

**CITY OF WINTER SPRINGS
FISCAL YEAR 2007-2008 BUDGET**

PROJECTED CHANGES IN FUND BALANCE/FUND EQUITY

	Revised FY 06/07 Budget	Projected FY 06/07 Budget	FY 07/08 Budget	Change Between Revised FY 06/07 & FY 07/08 Budget
GENERAL FUND				
Revenues	\$21,356,541	\$21,381,718	\$21,982,901	\$626,360
Expenditures	<u>\$22,044,198</u>	<u>\$21,468,183</u>	<u>\$21,652,406</u>	<u>(\$391,792)</u>
Appropriation To (From) Fund Balance	(\$687,657)	(\$86,465)	\$330,495	\$1,018,152
FUND BALANCE - October 1	\$8,256,913	\$8,256,913	\$8,170,448	(\$86,465)
Appropriation TO (FROM) Fund Balance	<u>(\$687,657)</u>	<u>(\$86,465)</u>	<u>\$330,495</u>	<u>\$1,018,152</u>
FUND BALANCE - September 30	<u><u>\$7,569,256</u></u>	<u><u>\$8,170,448</u></u>	<u><u>\$8,500,943</u></u>	<u><u>\$931,687</u></u>
OTHER GOVERNMENTAL FUNDS				
Revenues	\$18,721,563	\$17,796,234	\$21,853,542	\$3,131,979
Expenditures	<u>\$25,028,694</u>	<u>\$21,783,014</u>	<u>\$23,388,703</u>	<u>(\$1,639,991)</u>
Appropriation To (From) Fund Balance	(\$6,307,131)	(\$3,986,780)	(\$1,535,161)	\$4,771,970
FUND BALANCE - October 1	\$13,657,540	\$13,657,540	\$9,670,760	(\$3,986,780)
Appropriation TO (FROM) Fund Balance	<u>(\$6,307,131)</u>	<u>(\$3,986,780)</u>	<u>(\$1,535,161)</u>	<u>\$4,771,970</u>
FUND BALANCE - September 30	<u><u>\$7,350,409</u></u>	<u><u>\$9,670,760</u></u>	<u><u>\$8,135,599</u></u>	<u><u>\$785,190</u></u>
ENTERPRISE FUNDS				
Fund Equity - noncapital portion of net assets				
Revenues	\$10,853,155	\$10,672,955	\$11,857,832	\$1,004,677
Expenditures (including capital)	<u>\$13,657,044</u>	<u>\$12,485,577</u>	<u>\$13,498,969</u>	<u>(\$158,075)</u>
Appropriation To (From) Fund Balance	(\$2,803,889)	(\$1,812,622)	(\$1,641,137)	\$1,162,752
	Net Assets <u>less</u> Net Capital			
FUND EQUITY - October 1	\$12,167,180	\$12,167,180	\$10,354,558	(\$1,812,622)
Appropriation TO (FROM) Fund Balance	<u>(\$2,803,889)</u>	<u>(\$1,812,622)</u>	<u>(\$1,641,137)</u>	<u>\$1,162,752</u>
FUND EQUITY - September 30	<u><u>\$9,363,291</u></u>	<u><u>\$10,354,558</u></u>	<u><u>\$8,713,421</u></u>	<u><u>(\$649,870)</u></u>

See the following page for a discussion of the causes and/or consequences regarding fund balance / fund equity changes in excess of 10%.

Causes and Consequences of Changes in Fund Balance in Excess of 10%

Major:

The Utility/Public Works Facility Capital Projects Fund is budgeted to experience a 90% decrease in fund balance. Per the most recently audited 2006 Comprehensive Annual Financial Report (CAFR) this fund was considered a major fund. This capital project will be nearing completion in fiscal year 2008. This fund balance decrease does not result in negative consequence to this fund as it is a capital project fund appropriately established to account for the construction of the Utility/Public Works facility.

Non-major Funds in the Aggregate:

The non-major funds in the aggregate are anticipated to decline by 11%. The chief reason for the decline points to capital project funds which are budgeted to appropriate fund balances in order to move forward with capital projects. Specifically, the 1999 Construction Fund (#305) has a budgeted appropriation from fund balance of \$1,168,146 and the TLBD Phase II Improvements Capital Project Fund (#313) an appropriation of \$255,500 as a result of the capital projects set forth on pages 63-65. These appropriations do not adversely affect the funds as they were established for such purposes.

Additionally, the Emergency & Disaster Relief Fund (#109) and the Road Improvements Fund (#115) are budgeted to appropriate \$546,200 and \$307,459 respectively. The former is a temporary fund established to account for costs related to the preparation for and cleanup of the 2004 hurricanes. In 2007, \$563,000 has been budgeted for the payment of disputed and/or corrected invoices and the return of previously received Federal and/or State grant revenues. Fund 115 accounts for collected one-cent sales tax revenues for transportation-related improvements. This budgeted appropriation does not present negative consequence to the fund as additional reimbursement revenues are anticipated in fiscal year 2009 to recoup the 2008 expenditures.

Enterprise:

The Water and Sewer Fund is budgeted to have an approximate 15% decrease in fund equity. This is largely due to a non-recurring transfer of \$350,000 to fund #311 for construction costs as well as a total capital budget of \$1,935,507. Two of the divisions, namely Revenue Generation (#3620) and 2000 Utility Construction (#3640) are temporary in nature and are anticipated to phase out in the short-run. The capital expenditures in those two divisions are budgeted at \$92,207 and \$410,000, respectively. Flat revenues and increasing costs have been observed in this utility fund. Rate studies are budgeted for this fiscal year.

Development Services' fund equity is budgeted to have an approximate 19% decrease. A rate study was performed in fiscal year 2003 with the inception of this fund. The rates in this fund were last adjusted in August 2005 with the adoption of Resolution 2005-29. Winter Springs has seen a significant decline in housing starts which accounts for declines in 2008 revenues. However, fund decline was anticipated as the City approached build out and technological strides were pursued. It should be noted that even with the fund equity decline the ending equity exceeds the target of maintaining 90 days of operating expenditures.

The Stormwater Fund is budgeted to have an approximate 22% decrease in fund equity. This is largely due to a non-recurring transfer of \$150,000 to fund #311 for construction costs as well as capital expenditures of \$190,000. It should be noted that even with the fund equity decline the ending equity exceeds the target of maintaining 90 days of operating expenditures. June 2005 saw the last rate increase.