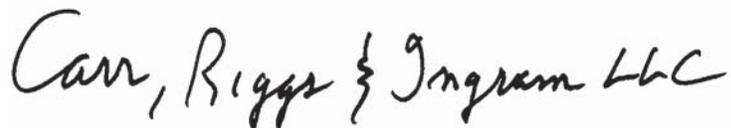
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2013 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison schedule, and the schedules of funding progress and contributions from employer 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.

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

April 12, 2013
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the City of Wildwood's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2012. Please read it in conjunction with the City's financial statements, which follow this section.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This annual report contains government-wide financial statements that report on the City's activities as a whole and fund financial statements that report on the City's individual funds.

Government-wide Financial Statements

The first financial statement is the Statement of Net Assets. This statement includes all of the City's assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. Net assets – the difference between assets and liabilities – can be used to measure the City's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net assets during the fiscal year. Over time, the increases or decreases in net assets are useful indicators of whether the City's financial health is improving or deteriorating. However, other non-financial factors, such as road conditions or changes in the tax base, must also be considered when assessing the overall health of the City.

In these statements, the City's activities are divided as follows:

- Governmental activities – Most of the City's basic services are reported here, including administration, police services, road and bridge, and maintenance. Taxes and charges for services finance most of these activities.
- Business-type activities – These activities are financed in whole or in part by fees charged to external parties for goods or services. The activities of the water and sewer system and industrial park are reported as business-type activities.

Fund Financial Statements

Following the government-wide financial statements are the fund financial statements. They provide more detailed information about the City's funds.

- Governmental funds – The City's governmental funds are the General Fund, Greenwood Cemetery and Law Enforcement Trust Funds. These funds are accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the governmental fund's financial position. A reconciliation is provided with these statements, which helps to explain the difference between the fund financial statements and the government-wide financial statements.
- Proprietary funds – The City's proprietary funds are the Utility and Industrial Park Funds. Proprietary funds are reported using the accrual basis of accounting and, accordingly, there is a correlation between the amounts reported in the fund financial statements and the amounts reported in the government-wide financial statements.

CONDENSED FINANCIAL INFORMATION

The following tables present condensed, government-wide data about net assets and changes in net assets.

Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets:						
Non-capital assets	\$ 2,595,404	\$ 2,071,305	\$ 2,875,075	\$ 2,049,917	\$ 5,470,479	\$ 4,121,222
Capital assets	8,901,469	8,103,092	22,126,092	22,988,284	31,027,561	31,091,376
Total assets	11,496,873	10,174,397	25,001,167	25,038,201	36,498,040	35,212,598
Liabilities:						
Current liabilities	501,246	252,335	1,195,891	1,008,925	1,697,137	1,261,260
Long-term liabilities	2,050,733	2,044,827	6,706,450	7,450,257	8,757,183	9,495,084
Total liabilities	2,551,979	2,297,162	7,902,341	8,459,182	10,454,320	10,756,344
Net assets:						
Invested in capital assets, net of related debt	7,053,485	6,224,047	14,700,838	14,835,888	21,754,323	21,059,935
Restricted	356,243	823,580	-	-	356,243	823,580
Unrestricted	1,535,166	829,608	2,397,988	1,743,131	3,933,154	2,572,739
Total net assets	\$ 8,944,894	\$ 7,877,235	\$ 17,098,826	\$ 16,579,019	\$ 26,043,720	\$ 24,456,254

Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Program revenues:						
Charges for services	\$ 275,949	\$ 439,278	\$ 5,085,770	\$ 4,774,831	\$ 5,361,719	\$ 5,214,109
Operating grants & contributions	363,784	275,848	-	-	363,784	275,848
Capital grants & contributions	827,128	60,000	7,500	126,612	834,628	186,612
General revenues:						
Property taxes	1,428,207	1,108,659	-	-	1,428,207	1,108,659
Other taxes and shared revenues	2,809,820	2,292,423	-	-	2,809,820	2,292,423
Miscellaneous	261,967	375,612	1,647	104,318	263,614	479,930
Investment earnings	2,928	2,500	2,269	4,522	5,197	7,022
Transfers	197,500	505,710	(197,500)	(505,710)	-	-
Total revenues	6,167,283	5,060,030	4,899,686	4,504,573	11,066,969	9,564,603
Program expenses:						
General government	1,324,805	1,288,549	-	-	1,324,805	1,288,549
Public safety	1,939,300	1,806,132	-	-	1,939,300	1,806,132
Physical environment	8,135	1,195	-	-	8,135	1,195
Transportation	1,074,736	924,150	-	-	1,074,736	924,150
Economic environment	76,240	216,389	-	-	76,240	216,389
Culture and recreation	585,839	599,352	-	-	585,839	599,352
Interest on long-term debt	90,569	91,998	-	-	90,569	91,998
Utility	-	-	4,372,521	4,297,655	4,372,521	4,297,655
Industrial park	-	-	7,358	19,859	7,358	19,859
Total expenses	5,099,624	4,927,765	4,379,879	4,317,514	9,479,503	9,245,279
Change in net assets	1,067,659	132,265	519,807	187,059	1,587,466	319,324
Beginning net assets	7,877,235	7,744,970	16,579,019	16,391,960	24,456,254	24,136,930
Ending net assets	\$ 8,944,894	\$ 7,877,235	\$ 17,098,826	\$ 16,579,019	\$ 26,043,720	\$ 24,456,254

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated \$1,466,861 in program revenues and \$4,700,422 of general revenues, and incurred \$5,099,624 of program expenses. This resulted in a \$1,067,659 increase in net assets.

Business-type Activities

Revenues of the business-type activities were \$4,899,686 compared to expenses of \$4,379,879. This resulted in a \$519,807 increase in net assets.

Effective in 2011, the City outsourced refuse collections to Waste Management Inc. of Florida. The City has a seven year contract with the Company to collect the City's refuse. The City is responsible for invoicing and collecting payment for which they retain a 10% franchise fee.

THE CITY'S INDIVIDUAL FUNDS

General Fund

The General Fund's fund balance increased by \$319,234 from \$1,893,165 to \$2,212,399.

Utility

The Utility Fund's net assets increased by \$535,518 from \$16,219,987 to \$16,755,505.

BUDGETARY HIGHLIGHTS

There were no changes between the original and final budgets for the General Fund.

Revenues of the General Fund were under budgeted amounts. A variance between final budget amounts and actual results occurred in charges for services because of not collecting the police user fee in 2012. Intergovernmental revenues were less than expected because not all of the CDBG grant was expended during 2012.

General Fund expenditures were under budgeted amounts. This was generally due to the reserve for contingency not being utilized during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City had significant capital activity during the year. Please refer to a note to the accompanying financial statements entitled *Capital Asset Activity* for more detailed information about the City's capital asset activity.

Debt Administration

Overall, the City's long-term obligations were reduced by about \$670,000 during the year. A three-year lease was executed to finance four utility trucks. Please refer to a note to the accompanying financial statements entitled *Long-term Obligations* for more detailed information about the City's long-term debt activity.

ECONOMIC FACTORS

We are not currently aware of any conditions that are expected to have a significant effect on the City's financial position or results of operations.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact City Hall at 352-330-1330, Wildwood, Florida.

City of Wildwood, Florida
Statement of Net Assets
September 30, 2012

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Equivalents	\$ 2,123,090	\$ 2,216,009	\$ 4,339,099
Investments	-	349,417	349,417
Accounts Receivable	104,716	489,666	594,382
Internal Balances	210,145	(210,145)	-
Due from Other Governments	154,020	-	154,020
Inventory	3,433	-	3,433
Unamortized Debt Issuance Costs	-	30,128	30,128
Capital Assets:			
Non-Depreciable	1,813,390	2,154,499	3,967,889
Depreciable, Net	7,088,079	19,971,593	27,059,672
TOTAL ASSETS	11,496,873	25,001,167	36,498,040
<u>LIABILITIES</u>			
Accounts Payable and Accrued Liabilities	109,989	170,312	280,301
Customer Deposits	-	198,598	198,598
Unearned Revenue	240,700	-	240,700
Noncurrent Liabilities:			
Due Within One Year	150,557	826,981	977,538
Due in More Than One Year	2,050,733	6,706,450	8,757,183
TOTAL LIABILITIES	2,551,979	7,902,341	10,454,320
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	7,053,485	14,700,838	21,754,323
Restricted:			
Greenwood Cemetery Fund	35,153	-	35,153
Community Redevelopment Agencies	154,618	-	154,618
Bond Reserve Requirements	146,902	-	146,902
Police Grant	13,564	-	13,564
Culture/Recreation Grant	6,006	-	6,006
Unrestricted	1,535,166	2,397,988	3,933,154
TOTAL NET ASSETS	\$ 8,944,894	\$ 17,098,826	\$ 26,043,720

See accompanying notes.

**City of Wildwood, Florida
Statement of Activities
For the Year Ended September 30, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
General Government	\$ 1,324,805	\$ 99,180	\$ -	\$ -	\$ (1,225,625)	\$ -	\$ (1,225,625)
Public Safety	1,939,300	110,422	2,307	-	(1,826,571)	-	(1,826,571)
Physical Environment	8,135	5,190	-	-	(2,945)	-	(2,945)
Transportation	1,074,736	-	361,477	-	(713,259)	-	(713,259)
Economic Environment	76,240	-	-	527,128	450,888	-	450,888
Culture and Recreation	585,839	61,157	-	300,000	(224,682)	-	(224,682)
Interest on Long-Term Debt	90,569	-	-	-	(90,569)	-	(90,569)
TOTAL GOVERNMENTAL ACTIVITIES	5,099,624	275,949	363,784	827,128	(3,632,763)	-	(3,632,763)
BUSINESS-TYPE ACTIVITIES:							
Utility	4,372,521	5,085,770	-	7,500	-	720,749	720,749
Industrial Park	7,358	-	-	-	-	(7,358)	(7,358)
TOTAL BUSINESS-TYPE ACTIVITIES	4,379,879	5,085,770	-	7,500	-	713,391	713,391
TOTAL	\$ 9,479,503	\$ 5,361,719	\$ 363,784	\$ 834,628	(3,632,763)	713,391	(2,919,372)
GENERAL REVENUES:							
Property Taxes					1,428,207	-	1,428,207
Other Taxes					1,440,993	-	1,440,993
Shared Revenues					1,368,827	-	1,368,827
Investment Earnings					2,928	2,269	5,197
Miscellaneous					261,967	1,647	263,614
Transfers					197,500	(197,500)	-
TOTAL GENERAL REVENUES AND TRANSFERS					4,700,422	(193,584)	4,506,838
CHANGE IN NET ASSETS					1,067,659	519,807	1,587,466
NET ASSETS – BEGINNING OF YEAR					7,877,235	16,579,019	24,456,254
NET ASSETS – END OF YEAR					\$ 8,944,894	\$ 17,098,826	\$ 26,043,720

See accompanying notes.

**City of Wildwood, Florida
Balance Sheet
Governmental Funds
September 30, 2012**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and Equivalents	\$ 2,078,368	\$ 44,722	\$ 2,123,090
Accounts Receivable	104,716	-	104,716
Due from Other Funds	222,551	-	222,551
Due from Other Governments	154,020	-	154,020
Inventory	3,433	-	3,433
TOTAL ASSETS	<u>\$ 2,563,088</u>	<u>\$ 44,722</u>	<u>\$ 2,607,810</u>
<u>LIABILITIES</u>			
Accounts Payable and Accrued Liabilities	\$ 109,989	\$ -	\$ 109,989
Due to Other Funds	-	12,406	12,406
Deferred Revenue	240,700	-	240,700
TOTAL LIABILITIES	<u>350,689</u>	<u>12,406</u>	<u>363,095</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	3,433	-	3,433
Restricted	321,090	35,153	356,243
Assigned	17,593	-	17,593
Unassigned	1,870,283	(2,837)	1,867,446
TOTAL FUND BALANCES	<u>2,212,399</u>	<u>32,316</u>	<u>2,244,715</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,563,088</u>	<u>\$ 44,722</u>	<u>\$ 2,607,810</u>

See accompanying notes.

City of Wildwood, Florida
Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
September 30, 2012

FUND BALANCES – TOTAL GOVERNMENTAL FUNDS	\$ 2,244,715
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not reported in the governmental funds.	
Capital Assets – Net	8,901,469
Long-term liabilities are not reported in the governmental funds.	
Bonds Payable	(1,847,984)
Compensated Absences	(275,000)
Net OPEB Obligation	(78,306)
	<hr/>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 8,944,894</u></u>

See accompanying notes.

City of Wildwood, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2012

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Taxes	\$ 3,919,091	\$ -	\$ 3,919,091
Permits and Fees	649	-	649
Intergovernmental	1,100,110	-	1,100,110
Charges for Services	131,482	-	131,482
Fines and Forfeitures	83,521	-	83,521
Miscellaneous	427,024	7,906	434,930
TOTAL REVENUES	<u>5,661,877</u>	<u>7,906</u>	<u>5,669,783</u>
<u>EXPENDITURES</u>			
Current:			
General Government	1,415,831	-	1,415,831
Public Safety	1,938,012	18,020	1,956,032
Physical Environment	-	8,135	8,135
Transportation	1,019,424	-	1,019,424
Economic Environment	626,767	-	626,767
Culture and Recreation	418,479	-	418,479
Debt Service:			
Principal	31,061	-	31,061
Interest	90,569	-	90,569
TOTAL EXPENDITURES	<u>5,540,143</u>	<u>26,155</u>	<u>5,566,298</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	121,734	(18,249)	103,485
<u>OTHER FINANCING SOURCES</u>			
Transfers In	197,500	-	197,500
NET CHANGE IN FUND BALANCES	319,234	(18,249)	300,985
FUND BALANCES – BEGINNING OF YEAR	<u>1,893,165</u>	<u>50,565</u>	<u>1,943,730</u>
FUND BALANCES – END OF YEAR	<u>\$ 2,212,399</u>	<u>\$ 32,316</u>	<u>\$ 2,244,715</u>

See accompanying notes.

City of Wildwood, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended September 30, 2012

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 300,985

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.

Acquisitions of Capital Assets	1,211,932
Current Year Depreciation Expense	(413,555)

The repayment of long-term debt consumes current financial resources, but does not have any effect on net assets.

Payments on Revenue Bonds	31,061
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(36,000)
OPEB Expense	<u>(26,764)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 1,067,659

See accompanying notes.

City of Wildwood, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2012

	<u>Utility Fund</u>	<u>Other Enterprise Fund</u>	<u>Total Enterprise Funds</u>
<u>CURRENT ASSETS</u>			
Cash and Equivalents	\$ 2,206,209	\$ 9,800	\$ 2,216,009
Investments	196,807	152,610	349,417
Accounts Receivable	489,666	-	489,666
TOTAL CURRENT ASSETS	2,892,682	162,410	3,055,092
<u>NONCURRENT ASSETS</u>			
Unamortized Debt Issuance Costs	30,128	-	30,128
Capital Assets, Net	21,945,181	180,911	22,126,092
TOTAL NONCURRENT ASSETS	21,975,309	180,911	22,156,220
TOTAL ASSETS	24,867,991	343,321	25,211,312
<u>CURRENT LIABILITIES</u>			
Accounts Payable and Accrued Liabilities	170,312	-	170,312
Customer Deposits	198,598	-	198,598
Due to Other Funds	210,145	-	210,145
Current Portion of Long-Term Liabilities	826,981	-	826,981
TOTAL CURRENT LIABILITIES	1,406,036	-	1,406,036
NONCURRENT LIABILITIES	6,706,450	-	6,706,450
TOTAL LIABILITIES	8,112,486	-	8,112,486
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	14,538,428	162,410	14,700,838
Unrestricted	2,217,077	180,911	2,397,988
TOTAL NET ASSETS	\$ 16,755,505	\$ 343,321	\$ 17,098,826

See accompanying notes.

City of Wildwood, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2012

	<u>Utility Fund</u>	<u>Other Enterprise Fund</u>	<u>Total Enterprise Funds</u>
<u>OPERATING REVENUES</u>			
User Fees	\$ 5,085,770	\$ -	\$ 5,085,770
<u>OPERATING EXPENSES</u>			
Personal Services	1,276,933	-	1,276,933
Operating Expenses	1,588,747	216	1,588,963
Depreciation and Amortization	1,342,511	7,142	1,349,653
TOTAL OPERATING EXPENSES	<u>4,208,191</u>	<u>7,358</u>	<u>4,215,549</u>
OPERATING INCOME (LOSS)	<u>877,579</u>	<u>(7,358)</u>	<u>870,221</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Investment Earnings	2,269	-	2,269
Miscellaneous Income	-	1,647	1,647
Interest Expense	(164,330)	-	(164,330)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(162,061)</u>	<u>1,647</u>	<u>(160,414)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	715,518	(5,711)	709,807
CAPITAL CONTRIBUTIONS	7,500	-	7,500
TRANSFERS OUT	<u>(187,500)</u>	<u>(10,000)</u>	<u>(197,500)</u>
CHANGE IN NET ASSETS	535,518	(15,711)	519,807
NET ASSETS – BEGINNING OF YEAR	<u>16,219,987</u>	<u>359,032</u>	<u>16,579,019</u>
NET ASSETS – END OF YEAR	<u>\$ 16,755,505</u>	<u>\$ 343,321</u>	<u>\$ 17,098,826</u>

See accompanying notes.

City of Wildwood, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2012

	<u>Utility Fund</u>	<u>Other Enterprise Fund</u>	<u>Total Enterprise Funds</u>
<u>OPERATING ACTIVITIES</u>			
Receipts From Customers	\$ 5,096,733	\$ -	\$ 5,096,733
Payments to Suppliers	(1,435,426)	(216)	(1,435,642)
Payments to Employees	<u>(1,292,550)</u>	<u>-</u>	<u>(1,292,550)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,368,757</u>	<u>(216)</u>	<u>2,368,541</u>
<u>NONCAPITAL FINANCING ACTIVITIES</u>			
Transfers Out	<u>(123,962)</u>	<u>(10,000)</u>	<u>(133,962)</u>
<u>CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Acquisitions of Capital Assets	(408,548)	-	(408,548)
Principal Paid on Debt	(770,125)	-	(770,125)
Interest Paid on Debt	(167,864)	-	(167,864)
Capital Grant	<u>7,500</u>	<u>-</u>	<u>7,500</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,339,037)</u>	<u>-</u>	<u>(1,339,037)</u>
<u>INVESTING ACTIVITIES</u>			
Interest Received	2,269	1,647	3,916
Acquisition of Investments	<u>(359)</u>	<u>(1,635)</u>	<u>(1,994)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,910</u>	<u>12</u>	<u>1,922</u>
CHANGE IN CASH AND EQUIVALENTS	907,668	(10,204)	897,464
CASH AND EQUIVALENTS – BEGINNING OF YEAR	<u>1,298,541</u>	<u>20,004</u>	<u>1,318,545</u>
CASH AND EQUIVALENTS – END OF YEAR	<u>\$ 2,206,209</u>	<u>\$ 9,800</u>	<u>\$ 2,216,009</u>
OPERATING INCOME (LOSS)	\$ 877,579	\$ (7,358)	\$ 870,221
Depreciation and Amortization	1,342,511	7,142	1,349,653
Bad Debts	2,722	-	2,722
Change In:			
Receivables	1,287	-	1,287
Compensated Absences	(3,000)	-	(3,000)
Payables	137,982	-	137,982
Customer Deposits	<u>9,676</u>	<u>-</u>	<u>9,676</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 2,368,757</u>	<u>\$ (216)</u>	<u>\$ 2,368,541</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Borrowing Under Capital Lease	\$ 72,160	\$ -	\$ 72,160

See accompanying notes.

City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Wildwood, Florida (the “City”), conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

The City is a Florida municipality established under the Laws of Florida, Chapter 9950 (1923), with an elected mayor and four elected City Commissioners.

As required by generally accepted accounting principles, the accompanying financial statements present the City as a primary government. Component units are entities for which a primary government is considered to be financially accountable.

The City is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The City may also be financially accountable for governmental organizations that are fiscally dependent on it.

Blended component units, although legally separate entities, are in substance part of the City's operations and, accordingly, data from these units are combined with data of the City. There is one blended component unit included in the City's reporting entity: the Wildwood Community Redevelopment Agency, a dependent special district established by resolution pursuant to the authority provided in Chapter 163, Florida Statutes. The City Commissioners also serve as the governing board of the Redevelopment Agency. Separate financial statements of the Redevelopment Agency are not available.

Discretely presented component units, on the other hand, would be reported in separate columns to emphasize that they are legally separate from the City. There are no discretely presented component units included in the City's financial reporting entity.

The City did not participate in any joint ventures during the 2011–2012 fiscal year.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees charged to external parties.

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: charges for services that are directly related to a given function; and grants and contributions that

City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements, but all nonmajor funds are aggregated and displayed in a single column. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The City reports the following major governmental fund:

General Fund – the general operating fund, used to account for and report all financial resources not accounted for and reported in another fund.

The City reports the following major enterprise fund:

Utility Fund – to account for the activities of the City-owned water and sewer system.

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 financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Certain intergovernmental revenues constitute the most significant sources of revenue considered susceptible to accrual. In governmental funds, expenditures are generally recognized when the related liability is incurred. However, debt service expenditures, and expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Application of FASB Pronouncements

For its enterprise funds, the City applies all applicable GASB pronouncements. Additionally, the City applies pronouncements of the FASB and its predecessor bodies issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Cash and Cash Equivalents

For purpose of the Statement of Cash Flows, the City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments consist of certificates of deposit, stated at cost.

Accounts Receivable

Receivables are stated at net realizable value, reduced by an allowance for uncollectable accounts, where appropriate. Accounts receivable of the Utility Fund are net of a \$43,390 allowance.

Inventory

Inventory is valued at cost under the first-in, first-out method and is accounted for using the consumption method. An offsetting “nonspendable fund balance” is reported in the governmental fund financial statements to indicate that inventories do not represent “available spendable resources”.

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost, except for contributed assets, which are recorded at fair value at the date of contribution. The City uses a capitalization threshold of \$30,000 for infrastructure and \$750 for all other classes of capital assets.

In accordance with GASB Statement No. 34, the City has elected to report general infrastructure prospectively, effective October 1, 2003.

Depreciation of capital assets is provided using the straight-line method over the estimated useful lives of the assets, which range as follows:

	Years
Buildings and improvements	20 - 40
Furniture, equipment and vehicles	7 - 10
Water and sewer distribution system	20 – 40

City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For its business-type activities, the City's policy is to capitalize construction period interest costs on projects funded specifically through debt financing. No interest costs were capitalized during 2012.

Compensated Absences

The City's policy is to allow limited vesting of employee vacation pay and sick leave. A liability for accrued compensated absences of employees of the governmental funds has been accrued. Since this liability will not be liquidated with expendable available financial resources, the liability has not been reported in the governmental funds. A liability for compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements.

Debt Issuance Costs

Debt issuance costs are amortized over the repayment term of the related debt on a straight-line basis.

Property Taxes

Details of the City's tax calendar are presented below:

Lien Date	January 1
Levy Date	October 1
Discount Period	November - February
No Discount Period	March
Delinquent Date	April 1

Operating Revenues and Expenses

The 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 an enterprise fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Restricted Net Assets

In the accompanying statements of net assets, *restricted net assets* are subject to restrictions beyond the City's control. The restriction is either externally imposed (for instance, by creditors, grantors, contributors, or laws/regulations of other governments) or is imposed by law through constitutional provisions or enabling legislation.

The statement of net assets reports \$35,153 of net assets restricted by enabling legislation.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Balance

The City follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the City's highest level of decision-making authority, which is an ordinance. Committed amounts cannot be used for any other purpose unless the City removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the City Commission or (b) a body or official to which the City Commission has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the Governmental Fund.

The City's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

The City's deposits, including certificates of deposit, are with qualified public depositories and are entirely insured or collateralized pursuant to the Florida Public Deposits Act.

Investments

Pursuant to the provisions of Section 218.415, Florida Statutes, the City has adopted a written investment plan governing the investment of its excess public funds. In accordance with the plan, the City's excess public funds are invested solely in certificates of deposit in qualified public depositories.

NOTE 3 – INTERFUND BALANCES AND TRANSFERS

At September 30, 2012, interfund balances are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 222,551	\$ -
Other Governmental Funds	-	12,406
Utility Fund	-	210,145
Total	<u>\$ 222,551</u>	<u>\$ 222,551</u>

Interfund balances occurred during the normal course of operations. It is the intent of the City to repay these balances within the next year.

Interfund transfers for the year ended September 30, 2012 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 197,500	\$ -
Utility Fund	-	187,500
Other Enterprise Fund	-	10,000
Total	<u>\$ 197,500</u>	<u>\$ 197,500</u>

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012

NOTE 4 – FUND BALANCE CLASSIFICATONS

Fund balance is restricted for the following purposes:

	General Fund	Other Governmental Funds	Total
General Government	\$ 154,618	\$ -	\$ 154,618
Public Safety	13,564	-	13,564
Physical Environment	-	35,153	35,153
Culture and Recreation	6,006	-	6,006
Debt Service	146,902	-	146,902
Total Restricted Fund Balance	<u>\$ 321,090</u>	<u>\$ 35,153</u>	<u>\$ 356,243</u>

Fund balance is assigned for the following purposes:

	General Fund	Other Governmental Funds	Total
General Government	\$ 14,389	\$ -	\$ 14,389
Culture and Recreation	3,204	-	3,204
Total Assigned Fund Balance	<u>\$ 17,593</u>	<u>\$ -</u>	<u>\$ 17,593</u>

City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012

NOTE 5 – CAPITAL ASSET ACTIVITY

During the year ended September 30, 2012, the following changes in capital assets occurred:

	Balance October 1, 2011	Increases	Decreases	Balance September 30, 2012
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land and Improvements	\$ 1,493,043	\$ 300,000	\$ -	\$ 1,793,043
Construction in Progress	20,347	-	20,347	-
Total Capital Assets, Not Being Depreciated	1,513,390	300,000	20,347	1,793,043
Capital Assets, Being Depreciated:				
Buildings and Improvements	7,745,413	241,854	-	7,987,267
Furniture and Equipment	2,825,628	135,647	-	2,961,275
Infrastructure	180,394	554,778	-	735,172
Total Capital Assets, Being Depreciated	10,751,435	932,279	-	11,683,714
Less Accumulated Depreciation for:				
Buildings and Improvements	2,176,715	190,528	-	2,367,243
Furniture and Equipment	1,962,294	207,073	-	2,169,367
Infrastructure	22,724	15,954	-	38,678
Total Accumulated Depreciation	4,161,733	413,555	-	4,575,288
Total Capital Assets Being Depreciated, Net	6,589,702	518,724	-	7,108,426
Governmental Activities Capital Assets, Net	<u>\$ 8,103,092</u>	<u>\$ 818,724</u>	<u>\$ 20,347</u>	<u>\$ 8,901,469</u>

	Balance October 1, 2011	Increases	Decreases	Balance September 30, 2012
<u>Business-type Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,328,002	\$ -	\$ -	\$ 1,328,002
Construction in Progress	1,194,783	64,896	433,182	826,497
Total Capital Assets, Not Being Depreciated	2,522,785	64,896	433,182	2,154,499
Capital Assets, Being Depreciated:				
Buildings and Improvements	31,759,549	763,702	-	32,523,251
Machinery and Equipment	2,535,488	85,292	-	2,620,780
Plant Assets and Equipment	868,628	-	-	868,628
Total Capital Assets, Being Depreciated	35,163,665	848,994	-	36,012,659
Less Accumulated Depreciation for:				
Building and Improvements	12,056,365	1,143,918	-	13,200,283
Machinery and Equipment	2,159,283	149,465	-	2,308,748
Plant Assets and Equipment	482,518	49,517	-	532,035
Total Accumulated Depreciation	14,698,166	1,342,900	-	16,041,066
Total Capital Assets Being Depreciated, Net	20,465,499	(493,906)	-	19,971,593
Business-type Activities Capital Assets, Net	<u>\$ 22,988,284</u>	<u>\$ (429,010)</u>	<u>\$ 433,182</u>	<u>\$ 22,126,092</u>

City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012

NOTE 5 – CAPITAL ASSET ACTIVITY

Depreciation expense was charged to functions as follows:

Governmental Activities:		
General Government	\$	97,072
Public Safety		96,620
Transportation		49,567
Economic Environment		3,531
Culture and Recreation		166,765
Total Depreciation Expense – Governmental Activities		<u>\$ 413,555</u>
Business-type Activities:		
Utility	\$	1,335,758
Industrial Park		7,142
Total Depreciation Expense – Business-type Activities		<u>\$1,342,900</u>

NOTE 6 – LONG-TERM OBLIGATIONS

Governmental Activities

	<u>Balance</u> <u>October 1,</u> <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2012</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Capital Improvement Revenue					
Bonds	\$ 1,879,045	\$ -	\$ 31,061	\$ 1,847,984	\$ 32,557
Compensated Absences	239,000	172,000	136,000	275,000	118,000
Net OPEB Obligation	51,542	26,764	-	78,306	-
Total	<u>\$ 2,169,587</u>	<u>\$ 198,764</u>	<u>\$ 167,061</u>	<u>\$ 2,201,290</u>	<u>\$ 150,557</u>

Business-type Activities

	<u>Balance</u> <u>October 1,</u> <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2012</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Revenue Bonds	\$ 667,638	\$ -	\$ 70,821	\$ 596,817	\$ 74,108
FDEP Revolving Fund Loans	7,484,758	-	674,822	6,809,936	691,245
Capital Lease Obligations	-	72,160	24,482	47,678	23,628
Compensated Absences	82,000	63,000	66,000	79,000	38,000
Total	<u>\$ 8,234,396</u>	<u>\$ 135,160</u>	<u>\$ 836,125</u>	<u>\$ 7,533,431</u>	<u>\$ 826,981</u>

City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012

NOTE 6 – LONG-TERM OBLIGATIONS

Governmental Activities

Series 2000 Capital Improvement Revenue Bond, payable in annual installments of \$86,878 through September 1, 2040. The interest rate is 4.75% and payments are payable from telecommunications and sales tax revenues.	\$ 1,330,240
Series 2000A Capital Improvement Revenue Bond, payable in annual installments of \$34,752 through September 1, 2040. The interest rate is 5.00% and payments are payable from telecommunications and sales tax revenues.	<u>517,744</u>
Total Capital Improvement Revenue Bonds	<u>\$ 1,847,984</u>

Business-type Activities

Revenue Bonds

Series 2009 Water and Sewer Revenue Bond, payable in annual installments of \$101,800, including interest of 4.64%. The loan matures in March 2019 and is secured by revenues of the water and sewer systems.	<u>\$ 596,817</u>
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FDEP Revolving Fund Loans

#CS12076905 due in semi-annual installments of \$94,598, including interest of 2.59%. The loan is secured by revenues derived from the operation of the water and sewer systems, after payment of operation and maintenance expense. This loan matures in April of 2015.	542,723
#CS120769060 due in semi-annual installments of \$135,031, including interest of approximately 2.7%. The loan is secured by revenues derived from the operation of the water and sewer systems, after payment of all yearly payment obligations on account of the revolving fund loan #CS12076905. This loan matures in August of 2017.	1,255,541
#WW769070 due in semi-annual installments of \$189,957, including interest of approximately 2.08%. The loan is secured by revenues derived from the operation of the water and sewer systems, after payment of all yearly payment obligations on account of the revolving fund loan #CS12076905 and #CS120769060. This loan matures in February of 2028.	<u>5,011,672</u>
Total FDEP Revolving Fund Loans	<u>\$ 6,809,936</u>

**City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012**

NOTE 6 – LONG-TERM OBLIGATIONS

Aggregate maturities are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 32,557	\$ 89,074	\$ 765,353	\$ 175,620
2014	34,126	87,505	785,624	155,349
2015	35,770	85,860	806,471	134,503
2016	37,492	84,137	637,489	114,289
2017	39,300	82,331	654,576	97,203
2018-2022	226,798	381,356	1,792,425	310,748
2023-2027	286,971	321,180	1,776,811	122,764
2028-2032	363,128	245,027	188,004	1,955
2033-2037	459,502	148,651	-	-
2038-2040	332,340	32,550	-	-
Totals	\$ 1,847,984	\$ 1,557,671	\$ 7,406,753	\$ 1,112,431

Capital Lease Obligations

At September 30, 2012, the City had an outstanding capital lease for equipment at 1.79%.

Future lease payments, together with the present value of the minimum lease payments are summarized in the following tabulation:

Year Ending September 30,	Business-type Activities
2013	\$ 24,481
2014	24,481
Less: Amount Representing Interest	(1,284)
Present Value of Net Minimum Lease Payments	\$ 47,678

City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012

NOTE 7 – PENSION PLAN

Plan Description. The City contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

Funding Policy. The City is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2012 were as follows: Regular Employees 5.18%; Special Risk Employees 14.90%; Senior Management 6.30%; Elected Officials 10.23%. Employees are required to contribute 3.00%. The contribution requirements of plan members and the City are established and may be amended by the Florida Legislature. The City's contributions to the System for the years ended September 30, 2012, 2011 and 2010 were \$247,975, \$414,135, and \$449,628, respectively, equal to the required contributions for each year.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City provides other postemployment benefits (OPEB) by providing retirement healthcare benefits through a single-employer defined benefit plan. Substantially all of the City's employees may become eligible for those benefits if they reach retirement age while working for the City.

Since it participates in the Florida Retirement System, the City is required to charge retirees and active employees the same blended-rate premium, instead of age-adjusted premiums, for health care benefits. This *implicit rate subsidy* creates an OPEB liability, even though the City makes no payments directly on behalf of retirees.

The OPEB Plan does not issue a stand-alone financial report.

At September 30, 2012, participants consisted of:

Active Employees	88
Retirees Participants	-
Covered Spouses	<u>-</u>
Total	<u><u>88</u></u>

City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS

Annual OPEB Cost and Net OPEB Obligation

The City had an actuarial valuation performed for the OPEB Plan as of October 1, 2009 to determine the annual required contribution (ARC) for the fiscal year ended September 30, 2010. That same ARC is applicable to 2011 and 2012. It is assumed that the payment of the net OPEB obligation will be covered entirely by the General Fund. The transition liability was set to zero as of September 30, 2009.

The annual cost (expense) of the OPEB Plan is calculated based on the Annual Required Contribution (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. The following table shows the components of the City’s OPEB cost for the year, the estimated amount contributed by the employer, and the change in the net OPEB obligation.

Annual required contribution	\$32,415
Interest on net OPEB obligation	2,319
Adjustments to ARC	(1,504)
Annual OPEB cost (expense)	<u>33,230</u>
Contributions made	<u>(6,466)</u>
Increase in net OPEB obligation	26,764
Net OPEB obligation - beginning of year	<u>51,542</u>
Net OPEB obligation - end of year	<u><u>\$78,306</u></u>

Trend Information

<u>Fiscal</u> <u>Year Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Employer</u> <u>Contributions</u>	<u>Percentage</u> <u>of Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
September 30, 2010	\$ 32,415	\$ 6,466	19.9%	\$ 25,949
September 30, 2011	\$ 32,059	\$ 6,466	20.2%	\$ 51,542
September 30, 2012	\$ 33,230	\$ 6,466	19.5%	\$ 78,306

**City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012**

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS

Funded Status

The funded status of the OPEB Plan as of the October 1, 2009 valuation date was as follows:

<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
\$ -	\$ 178,191	\$ 178,191	0.0%	\$ 3,390,574	5.3%

Funding Policy

Funding for the OPEB Plan is on a pay-as-you-go basis from the City's general resources. There is no separate trust through which benefits for retirees are funded. No resources are currently accumulated or earmarked for this purpose.

Actuarial Methods and Assumptions

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS

The following actuarial methods and assumptions were used:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of Payroll-Closed
Amortization Period	30 Years
Remaining Amortization Period	29 Years
Asset Valuation Method	Unfunded
Actuarial Assumptions:	
Funding Interest Rate	4.5%
Payroll Growth/ Inflation	0%
Healthcare Inflation	8% Initial; grading down to 5% in 2012

NOTE 9 – RISK MANAGEMENT

Public Entity Risk Pool

To manage its risks of loss related to worker's compensation, the City participates in the Preferred Governmental Insurance Trust (the "Trust"), a public entity risk pool currently operating as a common risk management and insurance program for several member governments. The Trust is designed to be self-sustaining through member premiums and reinsurance through commercial companies. There were no significant reductions in insurance coverages from the prior year and settlements have not exceeded coverage in any of the past three years.

Commercial Insurance

The City is exposed to various risks of loss related to general liability, personal injury, property, and errors and omissions for which the City carries commercial insurance. There were no significant reductions in insurance coverages from prior years and settlements have not exceeded insurance coverages in any of the past three years.

NOTE 10 – PLEGGED REVENUES

The City has pledged future water, sewer and garbage customer revenues, net of specified operating expenses, to repay approximately \$6.8 million in state revolving fund loans and \$596,000 of revenue bonds. The debt was used to construct the City's water and sewer systems and is payable through 2028. Additionally, the City has pledged future telecommunications and sales tax revenues to repay approximately \$1.85 million of capital improvement revenue bonds. The debt was used primarily to construct the City Hall building. The total principal and interest remaining to be paid on all loans secured by pledged revenues is approximately \$12.0 million. For 2012, the City paid approximately \$1.0 million of principal and interest on debt secured by pledged revenues. Pledged net revenues for the water and sewer system for 2012 were \$2.2 million. Pledged revenues from telecommunications and sales taxes were \$594,000.

City of Wildwood, Florida
Notes to Financial Statements
September 30, 2012

NOTE 11 – COMMUNITY REDEVELOPMENT AGENCY ACTIVITY

The activity for the Community Redevelopment Agencies for the year ended September 30, 2012 is as follows:

	<u>Original CRA</u>	<u>Expanded CRA</u>
Balance, October 1, 2011	\$537,661	\$ 71,354
Revenues	183,369	29
Expenditures	<u>(637,693)</u>	<u>(102)</u>
Balance, September 30, 2012	<u>\$ 83,337</u>	<u>\$ 71,281</u>

NOTE 12 – REFUSE COLLECTION OPERATIONS

During 2011, the City executed an agreement with Waste Management Inc. of Florida for refuse collections. Waste Management collects all refuse in the City. The City is responsible for invoicing and collections for refuse services and the City retains a 10% franchise fee. The term of the agreement is seven years and expires on September 30, 2017.

NOTE 13 – DEFICIT FUND BALANCE

The Law Enforcement Trust Fund, a nonmajor governmental fund, had a deficit fund balance of \$2,837 at September 30, 2012.

NOTE 14 – FUTURE ACCOUNTING PRONOUNCEMENTS

The following statements of the Governmental Accounting Standards Board will be effective for the City's 2013 fiscal year:

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*

Statement No. 61, *The Financial Reporting Entity: Omnibus*

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

The City is currently evaluating the effects that these statements will have on its financial statements for the year ended September 30, 2013.

REQUIRED SUPPLEMENTARY INFORMATION

City of Wildwood, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	\$ 3,838,669	\$ 3,838,669	\$ 3,919,091	\$ 80,422
Permits and Fees	-	-	649	649
Intergovernmental	1,271,152	1,271,152	1,100,110	(171,042)
Charges for Services	275,000	275,000	131,482	(143,518)
Fines and Forfeitures	46,250	46,250	83,521	37,271
Miscellaneous	342,883	342,883	427,024	84,141
TOTAL REVENUES	<u>5,773,954</u>	<u>5,773,954</u>	<u>5,661,877</u>	<u>(112,077)</u>
<u>EXPENDITURES</u>				
Current:				
General Government	1,511,681	1,511,681	1,415,831	95,850
Public Safety	1,862,589	1,862,589	1,938,012	(75,423)
Transportation	1,060,392	1,060,392	1,019,424	40,968
Economic Environment	986,601	986,601	626,767	359,834
Culture and Recreation	452,423	452,423	418,479	33,944
Reserve for Contingency	401,926	401,926	-	401,926
Debt Service	121,630	121,630	121,630	-
TOTAL EXPENDITURES	<u>6,397,242</u>	<u>6,397,242</u>	<u>5,540,143</u>	<u>857,099</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(623,288)	(623,288)	121,734	745,022
<u>OTHER FINANCING SOURCES</u>				
Transfers In	360,000	360,000	197,500	(162,500)
NET CHANGE IN FUND BALANCES	(263,288)	(263,288)	319,234	582,522
FUND BALANCES – BEGINNING OF YEAR	<u>263,288</u>	<u>263,288</u>	<u>1,893,165</u>	<u>1,629,877</u>
FUND BALANCES – END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,212,399</u>	<u>\$ 2,212,399</u>

(See accompanying notes to this schedule)

City of Wildwood, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2012

The budget was prepared on a basis that did not differ materially from generally accepted accounting principles.

The City's procedures in establishing the budgetary data reflected in the financial statements are generally as follows:

- In July, the Sumter County Property Appraiser notifies the City as to its tentative property tax assessed valuation, from which the City can estimate the property tax resources available and the limitations thereon.
- During August, budget workshops are held to determine proposed expenditures and the means of financing them. The Commission then adopts the proposed property tax millage rate and sets the date, time and place of the first public hearing.
- A public hearing on the tentative budget is held. Within fifteen (15) days of the first public hearing, the City advertises its intention to finalize its budget and millage rate, and a date, time, and place for a public hearing. The second public hearing is convened several days after the final advertisement, at which time the final budget and millage are adopted.
- Appropriations lapse at year-end.
- The fund is the legal level of control.

City of Wildwood, Florida
Other Postemployment Benefits Plan
September 30, 2012

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
10/1/2009	\$ -	\$ 178,191	\$ 178,191	0.0%	\$ 3,390,574	5.3%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>
9/30/2010	\$ 32,415	\$ 6,466	19.9%
9/30/2011	\$ 32,415	\$ 6,466	19.9%
9/30/2012	\$ 32,415	\$ 6,466	19.9%

Notes:

- 1) The City has implemented GASB Statement No. 45 effective October 1, 2009. Trend information for two more valuations will be provided prospectively.
- 2) See Note 8 to the financial statements for detailed information on the City's OPEB Plan.

SUPPLEMENTARY INFORMATION

**City of Wildwood, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2012**

	Greenwood Cemetery Fund	Law Enforcement Trust Fund	Total Nonmajor Govern- mental Funds
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Cash and Equivalents	\$ 35,153	\$ 9,569	\$ 44,722
	<u> </u>	<u> </u>	<u> </u>
<u>LIABILITIES</u>			
Due to Other Funds	\$ -	\$ 12,406	\$ 12,406
	<u> </u>	<u> </u>	<u> </u>
<u>FUND BALANCES</u>			
Restricted	35,153	-	35,153
Unassigned	-	(2,837)	(2,837)
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	35,153	(2,837)	32,316
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 35,153	\$ 9,569	\$ 44,722
	<u> </u>	<u> </u>	<u> </u>

City of Wildwood, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2012

	Greenwood Cemetery Fund	Law Enforcement Trust Fund	Total Nonmajor Govern- mental Funds
<u>REVENUES</u>			
Miscellaneous	\$ 5,599	\$ 2,307	\$ 7,906
<u>EXPENDITURES</u>			
Public Safety	-	18,020	18,020
Physical Environment	8,135	-	8,135
TOTAL EXPENDITURES	8,135	18,020	26,155
EXCESS OF REVENUES UNDER EXPENDITURES	(2,536)	(15,713)	(18,249)
FUND BALANCES, Beginning of Year	37,689	12,876	50,565
FUND BALANCES, End of Year	\$ 35,153	\$ (2,837)	\$ 32,316

**City of Wildwood, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2012**

	Contract Number	CFDA Number	Expenditures
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Passed through the State of Florida Department of Economic Opportunity			
Small Cities Community Development Block Grant	11DB-C5-05-70-02-N 12	14.228	\$ 554,778

NOTE 1 – BASIS OF PRESENTATION

In the schedule of expenditures of federal awards, expenditures represent allowable costs, determined in accordance with generally accepted accounting principles, using the modified accrual basis of accounting.

NOTE 2 – SUBRECIPIENTS

The City did not provide federal awards to subrecipients.

ADDITIONAL REQUIRED ELEMENTS

Management Letter

The Honorable Mayor and
City Commissioners
City of Wildwood, Florida

We have audited the financial statements of the City of Wildwood, Florida (the "City") as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated April 12, 2013. That report should be considered in conjunction with this management letter.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit report. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the Schedule of Findings and Questioned Costs that accompanies this letter.

Financial Condition

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, "Determination of Financial Emergency". In connection with our audit, we determined that the City has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(7). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the 2011-2012 annual financial report was filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, and is in substantial agreement with the audit report for the fiscal year ended September 30, 2012.

Investment of Public Funds

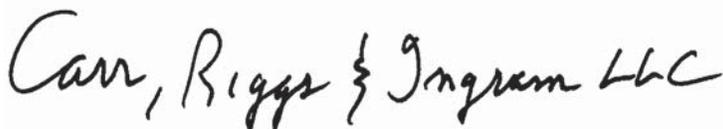
As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

This management letter is intended solely for the information and use of the Mayor and City Commissioners, management, and oversight audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

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

April 12, 2013
Gainesville, Florida

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

The Honorable Mayor and
City Commissioners
City of Wildwood, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wildwood, Florida (the "City ") as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 12, 2013. 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.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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

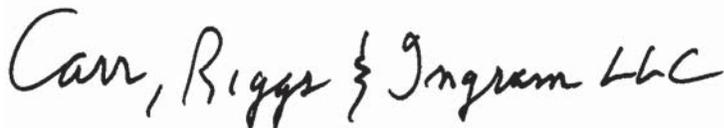
material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 12-1 to be a material weakness.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's response to the finding identified in our audit is described in its accompanying letter of response. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Mayor and City Commission, management, and oversight audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

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

April 12, 2013
Gainesville, Florida

**Report on Compliance With Requirements that Could Have a
Direct and Material Effect on Each Major Federal Program and on
Internal Control Over Compliance**

The Honorable Mayor and
City Commissioners
City of Wildwood, Florida

Compliance

We have audited the compliance of the City of Wildwood (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended September 30, 2012. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2012.

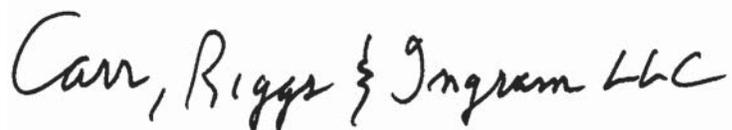
Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Mayor and City Commission, management, and oversight audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

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

April 12, 2013
Gainesville, Florida

City of Wildwood, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2012

SECTION I – SUMMARY OF AUDITOR’S RESULTS

- (i) The independent auditor’s report on the financial statements expressed an unqualified opinion.
- (ii) The audit disclosed a significant deficiency in internal control over financial reporting. The deficiency is considered a material weakness.
- (iii) The audit did not disclose noncompliance considered material to the financial statements.
- (iv) The audit did not report significant deficiencies in internal control over the major federal program.
- (v) The auditor’s report on compliance with requirements applicable to the major federal award program expressed an unqualified opinion.
- (vi) The audit did not disclose findings required to be reported under OMB Circular A-133, Section 510(a).
- (vii) The City’s major program was:

CFDA Number

Small Cities Community Development
Block Grant

14.228

- (viii) A threshold of \$300,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
- (ix) The City did not qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

City of Wildwood, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2012

SECTION II – FINANCIAL STATEMENT FINDINGS

12-1 (Reported in previous audit reports as 11-1 and 10-1.)

Condition – *Statement on Auditing Standards No. 115, Communicating Internal Control Related Matters Identified in an Audit*, requires auditors to prepare a written communication if they identified misstatements during the audit process or if it was necessary to assist with the preparation of the financial statements. As part of the audit process, we proposed material adjustments to the City’s financial statements. It was also necessary for us to assist with the preparation of your financial statements. Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting principles.

Recommendation – We recommend that you consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

**City of Wildwood, Florida
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2012**

A federal single audit was not required for the fiscal year ended September 30, 2011.

City of
Wildwood,
Florida



City Hall

wildwood-fl.gov
Area Code: 352
Zip Code: 34785

CITY HALL
100 N. Main Street
330-1330 Phone
330-1338 Fax

CITY MANAGER
Extension 109

CITY CLERK/FINANCE
Extension 100

HUMAN RESOURCES
Extension 103
330-1339 Fax

CUSTOMER SERVICE
(Utility Accounts/TDD)
Extension 130

BUILDING SERVICES
Code/Inspections/Permits
Extension 119
330-1334 Fax

DEVELOPMENT SERVICES
Planning/Zoning/Concurrency
Extension 118
330-1334 Fax

**PARKS & RECREATION
COMMUNITY CENTER**
Reservations:
Extension 114

POLICE
100 E. Huey Street
330-1355
330-1358 Fax

WOODWASTE
601 W. Gulf-Atlantic Hwy.
330-1345

REFUSE / STREETS
410 Grey Street
330-1343
330-1353 Fax

WASTEWATER
1290 Industrial Drive
330-1349
330-1350 Fax

WATER
801 E. Huey Street
330-1346
330-1347 Fax

April 12, 2013

Auditor General
Local Government Section Room 401
Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

RE: Audit Response- 2012

Dear Auditor General:

We have evaluated the costs and benefits of establishing enhanced internal controls over the preparation of financial statements in accordance with generally accepted accounting principles. Based on our evaluation, we determined that it is in the best interests of the City to continue to outsource this task to our independent auditors.

We find it is to our best interest to have the auditors make adjustments for us to assure a smooth transition from one year to another.

It is our hope that our Governing body realizes that in spite of the finding we again have an excellent audit and that our staff should feel very proud of the accomplishment. The Audit reflects that teamwork and organization leads to success.

We strive to continue to do the very best job we can.

Sincerely,

Signed: 
City Manager

Date: April 12, 2013

Signed: 
City Clerk/Finance Director

Date: April 12, 2013