

2022

City of Winter Springs, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2022

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**CITY OF WINTER SPRINGS
WINTER SPRINGS, FLORIDA**

SEPTEMBER 30, 2022

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**CITY OF WINTER SPRINGS
WINTER SPRINGS, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Winter Springs, Florida

Report on the Audit of the Financial Statements

Opinions

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 (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, road improvements special revenue fund, solid waste/recycling special revenue fund, and the American Recovery Plan Act special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We have 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle

As further discussed in Note 16 to the financial statements, in 2022 the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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City of Winter Springs, Florida

INDEPENDENT AUDITOR'S REPORT

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents (collectively, the required supplementary information), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to

Honorable Mayor and City Commissioners
City of Winter Springs, Florida

INDEPENDENT AUDITOR'S REPORT

be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



January 26, 2024
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF WINTER SPRINGS, FLORIDA
Management's Discussion and Analysis
SEPTEMBER 30, 2022

As management of the City of Winter Springs, Florida, we offer readers of the City of Winter Springs' financial statements this narrative overview and analysis of the financial activities of the City of Winter Springs for the fiscal year ended September 30, 2022.

Financial Highlights

- The assets and deferred outflows of the City of Winter Springs exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$142,390,321 (net position). Of this amount, \$37,696,135 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As a result of the current year's activities, the government's total net position increased by \$2,977,199 or 2.14% from the prior year.
- As of the close of the current fiscal year, the City of Winter Springs' governmental funds reported combined ending fund balances of \$42,549,942. Approximately 21% of this total amount, \$8,841,680, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,073,964 or 55% of total general fund expenditures.
- As a result of current year's activities, the City of Winter Springs' total debt decreased by \$2,322,176 (7%).

Overview of the Financial Statements

The financial statements focus on both the City of Winter Springs 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 of Winter Springs' accountability.

This discussion and analysis are intended to serve as an introduction to the City of Winter Springs' basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Winter Springs' finances, in a manner similar to a private-sector business.

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

CITY OF WINTER SPRINGS, FLORIDA
Management's Discussion and Analysis
SEPTEMBER 30, 2022

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

Both of the government-wide financial statements distinguish functions of the City of Winter Springs that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Winter Springs include general government, public safety, physical environment, and culture and recreation. The business-type activities of the City of Winter Springs include a Water and Sewer Utility, Stormwater Utility, and Development Services.

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

The government-wide financial statements can be found on pages 17-18 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Winter Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Winter Springs can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CITY OF WINTER SPRINGS, FLORIDA
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The City of Winter Springs maintains 22 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Road Improvements Special Revenue Fund, Solid Waste/Recycling Special Revenue Fund, and American Recovery Plan Act Fund, all four of which are considered to be major funds. Data from the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Winter Springs adopts an annual appropriated budget for all governmental funds. Budgetary comparison statements have been provided for the General Fund, Road Improvements Special Revenue Fund, Solid Waste/Recycling Special Revenue Fund, and American Recovery Plan Act Special Revenue Fund to demonstrate compliance with this budget on pages 23-26. Budgetary comparison schedules have been provided for the non-major funds on pages 78-95.

The basic governmental fund financial statements can be found on pages 19-22 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 the Water and Sewer Utility, Stormwater Utility, and Development Services department.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Utility, Stormwater Utility, and Development Services.

The basic proprietary fund financial statements can be found on pages 27-31 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Winter Springs' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 32-33 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 34-60 of this report.

Required Supplementary Information (RSI)

RSI can be found on pages 61-65 of this report.

Other Information

The combining statements referred to earlier in connection with non-major governmental funds are presented after this. Combining and individual fund statements and schedules can be found on pages 66-77 of this report.

CITY OF WINTER SPRINGS, FLORIDA
Management's Discussion and Analysis
SEPTEMBER 30, 2022

Government-Wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Winter Springs, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$142,390,321 at the close of the most recent fiscal year.

Of the City of Winter Springs' net position, \$80,598,260 or 57% reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related outstanding debt used to acquire those assets. The City of Winter Springs uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

Net position subject to external restrictions as to how it may be used totals \$24,095,926 (17%). The remaining balance of unrestricted net position, \$37,696,135 (26%), may be used to meet the government's ongoing obligations to citizens and creditors.

At September 30, 2022, the City of Winter Springs is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. This was also the case at the close of the prior fiscal year.

The following table reflects the condensed Statement of Net Position for the current prior year. For more detail, see the Statement of Net Position on page 17.

Statement of Net Position as of September 30

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	\$ 68,435,961	\$ 45,563,825	\$ 38,449,127	\$ 40,554,171	\$ 106,885,088	\$ 86,117,996
Restricted Assets	127,352	93,318	750,329	746,614	877,681	839,932
Capital Assets	54,352,680	57,469,856	40,232,700	40,709,592	94,585,380	98,179,448
Total Assets	122,915,993	103,126,999	79,432,156	82,010,377	202,348,149	185,137,376
Deferred Outflows of Resources						
Deferred Charge on Refunding	7,432	8,361	8,436	35,927	15,868	44,288
Deferred Outflow of Pension and OPEB	4,907,049	1,049,565	1,191,714	235,521	6,098,763	1,285,086
Total Deferred Outflows of Resources	4,914,481	1,057,926	1,200,150	271,448	6,114,631	1,329,374
Liabilities						
Current Liabilities	20,836,537	2,858,700	1,829,194	2,259,469	22,665,731	5,118,169
Long-Term Liabilities	16,691,057	11,896,351	21,083,634	20,984,041	37,774,691	32,880,392
Other Liabilities	125,741	91,707	658,445	672,332	784,186	764,039
Total Liabilities	37,653,335	14,846,758	23,571,273	23,915,842	61,224,608	38,762,600
Deferred Inflows of Resources						
Deferred Inflow of Leases	4,176,708	-	-	-	4,176,708	-
Deferred Inflow of Pension and OPEB	540,000	6,790,380	131,143	1,500,648	671,143	8,291,028
Total Deferred Inflows of Resources	4,716,708	6,790,380	131,143	1,500,648	4,847,851	8,291,028
Net Position						
Net Investment in Capital Assets	51,213,286	53,758,196	29,384,974	28,905,209	80,598,260	82,663,405
Restricted	17,969,683	19,629,769	6,126,243	1,332,512	24,095,926	20,962,281
Unrestricted	16,277,462	9,159,822	21,418,673	26,627,614	37,696,135	35,787,436
Total Net Position	\$ 85,460,431	\$ 82,547,787	\$ 56,929,890	\$ 56,865,335	\$ 142,390,321	\$ 139,413,122

CITY OF WINTER SPRINGS, FLORIDA
Management's Discussion and Analysis
SEPTEMBER 30, 2022

Statement of Changes in Net Position

The following table reflects the *Statement of Changes in Net Position* for the current and prior year. For more detailed information, see the *Statement of Activities* on page 18.

As a result of the current year's activities, the government's total net position increased by \$2,977,199 or 2.14% from the prior year. The previous fiscal year, 2021, net position increased by \$6,010,110.

Governmental activities increased net position by \$2,912,644 in fiscal year 2022 compared to an increase of \$1,867,008 in 2021. The increase in net position for fiscal year 2022 is more than the prior year's increase, primarily due to no large transfers out to other funds taking place this year, as well as a significant increase in revenues greater than the increase in expenses.

Business-type activities increased net position by \$64,555 in fiscal year 2022 compared to an increase of \$4,143,102 in 2021. The increase in net position in fiscal year 2022 is less than the prior fiscal year's increase, primarily due to a large decrease in transfers in, as well as an increase in expenses greater than the increase in revenues and a large loss on investments.

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

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

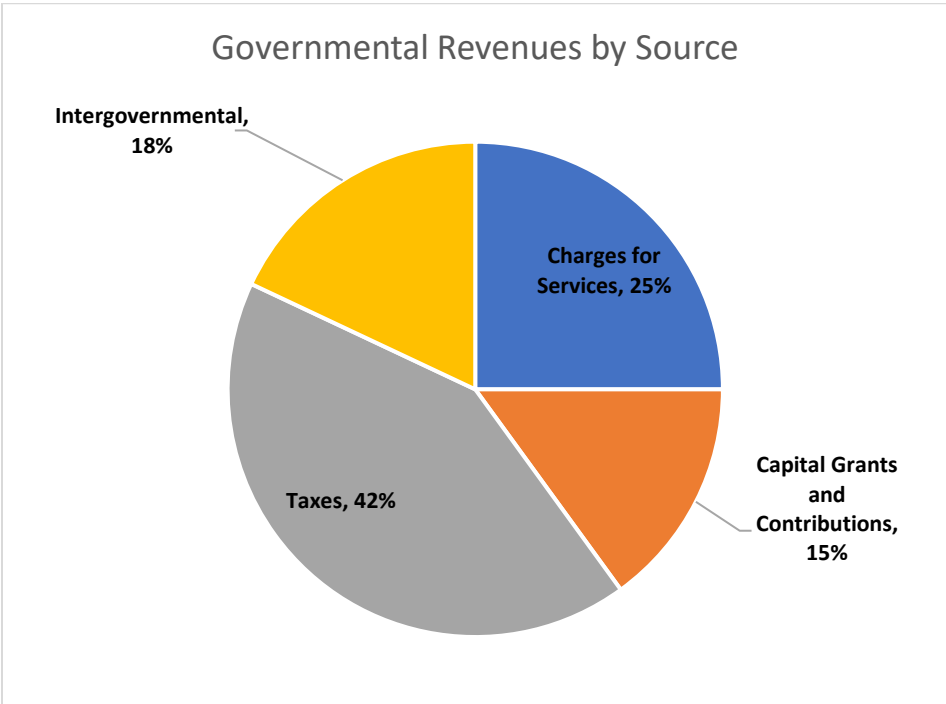
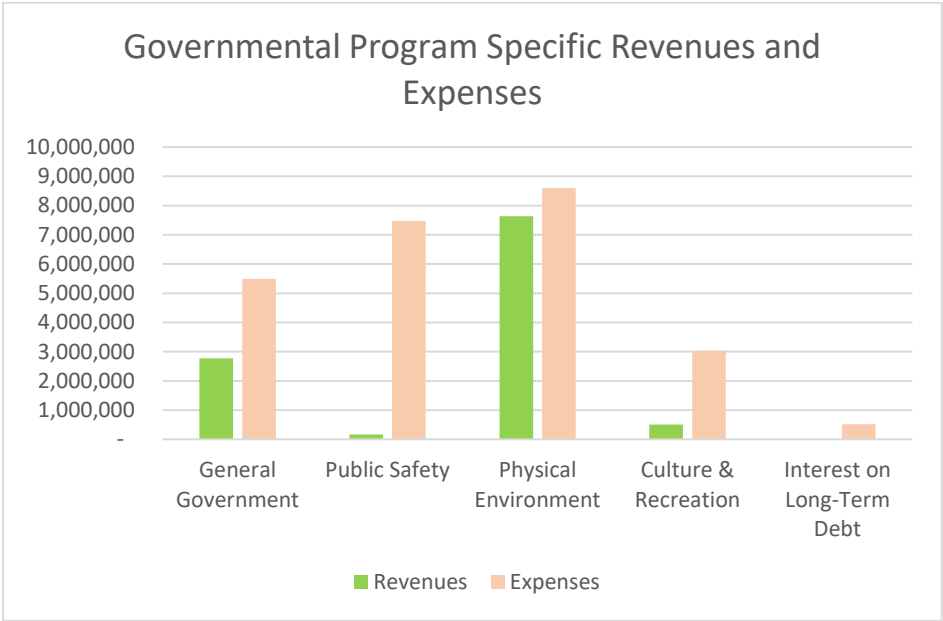
Note that the first graph depicts governmental program-specific revenues and expenses. For this graph, the revenue does not include property taxes, utility taxes, business tax receipts, intergovernmental revenue, investment income, or miscellaneous revenue. This chart is intended to show the amount of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

CITY OF WINTER SPRINGS, FLORIDA
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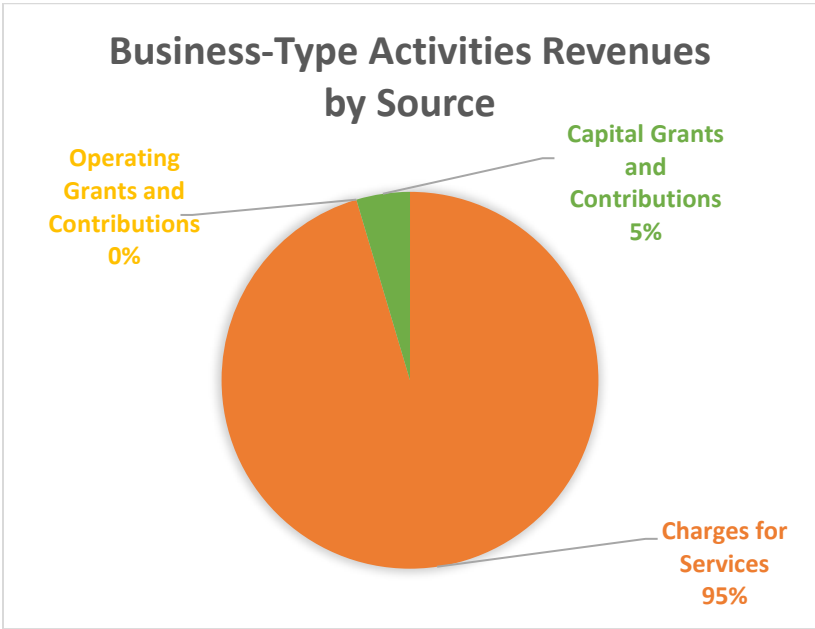
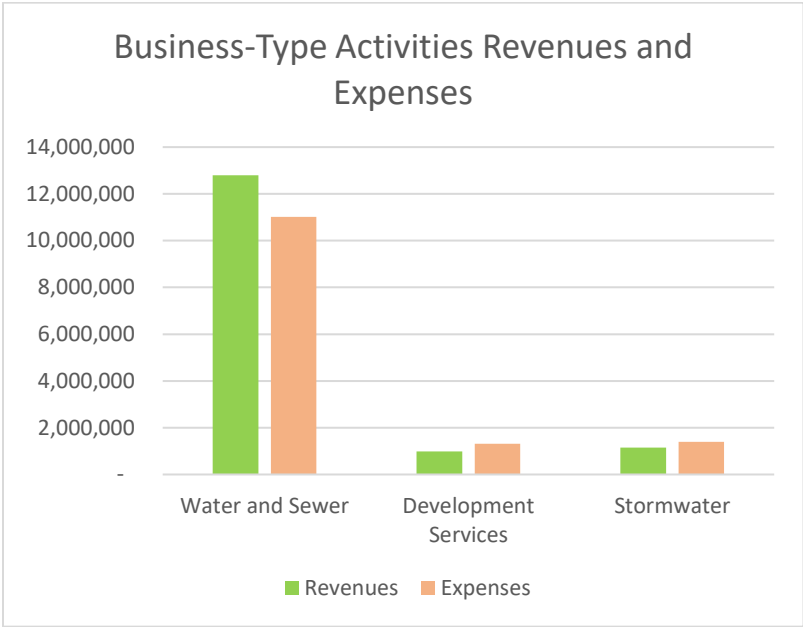
Changes in Net Position for the year ended September 30:

	Governmental		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services	\$ 7,008,691	\$ 6,655,442	\$ 14,245,009	\$ 13,852,653	\$ 21,253,700	\$ 20,508,095
Operating Grants and Contributions	9,261	553,370	488	25	9,749	553,395
Capital Grants and Contributions	4,059,858	3,469,655	686,458	274,355	4,746,316	3,744,010
General Revenues:						
Property Taxes	6,628,699	6,291,085	-	-	6,628,699	6,291,085
Utility Taxes	4,862,491	4,692,987	-	-	4,862,491	4,692,987
Business Tax Receipts	88,511	125,892	-	-	88,511	125,892
Intergovernmental - Unrestricted	5,044,297	4,360,200	-	-	5,044,297	4,360,200
Investment Income and Miscellaneous	(239,859)	584,076	(584,595)	68,347	(824,454)	652,423
Total Revenues	27,461,949	26,732,707	14,347,360	14,195,380	41,809,309	40,928,087
Expenses						
General Government	5,487,492	5,719,813	-	-	5,487,492	5,719,813
Public Safety	7,468,110	5,746,362	-	-	7,468,110	5,746,362
Physical Environment	8,600,747	7,898,398	-	-	8,600,747	7,898,398
Culture and Recreation	3,025,734	2,625,093	-	-	3,025,734	2,625,093
Interest on Long-Term Debt	513,924	559,889	-	-	513,924	559,889
Water and Sewer	-	-	11,018,402	9,737,602	11,018,402	9,737,602
Development Services	-	-	1,315,827	1,330,968	1,315,827	1,330,968
Stormwater	-	-	1,401,874	1,299,852	1,401,874	1,299,852
Total Expenses	25,096,007	22,549,555	13,736,103	12,368,422	38,832,110	34,917,977
Excess (Decrease) in Net Position						
Before Transfers	2,365,942	4,183,152	611,257	1,826,958	2,977,199	6,010,110
Transfers	546,702	(2,316,144)	(546,702)	2,316,144	-	-
Increase (Decrease) in Net Position	2,912,644	1,867,008	64,555	4,143,102	2,977,199	6,010,110
Net Position, Beginning	82,547,787	80,680,779	56,865,335	52,722,233	139,413,122	133,403,012
Net Position, Ending	\$ 85,460,431	\$ 82,547,787	\$ 56,929,890	\$ 56,865,335	\$ 142,390,321	\$ 139,413,122

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Management's Discussion and Analysis
SEPTEMBER 30, 2022



CITY OF WINTER SPRINGS, FLORIDA
Management's Discussion and Analysis
SEPTEMBER 30, 2022



CITY OF WINTER SPRINGS, FLORIDA
Management's Discussion and Analysis
SEPTEMBER 30, 2022

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of September 30, 2022, the City of Winter Springs' governmental funds reported combined ending fund balances of \$42,549,942, an increase of \$4,073,471 over the prior year. Approximately 21%, or \$8,841,680, of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted, committed, or assigned to indicate that it is not available for new spending because it has already been committed for such purposes as debt service, capital projects, inventories, and prepaid costs.

The General Fund is the chief operating fund of the City of Winter Springs. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,073,964, while total fund balance was \$9,322,143. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represents 55% and 57%, respectively, of total General Fund expenditures. The increase in fund balance of \$279,156 is primarily the result of increased taxes.

The Road Improvements Special Revenue Fund balance increased \$1,513,687 due to a reduction in the transfer to the Water and Sewer Utility Fund for 3rd generation sales tax projects.

The Solid Waste/Recycling Special Revenue Fund net position increased by \$564,712. This increase is primarily due to the transfer from the General Fund for storm reserve replenishment.

The American Recovery Plan Act Special Revenue Fund net position decreased by \$115,018. This decrease is primarily due to investment losses relating to market performance.

Proprietary Funds

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

Unrestricted net position of the Water and Sewer Utility Fund at the end of the year amounted to \$19,233,557, and total net position increased by \$776,570 to \$41,502,203. The increase in net position in fiscal year 2022 is less than the prior fiscal year's increase, primarily due to the large decrease in amounts transferred in from other funds, as well as an increase in expenses greater than revenues and a large loss on investments.

The Development Services Fund net position decreased as a result of current year activities by \$425,518 to \$5,923,533 at the end of the fiscal year. The decrease in net position is due to a decrease in user charges.

CITY OF WINTER SPRINGS, FLORIDA
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The Stormwater Utility Fund net position decreased as a result of current fiscal year activities by \$286,497 to \$9,504,154 at the end of the fiscal year. This decrease in net position in fiscal year 2022 is less than the prior fiscal year's increase, primarily due to no amounts transferred in from other funds and an increase in expenses related to salaries and benefits.

General Fund Budgetary Highlights

Differences between the original General Fund budget and the final amended General Fund budget resulted in no change in appropriation to fund balance.

The actual results of the General Fund for the year show an appropriation to fund balance of \$279,156 compared to a final budgeted appropriation to fund balance of \$0. The favorable variance of \$279,156 is comprised of a favorable expenditure variance, as well as unfavorable revenues and transfers variances. The favorable expenditure variance of \$485,108 is displayed in the departmental cost centers below:

Executive	\$ 21,842
General Government	40,859
Finance and Administrative Services	200,762
Information Services	56,980
Community Development	5,101
Police	113,630
Public Works	13,710
Parks and Recreation	<u>32,224</u>
Total	<u>\$ 485,108</u>

This favorable variance is represented by the following expenditure categories as both amounts and percentages of budget:

Payroll	\$ 177,868	1.62%
Other Operating	189,790	3.94%
Capital	<u>117,450</u>	21.26%
Total	<u>\$ 485,108</u>	

The comparison of budgeted results to actual results for the General Fund is shown on page 23.

Capital Asset and Debt Administration

Capital Assets

The City of Winter Springs' investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$94,585,380 (net of accumulated depreciation), for a decrease of \$3,594,068 over the prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment, intangibles, park facilities, roads, highways, and bridges. The total decrease in the City of Winter Springs' investment in capital assets for the current fiscal year was 3.66% (a 5.42% decrease for governmental activities, and a 1.17% decrease for business-type activities).

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

- The purchases:
 - New tractors for city operations at a cost of approximately \$134,554
 - New security camera system at various city buildings at a cost of approximately \$65,232
 - New sand bagging machine at a cost of approximately \$36,425
 - New equipment for the police department at a cost of approximately \$52,561
 - Used bucket truck at a cost of approximately \$38,000
 - New vehicles for the police department at a cost of approximately \$384,025
 - New trucks for the parks department at a cost of approximately \$23,250
 - Scissor lift at a cost of approximately \$14,700
 - Relining of pipes for the water and sewer operations at a cost of approximately \$90,400
 - Relining of pipes for the stormwater utility operations at a cost of approximately \$42,500
 - New vehicles for the water and sanitary departments at a cost of approximately \$76,686
 - SCADA improvements to sanitary system lift stations at a cost of approximately \$58,027

- The completion and capitalization of the following projects:
 - Tuscora and Trotwood medians at a cost of approximately \$20,993
 - New barge and equipment at a cost of approximately \$78,414
 - New irrigation pump for Central Winds Park at a cost of approximately \$67,404
 - Fountain resurfacing at a cost of approximately \$34,727
 - Police department restrooms at a cost of approximately \$60,180
 - New dock at the Sam Smith Park at a cost of approximately \$22,718
 - Torasco Park dock at a cost of approximately \$26,800
 - Torasco Park improvement at a cost of approximately \$48,700
 - Torasco Park pavilion at a cost of approximately \$98,400
 - Torasco Park site improvements at a cost of approximately \$218,625
 - Trotwood pond and land renovations at a cost of approximately \$22,849
 - Resurfacing streets throughout the City at a cost of approximately \$2,048,778
 - Water treatment plant suction pipe replacement at a cost of approximately \$1,095,500

- The capitalization of donated assets as a result of new residential and commercial building projects including:
 - Savoy additions to the governmental improvements and infrastructure at a value of approximately \$81,726
 - Savoy additions to the water and sanitary system infrastructure at a value of approximately \$83,097
 - Savoy additions to the stormwater system infrastructure at a value of approximately \$15,839
 - Chau Medical Group additions to the water and sanitary system infrastructure of approximately \$78,765

- Beginning and continued construction on the following projects:
 - Tusawilla Crossing reclaimed extension at a cost of approximately \$3,100,000
 - Lake Jessup Overlook, including pickleball, at a cost of approximately \$2,500,000
 - Winding Hollow turn lane at a cost of approximately \$1,500,000

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- Traffic signal at Michael Blake boulevard and state road 434 at a cost of approximately \$500,000
- Power reliability WTP2 at a cost of approximately \$500,000
- Power reliability WTP3 at a cost of approximately \$400,000

Additional information on the City of Winter Springs' capital assets can be found in Note 6 on pages 47-48 of this report.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
	Land	\$ 10,341,976	\$ 10,341,976	\$ 7,170,177	\$ 7,170,177	\$ 17,512,153
Buildings	6,874,011	7,394,557	1,308,931	1,370,003	8,182,942	8,764,560
Improvements Other Than Buildings	6,400,691	6,712,904	23,010,101	23,498,424	29,410,792	30,211,328
Machinery and Equipment	2,958,205	3,158,515	4,545,027	5,023,609	7,503,232	8,182,124
Intangibles	5,263	14,030	77,223	95,548	82,486	109,578
Infrastructure	27,115,983	27,958,100	-	-	27,115,983	27,958,100
Construction in Progress	656,551	1,889,774	4,121,241	3,551,831	4,777,792	5,441,605
Total Net Position	\$ 54,352,680	\$ 57,469,856	\$ 40,232,700	\$ 40,709,592	\$ 94,585,380	\$ 98,179,448

Long-Term Debt

At September 30, 2022, the City of Winter Springs had total debt outstanding of \$28,356,827, a decrease of \$2,322,176 from \$30,679,003 at September 30, 2021. Total bonded debt of the City at the end of the current fiscal year was \$5,712,222. This amount does not include accreted interest of \$14,474,075.

The City of Winter Springs' bonded debt represents bonds and notes are secured solely by specified revenue sources.

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's long-term debt can be found in Note 7 on pages 48-51 of this report.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
	Improvement Refunding Revenue Bonds, Series 1999	\$ 2,315,528	\$ 2,687,292	\$ -	\$ -	\$ 2,315,528
Water and Sewer Refund Revenue Bonds, Series 2000	-	-	3,396,694	3,794,191	3,396,694	3,794,191
Special Assessment Revenue Notes, Series 2011	831,298	1,032,729	-	-	831,298	1,032,729
Revenue Refunding Note Series 2016	-	-	-	194,000	-	194,000
Revenue Refunding Note Series 2020	-	-	2,794,956	3,022,000	2,794,956	3,022,000
State Revolving Fund Loans	-	-	4,544,276	4,830,120	4,544,276	4,830,120
Accreted Interest Payable	5,907,407	6,329,177	8,566,668	8,789,494	14,474,075	15,118,671
Total Net Position	\$ 9,054,233	\$ 10,049,198	\$ 19,302,594	\$ 20,629,805	\$ 28,356,827	\$ 30,679,003

The above information does not include the interfund loan balances related to the repayment of the general obligation note.

Economic Factors and Next Year's Budgets and Rates

Through conservative fiscal policies and aggressive budget oversight, the Interim City Manager and City Commission have maintained the operating millage rate at 2.4100 since fiscal year 2021 and continue to maintain that rate in fiscal year 2023. The gross property tax values in Winter Springs increased in fiscal

CITY OF WINTER SPRINGS, FLORIDA
Management's Discussion and Analysis
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year 2022 by 5.9% and have increased by approximately 10.8% in fiscal year 2023. In May 2014, a county-wide precinct referendum resulted in an additional 1% local government infrastructure sales surtax, which will largely be utilized for transportation related to infrastructure improvements. The surtax is expected to result in \$2.0 million in additional revenues each year and expires in December 2024.

The General Fund's fiscal year 2022 adopted an expenditure budget of \$18,736,477 (inclusive of transfers) that marked an increase of 11.0% from the previous year. For fiscal year 2023, the adopted expenditure budget is \$20,107,054, an increase of 7.3% from fiscal year 2022. The total combined expenditure budget of fiscal year 2023 of \$66,862,648 (inclusive of transfers) is \$12,349,603 or 22.7% more than the adopted budget of fiscal year 2022.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 8,302,880	\$ 6,048,760	\$ 14,351,640
Investments	54,453,503	31,774,893	86,228,396
Receivables, Net	363,365	570,391	933,756
Lease Receivable	4,339,581	-	4,339,581
Inventories, at Cost	23,932	41,612	65,544
Prepaid Costs	79,069	13,471	92,540
Restricted Assets:			
Cash and Cash Equivalents	127,352	750,329	877,681
Receivables, Long-Term	873,631	-	873,631
Capital Assets:			
Capital Assets Not Being Depreciated	10,998,528	11,291,418	22,289,946
Capital Assets Being Depreciated, Net of Accumulated Depreciation	43,354,152	28,941,282	72,295,434
Total Assets	122,915,993	79,432,156	202,348,149
Deferred Outflows of Resources			
Deferred Charge on Refunding	7,432	8,436	15,868
Deferred Outflow of Pension and OPEB	4,907,049	1,191,714	6,098,763
Total Deferred Outflows of Resource	4,914,481	1,200,150	6,114,631
Liabilities			
Accounts Payable and Accrued Expenses	2,054,686	1,699,142	3,753,828
Due to Other Governments	66,851	-	66,851
Unearned Revenue	18,715,000	-	18,715,000
Retainage Payable	-	120,236	120,236
Accrued Interest Payable	-	9,816	9,816
Liabilities Payable from Restricted Assets	125,741	658,445	784,186
Non-Current Liabilities:			
Due Within One Year	1,373,242	2,219,706	3,592,948
Due in More than One Year	15,317,815	18,863,928	34,181,743
Total Liabilities	37,653,335	23,571,273	61,224,608
Deferred Inflows of Resources			
Deferred Inflows of Leases	4,176,708	-	4,176,708
Deferred Inflows of Pension and OPEB	540,000	131,143	671,143
Total Deferred Inflows of Resources	4,716,708	131,143	4,847,851
Net Position			
Net Investment in Capital Assets	51,213,286	29,384,974	80,598,260
Restricted for:			
Capital Projects	6,201,168	-	6,201,168
Renewal and Replacement	-	583,563	583,563
Building Fund	-	5,542,680	5,542,680
Physical Environment	11,701,675	-	11,701,675
Public Safety	66,840	-	66,840
Unrestricted	16,277,462	21,418,673	37,696,135
Total Net Position	\$ 85,460,431	\$ 56,929,890	\$ 142,390,321

See accompanying notes.

**CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Function/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for			Primary Government		
		Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government							
Governmental Activities:							
General Government	\$ 5,487,492	\$ 2,766,699	\$ -	\$ -	\$ (2,720,793)	\$ -	\$ (2,720,793)
Public Safety	7,468,110	129,767	-	38,216	(7,300,127)	-	(7,300,127)
Physical Environment	8,600,747	3,804,599	9,261	3,819,086	(967,801)	-	(967,801)
Culture and Recreation	3,025,734	307,626	-	202,556	(2,515,552)	-	(2,515,552)
Interest on Long-Term Debt	513,924	-	-	-	(513,924)	-	(513,924)
Total Governmental Activities	25,096,007	7,008,691	9,261	4,059,858	(14,018,197)	-	(14,018,197)
Business-Type Activities:							
Water and Sewer	11,018,402	12,124,516	-	670,619	-	1,776,733	1,776,733
Development Services	1,315,827	986,121	-	-	-	(329,706)	(329,706)
Stormwater	1,401,874	1,134,372	488	15,839	-	(251,175)	(251,175)
Total Business-Type Activities	13,736,103	14,245,009	488	686,458	-	1,195,852	1,195,852
Total Primary Government	\$ 38,832,110	\$ 21,253,700	\$ 9,749	\$ 4,746,316	(14,018,197)	1,195,852	(12,822,345)
General Revenues							
					6,628,699	-	6,628,699
					4,862,491	-	4,862,491
					88,511	-	88,511
					5,044,297	-	5,044,297
					(239,859)	(584,595)	(824,454)
					546,702	(546,702)	-
Total General Revenues and Transfers					16,930,841	(1,131,297)	15,799,544
Changes in Net Position					2,912,644	64,555	2,977,199
Net Position, Beginning of Year					82,547,787	56,865,335	139,413,122
Net Position, End of Year					\$ 85,460,431	\$ 56,929,890	\$ 142,390,321

See accompanying notes.

CITY OF WINTER SPRINGS, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Special Revenue					Total Governmental Funds
	General Fund	Road Improvements Fund	Solid Waste/ Recycling	American Recovery Plan Act	Other Governmental Funds	
Assets						
Cash and Cash Equivalents	\$ 1,106,342	\$ 1,101,243	\$ 354,457	\$ 2,155,407	\$ 3,585,431	\$ 8,302,880
Investments	9,371,710	8,383,970	2,698,549	16,409,526	17,589,748	54,453,503
Receivable, Net	189,338	754	144,524	-	28,749	363,365
Leases Receivable	4,339,581	-	-	-	-	4,339,581
Inventories, at Cost	23,932	-	-	-	-	23,932
Prepays	79,069	-	-	-	-	79,069
Special Assessments Receivable	-	-	-	-	873,631	873,631
Advances to Other Funds	145,178	-	-	-	-	145,178
Restricted Assets:						
Cash and Cash Equivalents	125,741	-	-	-	1,611	127,352
Total Assets	<u>15,380,891</u>	<u>9,485,967</u>	<u>3,197,530</u>	<u>18,564,933</u>	<u>22,079,170</u>	<u>68,708,491</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	599,748	-	296,734	-	103,553	1,000,035
Accrued Liabilities	1,053,855	-	-	-	-	1,053,855
Unearned Revenue	35,049	-	-	18,679,951	-	18,715,000
Retainage Payable	796	-	-	-	-	796
Advances from Other Funds	-	-	-	-	145,178	145,178
Due to Other Governments	66,851	-	-	-	-	66,851
Payable from Restricted Assets	125,741	-	-	-	-	125,741
Total Liabilities	<u>1,882,040</u>	<u>-</u>	<u>296,734</u>	<u>18,679,951</u>	<u>248,731</u>	<u>21,107,456</u>
Deferred Inflows of Resources						
Deferred Inflows from Leases	4,176,708	-	-	-	-	4,176,708
Unavailable Revenue - County Taxes	-	754	-	-	-	754
Unavailable Revenue - Special Assessments	-	-	-	-	873,631	873,631
Total Deferred Inflows of Resources	<u>4,176,708</u>	<u>754</u>	<u>-</u>	<u>-</u>	<u>873,631</u>	<u>5,051,093</u>
Fund Balances						
Non-Spendable	248,179	-	-	-	-	248,179
Restricted	-	9,485,213	-	-	8,484,470	17,969,683
Committed	-	-	330,317	-	4,134,169	4,464,486
Assigned	-	-	2,570,479	-	8,455,435	11,025,914
Unassigned	9,073,964	-	-	(115,018)	(117,266)	8,841,680
Total Fund Balances	<u>9,322,143</u>	<u>9,485,213</u>	<u>2,900,796</u>	<u>(115,018)</u>	<u>20,956,808</u>	<u>42,549,942</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,380,891</u>	<u>\$ 9,485,967</u>	<u>\$ 3,197,530</u>	<u>\$ 18,564,933</u>	<u>\$ 22,079,170</u>	<u>\$ 68,708,491</u>

See accompanying notes.

**CITY OF WINTER SPRINGS, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

Total Fund Balance, Governmental Funds	\$	42,549,942
 Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		54,352,680
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		874,385
Deferred inflows and outflows of resources related to pension earnings are not recognized in the governmental funds; however, they are recorded in net position under full accrual accounting.		4,367,049
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(9,538,013)
Net pension liabilities and other postemployment benefit liabilities are not available in the current period and, therefore, are not reported in the funds.		<u>(7,145,612)</u>
Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>85,460,431</u></u>

See accompanying notes.

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue					Total Governmental Funds
	General Fund	Road Improvements Fund	Solid Waste/ Recycling	American Recovery Plan Act	Other Governmental Funds	
Revenues						
Taxes:						
Property Taxes	\$ 6,628,699	\$ -	\$ -	\$ -	\$ -	\$ 6,628,699
Utility Taxes	4,862,491	-	-	-	-	4,862,491
Business Tax Receipts	88,511	-	-	-	-	88,511
Permits and Fees	2,560,241	-	-	-	2,193	2,562,434
Intergovernmental Revenues	5,131,298	2,967,620	55,311	7,900	582,467	8,744,596
Charges for Services	723,093	-	2,653,162	-	-	3,376,255
Fines and Forfeitures	120,964	-	-	-	371,521	492,485
Impact Fees/Assessments	-	-	-	-	1,045,421	1,045,421
Investment Income/(Loss)	(74,711)	(134,892)	(34,267)	(115,018)	(266,662)	(625,550)
Miscellaneous	349,625	-	-	-	36,066	385,691
Total Revenues	20,390,211	2,832,728	2,674,206	(107,118)	1,771,006	27,561,033
Expenditures						
Current:						
General Government	5,135,743	-	-	-	10,154	5,145,897
Public Safety	7,471,010	-	-	-	105,327	7,576,337
Physical Environment	1,059,603	20,751	3,109,494	-	1,067,677	5,257,525
Culture and Recreation	2,166,963	-	-	-	-	2,166,963
Debt Service:						
Principal	-	-	-	-	573,196	573,196
Interest and Fiscal Charges	-	-	-	-	951,548	951,548
Capital Outlay:						
General Government	71,883	-	-	-	16,960	88,843
Public Safety	207,423	-	-	-	-	207,423
Physical Environment	151,869	1,298,290	-	-	332,926	1,783,085
Culture and Recreation	121,162	-	-	-	162,285	283,447
Total Expenditures	16,385,656	1,319,041	3,109,494	-	3,220,073	24,034,264
Excess (Deficiency) of						
Revenues Over Expenditures	4,004,555	1,513,687	(435,288)	(107,118)	(1,449,067)	3,526,769
Other Financing Sources (Uses)						
Transfers In	554,602	-	1,000,000	-	3,280,001	4,834,603
Transfers (Out)	(4,280,001)	-	-	(7,900)	-	(4,287,901)
Total Other Financing						
Sources (Uses)	(3,725,399)	-	1,000,000	(7,900)	3,280,001	546,702
Net Change in Fund Balances	279,156	1,513,687	564,712	(115,018)	1,830,934	4,073,471
Fund Balances,						
Beginning of Year	9,042,987	7,971,526	2,336,084	-	19,125,874	38,476,471
Fund Balances, End of Year	\$ 9,322,143	\$ 9,485,213	\$ 2,900,796	\$ (115,018)	\$ 20,956,808	\$ 42,549,942

See accompanying notes.

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
YEAR ENDED SEPTEMBER 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 4,073,471

**Amounts Reported for Governmental Activities in the Statement of
Activities are Different Because:**

Governmental funds report outlays for capital assets as expenditures.
However, in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense. This is
the amount by which depreciation exceeded capital outlays in the current period. (3,074,006)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales,
trade-ins, and disposals) is to decrease net position. (43,170)

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 the net position. Also, governmental
funds report the effect of 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. 573,180

The payment of accreted interest that was recognized in a prior year is not reported
as an expense on the statement of activities. 903,236

Special assessment revenue reported in the funds must be eliminated from the
statement of activities since revenue was recognized in a prior year. (99,083)

Cash pension contributions reported in the funds were more than the calculated
pension expense on the statement of activities and, therefore, increased
net position. 946,274

Some expenses reported in the statement of activities do not require the use of
current financial resources and these are not reported as expenditures in the
governmental funds. (367,258)

Change in Net Position of Governmental Activities \$ 2,912,644

See accompanying notes.

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022

	<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	\$ 6,635,032	\$ 6,635,032	\$ 6,628,699	\$ (6,333)
Utility Taxes	4,377,910	4,952,910	4,862,491	(90,419)
Business Tax Receipts	102,000	137,000	88,511	(48,489)
Permits and Fees	2,324,813	2,599,813	2,560,241	(39,572)
Intergovernmental Revenues	3,746,440	5,132,695	5,131,298	(1,397)
Charges for Services	633,405	663,405	723,093	59,688
Fines and Forfeitures	107,240	107,240	120,964	13,724
Investment Income/(Loss)	80,000	105,000	(74,711)	(179,711)
Miscellaneous	20,300	408,333	349,625	(58,708)
Total Revenues	<u>18,027,140</u>	<u>20,741,428</u>	<u>20,390,211</u>	<u>(351,217)</u>
Expenditures				
Current:				
General Government:				
Executive	612,491	612,491	590,649	21,842
General Government*	(19,384)	(415,049)	(455,908)	40,859
Finance and Administrative Services	1,357,689	1,418,844	1,218,082	200,762
Information Services	2,670,372	2,551,605	2,494,625	56,980
Community Development	1,935,279	1,365,279	1,360,178	5,101
Public Safety:				
Police	7,233,800	7,628,055	7,514,425	113,630
Fire	164,008	164,008	164,008	-
Physical Environment:				
Public Works	1,113,182	1,225,182	1,211,472	13,710
Culture and Recreation:				
Parks and Recreation	2,389,039	2,320,349	2,288,125	32,224
Total Expenditures	<u>17,456,476</u>	<u>16,870,764</u>	<u>16,385,656</u>	<u>485,108</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>570,664</u>	<u>3,870,664</u>	<u>4,004,555</u>	<u>133,891</u>
Other Financing Sources (Uses)				
Transfers In	709,337	709,337	554,602	(154,735)
Transfers (Out)	(1,280,001)	(4,580,001)	(4,280,001)	300,000
Total Other Financing Sources	<u>(570,664)</u>	<u>(3,870,664)</u>	<u>(3,725,399)</u>	<u>145,265</u>
Net Change in Fund Balances	-	-	279,156	279,156
Fund Balances, Beginning of Year	<u>8,824,620</u>	<u>8,935,394</u>	<u>9,042,987</u>	<u>107,593</u>
Fund Balances, End of Year	<u>\$ 8,824,620</u>	<u>\$ 8,935,394</u>	<u>\$ 9,322,143</u>	<u>\$ 386,749</u>

*The City budgets central service costs paid by the Enterprise Funds to the General Fund through "Other Services - Administrative Overhead" accounts. As a result of less funding to the pension, this is showing as a negative actual expense (revenue).

See accompanying notes.

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
ROAD IMPROVEMENTS SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ 2,200,000	\$ 2,200,000	\$ 2,967,620	\$ 767,620
Investment Income/(Loss)	18,000	18,000	(134,892)	(152,892)
Total Revenues	<u>2,218,000</u>	<u>2,218,000</u>	<u>2,832,728</u>	<u>614,728</u>
Expenditures				
Current:				
Physical Environment	1,095,000	1,095,000	20,751	1,074,249
Capital Outlay:				
Physical Environment	2,697,000	2,697,000	1,298,290	1,398,710
Total Expenditures	<u>3,792,000</u>	<u>3,792,000</u>	<u>1,319,041</u>	<u>2,472,959</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,574,000)</u>	<u>(1,574,000)</u>	<u>1,513,687</u>	<u>3,087,687</u>
Net Change in Fund Balances	(1,574,000)	(1,574,000)	1,513,687	3,087,687
Fund Balances, Beginning of Year	<u>6,587,444</u>	<u>6,587,444</u>	<u>7,971,526</u>	<u>1,384,082</u>
Fund Balances, End of Year	<u>\$ 5,013,444</u>	<u>\$ 5,013,444</u>	<u>\$ 9,485,213</u>	<u>\$ 4,471,769</u>

See accompanying notes.

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SOLID WASTE/RECYCLING SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ 59,220	\$ 59,220	\$ 55,311	\$ (3,909)
Charges for Services	2,606,516	2,606,516	2,653,162	46,646
Investment Income/(Loss)	18,000	18,000	(34,267)	(52,267)
Total Revenues	<u>2,683,736</u>	<u>2,683,736</u>	<u>2,674,206</u>	<u>(9,530)</u>
Expenditures				
Current:				
Physical Environment	3,112,500	3,162,500	3,109,494	53,006
Total Expenditures	<u>3,112,500</u>	<u>3,162,500</u>	<u>3,109,494</u>	<u>53,006</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(428,764)</u>	<u>(478,764)</u>	<u>(435,288)</u>	<u>43,476</u>
Other Financing Sources (Uses)				
Transfers In	-	1,000,000	1,000,000	-
Net Change in Fund Balances	(428,764)	521,236	564,712	43,476
Fund Balances, Beginning of Year	<u>1,614,841</u>	<u>2,336,084</u>	<u>2,336,084</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,186,077</u>	<u>\$ 2,857,320</u>	<u>\$ 2,900,796</u>	<u>\$ 43,476</u>

See accompanying notes.

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
AMERICAN RECOVERY PLAN ACT SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ -	\$ 18,687,851	\$ 7,900	\$ (18,679,951)
Investment Income/(Loss)	-	-	(115,018)	(115,018)
Total Revenues	<u>-</u>	<u>18,687,851</u>	<u>(107,118)</u>	<u>(18,794,969)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>18,687,851</u>	<u>(107,118)</u>	<u>(18,794,969)</u>
Other Financing Sources (Uses)				
Transfers Out	-	(10,000)	(7,900)	2,100
Net Change in Fund Balances	-	18,677,851	(115,018)	(18,792,869)
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 18,677,851</u>	<u>\$ (115,018)</u>	<u>\$ (18,792,869)</u>

See accompanying notes.

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds			Total
	Water and Sewer Utility Fund	Development Services Fund	Stormwater Utility Fund	
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 5,114,055	\$ 663,397	\$ 271,308	\$ 6,048,760
Investments	24,659,568	5,049,803	2,065,522	31,774,893
Receivables, Net	515,109	-	55,282	570,391
Inventories	41,612	-	-	41,612
Prepaid Expenses	13,471	-	-	13,471
Total Current Assets	30,343,815	5,713,200	2,392,112	38,449,127
Non-Current Assets:				
Restricted Cash and Cash Equivalents	750,329	-	-	750,329
Capital Assets:				
Land, Buildings and Equipment	76,935,507	458,067	14,741,221	92,134,795
Construction in Progress	3,813,444	189,180	118,617	4,121,241
Less Accumulated Depreciation	(48,216,142)	(266,394)	(7,540,800)	(56,023,336)
Total Capital Assets (Net of Accumulated Depreciation)	32,532,809	380,853	7,319,038	40,232,700
Total Non-Current Assets	33,283,138	380,853	7,319,038	40,983,029
Total Assets	63,626,953	6,094,053	9,711,150	79,432,156
Deferred Outflows of Resources				
Deferred Charge on Refunding	8,436	-	-	8,436
Deferred Outflow Pension and OPEB	771,108	210,303	210,303	1,191,714
Total Deferred Outflows Resources	779,544	210,303	210,303	1,200,150

See accompanying notes.

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022
(Concluded)

	Business-Type Activities - Enterprise Funds			Total
	Water and Sewer Utility Fund	Development Services Fund	Stormwater Utility Fund	
Liabilities				
Current Liabilities:				
Accounts Payable	\$ 1,512,037	\$ 23,072	\$ 61,419	\$ 1,596,528
Accrued Liabilities	57,519	22,435	22,660	102,614
Retainage Payable	120,236	-	-	120,236
Compensated Absences - Current	8,802	1,187	767	10,756
Customer Deposits Payable	658,445	-	-	658,445
Notes Payable - Current	333,949	-	-	333,949
Revenue Bonds Payable - Current	522,638	-	-	522,638
Accreted Interest Payable - Current	1,352,363	-	-	1,352,363
Accrued Interest Payable	9,816	-	-	9,816
Total Current Liabilities	4,575,805	46,694	84,846	4,707,345
Non-Current Liabilities:				
Notes Payable	7,005,283	-	-	7,005,283
Revenue Bonds Payable	2,874,056	-	-	2,874,056
Accreted Interest Payable	7,214,305	-	-	7,214,305
Compensated Absences	27,100	4,746	3,070	34,916
Other Post-Employment Benefits	136,680	37,276	37,276	211,232
Net Pension Liability	986,208	268,964	268,964	1,524,136
Total Non-Current Liabilities	18,243,632	310,986	309,310	18,863,928
Total Liabilities	22,819,437	357,680	394,156	23,571,273
Deferred Inflows of Resources				
Deferred Inflow of Pension and OPEB	84,857	23,143	23,143	131,143
Total Deferred Inflows of Resources	84,857	23,143	23,143	131,143
Net Position				
Net Investment in Capital Assets	21,685,083	380,853	7,319,038	29,384,974
Restricted for:				
Renewal and Replacement	583,563	-	-	583,563
Building Fund	-	5,542,680	-	5,542,680
Unrestricted	19,233,557	-	2,185,116	21,418,673
Total Net Position	\$ 41,502,203	\$ 5,923,533	\$ 9,504,154	\$ 56,929,890

See accompanying notes.

**CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	Business-Type Activities - Enterprise Funds			Total
	Water and Sewer Utility Fund	Development Services Fund	Stormwater Utility Fund	
Operating Revenues				
User Charges	\$ 12,124,516	\$ 986,121	\$ 1,134,353	\$ 14,244,990
Other Revenue	-	-	19	19
Total Operating Revenues	<u>12,124,516</u>	<u>986,121</u>	<u>1,134,372</u>	<u>14,245,009</u>
Operating Expenses				
Salaries and Benefits	1,083,546	429,759	382,788	1,896,093
Materials and Supplies	1,242,800	15,008	342,129	1,599,937
Depreciation and Amortization	2,170,405	36,388	419,417	2,626,210
Other Operating Expenses	5,690,520	834,672	257,540	6,782,732
Total Operating Expenses	<u>10,187,271</u>	<u>1,315,827</u>	<u>1,401,874</u>	<u>12,904,972</u>
Operating Income (Loss)	<u>1,937,245</u>	<u>(329,706)</u>	<u>(267,502)</u>	<u>1,340,037</u>
Non-Operating Revenue (Expenses)				
Investment Income/(Loss)	(453,461)	(95,812)	(35,322)	(584,595)
Interest Expense	(111,453)	-	-	(111,453)
Accreted Interest Expense	(719,678)	-	-	(719,678)
Operating Grants	-	-	488	488
Total Non-Operating Revenue (Expenses)	<u>(1,284,592)</u>	<u>(95,812)</u>	<u>(34,834)</u>	<u>(1,415,238)</u>
Income (Loss) Before Contributions and Transfers	<u>652,653</u>	<u>(425,518)</u>	<u>(302,336)</u>	<u>(75,201)</u>
Other Financing Sources (Uses)				
Capital Contributions:				
Connection Fees	508,725	-	-	508,725
Capital Contribution	161,894	-	15,839	177,733
Transfers (Out)	(546,702)	-	-	(546,702)
Total Other Financing Sources (Uses)	<u>123,917</u>	<u>-</u>	<u>15,839</u>	<u>139,756</u>
Change in Net Position	776,570	(425,518)	(286,497)	64,555
Net Position, Beginning of Year	<u>40,725,633</u>	<u>6,349,051</u>	<u>9,790,651</u>	<u>56,865,335</u>
Net Position, End of Year	<u>\$ 41,502,203</u>	<u>\$ 5,923,533</u>	<u>\$ 9,504,154</u>	<u>\$ 56,929,890</u>

See accompanying notes.

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds			
	Water and Sewer Utility Fund	Development Services Fund	Stormwater Utility Fund	Total
Cash Flows from Operating Activities				
Receipts from Customers	\$ 12,124,390	\$ 986,121	\$ 1,138,764	\$ 14,249,275
Payments to Suppliers	(7,225,325)	(932,223)	(572,647)	(8,730,195)
Payments to Employees	(1,359,971)	(394,072)	(383,639)	(2,137,682)
Net Cash Provided (Used) by Operating Activities	3,539,094	(340,174)	182,478	3,381,398
Cash Flows from Non-Capital Financing Activities				
Transfers (Out)	(546,702)	-	-	(546,702)
Grants	-	-	488	488
Net Cash Provided (Used) by Non-Capital Financing Activities	(546,702)	-	488	(546,214)
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(1,755,865)	(173,217)	(58,343)	(1,987,425)
Principal Paid	(1,627,022)	-	-	(1,627,022)
Interest Paid	(531,444)	-	-	(531,444)
Connection Fees	508,725	-	15,839	524,564
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,405,606)	(173,217)	(42,504)	(3,621,327)
Cash Flows from Investing Activities				
Sale (Purchase) of Investments	3,919,406	847,219	16,029	4,782,654
Investment Income	(453,461)	(95,812)	(35,322)	(584,595)
Net Cash Provided (Used) by Investing Activities	3,465,945	751,407	(19,293)	4,198,059
Net Increase (Decrease) in Cash and Cash Equivalents	3,052,731	238,016	121,169	3,411,916
Cash and Cash Equivalents, Beginning of Year	2,061,324	425,381	150,139	2,636,844
Cash and Cash Equivalents, End of Year	\$ 5,114,055	\$ 663,397	\$ 271,308	\$ 6,048,760

See accompanying notes.

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022
(Concluded)

	Business-Type Activities - Enterprise Funds			Total
	Water and Sewer Utility Fund	Development Services Fund	Stormwater Utility Fund	
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>				
Operating Income (Loss)	\$ 1,937,245	\$ (329,706)	\$ (267,502)	\$ 1,340,037
Adjustments Not Affecting Cash:				
Depreciation and Amortization	2,170,405	36,388	419,417	2,626,210
Change in Assets and Liabilities:				
Decrease (Increase) in				
Accounts Receivable	25,817	-	4,392	30,209
Decrease (Increase) in Inventories	(14,555)	-	-	(14,555)
Decrease (Increase) in Prepaid Expenses	(8,270)	990	-	(7,280)
Decrease (Increase) in Deferred Outflows	(639,790)	(191,050)	(184,719)	(1,015,559)
Increase (Decrease) in Accounts Payable	(281,233)	(83,533)	27,021	(337,745)
Increase (Decrease) in Accrued Liabilities	(75,948)	9,661	1,371	(64,916)
Increase (Decrease) in Customer Deposits	(13,888)	-	-	(13,888)
Increase (Decrease) in				
Accrued Compensated Absences	(4,054)	(3,044)	(3,495)	(10,593)
Increase (Decrease) in Deferred Inflows	(1,054,641)	(114,538)	(140,961)	(1,310,140)
Increase (Decrease) in Net				
Pension Liability/Asset	1,559,974	337,112	349,272	2,246,358
Increase (Decrease) in Net OPEB Liability	(61,968)	(2,454)	(22,318)	(86,740)
Total Adjustments	<u>1,601,849</u>	<u>(10,468)</u>	<u>449,980</u>	<u>2,041,361</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,539,094</u>	<u>\$ (340,174)</u>	<u>\$ 182,478</u>	<u>\$ 3,381,398</u>
<u>Non-Cash Capital and Financing Activities</u>				
Contributed Capital Assets	<u>\$ 161,894</u>	<u>\$ -</u>	<u>\$ 15,839</u>	<u>\$ 177,733</u>

See accompanying notes.

**CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022**

	Defined Benefit Pension Trust Fund
Assets	
Cash and Cash Equivalents	\$ 152,435
Contributions Receivable	740,993
Investments, at Fair Value:	
Common Funds, Equity	39,392,255
Common Funds, Bonds	13,823,187
Other Investments	7,758,420
Total Investments	60,973,862
Total Assets	61,867,290
Liabilities	
Accounts Payable	68,211
Net Position	
Net Position Restricted for Pensions	\$ 61,799,079

See accompanying notes.

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	Defined Benefit Pension Trust Fund
Additions	
Contributions:	
Employer	\$ 2,610,139
Plan Members	226,793
Total Contributions	2,836,932
Investment Income:	
Net Increase (Decrease) in Fair Value of Investments	(10,320,048)
Interest	1,678,875
Investment-Related Expenses	(353,039)
Net Investment Income	(8,994,212)
Total Additions	(6,157,280)
 Deductions	
Benefits	4,425,331
Administrative Expenses	71,691
Total Deductions	4,497,022
 Change in Net Position	(10,654,302)
 Net Position, Beginning of Year	72,453,381
 Net Position, End of Year	\$ 61,799,079

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

CITY OF WINTER SPRINGS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

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

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary 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.

CITY OF WINTER SPRINGS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The government reports the following funds:

■ **Major Governmental Funds**

- *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.
- *Road Improvements Special Revenue Fund* - accounts for collected one-cent sales tax revenues restricted for use for transportation, safety, capacity, and infrastructure consistent with Section 212.055, Florida Statutes.
- *Solid Waste/Recycling Special Revenue Fund* - accounts for proceeds from billed solid waste and recycling services performed by contract vendors. Proceeds are committed to pay monthly vendor charges for providing solid waste and recycling services.
- *American Rescue Plan Act (ARPA) Fund* - accounts for the collection and expenditures of the Coronavirus State and Local Recovery Funds, a part of the ARPA.

■ **Non-Major Governmental Fund Types**

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

CITY OF WINTER SPRINGS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

- *Debt Service Funds* - account for the accumulation of resources for and the payment of principal and interest on certain general governmental obligations.
- *Capital Projects Funds* - account for financial resources segregated for the acquisition or construction of major capital facilities.

■ **Major Proprietary Funds**

- *Water and Sewer Utility Fund* - 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.
- *Development Services Fund* - used to account for the operations of the City's building and other permits department, where the costs, including depreciation, of providing services to the general public are financed primarily through user charges.
- *Stormwater Utility Fund* - used to account for the City's operation and maintenance of the stormwater system, where the costs, including depreciation, of providing services to the general public are financed primarily through user charges.

■ **Fiduciary Fund**

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water, sewer, and stormwater utility funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating 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.

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Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

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 less than 2 years from the date of acquisition.

Investments for the City are reported at fair value and are categorized within the fair value hierarchy established in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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

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

All property is reassessed according to its fair value on the lien date, or January 1 of each year. Taxes are levied on October 1 of each year. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. On or around May 31 following the tax year, certificates are sold for all delinquent taxes on real property.

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These are recorded as expenditures when consumed rather than when purchased.

Leases

As described further in Note 16, the City is a lessor for non-cancellable leases of its cell towers. In accordance with both agreements, the City recognizes a lease receivable and deferred inflow of resources. The City recognizes lease receivables for leases with a term greater than 12 months. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced

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by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Restricted Assets

Certain proceeds of the City’s enterprise fund revenue bonds and notes, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position 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 statement of net position.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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 expensed as incurred.

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

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

Compensated Absences

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

CITY OF WINTER SPRINGS, FLORIDA
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Long-Term Obligations

In the government-wide financial statements, and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts (including deep-discount or capital appreciation bonds), are deferred and amortized over the life of the bonds and notes using the effective interest method. Bonds payable and notes payable are reported net of the applicable bond premium or discount.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The deferred charge on refunding and deferred outflows of pension and OPEB reported in the enterprise and government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: county taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows of pension and OPEB reported in the enterprise and government-wide statement of net position.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are

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considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

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

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

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

The General Fund is the only fund that reports a positive unassigned fund balance. However, in other governmental funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

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

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

Bonds Payable	\$	(2,315,528)
Accreted Interest Payable		(5,907,407)
Notes Payable		(831,298)
Less: Deferred Charge on Refunding (to Be Amortized as Interest Expense)		7,432
Compensated Absences		<u>(491,212)</u>
Net Adjustment to Reduce Fund Balance, Total Governmental Funds to Arrive at Net Position, Governmental Activities	\$	<u>(9,538,013)</u>

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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 position 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 difference are as follows:

Capital Outlay	\$	2,198,844
Depreciation Expense		(5,272,850)
Net Adjustment to Decrease Net Changes in Fund Balances, Total Governmental Funds to Arrive at Changes in Net Position, Governmental Activities		\$ (3,074,006)

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 position. Also, governmental funds report the effect of 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 difference are as follows:

Principal Repayment	\$	573,180
Net Adjustment to Increase Net Changes in Fund Balances, Total Governmental Funds to Arrive at Changes in Net Position, Governmental Activities		\$ 573,180

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 difference are as follows:

Compensated Absences	\$	84,592
Amortization of Loss on Refunding		(929)
Accrued Interest Payable		16,782
Other Postemployment Benefits		13,763
Accreted Interest Payable		(481,466)
Net Adjustment to Decrease Net Changes in Fund Balance, Total Governmental Funds to Arrive at Changes in Net Position, Governmental Activities		\$ (367,258)

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

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

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1. On or before July 1 of each year, the City Manager submits a proposed budget to the City Commission for the fiscal year beginning the following October 1. The budget includes proposed revenues, expenditures, and a description of capital activities for the ensuing fiscal year.
2. The City Commission then holds informal workshops, wherein the public is invited to attend.
3. On or before September 30 of each year, two public hearings are convened, and the Commission establishes the ad valorem tax millage followed by the adoption of the final budget.
4. The budget may be formally amended by the City Commission at any time. Budgeted amounts presented in the accompanying financial statements have been adjusted for any legally authorized revisions of the annual budgets during the year.
5. The City Manager is authorized to transfer budgeted amounts between accounts within a department. At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriations among programs within one department. The legal level of budgetary control is the departmental level.

Deficit Fund Balances

The American Recovery Plan Act Special Revenue Fund has a deficit balance of \$115,018 at September 30, 2022, due to the allocation of investment losses from pooled cash and investments.

As a result of the internal loan, the Tuscawilla Phase III Special Revenue Fund has a deficit fund balance of \$33,077 at September 30, 2022.

The TLBD Debt Service Fund has a deficit fund balance of \$84,189 at September 30, 2022, due to an advance debt payment being made during the year then ended.

Note 4 - Deposits and Investments

Deposits

All bank deposits were covered by Federal Depository Insurance or held in banks that are members of the State of Florida's Collateral Pool as specified under Florida law. Florida Statutes provide for collateral pooling by banks and savings and loans. This limits local government deposits to "authorized depositories".

Investments

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

1. Florida Local Government Surplus Funds Trust Fund Investment Pool (SBA LGIP)
2. U.S. Government Securities
3. U.S. Government Agency Securities
4. Federal Instrumentalities (U.S. Government Sponsored Agencies)

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5. Interest-Bearing Time Deposit or Savings Deposit
6. Repurchase Agreements
7. Commercial Paper
8. Bankers' Acceptances
9. State and/or Local Government and/or Tax-Exempt Debt
10. Registered Investment Companies (Money Market Mutual Funds)
11. Intergovernmental Investment Pool

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

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that the bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Depositories Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2022, all of the City's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2022, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk

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

Interest Rate Risk

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

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement

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date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The City uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances, which may include the City's own data in measuring unobservable inputs.

The City has the following recurring fair value measurements as of September 30, 2022:

<u>Investments Valued by Fair Value</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Commercial Paper	\$ 18,707,454	\$ -	\$ 18,707,454
U.S. Treasury Notes	37,718,309	37,718,309	-
Collateralized Mortgage Obligations	867,932	-	867,932
Commercial Mortgage-Backed Securities	985,252	-	985,252
Consumer Asset Backed Securities	1,896,493	-	1,896,493
Commercial Asset Backed Securities	282,474	-	282,474
Other U.S. Credit	15,986,902	-	15,986,902
Municipal Credit	1,630,564	-	1,630,564
Federal Agency Bonds	8,153,016	-	8,153,016
	<u>\$ 86,228,396</u>	<u>\$ 37,718,309</u>	<u>\$ 48,510,087</u>

Investments held by the City at September 30, 2022, are detailed below.

<u>Investments</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
Commercial Paper	\$ 18,707,454	N/A	111 days
U.S. Treasury Notes	37,718,309	AA+	377 days
Collateralized Mortgage Obligations	867,932	AA+	701 days
Commercial Mortgage-Backed Securities	985,252	AA+	518 days
Consumer Asset Backed Securities	1,896,493	AAA-N/A	1,077 days
Commercial Asset Backed Securities	282,474	N/A	989 days
Other U.S. Credit	15,986,902	AA-BBB+	420 days
Municipal Credit	1,630,564	AAA-N/A	349 days
Federal Agency Bonds	8,153,016	AA+	229 days
	<u>\$ 86,228,396</u>		

Investments: Pension Funds

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

CITY OF WINTER SPRINGS, FLORIDA
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1. Equities traded on a national exchange
2. Fixed income investments having a minimum rating of investment grade or higher as determined by at least one major credit rating service
3. Money market fund or short-term investment fund provided by the plan’s custodian
4. Real estate limited to commingled funds
5. Alternatives
6. Foreign securities limited to fully and easily negotiable securities or commingled funds with investments in such securities
7. Commingled funds/mutual funds and exchange traded funds

The investments held by the City’s Pension Trust Fund at September 30, 2022, are detailed below:

<u>Investments</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Equity Mutual Funds	\$ 39,392,255	\$ 39,392,255	\$ -	\$ -
Bond Mutual Funds	13,823,187	-	13,823,187	-
Real Estate Investment Trusts	6,430,611	-	-	6,430,611
Other Investments	<u>1,327,809</u>	<u>-</u>	<u>1,327,809</u>	<u>-</u>
Total Investments	<u>60,973,862</u>	<u>\$ 39,392,255</u>	<u>\$ 15,150,996</u>	<u>\$ 6,430,611</u>
Cash and Cash Equivalents	<u>152,435</u>			
Total Cash and Investments	<u>\$ 61,126,297</u>			

Credit Risk

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

Custodial Credit Risk

Custodial risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2022, none of the Trust investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

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Concentration of Credit Risk

The City's Trust investment policy requires diversification, and places limits on the percentage of funds that may be invested with an individual issuer and type of investment. The policy limits an individual issuer of common or capital stock to no more than 5% of the fund's assets; the aggregate investment in any one stock issuing company to no more than 5% of the outstanding capital stock of the company; and the value of bonds issued by any single corporation to no more than 3% of the total fund. The policy limits investments in corporate common stock and convertible bonds to no more than 75% of the fund assets at market value; foreign securities to no more than 20% of fund assets at market value; and alternative investments, such as timber and real estate, to no more than 15% of the fund assets at market value. At September 30, 2022, there were no security investments in the Trust that were over their respective limitations.

Interest Rate Risk

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

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

Note 5 - Receivables

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

<u>Fund</u>	<u>Accounts Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
General	\$ 189,848	\$ (510)	\$ 189,338
Road Improvements Special Revenue	754	-	754
Solid Waste/Recycling Special Revenue	156,408	(11,884)	144,524
Other Governmental Funds	28,749	-	28,749
Water and Sewer Utility	575,693	(60,584)	515,109
Stormwater Utility	74,702	(19,420)	55,282
	<u>\$ 1,026,154</u>	<u>\$ (92,398)</u>	<u>\$ 933,756</u>

There is an amount of \$754 included in accounts receivable above in the Road Improvements Special Revenue Fund that is not considered to be available to liquidate liabilities of the current period. There are also special assessments receivable of \$873,631 that are not available to liquidate liabilities of the current period. These receivables are reported as deferred inflows of resources in the governmental funds balance sheet.

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Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 10,341,976	\$ -	\$ -	\$ 10,341,976
Construction in Progress	1,889,774	1,574,365	(2,807,587)	656,552
Total Capital Assets, Not Being Depreciated	<u>12,231,750</u>	<u>1,574,365</u>	<u>(2,807,587)</u>	<u>10,998,528</u>
Capital Assets, Being Depreciated:				
Buildings	15,869,878	9,791	-	15,879,669
Improvements	15,574,071	371,360	-	15,945,431
Intangible Assets	1,167,464	-	-	1,167,464
Machinery and Equipment	11,100,780	883,538	(276,578)	11,707,740
Infrastructure	74,451,724	2,131,010	-	76,582,734
Total Capital Assets, Being Depreciated	<u>118,163,917</u>	<u>3,395,699</u>	<u>(276,578)</u>	<u>121,283,038</u>
Less Accumulated Depreciation for:				
Buildings	(8,475,321)	(530,337)	-	(9,005,658)
Improvements	(8,861,167)	(683,572)	-	(9,544,739)
Intangible Assets	(1,153,434)	(8,767)	-	(1,162,201)
Machinery and Equipment	(7,942,265)	(1,077,049)	269,775	(8,749,539)
Infrastructure	(46,493,624)	(2,973,125)	-	(49,466,749)
Total Accumulated Depreciation	<u>(72,925,811)</u>	<u>(5,272,850)</u>	<u>269,775</u>	<u>(77,928,886)</u>
Total Capital Assets, Being Depreciated, Net	<u>45,238,106</u>	<u>(1,877,151)</u>	<u>(6,803)</u>	<u>43,354,152</u>
Governmental Activities Capital Assets, Net	<u>\$ 57,469,856</u>	<u>\$ (302,786)</u>	<u>\$ (2,814,390)</u>	<u>\$ 54,352,680</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 7,170,177	\$ -	\$ -	\$ 7,170,177
Construction in Progress	3,551,831	1,808,221	(1,238,811)	4,121,241
Total Capital Assets, Not Being Depreciated	<u>10,722,008</u>	<u>1,808,221</u>	<u>(1,238,811)</u>	<u>11,291,418</u>
Capital Assets, Being Depreciated:				
Buildings	2,281,497	-	-	2,281,497
Improvements	70,546,380	1,406,152	-	71,952,532
Intangible Assets	393,919	19,412	-	413,331
Machinery and Equipment	10,222,539	154,339	(59,620)	10,317,258
Total Capital Assets, Being Depreciated	<u>83,444,335</u>	<u>1,579,903</u>	<u>(59,620)</u>	<u>84,964,618</u>
Less Accumulated Depreciation for:				
Buildings	(911,494)	(61,072)	-	(972,566)
Improvements	(47,047,956)	(1,894,475)	-	(48,942,431)
Intangible Assets	(298,371)	(37,736)	-	(336,107)
Machinery and Equipment	(5,198,930)	(632,922)	59,620	(5,772,232)
Total Accumulated Depreciation	<u>(53,456,751)</u>	<u>(2,626,205)</u>	<u>59,620</u>	<u>(56,023,336)</u>
Total Capital Assets, Being Depreciated, Net	<u>29,987,584</u>	<u>(1,046,302)</u>	<u>-</u>	<u>28,941,282</u>
Business-Type Activities Capital Assets, Net	<u>\$ 40,709,592</u>	<u>\$ 761,919</u>	<u>\$ (1,238,811)</u>	<u>\$ 40,232,700</u>

**CITY OF WINTER SPRINGS, FLORIDA
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Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
General Government	\$ 548,103
Public Safety	385,377
Physical Environment	3,388,169
Culture and Recreation	<u>951,201</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 5,272,850</u>
Business-Type Activities	
Water and Sewer	\$ 2,170,405
Development Services	419,417
Stormwater	<u>36,383</u>
Total Depreciation Expense, Business-Type Activities	<u>\$ 2,626,205</u>

Note 7 - Long-Term Debt

Revenue Bonds - Public Offering

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

The 1999 Improvement Refunding Bonds are secured by Electric Franchise fees and Public Service tax revenue. The total principal and interest remaining to be paid on this series is \$10,200,000. For the fiscal year, principal and interest paid (including accreted interest) on this series was \$1,275,000, and total pledged revenue was \$7,187,752.

The 2000 Water and Sewer Refunding bonds are secured by net revenue from the water and sewer system. The total principal and interest remaining to be paid on this series is \$15,000,000. For the fiscal year, the principal and interest paid on this series was \$1,340,000, and total pledged net revenue was \$4,616,375.

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

	Interest Rates and Dates	Maturity	Original Amount	Balance September 30, 2022
Governmental Activities				
Improvement Refunding Revenue Bonds Series 1999 (Excludes \$5,907,407 of Accreted Interest on Capital Appreciation Bonds)	3.25%-5.25% (4/1 and 10/1)	10/1/2020 to 10/1/2029	\$ 7,998,970	\$ 2,315,528
Total			\$ 7,998,970	\$ 2,315,528

**CITY OF WINTER SPRINGS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

	<u>Interest Rates and Dates</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Balance September 30, 2020</u>
Business-Type Activities				
Water and Sewer Refunding Revenue Bonds Series 2000 (Excludes \$8,566,669 of Accreted Interest on Capital Appreciation Bonds)	4.5%-5.5% (4/1 and 10/1)	10/1/2022 to 10/1/2030	\$ <u>6,969,191</u>	\$ <u>3,396,694</u>
Total				\$ <u>3,396,694</u>

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

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 350,893	\$ 924,107	\$ 522,638	\$ 1,352,363
2024	331,130	943,870	490,931	1,384,069
2025	312,413	962,587	460,950	1,414,050
2026	295,456	979,544	432,638	1,442,363
2027	278,677	996,323	405,919	1,469,081
2028-2031	<u>746,959</u>	<u>3,078,041</u>	<u>1,083,618</u>	<u>4,541,380</u>
	<u>\$ 2,315,528</u>	<u>\$ 7,884,472</u>	<u>\$ 3,396,694</u>	<u>\$ 11,603,306</u>

Notes Payable - Direct Borrowing

The 2011 Special Assessment Revenue Refunding Note is secured by a first lien and pledge of assessments levied on the property within the assessed area. The agreement provides for total funding of \$1,675,000. The note period is for 18 years with an interest rate of 3.25% payable semiannually. The total principal and interest remaining to be paid on this series is \$929,317. For the fiscal year, principal and interest paid on this series was \$248,556, and total pledged revenue was \$138,363.

The 2016 Water and Sewer System Revenue Refunding Note Payable is secured by net revenue from the water and sewer system. The agreement provides for total funding of \$6,497,000. The note period is for 4 years with an interest rate of 1.34% payable semiannually. Net revenues are calculated using system gross revenues less any expenses paid for operation and maintenance. The Loan was paid off in full this fiscal year. For the fiscal year, principal and interest paid was \$194,000 and total pledged revenue was \$4,616,375.

The 2020 Water and Sewer System Revenue Refunding Note Payable was issued in October 2020 and is secured by net revenue from the water and sewer system. Net revenues are calculated using system gross revenues less any expenses paid for operation and maintenance. This Revenue Refunding Note Payable was used to refund the 2018 Water and Sewer System Revenue Refunding Note Payable and 2013 Clean Water State Revolving Fund (SRF) Loan. The agreement provides for total funding of \$3,063,000.

The note period is for 12 years with an interest rate of 1.72% payable semiannually. The total principal and interest remaining to be paid on this series is \$3,111,858. For the fiscal year, principal and interest paid was \$303,015 and total pledged revenue was \$4,616,375.

**CITY OF WINTER SPRINGS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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In the event of default, the note holders may make the outstanding amounts due and payable immediately.

In 2017, the City executed the Drinking Water State Revolving Fund Construction Loan agreement DW590610 for Water Treatment Plant Water Quality Improvements. The agreement provides for total funding of \$5,862,732. The loan period is for 20 years with an interest rate of .72%. The note is secured by gross revenues from the water and sewer utility net of operations and maintenance costs. The principal and interest remaining to be paid on this series is \$4,802,252. For the fiscal year, principal and interest paid on this series was \$320,150, and total pledged net revenue was \$4,616,375.

In the event of default on the State Revolving Fund Loans, the Florida Department of Environmental Protection may cause to establish rates and collect fees, require the City to account for all moneys received and used, appoint a receiver to manage the water and sewer systems, intercept delinquent amounts plus a penalty due to the City under State Revenue Sharing, recover all amounts due including costs of collection and attorney fees, and accelerate the repayment schedule or increase the interest rate by a factor of up to 1.667%.

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

Governmental Activities

Special Assessment Refunding Revenue Note, Series 2011 - Payable
in Annual Principal Installments Starting 10/1/2012 through 10/1/2029
and Interest Paid Semiannually at 3.25% \$ 831,298

Business-Type Activities

2017 SRF Loan - Payable in Semiannual Principal and Interest Installments
Starting 12/15/2017 through 6/15/2037, with Interest Paid Semiannually at .72% \$ 4,544,276

Water and Sewer System Revenue Refunding Note, Series 2020 - Payable
in Annual Principal Installments Starting 10/15/2020 through 10/1/2032
with Interest Paid Semiannually at 1.72% 2,794,956

\$ 7,339,232

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

Year Ending September 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ -	\$ -	\$ 333,949	\$ 56,238
2024	105,408	25,304	429,026	76,616
2025	113,321	21,750	433,117	72,116
2026	115,967	18,024	438,225	67,567
2027	118,435	14,215	443,347	62,950
2028-2032	378,167	18,725	3,638,107	107,637
2033-2037	-	-	1,623,461	31,708
	<u>\$ 831,298</u>	<u>\$ 90,018</u>	<u>\$ 7,339,232</u>	<u>\$ 474,832</u>

**CITY OF WINTER SPRINGS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable - Revenue Bonds	\$ 2,687,292	\$ -	\$ (371,764)	\$ 2,315,528	\$ 350,893
Accreted Interest Payable	6,329,177	481,466	(903,236)	5,907,407	924,107
Notes Payable - Direct Borrowing:					
Capital Improvement Notes	1,032,729	-	(201,431)	831,298	-
Other Postemployment Benefits	1,271,349	-	(401,569)	869,780	-
Net Pension Liability	-	6,275,832	-	6,275,832	-
Compensated Absences	575,804	536,682	(621,274)	491,212	98,242
Governmental Activity Long-Term Liabilities	\$ 11,896,351	\$ 7,293,980	\$ (2,499,274)	\$ 16,691,057	\$ 1,373,242
Business-Type Activities					
Bonds Payable - Revenue Bonds	\$ 3,794,191	\$ -	\$ (397,497)	\$ 3,396,694	\$ 522,638
Accreted Interest Payable	8,789,493	719,678	(942,503)	8,566,668	1,352,363
Notes Payable - Direct Borrowing:					
Revenue Notes	3,215,956	-	(421,000)	2,794,956	46,000
SRF Loans	4,830,164	-	(285,888)	4,544,276	287,949
Other Postemployment Benefits	297,972	-	(86,740)	211,232	-
Net Pension Liability	-	1,524,136	-	1,524,136	-
Compensated Absences	56,265	91,506	(102,099)	45,672	10,756
Business-Type Activity Long-Term Liabilities	\$ 20,984,041	\$ 2,335,320	\$ (2,235,727)	\$ 21,083,634	\$ 2,219,706

Note 8 - Interfund Receivables, Payables and Transfers

The composition of interfund advances as of September 30, 2022, is as follows:

Receivable Fund	Payable Fund	Amount
General	Other Governmental Funds	\$ 145,178

\$39,394 of the balance due to the General Fund represents an interfund loan with the Tusawilla III Special Revenue Fund, which was established with Resolution 2013-22 in the amount of \$80,820 of which cumulative \$17,100 in prepayments were received for a net interfund loan of \$63,720. The terms of the note are an initial interest rate of 2.875% for 20 years. The interest rate is variable, with maximum increases of 1.25% in years 6-15, and 1.5% in years 16-20.

The remaining amounts due to the General Fund are cash advances to the Special Law Enforcement Trust – Federal Fund, 1999 Debt Service Fund, and the TLBD Debt Service Fund.

Interfund transfers for the year ended September 30, 2022, are summarized below:

Transfers Out	Transfers In			Total
	General Fund	Solid Waste Fund	Other Governmental Funds	
General Fund	\$ -	\$ 1,000,000	\$ 3,280,001	\$ 4,280,001
American Recovery Plan Act Fund	7,900	-	-	7,900
Water and Sewer Utility Fund	546,702	-	-	546,702
	\$ 554,602	\$ 1,000,000	\$ 3,280,001	\$ 4,834,603

**CITY OF WINTER SPRINGS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Interfund transfers for the year ended September 30, 2022, are detailed below:

<u>Recipient Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	\$ 7,900	Transfer from ARPA Fund for a Broadband Study.
General Fund	546,702	Transfer from Water and Sewer Utility Fund for utility billing.
Solid Waste Fund	1,000,000	Transfer from General Fund for Hurricane Ian clean-up.
Transportation Improvement Fund	2,000,000	Transfer from General Fund for road work.
1999/2011 Debt Service	<u>1,280,001</u>	Transfer from General Fund for annual debt service requirements.
	<u>\$ 4,834,603</u>	

Note 9 - Defined Benefit Pension Plan

Plan Description

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

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

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

Plan Membership

At September 30, 2022, plan membership consisted of the following:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	151
Inactive Plan Members Entitled to But Not	
Yet Receiving Benefits	162
Active Plan Members	<u>69</u>
	<u><u>382</u></u>

Benefits Provided

For Firefighters, Police Officers, and Forensic Professionals, 3% times final average compensation multiplied by accrual service up to a maximum of 30 years. For General Employees, 3% times accrual service earned through September 30, 2011, times final average compensation plus 2.5% times accrual service earned after September 30, 2011, times final average compensation, up to a maximum of 30 years of accrual service.

**CITY OF WINTER SPRINGS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Contributions

Contribution requirements of plan members and the City are established and may be amended by the City Commission. The Plan currently requires employees to contribute 5% of their salary.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2022, and the net pension liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022. The components of the net pension liability of the sponsor on September 30, 2022, were as follows:

Total Pension Liability	\$ (69,610,645)
Plan Fiduciary Net Position	<u>61,810,677</u>
Sponsor's Net Pension Liability	<u><u>\$ (7,799,968)</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.79%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2021, updated to September 30, 2022, using the following actuarial assumptions:

Inflation	2.75%
Salary Increases	3.0% - 4.5%
Investment Rate of Return	7.4%

For healthy General Employee participants postemployment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for male, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018 was used.

For healthy Firefighter, Police Officer, and Forensic Professional participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018 was used.

For healthy Firefighter, Police Officer, and Forensic Professional participants postemployment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018 was used.

For disabled General Employee participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018 was used.

For disabled Firefighter, Police Officer, and Forensic Professional participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018 was used.

**CITY OF WINTER SPRINGS, FLORIDA
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity	50%	7.5%
International Equity	15%	8.5%
Domestic Bonds	15%	2.5%
International Bonds	10%	4.5%
Real Estate	10%	6.24%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position* (b)</u>	<u>Net Pension Liability (Asset) (a)-(b)</u>
Balances at September 30, 2021	\$ 68,457,598	\$ 72,453,381	\$ (3,995,783)
Changes for a Year:			
Service Cost	370,884	-	370,884
Interest	4,948,720	-	4,948,720
Differences Between Expected and Actual Experience	258,774	-	258,774
Contributions - Employer	-	2,734,292	(2,734,292)
Contributions - Employee	-	215,136	(215,136)
Net Investment Income	-	(9,095,110)	9,095,110
Benefit Payments, Including Refunds of Employee Contributions	(4,425,331)	(4,425,331)	-
Administrative Expense	-	(71,691)	71,691
Net Changes	<u>1,153,047</u>	<u>(10,642,704)</u>	<u>11,795,751</u>
Balances at September 30, 2022	<u>\$ 69,610,645</u>	<u>\$ 61,810,677</u>	<u>\$ 7,799,968</u>

*The figures in the table vary from the Statement of Changes in Fiduciary Net Position due to the timing of receipts and disbursements in the Plan.

**CITY OF WINTER SPRINGS, FLORIDA
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Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
Net Pension Liability (Asset)	\$ 15,468,924	\$ 7,799,968	\$ 1,347,416

Deferred Outflows and Inflows of Resources

For the year ended September 30, 2022, the City recognized pension expense of \$1,615,371. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 97,040	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,683,721	-
	\$ 5,780,761	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,		
2023	\$	1,380,260
2024		743,679
2025		776,943
2026		2,879,879
	\$	5,780,761

Note 10 - Defined Contribution Plan

In March 2012, the City established the Winter Springs Defined Contribution Plan (General Plan) as a defined contribution plan covering all full-time employees of the City hired after October 1, 2011, not eligible to participate in the Defined Benefit Pension Plan. The plan is authorized and may be amended by the City Commission. The City makes employer contributions of 5% (no mandatory employee contribution) and will match an employee's 457 deferred contribution, dollar for dollar, up to 2.5% of employee's salary. Employees are eligible to participate in the General Plan after 6 months of employment. Vesting is 0% until at least 2 years, 40% at the end of year 2, 60% at the end of year 3, 80% at the end of year 4, and 100% at the end of year 5. Benefits are available upon termination subject to IRS regulations, regardless of age, based on vested years of service. Normal retirement age has been designated by the employer as age 65.

For the fiscal year ended September 30, 2022, employer contributions required and made were \$191,009. As of September 30, 2022, participation in the plan consisted of 83 active members. During the year, the General Plan held no securities issued by the employer.

**CITY OF WINTER SPRINGS, FLORIDA
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SEPTEMBER 30, 2022**

Note 11 - Other Postemployment Benefits

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

As of October 1, 2019, the valuation date, there were 142 active employees and 39 inactive employees or beneficiaries currently receiving benefits. The OPEB liability of \$1,081,012 was measured as of October 1, 2021, and was determined by the actuarial valuation. The covered payroll was \$7,373,675, and the ratio of net OPEB liability as a percentage of covered payroll was 14.66%.

Summary of Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The OPEB Liability and Related Ratios Schedule, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time.

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

The Total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Healthcare Cost Trend Rates	Based on the Getzen Model, starting at 6.5%, gradually decreasing to an ultimate rate of 3.7% in 2042.
Valuation Date	October 1, 2021
Measurement Date	October 1, 2021
Actuarial Cost Method	Entry Age Normal
Discount Rate	2.19%
Inflation Rate	2.50%
Salary Rate Increase	3.00%-4.50%
Retiree’s Share of Benefit Related Costs	100% of blended health insurance premium rates except by law 0% for certain conditions for police officers’ death and disability benefits.

**CITY OF WINTER SPRINGS, FLORIDA
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Below are the details regarding the total OPEB liability for the measurement period from October 1, 2020 to September 30, 2021:

	Total OPEB Liability
Balance as of September 30, 2020	\$ 1,569,321
Changes for the Year:	
Service Cost	64,604
Interest	39,230
Difference Between Expected and Actual Experience	(577,243)
Changes of Assumptions and Other Inputs	24,355
Benefit Payments	(39,255)
Net Changes	(488,309)
Balances as of September 30, 2021	\$ 1,081,012

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (1.19%)	Discount Rate (2.19%)	1% Increase (3.19%)
Total OPEB Liability	\$ 1,270,626	\$ 1,081,012	\$ 929,984

The following presents the total OPEB liability of the City using the 2022 healthcare cost trend rate of 6.5% to 3.7%, as well as what the City's OPEB liability would be if it were calculated using healthcare trend rates that were 1 percentage point lower and 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (5.5% to 2.7%)	Current Trend (6.5% to 3.7%)	1% Increase (7.5% to 4.7%)
Total OPEB Liability	\$ 989,199	\$ 1,081,012	\$ 1,198,861

For the fiscal year ended September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ (640,023)
Changes of Assumption or Other Inputs	282,865	(31,120)
Contributions Subsequent to the Measurement Date	35,135	-
Total	\$ 318,000	\$ (671,143)

**CITY OF WINTER SPRINGS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

The deferred outflows of resources related to OPEB, totaling \$35,135, resulting from City contributions to the OPEB plan subsequent to the measurement date, will be recognized as a reduction of the OPEB liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending September 30,</u>		
2023	\$	(82,098)
2024		(82,098)
2025		(82,096)
2026		(71,724)
2027		(67,886)
Thereafter		<u>(2,376)</u>
	\$	<u><u>(388,278)</u></u>

Summary of Benefits

OPEB - The City of Winter Springs provides optional postemployment healthcare and dental insurance coverage to eligible individuals.

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

Choice of Healthcare Plans - Eligible individuals may choose healthcare coverage under the United Healthcare Medical Plans 5 or 6.

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

Note 12 - Deferred Compensation Plan

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

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

Note 13 - 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.

CITY OF WINTER SPRINGS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 14 - Commitments and Contingencies

Grants

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

Litigation

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

Commitments Under Construction Contracts

At September 30, 2022, the City had entered into construction contracts in the amount of \$2,485,916.

Transportation Impact Fee Credits

The City has entered into a number of agreements with developers under which the developer donates transportation infrastructure improvements or rights of way to the City and receives credit for future transportation impact fee payments. As of September 30, 2022, there are no remaining impact fee credits.

Anticipated Cost of Wastewater Treatment System Replacement

In the coming fiscal years, the wastewater treatment system requires replacement, which will be a large construction cost the City is responsible for funding. As of the date the financial statements were issued, the total anticipated cost of this project is \$100 million and will be funded using American Recovery Plan Act revenues and financing options available to the City in the coming fiscal years.

Note 15 - Fund Balance

Minimum Fund Balance Policy

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

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

**CITY OF WINTER SPRINGS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

At September 30, 2022, the City's governmental fund balances were as follows:

	<u>General Fund</u>	<u>Road Improvements Fund</u>	<u>Solid Waste/ Recycling</u>	<u>American Recovery Plan Act</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance						
Non-Spendable:						
Inventory/Prepaid	\$ 103,001	\$ -	\$ -	\$ -	\$ -	\$ 103,001
Advances	145,178	-	-	-	-	145,178
Restricted for:						
Physical Environment	-	9,485,213	-	-	285,629	9,770,842
Transportation Improvements	-	-	-	-	4,056,628	4,056,628
Public Safety	-	-	-	-	832,754	832,754
Fire Impact Fees	-	-	-	-	2,664,591	2,664,591
Parks Improvements	-	-	-	-	644,868	644,868
Committed to:						
Solid Waste	-	-	330,317	-	-	330,317
Arbor	-	-	-	-	2,134,169	2,134,169
Transportation Improvements	-	-	-	-	2,000,000	2,000,000
Assigned to:						
Storm Reserve	-	-	2,570,479	-	-	2,570,479
Debt Service	-	-	-	-	1,266,808	1,266,808
Capital Projects	-	-	-	-	7,188,627	7,188,627
Unassigned	9,073,964	-	-	(115,018)	(117,266)	8,841,680
Total Fund Balance	<u>\$ 9,322,143</u>	<u>\$ 9,485,213</u>	<u>\$ 2,900,796</u>	<u>\$ (115,018)</u>	<u>\$ 20,956,808</u>	<u>\$ 42,549,942</u>

Note 16 - Leases

During fiscal year 2022, the City adopted GASB Statement No. 87, *Leases*. The statement requires that all long-term, non-cancelable leases of the lessor be recorded as a lease receivable on the balance sheet with a corresponding deferred inflow of resources, both of which will be reduced over the life of the lease agreement. Management has reviewed all applicable leases and has implemented this standard.

The City, as lessor, leases its cell towers to various private companies. The lease terms range from 29 to 31 years, including the non-cancelable period of the lease and extensions the City is reasonably certain to exercise and vary with each contract. The agreements allow for a 5% annual increase to the lease payments on the anniversary of the agreement. During the fiscal year, the City recognized \$129,759 in interest income related to these agreements. At September 30, 2022, the City recognized \$4,339,581 in lease receivables for these agreements. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease terms. At September 30, 2022, the balance of deferred inflows of resources was \$4,176,708.

Note 17 - Subsequent Event

On December 11, 2023, the City Commission approved a contract with Carollo Engineers for engineering services on the required replacement of east and west wastewater treatment facilities in the amount of \$12.9 million. This project will cover multiple fiscal years, and in total will end up costing the City approximately \$100 million to meet current and future community growth.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WINTER SPRINGS, FLORIDA
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
PLAN RETIREE CONTINUATION INSURANCE PLAN
YEAR ENDED SEPTEMBER 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 64,604	\$ 61,772	\$ 60,410	\$ 62,209	\$ 105,694
Interest	39,230	42,084	57,351	52,706	38,973
Differences Between Expected and Actual Experience	(577,243)	-	(249,780)	-	(9,706)
Changes in Assumptions	24,355	12,587	211,887	(72,616)	212,072
Benefit Payments	<u>(39,255)</u>	<u>(42,189)</u>	<u>(43,183)</u>	<u>(54,750)</u>	<u>(55,000)</u>
Net Change in Total OPEB Liability	(488,309)	74,254	36,685	(12,451)	292,033
Total OPEB Liability, Beginning of Year	<u>1,569,321</u>	<u>1,495,067</u>	<u>1,458,382</u>	<u>1,470,833</u>	<u>1,178,800</u>
Total OPEB Liability, End of Year	<u>\$ 1,081,012</u>	<u>\$ 1,569,321</u>	<u>\$ 1,495,067</u>	<u>\$ 1,458,382</u>	<u>\$ 1,470,833</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	\$ 7,373,675	\$ 6,979,027	\$ 6,870,391	\$ 7,190,589	\$ 7,049,660
Net OPEB Liability as a Percentage of Covered Payroll	14.66%	22.49%	21.76%	20.28%	20.86%

Notes to Schedule

Ten years of data will be presented as available.

CITY OF WINTER SPRINGS, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED SEPTEMBER 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability									
Service Cost	\$ 370,884	\$ 390,407	\$ 401,950	\$ 472,736	\$ 502,667	\$ 697,459	\$ 808,281	\$ 834,402	\$ 886,819
Interest	4,948,720	4,858,742	4,736,276	4,693,091	4,452,760	4,229,901	4,059,813	3,851,130	3,666,120
Differences Between Expected and Actual Experience	258,774	661,000	569,125	1,281,355	124,345	(592,087)	275,994	(107,513)	(581,481)
Changes of Assumptions	-	691,291	479,182	-	2,531,601	526,115	-	8,107	-
Benefit Payments, Including Refunds of Employee Contributions	(4,425,331)	(4,119,650)	(3,821,626)	(3,276,412)	(2,935,206)	(2,679,408)	(2,450,972)	(2,202,769)	(1,974,208)
Net Change in Total Pension Liability	<u>1,153,047</u>	<u>2,481,790</u>	<u>2,364,907</u>	<u>3,170,770</u>	<u>4,676,167</u>	<u>2,181,980</u>	<u>2,693,116</u>	<u>2,383,357</u>	<u>1,997,250</u>
Total Pension Liability, Beginning	<u>68,457,598</u>	<u>65,975,808</u>	<u>63,610,901</u>	<u>60,440,131</u>	<u>55,763,964</u>	<u>53,581,984</u>	<u>50,888,868</u>	<u>48,505,511</u>	<u>46,508,261</u>
Total Pension Liability, Ending (a)	<u><u>69,610,645</u></u>	<u><u>68,457,598</u></u>	<u><u>65,975,808</u></u>	<u><u>63,610,901</u></u>	<u><u>60,440,131</u></u>	<u><u>55,763,964</u></u>	<u><u>53,581,984</u></u>	<u><u>50,888,868</u></u>	<u><u>48,505,511</u></u>
Plan Fiduciary Net Position									
Contributions - Employer	2,734,292	3,052,914	3,213,927	2,924,706	2,635,968	2,605,753	2,586,936	2,392,948	2,527,508
Contributions - Employee	215,136	208,098	217,975	265,688	460,745	342,209	479,257	358,106	369,500
Net Investment Income	(9,095,110)	14,813,524	4,254,000	1,437,224	5,243,193	5,851,493	4,077,452	5,160	3,885,344
Benefit Payments, Including Refunds of Employee Contributions	(4,425,331)	(4,119,650)	(3,821,626)	(3,276,412)	(2,935,206)	(2,679,408)	(2,450,972)	(2,202,769)	(1,974,208)
Administrative Expense	(71,691)	(46,494)	(32,984)	(69,023)	(64,770)	(55,697)	(28,208)	(11,937)	(159,424)
Net Change in Plan Fiduciary Net Position	<u>(10,642,704)</u>	<u>13,908,392</u>	<u>3,831,292</u>	<u>1,282,183</u>	<u>5,339,930</u>	<u>6,064,350</u>	<u>4,664,465</u>	<u>541,508</u>	<u>4,648,720</u>
Plan Fiduciary Net Position, Beginning	<u>72,453,381</u>	<u>58,544,989</u>	<u>54,713,697</u>	<u>53,431,514</u>	<u>48,091,584</u>	<u>42,027,234</u>	<u>37,362,769</u>	<u>36,821,261</u>	<u>32,172,541</u>
Plan Fiduciary Net Position, Ending (b)	<u><u>61,810,677</u></u>	<u><u>72,453,381</u></u>	<u><u>58,544,989</u></u>	<u><u>54,713,697</u></u>	<u><u>53,431,514</u></u>	<u><u>48,091,584</u></u>	<u><u>42,027,234</u></u>	<u><u>37,362,769</u></u>	<u><u>36,821,261</u></u>
Net Pension Liability, Ending (a)-(b)	<u><u>\$ 7,799,968</u></u>	<u><u>\$ (3,995,783)</u></u>	<u><u>\$ 7,430,819</u></u>	<u><u>\$ 8,897,204</u></u>	<u><u>\$ 7,008,617</u></u>	<u><u>\$ 7,672,380</u></u>	<u><u>\$ 11,554,750</u></u>	<u><u>\$ 13,526,099</u></u>	<u><u>\$ 11,684,250</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.79%	105.84%	88.74%	86.01%	88.40%	86.24%	78.44%	73.42%	75.91%
Covered Payroll*	\$ 4,346,257	\$ 4,335,802	\$ 4,334,163	\$ 4,800,755	\$ 5,342,971	\$ 5,846,735	\$ 6,671,503	\$ 7,070,355	\$ 7,369,943
Net Pension Liability as a Percentage of Covered Payroll	179.46%	-92.16%	171.45%	185.33%	131.17%	131.23%	173.20%	191.31%	158.54%
Valuation Date	10/1/2021	10/1/2020	10/1/2019	10/1/2018	10/1/2017	10/1/2016	10/1/2015	10/1/2014	10/1/2013

Notes to Schedule

Ten years of data will be presented as available.

Update procedures were used to roll forward the total pension liability to the measurement date.

*Reported payroll on which contributions to the Plan are based on guidance provided under GASB Statement No. 82.

**CITY OF WINTER SPRINGS, FLORIDA
SCHEDULE OF CONTRIBUTIONS
YEAR ENDED SEPTEMBER 30, 2022**

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution/ Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Payroll
2014	\$ 2,474,578	\$ 2,527,508	\$ (52,930)	\$ 7,369,943	34.29%
2015	2,230,908	2,392,948	(162,040)	7,070,355	33.84%
2016	2,067,445	2,586,936	(519,491)	6,671,503	38.78%
2017	1,831,495	2,605,753	(774,258)	5,846,435	44.57%
2018	1,613,548	2,635,968	(1,022,420)	5,342,971	49.34%
2019	1,484,498	2,924,706	(1,440,208)	4,800,755	60.92%
2020	1,389,125	3,213,927	(1,824,802)	4,334,163	74.15%
2021	1,251,632	3,052,914	(1,801,282)	4,335,802	70.41%
2022	1,055,047	2,734,292	(1,679,245)	4,346,257	62.91%

Notes to Schedule

Ten years of data will be presented as available.

Actuarially determined contributions are calculated as of October 1, two years prior to the fiscal year-end in which contributions are reported.

Update procedures were used to roll forward the total pension liability to the measurement date.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.00%-4.50%
Investment Rate of Return	7.40%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.

Mortality

For healthy General Employee participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for male, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy General Employee participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for male, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

CITY OF WINTER SPRINGS, FLORIDA
SCHEDULE OF CONTRIBUTIONS
YEAR ENDED SEPTEMBER 30, 2022
(Concluded)

Mortality *(Concluded)*

For healthy Firefighter, Police Officer, and Forensic Professional participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy Firefighter, Police Officer, and Forensic Professional participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled General Employee participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements.

For disabled Firefighter, Police Officer, and Forensic Professional participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Benefit Changes

2011: Plan closed to future general employees; pensionable earnings to base pay, overtime - maximum 150 hours and accrued leave balance as of July 1, 2011; vesting schedule updated; unreduced early retirement eligibility updated; final average pay updated to five year average and future service benefit accrual rate reduced for general employees.

Assumption Changes

2020: Investment return and mortality rates for disabled updated. 2019: Investment return, mortality rates and disability rates updated. 2017: Investment return, salary increase, withdrawal and retirement rates updated. 2016: Mortality rates updated. 2014: Disability rates updated.

**CITY OF WINTER SPRINGS, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
YEAR ENDED SEPTEMBER 30, 2022**

<u>Fiscal Year Ended September 30,</u>	<u>Annual Money-Weighted Rate of Return Net of Investment Expense</u>
2014	9.75%
2015	0.28%
2016	10.75%
2017	10.75%
2018	13.90%
2019	10.89%
2020	2.69%
2021	26.30%
2022	-14.02%

Notes to Schedule

Ten years of data will be presented as available.

OTHER SUPPLEMENTARY INFORMATION

**CITY OF WINTER SPRINGS, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds

Police Education Fund—This fund is used to account for the \$2.00 additional assessment on each traffic citation that is restricted for criminal justice education and training in accordance with Chapter 938.15, Florida Statutes.

Special Law Enforcement Trust Fund – Local—This fund was established to receive revenues from local sources derived from confiscated property obtained during the enforcement of illegal operations. Proceeds are restricted for law enforcement purposes.

Transportation Improvement Fund—Revenues in this fund are derived from Local Option Gasoline Tax distribution. Proceeds are restricted for road, right of way, and drainage maintenance and equipment necessary to build or maintain roads, right of ways, and drainage.

Transportation Impact Fee Fund—This fund is used to account for collected impact fees on new development which are restricted for use in funding road construction directly related to new growth.

Police Impact Fee Fund—This fund is used to account for collected impact fees on new development which are restricted for use in funding capital investment needed to maintain the level of police service directly related to new growth.

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

Parks Impact Fee Fund—This fund is used to account for collected impact fees on new development which are restricted for use in funding capital investment needed to develop and improve the parks directly related to new growth.

Arbor Fund—This fund is used to account for arbor permit revenues committed to new plantings and maintenance of trees and shrubs within the City of Winter Springs, Florida (the City).

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

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

Special Law Enforcement Trust Fund – Federal—This fund was established to receive revenues from federal sources derived from confiscated property obtained during the enforcement of illegal operations. Proceeds are restricted for law enforcement purposes. Such purposes may include drug/gang-related education, Shop with a Cop, movie, and other civic events.

Tusawilla Phase III—This fund is used to account for collected special assessments restricted for maintenance related to the Tusawilla Phases III, and repayment of advance from the General Fund.

**CITY OF WINTER SPRINGS, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS**

Debt Service Funds

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 which was refinanced in October 2011 with a private placement note payable.

1999 Debt Service Fund—This fund is used to account for the accumulation of resources and payment of principal and interest for the 1999 bond issue and Improvement Refunding Note Series 2011, which partially refunded the 1999 bond issue.

Capital Projects Funds

1999 Construction Capital Projects Fund—This fund was established for the acquisition and construction of City-owned Capital Improvements.

Revolving Rehab Capital Projects Fund—This fund was established to fund capital improvements and economic development within the City.

Public Facilities Fund—This fund was established to account for construction of additional public facilities.

Excellence in Customer Service—This fund was established to account for the acquisition of software and equipment to improve the level of customer service performance.

**CITY OF WINTER SPRINGS, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	Special Revenue			
	Police Education Fund	Special Law Enforcement Trust Fund - Local	Transportation Improvement Fund	Transportation Impact Fee Fund
Assets				
Cash and Cash Equivalents	\$ 1,844	\$ 4,272	\$ 457,401	\$ 246,807
Investments	14,038	32,527	3,482,278	1,878,988
Receivable, Net	-	-	-	-
Special Assessments Receivable	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	1,611	-	-
Total Assets	<u>15,882</u>	<u>38,410</u>	<u>3,939,679</u>	<u>2,125,795</u>
Liabilities				
Accounts Payable	-	1,342	8,846	-
Advances from Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>1,342</u>	<u>8,846</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable Revenue - Special Assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	15,882	37,068	1,930,833	2,125,795
Committed	-	-	2,000,000	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>15,882</u>	<u>37,068</u>	<u>3,930,833</u>	<u>2,125,795</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,882</u>	<u>\$ 38,410</u>	<u>\$ 3,939,679</u>	<u>\$ 2,125,795</u>

	Special Revenue			
	Police Impact Fee Fund	Fire Impact Fee Fund	Parks Impact Fee Fund	Arbor Fund
Assets				
Cash and Cash Equivalents	\$ 88,923	\$ 309,362	\$ 75,358	\$ 247,780
Investments	676,991	2,355,229	573,713	1,886,389
Receivable, Net	-	-	-	-
Special Assessments Receivable	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
Total Assets	<u>765,914</u>	<u>2,664,591</u>	<u>649,071</u>	<u>2,134,169</u>
Liabilities				
Accounts Payable	-	-	4,203	-
Advances from Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>4,203</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable Revenue - Special Assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	765,914	2,664,591	644,868	-
Committed	-	-	-	2,134,169
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>765,914</u>	<u>2,664,591</u>	<u>644,868</u>	<u>2,134,169</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 765,914</u>	<u>\$ 2,664,591</u>	<u>\$ 649,071</u>	<u>\$ 2,134,169</u>

CITY OF WINTER SPRINGS, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022
(Continued)

	Special Revenue				Total Special Revenue
	TLBD Maintenance Fund	Oak Forest Maintenance Fund	Special Law Enforcement Trust Fund - Federal	Tuscawilla Phase III	
Assets					
Cash and Cash Equivalents	\$ 25,396	\$ 13,180	\$ -	\$ 776	\$ 1,471,099
Investments	193,341	100,343	-	5,912	11,199,749
Receivable, Net	9	-	28,740	-	28,749
Special Assessments Receivable					
Restricted Assets:	-	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	1,611
Total Assets	<u>218,746</u>	<u>113,523</u>	<u>28,740</u>	<u>6,688</u>	<u>12,701,208</u>
Liabilities					
Accounts Payable	44,221	2,419	784	371	62,186
Advances from Other Funds	-	-	14,066	39,394	53,460
Total Liabilities	<u>44,221</u>	<u>2,419</u>	<u>14,850</u>	<u>39,765</u>	<u>115,646</u>
Deferred Inflows of Resources					
Unavailable Revenue - Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	174,525	111,104	13,890	-	8,484,470
Committed	-	-	-	-	4,134,169
Assigned	-	-	-	-	-
Unassigned	-	-	-	(33,077)	(33,077)
Total Fund Balances	<u>174,525</u>	<u>111,104</u>	<u>13,890</u>	<u>(33,077)</u>	<u>12,585,562</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 218,746</u>	<u>\$ 113,523</u>	<u>\$ 28,740</u>	<u>\$ 6,688</u>	<u>\$ 12,701,208</u>

	Debt Service		
	TLBD Debt Service Fund	1999 Debt Service Fund	Total Debt Service
Assets			
Cash and Cash Equivalents	\$ -	\$ 1,275,000	\$ 1,275,000
Investments	-	-	-
Receivable, Net	-	-	-
Special Assessments Receivable	873,631	-	873,631
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
Total Assets	<u>873,631</u>	<u>1,275,000</u>	<u>2,148,631</u>
Liabilities			
Accounts Payable	663	-	663
Advances from Other Funds	83,526	8,192	91,718
Total Liabilities	<u>84,189</u>	<u>8,192</u>	<u>92,381</u>
Deferred Inflows of Resources			
Unavailable Revenue -			
Special Assessments	873,631	-	873,631
Total Deferred Inflows of Resources	<u>873,631</u>	<u>-</u>	<u>873,631</u>
Fund Balances			
Restricted	-	-	-
Committed	-	-	-
Assigned	-	1,266,808	1,266,808
Unassigned	(84,189)	-	(84,189)
Total Fund Balances	<u>(84,189)</u>	<u>1,266,808</u>	<u>1,182,619</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 873,631</u>	<u>\$ 1,275,000</u>	<u>\$ 2,148,631</u>

**CITY OF WINTER SPRINGS, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022
(Concluded)**

	Capital Projects		
	1999 Construction Fund	Revolving Rehab Fund	Public Facilities Fund
Assets			
Cash and Cash Equivalents	\$ 98,181	\$ 134,172	\$ 471,780
Investments	747,471	1,021,476	3,591,754
Receivable, Net	-	-	-
Special Assessments Receivable	-	-	-
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
Total Assets	845,652	1,155,648	4,063,534
Liabilities			
Accounts Payable	-	-	40,704
Advances from Other Funds	-	-	-
Total Liabilities	-	-	40,704
Deferred Inflows of Resources			
Unavailable Revenue - Special Assessments	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances			
Restricted	-	-	-
Committed	-	-	-
Assigned	845,652	1,155,648	4,022,830
Unassigned	-	-	-
Total Fund Balances	845,652	1,155,648	4,022,830
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 845,652	\$ 1,155,648	\$ 4,063,534

	Capital Projects		Total Non-Major Governmental Funds
	Excellence in Customer Service	Total Capital Projects	
Assets			
Cash and Cash Equivalents	\$ 135,199	\$ 839,332	\$ 3,585,431
Investments	1,029,298	6,389,999	17,589,748
Receivable, Net	-	-	28,749
Special Assessments Receivable	-	-	873,631
Restricted Assets:			
Cash and Cash Equivalents	-	-	1,611
Total Assets	1,164,497	7,229,331	22,079,170
Liabilities			
Accounts Payable	-	40,704	103,553
Advances from Other Funds	-	-	145,178
Total Liabilities	-	40,704	248,731
Deferred Inflows of Resources			
Unavailable Revenue - Special Assessments	-	-	873,631
Total Deferred Inflows of Resources	-	-	873,631
Fund Balances			
Restricted	-	-	8,484,470
Committed	-	-	4,134,169
Assigned	1,164,497	7,188,627	8,455,435
Unassigned	-	-	(117,266)
Total Fund Balances	1,164,497	7,188,627	20,956,808
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,164,497	\$ 7,229,331	\$ 22,079,170

CITY OF WINTER SPRINGS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue			
	Police Education Fund	Special Law Enforcement Trust Fund - Local	Transportation Improvement Fund	Transportation Impact Fee Fund
Revenues				
Permits and Fees	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	582,467	-
Fines and Forfeitures	8,521	-	-	-
Impact Fees/Assessments	-	-	-	268,999
Investment Income/(Loss)	(173)	(734)	(29,492)	(31,905)
Miscellaneous	-	-	-	-
Total Revenues	8,348	(734)	552,975	237,094
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety	2,123	18,549	-	-
Physical Environment	-	-	365,042	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay:				
General Government	-	-	-	-
Physical Environment	-	-	5,350	40,377
Culture and Recreation	-	-	-	-
Total Expenditures	2,123	18,549	370,392	40,377
Excess (Deficiency) of Revenues Over Expenditures	6,225	(19,283)	182,583	196,717
Other Financing Sources (Uses)				
Transfers in	-	-	2,000,000	-
Total Other Financing Sources (Uses)	-	-	2,000,000	-
Net Changes in Fund Balances	6,225	(19,283)	2,182,583	196,717
Fund Balances, Beginning	9,657	56,351	1,748,250	1,929,078
Fund Balances, End	\$ 15,882	\$ 37,068	\$ 3,930,833	\$ 2,125,795

	Special Revenue			
	Police Impact Fee Fund	Fire Impact Fee Fund	Parks Impact Fee Fund	Arbor Fund
Revenues				
Permits and Fees	\$ -	\$ -	\$ -	\$ 2,193
Intergovernmental Revenues	-	-	-	-
Fines and Forfeitures	-	-	-	363,000
Impact Fees/Assessments	19,337	18,879	61,605	-
Investment Income/(Loss)	(11,959)	(41,911)	(11,256)	(30,581)
Miscellaneous	-	-	-	-
Total Revenues	<u>7,378</u>	<u>(23,032)</u>	<u>50,349</u>	<u>334,612</u>
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Physical Environment	-	-	-	124,949
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay:				
General Government	-	-	-	-
Physical Environment	-	-	-	-
Culture and Recreation	-	-	162,285	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>162,285</u>	<u>124,949</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,378</u>	<u>(23,032)</u>	<u>(111,936)</u>	<u>209,663</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	7,378	(23,032)	(111,936)	209,663
Fund Balances, Beginning	<u>758,536</u>	<u>2,687,623</u>	<u>756,804</u>	<u>1,924,506</u>
Fund Balances, End	<u>\$ 765,914</u>	<u>\$ 2,664,591</u>	<u>\$ 644,868</u>	<u>\$ 2,134,169</u>

CITY OF WINTER SPRINGS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	Special Revenue				Total Special Revenue
	TLBD Maintenance Fund	Oak Forest Maintenance Fund	Special Law Enforcement Trust Fund - Federal	Tusawilla Phase III	
Revenues					
Permits and Fees	\$ -	\$ -	\$ -	\$ -	\$ 2,193
Intergovernmental Revenues	-	-	-	-	582,467
Fines and Forfeitures	-	-	-	-	371,521
Impact Fees/Assessments	508,732	55,610	-	13,175	946,337
Investment Income/(Loss)	(5,332)	(1,895)	(676)	(222)	(166,136)
Miscellaneous	-	-	28,740	-	28,740
Total Revenues	<u>503,400</u>	<u>53,715</u>	<u>28,064</u>	<u>12,953</u>	<u>1,765,122</u>
Expenditures					
Current:					
General Government	-	-	-	10,154	10,154
Public Safety	-	-	84,655	-	105,327
Physical Environment	528,195	46,338	-	-	1,064,524
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	1,188	1,188
Capital Outlay:					
General Government	-	-	-	-	-
Physical Environment	-	-	-	-	45,727
Culture and Recreation	-	-	-	-	162,285
Total Expenditures	<u>528,195</u>	<u>46,338</u>	<u>84,655</u>	<u>11,342</u>	<u>1,389,205</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(24,795)</u>	<u>7,377</u>	<u>(56,591)</u>	<u>1,611</u>	<u>375,917</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	2,000,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
Net Changes in Fund Balances	<u>(24,795)</u>	<u>7,377</u>	<u>(56,591)</u>	<u>1,611</u>	<u>2,375,917</u>
Fund Balances, Beginning	<u>199,320</u>	<u>103,727</u>	<u>70,481</u>	<u>(34,688)</u>	<u>10,209,645</u>
Fund Balances, End	<u>\$ 174,525</u>	<u>\$ 111,104</u>	<u>\$ 13,890</u>	<u>\$ (33,077)</u>	<u>\$ 12,585,562</u>

	Debt Service		
	TLBD Debt Service Fund	1999 Debt Service Fund	Total Debt Service
Revenues			
Permits and Fees	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-
Fines and Forfeitures	-	-	-
Impact Fees/Assessments	99,084	-	99,084
Investment Income/(Loss)	30,986	(14,981)	16,005
Miscellaneous	7,326	-	7,326
Total Revenues	137,396	(14,981)	122,415
Expenditures			
Current:			
General Government	-	-	-
Public Safety	-	-	-
Physical Environment	3,153	-	3,153
Debt Service:			
Principal	201,431	371,765	573,196
Interest and Fiscal Charges	47,125	903,235	950,360
Capital Outlay:			
General Government	-	-	-
Physical Environment	34,729	-	34,729
Culture and Recreation	-	-	-
Total Expenditures	286,438	1,275,000	1,561,438
Excess (Deficiency) of Revenues Over Expenditures	(149,042)	(1,289,981)	(1,439,023)
Other Financing Sources (Uses)			
Transfers in	-	1,280,001	1,280,001
Total Other Financing Sources (Uses)	-	1,280,001	1,280,001
Net Changes in Fund Balances	(149,042)	(9,980)	(159,022)
Fund Balances, Beginning	64,853	1,276,788	1,341,641
Fund Balances, End	\$ (84,189)	\$ 1,266,808	\$ 1,182,619

CITY OF WINTER SPRINGS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022
(Concluded)

	Capital Projects		
	1999 Construction Fund	Revolving Rehab Fund	Public Facilities Fund
Revenues			
Permits and Fees	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-
Fines and Forfeitures	-	-	-
Impact Fees/Assessments	-	-	-
Investment Income/(Loss)	(13,576)	(18,247)	(66,145)
Miscellaneous	-	-	-
Total Revenues	<u>(13,576)</u>	<u>(18,247)</u>	<u>(66,145)</u>
Expenditures			
Current:			
General Government	-	-	-
Public Safety	-	-	-
Physical Environment	-	-	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay:			
General Government	-	-	-
Physical Environment	27,596	-	224,874
Culture and Recreation	-	-	-
Total Expenditures	<u>27,596</u>	<u>-</u>	<u>224,874</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(41,172)</u>	<u>(18,247)</u>	<u>(291,019)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	(41,172)	(18,247)	(291,019)
Fund Balances, Beginning	<u>886,824</u>	<u>1,173,895</u>	<u>4,313,849</u>
Fund Balances, End	<u>\$ 845,652</u>	<u>\$ 1,155,648</u>	<u>\$ 4,022,830</u>

	Capital Projects		Total Non-Major Governmental Funds
	Excellence in Customer Service	Total Capital Projects	
Revenues			
Permits and Fees	\$ -	\$ -	\$ 2,193
Intergovernmental Revenues	-	-	582,467
Fines and Forfeitures	-	-	371,521
Impact Fees/Assessments	-	-	1,045,421
Investment Income/(Loss)	(18,563)	(116,531)	(266,662)
Miscellaneous	-	-	36,066
Total Revenues	(18,563)	(116,531)	1,771,006
Expenditures			
Current:			
General Government	-	-	10,154
Public Safety	-	-	105,327
Physical Environment	-	-	1,067,677
Debt Service:			
Principal	-	-	573,196
Interest and Fiscal Charges	-	-	951,548
Capital Outlay:			
General Government	16,960	16,960	16,960
Physical Environment	-	252,470	332,926
Culture and Recreation	-	-	162,285
Total Expenditures	16,960	269,430	3,220,073
Excess (Deficiency) of Revenues Over Expenditures	(35,523)	(385,961)	(1,449,067)
Other Financing Sources (Uses)			
Transfers in	-	-	3,280,001
Total Other Financing Sources (Uses)	-	-	3,280,001
Net Changes in Fund Balances	(35,523)	(385,961)	1,830,934
Fund Balances, Beginning	1,200,020	7,574,588	19,125,874
Fund Balances, End	\$ 1,164,497	\$ 7,188,627	\$ 20,956,808

**CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
POLICE EDUCATION FUND
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 3,000	\$ 3,000	\$ 8,521	\$ 5,521
Investment Income/(Loss)	-	-	(173)	(173)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>8,348</u>	<u>5,348</u>
Expenditures				
Current:				
Public Safety	3,000	3,000	2,123	877
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>2,123</u>	<u>877</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	6,225	6,225
Fund Balances, Beginning of Year	<u>8,310</u>	<u>9,658</u>	<u>9,657</u>	<u>(1)</u>
Fund Balances, End of Year	<u>\$ 8,310</u>	<u>\$ 9,658</u>	<u>\$ 15,882</u>	<u>\$ 6,224</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL LAW ENFORCEMENT TRUST FUND - LOCAL
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment Income/(Loss)	\$ 5	\$ 5	\$ (734)	\$ (739)
Total Revenues	<u>5</u>	<u>5</u>	<u>(734)</u>	<u>(739)</u>
Expenditures				
Current:				
Public Safety	7,500	43,500	18,549	24,951
Total Expenditures	<u>7,500</u>	<u>43,500</u>	<u>18,549</u>	<u>24,951</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,495)	(43,495)	(19,283)	24,212
Fund Balances, Beginning of Year	<u>8,997</u>	<u>56,351</u>	<u>56,351</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,502</u>	<u>\$ 12,856</u>	<u>\$ 37,068</u>	<u>\$ 24,212</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION IMPROVEMENT FUND
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ 532,000	\$ 532,000	\$ 582,467	\$ 50,467
Investment Income/(Loss)	100	100	(29,492)	(29,592)
Total Revenues	<u>532,100</u>	<u>532,100</u>	<u>552,975</u>	<u>20,875</u>
Expenditures				
Current:				
Physical Environment	559,379	564,197	365,042	199,155
Capital Outlay:				
Physical Environment	550,000	550,000	5,350	544,650
Total Expenditures	<u>1,109,379</u>	<u>1,114,197</u>	<u>370,392</u>	<u>743,805</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(577,279)</u>	<u>(582,097)</u>	<u>182,583</u>	<u>764,680</u>
Other Financing Sources (Uses)				
Transfers In	-	-	2,000,000	2,000,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>
Net Changes in Fund Balances	(577,279)	(582,097)	2,182,583	2,764,680
Fund Balances, Beginning of Year	<u>1,297,406</u>	<u>1,748,250</u>	<u>1,748,250</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 720,127</u>	<u>\$ 1,166,153</u>	<u>\$ 3,930,833</u>	<u>\$ 2,764,680</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION IMPACT FEE FUND
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact Fees/Assessments	\$ -	\$ 268,998	\$ 268,999	\$ 1
Investment Income/(Loss)	1,000	1,000	(31,905)	(32,905)
Total Revenues	<u>1,000</u>	<u>269,998</u>	<u>237,094</u>	<u>(32,904)</u>
Expenditures				
Capital Outlay:				
Physical Environment	830,000	830,000	40,377	789,623
Total Expenditures	<u>830,000</u>	<u>830,000</u>	<u>40,377</u>	<u>789,623</u>
Excess (Deficiency) of Revenues Over Expenditures	(829,000)	(560,002)	196,717	756,719
Fund Balances, Beginning of Year	<u>1,720,507</u>	<u>1,929,077</u>	<u>1,929,078</u>	<u>1</u>
Fund Balances, End of Year	<u>\$ 891,507</u>	<u>\$ 1,369,075</u>	<u>\$ 2,125,795</u>	<u>\$ 756,720</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
POLICE IMPACT FEE FUND
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact Fees/Assessments	\$ -	\$ 19,336	\$ 19,337	\$ 1
Investment Income/(Loss)	600	600	(11,959)	(12,559)
Total Revenues	<u>600</u>	<u>19,936</u>	<u>7,378</u>	<u>(12,558)</u>
Excess (Deficiency) of Revenues Over Expenditures	600	19,936	7,378	(12,558)
Fund Balances, Beginning of Year	<u>739,397</u>	<u>758,535</u>	<u>758,536</u>	<u>1</u>
Fund Balances, End of Year	<u>\$ 739,997</u>	<u>\$ 778,471</u>	<u>\$ 765,914</u>	<u>\$ (12,557)</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FIRE IMPACT FEE FUND
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact Fees/Assessments	\$ -	\$ 18,879	\$ 18,879	\$ -
Investment Income/(Loss)	2,400	2,400	(41,911)	(44,311)
Total Revenues	<u>2,400</u>	<u>21,279</u>	<u>(23,032)</u>	<u>(44,311)</u>
Excess (Deficiency) of Revenues Over Expenditures	2,400	21,279	(23,032)	(44,311)
Fund Balances, Beginning of Year	<u>2,693,009</u>	<u>2,687,623</u>	<u>2,687,623</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 2,695,409</u>	<u>\$ 2,708,902</u>	<u>\$ 2,664,591</u>	<u>\$ (44,311)</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARKS IMPACT FEE FUND
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact Fees/Assessments	\$ -	\$ 61,605	\$ 61,605	\$ -
Investment Income/(Loss)	750	750	(11,256)	(12,006)
Total Revenues	<u>750</u>	<u>62,355</u>	<u>50,349</u>	<u>(12,006)</u>
Expenditures				
Capital Outlay:				
Culture and Recreation	200,000	200,000	162,285	37,715
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>162,285</u>	<u>37,715</u>
Excess (Deficiency) of Revenues Over Expenditures	(199,250)	(137,645)	(111,936)	25,709
Fund Balances, Beginning of Year	<u>456,863</u>	<u>756,803</u>	<u>756,804</u>	<u>1</u>
Fund Balances, End of Year	<u>\$ 257,613</u>	<u>\$ 619,158</u>	<u>\$ 644,868</u>	<u>\$ 25,710</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ARBOR FUND
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Permits and Fees	\$ 1,000	\$ 1,000	\$ 2,193	\$ 1,193
Fines and Forfeitures	-	366,750	363,000	(3,750)
Investment Income/(Loss)	1,000	1,000	(30,581)	(31,581)
Total Revenues	<u>2,000</u>	<u>368,750</u>	<u>334,612</u>	<u>(34,138)</u>
Expenditures				
Current:				
Physical Environment	498,537	502,287	124,949	377,338
Total Expenditures	<u>498,537</u>	<u>502,287</u>	<u>124,949</u>	<u>377,338</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(496,537)</u>	<u>(133,537)</u>	<u>209,663</u>	<u>343,200</u>
Net Change in Fund Balances	(496,537)	(133,537)	209,663	343,200
Fund Balances, Beginning of Year	<u>765,426</u>	<u>1,924,506</u>	<u>1,924,506</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 268,889</u>	<u>\$ 1,790,969</u>	<u>\$ 2,134,169</u>	<u>\$ 343,200</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TLBD MAINTENANCE FUND
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact Fees/Assessments	\$ 507,548	\$ 507,548	\$ 508,732	\$ 1,184
Investment Income/(Loss)	345	345	(5,332)	(5,677)
Total Revenues	<u>507,893</u>	<u>507,893</u>	<u>503,400</u>	<u>(4,493)</u>
Expenditures				
Current:				
Physical Environment	<u>560,116</u>	<u>560,116</u>	<u>528,195</u>	<u>31,921</u>
Total Expenditures	<u>560,116</u>	<u>560,116</u>	<u>528,195</u>	<u>31,921</u>
Excess (Deficiency) of Revenues Over Expenditures	(52,223)	(52,223)	(24,795)	27,428
Fund Balances, Beginning of Year	<u>194,042</u>	<u>199,321</u>	<u>199,320</u>	<u>(1)</u>
Fund Balances, End of Year	<u>\$ 141,819</u>	<u>\$ 147,098</u>	<u>\$ 174,525</u>	<u>\$ 27,427</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
OAK FOREST MAINTENANCE FUND
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact Fees/Assessments	\$ 55,725	\$ 55,725	\$ 55,610	\$ (115)
Investment Income/(Loss)	100	100	(1,895)	(1,995)
Total Revenues	<u>55,825</u>	<u>55,825</u>	<u>53,715</u>	<u>(2,110)</u>
Expenditures				
Current:				
Physical Environment	<u>70,090</u>	<u>70,090</u>	<u>46,338</u>	<u>23,752</u>
Total Expenditures	<u>70,090</u>	<u>70,090</u>	<u>46,338</u>	<u>23,752</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,265)	(14,265)	7,377	21,642
Fund Balances, Beginning of Year	<u>93,441</u>	<u>103,726</u>	<u>103,727</u>	<u>1</u>
Fund Balances, End of Year	<u>\$ 79,176</u>	<u>\$ 89,461</u>	<u>\$ 111,104</u>	<u>\$ 21,643</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL LAW ENFORCEMENT TRUST FUND - FEDERAL
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment Income/(Loss)	\$ 40	\$ 40	\$ (676)	\$ (716)
Miscellaneous	-	35,000	28,740	(6,260)
Total Revenues	<u>40</u>	<u>35,040</u>	<u>28,064</u>	<u>(6,976)</u>
Expenditures				
Current:				
Public Safety	<u>5,425</u>	<u>97,425</u>	<u>84,655</u>	<u>12,770</u>
Total Expenditures	<u>5,425</u>	<u>97,425</u>	<u>84,655</u>	<u>12,770</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,385)	(62,385)	(56,591)	5,794
Fund Balances, Beginning of Year	<u>6,967</u>	<u>70,480</u>	<u>70,481</u>	<u>1</u>
Fund Balances, End of Year	<u>\$ 1,582</u>	<u>\$ 8,095</u>	<u>\$ 13,890</u>	<u>\$ 5,795</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TUSCAWILLA PHASE III
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact Fees/Assessments	\$ 13,196	\$ 13,196	\$ 13,175	\$ (21)
Investment Income/(Loss)	15	15	(222)	(237)
Total Revenues	<u>13,211</u>	<u>13,211</u>	<u>12,953</u>	<u>(258)</u>
Expenditures				
Current:				
General Government	10,795	10,795	10,154	641
Debt Service:				
Principal	3,023	3,023	-	3,023
Interest and Other Charges	1,188	1,188	1,188	-
Total Expenditures	<u>15,006</u>	<u>15,006</u>	<u>11,342</u>	<u>3,664</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,795)	(1,795)	1,611	3,406
Fund Balances, Beginning of Year	<u>6,740</u>	<u>6,740</u>	<u>(34,688)</u>	<u>(41,428)</u>
Fund Balances, End of Year	<u>\$ 4,945</u>	<u>\$ 4,945</u>	<u>\$ (33,077)</u>	<u>\$ (38,022)</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TLBD DEBT SERVICE FUND
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact Fees/Assessments	\$ 138,655	\$ 138,655	\$ 99,084	\$ (39,571)
Investment Income/(Loss)	30	30	30,986	30,956
Miscellaneous	-	-	7,326	7,326
Total Revenues	<u>138,685</u>	<u>138,685</u>	<u>137,396</u>	<u>(1,289)</u>
Expenditures				
Current:				
Physical Environment	4,870	4,870	3,153	1,717
Debt Service:				
Principal	99,099	99,099	201,431	(102,332)
Interest and Other Charges	31,955	31,955	47,125	(15,170)
Capital Outlay:				
Physical Environment	25,000	35,000	34,729	271
Total Expenditures	<u>160,924</u>	<u>170,924</u>	<u>286,438</u>	<u>(115,514)</u>
Excess (Deficiency) of Revenues Over Expenditures	(22,239)	(32,239)	(149,042)	(116,803)
Fund Balances, Beginning of Year	<u>63,581</u>	<u>64,853</u>	<u>64,853</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 41,342</u>	<u>\$ 32,614</u>	<u>\$ (84,189)</u>	<u>\$ (116,803)</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
1999 DEBT SERVICE FUND
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment Income/(Loss)	\$ 275	\$ 275	\$ (14,981)	\$ (15,256)
Total Revenues	<u>275</u>	<u>275</u>	<u>(14,981)</u>	<u>(15,256)</u>
Expenditures				
Current:				
General Government	2,500	2,500	-	2,500
Debt Service:				
Principal	371,765	371,765	371,765	-
Interest and Other Charges	903,236	903,236	903,235	1
Total Expenditures	<u>1,277,501</u>	<u>1,277,501</u>	<u>1,275,000</u>	<u>2,501</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,277,226)</u>	<u>(1,277,226)</u>	<u>(1,289,981)</u>	<u>(12,755)</u>
Other Financing Sources (Uses)				
Transfers in	1,280,001	1,280,001	1,280,001	-
Total Other Financing Sources (Uses)	<u>1,280,001</u>	<u>1,280,001</u>	<u>1,280,001</u>	<u>-</u>
Net Change in Fund Balances	2,775	2,775	(9,980)	(12,755)
Fund Balances, Beginning of Year	<u>1,282,228</u>	<u>1,282,228</u>	<u>1,276,788</u>	<u>(5,440)</u>
Fund Balances, End of Year	<u>\$ 1,285,003</u>	<u>\$ 1,285,003</u>	<u>\$ 1,266,808</u>	<u>\$ (18,195)</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
1999 CONSTRUCTION FUND
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment Income/(Loss)	\$ 800	\$ 800	\$ (13,576)	\$ (14,376)
Total Revenues	<u>800</u>	<u>800</u>	<u>(13,576)</u>	<u>(14,376)</u>
Expenditures				
Capital Outlay:				
Physical Environment	885,900	100,000	27,596	72,404
Total Expenditures	<u>885,900</u>	<u>100,000</u>	<u>27,596</u>	<u>72,404</u>
Excess (Deficiency) of Revenues Over Expenditures	(885,100)	(99,200)	(41,172)	58,028
Fund Balances, Beginning of Year	<u>892,137</u>	<u>886,824</u>	<u>886,824</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 7,037</u>	<u>\$ 787,624</u>	<u>\$ 845,652</u>	<u>\$ 58,028</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
REVOLVING REHAB FUND
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment Income/(Loss)	\$ 1,000	\$ 1,000	\$ (18,247)	\$ (19,247)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>(18,247)</u>	<u>(19,247)</u>
Expenditures				
Capital Outlay:				
Physical Environment	1,172,600	-	-	-
Total Expenditures	<u>1,172,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,171,600)	1,000	(18,247)	(19,247)
Fund Balances, Beginning of Year	<u>1,182,663</u>	<u>1,173,895</u>	<u>1,173,895</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 11,063</u>	<u>\$ 1,174,895</u>	<u>\$ 1,155,648</u>	<u>\$ (19,247)</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC FACILITIES FUND
YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment Income/(Loss)	\$ 3,500	\$ 3,500	\$ (66,145)	\$ (69,645)
Total Revenues	<u>3,500</u>	<u>3,500</u>	<u>(66,145)</u>	<u>(69,645)</u>
Expenditures				
Capital Outlay:				
Physical Environment	1,350,000	1,350,000	224,874	1,125,126
Total Expenditures	<u>1,350,000</u>	<u>1,350,000</u>	<u>224,874</u>	<u>1,125,126</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,346,500)</u>	<u>(1,346,500)</u>	<u>(291,019)</u>	<u>1,055,481</u>
Net Change in Fund Balances	(1,346,500)	(1,346,500)	(291,019)	1,055,481
Fund Balances, Beginning of Year	<u>3,541,645</u>	<u>3,541,645</u>	<u>4,313,849</u>	<u>772,204</u>
Fund Balances, End of Year	<u>\$ 2,195,145</u>	<u>\$ 2,195,145</u>	<u>\$ 4,022,830</u>	<u>\$ 1,827,685</u>

CITY OF WINTER SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
EXCELLENCE IN CUSTOMER SERVICE
YEAR ENDED SEPTEMBER 30, 2022
(Concluded)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment Income/(Loss)	\$ 750	\$ 750	\$ (18,563)	\$ (19,313)
Total Revenues	<u>750</u>	<u>750</u>	<u>(18,563)</u>	<u>(19,313)</u>
Expenditures				
Capital Outlay:				
General Government	15,000	19,000	16,960	2,040
Total Expenditures	<u>15,000</u>	<u>19,000</u>	<u>16,960</u>	<u>2,040</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(14,250)</u>	<u>(18,250)</u>	<u>(35,523)</u>	<u>(17,273)</u>
Net Change in Fund Balances	(14,250)	(18,250)	(35,523)	(17,273)
Fund Balances, Beginning of Year	<u>833,663</u>	<u>1,200,020</u>	<u>1,200,020</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 819,413</u>	<u>\$ 1,181,770</u>	<u>\$ 1,164,497</u>	<u>\$ (17,273)</u>

OTHER REPORTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Commissioners
City of Winter Springs, Florida

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winter Springs, Florida (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described below to be material weaknesses.

■ **2022-01 Financial Close and Reporting**

Condition: During the audit, we noted delays in the provision of supporting documentation and errors in the financial statements, resulting in material audit adjustments and delays in the audit process.

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Honorable Mayor and City Commissioners
City of Winter Springs, Florida

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Criteria: Financial close and reporting processes should be in place to ensure that trial balances used to prepare financial reports are accurate and complete.

Cause: Due to turnover and personnel issues in the finance department, the City's internal controls over financial reporting did not adequately identify material errors in the financial statements.

Effect: If the errors corrected had not been detected during our audit, which is designed only to provide reasonable assurance that the financial statements are fairly presented, the City's financial statements would have been materially misstated.

Recommendation: We recommend that management establish and document a well-defined year-end financial close and reporting process, including overall timing, methodology, format, and frequency of analyses, so that in the event of turnover, management has written policies and procedures to assist with monthly and year-end closing.

■ **2022-02 Bank Reconciliation**

Condition: The City's bank reconciliation process failed to detect differences between the working trial balance and bank reconciliation, resulting in significant audit adjustments.

Criteria: Accurate and timely bank reconciliations are a critical component of the financial management and reporting process.

Cause: Due to turnover and personnel issues in the finance department, the City's internal controls over bank reconciliation did not adequately identify errors in the reconciliation process.

Effect: If the errors corrected had not been detected during our audit, which is designed only to provide reasonable assurance that the financial statements are fairly presented, the City's cash balances would have been misstated.

Recommendation: We recommend that management design and implement additional controls within the bank reconciliation process to timely identify differences between the working trial balance and bank reconciliation.

■ **2022-03 Capital Assets**

Condition: The City failed to provide timely and accurate capital asset transaction information during the audit process.

Criteria: In accordance with best practices, the City should maintain a capital asset subledger for all activities in the capital asset process.

Cause: Due to turnover and personnel issues in the finance department, the City's processes for recording, tracking, and maintaining capital asset information and transactions were not retained.

Honorable Mayor and City Commissioners
City of Winter Springs, Florida

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Effect: If the errors had not been corrected during our audit, which is designed only to provide reasonable assurance that the financial statements are fairly presented, the City's capital assets would have been misstated. Additionally, the delay in preparation resulted in a delay in the audit process.

Recommendation: We recommend that management design and implement internal controls to ensure that the capital asset subledger is being properly maintained.

■ **2022-04 Pooled Cash Management**

Condition: The City's cash management process failed to identify material unallocated investment losses across funds participating in the pooled cash system.

Criteria: Accurate and timely recognition of investment earnings and losses are critical to cash management and the decision-making process.

Cause: Due to turnover and personnel issues in the finance department, the City's internal controls over pooled cash management did not adequately identify unallocated activity.

Effect: If the errors corrected had not been detected during our audit, which is designed only to provide reasonable assurance that the financial statements are fairly presented, the City's cash, investment, and interest income/losses would have been materially misstated.

Recommendation: We recommend that management design and implement additional controls within the bank reconciliation process to identify unallocated investment activity and ensure timely and accurate allocation of activity.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described below to be a significant deficiency.

■ **2022-05 Accounts Payable**

Condition: The City failed to accrue invoices as accounts payable resulting in a material understatement of expenses.

Criteria: Expenses should be recognized in the financial statements as incurred, regardless of the timing of payments.

Cause: Due to a delay in proof of performance, the City had withheld payments to the vendor. The proof of performance was subsequently met, but the City did not properly apply the invoices to the correct fiscal period.

Honorable Mayor and City Commissioners
City of Winter Springs, Florida

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Effect: If the errors had not been corrected during our audit, which is designed only to provide reasonable assurance that the financial statements are fairly presented, the City's accounts payable and expenditures would have been misstated.

Recommendation: We recommend that the City review its internal control process around recording and reviewing disbursement transactions for proper accounting treatment.

■ **2022-06 Purchasing Cards**

Condition: The City could not provide documentation that all purchasing card transactions were reviewed by appropriate personnel, and there was lack of support for several transactions.

Criteria: In accordance with best practices, the City should ensure the controls surrounding purchasing cards are properly implemented and operating effectively.

Cause: Due to turnover and personnel issues in the finance department, the City's processes for reviewing and recording purchasing card transactions were not appropriately implemented.

Effect: There is potential that inappropriate transactions were made with a City purchasing card without knowledge of supervising personnel, which was then paid for by the City.

Recommendation: We recommend that management ensure all controls surrounding purchasing cards are implemented and operating effectively to verify no inappropriate purchases are made and paid for using the City's funds.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statements. 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 instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards* and which are described below.

■ **2022-07 Financial Statement Audit**

Condition: The financial statement audit was submitted past the statutory deadline of 9 months after fiscal year-end.

Criteria: Florida Statute 218.32 states that the City is required to provide for an audit under Florida Statute 218.39(1) and must submit a copy of the audit report and annual financial report to the Department of Financial Services (Department) within 45 days after the completion of the audit report but no later than 9 months after the end of the fiscal year.

Honorable Mayor and City Commissioners
City of Winter Springs, Florida

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Cause: The City experienced significant turnover within the Finance Department during the year and prioritized the Auditor General's audit of the City, delaying completion of the annual financial statement audit.

Effect: The audit was submitted to the Department 7 months past the statutory deadline.

Recommendation: We recommend the Finance Department be fully staffed as qualified personnel can be hired.

City of Winter Springs' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the paragraphs above. The City's response was not subjected to the other auditing procedures applied in the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



January 26, 2024
Gainesville, Florida

MANAGEMENT LETTER

Honorable Mayor and City Commissioners
City of Winter Springs, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Winter Springs, Florida (the City) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated January 26, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 26, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i).1., *Rules of the Auditor General*, require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no such findings in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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Honorable Mayor and City Commissioners
City of Winter Springs, Florida

MANAGEMENT LETTER

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have the below recommendations:

■ **2022-08 Inventory Management Controls**

During the audit, we noted that the City's inventory balances in the general ledger did not agree to subsidiary records. It was determined that inventory counts were not taking place and subsequent reconciliation of test counts to the general ledger were unable to be performed timely, resulting in a material adjustment to reconcile the balance. We recommend that the City review its inventory management process for implementation of inventory reconciliation to ensure these details are in agreement with the general ledger.

■ **2022-09 Pension Data Submission Controls**

During the audit, we noted that management did not provide timely census data information to their actuary, resulting in a delay in recording the respective pension information. We recommend that the City review its census data submission process to ensure that information is sent to the actuary timely and accurately.

■ **2022-10 Pension Contribution Controls**

During the audit, we noted required pension contributions to cover shortfalls in the plan had not been made timely in accordance with pension plan requirements for about three months. We recommend that the City review their pension contribution process to ensure that accurate contributions are made timely.

■ **2022-11 Investment Compliance Controls**

During the audit, we noted that those responsible for managing investments in accordance with the established investment policy were not able to provide sufficient supporting documentation to establish compliance with Florida Statute 218.415(14). This statute requires that the official responsible for making investment decisions complete eight hours of continuing professional education pertaining to investments. We recommend that the City review its investment compliance controls to ensure that compliance is being achieved and that supporting documentation is retained.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a municipality to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the municipality in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units.

Honorable Mayor and City Commissioners
City of Winter Springs, Florida

MANAGEMENT LETTER

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City Commission and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We would like to take this opportunity to express our appreciation for the professionalism and courtesies which were extended to our staff. If you have any questions or comments about the contents of this letter, or the information accompanying this letter, please do not hesitate to contact us.



January 26, 2024
Gainesville, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES

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

We have examined the City of Winter Springs, Florida's (the City's) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2022. City management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the City did not comply, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2022. As noted in the Management Letter, the City was unable to provide sufficient documentation of responsible officials attaining the required continuing professional education.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, the Honorable Mayor and members of the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



January 26, 2024
Gainesville, Florida

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**CITY OF WINTER SPRINGS, FLORIDA
FINANCE & ADMINISTRATIVE SERVICES**

1126 EAST STATE ROAD 434
WINTER SPRINGS, FLORIDA 32708-2799
TELEPHONE: (407) 327-1800
FACSIMILE: (407) 327-4753
WEBSITE: www.winterspringsfl.org

Philip Hursh
Interim City Manager

Donna Bruno
Interim Finance Director

January 26, 2024

Purvis, Gray and Company, LLP
Certified Public Accountants
222 NE 1st Street
Gainesville, FL 32601

Dear Purvis Gray,

We are in receipt of the City's audited financial statements for the fiscal year ended September 30, 2022. We have reviewed your report on internal controls and other compliance matters, and we concur with your findings.

We appreciate the opportunity to implement the needed process improvements. Our responses follow:

2022-01 Financial Close and Reporting

Staff concurs with this finding and are working to reestablish month-end and year-end processes as well as well defined desk top procedures that new staff can step in and follow. During the period of this audit there was as stated significant turnover from February 2022-April of 2023 including 2 Finance Directors, Controller, 2 Budget Managers 2 Senior Accountants, and 2 Accounts Payable Coordinators. Additionally, Fiscal Year 2022 ended with a significant hurricane event which caused substantial damage throughout the city. Senior Management expected the Finance Staff to participate in debris monitoring.

I am confident that we have been able to stabilize our staff with some key seasoned government accountants. We have contracted with a public assistance consultant and debris monitoring firm in the event of another natural disaster such as Hurricane Ian. I would like to recognize that there will be residual effects going into fiscal year 2023 as key positions were not filled until late 2023.

2022-02 Bank Reconciliation

Staff concurs with this finding. The bank reconciliation is one of the most important daily tasks required of staff and timely reconciliation is imperative. As noted in the audit comment, the turnover noted above had a significant impact on the reconciliation of the bank statement.

I am confident that we now have the staff in place to improve this process.

I would like to recognize that there will be residual effects going into fiscal year 2023 as key positions were not filled until late 2023.

2022-03 Capital Assets

Staff concurs with this finding and would add that lack of training and insufficient desk-top processing notes contributed to the challenges faced regarding fixed assets and construction in process. A key component of a monthly reconciliation was not occurring. Due to staff turnover as noted, this was not addressed in a timely manner.

I am confident that we have the resources needed and appropriate training in place which will make significant improvements in this process.

2022-04 Pooled Cash Management

Staff concurs with this finding and would add that training issues resulted in the error in recording the loss.

I am confident that we now have appropriately trained staff in place to better manage investments.

2022-05 Accounts Payable

Staff concurs with this finding and believes it is a result of turnover in key positions across multiple departments responsible for submitting invoices timely.

I am confident that we now have appropriately trained staff in place to better manage year-end accruals.

2022-06 Purchasing Cards

Staff concurs with this finding. The Finance Department had been the review point and has now implemented corrective actions to ensure management within the departments are approving credit card purchases over \$250 for its staff member cardholders as required by policy. The Finance Department is now ensuring that receipts are uploaded to the credit card portal to support purchases as well as review for appropriate accounting.

I would like to recognize that there will be residual effects going into fiscal year 2023 as key positions were not filled until late 2023.

2022-07 Financial Statement Audit

Staff concurs with this finding.

I am confident that we have qualified personnel. Our 2 Senior Accountants have many years of governmental accounting; our Accounts Payable has many years of governmental experience. Additionally, not only am I focused on developing desk-top processes notes but also cross-training staff, which is an important aspect of managing a small finance team.

I would like to recognize that there will be residual effects going into fiscal year 2023 as key positions were not filled until late 2023.

2022-08 Inventory Management Controls

Staff concurs with this finding and would add that a review of this process noted errors in calculations of the worksheets created to manage the inventory. These errors have been corrected and staff have been trained on how to analyze the reports. The staff is now receiving more timely reports from concerned departments regarding inventories of fuels.

I would like to recognize that there will be residual effects going into fiscal year 2023 as key positions were not filled until late 2023.

2022-09 Pension Data Submission Controls

Staff concurs with this finding and is working on correcting this.

I would like to recognize that there will be residual effects going into fiscal year 2023 as key positions were not filled until late 2023.

2022-10 Pension Contribution Controls

Staff concurs with this finding and would note this was a training issue and has been corrected.

2022-11 Investment Compliance Controls

Staff concurs with this finding, and it has been corrected as staff has been engaged in the appropriate investment training opportunities.

Sincerely,



Philip Hursh
Interim City Manager



Donna Bruno
Interim Finance Director

C: Kevin McCann, Mayor
City Commission Commissioners
Christian Gowan, City Clerk
Jamie A. Cole, Esq., Weiss Serota Helfman Cole & Bierman
File

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