

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