

Financial Structure

Introduction

The operations for the City of Winter Springs are accounted for on the basis of fund and account groups. 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.

Fund Categories

All of the funds of the City of Winter Springs can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The City has four types of governmental funds: General, Special Revenue, Debt Service, and Capital Project. The City of Winter Springs maintains one type of proprietary fund called enterprise funds. Such funds have been established for the *Water and Sewer Utility, Development Services*, and the *Storm Water Utility Fund*. The *Pension Trust Fund* is the only fiduciary fund and is not reflected in this budget because the resources of such funds are held for the benefit of parties outside the government. It is the only fund that is included in the Comprehensive Annual Financial Report that is not included in this budget.

The basis of accounting for *budgetary* purposes is the same as that used for the *audited financial statements*. The accrual basis is utilized for the Enterprise and Pension Funds and the modified accrual basis is utilized for all others. Under the accrual basis revenue and expense items are recognized as they are earned or incurred, even though they may not have been received or actually paid in cash. The general idea is that economic events are recognized by matching revenues to expenses (the matching principle) at the time in which the transaction occurs rather than when payment is made (or received). Under the modified accrual basis, revenue is recognized when it is earned and becomes available and measurable. Expenditures are typically recognized in the period in which the liability is incurred.

Also designated is each fund's classification as a *major* or *non-major* fund as determined by the calculation used in the fiscal year ending September 30, 2007 Comprehensive Annual Financial Report. A major fund is one whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental *or* enterprise funds and at least 5 percent of the aggregate amount for all governmental *and* enterprise funds for the same item. The prescribed accounting basis and fund classification is indicated below for all funds.

Governmental:

General Fund

MAJOR/modified accrual basis

This is the chief operating fund of the City of Winter Springs. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds

(#102) Police Education Fund

nonmajor/modified accrual basis

This fund accounts for the costs of educational expenses for police officers. It is funded by a portion of the collections from fines and forfeitures.

(#103 and #108) Special Law Enforcement Trust Funds (Local and Federal, respectively)

nonmajor/modified accrual basis

These funds were 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 the DARE program.

(#104) Transportation Improvement Fund

nonmajor/modified accrual basis

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.

(#107) Solid Waste / Recycling Fund

nonmajor/modified accrual basis

This fund is used to account for fees for solid waste and recycling services performed by contract vendors. Proceeds are used to pay monthly vendor charges for providing solid waste and recycling services.

(#109) Emergency and Disaster Relief Fund

nonmajor/modified accrual basis

This fund was established to capture the costs of hurricane preparation and recovery due to the unusually active and costly 2004 hurricane season.

(#110) Arbor Fund

nonmajor/modified accrual basis

This fund is used to account for arbor revenues. This revenue source is used to maintain plantings in the City.

(#112) HOA Projects – Streetlighting & Signage Fund

nonmajor/modified accrual basis

This fund was established to account for streetlighting and signage projects for homeowners associations.

(#114) Storm Reserve Fund

nonmajor/modified accrual basis

This fund was established when the new solid waste contract was structured. One dollar per month per residential customer will be assessed for storm clean-up via the Solid Waste Fund and transferred into this fund for that purpose.

(#115) Road Improvements Fund
MAJOR/modified accrual basis

This fund is used to account for collected one-cent sales tax revenues to be used for Town Center road improvements.

(#140) Transportation Impact Fee Fund
nonmajor/modified accrual basis

This fund is used to account for collected impact fees on new development to help defray the cost of future road construction as a result of growth.

(#145) Public Facilities Impact Fee Fund
nonmajor/modified accrual basis

This fund is used to account for the collected impact fees on new development to defray the cost of capital investment needed to maintain public buildings due to future growth.

(#150) Police Impact Fee Fund
nonmajor/modified accrual basis

This fund is used to account for collected impact fees on new development to help defray the cost of capital investment needed to maintain the level of police service due to future growth.

(#155) Parks Impact Fee Fund
nonmajor/modified accrual basis

This fund is used to account for collected impact fees on new development to defray the cost of capital investment needed to develop and improve the parks due to future growth.

(#160) Fire Impact Fee Fund
nonmajor/modified accrual basis

This fund is used to account for collected impact fees on new development to help defray the cost of capital investment needed to maintain the level of fire service due to future growth.

(#170) Medical Transport Services Fund
nonmajor/modified accrual basis

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.

(#172) Public and Communications Service Tax Fund
MAJOR/modified accrual basis

This 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.

*(#174) Electric Franchise Fee Fund
nonmajor/modified accrual basis*

This fund is used to account for proceeds of electric franchise fees. These proceeds are used to pay annual debt service and monies not required to pay debt service are transferred to the General Fund.

*(#184 and #185) TLBD Maintenance Funds (Phase I and II, respectively)
nonmajor/modified accrual basis*

This fund is used to account for collected special assessments for maintenance related to the Tusawilla Lighting and Beautification District phases I and II. In fiscal year 2006-2007, these maintenance programs were streamlined into one assessment district and are accounted for in fund #182.

*(#191) Oak Forest Maintenance Fund
nonmajor/modified accrual basis*

This fund is used to account for collected special assessments for maintenance related to the Oak forest subdivision wall.

Debt Service Funds

(#182 and #213) TLBD Debt Service Funds (phases I and II, respectively)

#182 MAJOR/modified accrual basis; #213 nonmajor/modified accrual basis

These funds are used to account for the accumulation of resources and payment of principal, interest and related costs for the 2001 and 2006 special assessment bond issues.

*(#192) Oak Forest Debt Service
nonmajor/modified accrual basis*

This fund is used to account for the accumulation of resources and payment of principal, interest, and related costs for the 2000 note payable (Oak Forest portion).

*(#206) 2003 Debt Service Fund
nonmajor/modified accrual basis*

This fund is used to account for the accumulation of resources and payment of principal, interest, and related costs for the 2003 bond issue.

*(#215) 1999 Debt Service Fund
nonmajor/modified accrual basis*

This fund is used to account for the accumulation of resources and payment of principal, interest, and related costs for the 1999 bond issue.

*(#225) Central Winds General Obligation Debt Service Fund
nonmajor/modified accrual basis*

This fund is used to account for the accumulation of resources and payment of principal, interest, and related costs for the 2002 limited general obligation bond.

*(#230) 2004 Capital Projects Debt Service Fund
nonmajor/modified accrual basis*

This fund is used to account for the accumulation of resources and payment of principal and interest for the Capital Improvement Revenue Note Series 2004.

Capital Projects Funds

(#305) 1999 Construction Capital Projects Fund

nonmajor/modified accrual basis

This fund was established for the acquisition and construction of City-owned capital improvements.

(#306) Revolving Rehabilitation Capital Projects Fund

nonmajor/modified accrual basis

This fund was established to provide loans for rehabilitation projects within the City.

(#308 and #313) TLBD Improvements Funds (Phases I and II, respectively)

nonmajor/modified accrual basis

These funds were established to account for the construction of improvements to the Tusawilla Lighting and Beautification District.

(#309) Oak Forest Capital Projects Fund

nonmajor/modified accrual basis

This fund was established to account for construction of the Oak Forest subdivision wall.

(#311) Utility/Public Works Facility Capital Projects Fund

nonmajor/modified accrual basis

This fund was established to account for the construction of public facilities - currently the Public Works/Utility Compound.

(#312) Public Facilities Capital Projects Fund

nonmajor/modified accrual basis

This fund was established to account for the construction of a number of capital projects, the priority of which has yet to be determined.

(#314) HMGP Project Fund

nonmajor/modified accrual basis

This fund was established to account for the Hazard Mitigation Grant revenues and expenditures. The grant monies will reimburse 75% of the eligible project costs, with the remaining to be absorbed by the City via transfers from the Fire, Police, and Park Impact Fee Funds.

(#315) Trotwood Improvements Fund

nonmajor/modified accrual basis

This fund was established to account for improvements to Trotwood Park; \$200,000 expected in FRDAP grants.

(#316) Senior Center Expansion Fund

nonmajor/modified accrual basis

This fund was established to account for the Senior Center Expansion project. This project is to include an indoor therapy pool and will heavily rely on CDBG funds from Seminole County.

Proprietary:

Enterprise Funds

(#401) Water and Sewer Utility Fund

MAJOR/accrual basis

This fund was established to account for the provision of water and sewer services to the residents of the City. All necessary activities associated with providing these services are accounted for in one of four fund categories: Operating, Renewal and Replacement (requires fund balance equivalent to 5% of previous year's gross revenues), Revenue Generation, and 2000 Utility Construction.

(#420) Development Services Fund

MAJOR/accrual basis

This fund was established in 2003 to account for the Plans and Inspections department, the Customer Service department, and the Delinquent Permits department as divisions of an enterprise fund.

(#430) Stormwater Utility Fund

MAJOR/accrual basis

This fund was established to account for the storm water management department as an enterprise fund.

Fiduciary:

Pension Plan Trust Fund

accrual basis

This fund accounts for the contributions to the defined benefit plan. Because this fund accounts for the resources held for the benefit of parties outside the government it is not included in the budget document.