

CITY OF WINTER SPRINGS, FLORIDA



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2002

City of Winter Springs, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ended September 30, 2002

Prepared by: Finance Department

INTRODUCTORY SECTION

This section contains the following subsections:

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

CITY OF WINTER SPRINGS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

Year Ended September 30, 2002

	<u>Page</u>
I. Introductory Section:	
Table of Contents	i-ii
Letter of Transmittal	iii-vii
GFOA Certificate of Achievement	viii
List of Principal Officials	ix
Organizational Chart	x
II. Financial Section:	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-14
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General Fund	20-21
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Public Service Tax Special Revenue Fund	22
Statement of Net Assets – Proprietary Funds	23-24
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds	26-27
Statement of Fiduciary Net Assets – Fiduciary Funds	28
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	29
Notes to Financial Statements	30-55
Combining and Individual Fund Statements and Schedules:	
Major Governmental Fund:	
Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual: Central Winds Capital Project Fund	56

CITY OF WINTER SPRINGS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS - Continued

Year Ended September 30, 2002

	<u>Page</u>
II. Financial Section - Continued:	
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds	57-63
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds	64-70
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Special Revenue Funds	71-85
Debt Service Funds	86-91
Capital Project Funds	92-97
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Function and Activity	98
 III. Statistical Section:	
Government-Wide Information:	
Government-Wide Expenses Function	99-100
Government-Wide Revenues	101-102
Fund Information:	
General Governmental Expenditures by Function	103-104
General Governmental Revenues by Source	105-106
Property Tax Levies and Collections	107
Assessed and Estimated Value of Taxable Property, Net of Exemptions	108-109
Property Tax Rates, Direct and Overlapping Governments	110
Schedule of Ten Largest Taxpayers	111
Special Assessment Billings and Collections	112
Legal Debt Margin	113
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	114
Ratio of Annual Debt Service Expenditures for General Bonded Debt To Total General Governmental Expenditures	115
Computation of Direct and Overlapping General Obligation Debt	116
Revenue Bond Coverage	117
Demographic Statistical Data	118
Property Values and Construction	119
Miscellaneous Statistical Data	120
 IV. Other Reports:	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	121-122
Independent Auditor’s Report on Compliance and Internal Control over Compliance Applicable to the Major State Project	123-124
Schedule of Expenditures of State Financial Assistance	125
Schedule of Findings and Questioned Costs – State Project	126
Management Comments and Responses	127-131



CITY OF WINTER SPRINGS, FLORIDA

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

March 28, 2003

To the Honorable Mayor and 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 accounting principles generally accepted in the United States of America (GAAP) and that they be audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, 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, 2002.

This year's report has been reformatted to comply with the new financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The new financial reporting model completely changes the format of the City's financial statements. It is intended to improve financial reporting by incorporating significant additional information not previously available in public sector financial reporting.

In addition to the fund-by-fund financial information previously presented in the City's financial statements, the new model has a number of key features as follows:

- *Government-wide financial reporting* - The government-wide statements present a clear picture of the government as a single, unified entity. These new statements complement rather than replace traditional fund-based financial statements. Included in the government-wide statements is a "Statement of Net Assets" that provides the total net equity of the City including capital assets and debt and the "Statement of Activities" that shows the cost of providing government services.
- *Long-term focus for governmental activities* - Traditional "fund" financial statements focus on near-term inflows, outflows and balances of spendable financial resources and are prepared using the "modified" accrual method of accounting. The government-wide statements have been prepared with a long-term focus using the "full" accrual basis of accounting. A reconciliation report is provided as a key to understanding the changes between the two reporting methods. The most significant differences between the two types of reporting methods relate to the recordation of capital assets (including prior expenditures for infrastructure) and debt in the government-wide statements. The use of separate account groups to record general fixed assets and general long-term debt were eliminated.

- *Management's Discussion and Analysis (MD&A)* - GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a MD&A. The MD&A provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data. In addition, the MD&A are intended to disclose any known significant events or decisions that affect the financial condition of the City. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Winter Spring's MD&A can be found immediately following the report of the independent auditors.
- *Major funds* - The new reporting model includes an emphasis on the City's major funds as shown in the Governmental Fund Statements. Nonmajor funds are aggregated in the government-wide statements; however detail can be found for the nonmajor funds in the traditional fund statements.
- *Expanded budgetary focus* - Under the new model, budget information is presented for both the original and the final amended budget.

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 Spring's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Winter Spring's 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, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Winter Spring's financial statements have been audited by McDirmit Davis Puckett & Company, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Winter Springs for the fiscal year ended September, 30, 2002, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Winter Spring's financial statements for the fiscal year ended September 30, 2002, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

Profile of the Government

The City, 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 14.6 square miles and a population of approximately 32,000.

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 governing body is responsible, among other things, for 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 heads of the various departments.

The City of Winter Springs provides a full range of services, including police and fire 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 and a Stormwater Utility, which functions, in essence, as departments of the City of Winter Springs and therefore have been included as an integral part of the City of Winter Spring's financial statements.

The annual budget serves as the foundation for the City of Winter Spring's 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 council 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 by no later than September 30, the close of the City of Winter Spring's fiscal year. The appropriated budget is prepared by fund (e.g., general fund), department (e.g., fire department) and division (e.g., ems). The City Manager may make transfers of appropriations within a department. Transfers of appropriation 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 and the Public Service Tax Special Revenue Fund these comparisons are presented on pages 20-22 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 56.

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 retail, office and residential area with a small amount of light industry and commercial business. The City's total assessed valuation for real and personal property increased 10% from the prior year and 79% since 1992. This increase in valuations and millage resulted in an increased tax levy of \$318,000 over last year and \$1,472,000 since 1992. The City's population has increased 36% from that of ten years ago. Local indicators still point to a continued trend of growth as the City works with builders, developers and residents for both commercial and residential development. This increased growth helps the City maintain a moderate property tax rate, which was at 3.7708 mills during fiscal year 2002 (tax year 2001).

Long-term financial planning. The City Commission updated and adopted a 5-year Capital Improvements Plan (CIP) during fiscal year 2002. The CIP is a multi-year prioritized schedule of improvements that lists each capital improvement by 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 fixed document but a flexible, evolutionary document that may change to reflect changing priorities, opportunities, costs, or different financing approaches.

Cash management policies and practices. The City administers a cash management and investment program that seeks to maximize, in order of priority, the preservation of funds, liquidity and interest earnings over its cash and investments. Cash resources of the individual funds are combined to form a pool of cash and investments. The average cash and investment pool balance during the year (not including pension funds) was \$24,287,366 and the average investment earnings rate was 2%. Investment income includes the change in the fair value of investments. During the year monies were invested in U.S. Agencies and Treasuries, Federal Home Loan bonds, commercial paper, fixed income mutual funds and the State Board Administration Local Government Investment Pool in accordance with the City's Investment Policy. Pension fund assets were invested mainly in equity and bond funds in accordance with the City's Investment Policy for Retirement Funds. The average pension fund assets during the year was \$5,414,153 and the average investment loss was (6.5%) due to a decrease in the fair value of investments.

Risk Management. During the ordinary course of its operations, the City is exposed to various risks of losses. The City maintains commercial insurance coverage in amounts management feels is adequate to protect and safeguard the assets of the City. In the opinion of the City's management and legal counsel, legal claims and litigation are not anticipated to have a material impact on the financial position of the City.

Pension and other postretirement benefits. The City of Winter Springs sponsors a single-employer defined benefit pension plan for its employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the Annual Required Contribution (ARC) that the City of Winter Springs must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. In addition to the City's contribution, employees make a 3% contribution of gross salary. Total actual contributions made during fiscal year 2002 were 92% of the fiscal year 2002 ARC; however, cumulative payments to the plan are \$141,387 over the cumulative ARC. The City has funded 69.4% of its actuarial accrued liability for pension benefits. A three-year trend shows an increase in the City's funding ratio each year. The unfunded actuarial liability as of October 1, 2001 is \$2,573,368. The remaining unfunded actuarial liability is being systematically funded over 40 years beginning October 1, 2000 as part of the ARC calculated by the actuary. The City of Winter Springs does not provide any postretirement health or dental benefits for retirees or their dependents.

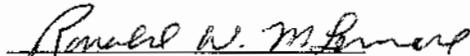
Awards and Acknowledgements

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, 2001. This was the second consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

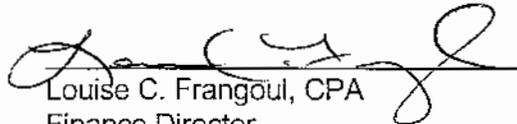
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Winter Spring's finances.

Respectfully submitted,



Ronald W. McLemore
City Manager



Louise C. Frangoul, CPA
Finance 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, 2001

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.



William Robert Potts
President

Jeffrey L. Essler
Executive Director

CITY OF WINTER SPRINGS, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2002

ELECTED OFFICIALS

MAYOR	Paul P. Partyka
DEPUTY-MAYOR/COMMISSIONER	Cindy Gennell
COMMISSIONER	Robert S. Miller
COMMISSIONER	Michael S. Blake
COMMISSIONER	Edward Martinez, Jr.
COMMISSIONER	David McLeod

APPOINTED OFFICIALS

CITY MANAGER	Ronald McLemore
CITY CLERK	Andrea Lorenzo-Luaces
FINANCE DIRECTOR	Louise Frangoul
INFORMATION SERVICES	Joanne Dalka
GENERAL SERVICES	Vacant
POLICE CHIEF	Daniel Kerr
FIRE CHIEF	Timothy Lallathin
UTILITY/PUBLIC WORKS DIRECTOR	Kipton Lockcuff
COMMUNITY DEVELOPMENT DIRECTOR	Vacant
PARKS AND RECREATION DIRECTOR	Chuck Pula

LEGAL COUNSEL

Anthony Garganese
Brown, Ward, Salzman & Weiss, P.A.

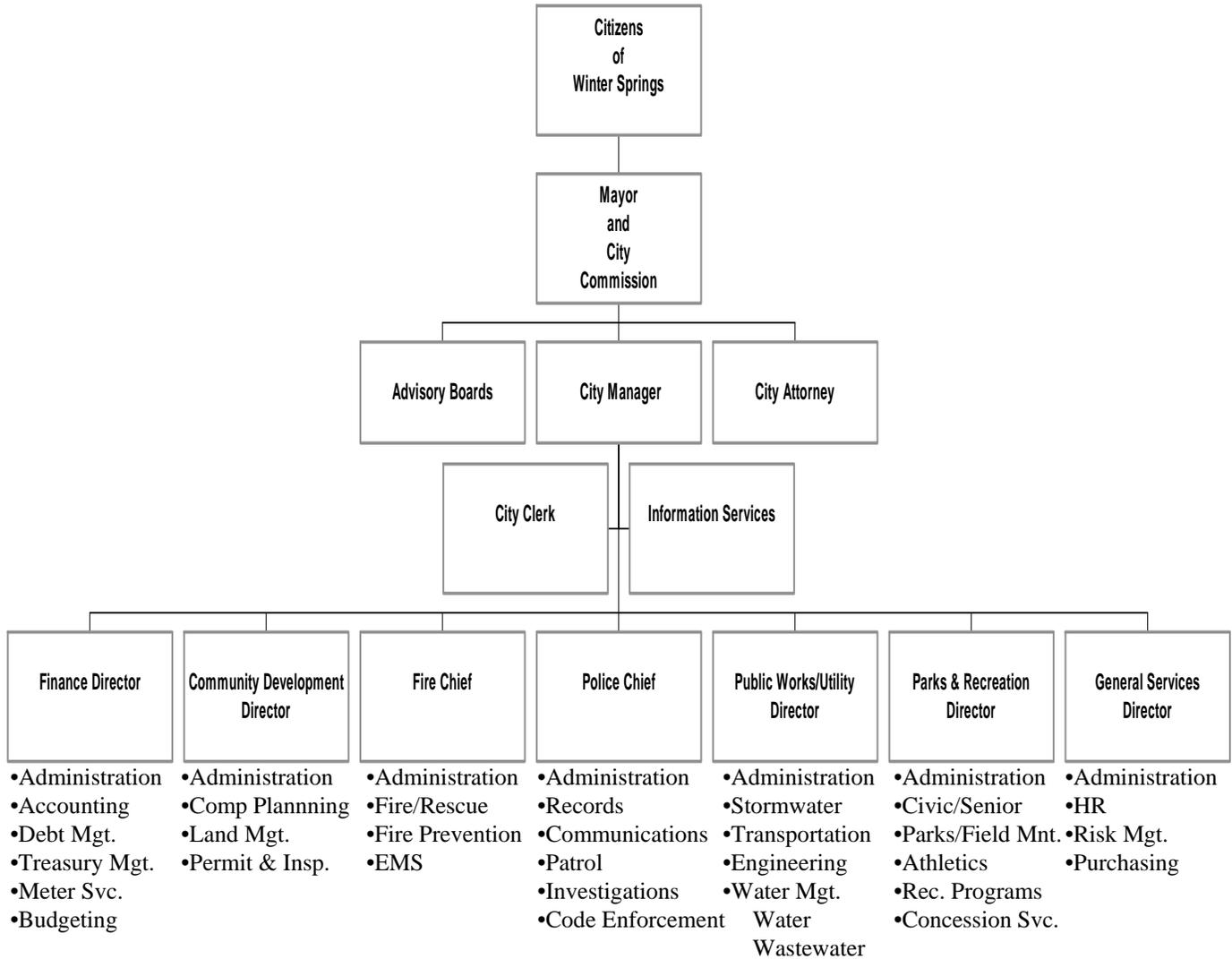
FINANCIAL ADVISOR

David Moore
Public Financial Management

AUDITORS

McDermitt Davis Puckett & Company, LLC

City of Winter Springs Organizational Chart



***The City Manager is appointed by the Commission.**

***The City Clerk is appointed by the Mayor with ratification of the City Commission and works under the direction of the City Manager.**

***The City Attorney is appointed by the Mayor with ratification of the City Commission and works under the direction of the City Commission.**

***Advisory Boards are appointed by the Mayor and City Commission and work under the direction of the City Commission.**

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of Winter Springs, Florida
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, 2002, 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, 2002, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and the public service tax special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

MCDIRMIT DAVIS PUCKETT & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS
605 E. ROBINSON STREET, SUITE 635 • ORLANDO, FLORIDA 32801
TELEPHONE 407-843-5406 • FAX 407-649-9339 • EMAIL: INFO@MDPCPA.COM

As described in Note 1, the City has implemented a new financial reporting model as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments*, as of October 1, 2001.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 28, 2003 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 14 is not a required part of the basic financial statements but is supplemental information required by the Governmental Auditing Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Winter Springs's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, statistical section, and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and schedule of expenditures of state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McDirmit Davis Puckett & Company, LLC

McDIRMIT DAVIS PUCKETT & COMPANY, LLC

March 28, 2003

Management's Discussion and Analysis

As management of the City of Winter Springs, we offer readers of the City of Winter Spring's financial statements this narrative overview and analysis of the financial activities of the City of Winter Springs for the fiscal year ended September 30, 2002. 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 iii-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 \$54,900,927 (*net assets*). Of this amount, \$23,818,655 (*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 \$2,762,065 or 5%.
- As of the close of the current fiscal year, the City of Winter Spring's governmental funds reported combined ending fund balances of \$12,905,925. Approximately 93% of this total amount, \$11,986,545 is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,872,404, or 37% of total general fund expenditures.
- The City of Winter Spring's total debt increased by \$2,586,268 (6%) during the current fiscal year. The key factor in this increase was the issuance of the Central Winds Limited General Obligation Bonds.

Using this Annual Report

The new financial statement's focus (implemented this year) is 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 Spring's 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 Spring's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City of Winter Spring's 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 deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent 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, highways and streets, community development, and culture and recreation. The business-type activities of the City of Winter Springs include a Water and Sewer Utility and a Stormwater Utility.

The government-wide financial statements include only the City of Winter Springs itself (known as the *primary government*). The City of Winter Springs has no component units. The Water and Sewer Utility and the Stormwater Utility functions as a department of the City of Winter Springs, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 15-16 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 governmental-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*.

The City of Winter Springs maintains 29 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, public service tax and central winds capital project fund, all three of which are considered to be major funds. Data from the other 26 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 of its governmental funds. Budgetary comparison statements have been provided for the General Fund and the Public Service Tax Special Revenue Fund to demonstrate compliance with this budget at pages 20-22. Budgetary comparison schedules have been provided for the Central Winds Capital Projects Fund and the nonmajor funds at pages 56-97.

The basic governmental fund financial statements can be found on pages 17-22 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 both its Water and Sewer Utility and its Stormwater Utility.

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 and for the Stormwater Utility.

The basic proprietary fund financial statements can be found on pages 23-27 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 Spring's 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 28-29 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 30-55 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 56-98 of this report.

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 \$54,900,927 at the close of the most recent fiscal year.

More than half of the City of Winter Spring's net assets (52%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. 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 Spring's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City of Winter Spring's net assets (5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$23,818,655) may be used to meet the government's ongoing obligations to citizens and creditors.

At September 30, 2002, 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. The following table reflects the condensed Statement of Net Assets for the current year. Comparison to the prior year is not presented, as 2002 is the implementation year for GASB statement #34. For more detail see the Statement of Net Assets on page 15.

**Statement of Net Assets
As of September 30,**

	Governmental Activities	Business Activities	Total
	2002	2002	2002
Current and other assets	\$17,772,610	\$10,113,455	\$27,886,065
Restricted assets	106,982	1,924,332	2,031,314
Capital assets	42,814,341	34,413,609	77,227,950
Total assets	<u>60,693,933</u>	<u>46,451,396</u>	<u>107,145,329</u>
Current liabilities	2,153,394	939,767	3,093,161
Long term liabilities outstanding	22,391,796	26,044,163	48,435,959
Other liabilities	106,982	608,300	715,282
Total liabilities	<u>24,652,172</u>	<u>27,592,230</u>	<u>52,244,402</u>
Net assets:			
Invested in capital assets, net of related debt	19,982,688	8,321,584	28,304,272
Restricted for capital improvement	-	2,778,000	2,778,000
Unrestricted	16,059,073	7,759,582	23,818,655
Total net assets	<u>\$36,041,761</u>	<u>\$18,859,166</u>	<u>\$54,900,927</u>

Statement of Activities

The following table reflects the condensed Statement of Activities for the current year. Comparison to the prior year is not presented, as 2002 is the implementation year for GASB Statement #34. For more detailed information see the Statement of Activities on page 16.

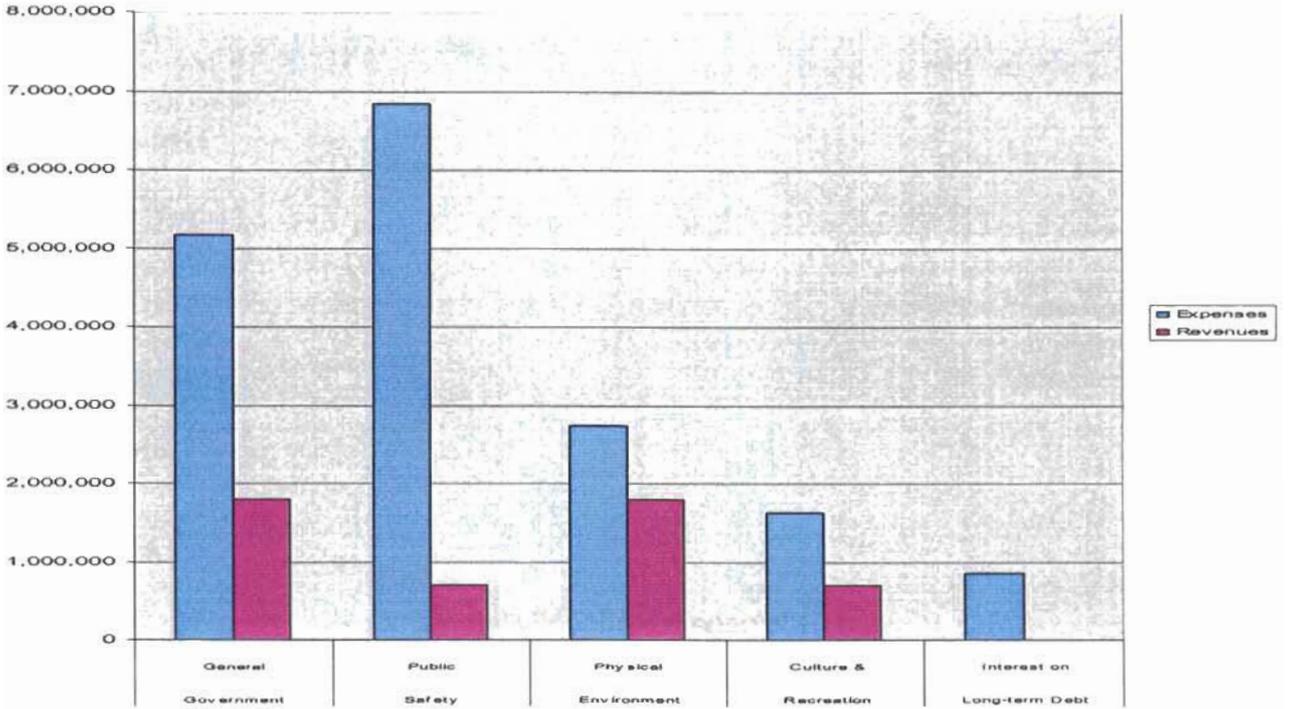
Note that total net assets increased by \$2,762,065. Governmental activities increased by \$3,300,109 whereas, the business-type activities experienced a decrease in net assets of \$538,044.

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

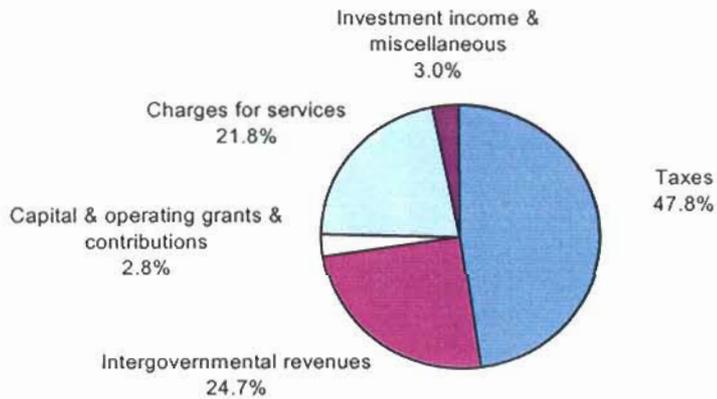
Changes in Net Assets
For The Year Ended September 30,

	Governmental Activities	Business Activities	Total
	2002	2002	2002
Revenues:			
Program revenues	\$4,761,243	\$6,791,159	\$11,552,402
General revenues	14,635,746	-	14,635,746
Total revenues	<u>19,396,989</u>	<u>6,791,159</u>	<u>26,188,148</u>
Expenses:			
General government	5,177,508	-	5,177,508
Public safety	6,838,109	-	6,838,109
Physical environment	2,746,869	-	2,746,869
Culture and recreation	1,629,128	-	1,629,128
Interest on long-term debt	856,851	-	856,851
Water and Sewer	-	5,648,538	5,648,538
Stormwater	-	529,080	529,080
Total expenses	<u>17,248,465</u>	<u>6,177,618</u>	<u>23,426,083</u>
Increase in net assets before transfers	<u>2,148,524</u>	<u>613,541</u>	<u>2,762,065</u>
Transfers	<u>1,151,585</u>	<u>(1,151,585)</u>	<u>-</u>
Increase (decrease) in net assets	<u>3,300,109</u>	<u>(538,044)</u>	<u>2,762,065</u>
Net assets - October 1 (restated)	<u>32,741,652</u>	<u>19,397,210</u>	<u>52,138,862</u>
Net assets - September 30	<u>\$36,041,761</u>	<u>\$18,859,166</u>	<u>\$54,900,927</u>

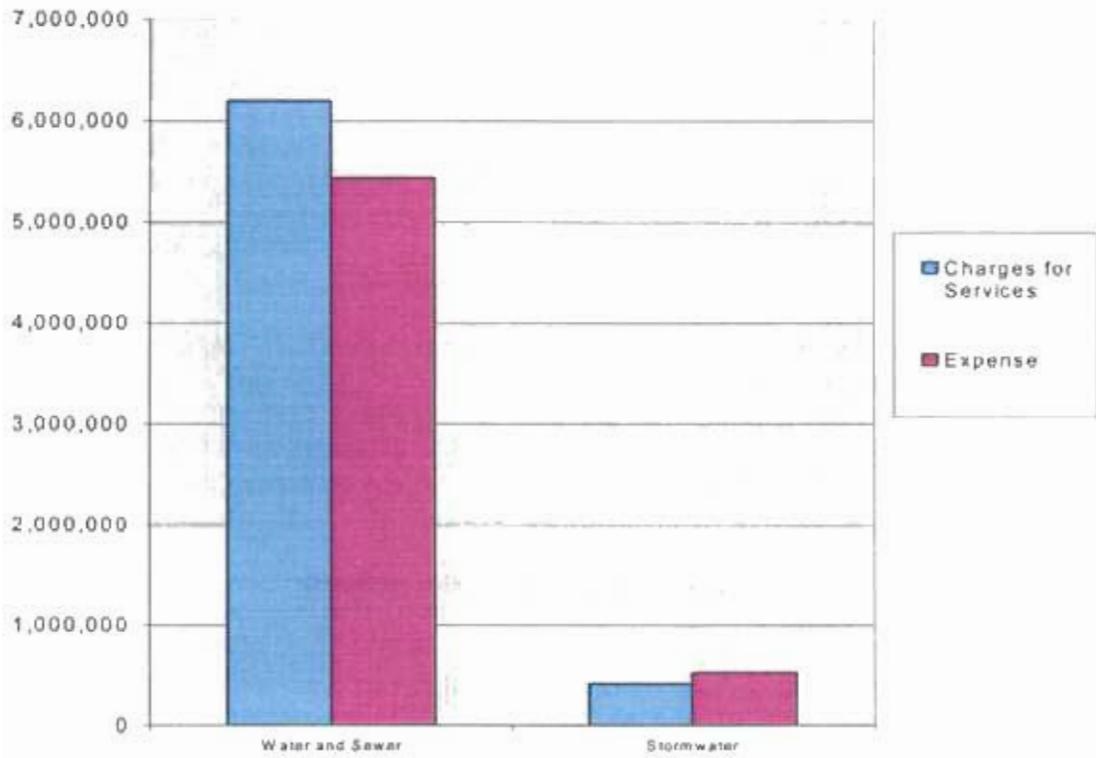
Governmental Program Revenues and Expenses



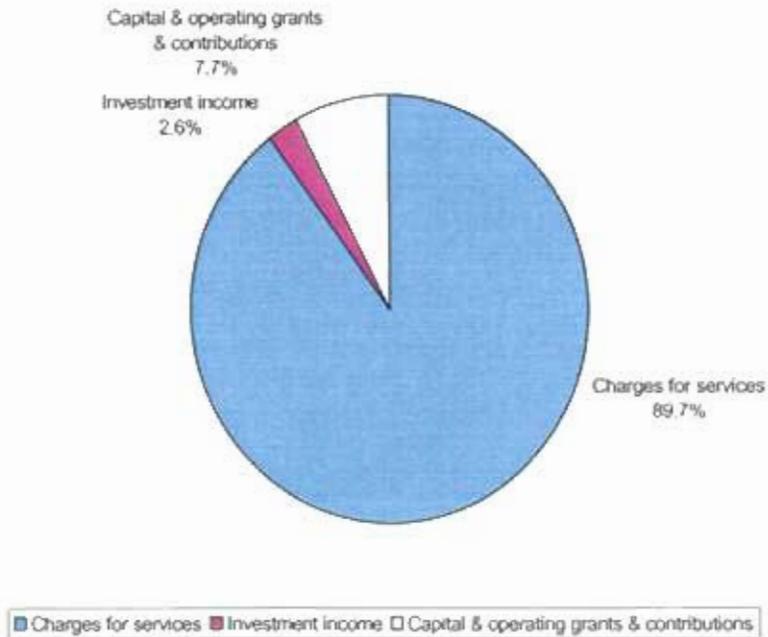
Governmental Revenues by Source



Business Revenues and Expenses



Business Revenues by Source



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

As of September 30, 2002, the City of Winter Spring's governmental funds reported combined ending fund balances of \$12,905,925, an increase of \$335,266 in comparison with the prior year. Approximately 93% or \$11,986,545 of this total amount constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for debt service, 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, unreserved fund balance of the general fund was \$4,872,404, while total fund balance reached \$4,926,644. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved and total fund balance represents 37 % of total general fund expenditures.

The fund balance of the City of Winter Spring's general fund increased by \$1,497,081 during the current fiscal year, primarily due to increases in transfers from the public service tax and franchise fee funds.

Proprietary funds. The City of Winter Spring's 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 \$7,521,412 and those for the Stormwater Utility Fund amounted to \$238,170. Both funds experienced a decrease in their net assets in the amount of \$397,493 and \$140,551, respectively. A 3 year phased rate increase was enacted in July 2002 for both funds. Fiscal year 2002 captures approximately 3-4 months worth of the first year rate increase.

General Fund Budgetary Highlights

Differences between the original General Fund expenditure budget and the final amended General Fund expenditure budget consists of \$653,002 in appropriations and can be briefly summarized as follows:

- \$600,000 in miscellaneous increases in general governmental activities; however, general government actual expenditures came in approximately \$65,000 over the original budget
- \$170,000 increase for public safety
- \$45,000 increase for parks and recreation
- \$101,000 decrease for public works

During the year, however, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

Capital Asset and Debt Administration

Capital assets. The City of Winter Spring's investment in capital assets for its governmental and business type activities as of September 30, 2002 amounts to \$77,227,950 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City of Winter Spring's investment in capital assets for the current fiscal year was 8 % (a 15% increase for governmental activities and less than a 1% increase for business-type activities).

Major capital asset events during the current fiscal year included the purchase of property to expand Central Winds Park, infrastructure improvements in the Town Center at Hickory and Tuskawilla Road and the near completion of the improvements within the Tuskawilla Lighting and Beautification District.

Additional information on the City of Winter Spring's capital assets can be found in note 6 on pages 43-44 of this report.

Capital Assets (net of depreciation) As of September 30,

	Governmental Activities <u>2002</u>	Business Activities <u>2002</u>	Total <u>2002</u>
Land	\$9,060,305	\$5,119,663	\$14,179,968
Buildings	3,479,344	412,088	3,891,432
Improvements other than buildings	5,127,961	27,726,060	32,854,021
Machinery and equipment	1,741,459	994,621	2,736,080
Infrastructure	20,011,191	-	20,011,191
Construction in Progress	<u>3,394,081</u>	<u>161,177</u>	<u>3,555,258</u>
Total	<u>\$42,814,341</u>	<u>\$34,413,609</u>	<u>\$77,227,950</u>

Long-term debt. At the end of the current fiscal year, the City of Winter Springs had total bonded debt outstanding of \$47,516,183. Of this amount, \$3,400,000 comprises debt backed by the full faith and credit of the government and \$2,265,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the City of Winter Spring's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

The City of Winter Spring's total debt increased by \$2,586,268 (6%) during the current fiscal year. The key factor in this increase was a \$3,400,000 limited general obligation bond issuance for the City of Winter Springs Series 2002.

During the current fiscal year, the government refinanced its Water and Sewer Refunding Revenue Bonds Series 1992 to take advantage of favorable interest rates.

The City of Winter Springs and its Water and Sewer Utility maintain an underlying rating of "A-" and "A" from Standard & Poor's, respectively.

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.

Additional information on the City of Winter Spring's long-term debt can be found in notes 7 and 8 on pages 45-50 of this report.

**Long Term Debt
As of September 30,**

	Governmental Activities	Business Activities	Total
	2002	2002	2002
Improvement Refunding Revenue Bonds Series 1993	\$8,455,000	-	\$8,455,000
Subordinate Improvement Revenue Bonds Series 1997	125,000	-	125,000
Improvement Refunding Revenue Bonds Series 1999	7,413,970	-	7,413,970
Water and Sewer Refunding Revenue Bonds Series 2000	-	6,969,191	6,969,191
Capital Notes Payable Series A and B 2000	1,151,937	-	1,151,937
Special Assessment Revenue Bonds Series 2001	2,265,000	-	2,265,000
Water and Sewer Refunding Revenue Bonds Series 2001	-	6,065,000	6,065,000
Water and Sewer Refunding Revenue Bonds Series 2002	-	13,980,000	13,980,000
Limited General Obligation Bonds Series 2002	3,400,000	-	3,400,000
Obligation Under Utility Agreement	-	180,000	180,000
Capital Lease	43,568	212,497	256,065
Compensated Absences	318,742	104,504	423,246
Adjustments for Issuance Discounts and Deferred Refunding Costs	(22,315)	(1,134,663)	(1,156,978)
Total	\$23,150,902	\$26,376,529	\$49,527,431

Economic Factors and Next Year's Budgets and Rates

The City considered many economic factors during the preparation of the fiscal year 2003 budget namely the affect the downturn in the economy would have on intergovernmental revenue sources and public service taxes. The City has historically enjoyed increases in intergovernmental revenues, which were used to offset increases in the cost of City provided services. Unfortunately, intergovernmental revenues could not be counted on in FY 03 to fund an increase in the public safety workforce, which necessitated an increase in the millage to 4.1658.

The City underwent a Water, Wastewater, Reclaimed Water and Stormwater Rate Study and determined that future expenses would outpace revenues. The City implemented the first of a 3 year phased rate increase during July of fiscal year 2002 and anticipates that the increases in fiscal year 2003 and 2004 will correct this situation.

Requests for Information

This financial report is designed to provide a general overview of the City of Winter Spring's 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 Director, 1126 East State Road 434, Winter Springs, Florida, 32708.

BASIC FINANCIAL STATEMENTS

CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF NET ASSETS

September 30, 2002

	Primary Government		
	Governmental Activities	Business-type Activites	Total
Assets:			
Cash and cash equivalents	\$ 13,418,085	\$ 2,658,423	\$ 16,076,508
Investments	-	6,199,107	6,199,107
Receivables, net	543,503	812,078	1,355,581
Inventories - at cost	7,419	2,152	9,571
Due from other governments	284,379	-	284,379
Prepaid costs	46,827	-	46,827
Restricted assets:			
Cash and cash equivalents	106,982	762,298	869,280
Investments	-	1,162,034	1,162,034
Bond issuance costs	82,529	441,695	524,224
Capital assets (net of accumulated depreciation)	42,814,341	34,413,609	77,227,950
Receivables, long-term	3,389,868	-	3,389,868
Total Assets	60,693,933	46,451,396	107,145,329
Liabilities:			
Accounts payable and other current liabilities	1,394,288	75,103	1,469,391
Matured bonds and interest payable	-	762,298	762,298
Liabilities payable from restricted assets	106,982	608,300	715,282
Noncurrent liabilities:			
Due within one year	759,106	102,366	861,472
Due in more than one year	22,391,796	26,044,163	48,435,959
Total Liabilities	24,652,172	27,592,230	52,244,402
Net Assets:			
Invested in capital assets, net of related debt	19,982,688	8,321,584	28,304,272
Restricted	-	2,778,000	2,778,000
Unrestricted	16,059,073	7,759,582	23,818,655
Total Net Assets	\$ 36,041,761	\$ 18,859,166	\$ 54,900,927

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

CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF ACTIVITIES

For The Year Ended September 30, 2002

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 5,177,508	\$ 1,793,439	\$ -	\$ -	\$ (3,384,069)	\$ -	\$ (3,384,069)
Public safety	6,838,109	618,936	76,443	-	(6,142,730)	-	(6,142,730)
Physical environment	2,746,869	1,539,646	-	32,613	(1,174,610)	-	(1,174,610)
Culture and recreation	1,629,128	275,101	34,560	390,505	(928,962)	-	(928,962)
Interest on long-term debt	856,851	-	-	-	(856,851)	-	(856,851)
Total governmental activities	<u>17,248,465</u>	<u>4,227,122</u>	<u>111,003</u>	<u>423,118</u>	<u>(12,487,222)</u>	<u>-</u>	<u>(12,487,222)</u>
Business-type activities:							
Water and sewer	5,438,325	5,675,797	-	522,168	-	759,640	759,640
Stormwater	529,080	413,371	-	-	-	(115,709)	(115,709)
Total business-type activities	<u>5,967,405</u>	<u>6,089,168</u>	<u>-</u>	<u>522,168</u>	<u>-</u>	<u>643,931</u>	<u>643,931</u>
Total primary government	<u>\$ 23,215,870</u>	<u>\$ 10,316,290</u>	<u>\$ 111,003</u>	<u>\$ 945,286</u>	<u>\$ (12,487,222)</u>	<u>\$ 643,931</u>	<u>\$ (11,843,291)</u>
General revenues							
Property taxes					4,277,707	-	4,277,707
Franchise fees and utility taxes					4,998,244	-	4,998,244
Intergovernmental					4,783,271	-	4,783,271
Investment income and miscellaneous					576,524	179,823	756,347
Loss on disposition of capital assets					-	(210,213)	(210,213)
Transfers					1,151,585	(1,151,585)	-
Total general revenues and transfers					<u>15,787,331</u>	<u>(1,181,975)</u>	<u>14,605,356</u>
Change in net assets					3,300,109	(538,044)	2,762,065
Net assets, beginning					32,741,652	19,397,210	52,138,862
Net assets, ending					<u>\$ 36,041,761</u>	<u>\$ 18,859,166</u>	<u>\$ 54,900,927</u>

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

CITY OF WINTER SPRINGS, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2002

	General	Public Service Tax Special Revenue Fund	Central Winds Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 5,273,799	\$ -	\$ 219,955	\$ 7,924,331	\$ 13,418,085
Receivables, net	58,210	350,521	-	134,772	543,503
Inventories, at cost	7,419	-	-	-	7,419
Due from other governments	1,091	-	-	283,288	284,379
Due from other funds	350,521	-	-	-	350,521
Prepaid costs	46,827	-	-	-	46,827
Special assessments receivable	-	-	-	2,815,907	2,815,907
Mortgage receivable, long-term	-	-	-	573,961	573,961
Restricted assets:					
Cash and cash equivalents	106,982	-	-	-	106,982
Total Assets	<u>\$ 5,844,849</u>	<u>\$ 350,521</u>	<u>\$ 219,955</u>	<u>\$ 11,732,259</u>	<u>\$ 18,147,584</u>
Liabilities and Fund Balances:					
Accounts payable	\$ 384,231	\$ -	\$ -	\$ 367,133	\$ 751,364
Accrued liabilities	412,112	-	-	-	412,112
Retainage payable	14,880	-	-	215,932	230,812
Due to other funds	-	350,521	-	-	350,521
Deferred revenue	-	-	-	3,389,868	3,389,868
Liabilities payable from restricted assets	106,982	-	-	-	106,982
Total Liabilities	<u>918,205</u>	<u>350,521</u>	<u>-</u>	<u>3,972,933</u>	<u>5,241,659</u>
Fund balances:					
Reserved:					
Inventories and prepaid costs	54,240	-	-	-	54,240
Debt service	-	-	-	865,140	865,140
Unreserved, reported in:					
General fund	4,872,404	-	-	-	4,872,404
Special revenue funds	-	-	-	4,105,294	4,105,294
Capital projects funds	-	-	219,955	2,788,892	3,008,847
Total fund balances	<u>4,926,644</u>	<u>-</u>	<u>219,955</u>	<u>7,759,326</u>	<u>12,905,925</u>
Total Liabilities and Fund Balances	<u>\$ 5,844,849</u>	<u>\$ 350,521</u>	<u>\$ 219,955</u>	<u>\$ 11,732,259</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	42,814,341
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	3,389,868
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(23,150,902)
Bond issuance costs, which are expenditures in the funds, are deferred and amortized over life of bond	82,529
Net assets of governmental activities	<u>\$ 36,041,761</u>

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

CITY OF WINTER SPRINGS, FLORIDA

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

For The Year Ended September 30, 2002

	General	Public Service Tax Special Revenue Fund	Central Winds Capital Projects Fund	Other Governmental Funds	Totals (Memorandum Only)
Revenues:					
Taxes and special assessments	\$4,621,761	\$ 3,403,121	\$ -	\$ 1,607,061	\$ 9,631,943
Licenses and permits	1,128,635	-	-	295,310	1,423,945
Intergovernmental revenues	3,420,836	-	-	1,896,557	5,317,393
Charges for services	410,974	-	-	1,757,927	2,168,901
Fines and forfeitures	254,513	-	-	75,826	330,339
Investment income	139,305	14,802	-	293,390	447,497
Miscellaneous	67,810	-	-	61,217	129,027
Total revenues	<u>10,043,834</u>	<u>3,417,923</u>	<u>-</u>	<u>5,987,288</u>	<u>19,449,045</u>
Expenditures:					
Current:					
General government	3,671,908	213	-	1,324,035	4,996,156
Public safety	6,389,062	-	-	227,237	6,616,299
Physical environment	1,286,618	-	-	2,352,275	3,638,893
Culture and recreation	1,928,755	-	-	98	1,928,853
Debt service:					
Principal retirement	-	-	-	612,333	612,333
Interest and fiscal charges	-	-	-	856,345	856,345
Bond issuance costs	-	-	84,405	-	84,405
Capital outlay:					
General government	-	-	-	180,086	180,086
Physical environment	-	-	-	1,721,776	1,721,776
Culture and recreation	-	-	2,993,918	13,478	3,007,396
Total expenditures	<u>13,276,343</u>	<u>213</u>	<u>3,078,323</u>	<u>7,287,663</u>	<u>23,642,542</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,232,509)</u>	<u>3,417,710</u>	<u>(3,078,323)</u>	<u>(1,300,375)</u>	<u>(4,193,497)</u>
Other Financing Sources (Uses)					
Operating transfers in	4,816,290	-	-	1,520,087	6,336,377
Operating transfers out	(86,700)	(3,419,604)	(78,900)	(1,599,588)	(5,184,792)
General obligation bonds issued	-	-	3,400,000	-	3,400,000
Discount on bonds	-	-	(22,822)	-	(22,822)
Net other financing sources (uses)	<u>4,729,590</u>	<u>(3,419,604)</u>	<u>3,298,278</u>	<u>(79,501)</u>	<u>4,528,763</u>
Net Change in Fund Balances	<u>1,497,081</u>	<u>(1,894)</u>	<u>219,955</u>	<u>(1,379,876)</u>	<u>335,266</u>
Fund Balances - Beginning					
As previously reported	3,429,563	1,894	-	9,713,163	13,144,620
Prior period adjustment	-	-	-	(573,961)	(573,961)
As restated	<u>3,429,563</u>	<u>1,894</u>	<u>-</u>	<u>9,139,202</u>	<u>12,570,659</u>
Fund Balances - Ending	<u>\$4,926,644</u>	<u>\$ -</u>	<u>\$ 219,955</u>	<u>\$ 7,759,326</u>	<u>\$ 12,905,925</u>

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

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, 2002

Amounts reported for the governmental activities in the statement of activities (page 16) are different because:

Net change in fund balances - total governmental funds (page 18)	\$ 335,266
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. This is the amount by which capital outlays exceeded depreciation in the current period.	5,712,394
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.	(2,680,439)
Special assessment revenue reported in the funds in the current year must be eliminated from the statement of activities since revenue was recognized in a prior year.	(52,056)
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.	<u>(15,056)</u>
Change in net assets of governmental activities (page 16)	<u><u>\$ 3,300,109</u></u>

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 4,273,800	\$ 4,235,800	\$ 4,277,707	\$ 41,907
Franchise taxes	25,000	307,100	344,054	36,954
	<u>4,298,800</u>	<u>4,542,900</u>	<u>4,621,761</u>	<u>78,861</u>
Licenses and permits:				
Building permits	468,500	478,500	1,023,059	544,559
Occupational licenses	110,000	110,000	105,576	(4,424)
	<u>578,500</u>	<u>588,500</u>	<u>1,128,635</u>	<u>540,135</u>
Intergovernmental revenues:				
Sales tax	2,121,500	2,121,500	2,127,578	6,078
State revenue sharing	712,500	676,500	691,212	14,712
Other state shared revenue	602,400	467,647	470,848	3,201
Other county shared revenue	525,000	525,000	84,755	(440,245)
Federal grants	99,000	43,598	46,443	2,845
	<u>4,060,400</u>	<u>3,834,245</u>	<u>3,420,836</u>	<u>(413,409)</u>
Charges for services:				
Concession stand receipts	131,400	131,400	93,951	(37,449)
Program activity fees	125,000	165,000	167,155	2,155
Rental and other	66,000	99,100	149,868	50,768
	<u>322,400</u>	<u>395,500</u>	<u>410,974</u>	<u>15,474</u>
Fines and forfeitures:				
Fines and forfeitures	250,555	250,555	254,513	3,958
Investment income	200,000	50,000	139,305	89,305
Miscellaneous	30,000	58,218	67,810	9,592
Total revenues	<u>9,740,655</u>	<u>9,719,918</u>	<u>10,043,834</u>	<u>323,916</u>

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government:				
Executive	\$ 542,500	\$ 572,406	\$ 503,486	\$ 68,920
General government	163,500	491,150	332,325	158,825
Finance	1,028,800	1,083,028	916,453	166,575
General services	578,200	636,282	604,985	31,297
Information systems	398,200	426,748	399,612	27,136
Community development	895,100	996,807	915,047	81,760
	<u>3,606,300</u>	<u>4,206,421</u>	<u>3,671,908</u>	<u>534,513</u>
Public safety:				
Police	3,850,500	3,956,760	3,932,019	24,741
Fire	2,478,700	2,542,608	2,457,043	85,565
	<u>6,329,200</u>	<u>6,499,368</u>	<u>6,389,062</u>	<u>110,306</u>
Physical environment:				
Public works	1,515,100	1,413,654	1,286,618	127,036
Culture and recreation:				
Parks and recreation	2,293,700	2,339,122	1,928,755	410,367
Total expenditures	<u>13,744,300</u>	<u>14,458,565</u>	<u>13,276,343</u>	<u>1,182,222</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,003,645)</u>	<u>(4,738,647)</u>	<u>(3,232,509)</u>	<u>1,506,138</u>
Other Financing Sources (Uses)				
Operating transfers in	4,090,345	4,172,345	4,816,290	643,945
Operating transfers out	(86,700)	(86,700)	(86,700)	-
Net other financing sources (uses)	<u>4,003,645</u>	<u>4,085,645</u>	<u>4,729,590</u>	<u>643,945</u>
Net Change in Fund Balance	-	(653,002)	1,497,081	2,150,083
Fund Balances - Beginning	<u>3,429,563</u>	<u>3,429,563</u>	<u>3,429,563</u>	-
Fund Balances - Ending	<u>\$ 3,429,563</u>	<u>\$ 2,776,561</u>	<u>\$ 4,926,644</u>	<u>\$ 2,150,083</u>

CITY OF WINTER SPRINGS, FLORIDA

PUBLIC SERVICE TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ 2,712,077	\$ 2,712,077	\$ 3,403,121	\$ 691,044
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	5,000	5,000	14,802	9,802
Miscellaneous	-	-	-	-
Total revenues	<u>2,717,077</u>	<u>2,717,077</u>	<u>3,417,923</u>	<u>700,846</u>
Expenditures:				
Current:				
General government	4,600	4,600	213	4,387
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Issuance costs	-	-	-	-
Total expenditures	<u>4,600</u>	<u>4,600</u>	<u>213</u>	<u>4,387</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,712,477</u>	<u>2,712,477</u>	<u>3,417,710</u>	<u>705,233</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	(2,717,643)	(2,717,643)	(3,419,604)	(701,961)
Net other financing sources (uses)	<u>(2,717,643)</u>	<u>(2,717,643)</u>	<u>(3,419,604)</u>	<u>(701,961)</u>
Net Change in Fund Balance	(5,166)	(5,166)	(1,894)	3,272
Fund Balances - Beginning	1,894	1,894	1,894	-
Fund Balances - Ending	<u>\$ (3,272)</u>	<u>\$ (3,272)</u>	<u>\$ -</u>	<u>\$ 3,272</u>

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

CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

September 30, 2002

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility Fund	Stormwater Utility Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,406,360	\$ 252,063	\$ 2,658,423
Investments	6,199,107	-	6,199,107
Receivables, net	812,078	-	812,078
Inventories	2,152	-	2,152
Total current assets	<u>9,419,697</u>	<u>252,063</u>	<u>9,671,760</u>
Noncurrent assets:			
Restricted cash and cash equivalents	762,298	-	762,298
Restricted investments	1,162,034	-	1,162,034
Total restricted assets	<u>1,924,332</u>	<u>-</u>	<u>1,924,332</u>
Bond issuance costs	441,695	-	441,695
Capital assets:			
Land, buildings and equipment	43,218,903	5,974,330	49,193,233
Construction in progress	161,177	-	161,177
Less accumulated depreciation	<u>(13,287,199)</u>	<u>(1,653,602)</u>	<u>(14,940,801)</u>
Total capital assets (net of accumulated depreciation)	<u>30,092,881</u>	<u>4,320,728</u>	<u>34,413,609</u>
Total noncurrent assets	<u>32,458,908</u>	<u>4,320,728</u>	<u>36,779,636</u>
Total assets	<u>41,878,605</u>	<u>4,572,791</u>	<u>46,451,396</u>

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility Fund	Stormwater Utility Fund	Total
Liabilities			
Current liabilities:			
Accounts payable	36,481	7,764	44,245
Accrued liabilities	29,196	1,662	30,858
Compensated absences	100,037	4,467	104,504
Obligation under utility agreement-current	22,000	-	22,000
Capital lease-current	70,365	-	70,365
Total current liabilities	<u>258,079</u>	<u>13,893</u>	<u>271,972</u>
Current liabilities payable from restricted assets:			
Customer deposits payable	608,300	-	608,300
Revenue bonds payable	230,000	-	230,000
Accrued interest payable	532,298	-	532,298
Total current liabilities payable from restricted assets	<u>1,370,598</u>	<u>-</u>	<u>1,370,598</u>
Noncurrent liabilities:			
Revenue bonds payable	25,649,528	-	25,649,528
Obligation under utility agreement	158,000	-	158,000
Capital lease	142,132	-	142,132
Total noncurrent liabilities	<u>25,949,660</u>	<u>-</u>	<u>25,949,660</u>
Total liabilities	<u>27,578,337</u>	<u>13,893</u>	<u>27,592,230</u>
Net Assets			
Invested in capital assets, net of related debt	4,000,856	4,320,728	8,321,584
Restricted	2,778,000	-	2,778,000
Unrestricted	7,521,412	238,170	7,759,582
Total net assets	<u>\$ 14,300,268</u>	<u>\$ 4,558,898</u>	<u>\$ 18,859,166</u>

CITY OF WINTER SPRINGS, FLORIDA

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

For The Year Ended September 30, 2002

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility Fund	Stormwater Utility Fund	Total
Operating Revenues:			
User charges	\$ 5,675,797	\$ 413,371	\$ 6,089,168
Operating Expenses:			
Salaries and benefits	1,324,665	181,338	1,506,003
Materials and supplies	633,542	82,630	716,172
Depreciation and amortization	1,391,769	244,668	1,636,437
Other operating expenses	751,105	20,444	771,549
Total operating expenses	4,101,081	529,080	4,630,161
Operating income (loss)	1,574,716	(115,709)	1,459,007
Nonoperating Revenue (Expenses):			
Investment income	178,465	1,358	179,823
Interest expense	(1,337,244)	-	(1,337,244)
Connection fees	522,168	-	522,168
Gain (loss) on disposal of capital assets	(210,213)	-	(210,213)
Total nonoperating revenue (expense)	(846,824)	1,358	(845,466)
Income (loss) before operating transfers	727,892	(114,351)	613,541
Operating Transfers:			
Operating transfers in	5,700	-	5,700
Operating transfers out	(1,131,085)	(26,200)	(1,157,285)
Net operating transfers	(1,125,385)	(26,200)	(1,151,585)
Change in net assets	(397,493)	(140,551)	(538,044)
Total Net Assets - Beginning			
As previously reported	13,575,099	4,699,449	18,274,548
Prior period correction	1,122,662	-	1,122,662
As restated	14,697,761	4,699,449	19,397,210
Total Net Assets - End	\$ 14,300,268	\$ 4,558,898	\$ 18,859,166

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, 2002

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility Fund	Stormwater Utility Fund	Total
Cash Flows from Operating Activities:			
Receipts from customers	\$ 5,715,531	\$ 413,371	\$ 6,128,902
Payments to suppliers	(1,505,936)	(107,064)	(1,613,000)
Payments to employees	(1,357,749)	(176,428)	(1,534,177)
Net cash provided by operating activities	<u>2,851,846</u>	<u>129,879</u>	<u>2,981,725</u>
Cash Flows from Non-Capital Financing Activities:			
Net operating transfers in	5,700	-	5,700
Net operating transfers out	(1,131,085)	(26,200)	(1,157,285)
Decrease in due from other funds	848,915	335,786	1,184,701
Decrease in due to other funds	(718,207)	(399,230)	(1,117,437)
Net cash provided (used) by non-capital financing activities	<u>(994,677)</u>	<u>(89,644)</u>	<u>(1,084,321)</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from sale of capital assets	9,972	-	9,972
Acquisition of capital assets	(1,709,739)	(17,254)	(1,726,993)
Capital lease proceeds	275,935	-	275,935
Proceeds from issuance of revenue bonds	13,505,088	-	13,505,088
Principal paid on revenue bonds & leases	(13,958,438)	-	(13,958,438)
Interest paid on revenue bonds	(1,078,070)	-	(1,078,070)
Additions to bond issue costs	(176,676)	-	(176,676)
Connection fees	522,168	-	522,168
Net cash provided (used) by capital and related financing activities	<u>(2,609,760)</u>	<u>(17,254)</u>	<u>(2,627,014)</u>
Cash Flows from Investing Activities:			
Purchase of investments	(6,266,334)	-	(6,266,334)
Investment income	178,465	1,358	179,823
Net cash provided (used) by investing activities	<u>(6,087,869)</u>	<u>1,358</u>	<u>(6,086,511)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,840,460)	24,339	(6,816,121)
Cash and Cash Equivalents - Beginning	10,009,118	227,724	10,236,842
Cash and Cash Equivalents - End	<u>\$ 3,168,658</u>	<u>\$ 252,063</u>	<u>\$ 3,420,721</u>
Classified As:			
Current assets	\$ 2,406,360	\$ 252,063	\$ 2,658,423
Restricted assets	762,298	-	762,298
Total	<u>\$ 3,168,658</u>	<u>\$ 252,063</u>	<u>\$ 3,420,721</u>

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

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility Fund	Stormwater Utility Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities			
Operating income (loss)	\$ 1,574,716	\$ (115,709)	\$ 1,459,007
Adjustments Not Affecting Cash:			
Depreciation	1,371,977	244,668	1,616,645
Amortization	19,792	-	19,792
Change in Assets and Liabilities:			
Increase in accounts receivable	(51,228)	-	(51,228)
Increase in inventories	(2,152)	-	(2,152)
Decrease in accounts payable	(81,137)	(3,990)	(85,127)
Increase in accrued liabilities	7,321	443	7,764
Decrease in customer deposits	90,962	-	90,962
Decrease in utility agreement obligation	(38,000)	-	(38,000)
Increase (decrease) in accrued compensated absences	(40,405)	4,467	(35,938)
Total adjustments	<u>1,277,130</u>	<u>245,588</u>	<u>1,522,718</u>
Net Cash Provided by Operating Activities	<u>\$ 2,851,846</u>	<u>\$ 129,879</u>	<u>\$ 2,981,725</u>

CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND

September 30, 2002

	Defined Benefit Pension Trust Fund
Assets:	
Cash and cash equivalents	\$ 73,772
Receivables:	
Plan members contributions	17,144
Investments, at fair value:	
Common funds - equity	3,303,281
Common funds - bonds	<u>2,161,618</u>
Total investments	<u>5,464,899</u>
Total assets	<u>5,555,815</u>
Liabilities	<u>-</u>
Net Assets:	
Held in trust for pension benefits	<u><u>\$ 5,555,815</u></u>

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

CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For The Year Ended September 30, 2002

	Defined Benefit Pension Trust Fund
Additions:	
Contributions:	
Employer	\$ 604,058
Plan members	238,202
Total contributions	<u>842,260</u>
Investment income:	
Net depreciation in fair value of investments	(414,486)
Interest	4,507
Net investment income	<u>(409,979)</u>
Total additions	<u>432,281</u>
Deductions:	
Benefits	103,068
Administrative expenses	45,890
Total deductions	<u>148,958</u>
Change in Net Assets	283,323
Net Assets - Beginning	<u>5,272,492</u>
Net Assets - End	<u>\$ 5,555,815</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

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, 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.

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

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

B. Government-Wide and Fund Financial Statements

The City has elected to early implement Governmental Standards Board Statement Number 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34) that requires a change in the reporting format. The government-wide and fund financial statements along with the notes to financial statements comprise the basic financial statements. As a part of a phased implementation of this Statement, there is a new reporting requirement regarding the government's infrastructure (roads, bridges, traffic signals, etc.). This requirement permits an optional four-year further delay for implementation. The City is electing to implement both the basic model and the infrastructure-related portion at September 30, 2002.

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) 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.

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.

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

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

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

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

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 *Public Service Tax Special Revenue Fund* accounts for collections of utility taxes charged on electric, water and gas services as well as telecommunications service taxes. Proceeds are used to pay annual debt service and monies not required to pay debt service are transferred to the general fund.

The *Central Winds Capital Projects Fund* was established to account for acquisition of land for expansion of Central Winds Park.

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

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

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

Non-Major Governmental Fund Types

Special Revenue Funds account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes.

Debt Service Funds account for the accumulation of resources for, and the payment of principal and interest on certain long-term debt.

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

Major Proprietary Fund

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.

Non-Major Proprietary Fund

The Stormwater Utility Fund accounts for the operation and maintenance of the City's stormwater system.

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.

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

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

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

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, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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 new 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 - Continued

September 30, 2002

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 fund balance reserve account 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.

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

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, in accordance with Chapter 274.02, Florida Statutes, as assets with an initial, individual cost of \$750 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
Equipment	3-10

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

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 are generally liquidated by the General Fund.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

8. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements:

A. *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 \$5,712,394 difference are as follows:

Capital outlay	\$ 7,552,102
Depreciation expense	<u>(1,839,708)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 5,712,394</u>

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements (Continued):

A. 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 “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 \$2,680,439 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ 3,400,000
Less bond issuance costs	(84,405)
Less discounts	(22,822)
Principal repayment	<u>(612,334)</u>
 Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	 <u>\$(2,680,439)</u>

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 \$15,056 difference are as follows:

Compensated absences	\$(12,673)
Amortization of issuance costs	(1,876)
Amortization of bond discounts	<u>(507)</u>
 Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	 <u>\$(15,056)</u>

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 3 – Stewardship, Compliance, and Accountability:

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The City did not adopt a budget for the Central Winds Debt Service Fund for the 2002 fiscal year. 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 and expenditures, and a description of capital activities for the ensuing fiscal year.
2. The City Commission then holds informal workshops. Each item in the budget is thoroughly discussed, and the public is invited to participate.
3. On or before September 30th of each year, the public hearings are completed and the Commission adopts the final budget and establishes the ad valorem tax millage.
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 legally authorized revisions of the annual budgets during the year.
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 department level.

B. Excess of Expenditures Over Appropriations

For the year ended September 30, 2002, expenditures and transfers out exceeded appropriations in the following Special Revenue Funds: Street Lighting, Solid Waste, Electric Franchise Fee, Fire Impact Fee and Medical Transport. Also, expenditures exceeded appropriations in the 1993 Debt Service Fund, the Oak Forest Debt Service Fund and the 1997 Construction Capital Projects Fund. These over expenditures were funded either by greater than anticipated revenues or by available fund balance.

C. Appropriations in Excess of Funds Available

Appropriations for the Public Service Tax Special Revenue Fund, the Electric Franchise Fee Special Revenue Fund, the Arbor Special Revenue Fund, and the Information System Capital Project Fund were in excess of anticipated revenue and prior years fund balance.

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 4 – Deposits and Investments:

Deposits

At year-end, the carrying amount of the City's deposits was \$3,444,368 and the bank balance was \$4,085,031. Petty cash fund of \$1,825 are not on deposit with a financial institution, and fiduciary fund cash of \$73,772 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. This limits local government deposits to "qualified public depositories." The State of Florida Collateral Pool is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails. For this reason, the City considers its deposits insured or collateralized.

Investments

The City's investment policy applies to all cash and investments held or controlled by the City, and does not include the City's Pension Funds and funds related to the issuance of debt where there are other existing policies or indentures in effect.

The following levels of credit risk apply to the investments of the City:

Category 1

Insured or registered, held by the City or its agent in the City's name.

Category 2

Uninsured or unregistered, held by a counterparty's trust department or agent in the City's name.

Category 3

Uninsured and unregistered, held by a counterparty or its trust department or agent, but not in the City's name.

Investments in the State Board of Administration Local Government Investment Pool and Mutual Funds are not required to be categorized since these investments are in pooled investment funds and therefore not evidenced by securities that exist in physical or book entry form. The fair value of the City's position is the same as the value of the pool shares.

The State of Board of Administration Local Government Investment Pool (SBA) is an investment pool administered by the State of Florida. Investments held in SBA consist of U.S. Treasury obligations, short-term federal agency obligations, repurchase agreements and commercial paper. These short-term investments are included as cash equivalents and are stated at cost, which approximates fair value.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 4 – Deposits and Investments (Continued):

Investments (Continued)

At year end, the City's investment balances were as follows:

	Category			Reported Amount/ Fair Value
	1	2	3	
U.S. Agencies	\$1,729,765	\$ -	\$ -	\$ 1,729,765
U.S. Treasuries	1,014,380	-	-	1,014,380
Federal Home Loan Bonds	<u>2,458,876</u>	-	-	<u>2,458,876</u>
	<u>\$5,203,021</u>	<u>\$ -</u>	<u>\$ -</u>	5,203,021
Investments not subject to categorization:				
Fixed income mutual funds				2,158,120
Pension funds investing in common equity and bond funds				5,464,899
State Board Administration Local Government Investment Pool				<u>13,499,595</u>
Total investments				<u>\$26,325,635</u>

Note 5 – Receivables:

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

	General Fund	Public Service Tax Fund	Water and Sewer Utility Fund	Nonmajor And Other Funds	Total
Receivables:					
Accounts	\$58,210	\$350,521	\$ 940,094	\$ 235,836	\$1,584,661
Less allowance for uncollectible accounts	-	-	(128,016)	(101,064)	(229,080)
	<u>\$58,210</u>	<u>\$350,521</u>	<u>\$ 812,078</u>	<u>\$ 134,772</u>	<u>\$1,355,581</u>

In addition to receivables detailed above, there is a mortgage receivable in a nonmajor capital projects fund that is not considered to be available to liquidate liabilities of the current period. This mortgage receivable amount of \$573,961 is reported as deferred revenue in the governmental funds balance sheet. There are also special assessment receivables in two nonmajor debt service funds that are not available to liquidate liabilities of the current period. These special assessment receivables totaling \$2,815,907 are reported as deferred revenue in the governmental funds balance sheet.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 6 – Capital Assets:

Capital asset activity for the year ended September 30, 2002 was as follows:

	Beginning Balance <u>(Restated)</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,954,578	\$ 3,105,727	\$ -	\$ 9,060,305
Construction in progress	<u>-</u>	<u>3,394,081</u>	<u>-</u>	<u>3,394,081</u>
Total capital assets, not being depreciated	<u>5,954,578</u>	<u>6,499,808</u>	<u>-</u>	<u>12,454,386</u>
Capital assets, being depreciated:				
Buildings	5,316,987	-	(124,093)	5,192,894
Improvements	5,590,928	524,092	(4,495)	6,110,525
Machinery and equipment	4,713,313	663,038	(377,749)	4,998,602
Infrastructure	<u>37,936,029</u>	<u>-</u>	<u>-</u>	<u>37,936,029</u>
Total capital assets, being depreciated	<u>53,557,257</u>	<u>1,187,130</u>	<u>(506,337)</u>	<u>54,238,050</u>
Less accumulated depreciation for:				
Buildings	1,530,626	182,924	-	1,713,550
Improvements	782,686	199,878	-	982,564
Machinery and equipment	2,741,203	698,182	(182,242)	3,257,143
Infrastructure	<u>17,166,114</u>	<u>758,724</u>	<u>-</u>	<u>17,924,838</u>
Total accumulated depreciation	<u>22,220,629</u>	<u>1,839,708</u>	<u>(182,242)</u>	<u>23,878,095</u>
Total capital assets, being depreciated, net	<u>31,336,628</u>	<u>(652,578)</u>	<u>(324,095)</u>	<u>30,359,955</u>
Governmental activities capital assets, net	<u>\$37,291,206</u>	<u>\$ 5,847,230</u>	<u>\$(324,095)</u>	<u>\$42,814,341</u>

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 6 – Capital Assets (Continued):

	Beginning Balance <u>(Restated)</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 4,409,062	\$ 710,601	\$ -	\$ 5,119,663
Construction in progress	<u>396,868</u>	<u>109,816</u>	<u>(345,507)</u>	<u>161,177</u>
Total capital assets, not being depreciated	<u>4,805,930</u>	<u>820,417</u>	<u>(345,507)</u>	<u>5,280,840</u>
Capital assets, being depreciated:				
Buildings	637,546	71,650	-	709,196
Improvements	40,276,596	662,360	(58,464)	40,880,492
Machinery and equipment	<u>1,999,455</u>	<u>757,432</u>	<u>(273,005)</u>	<u>2,483,882</u>
Total capital assets, being depreciated	<u>42,913,597</u>	<u>1,491,442</u>	<u>(331,469)</u>	<u>44,073,570</u>
Less accumulated depreciation for:				
Buildings	276,613	20,495	-	297,108
Improvements	11,762,218	1,393,733	(1,519)	13,154,432
Machinery and equipment	<u>1,375,831</u>	<u>202,417</u>	<u>(88,987)</u>	<u>1,489,261</u>
Total accumulated depreciation	<u>13,414,662</u>	<u>1,616,645</u>	<u>(90,506)</u>	<u>14,940,801</u>
Total capital assets, being depreciated, net	<u>29,498,935</u>	<u>(125,203)</u>	<u>(240,963)</u>	<u>29,132,769</u>
Business-type activities capital assets, net	<u>\$34,304,865</u>	<u>\$ 695,214</u>	<u>\$(586,470)</u>	<u>\$34,413,609</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 165,228
Public safety	482,621
Physical environment	914,738
Culture and recreation	<u>277,121</u>
Total depreciation expense - governmental activities	<u>\$1,839,708</u>
Business-type activities:	
Water and sewer	\$1,371,977
Stormwater	<u>244,668</u>
Total depreciation expense – business-type activities	<u>\$1,616,645</u>

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 7 – Leases:

Capital Leases - The City has entered into a lease agreement as lessee for financing the acquisition of a medical transport vehicle. The City also financed the acquisition of certain equipment for its water and sewer utility fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Assets -		
Machinery & equipment	\$134,568	\$373,034
Less: accumulated depreciation	<u>(85,226)</u>	<u>(12,434)</u>
Total	<u>\$ 49,342</u>	<u>\$360,600</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2002 were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2003	\$30,056	\$ 89,967
2004	15,028	89,967
2005	<u>-</u>	<u>67,475</u>
Total minimum lease payments	45,084	247,409
Less: Amount representing interest	<u>(1,516)</u>	<u>(34,912)</u>
	<u>\$43,568</u>	<u>\$212,497</u>

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

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 original amount of amounts of revenue bonds issued in prior years is described below. The Special Assessment Revenue Bonds issued in 2001 are payable from and secured by a first lien and pledge of assessments levied on property within the assessed area as well as the first \$160,000 of half-cent sales tax received by the City each year. During the year ended September 30, 2002, \$13,980,000 of refunding revenue bonds were issued to currently refund all of the City's outstanding Water and Sewer Revenue Bonds, Series 1992. Revenue bonds outstanding at year end are as follows:

	Interest Rates and Dates	Maturity	Original Amount	Balance September 30, 2002
<u>Governmental Activities</u>				
Improvement Refunding Revenue Bonds – Series 1993	3.90 - 5.5% (4/1 & 10/1)	10/1/99 - 10/1/18	<u>\$9,635,000</u>	\$ 8,455,000
Subordinate Improvement Revenue Bonds – Series 1997	4.89% (4/1 & 10/1)	10/1/99 - 10/1/02	<u>\$ 575,000</u>	125,000
Improvement Refunding Revenue Bonds – Series 1999	3.25 -5.25% (4/1 & 10/1)	10/1/10 - 10/1/29	<u>\$7,998,970</u>	7,413,970
Special Assessment Revenue Bonds – Series 2001	3.4 -5.25% (4/1 & 10/1)	10/1/02 - 10/1/29	<u>\$2,265,000</u>	<u>2,265,000</u>
Total				<u>\$18,258,970</u>
<u>Business-Type Activities</u>				
Water and Sewer Refunding Revenue Bonds – Series 2000	4.5 – 5.5% (4/1 & 10/1)	10/1/02 - 10/1/30	<u>\$6,969,191</u>	\$ 6,969,191
Water and Sewer Refunding Revenue Bonds – Series 2001	4.0 – 5.0% (4/1 & 10/1)	10/1/02 - 10/1/30	<u>\$6,065,000</u>	6,065,000
Water and Sewer Refunding Revenue Bonds – Series 2002	3.0 – 5.25% (4/1 & 10/1)	10/1/03 - 10/1/20	<u>\$13,980,000</u>	<u>13,980,000</u>
Total				<u>\$27,014,191</u>

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 8 – Long-Term Debt (Continued):**Revenue Bonds (Continued)**

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>
2003	\$ 455,000	\$ 731,622	\$ 230,000	\$ 446,832
2004	490,000	707,954	790,000	1,047,998
2005	515,000	685,499	815,000	1,020,472
2006	545,000	661,276	850,000	991,586
2007	580,000	635,010	880,000	960,222
2008-2012	3,540,000	2,725,477	4,965,000	4,245,181
2013-2017	4,945,000	1,613,480	6,185,000	3,028,794
2018-2022	3,893,442	3,996,454	7,027,498	2,261,164
2023-2027	2,133,569	5,059,145	2,313,074	7,577,550
2028-2031	<u>1,161,959</u>	<u>2,110,920</u>	<u>2,958,619</u>	<u>4,953,881</u>
	<u>\$18,258,970</u>	<u>\$18,926,837</u>	<u>\$27,014,191</u>	<u>\$26,533,680</u>

General Obligation Bonds

During 2002, 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 2002 Bonds shall not exceed one quarter (1/4) of one mil on all of the taxable property in the City. General obligation bonds currently outstanding are as follows:

<u>Governmental Activities</u>	<u>Interest Rates and Dates</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Balance September 30, 2002</u>
Limited General Obligation Bonds – Series 2002	2.0 - 5.375% (1/1 & 10/1)	7/1/03 - 7/1/31	<u>\$3,400,000</u>	<u>\$3,400,000</u>

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 8 – Long-Term Debt (Continued):

General Obligation Bonds (Continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year Ending September 30.</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$ 65,000	\$ 160,330
2004	65,000	159,030
2005	65,000	157,438
2006	65,000	155,552
2007	70,000	153,472
2008-2012	385,000	726,678
2013-2017	475,000	629,812
2018-2022	625,000	492,500
2023-2027	795,000	320,480
2028-2031	<u>790,000</u>	<u>100,750</u>
	<u>\$3,400,000</u>	<u>\$3,056,042</u>

Notes Payable

In June 2000, the City issued capital improvement notes to finance the acquisition of a data processing system, a medical transport vehicle and the construction of the Oak Forest subdivision wall. Notes payable outstanding at year end are as follows:

Capital Improvement Revenue Note, Series 2000A - payable in five annual principal and interest payments of \$204,742 through June 2005. Interest is at 4.67%.

\$ 561,030

Capital Improvement Revenue Note, Series 2000B – payable interest only at 4.67% through June 2004 and balloon principal payment with interest due June 2005.

590,907
\$1,151,937

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 8 – Long-Term Debt (Continued):

Notes Payable (Continued)

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

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$ 178,542	\$ 59,976
2004	186,880	51,638
2005	<u>786,515</u>	<u>42,911</u>
	<u>\$1,151,937</u>	<u>\$154,525</u>

Obligation Under Utility Agreement

In connection with the City's acquisition of the assets of Seminole Utility Company during fiscal year ended September 30, 1990, the City entered into an agreement with the seller whereby the City is obligated to pay the seller for future connections to the east utility plant, up to a maximum of \$4,967,020 over a period of 15 years. The City has paid \$2,220,574 for these connections through September 30, 2002.

At September 30, 2002, outstanding balances were as follows:

Estimated accrual for remainder of obligation	\$180,000
Less current portion	<u>(22,000)</u>
Long-term portion at September 30, 2002	<u>\$158,000</u>

Current Refunding

The City issued \$13,980,000 of the Water and Sewer Refunding Revenue Bonds, Series 2002 for a current refunding of \$13,895,000 Water and Sewer Refunding Revenue Bonds, Series 1992. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$606,082. This amount is being netted against the new debt and amortized over the new debt's life. The transaction also resulted in an economic gain of \$1,003,202 and a reduction of \$2,236,410 in future debt service payments.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 8 – Long-Term Debt (Continued):

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2002 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	\$18,643,970	\$ -	\$ (385,000)	\$18,258,970	\$455,000
Limited general obligation bonds	-	3,400,000	-	3,400,000	65,000
Less: issuance Discounts	-	(22,822)	507	(22,315)	-
Notes payable -					
Capital improvement Notes	1,351,859	-	(199,922)	1,151,937	178,542
Capital lease	70,980	-	(27,412)	43,568	28,564
Compensated absences	306,069	12,673	-	318,742	32,000
Governmental activity long-term liabilities	<u>\$20,372,878</u>	<u>\$ 3,389,851</u>	<u>\$ (611,827)</u>	<u>\$23,150,902</u>	<u>\$759,106</u>
Business-type activities:					
Bonds payable -					
Revenue bonds	\$26,929,191	\$13,980,000	\$(13,895,000)	\$27,014,191	\$230,000
Less deferred amounts:					
For issuance Discount	(163,965)	13,169	119,041	(31,755)	-
On refunding	(555,383)	(606,082)	58,557	(1,102,908)	-
Total bonds Payable	26,209,843	13,387,087	(13,717,402)	25,879,528	230,000
Obligation under utility agreement	218,000	-	(38,000)	180,000	22,000
Capital lease	-	275,935	(63,438)	212,497	70,366
Compensated absences	140,442	4,467	(40,405)	104,504	10,000
Business-type activity long-term liabilities	<u>\$26,568,285</u>	<u>\$13,667,489</u>	<u>\$(13,859,245)</u>	<u>\$26,376,529</u>	<u>\$332,366</u>

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 9 – Interfund Receivables, Payables and Transfers:

The balance of \$350,521 due to the General Fund from the Public Service Tax Special Revenue Fund resulted from revenue earned by the Special Revenue Fund but not remitted to the General Fund at September 30, 2002.

Interfund transfers for the year ended September 30, 2002 consisted of the following:

	Transfer In			<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Water and Sewer</u>	
Transfer Out:				
General Fund	\$ -	\$ 86,700	\$ -	\$ 86,700
Public Service Tax				
Special Revenue Fund	2,866,439	553,165	-	3,419,604
Central Winds Capital				
Projects Fund	-	78,900	-	78,900
Nonmajor Governmental	884,966	714,622	-	1,599,588
Water and Sewer Utility Fund	1,044,385	86,700	-	1,131,085
Nonmajor Business-Type	<u>20,500</u>	<u>-</u>	<u>5,700</u>	<u>26,200</u>
 Total	 <u>\$4,816,290</u>	 <u>\$1,520,087</u>	 <u>\$5,700</u>	 <u>\$6,342,077</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) move receipts restricted to debt service from the funds as debt service payments become due.

Note 10 – Defined Benefit Pension Plan:

Plan Description

The City maintains a single-employer defined benefit pension plan that provides retirement benefits to all 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 stand-alone financial report.

The Board of Trustees of the plan are appointed by the City Commission to establish and amend all plan provisions.

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 10 – Defined Benefit Pension Plan (Continued):

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 Board of Trustees of the Plan. Plan members are required to contribute 3% of their salary to the Plan, which amounted to \$238,202 for the year ended September 30, 2002. The City is required to contribute at an actuarially determined rate; the current rate is 12.6% of covered payroll. The City's contribution for the year ended September 30, 2002 was \$604,058.

Membership in the Defined Benefit Plan consisted of the following at October 1, 2001:

Retirees and beneficiaries receiving benefits	11
Terminated plan members entitled to but not receiving benefits	11
Active plan members:	
Vested	187
Non-vested	<u>63</u>
	<u>272</u>

Annual Pension Cost and Net Pension Obligation – The City has contributed the Annual Required Contribution (ARC) since inception of the plan on October 1, 1997, and thus has not had or had need to report, a Net Pension Obligation (NPO).

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 10 – Defined Benefit Pension Plan (Continued):

Annual Pension Cost and Net Pension Obligation (Continued)

Required supplementary information is as follows:

<u>Schedule of Contributions from the Employer</u>		
<u>Fiscal year ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contribution</u>
9/30/02	\$605,058	100%
9/30/01	556,318	100%
9/30/00	254,646	100%
9/30/99	298,000	100%
9/30/98	349,289	100%

<u>Schedule of Funding Progress</u>						
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll (b-a) /c</u>
10/1/98	\$ 366,840	\$1,765,450	\$1,398,610	26.2%	\$4,840,362	28.9%
10/1/99	745,460	2,120,844	1,375,384	35.1	5,143,401	26.7
10/1/00	4,933,945	7,701,059	2,767,114	64.1	5,324,680	52.0
10/1/01	5,829,453	8,402,821	2,573,368	69.4	6,569,263	39.2

Notes to Required Supplementary Information - The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest (October 1, 2001) actuarial valuation follows:

Assumptions:

Investment Earnings	9%
Salary Increases -	
Inflation	3%
Postretirement Benefit Increases	0%
Mortality Table	1983 Group Annuity Mortality Table

Actuarial Valuation:

Frequency	Annual
Cost Method	Frozen Entry Age
Amortization Method	Level Percentage of Projected Payroll
Amortization Period	40 Years Open
Asset Valuation Method	Market Value

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 11 – 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 Public Employees Benefits Service Corporation (PEBSCO) 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.

Note 12 – 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 13 – Contingent Liabilities:

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.

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. However, there is one lawsuit regarding interim service fees collected by the City in prior years which is not covered by the City's insurance carrier. The City may have to refund interim services fees collected in the amount of \$160,000. A liability for this potential refund was not recorded since it is not known if the City will be required by the courts to refund amounts collected.

Note 14 – Commitments:

At September 30, 2002, the City had entered into construction contracts in the amount of \$1,612,506.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS - Continued

September 30, 2002

Note 15 – Prior Period Adjustments:

The City recorded the following prior period adjustments:

Governmental Funds

The mortgage receivable recorded in the 1999 Construction Capital Projects Fund was recorded as revenue in a prior year in error. Since the receivable amount did not meet the “available” criteria, it should have been recorded as deferred revenue. The fund balance at October 1, 2001 for this capital project was decreased by \$573,961 to correct this error. This correction has no effect on revenue or expenditures for the year ending September 30, 2002.

Enterprise Funds

During 2002, the City set up their capital assets using a new software system. During this conversion, it was discovered that there were errors in the computation of depreciation in prior years. In addition, there was an error made in 2001 in the recording of the deferred loss on refunding of debt. The net assets of the Water and Sewer Utility were increased by \$1,122,662 at October 1, 2001 to correct these errors. This correction has no effect on revenue or expenses for the year ending September 30, 2002.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

Capital Project Fund

Central Winds Capital Projects Fund

- This fund was established to account for expansion of Central Winds Park.

CITY OF WINTER SPRINGS, FLORIDA

CENTRAL WINDS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt service:				
Bond issuance costs	99,200	99,200	84,405	14,795
Capital outlay:				
Culture and recreation	<u>3,200,000</u>	<u>3,200,000</u>	<u>2,993,918</u>	<u>206,082</u>
Total expenditures	<u>3,299,200</u>	<u>3,299,200</u>	<u>3,078,323</u>	<u>220,877</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,299,200)</u>	<u>(3,299,200)</u>	<u>(3,078,323)</u>	<u>220,877</u>
Other Financing Sources (Uses)				
Operating transfers out	(78,900)	(78,900)	(78,900)	-
Bond proceeds	<u>3,378,100</u>	<u>3,378,100</u>	<u>3,377,178</u>	<u>(922)</u>
Net other financing sources (uses)	<u>3,299,200</u>	<u>3,299,200</u>	<u>3,298,278</u>	<u>(922)</u>
Net Change in Fund Balance	-	-	219,955	219,955
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,955</u>	<u>\$ 219,955</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

- | | |
|---|---|
| Police Education Fund | - This fund is used to account for the costs of educational expenses for police officers. It is funded by a portion of the collections from fines and forfeitures. |
| Special Law Enforcement Trust Fund | - This fund was established to receive revenues derived from confiscated property obtained during the enforcement of illegal operations. Proceeds are utilized strictly for law enforcement purposes, exclusive of salaries and vehicles. Such purposes may include drug education programs such as DARE. |
| Transportation Improvement Fund | - Revenues in this fund are derived from Local Option Gasoline Tax distribution. Proceeds are to be used for road, right of way, and drainage maintenance and equipment necessary to build or maintain roads, right of ways, and drainage. |
| Recreation Acquisition Fund | - This fund was established to record funds received from new developers for the acquisition of land for recreational purposes in lieu of land donated by these developers for recreational purposes. |
| Streetlighting Fund | - This fund was established to record proceeds of a special streetlighting assessment from the Country Club Village subdivision. Proceeds are used to pay for lighting and administrative costs. |
| Solid Waste Fund | - This fund is used to account for proceeds from billed solid waste and recycling performed by contract vendors. Proceeds are used to pay monthly vendor charges for providing solid waste and recycling services. |
| Electric Franchise Fee Fund | - This fund is used to account for proceeds of electric franchise fees. These proceeds are used to pay annual debt service. Any excess monies not used to pay debt service are transferred to the General Fund. |
| Transportation Impact Fee Fund | - This fund is used to account for collected impact fees on new development to defray the cost of future road construction as a result of growth. |
| Police 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 police service due to future 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. |

NONMAJOR GOVERNMENTAL FUNDS - Continued

Special Revenue Funds - Continued

- Medical Transport 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.
- Arbor Fund** - This fund is used to account for arbor revenues. This revenue source is used to maintain a level of plantings in the City.
- TLBD Maintenance Fund** - This fund is used to account for collected special assessments for maintenance related to the Tusawilla Lighting and Beautification District.
- Oak Forest Maintenance Fund** - This fund is used to account for collected special assessments for maintenance related to the Oak Forest subdivision wall.
- Town Center Road Improvement Fund** - This fund is used to account for collected one-cent sales tax revenues to be used for Town Center road improvements.

Debt Service Funds

- 1993 Debt Service Fund** - This fund is used to account for the accumulation of resources and payment of principal and interest for the 1993 bond issue.
- 1997 Debt Service Fund** - This fund is used to account for the accumulation of resources and payment of principal and interest for the 1997 bond issue.
- 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.
- Oak Forest Debt Service Fund** - This fund is used to account for the accumulation of resources and payment of principal and interest for the 2000 note payable (Oak Forest portion).
- TLBD Debt Service Fund** - This fund is used to account for the accumulation of resources and payment of principal and interest for the 2001 Special assessment bond issue.
- Information System Debt Service Fund** - This fund is used to account for the accumulation of resources and payment of principal and interest for the 2000 note payable (data processing portion).
- Central Winds 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.

NONMAJOR GOVERNMENTAL FUNDS – Continued

Capital Projects Funds

- | | |
|--|---|
| 1997 Construction Fund | - This fund was established for the acquisition and construction of City - owned Capital Improvements. |
| 1999 Construction Fund | - This fund was established for the acquisition and construction of City - owned Capital Improvements. |
| Information System Project Fund | - This fund was established for the acquisition of a new computer system. |
| TLBD Improvement Fund | - This fund was established to account for construction of improvements to the Tuscawilla Lighting and Beautification District. |
| Oak Forest Capital Fund | - This fund was established to account for construction of the Oak Forest subdivision wall. |
| Revolving Rehab Capital Projects Fund | - This fund was established to provide loans for rehabilitation projects within the City. |

CITY OF WINTER SPRINGS, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2002

	Special Revenue			
	Police Education Fund	Special Law Enforcement Trust Fund	Transportation Improvement Fund	Recreation Acquisition Fund
Assets:				
Cash and cash equivalents	\$ 87,194	\$ 69,609	\$ 302,079	\$ 138,044
Receivables	-	-	29,145	-
Due from other governments	-	-	-	-
Special assessment receivable	-	-	-	-
Mortgage receivable	-	-	-	-
Total Assets	\$ 87,194	\$ 69,609	\$ 331,224	\$ 138,044
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 20,068	\$ -
Retainage payable	-	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	-	-	20,068	-
Fund Balances:				
Reserved	-	-	-	-
Unreserved	87,194	69,609	311,156	138,044
Total Fund Balances	87,194	69,609	311,156	138,044
Total Liabilities and Fund Balances	\$ 87,194	\$ 69,609	\$ 331,224	\$ 138,044

Special Revenue			
Streetlighting Fund	Solid Waste Fund	Transportation Impact Fee Fund	Police Impact Fee Fund
\$ 1,967	\$ 714,004	\$ 1,257,638	\$ 246,755
118	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 2,085</u>	<u>\$ 714,004</u>	<u>\$ 1,257,638</u>	<u>\$ 246,755</u>
\$ -	\$ 111,784	\$ 733	\$ 409
-	-	-	-
-	-	-	-
<u>-</u>	<u>111,784</u>	<u>733</u>	<u>409</u>
-	-	-	-
2,085	602,220	1,256,905	246,346
<u>2,085</u>	<u>602,220</u>	<u>1,256,905</u>	<u>246,346</u>
<u>\$ 2,085</u>	<u>\$ 714,004</u>	<u>\$ 1,257,638</u>	<u>\$ 246,755</u>

(Continued)

CITY OF WINTER SPRINGS, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2002

	Special Revenue			
	Fire Impact Fee Fund	Medical Transport Fund	Arbor Fund	TLBD Maintenance Fund
Assets:				
Cash and cash equivalents	\$ 376,060	\$ 340,808	\$ 34,753	\$ 498,666
Receivables	-	101,064	-	2,233
Due from other governments	-	115	-	-
Special assessment receivable	-	-	-	-
Mortgage receivable	-	-	-	-
	-	-	-	-
Total Assets	<u>\$ 376,060</u>	<u>\$ 441,987</u>	<u>\$ 34,753</u>	<u>\$ 500,899</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 2,532	\$ -	\$ 286
Retainage payable	-	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>2,532</u>	<u>-</u>	<u>286</u>
Fund Balances:				
Reserved	-	-	-	-
Unreserved	<u>376,060</u>	<u>439,455</u>	<u>34,753</u>	<u>500,613</u>
Total Fund Balances	<u>376,060</u>	<u>439,455</u>	<u>34,753</u>	<u>500,613</u>
Total Liabilities and Fund Balances	<u>\$ 376,060</u>	<u>\$ 441,987</u>	<u>\$ 34,753</u>	<u>\$ 500,899</u>

Oak Forest Maintenance Fund	Special Revenue		Debt Service	
	Town Center Road Improve- ment Fund	Total	1993 Debt Service Fund	1997 Debt Service Fund
\$ 20,308	\$ 49,448	\$ 4,137,333	\$ 271,338	\$ 128,107
263	-	132,823	-	-
-	283,173	283,288	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 20,571</u>	<u>\$ 332,621</u>	<u>\$ 4,553,444</u>	<u>\$ 271,338</u>	<u>\$ 128,107</u>
\$ 850	\$ 191,654	\$ 328,316	\$ -	\$ -
-	119,834	119,834	-	-
-	-	-	-	-
<u>850</u>	<u>311,488</u>	<u>448,150</u>	<u>-</u>	<u>-</u>
-	-	-	271,338	128,107
<u>19,721</u>	<u>21,133</u>	<u>4,105,294</u>	<u>-</u>	<u>-</u>
<u>19,721</u>	<u>21,133</u>	<u>4,105,294</u>	<u>271,338</u>	<u>128,107</u>
<u>\$ 20,571</u>	<u>\$ 332,621</u>	<u>\$ 4,553,444</u>	<u>\$ 271,338</u>	<u>\$ 128,107</u>

(Continued)

CITY OF WINTER SPRINGS, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30,2002

	Debt Service			
	1999 Debt Service Fund	Oak Forest Debt Service Fund	TLBD Debt Service Fund	Information System Debt Service Fund
Assets:				
Cash and cash equivalents	\$ 332,615	\$ 2,232	\$ 105,560	\$ 85
Receivables	-	633	1,316	-
Due from other governments	-	-	-	-
Special assessment receivable	-	590,907	2,225,000	-
Mortgage receivable	-	-	-	-
Total Assets	\$ 332,615	\$ 593,772	\$ 2,331,876	\$ 85
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 21	\$ -
Retainage payable	-	-	-	-
Deferred revenue	-	590,907	2,225,000	-
Total Liabilities	-	590,907	2,225,021	-
Fund Balances:				
Reserved	332,615	2,865	106,855	85
Unreserved	-	-	-	-
Total Fund Balances	332,615	2,865	106,855	85
Total Liabilities and Fund Balances	\$ 332,615	\$ 593,772	\$ 2,331,876	\$ 85

Debt Service		Capital Projects			
Central Winds Debt Service Fund	Total	1997 Construction Fund	1999 Construction Fund	Information System Project Fund	TLBD Improvement Fund
\$ 23,275	\$ 863,212	\$ 115,869	\$ 1,992,979	\$ 100,237	\$ 237,891
-	1,949	-	-	-	-
-	-	-	-	-	-
-	2,815,907	-	-	-	-
-	-	-	573,961	-	-
<u>\$ 23,275</u>	<u>\$ 3,681,068</u>	<u>\$ 115,869</u>	<u>\$ 2,566,940</u>	<u>\$ 100,237</u>	<u>\$ 237,891</u>
\$ -	\$ 21	\$ -	\$ -	\$ 38,796	\$ -
-	-	-	-	-	96,098
-	2,815,907	-	573,961	-	-
-	2,815,928	-	573,961	38,796	96,098
23,275	865,140	-	-	-	-
-	-	115,869	1,992,979	61,441	141,793
23,275	865,140	115,869	1,992,979	61,441	141,793
<u>\$ 23,275</u>	<u>\$ 3,681,068</u>	<u>\$ 115,869</u>	<u>\$ 2,566,940</u>	<u>\$ 100,237</u>	<u>\$ 237,891</u>

(Continued)

CITY OF WINTER SPRINGS, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2002

	Capital Projects		Total	Total Nonmajor Governmental Funds
	Oak Forest Capital Fund	Revolving Rehab Capital Projects Fund		
Assets:				
Cash and cash equivalents	\$ 141,116	\$ 335,694	\$ 2,923,786	\$ 7,924,331
Receivables	-	-	-	134,772
Due from other governments	-	-	-	283,288
Special assessment receivable	-	-	-	2,815,907
Mortgage receivable	-	-	573,961	573,961
Total Assets	<u>\$ 141,116</u>	<u>\$ 335,694</u>	<u>\$ 3,497,747</u>	<u>\$ 11,732,259</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 38,796	\$ 367,133
Retainage payable	-	-	96,098	215,932
Deferred revenue	-	-	573,961	3,389,868
Total Liabilities	<u>-</u>	<u>-</u>	<u>708,855</u>	<u>3,972,933</u>
Fund Balances:				
Reserved	-	-	-	865,140
Unreserved	141,116	335,694	2,788,892	6,894,186
Total Fund Balances	<u>141,116</u>	<u>335,694</u>	<u>2,788,892</u>	<u>7,759,326</u>
Total Liabilities and Fund Balances	<u>\$ 141,116</u>	<u>\$ 335,694</u>	<u>\$ 3,497,747</u>	<u>\$ 11,732,259</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, 2002

	Special Revenue			
	Police Education Fund	Special Law Enforcement Trust Fund	Transportation Improvement Fund	Recreation Acquisition Fund
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	349,648	-
Charges for services	-	-	-	-
Fines and forfeitures	41,373	34,453	-	-
Investment income	1,005	896	3,495	2,073
Miscellaneous	-	5,735	-	28,800
Total revenues	<u>42,378</u>	<u>41,084</u>	<u>353,143</u>	<u>30,873</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	24,250	1,096	-	-
Physical environment	-	-	204,640	-
Culture and recreation	-	-	-	98
Debt Service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay:				
General government	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>24,250</u>	<u>1,096</u>	<u>204,640</u>	<u>98</u>
Excess (Deficiency) of				
Revenues over Expenditures	<u>18,128</u>	<u>39,988</u>	<u>148,503</u>	<u>30,775</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	18,128	39,988	148,503	30,775
Fund Balances - Beginning:				
As previously reported	69,066	29,621	162,653	107,269
Prior period correction	-	-	-	-
As restated	<u>69,066</u>	<u>29,621</u>	<u>162,653</u>	<u>107,269</u>
Fund Balances - Ending	<u>\$ 87,194</u>	<u>\$ 69,609</u>	<u>\$ 311,156</u>	<u>\$ 138,044</u>

Special Revenue				
Streetlighting Fund	Solid Waste Fund	Electric Franchise Fee Fund	Transportation Impact Fee Fund	Police Impact Fee Fund
\$ -	\$ -	\$ 1,251,069	\$ -	\$ -
-	-	-	192,095	55,284
-	-	-	-	-
7,432	1,549,073	-	-	-
-	-	-	-	-
4	-	9,996	28,210	4,208
-	-	-	-	-
<u>7,436</u>	<u>1,549,073</u>	<u>1,261,065</u>	<u>220,305</u>	<u>59,492</u>
7,619	1,316,050	291	-	-
-	-	-	-	77,913
-	-	-	570,410	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>7,619</u>	<u>1,316,050</u>	<u>291</u>	<u>570,410</u>	<u>77,913</u>
(183)	233,023	1,260,774	(350,105)	(18,421)
-	-	-	-	-
(1,130)	(108,000)	(1,260,774)	-	-
(1,130)	(108,000)	(1,260,774)	-	-
(1,313)	125,023	-	(350,105)	(18,421)
3,398	477,197	-	1,607,010	264,767
-	-	-	-	-
<u>3,398</u>	<u>477,197</u>	<u>-</u>	<u>1,607,010</u>	<u>264,767</u>
<u>\$ 2,085</u>	<u>\$ 602,220</u>	<u>\$ -</u>	<u>\$ 1,256,905</u>	<u>\$ 246,346</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, 2002

	Special Revenue			
	Fire Impact Fee Fund	Medical Transport Fund	Arbor Fund	TLBD Maintenance Fund
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ 281,595
Licenses and permits	31,891	-	16,040	-
Intergovernmental revenues	-	30,000	-	-
Charges for services	-	201,422	-	-
Fines and forfeitures	-	-	-	-
Investment income	6,192	6,307	25	8,882
Miscellaneous	-	-	-	-
Total revenues	<u>38,083</u>	<u>237,729</u>	<u>16,065</u>	<u>290,477</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	126	123,852	-	-
Physical environment	-	-	9,605	77,300
Culture and recreation	-	-	-	-
Debt Service:				
Principal retirement	-	53,594	-	-
Interest and fiscal charges	-	7,889	-	-
Capital outlay:				
General government	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>126</u>	<u>185,335</u>	<u>9,605</u>	<u>77,300</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>37,957</u>	<u>52,394</u>	<u>6,460</u>	<u>213,177</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	37,957	52,394	6,460	213,177
Fund Balances - Beginning:				
As previously reported	338,103	387,061	28,293	287,436
Prior period correction	-	-	-	-
As restated	<u>338,103</u>	<u>387,061</u>	<u>28,293</u>	<u>287,436</u>
Fund Balances - Ending	<u>\$ 376,060</u>	<u>\$ 439,455</u>	<u>\$ 34,753</u>	<u>\$ 500,613</u>

Oak Forest Maintenance Fund	Special Revenue		Debt Service	
	Town Center Road Improve- ment Fund	Total	1993 Debt Service Fund	1997 Debt Service Fund
\$ 22,342	\$ -	\$ 1,555,006	\$ -	\$ -
-	-	295,310	-	-
-	1,484,295	1,863,943	-	-
-	-	1,757,927	-	-
-	-	75,826	-	-
456	759	72,508	119	-
-	-	34,535	-	-
<u>22,798</u>	<u>1,485,054</u>	<u>5,655,055</u>	<u>119</u>	<u>-</u>
-	-	1,323,960	-	-
-	-	227,237	-	-
15,664	1,463,921	2,341,540	-	-
-	-	98	-	-
-	-	53,594	45,000	120,000
-	-	7,889	444,066	9,180
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>15,664</u>	<u>1,463,921</u>	<u>3,954,318</u>	<u>489,066</u>	<u>129,180</u>
<u>7,134</u>	<u>21,133</u>	<u>1,700,737</u>	<u>(488,947)</u>	<u>(129,180)</u>
-	-	-	486,761	137,476
-	-	(1,369,904)	-	-
-	-	(1,369,904)	486,761	137,476
7,134	21,133	330,833	(2,186)	8,296
12,587	-	3,774,461	273,524	119,811
-	-	-	-	-
<u>12,587</u>	<u>-</u>	<u>3,774,461</u>	<u>273,524</u>	<u>119,811</u>
<u>\$ 19,721</u>	<u>\$ 21,133</u>	<u>\$ 4,105,294</u>	<u>\$ 271,338</u>	<u>\$ 128,107</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, 2002

	Debt Service			
	1999 Debt Service Fund	Oak Forest Debt Service Fund	TLBD Debt Service Fund	Information System Debt Service Fund
Revenues:				
Taxes and special assessments	\$ -	\$ 12,055	\$ 40,000	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	622	33,310	111,991	-
Miscellaneous	-	13,854	12,772	-
Total revenues	622	59,219	164,763	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	6,360	4,375	-
Culture and recreation	-	-	-	-
Debt Service:				
Principal retirement	220,000	29,346	-	144,393
Interest and fiscal charges	180,181	30,099	100,383	28,922
Capital outlay:				
General government	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	400,181	65,805	104,758	173,315
Excess (Deficiency) of Revenues Over Expenditures	(399,559)	(6,586)	60,005	(173,315)
Other Financing Sources (Uses):				
Operating transfers in	413,866	-	-	173,400
Operating transfers out	-	-	-	-
Net other financing sources (uses)	413,866	-	-	173,400
Net Change in Fund Balances	14,307	(6,586)	60,005	85
Fund Balances - Beginning:				
As previously reported	318,308	9,451	46,850	-
Prior period correction	-	-	-	-
As restated	318,308	9,451	46,850	-
Fund Balances - Ending	\$ 332,615	\$ 2,865	\$ 106,855	\$ 85

Debt Service		Capital Projects			
Central Winds Debt Service Fund	Total	1997 Construction Fund	1999 Construction Fund	Information System Project Fund	TLBD Improvements Fund
\$ -	\$ 52,055	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	146,042	2,232	47,293	-	22,417
-	26,626	-	56	-	-
-	224,723	2,232	47,349	-	22,417
-	-	75	-	-	-
-	-	-	-	-	-
-	10,735	-	-	-	-
-	-	-	-	-	-
-	558,739	-	-	-	-
55,625	848,456	-	-	-	-
-	-	-	-	180,086	-
-	-	-	-	-	1,721,647
-	-	-	13,478	-	-
55,625	1,417,930	75	13,478	180,086	1,721,647
(55,625)	(1,193,207)	2,157	33,871	(180,086)	(1,699,230)
78,900	1,290,403	-	-	-	-
-	-	-	(229,684)	-	-
78,900	1,290,403	-	(229,684)	-	-
23,275	97,196	2,157	(195,813)	(180,086)	(1,699,230)
-	767,944	113,712	2,762,753	241,527	1,841,023
-	-	-	(573,961)	-	-
-	767,944	113,712	2,188,792	241,527	1,841,023
\$ 23,275	\$ 865,140	\$ 115,869	\$ 1,992,979	\$ 61,441	\$ 141,793

(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, 2002

	Capital Projects		Total	Total Nonmajor Governmental Funds
	Oak Forest Capital Fund	Revolving Rehab Capital Projects Fund		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ 1,607,061
Licenses and permits	-	-	-	295,310
Intergovernmental revenues	32,614	-	32,614	1,896,557
Charges for services	-	-	-	1,757,927
Fines and forfeitures	-	-	-	75,826
Investment income	2,898	-	74,840	293,390
Miscellaneous	-	-	56	61,217
Total revenues	<u>35,512</u>	<u>-</u>	<u>107,510</u>	<u>5,987,288</u>
Expenditures:				
Current:				
General government	-	-	75	1,324,035
Public safety	-	-	-	227,237
Physical environment	-	-	-	2,352,275
Culture and recreation	-	-	-	98
Debt Service:				
Principal retirement	-	-	-	612,333
Interest and fiscal charges	-	-	-	856,345
Capital outlay:				
General government	-	-	180,086	180,086
Physical environment	129	-	1,721,776	1,721,776
Culture and recreation	-	-	13,478	13,478
Total expenditures	<u>129</u>	<u>-</u>	<u>1,915,415</u>	<u>7,287,663</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>35,383</u>	<u>-</u>	<u>(1,807,905)</u>	<u>(1,300,375)</u>
Other Financing Sources (Uses):				
Operating transfers in	-	229,684	229,684	1,520,087
Operating transfers out	-	-	(229,684)	(1,599,588)
Net other financing sources (uses)	<u>-</u>	<u>229,684</u>	<u>-</u>	<u>(79,501)</u>
Net Change in Fund Balances	<u>35,383</u>	<u>229,684</u>	<u>(1,807,905)</u>	<u>(1,379,876)</u>
Fund Balances - Beginning:				
As previously reported	105,733	106,010	5,170,758	9,713,163
Prior period correction	-	-	(573,961)	(573,961)
As restated	<u>105,733</u>	<u>106,010</u>	<u>4,596,797</u>	<u>9,139,202</u>
Fund Balances - Ending	<u>\$ 141,116</u>	<u>\$ 335,694</u>	<u>\$ 2,788,892</u>	<u>\$ 7,759,326</u>

CITY OF WINTER SPRINGS, FLORIDA

POLICE EDUCATION SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	15,000	15,000	41,373	26,373
Investment income	500	500	1,005	505
Miscellaneous	-	-	-	-
Total revenues	15,500	15,500	42,378	26,878
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	25,100	25,100	24,250	850
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	25,100	25,100	24,250	850
Excess (Deficiency) of Revenues Over Expenditures	(9,600)	(9,600)	18,128	27,728
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	(9,600)	(9,600)	18,128	27,728
Fund Balances - Beginning	69,066	69,066	69,066	-
Fund Balances - Ending	\$ 59,466	\$ 59,466	\$ 87,194	\$ 27,728

CITY OF WINTER SPRINGS, FLORIDA

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

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	20,000	20,000	34,453	14,453
Investment income	500	500	896	396
Miscellaneous	-	-	5,735	5,735
Total revenues	<u>20,500</u>	<u>20,500</u>	<u>41,084</u>	<u>20,584</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	2,000	2,000	1,096	904
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,096</u>	<u>904</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>18,500</u>	<u>18,500</u>	<u>39,988</u>	<u>21,488</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	18,500	18,500	39,988	21,488
Fund Balances - Beginning	<u>29,621</u>	<u>29,621</u>	<u>29,621</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 48,121</u>	<u>\$ 48,121</u>	<u>\$ 69,609</u>	<u>\$ 21,488</u>

CITY OF WINTER SPRINGS, FLORIDA

TRANSPORTATION IMPROVEMENT SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	275,000	275,000	349,648	74,648
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	2,500	2,500	3,495	995
Miscellaneous	-	-	-	-
Total revenues	277,500	277,500	353,143	75,643
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	249,900	249,900	204,640	45,260
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	249,900	249,900	204,640	45,260
Excess (Deficiency) of Revenues Over Expenditures	27,600	27,600	148,503	120,903
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	27,600	27,600	148,503	120,903
Fund Balances - Beginning	162,653	162,653	162,653	-
Fund Balances - Ending	\$ 190,253	\$ 190,253	\$ 311,156	\$ 120,903

CITY OF WINTER SPRINGS, FLORIDA

RECREATION ACQUISITION SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	700	700	2,073	1,373
Miscellaneous	-	-	28,800	28,800
Total revenues	<u>700</u>	<u>700</u>	<u>30,873</u>	<u>30,173</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	100	100	98	2
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>100</u>	<u>100</u>	<u>98</u>	<u>2</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>600</u>	<u>600</u>	<u>30,775</u>	<u>30,175</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	600	600	30,775	30,175
Fund Balances - Beginning	<u>107,269</u>	<u>107,269</u>	<u>107,269</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 107,869</u>	<u>\$ 107,869</u>	<u>\$ 138,044</u>	<u>\$ 30,175</u>

CITY OF WINTER SPRINGS, FLORIDA

STREETLIGHTING SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	7,000	7,000	7,432	432
Fines and forfeitures	-	-	-	-
Investment income	-	-	4	4
Miscellaneous	-	-	-	-
Total revenues	7,000	7,000	7,436	436
Expenditures:				
Current:				
General government	7,000	7,000	7,619	(619)
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	7,000	7,000	7,619	(619)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(183)	(183)
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(1,130)	(1,130)
Net other financing sources (uses)	-	-	(1,130)	(1,130)
Net Change in Fund Balance	-	-	(1,313)	(1,313)
Fund Balances - Beginning	3,398	3,398	3,398	-
Fund Balances - Ending	\$ 3,398	\$ 3,398	\$ 2,085	\$ (1,313)

CITY OF WINTER SPRINGS, FLORIDA

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

For The Year Ended September 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	1,540,000	1,540,000	1,549,073	9,073
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	1,540,000	1,540,000	1,549,073	9,073
Expenditures:				
Current:				
General government	1,310,000	1,288,000	1,316,050	(28,050)
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,310,000	1,288,000	1,316,050	(28,050)
Excess (Deficiency) of Revenues Over Expenditures	230,000	252,000	233,023	(18,977)
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	(108,000)	(108,000)	(108,000)	-
Net other financing sources (uses)	(108,000)	(108,000)	(108,000)	-
Net Change in Fund Balance	122,000	144,000	125,023	(18,977)
Fund Balances - Beginning	477,197	477,197	477,197	-
Fund Balances - Ending	\$ 599,197	\$ 621,197	\$ 602,220	\$ (18,977)

CITY OF WINTER SPRINGS, FLORIDA

ELECTRIC FRANCHISE FEE SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ 1,134,900	\$ 1,217,000	\$ 1,251,069	\$ 34,069
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	2,500	2,500	9,996	7,496
Miscellaneous	-	-	-	-
Total revenues	1,137,400	1,219,500	1,261,065	41,565
Expenditures:				
Current:				
General government	4,600	4,700	291	4,409
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	4,600	4,700	291	4,409
Excess (Deficiency) of Revenues Over Expenditures	1,132,800	1,214,800	1,260,774	45,974
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	(1,137,865)	(1,219,865)	(1,260,774)	(40,909)
Net other financing sources (uses)	(1,137,865)	(1,219,865)	(1,260,774)	(40,909)
Net Change in Fund Balance	(5,065)	(5,065)	-	5,065
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ (5,065)	\$ (5,065)	\$ -	\$ 5,065

CITY OF WINTER SPRINGS, FLORIDA

TRANSPORTATION IMPACT FEE SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	140,000	140,000	192,095	52,095
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	35,000	35,000	28,210	(6,790)
Miscellaneous	-	-	-	-
Total revenues	175,000	175,000	220,305	45,305
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	1,600,100	1,600,100	570,410	1,029,690
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,600,100	1,600,100	570,410	1,029,690
Excess (Deficiency) of Revenues Over Expenditures	(1,425,100)	(1,425,100)	(350,105)	1,074,995
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	(39,000)	(39,000)	-	39,000
Net other financing sources (uses)	(39,000)	(39,000)	-	39,000
Net Change in Fund Balance	(1,464,100)	(1,464,100)	(350,105)	1,113,995
Fund Balances - Beginning	1,607,010	1,607,010	1,607,010	-
Fund Balances - Ending	\$ 142,910	\$ 142,910	\$ 1,256,905	\$ 1,113,995

CITY OF WINTER SPRINGS, FLORIDA

POLICE IMPACT FEE SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	40,000	40,000	55,284	15,284
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	5,000	5,000	4,208	(792)
Miscellaneous	-	-	-	-
Total revenues	45,000	45,000	59,492	14,492
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	78,500	243,500	77,913	165,587
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	78,500	243,500	77,913	165,587
Excess (Deficiency) of Revenues Over Expenditures	(33,500)	(198,500)	(18,421)	180,079
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	(33,500)	(198,500)	(18,421)	180,079
Fund Balances - Beginning	264,767	264,767	264,767	-
Fund Balances - Ending	\$ 231,267	\$ 66,267	\$ 246,346	\$ 180,079

CITY OF WINTER SPRINGS, FLORIDA

FIRE IMPACT FEE SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	25,000	25,000	31,891	6,891
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	4,500	4,500	6,192	1,692
Miscellaneous	-	-	-	-
Total revenues	29,500	29,500	38,083	8,583
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	100	100	126	(26)
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	100	100	126	(26)
Excess (Deficiency) of Revenues Over Expenditures	29,400	29,400	37,957	8,557
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	29,400	29,400	37,957	8,557
Fund Balances - Beginning	338,103	338,103	338,103	-
Fund Balances - Ending	\$ 367,503	\$ 367,503	\$ 376,060	\$ 8,557

CITY OF WINTER SPRINGS, FLORIDA

MEDICAL TRANSPORT SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	30,000	30,000	-
Charges for services	140,000	140,000	201,422	61,422
Fines and forfeitures	-	-	-	-
Investment income	6,500	6,500	6,307	(193)
Miscellaneous	-	-	-	-
Total revenues	146,500	176,500	237,729	61,229
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	80,400	110,400	123,852	(13,452)
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	53,620	53,620	53,594	26
Interest and fiscal charges	7,980	7,980	7,889	91
Total expenditures	142,000	172,000	185,335	(13,335)
Excess (Deficiency) of Revenues Over Expenditures	4,500	4,500	52,394	47,894
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	4,500	4,500	52,394	47,894
Fund Balances - Beginning	387,061	387,061	387,061	-
Fund Balances - Ending	\$ 391,561	\$ 391,561	\$ 439,455	\$ 47,894

CITY OF WINTER SPRINGS, FLORIDA

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

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	5,000	5,000	16,040	11,040
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	25	25
Miscellaneous	-	-	-	-
Total revenues	5,000	5,000	16,065	11,065
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	38,000	38,000	9,605	28,395
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	38,000	38,000	9,605	28,395
Excess (Deficiency) of Revenues Over Expenditures	(33,000)	(33,000)	6,460	39,460
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	(33,000)	(33,000)	6,460	39,460
Fund Balances - Beginning	28,293	28,293	28,293	-
Fund Balances - Ending	\$ (4,707)	\$ (4,707)	\$ 34,753	\$ 39,460

CITY OF WINTER SPRINGS, FLORIDA

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

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ 280,000	\$ 280,000	\$ 281,595	\$ 1,595
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	13,000	13,000	8,882	(4,118)
Miscellaneous	-	-	-	-
Total revenues	293,000	293,000	290,477	(2,523)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	205,700	205,700	77,300	128,400
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	205,700	205,700	77,300	128,400
Excess (Deficiency) of Revenues Over Expenditures	87,300	87,300	213,177	125,877
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	87,300	87,300	213,177	125,877
Fund Balances - Beginning	287,436	287,436	287,436	-
Fund Balances - Ending	\$ 374,736	\$ 374,736	\$ 500,613	\$ 125,877

CITY OF WINTER SPRINGS, FLORIDA

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

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ 23,000	\$ 23,000	\$ 22,342	\$ (658)
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	500	500	456	(44)
Miscellaneous	-	-	-	-
Total revenues	23,500	23,500	22,798	(702)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	20,100	20,100	15,664	4,436
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	20,100	20,100	15,664	4,436
Excess (Deficiency) of Revenues Over Expenditures	3,400	3,400	7,134	3,734
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	3,400	3,400	7,134	3,734
Fund Balances - Beginning	12,587	12,587	12,587	-
Fund Balances - Ending	\$ 15,987	\$ 15,987	\$ 19,721	\$ 3,734

CITY OF WINTER SPRINGS, FLORIDA

TOWN CENTER ROAD IMPROVEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	3,031,000	3,031,000	1,484,295	(1,546,705)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	759	759
Miscellaneous	-	-	-	-
Total revenues	<u>3,031,000</u>	<u>3,031,000</u>	<u>1,485,054</u>	<u>(1,545,946)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	3,031,000	3,031,000	1,463,921	1,567,079
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>3,031,000</u>	<u>3,031,000</u>	<u>1,463,921</u>	<u>1,567,079</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>21,133</u>	<u>21,133</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	21,133	21,133
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,133</u>	<u>\$ 21,133</u>

CITY OF WINTER SPRINGS, FLORIDA

1993 DEBT SERVICE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	6,500	6,500	119	(6,381)
Miscellaneous	-	-	-	-
Total revenues	6,500	6,500	119	(6,381)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	45,000	45,000	45,000	-
Interest and fiscal charges	443,833	443,833	444,066	(233)
Total expenditures	488,833	488,833	489,066	(233)
Excess (Deficiency) of Revenues Over Expenditures	(482,333)	(482,333)	(488,947)	(6,614)
Other Financing Sources (Uses)				
Operating transfers in	482,333	482,333	486,761	4,428
Operating transfers out	-	-	-	-
Net other financing sources (uses)	482,333	482,333	486,761	4,428
Net Change in Fund Balance	-	-	(2,186)	(2,186)
Fund Balances - Beginning	273,524	273,524	273,524	-
Fund Balances - Ending	\$ 273,524	\$ 273,524	\$ 271,338	\$ (2,186)

CITY OF WINTER SPRINGS, FLORIDA

1997 DEBT SERVICE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	120,000	120,000	120,000	-
Interest and fiscal charges	14,500	14,500	9,180	5,320
Total expenditures	134,500	134,500	129,180	5,320
Excess (Deficiency) of Revenues Over Expenditures	(134,500)	(134,500)	(129,180)	5,320
Other Financing Sources (Uses)				
Operating transfers in	140,500	140,500	137,476	(3,024)
Operating transfers out	-	-	-	-
Net other financing sources (uses)	140,500	140,500	137,476	(3,024)
Net Change in Fund Balance	6,000	6,000	8,296	2,296
Fund Balances - Beginning	119,811	119,811	119,811	-
Fund Balances - Ending	\$ 125,811	\$ 125,811	\$ 128,107	\$ 2,296

CITY OF WINTER SPRINGS, FLORIDA

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

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	5,000	5,000	622	(4,378)
Miscellaneous	-	-	-	-
Total revenues	5,000	5,000	622	(4,378)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	220,000	220,000	220,000	-
Interest and fiscal charges	189,630	189,630	180,181	9,449
Total expenditures	409,630	409,630	400,181	9,449
Excess (Deficiency) of Revenues Over Expenditures	(404,630)	(404,630)	(399,559)	5,071
Other Financing Sources (Uses)				
Operating transfers in	411,630	411,630	413,866	2,236
Operating transfers out	-	-	-	-
Net other financing sources (uses)	411,630	411,630	413,866	2,236
Net Change in Fund Balance	7,000	7,000	14,307	7,307
Fund Balances - Beginning	318,308	318,308	318,308	-
Fund Balances - Ending	\$ 325,308	\$ 325,308	\$ 332,615	\$ 7,307

CITY OF WINTER SPRINGS, FLORIDA

OAK FOREST DEBT SERVICE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ 65,600	\$ 12,055	\$ (53,545)
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	33,310	33,310
Miscellaneous	-	-	13,854	13,854
Total revenues	-	65,600	59,219	(6,381)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	6,270	6,360	(90)
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	8,400	8,400	29,346	(20,946)
Interest and fiscal charges	33,900	33,880	30,099	3,781
Total expenditures	42,300	48,550	65,805	(17,255)
Excess (Deficiency) of Revenues Over Expenditures	(42,300)	17,050	(6,586)	(23,636)
Other Financing Sources (Uses)				
Operating transfers in	42,300	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	42,300	-	-	-
Net Change in Fund Balance	-	17,050	(6,586)	(23,636)
Fund Balances - Beginning	9,451	9,451	9,451	-
Fund Balances - Ending	\$ 9,451	\$ 26,501	\$ 2,865	\$ (23,636)

CITY OF WINTER SPRINGS, FLORIDA

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

For The Year Ended September 30, 2002

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget-
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Taxes and special assessments	\$ -	\$ 160,000	\$ 40,000	\$ (120,000)
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	111,991	111,991
Miscellaneous	-	-	12,772	12,772
Total revenues	<u>-</u>	<u>160,000</u>	<u>164,763</u>	<u>4,763</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	6,250	4,375	1,875
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	40,000	40,000	-	40,000
Interest and fiscal charges	111,800	111,800	100,383	11,417
Total expenditures	<u>151,800</u>	<u>158,050</u>	<u>104,758</u>	<u>53,292</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(151,800)</u>	<u>1,950</u>	<u>60,005</u>	<u>58,055</u>
Other Financing Sources (Uses)				
Operating transfers in	151,800	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	<u>151,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	1,950	60,005	58,055
Fund Balances - Beginning	<u>46,850</u>	<u>46,850</u>	<u>46,850</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 46,850</u>	<u>\$ 48,800</u>	<u>\$ 106,855</u>	<u>\$ 58,055</u>

CITY OF WINTER SPRINGS, FLORIDA

INFORMATION SYSTEM DEBT SERVICE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	139,400	139,400	144,393	(4,993)
Interest and fiscal charges	34,000	34,000	28,922	5,078
Total expenditures	173,400	173,400	173,315	85
Excess (Deficiency) of Revenues Over Expenditures	(173,400)	(173,400)	(173,315)	85
Other Financing Sources (Uses)				
Operating transfers in	173,400	173,400	173,400	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	173,400	173,400	173,400	-
Net Change in Fund Balance	-	-	85	85
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ 85	\$ 85

CITY OF WINTER SPRINGS, FLORIDA

1997 CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment income	6,000	6,000	2,232	(3,768)
Miscellaneous	-	-	-	-
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>2,232</u>	<u>(3,768)</u>
Expenditures:				
Current:				
General government	-	-	75	(75)
Capital Outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>75</u>	<u>(75)</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>6,000</u>	<u>6,000</u>	<u>2,157</u>	<u>(3,843)</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	6,000	6,000	2,157	(3,843)
Fund Balances - Beginning :				
As previously reported	113,712	113,712	113,712	-
Prior period correction	-	-	-	-
As restated	<u>113,712</u>	<u>113,712</u>	<u>113,712</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 119,712</u>	<u>\$ 119,712</u>	<u>\$ 115,869</u>	<u>\$ (3,843)</u>

CITY OF WINTER SPRINGS, FLORIDA

1999 CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment income	75,000	75,000	47,293	(27,707)
Miscellaneous	-	-	56	56
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>47,349</u>	<u>(27,651)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Capital Outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	1,764,700	1,778,178	13,478	1,764,700
Total expenditures	<u>1,764,700</u>	<u>1,778,178</u>	<u>13,478</u>	<u>1,764,700</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>(1,689,700)</u>	<u>(1,703,178)</u>	<u>33,871</u>	<u>1,737,049</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(229,684)	(229,684)
Net other financing sources(uses)	<u>-</u>	<u>-</u>	<u>(229,684)</u>	<u>(229,684)</u>
Net Change in Fund Balance	<u>(1,689,700)</u>	<u>(1,703,178)</u>	<u>(195,813)</u>	<u>1,507,365</u>
Fund Balances - Beginning:				
As previously reported	2,762,753	2,762,753	2,762,753	-
Prior period correction	-	-	(573,961)	(573,961)
As restated	<u>2,762,753</u>	<u>2,762,753</u>	<u>2,188,792</u>	<u>(573,961)</u>
Fund Balances - Ending	<u>\$ 1,073,053</u>	<u>\$ 1,059,575</u>	<u>\$ 1,992,979</u>	<u>\$ 933,404</u>

CITY OF WINTER SPRINGS, FLORIDA

INFORMATION SYSTEM CAPITAL PROJECTS FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Capital Outlay:				
General government	25,000	246,150	180,086	66,064
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>25,000</u>	<u>246,150</u>	<u>180,086</u>	<u>66,064</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>(25,000)</u>	<u>(246,150)</u>	<u>(180,086)</u>	<u>66,064</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net other financing sources(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(25,000)</u>	<u>(246,150)</u>	<u>(180,086)</u>	<u>66,064</u>
Fund Balances - Beginning				
As previously reported	241,527	241,527	241,527	-
Prior period correction	-	-	-	-
As restated	<u>241,527</u>	<u>241,527</u>	<u>241,527</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 216,527</u>	<u>\$ (4,623)</u>	<u>\$ 61,441</u>	<u>\$ 66,064</u>

CITY OF WINTER SPRINGS, FLORIDA

TLBD IMPROVEMENT CAPITAL PROJECTS FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes and special assessments	\$ 160,000	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment income	20,000	20,000	22,417	2,417
Miscellaneous	-	-	-	-
Total revenues	<u>180,000</u>	<u>20,000</u>	<u>22,417</u>	<u>2,417</u>
Expenditures:				
Current:				
General government	-	-	-	-
Capital Outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	1,608,600	1,848,350	1,721,647	126,703
Culture and recreation	-	-	-	-
Total expenditures	<u>1,608,600</u>	<u>1,848,350</u>	<u>1,721,647</u>	<u>126,703</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>(1,428,600)</u>	<u>(1,828,350)</u>	<u>(1,699,230)</u>	<u>129,120</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	(151,800)	-	-	-
Net other financing sources(uses)	<u>(151,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(1,580,400)</u>	<u>(1,828,350)</u>	<u>(1,699,230)</u>	<u>129,120</u>
Fund Balances - Beginning				
As previously reported	1,841,023	1,841,023	1,841,023	-
Prior period correction	-	-	-	-
As restated	<u>1,841,023</u>	<u>1,841,023</u>	<u>1,841,023</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 260,623</u>	<u>\$ 12,673</u>	<u>\$ 141,793</u>	<u>\$ 129,120</u>

CITY OF WINTER SPRINGS, FLORIDA

OAK FOREST CAPITAL PROJECTS FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes and special assessments	\$ 65,600	\$ -	\$ -	\$ -
Intergovernmental	-	-	32,614	32,614
Investment income	7,500	7,500	2,898	(4,602)
Miscellaneous	-	-	-	-
Total revenues	<u>73,100</u>	<u>7,500</u>	<u>35,512</u>	<u>28,012</u>
Expenditures:				
Current:				
General government	-	-	-	-
Capital Outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	66,700	60,450	129	60,321
Culture and recreation	-	-	-	-
Total expenditures	<u>66,700</u>	<u>60,450</u>	<u>129</u>	<u>60,321</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>6,400</u>	<u>(52,950)</u>	<u>35,383</u>	<u>88,333</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	(42,300)	-	-	-
Net other financing sources(uses)	<u>(42,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(35,900)	(52,950)	35,383	88,333
Fund Balances - Beginning				
As previously reported	105,733	105,733	105,733	-
Prior period correction	-	-	-	-
As restated	<u>105,733</u>	<u>105,733</u>	<u>105,733</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 69,833</u>	<u>\$ 52,783</u>	<u>\$ 141,116</u>	<u>\$ 88,333</u>

CITY OF WINTER SPRINGS, FLORIDA

REVOLVING REHAB CAPITAL PROJECTS FUND
SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	499,300	499,300	-	(499,300)
Total revenues	499,300	499,300	-	(499,300)
Expenditures:				
Current:				
General government	-	-	-	-
Capital Outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	-	-	-	-
Excess (Deficiency) of				
Revenues Over Expenditures	499,300	499,300	-	(499,300)
Other Financing Sources (Uses)				
Operating transfers in	-	-	229,684	229,684
Operating transfers out	-	-	-	-
Net other financing sources(uses)	-	-	229,684	229,684
Net Change in Fund Balance	499,300	499,300	229,684	(269,616)
Fund Balances - Beginning				
As previously reported	106,010	106,010	106,010	-
Prior period correction	-	-	-	-
As restated	106,010	106,010	106,010	-
Fund Balances - Ending	\$ 605,310	\$ 605,310	\$ 335,694	\$ (269,616)

**CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS**

CITY OF WINTER SPRINGS, FLORIDA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY

For The Year Ended September 30, 2002

	General Government	Public Safety	Physical Environment	Culture And Recreation	Prior Year Function Not Available	Total
Land	\$ -	\$ -	\$ 269,991	\$ 2,993,918	\$ 5,796,396	\$ 9,060,305
Buildings	1,803,305	2,883,080	110,685	395,824	-	5,192,894
Improvements	-	-	210,553	5,899,972	-	6,110,525
Machinery & equipment	1,014,609	2,492,880	991,519	499,594	-	4,998,602
Infrastructure	-	-	37,936,029	-	-	37,936,029
Construction in progress	-	-	3,183,372	210,709	-	3,394,081
Total	\$ 2,817,914	\$ 5,375,960	\$42,702,149	\$ 10,000,017	\$ 5,796,396	\$ 66,692,436

	Balance 10-01-01 Restated	Additions	Deletions and Transfers	Balance 09-30-02
General Government	\$ 2,797,683	\$ 307,972	\$ 287,741	\$ 2,817,914
Public Safety	5,291,238	260,811	176,089	5,375,960
Physical Environment	39,183,590	3,518,559	-	42,702,149
Culture & Recreation	6,442,928	3,599,596	42,507	10,000,017
Prior year function not available	5,796,396	-	-	5,796,396
Total	\$ 59,511,835	\$ 7,686,938	\$ 506,337	\$ 66,692,436

STATISTICAL SECTION

The statistical schedules differ from other financial statement presentations because they generally disclose more than one fiscal year and may present non-accounting data, such as social and economic data and financial trends of the City.

STATISTICAL SECTION
LIST OF SCHEDULES

Government-Wide Expenses by Function

Government-Wide Revenues

General Governmental Expenditures by Function

General Governmental Revenues by Source

Property Tax Levies and Collections

Assessed and Estimated Value of Taxable Property Net of Exemptions

Property Tax Rates Direct and Overlapping Governments

Schedule of Ten Largest Taxpayers

Special Assessment Billings and Collections

Legal Debt Margin

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation
Bonded Debt Per Capita

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General
Governmental Expenditures

Computation of Direct and Overlapping General Obligation Debt

Revenue Bond Coverage

Demographic Statistics

Property Values and Construction

Miscellaneous Statistical Data

CITY OF WINTER SPRINGS, FLORIDA

GOVERNMENT-WIDE EXPENSES BY FUNCTION

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Physical Environment</u>	<u>Culture and Recreation</u>
1993	*	*	*	*
1994	*	*	*	*
1995	*	*	*	*
1996	*	*	*	*
1997	*	*	*	*
1998	*	*	*	*
1999	*	*	*	*
2000	*	*	*	*
2001	*	*	*	*
2002	5,177,508	6,838,109	2,746,869	1,629,128

* Data not available prior to the implementation of GASB 34.

<u>Interest on Long-term Debt</u>	<u>Water and Sewer</u>	<u>Stormwater</u>	<u>Total</u>
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
856,851	5,438,325	529,080	23,215,870

CITY OF WINTER SPRINGS, FLORIDA

GOVERNMENT - WIDE REVENUES

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Taxes</u>	<u>Intergovernmental</u>
1993	*	*	*	*	*
1994	*	*	*	*	*
1995	*	*	*	*	*
1996	*	*	*	*	*
1997	*	*	*	*	*
1998	*	*	*	*	*
1999	*	*	*	*	*
2000	*	*	*	*	*
2001	*	*	*	*	*
2002	10,316,290	111,003	945,286	9,275,951	4,783,271

* Data not available prior to the implementation of GASB 34.

<u>Investment Income & Miscellaneous</u>	<u>Total</u>
*	*
*	*
*	*
*	*
*	*
*	*
*	*
*	*
*	*
546,134	25,977,935

CITY OF WINTER SPRINGS, FLORIDA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Physical Environment</u>
1993	1,176,983	3,122,557	923,250
1994	1,265,435	3,299,148	820,962
1995	1,524,584	3,556,352	1,011,424
1996	1,522,378	3,684,567	1,153,694
1997	1,950,449	4,108,319	1,084,121
1998	2,591,811	4,725,544	1,159,944
1999	2,726,281	5,355,195	1,119,185
2000	3,039,087	5,807,995	1,762,780
2001	3,483,821	6,407,678	1,923,892
2002	4,996,156	6,616,299	3,638,893

(1) This schedule includes expenditures of the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

<u>Culture and Recreation</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total (1)</u>
556,109	1,125,814	597,969	7,502,682
634,147	668,910	934,731	7,623,333
706,716	1,114,097	1,078,491	8,991,664
753,557	1,516,789	1,012,325	9,643,310
814,125	2,454,088	963,044	11,374,146
843,115	2,705,800	967,605	12,993,819
1,042,556	1,792,208	2,057,757	14,093,182
1,200,702	4,347,463	978,819	17,136,846
1,301,005	1,111,782	1,477,381	15,705,559
1,928,853	4,909,258	1,553,083	23,642,542

CITY OF WINTER SPRINGS, FLORIDA

GENERAL GOVERNMENTAL REVENUES BY SOURCE

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses And Permits</u>	<u>Inter-Governmental Revenues</u>	<u>Charges For Services</u>	<u>Fines and Forfeitures</u>
1993	4,308,605	1,023,098	1,843,049	97,393	258,626
1994	4,970,690	1,222,808	1,863,892	104,724	169,940
1995	4,874,118	857,024	2,020,651	132,191	154,556
1996	5,234,145	949,701	2,183,187	206,210	178,234
1997	5,406,995	990,477	2,290,120	687,152	208,667
1998	5,967,375	943,220	2,583,849	742,766	183,714
1999	6,298,975	1,762,848	2,918,244	914,748	249,206
2000	7,322,542	931,588	3,261,472	1,073,902	298,357
2001	7,791,759	758,367	3,430,537	825,621	415,896
2002	9,631,943	1,423,945	5,317,393	2,168,901	330,339

(1) This schedule includes revenues of the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

<u>Investment Income</u>	<u>Misc. Income</u>	<u>Total (1)</u>
184,541	66,655	7,781,967
342,169	305,127	8,979,350
462,256	610,659	9,111,455
429,517	595,403	9,776,397
454,922	641,202	10,679,535
447,343	737,539	11,605,806
383,955	927,367	13,455,343
597,515	13,676	13,499,052
597,612	131,010	13,950,802
447,497	129,027	19,449,045

CITY OF WINTER SPRINGS, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percentage of Total Collections To Tax Levy</u>
1993	2,333,990	2,232,344	810	2,233,154	95.68%
1994	2,610,826	2,507,783	4,161	2,511,944	96.21%
1995	2,665,426	2,559,179	16,817	2,575,996	96.64%
1996	2,769,752	2,670,643	9,896	2,680,539	96.78%
1997	2,882,773	2,786,845	4,636	2,791,481	96.83%
1998	3,074,799	2,960,328	7,678	2,968,006	96.53%
1999	3,215,932	3,097,939	25,225	3,123,164	97.12%
2000	3,453,596	3,333,199	2,817	3,336,016	96.60%
2001	3,771,445	3,618,281	7,288	3,625,569	96.13%
2002	4,467,419	4,270,430	7,277	4,277,707	95.80%

(1) Gross taxes before discount of 1% - 4%, depending on month paid

Source: Seminole County Tax Collector's Office

CITY OF WINTER SPRINGS, FLORIDA

ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY
NET OF EXEMPTIONS

Last Ten Fiscal Years
 (Amounts Expressed in Thousands)

Fiscal Year	Tax Year	Centrally Assessed and Real Property		Personal Property	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1993	1992	802,113	801,890	20,920	20,920
1994	1993	830,212	829,973	21,876	21,876
1995	1994	882,544	882,258	22,455	22,455
1996	1995	935,813	959,556	24,141	24,760
1997	1996	992,796	1,001,788	26,362	26,601
1998	1997	1,061,983	1,061,983	27,701	27,701
1999	1998	1,127,761	1,149,603	31,494	32,104
2000	1999	1,178,806	1,216,629	29,756	33,069
2001	2000	1,276,337	1,284,253	40,568	37,163
2002	2001	1,403,172	1,454,740	45,241	41,730

Source: Seminole County Property Appraiser's Office

<u>Exemptions</u>	<u>Totals</u>		<u>Ratio of Total Assessed to Total Estimated Actual Value</u>
<u>Real and Personal Property</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	
177,446	645,587	822,810	78.46%
186,417	665,671	851,849	78.14%
196,599	708,400	904,713	78.30%
211,837	748,117	984,316	76.00%
220,230	798,928	1,028,389	77.69%
235,565	854,119	1,089,684	78.38%
253,253	906,002	1,181,707	76.67%
238,990	972,981	1,249,699	77.86%
251,515	1,065,390	1,321,416	80.62%
263,673	1,184,740	1,496,470	79.16%

CITY OF WINTER SPRINGS, FLORIDA

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City of Winter Springs</u>	<u>Seminole County</u>	<u>Seminole County School Board</u>	<u>St. John's River Water Management District</u>	<u>Total</u>
1993	3.6153	5.4200	10.0890	0.3580	19.4823
1994	3.9221	5.3620	10.0710	0.4820	19.8371
1995	3.7626	5.1640	10.0930	0.4820	19.5016
1996	3.7023	5.1640	10.2910	0.4820	19.6393
1997	3.6083	5.1640	10.2580	0.4820	19.5123
1998	3.6000	5.1640	10.0360	0.4820	19.2820
1999	3.5495	5.1580	9.9180	0.4820	19.1075
2000	3.5495	4.9990	9.5410	0.4820	18.5715
2001	3.5400	5.2197	9.1620	0.4620	18.3837
2002	3.7708	4.9989	8.5230	0.4620	17.7547

Source: Seminole County Tax Collector's Office

CITY OF WINTER SPRINGS, FLORIDA

SCHEDULE OF TEN LARGEST TAXPAYERS

September 30, 2002

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Assessed Valuation as of 2001 Tax Roll (1)</u>	<u>Percentage of Total Taxable Value</u>
1. Golf Terrace, Ltd.	Property Management	\$ 22,627,410	1.91%
2. Courtney Springs LP	Property Management	13,800,910	1.16%
3. Florida Power Corp.	Electric Utility	12,173,327	1.03%
4. United Dominion Realty Trust	Property Management	7,378,850	0.62%
5. Tuscahill Cay LLC & Trsc 54 th LLC	Developer	6,087,962	0.51%
6. Hacienda Village Co-Op, Inc.	Property Management	4,774,657	0.40%
7. Time Warner Communications	Utilities	3,488,744	0.29%
8. BellSouth Communications	Utilities	3,338,133	0.28%
9. Centex Homes	Builder	3,290,694	0.28%
10. Winter Springs Golf LLC	Developer	<u>3,190,308</u>	<u>0.27%</u>
Total taxable assessed valuation of 10 largest Taxpayers		80,150,995	6.77%
Total taxable assessed valuation of other Taxpayers		<u>1,104,589,275</u>	<u>93.23%</u>
Total taxable assessed valuation of all Taxpayers		<u>\$1,184,740,270</u>	<u>100.00%</u>

Source: Seminole County Property Appraiser's Office

(1) The tax levy for this fiscal year ended September 30, 2002 is based on the 2001 assessed values.

CITY OF WINTER SPRINGS, FLORIDA

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS

Last Ten Fiscal Years

Tax Year	Special Assessments Billings			Fiscal Year	Special Assessments Collected		
	Oak Forest	TLBD	Total		Oak Forest	TLBD	Total
1999	\$ -	\$ -	\$ -	1999	\$ -	\$153,378 ⁽²⁾	\$153,375
2000	-	116,557	116,557	2000	-	116,557 ⁽²⁾	116,557
2001	11,518	-	11,518	2001	103,009 ⁽¹⁾	1,588 ⁽²⁾	104,597
2002	12,055	40,000	52,055	2002	29,346 ⁽¹⁾	40,000	69,346

(1) - includes prepayments and excess construction funds

(2) - monies used to reduce amount of bond issue

Special Assessment Debt Issued:

Oak Forest	June 2000
TLBD	May 2001

CITY OF WINTER SPRINGS, FLORIDA

LEGAL DEBT MARGIN

September 30, 2002

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	(1) Population	(2) Assessed Value	(3) Gross Bonded Debt	(4) Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1993	24,008	\$ 645,587,000	\$ -	\$ -	\$ -	0%	\$ -
1994	24,772	665,671,000	-	-	-	0%	-
1995	25,673	708,400,000	-	-	-	0%	-
1996	26,474	748,117,000	-	-	-	0%	-
1997	27,466	798,928,000	-	-	-	0%	-
1998	28,404	854,119,000	-	-	-	0%	-
1999	29,220	906,002,000	-	-	-	0%	-
2000	30,860	972,981,000	-	-	-	0%	-
2001	31,666	1,065,390,000	-	-	-	0%	-
2002	32,000	1,184,740,000	3,400,000	23,275	3,376,725	0.285%	105.52

(1) Source: East Central Florida Regional Planning Council

(2) Source: From the Assessed and Estimated Value of Taxable Property table in this section

(3) Amount does not include special assessment bonds and revenue bonds.

(4) Amount available for repayment of limited general obligation bonds, which were issued in 2002

CITY OF WINTER SPRINGS, FLORIDA

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT (1)
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	(2) <u>Total Debt Service</u>	(3) <u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
1993	\$ -	\$ -	\$ -	\$ 7,502,682	0%
1994	-	-	-	7,623,333	0%
1995	-	-	-	8,991,664	0%
1996	-	-	-	9,643,310	0%
1997	-	-	-	11,374,146	0%
1998	-	-	-	12,993,819	0%
1999	-	-	-	14,093,182	0%
2000	-	-	-	17,136,846	0%
2001	-	-	-	15,705,559	0%
2002	-	55,625	55,625	23,642,542	0.24%

(1) Special assessment debt with government commitment are excluded

(2) Excludes bond issuance and other costs

(3) Includes expenditures of General, Special Revenue, Debt Service and Capital Projects Fund

CITY OF WINTER SPRINGS, FLORIDA

**COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION DEBT**

September 30, 2002

<u>Jurisdiction</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Applicable To City Of Winter Springs Percent (1)</u>	<u>Amount</u>
Seminole County	\$30,970,000	6.85%	\$2,121,445
Seminole County School Board	<u>25,915,000</u>	6.85%	<u>1,775,178</u>
Total Overlapping Debt	56,885,000		3,896,623
Total Direct Debt (1)	<u>3,400,000</u>		<u>3,400,000</u>
Total Direct and Overlapping Debt	<u>\$60,285,000</u>		<u>\$7,296,623</u>

(1) The City of Winter Springs has a "limited" general obligation bond that is being repaid through a levy not to exceed one quarter of one mil on all taxable property in the City.

Source: Seminole County Finance Department
Seminole County Public School Board

CITY OF WINTER SPRINGS, FLORIDA

REVENUE BOND COVERAGE
WATER AND SEWER BONDS

Last Ten Fiscal Years

Fiscal Year	Revenues (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Principal	Interest	Total	Coverage
1993	4,483,245	2,204,512	2,278,733	85,000	1,295,491	1,380,491	1.65
1994	4,996,647	2,069,377	2,927,270	90,000	1,378,282	1,468,282	1.99
1995	5,458,540	2,641,274	2,817,266	95,000	1,373,597	1,468,597	1.92
1996	5,269,291	2,336,777	2,932,514	415,000	1,358,416	1,773,416	1.65
1997	5,613,413	2,517,191	3,096,222	435,000	1,346,020	1,781,020	1.74
1998	5,924,112	2,696,506	3,227,606	455,000	1,405,724	1,860,724	1.73
1999	6,999,692	3,312,000	3,687,692	710,000	1,436,131	2,146,131	1.72
2000	6,511,101	3,191,228	3,319,873	750,000	1,397,292	2,147,292	1.55
2001	6,493,205	3,438,641	3,054,564	930,000	1,383,337	2,313,337	1.32
2002	6,376,430	3,840,397	2,536,033	420,000	1,251,116	1,671,116	1.52

(1) Revenues include investment income, connection fees, and other income

(2) Direct operating expenses excludes depreciation and interest expense but includes operating transfers out

CITY OF WINTER SPRINGS, FLORIDA

DEMOGRAPHIC STATISTICS

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>(2) School Enrollment</u>	<u>(3) Unemployment Rate</u>
1993	24,008	3020	5.8%
1994	24,772	3268	5.4%
1995	25,673	3297	4.2%
1996	26,474	3390	3.3%
1997	27,466	3988	3.2%
1998	28,404	5967	2.6%
1999	29,220	5711	2.8%
2000	30,860	5776	2.6%
2001	31,666	6421	3.5%
2002*	32,000	6508	5.6%

(1) Source: East Central Florida Regional Planning Council

(2) Source: Seminole County Public School Board

(3) Source: U.S. Department of Labor

* Estimate

CITY OF WINTER SPRINGS, FLORIDA

PROPERTY VALUES AND CONSTRUCTION

LAST TEN FISCAL YEARS
(VALUES ARE IN THOUSANDS)

Year	<u>Residential Construction (1)</u>			<u>Commercial Construction (1)</u>	<u>Additions/ Alterations (1)</u>	Total Value
	Number of Units		Value	Value	Value	
	Single Family	Multi Family				
1993	301	0	38,410	1,260	3,818	43,488
1994	411	0	48,965	2,000	4,200	55,165
1995	333	1	44,425	1,200	3,555	49,180
1996	335	2	43,550	655	5,445	49,650
1997	327	0	50,428	449	3,603	54,480
1998	337	1	56,760	1,331	4,410	62,501
1999	418	42	123,290	4,898	6,580	134,768
2000	285	1	45,773	6,967	1,189	53,929
2001	163	16	31,775	3,403	1,039	36,217
2002	135	0	30,057	7,467	1,196	38,720

(1) Source: City of Winter Springs Building Department

CITY OF WINTER SPRINGS

MISCELLANEOUS STATISTICAL DATA

September 30, 2002

Date of Incorporation	1959
City Charter Adopted	1972
Form of Government	Commission-City Manager
Commission Composed of	5 Members
Areas of City	14.96 Square miles
Miles of Streets	98.58 miles
Fire Protection:	
Stations	2
Firefighters and Officers	39
Police Protection:	
Stations	1
Sworn Officers	58
Recreation and Culture:	
Number of Community Parks	5
Number of Neighborhood Parks	5
Number of Mini Parks	1
City Water System:	
Number of customers	11,316
Daily Average Consumption	3.748 MGD
Miles of Water Mains	144.72
Plant Capacity-All Plants	12 MGD
Deep wells	7
Number of fire hydrants	914
City Sewer System:	
Treatment Facility Charge	4.212 MGD
Current Average Flow	2.179 MGD
Miles of Sanitary Sewer Lines	100.5
Building Permits Issued-Fiscal year 2002	620
City Employees:	
Classified Service	215
Exempt	41

REPORTS ON INTERNAL CONTROL AND COMPLIANCE



REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and
City Commissioners
City of Winter Springs, Florida

We have audited the basic financial statements of the *City of Winter Springs, Florida*, as of and for the year ended September 30, 2002, and have issued our report thereon dated March 28, 2003. 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.

Compliance – As part of obtaining reasonable assurance about whether the *City of Winter Springs, Florida's* basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the *City of Winter Springs, Florida*, in a separate letter and dated March 28, 2003.

Internal Control Over Financial Reporting – In planning and performing our audit, we considered the *City of Winter Springs, Florida's* internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the Management of the *City of Winter Springs, Florida*, in a separate letter dated March 28, 2003.

MCDIRMIT DAVIS PUCKETT & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS
605 E. ROBINSON STREET, SUITE 635 • ORLANDO, FLORIDA 32801
TELEPHONE 407-843-5406 • FAX 407-649-9339 • EMAIL: INFO@MDPCPA.COM

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.

McDirmit Davis Puckett & Company, LLC

McDIRMIT DAVIS PUCKETT & COMPANY, LLC

March 28, 2003



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE
TO THE MAJOR STATE PROJECT**

The Honorable Mayor and City Commissioners
City of Winter Springs, Florida
Winter Springs, Florida

Compliance

We have audited the compliance of the City of Winter Springs, Florida with the types of compliance requirements described in the *Executive Office of the Governor's State Projects Compliance Supplement*, that are applicable to the major state project for the year ended September 30, 2002. The City of Winter Springs' major state project is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major state project is the responsibility of the City of Winter Springs, Florida management. Our responsibility is to express an opinion on the City of Winter Springs, Florida 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 10.650, Rules of the Auditor General. Those standards, and Chapter 10.650, 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 major state project occurred. An audit includes examining, on a test basis, evidence about City of Winter Springs, Florida compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Winter Springs, Florida compliance with those requirements.

In our opinion, the City of Winter Springs, Florida, complied, in all material respects, with the requirements referred to above that are applicable to its major state project for the year ended September 30, 2002.

MCDIRMIT DAVIS PUCKETT & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS
605 E. ROBINSON STREET, SUITE 635 • ORLANDO, FLORIDA 32801
TELEPHONE 407-843-5406 • FAX 407-649-9339 • EMAIL: INFO@MDPCPA.COM

Internal Control Over Compliance

The management of the City of Winter Springs, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the City of Winter Springs, Florida internal control over compliance with requirements that could have a direct and material effect on a major state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.650 Rules of the Auditor General.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the City, 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.

McDermitt Davis Puckett & Company, LLC

March 28, 2003

CITY OF WINTER SPRINGS, FLORIDA

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Year Ended September 30, 2002

<u>State Agency/ State Project</u>	<u>CSFA No.</u>	<u>Contract No.</u>	<u>Expenditures</u>
Florida Department of Environmental Protection: Florida Recreation Development Assistance Program	37.017	F0217 F0213	\$402,814 <u>381,011</u> <u>\$783,825</u>

Note: This Schedule of Expenditures of State Financial Assistance is presented on the accrual basis of accounting in accordance with requirements of Section 215.97, Florida Statutes.

CITY OF WINTER SPRINGS, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
STATE PROJECT

Year Ended September 30, 2002

A. Summary of Auditor's Findings

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the City of Winter Springs, Florida.
2. No instances of noncompliance material to the financial statements of the City of Winter Springs, Florida were disclosed during the audit.
3. The auditor's report on compliance for the major state project for the City of Winter Springs, Florida, expresses an unqualified opinion.
4. The program/project tested as major program/project included the following:

<u>State Project</u>	<u>State CSFA No.</u>
Florida Department of Environmental Protection - Florida Recreation Development Assistance Program	37.017

5. The threshold for distinguishing Type A and Type B programs/projects was \$300,000 for major state projects.



MANAGEMENT COMMENTS

Honorable Mayor and City Commission
City of Winter Springs, Florida

In connection with our audit of the basic financial statements of the City of Winter Springs, Florida, for the year ended September 30, 2002, we considered its internal control to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on internal control. The accompanying findings and recommendations, which resulted from our consideration of internal control, are submitted to assist in improving procedures and controls.

Since the comments and observations contained in this letter are a by-product of the audit of financial statements, the cost justification and other aspects of our suggestions have not been fully evaluated; these evaluations should be made by management. Therefore, we recognize that after consideration, certain suggestions and recommendations may not be practical to implement.

We have also provided comments as required by the Rules of the Auditor General of the State of Florida.

We appreciate the cooperation we have received from the City's personnel in connection with developing these recommendations. We appreciate the opportunity to have been of service to you. Should you have any questions about our recommendations, this letter, or other matters, please contact us at your convenience.

McDIRMIT DAVIS PUCKETT & COMPANY, LLC

MCDIRMIT DAVIS PUCKETT & COMPANY, LLC

March 28, 2003

MCDIRMIT DAVIS PUCKETT & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS
605 E. ROBINSON STREET, SUITE 635 • ORLANDO, FLORIDA 32801
TELEPHONE 407-843-5406 • FAX 407-649-9339 • EMAIL: INFO@MDPCPA.COM

A. Status of Prior Year Comments

1. Budget Monitoring

Actual expenditures were in excess of budgeted expenditures for the Public Service Tax Special Revenue Fund and the Oak Forest Debt Service Fund. In addition, appropriations for the Oak Forest Maintenance Special Revenue Fund were in excess of anticipated revenue and prior year's fund balance.

Recommendation

During 2001, there was a lot of improvement made in budget monitoring and we continue to recommend that the City carefully monitor the budget and make amendments if necessary.

Corrective Action

During 2002 there continues to be funds where actual expenditures are in excess of budgeted amounts as well as appropriations in excess of anticipated revenue and prior year's fund balance.

2. Utility Billing System

The City implemented a new utility system during the current year. There have been some problems with the system and also with staff understanding how to operate the system. For example, at year end there were negative balances on individual accounts receivable balances.

Recommendation

We recommend that the City work with MUNIS to resolve problems and get proper training for employees.

Corrective Action

Although there was improvement in the utility billing system during the year, there is still a need for correcting some problems with the system and additional training for employees.

B. Current Year Comments

1. Budget Monitoring

As we have stated in prior years, there is no statutory requirement that municipalities budget for all funds; however, in an effort to achieve an enhanced level of budgetary control, the City has elected to budget for all of its funds. Because the City Charter does say that budgets will be prepared for all funds, we must report actual expenditures in excess of budgeted expenditures, even if they are not material to the financial statements. For the year ended September 30, 2002, there were five (5) special revenue funds, two (2) debt service funds and one (1) capital projects fund that reported actual expenditures in excess of budget expenditures. These over expenditures were funded either by greater than anticipated revenues or by available fund balance. There were also three (3) special revenue funds and one (1) capital projects fund that had appropriations in excess of anticipated revenue and prior year's fund balance.

Recommendation

We recommend the budget be amended before the fiscal year is closed out so that there are no variances as described above.

2. Utility Billing System

As noted in the previous years comments, the City needs to continue correcting some of the problems with the Utility Billing System and additional training for employees. Specifically, some of the utility billing details do not agree with the general ledger balances nor are they reconciled with the general ledger on a monthly basis.

Recommendation

We recommend that the City continue to work with MUNIS to resolve the system problems and get proper training for employees.

3. Bond Compliance

The Improvement Refunding Revenue Bonds, Series 1999, Federal Tax Certificate requires that at least 85 percent of the bond proceeds be expended within three years of the issue date of July 8, 1999. At September 30, 2002, approximately 80 percent of bond proceeds had been spent.

Recommendation

We recommend that the City invest remaining proceeds only at a yield restricted to bond yield rate and commit to spend remaining proceeds as soon as possible.

C. Comments Required by the Rules of the Auditor General

1. The financial report filed with the Department of Banking and Finance pursuant to Section 218.32(1)(b), Florida Statutes, is in agreement in all material respects with the annual financial audit report for the same period.
2. The City is not, or during the fiscal year was not, in a state of financial emergency as a consequence of conditions described in Section 218.503(1) Florida Statutes.
3. The City of Winter Springs, Florida was created by the Laws of Florida 59-1614. There were no component units identified by the City.
4. The City of Winter Springs, Florida has complied with Section 218.415, Florida Statutes, regarding the investment of public funds.
5. As required by the Rules of the Auditor General, Section 10.554 (g)(6)c and 10.556(8), we applied financial condition assessment procedures.



CITY OF WINTER SPRINGS, FLORIDA

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

March 28, 2003

McDermitt Davis Puckett
605 E. Robinson Street, Suite 635
Orlando, Florida 32801

Dear Sir or Madam:

Your management comments related to fiscal year ended September 30, 2002 were well received by both the City Manager and the Finance Department. The comments represent opportunities for improvement, which will be pursued in fiscal year 2003. Below are the responses to your management comments as required by the Rules of the Auditor General of the State of Florida.

Budget Monitoring

We concur with the recommendation. Continued evaluation and refinement of processes including the budget process is a goal of the Finance Department. Every effort will be made to amend the final budget prior to the close of the fiscal year, unfortunately time limitations prevented a comprehensive amendment for the year in question.

Utility Billing System

We concur with the recommendation. Improvements continue to be made in this area in the aftermath of the computer conversion. It is the goal of the Finance Department to resolve the remaining issues related to the flow of transactions and their effect on the subsidiary and general ledger prior to the close of the current fiscal year.

Bond Compliance

We concur with the recommendation. Funds are currently in essence "yield restricted" due to the investment environment. Construction delays unfortunately came into play; however, the City is committed to spending the remaining bond proceeds as soon as possible and will make every effort to do so.

Sincerely,

A handwritten signature in cursive script that reads "Ronald W. McLemore".

Ronald W. McLemore
City Manager

A handwritten signature in cursive script that reads "Louise C. Frangoul".

Louise C. Frangoul
Finance Director