

CITY OF WINTER SPRINGS FLORIDA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012

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City of Winter Springs, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ended September 30, 2012



Prepared by:
Finance and Administrative Services Department

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INTRODUCTORY SECTION

This section contains the following subsections:

- Table of Contents
- Letter of Transmittal
- GFOA Certificate of Achievement
- List of Principal Officials
- Organizational Chart

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CITY OF WINTER SPRINGS, FLORIDA

1126 EAST STATE ROAD 434
WINTER SPRINGS, FLORIDA 32708-2799
Telephone (407) 327-1800

March 18, 2013

To the Honorable Mayor, City Commission and Citizens of the City of Winter Springs, Florida:

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and that they be audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, it is with great pleasure that we present to you the City of Winter Springs, Florida Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2012.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Winter Springs has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Winter Springs' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefit, the City of Winter Springs' comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, to the best of our knowledge and belief, we assert that this financial report is complete and reliable in all material respects.

The City of Winter Springs' financial statements have been audited by McDirmit, Davis & Company, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Winter Springs for the fiscal year ended September 30, 2012 are free of material misstatement. The independent audit involved examination of evidence, on a test basis, supporting the amounts and disclosures in the financial statements; assessment of the accounting principles used and significant estimates made by management; and an evaluation of the overall financial statement presentation. Based upon the audit, the independent auditor concluded that reasonable basis existed to render an unqualified opinion that the City of Winter Springs' financial statements for the fiscal year ended September 30, 2012 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Winter Springs, incorporated in 1959, is located in Seminole County, which is a part of the greater Orlando metropolitan area in East Central Florida. This area is one of the fastest growing areas in the country. The City currently has a land area of 14.81 square miles and a population of approximately 33,599.

The City operates according to a Council/Manager form of government, with an appointed City Manager, five elected City Commissioners and a separately elected Mayor. The Mayor and Commission are elected for four-year terms. The governing body is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City's Manager, Clerk and Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing body, for overseeing the day-to-day operations of the government, and for hiring the directors of the various departments.

The City of Winter Springs provides a full range of services, including police protection; the construction and maintenance of highways, streets and other infrastructure; and recreational activities and cultural events. The City maintains both a Water and Sewer Utility, a Stormwater Utility, and a Development Services Fund, which function, in essence, as departments of the City of Winter Springs and therefore have been included as an integral part of the City of Winter Springs' financial statements.

The annual budget serves as the foundation for the City of Winter Springs' financial planning and control. All departments of the City of Winter Springs are required to submit requests for appropriation to the City Manager. The City Manager then uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Commission for review on or before July 1. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund (e.g., General Fund), department (e.g., Police Department) and division (e.g., Criminal Investigation). The City Manager may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the City Commission. Original and final amended budget-to-actual comparisons are provided in this report for each individual governmental fund. For the General Fund, the Road Improvements Fund and the Solid Waste/Recycling Fund, these comparisons are presented on pages 26-29 as part of the basic financial statements for the governmental funds. For other governmental funds these comparisons are presented in the governmental fund subsection of this report which starts on page 81.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Winter Springs operates.

Local economy. The City of Winter Springs is primarily a residential area with a small amount of retail, office and light industrial developments. Approximately 87% of the City's tax base is comprised of residential properties. Per the DR 422 (Certificate of Final Taxable Value) and relative to the 2011-2012 fiscal year (tax year 2011), the gross taxable value reflects a decrease of 5.6% from the prior year but an increase of 32% since fiscal year 2003. During fiscal year 2012-2013 (tax year 2012), despite declining property values, the City was able to reduce operating to and maintain voted debt millage rates at 2.43 and 0.1100 mills, respectively.

The City's population has increased 4.7% from that of ten years ago. Local indicators are reflecting an increase in the real estate market, recovering construction market and stabilizing consumer spending levels. The economic recovery has not yet impacted the City's revenues due primarily to the lag between increased real estate sales/prices and increased tax valuations. At the local level, revenues such as review and permit fees, investment income and state sale revenues have begun to rebound slowly. The City has mitigated the effect of losses in revenues with reduced expenditures, constrained hiring and/or project delays and the use of reserves for capital.

Winter Springs can boast about the great neighborhood schools. Winter Springs High School is a 5 Star School and ranked in the top 4% nationally by Newsweek. For the 11/12 school year, 4 of 5 the elementary and middle schools were awarded an A on State FCAT score results. Winter Springs is also home to Choices in Learning Charter School and Bridges Academy offering choices in education. Nearby Seminole State College and University of Central Florida offer our community an affordable and excellent

higher education choice. Winter Springs continues its partnership with the UCF Incubator to look at ways to make a positive investment into our business community. We have also partnered with Seminole County in the Community Redevelopment Agency to build out neighborhood improvements at Shepard Road, part of the 17-92 corridor redevelopment. This project is funded through a waiver of ad valorem taxes by way of repayment of ad valorem paid to the county.

Long-term financial planning. The City Commission updated and adopted a 5-year Capital Improvements Plan (CIP) on December 10, 2012 for fiscal years 2013 through 2018. The CIP is currently being evaluated and updated through Fiscal Year 2019. The CIP is a multi-year prioritized schedule of improvements that lists each capital improvement by the year it is intended to be purchased or commenced; the amount to be spent per year; and the method of financing such improvement. Each year during the annual budget process the CIP is reviewed to ensure incorporation of all necessary capital improvements. It should be noted; however, that the CIP is not a static document but a flexible and dynamic one that may change to reflect changing priorities, opportunities, costs, or financing approach.

Relevant Financial Policies. In fiscal year 2012, the city implemented Government Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. This resulted in the closing and consolidation of a number of funds classified as special revenue funds. The Public & Communications Service Tax fund, formerly reported as a major fund of the city has been closed and all fund balance and activities for FY11 have been recorded in the General Fund. Other funds that have been closed include Medical Transport Services, HOA Projects – Streetlighting and Signage Fund, Veterans' Memorial Fund, HOA Projects (Non-escrow), and the Fire Assessment Fund which have all been closed to the General Fund. The Emergency and Disaster Relief Fund and Storm Reserve Fund are now components of the Solid Waste Fund, a major governmental fund.

Implementation of Zero-Based Budgeting represented a major change in the fiscal year 2010 model and continued into fiscal year 2011 as compared to incremental budgeting used in prior fiscal years. There are three fiscal policies that are utilized when preparing and adopting the City's annual budget. The first policy is to maintain an Unassigned General Fund balance not less than 25% of the total operating expenses of the General Fund, excluding capital outlay and debt. By a super-majority vote of the Commission, supplemental appropriation from Unassigned General Fund balance may be authorized by the Commission for a General Fund purpose which may potentially reduce the *Unassigned General Fund balance which would be restored to, at least, the minimum in the following year's budget*. This fund balance philosophy carries over to the Water and Sewer Utility, Stormwater Utility and Development Services. Some funds such as special revenues, debt service and capital projects exist for very specific purposes; as such, the fund balance is restricted or committed by nature of the fund and the Commission. The potential for unforeseen expenditures is very low. In such case, the budget serves as the sole constraint. The second fiscal policy is that sufficient recurring revenues exist to pay for all recurring costs, thus avoiding the use of non-recurring revenues and fund balance to fund recurring costs. The final fiscal policy is that sufficient recurring and non-recurring revenues are available to fund non-recurring costs.

Major Initiatives. During fiscal year 2013, as approved during the budget process, the City anticipates the continued efforts for improving our City services and amenities by means of the following projects:

- The City of Winter Springs launched an initiative to create a comprehensive economic development work plan. The plan which included the hiring of a Director of Economic Development, will focus on growing and diversifying commercial revenue streams and attracting and expanding new primary sector employers.
- Software upgrade or implementation of a new ERP system to allow enhanced customer service capabilities such as e-billing.
- Completion of the Lake Jessup water augmentation project creating greater capacity to provide reclaimed water to our residents.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Winter Springs for its CAFR for the fiscal year ended

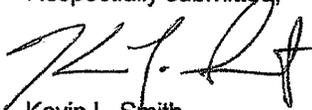
September 30, 2011. This was the twelfth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently-organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement program requirements and will be submitting it to the GFOA to determine its eligibility for another fiscal year.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members the department who assisted and contributed to its preparation. Other City departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Appreciation must also be expressed to the City's auditors whose suggestions and attention to detail enhanced the quality of this report.

In closing, we would also like to express appreciation to the Mayor and the City Commission for their support and for maintaining high standards of professionalism in management of the City of Winter Springs' finances.

Respectfully submitted,



Kevin L. Smith
City Manager



Shawn D. Boyle
Finance and Administrative Services Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Winter Springs
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

CITY OF WINTER SPRINGS, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2012

ELECTED OFFICIALS

MAYOR	Charles A. Lacey
DEPUTY MAYOR / COMMISSIONER	Joanne M. Krebs
COMMISSIONER	Rick Brown
COMMISSIONER	Avery Smith
COMMISSIONER	Cade Resnick
COMMISSIONER	Jean Hovey

CITY MANAGER

Kevin L. Smith

CITY CLERK

Andrea Lorenzo-Luaces

LEGAL COUNSEL

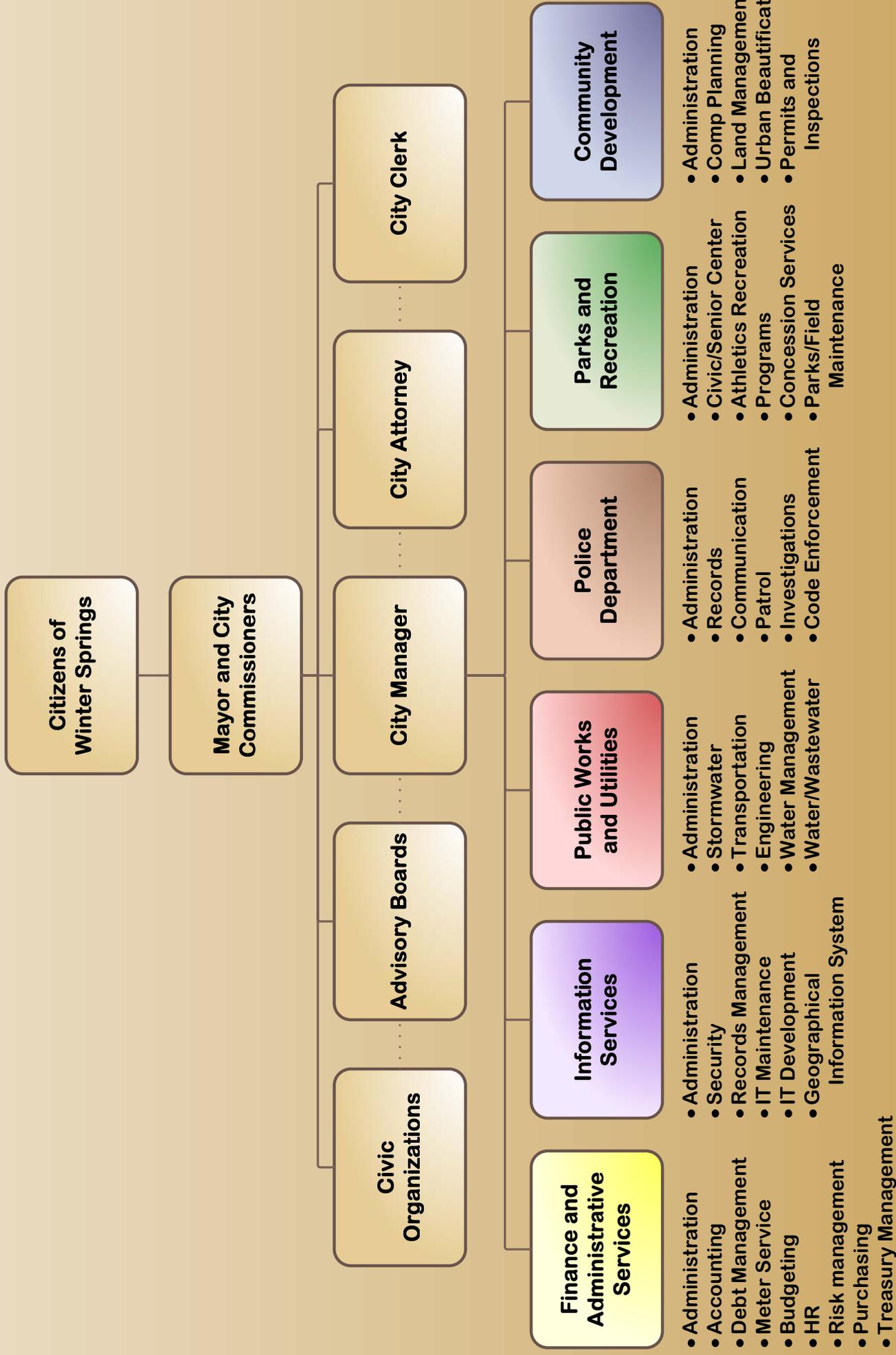
Anthony Garganese

Brown, Garganese, Weiss
& D'Agresta, P.A.

**DEPARTMENT
DIRECTORS**

COMMUNITY DEVELOPMENT	Randy Stevenson
FINANCE/ADMIN SERVICES	Shawn Boyle
INFORMATION SERVICES	Joanne Dalka
PARKS AND RECREATION	Chris Caldwell
POLICE CHIEF	Kevin Brunelle
UTILITY/PUBLIC WORKS	Kipton Lockcuff

City of Winter Springs Organizational Chart



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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Winter Springs, 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 Winter Springs, Florida*, 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 an opinion 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 of Winter Springs, Florida*, as of September 30, 2012 and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund, road improvement special revenue fund, and the solid waste/recycling special revenue fund 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 a report dated February 18, 2013 on our consideration of the *City of Winter Springs, Florida's* internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 result 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.

MCDIRMIT DAVIS & COMPANY, LLC

605 E. ROBINSON STREET, SUITE 635 ORLANDO, FLORIDA 32801

TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and other postemployment benefits disclosures on pages 3 through 17 and 74 through 77 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 discussion 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 financial statements that collectively comprise the City of Winter Springs, Florida's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, *Rules of the Auditor General* is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the 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 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 financial statements as a whole. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

McDiernit Davis & Company, LLC

February 18, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Winter Springs we offer readers of the City of Winter Springs' financial statements this narrative overview and analysis of the financial activities of the City of Winter Springs for the fiscal year ended September 30, 2012. 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 pages iv - vii of this report.

Financial Highlights

- The assets of the City of Winter Springs exceeded its liabilities at the close of the most recent fiscal year by \$91,425,141 (net assets). Of this amount, \$ 21,348,858 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$4,275,448 or 5%.
- As of the close of the current fiscal year, the City of Winter Springs' governmental funds reported combined ending fund balances of \$20,281,279. Approximately 38% of this total amount, \$7,621,838, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,838,858, or 53% of total general fund expenditures.
- The City of Winter Springs' total debt decreased by \$816,318 (2%) during the current fiscal year.

Overview of the Financial Statements

The financial statements focus on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City's accountability.

This discussion and analysis are intended to serve as an introduction to the City of Winter Springs' basic financial statements, which 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 of Winter Springs' finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the City of Winter Springs' assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Winter Springs is improving or declining.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (Continued)

Government-wide financial statements. (Continued)

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

Both of the government-wide financial statements distinguish functions of the City of Winter Springs 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 of Winter Springs include general government, public safety, physical environment and culture and recreation. The business-type activities of the City of Winter Springs include a Water and Sewer Utility, Stormwater Utility and Development Services.

The government-wide financial statements include only the City of Winter Springs itself (known as the *primary government*). The City of Winter Springs had no component units. The Water and Sewer Utility, the Stormwater utility, and Development Services function as departments of the City of Winter Springs, and therefore, have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 18-19 of this report.

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 of Winter Springs, 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 of Winter Springs 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 fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating 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 government'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*.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (Continued)

Governmental Funds. (Continued)

The City of Winter Springs maintains 26 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, Road Improvements Special Revenue Fund, Solid Waste/Recycling Special Revenue Fund, TLBD Debt Service Fund, and Central Winds GO Debt Service Fund, all five of which are considered to be major funds. Data from the other 21 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 of Winter Springs adopts an annual appropriated budget for all governmental funds. Budgetary comparison statements have been provided for the General Fund, Road Improvements Special Revenue Fund, and Solid Waste/Recycling Special Revenue Fund to demonstrate compliance with this budget on pages 26-29. Budgetary comparison schedules have been provided for the TLBD Debt Service Fund, Central Winds GO Debt Service Fund and the nonmajor funds on pages 78-79 and 92-112.

The basic governmental fund financial statements can be found on pages 20-25 of this report.

Proprietary funds. The City of Winter Springs maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Winter Springs uses enterprise funds to account for the Water and Sewer Utility, Stormwater Utility and Development Services department.

Proprietary funds 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 Utility, Stormwater Utility, and Development Services.

The basic proprietary fund financial statements can be found on pages 30-33 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Winter Springs' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 34-35 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-73 of this report.

Required Supplementary Information (RSI). RSI can be found on pages 74-77 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Notes to Financial Statements. Combining and individual fund statements and schedules can be found on pages 80-112 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis

Statement of Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Winter Springs, assets exceeded liabilities by \$91,425,141 at the close of the most recent fiscal year.

Of the City of Winter Springs' net assets (\$61,264,654 or 67%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related outstanding debt used to acquire those assets. The City of Winter Springs uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City of Winter Springs' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net assets that are subject to external restrictions as to how they may be used total \$8,811,629 (10%). The remaining balance of *unrestricted net assets* (\$21,348,858 or 23%) may be used to meet the government's ongoing obligations to citizens and creditors.

At September 30, 2012, the City of Winter Springs is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. This was also the case at the close of the prior fiscal year.

The following table reflects the condensed *Statement of Net Assets* for the current and prior year. For more detail see the *Statement of Net Assets* on page 18.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

**City of Winter Springs
Statement of Net Assets
As of September 30**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Assets:						
Current and other assets	\$ 27,435,582	\$ 26,763,001	\$ 9,534,171	\$ 7,811,320	\$ 36,969,753	\$ 34,574,321
Restricted assets	277,887	263,469	730,823	730,315	1,008,710	993,784
Capital assets	58,670,564	59,540,832	37,861,911	35,713,643	96,532,475	95,254,475
Total assets	<u>86,384,033</u>	<u>86,567,302</u>	<u>48,126,905</u>	<u>44,255,278</u>	<u>134,510,938</u>	<u>130,822,580</u>
Liabilities:						
Current liabilities	1,070,630	1,124,981	873,012	626,440	1,943,642	1,751,421
Long term liabilities	19,266,875	19,690,122	20,924,537	21,317,357	40,191,412	41,007,479
Other liabilities	277,887	263,469	672,856	650,518	950,743	913,987
Total liabilities	<u>20,615,392</u>	<u>21,078,572</u>	<u>22,470,405</u>	<u>22,594,315</u>	<u>43,085,797</u>	<u>43,672,887</u>
Net assets:						
Invested in capital assets, net of related debt	40,328,075	43,960,523	20,936,579	17,973,093	61,264,654	61,933,616
Restricted	8,304,692	8,287,147	506,937	460,490	8,811,629	8,747,637
Unrestricted	17,135,874	13,241,060	4,212,984	3,227,380	21,348,858	16,468,440
Total net assets	<u>\$ 65,768,641</u>	<u>\$ 65,488,730</u>	<u>\$ 25,656,500</u>	<u>\$ 21,660,963</u>	<u>\$ 91,425,141</u>	<u>\$ 87,149,693</u>

Statement of Changes in Net Assets. The following table reflects the *Statement of Changes in Net Assets* for the current and prior year. For more detailed information see the *Statement of Activities* on page 19.

Note that the government's total net assets increased by \$4,275,448 or 5% in fiscal year 2012. The previous fiscal year, 2011, net assets increased by \$919,766.

Governmental activities increased net assets by \$279,911 in fiscal year 2012 compared to an increase of \$92,136 in 2011. The increase in net assets is primarily due to a reduction in governmental spending for all general government, public safety, physical environment and culture and recreation departments. Additionally, there was a decrease in interest expense as a result of two bond refundings and the reduction of outstanding long-term debt as a result of principal payments of the debt.

Business-type activities increased net assets by \$3,995,537 in fiscal year 2012 compared to an increase of \$827,630 in 2011. This is primarily a result of the Water Sewer Utility Fund due to fee increases and new services. User charges and connection fees increased by \$526,000 and \$403,000 respectively. Capital contributions increased by \$886,000, and insurance proceeds by \$100,000. The Water Sewer Utility also experienced a significant drop in expenditures; salaries and benefits are down \$270,000; materials and supplies are down \$97,000 and interest expense is down \$262,000 as a result of refinancing debt in fiscal year 2011. Additionally,

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

Statement of Changes in Net Assets. (Continued)

Development Services saw an increase in building and other permitting revenues of \$470,000 as new projects have been permitted.

Following the *Changes in Net Assets* table is a series of bar and pie charts that relay in pictorial form the revenues and expenses for each of the governmental and business-type activities as well as the revenue "source" for each.

Additional information regarding the changes in fund balance of the governmental and business-type activities can be found in the section entitled **Financial Analysis of Government's Funds** on page 12.

Note that the first graph depicts governmental program-specific revenues and expenses. For this graph the revenue does not include property taxes, utility taxes, business tax receipts, intergovernmental revenue, investment income or miscellaneous revenue. This chart is intended to show the amount of program expenses funded by *specific* program revenues.

Note that the Development Services Fund shows direct revenues approximately equal to direct expenses excluding the allocation of overhead as transfers out. Increase in water and sewer revenues are due in part to increased consumption and rates and decreases in operational expenditures and the refinancing of debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

Statement of Changes in Net Assets. (Continued)

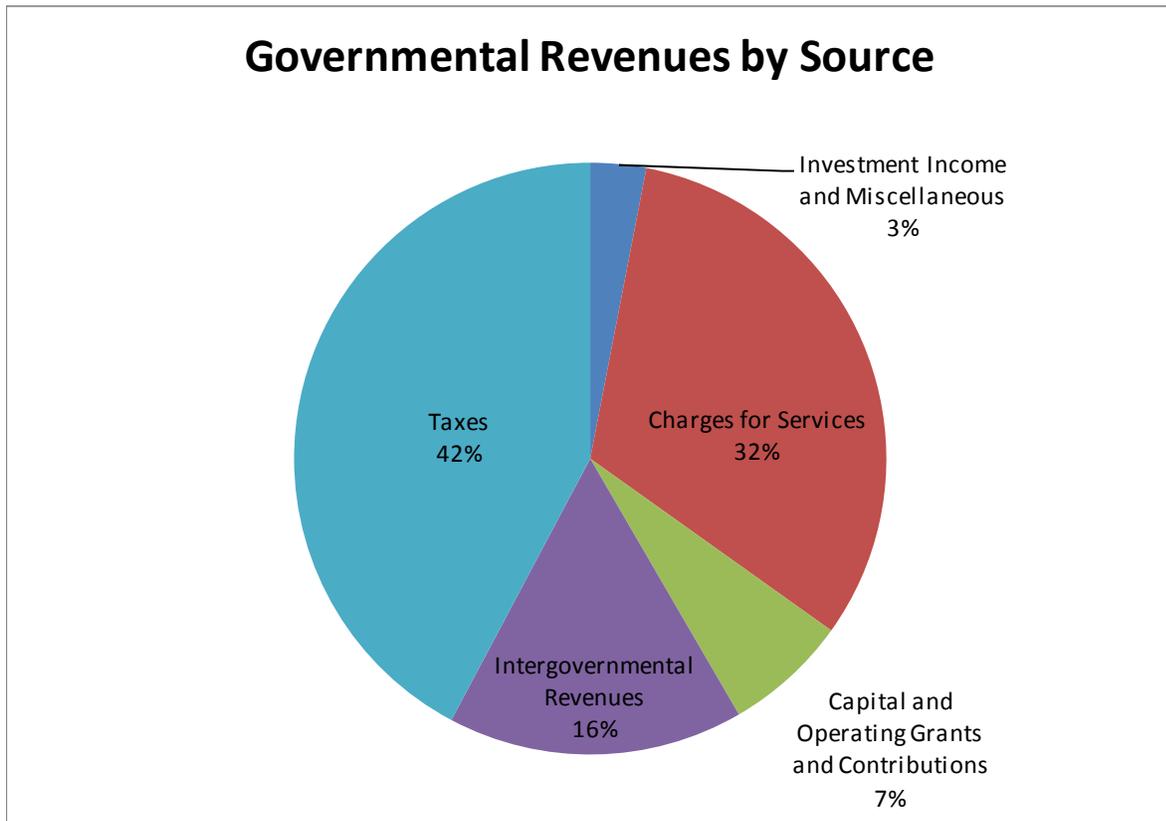
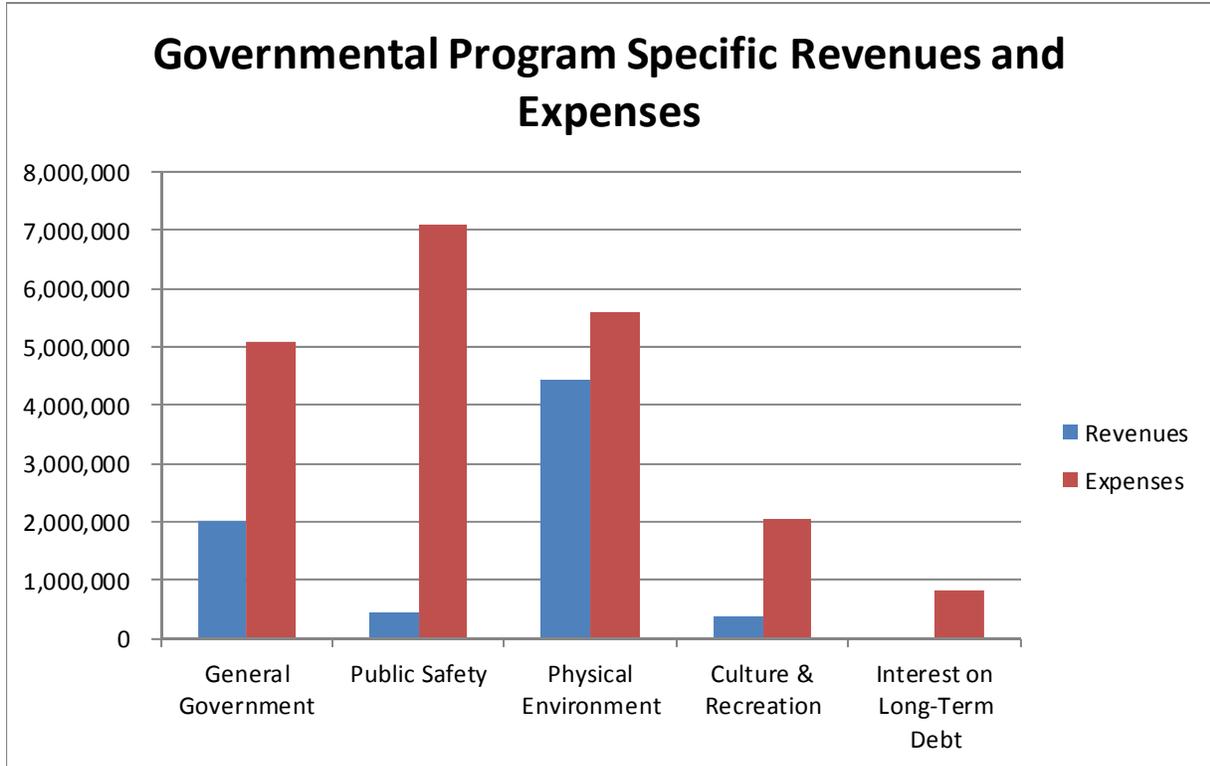
**City of Winter Springs
Changes in Net Assets
For the Year Ended September 30**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 6,004,916	\$ 5,842,612	\$ 11,580,002	\$ 10,243,230	\$ 17,584,918	\$ 16,085,842
Operating grants and contributions	220,516	89,135	-	45,960	220,516	135,095
Capital grants and contributions	1,056,152	1,984,820	2,225,889	709,267	3,282,041	2,694,087
General revenues:						
Property taxes	3,901,329	4,209,371	-	-	3,901,329	4,209,371
Utility taxes	3,963,093	4,168,867	-	-	3,963,093	4,168,867
Business tax receipts	105,506	119,077	-	-	105,506	119,077
Intergovernmental-unrestricted	3,044,338	3,015,419	-	-	3,044,338	3,015,419
Investment income and miscellaneous	573,145	531,542	66,659	188,562	639,804	720,104
Total revenues	<u>18,868,995</u>	<u>19,960,843</u>	<u>13,872,550</u>	<u>11,187,019</u>	<u>32,741,545</u>	<u>31,147,862</u>
Expenses:						
General government	5,069,446	5,380,851	-	-	5,069,446	5,380,851
Public safety	7,101,579	7,671,306	-	-	7,101,579	7,671,306
Physical environment	5,589,120	5,609,990	-	-	5,589,120	5,609,990
Culture and recreation	2,043,188	2,161,454	-	-	2,043,188	2,161,454
Interest and other fiscal charges on long-term debt	832,731	906,764	-	-	832,731	906,764
Water and sewer	-	-	6,512,188	7,185,605	6,512,188	7,185,605
Development services	-	-	341,739	333,288	341,739	333,288
Stormwater	-	-	976,106	978,838	976,106	978,838
Total expenses	<u>20,636,064</u>	<u>21,730,365</u>	<u>7,830,033</u>	<u>8,497,731</u>	<u>28,466,097</u>	<u>30,228,096</u>
Increase (decrease) in net assets before transfers	<u>(1,767,069)</u>	<u>(1,769,522)</u>	<u>6,042,517</u>	<u>2,689,288</u>	<u>4,275,448</u>	<u>919,766</u>
Transfers	<u>2,046,980</u>	<u>1,861,658</u>	<u>(2,046,980)</u>	<u>(1,861,658)</u>	<u>-</u>	<u>-</u>
Increase in net assets	<u>279,911</u>	<u>92,136</u>	<u>3,995,537</u>	<u>827,630</u>	<u>4,275,448</u>	<u>919,766</u>
Net assets- October 1	<u>65,488,730</u>	<u>65,396,594</u>	<u>21,660,963</u>	<u>20,833,333</u>	<u>87,149,693</u>	<u>86,229,927</u>
Net assets- September 30	<u>\$ 65,768,641</u>	<u>\$ 65,488,730</u>	<u>\$ 25,656,500</u>	<u>\$ 21,660,963</u>	<u>\$ 91,425,141</u>	<u>\$ 87,149,693</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

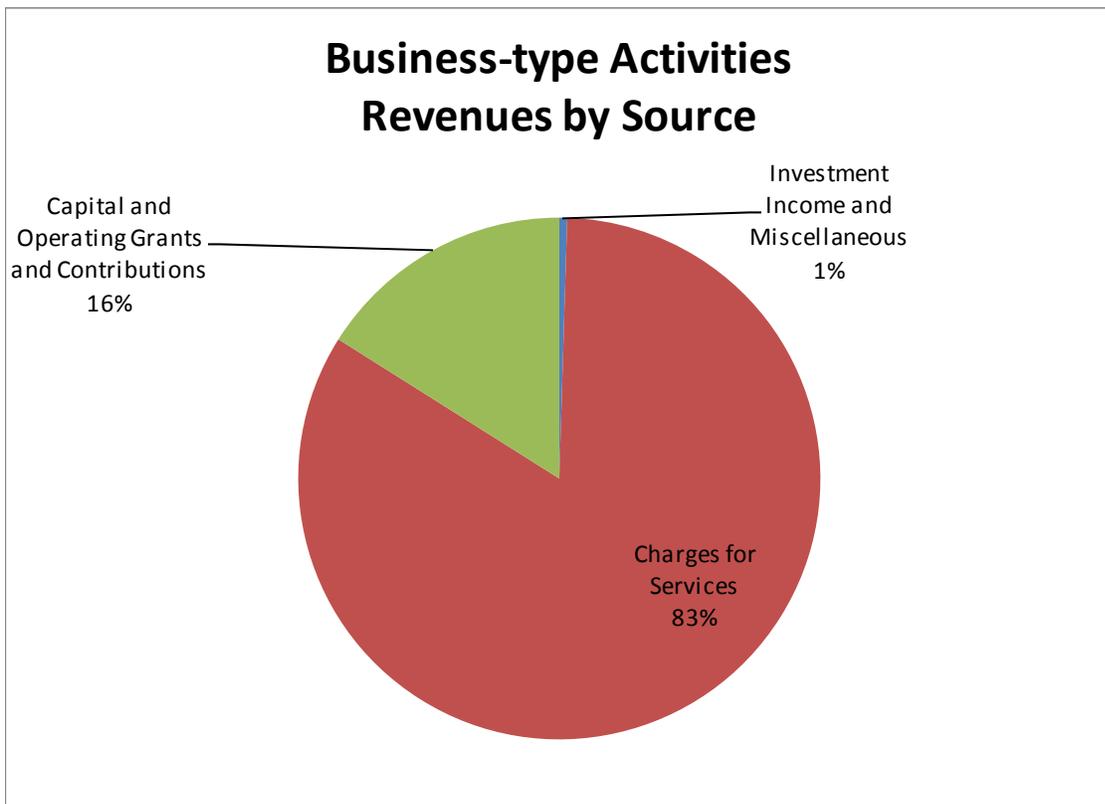
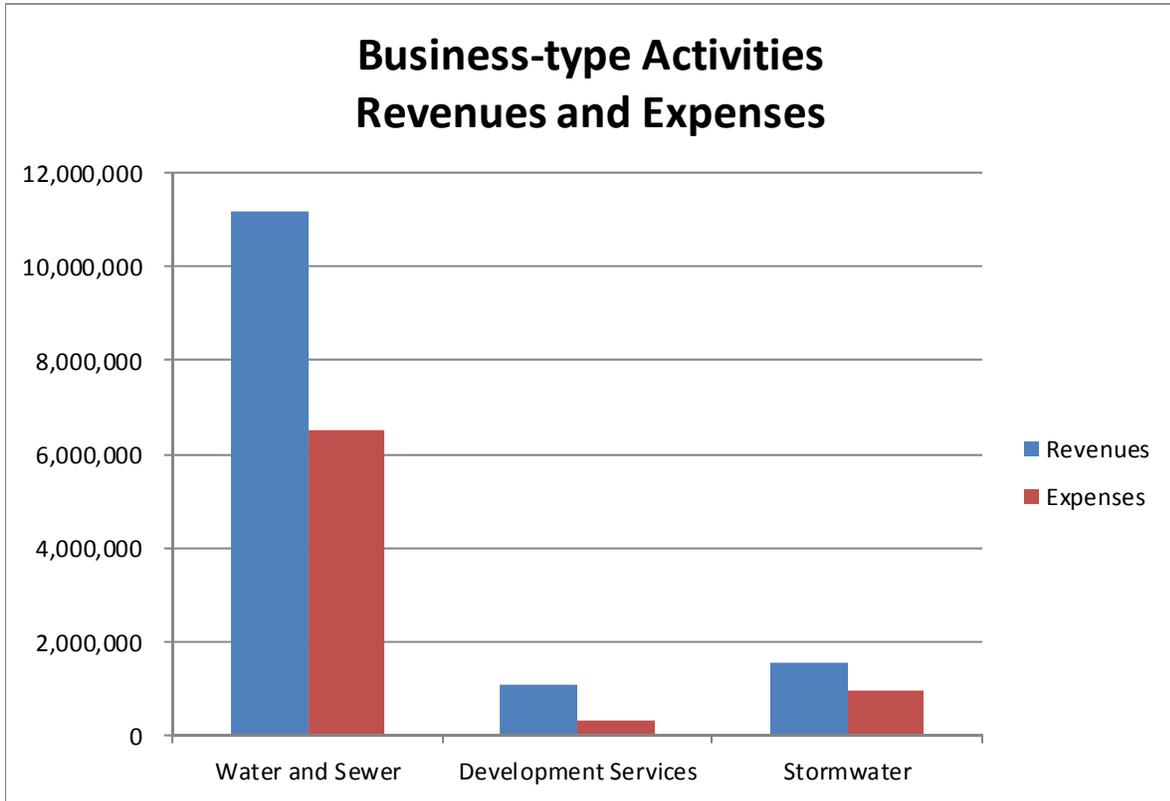
Statement of Changes in Net Assets. (Continued)



MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

Statement of Changes in Net Assets. (Continued)



MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City of Winter Springs' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Winter Springs' 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.

As of September 30, 2012, the City of Winter Springs' governmental funds reported combined ending fund balances of \$20,281,279, an increase of \$562,752 over the prior year. Approximately 38% or \$7,621,838 of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has already been committed for such purposes as debt service, capital projects, inventories and prepaid costs.

The general fund is the chief operating fund of the City of Winter Springs. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,838,858, while total fund balance was \$8,831,972. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represents 53 and 60% respectively, of total General Fund expenditures. The increase in fund balance is a result of reducing general fund operating expenditures and aggressive management of the budget through periodic reviews and adjusting expenditures when appropriate without compromising services.

Proprietary Funds. The City of Winter Springs' proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net assets of the Water and Sewer Utility Fund at the end of the year amounted to \$3,300,375 and total net assets increased \$3,127,189. This increase is primarily a result of increases rates and decreases in operating expenses and interest expense due to debt refinancing.

The Development Services Fund net assets increased \$470,602 to a deficit balance of \$236,181 at the end of the fiscal year. New construction permits began to pick up during the year. The net assets have increased as a result of the improving real estate and construction markets. Several new residential housing projects in the City have resulted in a significant increase in permitting, plans review and other permitting fees.

The Stormwater Utility Fund net assets increased \$397,746 to \$7,966,222 at the end of the fiscal year. The increase in net assets is primarily a result of an increase in service revenues and builders' capital contributions related to donations of Stormwater infrastructure in newly constructed subdivisions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Budgetary Highlights

Differences between the original General Fund budget and the final amended General Fund budget resulted in \$110,895 more in appropriations from fund balance during the year from an appropriation from fund balance of \$607,373 in the original budget to appropriations from fund balance of \$718,268 in the final budget. The increase in budgeted appropriations is due to a purchase order rollover related to the Community Redevelopment Shepard Road Streetscape and a supplemental appropriation for data processing equipment and software.

The actual results of General Fund for the year show an appropriation to fund balance of \$1,155 compared to a final budgeted appropriation from fund balance of \$718,268. The favorable variance of \$719,423 is primarily comprised of the following:

- \$184,000 unfavorable Electricity Tax revenues
- \$126,000 unfavorable Electricity Franchise Fees
- \$193,000 unfavorable grant reimbursement (timing difference FY13)
- \$582,000 favorable payroll variance which largely results from positions which were unfilled for all or part of the fiscal year; namely, Project Manager (Executive); Senior Accountant (Finance and Administrative Services); Systems Administrator and Web Multi-Media Technician (Information Services); Parks Supervisor (Parks and Recreation); and various other short-term vacancies in Public Works and Parks and Recreation.
- \$481,000 favorable operating expenditure variance spread throughout more than 30 divisions which resulted from 92% utilization of operating budget (exclusive of personnel and exclusive of revenue neutral Traffic Light Enforcement billing services).
- \$109,000 favorable capital expenditure variance spread across a number of departments (Community Development \$27,000; Police \$62,000; Parks and Recreation \$20,000)

The comparison of budgeted results to actual results for the General Fund is shown on pages 26-27.

Capital Asset and Debt Administration

Capital assets. The City of Winter Springs' investment in capital assets for its governmental and business-type activities as of September 30, 2012, amounts to \$96,532,475 (net of accumulated depreciation), for an increase of \$1,278,000 over the prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment, intangibles, park facilities, roads, highways, and bridges. The total increase in the City of Winter Springs' investment in capital assets for the current fiscal year was 1% (a 1.4% decrease for governmental activities, and a 5.7% increase for business-type activities).

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

- The completion and capitalization of the following projects:
 - Road reconstruction and resurfacing totaling almost \$366,000;
 - The completion of the Oak Forest water reclamation facility at a cost of \$114,900 (\$1,636,000 was spent in prior years);
 - The purchase of new vehicles for the Police Department at a cost of \$197,600;
 - The purchase and implementation of a new VoIP equipment and software to enhance customer service at a cost of \$292,500;

MANAGEMENT'S DISCUSSION AND ANALYSIS

- **Capital Asset and Debt Administration (Continued)**
- **Capital assets. (Continued)**
 - Various other stormwater improvements totaling nearly \$105,000.
- The continued construction on the following projects:
 - Construction of Michael Blake Boulevard linking State Road 434 to Winter Springs Village at a cost of \$294,000 (\$277,000 was spent in prior years);
 - CRA Shepard Road Landscape (pictured on the cover) at a cost of \$439,000 (\$82,000 was spent in prior years);
 - Construction of the Lake Jessup water augmentation facility at a cost of \$2,292,000 (\$54,000 was spent in prior years).
- The ongoing construction of the following new projects:
 - Central Winds Park Stormwater improvement at a cost of \$56,000.

Additional information on the City of Winter Springs' capital assets can be found in Note 7 on pages 54-56 of this report.

City of Winter Springs Capital Assets (Net of Depreciation) As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Land	\$ 9,959,395	\$ 9,959,395	\$ 7,170,177	\$ 7,170,177	\$ 17,129,572	\$ 17,129,572
Buildings	8,144,607	8,569,277	214,270	239,388	8,358,877	8,808,665
Improvements other than buildings	7,720,613	8,146,468	27,316,000	24,335,618	35,036,613	32,482,086
Machinery and equipment	1,304,436	1,386,377	577,282	692,368	1,881,718	2,078,745
Intangibles	236,862	54,511	9,921	14,683	246,783	69,194
Infrastructure	30,004,397	30,859,490	-	-	30,004,397	30,859,490
Construction in progress	1,300,254	565,314	2,574,261	3,261,409	3,874,515	3,826,723
Total	\$ 58,670,564	\$ 59,540,832	\$ 37,861,911	\$ 35,713,643	\$ 96,532,475	\$ 95,254,475

Long-term debt. At September 30, 2012, the City of Winter Springs had total debt outstanding of \$40,191,164, a decrease of \$816,318 from \$41,007,479 at September 30, 2011. Total *bonded* debt of the City at the end of the current fiscal year was \$14,035,703, for a decrease of \$5,201,374 over the prior year. This amount does not include accreted interest of \$7,229,504.

The City of Winter Springs' bonded debt represents bonds and notes secured solely by specified revenue sources (i.e., revenue bonds and notes).

During 2012, the City refunded \$4,595,000 of governmental bonds.

There are no limitations placed on the amount of debt the City may issue either by the City's charter, code of ordinances or by the Florida State Statutes.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration (Continued)

Long-term debt. (Continued)

Additional information on the City of Winter Springs' long-term debt can be found in Note 8 on pages 56-62 of this report.

City of Winter Springs						
Long Term Debt						
As of September 30						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Improvement Refunding Revenue Bonds, Series 1999	\$ 3,498,970	\$ 3,498,970	\$ -	\$ -	\$ 3,498,970	\$ 3,498,970
Water & Sewer Refunding Revenue Bonds, Series 2000	-	-	5,669,191	5,669,191	5,669,191	5,669,191
Special Assessment Revenue Bonds, Series 2001	-	1,825,000	-	-	-	1,825,000
Limited General Obligation Bonds, Series 2002	-	2,770,000	-	-	-	2,770,000
Improvement Refunding Revenue Bonds, Series 2003	5,430,000	6,115,000	-	-	5,430,000	6,115,000
Capital Improvement Revenue Note, Series 2006	141,890	179,805	-	-	141,890	179,805
Revenue Refunding Note Series 2011	1,353,398	1,377,246	-	-	1,353,398	1,377,246
Special Assessment Revenue Notes, Series 2011	1,765,000	-	-	-	1,765,000	-
Limited General Obligation Note, Series 2012	2,739,107	-	-	-	2,739,107	-
Revenue Refunding Note Series 2011A	-	-	7,629,676	8,464,906	7,629,676	8,464,906
Revenue Refunding Note Series 2011B	-	-	792,377	870,617	792,377	870,617
Revenue Refunding Note Series 2011C	-	-	3,730,050	3,730,050	3,730,050	3,730,050
Accreted Interest Payable	3,596,775	3,212,439	3,632,729	3,211,189	7,229,504	6,423,628
Compensated Absences	632,710	589,738	156,846	158,093	789,556	747,831
Other Post Employment Benefits	218,701	165,300	71,048	56,700	289,749	222,000
Adjustments for Issuance Discounts and Deferred Refunding Costs	(109,676)	(43,376)	(757,631)	(843,389)	(867,307)	(886,765)
Total	\$ 19,266,875	\$ 19,690,122	\$ 20,924,286	\$ 21,317,357	\$ 40,191,161	\$ 41,007,479

Economic Factors and Next Year's Budgets and Rates

Winter Springs is primarily a residential community serving just under 34,000 residents and is just 15 miles north of the City of Orlando, one of Florida's largest metropolitan statistical areas. Winter Springs was also recognized by Money Magazine in 2011 as one of our country's "Best Places to Live."

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates (Continued)

Where many municipal and county governments have raised property taxes, through conservative fiscal policies and aggressive management of the budget, the City Manager and City Commission have been able to reduce property taxes for the upcoming fiscal year while not reducing services.

The City has embarked on a plan to increase its commercial tax base by marketing the City as an outstanding venue for economic development. Both the Director of Economic Development and the Community Development Department are focused on a strong, strategic economic development plan to attract commercial growth within the City. The City is looking both internally such as reviewing outdated ordinances and externally such as sites available for land development and meetings with members of the business community.

With its close proximity to the University of Central Florida and Research Park, Winter Springs offers excellent opportunities for the development of high technology industries. Situated on the eastern edge of the City, Seminole Way is a strategic economic development initiative focused on attracting high value jobs and businesses to Seminole County. The State Road 417 (Central Florida Greenway) corridor defines the boundaries of the Seminole Way district, spanning the length of Seminole County and connecting to both Orange County's "Innovation Way" and the "Medical City" located at Lake Nona. The City has targeted this Greenway Interchange District (GID) for technology industry development complemented by commercial and retail establishments. It is expected to become a premier employment center with professional and high tech office buildings, conference facilities, and hotel rooms. The City's ability to expand and diversify its tax base will be a major factor in providing additional financial resources to fund an increasing demand for services.

The many residential projects throughout the City is indicating a turn in the economy. As some projects are coming to completion such as Jessup's Reserve, Winter Springs Village, others are getting underway such as Jessup's Landing, Amberlee and Moss Park, a mixed use project in the heart of Winter Springs business area. The City is working towards annexing land in the north west part of the City which will bring in commercial sties as well as land for future development.

Long Term Financial Planning

The total taxable assessed property value in Winter Springs decreased 6% from fiscal year 2011 to 2012, \$1,687,434,000 to \$1,593,864,000 respectively. However, the rate of property tax decreases are showing signs of slowing and the real estate marketing is beginning to stabilize. In fiscal year 2013 the reduction in assessed values is approximately 1%. The real estate market is rebounding and the city will continue to benefit from several geographic and competitive advantages. The primary factors are:

- Significant undeveloped land, both residential and commercial
- Comparatively low tax rates
- Current commercial and residential development presently under construction and in planning

The national and state economies play a key role in assessing the City's financial future. While economic changes at the state and national level often lead to reduction in tax receipts the City has remained vigilant, flexible and proactive with corresponding changes in expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Requests for Information

This financial report is designed to provide a general overview of the City of Winter Springs' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance and Administrative Services Director, 1126 East State Road 434, Winter Springs, Florida, 32708. The Comprehensive Annual Financial Report is also available at the City of Winter Springs' website located at www.winterspringsfl.org.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF NET ASSETS

September 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,657,007	\$ 1,244,416	\$ 3,901,423
Investments	17,643,791	6,694,077	24,337,868
Receivables, net	4,267,712	1,592,666	5,860,378
Internal Balances	161,287	(161,287)	-
Inventories - at cost	9,871	25,571	35,442
Prepaid costs	248,759	399	249,158
Restricted assets:			
Cash and cash equivalents	277,887	-	277,887
Investments	-	730,823	730,823
Bond issuance costs	72,975	138,329	211,304
Receivables, long-term	2,374,180	-	2,374,180
Capital Assets			
Capital assets not being depreciated	11,259,649	9,744,438	21,004,087
Capital assets being depreciated, net of accumulated depreciation	47,410,915	28,117,473	75,528,388
Total Assets	<u>86,384,033</u>	<u>48,126,905</u>	<u>134,510,938</u>
LIABILITIES			
Accounts payable and accrued expenses	762,493	607,529	1,370,022
Due to other governments	99,824	28,685	128,509
Accrued interest payable	164,011	236,798	400,809
Net pension obligation	34,102	-	34,102
Unearned revenues	10,200	-	10,200
Liabilities payable from restricted assets	277,887	672,856	950,743
Noncurrent liabilities:			
Due within one year	1,133,633	1,286,378	2,420,011
Due in more than one year	18,133,242	19,638,159	37,771,401
Total liabilities	<u>20,615,392</u>	<u>22,470,405</u>	<u>43,085,797</u>
NET ASSETS			
Invested in capital assets, net of related debt	40,328,075	20,936,579	61,264,654
Restricted for:			
Capital projects	1,949,019	-	1,949,019
Debt Service	254,243	14,091	268,334
Renewal and replacement	-	492,846	492,846
Physical environment	5,977,194	-	5,977,194
Public safety	124,236	-	124,236
Unrestricted	17,135,874	4,212,984	21,348,858
Total net assets	<u>\$ 65,768,641</u>	<u>\$ 25,656,500</u>	<u>\$ 91,425,141</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF ACTIVITIES

For The Year Ended September 30, 2012

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Operating		Capital Grants and Contributions	Primary Government		
		Charges for Services	Grants and Contributions		Governmental Activities	Business-type Activities	Total
Governmental Activities							
General Government	\$ 5,069,446	\$ 2,021,344	\$ -	\$ -	\$ (3,048,102)	\$ -	\$ (3,048,102)
Public Safety	7,101,579	424,448	3,666	-	(6,673,465)	-	(6,673,465)
Physical environment	5,589,120	3,167,667	216,850	1,055,596	(1,149,007)	-	(1,149,007)
Culture and Recreation	2,043,188	391,457	-	556	(1,651,175)	-	(1,651,175)
Interest on Long-term debt	832,731	-	-	-	(832,731)	-	(832,731)
Total governmental activities	<u>20,636,064</u>	<u>6,004,916</u>	<u>220,516</u>	<u>1,056,152</u>	<u>(13,354,480)</u>	<u>-</u>	<u>(13,354,480)</u>
Business-type activities:							
Water and sewer	6,512,188	9,362,773	-	1,792,430	-	4,643,015	4,643,015
Development services	341,739	1,099,828	-	-	-	758,089	758,089
Stormwater	976,106	1,117,401	-	433,459	-	574,754	574,754
Total business-type activities	<u>7,830,033</u>	<u>11,580,002</u>	<u>-</u>	<u>2,225,889</u>	<u>-</u>	<u>5,975,858</u>	<u>5,975,858</u>
Total primary government	<u>\$ 28,466,097</u>	<u>\$ 17,584,918</u>	<u>\$ 220,516</u>	<u>\$ 3,282,041</u>	<u>(13,354,480)</u>	<u>5,975,858</u>	<u>(7,378,622)</u>
General revenues:							
Property taxes					3,901,329	-	3,901,329
Utility taxes					3,963,093	-	3,963,093
Business tax receipts					105,506	-	105,506
Intergovernmental-unrestricted					3,044,338	-	3,044,338
Investment income and miscellaneous					573,145	66,659	639,804
Transfers					2,046,980	(2,046,980)	-
Total general revenues and transfers					<u>13,634,391</u>	<u>(1,980,321)</u>	<u>11,654,070</u>
Change in net assets					279,911	3,995,537	4,275,448
Net assets - beginning					65,488,730	21,660,963	87,149,693
Net assets - ending					<u>\$ 65,768,641</u>	<u>\$ 25,656,500</u>	<u>\$ 91,425,141</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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FUND FINANCIAL STATEMENTS

CITY OF WINTER SPRINGS, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2012

	General Fund	Special Revenue		
		Road Improvements Fund	Solid Waste/Recycling	TLBD Debt Service
Assets:				
Cash and cash equivalents	\$ 589,151	\$ 120,096	\$ 263,450	\$ 71,426
Investments	7,956,221	1,103,954	2,421,691	118,277
Receivables, net	206,635	3,834,631	225,812	1
Inventories, at cost	9,871	-	-	-
Prepays	248,759	-	-	-
Special assessments receivable	-	-	-	1,705,000
Advances to other funds	391,157	-	-	-
Restricted assets:				
Cash and cash equivalents	277,887	-	-	-
Total assets	<u>\$ 9,679,681</u>	<u>\$ 5,058,681</u>	<u>\$ 2,910,953</u>	<u>\$ 1,894,704</u>
Liabilities and Fund Balances:				
Accounts payable	\$ 222,629	\$ -	\$ 179,498	\$ 1,352
Accrued liabilities	216,810	-	-	-
Retainage payable	20,359	10,046	-	-
Due to other funds	-	-	-	-
Due to other governments	99,824	-	-	-
Deferred revenue	-	3,834,631	-	1,705,000
Unearned revenue	10,200	-	-	-
Payable from restricted assets	277,887	-	-	-
Total liabilities	<u>847,709</u>	<u>3,844,677</u>	<u>179,498</u>	<u>1,706,352</u>
Fund balances:				
Non-spendable	649,787	-	-	-
Restricted	-	1,214,004	-	188,352
Committed	-	-	1,383,575	-
Assigned	343,327	-	1,347,880	-
Unassigned	7,838,858	-	-	-
Total fund balances	<u>8,831,972</u>	<u>1,214,004</u>	<u>2,731,455</u>	<u>188,352</u>
Total liabilities and fund balances	<u>\$ 9,679,681</u>	<u>\$ 5,058,681</u>	<u>\$ 2,910,953</u>	<u>\$ 1,894,704</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

Central Winds GO Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 5,302	\$ 1,606,782	\$ 2,656,207
48,742	5,994,906	17,643,791
6	627	4,267,712
-	-	9,871
-	-	248,759
-	669,180	2,374,180
-	-	391,157
-	800	278,687
54,050	\$ 8,272,295	\$ 27,870,364
54,050	\$ 8,272,295	\$ 27,870,364
\$ 3,501	\$ 108,298	\$ 515,278
-	-	216,810
-	-	30,405
-	229,870	229,870
-	-	99,824
-	669,180	6,208,811
-	-	10,200
-	-	277,887
3,501	1,007,348	7,589,085
3,501	1,007,348	7,589,085
-	-	649,787
50,549	3,017,156	4,470,061
-	303,746	1,687,321
-	4,161,065	5,852,272
-	(217,020)	7,621,838
50,549	7,264,947	20,281,279
\$ 54,050	\$ 8,272,295	\$ 27,870,364

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CITY OF WINTER SPRINGS, FLORIDA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS**

September 30, 2012

Total fund balance, governmental funds	\$ 20,281,279
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	58,670,564
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	6,208,811
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(19,430,886)
Bond issuance costs, which are expenditures in the funds, are deferred and amortized over the life of the bond.	72,975
The cumulative net pension contribution which is less than the annual required contribution is presented as a liability on the statement of net assets.	(34,102)
Net Assets of Governmental Activities in the Statement of Net Assets	<u>\$ 65,768,641</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS

For The Year Ended September 30, 2012

	<u>General Fund</u>	<u>Road Improvements Fund</u>	<u>Solid Waste/Recycling</u>	<u>TLBD Debt Service</u>
Revenues:				
Taxes:				
Property taxes	\$ 3,733,689	\$ -	\$ -	\$ -
Utility taxes	3,963,093	-	-	-
Business tax receipts	105,506	-	-	-
Permits and fees	1,820,952	-	94,502	-
Intergovernmental revenues	3,099,470	-	342,815	-
Charges for services	583,736	-	2,380,792	-
Fines and forfeitures	119,221	-	-	-
Impact fees/assessments	-	-	-	60,000
Investment income	81,255	11,330	20,985	86,534
Miscellaneous	240,665	-	-	19,399
Total revenues	<u>13,747,587</u>	<u>11,330</u>	<u>2,839,094</u>	<u>165,933</u>
Expenditures:				
Current:				
General government	4,827,077	-	-	-
Public safety	6,534,255	-	-	-
Physical environment	966,280	-	2,280,043	31,961
Culture and recreation	1,613,198	-	-	-
Debt Service:				
Principal	-	-	-	1,825,000
Interest and fiscal charges	-	-	-	102,605
Capital Outlay:				
General government	473,769	-	-	-
Public safety	322,361	-	-	-
Physical environment	-	293,970	-	-
Culture and recreation	13,786	-	-	-
Total expenditures	<u>14,750,726</u>	<u>293,970</u>	<u>2,280,043</u>	<u>1,959,566</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,003,139)</u>	<u>(282,640)</u>	<u>559,051</u>	<u>(1,793,633)</u>
Other Financing Sources (Uses)				
Notes payable	-	-	-	1,765,000
Transfers in	2,201,986	-	-	-
Transfers out	(1,197,692)	-	(132,134)	(500)
Total other financing sources(uses)	<u>1,004,294</u>	<u>-</u>	<u>(132,134)</u>	<u>1,764,500</u>
Net Change in Fund Balances	1,155	(282,640)	426,917	(29,133)
Fund Balances - Beginning	<u>8,830,817</u>	<u>1,496,644</u>	<u>2,304,538</u>	<u>217,485</u>
Fund Balances - Ending	<u>\$ 8,831,972</u>	<u>\$ 1,214,004</u>	<u>\$ 2,731,455</u>	<u>\$ 188,352</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

<u>Central Winds GO Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 167,640	\$ -	\$ 3,901,329
		3,963,093
		105,506
-	15,172	1,930,626
-	505,728	3,948,013
-	13,995	2,978,523
-	91,392	210,613
	939,895	999,895
745	79,658	280,507
-	32,574	292,638
168,385	1,678,414	18,610,743
-	14,515	4,841,592
-	49,835	6,584,090
-	594,928	3,873,212
31,501	-	1,644,699
2,770,000	746,763	5,341,763
151,330	230,830	484,765
-		
-	287,984	761,753
-	45,968	368,329
-	373,219	667,189
-	2,400	16,186
2,952,831	2,346,442	24,583,578
(2,784,446)	(668,028)	(5,972,835)
2,739,107	-	4,504,107
55,500	1,653,192	3,910,678
-	(548,872)	(1,879,198)
2,794,607	1,104,320	6,535,587
10,161	436,292	562,752
40,388	6,828,655	19,718,527
\$ 50,549	\$ 7,264,947	\$ 20,281,279

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CITY OF WINTER SPRINGS, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2012

Net change in fund balances - total governmental funds: \$ 562,752

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period (861,865)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net assets (23,903)

The issuance of long-term debt 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items 837,656

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds 372,993

Special assessment revenue reported in the funds must be eliminated from the statement of activities since revenue was recognized in a prior year (114,741)

Pension expenses recorded in the statement of activities which are in excess of the annual required pension contribution are considered to be assets and not expenses of the period (51,980)

Transfers of capital assets to proprietary funds 15,500

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds. (456,501)

Change in net assets of governmental activities \$ 279,911

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WINTER SPRINGS, FLORIDA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Taxes:				
Property Taxes	\$ 3,753,305	\$ 3,753,305	\$ 3,733,689	\$ (19,616)
Utility taxes	4,168,000	4,168,000	3,963,093	(204,907)
Business tax receipts	130,000	130,000	105,506	(24,494)
	<u>8,051,305</u>	<u>8,051,305</u>	<u>7,802,288</u>	<u>(249,017)</u>
Permits and fees:				
Permits	25,000	25,000	37,869	12,869
Franchise fees	1,910,000	1,910,000	1,783,083	(126,917)
	<u>1,935,000</u>	<u>1,935,000</u>	<u>1,820,952</u>	<u>(114,048)</u>
Intergovernmental revenues:				
Sales tax	1,905,000	1,905,000	1,918,487	13,487
State revenue sharing	940,000	940,000	961,997	21,997
Other state shared revenue	39,000	39,000	32,889	(6,111)
Other county shared revenue	369,750	369,750	182,431	(187,319)
Federal grants	-	3,666	3,666	-
	<u>3,253,750</u>	<u>3,257,416</u>	<u>3,099,470</u>	<u>(157,946)</u>
Charges for services:				
Program activity fees	250,200	250,200	181,804	(68,396)
Rental and other	327,612	331,485	401,932	70,447
	<u>577,812</u>	<u>581,685</u>	<u>583,736</u>	<u>2,051</u>
Fines and forfeitures	<u>275,600</u>	<u>275,600</u>	<u>119,221</u>	<u>(156,379)</u>
Investment income	<u>85,000</u>	<u>85,000</u>	<u>81,255</u>	<u>(3,745)</u>
Miscellaneous	<u>42,000</u>	<u>102,091</u>	<u>240,665</u>	<u>138,574</u>
Total revenues	<u>14,220,467</u>	<u>14,288,097</u>	<u>13,747,587</u>	<u>(540,510)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government:				
Executive	\$ 756,787	\$ 753,707	\$ 629,972	\$ 123,735
General government	574,303	574,438	362,983	211,455
Finance	1,757,860	1,757,860	1,611,120	146,740
Information services	914,611	914,055	840,225	73,830
Community development	1,849,224	1,944,216	1,856,546	87,670
	<u>5,852,785</u>	<u>5,944,276</u>	<u>5,300,846</u>	<u>643,430</u>
Public Safety:				
Police	6,997,497	7,037,689	6,819,850	217,839
Fire	40,000	40,000	36,766	3,234
	<u>7,037,497</u>	<u>7,077,689</u>	<u>6,856,616</u>	<u>221,073</u>
Physical environment:				
Public works	1,081,507	1,092,388	966,280	126,108
Culture and recreation:				
Parks and recreation	1,905,628	1,920,917	1,626,984	293,933
Total expenditures	<u>15,877,417</u>	<u>16,035,270</u>	<u>14,750,726</u>	<u>1,284,544</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,656,950)</u>	<u>(1,747,173)</u>	<u>(1,003,139)</u>	<u>744,034</u>
Other Financing Sources (Uses)				
Transfers in	2,193,577	2,226,597	2,201,986	(24,611)
Transfers out	<u>(1,144,000)</u>	<u>(1,197,692)</u>	<u>(1,197,692)</u>	<u>-</u>
Net other financing sources	<u>1,049,577</u>	<u>1,028,905</u>	<u>1,004,294</u>	<u>(24,611)</u>
Net Change in Fund Balances	(607,373)	(718,268)	1,155	719,423
Fund Balances - Beginning	8,830,817	8,830,817	8,830,817	-
Fund Balances - Ending	<u>\$ 8,223,444</u>	<u>\$ 8,112,549</u>	<u>\$ 8,831,972</u>	<u>\$ 719,423</u>

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CITY OF WINTER SPRINGS, FLORIDA

ROAD IMPROVEMENTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenues	\$ 1,055,000	\$ -	\$ -	\$ -
Investment income	3,800	3,800	11,330	7,530
Total revenues	<u>1,058,800</u>	<u>3,800</u>	<u>11,330</u>	<u>7,530</u>
Expenditures:				
Capital Outlay				
Physical environment	<u>1,050,000</u>	<u>400,000</u>	<u>293,970</u>	<u>106,030</u>
Total expenditures	<u>1,050,000</u>	<u>400,000</u>	<u>293,970</u>	<u>106,030</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,800</u>	<u>(396,200)</u>	<u>(282,640)</u>	<u>113,560</u>
Other Financing Sources (Uses)				
Transfers out	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(291,200)</u>	<u>(396,200)</u>	<u>(282,640)</u>	<u>113,560</u>
Fund Balances - Beginning	<u>1,496,644</u>	<u>1,496,644</u>	<u>1,496,644</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,205,444</u>	<u>\$ 1,100,444</u>	<u>\$ 1,214,004</u>	<u>\$ 113,560</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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CITY OF WINTER SPRINGS, FLORIDA

SOLID WASTE / RECYCLING SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Permits and fees	\$ 80,000	\$ 80,000	\$ 94,502	\$ 14,502
Intergovernmental revenues	115,000	115,000	342,815	227,815
Charges for services	2,375,500	2,375,500	2,380,792	5,292
Investment income	17,100	17,100	20,985	3,885
Total revenues	<u>2,587,600</u>	<u>2,587,600</u>	<u>2,839,094</u>	<u>251,494</u>
Expenditures:				
Current:				
Physical environment	<u>2,306,000</u>	<u>2,306,000</u>	<u>2,280,043</u>	<u>25,957</u>
Total expenditures	<u>2,306,000</u>	<u>2,306,000</u>	<u>2,280,043</u>	<u>25,957</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>281,600</u>	<u>281,600</u>	<u>559,051</u>	<u>277,451</u>
Other Financing Sources (Uses)				
Transfers out	<u>(135,000)</u>	<u>(135,000)</u>	<u>(132,134)</u>	<u>2,866</u>
Total other financing sources (uses)	<u>(135,000)</u>	<u>(135,000)</u>	<u>(132,134)</u>	<u>2,866</u>
Net Change in Fund Balances	146,600	146,600	426,917	280,317
Fund Balances - Beginning	<u>2,304,538</u>	<u>2,304,538</u>	<u>2,304,538</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,451,138</u>	<u>\$ 2,451,138</u>	<u>\$ 2,731,455</u>	<u>\$ 280,317</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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CITY OF WINTER SPRINGS, FLORIDA

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

September 30, 2012

	Business-type Activities - Enterprise Funds			Total
	Water and Sewer Utility Fund	Development Services Fund	Stormwater Utility Fund	
Assets				
Current assets:				
Cash and cash equivalents	\$ 620,979	\$ -	\$ 107,414	\$ 728,393
Investments	5,706,705	-	987,372	6,694,077
Receivables, net	1,486,453	-	106,213	1,592,666
Inventories	25,571	-	-	25,571
Prepaid expenses	399	-	-	399
Restricted cash and cash equivalents	516,023	-	-	516,023
Total current assets	8,356,130	-	1,200,999	9,557,129
Non-current assets:				
Restricted investments	730,823	-	-	730,823
Bond issuance costs	138,329	-	-	138,329
Capital Assets:				
Land, buildings and equipment	56,685,096	94,687	10,763,827	67,543,610
Construction in Progress	2,449,816	-	124,445	2,574,261
Less Accumulated depreciation	(28,090,432)	(94,687)	(4,070,841)	(32,255,960)
Total capital assets (net of accumulated depreciation)	31,044,480	-	6,817,431	37,861,911
Total non-current assets	31,913,632	-	6,817,431	38,731,063
Total assets	40,269,762	-	8,018,430	48,288,192
Liabilities				
Current Liabilities:				
Accounts payable	427,760	10,944	19,371	458,075
Accrued liabilities	30,024	3,899	7,973	41,896
Retainage payable	107,558	-	-	107,558
Compensated absences - current	24,000	4,400	2,700	31,100
Customer deposits payable	672,856	-	-	672,856
Due to other funds	-	161,287	-	161,287
Due to other governments	-	28,685	-	28,685
Notes payable - current	1,255,278	-	-	1,255,278
Accrued interest payable	236,798	-	-	236,798
Total current liabilities	2,754,274	209,215	30,044	2,993,533
Non-current liabilities:				
Notes payable	10,677,727	-	-	10,677,727
Revenue bonds payable	5,130,658	-	-	5,130,658
Accreted interest payable	3,632,729	-	-	3,632,729
Compensated absences	97,178	17,690	10,878	125,746
Other non-current liabilities	50,737	9,276	11,286	71,299
Total non-current liabilities	19,589,029	26,966	22,164	19,638,159
Total liabilities	22,343,303	236,181	52,208	22,631,692
NET ASSETS				
Invested in capital assets, net of related debt	14,119,147	-	6,817,432	20,936,579
Restricted for debt service	14,091	-	-	14,091
Restricted for renewal and replacement	492,846	-	-	492,846
Unrestricted	3,300,375	(236,181)	1,148,790	4,212,984
Total net assets	\$ 17,926,459	\$ (236,181)	\$ 7,966,222	\$ 25,656,500

The accompanying Notes to Financial Statements are an integral part of these statements.

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CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

For The Year Ended September 30, 2012

	Business-type Activities - Enterprise Funds			
	Water and Sewer Utility Fund	Development Services Fund	Stormwater Utility Fund	Total
Operating Revenues:				
User charges	\$ 9,362,773	\$ 1,099,828	\$ 1,073,755	\$ 11,536,356
Other revenue	-	-	43,646	43,646
Total operating revenues	<u>9,362,773</u>	<u>1,099,828</u>	<u>1,117,401</u>	<u>11,580,002</u>
Operating Expenses:				
Salaries and benefits	1,905,193	309,964	440,881	2,656,038
Materials and supplies	827,496	7,094	214,114	1,048,704
Depreciation and amortization	1,682,919	298	281,811	1,965,028
Other operating expenses	1,100,130	24,383	39,300	1,163,813
Total Operating Expenses	<u>5,515,738</u>	<u>341,739</u>	<u>976,106</u>	<u>6,833,583</u>
Operating income (loss)	<u>3,847,035</u>	<u>758,089</u>	<u>141,295</u>	<u>4,746,419</u>
Nonoperating Revenue (Expenses):				
Investment income	56,360	-	8,792	65,152
Interest expense	(573,052)	-	-	(573,052)
Grant revenue	1,944	-	-	1,944
Accreted interest expense	(421,540)	-	-	(421,540)
Proceeds from auction and insurance	1,454	53	-	1,507
Gain (loss) on disposal of capital assets	(1,858)	-	-	(1,858)
Total non-operating revenue (expenses)	<u>(936,692)</u>	<u>53</u>	<u>8,792</u>	<u>(927,847)</u>
Income (loss) before contributions and transfers	2,910,343	758,142	150,087	3,818,572
Capital contributions:				
Connection fees	410,931	-	-	410,931
Capital contribution	1,380,862	-	433,459	1,814,321
Transfers in	23,603	-	-	23,603
Transfers out	(1,598,550)	(287,540)	(185,800)	(2,071,890)
Change in net assets	<u>3,127,189</u>	<u>470,602</u>	<u>397,746</u>	<u>3,995,537</u>
Total net assets - beginning	14,799,270	(706,783)	7,568,476	21,660,963
Total net assets - ending	<u>\$ 17,926,459</u>	<u>\$ (236,181)</u>	<u>\$ 7,966,222</u>	<u>\$ 25,656,500</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For The Year Ended September 30, 2012

	Business-type Activities - Enterprise Funds			Total
	Water and Sewer Utility Fund	Development Services Fund	Stormwater Utility Fund	
Cash Flows from Operating Activities:				
Receipts from customers	\$ 9,624,133	\$ 1,099,828	\$ 1,011,188	\$ 11,735,149
Payments to suppliers	(1,782,278)	1,117	(251,621)	(2,032,782)
Payments to employees	(1,893,924)	(310,569)	(436,377)	(2,640,870)
Net cash provided by operating activities	<u>5,947,931</u>	<u>790,376</u>	<u>323,190</u>	<u>7,061,497</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers in	23,603	-	-	23,603
Transfers out	(1,581,743)	(287,540)	(185,800)	(2,055,083)
Increase in due to other funds	(18,000)	(502,889)	-	(520,889)
Grant revenues	1,944	-	-	1,944
Net cash provided (used) by non-capital financing activities	<u>(1,574,196)</u>	<u>(790,429)</u>	<u>(185,800)</u>	<u>(2,550,425)</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from sale of capital assets	1,454	53	-	1,507
Acquisition of capital assets	(2,689,062)	-	(208,898)	(2,897,960)
Principal paid on revenue bonds & leases	(913,470)	-	-	(913,470)
Interest paid on revenue bonds	(463,214)	-	-	(463,214)
Grant revenue	614,836	-	12,783	627,619
Connection fees	410,931	-	-	410,931
Net cash provided (used) by capital and related financing activities	<u>(3,038,525)</u>	<u>53</u>	<u>(196,115)</u>	<u>(3,234,587)</u>
Cash Flows from Investing Activities:				
Purchase of investments	(1,823,108)	-	(127,641)	(1,950,749)
Investment income	56,360	-	8,792	65,152
Net cash provided (used) by investing activities	<u>(1,766,748)</u>	<u>-</u>	<u>(118,849)</u>	<u>(1,885,597)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(431,538)	-	(177,574)	(609,112)
Cash and Cash Equivalents - Beginning	1,568,540	-	284,988	1,853,528
Cash and Cash Equivalents - End	<u>\$ 1,137,002</u>	<u>\$ -</u>	<u>\$ 107,414</u>	<u>\$ 1,244,416</u>
Classified As:				
Cash and cash equivalents	\$ 620,979	\$ -	\$ 107,414	\$ 728,393
Restricted cash	516,023	-	-	516,023
Total	<u>\$ 1,137,002</u>	<u>\$ -</u>	<u>\$ 107,414</u>	<u>\$ 1,244,416</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

	Business-type Activities - Enterprise Funds			
	Water and Sewer Utility Fund	Development Services Fund	Stormwater Utility Fund	Total
Reconciliation of Operating Income(Loss) to Net Cash Provided(Used) by Operating Activities				
Operating income	\$ 3,847,035	\$ 758,089	\$ 141,295	\$ 4,746,419
Adjustments Not Affecting Cash:				
Depreciation and amortization	1,682,919	298	281,811	1,965,028
Change in Assets and Liabilities:				
Decrease (increase) in accounts receivable	239,022	-	(106,213)	132,809
Increase in inventories	(5,739)	-	-	(5,739)
Increase in prepaid costs	(399)	-	-	(399)
Increase in accounts payable	151,486	10,559	1,793	163,838
Increase in due to other governments	-	22,035	-	22,035
Increase in accrued liabilities	226	253	1,337	1,816
Increase in customer deposits	22,338	-	-	22,338
Increase (decrease) in accrued compensated absences	7	(1,572)	318	(1,247)
Increase in OPEB obligation	11,036	714	2,849	14,599
Total adjustments	<u>417,977</u>	<u>31,989</u>	<u>(99,916)</u>	<u>350,050</u>
Net Cash Provided By Operating Activities	<u>\$ 5,947,931</u>	<u>\$ 790,376</u>	<u>\$ 323,190</u>	<u>\$ 7,061,497</u>
Noncash Capital and Financing Activities:				
Contributed capital assets	\$ 764,719	\$ -	\$ 420,676	\$ 1,185,395
Net transfers of capital assets	\$ 1,307	\$ -	\$ -	\$ 1,307

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CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

September 30, 2012

	Defined Benefit Pension Trust Fund
	<u> </u>
Assets:	
Cash and cash equivalents	\$ 435,973
Receivables:	
Employee contributions	13,909
Employer contributions	156,090
Total receivables	<u>169,999</u>
Investments, at fair value:	
Common funds - equity	18,034,152
Common funds - bonds	6,731,591
Other investments	1,668,088
Total Investments	<u>26,433,831</u>
Total assets	<u>27,039,803</u>
 Liabilities	 -
 Net Assets:	
Held in trust for pension benefits	<u>\$ 27,039,803</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For The Year Ended September 30, 2012

	Defined Benefit Pension Trust Fund
Additions:	
Contributions:	
Employer	\$ 1,913,717
Plan Members	374,894
Total contributions	<u>2,288,611</u>
Investment income:	
Net depreciation in fair value of investments	4,025,166
Interest	352,187
Net investment income	<u>4,377,353</u>
Total additions	<u>6,665,964</u>
Deductions:	
Benefits	1,606,752
Administrative expenses	309,874
Total deductions	<u>1,916,626</u>
Change in net assets	4,749,338
Net assets - beginning, as restated	22,290,465
Net assets - ending	<u><u>\$ 27,039,803</u></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 1 - Summary of Significant Accounting Policies:

A. Reporting Entity

The *City of Winter Springs, Florida* (the City) is a political subdivision of the state of Florida located in Seminole County, and was established by the Laws of Florida 59-1614. The legislative branch of the City is comprised of a five-member elected Commission and a separately elected mayor, which is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy; the execution of such policy is the responsibility of the City Manager appointed by the Commission.

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government 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. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organizations' resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, management has determined that there are no component units to be included within the reporting entity.

B. Government-Wide and Fund 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. 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 and charges for support.

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued):

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

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

Separate financial statements 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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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. 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 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued):

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)***

The government reports the following funds:

Major Governmental Funds

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Road Improvements Special Revenue Fund* accounts for collected one-cent sales tax revenues restricted for use for transportation-related improvements.

The *Solid Waste/Recycling Special Revenue Fund* accounts for proceeds from billed solid waste and recycling services performed by contract vendors. Proceeds are committed to pay monthly vendor charges for providing solid waste and recycling services.

The *TLBD Debt Service Fund* was established to account for the accumulation of resources and payment of principal and interest for the 2001 special assessment bond issue which was refinanced in October 2011 with a private placement note payable.

The *Central Winds G.O. Debt Service Fund* was established to account for the accumulation of resources and payment of principal and interest for the 2002 limited general obligation bond issue which was refinanced in May 2012 with a private placement note payable.

Non-Major Governmental Fund Types

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds account for the accumulation of resources for and the payment of principal and interest on certain general governmental obligations.

Capital Projects Funds account for financial resources segregated for the acquisition or construction of major capital facilities.

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued):

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)***

Major Proprietary Funds

The *Water and Sewer Utility Fund* is used to account for the operations of the City's water and wastewater systems, which are financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

The *Development Services Fund* is used to account for the operations of the City's building and other permits department, where the costs, including depreciation, of providing services to the general public are financed primarily through user charges.

The *Stormwater Utility Fund* is used to account for the City's operation and maintenance of the stormwater system, where the costs, including depreciation, of providing services to the general public are financed primarily through user charges.

Fiduciary Fund

The Pension Trust Fund accounts for contributions to the defined benefit plan.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the City's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued):

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(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 water, sewer and stormwater utility funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments of the City are reported at fair value. The City's investments consist of investments authorized per their investment policy adopted in accordance with Section 218.415, Florida Statutes.

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, and Net Assets or Equity (Continued)

2. 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 non-current 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, as reported in the fund financial statements, are offset by a non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are shown net of an allowance for uncollectibles. The County bills and collects property taxes and remits them to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

All property is reassessed according to its fair value on the lien date, or January 1 of each year. Taxes are levied on October 1 of each year. 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. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. On or around May 31 following the tax year, certificates are sold for all delinquent taxes on real property.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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. These are recorded as expenditures when consumed rather than when purchased.

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, and Net Assets or Equity (Continued)

4. Restricted Assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. Assets so designated are identified as restricted assets on the balance sheet.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Improvements	20-50
Infrastructure	30-50
Intangible assets	3-10
Equipment	3-10

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, and Net Assets or Equity (Continued)

6. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For governmental activities, compensated absences, other post-employment benefits and net pension obligation are generally liquidated by the General Fund.

7. Long-term obligations

In the government-wide financial statements, and for 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 assets. Bond premiums and discounts (including deep-discount or capital appreciation bonds), as well as issuance costs, are deferred and amortized over the life of the bonds and notes using the effective interest method. Bonds payable and notes payable are reported net of the applicable bond premium or discount.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, and Net Assets or Equity (Continued)

8. Fund balance flow assumption

Sometimes the city will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

9. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision making authority. The City Commission is the highest level of decision making authority for the City that can, by adoption of an Ordinance or Resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken (the adoption of another ordinance or resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The commission may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 2 - Adjustment for Correction of an Error:

Beginning fund balance in the Defined Benefit Pension Trust Fund has been restated to correct the improper exclusion of an investment. The effect is an increase in net assets of \$1,495,718.

This adjustment has no effect on the government wide financial statements.

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements:

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$19,430,886) difference are as follows:

Bonds Payable	\$ (8,928,970)
Add: Issuance premium (to be amortized as interest expense)	(41,782)
Less: Deferred charge on refunding (to be amortized as interest expense)	65,706
Accreted interest payable	(3,596,775)
Notes payable	(5,999,395)
Less: Deferred charge on refunding (to be amortized as interest expense)	85,752
Accrued interest payable	(164,011)
Other post employment benefits	(218,701)
Compensated absences	(632,710)
Net adjustment to reduce <i>fund balance- total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ (19,430,886)</u></u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements (Continued):

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(861,865) difference are as follows:

Capital outlay	\$ 1,818,644
Depreciation expense	<u>(2,680,509)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	<u>\$ (861,865)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$837,656 difference are as follows:

Debt issued or incurred:	
Notes payable	\$ (4,504,107)
Principal repayment	<u>5,341,763</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	<u>\$ 837,656</u>

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements (Continued):

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Another element of that reconciliation states that "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." The details of this (\$456,501) difference are as follows:

Compensated absences	\$ (42,972)
Amortization of issuance costs	(12,162)
Amortization of bond discounts	9,101
Accrued interest payable	27,269
Other post employment benefits	(53,401)
Accreted interest payable	<u>(384,336)</u>
Net adjustment to decrease <i>net changes in fund balances- total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	<u>\$ (456,501)</u>

Note 4 - Stewardship, Compliance, and Accountability:

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. The City follows these procedures set forth below in establishing the budgetary data reflected in the financial statements.

1. On or before July 1st of each year, the City Manager submits a Proposed Budget to the City Commission for the fiscal year beginning the following October 1st. The budget includes proposed revenues, expenditures and a description of capital activities for the ensuing fiscal year.
2. The City Commission then holds informal workshops, wherein the public is invited to attend.
3. On or before September 30th of each year, two public hearings are convened and the Commission establishes the ad valorem tax millage followed by the adoption of the final budget.
4. The budget may be formally amended by the City Commission at any time. Budgeted amounts presented in the accompanying financial statements have been adjusted for any legally authorized revisions of the annual budgets during the year.

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 4 - Stewardship, Compliance, and Accountability (Continued):

A. Budgetary Information (Continued)

5. The City Manager is authorized to transfer budgeted amounts between accounts within a department. At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriations among programs within one department. The legal level of budgetary control is the departmental level.

B. Appropriations in Excess of Funds Available

Appropriations for the Oak Forest Debt Service Fund were in excess of anticipated revenue and prior years' fund balance.

C. Excess Expenditures Over Appropriations

Expenditures of the Special Law Enforcement Trust Fund-Federal Special Revenue Fund exceed appropriations. These over-expenditures were funded by greater than anticipated revenues and available fund balance.

D. Deficit Net Assets and Deficit Fund Equity

The Development Services fund had a deficit net asset balance of \$236,181 at September 30, 2012.

The Oak Forest Debt service fund has a deficit fund balance of \$217,020 at September 30, 2012.

Note 5 - Deposits and Investments:

Deposits

At year-end, the carrying amount of the City's deposits was \$3,267,371 and the bank balance was \$2,320,050. Petty cash funds of \$1,660 are not on deposit with a financial institution, and fiduciary fund cash of \$435,973 held by the pension fund is not in the City's bank. All bank deposits were covered by Federal Depository Insurance or held in banks that are members of the State of Florida's Collateral Pool as specified under Florida law. Florida Statutes provide for collateral pooling by banks and savings and loans. This limits local government deposits to "authorized depositories".

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 5 - Deposits and Investments (Continued):

Investments

The City's investment policies are governed by State Statutes and City ordinances. City ordinance allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the Florida Statutes. Authorized investments are:

1. Florida Local Government Surplus Funds Trust Fund Investment Pool (SBA LGIP)
2. U.S. Government securities
3. U.S. Government Agency securities
4. Federal Instrumentalities (U.S. Government sponsored agencies)
5. Interest bearing time deposit or savings accounts
6. Repurchase agreements
7. Commercial paper
8. Bankers' acceptances
9. State and/or local government taxable and/or tax-exempt debt
10. Registered investment companies (money market mutual funds)
11. Intergovernmental investment pool

The City's investment policy limits credit risk by restricting authorized investment to those described above. The policy requires that the investment in federal instrumentalities be guaranteed by the full faith and credit of the U.S. Government sponsored agency and that investments in money market mutual funds have a Standard & Poors (S & P) rating of AAm or AAm-G. Investments in commercial paper and bankers' acceptances must be rated, at a minimum, "P-1" by Moody's Investors Services and "A-1" by S & P. Investment in state and/or local government taxable and/or tax-exempt debt must be rated at least "Aa" by Moody's and "AA" by S & P for long-term debt, or rated at least "MIG-2" by Moody's and "SP-2" by S & P for short-term debt.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The city's investment policy requires that the bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2012, all of the city's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2012, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 5 - Deposits and Investments (Continued):

Investments (Continued)

Concentration of Credit Risk

The City's investment policy requires diversification, and places limits on the percentage of funds that may be invested with an individual issuer and type of investment.

Interest Rate Risk

The policy limits investment in U.S. Government securities and agencies and federal instrumentalities to a maximum length to maturity of five years. The maximum length to maturity for an investment in any state or local government debt security is three years. Certificates of deposit maximum maturity is one year and commercial paper and bankers' acceptances are 180 days. The maximum length to maturity for repurchase agreements is 90 days.

Additional Investment Information

During 2009, the City withdrew all of the funds invested in Pool A of the State Board of Administration (SBA) Local Government Investment Pool and is withdrawing funds from Fund B as they become available.

The SBA is not a registrant with the Securities and Exchange Commission (SEC); however, the State of Florida does provide regulatory oversight. The Board has adopted operating procedures consistent with the requirements for a 2a-7 like fund for the Florida Prime Fund.

Therefore, the pool account balance can be used as fair value for financial reporting. Fund B is accounted for as a fluctuating NAVPOOL, not a 2a-7 like money market fund. It is important to note that due to the lack of an actively traded market for Fund B securities, their "fair value" is an estimate of current liquidation value that has been determined through a collaborative process among various pricing experts and sources in the marketplace.

Investments held by the City at September 30, 2012 are detailed below.

Investments	Fair Value	Credit Rating	Weighted Average Maturity
Local Government Investment Pool (Fund B)	\$ 485,508	Not rated	4.08 years
Local Government Investment Pool (Fund B)	14,091	Not rated	4.08 years
Commercial Paper	2,895,905	A-1+	108.76 days
Fidelity Institutional Money Market Government Portfolio	910,279	Not rated	
US Treasury Notes	6,424,257	TSY	371 days
Federal Agency Bond Note	14,532,198	AAA	431 days
Fidelity Institutional Money Market Government Portfolio	716,732	Not rated	
	<u>\$ 25,978,970</u>		

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 5 - Deposits and Investments (Continued):

Investments: Pension Funds

The City's Pension Trust Fund (Trust) investment policies are governed by State Statutes and City ordinances. City ordinance allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the Florida Statutes. Authorized investments are:

1. Interest bearing time deposit or savings accounts
2. U.S. Government securities
3. U.S. Government Agency securities
4. Federal Instrumentalities (U.S. Government sponsored agencies)
5. State of Florida Local Government Surplus Fund (SBA)
6. Commercial paper
7. Bankers' acceptances
8. State and/or local government taxable and/or tax-exempt debt
9. Intergovernmental investment pool
10. Common and preferred stocks, commingled funds, mutual funds, bonds and structured mortgage or asset backed securities
11. Real Estate and real estate securities
12. Repurchase agreements
13. Foreign securities
14. Registered investment companies (money market mutual funds)

The investments held by the City's Pension Trust Fund at September 30, 2012 are detailed below:

<u>Investments</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Stocks	\$ 18,034,152	N/A
Bonds	6,731,591	4.95 years
Real Estate	1,668,088	N/A
Total Investments	<u>26,433,831</u>	
Cash and Cash Equivalents	435,973	
Total Cash and Investments	<u><u>\$ 26,869,804</u></u>	

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 5 - Deposits and Investments (Continued):

Investments: Pension Funds (Continued)

Credit Risk

The City's Trust investment policy limits credit risk by restricting authorized investment to those described above. The policy requires that the investments in: federal instrumentalities be guaranteed by the full faith and credit of the U.S. Government sponsored agency; deposit accounts be insured by the Federal Deposit Insurance Corporation and may not exceed maximum insured amount; commercial paper be rated in the highest category by a nationally recognized rating service; Letters of Credit (LOC) backing commercial paper, the long-term debt of the LOC provider be rated A or better by at least two nationally recognized rating services; bankers' acceptances of the United States Banks or federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, be rated in the highest category by a nationally recognized rating service; General Obligation and/or Revenue Bonds of state or local government taxable or tax-exempt debt be rated A, for long-term debt, by a nationally recognized rating service or rated "MIG-2" or "SP-2", for short term debt, by a nationally recognized rating service; intergovernmental investment pools be authorized to the Florida Interlocal Cooperation Act provided in Section 163.01, Florida Statutes; equities be traded on a national exchange; money market mutual funds have a rating of "A1" by Standard & Poor's (S&P) or "P1" by Moody's Investor Services (Moody's); fixed income securities be investment grade as measured by S&P or Moody's; and any bonds or notes that fall below investment quality must be liquidated immediately.

Custodial Credit Risk

Custodial risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2012, none of the Trust investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk

The City's Trust investment policy requires diversification, and places limits on the percentage of funds that may be invested with an individual issuer and type of investment. The policy limits an individual issuer of common or capital stock to no more than 5% of the fund's assets; the aggregate investment in any one stock issuing company to no more than 5% of the outstanding capital stock of the company; and the value of bonds issued by any single corporation to no more than 3% of the total fund. The policy limits investments in corporate common stock and convertible bonds to no more than 75% of the fund assets at market value; foreign securities to no more than 20% of fund assets at market value; and alternative investments, such as timber and real estate, to no more than 15% of the fund assets at market value. At September 30, 2012, there were no security investments in the Trust that were over their respective limitations.

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 5 - Deposits and Investments (Continued):

Investments: Pension Funds (Continued)

Interest Rate Risk

The Pension investment policy allows for investment in commingled funds administered by national or state banks, and mutual funds. Authorized investments criteria with the exception of commingled funds, apply to security level investments. All fixed income investments in the Pension portfolio are commingled funds.

The Pension fixed income portfolio may be invested in securities with a maturity up to (30) years, as long as the average duration of the portfolio will not exceed +/- 125% of the duration of the Policy benchmark. There were no security level fixed income investments in the Pension Portfolio.

Note 6 - Receivables:

Receivables as of year end for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

<u>Fund</u>	<u>Accounts Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
General	\$ 206,635	\$ -	\$ 206,635
Road Improvements Special Revenue	3,834,631	-	3,834,631
Solid Waste/Recycling Special Revenue	225,812	-	225,812
TLBD Debt Service	1	-	1
Central Winds GO Debt Service	6	-	6
Water & Sewer Utility	1,535,352	(48,899)	1,486,453
Stormwater Utility Fund	106,213	-	106,213
Nonmajor Governmental	627	-	627
	<u>\$ 5,909,277</u>	<u>\$ (48,899)</u>	<u>\$ 5,860,378</u>

There is an amount of \$3,834,631 included in accounts receivable above in the Road Improvements Special Revenue Fund that is not considered to be available to liquidate liabilities of the current period. There are also special assessments receivable of \$2,374,180 that are not available to liquidate liabilities of the current period. These receivables totaling \$6,208,811 are reported as deferred revenue in the governmental funds balance sheet.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 7 - Capital Assets:

Capital asset activity for the year ended September 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,959,395	\$ -	\$ -	\$ 9,959,395
Construction in Progress	565,314	1,100,786	(365,846)	1,300,254
Total capital assets, not being depreciated	<u>10,524,709</u>	<u>1,100,786</u>	<u>(365,846)</u>	<u>11,259,649</u>
Capital assets, being depreciated:				
Buildings	12,826,046	-	-	12,826,046
Improvements	12,387,015	3,499	(7,506)	12,383,008
Intangible assets	721,816	229,127	(3,667)	947,276
Machinery and equipment	6,687,294	519,384	(880,941)	6,325,737
Infrastructure	57,234,605	365,846	-	57,600,451
Total capital assets, being depreciated	<u>89,856,776</u>	<u>1,117,856</u>	<u>(892,114)</u>	<u>90,082,518</u>
Less accumulated depreciation for:				
Buildings	(4,256,769)	(424,670)	-	(4,681,439)
Improvements	(4,240,547)	(422,760)	912	(4,662,395)
Intangible assets	(667,305)	(46,776)	3,667	(710,414)
Machinery and equipment	(5,300,917)	(582,709)	862,325	(5,021,301)
Infrastructure	(26,375,115)	(1,220,939)		(27,596,054)
Total accumulated depreciation	<u>(40,840,653)</u>	<u>(2,697,854)</u>	<u>866,904</u>	<u>(42,671,603)</u>
Total capital assets, being depreciated, net	<u>49,016,123</u>	<u>(1,579,998)</u>	<u>(25,210)</u>	<u>47,410,915</u>
Governmental activities capital assets, net	<u>\$ 59,540,832</u>	<u>\$ (479,212)</u>	<u>\$ (391,056)</u>	<u>\$ 58,670,564</u>

Increases in accumulated depreciation for governmental activities includes accumulated depreciation on assets transferred from business-type activities, therefore total increases is not the same as depreciation expense discussed below. This difference is \$17,345.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 7 - Capital Assets (Continued):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 7,170,177	\$ -	\$ -	\$ 7,170,177
Construction in Progress	3,261,409	2,651,384	(3,338,532)	2,574,261
Total capital assets, not being depreciated	<u>10,431,586</u>	<u>2,651,384</u>	<u>(3,338,532)</u>	<u>9,744,438</u>
Capital assets, being depreciated:				
Buildings	759,515	-	-	759,515
Improvements	51,182,942	4,715,743	-	55,898,685
Intangible assets	110,410	-	-	110,410
Machinery and equipment	3,584,417	101,930	(81,524)	3,604,823
Total capital assets, being depreciated	<u>55,637,284</u>	<u>4,817,673</u>	<u>(81,524)</u>	<u>60,373,433</u>
Less accumulated depreciation for:				
Buildings	(520,127)	(25,118)	-	(545,245)
Improvements	(26,847,324)	(1,735,361)	-	(28,582,685)
Intangible assets	(95,727)	(4,762)	-	(100,489)
Machinery and equipment	(2,892,049)	(198,350)	62,858	(3,027,541)
Total accumulated depreciation	<u>(30,355,227)</u>	<u>(1,963,591)</u>	<u>62,858</u>	<u>(32,255,960)</u>
Total capital assets, being depreciated, net	<u>25,282,057</u>	<u>2,854,082</u>	<u>(18,666)</u>	<u>28,117,473</u>
Business-type activities capital assets, net	<u>\$ 35,713,643</u>	<u>\$ 5,505,466</u>	<u>\$ (3,357,198)</u>	<u>\$ 37,861,911</u>

Increases in accumulated depreciation for business-type activities include accumulated depreciation on assets transferred from governmental activities. This difference is \$21,158.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 7 - Capital Assets (Continued):

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 117,958
Public safety	470,617
Physical environment	1,713,080
Culture and recreation	378,854
Total depreciation expense - governmental activities	<u>\$ 2,680,509</u>
Business-type activities:	
Water and sewer	\$ 1,660,324
Development services	298
Stormwater	281,811
Total depreciation expense - business-type activities	<u>\$ 1,942,433</u>

Note 8- Long-Term Debt:

Revenue Bonds

The City issues bonds where the City pledges revenue derived from the acquired or constructed assets to pay debt service. Revenue bonds have been issued for both governmental and business-type activities.

The 1999 Improvement Refunding Bonds are secured by Electric Franchise fees and Public Service tax revenue. The total principal and interest remaining to be paid on this series is \$14,025,000. For the fiscal year, there was no principal and interest paid on this series and total pledged revenue was \$5,711,307.

The 2001 Special Assessment Bonds are secured by a first lien and pledge of assessments levied on the property within the assessed area as well as the first \$160,000 of half-cent sales tax received by the City each year. These bonds were refunded in the current year. For the fiscal year, principal and interest paid on this series was \$1,902,588 and total pledged revenue was \$144,955.

The 2003 Improvement Refunding Bonds are secured by Electric Franchise fees and Public Service tax revenue. The total principal and interest remaining to be paid on this series is \$6,118,059. For the fiscal year, principal and interest paid on this series was \$881,098 and total pledged revenue was \$5,711,307.

The 2000 Water and Sewer Refunding bonds are secured by net revenue from the water and sewer system. The total principal and interest remaining to be paid on this series is \$20,071,250. For the fiscal year, principal and interest paid on this series was \$103,124 and total pledged net revenue was \$4,503,452.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 8 - Long-Term Debt (Continued):

Revenue Bonds (Continued)

The original amount of revenue bonds issued in prior years, as well as revenue bonds outstanding at year end, are as follows:

	<u>Interest Rates and Dates</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Balance September 30, 2012</u>
<u>Governmental Activities</u>				
Improvement Refunding Revenue Bonds- Series 1999 (excludes \$3,596,775 of accreted interest on capital appreciation bonds)	3.25 - 5.25% (4/1 & 10/1)	10/1/2020 to 10/1/2029	<u>\$ 7,998,970</u>	\$ 3,498,970
Improvement Refunding Revenue Bonds- Series 2003	2.0 - 3.7% (4/1 & 10/1)	10/1/2004 to 10/1/2018	<u>\$ 8,870,000</u>	5,430,000
Total				<u>\$ 8,928,970</u>

Business-Type Activities

Water and Sewer Refunding Revenue Bonds- Series 2000 (excludes \$3,632,729 of accreted interest on capital appreciation bonds)	4.5 - 5.5% (4/1 & 10/1)	10/1/2022 to 10/1/2030	<u>\$ 6,969,191</u>	\$ 5,669,191
Total				<u>\$ 5,669,191</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 700,000	\$ 174,447	\$ -	\$ 103,125
2014	725,000	150,385	-	103,125
2015	750,000	125,698	-	103,125
2016	775,000	100,910	-	103,125
2017	800,000	74,522	-	103,125
2018-2022	2,863,442	3,165,708	397,498	2,810,490
2023-2027	1,568,569	4,850,119	2,313,075	7,717,500
2028-2031	746,959	2,572,300	2,958,618	3,358,444
	<u>\$ 8,928,970</u>	<u>\$ 11,214,089</u>	<u>\$ 5,669,191</u>	<u>\$ 14,402,059</u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 8 - Long-Term Debt (Continued):

Current Refunding of Bonds Payable

The City issued Special Assessment Revenue Refunding Note, Series 2011, to refund the 2001 Special Assessment Bonds. The refunding was undertaken to reduce total future debt service payments. This transaction resulted in an economic gain of \$252,584 and a reduction of \$336,749 in future debt service payments.

General Obligation Bonds

During 2003, the City issued limited general obligation bonds for the acquisition of property to expand Central Winds Park. These bonds are payable from and secured by a pledge of the faith, credit and taxing power of the City, provided that the levy of ad valorem taxes by the City in each year for the payment of debt service on the Series 2003 Bonds shall not exceed one quarter (1/4) of one mil on all of the taxable property in the City. These bonds were refunded in the current year. For the fiscal year, principal and interest paid on this series was \$2,909,208, including payment of \$2,770,000 to refunding agent, and total pledged revenue was \$167,640.

Current Refunding of General Obligation Bonds Payable

The City issued Limited General Obligation Refunding Note, Series 2012, to refund the Limited General Obligation Bond, Series 2003. The refunding was undertaken to reduce total future debt service payments. This transaction resulted in an economic gain of \$283,176 and a reduction of \$392,079 in future debt service payments.

Notes Payable

The City issued a Special Assessment Revenue Note Series 2006, in the amount of \$430,000 to provide financing for the Tuscawilla Lighting and Beautification Project, Phase II. The Special Assessment Revenue Note Series 2006 is secured by a first lien and pledge of assessments levied on the property within the assessed area. The total principal and interest remaining to be paid on this series is \$158,620. For the fiscal year, principal and interest paid on this series was \$44,976 and total pledged revenue was \$40,381.

The 2011 Improvement Refunding Revenue Note is secured by Electric Franchise fees and Public Service tax revenue. The total principal and interest remaining to be paid on this series is \$1,474,741. For the fiscal year, principal and interest paid on this series was \$44,423 and total pledged revenue was \$5,711,307.

The 2011 Special Assessment Revenue Refunding Note is secured by a first lien and pledge of assessments levied on the property within the assessed area. The total principal and interest remaining to be paid on this series is \$2,344,241. For the fiscal year, no principal was paid and interest was paid on this series was \$25,016 and total pledged revenue was \$144,955.

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 8 - Long-Term Debt (Continued):

Notes Payable (Continued)

The 2012 Limited General Obligation Refunding Note is secured a pledge of the faith, credit and taxing power of the City, provided that the levy of ad valorem taxes by the City in each year for the payment of debt service on the Note shall not exceed one quarter (1/4) of one mil on all of the taxable property in the City. The total principal and interest remaining to be paid on this series is \$3,847,147. For the fiscal year, no principal was paid on this series and interest paid was \$11,942 and total pledged revenue was \$167,640.

The 2011A Water and Sewer Refunding Note is secured by net revenue from the water and sewer system. The total principal and interest remaining to be paid on this series is \$8,672,887. For the fiscal year, principal and interest paid on this series was \$1,099,181 and total pledged net revenue was \$4,503,452.

The 2011B Water and Sewer Refunding Note is secured by net revenue from the water and sewer system. The total principal and interest remaining to be paid on this series is \$881,469. For the fiscal year, principal and interest paid on this series was \$99,238 and total pledged net revenue was \$4,503,452.

The 2011C Water and Sewer Refunding Note is secured by net revenue from the water and sewer system. The total principal and interest remaining to be paid on this series is \$4,198,207. For the fiscal year, principal and interest paid on this series was \$99,219 and total pledged net revenue was \$4,503,452.

In April 2012, the City executed Clean Water State Revolving Fund Loan agreement WW590600 for the Lake Jessup reclaimed water augmentation facility. The agreement provides for total funding of \$2,831,985. The loan period is for 20 years with an interest rate of 2.77 percent. As of September 30, 2012, the City has not drawn any loan funds. Subsequent to year end, in November 2012, the City drew \$1,433,552 on the loan. The note is secured by gross revenues from the water and sewer utility net of operation and maintenance costs.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 8 - Long-Term Debt (Continued):

Notes Payable (Continued)

The City has notes payable for both governmental and business-type activities. Outstanding notes payable at year end are as follows:

Governmental Activities

Special Assessment Revenue Note, Series 2006 - Principal payable annually beginning July 1, 2007 and interest payable semi-annually on January 1 and July 1. Maturity is July 1, 2021 and interest is 4.10%. Principal payments of \$37,915 were made in fiscal year 2012.	\$ 141,890
Improvement Refunding Revenue Note, Series 2011 - payable in annual principal installments starting 10/1/11 through 10/1/18 and interest paid semi-annually at 2.36%	1,353,398
Special Assessment Refunding Revenue Note, Series 2011 - payable in annual principal installments starting 10/1/12 through 10/1/29 and interest paid semi-annually at 3.25%	1,765,000
Limited General Obligaion Refunding Note, Series 2012 - payable in annual principal installments starting 7/1/13 through 7/1/31 and interest paid semi-annually at 3.65%	2,739,107
	<u>\$ 5,999,395</u>

Business-Type Activities

Water and Sewer System Revenue Refunding Note, Series 2011A - payable in annual principal installments starting 4/1/12 through 4/1/20 and interest paid semi-annually at 3.28%	\$ 7,629,676
Water and Sewer System Revenue Refunding Note, Series 2011B - payable in annual principal installments starting 10/1/11 through 10/1/20 and interest paid semi-annually at 2.65%	792,377
Water and Sewer System Revenue Refunding Note, Series 2011C - payable in annual principal installments starting 10/1/12 through 10/1/21 and interest paid semi-annually at 2.66%	3,730,050
	<u>\$ 12,152,103</u>

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 8 - Long-Term Debt (Continued):

Notes Payable (Continued)

Annual debt service requirements to maturity for notes payable are as follows:

Year Ending September 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 306,633	\$ 192,646	\$ 1,255,278	\$ 345,767
2014	371,000	182,461	1,296,196	306,297
2015	400,942	170,865	1,334,768	265,618
2016	419,859	158,611	1,375,953	223,721
2017	437,964	145,842	1,424,794	180,433
2018-2022	1,596,387	555,630	5,465,114	278,624
2023-2027	1,346,597	331,967	-	-
2028-2031	1,120,013	87,332	-	-
	<u>\$ 5,999,395</u>	<u>\$ 1,825,354</u>	<u>\$ 12,152,103</u>	<u>\$ 1,600,460</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable-					
Revenue bonds	\$ 9,613,970	\$ -	\$ (685,000)	\$ 8,928,970	\$ 700,000
Special assessment debt with government commitment	1,825,000	-	(1,825,000)	-	-
Limited general obligation bonds	2,770,000	-	(2,770,000)	-	-
Less deferred amounts:					
Issuance discounts	(15,465)	-	15,465	-	-
Issuance premiums	48,746	-	(6,964)	41,782	-
On refunding	(76,657)	-	10,951	(65,706)	-
Total bonds payable	<u>14,165,594</u>	<u>-</u>	<u>(5,260,548)</u>	<u>8,905,046</u>	<u>700,000</u>
Accreted interest payable	3,212,439	384,336	-	3,596,775	-
Notes payable-					
Capital improvement notes	1,557,051	1,765,000	(61,763)	3,260,288	206,047
Limited general obligation note	-	2,739,107	-	2,739,107	100,586
Less deferred amounts:					
On refunding	-	(90,314)	4,562	(85,752)	-
Total notes payable	<u>1,557,051</u>	<u>4,413,793</u>	<u>(57,201)</u>	<u>5,913,643</u>	<u>306,633</u>
Other post employment benefits	165,300	53,401	-	218,701	-
Compensated absences	589,738	632,710	(589,738)	632,710	127,000
Governmental activity long- term liabilities	<u>\$ 19,690,122</u>	<u>\$ 5,484,240</u>	<u>\$ (5,907,487)</u>	<u>\$ 19,266,875</u>	<u>\$ 1,133,633</u>

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 8 - Long-Term Debt (Continued):

Changes in Long-Term Liabilities (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Bonds payable-					
Revenue bonds	\$ 5,669,191	\$ -	\$ -	\$ 5,669,191	\$ -
Less deferred amounts:					
Issuance discounts	(19,818)	-	840	(18,978)	-
On refunding	(577,890)	-	58,335	(519,555)	-
Total bonds payable	<u>5,071,483</u>	<u>-</u>	<u>59,175</u>	<u>5,130,658</u>	<u>-</u>
Accreted interest payable	3,211,189	421,540	-	3,632,729	-
Notes payable-					
Revenue notes	13,065,573	-	(913,470)	12,152,103	1,255,278
Less deferred amounts:					
On refunding	(245,681)	-	26,583	(219,098)	-
Total notes payable	<u>12,819,892</u>	<u>-</u>	<u>(886,887)</u>	<u>11,933,005</u>	<u>1,255,278</u>
Other post employment benefits	56,700	14,348	-	71,048	-
Compensated absences	158,093	156,846	(158,093)	156,846	31,100
Governmental activity long-term liabilities	<u>\$ 21,317,357</u>	<u>\$ 592,734</u>	<u>\$ (985,805)</u>	<u>\$ 20,924,286</u>	<u>\$ 1,286,378</u>

Note 9 - Interfund Receivables, Payables and Transfers:

The composition of interfund advances as of September 30, 2012 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Development Services	\$ 161,287
General	Other Governmental Funds	229,870
		<u>\$ 391,157</u>

In prior years, the Development Services fund had been operating at a deficit which was being funded by an advance from the General Fund. In the current year, the Development Services fund has excess revenue of \$470,602 and reduced the payable to the General Fund by \$502,889. The advance to other governmental funds represents Resolution 2010-36 adopted June 2010 formally establishing the interfund loan (original amount \$318,464) between the City's General Fund and the Oak Forest Debt Service Fund. The terms of the note are 2.7510% paid quarterly through June 2017.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 9 - Interfund Receivables, Payables and Transfers (continued):

Interfund transfers for the year ended September 30, 2012 are summarized below:

Transfers Out	Transfers In					Total
	General Fund	Central Winds GO Debt Service	Other Governmental Funds	Water and Sewer Utility Fund	Governmental Capital Assets (Not a Fund)	
General Fund	\$ -	\$ 55,500	\$ 1,142,192	\$ -	\$ -	\$ 1,197,692
TLBD Debt Service	500	-	-	-	-	500
Solid Waste/Recycling						
Special Revenue Fund	132,134	-	-	-	-	132,134
Other Governmental Funds	123,309	-	411,000	14,563	-	548,872
Water and Sewer Utility Fund	1,481,743	-	100,000	-	16,807	1,598,550
Development Services Fund	284,500	-	-	3,040	-	287,540
Stormwater Utility Fund	179,800	-	-	6,000	-	185,800
	<u>\$ 2,201,986</u>	<u>\$ 55,500</u>	<u>\$ 1,653,192</u>	<u>\$ 23,603</u>	<u>\$ 16,807</u>	<u>\$ 3,951,088</u>

Interfund transfers for the year ended September 30, 2012 are detailed below:

Recipient Fund	Amount	Purpose
1999 Debt Service Fund	\$ 194,300	Transfer from General Fund to pay Debt Service expenses on the Improvement Refunding Revenue Bonds, Series 1999.
2003 Debt Service Fund	894,200	Transfer from General Fund to pay Debt Service expenses on the Improvement Refunding Revenue Bonds, Series 2003.
Central Winds GO Debt Service Fund	55,500	Transfer from General Fund to pay Debt Service expenses on the General Obligation Notes for the acquisition and expansion of Central Winds Park.
General Fund	1,481,743	Transfer from Water and Sewer Utility Fund for Utility Billing division budget, fair share portion of General Fund expenses, such as human resources, purchasing, and finance.
General Fund	284,500	Transfer from Development Services Fund for indirect costs, administration, fire prevention, Community Development (crossover costs), Information Services special projects, Kiva project and records management project expenses.
General Fund	74,931	Transfer from TLBD Phase I Maintenance Special Revenue Fund for City Clerk, Beautification Coordinator and insurance expenses.
General Fund	14,359	Transfer from Oak Forest Maintenance Special Revenue Fund for City Clerk, Beautification Coordinator and insurance expenses.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 9 - Interfund Receivables, Payables and Transfers (continued):

<u>Recipient Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	132,134	Transfer from Solid Waste/Recycling Special Revenue Fund for administration, franchise fees.
General Fund	33,019	Transfer from Parks Impact Fund to cover costs related to an improvement at Trotwood Park.
General Fund	179,800	Transfer from Stormwater Utility Fund for administration and special projects.
General Fund	500	Transfer from Oak Forest Debt Service fund for administration fees.
General Fund	500	Transfer from TLBD Debt Service Fund for administration fees.
General Fund	500	Transfer from TLBD Phase II Debt Service Fund for administration fees.
Excellence in Customer Service	53,692	Transfer from General Fund to contribute to projects to enhance customer service at City Hall including a new phone software and equipment, upgrades to the ERP software and improvements to physical space in the City Hall lobby.
Excellence in Customer Service	400,546	Transfer from Public Building Impact Fee Fund which was closed in FY12. The remaining fund balance was to be used to provide enhancements to customer service through the Excellence in Customer Service capital projects.
Excellence in Customer Service	10,454	Transfer from City Hall Expansion Capital Project Fund are in part a result from the repeal of the Public Buildings Impact Fee Fund. The remaining fund balance in the City Hall Expansion Capital Projects Fund were transferred to the Excellence in Customer Service Fund.
Excellence in Customer Service	100,000	Transfer from Water and Sewer Fund to contribute to projects to enhance customer service at City Hall including a new phone software and equipment, upgrades to the ERP software and improvements to physical space in the City Hall lobby.
Water and Sewer Utility Fund	3,040	Transfer from Development Services to cover an allocation of services for the phone operation and customer service call handling.
Water and Sewer Utility Fund	14,563	Transfer from Arbor Fund to cover an allocation of salary/benefits for the City Arborist.
Water and Sewer Utility Fund	6,000	Transfer from Stormwater Utility Fund for administration fees.
	<u>\$ 3,934,281</u>	

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 10 - Defined Benefit Pension Plan:

Plan Description

The City maintains a single-employer defined benefit pension plan that provides retirement benefits to City employees. The pension plan is maintained as a Pension Trust Fund and is included with the fund financial statements. This pension plan does not issue a stand-alone financial report. General employees hired on or after October 1, 2011 are no longer eligible for the defined benefit pension plan, but are eligible for the City's defined contribution plan. Employees hired as sworn police officers or hired as forensic professionals on or after October 1, 2011 will continue to participate in the defined benefit plan.

In October 2008, the City consolidated fire services with Seminole County, and firefighters were given the option to either remain in the City's pension plan or enroll in the County's pension plan. As a result, 27 firefighters elected to remain in the City's pension plan of which 17 remain although they are no longer employees of the City.

The Board of Trustees of the plan are appointed by the City Commission to make advisory recommendations regarding the plan's investment and portfolio strategies. Any recommendations are then taken back to the Commission for final approval.

Summary of Significant Accounting Principles

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. All Plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the government's balance sheet date. Securities without an established market are reported at estimated fair value.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Commission. Effective October 1, 2011, the Plan has been amended to require Plan members to contribute 5% of their salary to the Plan, which amounted to \$374,894, for the year ended September 30, 2012. The City is required to contribute at an actuarially determined rate; the rate from the most recent actuarial valuation as of October 1, 2010 for the year ended September 30, 2012 is 28.1% of covered payroll. As a result of the amendment to increase the Plan member contribution, the City's contribution was reduced to 24.1% of payroll for fiscal year 2012. The City/County's contribution for the year ended September 30, 2012 was \$1,913,717, which is 25.4% of covered payroll. Administration costs and fees attributable to the plan are paid out of the plan and amounted to \$309,874 in 2012.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 10 - Defined Benefit Pension Plan (Continued):

Membership in the Defined Benefit Plan consisted of the following as of the most recent valuation date, October 1, 2010:

Retirees and beneficiaries receiving benefits	51
Terminated plan members entitled to but not receiving benefits	98
Active plan members:	
Vested	186
Non-vested	24
	<u>359</u>

Annual Pension Cost and Net Pension Obligation -

The annual pension cost, net pension obligation and required contribution for September 30, 2012 were determined as part of the actuarial valuation of the plan dated October 1, 2010, and the actuarial impact statement dated March 2, 2012. The annual pension cost and net pension obligation based on the most recent valuation is:

Annual Required Contribution	\$ 1,965,643
Interest on Net Pension Obligation (NPO)	(450)
Adjustment to Annual Required Contribution	504
Annual Pension Cost	<u>1,965,697</u>
City Contributions Made	<u>(1,913,717)</u>
Increase/(Decrease) in NPO	51,980
Net Pension Asset, beginning of year	<u>(17,878)</u>
Net Pension obligation, end of year	<u>\$ 34,102</u>

Three Year Trend Information -

Fiscal Year	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2010	\$ 2,331,410	\$ 2,311,058	99.1%	\$ 14,679
9/30/2011	2,627,713	2,660,270	101.2%	(17,878)
9/30/2012	1,965,697	1,913,717	97.4%	34,102

As of October 1, 2010, the most recent actuarial valuation date, the Plan was 59.2% funded. The actuarial accrued liability for benefits was \$40,331,000 and the actuarial value of assets was \$23,887,000, resulting in an unfunded actuarial liability (UAAL) of \$16,444,000. The covered payroll (annual payroll of active employees covered by the plan) was \$10,304,000, and the ratio of the UAAL to the covered payroll was 159.6%.

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 10 - Defined Benefit Pension Plan (Continued):

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 assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. The schedule of employer contributions is also presented and shows the extent to which the city has funded the actuarially determined annual required contribution (ARC) over time.

The amount legally required as of September 30, 2012 to be reserved for the Plan is \$27,039,803.

Actuarial Methods and Assumptions -

The following is a summary of the actuarial methods and significant actuarial assumptions used in the latest actuarial valuation dated October 1, 2010. The plan was amended October 1, 2004 to increase the benefit formula percentage for service prior to October 1, 2000 of 2.0% by .25% increments each year beginning October 1, 2005 through the plan year beginning October 1, 2008 to 3.0%.

Assumptions:

Investment Earnings	8% compounded annually
Salary Increases/Inflation	3.0% -7.5%, includes expected inflation at 3.0%
Mortality Table	RP-2000 Combined Mortality Table with separate rates for males and females and fully generational mortality improvements projected to each future decrement date
Normal Form	Life annuity with payments for life of participant
Retirement Age	Age 65
Withdrawal Rates	Used withdrawal assumptions used in July 1, 2010 Florida Retirement System (FRS) Actuarial Valuation.

Actuarial Valuation:

Frequency	Annual
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Projected Payroll
Amortization Period	30 Years Closed
Asset Valuation Method	5 year smoothed market

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 11 - Defined Contribution Plan:

In March 2012 the City established the Winter Springs Defined Contribution (General Plan) as a defined contribution plan covering all full time employees of the City hired after October 1, 2011, not eligible to participate in the Defined Benefit Pension Plan. This plan is authorized and may be amended by the City Commission. The City makes employer contributions of 5%. Employees are eligible to participate in the General Plan after 6 months of employment. Vesting is 0% for the first 3 years, 60% at the end of year 3, 80% at the end of year 4, 100% at the end of year 5. Benefits are available upon termination subject to IRS regulations, regardless of age, based on vested years of service. Normal retirement age has been designated by the employer as age 65.

For the fiscal year ending September 30, 2012, payroll for the employees covered by this plan was \$119,358. Employer contributions required and made were \$8,243. As of September 30, 2012, participation in the plan consisted of 9 active members.

During the year, the General Plan held no securities issued by the employer.

Note 12 - Other Post-Employment Benefits:

In accordance with Florida Statutes Section 112.0801, the City makes continued group health insurance through the city's current provider available to retirees and eligible dependents provided certain service requirements and normal age retirement requirements have been met. This plan is a single employer plan. This benefit has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The City has eleven retirees currently receiving benefits. The City has chosen pay-as-you-go funding, but is recording the liability in the government wide financial statements. This plan does not issue stand-alone financial statements.

The most recent actuarial report for the City's Retiree Continuation Insurance plan was prepared as of October 1, 2011. At that point in time, the unfunded actuarial accrued liability (UAAL) for benefits was \$754,000 and funded ratio was 0%. The covered payroll was \$7,441,000 and the ratio of the UAAL to covered payroll was 10.1 percent.

The annual required contribution and Net OPEB Obligation for the fiscal year ended September 30, 2012 is as follows:

Annual required contribution	\$ 137,000
Interest on net OPEB Obligation	9,000
Adjustment to annual required contribution	<u>(19,000)</u>
Annual OPEB Cost	127,000
Employer contributions	(58,000)
Interest on employer contributions	<u>(1,000)</u>
Increase in Net OPEB Obligation	68,000
Net OPEB Obligation (beginning of year)	<u>222,000</u>
Net OPEB Obligation (end of year)	<u><u>\$ 290,000</u></u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 12 - Other Post-Employment Benefits (Continued):

Three Year Trend Information -

Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net OPEB Obligation
9/30/2010	\$ 98,000	16.0%	\$ 155,000
9/30/2011	133,000	44.0%	222,000
9/30/2012	137,000	43.0%	290,000

Summary of Actuarial Methods & Assumptions -

Actuarial valuations of an ongoing plan involve 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 the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer 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 assets 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 the 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 include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Cost Method - The projected unit credit cost method was used to determine all liabilities, with the liability for each active employee assumed to accrue over his working lifetime based on elapsed time from his date of hire until retirement.

Amortization Method - The level-dollar payment with a 15 year open period amortization method was used.

Decrements -

Mortality - Sex-distinct mortality rates set forth in the RP-2000 mortality table to annuitants and non-annuitants, projected to 2012 by Scale AA, as published by the IRS for purposes of IRC section 430.

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 12 - Other Post-Employment Benefits (Continued):

Summary of Actuarial Methods & Assumptions (Continued)

Disability - Sex-distinct disability rates set forth in the Wyatt 1985 Disability Study; Class 4 rates were used for police officers, Class 1 rates were used for all other employees.

Permanent Withdrawal from Active Status - Sex-distinct withdrawal rates set forth in the Scale 155 table.

Retirement - Retirement was assumed to occur as at age 55 for police officers and at age 60 for all other employees

Investment Return (Discount Rate) - 4.0% per annum (includes inflation at 2.75% per annum)

Health care Costs Trend Rates - The cost of covered medical services has been assumed to increase in accordance with the following rates, compounded annually:

<u>Year</u>	<u>Increase</u>	<u>Year</u>	<u>Increase</u>	<u>Year</u>	<u>Increase</u>
2012	7.50%	2015	6.00%	2017	
2013	7.00%	2016	5.50%	and later	5.00%
2014	6.50%				

Implied Subsidy (Not Eligible for Medicare) -The implied subsidy for a 60-year old retiree and his spouse for the period October 1, 2011 through September 30, 2012 is assumed to be \$3,300 per year and \$4,500 per year, respectively.

Implied Subsidy (Dental Insurance) -There is no implied subsidy for dental insurance since it is assumed that the dental insurance costs for covered individuals do not increase with age.

Age-Related Morbidity -The cost of covered medical services has been assumed to increase with age at the rate of 3.5% per annum.

Retiree contributions - Retirees electing post-employment healthcare coverage have been assumed to make monthly contributions equal to the premium charged to the active employees and retiree contributions are assumed to increase in accordance with the healthcare cost trend assumption.

Medical Plan Choice - Retirees have been assumed to elect coverage under the “United Healthcare Medical Plan 6” plan.

Future Participation Rates - 25% of eligible employees are assumed to elect healthcare coverage for themselves until age 65 upon retirement or disability; of the retirees election healthcare coverage, 10% are assumed to elect coverage for their spouses until age 65.

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 12 - Other Post-Employment Benefits (Continued):

Summary of Actuarial Methods & Assumptions (Continued)

COBRA Assumption - Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, we assumed that the COBRA premium to be paid by the participant fully covers the cost of providing healthcare coverage during the relevant period.

Summary of Benefits

Other Post-Employment Benefits (OPEBs) - The City of Winter Springs provides optional post-employment healthcare and dental insurance coverage to eligible individuals.

Eligible Individuals - Eligible individuals include all regular employees of the City of Winter Springs who retire from active service and are eligible for retirement or disability benefits under the defined benefit pension plan that is sponsored by the City. Under certain conditions, eligible individuals for healthcare coverage also include spouses and dependent children.

Choice of Healthcare Plans - Eligible individuals may choose healthcare coverage under the "United Healthcare Medical Plan 4" plan, or the "United Healthcare Medical Plan 6" plan.

Required Monthly Premium for Post-Employment Healthcare Coverage - Retirees must pay a monthly premium as determined by the insurance carrier. The premium varies depending on the plan selected and whether the retiree elects single, single plus spouse, single plus children or family coverage.

Note 13 - Deferred Compensation Plan:

All employees of the City may voluntarily elect to participate in one of two available deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are administered by Nationwide Retirement Solutions and ICMA Retirement Corporation. The plans permit participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Because the Plan Assets are held in trust for the exclusive benefit of plan participants and their beneficiaries, the Plan is not accounted for in the City's fund financials.

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 14 - 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; job-related illnesses or injuries to employees; and natural disasters. Risk of loss from above is transferred by the City to various commercial insurers through the purchase of insurance. There has been no significant reduction in insurance coverage from the previous year. There have been no settlements in excess of insurance coverage in any of the prior three fiscal years.

Note 15- Commitments and Contingencies:

Grants -

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

Litigation -

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Commitments Under Construction Contracts -

At September 30, 2012, the City had entered into construction contracts in the amount of \$513,643.

Transportation Impact Fee Credits -

The City has entered into a number of agreements with developers under which the developer donates transportation infrastructure improvements or rights of way to the City and receives credit for future transportation impact fee payments. As of September 30, 2012, credit balances for future impact fees total approximately \$588,000.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

Note 16 - Fund Balance

Minimum Fund Balance Policy - In accordance with Resolution 2002-36, the City designates an amount equal to 20 percent of the total operating expenses of the General fund to be maintained as a required minimum unreserved fund balance. The purpose of the policy is to provide capacity to (1) provide sufficient cash flow for daily financial needs, (2) secure and maintain investment grade (i.e. A or above) bond ratings, (3) offset significant economic downturns or revenue shortfalls, and (4) provide funds for unforeseen expenditures related to emergencies.

By a super majority vote of the Commission, supplemental appropriation from unassigned General Fund fund balance may be authorized by the Commission for a General Fund purpose reducing the unassigned General Fund fund balance below the 20% minimum provided that the assigned General Fund fund balance is restored to the minimum in the following year budget.

At September 30, 2012, the City's governmental fund balances were as follows:

Fund Balances	General Fund	Road Improvements Fund	Solid Waste/ Recycling	TLBD Debt Service	Central Winds GO Debt Service	Other Governmental Funds	Total Governmental Funds
Non-spendable							
Inventory/prepaid	\$ 258,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 258,630
Advances	391,157						391,157
Spendable							
Restricted for:							
Physical environment	-	1,214,004				1,508,812	2,722,816
Public safety	-	-	-	-	-	1,351,923	1,351,923
Culture and recreation	-	-	-	-	-	141,079	141,079
Debt service	-	-	-	188,352	50,549	15,342	254,243
Committed to:							
Solid Waste	-	-	1,383,575	-	-	-	1,383,575
Arbor	-	-	-	-	-	303,746	303,746
Assigned to:							
Storm reserve	-	-	698,672	-	-	-	698,672
Emergency Disaster Relief	-	-	649,208	-	-	-	649,208
Debt service	-	-	-	-	-	961,588	961,588
Capital projects	-	-	-	-	-	3,199,477	3,199,477
Subsequent year expenditures	343,327	-	-	-	-	-	343,327
Unassigned	7,838,858	-	-	-	-	(217,020)	7,621,838
Total Fund Balance	\$ 8,831,972	\$ 1,214,004	\$ 2,731,455	\$ 188,352	\$ 50,549	\$ 7,264,947	\$ 20,281,279

Note 17 - Subsequent Events:

The City has evaluated subsequent events through the date of the independent auditors' report, the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WINTER SPRINGS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2012

Defined Benefit Pension Trust Fund

Schedule of Funding Progress
(expressed in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a) / c
10/1/2005	\$ 9,716	\$ 13,178	\$ 3,462	74%	\$ 9,659	35.8%
10/1/2006	11,951	16,043	4,092	74.5	10,489	39.0
10/1/2007	15,527	20,114	4,587	77.2	11,190	41.0
10/1/2008	18,747	32,414	13,667	57.8	10,768	126.9
10/1/2009	20,789	37,651	16,862	55.2	10,753	156.8
10/1/2010	23,887	40,331	16,444	59.2	10,304	159.6

Schedule of Employer Contributions

Fiscal Year Ending	Annual Required Contribution (ARC)	Actual Contribution	Percentage of ARC Contributed
9/30/2007	\$ 1,807,722	\$ 1,843,147	102.0%
9/30/2008	2,005,100	2,009,085	100.2
9/30/2009	1,781,651	1,781,197	100.0
9/30/2010	2,311,058	2,311,058	100.0
9/30/2011	2,627,659	2,660,270	101.2
9/30/2012	1,965,643	1,913,717	97.4

CITY OF WINTER SPRINGS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2012

Retiree Continuation Insurance Plan

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a) / c
7/1/2009**	\$ -	\$ 505,000	\$ 505,000	0.0%	\$ 9,230,000	5.5%
10/1/2011	-	754,000	754,000	0.0%	7,441,000	10.1%

** initial valuation date

Schedule of Contributions from Employers and Other Contributing Entities

Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net OPEB Obligation
9/30/2009	\$ 93,000	17.0%	\$ 77,000
9/30/2010	98,000	16.0%	155,000
9/30/2011	133,000	44.0%	222,000
9/30/2012	137,000	43.0%	290,000

CITY OF WINTER SPRINGS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information

September 30, 2012

Note 1

The following actuarial assumption/method changes have been implemented with the October 1, 2011 valuation for the Retiree Continuation Insurance Plan:

1. The mortality basis has been changed from the RP-2000 Mortality Table projected to 2007 by Scale AA to the RP-2000 Mortality Table projected to 2013 by Scale AA, both as published by the IRS for purposes of IRC section 430.
2. The healthcare cost trend rates have been changed from 8.87% for the 2011/12 fiscal year graded down to 5.00% for the 2018/19 fiscal year and thereafter to 8.00% for the 2011/12 fiscal year graded down to 5.00% for the 2017/18 fiscal year and thereafter.
3. The implied subsidy for spouses at age 60 has been decreased from \$400 per month to \$375 per month.
4. The percentage of eligible employees who are assumed to elect healthcare coverage upon retirement or disability has been increased from 10% to 25%
5. The percentage of future retirees who are assumed to elect healthcare coverage for their spouse has been decreased from 80% for males and 50% for females to 10% for all future retirees.

Note 2

The following actuarial assumption/method changes have been implemented with the March 2, 2012 actuarial impact statement for the Defined benefit pension plan:

1. Employees working 30 or more hours per week were eligible to join the Plan on the first day of the month following completion of six months of service.
2. Effective October 10, 2011 compensation shall exclude commissions, bonuses, overtime pay in excess of 150 hours per Plan year and payments for accrued leave in excess of the dollar amount of an employee's accrued leave balance on July 1, 2011.
3. Final average compensation is the average earnings during the best 5 consecutive years out of the last 10 years preceding termination or retirement, but not less than the 3 highest consecutive compensation periods during employment with the City as of September 30, 2011.
4. Benefit for Firefighters, Police Officers and Forensic Professional, 3% times final average compensation multiplied by Accrual Service up to a maximum of 30 years. Benefit for General Employees, 3% time accrual service earned through September 30, 2011 times final average compensation plus 2.5% times accrual service earned after September 30, 2011 times final average compensation up to a maximum of 30 years accrual service.

CITY OF WINTER SPRINGS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information

September 30, 2012

Note 2 (Continued)

5. Early retirement eligibility is the earlier of attainment of age 55 and completion of 15 years of service or completion of 25 years of service actuarially reduced if under the age of 55.
6. Participant contributions increased to 5% of compensation for all employees.
7. Participants are 100% vested in required participant contributions. Participant contributions made after October 1, 2000 are include in the deferred vested benefit payable at normal or early retirement date. Upon termination of service prior to normal or early retirement date a participant shall be entitled to a benefit payable at normal or early retirement date calculated as for normal retirement. Based on pay and service at termination multiplied by a percentage- 0% for less than 7 years of service, 100% for 7 or more years of service.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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MAJOR GOVERNMENTAL FUNDS

Debt Service Fund

TLBD Debt Service Fund

- This fund was established to account for the accumulation of principal and interest for the 2001 special assessment bond issue which was refinanced in October 2011 with a private placement note payable.

Central Winds G.O. Debt Service Fund

- This fund is used to account for accumulation of resources and payment of principal and interest for the 2002 limited general obligation bond which was refinanced in May 2012 with private placement note payable.

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CITY OF WINTER SPRINGS, FLORIDA

TLBD DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees/assessments	\$ 165,698	\$ 164,298	\$ 60,000	\$ (104,298)
Investment income	2,100	2,100	86,534	84,434
Miscellaneous	-	-	19,399	19,399
Total revenues	<u>167,798</u>	<u>166,398</u>	<u>165,933</u>	<u>(465)</u>
Expenditures:				
Current:				
Physical environment	4,645	32,145	31,961	184
Debt Service:				
Principal	60,000	1,825,000	1,825,000	-
Interest and other charges	92,731	103,036	102,605	431
Total expenditures	<u>157,376</u>	<u>1,960,181</u>	<u>1,959,566</u>	<u>615</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,422</u>	<u>(1,793,783)</u>	<u>(1,793,633)</u>	<u>150</u>
Other Financing Sources (Uses)				
Notes payable	-	1,765,000	1,765,000	-
Transfers out	(500)	(500)	(500)	-
Total other financing sources and uses	<u>(500)</u>	<u>1,764,500</u>	<u>1,764,500</u>	<u>-</u>
Net Change in Fund Balances	9,922	(29,283)	(29,133)	150
Fund Balances - Beginning	217,485	217,485	217,485	-
Fund Balances - Ending	<u>\$ 227,407</u>	<u>\$ 188,202</u>	<u>\$ 188,352</u>	<u>\$ 150</u>

CITY OF WINTER SPRINGS, FLORIDA

CENTRAL WINDS GO DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Taxes:				
Property taxes	\$ 168,500	\$ 167,600	\$ 167,640	\$ 40
Investment income	400	400	745	345
Total revenues	<u>168,900</u>	<u>168,000</u>	<u>168,385</u>	<u>385</u>
Expenditures:				
Current:				
Culture and recreation	-	31,500	31,501	(1)
Debt Service:				
Principal	85,000	2,770,000	2,770,000	-
Interest and fiscal charges	139,731	151,581	151,330	251
Total expenditures	<u>224,731</u>	<u>2,953,081</u>	<u>2,952,831</u>	<u>250</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(55,831)</u>	<u>(2,785,081)</u>	<u>(2,784,446)</u>	<u>635</u>
Other Financing Sources (Uses)				
Notes payable	-	2,739,107	2,739,107	-
Transfers in	55,500	55,500	55,500	-
Total other financing sources (uses)	<u>55,500</u>	<u>2,794,607</u>	<u>2,794,607</u>	<u>-</u>
Net Change in Fund Balances	(331)	9,526	10,161	635
Fund Balances - Beginning	40,388	40,388	40,388	-
Fund Balances - Ending	<u>\$ 40,057</u>	<u>\$ 49,914</u>	<u>\$ 50,549</u>	<u>\$ 635</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

- Police Education Fund** - This fund is used to account for the \$2.00 additional assessment on each traffic citation that is restricted for criminal justice education and training in accordance with Chapter 938.15, Florida Statutes.
- Special Law Enforcement Trust Fund - Local** - This fund was established to receive revenues from local sources derived from confiscated property obtained during the enforcement of illegal operations. Proceeds are restricted for law enforcement purposes. Such purposes may include drug education programs such as G.R.E.A.T (Gang Resistance Education and Training).
- Transportation Improvement Fund** - Revenues in this fund are derived from Local Option Gasoline Tax distribution. Proceeds are restricted for road, right of way, and drainage maintenance and equipment necessary to build or maintain roads, right of ways, and drainage.
- Transportation Impact Fee Fund** - This fund is used to account for collected impact fees on new development which are restricted for use in funding road construction directly related to new growth.
- Police Impact Fee Fund** - This fund is used to account for collected impact fees on new development which are restricted for use in funding capital investment needed to maintain the level of police service directly related to new growth.
- Fire Impact Fee Fund** - This fund is used to account for collected impact fees on new development to defray the cost of capital investment needed to maintain the level of fire service due to future growth.
- Parks Impact Fee Fund** - This fund is used to account for collected impact fees on new development which are restricted for use in funding capital investment needed to develop and improve the parks directly related to new growth.
- Public Buildings Impact Fee Fund** - This fund is used to account for collected impact fees on new development which are restricted for use in funding capital investment needed to maintain public buildings directly related to new growth.
- Medical Transport Services Fund** - This fund is used to receive revenues generated from fees charged for paramedic services. The proceeds from this fund are used to pay for the incremental costs related to providing these services.

NONMAJOR GOVERNMENTAL FUNDS - Continued

Special Revenue Funds - Continued

- Arbor Fund** - This fund is used to account for arbor permit revenues committed to new plantings and maintenance of trees and shrubs within the City.

- TLBD Maintenance Fund** - This fund is used to account for collected special assessments restricted for maintenance related to the Tusawilla Lighting and Beautification District for Phases I and II of project. Phase II was accounted for in a separate fund prior to Fiscal Year 2008.

- Oak Forest Maintenance Fund** - This fund is used to account for collected special assessments restricted for maintenance related to the Oak Forest subdivision wall.

- Special Law Enforcement Trust Fund - Federal** - This fund was established to receive revenues from federal sources derived from confiscated property obtained during the enforcement of illegal operations. Proceeds are restricted for law enforcement purposes. Such purposes may include drug education programs such as G.R.E.A.T (Gang Resistance Education and Training).

NONMAJOR GOVERNMENTAL FUNDS - Continued

Debt Service Funds

- 1999 Debt Service Fund** - This fund is used to account for the accumulation of resources and payment of principal and interest for the 1999 bond issue and Improvement Refunding Note Series 2011, which partially refunded the 1999 bond issue.
- 2003 Debt Service Fund** - This fund is used to account for the accumulation of resources and payment of principal and interest for the 2003 bond issue.
- Oak Forest Debt Service Fund** - This fund is used to account for the accumulation of resources and payment of principal and interest to the General Fund for the 2010 interfund loan which paid off the Capital Improvement Revenue Note, Series 2004A.
- TLBD Phase II Debt Service Fund** - This fund is used to account for the accumulation of resources and payment of principal and interest for the TLBD Phase II Improvements.

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NONMAJOR GOVERNMENTAL FUNDS - Continued

Capital Projects Funds

- 1999 Construction Capital Projects Fund** - This fund was established for the acquisition and construction of City - owned Capital Improvements.
- Revolving Rehab Capital Projects Fund** - This fund was established to fund capital improvements and economic development within the City.
- City Hall Expansion Capital Projects Fund** - This fund was established to account for expansion of City Hall. This fund was closed in 2012 and the residual equity was transferred to Excellence in Customer Service.
- Public Facilities Fund** - This fund was established to account for construction of additional public facilities.
- Excellence in Customer Service** - This fund was established to account for the acquisition of software and equipment to improve the level of customer service performance.

CITY OF WINTER SPRINGS, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2012

	Special Revenue			
	Police Education Fund	Special Law Enforcement Trust Fund- Local	Transportation Improvement Fund	Transportation Impact Fee Fund
Assets:				
Cash and cash equivalents	\$ 2,386	\$ 2,896	\$ 59,602	\$ 60,367
Investments	21,936	26,625	547,876	554,909
Receivables, net	625	-	-	-
Special assessments receivable	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	800	-	-
Total assets	\$ 24,947	\$ 30,321	\$ 607,478	\$ 615,276
Liabilities and Fund Balances:				
Accounts payable	\$ -	\$ 1,668	\$ 15,477	\$ 35,023
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	1,668	15,477	35,023
Fund balances:				
Restricted	24,947	28,653	592,001	580,253
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	24,947	28,653	592,001	580,253
Total liabilities and fund balances	\$ 24,947	\$ 30,321	\$ 607,478	\$ 615,276

Special Revenue

Police Impact Fee Fund	Fire Impact Fee Fund	Parks Impact Fee Fund	Arbor Fund	TLBD Maintenance Fund
\$ 9,709	\$ 112,609	\$ 15,961	\$ 30,102	\$ 28,917
89,246	1,035,124	146,718	276,709	265,808
-	-	-	-	2
-	-	-	-	-
-	-	-	-	-
<u>\$ 98,955</u>	<u>\$ 1,147,733</u>	<u>\$ 162,679</u>	<u>\$ 306,811</u>	<u>\$ 294,727</u>
\$ 6,401	\$ 12,600	\$ 21,600	\$ 3,065	\$ 10,375
-	-	-	-	-
-	-	-	-	-
<u>6,401</u>	<u>12,600</u>	<u>21,600</u>	<u>3,065</u>	<u>10,375</u>
92,554	1,135,133	141,079	-	284,352
-	-	-	303,746	-
-	-	-	-	-
-	-	-	-	-
<u>92,554</u>	<u>1,135,133</u>	<u>141,079</u>	<u>303,746</u>	<u>284,352</u>
<u>\$ 98,955</u>	<u>\$ 1,147,733</u>	<u>\$ 162,679</u>	<u>\$ 306,811</u>	<u>\$ 294,727</u>

(Continued)

CITY OF WINTER SPRINGS, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2012

	Special Revenue		
	Oak Forest Maintenance Fund	Special Law Enforcement Trust Fund - Federal	Total Special Revenue
Assets:			
Cash and cash equivalents	\$ 5,294	\$ 6,938	\$ 334,781
Investments	48,662	63,780	3,077,393
Receivables, net	-	-	627
Special assessments receivable	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	800
Total assets	<u>\$ 53,956</u>	<u>\$ 70,718</u>	<u>\$ 3,413,601</u>
Liabilities and Fund Balances:			
Accounts payable	\$ 1,750	\$ 82	\$ 108,041
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>1,750</u>	<u>82</u>	<u>108,041</u>
Fund balances:			
Restricted	52,206	70,636	3,001,814
Committed	-	-	303,746
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>52,206</u>	<u>70,636</u>	<u>3,305,560</u>
Total liabilities and fund balances	<u>\$ 53,956</u>	<u>\$ 70,718</u>	<u>\$ 3,413,601</u>

Debt Service

2003 Debt Service Fund	1999 Debt Service Fund	Oak Forest Debt Service Fund	TLBD Phase II Debt Service Fund	Total
\$ 793,595	\$ 161,701	\$ 1,284	\$ 1,505	\$ 958,085
6,292	-	11,800	13,837	31,929
-	-	-	-	-
-	-	458,938	210,242	669,180
-	-	-	-	-
<u>\$ 799,887</u>	<u>\$ 161,701</u>	<u>\$ 472,022</u>	<u>\$ 225,584</u>	<u>\$ 1,659,194</u>
\$ -	\$ -	\$ 234	\$ -	\$ 234
-	-	229,870	-	229,870
-	-	458,938	210,242	669,180
-	-	689,042	210,242	899,284
-	-	-	15,342	15,342
-	-	-	-	-
799,887	161,701	-	-	961,588
-	-	(217,020)	-	(217,020)
<u>799,887</u>	<u>161,701</u>	<u>(217,020)</u>	<u>15,342</u>	<u>759,910</u>
<u>\$ 799,887</u>	<u>\$ 161,701</u>	<u>\$ 472,022</u>	<u>\$ 225,584</u>	<u>\$ 1,659,194</u>

(Continued)

CITY OF WINTER SPRINGS, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2012

Capital Projects

	1999 Construction Fund	Revolving Rehab Fund	Public Facilities Fund	Excellence in Customer Service
Assets:				
Cash and cash equivalents	\$ 89,806	\$ 101,574	\$ 94,746	\$ 27,790
Investments	825,519	933,692	870,925	255,448
Receivables, net	-	-	-	-
Special assessments receivable	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Total assets	<u>\$ 915,325</u>	<u>\$ 1,035,266</u>	<u>965,671</u>	<u>\$ 283,238</u>
Liabilities and Fund Balances:				
Accounts payable	\$ -	\$ 23	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>23</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	915,325	1,035,243	965,671	283,238
Unassigned	-	-	-	-
Total fund balances	<u>915,325</u>	<u>1,035,243</u>	<u>965,671</u>	<u>283,238</u>
Total liabilities and fund balances	<u>\$ 915,325</u>	<u>\$ 1,035,266</u>	<u>\$ 965,671</u>	<u>\$ 283,238</u>

Capital Projects

<u>Total</u>	<u>Nonmajor Governmental Funds</u>
\$ 313,916	\$ 1,606,782
2,885,584	5,994,906
-	627
-	669,180
-	800
<u>\$ 3,199,500</u>	<u>\$ 8,272,295</u>

\$ 23	\$ 108,298
-	229,870
-	669,180
<u>23</u>	<u>1,007,348</u>

-	3,017,156
-	303,746
3,199,477	4,161,065
-	(217,020)
<u>3,199,477</u>	<u>7,264,947</u>
<u>\$ 3,199,500</u>	<u>\$ 8,272,295</u>

CITY OF WINTER SPRINGS, FLORIDA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For The Year Ended September 30, 2012

	Special Revenue			
	Police Education Fund	Special Law Enforcement Trust Fund- Local	Transportation Improvement Fund	Transportation Impact Fee Fund
Revenues:				
Taxes:				
Permits and fees	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	505,728	-
Charges for services	-	-	13,995	-
Fines and forfeitures	9,130	19,578	-	-
Impact fees/assessments	-	-	-	46,355
Investment income	200	195	3,873	4,691
Miscellaneous	849	-	1,675	-
Total revenues	10,179	19,773	525,271	51,046
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	18,627	8,600	-	-
Physical environment	-	-	109,823	1,084
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Issuance costs	-	-	-	-
Capital Outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	373,219	-
Culture and recreation	-	-	-	-
Total expenditures	18,627	8,600	483,042	1,084
Excess (Deficiency) of Revenues Over Expenditures	(8,448)	11,173	42,229	49,962
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources(uses)	-	-	-	-
Net Change in Fund Balances	(8,448)	11,173	42,229	49,962
Fund Balances - Beginning	33,395	17,480	549,772	530,291
Fund Balances - Ending	\$ 24,947	\$ 28,653	\$ 592,001	\$ 580,253

Special Revenue

Police Impact Fee Fund	Fire Impact Fee Fund	Parks Impact Fee Fund	Public Buildings Impact Fee Fund	Arbor Fund
\$ -	\$ -	\$ -	\$ -	\$ 15,172
-	-	-	-	-
-	-	-	-	-
-	-	-	-	1,750
48,338	98,248	148,800	-	-
806	8,609	742	990	2,441
-	-	-	-	500
<u>49,144</u>	<u>106,857</u>	<u>149,542</u>	<u>990</u>	<u>19,863</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	11,949
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
35,012	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>35,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,949</u>
14,132	106,857	149,542	990	7,914
-	-	-	-	-
-	-	(33,019)	(400,546)	(14,563)
-	-	(33,019)	(400,546)	(14,563)
14,132	106,857	116,523	(399,556)	(6,649)
78,422	1,028,276	24,556	399,556	310,395
<u>\$ 92,554</u>	<u>\$ 1,135,133</u>	<u>\$ 141,079</u>	<u>\$ -</u>	<u>\$ 303,746</u>

(Continued)

CITY OF WINTER SPRINGS, FLORIDA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For The Year Ended September 30, 2012

	Special Revenue			Total
	TLBD Maintenance Fund	Oak Forest Maintenance Fund	Special Law Enforcement Trust Fund - Federal	
Revenues:				
Taxes:				
Permits and fees	\$ -	\$ -	\$ -	\$ 15,172
Intergovernmental revenues	-	-	-	505,728
Charges for services	-	-	-	13,995
Fines and forfeitures	-	-	60,934	91,392
Impact fees/assessments	491,150	52,263	-	885,154
Investment income	3,375	514	462	26,898
Miscellaneous	1,403	-	-	4,427
Total revenues	<u>495,928</u>	<u>52,777</u>	<u>61,396</u>	<u>1,542,766</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	22,608	49,835
Physical environment	435,972	32,191	-	591,019
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Issuance costs	-	-	-	-
Capital Outlay:				
General government	-	-	-	-
Public safety	-	-	10,956	45,968
Physical environment	-	-	-	373,219
Culture and recreation	-	-	-	-
Total expenditures	<u>435,972</u>	<u>32,191</u>	<u>33,564</u>	<u>1,060,041</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>59,956</u>	<u>20,586</u>	<u>27,832</u>	<u>482,725</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(74,931)	(14,359)	-	(537,418)
Total other financing sources(uses)	<u>(74,931)</u>	<u>(14,359)</u>	<u>-</u>	<u>(537,418)</u>
Net Change in Fund Balances	(14,975)	6,227	27,832	(54,693)
Fund Balances - Beginning	<u>299,327</u>	<u>45,979</u>	<u>42,804</u>	<u>3,360,253</u>
Fund Balances - Ending	<u>\$ 284,352</u>	<u>\$ 52,206</u>	<u>\$ 70,636</u>	<u>\$ 3,305,560</u>

Debt Service

2003 Debt Service Fund	1999 Debt Service Fund	Oak Forest Debt Service Fund	TLBD Phase II Debt Service Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	16,826	37,915	54,741
4,444	832	20,368	2,704	28,348
-	-	21,029	-	21,029
<u>4,444</u>	<u>832</u>	<u>58,223</u>	<u>40,619</u>	<u>104,118</u>
-	10,100	-	915	11,015
-	-	-	-	-
-	-	3,909	-	3,909
-	-	-	-	-
685,000	23,848	-	37,915	746,763
196,098	20,575	7,096	7,061	230,830
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>881,098</u>	<u>54,523</u>	<u>11,005</u>	<u>45,891</u>	<u>992,517</u>
<u>(876,654)</u>	<u>(53,691)</u>	<u>47,218</u>	<u>(5,272)</u>	<u>(888,399)</u>
894,200	194,300	-	-	1,088,500
-	-	(500)	(500)	(1,000)
<u>894,200</u>	<u>194,300</u>	<u>(500)</u>	<u>(500)</u>	<u>1,087,500</u>
17,546	140,609	46,718	(5,772)	199,101
<u>782,341</u>	<u>21,092</u>	<u>(263,738)</u>	<u>21,114</u>	<u>560,809</u>
<u>\$ 799,887</u>	<u>\$ 161,701</u>	<u>\$ (217,020)</u>	<u>\$ 15,342</u>	<u>\$ 759,910</u>

(Continued)

CITY OF WINTER SPRINGS, FLORIDA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For The Year Ended September 30, 2012

	Capital Projects			
	1999 Construction Fund	Revolving Rehab Fund	City Hall Expansion Fund	Public Facilities Fund
Revenues:				
Taxes:				
Permits and fees	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees/assessments	-	-	-	-
Investment income	7,301	8,245	-	7,683
Miscellaneous	-	-	-	-
Total revenues	7,301	8,245	-	7,683
Expenditures:				
Current:				
General government	-	1,729	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Issuance costs	-	-	-	-
Capital Outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	2,400	-	-	-
Total expenditures	2,400	1,729	-	-
Excess (Deficiency) of Revenues Over Expenditures	4,901	6,516	-	7,683
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(10,454)	-
Total other financing sources(uses)	-	-	(10,454)	-
Net Change in Fund Balances	4,901	6,516	(10,454)	7,683
Fund Balances - Beginning	910,424	1,028,727	10,454	957,988
Fund Balances - Ending	\$ 915,325	\$ 1,035,243	\$ -	\$ 965,671

Capital Projects

Excellence in Customer Service	Total	Nonmajor Governmental Funds
\$ -	\$ -	\$ 15,172
-	-	505,728
-	-	13,995
-	-	91,392
-	-	939,895
1,183	24,412	79,658
7,118	7,118	32,574
<u>8,301</u>	<u>31,530</u>	<u>1,678,414</u>
1,771	3,500	14,515
-	-	49,835
-	-	594,928
-	-	746,763
-	-	230,830
-	-	-
287,984	287,984	287,984
-	-	45,968
-	-	373,219
-	2,400	2,400
<u>289,755</u>	<u>293,884</u>	<u>2,346,442</u>
<u>(281,454)</u>	<u>(262,354)</u>	<u>(668,028)</u>
564,692	564,692	1,653,192
-	(10,454)	(548,872)
<u>564,692</u>	<u>554,238</u>	<u>1,104,320</u>
283,238	291,884	436,292
-	2,907,593	6,828,655
<u>\$ 283,238</u>	<u>\$ 3,199,477</u>	<u>\$ 7,264,947</u>

CITY OF WINTER SPRINGS, FLORIDA

POLICE EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 12,000	\$ 9,200	\$ 9,130	\$ (70)
Investment income	250	250	200	(50)
Miscellaneous	-	849	849	-
Total revenues	<u>12,250</u>	<u>10,299</u>	<u>10,179</u>	<u>(120)</u>
Expenditures:				
Current:				
Public Safety	<u>18,000</u>	<u>18,849</u>	<u>18,627</u>	<u>222</u>
Total expenditures	<u>18,000</u>	<u>18,849</u>	<u>18,627</u>	<u>222</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,750)</u>	<u>(8,550)</u>	<u>(8,448)</u>	<u>102</u>
Net change in fund balances	(5,750)	(8,550)	(8,448)	102
Fund balances - beginning	33,395	33,395	33,395	-
Fund balances - ending	<u>\$ 27,645</u>	<u>\$ 24,845</u>	<u>\$ 24,947</u>	<u>\$ 102</u>

CITY OF WINTER SPRINGS, FLORIDA

SPECIAL LAW ENFORCEMENT TRUST FUND - LOCAL
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ -	\$ 19,700	\$ 19,578	\$ (122)
Investment income	75	75	195	120
Total revenues	<u>75</u>	<u>19,775</u>	<u>19,773</u>	<u>(2)</u>
Expenditures:				
Current:				
Public Safety	<u>7,800</u>	<u>9,300</u>	<u>8,600</u>	<u>700</u>
Total expenditures	<u>7,800</u>	<u>9,300</u>	<u>8,600</u>	<u>700</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,725)</u>	<u>10,475</u>	<u>11,173</u>	<u>698</u>
Net change in fund balances	<u>(7,725)</u>	<u>10,475</u>	<u>11,173</u>	<u>698</u>
Fund balances - beginning	<u>17,480</u>	<u>17,480</u>	<u>17,480</u>	<u>-</u>
Fund balances - ending	<u>\$ 9,755</u>	<u>\$ 27,955</u>	<u>\$ 28,653</u>	<u>\$ 698</u>

CITY OF WINTER SPRINGS, FLORIDA

TRANSPORTATION IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenues	\$ 517,000	\$ 517,000	\$ 505,728	\$ (11,272)
Charges for services	13,582	13,582	13,995	413
Investment income	4,900	4,900	3,873	(1,027)
Miscellaneous	-	-	1,675	1,675
Total revenues	<u>535,482</u>	<u>535,482</u>	<u>525,271</u>	<u>(10,211)</u>
Expenditures:				
Current:				
Physical environment	175,700	175,800	109,823	65,977
Capital Outlay				
Physical environment	<u>400,300</u>	<u>400,200</u>	<u>373,219</u>	<u>26,981</u>
Total expenditures	<u>576,000</u>	<u>576,000</u>	<u>483,042</u>	<u>92,958</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(40,518)</u>	<u>(40,518)</u>	<u>42,229</u>	<u>82,747</u>
Net change in fund balances	(40,518)	(40,518)	42,229	82,747
Fund balances - beginning	<u>549,772</u>	<u>549,772</u>	<u>549,772</u>	<u>-</u>
Fund balances - ending	<u>\$ 509,254</u>	<u>\$ 509,254</u>	<u>\$ 592,001</u>	<u>\$ 82,747</u>

CITY OF WINTER SPRINGS, FLORIDA

TRANSPORTATION IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ -	\$ 65,425	\$ 46,355	\$ (19,070)
Investment income	5,000	5,000	4,691	(309)
Total revenues	<u>5,000</u>	<u>70,425</u>	<u>51,046</u>	<u>(19,379)</u>
Expenditures:				
Current:				
Physical environment	2,000	4,500	1,084	3,416
Capital Outlay				
Physical environment	<u>25,000</u>	<u>22,500</u>	<u>-</u>	<u>22,500</u>
Total expenditures	<u>27,000</u>	<u>27,000</u>	<u>1,084</u>	<u>25,916</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(22,000)</u>	<u>43,425</u>	<u>49,962</u>	<u>6,537</u>
Net change in fund balances	(22,000)	43,425	49,962	6,537
Fund balances - beginning	<u>530,291</u>	<u>530,291</u>	<u>530,291</u>	<u>-</u>
Fund balances - ending	<u>\$ 508,291</u>	<u>\$ 573,716</u>	<u>\$ 580,253</u>	<u>\$ 6,537</u>

CITY OF WINTER SPRINGS, FLORIDA

POLICE IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ 26,500	\$ 54,500	\$ 48,338	\$ (6,162)
Investment income	750	750	806	56
Total revenues	<u>27,250</u>	<u>55,250</u>	<u>49,144</u>	<u>(6,106)</u>
Expenditures:				
Capital Outlay				
Public Safety	-	35,100	35,012	88
Total expenditures	<u>-</u>	<u>35,100</u>	<u>35,012</u>	<u>88</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>27,250</u>	<u>20,150</u>	<u>14,132</u>	<u>(6,018)</u>
Net change in fund balances	27,250	20,150	14,132	(6,018)
Fund balances - beginning	78,422	78,422	78,422	-
Fund balances - ending	<u>\$ 105,672</u>	<u>\$ 98,572</u>	<u>\$ 92,554</u>	<u>\$ (6,018)</u>

CITY OF WINTER SPRINGS, FLORIDA

FIRE IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ 48,000	\$ 48,000	\$ 98,248	\$ 50,248
Investment income	10,000	10,000	8,609	(1,391)
Total revenues	<u>58,000</u>	<u>58,000</u>	<u>106,857</u>	<u>48,857</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>58,000</u>	<u>58,000</u>	<u>106,857</u>	<u>48,857</u>
Net change in fund balances	58,000	58,000	106,857	48,857
Fund balances - beginning	<u>1,028,276</u>	<u>1,028,276</u>	<u>1,028,276</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,086,276</u>	<u>\$ 1,086,276</u>	<u>\$ 1,135,133</u>	<u>\$ 48,857</u>

CITY OF WINTER SPRINGS, FLORIDA

PARKS IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ 88,500	\$ 88,500	\$ 148,800	\$ 60,300
Investment income	150	150	742	592
Total revenues	<u>88,650</u>	<u>88,650</u>	<u>149,542</u>	<u>60,892</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>88,650</u>	<u>88,650</u>	<u>149,542</u>	<u>60,892</u>
Other Financing Sources (Uses)				
Transfers out	-	(33,020)	(33,019)	1
Total other financing sources and uses	<u>-</u>	<u>(33,020)</u>	<u>(33,019)</u>	<u>1</u>
Net change in fund balances	88,650	55,630	116,523	60,893
Fund balances - beginning	<u>24,556</u>	<u>24,556</u>	<u>24,556</u>	<u>-</u>
Fund balances - ending	<u>\$ 113,206</u>	<u>\$ 80,186</u>	<u>\$ 141,079</u>	<u>\$ 60,893</u>

CITY OF WINTER SPRINGS, FLORIDA

PUBLIC BUILDINGS IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ 990	\$ 990	\$ -
Total revenues	-	990	990	-
Excess (Deficiency) of Revenues Over Expenditures	-	990	990	-
Other Financing Sources (Uses)				
Transfers out	(393,730)	(400,546)	(400,546)	-
Total other financing sources and uses	(393,730)	(400,546)	(400,546)	-
Net change in fund balances	(393,730)	(399,556)	(399,556)	-
Fund balances - beginning	399,556	399,556	399,556	-
Fund balances - ending	<u>\$ 5,826</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WINTER SPRINGS, FLORIDA

ARBOR FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Permits and fees	\$ 18,500	\$ 18,500	\$ 15,172	\$ (3,328)
Fines and forfeitures	1,000	1,000	1,750	750
Investment income	2,800	2,800	2,441	(359)
Miscellaneous	-	-	500	500
Total revenues	<u>22,300</u>	<u>22,300</u>	<u>19,863</u>	<u>(2,437)</u>
Expenditures:				
Current:				
Physical environment	26,550	26,550	11,949	14,601
Total expenditures	<u>26,550</u>	<u>26,550</u>	<u>11,949</u>	<u>14,601</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,250)</u>	<u>(4,250)</u>	<u>7,914</u>	<u>12,164</u>
Other Financing Sources (Uses)				
Transfers out	<u>(14,563)</u>	<u>(14,563)</u>	<u>(14,563)</u>	<u>-</u>
Total other financing sources and uses	<u>(14,563)</u>	<u>(14,563)</u>	<u>(14,563)</u>	<u>-</u>
Net change in fund balances	(18,813)	(18,813)	(6,649)	12,164
Fund balances - beginning	310,395	310,395	310,395	-
Fund balances - ending	<u>\$ 291,582</u>	<u>\$ 291,582</u>	<u>\$ 303,746</u>	<u>\$ 12,164</u>

CITY OF WINTER SPRINGS, FLORIDA

TLBD MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ 495,000	\$ 495,000	\$ 491,150	\$ (3,850)
Investment income	2,300	2,300	3,375	1,075
Miscellaneous	-	1,404	1,403	(1)
Total revenues	<u>497,300</u>	<u>498,704</u>	<u>495,928</u>	<u>(2,776)</u>
Expenditures:				
Current:				
Physical environment	480,630	482,034	435,972	46,062
Total expenditures	<u>480,630</u>	<u>482,034</u>	<u>435,972</u>	<u>46,062</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>16,670</u>	<u>16,670</u>	<u>59,956</u>	<u>43,286</u>
Other Financing Sources (Uses)				
Transfers out	(74,931)	(74,931)	(74,931)	-
Total other financing sources and uses	<u>(74,931)</u>	<u>(74,931)</u>	<u>(74,931)</u>	<u>-</u>
Net change in fund balances	(58,261)	(58,261)	(14,975)	43,286
Fund balances - beginning	299,327	299,327	299,327	-
Fund balances - ending	<u>\$ 241,066</u>	<u>\$ 241,066</u>	<u>\$ 284,352</u>	<u>\$ 43,286</u>

CITY OF WINTER SPRINGS, FLORIDA

OAK FOREST MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ 52,940	\$ 52,940	\$ 52,263	\$ (677)
Investment income	375	375	514	139
Total revenues	<u>53,315</u>	<u>53,315</u>	<u>52,777</u>	<u>(538)</u>
Expenditures:				
Current:				
Physical environment	<u>39,935</u>	<u>39,935</u>	<u>32,191</u>	<u>7,744</u>
Total expenditures	<u>39,935</u>	<u>39,935</u>	<u>32,191</u>	<u>7,744</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>13,380</u>	<u>13,380</u>	<u>20,586</u>	<u>7,206</u>
Other Financing Sources (Uses)				
Transfers out	<u>(14,359)</u>	<u>(14,359)</u>	<u>(14,359)</u>	<u>-</u>
Total other financing sources and uses	<u>(14,359)</u>	<u>(14,359)</u>	<u>(14,359)</u>	<u>-</u>
Net change in fund balances	(979)	(979)	6,227	7,206
Fund balances - beginning	<u>45,979</u>	<u>45,979</u>	<u>45,979</u>	<u>-</u>
Fund balances - ending	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 52,206</u>	<u>\$ 7,206</u>

CITY OF WINTER SPRINGS, FLORIDA

SPECIAL LAW ENFORCEMENT TRUST FUND - FEDERAL
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ -	\$ 59,000	\$ 60,934	\$ 1,934
Investment income	50	50	462	412
Total revenues	<u>50</u>	<u>59,050</u>	<u>61,396</u>	<u>2,346</u>
Expenditures:				
Current:				
Public Safety	9,000	22,758	22,608	150
Capital Outlay				
Public Safety	-	6,132	10,956	(4,824)
Total expenditures	<u>9,000</u>	<u>28,890</u>	<u>33,564</u>	<u>(4,674)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,950)</u>	<u>30,160</u>	<u>27,832</u>	<u>(2,328)</u>
Net change in fund balances	(8,950)	30,160	27,832	(2,328)
Fund balances - beginning	42,804	42,804	42,804	-
Fund balances - ending	<u>\$ 33,854</u>	<u>\$ 72,964</u>	<u>\$ 70,636</u>	<u>\$ (2,328)</u>

CITY OF WINTER SPRINGS, FLORIDA

2003 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 6,000	\$ 3,000	\$ 4,444	\$ 1,444
Total revenues	<u>6,000</u>	<u>3,000</u>	<u>4,444</u>	<u>1,444</u>
Expenditures:				
Debt Service:				
Principal	685,000	685,000	685,000	-
Interest and other charges	<u>196,550</u>	<u>196,650</u>	<u>196,098</u>	<u>552</u>
Total expenditures	<u>881,550</u>	<u>881,650</u>	<u>881,098</u>	<u>552</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(875,550)</u>	<u>(878,650)</u>	<u>(876,654)</u>	<u>1,996</u>
Other Financing Sources (Uses)				
Transfers in	<u>894,200</u>	<u>894,200</u>	<u>894,200</u>	<u>-</u>
Total other financing sources and uses	<u>894,200</u>	<u>894,200</u>	<u>894,200</u>	<u>-</u>
Net change in fund balances	18,650	15,550	17,546	1,996
Fund balances - beginning	<u>782,341</u>	<u>782,341</u>	<u>782,341</u>	<u>-</u>
Fund balances - ending	<u>\$ 800,991</u>	<u>\$ 797,891</u>	<u>\$ 799,887</u>	<u>\$ 1,996</u>

CITY OF WINTER SPRINGS, FLORIDA

1999 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 1,000	\$ 1,000	\$ 832	\$ (168)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>832</u>	<u>(168)</u>
Expenditures:				
Current:				
General government	-	10,100	10,100	-
Debt Service:				
Principal	141,000	23,848	23,848	-
Interest and other charges	<u>20,500</u>	<u>21,075</u>	<u>20,575</u>	<u>500</u>
Total expenditures	<u>161,500</u>	<u>55,023</u>	<u>54,523</u>	<u>500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(160,500)</u>	<u>(54,023)</u>	<u>(53,691)</u>	<u>332</u>
Other Financing Sources (Uses)				
Transfers in	<u>194,300</u>	<u>194,300</u>	<u>194,300</u>	<u>-</u>
Total other financing sources and uses	<u>194,300</u>	<u>194,300</u>	<u>194,300</u>	<u>-</u>
Net change in fund balances	<u>33,800</u>	<u>140,277</u>	<u>140,609</u>	<u>332</u>
Fund balances - beginning	<u>21,092</u>	<u>21,092</u>	<u>21,092</u>	<u>-</u>
Fund balances - ending	<u>\$ 54,892</u>	<u>\$ 161,369</u>	<u>\$ 161,701</u>	<u>\$ 332</u>

CITY OF WINTER SPRINGS, FLORIDA

OAK FOREST DEBT SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ 58,400	\$ 58,400	\$ 16,826	\$ (41,574)
Investment income	100	100	20,368	20,268
Miscellaneous	-	-	21,029	21,029
Total revenues	<u>58,500</u>	<u>58,500</u>	<u>58,223</u>	<u>(277)</u>
Expenditures:				
Current:				
Physical environment	4,175	4,175	3,909	266
Debt Service:				
Principal	44,904	44,904	-	44,904
Interest and other charges	7,096	7,096	7,096	-
Total expenditures	<u>56,175</u>	<u>56,175</u>	<u>11,005</u>	<u>45,170</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,325</u>	<u>2,325</u>	<u>47,218</u>	<u>44,893</u>
Other Financing Sources (Uses)				
Transfers out	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>-</u>
Total other financing sources and uses	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>-</u>
Net change in fund balances	1,825	1,825	46,718	44,893
Fund balances - beginning	<u>(263,738)</u>	<u>(263,738)</u>	<u>(263,738)</u>	<u>-</u>
Fund balances - ending	<u>\$ (261,913)</u>	<u>\$ (261,913)</u>	<u>\$ (217,020)</u>	<u>\$ 44,893</u>

CITY OF WINTER SPRINGS, FLORIDA

TLBD PHASE II DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ 40,588	\$ 40,588	\$ 37,915	\$ (2,673)
Investment income	225	225	2,704	2,479
Total revenues	<u>40,813</u>	<u>40,813</u>	<u>40,619</u>	<u>(194)</u>
Expenditures:				
Current:				
General government	1,075	1,075	915	160
Debt Service:				
Principal	41,700	41,700	37,915	3,785
Interest and other charges	<u>7,400</u>	<u>7,400</u>	<u>7,061</u>	<u>339</u>
Total expenditures	<u>50,175</u>	<u>50,175</u>	<u>45,891</u>	<u>4,284</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,362)</u>	<u>(9,362)</u>	<u>(5,272)</u>	<u>4,090</u>
Other Financing Sources (Uses)				
Transfers out	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>-</u>
Total other financing sources and uses	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>-</u>
Net change in fund balances	<u>(9,862)</u>	<u>(9,862)</u>	<u>(5,772)</u>	<u>4,090</u>
Fund balances - beginning	<u>21,114</u>	<u>21,114</u>	<u>21,114</u>	<u>-</u>
Fund balances - ending	<u>\$ 11,252</u>	<u>\$ 11,252</u>	<u>\$ 15,342</u>	<u>\$ 4,090</u>

CITY OF WINTER SPRINGS, FLORIDA

**1999 CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 4,400	\$ 4,400	\$ 7,301	\$ 2,901
Total revenues	<u>4,400</u>	<u>4,400</u>	<u>7,301</u>	<u>2,901</u>
Expenditures:				
Capital Outlay				
Culture and recreation	1,200,000	10,000	2,400	7,600
Total expenditures	<u>1,200,000</u>	<u>10,000</u>	<u>2,400</u>	<u>7,600</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,195,600)</u>	<u>(5,600)</u>	<u>4,901</u>	<u>10,501</u>
Other Financing Sources (Uses)				
Transfers in	300,000	-	-	-
Total other financing sources and uses	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(895,600)</u>	<u>(5,600)</u>	<u>4,901</u>	<u>10,501</u>
Fund balances - beginning	<u>910,424</u>	<u>910,424</u>	<u>910,424</u>	<u>-</u>
Fund balances - ending	<u>\$ 14,824</u>	<u>\$ 904,824</u>	<u>\$ 915,325</u>	<u>\$ 10,501</u>

CITY OF WINTER SPRINGS, FLORIDA

REVOLVING REHAB FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 10,000	\$ 10,000	\$ 8,245	\$ (1,755)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>8,245</u>	<u>(1,755)</u>
Expenditures:				
Current:				
General government	3,500	3,500	1,729	1,771
Total expenditures	<u>3,500</u>	<u>3,500</u>	<u>1,729</u>	<u>1,771</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,500</u>	<u>6,500</u>	<u>6,516</u>	<u>16</u>
Net change in fund balances	6,500	6,500	6,516	16
Fund balances - beginning	1,028,727	1,028,727	1,028,727	-
Fund balances - ending	<u><u>\$ 1,035,227</u></u>	<u><u>\$ 1,035,227</u></u>	<u><u>\$ 1,035,243</u></u>	<u><u>\$ 16</u></u>

CITY OF WINTER SPRINGS, FLORIDA

CITY HALL EXPANSION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers out	(10,416)	(10,454)	(10,454)	-
Total other financing sources and uses	(10,416)	(10,454)	(10,454)	-
Net change in fund balances	(10,416)	(10,454)	(10,454)	-
Fund balances - beginning	10,454	10,454	10,454	-
Fund balances - ending	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WINTER SPRINGS, FLORIDA

PUBLIC FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 4,500	\$ 4,500	\$ 7,683	\$ 3,183
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>7,683</u>	<u>3,183</u>
Expenditures:				
Capital Outlay				
Physical environment	905,000	-	-	-
Total expenditures	<u>905,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(900,500)</u>	<u>4,500</u>	<u>7,683</u>	<u>3,183</u>
Net change in fund balances	(900,500)	4,500	7,683	3,183
Fund balances - beginning	957,988	957,988	957,988	-
Fund balances - ending	<u>\$ 57,488</u>	<u>\$ 962,488</u>	<u>\$ 965,671</u>	<u>\$ 3,183</u>

CITY OF WINTER SPRINGS, FLORIDA

EXCELLENCE IN CUSTOMER SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 20	\$ 20	\$ 1,183	\$ 1,163
Miscellaneous	-	7,118	7,118	-
Total revenues	<u>20</u>	<u>7,138</u>	<u>8,301</u>	<u>1,163</u>
Expenditures:				
Current:				
General government	-	1,775	1,771	4
Capital Outlay				
General government	400,000	565,338	287,984	277,354
Total expenditures	<u>400,000</u>	<u>567,113</u>	<u>289,755</u>	<u>277,358</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(399,980)</u>	<u>(559,975)</u>	<u>(281,454)</u>	<u>278,521</u>
Other Financing Sources (Uses)				
Transfers in	404,146	564,692	564,692	-
Total other financing sources and uses	<u>404,146</u>	<u>564,692</u>	<u>564,692</u>	<u>-</u>
Net change in fund balances	4,166	4,717	283,238	278,521
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ 4,166</u>	<u>\$ 4,717</u>	<u>\$ 283,238</u>	<u>\$ 278,521</u>

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the *City of Winter Springs*' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall health.

<u>Contents</u>	<u>Page</u>
Financial Trends	113
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	120
These schedules contain information to help the reader assess the government's most significant local revenue.	
Debt Capacity	125
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
There are no limitations placed upon the amount of debt the <i>City of Winter Springs</i> may issue by either the City's Charter or the City's Code or by Florida Statutes.	
Demographic and Economic Information	131
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	133
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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

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CITY OF WINTER SPRINGS, FLORIDA

NET ASSETS BY COMPONENT

Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 22,686	\$ 20,798	\$ 26,523	\$ 29,401	\$ 37,530	\$ 39,371	\$ 40,701	\$ 42,819	\$ 43,961	\$ 40,328
Restricted	6,274	6,943	9,730	11,078	8,714	8,778	8,298	8,229	8,287	8,305
Unrestricted	<u>10,019</u>	<u>14,128</u>	<u>9,875</u>	<u>13,666</u>	<u>17,432</u>	<u>14,468</u>	<u>13,794</u>	<u>14,349</u>	<u>13,241</u>	<u>17,136</u>
Total governmental activities net assets	<u>\$ 38,979</u>	<u>\$ 41,869</u>	<u>\$ 46,128</u>	<u>\$ 54,145</u>	<u>\$ 63,676</u>	<u>\$ 62,617</u>	<u>\$ 62,793</u>	<u>\$ 65,397</u>	<u>\$ 65,489</u>	<u>\$ 65,769</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 10,108	\$ 11,361	\$ 11,521	\$ 11,763	\$ 12,679	\$ 12,692	\$ 13,039	\$ 15,839	\$ 17,973	\$ 20,937
Restricted	2,324	2,347	2,500	2,612	2,735	2,814	2,549	1,730	461	507
Unrestricted	<u>8,366</u>	<u>8,912</u>	<u>7,645</u>	<u>9,555</u>	<u>8,721</u>	<u>5,135</u>	<u>3,369</u>	<u>3,264</u>	<u>3,227</u>	<u>4,213</u>
Total business-type activities net assets	<u>\$ 20,798</u>	<u>\$ 22,620</u>	<u>\$ 21,666</u>	<u>\$ 23,930</u>	<u>\$ 24,135</u>	<u>\$ 20,641</u>	<u>\$ 18,957</u>	<u>\$ 20,833</u>	<u>\$ 21,661</u>	<u>\$ 25,657</u>
Primary government										
Invested in capital assets, net of related debt	\$ 32,794	\$ 32,159	\$ 38,044	\$ 41,164	\$ 50,209	\$ 52,063	\$ 53,740	\$ 58,658	\$ 61,934	\$ 61,265
Restricted	8,598	9,290	12,230	13,690	11,449	11,592	10,847	9,959	8,748	8,812
Unrestricted	<u>18,385</u>	<u>23,040</u>	<u>17,520</u>	<u>23,221</u>	<u>26,153</u>	<u>19,603</u>	<u>17,163</u>	<u>17,613</u>	<u>16,468</u>	<u>21,349</u>
Total primary government net assets	<u>\$ 59,777</u>	<u>\$ 64,489</u>	<u>\$ 67,794</u>	<u>\$ 78,075</u>	<u>\$ 87,811</u>	<u>\$ 83,258</u>	<u>\$ 81,750</u>	<u>\$ 86,230</u>	<u>\$ 87,150</u>	<u>\$ 91,426</u>

CITY OF WINTER SPRINGS, FLORIDA

CHANGES IN NET ASSETS

Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Expenses	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
General government	\$ 4,640	\$ 5,421	\$ 5,786	\$ 7,732	\$ 8,452	\$ 6,857	\$ 5,801	\$ 5,720	\$ 5,381	\$ 5,069
Public safety	7,870	8,703	9,138	10,016	10,726	11,299	7,196	7,356	7,671	7,102
Physical environment	2,765	8,779	5,561	2,038	2,390	5,694	6,281	5,654	5,610	5,589
Culture and recreation	1,747	1,989	2,265	2,393	2,739	2,511	2,554	2,323	2,161	2,043
Interest and other fiscal charges on long-term debt	1,404	764	763	709	683	965	959	944	907	833
Total governmental activities expenses	<u>18,426</u>	<u>25,656</u>	<u>23,513</u>	<u>22,888</u>	<u>24,990</u>	<u>27,326</u>	<u>22,791</u>	<u>21,997</u>	<u>21,730</u>	<u>20,636</u>
Business-type activities:										
Water and Sewer	5,508	5,717	6,000	6,239	6,522	7,151	7,143	7,447	7,186	6,512
Development Services	552	744	627	679	860	687	436	349	333	342
Stormwater	630	671	974	831	983	1,040	1,625	916	979	976
Total business-type activities expenses	<u>\$ 6,690</u>	<u>\$ 7,132</u>	<u>\$ 7,601</u>	<u>\$ 7,749</u>	<u>\$ 8,365</u>	<u>\$ 8,878</u>	<u>\$ 9,204</u>	<u>\$ 8,712</u>	<u>\$ 8,498</u>	<u>\$ 7,830</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,986	\$ 1,924	\$ 1,985	\$ 472	\$ 376	\$ 2,008	\$ 2,006	\$ 2,378	\$ 2,075	\$ 2,021
Public safety	664	782	720	1,207	1,054	930	589	608	369	424
Physical environment	742	721	589	3,485	3,435	4,529	3,139	3,191	3,139	3,168
Culture and recreation	337	833	823	949	765	281	295	301	260	391
Operating grants and contributions	25	5,411	2,177	168	115	208	41	485	89	221
Capital grants and contributions	664	2,291	1,962	2,459	6,484	2,628	2,442	2,935	1,985	1,056
Total governmental activities program revenues	<u>4,418</u>	<u>11,962</u>	<u>8,256</u>	<u>8,740</u>	<u>12,229</u>	<u>10,584</u>	<u>8,512</u>	<u>9,898</u>	<u>7,917</u>	<u>7,281</u>
Business-type activities:										
Charges for services:										
Water and Sewer	6,142	7,026	7,256	7,837	7,589	7,252	7,339	8,015	8,837	9,363
Development Services	1,539	1,324	1,008	2,482	923	573	269	331	339	1,100
Stormwater	604	577	754	1,149	1,070	1,074	1,063	1,051	1,068	1,117
Operating grants and contributions	-	-	348	69	-	-	483	-	46	-
Capital grants and contributions	1,663	2,180	975	1,329	1,176	224	14	2,885	709	2,226
Total business-type activities program revenues	<u>9,948</u>	<u>11,107</u>	<u>10,341</u>	<u>12,866</u>	<u>10,758</u>	<u>9,123</u>	<u>9,168</u>	<u>12,282</u>	<u>10,999</u>	<u>13,806</u>
Total government program revenues	<u>\$ 14,366</u>	<u>\$ 23,069</u>	<u>\$ 18,597</u>	<u>\$ 21,606</u>	<u>\$ 22,987</u>	<u>\$ 19,707</u>	<u>\$ 17,680</u>	<u>\$ 22,180</u>	<u>\$ 18,916</u>	<u>\$ 21,087</u>

	Fiscal Year											
	2003	2004	2005	2006	2007	2008	2009	2010	#	2011	#	2012
Net (expense)/revenue												
Governmental activities	\$ (14,008)	\$ (13,694)	\$ (15,257)	\$ (14,148)	\$ (12,761)	\$ (16,742)	\$ (14,279)	\$ (12,099)	\$ (13,813)	\$ (13,355)		
Business-type activities	3,258	3,975	2,740	5,117	2,393	245	(36)	3,570	2,501	5,976		
Total government net expense	<u>\$ (10,750)</u>	<u>\$ (9,719)</u>	<u>\$ (12,517)</u>	<u>\$ (9,031)</u>	<u>\$ (10,368)</u>	<u>\$ (16,497)</u>	<u>\$ (14,315)</u>	<u>\$ (8,529)</u>	<u>\$ (11,312)</u>	<u>\$ (7,379)</u>		

General Revenues and Other Changes in Net Assets

Governmental activities:

Taxes												
Property taxes	\$ 5,057	\$ 5,653	\$ 6,198	\$ 7,383	\$ 8,266	\$ 7,130	\$ 5,013	\$ 4,538	\$ 4,209	\$ 3,901		
Utility taxes	4,765	4,807	4,984	5,751	5,841	3,976	4,106	4,536	4,169	3,963		
Business tax receipts	-	-	-	-	-	140	70	204	119	106		
Intergovernmental revenues - unrestricted	5,229	3,243	3,681	3,971	3,752	3,445	2,960	2,897	3,015	3,044		
Investment income and miscellaneous	462	587	687	1,708	1,619	675	614	731	532	573		
Loss on disposal of capital assets	(57)	-	-	-	-	-	-	-	-	-		
Transfers	1,489	2,294	3,967	3,352	2,813	2,189	1,691	1,796	1,862	2,047		
Total governmental activities	<u>16,945</u>	<u>16,584</u>	<u>19,517</u>	<u>22,165</u>	<u>22,291</u>	<u>17,555</u>	<u>14,454</u>	<u>14,702</u>	<u>13,906</u>	<u>13,634</u>		
Business-type activities:												
Investment income and miscellaneous	174	141	272	500	625	198	42	103	189	67		
Loss on disposal of capital assets	(4)	-	-	-	-	-	-	-	-	-		
Transfers	(1,489)	(2,294)	(3,967)	(3,352)	(2,813)	(2,189)	(1,691)	(1,796)	(1,862)	(2,047)		
Total business-type activities	<u>(1,319)</u>	<u>(2,153)</u>	<u>(3,695)</u>	<u>(2,852)</u>	<u>(2,188)</u>	<u>(1,991)</u>	<u>(1,649)</u>	<u>(1,693)</u>	<u>(1,673)</u>	<u>(1,980)</u>		
Total government	<u>\$ 15,626</u>	<u>\$ 14,431</u>	<u>\$ 15,822</u>	<u>\$ 19,313</u>	<u>\$ 20,103</u>	<u>\$ 15,564</u>	<u>\$ 12,805</u>	<u>\$ 13,009</u>	<u>\$ 12,233</u>	<u>\$ 11,654</u>		

Change in Net Assets

Governmental activities	\$ 2,937	\$ 2,890	\$ 4,260	\$ 8,017	\$ 9,530	\$ 813	\$ 175	\$ 2,603	\$ 93	\$ 279		
Business-type activities	1,939	1,822	(955)	2,265	205	(1,746)	(1,685)	1,877	828	3,996		
Total government	<u>\$ 4,876</u>	<u>\$ 4,712</u>	<u>\$ 3,305</u>	<u>\$ 10,282</u>	<u>\$ 9,735</u>	<u>\$ (933)</u>	<u>\$ (1,510)</u>	<u>\$ 4,480</u>	<u>\$ 921</u>	<u>\$ 4,275</u>		

Note

¹ The increase from prior period was caused by 2004 Hurricanes Charley, Frances & Jeanne, and accrued FEMA reimbursement.

CITY OF WINTER SPRINGS, FLORIDA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Tax ¹</u>	<u>Utility Tax</u>	<u>Business Tax Receipts ²</u>	<u>Total</u>
2003	5,057	1,304	3,461	-	9,822
2004	5,653	1,360	3,447	-	10,460
2005	6,198	1,480	3,504	-	11,182
2006	7,383	1,919	3,832	-	13,134
2007	8,265	1,921	3,920	-	14,106
2008	7,130	-	3,976	140	11,246
2009	5,013	-	4,106	70	9,189
2010	4,538	-	4,536	204	9,278
2011	4,209	-	4,169	119	8,497
2012	3,901	-	3,963	106	7,970

Taxes included in Unrestricted Intergovernmental Revenues

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>State Revenue Sharing</u>	<u>Other</u>	<u>Total</u>
2003	2,134	764	136	3,034
2004	2,258	843	142	3,243
2005	2,447	1,076	158	3,681
2006	2,701	1,123	147	3,971
2007	2,443	1,108	201	3,752
2008	2,261	1,021	163	3,445
2009	1,944	907	109	2,960
2010	1,852	893	152	2,897
2011	1,873	916	226	3,015
2012	1,918	962	164	3,044

Note

¹ Franchise fees were classified as taxes prior to fiscal year 2008

² Business tax receipts (formerly known as Occupational licenses) were classified as licenses and permits prior to fiscal year 2008

CITY OF WINTER SPRINGS, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year							
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General fund								
Reserved	\$ 247	\$ 264	\$ 372	\$ 455	\$ 468	\$ 301	\$ 235	\$ 235
Unreserved	<u>5,563</u>	<u>4,892</u>	<u>5,479</u>	<u>7,802</u>	<u>8,631</u>	<u>8,800</u>	<u>8,544</u>	<u>8,544</u>
Total general fund	<u>\$ 5,810</u>	<u>\$ 5,156</u>	<u>\$ 5,851</u>	<u>\$ 8,257</u>	<u>\$ 9,099</u>	<u>\$ 9,101</u>	<u>\$ 8,779</u>	<u>\$ 8,779</u>
All other governmental funds								
Reserved	\$ 499	\$ 874	\$ 979	\$ 1,058	\$ 1,108	\$ 1,159	\$ 1,141	\$ 1,141
Unreserved, reported in:								
Special revenue funds	4,437	4,384	4,794	6,770	6,691	6,647	6,724	6,724
Capital projects funds	<u>2,841</u>	<u>2,818</u>	<u>5,664</u>	<u>5,830</u>	<u>3,553</u>	<u>3,852</u>	<u>2,854</u>	<u>2,854</u>
Total all other governmental funds	<u>\$ 7,777</u>	<u>\$ 8,076</u>	<u>\$ 11,437</u>	<u>\$ 13,658</u>	<u>\$ 11,352</u>	<u>\$ 11,658</u>	<u>\$ 10,719</u>	<u>\$ 10,719</u>

	Post GASB 54	
	<u>2011</u>	<u>2012</u>
General fund		
Non-spendable	\$ 1,179	\$ 650
Assigned	607	343
Unassigned	<u>7,044</u>	<u>7,839</u>
Total general fund	<u>\$ 8,830</u>	<u>\$ 8,832</u>
All other governmental funds		
Restricted	\$ 4,825	\$ 4,470
Committed	1,616	1,687
Assigned	4,710	5,509
Unassigned	<u>(264)</u>	<u>(217)</u>
Total all other governmental funds	<u>\$ 10,887</u>	<u>\$ 11,449</u>

Note: City implemented GASB 54 for the 2011 fiscal year

CITY OF WINTER SPRINGS, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues										
Taxes										
Property	\$ 5,057	\$ 5,653	\$ 6,198	\$ 7,384	\$ 8,266	\$ 6,912	\$ 4,799	\$ 4,345	\$ 4,030	\$ 3,733
Franchise	1,304	1,360	1,480	1,918	1,921	-	-	-	-	-
Utility	3,461	3,447	3,504	3,832	3,920	3,976	4,106	4,536	4,169	3,963
Special Assessments	299	301	319	552	-	-	-	-	-	-
General Obligation	-	329	359	220	212	218	214	193	179	168
Business Tax	-	-	-	-	-	140	71	204	119	105
Other	-	-	-	-	-	-	-	-	-	-
Licenses and Permits										
Franchise Fees	-	-	-	-	-	1,788	1,924	2,313	1,999	1,868
Other	812	932	658	2,221	217	157	67	38	44	63
Intergovernmental	5,918	5,664	13,021	5,369	7,380	7,111	4,707	5,628	5,447	3,948
Charges for services	2,307	2,432	2,544	3,093	3,536	3,441	2,955	2,929	2,922	2,979
Fines and forfeitures	369	311	296	320	326	318	298	566	289	211
Impact fees/assessments	-	-	-	-	1,403 ²	2,131 ²	875	721	685	1,000
Investment income	425	343	573	1,218	1,477	521	214	439	308	280
Miscellaneous	372	244	444	546	170	175	399	292	224	293
Total revenues	<u>20,324</u>	<u>21,016</u>	<u>29,396</u>	<u>26,673</u>	<u>28,828</u>	<u>26,888</u>	<u>20,629</u>	<u>22,204</u>	<u>20,415</u>	<u>18,611</u>
Expenditures										
General government	4,611	4,861	5,603	5,035	5,780	6,046	5,804	5,401	5,441	4,842
Public safety	8,004	8,035	8,639	9,164	10,199	10,671	6,834	6,890	7,156	6,584
Physical Environment ¹	4,071	7,993	4,304	3,360	4,060	4,266	4,694	4,015	3,939	3,873
Culture and recreation	2,635	1,693	1,906	1,978	2,002	2,163	2,112	1,878	1,737	1,644
Capital outlay	362	4,752	2,186	4,521	9,801	4,740	2,787	2,738	2,681	1,814
Debt service										
Principal	926	1,807	5,898	1,153	911	967	1,091	1,996	2,387	5,342
Interest	946	700	771	700	693	665	640	594	584	485
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Other charges	186	-	-	17	-	-	-	-	15	-
Total expenditures	<u>21,741</u>	<u>29,841</u>	<u>29,307</u>	<u>25,928</u>	<u>33,446</u>	<u>29,518</u>	<u>23,962</u>	<u>23,512</u>	<u>23,940</u>	<u>24,584</u>
Excess of revenues over (under) expenditures	(1,417)	(8,825)	89	745	(4,618)	(2,630)	(3,333)	(1,308)	(3,525)	(5,973)

Other financing sources (uses)										
Transfers in	6,687	8,894	9,733	9,999	10,209	10,620	8,372	9,616	3,836	3,911
Transfers out	(5,198)	(6,600)	(5,766)	(6,647)	(7,396)	(8,432)	(6,680)	(7,811)	(1,965)	(1,879)
Refunding bonds issued	8,870	-	-	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	106	-	-	-	-	-	-	-	-	-
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	(8,776)	-	-	-	-	-	-	-	-	-
Notes issued	-	5,680	-	430	-	750	-	-	1,377	4,504
Refunding note issued	-	496	-	-	-	-	-	-	-	-
Capital leases	409	-	-	100	341	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,098</u>	<u>8,470</u>	<u>3,967</u>	<u>3,882</u>	<u>3,154</u>	<u>2,938</u>	<u>1,692</u>	<u>1,805</u>	<u>3,248</u>	<u>6,536</u>
Prior Period Fund Balance Adjustment	-	-	-	-	-	-	380	-	-	-
Net change in fund balances	<u>\$ 681</u>	<u>\$ (355)</u>	<u>\$ 4,056</u>	<u>\$ 4,627</u>	<u>\$ (1,464)</u>	<u>\$ 308</u>	<u>\$ (1,261)</u>	<u>\$ 497</u>	<u>\$ (277)</u>	<u>\$ 563</u>
Debt service as a percentage of noncapital expenditures	9.69%	11.10%	32.61%	9.48%	7.28%	6.59%	8.21%	14.24%	13.98%	25.60%

Note

² Impact Fees classified as Intergovernmental Revenue prior to fiscal year 2007.

³ Special Assessments classified as Taxes prior to fiscal year 2007.

⁴ Franchise fees were classified as Taxes prior to fiscal year 2008

⁵ Business Tax receipts (formerly known as Occupational Licenses) were classified as Licenses and permits prior to fiscal year 2008

CITY OF WINTER SPRINGS, FLORIDA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended September 30,	Real Property									
	Total Residential and Commercial Real Property ¹	Residential Property ¹	% Residential	Commercial Property ¹	Personal Property ¹	Centrally Assessed ¹	Tax Exempt Real Property ¹	Total Taxable Assessed Value ¹	Total Direct Tax Rate ²	Estimated Actual Taxable Value ¹
2003	1,642,139	1,473,685	89.74%	168,454	43,759	31	418,960	1,266,969	4.1658	1,699,497
2004	1,826,180	1,652,632	90.50%	173,548	45,709	48	505,952	1,365,985	4.5500	1,916,005
2005	2,007,522	1,833,417	91.33%	174,105	49,733	55	574,194	1,483,116	4.5500	2,080,192
2006	2,331,039	2,088,308	89.59%	242,731	58,571	33	728,569	1,661,074	4.7500	2,458,480
2007	3,131,636	2,792,826	89.18%	338,810	67,509	33	1,195,372	2,003,806	4.4019	3,176,939
2008	3,519,584	3,161,336	89.82%	358,248	63,154	40	1,362,256	2,220,522	3.3518	3,716,575
2009	3,238,332	2,847,791	87.94%	390,541	63,531	41	1,292,735	2,009,169	2.5814	3,400,519
2010	2,695,560	2,353,321	87.30%	342,239	67,145	42	952,939	1,809,808	2.5814	2,804,819
2011	2,399,728	2,099,825	87.50%	299,903	66,659	43	778,996	1,687,434	2.5814	2,577,252
2012	2,174,531	1,890,388	86.93%	284,143	68,075	47	648,788	1,593,864	2.5600	2,251,660

Note

¹ Source: Seminole County Property Appraiser (www.scpafll.org)

² Source: Seminole County Tax Collector (www.seminoletax.org)

CITY OF WINTER SPRINGS, FLORIDA

PROPERTY TAX RATES
DIRECT AND OVERLAPPING¹ GOVERNMENTS

Last Ten Fiscal Years ²

Overlapping Rates ¹

Fiscal Year	Winter Springs			Seminole County			School District			St. John's Water Management District	County Fire Protection (MSTU)	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage			
2003	4.1658	0.0000	4.1658	4.9989	0.2086	5.2075	8.4790	0.5210	9.0000	0.4620	0.0000	18.8353
2004	4.3000	0.2500	4.5500	4.9989	0.1910	5.1899	8.2410	0.4950	8.7360	0.4620	0.0000	18.9379
2005	4.3000	0.2500	4.5500	4.9989	0.1721	5.1710	8.1270	0.3850	8.5120	0.4620	0.0000	18.6950
2006	4.6126	0.1374	4.7500	4.9989	0.2041	5.2030	7.9650	0.0000	7.9650	0.4620	0.0000	18.3800
2007	4.2919	0.1100	4.4019	4.9989	0.1451	5.1440	7.7530	0.0000	7.7530	0.4620	0.0000	17.7609
2008 ³	3.2496	0.1022	3.3518	4.3578	0.1451	4.5029	7.4130	0.0000	7.4130	0.4158	0.0000	15.6835
2009	2.4714	0.1100	2.5814	4.5153	0.1451	4.6604	7.5430	0.0000	7.5430	0.4158	2.3299	17.5305
2010	2.4714	0.1100	2.5814	4.9000	0.1451	5.0451	7.7230	0.0000	7.7230	0.4158	2.3299	18.0952
2011	2.4714	0.1100	2.5814	4.8751	0.1700	5.0451	7.8010	0.0000	7.8010	0.4158	2.3299	18.1732
2012	2.4500	0.1100	2.5600	4.8751	0.1700	5.0451	7.7220	0.0000	7.7220	0.3313	2.3299	17.9883

Note

Source: Seminole County Tax Collector (www.seminoletax.org)

¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Winter Springs.

² Taxes levied for the fiscal year are based on the prior year taxable value.

³ Fire Assessment fee was billed and City Millage rate was reduced for first year (only one year of fire assessment).

CITY OF WINTER SPRINGS, FLORIDA

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS

Last Ten Fiscal Years

Tax Year	Fiscal Year	Oak Forest			Tuskawilla Lighting and Beautification (TLBD) - Phase I			Tuskawilla Lighting and Beautification (TLBD) - Phase II		
		Assessments Billed	Assessments Collected ¹	Difference	Assessments Billed ²	Assessments Collected ¹	Difference	Assessments Billed ²	Assessments Collected ¹	Difference
		2002	2003	82,678	78,809	3,869	393,704	376,256	17,448	-
2003	2004	83,344	80,400	2,944	391,976	377,978	13,998	-	-	-
2004	2005	99,595	97,388	2,207	390,204	379,601	10,603	-	-	-
2005	2006	99,595	95,977	3,618	390,204	377,175	13,029	-	94,522	(94,522)
2006	2007	99,595	96,117	3,478	390,017	376,343	13,674	248,710	240,475	8,235
2007	2008	116,075	112,355	3,720	714,414	693,075	21,339	42,341	40,959	1,382
2008	2009	116,237	112,228	4,009	714,371	690,915	23,456	42,324	41,236	1,088
2009	2010	116,237	112,312	3,925	688,482	665,066	23,416	42,280	40,904	1,376
2010	2011	116,237	112,116	4,121	688,227	664,815	23,412	42,279	40,869	1,410
2011	2012	116,237	112,095	4,142	688,482	664,815	23,667	42,280	40,869	1,411

Note

¹ Includes prepayments.

² Beginning in fiscal year 2008, the TLBD Phase I and II maintenance assessment were combined and collected as one assessment. TLBD Maintenance and Phase I Capital are shown in the TLBD Phase I program amounts. TLBD Phase II amount is capital improvement cost only.

Special Assessment Debt Issued:

Oak Forest	June 2000 (Refinanced internally June of 2010)
TLBD Phase I	May 2001 (Refinanced October of 2011)
TLBD Phase II	February 2006; No assessment levied until Fiscal Year 2007.

CITY OF WINTER SPRINGS, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

September 30, 2012

(amounts expressed in thousands)

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Progress Energy Florida Corporation	\$ 23,716	1	1.49%	\$ 12,173	3	0.96%
Laurel Oaks LLC	19,810	2	1.24%	22,627	1	1.79%
Courtney Springs LLC	16,524	3	1.04%	13,801	2	1.09%
Summer Falls LLC	8,787	4	0.55%			0.00%
Bright House Networks LLC	6,973	5	0.44%			0.00%
United Dominion Realty Trust	6,377	6	0.40%	7,379	4	0.58%
Winter Springs Holdings, Inc	5,466	7	0.34%			0.00%
Baxley Robert & Annmarie TRS	3,944	8	0.25%			0.00%
Pathfinder Landology Isis	3,912	9	0.25%			0.00%
Hacienda Village Co-Op Inc.	3,863	10	0.24%	4,775	6	0.38%
Tusawilla Cay LLC & Trsc 54th LLC	-		-	6,088	5	0.48%
Centex Homes	-		-	3,291	9	0.26%
Time Warner Entertainment	-		-	3,489	7	0.28%
Bell South Communication	-		-	3,338	8	0.26%
Winter Springs Golf LLC	-		-	3,190	10	0.25%
Totals	<u>\$ 99,372</u>		<u>6.24%</u>	<u>\$ 80,151</u>		<u>6.33%</u>

Source: Seminole County Property Appraiser (www.scpaf.org)

CITY OF WINTER SPRINGS, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ²	Percentage of Levy		Amount	Percentage of Levy
2003	5,277,940	5,048,670	95.66%	9,160	5,057,830	95.83%
2004	6,215,233 ³	5,982,716	96.26%	7,284	5,990,000	96.38%
2005	6,748,179 ³	6,546,002	97.00%	11,385	6,557,387	97.17%
2006	7,890,100 ³	7,591,158	96.21%	12,189	7,603,347	96.37%
2007	8,820,491 ³	8,475,408	96.09%	2,214	8,477,622	96.11%
2008	7,442,693 ³	7,145,070	96.00%	11,318	7,156,388	96.15%
2009	5,186,450 ³	5,028,524	96.96%	14,586	5,043,110	97.24%
2010	4,671,821 ³	4,503,950	96.41%	34,324	4,538,274	97.14%
2011	4,355,923 ³	4,203,079	96.49%	6,242	4,209,321	96.63%
2012	4,080,271 ³	3,933,840	96.41%	3,969	3,937,809	96.51%

Note

- ¹ Gross taxes before discount of 1% - 4%, depending on month paid; Source: Seminole County Property Appraiser (www.scpafl.org)
- ² Source: Seminole County Tax Collector (www.seminoletax.org)
- ³ Includes voted debt service not to exceed .25 mills for Central Winds General Obligation Debt

CITY OF WINTER SPRINGS, FLORIDA

LEGAL DEBT MARGIN

September 30, 2012

Neither the City of Winter Springs Charter or Code, nor the Florida State Statutes limits the amount of debt the City of Winter Springs can issue.

CITY OF WINTER SPRINGS, FLORIDA

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION
BONDED DEBT PER CAPITA**

Last Ten Fiscal Years

Fiscal Year	Population ¹	Assessed Value ²	Gross Bonded Debt ³	Less Debt Service Fund ⁴	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2003	32,572	1,266,969,000	3,335,000	24,260	3,310,740	0.261%	102
2004	32,955	1,365,985,000	3,270,000	53,373	3,216,627	0.235%	98
2005	33,321	1,483,116,250	3,205,000	46,967	3,158,033	0.213%	95
2006	34,621	1,661,074,000	3,140,000	51,743	3,088,257	0.186%	89
2007	34,899	2,003,805,968	3,070,000	47,572	3,022,428	0.151%	87
2008	34,639	2,220,522,082	3,000,000	46,254	2,953,746	0.133%	85
2009	34,340	2,009,169,114	2,925,000	36,610	2,888,390	0.144%	84
2010	34,149	1,809,808,024	2,850,000	38,879	2,811,121	0.155%	82
2011	33,282	1,687,434,206	2,770,000	40,388	2,729,612	0.162%	82
2012	33,599	1,593,864,153	2,739,107	50,549	2,688,558	0.169%	80

Note

¹ Source: Synergos Technologies Inc.: PopStats at June 2008; Previous years statistics may have come from multiple sources including East Central Florida Regional Planning Council or University of Florida Bureau of Economic and Business Research and Metro Orlando Economic Development Commission (www.orlandoedc.com).

² Source: Seminole County Property Appraiser (www.scpafl.org)

³ Amount does not include special assessment bonds and revenue bonds

⁴ Amount available for repayment of limited general obligation note which in fiscal year 2012 served to refinance the 2002 general obligation bonds.

CITY OF WINTER SPRINGS, FLORIDA

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year Ended September 30,	Governmental Activities							Business-Type Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Revenue Bonds	Refunding Revenue Bonds ²	Limited General Obligation Bonds	Special Assessment Revenue Bonds	Refunding Notes	Limited General Obligation Notes	Capital Leases	Water and Sewer Revenue Bonds	Water and Sewer Refunding Revenue Bonds ²	Capital Leases			
2003	878	16,044	3,335	2,225	-	-	320	-	26,234	142	49,178	*	\$1,510
2004	5,861	15,654	3,270	2,180	-	-	206	-	25,429	64	52,664	*	\$1,598
2005	734	15,094	3,205	2,135	-	-	104	-	24,594	-	45,866	*	\$1,376
2006	479	14,504	3,140	2,427	-	-	100	-	23,724	-	44,374	4.53%	\$1,282
2007	439	13,884	3,070	2,354	-	-	333	-	22,829	-	42,909	4.42%	\$1,230
2008	1,125	13,234	3,000	2,276	-	-	228	-	21,884	-	41,747	4.06%	\$1,205
2009	1,011	12,554	2,925	2,165	-	-	117	-	20,904	-	39,676	3.77%	\$1,155
2010	-	11,834	2,850	2,091	-	-	-	-	19,889	-	36,664	3.50%	\$1,074
2011	-	9,614	2,770	2,005	1,377	-	-	5,669	13,066	-	34,501	2.97%	\$1,037
2012	-	8,929	-	-	3,260	2,739	-	5,669	12,152	-	32,749	2.77%	\$975

Note: Details regarding the city's outstanding debt can be found in the notes to the Financial Statements: Note 9: Long-Term Debt.

* Information is not available.

¹ See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population.

² Amounts do not include accreted Interest Payable for 1999 Improvement Refunding Revenue Bonds and 2000 Water and Sewer Refunding Revenue Bonds

CITY OF WINTER SPRINGS, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2012

(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Overlapping Debt:			
Seminole County General Obligation Debt	\$ 4,340	6.66%	\$ 289
Subtotal, overlapping debt			
Direct Debt:			
City of Winter Springs General Obligation Debt ²	2,739	100%	2,739
Total direct and overlapping debt	\$ 7,079		\$ 3,028

Note

Sources:

Seminole County Property Appraiser (www.scpaf1.org)

Seminole County Finance Department

Seminole County School Board

¹ Ratio of assessed valuation of taxable property in overlapping unit to that within the City of Winter Springs.

² The City of Winter Springs has a "limited" general obligation note that is being repaid through a levy not to exceed one quarter of one mill on all taxable property in the City.

CITY OF WINTER SPRINGS, FLORIDA

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

General Government												
Fiscal Year Ended Sept 30,	Public Service Taxes	Electric Franchise Fees	Half-Cent Sales Tax	General Obligation	Federal Emergency Management Agency Public Assistance Grants	Impact Fees (Fire, Police, Recreation and Public Facilities)	Non-Ad Valorem Special Assessments	Medical Transport Revenue	Budget & Appropriations (General Fund and Water & Sewer Fund)	Total Revenue Available for Debt Service	Maximum Annual Debt Service	Coverage
2003	3,460,992	1,275,670	160,000	-	-	-	455,065	61,485	173,313	5,586,525	2,144,039	2.61
2004	3,446,874	1,322,280	160,000	328,668	-	328,143	458,378	76,487	339,685	6,460,515	2,417,562	2.67
2005	3,504,158	1,436,996	160,000	358,960	7,127,760	166,203	476,989	-	-	13,231,066	6,858,968	1.93
2006	3,831,569	1,775,460	160,000	219,736	-	518,072	567,674	-	-	7,072,511	2,038,741	3.47
2007	3,919,603	1,759,245	160,000	212,077	-	- ³	712,935	-	30,000	6,793,863	1,751,594	3.88
2008	3,975,766	1,748,477	160,000	217,872	-	-	846,389	-	60,000	7,008,504	1,828,176	3.83
2009	4,105,959	1,823,706	160,000	213,629	-	-	844,379	-	60,000	7,207,673	2,615,188	2.76
2010	4,536,004	2,173,849	160,000	193,396	-	-	180,254	-	-	7,243,503	1,961,933	3.69
2011	4,168,867	1,873,785	160,000	179,408	-	-	180,787	-	-	6,562,847	1,912,847	3.43
2012	3,963,093	1,748,214	- ⁵	167,640	-	-	185,336	-	-	6,064,283	1,669,984	3.63

CITY OF WINTER SPRINGS, FLORIDA

PLEDGED-REVENUE COVERAGE - CONTINUED

Last Ten Fiscal Years

Water Revenue Bonds							
Fiscal Year Ended Sept 30,	Gross Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2003	6,309,545	3,992,489	2,317,056	780,000	1,046,997	1,826,997	1.27
2004	7,152,358	4,968,307	2,184,051	805,000	1,020,472	1,825,472	1.20
2005	7,497,904	4,862,108	2,635,796	835,000	1,006,910	1,841,910	1.43
2006	8,257,218	4,888,390	3,368,828	870,000	980,427	1,850,427	1.82
2007	8,084,483	5,163,896	2,920,587	895,000	944,302	1,839,302	1.59
2008	7,415,100	5,365,172	2,049,928	945,000	909,661	1,854,661	1.11
2009	7,376,924	5,298,633	2,078,291	980,000	871,309	1,851,309	1.12
2010	8,104,632	5,868,044	2,236,588	1,035,000	869,614	1,904,614	1.17
2011	8,896,172	5,769,194	3,126,978	945,000 ⁴	749,320	1,694,320	1.85
2012	9,833,455	5,331,369	4,502,086	913,470	487,292	1,400,762	3.21

Note

- ¹ Gross revenue is computed per bond resolution requirements, and is equivalent to revenue recognized under generally accepted accounting principles (GAAP). Revenues include investment income and other income.
- ² "Direct operating expense" is computed per bond resolution requirements, and is equal to expenses recognized under GAAP (less interest, depreciation, and amortization expense) losses on disposal of fixed assets, and non-recurring transfers out.
- ³ Data has been restated
- ⁴ Excludes principal paid on refunding
- ⁵ 2001 TLBD debt was refunded, revenue no longer pledged for outstanding debt

CITY OF WINTER SPRINGS, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income¹</u>	<u>Median Age¹</u>	<u>Education Level in Years of Formal Schooling¹</u>	<u>School Enrollment²</u>	<u>Unemployment Rate³</u>
2003	32,572	*	*	*	*	7,413	5.3%
2004	32,955	*	*	*	*	7,476	4.6%
2005	33,321	*	*	*	*	7,492	3.8%
2006	34,621	979,428	28,290	39.3	13.97	7,342	3.2%
2007	34,899	971,623	27,841	39.8	13.93	7,115	3.6%
2008	34,639	1,028,951	29,705	40	13.72	6,804	5.0%
2009	34,340	1,053,173	30,669	40.3	13.72	6,754	9.7%
2010	34,149	1,047,589	30,677	41	13.82	6,454	11.8%
2011	33,282	1,161,675	34,904	39.3	14.71	6,316	9.5%
2012	33,599	1,183,558	35,226	36	13.81	6,341	6.8%

* Data not available

Note

¹ Source: DemographicsNow.com

² Source: Seminole County Public Schools

³ Source: 2012 unemployment rate from Bureau of Labor Statistics. Prior years may not reflect such a regionally-specific rate.

CITY OF WINTER SPRINGS, FLORIDA

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2012 ¹			2003		
	Employees	Rank	Percentage of Total City Employment ²	Employees	Rank	Percentage of Total City Employment
Seminole County School Board	1,775	1	28.85%	*	*	*
City of Winter Springs	217	2	3.53%	256	2	*
Dearborn Electronics	130	4	2.11%	*	*	*
Publix (Winter Springs Town Center)	115	3	1.87%	*	*	*
Tusawilla Country Club	113	5	1.84%	*	*	*
Modern Plumbing	80	6	1.30%	*	*	*
United States Post Office	48	7	0.78%	*	*	*
Dittmer Architectural Aluminum	44	8	0.72%	*	*	*
Longwood Kia / Mitsubishi	40	9	0.65%	*	*	*
The Grove Counseling Center	37	10	0.60%	*	*	*
Total	<u>2,599</u>		<u>42.25%</u>			

Note

* Data Not Available

¹ Per telephone survey of major local businesses and e-mail correspondence

² Per Metro Orlando Economic Development Commission (www.orlandoedc.com), the City of Winter Springs has an estimated daytime working population of 6153 FTEs with approximately 864 business establishments as of 2012.

CITY OF WINTER SPRINGS, FLORIDA

BUDGETED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Full-time Equivalent Employees as of September 30,

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Development Services	8	8	10	10	10	10	5	5	4	4.46
General Government	36	37	41	44	44	44	45	42	41	36.79
Public Safety:										
Police										
Sworn Officers	59	64	64	70	70	70	70	70	70	68.00
Non sworn officers	-	-	0	0	0	0	0	0	0	0
Civilians ¹	20	20	20.75	20.75	20.75	20.75	20.75	20.75	20.75	18.45
Fire ²										
Firefighters and officers	49	50	50	51	51	51	0	0	0	0
Civilians	1	2	2	2	2	2	0	0	0	0
Public Works	21	23	23	21	21	21	21	20.73	18.73	18
Culture and Recreation	20	21	32.34	33.67	35.78	36.63	34.07	31.86	29.10	25.68
Utilities	35	40	42	42	43	45	45	45	42	37
Stormwater	7	7	7	9	9	9	9	9	9	9
Total	256	272	292.09	303.42	306.53	309.38	249.82	244.34	234.58	217.38
Part-time Employees	*	23	*	*	*	*	*	*	*	*
Part-time FTEs ³	*	*	11.09	12.42	14.53	15.38	16.32	16.34	17.58	18.38

Note

* Data not available

¹ Police civilians include emergency communications center operations personnel.

² Department was consolidated 10/02/08 with Seminole County Fire Department

³ FTEs - Full-time Equivalent Units; this statistic replaces part-time employee count starting in Fiscal Year 2005 and these units are included in the appropriate function totals for FY 2005 - 2009.

City of Winter Springs, Florida

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

Function	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Police										
Auto accidents	495	508	505	530	444	546	404	345	277	327
Physical arrests	588	627	1,128	1,633	1,582	1,708	1,928	1,347	1,401	1,098
Criminal investigations conducted	437	450	591	551	291	357	464	441	544	374
Total calls for service	76,958	83,290	91,904	107,074	125,789	142,202	133,527	131,587	125,392	116,773
911 calls received	5,506	5,786	6,931	5,174	5,781	5,248	4,937	3,654	3,720	3,665
Evidence processed (pieces)	*	2,396	2,068	2,436	1,820	1,721	2,221	1,730	2,215	2,160
Fire¹										
Public education programs	118	65	61	53	118	56	N/A	N/A	N/A	N/A
Number of emergency calls answered	2,898	3,426	3,258	3,261	3,338	3,345	N/A	N/A	N/A	N/A
Medical transports	1,008	1,146	1,126	1,159	1,284	1,300	N/A	N/A	N/A	N/A
Highways and streets										
Streets paved (miles)	0.99	0.85	0.00	0.00	0.57	0.00	0.00	2.00	3.38	1.76
Streets resurfaced (square yards)	40,658	44,257	44,945	23,925	35,537	72,400	43,018	36,927	47,622	41,850
Sidewalks/bike paths built or repaired (feet)	2,345	5,371	3,834	4,159	22,112	5,134	4,486	3,980	5,575	4,677
Culture and recreation										
Games - Baseball/Softball	*	*	1,502	1,643	1,565	1,468	1,521	1,075	1,259	1,104
Games - Basketball	*	*	652	644	606	599	371	458	606	683
Games - Football	*	*	286	285	298	271	222	222	271	257
Games - Soccer	*	*	1,029	1,010	905	970	1,005	816	856	880
Senior Activities	769	753	899	1,651	1,154	898	1,108	1,071	1,162	1,246
Civic Center & Pavilion Rentals	*	245	267	319	379	379	362	430	383	428
Program Events	*	345	312	310	221	205	240	275	340	307

Water										
New connections	198	132	260	279	179	19	13	3	24	100
Number of customers	12,066	11,903	12,104	12,444	12,514	12,706	12,802	12,749	12,806	12,847
Water main breaks	*	6	6	16	13	13	21	12	10	16
Average daily consumption (gallons/per capita)	106	115	108	126	125	115	110	106	114	109
Meter reads	*	*	*	*	171,167	174,604	175,478	171,976	176,001	176,531
Community Development										
Total permits issued	2,846	2,834	4,217	2,805	2,405	2,741	2,808	3,105	3,132	3,243
Building inspections	16,651	16,869	16,669	15,574	9,473	7,278	4,931	4,832	6,032	8,108
Business tax receipts issued	*	*	*	*	1,944	1,135	942	1,275	1,384	1,470
Land use amendments & rezonings	14	16	12	4	23	5	9	2	-	-
Permits files created/reviews initiated	*	*	*	*	2,545	3,349	3,408	3,754	2,190	2,427
General Government										
Personnel actions processed	290	315	360	332	637	500	609	166	227	375
Worker's Comp Injuries	44	48	47	37	52	51	30	41	44	33
Legal notices published	*	*	*	*	38	41	22	28	16	18
Payroll - Checks	3,493	1,411	301	275	312	337	220	242	229	210
Payroll - Direct Deposit	3,795	5,941	7,311	7,524	7,592	7,557	6,210	5,927	5,942	5,767
Receipts deposited	*	169,556	182,195	192,439	185,716	202,307	186,401	189,977	153,687	153,762
A/P checks issued	7,975	7,929	7,768	7,914	7,460	7,014	8,829	6,348	6,111	5,651
Purchase orders/EPO's processed	5,669	6,227	5,737	5,412	5,205	4,772	3,930	3,667	3,160	2,720

Source: Summary of Departmental Reports

Note

* Information not available

¹ Department was consolidated with Seminole County Fire Department effective 10/02/08

City of Winter Springs, Florida

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Public safety										
Police:										
Stations	1	1	1	1	1	1	2	2	2	1
Fleet	*	*	*	75	75	75	79	78	91	83
Fire stations ¹	2	3	3	3	3	3	3	3	3	3
Highways and streets										
Streets - paved (miles)	93.26	94.11	94.11	94.11	95.32	95.32	95.32	97.32	100.70	99.63
Streets - unpaved (miles)	7.25	6.40	6.40	7.16	6.40	6.40	6.40	4.40	1.02	0.51
Street lights	*	1,884	1,901	2,095	2,158	2,158	2,300	2,300	2,311	2,431
Traffic signals	8	9	9	10	10	10	10	10	10	10
Culture and recreation										
Park acreage	267.20	267.70	267.70	267.70	267.70	267.70	267.70	267.70	267.70	267.70
Parks - Community	5	5	5	5	6	6	6	6	6	6
Parks - Neighborhood	6	7	7	7	7	7	7	7	7	7
Senior Center	1	1	1	1	1	1	1	1	1	1
Community Center	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	150.1	155.1	158.9	160.4	161.7	167.6	167.6	167.6	167.8	169.1
Fire hydrants	929	931	964	975	995	1,000	1,000	1,000	1,002	1,019
Maximum daily capacity (millions of gallons)	12	12	12	12	12	12	12	12	12	12
Deep Wells	7	7	7	8	8	8	8	8	8	8
Sewer										
Sanitary sewers (miles)	103.31	105.27	106.97	108.30	108.90	135.50	111.57	111.57	111.6	112.8
Storm sewers (miles)	*	*		91.01	91.56	91.56	91.56	91.56	91.59	92.78
Treatment facility capacity (millions of gallons)	4.212	4.212	4.212	4.212	4.212	4.212	4.212	4.212	4.212	42.120
Current average flow (millions of gallons)	2.343	2.285	2.297	2.243	2.209	2.198	2.142	2.100	1.866	2.043

Note

* Information not available

¹ Seminole County is leasing stations per Consolidation Agreement

OTHER REPORTS

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**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 City Commissioners
City of Winter Springs, 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 *City of Winter Springs, Florida*, 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 February 18, 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

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 opinion 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.

A deficiency in internal control exists when the design or operation of a control does not allow management of 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

MCDIRMIT DAVIS & COMPANY, LLC

605 E. ROBINSON STREET, SUITE 635 ORLANDO, FLORIDA 32801
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

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*

We noted certain matters that we reported to management of the *City of Winter Springs* in a separate letter dated February 18, 2013.

This report is intended solely for the information and use of management, the City Commission and the Auditor General of the State of Florida, and is not intended to be, and should not be used by anyone other than these specified parties.

McDiernit Davis & Company, LLC

February 18, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

Honorable Mayor and City Commissioners
City of Winter Springs, Florida

Compliance

We have audited City of Winter Springs, Florida's (the City) compliance with the types of compliance 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 state projects for the year ended September 30, 2012. The City's major state projects are 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 each of its major state projects 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 Chapter 10.550, *Rules of the Auditor General*. Those standards, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of 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 each of its major state projects for the year ended September 30, 2012.

MCDIRMIT DAVIS & COMPANY, LLC

605 E. ROBINSON STREET, SUITE 635 ORLANDO, FLORIDA 32801
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state projects. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major state project to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, 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 the type of compliance requirement of a state project 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 or state project 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 management, the City Commissioners, the Auditor General of the State of Florida, and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

McDiarmid Davis & Company, LLC

February 18, 2013

CITY OF WINTER SPRINGS, FLORIDA

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Year Ended September 30, 2012

State grantor	State	Grant	State
Grantor program title	CSFA	Number	Expenditures
<u>Grantor program title</u>	<u>Number</u>	<u>Number</u>	<u>Expenditures</u>
State of Florida, Department of Environmental Protection:			
Statewide Surface Water Restoration and Wastewater Projects *	37.077	WW590600	\$ 1,433,522
Passed through St. John's River Water Management District:			
Water Protection and Sustainability Program*	37.066		<u>307,418</u>
Total state financial assistance			<u>\$ 1,740,940</u>

* Denotes a major program

CITY OF WINTER SPRINGS, FLORIDA

**NOTES TO SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE**

Year Ended September 30, 2012

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of the City of Winter Springs, Florida (the City) under programs of the state government for the year ended September 30, 2012. The information in the schedule of expenditures of state financial assistance is presented in accordance with the requirements of Section 215.97, Florida Statutes. Because the Schedules present 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 assets or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies:

Expenditures reported on the accompanying schedules are reported on the accrual basis of accounting. Therefore, amounts reported on the schedule are based on expenditures incurred as of September 30, 2012, even if grant or loan was received subsequent to that date.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
STATE FINANCIAL ASSISTANCE PROJECTS

Year Ended September 30, 2012

Part A - Summary of Auditor's Results:

1. The auditor's report expresses an unqualified opinion on the City of Winter Springs, Florida (the City) basic financial statements.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs or state projects are reported in the Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with the types of compliance requirements described in the Department of Financial Services' State Projects Compliance Supplement, Florida Department of Environmental Protection Water Protection and Sustainability Program (CSFA 37.066).
5. The auditor's report on compliance with requirements that could have a direct and material effect on each major state project for the City expresses an unqualified opinion.
6. Our audit did not disclose any findings related to state projects required to be disclosed under Chapter 10.557.
7. The programs tested as major programs included: Florida Department of Environmental Protection Statewide Surface Water Restoration and Wastewater Projects (CSFA 37.077) and Florida Department of Environmental Protection Water Protection and Sustainability Program (CFSA 37.066).
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The City did not qualify as a low-risk auditee.

Part B - Findings – Financial Statement Audit:

None

Part C - Findings and Questioned Costs – State Financial Assistance Projects:

None

Part D - Findings and Questioned Costs – Major State Financial Assistance Projects Audit:

None

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MANAGEMENT LETTER

Honorable Mayor and City Commissioners
City of Winter Springs, Florida

We have audited the financial statements of the City of *Winter Springs, Florida*, as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated February 18, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550 Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on and Audit of the Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on each Major State Project and on Internal Control over Compliance in Accordance with Chapter 10.550 Rules of the Florida Auditor General, and Schedule of Findings and Questioned Costs. Disclosures in those reports, which are dated February 18, 2013, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- 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 significant findings and recommendations made in the preceding annual financial audit report. There were no prior year findings.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the *City of Winter Springs, Florida* complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

MCDIRMIT DAVIS & COMPANY, LLC

605 E. ROBINSON STREET, SUITE 635 ORLANDO, FLORIDA 32801
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

MEMBERS: PRIVATE COMPANIES PRACTICE SECTION AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and 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 more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts or abuse, and (2) Deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., 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 has been disclosed in the notes to the financial statements.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the *City of Winter Springs, Florida* did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the *City of Winter Springs, Florida* for the fiscal year ended September 30, 2012, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2012. We determined that these two reports are in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information of the *City of Winter Springs, Florida* and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

McDiernit Davis & Company, LLC

February 18, 2013

Honorable Mayor and City Commissioners
City of Winter Springs, 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 Winter Springs, Florida* for the year ended September 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 19, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the *City of Winter Springs, Florida* are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statement were:

Management's estimate for the allowance for doubtful account is based on historical loss levels, and an analysis of the individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate for the allowance for depreciation is based on the estimated useful lives of the capital assets. We evaluated the reasonableness of the useful lives as well as the depreciation methods in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

MCDIRMIT DAVIS & COMPANY, LLC

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Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The uncorrected misstatement of the financial statements is not accruing additional Ad Valorem Revenue and receivable in the General Fund of \$34,977. Management has determined that the effects are immaterial, both individually and in the aggregate, to the financial statements as a whole. In addition, the remaining misstatements detected as a result of audit procedures and corrected by management were not material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 18, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statement, or to the financial statements themselves

This information is intended solely for the use of management, the City Commission and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

McDiernit Davis & Company, LLC

February 18, 2013

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CITY OF WINTER SPRINGS, FLORIDA

1126 EAST STATE ROAD 434
WINTER SPRINGS, FLORIDA 32708-2799
Telephone (407) 327-1800

February 13, 2013

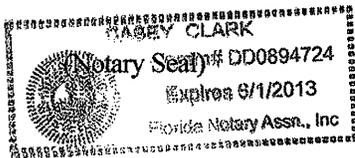
AFFIDAVIT OF IMPACT FEE COMPLIANCE

Impact Fees are assessed in accordance with Chapter 9: Land Development, Article VIII Impact Fees, of the City of Winter Springs Code of Ordinances. Impact fee collections, expenditures and accounting are provided for in separate accounting funds and comply with Florida Statute 163.31801.

Shawn Boyle
Finance and Administrative Services Director

STATE OF FLORIDA
COUNTY OF SEMINOLE

The foregoing instrument was acknowledged before me this 12 day of March, 2013, by Shawn Boyle.



(Signature of Notary)

(Name of Notary Typed, Printed, or Stamped)

Personally Known OR Produced Identification

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