

**COUNTY OF VOLUSIA, FLORIDA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2008**

	<b>General</b>	<b>Municipal Service District</b>	<b>Federal and State Grants</b>
<b>REVENUES</b>			
Taxes	\$ 153,567,576	\$ 22,051,118	\$ -
Licenses and permits	457,299	1,538,597	-
Intergovernmental revenues	11,563,012	157,565	13,357,153
Charges for services	20,818,777	12,870,262	327,137
Fines and forfeitures	4,300,355	301,628	-
Interest revenues	3,792,069	621,747	45,577
Miscellaneous revenues	4,327,954	211,766	357,150
Special assessments			
levied/impact fees	-	687,904	-
<b>Total revenues</b>	<u>198,827,042</u>	<u>38,440,587</u>	<u>14,087,017</u>
<b>EXPENDITURES</b>			
Current:			
General government	55,299,400	8,297,501	339,810
Public safety	84,850,691	31,016,349	1,231,612
Physical environment	3,574,920	866,793	815,558
Transportation	-	798,808	4,960,341
Economic environment	2,257,956	-	6,346,478
Human services	12,745,075	1,321,618	2,065,290
Culture/recreation	18,798,081	2,747,206	686,027
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>177,526,123</u>	<u>45,048,275</u>	<u>16,445,116</u>
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	<u>21,300,919</u>	<u>(6,607,688)</u>	<u>(2,358,099)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	6,142,914	5,548,599	1,497,634
Transfers (out)	(25,769,485)	(2,580,736)	(80)
Refunding bonds issued	-	-	-
Premium on notes/bonds payable	-	-	-
Payment to refunded bond escrow agent	-	-	-
<b>Total other financing         sources and (uses)</b>	<u>(19,626,571)</u>	<u>2,967,863</u>	<u>1,497,554</u>
<b>Net change in fund balances</b>	<u>1,674,348</u>	<u>(3,639,825)</u>	<u>(860,545)</u>
<b>Fund balances - beginning, restated</b>	<u>56,340,692</u>	<u>7,218,442</u>	<u>4,081,680</u>
<b>Fund balances - ending</b>	<u>\$ 58,015,040</u>	<u>\$ 3,578,617</u>	<u>\$ 3,221,135</u>

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

Subordinate Lien Sales Tax Revenue Bonds	Bond Funded Road Program	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 94,765,006	\$ 270,383,700
-	-	224,500	2,220,396
-	-	36,835,757	61,913,487
-	-	10,158,673	44,174,849
-	-	455,172	5,057,155
141,372	1,794,720	9,015,077	15,410,562
-	-	7,941,511	12,838,381
-	-	9,245,419	9,933,323
<u>141,372</u>	<u>1,794,720</u>	<u>168,641,115</u>	<u>421,931,853</u>
-	-	102,345	64,039,056
-	-	27,519,824	144,618,476
-	-	1,174,318	6,431,589
-	-	33,546,220	39,305,369
-	-	16,216,200	24,820,634
-	-	5,465,481	21,597,464
-	-	24,719,991	46,951,305
5,320,000	-	13,866,869	19,186,869
2,443,479	-	7,254,566	9,698,045
914,734	-	-	914,734
-	12,939,877	54,222,518	67,162,395
<u>8,678,213</u>	<u>12,939,877</u>	<u>184,088,332</u>	<u>444,725,936</u>
<u>(8,536,841)</u>	<u>(11,145,157)</u>	<u>(15,447,217)</u>	<u>(22,794,083)</u>
8,485,031	-	38,524,631	60,198,809
-	(837,238)	(40,049,461)	(69,237,000)
42,605,000	-	-	42,605,000
4,398,128	-	-	4,398,128
<u>(46,951,318)</u>	<u>-</u>	<u>-</u>	<u>(46,951,318)</u>
<u>8,536,841</u>	<u>(837,238)</u>	<u>(1,524,830)</u>	<u>(8,986,381)</u>
-	(11,982,395)	(16,972,047)	(31,780,464)
-	50,302,374	207,756,411	325,699,599
<u>\$ -</u>	<u>\$ 38,319,979</u>	<u>\$ 190,784,364</u>	<u>\$ 293,919,135</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, 2008**

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

Net change in fund balances - total governmental funds	\$ (31,780,464)
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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 (\$93,609,964) exceeds depreciation (\$20,806,378) in the current period.	72,803,586
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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.	(6,611,257)
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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.	1,194,212
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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.	(8,865)
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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.	1,872,851
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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,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For The Year Ended September 30, 2008**

Debt issued or incurred:		
Refunding bonds	(42,605,000)	
Principal repayments:		
Revenue bonds	9,820,000	
General obligation bonds	2,015,000	
Notes payable	7,351,869	
Payment to escrow agent for refunding	<u>44,930,000</u>	21,511,869

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	(1,533,665)	
Accrued interest on debt	16,791	
Amortization of deferred charge on refunding	1,780,850	
Amortization of issuance costs	628,266	
Amortization of issuance discounts	(373,018)	
Amortization of bond premiums	<u>(4,038,457)</u>	(3,519,233)

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.

	<u>7,673,942</u>
Change in net assets of governmental activities	<u>\$ 63,136,641</u>

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