

COUNTY OF VOLUSIA, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2006

Prepared By:

CHARLENE WEAVER, CPA
CHIEF FINANCIAL OFFICER

DONNA de PEYSTER, CPA
ACCOUNTING DIRECTOR

ACKNOWLEDGEMENTS

The successful completion of this year's Comprehensive Annual Financial Report is attributed to the group efforts of several individuals deserving of special recognition. The cooperation, contributions, and expertise provided by each one are greatly appreciated.

The Accounting staff is commended for their expertise and perpetual efforts put forth in the research, analysis, and compilation of this report.

Mary Felton, Assistant Accounting Director
Melinda Edwards
Joan Fisher
Veronica Frank
Brittany Hardin
Patricia Kehr
Richard McGarity

Other Acknowledgements:
Sally Bruner, Fiscal Resource Manager
Kathleen Dodd, Grants Accountant
Doug Krueger, Management and Budget Director
Rick Michael, Economic Development Director
Rhonda Orr, Operations/Debt Manager

COUNTY OF VOLUSIA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2006

TABLE OF CONTENTS

INTRODUCTORY SECTION

Title Page	iii
Acknowledgements	iv
Table of Contents	v
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	11
Principal County Officials	12
Organizational Chart	14

FINANCIAL SECTION

Independent Auditors' Report.....	15
Management's Discussion and Analysis	17
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	32
Statement of Activities	34
Fund Financial Statements:	
Balance Sheet – Governmental Funds	36
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	40
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund.....	44
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Municipal Service District.....	46
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Federal and State Grants	48
Statement of Net Assets – Proprietary Funds	50
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	54
Statement of Cash Flows – Proprietary Funds	56
Statement of Fiduciary Net Assets – Fiduciary Funds	60
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	61
Statement of Net Assets – Component Units	63
Statement of Activities – Component Units	64
Notes to the Financial Statements	67
Required Supplementary Information:	
Volunteer Firefighters Pension Plan	106
Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds.....	112
Debt Service Funds	118
Capital Projects Funds.....	120
Combining Balance Sheet – All Nonmajor Governmental Funds	122
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – Special Revenue Funds	124

Debt Service Funds.....	130
Capital Projects Funds	132
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Nonmajor Governmental Funds.....	134
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Funds:	
County Transportation Trust	135
Library	136
East Volusia Mosquito Control District.....	137
Resort Tax	138
Sales Tax Trust.....	139
Convention Development Tax	140
Ponce Inlet Port Authority	141
E-911 Emergency Telephone System	142
Special Lighting Districts.....	143
Ocean Center	144
Manatee Conservation.....	145
Road Impact Fees	146
Park Impact Fees.....	147
Fire Services.....	148
Fire Impact Fees.....	149
Silver Sands/Bethune Beach Municipal Service District.....	150
Gemini Springs Addition	151
Stormwater Utility.....	152
Volusia ECHO.....	153
Volusia Forever.....	154
Law/Beach Enforcement Trust	155
Federal Forfeiture Sharing.....	156
State Housing Incentive Program (S.H.I.P.)	157
Debt Service Funds:	
Limited Tax General Obligation Bonds	158
Gas Tax Revenue Bonds, Series 1992	159
Gas Tax Revenue Bonds, Series 2004	160
Tourist Development Tax Refunding Revenue Bonds.....	161
Lease Purchase Agreements	162
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – From Inception – Capital Projects Funds:	
Volusia Forever.....	163
Volusia County Courthouse Construction.....	164
Beach	165
Parks.....	166
Trails	167
Information Technology	168
Other	169
Major Debt Service Fund:	
Subordinate Lien Sales Tax Revenue Bonds	172
Major Capital Project Funds:	
Ocean Center Expansion.....	173
Bond Funded Road Program.....	174
Combining Statement of Net Assets – Internal Service Funds.....	176
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	178
Combining Statement of Cash Flows – Internal Service Funds	180
Schedule of Changes in Assets and Liabilities – All Agency Funds.....	186

STATISTICAL SECTION

Schedule 1	Primary Government Net Assets By Component – Last Six Fiscal Years.....	190
Schedule 2	Changes in Net Assets – Last Six Fiscal Years	192
Schedule 3	Fund Balances – Governmental Funds – Last Ten Fiscal Years	196
Schedule 4	Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years	198
Schedule 5	Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years.....	200
Schedule 6	Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	202
Schedule 7	Principal Property Taxpayers – Current Year and Nine Years Ago.....	204
Schedule 8	Property Tax Levies and Collections – Last Ten Fiscal Years	205
Schedule 9	Ratios of Outstanding Debt By Type – Last Ten Fiscal Years.....	206
Schedule 10	Ratios of Net General Bonded Debt Outstanding – Last Ten Fiscal Years	208
Schedule 11	Computation of Direct And Overlapping Debt – September 30, 2006	209
Schedule 12	Legal Debt Margin Information – September 30, 2006.....	210
Schedule 13	Pledged Revenue Coverages – Last Ten Fiscal Years	212
Schedule 14	Demographic Statistics – Last Ten Fiscal Years	218
Schedule 15	Principal Employers – Current Year And Three Years Ago.....	219
Schedule 16	Full-Time Equivalent County Government Employees by Function/Program Last Seven Fiscal Years	220
Schedule 17	Operating Indicators By Function/Program – Last Three Fiscal Years.....	222
Schedule 18	Capital Asset Statistics By Functional Department – Last Three Fiscal Years.....	223

COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		225
Schedule of Expenditures of Federal Awards and State Financial Assistance		230
Schedule of Findings and Questioned Costs		235
Schedule of Passenger Facility Charges (PFC) Collected and Expended.....		237
Report on Compliance with Requirements Applicable to Each Major Federal Program, Each Major State Project, and Passenger Facility Charge Program and on Internal Control over Compliance in Accordance with OMB Circular A-133, Chapter 10.550, Rules of the Auditor General, and Passenger Facility Charge Audit Guide for Public Agencies		239
Management Letter of Independent Auditors' Required by Chapter 10.550, Rules of the Auditor General		241
Management Responses to Internal Control and Management Comments		243





Financial and Administrative Services

February 7, 2007

The Honorable Members of the County Council,
County Manager, and Citizens of Volusia County:

Ladies and Gentlemen:

It is a pleasure to present the Comprehensive Annual Financial Report (CAFR) of the County of Volusia, Florida (the County) for the fiscal year ended September 30, 2006.

FORMAL TRANSMITTAL OF THE CAFR

Volusia County Home Rule Charter and Florida Statutes require that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby submit the comprehensive annual financial report of the County of Volusia, Florida for the fiscal year ended September 30, 2006.

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

The County's financial statements have been audited by an independent firm of certified public accountants, James Moore & Co., P.L., Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2006, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended September 30, 2006, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federal and state mandated single audit and passenger facility charge audit designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County's internal controls and compliance with legal requirements, with special emphasis on those internal controls and legal requirements involving the administration of federal and state awards. These reports are in the compliance section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the independent auditors' report.

PROFILE OF THE COUNTY OF VOLUSIA, FLORIDA

Volusia County is located in the east-central region of the State of Florida and bordered by the Atlantic Ocean. Volusia County is approximately 40 miles northeast of the City of Orlando and approximately 200 miles from Tallahassee, Florida's capital.

Florida



Volusia County



Volusia County was established in 1854 and became the 30th county in the State of Florida. In June 1970, the electorate of Volusia County adopted a Home Rule Charter, effective January 1, 1971. The County operates under a Council/Manager form of government. The promulgation and adoption of policy are the responsibility of the seven-member council and the execution of such policy is the responsibility of the council-appointed County Manager. The Council is elected on a non-partisan basis. Voters elect the County Council which consists of seven members that serve four-year terms. Five are elected by district; the County Chair and the At-Large representative are elected countywide.

The Reporting Entity

The County provides a full range of services, including public protection; highway, street, and other infrastructure construction and maintenance; growth management; conservation and resource management; economic development; health and human welfare assistance; and recreational activities and cultural events. In addition, the County operates a water and sewer system, an international airport, a public transportation system, a garbage collection program, and a refuse disposal system. The legally separate Clerk of the Circuit Court, Volusia County Law Library, and Emergency Medical Foundation, Inc. are reported separately within the County's financial statements as discretely presented component units. Additional information on all three of these legally separate entities can be found in Note 1.A.1. of the Notes to the Financial Statements, page 68.

INFORMATION USEFUL IN ASSESSING THE COUNTY'S ECONOMIC CONDITION

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

The strength and size of Volusia County's economy continued to grow following the robust market influences experienced during 2005. All market indicators including employment, personal income, and the area's gross metropolitan product output posted positive gains, adding to the overall health of the County's economy. Wealth generation through the appreciable values of land, residential, and commercial real estate, as well as increased local banking deposits, provided an overall higher level of personal equity per household.

Population and migration trends

In 2006, Volusia County's population increased an estimated 2 percent. This trend is expected to continue into 2007 with a projected 2.2 percent increase, slightly outpacing similar trends for the State of Florida.

Population increases continue to be influenced by the in-migration of new residents. In 2006, the county became home to up to 28,800 new residents. Again, as in previous years, approximately 22 percent of these new residents were Floridians relocating from the greater Orlando metropolitan market. However, while Floridians were an important influence on the local population, over two-thirds of all new residents arriving in Volusia County came from other communities outside of Florida.

The county's out-migration of residents, those moving away, rose slightly to a level of approximately 20,000. This increasing gap between the number of new individuals arriving and those leaving the county continued to fuel the need for new housing capable of supporting between 8,500 and 8,800 new residents, annually, and the need for additional commercial capacity.

Capital investment trends in real estate

While the housing industry experienced challenges in the national and regional markets, Volusia County continued to maintain existing home values posting a modest increase for the year. According to the Florida Association of Realtors and the University of Florida's Real Estate Research Center, Volusia County's single family average values for existing single-family homes rose 7 percent from an overall annual average of \$205,500 in 2005 to a new level of \$219,900 for 2006.

However, individual condominium home values fell during the same period by an average of \$30,700 per unit from their high in 2005 at \$248,200 to a more moderate annual average market value of \$217,500 for 2006.

Investments in Volusia County real estate have dominated the market for the past several years. The county has experienced a steady increase in new residential home permits beginning in 2001. The residential market peaked in 2005 with an estimated 6,856 new residential permits issued at a reported value of over \$1.29 billion.

While in-migration of new residents continues to drive the new single-family housing market, the interest on the part of investors and developers faltered in 2006 with quarterly declining measures throughout the year. The fall in the number of new residential permits issued countywide was 3,463 units in 2006, a drop of nearly 50 percent as compared to the number issued in 2005. The total of new residential permit values likewise fell 40 percent from \$1.29 billion in 2005 to a reported level of \$774.7 million in 2006, a decline of \$518.3 million over the previous year.

While residential permitting for new housing softened for the year, capital investments in new commercial projects countywide demonstrated a continued interest by investors in the long-term investment of capital into the Volusia County market. New permit values for industrial and commercial projects countywide in 2006 posted \$340.9 million in value, up 47.5 percent over the 2005 investment level of \$231 million. This represented a \$109.9 million increase in capital investments over the previous year.

Although not at the robust level of \$1.52 billion experienced in 2005, the local new construction market still managed to attract an estimated \$1.12 billion in new permitted values. This level of capital investment for a

community with a population of just over 500,000 is still a significant generator of construction related expenditures and employment for the local economy. An average of 14,700 construction related jobs were in place in 2006 accounting for the annual growth of this job sector by 7.7 percent for the year. However, the softer market in the 2006 numbers may lead to a slight decline in overall construction employment in 2007. Construction employment accounts for approximately 8 percent of the county's employed workforce.

Employment and personal income

Volusia County's workforce grew by 5.1 percent in 2006 from its beginning level of 241,002 to ending the year at 253,299. Meanwhile, worker incomes grew by a healthier pace of 6.1 percent. Local employment grew by 11,355 new jobs during the same period producing an average annual wage of \$32,200, up over the past 5 years by 33.7 percent.

In comparison, Volusia County's 5.1 percent growth in the size of the county's workforce outpaced the State of Florida's rate of growth at 4.7 percent and the U.S. national average of 1.8 percent. The growth of new employment opportunities rose by 4.8 percent in Volusia County as compared to 4.7 percent for the State of Florida and a 2.2 percent growth for the United States as a whole.

Influencing much of the county's economic engine is the annual impact of personal income that experienced 6.1 percent growth in 2006 producing a fresh infusion of a reported \$14.3 billion into the local market. This trend should continue into 2007 with another 6.2 percent level of growth projected for the year.

The county's workforce of 253,299 generated \$5.7 billion in wages and salaries with the amount of personal income generated from non-waged sources of interest, royalties, and other investment vehicles topping \$8.6 billion in new capital.

Evident within the statistical data collected to review Volusia County's migratory patterns is the fact that new arriving residents, statistically on average, had higher annual income levels than those families leaving the community to go elsewhere. As an influencing group, new arrivals to the county are adding a greater influence in financial buying power than those they are replacing. The influence of increased in-migration supports the growth and need for commercial and professional services as well as stimulates continued job opportunities within the market.

While job growth in business and professional services, healthcare, and the service sector continues to influence the creation of new jobs within the Volusia economy, work is being done by the county's economic development efforts to further diversify the local workforce and mitigate the number of workers that are commuting to work outside the immediate market. However, the county is increasingly influenced by its geographical location within the central Florida metropolitan market and rapidly becoming part of and influenced by the growth of the greater Orlando Metropolitan Statistical Area (MSA).

Nearly 22 percent of the county's new residents over the past 5 years have relocated to Volusia County as the result of the out growth of both residential and commercial activities from the more urbanized areas of Seminole and Orange counties located just southwest of the county's western border. There is no doubt that Volusia County has become more integrated as part of a regional metropolitan economy and is now impacted by the economic trends of the region and less and less upon its own individual strengths and weaknesses.

According to the County's Department of Economic Development, about 56,000 Volusia County residents commute to jobs in surrounding counties. Many of these individuals moved to Volusia County as a result of the competitive cost values presented by Volusia County's housing market while maintaining jobs near their former residence. These individuals comprise the bulk of Volusia's daily commuters.

Workforce trends and U.S. Government Entitlements

Employment trends continued their upward momentum in 2006 as Volusia County increased its overall workforce population from 245,645 to 253,299 workers according to the LAUS Report issued by the Florida Agency for Workforce Innovation. Unemployment rates remained steady from 2.8 percent in December of 2005 to 3.0 percent in December 2006. Volusia County's 2.9 percent average for unemployed workers remained on

par with the State of Florida's average of 3.0 percent and well below the U.S. national average of 4.4 percent for the same period.

Although unemployment levels remained low during 2006, the size of the workforce continued to be influenced by the in-migration of new workers and their spouses and by first time entrants into the workforce. The number of new jobs created continued to outpace the growth of the overall workforce for the second year in a row. This trend has lessened the overall dependency of many workers on out-of-market job opportunities and has cut the number of daily commuters from a high of approximately 62,000 workers in 2004 to a current level estimated at 56,000.

Approximately 22.5 percent of Volusia County's population is aged 65 or over. This population is the primary recipient of Federal entitlement payments generated from the U.S. Social Security Administration. Overall Social Security benefits paid to Volusia County residents of all ages topped \$1.47 billion in 2006. The majority, or an estimated \$961.9 million, of these moneys were paid in retirement benefits while \$213.7 million were expended for disability payments. Another \$296.3 million was generated by those individuals receiving SSI and Survivors benefits.

Gross Metro Product (GMP)

The overall Gross Metro Product (GMP) for the Volusia County economy increased in 2006 from \$12.98 billion in 2005 to \$13.69 billion; a \$709.9 million increase. The GMP is an annual measurement of the total economic output and sales of goods and services provided within the MSA that comprises all of Volusia County and its 16 cities.

A GMP of \$13.69 billion represents a significant circulation of new capital resources in an economy populated by just over 500,000 residents. Local consumer confidence and a continued in-migration of an estimated 28,800 new residents, new capital investments for new construction exceeding \$1.11 billion, and the steady growth of professional and healthcare services continued to drive much of the County's economic viability.

Volusia County's manufacturing sector maintained a steady and stable position within the local economy contrary to the declining trends being experienced elsewhere within the State of Florida. The overall number of manufacturers present within the county increased to over 430 in 2006 and accounted for a large portion of the county's GMP. Manufacturing maintains one of the highest of all average wage levels within the county and generates a higher rate of circulation of economic impact than any other business sector that comprises the local economy.

Volusia County's manufacturing sector generated an average annual wage of \$37,632 in 2006, well above the county's average annual wage of \$32,200 for all workers.

Economic development related impacts

More than 11,300 new jobs were added to the county's economy in 2006. These healthy increases in employment were lead by the relocation of major employers such as Frontier Communication Solutions with nearly 500 new jobs into the market and by the successful retention of several major manufacturing employers within the market.

In April, Ocean Design, Inc., a manufacturer of high pressured environment couplers, moved into a new state-of-the-art headquarters and production facility in Daytona Beach with more than 200 high skilled and higher waged jobs. This move ended a three year effort by the company and the community to finalize a location to consolidate the company's multiple production and administrative functions.

Driven by the acquisition of two new boat manufacturing companies, Brunswick Corporation's saltwater boat group announced in December the consolidation of the company's divisional headquarters unit to the greater Edgewater area. This consolidation will include the management, engineering/design and sales personnel from the division's seven manufacturing companies. The move is expected to increase Brunswick's local presence by 65 additional professional positions.

In 2006, Ideal Aluminum Products, continued to add workers to the company's manufacturing operations following their relocation to the DeLand area in 2005 reaching the company's goal of 200 workers nearly a year ahead of schedule. In June, the DeLand area was chosen as the site to locate a customer service divisional headquarters by Stamford, Connecticut based Citizen's Communications. The decision has created a need for 487 new information technology jobs that will bring more than \$14,000,000 in new payroll to the market.

Other manufacturers expanded to the Volusia County market in 2006. TimeMed, Inc. of Illinois acquired New Smyrna based Pharmex, A.B.P. resulting in a commitment by the company to consolidate a portion of their national operations to a new facility to be constructed in Port Orange. In Ormond Beach, local manufacturer, Microflex, Inc. began the process to expand their manufacturing operations due to new contracts with both American and Japanese automakers. The expansion will cost an estimated \$6 million and will add an anticipated 50 new high skilled and higher waged manufacturing jobs to the local market.

Crane Cams, Inc. of Daytona Beach was acquired by Mikronite Technologies, LLC of New Jersey. The acquisition of Crane's automotive components production capacity will result in the strengthening of the company's local presence by an infusion of fresh capital to upgrade the manufacturer's productivity and position within the industry. The move also resulted in a commitment by Mikronite Technologies to relocate the company's manufacturing operations from New Jersey. The move is expected to add an additional 30 to 40 new manufacturing jobs to the Daytona Beach area.

Manufacturing employment, which accounts for nearly \$500 million in local wages, was also impacted in 2006 by a renewed round of federal military procurement opportunities. U.S. Navy contracts with Sparton Electronics of DeLeon Springs, a U.S. Marines contract with parachute maker Complete Parachutes Solutions of DeLand, and government contracts for water filtration equipment and marine patrol craft from manufacturers Miller-Leaman, Inc. of Daytona Beach, and Boston Whaler's commercial and government products division in Edgewater led the way. Acquisition of Ocean Design, Inc. of Daytona Beach by Teledyne, Inc. further strengthens the role of local manufacturers in supplying critical procurement needs of the United States government.

Infrastructure of future employment centers

After two years of planning, design and engineering, the County's economic development team completed the construction of DeLand Crossings industrial park along I-4 near the S.R. 44 interchange. Completion of the park provides industrial acreage to support up to 300,000 square feet of manufacturing space that will generate in excess of \$30 million in new capital investments and provide for an industrial center for up to 300 new high skilled and high waged jobs.

The DeLand Crossings project has attracted two manufacturers that have already acquired acreage within the new park and have begun the necessary work to design and build up to 130,000 square feet of new production space. NSI Intellitec Products, LLC and California based BBK Products, Inc. are investing more than \$12 million in new capital. These projects together will result in the relocation and creation of more than 130 high waged jobs in an area of the county that has been largely dependent upon agriculture and residential activities.

The County's economic development team continues to lead development plans for the construction of additional industrial acreage and infrastructure. In March, the County Council awarded an economic development infrastructure matching grant to the city of DeLand to support the city's effort to provide road access for up to 30 additional acres of industrial land at the DeLand Airport Industrial Park.

A similar action taken in December by the County Council resulted in the award of an economic development infrastructure matching grant to the city of Ormond Beach to support the City's efforts to develop the remaining industrial acreage at the Ormond Beach Airport Industrial Park. The project is designed to open 14 acres of new industrial use for future job creation.

The County's aggressive economic development initiative is leveraging local government resources to maximize the community's ability to provide developed and fully permitted sites to accommodate future employers. This strategic move by the County Council has improved the community's ability to secure competitive projects

resulting in the capture of hundreds of millions of dollars in new capital investment and tax base as well as a growing number of higher skilled and higher waged jobs.

Additional efforts began in 2006 to encourage the development of a new employment center for the city of Port Orange that will comprise an additional 245 acres of industrial parcels capable of supporting well in excess of another 1,000,000 square feet of production space. Preliminary engineering and conceptual site planning have already begun encouraged by a joint development strategy between Volusia County and Port Orange.

In Daytona Beach, further progress has been made in advancing the planning and permitting of the Daytona Beach International Airport's Corporate Technology Center on the south side of the airport's main complex. The Center will accommodate over 600,000 square feet of offices to accommodate information technology based users as well as technology based light manufacturing facilities. Work will continue in 2007 to advance the engineering and coordinated needs of the project between Volusia County and the city of Daytona Beach. Upon completion, the Center will generate in excess of \$80 million in new tax base and will serve as the home to an estimated 1,500 new jobs.

Just west of the Daytona Beach International Airport, the County has finalized the engineering of a 130 acre industrial park known as the Tomoka Industrial Park and has prepared the project for construction in two phases beginning in 2007. The Park will house more intensive industrial users and has been designed to accommodate up to 1,000,000 square feet of additional industrial space.

Earlier investments by Volusia County and Consolidated Tomoka Land Development Company along the Mason Avenue extension in Daytona Beach have continued to encourage the construction of industrial space to accommodate new capital investment and tax base capable of supporting improved employment opportunities. In 2006, up to 200,000 square feet of new production and warehousing space was completed in this area and commitments have already been made for more than 250,000 square feet of additional production facilities.

The County's Industrial Development Authority reported up to \$25,000,000 in new industrial revenue bond financing. By year's end an additional \$14,000,000 in bonds were being prepared to support three new projects for the DeLand and Daytona Beach market.

In 2006, Volusia County began the \$75 million capital expansion of the Ocean Center. The expansion of the County's convention and meeting facility will provide for 164,000 square feet of interior exhibit space and 300,000 square feet of exterior exhibit space advancing the Ocean Center into one of the top 5 largest convention facilities in the State of Florida. The expansion is expected to be completed and open for business in 2008.

This single largest public works project has already begun to influence private-sector capital investments in the immediate area around the Ocean Center with several new full-service hotels and support facilities planned for future construction. The completion of the Ocean Center project is expected to attract several hundred millions in new construction and capital investment to meet the future needs of conventioners.

LONG-TERM FINANCIAL PLANNING

The County takes a planned approach to the management of debt, funding from internally generated capital, where appropriate, and financing when appropriate. Conservative financial strategies and management practices help to minimize exposure to sudden economic shocks or unexpected volatility. Quarterly monitoring and evaluation of factors that can affect the financial condition of the County help to identify any emerging financial concerns. The practice of multi-year forecasting enables management to take corrective action long before budgetary gaps develop into a crisis. The planning process also includes an examination of new capital and/or operating initiatives in relationship to their related impact on the County's financial position. The following is a brief discussion of these projects.

Criminal Justice Information System (CJIS)

The exchange of information between Volusia County's criminal justice agencies, as well as other local, state, and federal agencies will be streamlined and further automated through the use of new technology. The CJIS

Council assisted the County of Volusia in developing a conceptual design for a new multi-agency criminal justice information system. The implementation of the detailed design is scheduled to begin in January 2007 and be completed within 22 months. The cost for this entire project is approximately \$22.5 million.

800 MHz Radio System

The 800 MHz radio system is based on early 1990's technology. To extend the life of the radio equipment in place and to continue to provide reliable service to public safety agencies, a major technological upgrade to the 800 MHz radio system is anticipated. The upgrade project is expected to cost \$7 million. The maintenance contract for the current system expires in 2009, and replacement of the system will be required sometime after that. With changing technology in this area, replacement cost is unknown at this time.

Branch Jail Expansion

The Branch Jail, which opened in 1987, has a rated capacity for 1,494 inmates. The average daily inmate population has routinely exceeded this capacity over the past year. To house this ever growing population, expansion is needed. It is anticipated the construction will be completed in three phases at a cost of \$35 million. Phase I includes the addition of approximately 250 beds, a new central services warehouse, and renovation of the existing intake and receiving area.

Commuter Rail

Volusia County has been evaluating the possibility of rail service linking Volusia County and the Orlando metropolitan area since 1997. Volusia County's share of initial capital costs is estimated to be \$20 million, which includes a train station in DeBary and the cost to extend Saxon Boulevard to reach the station. The County included \$1.5 million in next year's budget and has been tentatively approved for two loans from Florida Department of Transportation in the amount of \$10.2 million and \$2.3 million. An additional commercial paper loan will cover the remaining capital expenditures.

Emergency Operations Center (EOC)

The original EOC facility was built in 1976, with an adjacent dispatch center constructed in 1995. This project provides for construction of a new facility that would provide for two major capabilities: integrated law enforcement, fire, and emergency medical dispatching, and an emergency operations center that will provide functional space and equipment for planning, operational, and support personnel. This project is estimated to cost \$20 million.

Sheriff Facilities

In fiscal year 2005-2006, land was purchased to be used as the site for the construction of a combined Sheriff's facility that will house evidence storage and the new District 2 headquarters. It is anticipated this \$18 million project will be financed and constructed in phases, with the first phase being a new evidence processing and storage facility.

Beach

With the increased need for additional off beach parking and the replacement of an aging Beach Patrol Headquarters, two major beach projects are underway, totaling \$11.5 million. With off beach parking at a premium, the County has budgeted \$5.5 million for land acquisition. The new Beach Patrol Headquarters facility will replace the Main Street Lifeguard Station which was demolished and the 50 year old Daytona Beach Shores Lifeguard Station. This \$6 million building will also accommodate public uses, educational exhibits, general office functions, showers/locker rooms, and equipment storage.

East Side Service Center

This \$15 million, 60,000 sq. ft. facility will consolidate eastside operations of Mosquito Control, Road and Bridge and Traffic Engineering. The facility will provide office space, equipment and supply storage, fuel depot, and helicopter hangar. A portion of the facility will serve as an emergency field operations center for eastside field response and recovery teams. Funding for the project is under review. The next step will be to seek approval from council to select an architect to prepare construction documents.

RELEVANT FINANCIAL INFORMATION

Cash Management Policies And Practices

Cash balances of all County funds are pooled and invested pursuant to the following criteria: safety, liquidity, yield, and term. The County's formal investment policy allows the County to invest in the State of Florida Local Government Surplus Funds Trust Fund; negotiable direct obligations which are unconditionally guaranteed by the United States Government; bonds, debentures, notes, and other indebtedness guaranteed by United States Government agencies; money market mutual funds regulated by the Securities and Exchange Commission; bankers acceptances; commercial paper; non-negotiable interest-bearing time certificates of deposit or saving accounts; repurchase agreements; and state and/or local government taxable and tax-exempt debt. Additionally, the County may invest Volunteer Firefighters Pension funds in equities.

During fiscal year 2006, the County's cash resources were primarily invested in the State of Florida Local Government Surplus Funds Trust Fund, U.S. Treasury and Agency issues, and repurchase agreements. The County did not invest in any derivatives or similar debt and investment instruments. The interest rates received from individual securities for the fiscal year ranged from 1.875 percent to 5.875 percent and yielded \$20,851,060 of interest income. For additional information concerning the investment of surplus funds, refer to Note 5 of the Notes to the Financial Statements on page 78.

Risk Management

The Personnel Division manages the self-insurance and loss-control programs of the County. The County self-insures its worker's compensation, general liability, and physical damage risks. To meet potential losses related to these risks, funding is generated from user charges to the various funds that participate in the program. Each year, an actuarial review is conducted to estimate claims costs and funding levels to cover these costs. These funds are accumulated in the Insurance Fund. In addition, the County sponsors a loss-control program requiring frequent inspections of County buildings to identify hazards and on-going loss prevention training classes to lessen the frequency and severity of accident-related losses.

Group Insurance

The County provides medical, dental, pharmaceutical, and behavioral health services to its employees and their dependants through a self-insured program called the Health Partnership Plan. The plan's goal is to provide quality services at the lowest price. The County has contracted with various hospital, pharmaceutical, and health networks to meet this goal. In addition, the plan's design is regularly reviewed to find ways to improve efficiency and lower or stabilize costs. Funding to pay claims associated with the plan comes from both the County and its employees. Employees pay \$5.00 per pay period towards their own premium costs and the County contributes the remainder. Employees pay their dependent premium costs. Premiums are accumulated in the Group Insurance Fund. Excess reserves continue to grow within the Group Insurance Fund at least equal to 2 months of claims, as required by Section 112.08 Florida Statutes. Unrestricted net assets have increased in each of the past three fiscal years, ensuring continued coverage of County employees during times of rising medical costs. For additional information concerning the Group Insurance Fund, refer to Note 16 of the Notes to the Financial Statements on page 102.

Pension Plan

The County contributes to the Volunteer Firefighters Pension Plan, a single employer defined benefit plan. Each year, an independent actuary, engaged by the pension plan, calculates the amount of the annual contribution the County must make to the pension plan to ensure the plan will be able to fully meet its obligations to retired volunteers. As a matter of policy, the County fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of its funding policy, the actuarial value of the plan's assets exceeds the accrued value of the projected benefits by 108%. The overfunded amount is being systematically amortized over a 16-year period as part of the annual required contribution calculated by the actuary.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2005. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and it will be submitted to the GFOA to determine its eligibility for another certificate.

Acknowledgements

A Comprehensive Annual Financial Report of this nature could not have been prepared without the dedicated efforts of the Finance staff. I would like to express my sincere appreciation to the Accounting Director, each member of the Accounting Division, the Management and Budget Director, the Economic Development Director, the Operations/Debt Manager, and the Revenue Director who assisted and contributed in the preparation of this report. I would also like to thank the County Manager, the County Chair and members of the County Council for their leadership and support in planning the financial operations of the County in a responsible and progressive manner.

USE OF THIS REPORT

This report, and other financial information prepared by the County of Volusia, Department of Financial and Administrative Services, may be accessed on the County's website at <http://www.volusia.org/finance>, using the CFO link. Copies of this report are also available from the County Library system for use of the general public.

Sincerely,

Charlene Weaver, CPA
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Volusia
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2005

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



President

Executive Director

COUNTY OF VOLUSIA, FLORIDA

PRINCIPAL COUNTY OFFICIALS

September 30, 2006

COUNTY COUNCIL

Frank T. Bruno, Jr., Chair

Joie Alexander, Vice-Chair	Council Member At-Large
Dwight D. Lewis	District No. 1
Arthur E. Giles	District No. 2
Jack Hayman	District No. 3
Carl G. Persis	District No. 4
Bill Long	District No. 5

ELECTED COUNTY OFFICIALS

Ben F. Johnson	Sheriff
Ann McFall	Supervisor of Elections
Morgan B. Gilreath, Jr.	Property Appraiser

COUNTY MANAGER

James Dinneen



FRANK T. BRUNO JR.
County Chair



JOIE ALEXANDER
Vice-chair, At-large



DWIGHT LEWIS
District 1



ART GILES
District 2



JACK HAYMAN
District 3



CARL G. PERSIS
District 4

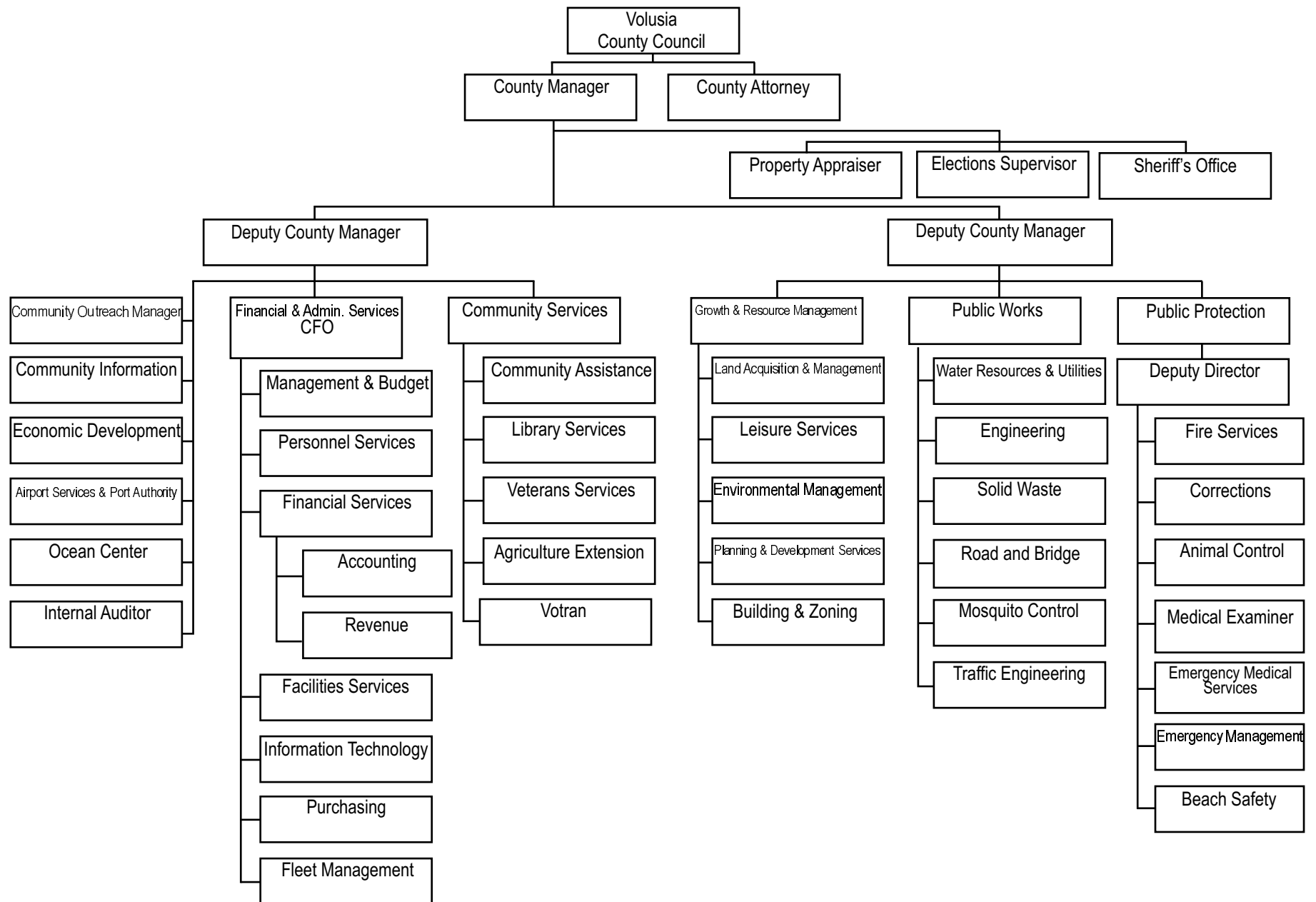


BILL LONG
District 5



JAMES DINNEEN
County Manager

Volusia County Organizational Chart



JAMES MOORE & CO., P.L.

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable County Council Members
of the County of Volusia, Florida:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Volusia, Florida, as of and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Volusia, Florida's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Clerk of the Circuit Court, County of Volusia, Florida or Emergency Medical Foundation, Inc., which represent ninety-eight percent and ninety-nine percent of the assets and revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Clerk of the Circuit Court, County of Volusia, Florida and Emergency Medical Foundation, Inc., is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County of Volusia, Florida's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

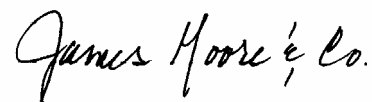
In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Volusia, Florida, as of September 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Municipal Service District, and Federal and State Grants funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2007, on our consideration of the County of Volusia, Florida'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Volusia, Florida's basic financial statements. The combining statements and individual fund financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance and schedule of passenger facility charges are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Section 215.97, Florida Statutes, *Florida Single Audit Act*, and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and are not a required part of the basic financial statements. The combining statements and individual fund financial schedules, schedule of expenditures of federal awards and state financial assistance, and schedule of passenger facility charges have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section are presented for additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "James Moore & Co.".

Daytona Beach, Florida
February 7, 2007

Management's Discussion and Analysis

Introduction

The County's management discussion and analysis presents an overview of the County's financial activities for the fiscal year ended September 30, 2006. Please read it in conjunction with the Letter of Transmittal, beginning on page 1, and the County's financial statements beginning on page 32.

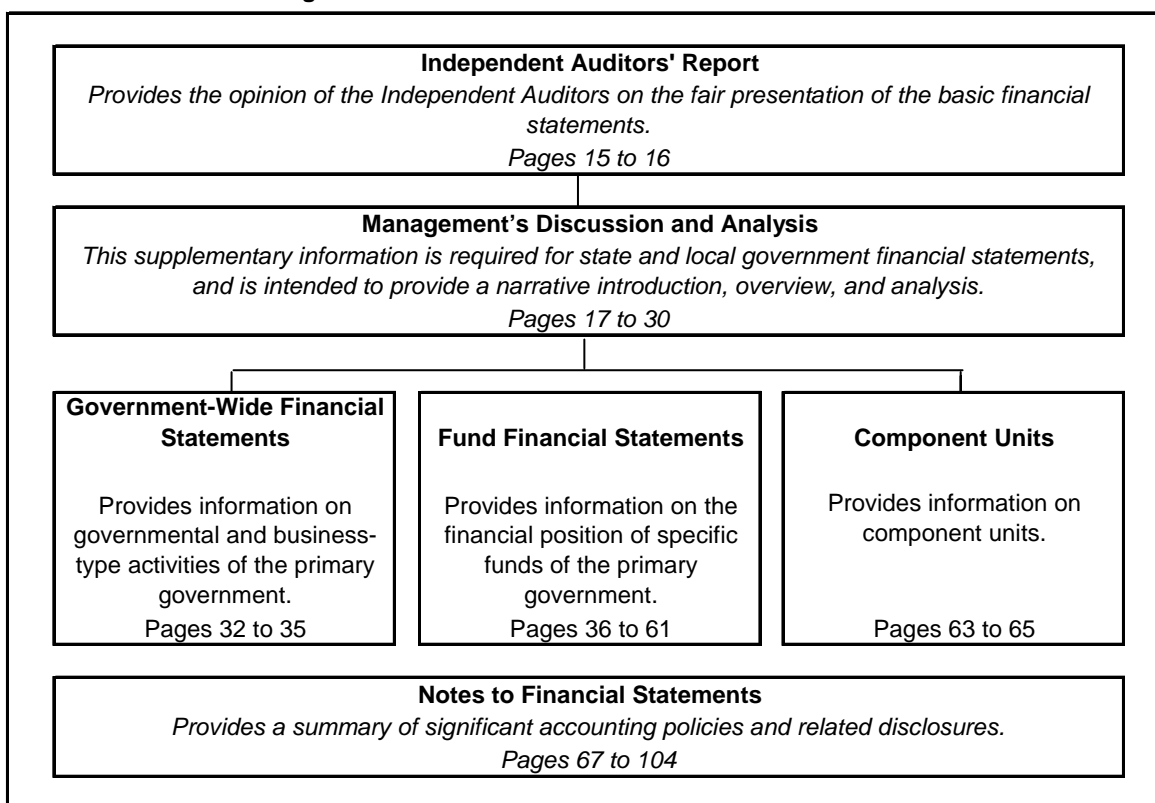
Financial Highlights

- The assets of the County exceeded its liabilities at the close of fiscal year 2006 by \$717,776,693 (*net assets*). Of this amount, \$135,903,234 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- At September 30, 2006, the County's governmental funds reported combined ending fund balances of \$343,280,331, an increase of \$50,464,215.
- At September 30, 2006, unreserved fund balance for the General Fund was \$57,634,653, an increase of 29.0 percent over the prior fiscal year.
- Governmental funds revenues increased \$46,294,781 or 12.1 percent over the prior fiscal year.
- The County's outstanding notes payable, capital lease, and bonded debt increased by \$33,979,207 or 10.7 percent during fiscal year 2006. The principal retirements of its notes payable, capital lease, and bonded debt totaling \$18,261,646 did not offset increases in its notes payable and capital lease totaling \$12,365,853 and the increase of bonded debt of \$39,875,000 from one new issue.

Overview Of The Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise 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.

Organization and Flow of Financial Section Information



Government-wide financial statements

The *government-wide financial statements*, which consist of the following two statements, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during fiscal year 2006. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Both of these financial statements distinguish functions of the County 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 County include general government, public safety, physical environment, transportation, economic environment, health and social services, culture/recreation, and other community services. The business-type activities of the County include refuse disposal, airport operations, mass transit, water and sewer utilities, and garbage collection.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also the following legally separate component units: Clerk of the Circuit Court, Volusia County Law Library, and Emergency Medical Foundation, Inc. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 32-35 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 County, 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 County 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 reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 43 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, municipal service district, ocean center expansion, bond funded road program, subordinate lien sales tax revenue bonds, and federal and state grant funds, which are considered to be major funds. Data from the other 37 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

The County adopts an annual appropriated budget for its general, budgeted special revenue, and debt service funds and project-length budgets for the capital projects funds. A budgetary comparison statement has been provided for these funds to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found on pages 36-48 of this report.

Proprietary funds

The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements, except in more detail. The County uses enterprise funds to account for activities of a government that provide goods or services primarily to the public at large on a consumer charge basis. The proprietary fund financial statements provide separate information for the refuse disposal, Daytona Beach International Airport, Volusia Transportation Authority, water and sewer utilities, and garbage collection funds. *Internal service funds* are an accounting device used to accumulate and internally allocate costs to the County's various functions. The County uses internal service funds to account for its computer replacement, vehicle maintenance, self-insurance and risk management, and employee group insurance programs. Because the services of these funds predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the supplementary information section of this report.

The basic proprietary fund financial statements can be found on pages 50-59 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 County's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

The basic fiduciary fund financial statements can be found on pages 60-61 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 67-104 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its volunteer firefighters. Required supplementary information can be found on page 106 of this report.

The combining statements referred to earlier in connection with nonmajor governmental, major capital project, internal service, and agency funds are presented in the supplementary information section of this report. Combining and individual fund statements and schedules can be found on pages 112-187 of this report.

**Financial Analysis Of County Of Volusia, Florida:
Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$717,776,693 at the close of the fiscal year ended September 30, 2006.

At the end of fiscal year 2006, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

County of Volusia, Florida						
Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 426,772,047	\$ 362,552,637	\$ 70,051,050	\$ 60,611,946	\$ 496,823,097	\$ 423,164,583
Capital assets	474,620,419	423,791,083	194,158,257	176,589,779	668,778,676	600,380,862
Total assets	901,392,466	786,343,720	264,209,307	237,201,725	1,165,601,773	1,023,545,445
Long-term liabilities outstanding	322,190,381	286,183,230	69,006,984	72,101,175	391,197,365	358,284,405
Other liabilities	45,032,412	38,332,415	11,595,303	6,063,000	56,627,715	44,395,415
Total liabilities	367,222,793	324,515,645	80,602,287	78,164,175	447,825,080	402,679,820
Net Assets:						
Invested in capital assets, net of related debt	322,890,595	292,915,827	136,946,061	118,841,502	459,836,656	411,757,329
Restricted	115,703,697	102,395,240	6,333,106	16,992,048	122,036,803	119,387,288
Unrestricted	95,575,381	66,517,008	40,327,853	23,204,000	135,903,234	89,721,008
Total net assets	\$ 534,169,673	\$ 461,828,075	\$ 183,607,020	\$ 159,037,550	\$ 717,776,693	\$ 620,865,625

The largest portion of the County's net assets (64.1 percent) reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (17.0 percent) represents resources that are subject to external restrictions on how they may be used. For governmental activities, restricted assets increased \$13,308,457 over last year primarily due to an increase in funds for the Ocean Center expansion, the bond funded road program, ECHO and Forever capital projects, and debt service. There was a net decrease of \$10,658,942 in restricted net assets reported in connection with the County's business-type activities. The decrease resulted from changing the means of satisfying bond reserve requirements by purchasing a surety bond and using restricted funds for their intended purpose. The remaining balance of *unrestricted net assets* (\$135,903,234) for both governmental and business-type activities, may be used to meet the government's ongoing obligations to citizens and creditors.

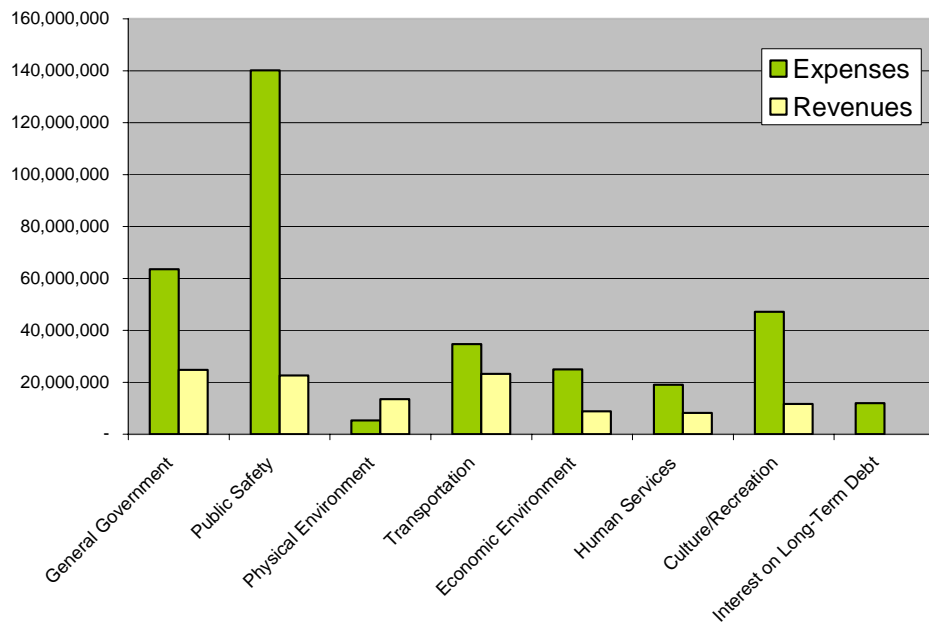
Governmental activities

Governmental activities increased the County's net assets by \$72,341,598 thereby accounting for 74.9 percent of the total growth in the net assets of the County. Key elements of this increase are as follows:

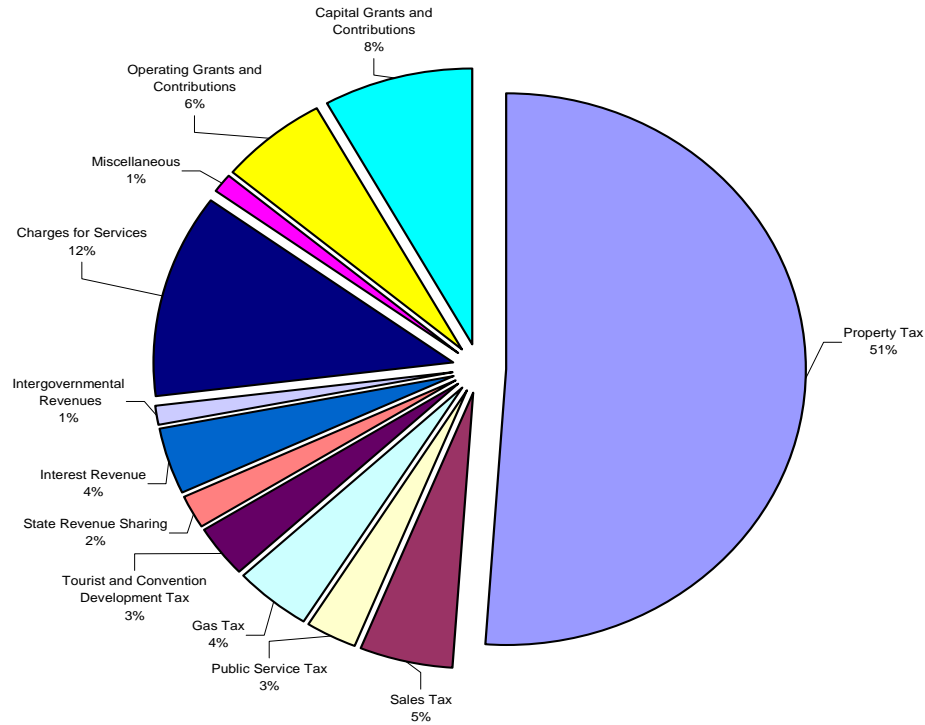
- Property tax revenue increased \$29,497,977, an increase of 15.4 percent, over the prior fiscal year.
- Interest revenue increased by \$10,892,423, an increase of 136.2 percent, over the prior fiscal year.
- Physical environment program revenues charges for services increased \$2,700,325 due to a rate increase in stormwater fees for residential units. In addition, a state grant for dune restoration projects contributed to the \$6,955,203 increase in capital grants and contributions over the prior year.

County of Volusia, Florida Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program Revenues:						
Charges for services	\$ 53,303,010	\$ 47,303,189	\$ 49,507,069	\$ 45,622,285	\$102,810,079	\$ 92,925,474
Operating grants and contributions	25,163,448	34,604,270	8,047,720	10,602,513	33,211,168	45,206,783
Capital grants and contributions	34,278,269	27,323,066	21,168,331	8,605,661	55,446,600	35,928,727
General Revenues:						
Property taxes	220,695,273	191,197,296	-	-	220,695,273	191,197,296
Other taxes	62,908,922	61,679,283	-	-	62,908,922	61,679,283
Grants and contributions not restricted to specific programs	-	1,012,246	-	-	-	1,012,246
Other	32,251,465	17,868,177	2,584,367	4,370,491	34,835,832	22,238,668
Total revenues	428,600,387	380,987,527	81,307,487	69,200,950	509,907,874	450,188,477
Expenses:						
General government	63,570,846	58,773,973	-	-	63,570,846	58,773,973
Public safety	140,169,412	126,272,315	-	-	140,169,412	126,272,315
Physical environment	5,294,803	5,906,176	-	-	5,294,803	5,906,176
Transportation	34,706,556	37,312,003	-	-	34,706,556	37,312,003
Economic environment	24,962,203	19,846,710	-	-	24,962,203	19,846,710
Human services	19,002,622	19,077,825	-	-	19,002,622	19,077,825
Culture/recreation	47,169,456	41,629,072	-	-	47,169,456	41,629,072
Interest on long-term debt	11,947,707	10,161,557	-	-	11,947,707	10,161,557
Refuse disposal	-	-	14,222,458	15,249,106	14,222,458	15,249,106
Daytona Beach International Airport	-	-	15,343,982	15,312,142	15,343,982	15,312,142
Volusia Transportation Authority	-	-	19,821,457	19,181,600	19,821,457	19,181,600
Water and sewer utilities	-	-	10,551,462	9,869,034	10,551,462	9,869,034
Garbage collection	-	-	6,568,672	4,736,623	6,568,672	4,736,623
Total expenses	346,823,605	318,979,631	66,508,031	64,348,505	413,331,636	383,328,136
Increase in net assets before transfers	81,776,782	62,007,896	14,799,456	4,852,445	96,576,238	66,860,341
Transfers in (out)	(9,435,184)	(5,740,148)	9,435,184	5,740,148	-	-
Increase in net assets	72,341,598	56,267,748	24,234,640	10,592,593	96,576,238	66,860,341
Net assets - beginning of year, restated	461,828,075	405,560,327	159,372,380	148,444,957	621,200,455	554,005,284
Net assets - end of year	\$534,169,673	\$461,828,075	\$183,607,020	\$159,037,550	\$717,776,693	\$620,865,625

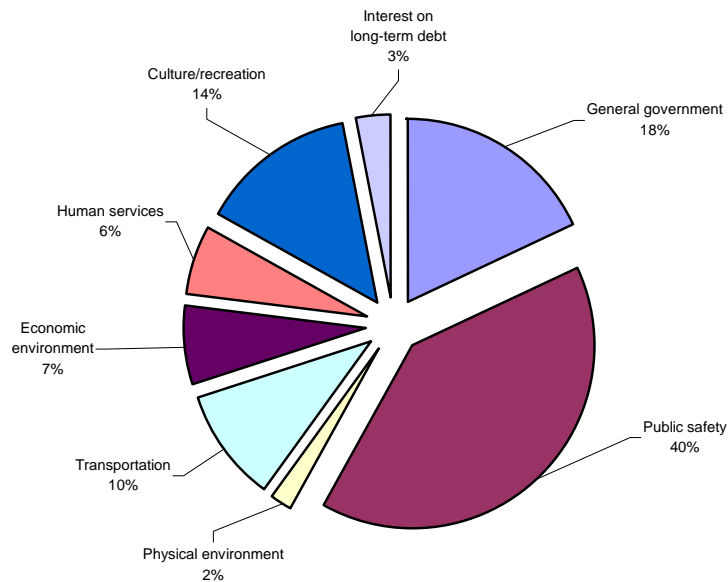
Expenses and Program Revenues – Governmental Activities



Revenue by Source – Governmental Activities



Expenses by Function/Program – Governmental Activities

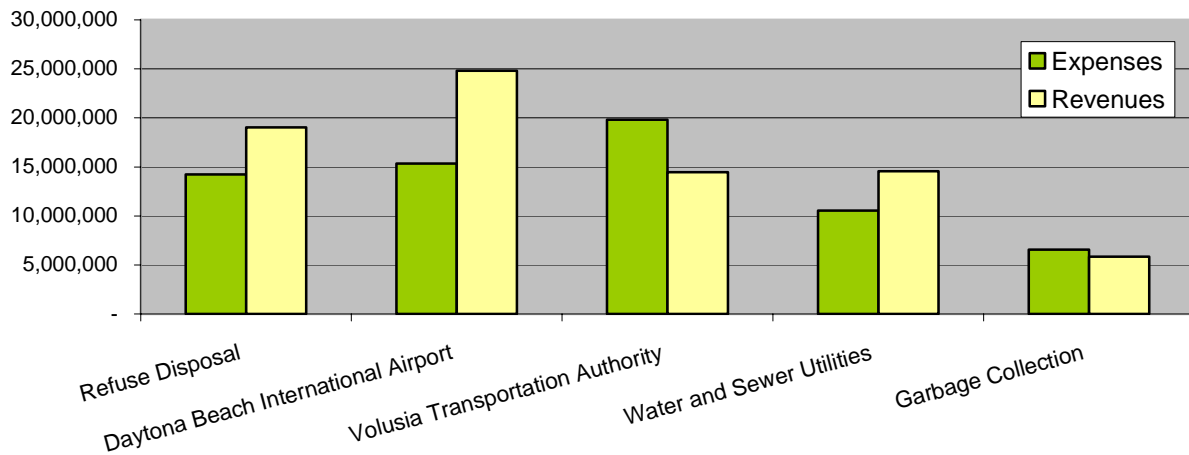


Business-type activities

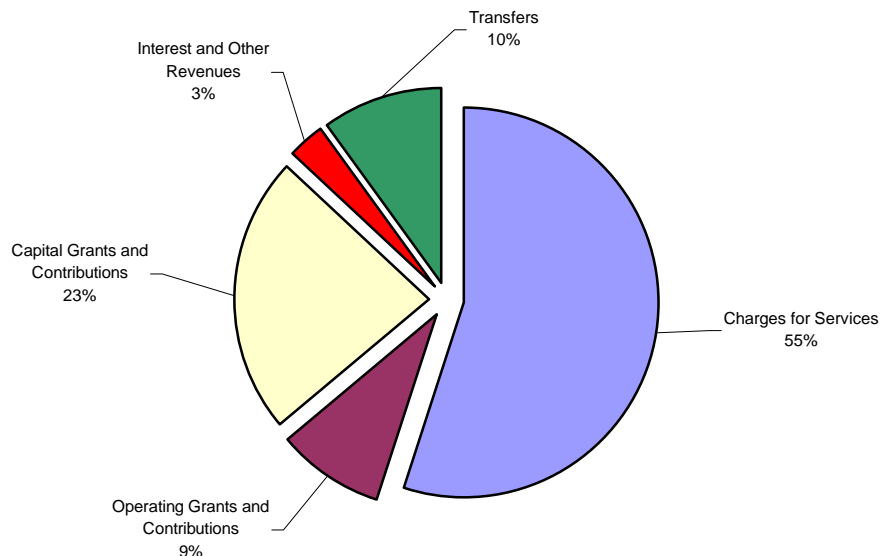
Business-type activities increased the County's net assets by \$24,234,640, accounting for 25.1 percent of the total growth in the government's net assets. Key elements of this increase are as follows:

- The Refuse Disposal fund generated \$5,198,388 in net assets due to the net effect of an established budgeted operating surplus necessary to cover anticipated future costs and the stabilization of operating expenses.
- During the fiscal year, Daytona Beach International Airport (DBIA) received \$2,377,934 from a Federal Aviation Administration (FAA) innovative financing grant.
- The FAA provided \$3.8 million funding assistance towards the construction of the airport perimeter road.
- DBIA received \$4.4 million from the State for assistance in acquiring 138 acres of land adjacent to the airport.
- During the fiscal year, Volusia Transportation Authority (Votran) received an increase in their transfer from the General Fund of \$3.5 million. The transfer was necessary to subsidize Votran operations.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis Of The County's Funds

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

Governmental funds

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

As of the end of fiscal year 2006, the County's governmental funds reported combined ending fund balances of \$343,280,331, an increase of \$50,464,215. *Unreserved, undesignated fund balance* of \$126,595,751 is available for spending at the County's discretion; \$15,120,942 is designated as emergency reserves and \$45,393,691 is designated for capital projects. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (\$45,695,873), 2) for inventories (\$1,359,658), 3) for advances to other funds (\$2,801,802), 4) to pay debt service (\$2,639,752), 5) for capital projects (\$99,517,541), 6) for employee receivables (\$230,092), 7) for long-term notes receivable (\$3,316,335), and 8) other long-term receivables (\$608,894). The general, municipal service district, federal and state grants, Ocean Center expansion, bond funded road program, and subordinate lien sales tax revenue bonds funds are reported as major funds in the basic financial statements.

The general fund is the chief operating fund of the County. At the end of fiscal year 2006, unreserved fund balance of the general fund was \$57,634,653, while total fund balance reached \$63,358,243. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 34.1 percent of the total general fund expenditures, while total fund balance represents 37.5 percent of that same amount.

The fund balance of the County's general fund increased by \$14,303,063 during the current fiscal year. This increase is mainly attributed to an increase in tax revenues of \$18,728,376 and interest revenue of \$2,260,186 over fiscal year 2005, offset by expenditure increases in general government, public safety, economic environment activities, and transfers out.

The municipal service district fund accounts for the fiscal activity of the resources generated by any municipal-type services rendered to the citizens and taxpayers of the County's unincorporated areas. Its fund balance of \$11,273,105 is an increase of \$2,009,688 from the prior fiscal year. Increases in tax revenues, charges for services, and transfers in, more than offset the \$3,894,842 increase in expenditures.

The federal and state grants fund balance of \$3,238,711 represents a decrease of \$3,501,861 from last fiscal year. This 51.9 percent decrease is mainly attributed to \$2,882,900 county match funds expended for the Port Authority dune restoration project and \$590,000 of county match funds returned to the Port Authority beach erosion project.

The subordinate lien sales tax revenue bond debt service fund accounts for the resources necessary to meet the requirements to pay the principal, interest, and related costs of \$8,678,566 for four sales tax revenue bond issues.

The Ocean Center expansion project fund is in its third year. In fiscal year 2004, the County issued \$64,710,000 in Tourist Development Tax revenue bonds to provide resources for the construction project. During the 2006 fiscal year, the fund received interest revenues of \$2,473,417 and incurred expenditures of \$8,101,726 in project costs. The ending fund balance is \$50,604,584.

The bond funded road program fund represents a portion of the County's 5-Year Road Program. Its projects were selected based on input from the cities with emphasis on those projects that support or could enhance economic development. During the fiscal year, the fund received interest revenues of \$2,930,251 and incurred \$6,501,484 in project costs. The ending fund balance is \$62,137,384.

Proprietary funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of proprietary funds at the end of the year amounted to:

Proprietary Funds Unrestricted Net Assets		
Proprietary Fund	2006	2005
Enterprise Funds		
Refuse disposal	\$ 11,184,953	\$ 4,938,050
Daytona Beach International Airport	12,976,147	6,116,902
Volusia Transportation Authority	2,385,958	326,888
Water and sewer utilities	11,350,032	9,647,423
Garbage collection	1,222,802	1,184,707
Total	\$ 39,119,892	\$ 22,213,970
Internal Service Funds	\$ 13,438,425	\$ 8,274,707

General Fund Budgetary Highlights

Differences between the general fund's original budget and final amended budgeted expenditures were \$2,296,962. These changes resulted from the following:

- Increase in general governmental activities of \$1,187,069, mainly due to the recognition of a grant to acquire new elections voting equipment.

- Increase in public safety activities of \$1,071,893, mainly necessary to cover additional expenditures associated with the operation of the corrections clinic.
- Increase in human services activities of \$38,000 due to anticipated street improvement contributions from non-county sources.

The variance between the final amended budget and actual expenditures for the general fund for the year was \$26,887,698. Major variances are summarized as follows:

- Facilities services expenditures were \$5,603,684 less than budget. This variance was caused by delays in projects related to the acquisition of emergency generators and HVAC systems for various County facilities, court facilities renovations, and branch jail renovations.
- General government non-departmental expenditures were \$8,028,834 less than budget which represents reserves for emergencies and future periods.
- Sheriff expenditures were \$1,827,122 less than budget. The majority of the variance represented a reduction in anticipated personal services expenditures related to significant turnovers and changes in position which took time to be filled.
- Economic development expenditures were \$2,567,278 less than budgeted. Unspent funds for the construction of the DeLand Crossing infrastructure and grants-in-aid available for county businesses which have not been granted, account for this variance.

Capital Asset And Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2006 amounts to \$668,778,676 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, leasehold improvements, equipment, infrastructure, and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was 11.4 percent (a 12.0 percent increase for governmental activities and a 9.9 percent increase for business-type activities).

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

- Construction continued on several of the County's capital projects including the Ocean Center expansion, Lake Beresford Park, Spring to Spring Trail development, Ridgewood Avenue dog park, DeBary Hall expansion, beach headquarters renovations, off-beach parking, and the Strickland gun range. When combined, construction in progress for governmental activities increased to \$26,136,756 at the close of the fiscal year.
- Construction began on the DeLand Crossings Business Park, an economic development project turning unproductive public land into a 43 acre industrial park with the potential to create up to 300 jobs. This project is being developed in conjunction with funding from the Florida Office of Trade, Tourism & Economic Development, U. S. Department of Commerce, and U.S. Department of Housing & Urban Development.
- Two major projects were undertaken by the Sheriff's office in fiscal year 2006. A hangar was purchased at the DeLand Airport for the relocation of the Special Services operations from the Daytona Beach International Airport. Also, 15.79 acres of land in DeLand was purchased for a new evidence facility and District II office.

- During the fiscal year, the County purchased conservation lands for \$15,262,355. This included 1,644 acres of the Pioneer Trail Reserve, 17 acres on Spruce Creek in partnership with the city of Port Orange, and 1,371 acres in the Lake George Conservation area.
- Completion of several of the County's road projects for expansion resulted in an increase of \$13,248,236 to infrastructure capital assets. The depreciation for fiscal year 2006 amounted to \$9,922,448 causing the infrastructure net assets to rise by \$3,325,788. Five of the major infrastructure projects are: 1) Williamson Blvd. from US 92 to Dunn Ave.; 2) Tenth St. from Tatum to Myrtle; 3) Clyde Morris Blvd. from Aberdeen to Fallway; 4) Saxon Blvd. from Normandy to Sumatra; and 5) DeBary Ave. from Doyle Rd. to I-4.
- The County, with funding assistance from the State, acquired approximately 138 acres of land adjacent to the Daytona Beach International Airport. The total acquisition costs were \$12,768,350.

County of Volusia, Florida Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 95,485,715	\$ 76,808,943	\$ 48,567,947	\$ 35,837,771	\$144,053,662	\$112,646,714
Buildings	143,848,958	146,279,870	13,794,866	14,655,230	157,643,824	160,935,100
Improvements other than buildings	9,858,856	10,503,108	106,315,091	107,579,080	116,173,947	118,082,188
Leasehold improvements	158,157	184,704	-	-	158,157	184,704
Equipment	40,699,912	37,780,539	16,170,981	14,680,649	56,870,893	52,461,188
Infrastructure	109,124,219	105,798,431	-	-	109,124,219	105,798,431
Construction in progress	26,136,756	7,148,019	9,309,372	3,837,049	35,446,128	10,985,068
Construction in progress - infrastructure	49,307,846	39,287,469	-	-	49,307,846	39,287,469
Total	\$474,620,419	\$423,791,083	\$194,158,257	\$176,589,779	\$668,778,676	\$600,380,862

Additional information on the County's capital assets can be found in Note 7 on pages 83-85 of this report.

Long-term bonded debt

At the end of fiscal year 2006, the County's total bonded debt outstanding amounted to \$316,530,000. This amount represents bonds secured by specified revenue sources (i.e., revenue bonds), and bonds secured by a property tax levy of 0.20 mills on all taxable property in the County (general obligation bonds).

County of Volusia, Florida Outstanding Bonded Debt Revenue and General Obligation Bonds						
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenue bonds	\$230,130,000	\$238,905,000	\$46,525,000	\$48,455,000	\$276,655,000	\$287,360,000
General obligation bonds	39,875,000	-	-	-	39,875,000	-
Total	\$270,005,000	\$238,905,000	\$46,525,000	\$48,455,000	\$316,530,000	\$287,360,000

The County's outstanding bonded debt increased by \$29,170,000 or 10.2 percent during fiscal year 2006. The key factor in this increase was a new bond issue of \$39,875,000 exceeding the scheduled principal retirements of \$10,705,000.

Additional information on the County's debt can be found in Note 8 on pages 86-95 of this report.

Economic Factors And Next Year's Budgets And Rates

- At September 30, 2006, the unemployment rate for the County decreased to 3.1 percent, compared to 3.4 percent in the prior year.
- Population increased approximately 1.9 percent from the prior fiscal year to 503,844 at September 30, 2006.

At September 30, 2006, unreserved and undesignated fund balance in the general fund amounted to \$46,515,310. The County has appropriated \$31,260,295 of this amount for spending in the 2007 fiscal year budget. The ad valorem tax rate for the general fund was decreased by 1.0437 mills or \$38.2 million for the 2007 fiscal year budget.

Requests For Information

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the County's Chief Financial Officer, 123 West Indiana Avenue, Room 300, DeLand, FL 32720. Additional financial information can be found on our web-site <http://www.volusia.org/finance>.

BASIC FINANCIAL STATEMENTS

COUNTY OF VOLUSIA, FLORIDA
Statement of Net Assets
September 30, 2006

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Equity in pooled cash and investments	\$ 390,160,646	\$ 39,203,640	\$ 429,364,286	\$ 14,872,514
Restricted:				
Cash and cash equivalents	-	14,459,282	14,459,282	-
Receivable	-	125,015	125,015	-
Receivables:				
Accounts - net	2,537,319	3,755,424	6,292,743	1,474,016
Accrued interest	1,891,653	-	1,891,653	-
Employee	230,092	-	230,092	52,948
Taxes	1,256,997	-	1,256,997	-
Notes	3,316,335	-	3,316,335	-
Special assessments:				
Current receivable	82,552	15,030	97,582	-
Deferred receivable	69,881	109,400	179,281	-
Interest receivable	52,598	5,508	58,106	-
Due from component units	4,081,069	-	4,081,069	-
Due from primary government	-	-	-	95,870
Due from other governments	22,084,153	10,531,353	32,615,506	642,725
Internal balances	(1,180,573)	1,180,573	-	-
Inventories	1,586,354	665,825	2,252,179	243,846
Prepaid items/expenses	211,174	-	211,174	242,016
Capital assets:				
Land	95,485,715	48,567,947	144,053,662	142,502
Buildings	219,417,375	23,908,628	243,326,003	320,633
Improvements other than buildings	17,790,828	186,082,678	203,873,506	-
Leasehold improvements	497,125	-	497,125	578,022
Equipment	108,342,485	38,945,824	147,288,309	13,748,616
Accumulated depreciation	(402,891,614)	(112,656,192)	(515,547,806)	(9,903,313)
Infrastructure	360,533,903	-	360,533,903	-
Construction in progress	26,136,756	9,309,372	35,446,128	-
Construction in progress - Infrastructure	49,307,846	-	49,307,846	-
Deposits	391,797	-	391,797	340
Total assets	901,392,466	264,209,307	1,165,601,773	22,510,735
LIABILITIES				
Accounts payable	12,758,781	5,828,139	18,586,920	1,684,959
Contracts payable	1,555,310	218,948	1,774,258	-
Accrued interest payable	4,909,205	-	4,909,205	-
Accrued liabilities	11,054,789	322,736	11,377,525	427,456
Due to component units	95,870	-	95,870	-
Due to primary government	-	-	-	4,081,069
Due to other governments	1,560,821	161,662	1,722,483	561,067
Current liabilities payable from restricted assets:				
Accrued interest payable	-	1,341,994	1,341,994	-

COUNTY OF VOLUSIA, FLORIDA
Statement of Net Assets
September 30, 2006

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES - Continued				
Deposits	149,217	639,069	788,286	71,561
Advance rents	-	3,003,710	3,003,710	-
Unearned revenue	12,948,419	79,045	13,027,464	-
Non-current liabilities:				
Due within one year:				
Bonds payable	10,865,000	2,015,000	12,880,000	-
Notes payable	4,514,320	1,234,628	5,748,948	289,234
Capital lease	187,397	-	187,397	-
Compensated absences payable	6,680,660	603,393	7,284,053	325,402
Estimated claims payable	6,983,761	-	6,983,761	-
Due in more than one year:				
Bonds payable	248,557,239	42,032,218	290,589,457	-
Notes payable	16,436,869	11,930,351	28,367,220	357,256
Compensated absences payable	18,425,167	1,676,996	20,102,163	728,110
Estimated claims payable	9,539,968	-	9,539,968	-
Landfill closure costs payable	-	9,514,398	9,514,398	-
Total liabilities	367,222,793	80,602,287	447,825,080	8,526,114
NET ASSETS				
Invested in capital assets, net of related debt	322,890,595	136,946,061	459,836,656	4,239,970
Restricted for:				
Public safety	3,758,545	-	3,758,545	-
Physical environment	23,104,563	-	23,104,563	-
Transportation	45,353,839	-	45,353,839	-
Culture/recreation	6,771,239	-	6,771,239	-
Debt service	11,534,752	3,107,972	14,642,724	-
Capital projects	17,155,503	-	17,155,503	-
Passenger facility charges program	-	1,532,154	1,532,154	-
Equipment replacement	-	350,000	350,000	8,495,944
Maintenance and operations	-	1,342,980	1,342,980	-
Other purposes	8,025,256	-	8,025,256	-
Unrestricted	95,575,381	40,327,853	135,903,234	1,248,707
Total net assets	\$ 534,169,673	\$ 183,607,020	\$ 717,776,693	\$ 13,984,621

The notes to the financial statements are an integral part of this statement.

COUNTY OF VOLUSIA, FLORIDA
Statement of Activities
For the Year Ended September 30, 2006

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 63,570,846	\$ 17,309,649	\$ 6,707,915	\$ 782,591
Public safety	140,169,412	19,035,383	2,851,979	724,757
Physical environment	5,294,803	4,996,137	785,981	7,672,110
Transportation	34,706,556	3,123,122	8,677,068	11,422,521
Economic environment	24,962,203	610,191	1,921,403	6,276,818
Human services	19,002,622	2,676,678	3,489,720	2,048,685
Culture/recreation	47,169,456	5,551,850	729,382	5,350,787
Interest on long-term debt	11,947,707	-	-	-
Total governmental activities	346,823,605	53,303,010	25,163,448	34,278,269
Business-type activities:				
Refuse disposal	14,222,458	19,028,068	-	-
Daytona Beach International Airport	15,343,982	8,249,735	2,856,047	13,696,648
Volusia Transportation Authority	19,821,457	4,360,059	5,155,446	4,959,922
Water and sewer utilities	10,551,462	12,050,591	-	2,511,761
Garbage collection	6,568,672	5,818,616	36,227	-
Total business-type activities	66,508,031	49,507,069	8,047,720	21,168,331
Total primary government	\$ 413,331,636	\$ 102,810,079	\$ 33,211,168	\$ 55,446,600
Component Units:				
Clerk of the Circuit Court	\$ 20,412,142	\$ 22,026,932	\$ 524,967	\$ -
Volusia County Law Library	486,161	10,709	-	-
Emergency Medical Foundation, Inc.	18,582,460	17,997,679	144,778	-
Total component units	\$ 39,480,763	\$ 40,035,320	\$ 669,745	\$ -

General Revenues:

- Property tax
- Sales tax
- Public service tax
- Gas tax
- Tourist and convention development taxes
- State revenue sharing not restricted to specific programs
- Intergovernmental revenues not restricted to specific programs
- Interest revenue
- Miscellaneous
- Grants and contributions not restricted to specific programs
- Transfers
- Total general revenues, contributions, and transfers
- Change in net assets
- Net assets - beginning, restated
- Net assets - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total		
\$ (38,770,691)	\$ -	\$ (38,770,691)		
(117,557,293)	-	(117,557,293)		
8,159,425	-	8,159,425		
(11,483,845)	-	(11,483,845)		
(16,153,791)	-	(16,153,791)		
(10,787,539)	-	(10,787,539)		
(35,537,437)	-	(35,537,437)		
(11,947,707)	-	(11,947,707)		
<u>(234,078,878)</u>	<u>-</u>	<u>(234,078,878)</u>		
-	4,805,610	4,805,610		
-	9,458,448	9,458,448		
-	(5,346,030)	(5,346,030)		
-	4,010,890	4,010,890		
-	(713,829)	(713,829)		
<u>-</u>	<u>12,215,089</u>	<u>12,215,089</u>		
<u>(234,078,878)</u>	<u>12,215,089</u>	<u>(221,863,789)</u>		
			\$	2,139,757
				(475,452)
				(440,003)
				<u>1,224,302</u>
220,695,273	-	220,695,273	-	
19,741,407	-	19,741,407	-	
11,946,663	-	11,946,663	-	
15,894,619	-	15,894,619	-	
15,326,233	-	15,326,233	-	
8,575,722	-	8,575,722	-	
662,439	-	662,439	-	
18,889,528	2,087,229	20,976,757	602,965	
4,123,776	497,138	4,620,914	112,837	
-	-	-	460,735	
(9,435,184)	9,435,184	-	-	
<u>306,420,476</u>	<u>12,019,551</u>	<u>318,440,027</u>	<u>1,176,537</u>	
72,341,598	24,234,640	96,576,238	2,400,839	
461,828,075	159,372,380	621,200,455	11,583,782	
<u>\$ 534,169,673</u>	<u>\$ 183,607,020</u>	<u>\$ 717,776,693</u>	<u>\$ 13,984,621</u>	

COUNTY OF VOLUSIA, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2006

	<u>General</u>	<u>Municipal Service District</u>	<u>Federal and State Grants</u>
ASSETS			
Equity in pooled cash and investments	\$ 57,830,711	\$ 8,079,301	\$ 5,997,477
Receivables:			
Accounts - net	1,026,057	656,649	-
Accrued interest	1,891,653	-	-
Employee	230,092	-	-
Taxes	641,359	41,611	-
Notes	-	-	1,377,846
Special assessments:			
Current receivable	-	82,552	-
Deferred receivable	-	69,881	-
Interest receivable	-	52,598	-
Due from other funds	13,172,479	1,711,216	90,230
Due from component units	4,081,069	-	-
Due from other governments	1,598,173	1,153,203	10,547,620
Advances to other funds	-	-	-
Inventories	92,254	-	-
Deposits	276,149	-	1,500
Total assets	<u><u>\$ 80,839,996</u></u>	<u><u>\$ 11,847,011</u></u>	<u><u>\$ 18,014,673</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 4,053,623	\$ 271,263	\$ 404,870
Contracts payable	564,959	27,599	-
Accrued liabilities	11,054,789	-	-
Due to other funds	90,230	-	9,873,785
Due to component units	90,859	562	-
Due to other governments	985,934	162,990	224,192
Bonds payable - current	-	-	-
Accrued interest payable	-	-	-
Deposits	-	-	119,044
Advances from other funds	-	-	-
Deferred revenue	641,359	111,492	4,154,071
Total liabilities	<u><u>17,481,753</u></u>	<u><u>573,906</u></u>	<u><u>14,775,962</u></u>
Fund Balances:			
Reserved for:			
Encumbrances	4,792,350	1,798,778	5,406,567
Inventories	92,254	-	-
Advances	-	-	-
Debt service - principal	-	-	-
Debt service - interest	-	-	-
Capital Projects	-	-	-
Employee receivables	230,092	-	-
Long-term notes receivable	-	-	1,377,846
Other long-term receivables	608,894	-	-
Unreserved:			
Designated - reported in:			
General fund	11,119,343	-	-
Special revenue funds	-	919,841	-
Capital projects funds	-	-	-
Undesignated - reported in:			
General fund	46,515,310	-	-
Special revenue funds	-	8,554,486	(3,545,702)
Total fund balances	<u><u>63,358,243</u></u>	<u><u>11,273,105</u></u>	<u><u>3,238,711</u></u>
Total liabilities and fund balances	<u><u>\$ 80,839,996</u></u>	<u><u>\$ 11,847,011</u></u>	<u><u>\$ 18,014,673</u></u>

The notes to the financial statements are an integral part of this statement.

Subordinate Lien Sales Tax Revenue Bonds	Ocean Center Expansion	Bond Funded Road Program	Nonmajor Governmental Funds	Total Governmental Funds
\$ 6,773,071	\$ 51,618,320	\$ 63,489,832	\$ 165,017,529	\$ 358,806,241
-	-	-	848,081	2,530,787
-	-	-	-	1,891,653
-	-	-	-	230,092
-	-	-	574,027	1,256,997
-	-	-	1,938,489	3,316,335
-	-	-	-	82,552
-	-	-	-	69,881
-	-	-	-	52,598
-	-	-	708,621	15,682,546
-	-	-	-	4,081,069
-	-	-	8,716,544	22,015,540
-	-	-	2,801,802	2,801,802
-	-	-	1,267,404	1,359,658
-	-	-	114,148	391,797
<u>\$ 6,773,071</u>	<u>\$ 51,618,320</u>	<u>\$ 63,489,832</u>	<u>\$ 181,986,645</u>	<u>\$ 414,569,548</u>
\$ -	\$ 855,214	\$ 1,057,702	\$ 4,996,073	\$ 11,638,745
-	158,522	294,459	509,771	1,555,310
-	-	-	-	11,054,789
-	-	-	5,718,531	15,682,546
-	-	287	3,905	95,613
-	-	-	187,705	1,560,821
4,870,000	-	-	4,025,000	8,895,000
1,903,071	-	-	2,047,112	3,950,183
-	-	-	30,173	149,217
-	-	-	2,801,802	2,801,802
-	-	-	8,998,269	13,905,191
<u>6,773,071</u>	<u>1,013,736</u>	<u>1,352,448</u>	<u>29,318,341</u>	<u>71,289,217</u>
-	5,304,941	7,919,486	20,473,751	45,695,873
-	-	-	1,267,404	1,359,658
-	-	-	2,801,802	2,801,802
-	-	-	1,710,905	1,710,905
-	-	-	928,847	928,847
-	45,299,643	54,217,898	-	99,517,541
-	-	-	-	230,092
-	-	-	1,938,489	3,316,335
-	-	-	-	608,894
-	-	-	-	11,119,343
-	-	-	3,081,758	4,001,599
-	-	-	45,393,691	45,393,691
-	-	-	-	46,515,310
-	-	-	75,071,657	80,080,441
-	50,604,584	62,137,384	152,668,304	343,280,331
<u>\$ 6,773,071</u>	<u>\$ 51,618,320</u>	<u>\$ 63,489,832</u>	<u>\$ 181,986,645</u>	<u>\$ 414,569,548</u>

COUNTY OF VOLUSIA, FLORIDA
Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Assets
as of September 30, 2006

Total fund balances of governmental funds \$ 343,280,331

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$859,763,378 and the accumulated depreciation is \$393,915,426. 465,847,952

The cumulative effect of overfunding the actuarial required contributions to a pension fund does not represent a financial asset in the governmental funds. In the statement of net assets, which is presented on the accrual basis, an asset is reported since the adjustment to expense is fully recognized in the statement of activities. 208,466

Internal service funds are used by management to charge the costs of computer replacement, vehicle maintenance, risk management, and health insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

Total net assets	22,023,495	
Less: Amount attributable to business-type activities	(1,207,961)	20,815,534

Because some property taxes (\$886,891) and special assessment revenues (\$69,881) will not be collected for several months after the close of the County's fiscal year end, they are not considered as "available" revenue in the governmental funds, and therefore, reported as deferred revenues. In the statement of net assets, which is presented on the accrual basis, no deferral is reported since the revenue is fully recognized in the statement of activities. 956,772

COUNTY OF VOLUSIA, FLORIDA
Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Assets
as of September 30, 2006

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the statement of net assets. Long-term liabilities at year-end consist of:

Bonds payable	261,110,000	
Less: Deferred charge on refunding (to be amortized as interest expense)	(944,800)	
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(3,396,061)	
Less: Issuance discount (to be amortized as interest expense)	(8,623,679)	
Plus: Issuance premium (to be amortized as interest expense)	2,381,779	
Notes payable	20,951,189	
Compensated absences payable	24,538,432	
Accrued interest payable	<u>922,522</u>	<u>(296,939,382)</u>

Total net assets of governmental activities

\$ 534,169,673

The notes to the financial statements are an integral part of this statement.

COUNTY OF VOLUSIA, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2006

	<u>General</u>	<u>Municipal Service District</u>	<u>Federal and State Grants</u>
REVENUES			
Taxes	\$ 152,508,570	\$ 23,013,451	\$ -
Licenses and permits	514,964	2,420,228	-
Intergovernmental revenues	9,950,627	146,407	30,145,844
Charges for services	21,245,930	11,562,458	762,491
Fines and forfeitures	6,078,759	299,751	-
Interest revenues	4,170,753	570,500	100,746
Miscellaneous revenues	3,107,582	271,945	892
Special assessments			
levied/impact fees	-	36,407	-
Total revenues	<u>197,577,185</u>	<u>38,321,147</u>	<u>31,009,973</u>
EXPENDITURES			
Current:			
General government	54,135,944	7,678,328	532,950
Public safety	74,055,083	28,260,659	15,930,102
Physical environment	3,382,841	555,749	1,369,135
Transportation	-	684,811	1,759,511
Economic environment	5,550,644	-	10,210,436
Human services	12,512,960	1,060,734	2,541,815
Culture/recreation	19,402,240	1,952,549	1,455,720
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>169,039,712</u>	<u>40,192,830</u>	<u>33,799,669</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,537,473</u>	<u>(1,871,683)</u>	<u>(2,789,696)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	8,110,603	7,038,549	732,778
Transfers (out)	(23,791,013)	(3,157,178)	(1,444,943)
Issuance of notes/bonds payable	1,446,000	-	-
Premium on notes/bonds payable	-	-	-
Total other financing sources and (uses)	<u>(14,234,410)</u>	<u>3,881,371</u>	<u>(712,165)</u>
Net change in fund balances	14,303,063	2,009,688	(3,501,861)
Fund balances - beginning	<u>49,055,180</u>	<u>9,263,417</u>	<u>6,740,572</u>
Fund balances - ending	<u><u>\$ 63,358,243</u></u>	<u><u>\$ 11,273,105</u></u>	<u><u>\$ 3,238,711</u></u>

The notes to the financial statements are an integral part of this statement.

Subordinate Lien Sales Tax Revenue Bonds	Ocean Center Expansion	Bond Funded Road Program	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 88,461,799	\$ 263,983,820
-	-	-	191,999	3,127,191
-	-	-	32,545,241	72,788,119
-	-	-	13,451,550	47,022,429
-	-	-	347,614	6,726,124
196,719	2,473,417	2,930,251	6,919,000	17,361,386
-	-	-	3,077,226	6,457,645
-	-	-	9,921,523	9,957,930
<u>196,719</u>	<u>2,473,417</u>	<u>2,930,251</u>	<u>154,915,952</u>	<u>427,424,644</u>
-	-	-	103,175	62,450,397
-	-	-	21,879,532	140,125,376
-	-	-	852,662	6,160,387
-	-	-	39,319,521	41,763,843
-	-	-	11,310,308	27,071,388
-	-	-	4,617,253	20,732,762
-	-	-	23,818,903	46,629,412
4,870,000	-	-	10,254,236	15,124,236
3,808,566	-	-	7,371,433	11,179,999
-	-	-	469,337	469,337
-	8,101,726	6,501,484	27,797,251	42,400,461
<u>8,678,566</u>	<u>8,101,726</u>	<u>6,501,484</u>	<u>147,793,611</u>	<u>414,107,598</u>
<u>(8,481,847)</u>	<u>(5,628,309)</u>	<u>(3,571,233)</u>	<u>7,122,341</u>	<u>13,317,046</u>
8,481,847	404,109	-	35,476,620	60,244,506
-	-	-	(42,461,556)	(70,854,690)
-	-	-	46,188,000	47,634,000
-	-	-	123,353	123,353
<u>8,481,847</u>	<u>404,109</u>	<u>-</u>	<u>39,326,417</u>	<u>37,147,169</u>
-	(5,224,200)	(3,571,233)	46,448,758	50,464,215
-	55,828,784	65,708,617	106,219,546	292,816,116
<u>\$ -</u>	<u>\$ 50,604,584</u>	<u>\$ 62,137,384</u>	<u>\$ 152,668,304</u>	<u>\$ 343,280,331</u>

COUNTY OF VOLUSIA, FLORIDA
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For The Year Ended September 30, 2006

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

Net change in fund balances - total governmental funds	\$ 50,464,215
--	---------------

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases (\$75,388,529) exceeds depreciation (\$24,727,707) in the current period.	50,660,822
---	------------

In the statement of activities, only the loss on the sale/disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold/disposed.	(379,151)
--	-----------

Donations/contributions of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	0
---	---

In the governmental funds, contributions made to a pension fund in excess of the actuarial required contribution amount are reported as an expenditure. In the statement of net assets, this amount is reported as an asset. Thus, the change in net assets differs from the change in fund balance by the amount contributed in excess of the actuary's requirement.	80,413
---	--------

Because some property taxes and special assessment revenues will not be collected for several months after the close of the County's fiscal year end, they are not considered as "available" revenues in the governmental funds. In the statement of activities, presented on the accrual basis, these revenues are recognized.	42,316
---	--------

The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are:

COUNTY OF VOLUSIA, FLORIDA
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For The Year Ended September 30, 2006

Debt issued or incurred:		
Notes payable	(7,759,000)	
General obligation bonds	(39,875,000)	
Principal repayments:		
Revenue bonds	9,015,000	
General obligation bonds	1,890,000	
Notes payable	<u>4,219,236</u>	(32,509,764)

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment is as follows:

Compensated absences payable	(972,198)	
Accrued interest on debt	14,665	
Amortization of deferred charge on refunding	(287,402)	
Amortization of issuance costs	177,459	
Amortization of issuance discounts	(373,772)	
Amortization of bond premiums	<u>117,940</u>	(1,323,308)

Internal service funds are used by management to charge the costs of computer replacement, vehicle maintenance, risk management, and health insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

5,306,055

Change in net assets of governmental activities	<u><u>\$ 72,341,598</u></u>
---	-----------------------------

The notes to the financial statements are an integral part of this statement.

COUNTY OF VOLUSIA, FLORIDA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 152,381,068	\$ 152,381,068	\$ 152,508,570	\$ 127,502
Licenses and permits	382,500	382,500	514,964	132,464
Intergovernmental revenues	8,893,382	8,893,382	9,950,627	1,057,245
Charges for services	16,649,452	16,649,452	21,245,930	4,596,478
Fines and forfeitures	3,420,500	3,420,500	6,078,759	2,658,259
Interest revenues	1,825,000	1,825,000	4,170,753	2,345,753
Miscellaneous revenues	1,493,020	1,808,644	3,107,582	1,298,938
Total revenues	<u>185,044,922</u>	<u>185,360,546</u>	<u>197,577,185</u>	<u>12,216,639</u>
EXPENDITURES				
Current:				
General government				
County council	597,501	597,501	571,203	26,298
County manager	1,829,842	1,829,842	1,674,425	155,417
County attorney	1,595,347	1,595,347	1,135,482	459,865
Elections	2,270,861	4,841,223	3,990,634	850,589
Internal auditing	119,785	119,785	110,119	9,666
Property appraiser	6,648,915	6,698,915	6,212,893	486,022
Growth management commission	296,592	296,592	268,835	27,757
Judicial	7,627,793	7,627,793	7,188,746	439,047
Financial services	7,901,637	7,901,637	6,977,286	924,351
Facilities services	13,074,633	13,360,633	7,756,949	5,603,684
Information technology	9,511,372	9,520,905	8,199,129	1,321,776
Nondepartmental	19,807,903	18,079,077	10,050,243	8,028,834
Total general government	<u>71,282,181</u>	<u>72,469,250</u>	<u>54,135,944</u>	<u>18,333,306</u>
Public safety				
Building, zoning, and code administration	577,670	577,670	419,933	157,737
Sheriff	33,544,312	33,574,645	31,747,523	1,827,122
Corrections	34,639,851	35,639,851	35,439,802	200,049
Emergency management	3,622,255	3,622,255	2,475,026	1,147,229
Fire services	1,355,032	1,355,032	1,080,386	274,646
Medical examiner	1,873,392	1,873,392	1,737,858	135,534
Emergency medical services	1,152,771	1,194,331	1,154,555	39,776
Total public safety	<u>76,765,283</u>	<u>77,837,176</u>	<u>74,055,083</u>	<u>3,782,093</u>
Physical environment				
Environmental management	1,452,053	1,452,053	1,411,011	41,042
Land management/acquisition	1,411,763	1,411,763	1,292,471	119,292
Agriculture	828,596	828,596	659,359	169,237
Nondepartmental	26,800	26,800	20,000	6,800
Total physical environment	<u>3,719,212</u>	<u>3,719,212</u>	<u>3,382,841</u>	<u>336,371</u>

COUNTY OF VOLUSIA, FLORIDA

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final	
EXPENDITURES - continued			
Current - continued:			
Economic environment			
Veterans services	576,728	576,728	(19,588)
Economic development	6,931,570	6,931,570	2,567,278
Nondepartmental	590,000	590,000	(36)
Total economic environment	8,098,298	8,098,298	2,547,654
Human services			
Children's services	2,188,422	2,188,422	117,234
Community assistance	7,349,790	7,387,790	(60,727)
Public health	3,006,688	3,006,688	13,433
Total human services	12,544,900	12,582,900	69,940
Culture/recreation			
Leisure services	12,332,725	12,332,725	1,121,269
Beach management	8,127,849	8,127,849	527,270
Nondepartmental	760,000	760,000	169,795
Total culture/recreation	21,220,574	21,220,574	1,818,334
Total expenditures	193,630,448	195,927,410	26,887,698
Excess (deficiency) of revenues over (under) expenditures	(8,585,526)	(10,566,864)	39,104,337
OTHER FINANCING SOURCES (USES)			
Transfers in	7,997,078	8,839,324	(728,721)
Transfers (out)	(26,204,657)	(26,204,657)	2,413,644
Issuance of notes/bonds payable	1,445,349	1,445,349	651
Total other financing sources and (uses)	(16,762,230)	(15,919,984)	1,685,574
Net change in fund balances	(25,347,756)	(26,486,848)	40,789,911
Fund balances - beginning	36,467,099	37,606,191	11,448,989
Fund balances - ending	<u>\$ 11,119,343</u>	<u>\$ 11,119,343</u>	<u>\$ 52,238,900</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF VOLUSIA, FLORIDA
Municipal Service District
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 21,609,945	\$ 21,609,945	\$ 23,013,451	\$ 1,403,506
Licenses and permits	2,349,811	2,349,811	2,420,228	70,417
Intergovernmental revenues	152,500	152,500	146,407	(6,093)
Charges for services	11,229,781	11,229,781	11,562,458	332,677
Fines and forfeitures	153,000	153,000	299,751	146,751
Interest revenues	175,000	175,000	570,500	395,500
Miscellaneous revenues	135,000	185,000	271,945	86,945
Special assessments				
levied/impact fees	-	164,050	36,407	(127,643)
Total revenues	35,805,037	36,019,087	38,321,147	2,302,060
EXPENDITURES				
Current:				
General government				
Growth and resource management	308,185	353,872	303,333	50,539
Building, zoning, and code administration	1,460,747	1,565,842	1,397,799	168,043
Planning and development services	2,019,631	2,110,905	1,697,228	413,677
Financial services	7,579	7,579	7,579	-
Nondepartmental	7,076,315	6,116,004	4,272,389	1,843,615
Total general government	10,872,457	10,154,202	7,678,328	2,475,874
Public safety				
Building, zoning, and code administration	4,152,519	5,625,858	4,450,839	1,175,019
Sheriff	23,304,204	24,122,830	23,423,722	699,108
Fire services	414,006	434,270	386,098	48,172
Total public safety	27,870,729	30,182,958	28,260,659	1,922,299
Physical environment				
Environmental management	838,555	848,902	555,749	293,153
Total physical environment	838,555	848,902	555,749	293,153
Transportation				
Construction	-	1,475,576	684,811	790,765
Total transportation	-	1,475,576	684,811	790,765
Human services				
Animal control services	1,051,615	1,119,587	1,060,734	58,853
Total human services	1,051,615	1,119,587	1,060,734	58,853

COUNTY OF VOLUSIA, FLORIDA

Municipal Service District

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES - continued				
Current - continued:				
Culture/recreation				
Leisure services	1,952,750	1,958,562	1,952,549	6,013
Total culture/recreation	1,952,750	1,958,562	1,952,549	6,013
Total expenditures	42,586,106	45,739,787	40,192,830	5,546,957
Excess (deficiency) of revenues				
over (under) expenditures	(6,781,069)	(9,720,700)	(1,871,683)	7,849,017
OTHER FINANCING SOURCES (USES)				
Transfers in	6,594,156	7,038,549	7,038,549	-
Transfers (out)	(2,110,219)	(3,161,681)	(3,157,178)	4,503
Issuance of notes/bonds payable	-	1,195,738	-	(1,195,738)
Total other financing				
sources and (uses)	4,483,937	5,072,606	3,881,371	(1,191,235)
Net change in fund balances	(2,297,132)	(4,648,094)	2,009,688	6,657,782
Fund balances - beginning	4,257,485	5,567,935	9,263,417	3,695,482
Fund balances - ending	<u>\$ 1,960,353</u>	<u>\$ 919,841</u>	<u>\$ 11,273,105</u>	<u>\$ 10,353,264</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF VOLUSIA, FLORIDA
Federal and State Grants
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental revenues	\$ 22,374,982	\$ 51,042,644	\$ 30,145,844	\$ (20,896,800)
Charges for services	-	956,369	762,491	(193,878)
Interest revenues	-	40,587	100,746	60,159
Miscellaneous revenues	-	25	892	867
Total revenues	<u>22,374,982</u>	<u>52,039,625</u>	<u>31,009,973</u>	<u>(21,029,652)</u>
EXPENDITURES				
Current:				
General government	887,555	847,782	532,950	314,832
Public safety	10,575,620	17,299,285	15,930,102	1,369,183
Physical environment	942,443	2,277,317	1,369,135	908,182
Transportation	6,611,042	8,787,414	1,759,511	7,027,903
Economic environment	6,008,254	17,471,911	10,210,436	7,261,475
Human services	742,025	3,894,482	2,541,815	1,352,667
Culture/recreation	3,453,895	4,298,109	1,455,720	2,842,389
Total expenditures	<u>29,220,834</u>	<u>54,876,300</u>	<u>33,799,669</u>	<u>21,076,631</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,845,852)</u>	<u>(2,836,675)</u>	<u>(2,789,696)</u>	<u>46,979</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	104,373	732,778	732,778	-
Transfers (out)	-	(1,444,945)	(1,444,943)	2
Total other financing sources and (uses)	<u>104,373</u>	<u>(712,167)</u>	<u>(712,165)</u>	<u>2</u>
Net change in fund balances	<u>(6,741,479)</u>	<u>(3,548,842)</u>	<u>(3,501,861)</u>	<u>46,981</u>
Fund balances - beginning	<u>6,741,479</u>	<u>3,548,842</u>	<u>6,740,572</u>	<u>3,191,730</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,238,711</u>	<u>\$ 3,238,711</u>

The notes to the financial statements are an integral part of this statement.



COUNTY OF VOLUSIA, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2006

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Refuse Disposal</u>	<u>Daytona Beach International Airport</u>	<u>Volusia Transportation Authority</u>
ASSETS			
Current assets:			
Equity in pooled cash and investments	\$ 13,618,381	\$ 11,905,672	\$ 505,906
Restricted:			
Cash and cash equivalents	6,909,197	5,576,742	-
Receivable	-	125,015	-
Receivables:			
Accounts - net	1,673,048	643,182	72,243
Special assessments:			
Current receivable	-	-	-
Interest receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	73,015	6,054,177	4,395,495
Inventories	-	-	665,825
Prepaid expenses	-	-	-
Total current assets	<u>22,273,641</u>	<u>24,304,788</u>	<u>5,639,469</u>
Noncurrent assets:			
Receivables:			
Special assessments:			
Deferred receivable	-	-	-
Capital assets:			
Land	10,422,983	34,818,861	1,047,524
Buildings	7,055,292	7,561,922	9,142,088
Improvements other than buildings	19,372,280	103,968,563	953,430
Equipment	11,221,074	4,974,965	21,274,204
Construction in progress	183,455	7,155,173	1,940,066
Less: accumulated depreciation	(16,998,250)	(60,863,098)	(17,263,184)
Total capital assets (net of accumulated depreciation)	<u>31,256,834</u>	<u>97,616,386</u>	<u>17,094,128</u>
Total noncurrent assets	<u>31,256,834</u>	<u>97,616,386</u>	<u>17,094,128</u>
Total assets	<u>53,530,475</u>	<u>121,921,174</u>	<u>22,733,597</u>

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds (cont'd)

Water and Sewer Utilities	Nonmajor Proprietary Fund	Totals	Governmental Activities - Internal Service Funds
	Garbage Collection		
\$ 11,570,560	\$ 1,603,121	\$ 39,203,640	\$ 31,354,405
1,973,343	-	14,459,282	-
-	-	125,015	-
1,366,680	271	3,755,424	6,532
15,030	-	15,030	-
5,508	-	5,508	-
-	-	-	27,388
8,400	266	10,531,353	68,613
-	-	665,825	226,696
-	-	-	2,708
<u>14,939,521</u>	<u>1,603,658</u>	<u>68,761,077</u>	<u>31,686,342</u>
109,400	-	109,400	-
2,278,579	-	48,567,947	-
149,326	-	23,908,628	1,915,516
61,788,405	-	186,082,678	458,733
1,293,411	182,170	38,945,824	15,374,406
30,678	-	9,309,372	-
<u>(17,356,163)</u>	<u>(175,497)</u>	<u>(112,656,192)</u>	<u>(8,976,188)</u>
<u>48,184,236</u>	<u>6,673</u>	<u>194,158,257</u>	<u>8,772,467</u>
<u>48,293,636</u>	<u>6,673</u>	<u>194,267,657</u>	<u>8,772,467</u>
<u>63,233,157</u>	<u>1,610,331</u>	<u>263,028,734</u>	<u>40,458,809</u>

COUNTY OF VOLUSIA, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2006

Business-type Activities - Enterprise Funds

	Refuse Disposal	Daytona Beach International Airport	Volusia Transportation Authority
LIABILITIES			
Current liabilities:			
Accounts payable	784,700	1,687,195	2,477,167
Contracts payable	-	194,357	-
Accrued liabilities	18,814	-	303,137
Due to other funds	-	-	-
Due to component units	-	-	-
Due to other governments	55	74,001	66,371
Notes payable	416,000	224,000	-
Capital lease	-	-	-
Accrued interest payable	-	-	-
Unearned revenue	-	79,045	-
Compensated absences payable	203,501	147,752	106,428
Estimated claims payable	-	-	-
Payable from restricted assets:			
Notes payable	-	-	-
Revenue bonds payable	-	1,475,000	-
Accrued interest payable	-	1,101,623	-
Total current liabilities	1,423,070	4,982,973	2,953,103
Noncurrent liabilities:			
Deposits	-	33,325	-
Advance rents	-	3,003,710	-
Notes payable	936,000	2,033,000	-
Compensated absences payable	567,220	407,499	300,408
Estimated claims payable	-	-	-
Revenue bonds payable	-	33,734,672	-
Landfill closure costs payable	9,514,398	-	-
Total noncurrent liabilities	11,017,618	39,212,206	300,408
Total liabilities	12,440,688	44,195,179	3,253,511
NET ASSETS			
Invested in capital assets, net of related debt	29,904,834	60,149,714	17,094,128
Restricted:			
Debt service	-	1,475,000	-
Passenger facility charges program	-	1,532,154	-
Equipment replacement	-	250,000	-
Maintenance and operations	-	1,342,980	-
Unrestricted	11,184,953	12,976,147	2,385,958
Total net assets	\$ 41,089,787	\$ 77,725,995	\$ 19,480,086

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net assets of business-type activities

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds (cont'd)

Water and Sewer Utilities	Nonmajor Proprietary Fund	Totals	Governmental Activities - Internal Service Funds
	Garbage Collection		
507,714	371,363	5,828,139	1,120,036
24,591	-	218,948	-
785	-	322,736	-
27,388	-	27,388	-
-	-	-	257
11,742	9,493	161,662	-
-	-	640,000	-
-	-	-	187,397
-	-	-	36,500
-	-	79,045	-
145,712	-	603,393	150,983
-	-	-	6,983,761
594,628	-	594,628	-
540,000	-	2,015,000	-
240,371	-	1,341,994	-
<u>2,092,931</u>	<u>380,856</u>	<u>11,832,933</u>	<u>8,478,934</u>
605,744	-	639,069	-
-	-	3,003,710	-
8,961,351	-	11,930,351	-
401,869	-	1,676,996	416,412
-	-	-	9,539,968
8,297,546	-	42,032,218	-
-	-	9,514,398	-
<u>18,266,510</u>	<u>-</u>	<u>68,796,742</u>	<u>9,956,380</u>
<u>20,359,441</u>	<u>380,856</u>	<u>80,629,675</u>	<u>18,435,314</u>
29,790,712	6,673	136,946,061	8,585,070
1,632,972	-	3,107,972	-
-	-	1,532,154	-
100,000	-	350,000	-
-	-	1,342,980	-
11,350,032	1,222,802	39,119,892	13,438,425
<u>\$ 42,873,716</u>	<u>\$ 1,229,475</u>	<u>182,399,059</u>	<u>\$ 22,023,495</u>
		<u>1,207,961</u>	
		<u>\$ 183,607,020</u>	

COUNTY OF VOLUSIA, FLORIDA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For The Year Ended September 30, 2006

	Business-type Activities - Enterprise Funds		
	Refuse Disposal	Daytona Beach International Airport	Volusia Transportation Authority
Operating Revenues:			
Charges for services	\$ 18,823,199	\$ 8,086,396	\$ 4,352,823
Miscellaneous revenues	204,869	163,339	7,236
Total operating revenues	19,028,068	8,249,735	4,360,059
Operating Expenses:			
Personal services	3,700,813	3,074,469	9,705,610
Contracted services	2,516,026	2,817,902	3,527,482
Supplies and materials	1,090,049	556,166	2,176,483
Repairs and maintenance	2,450,618	361,025	1,569,524
Utilities	129,452	1,158,996	157,518
Other services and charges	1,293,434	372,378	600,231
Depreciation	3,067,174	4,547,813	2,084,609
Claims expense	-	-	-
Total operating expenses	14,247,566	12,888,749	19,821,457
Operating income (loss)	4,780,502	(4,639,014)	(15,461,398)
Nonoperating Revenues (Expenses):			
Operating grants	-	2,856,047	5,155,446
Passenger facility charges	-	1,134,418	-
Interest revenues	869,093	603,727	36,105
Interest expense	(63,461)	(2,211,857)	-
Bond issuance costs	-	(324,281)	-
Net gain (loss) on disposal of capital assets	237,254	(821)	18,960
Miscellaneous revenues	-	-	-
Total nonoperating revenues (expenses)	1,042,886	2,057,233	5,210,511
Income (loss) before contributions and transfers	5,823,388	(2,581,781)	(10,250,887)
Capital contributions	-	12,562,230	4,959,922
Transfers in	-	-	9,435,184
Transfers (out)	(625,000)	-	-
Change in net assets	5,198,388	9,980,449	4,144,219
Total net assets - beginning, restated	35,891,399	67,745,546	15,335,867
Total net assets - ending	\$ 41,089,787	\$ 77,725,995	\$ 19,480,086

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Change in net assets of business-type activities

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds (cont'd)

Water and Sewer Utilities	Nonmajor Proprietary Fund	Totals	Governmental Activities - Internal Service Funds
	Garbage Collection		
\$ 11,645,715	\$ 5,660,315	\$ 48,568,448	\$ 48,658,461
404,876	158,301	938,621	58,021
<u>12,050,591</u>	<u>5,818,616</u>	<u>49,507,069</u>	<u>48,716,482</u>
2,927,631	-	19,408,523	3,263,338
1,769,951	4,746,346	15,377,707	3,564,378
689,552	48,539	4,560,789	5,021,591
894,316	3,375	5,278,858	2,567,628
697,358	-	2,143,324	43,082
474,383	1,764,914	4,505,340	2,114,143
2,377,699	5,498	12,082,793	2,429,295
-	-	-	26,814,995
<u>9,830,890</u>	<u>6,568,672</u>	<u>63,357,334</u>	<u>45,818,450</u>
<u>2,219,701</u>	<u>(750,056)</u>	<u>(13,850,265)</u>	<u>2,898,032</u>
-	36,227	8,047,720	-
-	-	1,134,418	-
456,878	121,426	2,087,229	1,528,148
(658,037)	-	(2,933,355)	(70,614)
(110,171)	-	(434,452)	-
240,924	-	496,317	(17,298)
-	-	-	7,718
<u>(70,406)</u>	<u>157,653</u>	<u>8,397,877</u>	<u>1,447,954</u>
2,149,295	(592,403)	(5,452,388)	4,345,986
2,511,761	-	20,033,913	3,000
-	625,000	10,060,184	1,175,000
-	-	(625,000)	-
<u>4,661,056</u>	<u>32,597</u>	<u>24,016,709</u>	<u>5,523,986</u>
<u>38,212,660</u>	<u>1,196,878</u>		<u>16,499,509</u>
<u>\$ 42,873,716</u>	<u>\$ 1,229,475</u>		<u>\$ 22,023,495</u>
		<u>217,931</u>	
		<u>\$ 24,234,640</u>	

COUNTY OF VOLUSIA, FLORIDA
Statement of Cash Flows
Proprietary Funds
For The Year Ended September 30, 2006

	Business-type Activities - Enterprise Funds		
	Refuse Disposal	Daytona Beach International Airport	Volusia Transportation Authority
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 18,840,059	\$ 11,378,351	\$ 4,316,712
Payments to suppliers	(9,900,179)	(5,392,359)	(8,145,053)
Payments to employees	(3,694,846)	(3,076,618)	(9,628,278)
Other operating revenue	-	-	-
Net cash provided (used) by operating activities	5,245,034	2,909,374	(13,456,619)
Cash Flows from Noncapital Financing Activities			
Transfers to other funds	(625,000)	-	-
Transfers from other funds	-	-	8,835,184
Subsidy from federal/state grants	-	2,671,802	5,220,649
Principal payment received on interfund loans	-	100,000	-
Interest payment received on interfund loans	-	-	-
Net cash provided (used) by noncapital financing activities	(625,000)	2,771,802	14,055,833
Cash Flows from Capital and Related Financing Activities			
Capital contributions	-	-	-
Acquisition and construction of capital assets	(1,469,411)	(17,881,145)	(5,183,233)
Principal paid on capital debt	(598,000)	(1,405,000)	-
Interest paid on capital debt	(63,461)	(2,366,439)	-
Proceeds from issuing notes clearly attributable to the acquisition of capital assets	-	2,257,000	-
Proceeds from sale of capital assets	392,865	1,720	(2,895)
Proceeds from insurance	-	-	10,287
Receipts from capital grants	-	10,447,841	4,959,922
Net cash provided (used) by capital and related financing activities	(1,738,007)	(8,946,023)	(215,919)
Cash Flows from Investing Activities			
Interest revenues	869,093	603,727	36,105
Net cash provided by investing activities	869,093	603,727	36,105
Net increase (decrease) in cash and cash equivalents	3,751,120	(2,661,120)	419,400
Cash and cash equivalents at beginning of year	16,776,458	20,143,534	86,506
Cash and cash equivalents at end of year	\$ 20,527,578	\$ 17,482,414	\$ 505,906
Cash and Cash Equivalents Classified As:			
Current assets	\$ 13,618,381	\$ 11,905,672	\$ 505,906
Restricted assets	6,909,197	5,576,742	-
Total cash and cash equivalents	\$ 20,527,578	\$ 17,482,414	\$ 505,906

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds (cont'd)

Water and Sewer Utilities	Nonmajor Proprietary Fund	Totals	Governmental Activities - Internal Service Funds
	Garbage Collection		
\$ 11,846,213	\$ 5,801,273	\$ 52,182,608	\$ 48,622,146
(4,428,877)	(6,561,985)	(34,428,453)	(40,295,592)
(2,889,873)	-	(19,289,615)	(3,316,778)
-	-	-	58,021
<u>4,527,463</u>	<u>(760,712)</u>	<u>(1,535,460)</u>	<u>5,067,797</u>
-	-	(625,000)	-
-	625,000	9,460,184	1,175,000
-	36,227	7,928,678	-
340,336	-	440,336	158,446
-	-	-	7,948
<u>340,336</u>	<u>661,227</u>	<u>17,204,198</u>	<u>1,341,394</u>
2,554,506	-	2,554,506	-
(5,287,895)	-	(29,821,684)	(1,364,473)
(1,260,397)	-	(3,263,397)	(987,530)
(674,705)	-	(3,104,605)	(34,114)
-	-	2,257,000	-
285,815	-	677,505	271,549
-	-	10,287	6,605
125,000	-	15,532,763	-
<u>(4,257,676)</u>	<u>-</u>	<u>(15,157,625)</u>	<u>(2,107,963)</u>
456,878	121,426	2,087,229	1,520,199
<u>456,878</u>	<u>121,426</u>	<u>2,087,229</u>	<u>1,520,199</u>
1,067,001	21,941	2,598,342	5,821,427
<u>12,476,902</u>	<u>1,581,180</u>	<u>51,064,580</u>	<u>25,532,978</u>
<u>\$ 13,543,903</u>	<u>\$ 1,603,121</u>	<u>\$ 53,662,922</u>	<u>\$ 31,354,405</u>
\$ 11,570,560	\$ 1,603,121	\$ 39,203,640	\$ 31,354,405
1,973,343	-	14,459,282	-
<u>\$ 13,543,903</u>	<u>\$ 1,603,121</u>	<u>\$ 53,662,922</u>	<u>\$ 31,354,405</u>

COUNTY OF VOLUSIA, FLORIDA
Statement of Cash Flows
Proprietary Funds
For The Year Ended September 30, 2006

	Business-type Activities - Enterprise Funds		
	Refuse Disposal	Daytona Beach International Airport	Volusia Transportation Authority
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 4,780,502	\$ (4,639,014)	\$ (15,461,398)
Depreciation	3,067,174	4,547,813	2,084,609
Accrual of landfill closure costs	(2,637,359)	-	-
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(201,082)	32,907	(43,347)
(Increase) decrease in due from other governments	13,073	3,729	-
(Increase) decrease in inventories	-	-	2,129
Decrease in prepaid expenses	-	-	-
Increase (decrease) in accounts payable	220,026	88,346	(128,009)
Increase (decrease) in due to component units	-	-	-
Increase (decrease) in due to other governments	(5,463)	(214,238)	12,065
Increase in accrued liabilities	2,196	-	39,660
Increase (decrease) in deposits payable	-	9,225	-
Increase (decrease) in unearned revenue	-	3,082,755	-
(Decrease) in estimated claims payable	-	-	-
Increase (decrease) in compensated absences payable	5,967	(2,149)	37,672
Total adjustments	464,532	7,548,388	2,004,779
Net cash provided (used) by operating activities	\$ 5,245,034	\$ 2,909,374	\$ (13,456,619)
Noncash Investing, Capital, and Financing Activities:			
Contributions of capital assets from government	\$ -	\$ -	\$ -
Borrowing under capital lease	-	-	-
Capital asset purchases on account	199,797	1,448,643	1,967,509

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds (cont'd)

Water and Sewer Utilities	Nonmajor Proprietary Fund	Totals	Governmental Activities - Internal Service Funds
	Garbage Collection		
<u>\$ 2,219,701</u>	<u>\$ (750,056)</u>	<u>\$ (13,850,265)</u>	<u>\$ 2,898,032</u>
2,377,699	5,498	12,082,793	2,429,295
-	-	(2,637,359)	-
17,636	-	(193,886)	(6,197)
(8,400)	(266)	8,136	(36,632)
-	-	2,129	(9,708)
-	-	-	691
91,043	6,238	277,644	13,526
(1,440)	-	(1,440)	257
6,365	(5,049)	(206,320)	(63,484)
715	-	42,571	-
(213,614)	-	(204,389)	-
-	(17,077)	3,065,678	-
-	-	-	(104,543)
37,758	-	79,248	(53,440)
<u>2,307,762</u>	<u>(10,656)</u>	<u>12,314,805</u>	<u>2,169,765</u>
<u>\$ 4,527,463</u>	<u>\$ (760,712)</u>	<u>\$ (1,535,460)</u>	<u>\$ 5,067,797</u>
 \$ -	 \$ -	 \$ -	 \$ 3,000
-	-	-	1,174,927
220,785	-	3,836,734	731,160

COUNTY OF VOLUSIA, FLORIDA
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2006

	Volunteer Firefighters Pension Trust Fund	Agency Funds
ASSETS		
Equity in pooled cash and investments	\$ 1,741,876	\$ 12,391,408
Pension investments:		
Mutual funds	1,737,545	-
Common stock	1,405,125	-
Receivables:		
Accounts - net	-	51,740
Special assessments:		
Current receivable	-	31,678
Deferred receivable	-	157,221
Interest receivable	-	22,753
Total assets	4,884,546	12,654,800
LIABILITIES		
Accounts payable	244	6,355
Due to other governments	-	9,228,563
Deposits	-	3,419,882
Total liabilities	244	12,654,800
NET ASSETS		
Held in trust for:		
Pension benefits	4,884,302	-
Total net assets	\$ 4,884,302	\$ -

The notes to the financial statements are an integral part of this statement.

COUNTY OF VOLUSIA, FLORIDA
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended September 30, 2006

	Volunteer Firefighters Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 85,000
Total contributions	<u>85,000</u>
Investment earnings:	
Net increase in fair value of investments	275,176
Interest	80,306
Dividends	<u>81,060</u>
Total investment earnings	<u>436,542</u>
Total additions	<u>521,542</u>
 DEDUCTIONS	
Benefits	56,555
Administrative expenses	<u>4,725</u>
Total deductions	<u>61,280</u>
 Change in net assets	 460,262
 Net assets - beginning of year	 <u>4,424,040</u>
 Net assets - end of year	 <u><u>\$ 4,884,302</u></u>

The notes to the financial statements are an integral part of this statement.



COUNTY OF VOLUSIA, FLORIDA
Statement of Net Assets
Component Units
September 30, 2006

	Clerk of the Circuit Court	Volusia County Law Library	Emergency Medical Foundation, Inc.	Total
ASSETS				
Equity in pooled cash and investments	\$ 13,334,764	\$ 338,621	\$ 1,199,129	\$ 14,872,514
Receivables:				
Accounts - net	9,141	-	1,464,875	1,474,016
Employee	-	-	52,948	52,948
Due from primary government	3,718	-	92,152	95,870
Due from other governments	642,725	-	-	642,725
Inventories	-	-	243,846	243,846
Prepaid items/expenses	6,334	-	235,682	242,016
Land	-	-	142,502	142,502
Buildings	-	-	320,633	320,633
Leasehold improvements	-	39,436	538,586	578,022
Equipment	5,535,266	150,888	8,062,462	13,748,616
Accumulated depreciation	(3,927,067)	(156,537)	(5,819,709)	(9,903,313)
Deposits	-	-	340	340
Total assets	15,604,881	372,408	6,533,446	22,510,735
LIABILITIES				
Accounts payable	34,183	-	1,650,776	1,684,959
Accrued liabilities	427,456	-	-	427,456
Due to primary government	4,081,069	-	-	4,081,069
Due to other governments	561,067	-	-	561,067
Deposits	71,561	-	-	71,561
Non-current liabilities:				
Due within one year:				
Notes payable	-	-	289,234	289,234
Compensated absences payable	325,402	-	-	325,402
Due in more than one year:				
Notes payable	-	-	357,256	357,256
Compensated absences payable	728,110	-	-	728,110
Total liabilities	6,228,848	-	2,297,266	8,526,114
NET ASSETS				
Invested in capital assets				
(net of related debt)	1,608,199	33,787	2,597,984	4,239,970
Restricted for public record modernization	8,495,944	-	-	8,495,944
Unrestricted (deficit)	(728,110)	338,621	1,638,196	1,248,707
Total net assets	\$ 9,376,033	\$ 372,408	\$ 4,236,180	\$ 13,984,621

The notes to the financial statements are an integral part of this statement.

COUNTY OF VOLUSIA, FLORIDA
Statement of Activities
Component Units
For the Year Ended September 30, 2006

		Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions
Clerk of the Circuit Court			
Operations	\$ 20,412,142	\$ 22,026,932	\$ 524,967
Total Clerk of the Circuit Court	<u>20,412,142</u>	<u>22,026,932</u>	<u>524,967</u>
Volusia County Law Library			
Operations	486,161	10,709	-
Total Volusia County Law Library	<u>486,161</u>	<u>10,709</u>	<u>-</u>
Emergency Medical Foundation, Inc.			
Operations	18,582,460	17,997,679	144,778
Total Emergency Medical Foundation, Inc.	<u>18,582,460</u>	<u>17,997,679</u>	<u>144,778</u>
Total component units	<u>\$ 39,480,763</u>	<u>\$ 40,035,320</u>	<u>\$ 669,745</u>

General Revenues:

Interest revenue

Miscellaneous

Payment from County of Volusia

Total general revenues and payment from County of Volusia

Change in net assets

Net assets - beginning

Net assets - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

Clerk of the Circuit Court	Volusia County Law Library	Emergency Medical Foundation, Inc.	Totals
<u>\$ 2,139,757</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,139,757</u>
<u>2,139,757</u>	<u>-</u>	<u>-</u>	<u>2,139,757</u>
<u>-</u>	<u>(475,452)</u>	<u>-</u>	<u>(475,452)</u>
<u>-</u>	<u>(475,452)</u>	<u>-</u>	<u>(475,452)</u>
<u>-</u>	<u>-</u>	<u>(440,003)</u>	<u>(440,003)</u>
<u>-</u>	<u>-</u>	<u>(440,003)</u>	<u>(440,003)</u>
<u>2,139,757</u>	<u>(475,452)</u>	<u>(440,003)</u>	<u>1,224,302</u>
534,407	4,001	64,557	602,965
39,891	4,006	68,940	112,837
-	460,735	-	460,735
<u>574,298</u>	<u>468,742</u>	<u>133,497</u>	<u>1,176,537</u>
<u>2,714,055</u>	<u>(6,710)</u>	<u>(306,506)</u>	<u>2,400,839</u>
<u>6,661,978</u>	<u>379,118</u>	<u>4,542,686</u>	<u>11,583,782</u>
<u>\$ 9,376,033</u>	<u>\$ 372,408</u>	<u>\$ 4,236,180</u>	<u>\$ 13,984,621</u>



COUNTY OF VOLUSIA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

TABLE OF CONTENTS

Note 1. Summary of significant accounting policies	- 68 -
Note 2. Restatement of proprietary net assets.....	- 76 -
Note 3. Budgets and budgetary accounting	- 76 -
Note 4. Property taxes	- 77 -
Note 5. Cash and investments	- 78 -
Note 6. Interfund receivables, payables, and transfers	- 80 -
Note 7. Capital assets.....	- 83 -
Note 8. Long-term debt	- 86 -
Note 9. Conduit debt obligations	- 95 -
Note 10. Employee receivables.....	- 96 -
Note 11. Pension plans.....	- 96 -
Note 12. Special assessments receivable.....	- 100 -
Note 13. Airport leasing arrangements with tenants and property held for lease	- 100 -
Note 14. Fund balance deficit	- 101 -
Note 15. Closure and postclosure care cost	- 101 -
Note 16. Commitment and contingencies	- 102 -

NOTE 1.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Volusia, Florida have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant County accounting policies are described below.

A. REPORTING ENTITY

The County of Volusia, Florida, is a Home Rule Charter County as provided for by Section 125.60 of the Florida Statutes. The County operates under a Council/Manager form of government and provides various services to its more than 503,000 residents including public safety, transportation, health and social services, culture/recreation, planning, zoning, and other community enrichment and development services.

The legislative branch of the Charter government is composed of a seven-member, elected Council. The establishment and adoption of policy is the responsibility of the County Council, and the execution of such policy is the responsibility of the Council-appointed County Manager.

In addition to the elected County Council, the Charter provides for an elected Sheriff, Property Appraiser, and Supervisor of Elections to serve as department directors. The duties of the Tax Collector are included in the responsibilities of the Financial and Administrative Services Department. The elected Clerk of the Circuit Court is excluded from the activities of the County and maintains separate accounting records and budgets.

The accompanying financial statements present the primary government, and its component units, for which the primary government is considered to be financially accountable. Also included are other entities for which the nature and significance of their relationship with the primary government are such that exclusion could cause the County's financial statements to be misleading or incomplete.

1. Discretely Presented Component Units

The component unit column in the government-wide financial statements includes the financial data of the County's component units. They are included because, if excluded, the County's financial statements would be misleading. They are reported in a separate column in the government-wide financial statements to emphasize their legal separation from the County. The following component units are included in the statements:

- **Clerk of the Circuit Court** – The Volusia County Clerk of the Circuit Court is responsible for the operations of the Clerk's Office, which provides support to the justice system within the County. The Clerk of the Circuit Court is elected by the voters and is a separate legal entity under the Volusia County Home Rule Charter. The Clerk of the Circuit Court is included as a component unit because its exclusion from the financial reporting entity would render the County's financial statements misleading. (*Constitution of the State of Florida, Article VIII, Section 1(d); Volusia County Home Rule Charter, Article V.*)
- **Volusia County Law Library** – The Volusia County Law Library is a public corporation responsible for providing three centralized and consolidated law libraries for the County. A Board of Trustees manages the Law Library. However, the Law Library is included as a component unit because its exclusion would render the County's financial statements misleading. (*Special Acts, Chapter 69-1706; Volusia County Code of Ordinances, Section 214-61.*)
- **Emergency Medical Foundation, Inc.** – Emergency Medical Foundation, Inc., is a not-for-profit corporation created to provide emergency medical care and transportation services within Volusia County. The foundation is managed by a board of directors, but is included as a component unit because its exclusion from the financial reporting entity would render the County's financial

statements misleading. (*Florida Statutes, Chapter 401; by-laws of the Emergency Medical Foundation, Inc.*)

Each discretely presented component unit issues separate financial statements and has a September 30 fiscal year end. Complete financial statements of the individual component units can be obtained from their respective administrative offices:

Volusia County Clerk of the Circuit Court
101 North Alabama Avenue
DeLand, FL 32724

Volusia County Law Library
125 East Orange Avenue, Room 208
Daytona Beach, FL 32114

Emergency Medical Foundation, Inc.
P. O. Box 6045
Daytona Beach, FL 32122

2. Related Organizations

The County is responsible for appointing members of boards to other organizations, but is not accountable for these organizations. The following related organizations are not included in the reporting entity:

- Volusia County Health Facilities Authority
- Housing Finance Authority of Volusia County
- Volusia County Industrial Development Authority
- Volusia County Educational Facilities Authority

3. Dependent Special Districts

Included within the financial report are the East Volusia Transportation District, Ponce Inlet and Port Authority, Growth Management Commission, West Volusia Library District, and Volusia County Fire District. These dependent special districts are special-purpose-taxing units within a limited boundary, created and governed by the County Council, and thus, legally part of the County.

4. Jointly Governed Organizations

The County, in conjunction with all municipalities within the County, has created the Water Authority of Volusia, formally Volusia Water Alliance, whose purpose is to protect the area's future water supply. The Water Authority of Volusia is composed of one member from the governing board of each of the municipalities and the County. In fiscal year 2006, the County contributed \$131,376 towards funding the alliance's operations.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. 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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or activity. *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 activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. 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 and enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

1. Government-wide Financial Statements

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 pension trust 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes, except those gas taxes imposed by the County in which case they are reported as program revenues.

2. Fund Financial Statements

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, expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

As a general rule, expenditures related to debt service principal and interest payments are recognized in the period they come due. Because the County must fund those expenditures in the current period, large surpluses result even though the payments are due the first day of the new fiscal year. To avoid possible misinterpretation of the financial statements, the County has elected to recognize the expenditure and related fund liabilities in the current period for bonds for which the principal and interest payments are due October 1.

Property taxes, franchise fees, 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 government.

The County reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Municipal Service District Fund*, a special revenue fund, accounts for the fiscal activity relating to the municipal type services of zoning, development engineering, planning, sheriff's services, parks and recreation, and animal control for the unincorporated areas of the County.
- The *Federal and State Grants Fund*, a special revenue fund, accounts for the fiscal activity relating to funds received from various federal and state grant programs.
- The *Subordinate Lien Sales Tax Revenue Bonds Fund*, a debt service fund, accounts for the fiscal activity relating to funds spent for payment of principal, interest, and related costs of the Series 1998, 2001 A & B, and 2003 bond issues.
- The *Ocean Center Expansion Fund*, a capital projects fund, accounts for the fiscal activity relating to the construction of additional exhibition space and meeting rooms in the Ocean Center.
- The *Bond Funded Road Program Fund*, a capital projects fund, accounts for the fiscal activity relating to the construction of roads and transportation improvements with an emphasis on projects that support economic development.

The County reports the following major proprietary funds:

- The *Refuse Disposal Fund* accounts for the fiscal activity of all solid waste disposal within the County.
- The *Daytona Beach International Airport Fund* accounts for the fiscal activity of the Daytona Beach International Airport.
- The *Volusia Transportation Authority Fund* accounts for the fiscal activity of the Votran bus system.
- The *Water and Sewer Utilities Fund* accounts for the fiscal activities of County-owned water and sewer plants and distribution and collection systems located primarily in unincorporated areas.

The County reports the following non-major proprietary fund:

- The *Garbage Collection Fund* accounts for the fiscal activities of garbage collection within the unincorporated areas of the County.

Additionally, the County reports the following fund types:

- *Special Revenue Funds* account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.
- *Debt Service Funds* account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- *Capital Projects Funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

- *Internal Service Funds* account for computer replacement, vehicle maintenance, insurance, and employee group insurance services provided to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.
- The *Volunteer Firefighters Pension Trust Fund* accounts for funds received from Fire Services to provide retirement benefits for volunteer firefighters.
- *Agency Funds* account for resources held by the County in a custodial capacity for other individuals, private organizations or other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Based on the accounting and reporting standards set forth in GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the County has opted to apply only the accounting and reporting pronouncements issued by the Financial Accounting Standards Board (FASB) on or before November 30, 1989 for business-type activities and enterprise funds.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds and of the County's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. RECEIVABLES AND PAYABLES

1. Interfund 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." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

2. Unbilled Service Receivables

Estimated unbilled revenues of the County's water and sewer system are recorded for services rendered, but not yet billed as of the end of the fiscal year. The receivable is estimated by prorating the number of days applicable to the cycle billing.

3. Deferred/Unearned Revenue

Deferred revenues are recorded on the governmental fund balance sheet in the amount of \$13,905,191. Of this amount, \$956,772 represents amounts that are deferred solely because they are not yet considered to be available. Therefore, \$12,948,419 is shown as unearned revenue on the government-wide Statement of Net Assets.

4. Advance Rents

Advance rents are recorded on the proprietary funds statement of net assets in the amount of \$3,003,710. This amount represents the long term portion of a lease agreement between the County and the Volusia County School Board. For the 2006 fiscal year, the County recognizes the current portion of \$79,045 as earned revenue.

E. INVESTMENTS

Investments for the County are reported at fair value. The Local Government Surplus Funds Trust Fund that is administered by the State Board of Administration is a "2A-7 like" pool which has the characteristics of a money market fund. The reported value of the pool is the same as the fair value of the pool shares.

F. INVENTORIES AND PREPAID ITEMS

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded using the consumption method, that is, 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.

G. RESTRICTED ASSETS

Certain amounts are classified as restricted assets on the government-wide and proprietary type funds' statement of net assets. Their use is limited by applicable bond covenants or laws/regulations imposed by other governmental agencies. The restricted assets are used to report resources set aside to:

- provide a reserve for debt service.
- provide a reserve for capital projects.
- provide a reserve for passenger facility charges program.
- acquire capital assets (land and equipment replacement).
- provide a reserve for maintenance and operating expenses.
- provide funding for public safety, physical environment, transportation, culture/recreation, and other legally restricted activities, based upon specific state and local legislative requirements.

H. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Beginning in fiscal year 2006, property, plant, and equipment with initial, individual costs that equal or exceed \$1,000 and estimated useful lives of over one year are recorded as capital assets. This is a change from previous years' individual capitalization costs of \$750 or greater. Roads, bridges, and sidewalks are capitalized when their initial costs equal or exceed \$125,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property, plant, equipment, and infrastructure assets of the primary government, as well as the component units, are depreciated using the straight line method based upon the following estimated useful lives:

Estimated Useful Lives	
Assets	Years
Buildings	15 - 40
Improvements other than buildings	5 - 30
Infrastructure	35
Equipment	3 - 20

I. ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 180 days comprises the allowance for uncollectibles. The allowance for doubtful accounts is as follows:

Allowance For Doubtful Accounts	
General fund	\$ 146,727
Special revenue funds	84,703
Enterprise funds	372,394
Internal service funds	16,695
Total	\$ 620,519

J. COMPENSATED ABSENCES

County policy permits employees to accumulate a limited amount of earned, but unused personal, vacation, and sick leave. These benefits are payable to employees upon separation from service. All leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported.

K. LONG-TERM OBLIGATIONS

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

The County has adopted the following policy for current refundings and advance refundings resulting in defeasance of debt reported in proprietary funds: The difference between the reacquisition price and the net carrying amount of the old debt, as well as the related bond issuance costs, will be deferred and amortized in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. On the balance sheet, the deferred amount and bond issuance costs are reported as a deduction from or an addition to the new debt liability.

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

L. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are Equity in Pooled Cash and Investments and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased. In addition, because the investment pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

M. FUND BALANCE

In the governmental fund financial statements, fund balance consists of reserved and unreserved amounts. Reservations of fund balance represent that portion which is not appropriate for expenditure or is legally segregated for a specific future use.

Fund balance reservations include:

- Encumbrances – to reflect outstanding contractual obligations for goods and services which have not been received.
- Inventories – to reflect that inventory of consumable supplies does not represent available spendable resources.
- Advances – to reflect amounts due from other funds that are long-term in nature and do not represent available spendable resources.
- Debt service – to reflect resources legally restricted for the payment of long-term debt principal and interest amounts maturing in future years.
- Capital Projects – to reflect resources legally restricted for capital projects.
- Employee receivables – to reflect balances due from employees that are long-term in nature and do not represent available spendable resources.
- Long-term notes receivable – to reflect balance due from notes receivable that are long-term in nature and do not represent available spendable resources.
- Other long-term receivables – to reflect balance due from other receivables that are long-term in nature and do not represent available spendable resources.

The remaining portion is unreserved. However, a portion of unreserved fund balance is designated. Designations include capital projects and emergency reserves.

N. INTERFUND TRANSACTIONS

Interfund services provided and used are recorded as revenues in the seller funds and expenditures or expenses in purchaser funds. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it, that are properly applicable to another fund, are recorded as expenditures/ expenses in the reimbursing fund, and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except reimbursements, are reported as transfers.

O. RECLASSIFICATIONS

Certain September 30, 2005 account balances have been reclassified in this report to conform with the financial statement presentation used in 2006.

NOTE 2. RESTATEMENT OF PROPRIETARY NET ASSETS

Beginning net assets of the Volusia Transportation Authority were restated to reflect the accrual of underreported revenues from Medicaid. The affect of the restatement is as follows:

	Balance 09/30/05	Change	Restated Balance 09/30/05
<u>Assets</u>			
Due from other governments	\$ 1,539,702	\$ 334,830	\$ 1,874,532
<u>Net Assets</u>			
Unrestricted	326,888	334,830	661,718

NOTE 3. BUDGETS AND BUDGETARY ACCOUNTING

- Not later than fifteen days after the certification of value by the Property Appraiser, the County Manager shall have prepared and submit to the County Council, a proposed budget estimate of the revenues and expenditures of all County divisions, departments, offices, agencies, and special and municipal taxing districts for the ensuing fiscal year. The proposed budget estimate of revenue shall include not less than 95 percent of all receipts reasonably to be anticipated from all sources.
- Not earlier than sixty-five days nor later than eighty days after certification of value by the Property Appraiser, the County Council shall hold a public hearing on the tentative budget and proposed millage rates.
- Public hearings are conducted and summary statements are available to obtain taxpayer comments pursuant to Chapters 129 and 200 of the Florida Statutes.
- Prior to October 1, the budget is legally enacted.
- It is unlawful to expend or transfer funds in any fiscal year more than the amount budgeted in each fund's budget pursuant to Volusia County Code of Ordinances, Section 2-241(J), and Chapter 129.07 of the Florida Statutes.
- Transfers of appropriations up to and including \$25,000 among activities within a division need only the division director's or his or her designee's approval if the transfer is not between funds. Transfers over \$25,000 require the approval of the department director. Transfers between two divisions require the approval of both division directors, or the County Manager or Deputy County Manager. Transfers between funds require County Council approval. The Supervisor of Elections, Property Appraiser, Sheriff, Chief Judge, County Attorney, and Internal Auditor have the same transfer authority as the department directors for their budgets.
- The County Council legally adopts budgets for the General, budgeted Special Revenue, and Debt Service funds. Formal budgetary integration is employed as a management control device during the year for all governmental fund types. Capital Projects funds adopt a project-length budget. Formal budgetary integration is not employed for Enterprise or Internal Service funds.

- Budgets for the General, budgeted Special Revenue, and Debt Service funds are adopted on a basis consistent with generally accepted accounting principles. The Library Endowment and Corrections - Welfare Trust Special Revenue funds are not budgeted.
- Every appropriation shall lapse at the close of the fiscal year to the extent that it has not been carried forward. An appropriation for a capital program within the General or Special Revenue funds shall be rebudgeted on an annual basis until the purpose for which it was made has been accomplished or abandoned. The purpose of any appropriation shall be deemed abandoned if three years pass without any disbursement or encumbrance of the appropriation.
- If during the fiscal year the County Manager certifies that there are available revenues for appropriations in excess of those estimated in the budget, the County Council may make supplemental appropriations for the year up to the amount of such excess revenues.

NOTE 4. PROPERTY TAXES

The property tax calendar is as follows:

Date	Process												
January 1, 2005	Valuation date												
July 1, 2005	Property Appraiser prepares the assessment roll with values as of January 1; submits preliminary roll for approval to the State and notifies each taxing authority of its respective valuations.												
September 2005	Each taxing authority holds two required public hearings and adopts a budget and ad valorem tax millage rates(s) for the coming fiscal year.												
November 1, 2005	Property Appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable. (Levy date)												
November 1, 2005 through March 31, 2006	A notice of taxes is mailed to each owner on the assessment roll. Taxes may be paid with the following applicable discounts. <table> <tr> <th><u>Month</u></th><th><u>Discount Percentage</u></th></tr> <tr> <td>November</td><td>4</td></tr> <tr> <td>December</td><td>3</td></tr> <tr> <td>January</td><td>2</td></tr> <tr> <td>February</td><td>1</td></tr> <tr> <td>March</td><td>0</td></tr> </table>	<u>Month</u>	<u>Discount Percentage</u>	November	4	December	3	January	2	February	1	March	0
<u>Month</u>	<u>Discount Percentage</u>												
November	4												
December	3												
January	2												
February	1												
March	0												
April 1, 2006	All unpaid taxes on real and tangible personal property become delinquent.												
April 2006 and May 2006	A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised.												
May 31, 2006	Tax certificates are sold on all real estate parcels with unpaid real property taxes. (Lien date)												
August 8, 2006	A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes.												

Collections of county, municipal, and independent taxing district taxes and remittances are accounted for in the Tax Collector's Transfer Fund (Agency Fund) prior to distribution to the various taxing authorities.

NOTE 5.

CASH AND INVESTMENTS

The County maintains a cash and investment pool that is used by all funds. This pool consists of a noninterest-bearing checking account, monthly interest earned on surplus balances, and a zero balance checking account. Each fund's portion of this pool is summarized by fund type in the combined balance sheet as "Equity in Pooled Cash and Investments." In addition, investments are separately held by several of the County's funds. Certain investments of the Daytona Beach International Airport, Refuse Disposal, Insurance, and Volunteer Firefighters Pension Trust funds are held separately from those of other County funds. Investments are reported at fair value.

A. DEPOSITS

All bank balance deposit amounts are covered by federal depository insurance or collateral with the State of Florida under the Florida Security for Public Deposits Act.

The Florida Security for Public Deposits Act establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under the Act, County deposits in qualified public depositories are totally insured. The qualified public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer, or with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer.

B. INVESTMENTS

The County's investment policy establishes investment guidelines for the County. The investment policy applies to all financial assets held or controlled by the County, with exception of certain pension, trust, or debt related funds which are controlled by ordinances or policies.

Authorized investment instruments include: the Local Government Surplus Funds Trust Fund; negotiable direct obligations which are unconditionally guaranteed by the United States Government; bonds, debentures, notes, or other indebtedness guaranteed by United States Government agencies; money market mutual funds regulated by the Securities and Exchange Commission (SEC); bankers acceptances; commercial paper; non-negotiable interest-bearing time certificates of deposit or saving accounts; repurchase agreements; and state and/or local government taxable and tax-exempt debt, and intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperative Act. Additionally, the County may invest Volunteer Firefighters Pension funds in bonds, stocks or other evidence of indebtedness issued or guaranteed by a corporation organized under the laws of the United States. The County may also invest pension funds in mutual funds regulated by the SEC, index mutual funds of a broad-based index, and the County's investment pool. Pension funds investments will be diversified with no more than 30 percent of its value invested in the securities of any single issuer or instrument. This limitation shall not apply to U.S. Government securities, its Agencies or the County's investment pool account.

At the close of the fiscal year, the County held investments in United States Government notes and other federal instrumentalities, mutual funds, stocks, and the Local Government Surplus Trust Fund. County investment policies permit the County to enter into reverse repurchase agreements; however, there were no such investments in fiscal year 2006.

The County's investments in the Local Government Surplus Funds Trust Fund, a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The State Board of Administration (SBA) has taken the position

that participants in the pool are not required to disclose information related to interest rate risk, custodial credit risk, concentration of credit risk, and foreign credit risk. The investment pool was not rated by a nationally recognized statistical rating agency as of September 30, 2006. At September 30, 2006, the County's investments totaled \$266,728,515 in the Local Government Surplus Funds Trust Fund administered by the SBA pursuant to Section 218.405, Florida Statutes and are reported at fair value.

As of September 30, 2006, the County's cash and investments are as follows:

Investments Type	Maturities	Credit Quality	Fair Value
Federal instrumentalities	October 2006 - November 2009	AAA/Aaa	\$ 182,087,880
Mutual funds	N/A	N/A	1,737,546
Stocks	N/A	N/A	1,405,125
Subtotal			185,230,551
Local Government Surplus Funds Trust Fund	N/A	N/A	266,728,515
Carrying value of cash and restricted cash	N/A	N/A	9,140,456
Total			\$ 461,099,522

Interest Rate Risk: is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. In accordance with the County's investment policy, interest rate risk is mitigated by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and by investing operating funds primarily in shorter-term securities.

Credit Risk: is the risk of losses due to the failure of the security issuer or backer. In accordance with the County's investment policy, credit risk is mitigated by limiting investments to the safest types of securities; pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the County will do business; and by diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Custodial Credit Risk: The County's investment policy requires that all securities purchased and/or collateral obtained by the Chief Financial Officer shall be properly designated as an asset of the County and held in safekeeping by the trust department and no withdrawal of such securities, in whole or in part, shall be made from safekeeping except by an authorized County employee. Treasury and federal agency assets held by the County are held by the Federal Reserve in an account for our bank/custodian. The bank/custodian segregates out assets/investments from those of other bank/custodian clients and their own assets. Commercial Paper is held in a similar fashion at the Depository Trust Corporation (DTC), however the bank /custodian has its own custodian for DTC items.

Concentration of Credit Risk: To the extent possible, the County shall attempt to match its investment maturities with anticipated cash flow requirements; and the County will not invest in securities maturing more than ten years from the date of purchase unless it is for a specific reserve or other identified special fund. The County's written investment policy places limits on the percentage of the portfolio that may be invested in each type of investment. The County is permitted to invest:

- 100 percent of its cash in the State of Florida's Local Government Surplus Trust Fund and United States government securities.
- 75 percent of its cash in United States government agencies and instrumentalities, and repurchase agreements.
- 50 percent of its cash in commercial paper and intergovernmental investment pools.
- 30 percent in state and local government debt, bankers acceptances, and money market mutual funds.

The County's investment policy also states that investments will be diversified to the extent possible, to control the risk of loss resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold.

NOTE 6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Loans between funds are used to cover temporary cash deficits because revenues, while accrued, are not received by fiscal year end. Typically, state and federal grant revenues fall into this area. In addition, interfund loans are used to fund specific projects or other activities.

The composition of interfund balances as of September 30, 2006 is as follows:

	Due From Other Funds	Advances To Other Funds	Due To Other Funds	Advances From Other Funds
Governmental funds:				
Major funds:				
General Fund	\$ 13,172,479	\$ -	\$ 90,230	\$ -
Municipal Service District	1,711,216	-	-	-
Federal and State Grants	90,230	-	9,873,785	-
Nonmajor funds:				
Special Revenue funds:				
Resort Tax	-	-	368,785	-
Sales Tax Trust	-	-	3,009,910	-
Ponce Inlet Port Authority	339,836	2,801,802	-	-
Ocean Center	368,785	-	-	-
Fire Services	-	-	339,836	2,801,802
Capital Projects funds:				
Other	-	-	2,000,000	-
Proprietary funds:				
Major funds:				
Water and Sewer Utilities	-	-	27,388	-
Internal service funds:				
Insurance	27,388	-	-	-
Total	\$ 15,709,934	\$ 2,801,802	\$ 15,709,934	\$ 2,801,802

Interfund balances at September 30, 2006 are primarily related to:

- a loan, with an outstanding amount due at fiscal year end of \$27,388, from Insurance to the Water and Sewer Utilities which provided funding for various utility construction projects.

- a loan from Ponce Inlet Port Authority to Fire Services, with \$339,836 due within the next year, which provided funding for the settlement of a lawsuit. The remaining amount of the outstanding loan (\$2,801,802) will be repaid in annual installments by September 2014.
- a short-term loan for \$2,000,000 from the General Fund to Other Capital Projects to cover initial expenditures for the construction of an evidence storage facility.
- interfund transactions in the amount of \$9,873,785 to cover cash deficits due to timing of grant reimbursements.
- other interfund transactions distributing resort and sales tax collections to the appropriate receiving funds.

Due to/from primary government and component units consist of the following:

	Due From Component Units	Due From Primary Government	Due To Component Units	Due To Primary Government
Governmental funds:				
Major funds:				
General Fund	\$ 4,081,069	\$ -	\$ 90,859	\$ -
Municipal Service District	-	-	562	-
Bond Funded Road Program	-	-	287	-
Nonmajor funds:				
Special Revenue funds:				
County Transportation Trust	-	-	574	-
Ocean Center	-	-	2,697	-
Road Impact Fees	-	-	5	-
Fire Services	-	-	134	-
Law/Beach Enforcement Trust	-	-	259	-
State Housing Incentive Program	-	-	236	-
Proprietary funds:				
Internal service funds				
Insurance	-	-	257	-
Component units:				
Clerk of the Circuit Court	-	3,718	-	4,081,069
Emergency Medical Foundation, Inc.	-	92,152	-	-
Total	\$ 4,081,069	\$ 95,870	\$ 95,870	\$ 4,081,069

Transfers move monies collected by one fund to be expended by another fund in order to meet legal and budgetary requirements.

Interfund transfers consist of the following:

	Transfer Out:					Total
	General Fund	Municipal Service District	Federal and State Grants	Nonmajor governmental funds	Refuse Disposal	
Transfer in:						
General Fund	\$ -	\$ 20,312	\$ 699,883	\$ 7,390,408	\$ -	\$ 8,110,603
Municipal Service District	-	-	-	7,038,549	-	7,038,549
Federal and State grants	406,957	-	50,000	275,821	-	732,778
Subordinate Lien	-	-	-	8,481,847	-	8,481,847
Ocean Center Expansion	-	-	-	404,109	-	404,109
Nonmajor Governmental Funds	13,948,872	3,136,866	695,060	17,695,822	-	35,476,620
Volusia Transportation Authority	9,435,184	-	-	-	-	9,435,184
Garbage Collection	-	-	-	-	625,000	625,000
Insurance	-	-	-	1,175,000	-	1,175,000
Total	\$ 23,791,013	\$3,157,178	\$ 1,444,943	\$ 42,461,556	\$ 625,000	\$71,479,690

- Based upon bond ordinances, transfers are made to meet debt service requirements. Of the \$35,476,620 received in non-major governmental funds transfers, \$13,883,589 related to debt service.
- In addition to a debt service transfer of \$4,665,453, resort taxes were transferred to the Ocean Center expansion capital project in the amount of \$404,109 and to the Ocean Center \$2,618,729 for operations.
- The general fund transferred \$11,810,777 to various nonmajor capital project funds.

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2006 was as follows:

	Governmental Activities			
	Beginning Balance 09/30/05	Increases	Decreases	Ending Balance 09/30/06
Capital assets, not being depreciated:				
Land	\$ 76,808,943	\$ 18,676,772	\$ -	\$ 95,485,715
Construction in progress	7,148,019	18,988,737	-	26,136,756
Construction in progress - infrastructure	39,287,469	23,666,509	(13,646,132)	49,307,846
Total capital assets, not being depreciated	<u>123,244,431</u>	<u>61,332,018</u>	<u>(13,646,132)</u>	<u>170,930,317</u>
Capital assets, being depreciated:				
Buildings	216,362,403	3,249,857	(194,885)	219,417,375
Improvements other than buildings	17,521,385	269,443	-	17,790,828
Leasehold improvements	497,125	-	-	497,125
Equipment	100,762,910	14,199,800	(6,620,225)	108,342,485
Infrastructure	347,285,667	13,248,236	-	360,533,903
Total capital assets being depreciated	<u>682,429,490</u>	<u>30,967,336</u>	<u>(6,815,110)</u>	<u>706,581,716</u>
Less accumulated depreciation for:				
Buildings	(70,082,533)	(5,680,769)	194,885	(75,568,417)
Improvements other than buildings	(7,018,277)	(913,695)	-	(7,931,972)
Leasehold improvements	(312,421)	(26,547)	-	(338,968)
Equipment	(62,982,371)	(10,613,543)	5,953,341	(67,642,573)
Infrastructure	(241,487,236)	(9,922,448)	-	(251,409,684)
Total accumulated depreciation	<u>(381,882,838)</u>	<u>(27,157,002)</u>	<u>6,148,226</u>	<u>(402,891,614)</u>
Total capital assets, being depreciated, net	<u>300,546,652</u>	<u>3,810,334</u>	<u>(666,884)</u>	<u>303,690,102</u>
Governmental activities capital assets, net	\$ 423,791,083	\$ 65,142,352	\$ (14,313,016)	\$ 474,620,419

Business-type Activities				
	Beginning Balance 9/30/05	Increases	Decreases	Ending Balance 09/30/06
Capital assets, not being depreciated:				
Land	\$ 35,837,771	\$ 12,768,350	\$ (38,174)	\$ 48,567,947
Construction in progress	3,837,049	20,558,177	(15,085,854)	9,309,372
Total capital assets, not being depreciated	<u>39,674,820</u>	<u>33,326,527</u>	<u>(15,124,028)</u>	<u>57,877,319</u>
Capital assets, being depreciated:				
Buildings	23,796,638	111,990	-	23,908,628
Improvements other than buildings	179,488,048	6,594,630	-	186,082,678
Equipment	35,576,668	4,907,022	(1,537,866)	38,945,824
Total capital assets being depreciated	<u>238,861,354</u>	<u>11,613,642</u>	<u>(1,537,866)</u>	<u>248,937,130</u>
Less accumulated depreciation for:				
Buildings	(9,141,408)	(972,354)	-	(10,113,762)
Improvements other than buildings	(71,908,968)	(7,858,619)	-	(79,767,587)
Equipment	(20,896,019)	(3,251,820)	1,372,996	(22,774,843)
Total accumulated depreciation	<u>(101,946,395)</u>	<u>(12,082,793)</u>	<u>1,372,996</u>	<u>(112,656,192)</u>
Total capital assets, being depreciated, net	<u>136,914,959</u>	<u>(469,151)</u>	<u>(164,870)</u>	<u>136,280,938</u>
Business-type activities capital assets, net	\$ 176,589,779	\$ 32,857,376	\$ (15,288,898)	\$ 194,158,257

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
	Depreciation Expense
General government	\$ 3,721,843
Public safety	5,737,691
Physical environment	378,024
Transportation	11,351,583
Economic environment	25,952
Human services	954,445
Culture/recreation	2,558,169
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>2,429,295</u>
Total depreciation expense	\$ 27,157,002

Business-type Activities		Depreciation Expense
Refuse disposal	\$	3,067,174
Daytona Beach International Airport		4,547,813
Volusia Transportation Authority		2,084,609
Water and sewer utilities		2,377,699
Garbage collection		5,498
Total depreciation expense	\$	12,082,793

Construction commitments

The County has active construction projects as of September 30, 2006. At year-end the government's commitments with contractors are as follows:

Projects	Spent-to-Date	Remaining Commitment
Park-related improvements	\$ 2,536,026	\$ 3,064,300
Historic courthouse renovation	479,159	774,973
Ocean Center expansion	5,111,522	5,261,311
Road construction	19,300,325	13,963,817
Fire station construction/improvements	974,378	1,366,981
Airport-related construction	3,508,260	1,958,256
Solid Waste construction/improvements	1,677,930	3,410,571
Water/sewer utility improvements	2,780,300	2,614,424
Total	\$ 36,367,900	\$ 32,414,633

Commitments for the park-related projects are financed by revenues derived from boat registration renewals, grants, and transfers from the General, Ponce Inlet Port Authority, and Park Impact Fee funds. The commitment for the Historic Courthouse renovation is financed from the remaining bond proceeds of the Subordinate Lien Sales Tax Bonds, Series 1998, interest earnings, and transfers from the General Fund. The commitment for the expansion of the Ocean Center facility is financed by the issuance of bonds and interest earnings.

Remaining commitments for the road construction projects are funded by various gas taxes, road impact fees, and the issuance of bonds. Airport improvements are mainly funded by federal and state matching grants. The commitments for Solid Waste improvements and Water/sewer utility improvements are each financed by revenues generated through user fees.

NOTE 8. LONG-TERM DEBT

A. SUMMARY OF BOND RESOLUTIONS

The following is a summary of revenue bond resolutions pertaining to debt activity during the year reflected on the September 30, 2006 financial statements:

1. Revenue Bonds:

Name	Dated	Final Maturity	Payment Date		Interest Rates	Reserve Requirement	Revenue Pledged	Purpose
			Principal	Interest				
\$5,640,000 Gas Tax Revenue Bonds, Series 1992	09/15/1992	12/01/2005	Dec 1	Jun 1 and Dec 1	5.00%	N/A	Proceeds of the County's Ninth- Cent Gas Tax on motor and special fuel, and investment earnings.	To fund construction of the East Coast Beltline project.
\$5,085,000 Water and Sewer Refunding Revenue Bonds, Series 1998	07/01/1998	10/01/2016	Oct 1	Oct 1 and Apr 1	4.15% to 4.88%	N/A	Net revenues from the operation of the County's water and sewer system, connection fees, and investment earnings.	To provide funds sufficient to advance refund the remaining portion of the County's Water and Sewer Bonds, Series 1989.
\$59,250,000 Subordinate Lien Sales Tax Improvement Revenue Bonds, Series 1998	09/01/1998	10/01/2018	Oct 1	Oct 1 and Apr 1	4.00% to 5.13%	N/A	Local Government Half-Cent Sales Tax, and investment earnings.	To finance the cost of acquiring, constructing, and equipping certain capital improvements, including a new court facility and to advance refund the County's Sales Tax Improvement Revenue Bonds, Series 1996.

County of Volusia, Florida
Notes to the Financial Statements
September 30, 2006

Name	Dated	Final Maturity	Payment Date		Interest Rates	Reserve Requirement	Revenue Pledged	Purpose
			Principal	Interest				
\$30,795,000 Airport System Revenue Refunding Bonds, Series 2000	08/01/2000	10/01/2021	Oct 1	Oct 1 and Apr 1	6.80% to 7.00%	N/A	Net revenues generated by the operations of the Daytona Beach International Airport and all moneys, and investment earnings.	To provide sufficient funds to advance refund the remaining portion of the County's Airport System Revenue Bonds, Series 1991.
\$11,930,000 Subordinate Lien Sales Tax Improvement Refunding Revenue Bonds, Series 2001A	06/01/2001	10/01/2014	Oct 1	Oct 1 and Apr 1	4.00% to 5.00%	N/A	Local Government Half-Cent Sales Tax, and investment earnings.	To provide funds sufficient to advance refund a portion of the County's Sales Tax Improvement Revenue Bonds, Series 1994.
\$23,985,000 Subordinate Lien Sales Tax Improvement Refunding Revenue Bonds, Series 2001B	06/01/2001	10/01/2010	Oct 1	Oct 1 and Apr 1	4.00% to 4.20%	N/A	Local Government Half-Cent Sales Tax, and investment earnings.	To provide funds sufficient to current refund a portion of the County's Sales Tax Improvement Refunding Revenue Bonds, Series 1991A.
\$22,565,000 Tourist Development Tax Refunding Revenue Bonds, Series 2002	09/15/2002	12/01/2013	Dec 1	Dec 1 and Jun 1	2.13% to 3.50%	N/A	Tourist development tax revenues and all moneys, including investment earnings.	To provide sufficient funds to currently refund all of the County's Tourist Development Tax Bonds, Series 1993.
\$6,975,000 Water and Sewer Refunding Revenue Bonds, Series 2003	07/01/2003	10/01/2019	Oct 1	Oct 1 and Apr 1	2.00% to 4.00%	N/A	Net revenues from the operation of the County's water and sewer system, connection fees, and all moneys, including investment earnings.	To provide funds sufficient to advance refund the remaining portion of the County's Water and Sewer Refunding and Improvement Revenue Bonds, Series 1993.

County of Volusia, Florida
Notes to the Financial Statements
September 30, 2006

Name	Dated	Final Maturity	Payment Date		Interest Rates	Reserve Requirement	Revenue Pledged	Purpose
			Principal	Interest				
\$11,110,000 Airport System Refunding Revenue Bonds, Series 2003	07/01/2003	10/01/2021	Oct 1	Oct 1 and Apr 1	2.00% to 4.10%	N/A	Net revenues from the operation of the Daytona Beach International Airport and all moneys, including investment earnings.	To provide sufficient funds to currently refund all of the County's Airport System Revenue Refunding Bonds, Series 1993.
\$8,255,000 Subordinate Lien Sales Tax Refunding Revenue Bonds, Series 2003	07/01/2003	10/01/2021	Oct 1	Oct 1 and Apr 1	2.00% to 4.00%	N/A	Local Government Half-Cent Sales Tax, and investment earnings.	To provide sufficient funds to currently refund all of the County's Sales Tax Improvement Refunding Revenue Bonds, Series 1993.
\$64,710,000 Tourist Development Tax Revenue Bonds, Series 2004	08/04/2004	12/01/2034	Dec 1	Dec 1 and Jun 1	4.40% to 5.00%	N/A	Tourist development tax revenues and all moneys, including investment earnings.	To finance the cost of acquiring, constructing, and equipping the expansion and renovation of the County's Ocean Center including the addition of approximately 100,000 square feet of exhibition space and 30,000 square feet of new meeting rooms.
\$64,215,000 Gas Tax Revenue Bonds, Series 2004	11/02/2004	10/01/2024	Oct 1	Oct 1 and Apr 1	2.75% to 5.00%	N/A	Proceeds of the County's Six Cent Local Option Fuel Tax, and investment earnings.	To provide funds sufficient for the acquisition, construction, and reconstruction of roads, bridges, and other transportation improvements.

2. General Obligation Bonds:

Name	Dated	Final Maturity	Payment Date		Interest Rates	Reserve Requirement	Revenue Pledged	Purpose
			Principal	Interest				
\$39,875,000 Limited Tax General Obligation Bonds, Series 2005	11/10/2005	10/01/2021	Oct 1	Oct 1 and Apr 1	3.50% to 4.25%	N/A	A limited property tax assessed and levied, not to exceed 0.20 mill on all taxable property in the County, and investment earnings.	To provide funds sufficient to finance the costs of acquisition and improvement of environmentally sensitive lands, and certain costs related to the issuance of the bonds.

B. CAPITAL LEASES

The County acquired computer equipment for its computer replacement program, accounted for as an internal service fund, by means of a capital lease. For accounting purposes, a capital lease is considered debt and is recorded, on the statement of net assets as a liability, in an amount equal to the present value of the minimum lease payments as of the inception date of the lease agreement. A capital asset is also recorded for the same amount. For the fiscal year 2006, \$1,174,927 was borrowed under a capital lease. During the year, \$987,530 was paid on the principal amount, with accrued interest of \$34,114. The balance remaining is \$187,397. The book value of the assets acquired, net of accumulated depreciation of \$927,956, is \$1,504,430.

C. NOTES PAYABLE

Notes payable outstanding as of September 30, 2006 are comprised of the following:

Governmental Activities Debt					
Notes Payable	Interest Rate	Interest Payable	Final Maturity Date	Annual Principal Payment (in thousands)	Amount Outstanding 09/30/06
Installment purchase agreement with Fla. Assn. of Counties for purchase of computer equipment and vehicles	Variable ⁽¹⁾	Monthly	03/01/07	\$775	\$ 775,000
Installment purchase agreement with Fla. Assn. of Counties for purchase of vehicles and equipment	Variable ⁽¹⁾	Monthly	06/01/08	\$365 – 460	825,000
Installment purchase agreement with Bank of America Leasing for purchase of two helicopters	3.90%	Quarterly	12/30/08	\$138 – 539	1,195,189
Installment purchase agreement with Fla. Assn. of Counties for purchase of environmentally sensitive land	Variable ⁽¹⁾	Quarterly	03/01/09	\$248 – 1,384	1,880,000
Installment purchase agreement with Fla. Assn. of Counties to construct and equip new fire stations	Variable ⁽¹⁾	Quarterly	09/01/09	\$144 – 149	437,000
Installment purchase agreement with Fla. Assn. of Counties for purchase of vehicles and equipment	Variable ⁽¹⁾	Quarterly	09/01/09	\$480 – 486	1,446,000
Installment purchase agreement with Fla. Assn. of Counties to construct and equip new fire stations	Variable ⁽¹⁾	Monthly	06/01/10	\$104 – 608	920,000
Installment purchase agreement with Fla. Assn. of Counties to construct and acquire network of pedestrian and bike trails	Variable ⁽¹⁾	Monthly	06/01/10	\$136 – 1,482	1,890,000
Installment purchase agreement with Fla. Assn. of Counties for purchase of computer equipment	Variable ⁽¹⁾	Monthly	12/01/10	\$520 – 533	2,613,000
Installment purchase agreement with Fla. Assn. of Counties for purchase of an aircraft hangar	Variable ⁽¹⁾	Monthly	12/01/10	\$284 – 864	2,000,000
Installment purchase agreement with Fla. Assn. of Counties for purchase of environmentally sensitive land	Variable ⁽¹⁾	Quarterly	12/01/13	\$115 – 460	2,875,000
Installment purchase agreement with Fla. Assn. of Counties to construct and equip upgrade of jail facility	Variable ⁽¹⁾	Monthly	09/01/15	\$260 – 329	2,395,000
Installment purchase agreement with Fla. Assn. of Counties to construct and acquire network of pedestrian and bike trails	Variable ⁽¹⁾	Monthly	09/01/20	\$120 – 135	1,700,000
Total					\$ 20,951,189
⁽¹⁾ The interest rate is set at 35 basis points above the underlying loan rate(s) incurred by the Florida Association of Counties and is adjusted quarterly.					

Business-type Activities Debt					
Notes Payable	Interest Rate	Interest Payable	Final Maturity Date	Annual Principal Payment (in thousands)	Amount Outstanding 09/30/06
Installment purchase agreement with Fla. Assn. of Counties for refuse disposal's disposal cell construction	Variable ⁽¹⁾	Quarterly	12/08/09	\$104 – 416	\$ 1,352,000
Installment purchase agreement with Fla. Assn. of Counties for purchase of land adjoining Daytona Beach International Airport	Variable ⁽¹⁾	Monthly	12/01/10	\$224 – 1,361	2,257,000
Deltona North Water Reclamation Facility with the State of Florida's revolving loan program	2.99%	Semi-annual	06/15/17	\$86 – 115	1,098,149
Southwest Regional Water Reclamation Facility with the State of Florida's revolving loan program	3.05%	Semi-annual	05/15/20	\$131 – 194	2,252,818
Southeast Wastewater Facility with the State of Florida's revolving loan program	3.24%	Semi-annual	08/15/20	\$278 – 543	6,205,012
Total					\$ 13,164,979
⁽¹⁾ The interest rate is set at 35 basis points above the underlying loan rate(s) incurred by the Florida Association of Counties and is adjusted quarterly.					

D. DEBT SERVICE TO MATURITY

The annual requirements to amortize all government-wide debt outstanding as of September 30, 2006, including interest payments of \$160,434,410 are as follows:

Governmental Activities Debt							
Fiscal Year	Revenue Bonds		General Obligation Bonds		Notes Payable		Total Principal and Interest
	Principal	Interest	Principal	Interest	Principal	Interest	
2007	\$ 9,180,000	\$ 8,975,008	\$ 1,685,000	\$ 1,376,053	\$ 4,514,320	\$ 808,434	\$ 26,538,815
2008	9,360,000	8,669,139	1,945,000	1,484,262	3,674,853	638,803	25,772,057
2009	9,875,000	8,347,576	2,015,000	1,416,188	4,067,016	470,125	26,190,905
2010	10,200,000	8,002,151	2,085,000	1,345,662	3,770,000	322,127	25,724,940
2011	10,545,000	7,630,958	2,160,000	1,272,688	2,283,000	154,943	24,046,589
2012-2016	59,915,000	31,435,134	12,060,000	5,100,475	2,142,714	275,351	110,928,674
2017-2021	55,480,000	23,830,208	14,635,000	2,521,075	499,286	45,995	97,011,564
2022-2026	31,480,000	11,825,178	3,290,000	139,825	-	-	46,735,003
2027-2031	17,040,000	6,478,750	-	-	-	-	23,518,750
2032-2035	17,055,000	1,758,875	-	-	-	-	18,813,875
Total	230,130,000	116,952,977	39,875,000	14,656,228	20,951,189	2,715,778	425,281,172
LESS:							
Unamortized							
bond costs	10,261,080	-	321,681	-	-	-	10,582,761
Total	\$ 219,868,920	\$ 116,952,977	\$ 39,553,319	\$ 14,656,228	\$ 20,951,189	\$ 2,715,778	\$ 414,698,411

Business-type Activities Debt						Total Government-wide Principal and Interest
Fiscal Year	Revenue Bonds		Notes Payable		Total Principal and Interest	
	Principal	Interest	Principal	Interest		
2007	\$ 2,015,000	\$ 2,507,145	\$ 1,234,628	\$ 430,458	\$ 6,187,231	\$ 32,726,046
2008	2,115,000	2,409,064	1,252,846	384,563	6,161,473	31,933,530
2009	2,215,000	2,304,071	1,271,625	338,345	6,129,041	32,319,946
2010	2,325,000	2,191,206	978,982	294,837	5,790,025	31,514,965
2011	2,440,000	2,068,837	2,031,935	224,610	6,765,382	30,811,971
2012-2016	14,255,000	8,226,095	3,676,165	729,554	26,886,814	137,815,488
2017-2021	17,700,000	3,721,338	2,718,798	169,949	24,310,085	121,321,649
2022-2026	3,460,000	109,355	-	-	3,569,355	50,304,358
2027-2031	-	-	-	-	-	23,518,750
2032-2035	-	-	-	-	-	18,813,875
Total	46,525,000	23,537,111	13,164,979	2,572,316	85,799,406	511,080,578
LESS:						
Unamortized bond costs	2,477,782	-	-	-	2,477,782	13,060,543
Total	\$ 44,047,218	\$ 23,537,111	\$ 13,164,979	\$ 2,572,316	\$ 83,321,624	\$ 498,020,035

E. ARBITRAGE

Arbitrage refers to the profit earned from taking tax-exempt bond proceeds and investing the funds in higher yielding investments. Under federal arbitrage regulations, an issuer of tax-exempt bonds is allowed to earn this profit for a certain period of time during the construction of the related project. If the issuer still has proceeds once this time period expires, the profit is subject to rebate to the federal government and the remaining bond proceeds should be invested at rates lower than its bond yield.

The County received updated arbitrage rebate determinations on the following bond issues:

- Airport System Revenue Bonds, Series 1991.
- Airport System Refunding Revenue Bonds, Series 1993.
- Airport System Refunding Revenue Bonds, Series 2000.
- Guaranteed Entitlement Revenue Bonds, Series 1994.
- Sales Tax Improvement Revenue Bonds, Series 1996.
- Subordinate Lien Sales Tax Improvement and Refunding Revenue Bonds, Series 1998.
- Subordinate Lien Sales Tax Refunding Revenue Bonds, Series 2001 A & B.
- Tourist Development Tax Refunding Revenue Bonds, Series 1993.
- Water and Sewer Refunding Revenue Bonds, Series 1998.

In each case, it was determined that no material arbitrage rebate liability had accrued.

F. NEW ISSUE

On November 10, 2005, the County issued \$39,875,000 of general obligation bonds to finance the costs of acquisition of endangered and environmentally sensitive lands. The interest rate on the bonds range from 3.5 – 4.25 percent and the maturity date is October 1, 2021. The issue, the Volusia Forever, Series 2005, a limited tax obligation bond, was authorized by a referendum in 2000.

G. DEFEASED DEBT

Over the years, the County has defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At September 30, 2006, \$6,680,000 of Sales Tax Improvement Revenue Bonds, Series 1996 bonds outstanding are considered defeased.

H. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2006, was as follows:

Governmental Activities Debt					
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	\$ 238,905,000	\$ -	\$ (8,775,000)	\$ 230,130,000	\$ 9,180,000
General obligation bonds	-	39,875,000	-	39,875,000	1,685,000
Deferred amounts:					
Plus: for issuance premiums	2,499,719	123,353	(241,293)	2,381,779	-
Less: for issuance discounts	(8,997,451)	-	373,772	(8,623,679)	-
for issuance costs	(3,218,602)	(469,337)	291,878	(3,396,061)	-
on refunding	(1,232,202)	-	287,402	(944,800)	-
Total bonds payable	227,956,464	39,529,016	(8,063,241)	259,422,239	10,865,000
Notes payable	17,411,425	7,759,000	(4,219,236)	20,951,189	4,514,320
Capital lease	-	1,174,927	(987,530)	187,397	187,397
Compensated absences payable	24,187,069	10,133,673	(9,214,915)	25,105,827	6,680,660
Estimated claims payable	16,628,272	26,814,995	(26,919,538)	16,523,729	6,983,761
Total	\$ 286,183,230	\$ 85,411,611	\$ (49,404,460)	\$ 322,190,381	\$ 29,231,138

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$16,523,729 in estimated claims payable and \$567,395 in compensated absences payable are included in the above amounts. Also, for the governmental activities, claims payable and compensated absences payable are generally liquidated by the general and municipal service district funds.

Business-type Activities Debt					
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	\$ 48,455,000	\$ -	\$ (1,930,000)	\$ 46,525,000	\$ 2,015,000
Less deferred amounts:					
for issuance discounts	(5,405)	-	1,133	(4,272)	-
for issuance costs	(466,620)	-	51,980	(414,640)	-
on refunding	(2,317,631)	-	258,761	(2,058,870)	-
Total bonds payable	45,665,344	-	(1,618,126)	44,047,218	2,015,000
Notes payable	12,082,933	3,431,926	(2,349,880)	13,164,979	1,234,628
Compensated absences payable	2,201,141	994,832	(915,584)	2,280,389	603,393
Landfill closure costs	12,151,757	-	(2,637,359)	9,514,398	-
Total	\$ 72,101,175	\$ 4,426,758	\$ (7,520,949)	\$ 69,006,984	\$ 3,853,021

NOTE 9. CONDUIT DEBT OBLIGATIONS

Five entities have been established for the sole purpose of providing financial assistance to private-sector entities to acquire or construct equipment and facilities deemed to be in the public interest. The five entities and their purposes are:

- **Community Development Properties, Volusia, Inc.** – provide financing for constructing a 1,500 space parking garage to satisfy requirements of Volusia County Code to end parking and driving on a section of Daytona Beach between Seabreeze Boulevard and International Speedway Boulevard.
- **Volusia County Health Facilities Authority** – provide financing for health care facilities and services available to the citizens of Volusia County.
- **Housing Finance Authority of Volusia County** – provide financing to alleviate the shortage of affordable rental housing and residential housing facilities for low and moderate-income families and individuals, and to provide capital for investment in such housing facilities.
- **Volusia County Industrial Development Authority** – provide financing for the purpose of fostering economic development with Volusia County.
- **Volusia County Educational Facilities Authority** – provide financing for higher education projects required or useful for the instruction of students or the operation of an institution of higher education in Volusia County.

Bonds issued on behalf of the entities are not deemed to constitute a debt of the County of Volusia, the State of Florida, or any political subdivision thereof. Bonds or other debt obligations are payable solely from the revenues or other resources pledged under the terms of the debt agreements.

A summary of outstanding issues at September 30, 2006 is comprised of the following:

Entity	Number of Series Outstanding	Original Issued	Aggregate Principal Outstanding
Community Development Properties, Volusia, Inc.	1	\$ 12,490,000	\$ 11,370,000
Volusia County Health Facilities Authority	4	151,360,000	113,535,000
Housing Finance Authority of Volusia County	14	87,575,000	84,225,000
Volusia County Industrial Development Authority	(a)	(a)	(a)
Volusia County Educational Facilities Authority	9	284,630,000	245,995,000
(a) Information not available from individual entities.			

NOTE 10. EMPLOYEE RECEIVABLES

During the fiscal year ended September 30, 1977, and again in fiscal year 1986, the County changed its biweekly pay period ending dates. As a result of these changes, certain employees received double pay for days worked. The amount owed is deducted from the employee's final pay. At September 30, 2006, this receivable amounted to \$129,318. Additionally, the County administers a computer purchase plan as a benefit to its employees. At September 30, 2006, the amount owed to the County under this plan was \$100,774. Both amounts are recorded as Employee Receivables and, since they do not represent an "available spendable resource," the General Fund's fund balance is reserved accordingly in the amount of \$230,092.

NOTE 11. PENSION PLANS

A. FLORIDA RETIREMENT SYSTEM

Plan Description: The County's employees participate in the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit public employee retirement system, administered by the State of Florida Department of Administration. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Florida Statutes Chapter 121, as may be amended from time to time by the state legislature provides the methodology for determining contribution rates for the various membership classes of the FRS. The FRS issues a publicly available financial report that includes financial statements, ten-year historical trend information, and other required supplementary information. That report may be obtained by writing to the:

**State of Florida Department of Administration
Division of Retirement
Cedars Executive Center, Building C
2639 North Monroe Street
Tallahassee, FL 32399-1560**

Funding Policy: The FRS has seven classes of membership with descriptions and contribution rates in effect at September 30, 2006 as follows (contribution rates are in agreement with the actuarially determined rates):

<u>Regular Class</u> – Members who are eligible to participate in the plan, but do not qualify for membership in other classes.	9.85%
<u>Senior Management Service Class</u> – Members of senior management.	13.12%
<u>Special Risk Class</u> – Members employed as law enforcement officers, firefighters, or correctional officers.	20.92%
<u>Special Risk Administrative Support Class</u> – Special risk members who are transferred or reassigned to non-special risk law enforcement, firefighting, or correctional administrative support positions.	12.55%
<u>Elected Officer's Class</u> – Elected county officials.	16.53%
<u>Deferred Retirement Option Program (DROP)</u> – Members who have reached eligible retirement age and have elected to defer the receipt of benefits, allowing them to accumulate benefits within the FRS Trust Fund, while continuing their employment.	10.91%

The contribution rate of current year covered payroll is 11.5 percent. For the years ending September 30, 2006, 2005, and 2004, total contributions were \$15,419,750, \$13,692,538, and \$12,731,190, respectively. The County made 100 percent of its required contributions for each year.

B. VOLUNTEER FIREFIGHTERS PENSION PLAN

Plan Description and Summary of Benefits: The Volunteer Firefighters Pension Plan is a single-employer defined benefit pension plan administered by the County of Volusia.

Volunteer firefighters who meet minimum County-established standards are eligible to participate in the plan. Minimum standards are based on a system that awards points used to certify years of credited service for completing training courses, attending drills, responding to emergency and non-emergency calls, and participating in other fire emergency related activities. The minimum number of years of active service after the October 1, 1989 implementation date for this program shall be ten years to qualify for retirement. Credit for past service will be given on a year for year basis up to a maximum of ten years. The minimum age for receiving retirement benefits shall be 55 and after the tenth anniversary of plan participation, but not later than the fifth anniversary of plan participation for volunteers 65 or over on October 1, 1989. Vesting occurs after ten years of continuous credited service (five years if volunteer is age 65 or over on October 1, 1989). Eligible participants will receive pension benefits equal to \$20 per month multiplied by each year of credited service, not to exceed 35 years. In addition, the

participant will receive a benefit equal to his or her accrued benefit payable at the time he or she becomes disabled. Upon death of the participant, his or her beneficiary will receive an equivalent benefit equal to the actuarial value of the participant's accrued benefit.

Membership in the plan consisted of the following at October 1, 2006, the date of the latest actuarial valuation update:

Volunteer Firefighters Pension Membership	
Retirees and beneficiaries receiving benefits	22
Terminated plan members entitled to, but not yet receiving benefits	7
Active plan members:	
Vested	18
Non-vested	245
Total Plan Members	292
Number of participating employers	1

Basis of Accounting: The Volunteer Firefighter Pension Plan financial statements are prepared using the accrual basis of accounting. County contributions are required when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Fair Value of Investments: Pension funds are invested in the County's investment pool, selected mutual funds, and equities. These investments are reported at fair value.

Concentration of Investments: At September 30, 2006, pension funds were invested in one equity, which represents 20.2 percent of total pension assets.

Funding Policy: Authority to establish and amend benefits rests with the County Council. The contribution requirements to the plan are established during the adoption of the County's annual budget. They are predicated on maintaining a level contribution to the plan as long as the annual pension cost obligation is met or exceeded. Volunteers do not contribute to the plan.

Annual Pension Cost and Net Pension Obligation based upon the Actuarial Valuation: The County's annual pension cost and net pension obligation to the pension plan for the current year were as follows:

Net Pension Obligation	
Pension Obligation	
Annual required contribution (ARC)	\$ 0
Interest accrued on net pension obligation	(8,964)
ARC adjustment	13,551
Annual pension cost	4,587
Contributions made	85,000
Decrease in net pension obligation	(80,413)
Net pension obligation 09/30/05	(128,053)
Net pension obligation 09/30/06	\$ (208,466)

Local Government Surplus Funds Trust Fund administered by the State Board of Administration (SBA) pursuant to Section 218.405, Florida Statutes. The County's investments in the pool are reported at fair value. Contribution for the current year was determined as part of the October 1, 2006 actuarial valuation using the frozen entry age

actuarial cost method. The actuarial assumption included an 7.0 percent investment rate of return. Assets are valued at market value. The unfunded actuarial accrued liability is to be amortized by a series of level payments over a 29-year period using the level dollar closed method. The remaining amortization period at September 30, 2006 is 16 years.

Four Year Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/03	\$ 77,836	131	\$ (45,633)
09/30/04	59,977	170	(87,656)
09/30/05	61,603	166	(128,053)
09/30/06	4,587	1853	(208,466)

The Volunteer Firefighters Pension Plan does not issue a stand-alone financial report.

NOTE 12. SPECIAL ASSESSMENTS RECEIVABLE

Special assessments receivable at September 30, 2006 consist of the following:

Special Assessment Districts	Interest Rate %	Principal		Interest Receivable
		Current Receivable	Deferred Receivable	
Governmental Activities:				
Major funds:				
Municipal Service District:				
Corbin Park	10.0	\$ 447	\$ -	\$ 387
South Waterfront Park	10.0	2,343	-	2,735
Mobile Home Village	10.0	33,933	-	36,540
Corbin Park Unit 3 Napier Hull	8.0	27,915	7,784	9,147
Violet Court	8.0	178	172	16
Bethune Beach 6500 Block Atlantic Ave.	8.0	9,907	19,813	1,189
Pine Island	8.0	4,564	5,723	927
Bethune Beach 6400 Block Atlantic Ave.	8.0	711	2,872	214
Silverstone Court	8.0	2,554	33,517	1,443
Total Municipal Service District		82,552	69,881	52,598
Business-type Activities:				
Major funds:				
Water and Sewer Utilities:				
Waterfront Park	8.0	3,023	13,344	1,183
Stone Island Wastewater	8.0	10,035	80,278	3,614
DeBary Plantation Unit 7 Reclaimed Water	8.0	1,972	15,778	711
Total Water and Sewer Utilities		15,030	109,400	5,508
Agency funds:				
General Trust:				
Waterway Park	8.0	29,706	87,888	16,765
Hazelwood River Road	8.0	1,972	69,333	5,988
Total General Trust		31,678	157,221	22,753
Total		\$ 129,260	\$ 336,502	\$ 80,859

NOTE 13. AIRPORT LEASING ARRANGEMENTS WITH TENANTS AND PROPERTY HELD FOR LEASE

A. LEASING ARRANGEMENTS

The Airport's leasing operations consist of the leasing of land, buildings, and terminal space to airlines and other tenants. The leases consist of:

1. Five-to-ten year lease agreements with major (non-airline) tenants of the terminal.
2. Operating leases, which range from one to thirty years, for the land and buildings leased at the Airport.

B. FUTURE RENTALS

The following is a schedule by years of minimum future rentals to be received on noncancellable operating leases:

Minimum Future Rentals as of September 30, 2006		
2007	\$	6,234,402
2008		3,782,986
2009		2,827,317
2010		2,795,669
2011		2,739,988
Later Years		35,595,636
Total	\$	53,975,998

Minimum future rentals do not include contingent rentals, which may be received under certain leases of land and buildings on the basis of revenue or fuel flow.

C. PROPERTY HELD FOR LEASE

Certain administrative offices and common use areas are included in property held for lease. The following is an analysis, as of September 30, 2006, of the Airport's investment in lease property and property held for lease by major classes.

Investment in Property on Operating Leases and Property Held for Lease as of September 30, 2006		
Land	\$	4,325,449
Buildings		4,431,113
Improvements other than buildings		12,380,901
Subtotal		21,137,463
Less: Accumulated depreciation		(5,240,809)
Total	\$	15,896,654

NOTE 14. FUND BALANCE DEFICIT

A deficit fund balance of \$8,724 occurred in the Special Lighting Districts special revenue fund. In January 2006, utility company rates increased causing an unexpected rise in expenses. In fiscal year 2007, the annual amounts collected from service areas recipients will be adjusted to eliminate the deficit fund balance resulting from the 2006 rate increase.

NOTE 15. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its landfill sites (Plymouth Avenue and Tomoka Road) upon closure and to perform certain maintenance and monitoring functions at the site for 30 years thereafter.

The County's consultants prepared an updated estimate of closure and postclosure of the Plymouth Avenue and Tomoka Road landfills which was \$25.9 million as of October 15, 2006. Actual closure and postclosure care costs may be higher due to inflation, changes in technology, or changes in regulations. The County reports a portion of these closure and postclosure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Prior to 2006, the Tomoka Road landfill's closure and postclosure care costs originated on the date the existing cells are filled to capacity. In 2006, the State of Florida enacted a new requirement regarding closure and postclosure care costs which required these costs to originate upon the closure of each landfill site instead of each cell. This change resulted in the County reporting a credit of \$2.6 million to the landfill's operating expenses for the current fiscal year and reducing the landfill closure and postclosure care liability as of September 30, 2006 to \$9.5 million. The remaining \$16.4 million will be recognized as the estimated cell capacities are filled.

Final closure of the Plymouth Avenue landfill was substantially completed as of September 30, 1998. The Tomoka Road landfill was operated on a cell basis. The County completed the construction of the final cover required for landfill closure of the Tomoka Road Class I South Cell as of September 30, 2003. The County currently is operating the combined Tomoka Road Class I North Cell and Class I East Cell, which have expended approximately 82.7 percent of its estimated capacity and has an estimated seven years of life remaining, and the Tomoka Road Class III Cell, which has expended 90 percent of its estimated capacity and has an estimated twelve years of life remaining.

The County is required by the State of Florida to make an annual contribution, if necessary, to a trust fund to finance closure costs. The County is in compliance with these requirements, and, as of September 30, 2006, cash and investments of \$6.9 million are held for these purposes. These amounts are reported as restricted assets on the statement of net assets. The County expects that future inflation costs will be paid from interest earnings of the trust fund. However, if interest earnings on the trust fund are inadequate or additional postclosure care requirements are determined, these costs may need to be covered by increased charges to future landfill users.

NOTE 16.

COMMITMENT AND CONTINGENCIES

A. SELF-INSURANCE PROGRAMS

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; business interruptions; errors and omissions; injuries to employees; and natural disaster. The County is also exposed to losses related to health, dental, and other medical benefits it provides to its employees.

1. Insurance Fund

In fiscal year 1976, the County established a self-insurance program and began accounting for and financing these risks in the Insurance fund (internal service fund). Under this program, the Insurance fund provides coverage for up to a maximum of \$400,000 for each workers compensation claim and \$250,000 for each public liability claim. Property damage deductibles range from \$10,000 to \$25,000 per incident except for wind and hail events which requires a three percent deductible. The County has secured commercial insurance to cover specific claims for workers compensation, general liability, and physical damage claims for incidents that exceed the self-insured limits. The limits of this coverage are \$1,000,000, \$5,000,000, and \$302,686,777 respectively. Commercial insurance is also purchased for those risks not covered by the fund. Settled claims have not exceeded the excess insurance limits or commercial coverage in the past three fiscal years. No significant reduction in the County's insurance coverage has occurred.

All funds of the County participate in the program and make payments to the Insurance fund based on actuarial estimates of the amounts needed to pay prior and current year claims, claims reserves, and allocated claims adjustments. The present value of the liabilities for workers compensation, general liability, and property damage claims, based upon expected losses of \$14,868,010 discounted at 4.5 percent, is \$13,619,729. A liability for claim is reported if it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Changes in the fund's claims liability amount in fiscal years 2005 and 2006 were:

Changes in Claims Liability		
	2005	2006
Beginning fiscal year liability	\$ 15,300,178	\$ 14,148,272
Current year claims		
and changes in estimates	3,379,652	3,749,932
Claim payments	(4,531,558)	(4,278,475)
Balance at fiscal year end	\$ 14,148,272	\$ 13,619,729

2. Employee Group Insurance

In fiscal year 1986, the County established the self-insured Employee Group Insurance fund (internal service fund) to account for medical insurance claims of County employees and their covered dependents. Under this program, the fund provides the employee with a lifetime maximum benefit of \$1,000,000. Retention limits of \$100,000 for a specific claim and an aggregate stop-loss of 125 percent of expected claims have been set. Commercial insurance for claims in excess of the coverage provided by the fund is supplied by Sun Life Assurance at a monthly rate of \$56.02 for specific loss and \$1.33 for aggregate loss, per participating employee. The County has contracted with various agencies to perform certain administrative functions, such as monitoring, reviewing and paying claims. Settled claims have not exceeded the excess insurance limits in any of the past three years.

All funds of the County participate in the program and make payments to the Employee Group Insurance fund based upon actuarial estimates of the amounts needed to pay prior and current year claims, claims reserves, and administrative costs.

A liability for claims is reported if it is probable that a liability has occurred and the amount is estimable as a result, a liability of \$2,904,000 is reported in the fund at September 30, 2006.

Changes in the fund's claims liability amount in fiscal years 2005 and 2006 were:

Changes in Claims Liability		
	2005	2006
Beginning fiscal year liability	\$ 2,150,000	\$ 2,480,000
Current year claims		
and changes in estimates	20,482,259	23,065,063
Claim payments	(20,152,259)	(22,641,063)
Balance at fiscal year end	\$ 2,480,000	\$ 2,904,000

B. COMMUNITY DEVELOPMENT PROPERTIES, VOLUSIA, INC.

1. Contingent Liability

In July 1999, the County entered into an agreement with Community Development Properties, Volusia, Inc. to provide for the parking needs of the Daytona Beach downtown community. As part of this agreement, the County agreed to lease to Community Development Properties, Volusia, Inc. (Community Development Properties) a portion of land for the purpose of constructing and operating a multi-level parking facility. Construction of this parking facility was funded via issuance of two bond issues: Senior Lien Parking Facility Revenue Bonds, Series 1999A (\$13,160,000) and Subordinate Lien Parking Facility Revenue Bonds, Series 1999B (\$275,000). This debt was issued by Community Development Properties and does not represent a direct obligation of the County of Volusia. In October 2002, certain provisions of the two bond issues were amended and restated. The proceeds of the 1999 bonds were loaned to Volusia Redevelopment Parking Corporation (VRPC) as successor in interest to Community Development Properties. Additional modifications of existing terms and provisions were prompted by the fact that parking revenues were insufficient to meet the debt service requirements of the bonds and the operating and maintenance costs of the facility. To provide additional security for the bonds, the County agreed to a

subordinate lien being placed on its tourist development tax revenues, only to the extent to cover principal and interest payments on the bonds. Tourist development taxes used to cover the debt service requirements are to be repaid by the lessor in accordance with provisions set forth in the amended and restated trust indenture. Any unpaid amounts will accrue interest at a rate equal to six percent per annum, compounded annually. No changes to the lease agreement between the County and Community Development Properties regarding the amount to be paid were made.

2. Lease Agreements

The lease agreement between the County and VRPC requires VRPC to pay an annual amount of \$210,000 to the County for use of the parking facility land, which has a carrying value of \$2,096,201. This rent accrues from the time the certificate of occupancy was issued for the parking facility in March 2000 and is payable, in arrears, once all debt service requirements of the trust indenture for the bonds have been met. In the event that revenues generated by the facility are insufficient to pay this rent, any unpaid amount carries forward to the next fiscal year, together with compounded interest at a rate of six percent. The initial term of the lease agreement is for a thirty-year period with two additional ten-year extensions. To date, no rental revenues have been collected. At fiscal year end, rental revenues in arrears, including interest, amounted to approximately \$1,601,592. No receivable has been recorded at year-end for the amount in arrears due to the uncertainty of its collection.

In addition, the agreement allows the County to rent retail and parking space within the parking facility from VRPC for an annual amount equal to \$124,500. The County, in turn, entered into a commercial lease agreement with DBWP, LLC to sublease the retail space for the same amount of \$124,500. The initial term of the lease agreement is for a twenty-one year period with four additional seven-year extensions.

C. LITIGATION

Various suits and claims involving disputed ad valorem real and personal property taxes are pending against the County. Portions of these taxes have been voluntarily paid; portions have been paid under protest; and in certain instances, there are unpaid balances.

Various suits and claims are currently pending against the County. At this time, it is impossible for the County to accurately quantify the exposure involved given the jury's latitude in assessing compensatory and punitive damages, and the court's latitude in awarding attorney's fees. The County intends to vigorously defend against these lawsuits and believes it has a good chance of prevailing on their merits.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF VOLUSIA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
VOLUNTEER FIREFIGHTERS PENSION PLAN
SEPTEMBER 30, 2006

SCHEDULE OF FUNDING PROGRESS						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
10/1/97	\$2,102,978	\$1,646,520	(\$456,458)	128%	N/A	N/A
10/1/98	2,167,746	1,718,504	(449,242)	126	N/A	N/A
10/1/99	2,625,625	2,184,104	(441,521)	120	N/A	N/A
10/1/00	3,012,628	2,579,369	(433,259)	117	N/A	N/A
10/1/01	3,017,304	2,592,885	(424,419)	116	N/A	N/A
10/1/02	3,032,519	2,616,517	(416,002)	116	N/A	N/A
10/1/03	3,440,359	3,033,448	(406,911)	113	N/A	N/A
10/1/04	4,008,215	3,608,488	(399,727)	111	N/A	N/A
10/1/05	4,424,040	4,039,663	(384,377)	110	N/A	N/A
10/1/06	4,884,302	4,512,387	(371,915)	108	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS		
Year Ended September 30	Annual Required Contribution	Percentage Contributed
1997	\$103,289	100%
1998	144,115	72
1999	144,115	72
2000	99,978	100
2001	99,978	100
2002	77,318	132
2003	77,318	131
2004	58,758	174
2005	58,758	174
2006	0	0

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds account for revenues from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of government.

County Transportation Trust

The County Transportation Trust Fund accounts for the fiscal activity relating to County road and bridge maintenance and construction.

Library

The Library Fund accounts for the fiscal activity relating to the County library system.

East Volusia Mosquito Control District

The East Volusia Mosquito Control District Fund accounts for the fiscal activity relating to a program in the eastern section of the County for the control of pestiferous mosquitoes and other arthropods which can affect public health.

Resort Tax

The Resort Tax Fund accounts for the fiscal activity relating to the tax on short-term room rentals to fund debt service, operation, and maintenance of the Ocean Center.

Sales Tax Trust

The Sales Tax Trust Fund accounts for the fiscal activity related to the County's portion of the one-half cent state sales tax collected in the County.

Convention Development Tax

The Convention Development Tax Fund accounts for the fiscal activity relating to the tax on short-term room rentals used to promote and advertise specific geographic areas of the County.

Ponce Inlet Port Authority

The Ponce Inlet Port Authority Fund accounts for the fiscal activity relating to the operations of the recreational waterfront properties on the eastside of the County.

E-911 Emergency Telephone System

The E-911 Emergency Telephone System Fund accounts for the fiscal activity relating to the collection and use of the E-911 emergency telephone system fees.

Special Lighting Districts

The Special Lighting Districts Fund accounts for the fiscal activity relating to providing street lighting services.

Ocean Center

The Ocean Center Fund accounts for the fiscal activity relating to the administration and operation of the County's civic center.

Manatee Conservation

The Manatee Conservation Fund accounts for the fiscal activity relating to the protection of manatees in the County's waterways.

Road Impact Fees

The Road Impact Fees Fund accounts for the fiscal activity relating to the County's road impact fees that support growth-related road needs.

Park Impact Fees

The Park Impact Fees Fund accounts for the fiscal activity relating to the County's park impact fees that support growth-related parks and improvements.

Fire Services

The Fire Services Fund accounts for the fiscal activity relating to providing fire and rescue services in the unincorporated areas of the County and the municipalities of Lake Helen, Oak Hill, and Pierson.

Fire Impact Fees

The Fire Impact Fees Fund accounts for the fiscal activity relating to the County's fire impact fees that support growth-related fire protection and rescue equipment.

Silver Sands/Bethune Beach Municipal Service District

The Silver Sands/Bethune Beach Municipal Service District Fund accounts for the fiscal activity relating to providing arterial lighting services.

Gemini Springs Addition

The Gemini Springs Addition Fund accounts for funds received to provide security and maintenance assistance for the Gemini Springs/Lake Monroe Park trail.

Stormwater Utility

The Stormwater Utility Fund accounts for the fiscal activity relating to fees collected that support storm water control, conservation, and aquifer recharge for all developed property in the unincorporated areas of the County.

Volusia ECHO

The Volusia ECHO Fund accounts for the fiscal activity relating to Environmental, Cultural, Historic, and Outdoor recreation projects.

Volusia Forever

The Volusia Forever Fund accounts for the fiscal activities primarily relating to the management and improvement of environmentally sensitive lands acquired through the Volusia Forever program.

Law/Beach Enforcement Trust

The Law/Beach Enforcement Trust Fund accounts for proceeds from the sale of confiscated and unclaimed property awarded to the County by court order to be used solely for crime fighting purposes.

Federal Forfeiture Sharing

The Federal Forfeiture Sharing Funds account for revenues received as a result of County participation with the U.S. Treasury and Justice Departments in the elimination of illegal activities.

State Housing Incentive Program (S.H.I.P)

The State Housing Incentive Program Fund accounts for the fiscal activity relating to a program for the development and rehabilitation of affordable housing.

Library Endowment

The Library Endowment Fund accounts for donations to purchase publications and other library materials.

Corrections – Welfare Trust

The Corrections – Welfare Trust Fund accounts for sales of personal care and discretionary items to the jail and correctional inmates. Profits from these sales are used to purchase recreational equipment for the inmates.

DEBT SERVICE FUNDS

The Limited Tax General Obligation Bonds, Gas Tax Revenue Bonds (Series 1992 and 2004), Tourist Development Tax Refunding Revenue Bonds, and the Lease Purchase Agreements Debt Service Funds account for the fiscal activities for the accumulation of resources for the payment of principal, interest, and related costs of governmental long-term debt.

CAPITAL PROJECTS FUNDS

Capital Projects Funds account for the financial resources used to acquire or construct major capital facilities other than those financed by proprietary funds.

Volusia Forever

The Volusia Forever Capital Projects Fund accounts for the financial resources used to acquire environmentally sensitive lands.

Volusia County Courthouse Construction

The Volusia County Courthouse Construction Fund accounts for the financial resources used to acquire, install, construct, and equip the County's courthouse, its historic courthouse, and certain other capital improvements.

Beach

The Beach Capital Projects Fund accounts for the financial resources used to construct beach related capital improvements.

Parks

The Parks Capital Projects Fund accounts for the financial resources used to acquire, construct, and equip various parks and recreational areas.

Trails

The Trails Capital Projects Fund accounts for the financial resources used to construct a county-wide network of bicycle, walking, and hiking trails.

Information Technology

The Information Technology Capital Projects Fund accounts for the financial resources used to acquire, install, upgrade, and equip improvements to the County's electronic information systems.

Other

The Other Capital Projects Fund accounts for the financial resources used to acquire, construct, and furnish various capital improvements.



COUNTY OF VOLUSIA, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
September 30, 2006

	County Transportation Trust	Library	East Volusia Mosquito Control District	Resort Tax
ASSETS				
Equity in pooled cash and investments	\$ 17,386,881	\$ 9,536,728	\$ 2,877,098	\$ -
Receivables:				
Accounts - net	6,060	-	-	368,785
Taxes	-	69,981	20,204	-
Notes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	5,092,770	-	343,861	-
Advances to other funds	-	-	-	-
Inventories	1,070,790	-	196,614	-
Deposits	-	-	-	-
Total assets	<u><u>\$ 23,556,501</u></u>	<u><u>\$ 9,606,709</u></u>	<u><u>\$ 3,437,777</u></u>	<u><u>\$ 368,785</u></u>
LIABILITIES				
Accounts payable	\$ 1,780,563	\$ 380,634	\$ 72,525	\$ -
Contracts payable	12,942	-	-	-
Due to other funds	-	-	-	368,785
Due to component units	574	-	-	-
Due to other governments	47,363	409	-	-
Deposits	-	-	1,320	-
Advances from other funds	-	-	-	-
Deferred revenue	-	69,981	20,204	-
Total liabilities	<u><u>1,841,442</u></u>	<u><u>451,024</u></u>	<u><u>94,049</u></u>	<u><u>368,785</u></u>
FUND BALANCES				
Reserved for:				
Encumbrances	2,211,525	73,580	5,656	-
Inventories	1,070,790	-	196,614	-
Advances	-	-	-	-
Long-term notes receivable	-	-	-	-
Unreserved:				
Designated - emergency reserve	-	1,024,179	338,134	-
Undesignated (deficit)	18,432,744	8,057,926	2,803,324	-
Total fund balances	<u><u>21,715,059</u></u>	<u><u>9,155,685</u></u>	<u><u>3,343,728</u></u>	<u><u>-</u></u>
Total liabilities and fund balances	<u><u>\$ 23,556,501</u></u>	<u><u>\$ 9,606,709</u></u>	<u><u>\$ 3,437,777</u></u>	<u><u>\$ 368,785</u></u>

Sales Tax Trust	Convention Development Tax	Ponce Inlet Port Authority	E-911 Emergency Telephone System	Special Lighting Districts	Ocean Center
\$ -	\$ 2,807,442	\$ 5,033,814	\$ 2,589,953	\$ 17,726	\$ 1,579,034
-	143,134	-	100,960	67	206,883
-	368,901	7,627	-	-	-
-	-	-	-	-	-
-	-	339,836	-	-	368,785
3,009,910	-	-	196,469	-	-
-	-	2,801,802	-	-	-
-	-	-	-	-	-
-	114,148	-	-	-	-
<u>\$ 3,009,910</u>	<u>\$ 3,433,625</u>	<u>\$ 8,183,079</u>	<u>\$ 2,887,382</u>	<u>\$ 17,793</u>	<u>\$ 2,154,702</u>
\$ -	\$ 275,132	\$ 159,554	\$ 110,283	\$ 26,517	\$ 210,139
-	-	29,845	-	-	-
3,009,910	-	-	-	-	-
-	-	-	-	-	2,697
-	-	-	-	-	3,376
-	-	-	-	-	-
-	-	-	-	-	-
-	49,967	7,627	-	-	160,505
<u>3,009,910</u>	<u>325,099</u>	<u>197,026</u>	<u>110,283</u>	<u>26,517</u>	<u>376,717</u>
-	-	435,677	398,322	-	16,649
-	-	-	-	-	-
-	-	2,801,802	-	-	-
-	-	-	-	-	-
-	-	195,432	-	-	-
-	3,108,526	4,553,142	2,378,777	(8,724)	1,761,336
-	3,108,526	7,986,053	2,777,099	(8,724)	1,777,985
<u>\$ 3,009,910</u>	<u>\$ 3,433,625</u>	<u>\$ 8,183,079</u>	<u>\$ 2,887,382</u>	<u>\$ 17,793</u>	<u>\$ 2,154,702</u>

COUNTY OF VOLUSIA, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
September 30, 2006

	Manatee Conservation	Road Impact Fees	Park Impact Fees	Fire Services
ASSETS				
Equity in pooled cash and investments	\$ 195,005	\$ 15,892,188	\$ 3,138,002	\$ 10,118,054
Receivables:				
Accounts - net	-	21,188	444	-
Taxes	-	-	-	69,860
Notes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	5,197	-	66,666
Advances to other funds	-	-	-	-
Inventories	-	-	-	-
Deposits	-	-	-	-
Total assets	<u>\$ 195,005</u>	<u>\$ 15,918,573</u>	<u>\$ 3,138,446</u>	<u>\$ 10,254,580</u>
LIABILITIES				
Accounts payable	\$ -	\$ 510,391	\$ 18,491	\$ 255,129
Contracts payable	-	-	-	10,528
Due to other funds	-	-	-	339,836
Due to component units	-	5	-	134
Due to other governments	-	228	-	21,926
Deposits	-	-	-	-
Advances from other funds	-	-	-	2,801,802
Deferred revenue	-	-	-	69,860
Total liabilities	<u>-</u>	<u>510,624</u>	<u>18,491</u>	<u>3,499,215</u>
FUND BALANCES				
Reserved for:				
Encumbrances	-	933,434	210,145	1,727,551
Inventories	-	-	-	-
Advances	-	-	-	-
Long-term notes receivable	-	-	-	-
Unreserved:				
Designated - emergency reserve	-	-	-	1,524,013
Undesignated (deficit)	195,005	14,474,515	2,909,810	3,503,801
Total fund balances	<u>195,005</u>	<u>15,407,949</u>	<u>3,119,955</u>	<u>6,755,365</u>
Total liabilities and fund balances	<u>\$ 195,005</u>	<u>\$ 15,918,573</u>	<u>\$ 3,138,446</u>	<u>\$ 10,254,580</u>

Fire Impact Fees	Silver Sands / Bethune Beach Municipal Service District	Gemini Springs Addition	Stormwater Utility	Volusia ECHO	Volusia Forever
\$ 713,497	\$ 5,068	\$ 111,917	\$ 2,444,162	\$ 12,044,368	\$ 6,367,222
560	-	-	-	-	-
-	7	-	-	18,724	18,723
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,641
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 714,057</u>	<u>\$ 5,075</u>	<u>\$ 111,917</u>	<u>\$ 2,444,162</u>	<u>\$ 12,063,092</u>	<u>\$ 6,387,586</u>
\$ -	\$ 1,066	\$ -	\$ 251,561	\$ 107,845	\$ 38,737
-	-	-	-	325,036	1,182
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	87,580	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7	-	-	18,724	18,723
<u>-</u>	<u>1,073</u>	<u>-</u>	<u>251,561</u>	<u>539,185</u>	<u>58,642</u>
100,000	-	-	769,398	8,261,175	121,152
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
614,057	4,002	111,917	1,423,203	3,262,732	6,207,792
<u>714,057</u>	<u>4,002</u>	<u>111,917</u>	<u>2,192,601</u>	<u>11,523,907</u>	<u>6,328,944</u>
<u>\$ 714,057</u>	<u>\$ 5,075</u>	<u>\$ 111,917</u>	<u>\$ 2,444,162</u>	<u>\$ 12,063,092</u>	<u>\$ 6,387,586</u>

COUNTY OF VOLUSIA, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
September 30, 2006

	Law/Beach Enforcement Trust	Federal Forfeiture Sharing	State Housing Incentive Program (S.H.I.P.)	Library Endowment
ASSETS				
Equity in pooled cash and investments	\$ 221,672	\$ 165,233	\$ 8,550,138	\$ 394,601
Receivables:				
Accounts - net	-	-	-	-
Taxes	-	-	-	-
Notes	-	-	1,938,489	-
Due from other funds	-	-	-	-
Due from other governments	-	-	30	-
Advances to other funds	-	-	-	-
Inventories	-	-	-	-
Deposits	-	-	-	-
Total assets	<u><u>\$ 221,672</u></u>	<u><u>\$ 165,233</u></u>	<u><u>\$ 10,488,657</u></u>	<u><u>\$ 394,601</u></u>
LIABILITIES				
Accounts payable	\$ 5,726	\$ 36,781	\$ 16,753	\$ -
Contracts payable	-	-	-	-
Due to other funds	-	-	-	-
Due to component units	259	-	236	-
Due to other governments	2,484	21,006	3,333	-
Deposits	435	-	-	-
Advances from other funds	-	-	-	-
Deferred revenue	52,825	-	8,529,846	-
Total liabilities	<u><u>61,729</u></u>	<u><u>57,787</u></u>	<u><u>8,550,168</u></u>	<u><u>-</u></u>
FUND BALANCES				
Reserved for:				
Encumbrances	-	6,489	248,746	-
Inventories	-	-	-	-
Advances	-	-	-	-
Long-term notes receivable	-	-	1,938,489	-
Unreserved:				
Designated - emergency reserve	-	-	-	-
Undesignated (deficit)	159,943	100,957	(248,746)	394,601
Total fund balances	<u><u>159,943</u></u>	<u><u>107,446</u></u>	<u><u>1,938,489</u></u>	<u><u>394,601</u></u>
Total liabilities and fund balances	<u><u>\$ 221,672</u></u>	<u><u>\$ 165,233</u></u>	<u><u>\$ 10,488,657</u></u>	<u><u>\$ 394,601</u></u>

Corrections - Welfare Trust	Total Nonmajor Special Revenue Funds
\$ 992,601	\$ 103,182,404
-	848,081
-	574,027
-	1,938,489
-	708,621
-	8,716,544
-	2,801,802
-	1,267,404
-	114,148
<u>\$ 992,601</u>	<u>\$ 120,151,520</u>
\$ 91,076	\$ 4,348,903
-	379,533
-	3,718,531
-	3,905
-	187,705
28,418	30,173
-	2,801,802
-	8,998,269
<u>119,494</u>	<u>20,468,821</u>
2,090	15,521,589
-	1,267,404
-	2,801,802
-	1,938,489
-	3,081,758
<u>871,017</u>	<u>75,071,657</u>
<u>873,107</u>	<u>99,682,699</u>
<u>\$ 992,601</u>	<u>\$ 120,151,520</u>

COUNTY OF VOLUSIA, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds - Debt Service Funds
September 30, 2006

	Limited Tax General Obligation Bonds	Gas Tax Revenue Bonds, Series 2004	Tourist Development Tax Refunding Revenue Bonds
ASSETS			
Equity in pooled cash and investments	\$ 2,456,619	\$ 3,615,493	\$ 2,564,188
Total assets	<u>\$ 2,456,619</u>	<u>\$ 3,615,493</u>	<u>\$ 2,564,188</u>
LIABILITIES			
Bonds payable - current	\$ 1,685,000	\$ 2,340,000	\$ -
Accrued interest payable	771,619	1,275,493	-
Total liabilities	<u>2,456,619</u>	<u>3,615,493</u>	<u>-</u>
FUND BALANCES			
Reserved for:			
Debt service - principal	-	-	1,641,666
Debt service - interest	-	-	922,522
Total fund balances	<u>-</u>	<u>-</u>	<u>2,564,188</u>
Total liabilities and fund balances	<u>\$ 2,456,619</u>	<u>\$ 3,615,493</u>	<u>\$ 2,564,188</u>

Lease Purchase Agreements	Total Nonmajor Debt Service Funds
\$ 75,564	\$ 8,711,864
<u>\$ 75,564</u>	<u>\$ 8,711,864</u>
\$ -	\$ 4,025,000
-	2,047,112
<u>-</u>	<u>6,072,112</u>
69,239	1,710,905
6,325	928,847
<u>75,564</u>	<u>2,639,752</u>
<u>\$ 75,564</u>	<u>\$ 8,711,864</u>

COUNTY OF VOLUSIA, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds - Capital Projects Funds
September 30, 2006

	Volusia Forever	Volusia County Courthouse Construction	Beach
ASSETS			
Equity in pooled cash and investments	\$ 25,402,108	\$ 4,338,176	\$ 3,808,893
Total assets	<u>\$ 25,402,108</u>	<u>\$ 4,338,176</u>	<u>\$ 3,808,893</u>
LIABILITIES			
Liabilities:			
Accounts payable	\$ 198	\$ 304,443	\$ -
Contracts payable	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>198</u>	<u>304,443</u>	<u>-</u>
FUND BALANCES			
Reserved for encumbrances	22,400	781,298	1,061,661
Unreserved:			
Designated for capital projects	25,379,510	3,252,435	2,747,232
Total fund balances	<u>25,401,910</u>	<u>4,033,733</u>	<u>3,808,893</u>
Total liabilities and fund balances	<u>\$ 25,402,108</u>	<u>\$ 4,338,176</u>	<u>\$ 3,808,893</u>

Parks	Trails	Information Technology	Other	Total Nonmajor Capital Projects Funds
\$ 1,118,480	\$ 5,222,486	\$ 8,502,123	\$ 4,730,995	\$ 53,123,261
<u>\$ 1,118,480</u>	<u>\$ 5,222,486</u>	<u>\$ 8,502,123</u>	<u>\$ 4,730,995</u>	<u>\$ 53,123,261</u>
\$ 189,545	\$ 107,908	\$ 18,944	\$ 26,132	\$ 647,170
72,367	57,871	-	-	130,238
-	-	-	2,000,000	2,000,000
<u>261,912</u>	<u>165,779</u>	<u>18,944</u>	<u>2,026,132</u>	<u>2,777,408</u>
432,733	947,041	1,680,267	26,762	4,952,162
423,835	4,109,666	6,802,912	2,678,101	45,393,691
<u>856,568</u>	<u>5,056,707</u>	<u>8,483,179</u>	<u>2,704,863</u>	<u>50,345,853</u>
<u>\$ 1,118,480</u>	<u>\$ 5,222,486</u>	<u>\$ 8,502,123</u>	<u>\$ 4,730,995</u>	<u>\$ 53,123,261</u>

COUNTY OF VOLUSIA, FLORIDA
Combining Balance Sheet
All Nonmajor Governmental Funds
September 30, 2006

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in pooled cash and investments	\$ 103,182,404	\$ 8,711,864	\$ 53,123,261	\$ 165,017,529
Receivables:				
Accounts - net	848,081	-	-	848,081
Taxes	574,027	-	-	574,027
Notes	1,938,489	-	-	1,938,489
Due from other funds	708,621	-	-	708,621
Due from other governments	8,716,544	-	-	8,716,544
Advances to other funds	2,801,802	-	-	2,801,802
Inventories	1,267,404	-	-	1,267,404
Deposits	114,148	-	-	114,148
Total assets	\$ 120,151,520	\$ 8,711,864	\$ 53,123,261	\$ 181,986,645
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,348,903	\$ -	\$ 647,170	\$ 4,996,073
Contracts payable	379,533	-	130,238	509,771
Due to other funds	3,718,531	-	2,000,000	5,718,531
Due to component units	3,905	-	-	3,905
Due to other governments	187,705	-	-	187,705
Bonds payable - current	-	4,025,000	-	4,025,000
Accrued interest payable	-	2,047,112	-	2,047,112
Deposits	30,173	-	-	30,173
Advances from other funds	2,801,802	-	-	2,801,802
Deferred revenue	8,998,269	-	-	8,998,269
Total liabilities	20,468,821	6,072,112	2,777,408	29,318,341
Fund Balances:				
Reserved for:				
Encumbrances	15,521,589	-	4,952,162	20,473,751
Inventories	1,267,404	-	-	1,267,404
Advances	2,801,802	-	-	2,801,802
Debt service - principal	-	1,710,905	-	1,710,905
Debt service - interest	-	928,847	-	928,847
Long-term notes receivable	1,938,489	-	-	1,938,489
Unreserved:				
Designated - reported in:				
Special revenue funds	3,081,758	-	-	3,081,758
Capital projects funds	-	-	45,393,691	45,393,691
Undesignated - reported in:				
Special revenue funds	75,071,657	-	-	75,071,657
Total fund balances	99,682,699	2,639,752	50,345,853	152,668,304
Total liabilities and fund balances	\$ 120,151,520	\$ 8,711,864	\$ 53,123,261	\$ 181,986,645



COUNTY OF VOLUSIA, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue Funds
For the Year Ended September 30, 2006

	County Transportation Trust	Library	East Volusia Mosquito Control District	Resort Tax
REVENUES				
Taxes	\$ 15,894,619	\$ 17,069,172	\$ 4,867,022	\$ 7,737,905
Licenses and permits	-	-	-	-
Intergovernmental revenues	8,858,191	577,109	360,372	-
Charges for services	2,937,993	107,448	109,090	-
Fines and forfeitures	-	347,614	-	-
Interest revenues	669,065	585,398	145,984	53,561
Miscellaneous revenues	429,578	177,609	344,249	-
Special assessments levied/impact fees	-	-	-	-
Total revenues	<u>28,789,446</u>	<u>18,864,350</u>	<u>5,826,717</u>	<u>7,791,466</u>
EXPENDITURES				
Current:				
General government	-	-	-	103,175
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	27,850,440	-	-	-
Economic environment	-	-	-	-
Human services	-	-	4,258,118	-
Culture/recreation	-	14,580,316	-	-
Total expenditures	<u>27,850,440</u>	<u>14,580,316</u>	<u>4,258,118</u>	<u>103,175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>939,006</u>	<u>4,284,034</u>	<u>1,568,599</u>	<u>7,688,291</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	750,000	9,367	7,978	-
Transfers (out)	<u>(200,724)</u>	<u>(2,085,501)</u>	<u>-</u>	<u>(7,688,291)</u>
Total other financing sources and (uses)	<u>549,276</u>	<u>(2,076,134)</u>	<u>7,978</u>	<u>(7,688,291)</u>
Net change in fund balances	1,488,282	2,207,900	1,576,577	-
Fund balances - beginning	<u>20,226,777</u>	<u>6,947,785</u>	<u>1,767,151</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 21,715,059</u></u>	<u><u>\$ 9,155,685</u></u>	<u><u>\$ 3,343,728</u></u>	<u><u>\$ -</u></u>

Sales Tax Trust	Convention Development Tax	Ponce Inlet Port Authority	E-911 Emergency Telephone System	Special Lighting Districts	Ocean Center
\$ -	\$ 7,588,328	\$ 1,840,475	\$ -	\$ -	\$ -
-	-	-	-	-	-
19,741,407	-	92	1,169,371	-	-
-	-	-	1,329,869	185,002	1,254,839
-	-	-	-	-	-
-	89,439	408,796	115,472	-	13,006
-	211,103	106	-	-	356,570
-	-	-	-	-	-
<u>19,741,407</u>	<u>7,888,870</u>	<u>2,249,469</u>	<u>2,614,712</u>	<u>185,002</u>	<u>1,624,415</u>
-	-	-	-	-	-
-	-	-	1,815,538	-	-
-	-	-	-	-	-
-	-	1,483,715	-	207,984	-
-	8,250,164	-	-	-	-
-	-	-	-	-	-
-	-	513,395	-	-	4,741,558
<u>-</u>	<u>8,250,164</u>	<u>1,997,110</u>	<u>1,815,538</u>	<u>207,984</u>	<u>4,741,558</u>
<u>19,741,407</u>	<u>(361,294)</u>	<u>252,359</u>	<u>799,174</u>	<u>(22,982)</u>	<u>(3,117,143)</u>
-	-	590,630	-	-	2,618,729
<u>(19,741,407)</u>	<u>-</u>	<u>-</u>	<u>(436,299)</u>	<u>-</u>	<u>-</u>
<u>(19,741,407)</u>	<u>-</u>	<u>590,630</u>	<u>(436,299)</u>	<u>-</u>	<u>2,618,729</u>
-	(361,294)	842,989	362,875	(22,982)	(498,414)
<u>-</u>	<u>3,469,820</u>	<u>7,143,064</u>	<u>2,414,224</u>	<u>14,258</u>	<u>2,276,399</u>
<u>\$ -</u>	<u>\$ 3,108,526</u>	<u>\$ 7,986,053</u>	<u>\$ 2,777,099</u>	<u>\$ (8,724)</u>	<u>\$ 1,777,985</u>

COUNTY OF VOLUSIA, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue Funds
For the Year Ended September 30, 2006

	Manatee Conservation	Road Impact Fees	Park Impact Fees	Fire Services
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 21,959,472
Licenses and permits	191,999	-	-	-
Intergovernmental revenues	-	-	-	39,812
Charges for services	-	21	-	991,731
Fines and forfeitures	-	-	-	-
Interest revenues	2,983	753,055	138,796	622,330
Miscellaneous revenues	-	215,741	-	56,955
Special assessments levied/impact fees	-	9,112,942	454,047	-
Total revenues	194,982	10,081,759	592,843	23,670,300
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	19,570,713
Physical environment	-	-	-	-
Transportation	-	5,301,334	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture/recreation	-	-	126,632	-
Total expenditures	-	5,301,334	126,632	19,570,713
Excess (deficiency) of revenues over (under) expenditures	194,982	4,780,425	466,211	4,099,587
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	285,000
Transfers (out)	-	(4,789,327)	(200,000)	(1,573,540)
Total other financing sources and (uses)	-	(4,789,327)	(200,000)	(1,288,540)
Net change in fund balances	194,982	(8,902)	266,211	2,811,047
Fund balances - beginning	23	15,416,851	2,853,744	3,944,318
Fund balances - ending	\$ 195,005	\$ 15,407,949	\$ 3,119,955	\$ 6,755,365

Fire Impact Fees	Silver Sands / Bethune Beach Municipal Service District	Gemini Springs Addition	Stormwater Utility	Volusia ECHO	Volusia Forever
\$ -	\$ 13,822	\$ -	\$ -	\$ 5,745,466	\$ -
-	-	-	-	-	-
-	-	-	-	368	207,948
-	-	-	4,366,889	-	32,602
-	-	-	-	-	-
37,516	344	4,892	113,008	581,601	210,708
-	-	-	21,914	-	99
354,534	-	-	-	-	-
<u>392,050</u>	<u>14,166</u>	<u>4,892</u>	<u>4,501,811</u>	<u>6,327,435</u>	<u>451,357</u>
-	-	-	-	-	-
420	-	-	-	-	-
-	-	-	-	-	852,662
-	13,732	-	4,462,316	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,857,002	-
<u>420</u>	<u>13,732</u>	<u>-</u>	<u>4,462,316</u>	<u>3,857,002</u>	<u>852,662</u>
<u>391,630</u>	<u>434</u>	<u>4,892</u>	<u>39,495</u>	<u>2,470,433</u>	<u>(401,305)</u>
-	-	-	1,136,963	186,139	2,863,989
<u>(285,000)</u>	<u>-</u>	<u>-</u>	<u>(46,750)</u>	<u>(1,333,458)</u>	<u>(910,376)</u>
<u>(285,000)</u>	<u>-</u>	<u>-</u>	<u>1,090,213</u>	<u>(1,147,319)</u>	<u>1,953,613</u>
106,630	434	4,892	1,129,708	1,323,114	1,552,308
<u>607,427</u>	<u>3,568</u>	<u>107,025</u>	<u>1,062,893</u>	<u>10,200,793</u>	<u>4,776,636</u>
<u>\$ 714,057</u>	<u>\$ 4,002</u>	<u>\$ 111,917</u>	<u>\$ 2,192,601</u>	<u>\$ 11,523,907</u>	<u>\$ 6,328,944</u>

COUNTY OF VOLUSIA, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue Funds
For the Year Ended September 30, 2006

	Law/Beach Enforcement Trust	Federal Forfeiture Sharing	State Housing Incentive Program (S.H.I.P.)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenues	-	-	1,406,663
Charges for services	-	-	2,136,066
Fines and forfeitures	-	-	-
Interest revenues	6,276	7,218	346,105
Miscellaneous revenues	194,171	221,924	734
Special assessments levied/impact fees	-	-	-
Total revenues	200,447	229,142	3,889,568
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	51,689	206,068	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	3,060,144
Human services	-	-	359,135
Culture/recreation	-	-	-
Total expenditures	51,689	206,068	3,419,279
Excess (deficiency) of revenues over (under) expenditures	148,758	23,074	470,289
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	(43,853)	(1,050)	-
Total other financing sources and (uses)	(43,853)	(1,050)	-
Net change in fund balances	104,905	22,024	470,289
Fund balances - beginning	55,038	85,422	1,468,200
Fund balances - ending	\$ 159,943	\$ 107,446	\$ 1,938,489

Library Endowment	Corrections - Welfare Trust	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 82,716,281
-	-	191,999
-	-	32,361,333
-	-	13,451,550
-	-	347,614
16,506	29,866	4,951,925
250	398,240	2,629,243
-	-	9,921,523
<u>16,756</u>	<u>428,106</u>	<u>146,571,468</u>
-	-	103,175
-	235,104	21,879,532
-	-	852,662
-	-	39,319,521
-	-	11,310,308
-	-	4,617,253
-	-	23,818,903
<u>-</u>	<u>235,104</u>	<u>101,901,354</u>
<u>16,756</u>	<u>193,002</u>	<u>44,670,114</u>
-	-	8,448,795
<u>(9,367)</u>	<u>-</u>	<u>(39,344,943)</u>
<u>(9,367)</u>	<u>-</u>	<u>(30,896,148)</u>
7,389	193,002	13,773,966
<u>387,212</u>	<u>680,105</u>	<u>85,908,733</u>
<u>\$ 394,601</u>	<u>\$ 873,107</u>	<u>\$ 99,682,699</u>

COUNTY OF VOLUSIA, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Debt Service Funds
For the Year Ended September 30, 2006

	Limited Tax General Obligation Bonds	Gas Tax Revenue Bonds, Series 1992	Gas Tax Revenue Bonds, Series 2004	Tourist Development Tax Refunding Revenue Bonds
REVENUES				
Taxes	\$ 5,745,518	\$ -	\$ -	\$ -
Intergovernmental revenues	367	-	-	-
Interest revenues	179,658	401	102,418	70,810
Miscellaneous revenues	-	-	-	-
Total revenues	<u>5,925,543</u>	<u>401</u>	<u>102,418</u>	<u>70,810</u>
EXPENDITURES				
Debt service:				
Principal retirement	1,685,000	95,000	2,340,000	1,915,000
Interest and fiscal charges	1,376,554	2,375	2,551,745	2,788,513
Total expenditures	<u>3,061,554</u>	<u>97,375</u>	<u>4,891,745</u>	<u>4,703,513</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,863,989</u>	<u>(96,974)</u>	<u>(4,789,327)</u>	<u>(4,632,703)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,789,327	4,665,453
Transfers (out)	(2,863,989)	-	-	-
Total other financing sources and (uses)	<u>(2,863,989)</u>	<u>-</u>	<u>4,789,327</u>	<u>4,665,453</u>
Net change in fund balances	-	(96,974)	-	32,750
Fund balances - beginning	<u>-</u>	<u>96,974</u>	<u>-</u>	<u>2,531,438</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,564,188</u>

Lease Purchase Agreements	Total Nonmajor Debt Service Funds
\$ -	\$ 5,745,518
-	367
-	353,287
442,683	442,683
<u>442,683</u>	<u>6,541,855</u>
4,219,236	10,254,236
652,246	7,371,433
<u>4,871,482</u>	<u>17,625,669</u>
<u>(4,428,799)</u>	<u>(11,083,814)</u>
4,428,809	13,883,589
-	<u>(2,863,989)</u>
<u>4,428,809</u>	<u>11,019,600</u>
10	(64,214)
75,554	2,703,966
<u>\$ 75,564</u>	<u>\$ 2,639,752</u>

COUNTY OF VOLUSIA, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Capital Projects Funds
For the Year Ended September 30, 2006

	<u>Volusia Forever</u>	<u>Volusia County Courthouse Construction</u>	<u>Beach</u>
REVENUES			
Intergovernmental revenues	\$ -	\$ -	\$ -
Interest revenues	1,033,276	103,797	126,074
Miscellaneous revenues	-	300	-
Total revenues	<u>1,033,276</u>	<u>104,097</u>	<u>126,074</u>
EXPENDITURES			
Debt service:			
Bond issuance costs	469,337	-	-
Capital outlay	15,160,382	1,531,988	434,412
Total expenditures	<u>15,629,719</u>	<u>1,531,988</u>	<u>434,412</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,596,443)</u>	<u>(1,427,891)</u>	<u>(308,338)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	2,600,000	1,018,778
Transfers (out)	-	-	(32,500)
Issuance of notes/bonds payable	39,875,000	-	-
Premium on notes/bonds payable	123,353	-	-
Total other financing sources and (uses)	<u>39,998,353</u>	<u>2,600,000</u>	<u>986,278</u>
Net change in fund balances	25,401,910	1,172,109	677,940
Fund balances - beginning	<u>-</u>	<u>2,861,624</u>	<u>3,130,953</u>
Fund balances - ending	<u>\$ 25,401,910</u>	<u>\$ 4,033,733</u>	<u>\$ 3,808,893</u>

Parks	Trails	Information Technology	Other	Total Nonmajor Capital Projects Funds
\$ 183,541	\$ -	\$ -	\$ -	\$ 183,541
49,822	143,734	99,317	57,768	1,613,788
5,000	-	-	-	5,300
<u>238,363</u>	<u>143,734</u>	<u>99,317</u>	<u>57,768</u>	<u>1,802,629</u>
-	-	-	-	469,337
1,512,345	947,334	3,545,638	4,665,152	27,797,251
<u>1,512,345</u>	<u>947,334</u>	<u>3,545,638</u>	<u>4,665,152</u>	<u>28,266,588</u>
(1,273,982)	(803,600)	(3,446,321)	(4,607,384)	(26,463,959)
373,458	1,000,000	4,682,000	3,470,000	13,144,236
-	(220,124)	-	-	(252,624)
-	1,700,000	2,613,000	2,000,000	46,188,000
-	-	-	-	123,353
<u>373,458</u>	<u>2,479,876</u>	<u>7,295,000</u>	<u>5,470,000</u>	<u>59,202,965</u>
(900,524)	1,676,276	3,848,679	862,616	32,739,006
<u>1,757,092</u>	<u>3,380,431</u>	<u>4,634,500</u>	<u>1,842,247</u>	<u>17,606,847</u>
<u>\$ 856,568</u>	<u>\$ 5,056,707</u>	<u>\$ 8,483,179</u>	<u>\$ 2,704,863</u>	<u>\$ 50,345,853</u>

COUNTY OF VOLUSIA, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Nonmajor Governmental Funds
For the Year Ended September 30, 2006

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 82,716,281	\$ 5,745,518	\$ -	\$ 88,461,799
Licenses and permits	191,999	-	-	191,999
Intergovernmental revenues	32,361,333	367	183,541	32,545,241
Charges for services	13,451,550	-	-	13,451,550
Fines and forfeitures	347,614	-	-	347,614
Interest revenues	4,951,925	353,287	1,613,788	6,919,000
Miscellaneous revenues	2,629,243	442,683	5,300	3,077,226
Special assessments levied/impact fees	9,921,523	-	-	9,921,523
Total revenues	<u>146,571,468</u>	<u>6,541,855</u>	<u>1,802,629</u>	<u>154,915,952</u>
EXPENDITURES				
Current:				
General government	103,175	-	-	103,175
Public safety	21,879,532	-	-	21,879,532
Physical environment	852,662	-	-	852,662
Transportation	39,319,521	-	-	39,319,521
Economic environment	11,310,308	-	-	11,310,308
Human services	4,617,253	-	-	4,617,253
Culture/recreation	23,818,903	-	-	23,818,903
Debt service:				
Principal retirement	-	10,254,236	-	10,254,236
Interest and fiscal charges	-	7,371,433	-	7,371,433
Bond issuance costs	-	-	469,337	469,337
Capital outlay	-	-	27,797,251	27,797,251
Total expenditures	<u>101,901,354</u>	<u>17,625,669</u>	<u>28,266,588</u>	<u>147,793,611</u>
Excess (deficiency) of revenues over (under) expenditures	<u>44,670,114</u>	<u>(11,083,814)</u>	<u>(26,463,959)</u>	<u>7,122,341</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,448,795	13,883,589	13,144,236	35,476,620
Transfers (out)	(39,344,943)	(2,863,989)	(252,624)	(42,461,556)
Issuance of notes/bonds payable	-	-	46,188,000	46,188,000
Premium on notes/bonds payable	-	-	123,353	123,353
Total other financing sources and (uses)	<u>(30,896,148)</u>	<u>11,019,600</u>	<u>59,202,965</u>	<u>39,326,417</u>
Net change in fund balances	<u>13,773,966</u>	<u>(64,214)</u>	<u>32,739,006</u>	<u>46,448,758</u>
Fund balances - beginning	<u>85,908,733</u>	<u>2,703,966</u>	<u>17,606,847</u>	<u>106,219,546</u>
Fund balances - ending	<u>\$ 99,682,699</u>	<u>\$ 2,639,752</u>	<u>\$ 50,345,853</u>	<u>\$ 152,668,304</u>

COUNTY OF VOLUSIA, FLORIDA
County Transportation Trust Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 16,269,000	\$ 15,894,619	\$ (374,381)
Intergovernmental revenues	7,858,700	8,858,191	999,491
Charges for services	1,633,000	2,937,993	1,304,993
Interest revenues	300,000	669,065	369,065
Miscellaneous revenues	493,600	429,578	(64,022)
Total revenues	<u>26,554,300</u>	<u>28,789,446</u>	<u>2,235,146</u>
EXPENDITURES			
Current:			
Transportation	44,829,556	27,850,440	16,979,116
Total expenditures	<u>44,829,556</u>	<u>27,850,440</u>	<u>16,979,116</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,275,256)</u>	<u>939,006</u>	<u>19,214,262</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	750,000	750,000	-
Transfers (out)	(200,724)	(200,724)	-
Total other financing sources and (uses)	<u>549,276</u>	<u>549,276</u>	<u>-</u>
Net change in fund balances	<u>(17,725,980)</u>	<u>1,488,282</u>	<u>19,214,262</u>
Fund balances - beginning	<u>17,725,980</u>	<u>20,226,777</u>	<u>2,500,797</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 21,715,059</u>	<u>\$ 21,715,059</u>

COUNTY OF VOLUSIA, FLORIDA
Library Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 17,015,157	\$ 17,069,172	\$ 54,015
Intergovernmental revenues	670,588	577,109	(93,479)
Charges for services	60,500	107,448	46,948
Fines and forfeitures	240,000	347,614	107,614
Interest revenues	176,477	585,398	408,921
Miscellaneous revenues	236,682	177,609	(59,073)
Total revenues	<u>18,399,404</u>	<u>18,864,350</u>	<u>464,946</u>
EXPENDITURES			
Current:			
Culture/recreation	21,317,736	14,580,316	6,737,420
Total expenditures	<u>21,317,736</u>	<u>14,580,316</u>	<u>6,737,420</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,918,332)</u>	<u>4,284,034</u>	<u>7,202,366</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	15,000	9,367	(5,633)
Transfers (out)	(2,085,501)	(2,085,501)	-
Total other financing sources and (uses)	<u>(2,070,501)</u>	<u>(2,076,134)</u>	<u>(5,633)</u>
Net change in fund balances	(4,988,833)	2,207,900	7,196,733
Fund balances - beginning	<u>6,013,012</u>	<u>6,947,785</u>	<u>934,773</u>
Fund balances - ending	<u><u>\$ 1,024,179</u></u>	<u><u>\$ 9,155,685</u></u>	<u><u>\$ 8,131,506</u></u>

COUNTY OF VOLUSIA, FLORIDA
East Volusia Mosquito Control District Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 4,847,285	\$ 4,867,022	\$ 19,737
Intergovernmental revenues	255,200	360,372	105,172
Charges for services	200,000	109,090	(90,910)
Interest revenues	30,000	145,984	115,984
Miscellaneous revenues	424,500	344,249	(80,251)
Total revenues	<u>5,756,985</u>	<u>5,826,717</u>	<u>69,732</u>
EXPENDITURES			
Current:			
Human services	6,494,630	4,258,118	2,236,512
Total expenditures	<u>6,494,630</u>	<u>4,258,118</u>	<u>2,236,512</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(737,645)</u>	<u>1,568,599</u>	<u>2,306,244</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	7,979	7,978	(1)
Total other financing sources and (uses)	<u>7,979</u>	<u>7,978</u>	<u>(1)</u>
Net change in fund balances	<u>(729,666)</u>	<u>1,576,577</u>	<u>2,306,243</u>
Fund balances - beginning	<u>1,067,800</u>	<u>1,767,151</u>	<u>699,351</u>
Fund balances - ending	<u>\$ 338,134</u>	<u>\$ 3,343,728</u>	<u>\$ 3,005,594</u>

COUNTY OF VOLUSIA, FLORIDA
Resort Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 7,953,501	\$ 7,737,905	\$ (215,596)
Interest revenues	21,000	53,561	32,561
Total revenues	<u>7,974,501</u>	<u>7,791,466</u>	<u>(183,035)</u>
EXPENDITURES			
Current:			
General government	106,047	103,175	2,872
Total expenditures	<u>106,047</u>	<u>103,175</u>	<u>2,872</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,868,454</u>	<u>7,688,291</u>	<u>(180,163)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(7,868,454)</u>	<u>(7,688,291)</u>	<u>180,163</u>
Total other financing sources and (uses)	<u>(7,868,454)</u>	<u>(7,688,291)</u>	<u>180,163</u>
Net change in fund balances	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF VOLUSIA, FLORIDA
Sales Tax Trust Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 19,741,408	\$ 19,741,407	\$ (1)
Total revenues	<u>19,741,408</u>	<u>19,741,407</u>	<u>(1)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,741,408</u>	<u>19,741,407</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(19,741,408)</u>	<u>(19,741,407)</u>	<u>1</u>
Total other financing sources and (uses)	<u>(19,741,408)</u>	<u>(19,741,407)</u>	<u>1</u>
Net change in fund balances	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COUNTY OF VOLUSIA, FLORIDA
Convention Development Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 7,802,120	\$ 7,588,328	\$ (213,792)
Interest revenues	48,960	89,439	40,479
Miscellaneous revenues	288,750	211,103	(77,647)
Total revenues	<u>8,139,830</u>	<u>7,888,870</u>	<u>(250,960)</u>
EXPENDITURES			
Current:			
Economic environment	9,746,274	8,250,164	1,496,110
Total expenditures	<u>9,746,274</u>	<u>8,250,164</u>	<u>1,496,110</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,606,444)</u>	<u>(361,294)</u>	<u>1,245,150</u>
Net change in fund balances	<u>(1,606,444)</u>	<u>(361,294)</u>	<u>1,245,150</u>
Fund balances - beginning	<u>1,606,444</u>	<u>3,469,820</u>	<u>1,863,376</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 3,108,526</u>	<u>\$ 3,108,526</u>

COUNTY OF VOLUSIA, FLORIDA
Ponce Inlet Port Authority Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 1,834,226	\$ 1,840,475	\$ 6,249
Intergovernmental revenues	100	92	(8)
Interest revenues	120,000	408,796	288,796
Miscellaneous revenues	-	106	106
Total revenues	<u>1,954,326</u>	<u>2,249,469</u>	<u>295,143</u>
EXPENDITURES			
Current:			
Transportation	3,936,904	1,483,715	2,453,189
Culture/recreation	5,748,542	513,395	5,235,147
Total expenditures	<u>9,685,446</u>	<u>1,997,110</u>	<u>7,688,336</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,731,120)</u>	<u>252,359</u>	<u>7,983,479</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	590,630	590,630	-
Transfers (out)	(130,000)	-	130,000
Total other financing sources and (uses)	<u>460,630</u>	<u>590,630</u>	<u>130,000</u>
Net change in fund balances	<u>(7,270,490)</u>	<u>842,989</u>	<u>8,113,479</u>
Fund balances - beginning	<u>7,465,922</u>	<u>7,143,064</u>	<u>(322,858)</u>
Fund balances - ending	<u>\$ 195,432</u>	<u>\$ 7,986,053</u>	<u>\$ 7,790,621</u>

COUNTY OF VOLUSIA, FLORIDA
E-911 Emergency Telephone System Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ -	\$ 1,169,371	\$ 1,169,371
Charges for services	1,880,000	1,329,869	(550,131)
Interest revenues	32,000	115,472	83,472
Total revenues	<u>1,912,000</u>	<u>2,614,712</u>	<u>702,712</u>
EXPENDITURES			
Current:			
Public safety	3,573,228	1,815,538	1,757,690
Total expenditures	<u>3,573,228</u>	<u>1,815,538</u>	<u>1,757,690</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,661,228)</u>	<u>799,174</u>	<u>2,460,402</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(436,299)	(436,299)	-
Total other financing sources and (uses)	<u>(436,299)</u>	<u>(436,299)</u>	<u>-</u>
Net change in fund balances	(2,097,527)	362,875	2,460,402
Fund balances - beginning	<u>2,097,527</u>	<u>2,414,224</u>	<u>316,697</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ 2,777,099</u></u>	<u><u>\$ 2,777,099</u></u>

COUNTY OF VOLUSIA, FLORIDA
Special Lighting Districts Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Charges for services	\$ 185,002	\$ 185,002	\$ -
Total revenues	<u>185,002</u>	<u>185,002</u>	<u>-</u>
EXPENDITURES			
Current:			
Transportation	207,984	207,984	-
Total expenditures	<u>207,984</u>	<u>207,984</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,982)</u>	<u>(22,982)</u>	<u>-</u>
Net change in fund balances	(22,982)	(22,982)	-
Fund balances - beginning	<u>22,982</u>	<u>14,258</u>	<u>(8,724)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ (8,724)</u>	<u>\$ (8,724)</u>

COUNTY OF VOLUSIA, FLORIDA
Ocean Center Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Charges for services	\$ 1,256,000	\$ 1,254,839	\$ (1,161)
Interest revenues	12,500	13,006	506
Miscellaneous revenues	266,000	356,570	90,570
Total revenues	<u>1,534,500</u>	<u>1,624,415</u>	<u>89,915</u>
EXPENDITURES			
Current:			
Culture/recreation	4,938,475	4,741,558	196,917
Total expenditures	<u>4,938,475</u>	<u>4,741,558</u>	<u>196,917</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,403,975)</u>	<u>(3,117,143)</u>	<u>286,832</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,748,408	2,618,729	129,679
Total other financing sources and (uses)	<u>2,748,408</u>	<u>2,618,729</u>	<u>129,679</u>
Net change in fund balances	<u>(655,567)</u>	<u>(498,414)</u>	<u>157,153</u>
Fund balances - beginning	<u>655,567</u>	<u>2,276,399</u>	<u>1,620,832</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,777,985</u>	<u>\$ 1,777,985</u>

COUNTY OF VOLUSIA, FLORIDA
Manatee Conservation Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Licenses and permits	\$ 1,000,000	\$ 191,999	\$ (808,001)
Interest revenues	-	2,983	2,983
Total revenues	<u>1,000,000</u>	<u>194,982</u>	<u>(805,018)</u>
EXPENDITURES			
Current:			
Physical environment	1,000,000	-	1,000,000
Total expenditures	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>194,982</u>	<u>194,982</u>
Net change in fund balances	<u>-</u>	<u>194,982</u>	<u>194,982</u>
Fund balances - beginning	<u>-</u>	<u>23</u>	<u>23</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 195,005</u>	<u>\$ 195,005</u>

COUNTY OF VOLUSIA, FLORIDA
Road Impact Fees Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Charges for services	\$ -	\$ 21	21
Interest revenues	275,000	753,055	478,055
Miscellaneous revenues	-	215,741	215,741
Special assessments levied/impact fees	15,383,923	9,112,942	(6,270,981)
Total revenues	<u>15,658,923</u>	<u>10,081,759</u>	<u>(5,577,164)</u>
EXPENDITURES			
Current:			
Transportation	24,932,957	5,301,334	19,631,623
Total expenditures	<u>24,932,957</u>	<u>5,301,334</u>	<u>19,631,623</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,274,034)</u>	<u>4,780,425</u>	<u>14,054,459</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(4,789,327)	(4,789,327)	-
Total other financing sources and (uses)	<u>(4,789,327)</u>	<u>(4,789,327)</u>	<u>-</u>
Net change in fund balances	(14,063,361)	(8,902)	14,054,459
Fund balances - beginning	14,063,361	15,416,851	1,353,490
Fund balances - ending	<u>\$ -</u>	<u>\$ 15,407,949</u>	<u>\$ 15,407,949</u>

COUNTY OF VOLUSIA, FLORIDA
Park Impact Fees Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Interest revenues	\$ 27,850	\$ 138,796	\$ 110,946
Special assessments levied/impact fees	541,500	454,047	(87,453)
Total revenues	<u>569,350</u>	<u>592,843</u>	<u>23,493</u>
EXPENDITURES			
Current:			
Culture/recreation	2,951,558	126,632	2,824,926
Total expenditures	<u>2,951,558</u>	<u>126,632</u>	<u>2,824,926</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,382,208)</u>	<u>466,211</u>	<u>2,848,419</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(200,000)	(200,000)	-
Total other financing sources and (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balances	<u>(2,582,208)</u>	<u>266,211</u>	<u>2,848,419</u>
Fund balances - beginning	<u>2,582,208</u>	<u>2,853,744</u>	<u>271,536</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ 3,119,955</u></u>	<u><u>\$ 3,119,955</u></u>

COUNTY OF VOLUSIA, FLORIDA
Fire Services Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 21,924,162	\$ 21,959,472	\$ 35,310
Intergovernmental revenues	16,632	39,812	23,180
Charges for services	940,059	991,731	51,672
Interest revenues	80,898	622,330	541,432
Miscellaneous revenues	5,000	56,955	51,955
Total revenues	<u>22,966,751</u>	<u>23,670,300</u>	<u>703,549</u>
EXPENDITURES			
Current:			
Public safety	26,293,765	19,570,713	6,723,052
Total expenditures	<u>26,293,765</u>	<u>19,570,713</u>	<u>6,723,052</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,327,014)</u>	<u>4,099,587</u>	<u>7,426,601</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	285,000	285,000	-
Transfers (out)	(1,573,540)	(1,573,540)	-
Issuance of notes/bonds payable	1,175,000	-	(1,175,000)
Total other financing sources and (uses)	<u>(113,540)</u>	<u>(1,288,540)</u>	<u>(1,175,000)</u>
Net change in fund balances	<u>(3,440,554)</u>	<u>2,811,047</u>	<u>6,251,601</u>
Fund balances - beginning	<u>4,964,567</u>	<u>3,944,318</u>	<u>(1,020,249)</u>
Fund balances - ending	<u>\$ 1,524,013</u>	<u>\$ 6,755,365</u>	<u>\$ 5,231,352</u>

COUNTY OF VOLUSIA, FLORIDA
Fire Impact Fees Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Interest revenues	\$ 12,000	\$ 37,516	\$ 25,516
Special assessments levied/impact fees	363,000	354,534	(8,466)
Total revenues	<u>375,000</u>	<u>392,050</u>	<u>17,050</u>
EXPENDITURES			
Current:			
Public safety	530,579	420	530,159
Total expenditures	<u>530,579</u>	<u>420</u>	<u>530,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(155,579)</u>	<u>391,630</u>	<u>547,209</u>
OTHER FINANCING (USES)			
Transfers (out)	(285,000)	(285,000)	-
Total other financing sources and (uses)	<u>(285,000)</u>	<u>(285,000)</u>	<u>-</u>
Net change in fund balances	<u>(440,579)</u>	<u>106,630</u>	<u>547,209</u>
Fund balances - beginning	<u>440,579</u>	<u>607,427</u>	<u>166,848</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 714,057</u>	<u>\$ 714,057</u>

COUNTY OF VOLUSIA, FLORIDA
Silver Sands / Bethune Beach Municipal Service District Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 13,747	\$ 13,822	\$ 75
Interest revenues	50	344	294
Total revenues	<u>13,797</u>	<u>14,166</u>	<u>369</u>
EXPENDITURES			
Current:			
Transportation	15,430	13,732	1,698
Total expenditures	<u>15,430</u>	<u>13,732</u>	<u>1,698</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,633)</u>	<u>434</u>	<u>2,067</u>
Net change in fund balances	<u>(1,633)</u>	<u>434</u>	<u>2,067</u>
Fund balances - beginning	<u>1,633</u>	<u>3,568</u>	<u>1,935</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 4,002</u>	<u>\$ 4,002</u>

COUNTY OF VOLUSIA, FLORIDA
Gemini Springs Addition Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Interest revenues	\$ -	\$ 4,892	\$ 4,892
Total revenues	<u>-</u>	<u>4,892</u>	<u>4,892</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>-</u>	 <u>4,892</u>	 <u>4,892</u>
 Net change in fund balances	 <u>-</u>	 <u>4,892</u>	 <u>4,892</u>
 Fund balances - beginning	 <u>-</u>	 <u>107,025</u>	 <u>107,025</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ 111,917</u></u>	<u><u>\$ 111,917</u></u>

COUNTY OF VOLUSIA, FLORIDA
Stormwater Utility Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ 200,000	\$ -	\$ (200,000)
Charges for services	4,080,000	4,366,889	286,889
Interest revenues	30,000	113,008	83,008
Miscellaneous revenues	-	21,914	21,914
Total revenues	4,310,000	4,501,811	191,811
EXPENDITURES			
Current:			
Transportation	6,864,487	4,462,316	2,402,171
Total expenditures	6,864,487	4,462,316	2,402,171
Excess (deficiency) of revenues over (under) expenditures	(2,554,487)	39,495	2,593,982
OTHER FINANCING SOURCES (USES)			
Transfers in	1,136,964	1,136,963	(1)
Transfers (out)	(46,750)	(46,750)	-
Total other financing sources and (uses)	1,090,214	1,090,213	(1)
Net change in fund balances	(1,464,273)	1,129,708	2,593,981
Fund balances - beginning	1,464,273	1,062,893	(401,380)
Fund balances - ending	\$ -	\$ 2,192,601	\$ 2,192,601

COUNTY OF VOLUSIA, FLORIDA
Volusia ECHO Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 5,730,408	\$ 5,745,466	\$ 15,058
Intergovernmental revenues	-	368	368
Interest revenues	100,000	581,601	481,601
Total revenues	<u>5,830,408</u>	<u>6,327,435</u>	<u>497,027</u>
EXPENDITURES			
Current:			
Culture/recreation	12,879,845	3,857,002	9,022,843
Total expenditures	<u>12,879,845</u>	<u>3,857,002</u>	<u>9,022,843</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,049,437)</u>	<u>2,470,433</u>	<u>9,519,870</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	186,139	186,139	-
Transfers (out)	(3,387,830)	(1,333,458)	2,054,372
Total other financing sources and (uses)	<u>(3,201,691)</u>	<u>(1,147,319)</u>	<u>2,054,372</u>
Net change in fund balances	<u>(10,251,128)</u>	<u>1,323,114</u>	<u>11,574,242</u>
Fund balances - beginning	<u>10,251,128</u>	<u>10,200,793</u>	<u>(50,335)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 11,523,907</u>	<u>\$ 11,523,907</u>

COUNTY OF VOLUSIA, FLORIDA
Volusia Forever Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 11,500	\$ -	\$ (11,500)
Intergovernmental revenues	216,760	207,948	(8,812)
Charges for services	-	32,602	32,602
Interest revenues	12,500	210,708	198,208
Miscellaneous revenues	-	99	99
Total revenues	<u>240,760</u>	<u>451,357</u>	<u>210,597</u>
EXPENDITURES			
Current:			
Physical environment	5,122,385	852,662	4,269,723
Total expenditures	<u>5,122,385</u>	<u>852,662</u>	<u>4,269,723</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,881,625)</u>	<u>(401,305)</u>	<u>4,480,320</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,863,989	2,863,989	-
Transfers (out)	(910,377)	(910,376)	1
Total other financing sources and (uses)	<u>1,953,612</u>	<u>1,953,613</u>	<u>1</u>
Net change in fund balances	<u>(2,928,013)</u>	<u>1,552,308</u>	<u>4,480,321</u>
Fund balances - beginning	<u>2,928,013</u>	<u>4,776,636</u>	<u>1,848,623</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 6,328,944</u>	<u>\$ 6,328,944</u>

COUNTY OF VOLUSIA, FLORIDA
Law / Beach Enforcement Trust Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Interest revenues	\$ 5,100	\$ 6,276	\$ 1,176
Miscellaneous revenues	82,100	194,171	112,071
Total revenues	<u>87,200</u>	<u>200,447</u>	<u>113,247</u>
EXPENDITURES			
Current:			
Public safety	128,607	51,689	76,918
Total expenditures	<u>128,607</u>	<u>51,689</u>	<u>76,918</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(41,407)</u>	<u>148,758</u>	<u>190,165</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(43,853)	(43,853)	-
Total other financing sources and (uses)	<u>(43,853)</u>	<u>(43,853)</u>	<u>-</u>
Net change in fund balances	(85,260)	104,905	190,165
Fund balances - beginning	<u>85,260</u>	<u>55,038</u>	<u>(30,222)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 159,943</u>	<u>\$ 159,943</u>

COUNTY OF VOLUSIA, FLORIDA
Federal Forfeiture Sharing Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Interest revenues	\$ 2,200	\$ 7,218	\$ 5,018
Miscellaneous revenues	201,000	221,924	20,924
Total revenues	<u>203,200</u>	<u>229,142</u>	<u>25,942</u>
EXPENDITURES			
Current:			
Public safety	368,865	206,068	162,797
Total expenditures	<u>368,865</u>	<u>206,068</u>	<u>162,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(165,665)</u>	<u>23,074</u>	<u>188,739</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(1,050)	(1,050)	-
Total other financing sources and (uses)	<u>(1,050)</u>	<u>(1,050)</u>	<u>-</u>
Net change in fund balances	(166,715)	22,024	188,739
Fund balances - beginning	<u>166,715</u>	<u>85,422</u>	<u>(81,293)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 107,446</u>	<u>\$ 107,446</u>

COUNTY OF VOLUSIA
State Housing Incentive Program (S.H.I.P.) Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ 9,214,968	\$ 1,406,663	\$ (7,808,305)
Charges for services	4,007,268	2,136,066	(1,871,202)
Interest revenues	200,000	346,105	146,105
Miscellaneous revenues	-	734	734
Total revenues	<u>13,422,236</u>	<u>3,889,568</u>	<u>(9,532,668)</u>
EXPENDITURES			
Current:			
Economic environment	12,602,972	3,060,144	9,542,828
Human services	819,264	359,135	460,129
Total expenditures	<u>13,422,236</u>	<u>3,419,279</u>	<u>10,002,957</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>470,289</u>	<u>470,289</u>
Net change in fund balances	-	470,289	470,289
Fund balances - beginning	<u>-</u>	<u>1,468,200</u>	<u>1,468,200</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,938,489</u>	<u>\$ 1,938,489</u>

COUNTY OF VOLUSIA, FLORIDA
Limited Tax General Obligation Bonds Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 5,745,518	\$ 5,745,518	\$ -
Intergovernmental revenues	367	367	-
Interest revenues	179,658	179,658	-
Total revenues	<u>5,925,543</u>	<u>5,925,543</u>	<u>-</u>
EXPENDITURES			
Debt service:			
Principal retirement	1,685,000	1,685,000	-
Interest and fiscal charges	1,376,554	1,376,554	-
Total expenditures	<u>3,061,554</u>	<u>3,061,554</u>	<u>-</u>
Excess (deficiency) of revenues (under) expenditures	<u>2,863,989</u>	<u>2,863,989</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(2,863,989)	(2,863,989)	-
Total other financing sources and (uses)	<u>(2,863,989)</u>	<u>(2,863,989)</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF VOLUSIA, FLORIDA
Gas Tax Revenue Bonds, Series 1992 Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Interest revenues	\$ 2,427	\$ 401	\$ (2,026)
Total revenues	<u>2,427</u>	<u>401</u>	<u>(2,026)</u>
EXPENDITURES			
Debt service:			
Principal retirement	95,000	95,000	-
Interest and fiscal charges	<u>2,375</u>	<u>2,375</u>	<u>-</u>
Total expenditures	<u>97,375</u>	<u>97,375</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(94,948)</u>	<u>(96,974)</u>	<u>(2,026)</u>
Net change in fund balances	(94,948)	(96,974)	(2,026)
Fund balances - beginning	<u>94,948</u>	<u>96,974</u>	<u>2,026</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COUNTY OF VOLUSIA, FLORIDA
Gas Tax Revenue Bonds, Series 2004 Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Interest revenues	\$ 102,418	\$ 102,418	\$ -
Total revenues	<u>102,418</u>	<u>102,418</u>	<u>-</u>
EXPENDITURES			
Debt service:			
Principal retirement	2,340,000	2,340,000	-
Interest and fiscal charges	2,551,745	2,551,745	-
Total expenditures	<u>4,891,745</u>	<u>4,891,745</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,789,327)</u>	<u>(4,789,327)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	4,789,327	4,789,327	-
Total other financing sources and (uses)	<u>4,789,327</u>	<u>4,789,327</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF VOLUSIA, FLORIDA
Tourist Development Tax Refunding Revenue Bonds Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Interest revenues	\$ 26,000	\$ 70,810	\$ 44,810
Total revenues	<u>26,000</u>	<u>70,810</u>	<u>44,810</u>
EXPENDITURES			
Debt service:			
Principal retirement	1,915,000	1,915,000	-
Interest and fiscal charges	2,794,187	2,788,513	5,674
Total expenditures	<u>4,709,187</u>	<u>4,703,513</u>	<u>5,674</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,683,187)</u>	<u>(4,632,703)</u>	<u>50,484</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	4,715,937	4,665,453	(50,484)
Total other financing sources and (uses)	<u>4,715,937</u>	<u>4,665,453</u>	<u>(50,484)</u>
Net change in fund balances	32,750	32,750	-
Fund balances - beginning	<u>2,531,438</u>	<u>2,531,438</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 2,564,188</u></u>	<u><u>\$ 2,564,188</u></u>	<u><u>\$ -</u></u>

COUNTY OF VOLUSIA, FLORIDA
Lease Purchase Agreements Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	Budget	Actual	Variance with Budget - Positive (Negative)
REVENUES			
Miscellaneous revenues	\$ 442,683	\$ 442,683	\$ -
Total revenues	<u>442,683</u>	<u>442,683</u>	<u>-</u>
EXPENDITURES			
Debt service:			
Principal retirement	6,099,256	4,219,236	1,880,020
Interest and fiscal charges	1,100,762	652,246	448,516
Total expenditures	<u>7,200,018</u>	<u>4,871,482</u>	<u>2,328,536</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,757,335)</u>	<u>(4,428,799)</u>	<u>2,328,536</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	6,757,335	4,428,809	(2,328,526)
Total other financing sources and (uses)	<u>6,757,335</u>	<u>4,428,809</u>	<u>(2,328,526)</u>
Net change in fund balances	-	10	10
Fund balances - beginning	<u>-</u>	<u>75,554</u>	<u>75,554</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ 75,564</u></u>	<u><u>\$ 75,564</u></u>

COUNTY OF VOLUSIA, FLORIDA
Volusia Forever Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended September 30, 2006

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
REVENUES				
Interest revenues	\$ -	\$ 1,033,276	\$ 1,033,276	\$ 600,000
Total revenues	<u>-</u>	<u>1,033,276</u>	<u>1,033,276</u>	<u>600,000</u>
EXPENDITURES				
Debt service:				
Bond issuance costs	-	469,337	469,337	576,198
Capital outlay	-	15,160,382	15,160,382	40,023,802
Total expenditures	<u>-</u>	<u>15,629,719</u>	<u>15,629,719</u>	<u>40,600,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(14,596,443)</u>	<u>(14,596,443)</u>	<u>(40,000,000)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of notes/bonds payable	-	39,875,000	39,875,000	40,000,000
Premium on notes/bonds payable	-	123,353	123,353	-
Total other financing sources and (uses)	<u>-</u>	<u>39,998,353</u>	<u>39,998,353</u>	<u>40,000,000</u>
Net change in fund balances	<u>\$ -</u>	<u>25,401,910</u>	<u>\$ 25,401,910</u>	<u>\$ -</u>
Fund balances - beginning		<u>-</u>		
Fund balances - ending		<u>\$ 25,401,910</u>		

COUNTY OF VOLUSIA, FLORIDA
Volusia County Courthouse Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended September 30, 2006

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
REVENUES				
Charges for services	\$ 191	\$ -	\$ 191	\$ -
Interest revenues	7,605,972	103,797	7,709,769	5,714,953
Miscellaneous revenues	26,400	300	26,700	-
Total revenues	<u>7,632,563</u>	<u>104,097</u>	<u>7,736,660</u>	<u>5,714,953</u>
EXPENDITURES				
Debt service:				
Bond issuance costs	789,950	-	789,950	789,950
Capital outlay	51,631,078	1,531,988	53,163,066	55,175,092
Total expenditures	<u>52,421,028</u>	<u>1,531,988</u>	<u>53,953,016</u>	<u>55,965,042</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,788,465)</u>	<u>(1,427,891)</u>	<u>(46,216,356)</u>	<u>(50,250,089)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,193,381	2,600,000	3,793,381	3,793,381
Transfers (out)	(3,110,292)	-	(3,110,292)	(3,110,292)
Issuance of notes/bonds payable	59,250,000	-	59,250,000	59,250,000
Payment to refunded bond escrow agent	(9,683,000)	-	(9,683,000)	(9,683,000)
Total other financing sources and (uses)	<u>47,650,089</u>	<u>2,600,000</u>	<u>50,250,089</u>	<u>50,250,089</u>
Net change in fund balances	<u>\$ 2,861,624</u>	<u>1,172,109</u>	<u>\$ 4,033,733</u>	<u>\$ -</u>
Fund balances - beginning		<u>2,861,624</u>		
Fund balances - ending		<u>\$ 4,033,733</u>		

COUNTY OF VOLUSIA, FLORIDA
Beach Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended September 30, 2006

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
REVENUES				
Charges for services	\$ 4,515,822	\$ -	\$ 4,515,822	\$ 4,515,822
Interest revenues	630,288	126,074	756,362	587,656
Miscellaneous revenues	871,878	-	871,878	1,951,129
Total revenues	<u>6,017,988</u>	<u>126,074</u>	<u>6,144,062</u>	<u>7,054,607</u>
EXPENDITURES				
Capital outlay	<u>5,964,640</u>	<u>434,412</u>	<u>6,399,052</u>	<u>11,769,150</u>
Total expenditures	<u>5,964,640</u>	<u>434,412</u>	<u>6,399,052</u>	<u>11,769,150</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53,348</u>	<u>(308,338)</u>	<u>(254,990)</u>	<u>(4,714,543)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,602,841	1,018,778	7,621,619	8,272,571
Transfers (out)	<u>(3,525,236)</u>	<u>(32,500)</u>	<u>(3,557,736)</u>	<u>(3,558,028)</u>
Total other financing sources and (uses)	<u>3,077,605</u>	<u>986,278</u>	<u>4,063,883</u>	<u>4,714,543</u>
Net change in fund balances	<u>\$ 3,130,953</u>	<u>677,940</u>	<u>\$ 3,808,893</u>	<u>\$ -</u>
Fund balances - beginning		<u>3,130,953</u>		
Fund balances - ending		<u>\$ 3,808,893</u>		

COUNTY OF VOLUSIA, FLORIDA
Parks Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended September 30, 2006

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
REVENUES				
Intergovernmental revenue	\$ 1,417,365	\$ 183,541	\$ 1,600,906	\$ 1,369,023
Charges for services	3,208	-	3,208	-
Interest revenues	613,596	49,822	663,418	319,968
Miscellaneous revenues	110,672	5,000	115,672	399,442
Total revenues	<u>2,144,841</u>	<u>238,363</u>	<u>2,383,204</u>	<u>2,088,433</u>
EXPENDITURES				
Capital outlay	3,354,211	1,512,345	4,866,556	11,593,304
Total expenditures	<u>3,354,211</u>	<u>1,512,345</u>	<u>4,866,556</u>	<u>11,593,304</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,209,370)</u>	<u>(1,273,982)</u>	<u>(2,483,352)</u>	<u>(9,504,871)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,706,370	373,458	4,079,828	10,244,779
Transfers (out)	(739,908)	-	(739,908)	(739,908)
Total other financing sources and (uses)	<u>2,966,462</u>	<u>373,458</u>	<u>3,339,920</u>	<u>9,504,871</u>
Net change in fund balances	<u>\$ 1,757,092</u>	<u>(900,524)</u>	<u>\$ 856,568</u>	<u>\$ -</u>
Fund balances - beginning		<u>1,757,092</u>		
Fund balances - ending		<u>\$ 856,568</u>		

COUNTY OF VOLUSIA, FLORIDA
Trails Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended September 30, 2006

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
REVENUES				
Interest revenues	\$ 1,772	\$ 143,734	\$ 145,506	\$ -
Miscellaneous revenues	-	-	-	376,750
Total revenues	<u>1,772</u>	<u>143,734</u>	<u>145,506</u>	<u>376,750</u>
EXPENDITURES				
Capital outlay	5,924	947,334	953,258	9,754,938
Total expenditures	<u>5,924</u>	<u>947,334</u>	<u>953,258</u>	<u>9,754,938</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,152)</u>	<u>(803,600)</u>	<u>(807,752)</u>	<u>(9,378,188)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,376,770	1,000,000	2,376,770	2,376,770
Transfers (out)	(52,187)	(220,124)	(272,311)	(58,582)
Issuance of notes/bonds payable	2,060,000	1,700,000	3,760,000	7,060,000
Total other financing sources and (uses)	<u>3,384,583</u>	<u>2,479,876</u>	<u>5,864,459</u>	<u>9,378,188</u>
Net change in fund balances	<u>\$ 3,380,431</u>	<u>1,676,276</u>	<u>\$ 5,056,707</u>	<u>\$ -</u>
Fund balances - beginning		<u>3,380,431</u>		
Fund balances - ending		<u>\$ 5,056,707</u>		

COUNTY OF VOLUSIA, FLORIDA
Information Technology Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended September 30, 2006

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
REVENUES				
Interest revenues	\$ -	\$ 99,317	\$ 99,317	\$ -
Total revenues	<u>-</u>	<u>99,317</u>	<u>99,317</u>	<u>-</u>
EXPENDITURES				
Capital outlay	<u>1,200,000</u>	<u>3,545,638</u>	<u>4,745,638</u>	<u>25,128,715</u>
Total expenditures	<u>1,200,000</u>	<u>3,545,638</u>	<u>4,745,638</u>	<u>25,128,715</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,200,000)</u>	<u>(3,446,321)</u>	<u>(4,646,321)</u>	<u>(25,128,715)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,834,500	4,682,000	10,516,500	10,516,500
Issuance of notes/bonds payable	<u>-</u>	<u>2,613,000</u>	<u>2,613,000</u>	<u>14,612,215</u>
Total other financing sources and (uses)	<u>5,834,500</u>	<u>7,295,000</u>	<u>13,129,500</u>	<u>25,128,715</u>
Net change in fund balances	<u>\$ 4,634,500</u>	<u>3,848,679</u>	<u>\$ 8,483,179</u>	<u>\$ -</u>
Fund balances - beginning		<u>4,634,500</u>		
Fund balances - ending		<u>\$ 8,483,179</u>		

COUNTY OF VOLUSIA, FLORIDA
Other Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended September 30, 2006

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
REVENUES				
Interest revenues	\$ 53,183	\$ 57,768	\$ 110,951	\$ 7,242
Total revenues	<u>53,183</u>	<u>57,768</u>	<u>110,951</u>	<u>7,242</u>
EXPENDITURES				
Capital outlay	2,659,687	4,665,152	7,324,839	11,970,993
Total expenditures	<u>2,659,687</u>	<u>4,665,152</u>	<u>7,324,839</u>	<u>11,970,993</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,606,504)</u>	<u>(4,607,384)</u>	<u>(7,213,888)</u>	<u>(11,963,751)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,793,751	3,470,000	5,263,751	5,263,751
Issuance of notes/bonds payable	2,655,000	2,000,000	4,655,000	6,700,000
Total other financing sources and (uses)	<u>4,448,751</u>	<u>5,470,000</u>	<u>9,918,751</u>	<u>11,963,751</u>
Net change in fund balances	<u>\$ 1,842,247</u>	<u>862,616</u>	<u>\$ 2,704,863</u>	<u>\$ -</u>
Fund balances - beginning		<u>1,842,247</u>		
Fund balances - ending		<u>\$ 2,704,863</u>		



Major Governmental Funds

DEBT SERVICE

Debt Service Funds account for the financial activities for the accumulation of resources for the payment of principal, interest, and related costs of governmental long-term debt.

Subordinate Lien Sales Tax Revenue Bonds Fund

The Subordinate Lien Sales Tax Revenue Bonds Fund accounts for the fiscal activity relating to funds spent for payment of principal, interest, and related costs of the Series 1998, 2001 A & B, and 2003 bond issues.

CAPITAL PROJECTS

Capital Projects Funds account for the financial resources used to acquire or construct major capital facilities other than those financed by proprietary funds.

Ocean Center Expansion Fund

The Ocean Center Expansion Fund accounts for the fiscal activity relating to the construction of additional exhibition space and meeting rooms in the Ocean Center.

Bond Funded Road Program Fund

The Bond Funded Road Program Fund accounts for the fiscal activity relating to the construction of roads and transportation improvements with an emphasis on projects that support economic development.

COUNTY OF VOLUSIA, FLORIDA
Subordinate Lien Sales Tax Revenue Bonds Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Interest revenues	\$ 196,719	\$ 196,719	\$ -
Total revenues	<u>196,719</u>	<u>196,719</u>	<u>-</u>
EXPENDITURES			
Debt service:			
Principal retirement	4,870,000	4,870,000	-
Interest and fiscal charges	3,808,566	3,808,566	-
Total expenditures	<u>8,678,566</u>	<u>8,678,566</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,481,847)</u>	<u>(8,481,847)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	8,481,847	8,481,847	-
Total other financing sources and (uses)	<u>8,481,847</u>	<u>8,481,847</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COUNTY OF VOLUSIA, FLORIDA
Ocean Center Expansion Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended September 30, 2006

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
REVENUES				
Interest revenues	\$ 1,470,276	\$ 2,473,417	\$ 3,943,693	\$ 1,000,000
Total revenues	<u>1,470,276</u>	<u>2,473,417</u>	<u>3,943,693</u>	<u>1,000,000</u>
EXPENDITURES				
Debt service:				
Bond issuance costs	1,856,439	-	1,856,439	2,022,691
Capital outlay	4,761,670	8,101,726	12,863,396	60,930,957
Total expenditures	<u>6,618,109</u>	<u>8,101,726</u>	<u>14,719,835</u>	<u>62,953,648</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,147,833)</u>	<u>(5,628,309)</u>	<u>(10,776,142)</u>	<u>(61,953,648)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,351,176	404,109	5,755,285	5,755,285
Issuance of notes/bonds payable	64,710,000	-	64,710,000	56,198,363
Discount on notes/bonds payable	(9,258,664)	-	(9,258,664)	-
Premium on notes/bonds payable	174,105	-	174,105	-
Total other financing sources and (uses)	<u>60,976,617</u>	<u>404,109</u>	<u>61,380,726</u>	<u>61,953,648</u>
Net change in fund balances	<u>\$ 55,828,784</u>	<u>\$ (5,224,200)</u>	<u>\$ 50,604,584</u>	<u>\$ -</u>
Fund balances - beginning		<u>55,828,784</u>		
Fund balances - ending		<u>\$ 50,604,584</u>		

COUNTY OF VOLUSIA, FLORIDA
Bond Funded Road Program Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended September 30, 2006

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
REVENUES				
Interest revenues	\$ 1,374,164	\$ 2,930,251	\$ 4,304,415	\$ 1,730,156
Total revenues	<u>1,374,164</u>	<u>2,930,251</u>	<u>4,304,415</u>	<u>1,730,156</u>
EXPENDITURES				
Debt service:				
Bond issuance costs	986,561	-	986,561	1,203,156
Capital outlay	1,229,213	6,501,484	7,730,697	65,542,000
Total expenditures	<u>2,215,774</u>	<u>6,501,484</u>	<u>8,717,258</u>	<u>66,745,156</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(841,610)</u>	<u>(3,571,233)</u>	<u>(4,412,843)</u>	<u>(65,015,000)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of notes/bonds payable	64,215,000	-	64,215,000	65,015,000
Premium on notes/bonds payable	2,335,227	-	2,335,227	-
Total other financing sources and (uses)	<u>66,550,227</u>	<u>-</u>	<u>66,550,227</u>	<u>65,015,000</u>
Net change in fund balances	<u>\$ 65,708,617</u>	<u>(3,571,233)</u>	<u>\$ 62,137,384</u>	<u>\$ -</u>
Fund balances - beginning		<u>65,708,617</u>		
Fund balances - ending		<u>\$ 62,137,384</u>		

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department or division to other departments or divisions of the County, or to other governmental units, on a cost reimbursement basis.

Computer Replacement

The Computer Replacement Fund accounts for the fiscal activity related to replacing and maintaining the County's computer workstations.

Vehicle Maintenance

The Vehicle Maintenance Fund accounts for the fiscal activity related to maintaining and replacing the County's automotive and heavy equipment.

Insurance

The Insurance Fund accounts for the fiscal activity related to the County's self-insurance and risk management programs.

Employee Group Insurance

The Employee Group Insurance Fund accounts for the fiscal activity related to a self-funded group health insurance plan provided to County employees.

COUNTY OF VOLUSIA, FLORIDA
Internal Service Funds
Combining Statement of Net Assets
September 30, 2006

	<u>Computer Replacement</u>	<u>Vehicle Maintenance</u>	<u>Insurance</u>
ASSETS			
Current assets:			
Equity in pooled cash and investments	\$ 1,996,960	\$ 1,747,949	\$ 16,780,365
Receivables:			
Accounts - net	-	6,514	-
Due from other funds	-	-	27,388
Due from other governments	-	68,613	-
Inventories	-	226,696	-
Prepaid expenses	-	-	2,708
Total current assets	<u>1,996,960</u>	<u>2,049,772</u>	<u>16,810,461</u>
Noncurrent assets:			
Capital assets:			
Buildings	-	1,915,516	-
Improvements other than buildings	-	458,733	-
Equipment	2,468,386	12,742,955	163,065
Less accumulated depreciation	<u>(927,956)</u>	<u>(7,954,056)</u>	<u>(94,176)</u>
Total capital assets (net of accumulated depreciation)	<u>1,540,430</u>	<u>7,163,148</u>	<u>68,889</u>
Total noncurrent assets	<u>1,540,430</u>	<u>7,163,148</u>	<u>68,889</u>
Total assets	<u>3,537,390</u>	<u>9,212,920</u>	<u>16,879,350</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	1,092,168	18,996
Due to component units	-	-	257
Capital lease	187,397	-	-
Accrued interest payable	36,500	-	-
Compensated absences payable	-	119,317	30,003
Estimated claims payable	-	-	4,079,761
Total current liabilities	<u>223,897</u>	<u>1,211,485</u>	<u>4,129,017</u>
Noncurrent liabilities:			
Compensated absences payable	-	329,075	82,749
Estimated claims payable	-	-	9,539,968
Total noncurrent liabilities	<u>-</u>	<u>329,075</u>	<u>9,622,717</u>
Total liabilities	<u>223,897</u>	<u>1,540,560</u>	<u>13,751,734</u>
NET ASSETS			
Invested in capital assets	1,353,033	7,163,148	68,889
Unrestricted	1,960,460	509,212	3,058,727
Total net assets	<u>\$ 3,313,493</u>	<u>\$ 7,672,360</u>	<u>\$ 3,127,616</u>

Employee Group Insurance	Total
\$ 10,829,131	\$ 31,354,405
18	6,532
-	27,388
-	68,613
-	226,696
-	2,708
<u>10,829,149</u>	<u>31,686,342</u>
-	1,915,516
-	458,733
-	15,374,406
-	(8,976,188)
<u>-</u>	<u>8,772,467</u>
<u>-</u>	<u>8,772,467</u>
<u>10,829,149</u>	<u>40,458,809</u>
8,872	1,120,036
-	257
-	187,397
-	36,500
1,663	150,983
<u>2,904,000</u>	<u>6,983,761</u>
<u>2,914,535</u>	<u>8,478,934</u>
4,588	416,412
-	9,539,968
<u>4,588</u>	<u>9,956,380</u>
<u>2,919,123</u>	<u>18,435,314</u>
-	8,585,070
<u>7,910,026</u>	<u>13,438,425</u>
<u>\$ 7,910,026</u>	<u>\$ 22,023,495</u>

COUNTY OF VOLUSIA, FLORIDA
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended September 30, 2006

	<u>Computer Replacement</u>	<u>Vehicle Maintenance</u>	<u>Insurance</u>
Operating Revenues:			
Charges for services	\$ 1,550,743	\$ 12,123,306	\$ 8,877,243
Miscellaneous revenues	-	32,121	25,900
Total operating revenues	<u>1,550,743</u>	<u>12,155,427</u>	<u>8,903,143</u>
Operating Expenses:			
Personal services	-	2,529,096	677,105
Contracted services	-	111,047	610,566
Supplies and materials	107,471	4,899,676	14,444
Repairs and maintenance	-	2,535,845	31,783
Utilities	-	43,082	-
Other services and charges	-	110,437	1,980,459
Depreciation	592,816	1,820,613	15,866
Claims expense	-	-	3,749,932
Total operating expenses	<u>700,287</u>	<u>12,049,796</u>	<u>7,080,155</u>
Operating income (loss)	<u>850,456</u>	<u>105,631</u>	<u>1,822,988</u>
Nonoperating Revenues (Expenses):			
Interest revenues	85,665	49,805	643,740
Interest expense	(70,614)	-	-
Net gain (loss) on disposal of capital assets	(8,683)	(8,570)	(45)
Miscellaneous revenues	-	6,899	819
Total nonoperating revenues (expenses)	<u>6,368</u>	<u>48,134</u>	<u>644,514</u>
Income before contributions and transfers	856,824	153,765	2,467,502
Capital contributions	-	3,000	-
Transfers in	-	-	1,175,000
Change in net assets	<u>856,824</u>	<u>156,765</u>	<u>3,642,502</u>
Total net assets - beginning	<u>2,456,669</u>	<u>7,515,595</u>	<u>(514,886)</u>
Total net assets - ending	<u><u>\$ 3,313,493</u></u>	<u><u>\$ 7,672,360</u></u>	<u><u>\$ 3,127,616</u></u>

Employee Group Insurance	Total
\$ 26,107,169	\$ 48,658,461
-	58,021
<u>26,107,169</u>	<u>48,716,482</u>
57,137	3,263,338
2,842,765	3,564,378
-	5,021,591
-	2,567,628
-	43,082
23,247	2,114,143
-	2,429,295
<u>23,065,063</u>	<u>26,814,995</u>
<u>25,988,212</u>	<u>45,818,450</u>
<u>118,957</u>	<u>2,898,032</u>
748,938	1,528,148
-	(70,614)
-	(17,298)
-	7,718
<u>748,938</u>	<u>1,447,954</u>
867,895	4,345,986
-	3,000
-	1,175,000
<u>867,895</u>	<u>5,523,986</u>
<u>7,042,131</u>	<u>16,499,509</u>
<u>\$ 7,910,026</u>	<u>\$ 22,023,495</u>

COUNTY OF VOLUSIA, FLORIDA
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2006

	<u>Computer Replacement</u>	<u>Vehicle Maintenance</u>	<u>Insurance</u>
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 1,550,743	\$ 12,086,674	\$ 8,877,243
Payments to suppliers	(107,471)	(7,717,379)	(6,970,960)
Payments to employees	-	(2,565,221)	(696,074)
Other operating revenue	-	32,121	25,900
Net cash provided by operating activities	<u>1,443,272</u>	<u>1,836,195</u>	<u>1,236,109</u>
Cash Flows from Noncapital Financing Activities			
Transfers from other funds	-	-	1,175,000
Principal payment received on interfund loans	-	-	158,446
Interest payment received on interfund loans	-	-	7,948
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>1,341,394</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	-	(1,353,475)	(10,998)
Principal paid on capital debt	(987,530)	-	-
Interest paid on capital debt	(34,114)	-	-
Proceeds from sale of capital assets	-	270,730	819
Proceeds from insurance	-	6,605	-
Net cash (used) by capital and related financing activities	<u>(1,021,644)</u>	<u>(1,076,140)</u>	<u>(10,179)</u>
Cash Flows from Investing Activities			
Interest revenues	85,665	49,805	635,791
Net cash provided by investing activities	<u>85,665</u>	<u>49,805</u>	<u>635,791</u>
Net increase (decrease) in cash and cash equivalents	507,293	809,860	3,203,115
Cash and cash equivalents at beginning of year	<u>1,489,667</u>	<u>938,089</u>	<u>13,577,250</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,996,960</u></u>	<u><u>\$ 1,747,949</u></u>	<u><u>\$ 16,780,365</u></u>

Employee Group Insurance	Total
\$ 26,107,486	\$ 48,622,146
(25,499,782)	(40,295,592)
(55,483)	(3,316,778)
-	58,021
<u>552,221</u>	<u>5,067,797</u>
-	1,175,000
-	158,446
-	7,948
-	<u>1,341,394</u>
-	(1,364,473)
-	(987,530)
-	(34,114)
-	271,549
-	<u>6,605</u>
-	<u>(2,107,963)</u>
<u>748,938</u>	<u>1,520,199</u>
<u>748,938</u>	<u>1,520,199</u>
1,301,159	5,821,427
<u>9,527,972</u>	<u>25,532,978</u>
<u>\$ 10,829,131</u>	<u>\$ 31,354,405</u>

COUNTY OF VOLUSIA, FLORIDA
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2006

	<u>Computer Replacement</u>	<u>Vehicle Maintenance</u>	<u>Insurance</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating income (loss)	<u>\$ 850,456</u>	<u>\$ 105,631</u>	<u>\$ 1,822,988</u>
Depreciation	592,816	1,820,613	15,866
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	-	(6,514)	-
(Increase) in due from other governments	-	(36,632)	-
(Increase) in inventories	-	(9,708)	-
Decrease in prepaid expenses	-	-	691
Increase (decrease) in accounts payable	-	(845)	7,078
Increase in due to component units	-	-	257
(Decrease) in due to other governments	-	(225)	(63,259)
Increase (decrease) in estimated claims payable	-	-	(528,543)
Increase (decrease) in compensated absences payable	-	(36,125)	(18,969)
Total adjustments	<u>592,816</u>	<u>1,730,564</u>	<u>(586,879)</u>
Net cash provided by operating activities	<u><u>\$ 1,443,272</u></u>	<u><u>\$ 1,836,195</u></u>	<u><u>\$ 1,236,109</u></u>
 Noncash Investing, Capital, and Financing Activities:			
Contributions of capital assets from government	\$ -	\$ 3,000	\$ -
Borrowing under capital lease	1,174,927	-	-
Capital asset purchases on account	-	731,160	-

Employee Group Insurance	Total
\$ 118,957	\$ 2,898,032
-	2,429,295
317	(6,197)
-	(36,632)
-	(9,708)
-	691
7,293	13,526
-	257
-	(63,484)
424,000	(104,543)
1,654	(53,440)
433,264	2,169,765
\$ 552,221	\$ 5,067,797

\$ -	\$ 3,000
-	1,174,927
-	731,160



AGENCY FUNDS

Agency Funds are used to report resources held by the County in a purely custodial capacity. Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Inmate Trust

The Inmate Trust Fund accounts for funds held by the County on behalf of prison inmates.

General Trust

The General Trust Fund accounts for various funds held by the County acting in an agency capacity, for individuals, private organizations, or other governmental units.

Impact Fee – Other Governments

The Impact Fee – Other Governments Fund accounts for the collection and distribution of a school impact fee on behalf of the Volusia County School Board.

Meadowlea Utility

The Meadowlea Utility Fund accounts for the fiscal activities of water and sewer plants and distribution systems located in the Meadowlea area of the County. The County has been declared the temporary receiver of this utility by the court, which will make a decision as to a permanent owner of the utility at a later date.

Stone Island Utility

The Stone Island Utility Fund accounts for the fiscal activities of water and sewer plants and distribution systems located in the Stone Island area of the County. The County has been declared the temporary receiver of this utility by the court, which will make a decision as to a permanent owner of the utility at a later date.

State of Florida Agency Funds

The State of Florida Agency Funds accounts for the collection and distribution of various fees on behalf of the State of Florida.

Sheriff's Civil, Cash Bond and Fine

The Sheriff's Civil, Cash Bond and Fine Fund accounts for funds collected from fees charged for processing enforceable and nonenforceable writs and subpoenas, for bail bonds paid to the County, and to pay fines to the Clerk of the Circuit Court from these funds by order of the Circuit or County Courts.

Tax Collector's Transfer

The Tax Collector's Transfer Fund accounts for the collection and distribution of ad valorem taxes and occupational licenses on behalf of other governmental units and taxing authorities.

COUNTY OF VOLUSIA, FLORIDA
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended September 30, 2006

	Balance September 30, 2005	Additions	Deductions	Balance September 30, 2006
Inmate Trust				
Assets:				
Equity in pooled cash and investments	\$ 120,294	\$ 2,774,817	\$ 2,776,162	\$ 118,949
Accounts receivable	-	198	-	198
Due from other governments	207	1,998	2,205	-
Total assets	<u>120,501</u>	<u>2,777,013</u>	<u>2,778,367</u>	<u>119,147</u>
Liabilities:				
Deposits	120,501	2,777,013	2,778,367	119,147
Total liabilities	<u>120,501</u>	<u>2,777,013</u>	<u>2,778,367</u>	<u>119,147</u>
General Trust				
Assets:				
Equity in pooled cash and investments	2,614,402	2,304,639	2,308,030	2,611,011
Special assessment receivable	258,838	14,766	84,705	188,899
Special assessment interest receivable	25,690	25,166	28,103	22,753
Total assets	<u>2,898,930</u>	<u>2,344,571</u>	<u>2,420,838</u>	<u>2,822,663</u>
Liabilities:				
Accounts payable	-	6,355	-	6,355
Due to other governments	360,729	30,213	164,534	226,408
Deposits	2,538,201	2,308,003	2,256,304	2,589,900
Total liabilities	<u>2,898,930</u>	<u>2,344,571</u>	<u>2,420,838</u>	<u>2,822,663</u>
Impact Fees - Other Governments				
Assets:				
Equity in pooled cash and investments	302,935	12,667,413	11,917,576	1,052,772
Accounts receivable	1,937	-	-	1,937
Total assets	<u>304,872</u>	<u>12,667,413</u>	<u>11,917,576</u>	<u>1,054,709</u>
Liabilities:				
Accounts payable	1,106	-	1,106	-
Due to other governments	303,766	12,667,413	11,916,470	1,054,709
Total liabilities	<u>304,872</u>	<u>12,667,413</u>	<u>11,917,576</u>	<u>1,054,709</u>
Meadowlea Utility				
Assets:				
Equity in pooled cash and investments	364,374	136,946	93,466	407,854
Liabilities:				
Deposits	364,374	136,946	93,466	407,854
Stone Island Utility				
Assets:				
Equity in pooled cash and investments	612,487	229,648	566,174	275,961
Total assets	<u>612,487</u>	<u>229,648</u>	<u>566,174</u>	<u>275,961</u>
Liabilities:				
Accounts payable	340,336	-	340,336	-
Deposits	272,151	229,648	225,838	275,961
Total liabilities	<u>612,487</u>	<u>229,648</u>	<u>566,174</u>	<u>275,961</u>

COUNTY OF VOLUSIA, FLORIDA
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended September 30, 2006

	Balance September 30, 2005	Additions	Deductions	Balance September 30, 2006
State of Florida Agency Funds				
Assets:				
Equity in pooled cash and investments	1,019,590	38,096,435	38,191,597	924,428
Liabilities:				
Due to other governments	1,019,590	38,096,435	38,191,597	924,428
Sheriff's Civil, Cash Bond and Fine				
Assets:				
Equity in pooled cash and investments	1,373,233	2,501,772	3,847,985	27,020
Liabilities:				
Deposits	1,373,233	2,501,772	3,847,985	27,020
Tax Collector's Transfer				
Assets:				
Equity in pooled cash and investments	6,154,026	1,407,024,981	1,406,205,594	6,973,413
Accounts receivable	15,583	9,097,948	9,063,926	49,605
Due from other governments	2,477	2,477	4,954	-
Total assets	6,172,086	1,416,125,406	1,415,274,474	7,023,018
Liabilities:				
Accounts payable	395	707,636,842	707,637,237	-
Due to other governments	6,171,691	708,488,564	707,637,237	7,023,018
Total liabilities	6,172,086	1,416,125,406	1,415,274,474	7,023,018
Totals - All Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ 12,561,341	\$ 1,465,736,651	\$ 1,465,906,584	\$ 12,391,408
Accounts receivable	17,520	9,098,146	9,063,926	51,740
Special assessment receivable	258,838	14,766	84,705	188,899
Special assessment interest receivable	25,690	25,166	28,103	22,753
Due from other governments	2,684	4,475	7,159	-
Total assets	\$ 12,866,073	\$ 1,474,879,204	\$ 1,475,090,477	\$ 12,654,800
Liabilities:				
Accounts payable	\$ 341,837	\$ 707,643,197	\$ 707,978,679	\$ 6,355
Due to other governments	7,855,776	759,282,625	757,909,838	9,228,563
Deposits	4,668,460	7,953,382	9,201,960	3,419,882
Total liabilities	\$ 12,866,073	\$ 1,474,879,204	\$ 1,475,090,477	\$ 12,654,800



STATISTICAL SECTION

This section of the County of Volusia, Florida's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Page
Financial Trends	190
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	200
<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
Debt Capacity	206
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	218
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
Operating Information	220
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

SCHEDULE 1
COUNTY OF VOLUSIA, FLORIDA
PRIMARY GOVERNMENT NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS

	<u>Fiscal Year 2006</u>	<u>Fiscal Year 2005</u>	<u>Fiscal Year 2004</u>	<u>Fiscal Year 2003</u>
Governmental Activities:				
Invested in capital assets, net of related debt	\$ 322,890,595	\$ 292,915,827	\$ 270,913,433	\$ 262,277,338
Restricted for:				
Public safety	3,758,545	3,162,111	3,496,778	3,786,809
Physical environment	23,104,563	18,357,883	9,289,724	7,800,149
Transportation	45,353,839	42,492,379	44,476,754	33,354,158
Culture/recreation	6,771,239	6,849,834	6,841,386	5,591,414
Debt service	11,534,752	9,468,966	8,418,646	12,771,290
Capital projects	17,155,503	12,567,604	11,906,725	8,472,956
Other purposes	8,025,256	9,496,463	5,823,136	6,080,240
Unrestricted	<u>95,575,381</u>	<u>66,517,008</u>	<u>44,508,710</u>	<u>29,098,221</u>
Governmental Activities Net Assets	<u>\$ 534,169,673</u>	<u>\$ 461,828,075</u>	<u>\$ 405,675,292</u>	<u>\$ 369,232,575</u>
Business-type Activities:				
Invested in capital assets, net of related debt	\$ 136,946,061	\$ 118,841,502	\$ 110,811,202	\$ 105,200,814
Restricted for:				
Debt service	3,107,972	7,101,057	6,991,581	6,579,947
Passenger facility charges program	1,532,154	6,290,829	5,359,335	4,518,167
Land purchase	-	1,991,411	1,991,411	1,991,411
Equipment replacement	350,000	350,000	350,000	350,000
Maintenance and operations	1,342,980	1,258,751	1,330,756	1,183,953
Unrestricted	<u>40,327,853</u>	<u>23,204,000</u>	<u>21,610,672</u>	<u>17,555,040</u>
Business-type Net Assets	<u>\$ 183,607,020</u>	<u>\$ 159,037,550</u>	<u>\$ 148,444,957</u>	<u>\$ 137,379,332</u>
Primary Government:				
Invested in capital assets, net of related debt	\$ 459,836,656	\$ 411,757,329	\$ 381,724,635	\$ 367,478,152
Restricted for:				
Public safety	3,758,545	3,162,111	3,496,778	3,786,809
Physical environment	23,104,563	18,357,883	9,289,724	7,800,149
Transportation	45,353,839	42,492,379	44,476,754	33,354,158
Culture/recreation	6,771,239	6,849,834	6,841,386	5,591,414
Debt service	14,642,724	16,570,023	15,410,227	19,351,237
Capital projects	17,155,503	12,567,604	11,906,725	8,472,956
Passenger facility charges program	1,532,154	6,290,829	5,359,335	4,518,167
Land purchase	-	1,991,411	1,991,411	1,991,411
Equipment replacement	350,000	350,000	350,000	350,000
Maintenance and operations	1,342,980	1,258,751	1,330,756	1,183,953
Other purposes	8,025,256	9,496,463	5,823,136	6,080,240
Unrestricted	<u>135,903,234</u>	<u>89,721,008</u>	<u>66,119,382</u>	<u>46,653,261</u>
Total Primary Government Net Assets	<u>\$ 717,776,693</u>	<u>\$ 620,865,625</u>	<u>\$ 554,120,249</u>	<u>\$ 506,611,907</u>

- (1) This schedule reports financial information using the accrual basis of accounting
- (2) The County implemented GASB 34, the new reporting standard, in fiscal year 2001

Source: County of Volusia, Financial and Administrative Services

Fiscal Year 2002	Fiscal Year 2001
\$ 159,926,946	\$ 106,130,749
3,223,150	3,361,251
-	-
30,324,465	25,009,966
8,940,472	3,836,863
11,018,185	13,411,024
9,587,954	13,279,058
4,184,243	4,897,611
28,088,375	45,988,516
<u>\$ 255,293,790</u>	<u>\$ 215,915,038</u>
\$ 98,354,922	\$ 96,105,513
7,089,930	5,067,895
3,754,612	3,248,233
1,591,411	1,491,411
350,000	350,000
1,004,200	788,294
16,082,635	8,903,650
<u>\$ 128,227,710</u>	<u>\$ 115,954,996</u>
\$ 258,281,868	\$ 202,236,262
3,223,150	3,361,251
-	-
30,324,465	25,009,966
8,940,472	3,836,863
18,108,115	18,478,919
9,587,954	13,279,058
3,754,612	3,248,233
1,591,411	1,491,411
350,000	350,000
1,004,200	788,294
4,184,243	4,897,611
44,171,010	54,892,166
<u>\$ 383,521,500</u>	<u>\$ 331,870,034</u>

SCHEDULE 2
COUNTY OF VOLUSIA, FLORIDA
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS

	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004
Expenses:			
Governmental Activities:			
General government	\$ 63,570,846	\$ 58,773,973	\$ 60,201,162
Public safety	140,169,412	126,272,315	118,220,075
Physical environment	5,294,803	5,906,176	7,064,094
Transportation	34,706,556	37,312,003	32,057,217
Economic environment	24,962,203	19,846,710	19,370,815
Human services	19,002,622	19,077,825	19,300,232
Culture/recreation	47,169,456	41,629,072	35,145,161
Payments to component units	-	-	-
Interest on long-term debt	11,947,707	10,161,557	6,112,983
Total governmental activities expenses	<u>346,823,605</u>	<u>318,979,631</u>	<u>297,471,739</u>
Business-type Activities:			
Refuse disposal	14,222,458	15,249,106	14,980,309
Daytona Beach International Airport	15,343,982	15,312,142	14,607,474
Volusia Transportation Authority	19,821,457	19,181,600	17,093,796
Water and sewer utilities	10,551,462	9,869,034	9,204,723
Garbage collection	6,568,672	4,736,623	5,043,940
Total business-type activities expenses	<u>66,508,031</u>	<u>64,348,505</u>	<u>60,930,242</u>
Total primary government expenses	<u>\$ 413,331,636</u>	<u>\$ 383,328,136</u>	<u>\$ 358,401,981</u>
Program Revenues			
Governmental Activities:			
Charges for services:			
General government	\$ 17,309,649	\$ 15,804,196	\$ 13,249,681
Public safety	19,035,383	18,144,615	15,977,935
Physical environment	4,996,137	2,295,812	2,637,816
Transportation	3,123,122	2,374,845	2,394,390
Economic environment	610,191	886,464	593,520
Human services	2,676,678	2,432,288	1,727,478
Culture/recreation	5,551,850	5,364,969	6,270,178
Operating grants and contributions	25,163,448	34,604,270	43,020,783
Capital grants and contributions	34,278,269	27,323,066	17,193,699
Total governmental activities program revenues	<u>112,744,727</u>	<u>109,230,525</u>	<u>103,065,480</u>
Business-type Activities:			
Charges for services:			
Refuse disposal	19,028,068	18,976,470	20,255,568
Daytona Beach International Airport	8,249,735	8,473,386	8,472,115
Volusia Transportation Authority	4,360,059	2,367,802	2,310,667
Water and sewer utilities	12,050,591	10,245,259	10,468,073
Garbage collection	5,818,616	5,559,368	4,530,789
Operating grants and contributions	8,047,720	10,602,513	9,224,015
Capital grants and contributions	21,168,331	8,605,661	8,866,409
Total business-type activities program revenues	<u>78,723,120</u>	<u>64,830,459</u>	<u>64,127,636</u>
Total primary government program revenues	<u>\$ 191,467,847</u>	<u>\$ 174,060,984</u>	<u>\$ 167,193,116</u>
Net (expense)/revenue			
Governmental activities	\$ (234,078,878)	\$ (209,749,106)	\$ (194,406,259)
Business-type activities	12,215,089	481,954	3,197,394
Total primary governmental net (expense)	<u>\$ (221,863,789)</u>	<u>\$ (209,267,152)</u>	<u>\$ (191,208,865)</u>

Fiscal Year 2003	Fiscal Year 2002	Fiscal Year 2001
\$ 52,409,065	\$ 47,633,863	\$ 52,171,824
89,117,559	81,040,981	77,422,805
3,494,932	3,332,412	9,801,374
33,352,585	22,244,744	23,179,764
19,480,920	18,676,948	17,399,940
17,292,510	19,854,129	21,031,458
36,754,899	32,129,919	21,411,162
3,853,893	4,517,620	4,389,873
5,633,890	7,137,363	7,213,638
261,390,253	236,567,979	234,021,838
14,800,016	14,480,653	16,942,940
14,614,962	13,001,798	13,288,380
16,746,195	15,741,373	14,603,991
9,540,476	8,423,059	8,482,207
4,986,474	4,583,894	4,683,167
60,688,123	56,230,777	58,000,685
\$ 322,078,376	\$ 292,798,756	\$ 292,022,523
\$ 12,648,255	\$ 13,228,950	\$ 10,941,449
14,510,712	13,309,690	12,339,180
2,907,130	2,611,853	2,802,868
10,232,917	8,199,205	8,093,264
775,065	486,107	410,107
700,203	585,102	755,096
7,128,358	6,520,318	5,944,412
20,924,034	24,462,856	16,072,031
9,560,273	8,650,125	10,382,434
79,386,947	78,054,206	67,740,841
17,539,438	15,046,539	15,273,658
7,608,383	8,780,824	8,229,619
2,174,343	2,175,205	2,232,179
9,296,508	8,439,101	7,394,085
4,412,547	4,414,068	4,419,971
8,276,511	8,261,840	5,887,755
12,705,270	13,117,440	9,840,130
62,013,000	60,235,017	53,277,397
\$ 141,399,947	\$ 138,289,223	\$ 121,018,238
\$ (182,003,306)	\$ (158,513,773)	\$ (166,280,997)
1,324,877	4,004,240	(4,723,288)
\$ (180,678,429)	\$ (154,509,533)	\$ (171,004,285)

SCHEDULE 2
COUNTY OF VOLUSIA, FLORIDA
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS

	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004
General revenues and other changes in net assets			
Governmental Activities:			
Property tax	\$ 220,695,273	\$ 191,197,296	\$ 164,538,239
Sales tax	19,741,407	19,603,709	17,817,913
Public service tax	11,946,663	11,291,789	9,637,743
Gas tax	15,894,619	16,077,270	14,441,948
Tourist and convention development taxes	15,326,233	14,706,515	15,233,225
State revenue sharing not restricted			
to specific programs	8,575,722	7,892,351	7,771,352
Franchise fees	-	-	405,243
Intergovernmental revenues not restricted			
to specific programs	662,439	771,762	570,127
Interest revenue	18,889,528	7,997,105	2,980,661
Miscellaneous	4,123,776	1,206,959	1,708,388
Grants and contributions not restricted			
to specific programs	-	1,012,246	508,988
Transfers	(9,435,184)	(5,740,148)	(4,886,148)
Total governmental activities	306,420,476	266,016,854	230,727,679
Business-type Activities:			
Property tax	-	-	534
Gas tax	-	-	1,050,000
Intergovernmental revenues not restricted			
to specific programs	-	-	-
Interest revenue	2,087,229	4,226,819	1,158,788
Miscellaneous	497,138	143,672	109,581
Transfers	9,435,184	5,740,148	4,886,148
Total business-type activities program revenues	12,019,551	10,110,639	7,205,051
Total primary government	\$ 318,440,027	\$ 276,127,493	\$ 237,932,730
Change in net assets			
Governmental activities	\$ 72,341,598	\$ 56,267,748	\$ 36,321,420
Business-type activities	24,234,640	10,592,593	10,402,445
Total primary government	\$ 96,576,238	\$ 66,860,341	\$ 46,723,865

- (1) This schedule reports financial information using the accrual basis of accounting
- (2) The County implemented GASB 34, the new reporting standard, in fiscal year 2001

Source: County of Volusia, Financial and Administrative Services

Fiscal Year 2003	Fiscal Year 2002	Fiscal Year 2001
\$ 143,248,245	\$ 131,413,001	\$ 118,831,788
18,383,901	17,257,335	15,385,150
9,986,661	10,163,040	8,636,528
13,842,150	13,582,166	20,464,934
12,497,616	11,801,600	11,518,605
6,959,478	1,087,900	6,698,639
628,556	641,906	772,186
687,689	6,245,895	716,527
3,607,991	5,763,912	11,655,521
2,203,818	2,189,736	2,100,803
84,821	1,556,118	641,222
(4,609,148)	(6,129,625)	(4,336,556)
207,521,778	195,572,984	193,085,347
53	22	20,026
1,050,000	1,050,000	1,050,000
-	-	2,222,245
663,010	1,088,827	-
1,104,534	-	-
4,609,148	6,129,625	4,336,556
7,426,745	8,268,474	7,628,827
\$ 214,948,523	\$ 203,841,458	\$ 200,714,174
\$ 25,518,472	\$ 37,059,211	\$ 26,804,350
8,751,622	12,272,714	2,905,539
\$ 34,270,094	\$ 49,331,925	\$ 29,709,889

SCHEDULE 3
COUNTY OF VOLUSIA, FLORIDA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>Fiscal Year 2006</u>	<u>Fiscal Year 2005</u>	<u>Fiscal Year 2004</u>	<u>Fiscal Year 2003</u>
General fund:				
Reserved for:				
Encumbrances	\$ 4,792,350	\$ 4,020,081	\$ 3,599,006	\$ 2,400,726
Inventories	92,254	90,223	73,368	110,789
Employee receivables	230,092	273,294	272,837	300,849
Other long-term receivables	608,894	-	-	-
Unreserved:				
Designated	11,119,343	10,093,966	4,350,087	5,726,419
Undesignated	46,515,310	34,577,616	33,037,056	23,865,692
Total general fund	<u>\$ 63,358,243</u>	<u>\$ 49,055,180</u>	<u>\$ 41,332,354</u>	<u>\$ 32,404,475</u>
Other governmental funds:				
Reserved for:				
Encumbrances	\$ 40,903,523	\$ 35,082,889	\$ 26,996,704	\$ 11,981,486
Inventories	1,267,404	1,178,082	1,101,292	1,159,156
Advances	2,801,802	1,996,748	1,055,627	-
Debt service - principal	1,710,905	1,757,426	1,857,744	10,067,480
Debt service - interest	928,847	946,540	220,902	2,445,373
Capital projects	99,517,541	112,188,798	-	-
Long-term notes receivable	3,316,335	2,692,278	2,150,883	2,253,204
Unreserved:				
Designated	49,395,290	14,645,072	65,110,768	10,234,979
Undesignated	80,080,441	73,273,103	60,719,300	59,207,833
Total other governmental funds	<u>\$ 279,922,088</u>	<u>\$ 243,760,936</u>	<u>\$ 159,213,220</u>	<u>\$ 97,349,511</u>

(1) This schedule reports financial information using the modified accrual basis of accounting

Source: County of Volusia, Financial and Administrative Services

Fiscal Year 2002	Fiscal Year 2001	Fiscal Year 2000	Fiscal Year 1999	Fiscal Year 1998	Fiscal Year 1997
\$ 3,086,934	\$ 2,282,345	\$ 1,582,276	\$ 1,275,587	\$ 1,561,616	\$ 1,295,816
14,045	18,339	34,311	47,967	20,037	26,437
304,772	326,279	337,537	362,070	393,078	428,039
-	-	-	-	-	-
-	-	-	-	-	-
24,835,438	21,795,115	18,913,650	12,504,619	8,272,958	4,931,758
<u>\$ 28,241,189</u>	<u>\$ 24,422,078</u>	<u>\$ 20,867,774</u>	<u>\$ 14,190,243</u>	<u>\$ 10,247,689</u>	<u>\$ 6,682,050</u>
\$ 14,640,358	\$ 16,379,194	\$ 35,251,796	\$ 11,271,000	\$ 8,551,004	\$ 11,025,423
1,215,013	1,249,328	1,377,513	1,223,880	1,262,799	1,274,746
-	156,642	304,920	445,280	578,146	703,918
10,973,156	13,684,524	13,337,127	12,757,442	11,881,996	10,952,735
2,942,455	2,986,972	3,853,581	4,058,568	3,785,251	3,965,360
-	-	-	-	-	-
-	-	-	-	-	-
-	-	16,881,144	50,794,132	2,990,218	10,094,538
60,148,798	56,102,783	36,129,036	33,069,027	36,807,053	34,937,369
<u>\$ 89,919,780</u>	<u>\$ 90,559,443</u>	<u>\$ 107,135,117</u>	<u>\$ 113,619,329</u>	<u>\$ 65,856,467</u>	<u>\$ 72,954,089</u>

SCHEDULE 4
COUNTY OF VOLUSIA, FLORIDA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003
Revenues:				
Taxes	\$ 263,983,820	\$ 233,541,683	\$ 204,654,441	\$ 180,141,668
Licenses and permits	3,127,191	3,171,295	2,527,549	2,229,734
Intergovernmental revenue	72,788,119	72,619,417	72,946,471	55,296,652
Charges for services	47,022,429	40,808,180	34,046,837	31,233,160
Fines and forfeitures	6,726,124	4,697,128	5,571,142	6,092,936
Interest revenues	17,361,386	7,399,800	2,780,869	3,388,587
Miscellaneous revenues	6,457,645	4,665,788	7,716,075	5,292,367
Special assessments levied/impact fees	9,957,930	14,226,572	11,348,546	8,820,207
Total revenues	<u>427,424,644</u>	<u>381,129,863</u>	<u>341,591,930</u>	<u>292,495,311</u>
Expenditures				
General government	62,450,397	56,895,277	57,609,004	50,028,847
Public safety	140,125,376	126,654,876	118,408,978	88,769,309
Physical environment	6,160,387	6,333,724	11,847,076	13,045,839
Transportation	41,763,843	48,655,089	32,684,613	35,358,482
Economic environment	27,071,388	19,876,146	19,371,188	19,584,159
Human services	20,732,762	19,740,593	19,188,471	17,357,254
Culture/recreation	46,629,412	41,222,441	37,792,957	34,517,892
Payment to component units	-	-	-	4,691,824
Debt service:				
Principal	15,124,236	13,858,737	13,324,463	11,284,718
Interest	11,649,336	10,142,692	7,155,881	8,339,069
Capital outlay	42,400,461	12,164,860	2,732,750	2,401,298
Total expenditures	<u>414,107,598</u>	<u>355,544,435</u>	<u>320,115,381</u>	<u>285,378,691</u>
Excess of revenues over (under) expenditures	<u>13,317,046</u>	<u>25,585,428</u>	<u>21,476,549</u>	<u>7,116,620</u>
Other Financing Sources (Uses)				
Transfers in	60,244,506	56,121,375	42,332,714	35,301,291
Transfers (out)	(70,854,690)	(63,036,523)	(48,593,862)	(39,910,439)
Bonds/notes issued	47,634,000	71,380,000	72,460,000	6,755,000
Refunding bonds issued	-	-	-	30,820,000
Premium on notes/bonds payable	123,353	2,335,227	174,105	21,033
Discount on notes/bonds payable	-	-	(9,258,664)	(23,807)
Payments to escrow agent	-	-	-	(30,136,177)
Total other financing sources (uses)	<u>37,147,169</u>	<u>66,800,079</u>	<u>57,114,293</u>	<u>2,826,901</u>
Net change in fund balances	<u>\$ 50,464,215</u>	<u>\$ 92,385,507</u>	<u>\$ 78,590,842</u>	<u>\$ 9,943,521</u>
Debt service as a percentage of noncapital expenditures	7.20%	6.99%	6.45%	6.93%

(1) This schedule reports financial information using the modified accrual basis of accounting

Source: County of Volusia, Financial and Administrative Services

Fiscal Year 2002	Fiscal Year 2001	Fiscal Year 2000	Fiscal Year 1999	Fiscal Year 1998	Fiscal Year 1997
\$ 167,229,798	\$ 159,994,489	\$ 142,012,254	\$ 133,336,777	\$ 128,243,113	\$ 120,338,856
2,218,641	1,945,573	1,660,135	1,384,644	1,349,071	1,242,301
55,828,966	46,490,010	62,178,933	55,025,211	51,829,175	43,555,913
28,371,969	26,148,879	25,625,713	26,064,618	23,069,033	23,462,554
6,124,791	5,187,503	5,378,735	4,582,783	4,115,685	4,009,365
5,476,841	10,894,031	9,673,558	6,367,464	6,900,240	6,519,628
5,535,450	5,740,194	5,102,559	4,257,398	5,574,649	3,473,694
7,747,764	7,024,022	5,828,419	4,639,455	3,956,670	3,468,589
<u>278,534,220</u>	<u>263,424,701</u>	<u>257,460,306</u>	<u>235,658,350</u>	<u>225,037,636</u>	<u>206,070,900</u>
46,762,751	45,344,500	39,903,928	40,131,756	37,138,054	36,005,344
86,251,548	77,675,379	73,709,516	68,432,301	66,812,271	61,663,949
4,206,555	9,745,680	8,298,108	9,778,651	9,358,397	9,263,524
34,056,707	35,469,454	36,894,746	27,880,885	25,328,234	26,446,456
18,708,831	17,308,974	21,159,666	17,824,872	13,640,828	16,329,946
19,725,734	20,403,336	18,456,142	19,469,618	18,722,751	16,358,247
32,344,540	21,595,218	20,084,855	18,392,062	23,428,565	16,531,883
4,517,620	-	3,723,817	3,722,141	3,676,454	3,794,489
14,150,426	13,214,712	11,887,342	13,380,895	10,295,587	10,828,057
6,859,735	8,411,977	8,576,306	8,537,083	7,151,344	7,484,840
8,333,028	28,421,453	14,256,123	5,629,059	11,979,288	2,731,006
<u>275,917,475</u>	<u>277,590,683</u>	<u>256,950,549</u>	<u>233,179,323</u>	<u>227,531,773</u>	<u>207,437,741</u>
<u>2,616,745</u>	<u>(14,165,982)</u>	<u>509,757</u>	<u>2,479,027</u>	<u>(2,494,137)</u>	<u>(1,366,841)</u>
36,545,093	13,367,192	12,196,577	12,861,741	10,972,011	22,159,724
(41,162,093)	(22,100,065)	(15,317,966)	(17,011,145)	(15,203,428)	(25,907,014)
7,543,040	-	3,089,000	63,495,000	3,570,672	14,977,060
-	40,705,000	-	-	-	-
-	396,332	-	-	-	-
-	-	-	-	-	-
(2,894,250)	(36,376,916)	-	(9,683,000)	-	-
<u>31,790</u>	<u>(4,008,457)</u>	<u>(32,389)</u>	<u>49,662,596</u>	<u>(660,745)</u>	<u>11,229,770</u>
<u>\$ 2,648,535</u>	<u>\$ (18,174,439)</u>	<u>\$ 477,368</u>	<u>\$ 52,141,623</u>	<u>\$ (3,154,882)</u>	<u>\$ 9,862,929</u>
7.85%	8.68%	8.43%	9.63%	8.09%	8.95%

SCHEDULE 5
COUNTY OF VOLUSIA, FLORIDA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property				
	Residential	Commercial	Manufacturing	Agricultural	Other
2006	\$ 43,173,878,289	\$ 5,261,174,974	\$ 897,619,521	\$ 1,675,087,246	\$ 895,041,318
2005	31,708,403,891	4,124,623,355	724,758,738	967,717,741	595,453,403
2004	25,045,730,164	3,472,069,084	647,362,538	791,275,569	498,563,959
2003	21,228,126,674	3,123,446,968	565,055,935	695,247,821	447,395,607
2002	18,421,583,858	2,771,575,192	519,878,995	485,371,414	398,542,328
2001	16,182,908,495	2,654,418,302	478,026,234	468,322,490	376,425,311
2000	14,690,245,420	2,545,150,790	436,092,585	455,459,302	394,666,762
1999	13,586,456,422	2,316,898,810	395,834,274	449,463,599	356,740,400
1998	12,859,366,355	2,231,860,167	379,823,823	435,054,260	323,095,784
1997	12,301,496,255	2,166,532,191	362,101,094	421,833,679	323,131,777

Note: Property is assessed at 85 percent of actual market value

Source: County of Volusia, Property Appraiser's Office

Personal Property		Centrally Assessed Property		Total	Direct Tax Rate
\$	2,766,177,053	\$	38,896,488	\$ 54,707,874,889	7.678
	2,687,197,220		38,987,947	40,847,142,295	8.034
	2,569,352,100		44,757,397	33,069,110,811	7.918
	2,253,282,007		41,430,814	28,353,985,826	7.838
	1,957,650,684		33,852,363	24,588,454,834	7.833
	1,917,427,116		32,012,534	22,109,540,482	7.696
	1,836,648,477		32,995,023	20,391,258,359	7.702
	1,774,656,763		32,593,114	18,912,643,382	7.683
	1,716,321,067		30,239,445	17,975,760,901	7.583
	1,683,535,666		32,529,174	17,291,159,836	7.381

SCHEDULE 6
COUNTY OF VOLUSIA, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

	Year Taxes Are Payable				
	2006	2005	2004	2003	2002
School Board	8.25900	8.51700	8.69900	8.89900	9.01500
County of Volusia	6.29400	6.60400	6.60400	6.60400	6.60400
Municipalities:					
Daytona Beach	7.08746	7.11333	6.70279	6.79389	6.79389
Daytona Beach Shores	3.83700	4.08231	4.08231	3.68231	3.68231
DeBary	2.50746	2.50746	2.50746	2.50746	2.50746
DeLand	6.03770	6.46900	6.46900	6.40500	6.40500
Deltona	4.15000	4.19800	4.19800	4.19800	4.19800
Edgewater	6.51000	6.45000	6.95000	6.95000	6.95000
Flagler Beach	3.00000	3.00000	3.00000	2.67780	2.67780
Holly Hill	4.08002	4.08002	4.08002	4.50000	4.50000
Lake Helen	5.20000	5.20000	5.20000	5.20000	5.20000
New Smyrna Beach	4.81189	5.10000	5.10000	5.10000	5.10000
Oak Hill	5.26790	5.26790	4.68590	4.33500	4.33500
Orange City	4.87506	4.87508	4.87506	5.21700	5.21700
Ormond Beach	4.15316	3.89438	3.33842	3.33842	3.33842
Pierson	3.80904	4.34024	4.70124	5.00000	5.00000
Ponce Inlet	4.37800	4.57800	4.57800	4.77800	4.77800
Port Orange	4.85850	4.86479	4.37904	4.57562	4.57562
South Daytona	5.54659	5.65000	4.63900	4.63900	4.63900
Unincorporated Areas:					
Municipal Service District	1.69100	1.69100	1.69100	1.69100	1.69100
Special Other Districts:					
Independent:					
Low	2.05050	2.30050	2.30050	2.09730	2.09730
High	3.50050	3.50050	2.82050	2.88050	3.02882
Dependent:					
Low	3.24200	3.36680	2.86680	2.49200	2.49200
High	3.58730	3.71780	3.22100	2.84620	2.85080

Note: The tax rates apply to each \$1,000 of taxable valuation

Source: County of Volusia, Financial and Administrative Services

Year Taxes Are Payable				
2001	2000	1999	1998	1997
9.15800	9.91700	10.37600	10.48700	10.82100
6.36700	6.37300	6.37800	6.38100	6.21700
5.80579	6.11686	6.38384	6.49517	6.59207
3.94585	3.72978	3.57513	3.69000	3.72000
2.58760	2.58760	2.58760	2.58760	2.58760
6.44700	6.48700	5.87800	5.90000	5.95000
4.19800	4.19800	4.19800	4.19800	4.19800
5.95000	5.95000	6.29000	6.44000	6.59000
2.67780	2.75790	2.75790	2.77370	0.00000
5.09007	5.09007	5.25000	5.51831	5.53591
5.20000	5.20000	4.96586	4.96855	4.89420
4.99000	5.13361	5.28578	5.32896	5.48694
4.95970	5.01400	5.04800	4.00000	3.58258
5.37949	5.37949	5.37949	5.37949	5.50000
3.54023	3.65699	3.65084	3.62970	3.76710
5.27568	5.40300	5.49700	4.40300	3.90300
4.87800	4.37800	4.37800	4.43850	4.08142
4.59372	4.60315	4.67219	4.40707	4.61340
4.59701	4.18499	4.18422	4.22592	4.20000
1.69100	1.69100	1.69100	1.69100	1.69100
2.10981	2.09581	2.12900	2.40406	2.42000
3.04132	2.67774	2.68074	2.72139	2.76742
2.49200	2.49200	2.49100	2.49000	2.07800
2.85600	2.85900	3.24800	3.24800	3.33000

**SCHEDULE 7
COUNTY OF VOLUSIA, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Type of Business	Fiscal Year 2006	
		2005 Taxable Value	Percent of Total Taxable Value
Florida Power and Light Co.	Electric Utility	\$ 842,360,955	2.67
Florida Power Corp/Progress Energy	Electric Utility	202,011,286	0.64
BellSouth Telecommunication	Telephone	146,390,851	0.46
Bray & Gillespie	Timeshare Investments	142,621,117	0.45
Wal-Mart Stores, Inc	Retail Sales	99,345,162	0.31
Tyco Healthcare Group LP	Medical Supply Manufacturer	85,663,026	0.27
Bright House Networks LLC	Entertainment/Cablevision	69,922,623	0.22
International Speedway Corporation	Recreation	67,582,152	0.21
Volusia Mall LLC	Retail Sales/Mall	64,610,252	0.20
Publix Super Markets, Inc.	Retail Sales	31,541,400	0.10
Subtotal Principal Taxpayers		1,752,048,824	5.53
All Other Taxpayers		29,790,710,206	94.47
Total		\$ 31,542,759,030	100.00

Taxpayer	Type of Business	Fiscal Year 1997	
		1996 Taxable Value	Percent of Total Taxable Value
Florida Power and Light Co.	Electric Utility	\$ 266,248,768	2.02
Florida Power Corp/Progress Energy	Electric Utility	189,250,968	1.44
BellSouth Telecommunication	Telephone	184,186,472	1.40
Aqua Sun Investments	Investments	71,103,671	0.54
R.R. Donnelley & Sons Company	Advertising	44,173,131	0.34
Wal-Mart Stores, Inc	Retail Sales	25,963,182	0.20
Publix Super Markets, Inc.	Retail Sales	23,073,741	0.18
Florida Water Services Company	Utility	22,316,872	0.17
SunTrust Bank of East Central FL	Bank	20,848,394	0.16
News Journal Corporation	Newspaper	20,551,946	0.16
Subtotal Principal Taxpayers		867,717,145	6.61
All Other Taxpayers		12,293,535,243	93.39
Total		\$ 13,161,252,388	100.00

Source: County of Volusia, Financial and Administrative Services

SCHEDULE 8
COUNTY OF VOLUSIA, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Collected to End of Tax Year			Collected in Fiscal Year		
		Current Tax Collections	Percent of Levy	Delinquent Collections	Total Collections	Percent of Levy	
2006	\$ 228,806,778	\$ 220,120,009	96.20	\$ 497,418	\$ 220,617,427	96.42	
2005	198,273,250	190,705,652	96.18	760,442	191,466,094	96.57	
2004	170,494,466	163,876,307	96.12	790,960	164,667,267	96.58	
2003	148,318,324	142,620,444	96.16	565,581	143,186,025	96.54	
2002	135,508,650	130,370,040	96.21	626,214	130,996,254	96.67	
2001	121,274,071	116,558,957	96.11	2,292,857	118,851,814	98.00	
2000	114,095,519	109,495,919	95.97	483,466	109,979,385	96.39	
1999	108,425,945	104,128,847	96.04	415,442	104,544,289	96.42	
1998	104,397,497	100,206,255	95.99	384,230	100,590,485	96.35	
1997	97,397,787	93,522,850	96.02	403,264	93,926,114	96.44	

Note: For additional information regarding property tax payment discounts, see Note 4 of the Notes to the Financial Statements.

Source: County of Volusia, Financial and Administrative Services

SCHEDULE 9
COUNTY OF VOLUSIA, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

GOVERNMENTAL ACTIVITIES

Fiscal Year	General Obligation Bonds	Total Revenue Bonds	Special Assessment Bonds	Notes Payable
2006	\$ 39,875,000	\$ 230,130,000	\$ -	\$ 20,951,189
2005	-	238,905,000	-	17,411,425
2004	-	183,465,000	-	14,905,162
2003	-	126,605,000	60,000	11,954,625
2002	-	133,165,000	350,000	10,004,343
2001	4,620,000	140,150,000	670,000	7,446,728
2000	6,380,000	146,433,112	990,000	6,503,328
1999	8,050,000	153,301,224	1,315,000	6,438,558
1998	9,635,000	109,859,335	1,650,000	7,216,342
1997	11,140,000	115,449,335	2,000,000	6,498,021

* Not Available

Source: County of Volusia, Financial and Administrative Services

BUSINESS-TYPE ACTIVITIES					
Airport System Revenue Bonds	Water/Sewer Revenue Bonds	Notes Payable	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 36,915,000	\$ 9,610,000	\$ 13,164,979	\$ 350,646,168	*	\$ 695.94
38,320,000	10,135,000	12,082,933	316,854,358	2.35	640.56
39,660,000	10,645,000	17,872,877	266,548,039	2.11	550.63
40,800,000	10,960,000	19,512,460	209,892,085	1.76	445.85
41,425,000	11,095,000	18,684,971	214,724,314	1.89	467.23
42,445,000	11,490,000	19,285,807	226,107,535	2.10	500.18
42,750,000	11,870,000	17,533,576	232,460,016	2.32	524.33
44,315,000	12,185,000	8,415,352	234,020,134	2.43	548.29
45,180,000	12,275,000	8,333,475	194,149,152	2.11	461.79
46,000,000	11,920,000	149,479	193,156,835	2.20	466.94

SCHEDULE 10
COUNTY OF VOLUSIA, FLORIDA
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

LIMITED TAX GENERAL OBLIGATION BONDS

Fiscal Year	GENERAL BONDED DEBT OUTSTANDING			Percentage of Personal Income	Percentage of Assessed Value of Taxable Property	Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Principal Payments	Net General Bonded Debt Outstanding			
2006	\$ 39,875,000	\$ 1,685,000	\$ 38,190,000	*	0.07	\$ 75.80
2005	-	-	-	-	-	-
2004	-	-	-	-	-	-
2003	-	-	-	-	-	-
2002	-	-	-	-	-	-
2001	4,620,000	3,177,720	1,442,280	0.01	0.01	3.19
2000	6,380,000	2,380,418	3,999,582	0.04	0.02	9.02
1999	8,050,000	1,816,922	6,233,078	0.06	0.03	14.60
1998	9,635,000	1,387,584	8,247,416	0.09	0.05	19.62
1997	11,140,000	964,099	10,175,901	0.12	0.06	24.60

* Not Available

Note: During fiscal year 2006, the County of Volusia issued \$39,875,000 Volusia Forever Limited Tax general obligation bonds to provide resources to acquire environmentally sensitive lands. This bond issue was approved in a referendum in November 2000, providing for a tax levy of up to \$0.20 per \$1,000 of taxable value for a twenty year period.

For the years 1997-2001, the information relates to a different limited tax general obligation bond series whose purpose was the acquisition of recreational and endangered lands. Its referendum from 1987 provided for a maximum tax levy of \$0.25 per \$1,000 of taxable value. This debt was retired in fiscal year 2001.

Source: County of Volusia, Financial and Administrative Services

SCHEDULE 11
COUNTY OF VOLUSIA, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2006

Municipality/ Unincorporated Area	Percent of Taxable Value to Total County	Pro-rated Share of County-wide General Obligation Net Debt	Municipalities' General Obligation Net Debt	Total County Direct Debt and Share of Municipalities' Overlapping Debt
Daytona Beach	14.43	\$ 6,922,071	\$ 22,770,000	\$ 29,692,071
Daytona Beach Shores	4.89	2,345,733	-	2,345,733
DeBary	5.06	2,427,282	-	2,427,282
DeLand	4.48	2,149,056	3,832,058	5,981,114
Deltona	8.65	4,149,405	-	4,149,405
Edgewater	2.86	1,371,942	-	1,371,942
Flagler Beach	0.03	14,391	-	14,391
Holly Hill	1.67	801,099	-	801,099
Lake Helen	0.35	167,895	-	167,895
New Smyrna Beach	9.84	4,720,248	17,605,000	22,325,248
Oak Hill	0.34	163,098	-	163,098
Orange City	1.63	781,911	-	781,911
Ormond Beach	9.33	4,475,601	7,117,000	11,592,601
Pierson	0.16	76,752	-	76,752
Ponce Inlet	3.09	1,482,273	-	1,482,273
Port Orange	8.35	4,005,495	17,835,000	21,840,495
South Daytona	1.85	887,445	-	887,445
Unincorporated Areas:				
Silver Sands/Bethune Bch MSD	2.89	1,386,333	-	1,386,333
All Other Unincorporated	20.10	9,641,970	-	9,641,970
TOTAL	100.00	\$ 47,970,000	\$ 69,159,058	\$ 117,129,058

The county-wide net debt amount is comprised of \$38,190,000 of the County of Volusia's Limited Tax general obligation bonds and \$9,780,000 of debt issued by the School Board of Volusia County. As of the end of the year, the net outstanding amounts total \$47,970,000.

Source: County of Volusia, Financial and Administrative Services

SCHEDULE 12
COUNTY OF VOLUSIA, FLORIDA
LEGAL DEBT MARGIN INFORMATION
SEPTEMBER 30, 2006

The Constitution of the State of Florida, Florida Statute 200.181, and the Charter of the County of Volusia set no legal debt margin.

Source: County of Volusia, Financial and Administrative Services



SCHEDULE 13
COUNTY OF VOLUSIA, FLORIDA
PLEDGED REVENUE COVERAGES
LAST TEN FISCAL YEARS

Governmental Activities	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003	Fiscal Year 2002
Revenue Bonds-Sales Tax Improvement					
Local government half-cent sales tax	\$ 19,741,407	\$ 19,603,709	\$ 17,817,913	\$ 18,383,901	\$ 17,257,335
Interest revenue	196,719	73,596	21,845	49,597	139,928
Available revenue	<u>\$ 19,938,126</u>	<u>\$ 19,677,305</u>	<u>\$ 17,839,758</u>	<u>\$ 18,433,498</u>	<u>\$ 17,397,263</u>
Debt service:					
Principal	\$ 4,870,000	\$ 4,995,000	\$ 4,570,000	\$ 4,120,000	\$ 3,615,000
Interest	3,808,566	4,003,675	4,181,072	4,895,965	4,536,481
Total debt service	<u>\$ 8,678,566</u>	<u>\$ 8,998,675</u>	<u>\$ 8,751,072</u>	<u>\$ 9,015,965</u>	<u>\$ 8,151,481</u>
Coverage	2.30	2.19	2.04	2.04	2.13
Revenue Bonds-Tourist Development Bonds					
Resort Tax	\$ 7,737,905	\$ 7,442,327	\$ 7,619,905	\$ 5,350,497	\$ 4,723,527
Interest revenue	124,371	61,008	42,729	93,931	80,533
Available revenue	<u>\$ 7,862,276</u>	<u>\$ 7,503,335</u>	<u>\$ 7,662,634</u>	<u>\$ 5,444,428</u>	<u>\$ 4,804,060</u>
Debt service:					
Principal	\$ 1,915,000	\$ 1,700,000	\$ 1,645,000	\$ -	\$ 1,375,000
Interest	2,788,513	2,255,233	615,288	2,197,435	1,216,687
Total debt service	<u>\$ 4,703,513</u>	<u>\$ 3,955,233</u>	<u>\$ 2,260,288</u>	<u>\$ 2,197,435</u>	<u>\$ 2,591,687</u>
Coverage	1.67	1.90	3.39	2.48	1.85
Revenue Bonds-Gas Tax Bonds					
Ninth Cent Gas Tax	\$ -	\$ 2,499,566	\$ 2,355,884	\$ 2,253,395	\$ 2,215,973
Six Cent Local Option Fuel Tax	7,805,466	7,897,027	-	-	-
Interest revenue	102,819	38,355	1,834	5,423	10,492
Available revenue	<u>\$ 7,908,285</u>	<u>\$ 10,434,948</u>	<u>\$ 2,357,718</u>	<u>\$ 2,258,818</u>	<u>\$ 2,226,465</u>
Debt service:					
Principal	\$ 2,435,000	\$ 2,505,000	\$ 480,000	\$ 480,000	\$ 480,000
Interest	2,554,120	2,403,994	41,899	72,372	102,372
Total debt service	<u>\$ 4,989,120</u>	<u>\$ 4,908,994</u>	<u>\$ 521,899</u>	<u>\$ 552,372</u>	<u>\$ 582,372</u>
Coverage	1.59	2.13	4.52	4.09	3.82
Revenue Bonds-Guaranteed Entitlement					
Guaranteed entitlement-State revenue sharing	\$ -	\$ -	\$ 2,224,000	\$ 2,224,000	\$ 2,224,000
Moving violations surcharge	-	-	720,183	775,034	817,378
Interest revenue	-	-	3,194	13,539	34,081
Available revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,947,377</u>	<u>\$ 3,012,573</u>	<u>\$ 3,075,459</u>
Debt service:					
Principal	\$ -	\$ -	\$ 1,770,000	\$ 1,590,000	\$ 1,515,000
Interest	-	-	90,042	211,026	285,764
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,860,042</u>	<u>\$ 1,801,026</u>	<u>\$ 1,800,764</u>
Coverage	-	-	1.58	1.67	1.71

Fiscal Year 2001	Fiscal Year 2000	Fiscal Year 1999	Fiscal Year 1998	Fiscal Year 1997
\$ 15,385,150	\$ 14,535,466	\$ 13,685,538	\$ 12,551,059	\$ 11,778,763
366,114	227,499	152,824	403,020	198,677
<u>\$ 15,751,264</u>	<u>\$ 14,762,965</u>	<u>\$ 13,838,362</u>	<u>\$ 12,954,079</u>	<u>\$ 11,977,440</u>
1.78	1.66	1.85	2.01	2.05
\$ 3,440,000	\$ 3,145,000	\$ 2,840,000	\$ 2,705,000	\$ 2,285,000
5,424,107	5,723,573	4,636,756	3,731,040	3,566,583
<u>\$ 8,864,107</u>	<u>\$ 8,868,573</u>	<u>\$ 7,476,756</u>	<u>\$ 6,436,040</u>	<u>\$ 5,851,583</u>
1.78	1.66	1.85	2.01	2.05
\$ 4,643,928	\$ 4,446,061	\$ 4,264,406	\$ 3,830,873	\$ 3,877,143
241,330	210,940	155,609	204,447	195,717
<u>\$ 4,885,258</u>	<u>\$ 4,657,001</u>	<u>\$ 4,420,015</u>	<u>\$ 4,035,320</u>	<u>\$ 4,072,860</u>
\$ 1,315,000	\$ 1,260,000	\$ 1,205,000	\$ 1,155,000	\$ 1,115,000
1,277,912	1,336,140	1,388,193	1,436,621	1,480,453
<u>\$ 2,592,912</u>	<u>\$ 2,596,140</u>	<u>\$ 2,593,193</u>	<u>\$ 2,591,621</u>	<u>\$ 2,595,453</u>
1.88	1.79	1.70	1.56	1.57
\$ 2,213,446	\$ 2,248,007	\$ 2,315,042	\$ 2,132,172	\$ 2,247,539
-	-	-	-	-
29,076	16,436	98,440	174,732	137,572
<u>\$ 2,242,522</u>	<u>\$ 2,264,443</u>	<u>\$ 2,413,482</u>	<u>\$ 2,306,904</u>	<u>\$ 2,385,111</u>
\$ 480,000	\$ 480,000	\$ 470,000	\$ 480,000	\$ 480,000
131,652	160,261	186,040	212,040	237,532
<u>\$ 611,652</u>	<u>\$ 640,261</u>	<u>\$ 656,040</u>	<u>\$ 692,040</u>	<u>\$ 717,532</u>
3.67	3.54	3.68	3.33	3.32
\$ 2,224,000	\$ 2,224,000	\$ 2,224,000	\$ 2,224,000	\$ 2,224,000
778,014	708,049	635,493	587,050	632,408
103,734	56,751	17,415	77,652	63,585
<u>\$ 3,105,748</u>	<u>\$ 2,988,800</u>	<u>\$ 2,876,908</u>	<u>\$ 2,888,702</u>	<u>\$ 2,919,993</u>
\$ 1,440,000	\$ 1,370,000	\$ 1,310,000	\$ 1,250,000	\$ 1,200,000
355,585	419,485	481,555	534,885	586,585
<u>\$ 1,795,585</u>	<u>\$ 1,789,485</u>	<u>\$ 1,791,555</u>	<u>\$ 1,784,885</u>	<u>\$ 1,786,585</u>
1.73	1.67	1.61	1.62	1.63

SCHEDULE 13
COUNTY OF VOLUSIA, FLORIDA
PLEDGED REVENUE COVERAGES
LAST TEN FISCAL YEARS

Governmental Activities	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003	Fiscal Year 2002
Revenue Bonds-Service Fee Limited					
Court facility fees	\$ -	\$ -	\$ -	\$ -	\$ -
Interest revenue	-	-	-	-	-
Available revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt service:					
Principal-optional redemptions	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Coverage	-	-	-	-	-
 Special Assessment Bonds-Bethune Beach Wastewater Project					
Special assessments levied	\$ -	\$ -	\$ 25,378	\$ 208,508	\$ 241,645
Interest revenue	-	-	4,653	38,230	52,315
Available revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,031</u>	<u>\$ 246,738</u>	<u>\$ 293,960</u>
Debt service:					
Principal-scheduled payments	\$ -	\$ -	\$ 60,000	\$ 270,000	\$ 275,000
Principal-optional redemptions	-	-	-	20,000	45,000
Interest	-	-	4,862	25,205	46,691
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,862</u>	<u>\$ 315,205</u>	<u>\$ 366,691</u>
Coverage	-	-	0.46	0.78	0.80

Fiscal Year 2001	Fiscal Year 2000	Fiscal Year 1999	Fiscal Year 1998	Fiscal Year 1997
\$ 390,920	\$ 362,236	\$ 353,656	\$ 354,061	\$ 366,684
14,664	37,562	34,794	74,412	57,620
<u>\$ 405,584</u>	<u>\$ 399,798</u>	<u>\$ 388,450</u>	<u>\$ 428,473</u>	<u>\$ 424,304</u>
\$ 613,112	\$ 613,112	\$ 613,111	\$ -	\$ -
49,049	98,098	147,147	147,147	147,147
<u>\$ 662,161</u>	<u>\$ 711,210</u>	<u>\$ 760,258</u>	<u>\$ 147,147</u>	<u>\$ 147,147</u>
0.61	0.56	0.51	2.91	2.88
\$ 265,606	\$ 262,037	\$ 266,116	\$ 293,645	\$ 283,449
89,894	104,583	126,577	162,659	185,172
<u>\$ 355,500</u>	<u>\$ 366,620</u>	<u>\$ 392,693</u>	<u>\$ 456,304</u>	<u>\$ 468,621</u>
\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000
45,000	50,000	60,000	75,000	55,000
68,834	90,252	110,875	134,001	154,347
<u>\$ 388,834</u>	<u>\$ 415,252</u>	<u>\$ 445,875</u>	<u>\$ 484,001</u>	<u>\$ 484,347</u>
0.91	0.88	0.88	0.94	0.97

SCHEDULE 13
COUNTY OF VOLUSIA, FLORIDA
PLEDGED REVENUE COVERAGES
LAST TEN FISCAL YEARS

Business-Type Activities	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003	Fiscal Year 2002
Revenue Bonds-Airport System					
Revenues available (A) & (B)					
Net operating income (loss)	\$ (4,639,014)	\$ (4,433,359)	\$ (3,650,679)	\$ (4,286,345)	\$ (1,359,264)
Add:					
Operating grants	2,856,047	4,059,575	2,744,739	1,519,127	1,709,628
Non-cash expenses:					
Depreciation	4,547,813	5,049,444	4,310,189	3,958,421	3,929,276
Cash balance from prior year:					
Operating fund	11,905,672	4,211,559	3,134,683	3,865,230	-
Debt service fund	2,576,623	2,542,166	2,510,213	2,257,565	2,437,979
Total available revenue (A) & (B)	<u>\$ 17,247,141</u>	<u>\$ 11,429,385</u>	<u>\$ 9,049,145</u>	<u>\$ 7,313,998</u>	<u>\$ 6,717,619</u>
Debt service:					
Principal	\$ 1,475,000	\$ 1,405,000	\$ 1,340,000	\$ 1,140,000	\$ 1,080,000
Interest	2,203,245	2,274,333	2,340,425	2,443,107	2,715,958
Total debt service	3,678,245	3,679,333	3,680,425	3,583,107	3,795,958
Funds					
Sinking (A) & (B)	-	-	-	-	-
Rebate (A) & (B)	-	-	-	-	-
Renewal and replacement (A) & (B)	-	-	-	-	-
Operations and maintenance reserve fund (A)	-	-	-	-	-
Operations and maintenance reserve fund (B)	84,229	(72,005)	146,803	179,753	215,906
Total requirement (A)	<u>\$ 3,678,245</u>	<u>\$ 3,679,333</u>	<u>\$ 3,680,425</u>	<u>\$ 3,583,107</u>	<u>\$ 3,795,958</u>
Total requirement (B)	<u>\$ 3,762,474</u>	<u>\$ 3,607,328</u>	<u>\$ 3,827,228</u>	<u>\$ 3,762,860</u>	<u>\$ 4,011,864</u>
Coverage (A)	4.69	3.11	2.46	2.04	1.77
Coverage (B)	4.58	3.17	2.36	1.94	1.67
Revenue Bonds-Water and Sewer					
Revenues available (A)					
Net operating income	\$ 2,219,702	\$ 1,156,525	\$ 2,079,510	\$ 775,921	\$ 913,649
Add:					
Non-cash expenses: depreciation	2,377,699	2,135,859	1,868,857	1,737,937	1,679,274
Total available revenue (A)	<u>\$ 4,597,401</u>	<u>\$ 3,292,384</u>	<u>\$ 3,948,367</u>	<u>\$ 2,513,858</u>	<u>\$ 2,592,923</u>
Revenues available (B)					
Net operating income	\$ 2,219,702	\$ 1,156,525	\$ 2,079,510	\$ 774,921	\$ 913,649
Add:					
Non-cash expenses: depreciation	2,377,699	2,135,859	1,868,857	1,737,937	1,679,274
Connection fees & CIAC	1,993,419	828,566	2,635,445	2,614,621	1,578,478
Total available revenue (B)	<u>\$ 6,590,820</u>	<u>\$ 4,120,950</u>	<u>\$ 6,583,812</u>	<u>\$ 5,127,479</u>	<u>\$ 4,171,401</u>
Debt service:					
Principal	\$ 540,000	\$ 525,000	\$ 510,000	\$ 315,000	\$ 415,000
Interest	351,026	368,666	385,566	402,308	536,174
Total debt service	<u>\$ 891,026</u>	<u>\$ 893,666</u>	<u>\$ 895,566</u>	<u>\$ 717,308</u>	<u>\$ 951,174</u>
Coverage (A)	5.16	3.68	4.41	3.50	2.73
Coverage (B)	7.40	4.61	7.35	7.15	4.39

Source: County of Volusia, Financial and Administrative Services

Fiscal Year 2001	Fiscal Year 2000	Fiscal Year 1999	Fiscal Year 1998	Fiscal Year 1997
\$ (2,152,368)	\$ (730,943)	\$ (555,623)	\$ (41,137)	\$ 340,396
2,268,449	1,079,668	1,079,668	-	1,079,668
3,869,844	3,678,818	3,550,878	4,044,891	3,128,770
-	-	-	-	-
2,407,923	987,935	2,351,114	2,330,011	2,287,544
<u>\$ 6,393,848</u>	<u>\$ 5,015,478</u>	<u>\$ 6,426,037</u>	<u>\$ 6,333,765</u>	<u>\$ 6,836,378</u>
\$ 1,020,000	\$ 305,000	\$ 910,000	\$ 865,000	\$ 820,000
2,775,845	2,098,417	2,882,228	2,930,022	2,974,175
3,795,845	2,403,417	3,792,228	3,795,022	3,794,175
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(77,987)	85,189	12,745	(31,225)	42,160
<u>\$ 3,795,845</u>	<u>\$ 2,403,417</u>	<u>\$ 3,792,228</u>	<u>\$ 3,795,022</u>	<u>\$ 3,794,175</u>
<u>\$ 3,717,858</u>	<u>\$ 2,488,606</u>	<u>\$ 3,804,973</u>	<u>\$ 3,763,797</u>	<u>\$ 3,836,335</u>
1.68	2.09	1.69	1.67	1.80
1.72	2.02	1.69	1.68	1.78
\$ 204,971	\$ 1,970,579	\$ 1,414,867	\$ 2,209,593	\$ 1,176,872
1,293,507	1,072,731	975,334	846,342	716,696
<u>\$ 1,498,478</u>	<u>\$ 3,043,310</u>	<u>\$ 2,390,201</u>	<u>\$ 3,055,935</u>	<u>\$ 1,893,568</u>
\$ 204,971	\$ 1,970,579	\$ 1,414,867	\$ 2,208,593	\$ 1,176,872
1,293,507	1,072,731	975,334	846,342	716,696
2,179,109	1,352,707	1,785,014	1,445,973	1,269,398
<u>\$ 3,677,587</u>	<u>\$ 4,396,017</u>	<u>\$ 4,175,215</u>	<u>\$ 4,500,908</u>	<u>\$ 3,162,966</u>
\$ 395,000	\$ 380,000	\$ 315,000	\$ 270,000	\$ 255,000
552,394	567,879	634,852	670,721	684,739
<u>\$ 947,394</u>	<u>\$ 947,879</u>	<u>\$ 949,852</u>	<u>\$ 940,721</u>	<u>\$ 939,739</u>
1.58	3.21	2.52	3.25	2.01
3.88	4.64	4.40	4.78	3.37

SCHEDULE 14
COUNTY OF VOLUSIA, FLORIDA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (in Thousands) (1)	Per Capita Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (percent) (3)
2006	503,844	*	*	*	65,407	3.1
2005	494,649	\$ 13,459,894	\$ 27,211	*	65,537	3.4
2004	484,080	12,509,255	26,118	43.6	64,968	5.0
2003	470,770	11,719,100	25,403	43.6	63,882	5.2
2002	459,569	11,356,533	24,747	43.2	62,881	5.1
2001	452,050	10,773,256	23,832	42.4	62,490	4.0
2000	443,343	10,008,025	22,574	42.4	61,437	3.0
1999	426,815	9,630,654	22,564	42.1	60,543	3.0
1998	420,431	9,215,848	21,920	*	59,945	3.9
1997	413,668	8,776,380	21,216	*	59,394	3.6

* Not available.

Sources: (1) Bureau of Economic & Business Research, University of Florida
(2) School Board of Volusia County (school enrollment figures are as of the second month of each school year)
(3) Florida Agency for Workforce Innovation

SCHEDULE 15
COUNTY OF VOLUSIA, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND THREE YEARS AGO

Fiscal Year 2006			Fiscal Year 2003*		
Employer	Number of Employees	Percent of Total Employment	Employer	Number of Employees	Percent of Total Employment
Volusia County School Board	8,579	3.51	Volusia County School Board	8,341	3.88
Halifax Community Health System	5,172	2.11	Halifax Community Health System	5,062	2.35
County of Volusia	4,339	1.77	County of Volusia	3,998	1.86
Publix Supermarkets Incorporated	2,717	1.11	Publix Supermarkets Incorporated	2,796	1.30
NASCAR	1,700	0.69	Embry Riddle Aeronautical University	2,189	1.02
Florida Hospital Ormond Memorial	1,574	0.64	Memorial Health Systems	1,398	0.65
Embry Riddle Aeronautical University	1,161	0.47	City of Daytona Beach	1,126	0.52
United States Postal Service	956	0.39	Daytona Beach Community College	899	0.42
City of Daytona Beach	952	0.39	Tyco Healthcare Kendall Products	770	0.36
Daytona Beach Community College	894	0.37	United States Postal Service	733	0.34
Total	28,044	11.45	Total	27,312	12.70
Estimated total workforce	244,648		Estimated total workforce	215,045	

* Note: Information was not available before fiscal year 2003.

Sources: County of Volusia, Department of Economic Development
Labor Market Statistics, Florida Research and Economic Database

SCHEDULE 16
COUNTY OF VOLUSIA, FLORIDA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS

	FISCAL YEAR				
	2006	2005	2004	2003	2002
Governmental Activities:					
General Government	1,962.5	1,900.5	1,830.5	1,737.5	1,698.5
Public Safety	444.5	438.5	400.5	367.5	367.5
Physical Environment	84.0	80.0	80.0	80.0	80.0
Transportation	239.0	236.0	236.0	236.0	235.0
Economic Environment	12.0	16.0	15.0	15.0	15.0
Human Services	47.0	47.0	47.0	47.0	47.0
Culture/Recreation	258.0	255.0	230.0	228.0	224.0
Business-Type Activities:					
Refuse Disposal	74.0	76.0	76.0	76.0	76.0
Daytona Beach International Airport	53.0	53.0	53.0	56.0	64.0
Water and Sewer Utilities	56.0	54.0	53.0	52.0	50.0
Total Full-Time Equivalent Employees	3,230.0	3,156.0	3,021.0	2,895.0	2,857.0

Note: Based on budgeted positions. Information was not available before fiscal year 2000.

Source: County of Volusia, Management and Budget Department

FISCAL YEAR	
2001	2000
1,675.4	1,645.1
368.5	367.5
78.0	79.0
243.0	243.0
6.0	4.0
47.0	47.0
222.0	219.0
75.8	75.8
61.5	63.0
47.0	45.0
2,824.2	2,788.4

SCHEDULE 17
COUNTY OF VOLUSIA, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST THREE FISCAL YEARS

	FISCAL YEAR		
	2006	2005	2004
Governmental Activities:			
General Government			
Number of municipal elections conducted	23	7	18
Number of payment vouchers processed	86,056	86,500	86,903
Number of vehicles maintained	2,087	2,170	2,166
Number of employment applications processed	21,354	14,500	14,000
Public Safety			
Number of animal licenses sold	4,506	5,112	6,149
Number of dogs & cats picked up by Animal Control	1,237	2,725	3,316
Number of inmates oriented, classified and counseled	15,110	14,820	14,230
Annual call load for Volusia County Fire Services (calendar year statistics)	18,526	17,115	17,600
Number of deaths investigated by Medical Examiner	913	935	886
Number of E-911 calls received in Office of the Sheriff	242,508	212,610	302,178
Number of building permits issued	9,030	9,507	6,128
Transportation			
Miles of paved roads	944	925	923
Miles of dirt roads	113	125	131
Bascule Bridges	3	3	3
Miles of bike paths and sidewalks	157	159	151
Number of traffic signals & other electronic traffic control devices maintained	419	540	490
Human Services			
Number of clients receiving general fund direct emergency assistance	6,574	5,677	6,365
Culture/Recreation			
Number of visitors to the Marine Science Center	45,686	41,105	44,602
Total Library circulation	3,860,571	4,487,964	4,636,025
Number of Library users of electronic resources	763,050	729,015	698,048
Number of events held at Ocean Center	86	111	82
Business-type Activities:			
Refuse Disposal			
Tons of solid waste processed per year	728,748	709,528	670,870
Number of unincorporated residential units served per year	43,503	42,444	41,328
Daytona Beach International Airport			
Number of scheduled flights	5,057	6,306	6,092
Enplanements (passengers)	275,997	320,089	310,806
Deplanements (passengers)	274,053	320,156	307,481
Air Freight (pounds)	179,961	146,257	132,228
Air Express (pounds)	206,993	293,266	261,220
Water and Sewer Utilities			
Number of customers: water	14,666	14,871	13,860
Number of customers: sewer	10,594	10,147	9,653
Number of new meter installations	1,407	645	650
Volusia Transportation Authority			
Number of fixed route passengers	3,021,643	2,897,111	2,787,640
Number of fixed route miles traveled	2,746,881	2,727,625	2,712,747
Number of fixed routes	26	26	26
Percent of on-time performance	90%	88%	89%

Sources: Various County of Volusia departments

SCHEDULE 18
COUNTY OF VOLUSIA, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTIONAL DEPARTMENT
LAST THREE FISCAL YEARS

	FISCAL YEAR		
	2006	2005	2004
Governmental Activities:			
General Government			
Number of administrative/office facilities	128	128	128
Number of warehouse/industrial facilities	67	67	67
Total number of facilities operated & maintained	195	195	195
Square footage of facilities operated & maintained	1,813,608	1,813,608	1,813,608
Number of light-duty vehicles	487	499	498
Number of medium-duty vehicles	662	632	632
Number of heavy-duty vehicles	938	1,039	1,036
Public Safety			
Total number of fire apparatus	138	136	135
Number of ladder trucks	1	1	1
Number of pumper trucks	28	28	27
Number of fire stations	24	23	22
Number of sheriff vehicles	567	554	558
Average age of sheriff vehicles (years)	3	3	5
Average annual mileage per sheriff vehicle	36,000	36,000	36,000
Transportation			
Total paved lane miles	944	925	923
Total unpaved lane miles	113	125	131
Culture/Recreation			
Park acres	11,210	11,210	11,210
Park acreage - developed	793	785	785
Recreation/community centers	5	5	5
Baseball/softball diamonds	26	26	26
Playgrounds	24	24	24
Tennis courts	6	6	6
Basketball courts	14	14	13
Soccer/football fields	5	5	5
Business-type Activities:			
Water and Sewer Utilities			
Treatment capacity (peak - million gallons/day)	4.572	3.855	3.823
Storage capacity (million gallons)	8.37	8.37	8.37
Distribution mains (miles)	231	231	231
Supply wells	25	26	26
Sewer lines	185	185	185
Lift stations	109	104	102
Treatment capacity (million gallons per day)	2.35	2.42	2.21
Volusia Transportation Authority			
Number of fixed route Votran buses	56	56	56
Number of fixed miles traveled	2,746,881	2,727,625	2,712,747

Sources: Various County of Volusia departments



JAMES MOORE & CO., P.L.

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

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

To the Honorable County Council Members
of the County of Volusia, Florida:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Volusia, Florida, as of and for the year ended September 30, 2006, which collectively comprise the County of Volusia, Florida's basic financial statements as listed in the table of contents and have issued our report thereon dated February 7, 2007. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Clerk of the Circuit Court, County of Volusia, Florida and Emergency Medical Foundation, Inc., as described in our report on the County of Volusia, Florida's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by the auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Volusia, Florida's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County of Volusia, Florida's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described below.

VOTRAN Accounting

The County contracts with McDonald Transit Associates, Inc (McDT), to manage and operate its public transit system, or VOTRAN. To carry out its responsibilities under the contract, McDT established Volusia Transit Management, Inc. (VTM), a wholly owned subsidiary of McDT.

As part of its operations, VTM maintained several bank accounts to receive and expense funds for operating activities not the direct responsibility of the County, and for paratransit services to transport Medicaid-eligible recipients.

In the performance of our audit procedures, it was noted the finance director at VOTRAN had incompatible duties related to the handling of cash. These duties/responsibilities included check preparation, check signing, bank deposit preparation, recording of cash receipts, review of bank reconciliations and preparation of journal entries for submission to the County's Accounting department. Although a second signature was required on each check, a stamp was often used as the second signature. In addition, check registers were manually prepared.

Internal controls are designed to safeguard assets and help prevent or detect losses from employee dishonesty or error. In the performance of our audit procedures, no improprieties related to the VOTRAN cash accounts were found. However, we believe the following practices should be implemented to improve internal control as well as efficiency:

- Mail should be opened by an employee independent of accounting, and a record of cash receipts maintained.
- The person preparing bank reconciliations should not have related cash receipt or disbursement duties. Bank statements, canceled checks, and enclosures should be received by someone other than employees maintaining cash records. Such items should be periodically reviewed prior to completion of the reconciliation. Unusual items noted during the review should be investigated promptly.
- Bank deposits should be prepared by someone independent of the cash recording process.

A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

Management Comments

Our report on internal control over financial reporting has been presented in the previous section of this report. The purpose of this section is to disclose conditions, which do not materially affect the financial statements of the County of Volusia, Florida. The following comments and recommendations are made to assist the County Council and management in administering future operations.

Risk Management

The County is self insured for certain risks such as workers' compensation, general liability, automobile liability, and property damage. Annually, the County obtains actuary reports to determine estimated losses outstanding for those risks. Currently, the primary use of the actuary report is to record the estimated claims liability for financial statement reporting purposes. The actuary report includes information on trends and anticipated maximum loss exposures by type and year.

1) We recommend the County have an independent analysis of the information in the actuary report. This analysis should include the identification of unexpected trends, large changes in estimates, and the expected penetration of reinsurance. This information is critical in determining the suitable amount of reinsurance coverage and should be used to skillfully negotiate premiums with the reinsurer. Throughout the year, the County should also have an analysis performed of the underlying claims data to determine if claims are being managed efficiently and effectively. For example, some of the analyses the County should address are claims closure rates, average costs per claim, costs per medical only claims, and claims per adjuster. This information should then be compared to industry benchmarks. Armed with this data, the County could rest assured they have mitigated overall risk to the maximum extent possible.

2) Risk Management does not have written policies documenting job responsibilities and daily functions, procedures to be performed on a regular basis, month-end procedures, or internal controls. We recommend Risk Management reinforce policies in a formal written document to ensure employees are adhering to the policies and internal controls. Such policies should include but are not limited to the following:

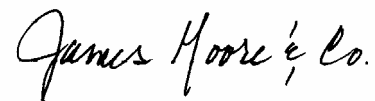
- Personnel job descriptions.
- Duties to be performed by staff.
- Documentation of internal controls.
- Policy in regards to administration of invoices.
- Policy in regards to approval of payments and reserve estimates.
- Policy requiring frequent status update documentation in claim files.
- Documentation of reports to be run on a regular basis.
- Dollar thresholds requiring additional reviews.
- Items required to be reported to the claims committee.

The creation of a policy document will reduce the risk of deviation from policy, provide guidelines for improved workflow, and enable easier transitions in case of employee turnover.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Volusia, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the County Council and management, the Auditor General of the State of Florida, and respective federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Daytona Beach, Florida
February 7, 2007

THIS PAGE INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

**SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

AND

STATE FINANCIAL ASSISTANCE

COUNTY OF VOLUSIA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2006

FEDERAL / STATE AGENCY PASS-THROUGH ENTITY FEDERAL PROGRAM / STATE PROJECT	CFDA/ CSFA NUMBER	CONTRACT GRANT IDENTIFICATION NUMBER	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
FEDERAL AGENCY				
Department of Agriculture				
Pass-Through:				
Florida Department of Education:				
USDA Summer Food Services	10.559	04-0879-06	\$ 243,905	\$ 0
Total Department of Agriculture			243,905	0
Department of Commerce				
Pass-Through:				
Executive Office of the Governor:				
Deland Crossings Industrial Park	11.302	OT-06-04-049	504,000	0
Total Department of Commerce			504,000	0
Department of Housing and Urban Development				
Direct:				
Disaster Recovery Initiative	14.228	06DB-3C-06-74-011-W-35	1,771,320	0
Housing Finance Home Investment Partnership Program	14.239	2005-120TBRA	8,315	0
Emergency Shelter Program	14.231	S(03-04)-UC-12-0021	99,755	66,937
HOME Program	14.239	M-(00-04)-DC-12-0223	1,356,119	712,616
Community Development Program	14.218	B-(00-04)-UC-12-0008	3,633,165	2,535,162
Section 8 - Voucher Program	14.871	FL-113-05	1,821,648	0
Total Department of Housing and Urban Development			8,690,322	3,314,715
Department of the Interior				
Direct:				
Lake Woodruff Fire Prevention Preparedness	15.228	401814G189	2,504	0
Total Department of the Interior			2,504	0
Department of Justice				
Direct:				
Bulletproof Vest Partnership	16.607	05026202	709	0
Byrne Memorial Justice Assistance Grant	16.738	2005-DJ-BX-0556	129,620	0
Weed & Seed - Community Services	16.595	2005-WS-Q2-0277	168,195	124,755
Office of Justice Program	16.585	2003-DC-BX-0025	171,588	0
Pass Through:				
Florida Department of Law Enforcement:				
Byrne Formula Grant Program	16.579	2006-JAGC-VOLU-1-M8-121	24,700	0
Byrne Formula Grant Program	16.579	2006-JAGC-VOLU-1-M8-117	42,118	42,118
Byrne Formula Grant Program	16.579	2006-JAGC-VOLU-1-M8-124	72,537	72,537
Byrne Formula Grant Program	16.579	2006-JAGC-VOLU-1-M8-117	32,600	32,600
Byrne Formula Grant Program	16.579	2006-JAGC-VOLU-1-M8-122	74,006	0
Florida Office of the Attorney General:				
Victims Advocate	16.575	V5194	77,786	0
Total Department of Justice			793,859	272,010
Department of Health and Human Services				
Pass Through:				
Florida Department of Community Affairs:				
Voting Access For Individuals With Disabilities	93.617	HHS VOTE	13,974	0
CSBG Program	93.569	05-SB-4N-06-74-01-033	436,589	0
Low Income Home Energy Assistance Program	93.568	06-EA-3M-06-74-01-031	654,652	0
Low Income Home Energy Assistance Program	93.568	05EA-5K-06-74-01-031	290,619	0
Total Department of Health and Human Services			1,395,834	0

**COUNTY OF VOLUSIA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

FEDERAL / STATE AGENCY PASS-THROUGH ENTITY FEDERAL PROGRAM / STATE PROJECT	CFDA/ CSFA NUMBER	CONTRACT GRANT IDENTIFICATION NUMBER	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
Department of Homeland Security				
Pass Through:				
Department of Community Affairs:				
Citizen Corps	97.004	06-CC-4K-06-74-01	4,307	0
Citizen Corps	97.004	05-CC-2U-06-74-01	12,498	0
Domestic Preparedness Strategy	97.004	05DS-2N-13-00-16-317	4,384	0
Flood Mitigation Assistance	97.039	06HM-7@-06-74-01-031	116,250	0
Flood Mitigation Assistance	97.029	06FM-65-06-74-01-221	143,972	0
Assistance to Firefighter Program	83.554	EMW-2003-FP-01802	3,315	0
Homeland Security Grant	97.067	FM235-2	89,601	0
Homeland Security Grant	97.067	FM235-3	7,317	0
Homeland Security Grant	97.067	FM235	40,380	0
Homeland Security Grant	97.067	2006-SHSP-VOLU-2-N9-042	110,000	0
State Homeland Security Program	97.004	05-DS-2N-06-74-01-405	5,940	0
State Homeland Security Program	97.004	05-DS-2N-06-74-01-123	122,292	0
State Homeland Security Program	97.067	06-DS-3W-06-74-01-401	33,294	0
Public Assistance Grant-Hurricane Charley	97.036	05-PA-C-06-74-01-703	133,483	0
Public Assistance Grant-Hurricane Frances	97.036	05-PA-G-06-74-01-198	51,100	0
Public Assistance Grant-Hurricane Jeanne	97.036	05-PA-E-06-74-01-832	513,072	0
Total Department of Homeland Security			1,391,205	0
General Services Administration				
Pass-Through:				
Department of State:				
Voter Education 05-06	39.011	Voter Education 05-06	23,610	0
Voter Education 04-05	39.011	Voter Education 04-05	45,124	0
Voting Systems Assistance	39.011	2871I	699,883	0
Total General Services Administration			768,617	0
Federal Highway Administration				
Pass Through:				
Florida Department of Transportation:				
Lake Helen Trails	20.205	ANX91	7,630	0
Lake Helen Trails	20.205	AO994	2,250	0
Bellevue Avenue Extension	20.205	ANT33	711,399	0
DeLand Train Station	20.205	AE888	340,624	0
Kepler Road Improvements	20.205	ANT32	490,036	0
Otter Boulevard Replacement Bridge	20.205	AN201	2,389	0
Airport Road Paved Shoulders	20.205	415492-1-38-01	8,383	0
Spring to Spring Trail	20.205	ANP93	542,000	0
Emergency Relief Program	20.205	ANZ05	397,882	0
US 17/92 Sidewalk Project	20.205	AO231	101,896	0
Total Federal Highway Administration			2,604,489	0
Federal Emergency Management Agency				
Pass Through:				
Florida Department of Community Affairs:				
Local Mitigation Strategy	83.557	04-DM-60-06-74-01-259	0	0
Total Federal Emergency Management Agency			0	0
Federal Transit Administration				
Direct:				
VOTRAN Capital Assistance	20.507	FL90-0367	113,635	0
VOTRAN Capital Assistance	20.507	FL90-0398	680,806	0
VOTRAN Capital Assistance	20.507	FL90-0425	1,137,274	0
VOTRAN Capital Assistance	20.507	FL90-0460	1,605,107	0
VOTRAN Capital Assistance	20.507	FL90-0474	447,504	0
VOTRAN Capital Assistance	20.507	FL90-0498	30,743	0
VOTRAN Operating and Capital Assistance	20.507	FL90-0555	3,273,736	0
Total Federal Transit Administration			7,288,805	0

**COUNTY OF VOLUSIA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

FEDERAL / STATE AGENCY PASS-THROUGH ENTITY FEDERAL PROGRAM / STATE PROJECT	CFDA/ CSFA NUMBER	CONTRACT GRANT IDENTIFICATION NUMBER	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
Federal Aviation Authority				
Direct:				
Construct Perimeter Service Road - Phase1 and Acquire Aircraft Rescue and Fire Fighting Vehicle	20.106	3-12-0017-042-2003	1,137,229	0
Expand Terminal Building (Innovative Financing Program-Phase 3)	20.106	3-12-0017-047-2005	2,377,934	0
Construct Perimeter Service Road - Phase 2 Rehab; Rehabilitate Terminal Building; Terminal Expansion; and Environmental Assessment for Instrument Landing System for Runway 7L/25R	20.106	3-12-0017-046-2004	1,767,981	0
Acquire Aircraft Rescue and Fire Fighting Vehicle; Construct Perimeter Service Road - Phase 3 Install Runway 71/25R Marking and Lighting; Remove Obstructions	20.106	3-12-0017-048-2005	956,624	0
Repair Parking Lot Booth 1 and 2, Roadway Information Signs; Condo Hangar Repair, Condo Hangar Apron/Pavement; Taxiway N2 - West Elevation; Drainage Structures; and Non-Aviation Building	20.106	3-12-0017-E1-2005	1,200,148	0
Install Instrument Landing System on Runway 25R	20.106	3-12-017-049-2006	872,247	0
Total Federal Aviation Authority			8,312,163	0
TOTAL EXPENDITURES FEDERAL AWARDS			\$ 31,995,703	\$ 3,586,725

STATE AGENCY

Florida Department of Environmental Protection

Beach Erosion Control	37.003	06V01	\$ 50,000	\$ 0
Beach Erosion Control	37.003	05V01	6,000,000	0
Beach Erosion Control	37.003	04V01	1,000,000	0
School Chemical Cleanout	N/A	SC3-06	9,245	0
Compliance Inspection '03	37.043	GC561-F/6	25,580	0
Compliance Inspection '05	37.043	GC561-H/8	0	0
Compliance Inspection '06	37.043	GC561-H/9	199,034	0
Compliance Inspection '07	37.023	GC562-10	54,186	0
Super ACT Administration '03	37.024	GC631-2	16,530	0
Super ACT Administration '90	37.024	GC60	0	0
Super ACT Administration '04	37.024	GC631-3	20,625	0
Super ACT Administration '05	37.024	GC631-5	319,638	0
Super ACT Administration '06	37.024	GC631-6	64,068	0
Litter Control Grant - Keep Volusia County Beautiful	37.015	KVCB06	36,227	0
Florida Recreation Development Assistance Program	37.017	F07040	0	0
Florida Recreation Development Assistance Program	37.017	F4283	0	0
Total Florida Department of Environmental Protection			7,795,133	0

COUNTY OF VOLUSIA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2006

FEDERAL / STATE AGENCY PASS-THROUGH ENTITY FEDERAL PROGRAM / STATE PROJECT	CFDA/ CSFA NUMBER	CONTRACT GRANT IDENTIFICATION NUMBER	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
Florida Department of State				
Division of Historic Preservation:				
Debary Hall General Program Support	45.017	05-7580	11,487	0
Division of Historic Preservation			11,487	0
Division of Library Services:				
Public Library Construction	45.02	06-PLC-21	0	0
Staying Connected Computer Grant	N/A	41499	0	0
State Aid to Libraries	45.030	05-ST-68	576,017	0
Total Division of Library Services			576,017	0
Division of Cultural Affairs:				
Cultural Arts Program	45.005	06-8011	15,156	0
Total Division of Cultural Affairs			15,156	0
Florida Department of Health				
EMS Trust Fund	64.005	C5064	30,203	0
EMS Trust Fund	64.005	C4064	78,966	0
Total Florida Department of Health			109,169	0
Florida Department of Community Affairs				
Emergency Management Preparedness Assistance	52.009	06BG-04-06-74-10-118	163,309	0
Hazardous Material	52.023	05CP-11-06-74-01-073	8,945	0
Hazardous Material	52.023	06CP-11-06-74-01-168	0	0
Hazardous Material	52.023	07CP-11-06-74-01-042	0	0
Post Disaster Recovery Plan	52.009	05CG-3A-06-74-01-323	0	0
RCMP Low to Moderate Income Retrofit Program	52.016	05-RC-11-06-74-446	73,563	0
Total Florida Department of Community Affairs			245,817	0
Florida Housing Finance Corporation				
Hurricane Housing Recovery Program	52.902	2005-2008	15,962	0
State Housing Incentive Program, (S.H.I.P.)	52.901	(02-07) 206	1,406,663	113,747
Total Florida Housing Finance Corporation			1,422,625	113,747
Florida Department of Highway Safety				
License Plate	76.041	Florida Arts License Plate	37,166	0
Total Florida Department of Highway Safety			37,166	0
Florida Executive Office of the Governor				
Economic Development Transportation Trust	31.002	05-00071	460,000	0
Economic Development Transportation Trust	31.002	04-00377	323,535	0
Total Florida Executive Office of the Governor			783,535	0
Florida Department of Law Enforcement				
Violent Crime and Drug Control	71.005	VCDC 05/06-10	50,080	0
Violent Crime and Drug Control	71.005	VCDC 05/06-26	32,825	0
Violent Crime and Drug Control	71.004	V-109701	19,882	0
Violent Crime and Drug Control	71.004	V018206	67,192	0
Violent Crime and Drug Control	71.004	99-2232	5,864	0
Total Florida Department of Law Enforcement			175,843	0
Florida Department of Management Services				
Wireless 911 Emergency Telephone System	72.001	Wireless 911	1,169,371	0
Total Florida Department of Management Services			1,169,371	0

COUNTY OF VOLUSIA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2006

FEDERAL / STATE AGENCY PASS-THROUGH ENTITY FEDERAL PROGRAM / STATE PROJECT	CFDA/ CSFA NUMBER	CONTRACT GRANT IDENTIFICATION NUMBER	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
Florida Department of Transportation				
I-4 Frontage Road	55.022	AM296	126,659	0
County Incentive Grant Program I-4 Frontage	55.008	410525-1-54-01	319,765	0
Daytona Beach Transportation Solution	55.022	AM110	181,927	0
Dunn Avenue Extension	55.008	419661-1-48-01	44,475	0
Historic Planning & Research	55.023	AOD16	14,509	0
Historic Planning & Research	55.023	ANX48	40,486	0
VOTRAN Operating Assistance	55.012	AL127/411999-1-54-01	48,882	0
VOTRAN Operating Assistance	55.007	AL348/412964-1-84-01	0	0
VOTRAN Operating Assistance	55.007	AM980/247085-1-84-01	1,761,581	0
VOTRAN Operating Assistance	55.007	AM728/247084-1-84-01	103,941	0
VOTRAN Operating Assistance	55.007	ANU58/418206-1-84-01	45,067	0
VOTRAN Operating Assistance	55.007	AN274/404422-1-84-01	78,467	0
VOTRAN Operating Assistance	55.007	ANF36/415592-1-84-01	1,176	0
VOTRAN Operating Assistance	55.007	ANT07/414334-1-84-01	52,249	0
VOTRAN Commission for the Transportation Disadvantaged	55.001	AO216/248541-3-84-01	730,965	0
AIRPORT PROJECTS:				
Operational/Maintenance Costs-Enhanced Federal Security	55.004	ANL48/404986 1 94 01	186,577	0
Design and Construction of Aircraft Hangars	55.004	ANC09/41541419401	6,350	0
Land Acquisition and Associated Development Services, Including Design, Environmental Assessment, and Utility Site Prep	55.004	AO527/409682-1-94-01	2,000,000	0
Repair/Replacement of Facilities and Equipment Damaged By Hurricanes of 2004	55.004	ANV81/418783-1-94-01	0	0
Construct Perimeter Service Road - Phase I, Phase 2, & Phase 3	55.004	ANC12/41541319401	100,339	0
Land Acquisition and Associated Development Services, Including Design, Environmental Assessment, and Utility Site Prep	55.004	ANT74/410090-1-94-01	4,421,359	0
Provide Payment on Bonds	55.004	AN027/40945119401	62,577	0
Repair Facilities - Hurricanes Charley/Frances	55.004	ANP91/404987-1-94-01	15,199	0
Purchase of a New Fire Rescue and Fire Fighting (ARFF) Vehicle Hurricanes of 2004	55.004	AO45/419037-1-94-01	17,729	0
Airfield Signage and Parkings - FAR Part 139 Airport Operating Certificate (Including Obstruction Removal, Runway Safety Area Improvements, and Runway Lighting)	55.004	ANR00/40759519401	7,091	0
Environmental Assessment for Instrument Landing System on Runway 7L/25R (To Include Design and Construction of an Instrument Landing System on Runway 25R)	55.004	ANQ98/40759619401	23,188	0
Total Florida Department of Transportation			10,390,558	0
TOTAL STATE FINANCIAL ASSISTANCE			\$ 22,731,877	\$ 113,747

**COUNTY OF VOLUSIA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

I. Summary of Auditors' Results:

- A. Type of audit report issued on the basic financial statements: Unqualified
- B. There was one material weakness related to internal control over financial reporting disclosed by the audit of the basic financial statements.
- C. No instances of noncompliance material to the financial statements of County of Volusia, Florida, were disclosed during the audit.
- D. There were no reportable conditions related to internal control over major federal programs or state projects disclosed by the audit.
- E. Type of report issued on compliance for major federal programs and state projects: Unqualified
- F. The audit did not disclose any audit findings, which are required to be reported under OMB Circular A-133 and Chapter 10.550, Rules of the Florida Auditor General.
- G. Major program identification:
 - Federal awards programs:
 - Disaster Recovery Initiative Grant, CFDA 14.228
 - HOME Investment Partnerships Program, CFDA 14.239
 - Section 8 Housing Choice Vouchers Grant, CFDA 14.871
 - Homeland Security Grant, CFDA 97.067
 - State Homeland Security Grant, CFDA 97.004
 - Flood Mitigation Assistance Grant, CFDA 97.029
 - Hazard Mitigation Assistance Grant, CFDA 97.039
 - Airport Improvement Program, CFDA 20.106
 - Voter Education and Assistance Grants, CFDA 39.011
 - State financial assistance projects:
 - Beach Erosion Control Program, CSFA 37.003
 - Economic Development Transportation Fund, CSFA 31.002
 - County Incentive Grant Program, CSFA 55.008
 - Commuter Assistance/ Rideshare Grants, CSFA 55.007
 - Commission for the Transportation Disadvantaged Grant, CSFA 55.001
 - Wireless E-911 Emergency Telephone System Program, CSFA 72.001
- H. Dollar threshold used to distinguish between Type A and Type B programs or projects were \$959,871 for major federal programs and \$681,956 for major state projects.
- I. The County of Volusia, Florida, qualified as a low-risk auditee as defined in OMB Circular A-133.

II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards:

VOTRAN Accounting

The County contracts with McDonald Transit Associates, Inc (McDT), to manage and operate its public transit system, or VOTRAN. To carry out its responsibilities under the contract, McDT established Volusia Transit Management, Inc. (VTM), a wholly owned subsidiary of McDT.

As part of its operations, VTM maintained several bank accounts to receive and expense funds for operating activities not the direct responsibility of the County, and for paratransit services to transport Medicaid-eligible recipients.

In the performance of our audit procedures, it was noted the finance director at VOTRAN had incompatible duties related to the handling of cash. These duties/responsibilities included check preparation, check signing, bank deposit preparation, recording of cash receipts, review of bank reconciliations and preparation of journal entries for submission to the County's Accounting department. Although a second signature was required on each check, a stamp was often used as the second signature. In addition, check registers were manually prepared.

Internal controls are designed to safeguard assets and help prevent or detect losses from employee dishonesty or error. In the performance of our audit procedures, no improprieties related to the VOTRAN cash accounts were found. However, we believe the following practices should be implemented to improve internal control as well as efficiency:

- Mail should be opened by an employee independent of accounting, and a record of cash receipts maintained.
- The person preparing bank reconciliations should not have related cash receipt or disbursement duties. Bank statements, canceled checks, and enclosures should be received by someone other than employees maintaining cash records. Such items should be periodically reviewed prior to completion of the reconciliation. Unusual items noted during the review should be investigated promptly.
- Bank deposits should be prepared by someone independent of the cash recording process.

III. Findings and Questioned Costs for Federal Programs and State Projects: None

IV. Summary Schedule of Prior Audit Findings: No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to federal programs or state projects.

V. Corrective Action Plan: See Management Responses to Internal Control and Management Comments on pages 243 and 244.

COUNTY OF VOLUSIA, FLORIDA
SCHEDULE OF PASSENGER FACILITY CHARGES (PFC) COLLECTED AND EXPENDED
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Quarter Ended December 31, 2005	Quarter Ended March 31, 2006	Quarter Ended June 30, 2006	Quarter Ended September 30, 2006	Year Ended September 30, 2006
PFC Revenues Received	\$ 147,483	\$ 234,234	\$ 318,296	\$ 232,689	\$ 932,702
Interest Earned	63,422	69,464	20,248	20,919	174,053
Total PFC Revenues Received	<u>\$ 210,905</u>	<u>\$ 303,698</u>	<u>\$ 338,544</u>	<u>\$ 253,608</u>	<u>1,106,755</u>
Expenditures	<u>\$ -</u>	<u>\$ (5,308,079)</u>	<u>\$ (331,305)</u>	<u>\$ (253,709)</u>	<u>(5,893,093)</u>
PFC Cash Available at September 30, 2005					6,193,477
PFC Cash Available at September 30, 2006					<u>\$ 1,407,139</u>

Reconciliation to Restricted Net Assets for PFC Program as of September 30, 2006:

PFC Cash Available	\$ 1,407,139
PFC Due From Airlines	125,015
Restricted Net Assets for PFC Program	<u>\$ 1,532,154</u> *

- * The restricted net assets is comprised of \$1,532,154 and can be used for debt service on land acquisition or debt service on the terminal facility. Of the \$29,469,817 total approved expenditures as of September 30, 2006, \$2,313,454 remains to be spent on land acquisition under application 1 (93-01-C-03-DAB), and \$12,302,869 for financing and interest and \$4,025,312 for terminal facility construction under application 2 (96-02-C-03-DAB) remains available.

THIS PAGE INTENTIONALLY LEFT BLANK

JAMES MOORE & CO., P.L.

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM, EACH MAJOR STATE PROJECT, AND PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133, CHAPTER 10.550, RULES OF THE AUDITOR GENERAL, AND PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES

To the Honorable County Council Members
of the County of Volusia, Florida:

Compliance

We have audited the compliance of the County of Volusia, Florida, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*, the *Florida Department of Financial Services State Projects Compliance Supplement* that are applicable to each of its major federal programs and state projects, and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the Guide), for the year ended September 30, 2006. The County of Volusia, Florida's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs, major state projects, and its passenger facility charge program is the responsibility of the County of Volusia, Florida's management. Our responsibility is to express an opinion on the County of Volusia, Florida's compliance based on our audit.

The County of Volusia, Florida's financial statements include the operations of Clerk of the Circuit Court, Volusia County, Florida (a discretely presented component unit) and Emergency Medical Foundation, Inc. (a discretely presented component unit), which received \$524,967 and \$22,440 in federal awards and state projects, respectively, which is not included in the schedule of expenditures of federal awards and state financial assistance for the year ended September 30, 2006. Our audit, described below, did not include the operations of the component units because the component units engaged other auditors to perform an audit in accordance with *Government Auditing Standards*, Chapter 10.550, Rules of the Florida Auditor General, and OMB Circular A-133 (if required).

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; Chapter 10.550, Rules of the Florida Auditor General; and the Guide. Those standards, OMB Circular A-133; Chapter 10.550, Rules of the Florida Auditor General; and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program, major state project, or the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the County of Volusia, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our

opinion. Our audit does not provide a legal determination on the County of Volusia, Florida's compliance with those requirements.

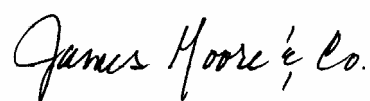
In our opinion, the County of Volusia, Florida, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs, each of its major state projects, and its passenger facility charge program for the year ended September 30, 2006.

Internal Control Over Compliance

The management of the County of Volusia, Florida, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs, state projects, and the passenger facility charge program. In planning and performing our audit, we considered the County of Volusia, Florida's internal control over compliance with requirements that could have a direct and material effect on a major federal program, major state project, or its passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, Chapter 10.550, Rules of the Florida Auditor General, and the Guide.

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

This report is intended solely for the information and use of the County Council and management, the Auditor General of the State of Florida, and respective federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "James Moore & Co.".

Daytona Beach, Florida
February 7, 2006

JAMES MOORE & CO., P.L.

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

MANAGEMENT LETTER OF INDEPENDENT AUDITORS' REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To the Honorable County Council Members
of the County of Volusia, Florida:

We have audited the basic financial statements of the County of Volusia, Florida, as of and for the fiscal year ended September 30, 2006, and have issued our report thereon dated February 7, 2007. We did not audit the financial statements of the Clerk of the Circuit Court, County of Volusia, Florida or Emergency Medical Foundation, Inc., which represent ninety-eight percent and ninety-nine percent of the assets and revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Clerk of the Circuit Court, County of Volusia, Florida and Emergency Medical Foundation, Inc., is based on the reports of the other auditors.

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; the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration. Additionally, our audit was conducted in accordance with the provisions of chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the state of Florida and require that certain items be addressed in this letter.

We have issued our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, Report on Compliance With Requirements Applicable to Each Major Federal Program, Each Major State Project, and Passenger Facility Charge Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133, Chapter 10.550, Rules of The Auditor General, and Passenger Facility Charge Audit Guide for Public Agencies, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated February 7, 2007, should be considered in conjunction with this management letter.

In addition, separate audits were performed on the Halifax Advertising Authority, Southeast Volusia Advertising Authority, and West Volusia Advertising Authority, which comprise the nonmajor Convention Development Tax special revenue fund. Management comments in those reports should be considered in conjunction with this management letter.

The Rules of the Auditor General (Section 10.554 (1)(h) 1.) require that we comment as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

As required by the Rules of the Auditor General (Section 10.554 (1)(h) 2.), the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the County of Volusia, Florida, complied with Section 218.415, Florida Statutes.

The Rules of the Auditor General (Section 10.554(1)(h) 3. and 4.) require disclosure in the management letter of the following matters if not already addressed in our report on internal control over financial reporting and on compliance and other matters or in the schedule of findings and questioned costs and are not clearly inconsequential: (1) recommendations to improve financial management, accounting procedures, and internal controls; (2) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and were discovered within the scope of the audit; (3) improper or illegal expenditures discovered within the scope of the audit that may or may not materially affect the financial statements; (4) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); (5) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. There were no matters that require disclosure pursuant to the Rules of the Auditor General (Sections 10.554(1)(h) 3 and 4) not already addressed in our report on internal control over financial reporting and on compliance and other matters.

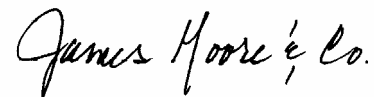
The Rules of the Auditor General (Section 10.554 (1)(h) 5.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government and each component unit of the reporting entity is disclosed in Note 1 of the basic financial statements.

The Rules of the Auditor General (Section 10.554(1)(h) 6.a.) require that we comment as to whether or not one or more conditions described in Section 218.503(1), Florida Statutes, regarding determination of financial emergency have been met. In connection with our audit, we determined that the County of Volusia, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes, regarding determination of financial emergency.

As required by the Rules of the Auditor General (Section 10.554 (1)(h) 6.b.), we determined that the annual financial report for the County of Volusia, Florida, for the fiscal year ended September 30, 2006, filed with the Florida Department of Banking and Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2006.

As required by the Rules of the Auditor General (Sections 10.554 (1)(h) 6.c.), the scope of our audit included application of financial condition assessment procedures pursuant to Rule 10.556(7) of the Auditor General. It is management's responsibility to monitor the County'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 the same.

This management letter is intended solely for the information and use of the County Council and management, the Auditor General of the State of Florida, and respective federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "James Moore & Co.".

Daytona Beach, Florida
February 7, 2007

**COUNTY OF VOLUSIA
MANAGEMENT REPONSES TO
INTERNAL CONTROL AND MANAGEMENT COMMENTS**

Internal Control Over Financial Reporting

VOTRAN Accounting

The County recognizes and values the importance of the segregation of duties as they relate to cash handling. The audit comments primarily relate to the internal controls of the bank account that receipted and expended funds for the Medicaid paratransit service activity. Due to restructuring of that program, these issues were already addressed and eliminated at the beginning of fiscal year 2006-07 prior to the commencement of the annual 2006 audit. The Medicaid funds are being deposited into the County's bank account and payments to the service providers are processed through the County's accounts payable section in Accounting, following the established controls and procedures of the government. VTM is in the processing of closing out the Medicaid bank account, performing a final reconciliation, and remitting any remaining funds to the County, no later than March 31, 2007.

With regards to the operating activities bank accounts, a review of the procedures and controls will be conducted, and necessary changes made, to ensure that proper segregation of duties is maintained. Written procedures assigning roles and responsibilities as they relate to cash management and reconciliation will be prepared and communicated to the appropriate staff. The County will regularly review VTM's completed bank reconciliations and suggest corrective measures and procedural changes as needed.

Management Comments

Risk Management

1) Risk Management is currently exploring the possibility of bringing in an outside entity to give an independent evaluation of our actuarial data and our underlying claim data. This independent actuarial analysis will include identification of unexpected trends, large changes in estimates, and expected reinsurance impacts. The claim data analysis will address claim closure rates, average cost per claim, costs per medical only claim, and amount of claims per adjuster. The County will be able to use this information to compare to other similar organizations. These independent evaluations will ensure the County has mitigated its overall risk.

2) Risk Management is currently in the process of completing written policies and procedures. Policies and procedures currently being completed include: claim file documentation for both worker's compensation and liability claims, vendor payments, reserve estimates, initial contact and investigation time limits, claim committee thresholds, salvage, total losses, letter acknowledgement, red flag determinations, catastrophe responses, privacy and medical documentation, reporting requirements, accounting and reconciliation, suit review, medication and hearing, fines and penalties, worker's compensation EDI, excess carrier reporting, surveillance, and Medicare set asides. Policies and procedures completed include: fleet management bill payments, interdepartmental charges and approvals, pothole claims, weekly and

monthly check runs, motor vehicle reports, mileage reimbursement, incoming mail, after hours contact, phone coverage, light duty, work flow, and after hours breath alcohol testing. The above mentioned lists are a beginning point, to be ever changing and updated as statutes and regulations change and as new technologies are implemented. These policies and procedures provide guidelines and enable employee's seamless transition into new positions.