

LAKE COUNTY FLORIDA

Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2006

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LAKE COUNTY, FLORIDA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Year Ended
September 30, 2006**

**James C. Watkins
Clerk of the Circuit Court**

COUNTY FINANCE DEPARTMENT

**Barbara F. Lehman, CPA
Chief Deputy Clerk**

**Kristy L. Mullane, CPA
Accounting Director**

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**PRINCIPAL OFFICIALS
LAKE COUNTY, FLORIDA**

AS OF SEPTEMBER 30, 2006

BOARD OF COUNTY COMMISSIONERS

Jennifer Hill District 1
Robert A. Pool..... District 2
Debbie Stivender District 3
Catherine C. Hanson, Chairman District 4
Welton G. Cadwell, Vice Chairman District 5

ELECTED COUNTY OFFICIALS

James C. Watkins Clerk of the Circuit Court
Ed Havill..... Property Appraiser
Chris Daniels..... Sheriff
Emogene W. Stegall Supervisor of Elections
Bob McKee Tax Collector

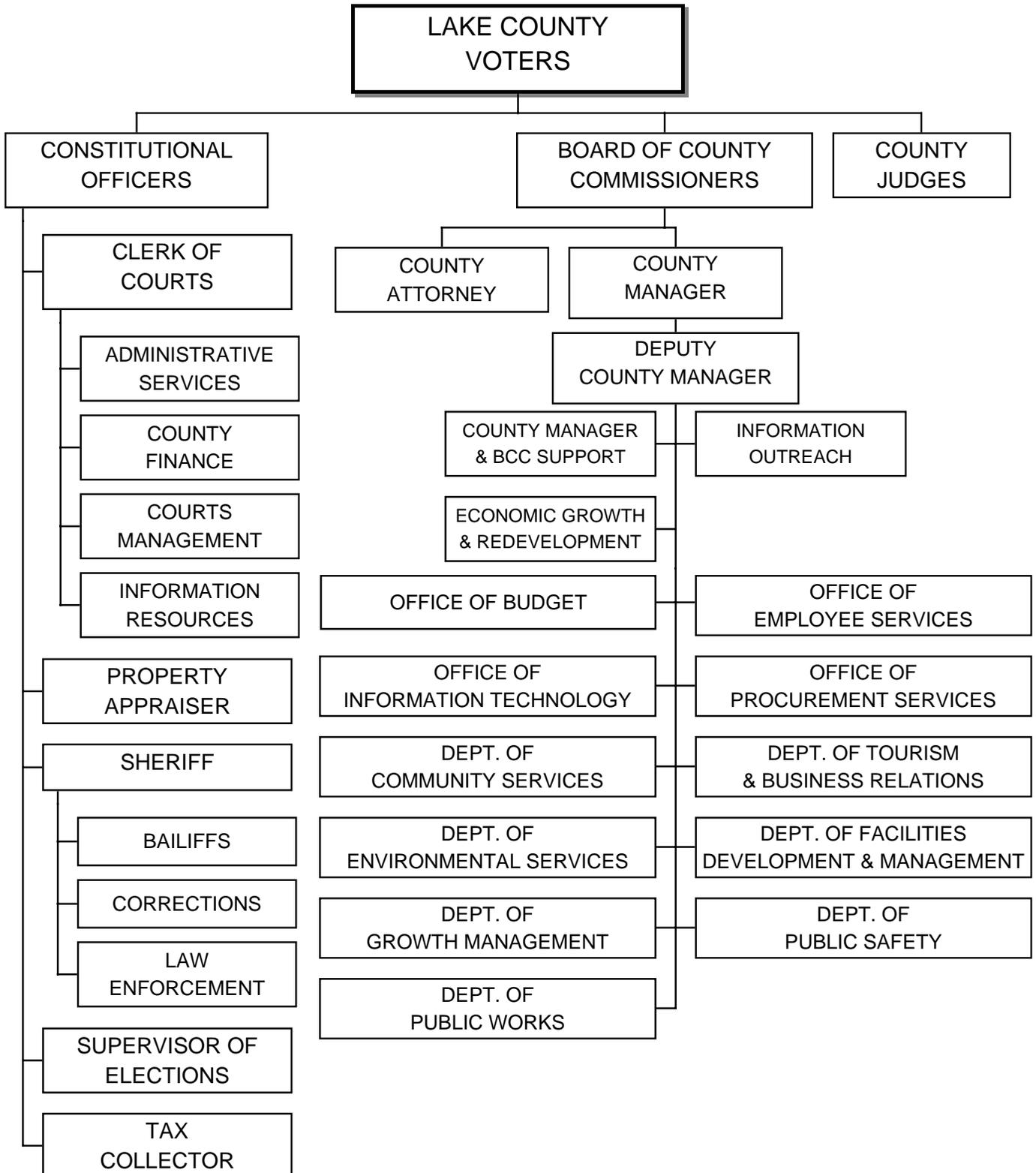
APPOINTED COUNTY OFFICIALS

Cindy Hall..... County Manager
Sanford A. Minkoff County Attorney

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ORGANIZATIONAL CHART

LAKE COUNTY ORGANIZATIONAL CHART LAKE COUNTY, FLORIDA September 30, 2006



LAKE COUNTY, FLORIDA
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 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
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LETTERS OF TRANSMITTAL

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Clerk of the Circuit Court

March 31, 2007

The Honorable Board of County Commissioners
Lake County, Florida

The Comprehensive Annual Financial Report of Lake County, Florida, as of September 30, 2006, and for the 2005-2006 fiscal year is hereby transmitted. The accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, is the responsibility of the County. Management believes that the presented data is materially accurate and is designed to report the financial position and the results of operations as measured by the financial activity of the County's various funds. The necessary disclosures to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

The development and evaluation of the County's accounting system must consider the adequacy of internal control. I believe that the County's internal control, as discussed in the accompanying transmittal letter, adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

This report has been prepared following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. The GFOA awards Certificates of Achievement to those governments whose annual financial reports are judged to conform substantially with high standards of public financial reporting, including accounting principles generally accepted in the United States. Lake County was awarded a Certificate of Achievement for its annual financial report for the 2005 fiscal year. The Certificate of Achievement program requires the inclusion of all funds of the County. The financial statements for the year ended September 30, 2006, include all of the Constitutional Officers, dependent special districts, and other agencies of the County. It is my belief that the accompanying fiscal year 2006 financial report will meet program standards and it will be submitted to the GFOA for review.

James C. Watkins

Clerk of the Circuit Court • *County Court* • *Board of County Commissioners*
550 West Main Street • Post Office Box 7800 • Tavares, Florida • 32778-7800
(850) 512-1100

In accordance with the above mentioned guidelines, the accompanying report consists of five parts:

1. Introductory Section, including the letter of transmittal;
2. Financial Section, including management's discussion and analysis, the financial statements, notes to the financial statements, and supplemental data of the County accompanied by our independent certified public accountants' report;
3. Statistical Section, including a number of tables of unaudited data depicting the financial history of the County for the past 10 years, information on overlapping governments, and demographic and other miscellaneous information;
4. Single Audit, including the Schedule of Expenditures of Federal Awards and State Financial Assistance; and
5. Other Reports, including the report of the independent certified public accountants on internal control over financial reporting and on compliance and other matters, and the management letter.

State law requires that the financial statements of the County be audited by an independent certified public accountant selected by the Board. This requirement has been complied with and our independent certified public accountants' opinion is included in the Financial Section of this report.

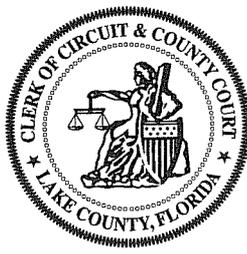
The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the dedicated efforts of the Chief Deputy Clerk-County Finance, the Accounting Director and the Finance Department staff. Their efforts over the past years toward upgrading the accounting and financial reporting system of the County have led substantially to the improved quality of the information being reported to the County Commission, state oversight boards, and the citizens of Lake County.

Respectfully submitted,



James C. Watkins
Clerk of Circuit Court

Attachment



Reply to:
County Finance Department
(352)343-9808

Clerk of the Circuit Court

315 West Main Street
Post Office Box 7800
Tavares, Florida 32778-7800

March 31, 2007

The Honorable Board of
County Commissioners and
Citizens of Lake County, Florida

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Lake County, Florida, for the fiscal year ended September 30, 2006. This report was prepared by the County Finance Department under the direction of the Clerk of Courts in his capacity as County Comptroller.

This report consists of management's representations concerning the finances of Lake County, Florida. 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, Lake County's management has established a comprehensive internal control framework that is designed to protect the County's assets from loss, theft, or misuse and to compile the County's financial statements in conformity with accounting principles generally accepted in the United States (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's internal control framework has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions. As management, we assert that to the best of our knowledge and belief, this financial report is accurate and complete in all material respects.

In accordance with Chapter 218, Florida Statutes, Lake County's financial statements have been audited by independent certified public accountants. The independent auditor's report has been included in the financial section of this report. 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. Based upon the results of the audit, the auditors concluded that there was a reasonable basis for rendering an unqualified opinion that Lake County's financial statements for the fiscal year ended September 30, 2006 are fairly presented in conformity with GAAP. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the State of Florida and

James C. Watkins

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Federal Single Audit Acts. The standards governing single audit engagements require the independent auditor to report on the government's internal controls and compliance with legal requirements with special emphasis on the administration of federal and state awards. Information related to the single audit, including schedules of federal and state financial assistance and the independent auditor's reports thereon are included in this report.

GAAP require 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. Lake County's MD&A can be found immediately following the report of the independent certified public accountants.

Profile of Lake County

Lake County is located in the center of the state approximately 65 miles from the east and west coasts at the northwestern edge of central Florida. The County was created in June, 1887, by the Florida legislature and encompasses 954 square miles of land and over 200 square miles of lakes. The current estimated population is 277,035. There are fourteen municipalities located within the County including: Astatula, Clermont, Eustis, Fruitland Park, Groveland, Howey-in-the-Hills, Lady Lake, Leesburg, Mascotte, Minneola, Montverde, Mount Dora, Tavares and Umatilla.

The County is a political subdivision of the State of Florida pursuant to Article VIII, Section (1), Constitution of the State of Florida. The Board of County Commissioners (the Board) is the principal legislative and governing body of the County, as provided by the Florida Constitution and Chapter 125, Florida Statutes. The Board consists of five members elected county-wide by district for staggered terms, with a chairman elected by the commissioners for a one-year term to serve as the presiding officer. In addition to the Board, there are five elected Constitutional Officers serving four year terms: the Tax Collector, Property Appraiser, Clerk of the Circuit Court (Clerk), Sheriff and Supervisor of Elections.

The County provides a full range of services contemplated by statute and ordinance, including general governmental services, public safety, physical environment, transportation, economic environment, human services, culture and recreation and court-related services.

The chief administrative official of the County is the County Manager. The County Manager is hired by the Board and is responsible to them for the administration and operation of all Board departments and the execution of all Board policies. The County Manager is also responsible to the Board for the

preparation of the annual budget and for the control of Board expenditures during the year.

The annual budget serves as the foundation of the County's planning and control of revenues and expenditures. The Board funds a portion, or in certain instances all, of the operating budgets of the County's Constitutional Officers. Constitutional Officers, except the Tax Collector and Property Appraiser, are required to submit their budget requests to the Board by June 1. The Tax Collector and Property Appraiser must submit their budgets to the State of Florida Department of Revenue. A tentative proposed budget is presented to the Board in mid-July. The budget is adopted after two advertised public hearings held in September. At the end of the fiscal year, Florida Statutes require that any budget excess of the constitutional officers be returned to the Board.

The budget is prepared by fund, department, and object code. After the budget is adopted, no transfers can be made between funds without a public hearing. Certain transfers within a department may be approved by the County Manager or by the Board, depending on the dollar amount. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget is adopted. For the general fund, this comparison is on page 42 as part of the basic financial statements for governmental funds. For other governmental funds, the comparison for each fund for which a budget has been adopted is presented on pages 44, 45 and 102 to 135.

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 Lake County operates.

Local Economy. Lake County currently enjoys a favorable economic environment and local indicators point to continued stability. The County's location in the central part of the state and its proximity to the Florida Turnpike and Interstate 75 have made it an attractive location for large distributors such as Carroll Fulmer Trucking, Marriott Distribution Services, Domino's Pizza, Circuit City, and Sprint North Supply. These companies are located in the Christopher C. Ford Commerce Park developed by the County. The park is located at the intersection of U. S. 27 and Florida's Turnpike. Lake County has enacted the Job Growth Investment Trust Fund, which awards a qualified company up to \$4,000 for each new job depending upon the average median wage. The County also offers a deferral plan for the payment of transportation impact fees for qualified projects and a Fasttrack Permitting process for industrial and manufacturing projects.

The County's labor force stands at over 122,000 with County and State of Florida unemployment at 3.0%. The National unemployment rate was higher at 4.1%. Educational institutions in the area such as Lake-Sumter Community College and the University of Central Florida assist in supplying a skilled labor force.

The cost of living for the region is below the national average. There is no personal income tax, either locally or state-wide. Sales tax, currently at 6%, is not charged on food or medicine. There is a local additional one cent sales tax charged within the county limited to \$50 per transaction (1% of \$5,000). As discussed in the MD&A, this additional penny sales tax must be used for infrastructure including roads, buildings, land, land improvements and certain equipment.

Overall, economic projections for 2007 point to continued growth.

Relevant financial policies. The County has established an economic stabilization reserve policy to ensure that sufficient cash is available in the following year to meet the County's obligations until anticipated revenues are available and to protect the County's essential service programs during periods of economic downturn or unforeseen catastrophic events. One of the goals of this policy is for the General Fund to maintain an unreserved fund balance of no less than 10% of the total budget. At September 30, 2006, the unreserved fund balance of \$51,896,117 met this goal.

Another financial policy the Board has adopted addresses shortfalls in budgeted revenues. During the course of the year, if actual revenues are expected to fall short of the budgeted amount, expenditures are reduced to ensure that a shortage of funds or a significant use of fund balance doesn't occur.

Long-term Financial Planning. The County continues to design and develop plans for new construction in accordance with a master space and facilities plan developed last year. Three of these projects include the Judicial Center expansion, a parking garage with office space for constitutional officers and a South Tavares complex. When these projects are completed, the County's space needs should be met for the next 15 to 20 years. Financing for these projects will come from bonds secured by the County's half cent sales tax revenue.

Another long term planning initiative that is about to come to fruition is the issuance of bonds for the acquisition of environmentally sensitive lands. This voter-approved ad valorem tax of up to 1/3 mills will result in a bond issuance of about \$36 million that can be used to purchase qualifying parcels. An advisory group consisting of citizens, staff and a County commissioner have made recommendations for purchases that would protect these lands from future development.

Major Initiatives. Another long term issue that is of major concern to the County is the completion of the County's Comprehensive Plan. The County is in the second year of revising its 1991 comprehensive plan. Upon completion, the new plan, entitled "Planning Horizon 2025" will stipulate the ultimate goals of efficient

transportation, adequate employment, affordable housing, needed capital improvements and access to clean air, water and open space for the next 20 years. The Local Planning Agency, staff of the cities and counties and interested citizens have been meeting and working to develop these guidelines since 2005. A draft of the plan will soon be submitted to the Board of County Commissioners and after review and public comment, the plan will be submitted to the state for further review.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lake County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2005. This was the 25th consecutive year that Lake County has received this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial. 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 we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, both the Board and Clerk's Office participate in GFOA's Distinguished Budget Award program. In order to qualify for the Distinguished Budget Presentation Award, a budget document must be judged proficient in several categories including policy documentation, financial planning and organization. The Board has received this award for 6 fiscal years and the Clerk's Office for the last 15 fiscal years.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated efforts of the County Finance Department under the Clerk of the Circuit Court of Lake County as auditor and comptroller to the Board of County Commissioners. In addition, without the support of the Board of County Commissioners, Constitutional Officers, County Manager, and their respective staffs, as well as our external auditors, Ernst & Young LLP, preparation of this report would not have been possible.

Respectfully submitted,



Barbara F. Lehman, CPA
Chief Deputy Clerk - County Finance

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CERTIFICATE OF ACHIEVEMENT

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lake County
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

Report of Independent Certified Public Accountants

The Honorable Members of the Board
of County Commissioners
Lake County, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Lake County, Florida (the County), 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 County management. Our responsibility is to express opinions on these financial statements based on our audit.

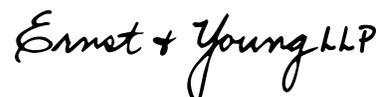
We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the County's internal control over financial reporting. Our audit included 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's internal control over financial reporting. Accordingly, we express no such opinion. An audit 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, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund and the aggregate remaining fund information of Lake County, Florida as of September 30, 2006, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison information for the general fund, road impact fees fund, and county sales tax fund for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2007 on our consideration of the County'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 on pages 17 through 29 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the method of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections of this report 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.



January 9, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's Discussion and Analysis

As management of Lake County, Florida, (County) we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Lake County government for the fiscal year ended September 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the letters of transmittal, which can be found at pages 3 to 10 of this report.

Financial Highlights

- Lake County's assets exceeded its liabilities at September 30, 2006 by \$430,408,660 (net assets). Of this amount, \$77,985,718 (unrestricted net assets) may be used to meet the County's ongoing obligations to its citizens and creditors.
- The County's total net assets increased \$47,087,269 over the previous year with \$44,634,674 of the increase resulting from governmental activities and \$2,452,595 from business-type activity.
- At September 30, Lake County's governmental fund statements report combined ending fund balances of \$174,170,494, an increase of \$19,127,509 over the previous fiscal year. Of this amount, \$152,768,876 remains in the various fund types of the County as unreserved.
- The General Fund, the County's primary operating fund, reported an unreserved fund balance of \$51,896,117, and an increase in total fund balance from the last fiscal year of \$14,590,260. The unreserved general fund balance of \$51,896,117 represents 53% of total general fund expenditures.
- Total bonded debt outstanding at year-end amounted to \$3,920,000. There were no new borrowings in 2006. The County has a \$15 million line of credit with a local bank to provide interim funding for sales tax projects, as needed. As of FY 2006, no draws have been made.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Lake County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. There is additional supplementary information following the financial statements that may be of interest to the reader.

Government-wide financial statements

Government-wide financial statements are designed to provide the reader with a broad overview of the County's financial position, in a manner similar to a private-sector business. They include a **Statement of Net Assets** and a **Statement of Activities**. These statements appear on pages 31 to 33 of the report.

The **Statement of Net Assets** presents the County's assets less its liabilities at year end. The difference between these assets and liabilities is reported as net assets. Changes in net assets over time 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 County's net assets changed during the fiscal year. 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 (for example, accounts payable and earned but unused vacation leave.)

Both statements attempt to 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 activity). Governmental activities include general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation, and court-related expenses. Business-type activity includes a solid waste system, which uses an incinerator and landfills to dispose of solid waste.

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 County's funds 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 the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for

governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 36 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Impact Fees and County Sales Tax Special Revenue Funds, and the Sales Tax Capital Projects Fund, all of which are considered to be major funds. Data from the other 32 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 elsewhere in this report.

Each Constitutional Officer adopts an annual appropriated budget for its general fund. The general funds of the Board and Constitutional Officers are then combined and eliminations of intergovernmental receivables, payables and operating transfers are made. A budgetary comparison statement of this consolidated general fund has been provided to demonstrate compliance with the Countywide adopted budget.

The basic governmental fund financial statements can be found on pages 34 to 45 of this report.

Proprietary funds. The County maintains and presents two types of proprietary funds: enterprise and internal service, which can be found on pages 46 to 49 of this report.

Enterprise funds are used to report the same functions presented as business-type activity in the government-wide financial statements. The County has one enterprise fund which is used to account for the activities of its solid waste management system.

Internal service funds are an accounting tool used to accumulate and allocate costs internally among various functions. The County uses internal service funds to account for its fleet of vehicles, and for its self-insured health and general liability programs. Because both of these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Landfill Enterprise Fund is considered to be a major fund of the County.

Conversely, 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 elsewhere in 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 statements because the resources of those funds are *not* available to support the County's own programs.

The basic fiduciary fund financial statement can be found on page 50 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 51 to 77 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 86 to 166 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. In the case of Lake County, governmental activities net assets exceed liabilities by \$417,387,638 at September 30, 2006.

By far the largest portion of the County's governmental activities net assets (59%) reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in 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.

The following is a summary of Lake County net assets for governmental and business-type activities for 2006 and 2005, with amounts expressed in thousands.

LAKE COUNTY'S NET ASSETS (amounts expressed in thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activity</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Current and other assets	\$ 203,762	\$ 183,495	\$ 18,299	\$ 12,871	\$ 222,061	\$ 196,366
Capital Assets	245,851	220,716	6,650	10,922	252,501	231,638
Total Assets	<u>449,613</u>	<u>404,211</u>	<u>24,949</u>	<u>23,793</u>	<u>474,562</u>	<u>428,004</u>
Long-term liabilities outstanding	8,449	7,640	9,690	10,893	18,139	18,533
Other liabilities	23,776	23,818	2,238	2,331	26,014	26,149
Total Liabilities	<u>32,225</u>	<u>31,458</u>	<u>11,928</u>	<u>13,224</u>	<u>44,153</u>	<u>44,682</u>
Net Assets:						
Invested in capital assets, net of related debt	244,263	218,964	3,592	3,335	247,855	222,300
Restricted	103,296	111,617	1,272	1,270	104,568	112,887
Unrestricted	<u>69,829</u>	<u>42,172</u>	<u>8,157</u>	<u>5,963</u>	<u>77,986</u>	<u>48,134</u>
Total net assets	<u>\$ 417,388</u>	<u>\$ 372,753</u>	<u>\$ 13,021</u>	<u>\$ 10,568</u>	<u>\$ 430,409</u>	<u>\$ 383,321</u>

An additional portion of the County's governmental activities net assets (25%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted governmental activities net assets (\$69,828,969) may be used to meet the County's ongoing obligations to citizens and creditors.

External restrictions may be imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Enabling legislation may include ordinances passed by the County which requires that revenues collected be spent for particular purposes. Some examples of these restrictions include revenues from gas taxes, road impact fees, fire special assessments, and infrastructure sales tax.

Restricted net assets in the Landfill Fund (Business-type Activity) consist of the amount invested in capital assets net of related debt (28%) and amounts restricted for landfill closure and post closure care costs (10%). Unrestricted net assets of \$8,156,749 may be used to meet ongoing solid waste obligations.

Governmental activities

Governmental activities account for 97% of the County's net assets. One of the major components of general revenue collected by governmental activities is property taxes. In 2006, property taxes were assessed at a millage rate of 5.797 mills for the general fund, a .02 mill decrease from 2005. Property taxes collected amounted to \$90,653,739 an increase of \$13,877,905 over the prior year. This increase was due to an increase of approximately 20% in assessed

valuation. Other taxes amounted to \$23,210,167 and include infrastructure sales tax (\$11,989,164), gas taxes (\$6,992,219), communications services taxes (\$1,987,882) and tourist development taxes (\$2,240,902).

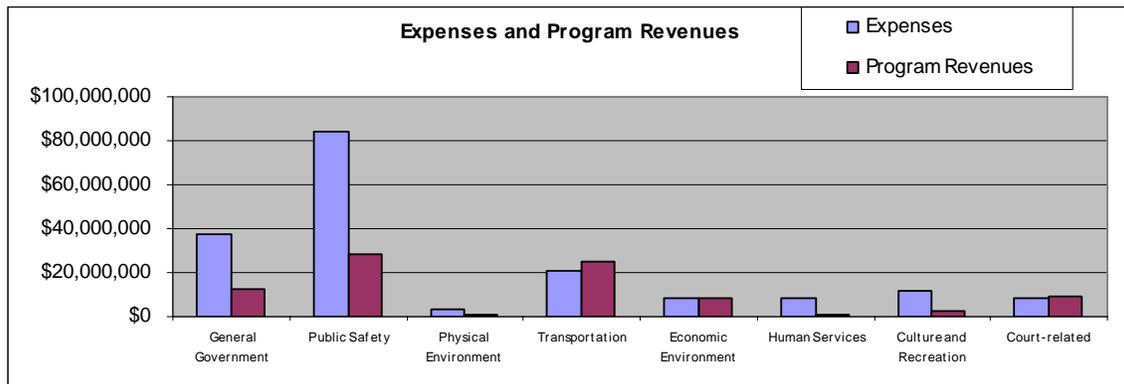
Other variances in governmental activities include:

- Other ad valorem taxes include the Stormwater Management Fund and the Lake County Ambulance Fund. The tax rate for stormwater management was .5 mills in both 2006 and 2005. The Ambulance fund adopted the same millage rate as last year, .5289 mills. Additional collections from these two taxes amounted to about \$1.7 million.
- Operating grants and contributions decreased approximately \$12.5 million from 2005. This decrease results primarily from funds received in 2005 from FEMA and the state of Florida for reimbursement of hurricane expenses.
- Capital grants decreased by approximately \$9.7 million. About \$5.6 million of this amount results from a Florida Forever Grant and a grant from Florida Communities Trust received in 2005. The remaining decrease results from less road impact fees collected in 2006.
- General government expenses were higher by about \$13.4 million in 2006. About half of this increase is from expenses incurred in the design and planning of an addition to the Judicial Center in Tavares and several other government buildings that are in the planning stage. The remainder results from increased staffing and the purchase of new accounting software.
- The County incurred significant public safety expenses for hurricane preparation and debris removal in 2005. In addition, Sheriff expenses were \$5.3 million higher in 2006 for the addition of personnel and equipment. The combined effect on 2006 was a decrease in expenses of about \$5.8 million.
- The General Fund transferred out to the Landfill Fund .68 mills of ad valorem taxes or \$7,958,049. These funds were needed for operating expenses and debt service, further discussed under business activities.

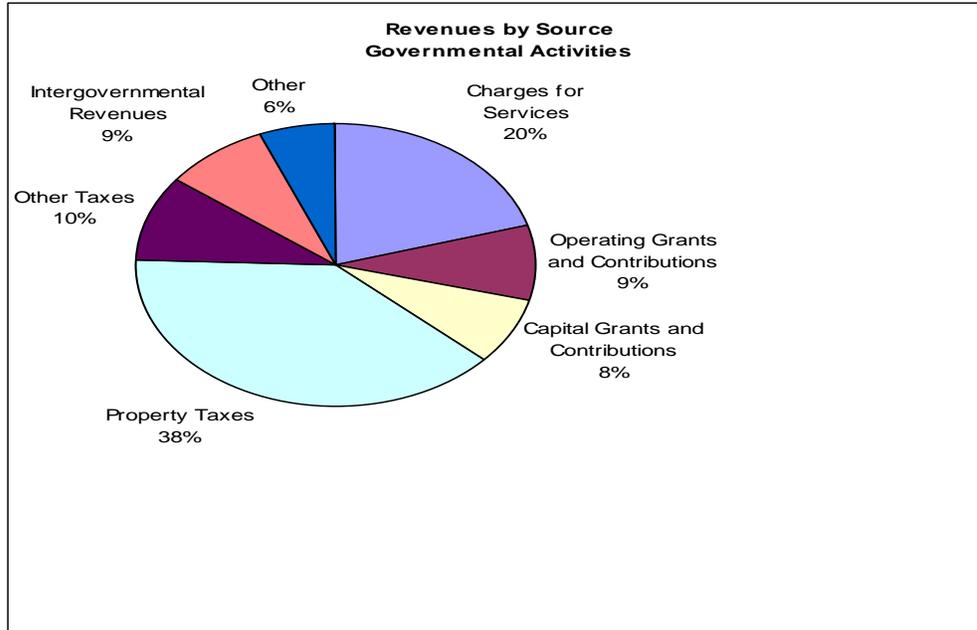
The following is a summary of Lake County governmental and business-type activities for 2006 and 2005, including revenues and expenses, with amounts expressed in thousands:

	Governmental		Business-type		Total	
	Activities		Activities			
	2006	2005	2006	2005	2006	2005
Revenues:						
Program Revenues:						
Charges for services	\$ 48,236	\$ 45,327	\$ 15,712	\$ 15,250	\$ 63,948	\$ 60,577
Operating grants and contributions	20,066	32,557	-	-	20,066	32,557
Capital grants and contributions	17,964	27,679	-	-	17,964	27,679
General Revenues:						
Property taxes	90,654	76,776	-	-	90,654	76,776
Other taxes	23,210	21,219	-	-	23,210	21,219
Intergovernmental	20,220	18,305	-	-	20,220	18,305
Other	14,173	7,307	1,546	1,239	15,720	8,546
Total Revenues	234,524	229,170	17,258	16,489	251,782	245,659
Expenses:						
General government	37,309	23,869	-	-	37,309	23,869
Public safety	84,337	90,105	-	-	84,337	90,105
Physical environment	2,961	1,938	-	-	2,961	1,938
Transportation	20,993	19,184	-	-	20,993	19,184
Economic environment	8,486	6,744	-	-	8,486	6,744
Human Services	8,393	7,123	-	-	8,393	7,123
Culture and recreation	11,648	11,975	-	-	11,648	11,975
Court-related	8,587	8,385	-	-	8,587	8,385
Interest on long-term debt	220	226	-	-	220	226
Landfill	-	-	21,760	27,072	21,760	27,072
Total Expenses	182,934	169,549	21,760	27,072	204,694	196,621
Increase (decrease) in net assets before transfers	51,590	59,621	(4,502)	(10,583)	47,088	49,038
Transfers	(6,955)	(6,988)	6,955	6,988	-	-
Increase (decrease) in net assets	44,635	52,633	2,453	(3,595)	47,088	49,038
Net Assets beginning	372,753	320,120	10,568	14,163	383,321	334,283
Net Assets ending	\$ 417,388	\$ 372,753	\$ 13,021	\$ 10,568	\$ 430,409	\$ 383,321

The following graph is a comparison of program revenues and program expenses for all governmental activities. This chart is intended to give the reader an idea of the degree to which governmental activities are self-supporting.



The following pie chart illustrates the composition of governmental activities revenue and its percent in relation to total governmental revenues:



Business-type activity

The County has only one business-type activity which is the solid waste management system. The system consists of an incinerator operated by an outside vendor, one operating landfill and five closed landfills. The operating landfill is the Phase II landfill. The five closed landfills are located in Astatula, Umatilla, Lady Lake and Clermont.

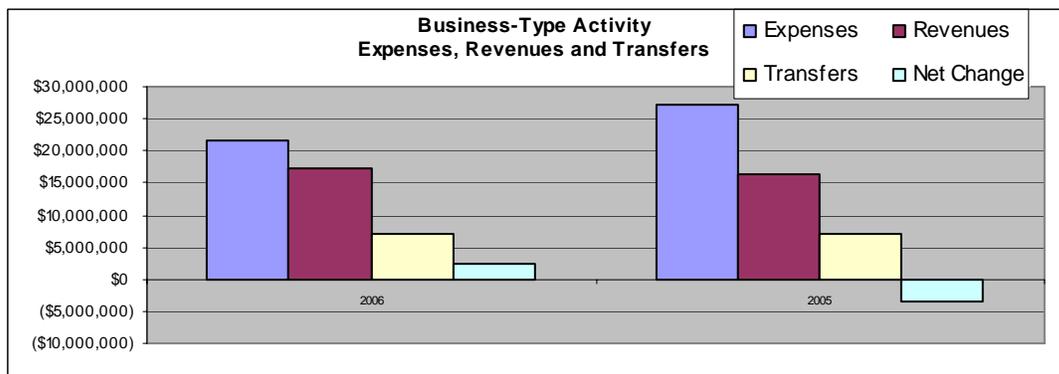
The County has a service agreement with Covanta, Inc. for the operation of the incinerator mentioned above. In FY 2005, the County entered into a new waste disposal agreement for the operation of the plant. In addition, the bonds used to construct the plant were refunded in 2005. The outstanding balance at September 30, 2006 was \$44,136,792. The refunding bond was issued by a local bank at a rate of 4.16% and a term of 10 years. The bond is recorded on the books of Covanta, Inc. The County’s obligation is to pay the debt service through the waste disposal agreement.

The activities of the solid waste management system are reported in the Landfill Fund. The fund finished the year with an increase in net assets of \$2,452,595 compared to a decrease of \$3,594,364 in 2005. Operating Expenses in the Landfill Fund decreased by \$5.3 million from the prior year. This decrease was

due to a settlement payment paid to Covanta in 2005 of \$5.8 million. In addition, the estimated closing and long term care costs for the County's operating and closed landfills decreased by approximately \$400,000. Other expenses were consistent with the prior year.

Tipping fees were reduced from about \$90 per ton to \$40 per ton in 2003 in an effort to encourage cities within the county to use the system. This decrease in tipping fees was offset by the transfer ad valorem taxes from the General Fund of \$7,958,049 mentioned above.

The following chart is a comparison of expenses, revenues and transfers by year for 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 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.

The combined ending fund balance for all governmental funds at September 30, 2006 was \$174,170,494, an increase of \$19,127,509 over the prior year. Of this amount, \$152,768,876 was included in unreserved fund balance with the remainder of \$21,401,618 reserved for encumbrances and inventories.

The County's chief operating fund is the general fund. The general fund as presented in the accompanying financial statements includes the general funds of the Board of County Commissioners, Clerk, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. Eliminations have been made in combining these funds so that intergovernmental transactions have been eliminated.

The unreserved fund balance in the General Fund at September 30, 2006 was \$51,896,117 compared to \$37,495,636 at the end of 2005.

The County has three governmental funds that are considered major funds under criteria set forth by GASB Statement Number 34. Those funds include the Road Impact Fees and County Sales Tax Special Revenue Funds and the Sales Tax Capital Projects Fund. A brief discussion of these funds follows:

Road Impact Fees: This fund is used to account for impact fees collected from the issuance of building permits in the County. Funds collected must be used for new road construction or reconstruction in the district in which collected within six years of collection. This period can be extended under certain circumstances. Road impact fees decreased approximately 25% from the prior year, from less construction activity as the rates were essentially the same for both years. Collections were \$13,395,627 in 2006 and \$18,342,968 in 2005. Expenditures were higher in 2006, \$13,638,225 compared to \$9,891,245 in 2005. Two large projects, the South Clermont Connector and Citrus Tower Boulevard extension, were in process in 2006 resulting in the increase to expenditures.

County Sales Tax: This fund is used to account for the extra penny sales tax that was authorized for an additional fifteen years by the voters of Lake County in November, 2001, with the revenues being divided equally among the County, cities and school district. These funds must be used for infrastructure projects or public safety equipment with a useful life in excess of five years or on debt issued to finance the above. The revenue for 2006 amounted to \$11,989,164 compared to \$10,598,937 in 2005. These funds were transferred to the Sales Tax Capital Projects funds discussed below.

Sales Tax Capital Projects: This fund is used to account for capital projects constructed using sales tax revenues discussed above. Projects completed during 2006 are discussed under the section entitled "Capital Asset and Debt Administration."

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The County's only enterprise fund is the Landfill Fund, and financial highlights are discussed above, at business-type activity.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$6,373,220 (increase in appropriations for expenditures) and can be briefly summarized as follows:

- General government and court-related increases of \$3,192,000 for requests from constitutional officers and the judiciary.
- General government increase of \$900,000 for relocation of various county offices due to the need for additional office space.
- Human services increase of \$1,122,000 for the Healthy Community Access program grant to help certain uninsured and underinsured citizens.

Actual expenditures in the General Fund were under budget by \$12,795,990. A brief description of these differences follows:

- General government decreases of \$6,041,400 primarily for planned repairs and maintenance and capital outlay that were not completed.
- Grant funds for the Jobs Growth Incentive fund and other grant funds that were not distributed of \$1,436,300.
- Human services decreases of \$932,300 resulting primarily from funds not spent by the Healthy Communities Access Program and another \$668,700 in Culture and Recreation expenses for boating improvement funds that were not spent.
- Court-related decreases of \$1,662,400 for technology improvements that were still in process.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activity as of September 30, 2006, amounts to \$252,500,702 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, and roads completed and put into use during the period from fiscal year 1980 to 2006.

The County has a locally imposed a one-cent sales tax that can be used for infrastructure and certain public safety equipment. The projects below were funded by this tax:

- Contribution to Lake Sumter Community College of \$5,000,000 for a joint use library to be constructed on campus
- Construction of roads and countywide resurfacing projects-\$5,128,900

- Judicial Center Expansion and South Tavares Complex design and planning for \$1,685,900

The following is a summary of Lake County's capital assets for governmental and business-type activities for 2006 and 2005, net of accumulated depreciation, with amounts expressed in thousands.

LAKE COUNTY'S CAPITAL ASSETS (amounts expressed in thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activity</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Land	\$ 17,589	\$ 16,902	\$ 2,913	\$ 2,913	\$ 20,502	\$ 19,815
Buildings	61,706	62,339	1,344	1,429	63,050	63,768
Improvements other than buildings	7,142	7,704	717	1,154	7,859	8,858
Machinery and equipment	20,508	16,808	975	852	21,483	17,660
Infrastructure	99,914	95,916	-	-	99,914	95,916
Construction in progress	38,992	21,047	701	481	39,693	21,528
Total	<u>\$ 245,851</u>	<u>\$ 220,716</u>	<u>\$ 6,650</u>	<u>\$ 6,829</u>	<u>\$ 252,501</u>	<u>\$ 227,545</u>

Additional information on capital assets can be found in Note 5 to the Financial Statements.

Long-Term debt

At September 30, 2006 Lake County had bonded debt outstanding of \$3,920,000 consisting of Pari-mutuel Revenues Replacement bonds. These bonds were issued in 2001 to fund county-wide recreation projects. They are secured by sales tax revenues which are paid to the County by the State of Florida as a replacement for funds previously distributed from pari-mutuel wagering revenues. The bonds are rated "AAA" by Standard and Poor's Ratings Services Group and Fitch, Inc.

Other debt outstanding consists of a note payable in the Landfill Fund that amounted to \$7,000,000 at year end. The note is due in annual payments of \$1,000,000 for nine years at an interest rate of 3.69%.

Additional information on debt can be found in Note 6 to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the area is estimated at 3.0% compared to 3.1% for the state and 4.1% for the nation. Last year's rate for the County was 4.0%.
- Inflation nationally as indicated by the consumer price index is 1.3%.
- Return on investments for the upcoming year will be higher as interest rates are starting to increase. Short term (less than 90 days) interest rates were about 5.32% at 9/30/2006, compared to 3.76% at the end of last fiscal year.

All of these factors were considered in preparing the County's budget for the 2007 fiscal year. In addition, at its final budget hearing on September 19, 2006, the Board adopted the following millage rates:

- General Fund: 5.7470 mills
- Stormwater, Parks and Roads: .6000 mills
- Lake County Ambulance Fund: .5289 mills
- Voter approved debt: .2000 mills

Requests for Information

This financial report is designed to provide a general overview of the Lake County finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Finance Department, 315 West Main Street, Tavares, Florida 32778.

In addition, financial statements for the Lake County Industrial Development Authority, a component unit of the County, may be obtained from the above address.

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LAKE COUNTY, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2006

Assets	Governmental Activities	Business-Type Activity	Total
Current Assets:			
Cash and Cash Equivalents	\$ 117,803,050	\$ 12,988,063	\$ 130,791,113
Other Investments	76,327,038	-	76,327,038
Restricted Cash and Cash Equivalents	-	157,011	157,011
Accounts Receivable	577,886	797,008	1,374,894
Due from Other Governments	8,300,397	1,119	8,301,516
Inventories	352,733	-	352,733
Prepaid Items	14,021	-	14,021
Total Current Assets	203,375,125	13,943,201	217,318,326
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	-	3,421,812	3,421,812
Assessments Receivable	322,892	-	322,892
Deferred Charge	63,505	934,701	998,206
Land and Other Nondepreciable Assets	56,581,453	3,613,491	60,194,944
Depreciable Capital Assets, Net	189,269,649	3,036,109	192,305,758
Total Noncurrent Assets	246,237,499	11,006,113	257,243,612
Total Assets	449,612,624	24,949,314	474,561,938
Liabilities			
Current Liabilities:			
Accounts Payable	5,855,315	814,936	6,670,251
Retainage Payable	1,335,624	-	1,335,624
Accrued Liabilities	2,844,590	152,030	2,996,620
Due to Other Governments	2,059,906	-	2,059,906
Deposits	4,683,423	52,152	4,735,575
Estimated Claims Payable	2,754,786	-	2,754,786
Current Portion of Long Term Obligations	4,241,928	1,218,644	5,460,572
Total Current Liabilities	23,775,572	2,237,762	26,013,334
Noncurrent Liabilities:			
Noncurrent Portion of Long Term Obligations	8,449,414	59,216	8,508,630
Note Payable	-	6,000,000	6,000,000
Landfill Closure and Post Closure Care Costs	-	3,631,314	3,631,314
Total Noncurrent Liabilities	8,449,414	9,690,530	18,139,944
Total Liabilities	32,224,986	11,928,292	44,153,278
Net Assets			
Invested in Capital Assets, Net of Related Debt	244,263,097	3,592,533	247,855,630
Restricted for Closure and Post Closure Care Costs	-	1,271,740	1,271,740
Restricted for Transportation Expenses	49,501,293	-	49,501,293
Restricted for Capital Projects	21,367,085	-	21,367,085
Restricted for Public Safety	15,603,732	-	15,603,732
Restricted for Debt Service	2,247,337	-	2,247,337
Restricted for Other Purposes	14,576,125	-	14,576,125
Unrestricted	69,828,969	8,156,749	77,985,718
Total Net Assets	\$ 417,387,638	\$ 13,021,022	\$ 430,408,660

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

**LAKE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2006**

Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 37,309,311	\$ 11,358,038	\$ 378,534	\$ 501,398
Public Safety	84,336,630	25,337,792	855,326	1,831,802
Physical Environment	2,961,072	342,749	109,389	-
Transportation	20,993,385	1,900,874	8,606,877	14,270,125
Economic Environment	8,485,391	-	7,943,973	-
Human Services	8,392,880	134,600	722,953	-
Culture and Recreation	11,647,698	383,162	503,996	1,360,631
Court-Related	8,587,274	8,778,390	646,988	-
Interest on Long-Term Debt	219,536	-	297,667	-
Total Governmental Activities	182,933,177	48,235,605	20,065,703	17,963,956
Business-Type Activity:				
Landfill	21,760,669	15,711,756	-	-
Total	\$ 204,693,846	\$ 63,947,361	\$ 20,065,703	\$ 17,963,956

General Revenues

Taxes:

Property Taxes

Sales Taxes

Gas Taxes

Communication Services Tax

Other

Intergovernmental Revenues, unrestricted

Investment Income

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets at Beginning of Year

Net Assets at End of Year

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

**Net (Expense) Revenue and
Changes in Net Assets**

Governmental Activities	Business-Type Activity	Total
\$ (25,071,341)	\$ -	\$ (25,071,341)
(56,311,710)	-	(56,311,710)
(2,508,934)	-	(2,508,934)
3,784,491	-	3,784,491
(541,418)	-	(541,418)
(7,535,327)	-	(7,535,327)
(9,399,909)	-	(9,399,909)
838,104	-	838,104
78,131	-	78,131
(96,667,913)	-	(96,667,913)
-	(6,048,913)	(6,048,913)
(96,667,913)	(6,048,913)	(102,716,826)
90,653,739	-	90,653,739
11,989,164	-	11,989,164
6,992,219	-	6,992,219
1,987,882	-	1,987,882
2,240,902	-	2,240,902
20,220,595	-	20,220,595
8,947,686	1,050,342	9,998,028
5,225,696	495,870	5,721,566
(6,955,296)	6,955,296	-
141,302,587	8,501,508	149,804,095
44,634,674	2,452,595	47,087,269
372,752,964	10,568,427	383,321,391
\$ 417,387,638	\$ 13,021,022	\$ 430,408,660

**LAKE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2006**

<u>Assets</u>	<u>Major Special Revenue Funds</u>		
	<u>General Fund</u>	<u>Road Impact Fees</u>	<u>County Sales Tax</u>
Cash	\$ 3,596,887	\$ -	\$ -
Pooled Cash and Investments	57,761,686	43,417,801	1,460,354
Other Investments	-	-	-
Accounts Receivable	131,376	-	-
Assessments Receivable	-	-	-
Due from Other Funds	128,688	-	-
Intragovernmental Receivables	547,869	-	-
Due from Other Governments	1,996,551	656,844	1,075,643
Inventories	177,052	-	-
Total Assets	<u>\$ 64,340,109</u>	<u>\$ 44,074,645</u>	<u>\$ 2,535,997</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts Payable	\$ 1,930,553	\$ 1,027,164	\$ -
Retainage Payable	25,176	653,910	-
Accrued Liabilities	1,862,619	-	-
Due to Other Funds	-	-	-
Intragovernmental Payables	1,045,493	-	-
Due to Other Governments	516,003	-	-
Deferred Revenue	92,750	-	-
Deposits	4,502,148	-	-
Total Liabilities	<u>9,974,742</u>	<u>1,681,074</u>	<u>-</u>
Fund Balances:			
Reserved for Encumbrances	2,327,167	8,412,147	-
Reserved for Inventories	142,083	-	-
Unreserved, reported in			
General Fund	51,896,117	-	-
Special Revenue Funds	-	33,981,424	2,535,997
Debt Service Funds	-	-	-
Capital Projects Funds	-	-	-
Total Fund Balances	<u>54,365,367</u>	<u>42,393,571</u>	<u>2,535,997</u>
Total Liabilities and Fund Balances	<u>\$ 64,340,109</u>	<u>\$ 44,074,645</u>	<u>\$ 2,535,997</u>

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

Major Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Sales Tax Capital Projects		
\$ -	\$ 4,473	\$ 3,601,360
16,313,624	57,466,489	176,419,954
-	2,139,426	2,139,426
-	114,743	246,119
-	322,892	322,892
-	-	128,688
-	1,176,734	1,724,603
3,102	3,860,825	7,592,965
-	-	177,052
\$ 16,316,726	\$ 65,085,582	\$ 192,353,059
\$ 957,981	\$ 1,810,962	\$ 5,726,660
381,798	274,740	1,335,624
-	962,501	2,825,120
-	128,688	128,688
-	87,110	1,132,603
-	1,511,552	2,027,555
-	378,392	471,142
-	33,025	4,535,173
1,339,779	5,186,970	18,182,565
4,929,809	5,590,412	21,259,535
-	-	142,083
-	-	51,896,117
-	51,831,905	88,349,326
-	2,247,337	2,247,337
10,047,138	228,958	10,276,096
14,976,947	59,898,612	174,170,494
\$ 16,316,726	\$ 65,085,582	\$ 192,353,059

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LAKE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE NET ASSETS OF GOVERNMENTAL ACTIVITIES
September 30, 2006

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

Fund balances-total governmental funds	\$ 174,170,494
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This is the amount of capital assets net of accumulated depreciation, excluding the capital assets of the internal service funds.	245,761,369
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Long-term revenues for which recognition is deferred in the governmental funds are recorded as revenue in the statement of activities.	322,892
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Internal service funds are used by management to charge the costs of fleet maintenance and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	9,707,762
--	-----------

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(12,574,879)</u>
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Net assets of governmental activities	<u><u>\$ 417,387,638</u></u>
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The notes to the financial statements are an integral part of this statement.

LAKE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2006

	<u>General</u>	<u>Major Special Revenue Funds</u>	
		<u>Road Impact Fees</u>	<u>County Sales Tax</u>
Revenues			
Taxes	\$ 81,522,791	\$ -	\$ 11,989,164
Licenses and Permits	556,898	-	-
Intergovernmental	22,501,622	294,880	-
Charges for Services	15,308,533	-	-
Fines and Forfeitures	704,612	-	-
Special Assessments	-	13,395,627	-
Investment Income	3,212,386	1,856,255	51,583
Miscellaneous	2,039,952	-	-
Total Revenues	125,846,794	15,546,762	12,040,747
Expenditures			
Current:			
General Government	32,697,200	-	-
Public Safety	52,431,459	-	-
Physical Environment	1,793,082	-	-
Transportation	156,349	13,638,225	-
Economic Environment	769,475	-	-
Human Services	7,440,175	-	-
Culture and Recreation	2,097,535	-	-
Court-Related Expenditures	1,195,618	-	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay	-	-	-
Total Expenditures	98,580,893	13,638,225	-
Excess of Revenues Over (Under)			
Expenditures	27,265,901	1,908,537	12,040,747
Other Financing Sources (Uses)			
Transfers In	5,789,363	-	-
Transfers Out	(18,436,641)	-	(11,025,393)
Total Other Financing Sources (Uses)	(12,647,278)	-	(11,025,393)
Net Change in Fund Balances	14,618,623	1,908,537	1,015,354
Fund Balances at Beginning of Year	39,775,107	40,485,034	1,520,643
Inventory Reserve Decrease	(28,363)	-	-
Fund Balances at End of Year	\$ 54,365,367	\$ 42,393,571	\$ 2,535,997

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

Major Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Sales Tax Capital Projects		
\$ -	\$ 20,351,951	\$ 113,863,906
-	5,308,999	5,865,897
529,109	17,950,194	41,275,805
-	9,128,972	24,437,505
-	3,667,999	4,372,611
-	15,167,745	28,563,372
721,760	2,619,509	8,461,493
-	5,815,546	7,855,498
1,250,869	80,010,915	234,696,087
-	1,793,241	34,490,441
-	31,856,434	84,287,893
-	2,482,027	4,275,109
-	19,640,818	33,435,392
-	7,698,618	8,468,093
-	1,160,065	8,600,240
-	5,344,845	7,442,380
-	6,949,565	8,145,183
-	85,000	85,000
-	215,172	215,172
17,402,673	483,070	17,885,743
17,402,673	77,708,855	207,330,646
(16,151,804)	2,302,060	27,365,441
10,175,143	9,598,070	25,562,576
-	(3,563,303)	(33,025,337)
10,175,143	6,034,767	(7,462,761)
(5,976,661)	8,336,827	19,902,680
20,953,608	52,308,593	155,042,985
-	(746,808)	(775,171)
\$ 14,976,947	\$ 59,898,612	\$ 174,170,494

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LAKE COUNTY, 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	\$	19,902,680
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$39,786,062 exceeded depreciation of \$13,806,865 in the current period.		25,979,197
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The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(845,860)
---	--	-----------

Long-term revenues for which recognition is deferred in the governmental funds are recorded as revenue in the statement of activities.		121,783
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		80,636
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(2,327,896)
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Internal service funds are used by management to charge the costs of fleet maintenance and insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		1,724,134
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Change in net assets of governmental activities	\$	<u>44,634,674</u>
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The notes to the financial statements are an integral part of this statement.

LAKE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Taxes	\$ 83,677,245	\$ 83,677,245	\$ 81,522,791	\$ (2,154,454)
Licenses and Permits	520,000	520,000	556,898	36,898
Intergovernmental	17,302,542	18,566,319	22,501,622	3,935,303
Charges for Services	13,103,805	13,468,484	15,308,533	1,840,049
Fines and Forfeitures	196,050	331,050	704,612	373,562
Investment Income	680,000	680,000	3,212,386	2,532,386
Miscellaneous	807,994	803,985	2,039,952	1,235,967
Less: Statutory Requirement	(5,472,460)	(5,472,460)	-	5,472,460
Total Revenues	<u>110,815,176</u>	<u>112,574,623</u>	<u>125,846,794</u>	<u>13,272,171</u>
Expenditures				
Current:				
General Government:				
Legislative Offices	506,890	506,890	482,009	24,881
Executive Offices	1,892,042	1,894,048	1,773,728	120,320
Administrative Services	4,497,280	4,653,937	3,910,738	743,199
Facilities Development	7,636,115	7,551,987	5,797,914	1,754,073
Growth Management	3,997,043	4,111,324	3,328,032	783,292
Community Services	93,726	95,641	95,641	-
Emergency Services	1,000	11,000	5,443	5,557
Constitutional Officers	545,062	515,208	500,590	14,618
Clerk of the Circuit Court	6,502,297	6,702,297	6,240,073	462,224
Property Appraiser	2,270,013	2,270,013	2,264,751	5,262
Tax Collector	3,886,763	3,886,763	3,795,649	91,114
Supervisor of Elections	1,638,471	1,778,254	1,592,392	185,862
Non-Departmental	3,861,049	4,761,276	2,910,240	1,851,036
Total General Government	<u>37,327,751</u>	<u>38,738,638</u>	<u>32,697,200</u>	<u>6,041,438</u>
Public Safety:				
Growth Management	582,886	631,631	618,604	13,027
Community Services	644,711	644,029	606,751	37,278
Emergency Services	1,486,234	1,618,176	1,962,263	(344,087)
Sheriff	43,940,646	45,005,919	44,712,721	293,198
Judicial Support	950,000	1,250,000	1,107,689	142,311
Constitutional Officers	3,142,305	3,391,215	2,715,804	675,411
Non-Departmental	621,411	707,627	707,627	-
Total Public Safety	<u>51,368,193</u>	<u>53,248,597</u>	<u>52,431,459</u>	<u>817,138</u>
Physical Environment:				
Community Services	921,467	928,844	878,670	50,174
Environmental Services	1,218,313	1,258,866	914,412	344,454
Total Physical Environment	<u>2,139,780</u>	<u>2,187,710</u>	<u>1,793,082</u>	<u>394,628</u>
Transportation				
Public Works	210,019	202,420	156,349	46,071
Total Transportation	<u>210,019</u>	<u>202,420</u>	<u>156,349</u>	<u>46,071</u>

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

LAKE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures (Contd.)				
Current:				
Economic Environment:				
Executive Offices	-	75,000	41,901	33,099
Tourism	1,662,319	1,662,319	517,592	1,144,727
Community Services	205,554	211,687	209,982	1,705
Total Economic Environment	<u>1,867,873</u>	<u>1,949,006</u>	<u>769,475</u>	<u>1,179,531</u>
Human Services:				
Community Services	6,246,006	7,356,432	6,035,671	1,320,761
Emergency Services	1,454,157	1,448,610	1,404,504	44,106
Total Human Services	<u>7,700,163</u>	<u>8,805,042</u>	<u>7,440,175</u>	<u>1,364,867</u>
Culture and Recreation:				
Community Services	16,991	16,991	16,464	527
Public Works	2,426,295	2,740,775	1,765,035	975,740
Tourism	361,577	372,685	316,036	56,649
Total Culture and Recreation	<u>2,804,863</u>	<u>3,130,451</u>	<u>2,097,535</u>	<u>1,032,916</u>
Court-Related Expenditures:				
Judicial Support	1,329,226	2,567,754	899,298	1,668,456
State Attorney	104,503	204,988	69,432	135,556
Public Defender	96,055	185,558	124,554	61,004
Community Services	55,236	156,718	102,334	54,384
Total Court-Related Expenditures	<u>1,585,020</u>	<u>3,115,018</u>	<u>1,195,618</u>	<u>1,919,400</u>
Total Expenditures	<u>105,003,662</u>	<u>111,376,882</u>	<u>98,580,893</u>	<u>12,795,989</u>
Excess of Revenues Over Expenditures	5,811,514	1,197,741	27,265,901	26,068,160
Other Financing Sources (Uses):				
Transfers In	5,744,201	5,715,272	5,789,363	74,091
Transfers Out	(17,980,285)	(18,150,765)	(18,436,641)	(285,876)
Reserve for Contingencies	(17,360,819)	(28,366,910)	-	28,366,910
Total Other Financing Sources (Uses):	<u>(29,596,903)</u>	<u>(40,802,403)</u>	<u>(12,647,278)</u>	<u>28,155,125</u>
Net Change in Fund Balances	(23,785,389)	(39,604,662)	14,618,623	54,223,285
Fund Balances at Beginning of Year	23,785,389	39,604,662	39,775,107	170,445
Inventory Reserve Decrease	-	-	(28,363)	(28,363)
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,365,367</u>	<u>\$ 54,365,367</u>

LAKE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR FUND - SPECIAL REVENUE FUND - ROAD IMPACT FEES
For the Year Ended September 30, 2006

	<u>Road Impact Fees</u>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Special Assessments	\$ 12,407,784	\$ 12,407,784	\$ 13,395,627	\$ 987,843
Intergovernmental	-	-	294,880	294,880
Investment Income	600,000	600,000	1,856,255	1,256,255
Less: Statutory Requirement	(650,389)	(650,389)	-	650,389
Total Revenues	<u>12,357,395</u>	<u>12,357,395</u>	<u>15,546,762</u>	<u>3,189,367</u>
Expenditures				
Current:				
Transportation	44,966,027	52,842,429	13,638,225	39,204,204
Total Expenditures	<u>44,966,027</u>	<u>52,842,429</u>	<u>13,638,225</u>	<u>39,204,204</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(32,608,632)</u>	<u>(40,485,034)</u>	<u>1,908,537</u>	<u>42,393,571</u>
Net Change in Fund Balances	<u>(32,608,632)</u>	<u>(40,485,034)</u>	<u>1,908,537</u>	<u>42,393,571</u>
Fund Balances at Beginning of Year	<u>32,608,632</u>	<u>40,485,034</u>	<u>40,485,034</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,393,571</u>	<u>\$ 42,393,571</u>

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

LAKE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR FUND - SPECIAL REVENUE FUND - COUNTY SALES TAX
For the Year Ended September 30, 2006

	<u>County Sales Tax</u>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 10,000,000	\$ 10,000,000	\$ 11,989,164	\$ 1,989,164
Investment Income	5,000	5,000	51,583	46,583
Less: Statutory Requirement	(500,250)	(500,250)	-	500,250
Total Revenues	9,504,750	9,504,750	12,040,747	2,535,997
Expenditures				
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	9,504,750	9,504,750	12,040,747	2,535,997
Other Financing Uses				
Transfers Out	(10,412,000)	(11,025,393)	(11,025,393)	-
Total Other Financing Uses	(10,412,000)	(11,025,393)	(11,025,393)	-
Net Change in Fund Balances	(907,250)	(1,520,643)	1,015,354	2,535,997
Fund Balances at Beginning of Year	907,250	1,520,643	1,520,643	-
Fund Balances at End of Year	\$ -	\$ -	\$ 2,535,997	\$ 2,535,997

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

LAKE COUNTY, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2006

<u>Assets</u>	<u>Business-Type Activity Landfill Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Current Assets:		
Cash	\$ 1,150	\$ -
Pooled Cash and Investments	12,986,913	9,102,363
Cash with Fiscal Agent	-	82,090
Other Investments	-	2,784,895
Restricted Cash and Investments	157,011	-
Accounts Receivable	797,008	331,767
Prepaid Expenses	-	14,021
Intragovernmental Receivables	1,119	32,351
Due from Other Governments	-	50,730
Inventory	-	175,681
Total Current Assets	13,943,201	12,573,898
Noncurrent Assets:		
Restricted Cash and Investments	3,421,812	-
Deferred Charge	934,701	-
Capital Assets:		
Land	2,913,017	-
Buildings	2,211,665	-
Equipment	4,538,633	346,871
Improvements Other Than Buildings	6,894,402	-
Construction Work in Progress	700,474	-
Less: Accumulated Depreciation	(10,608,591)	(257,138)
Total Capital Assets	6,649,600	89,733
Total Noncurrent Assets	11,006,113	89,733
Total Assets	24,949,314	12,663,631
 Liabilities		
Current Liabilities:		
Accounts Payable	814,936	128,654
Accrued Liabilities	152,030	19,470
Estimated Insurance Claims Payable	-	2,754,786
Deposits	52,152	-
Current Portion of Long Term Obligations	1,218,644	25,420
Total Current Liabilities	2,237,762	2,928,330
Noncurrent Liabilities:		
Accrued Benefits Payable	59,216	27,539
Note Payable	6,000,000	-
Landfill Closure and Post Closure Care Costs	3,631,314	-
Total Noncurrent Liabilities	9,690,530	27,539
Total Liabilities	11,928,292	2,955,869
 Net Assets		
Invested in Capital Assets, Net of Related Debt	3,592,533	89,733
Restricted for Closure and Post Closure Care Costs	1,271,740	-
Unrestricted Net Assets	8,156,749	9,618,029
Total Net Assets	\$ 13,021,022	\$ 9,707,762

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

LAKE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2006

	Business-Type Activity <u>Landfill Fund</u>	Governmental Activities <u>Internal Service Funds</u>
Operating Revenues:		
Charges for Services	\$ 15,711,756	\$ 14,237,381
Miscellaneous	<u>495,870</u>	<u>562,870</u>
Total Operating Revenues	<u>16,207,626</u>	<u>14,800,251</u>
 Operating Expenses:		
Benefit Payments and Claims	-	10,387,785
Personal Services	2,033,559	519,375
Contracted Services	17,511,771	8,181
Supplies and Materials	254,988	1,420,734
Repairs and Maintenance	302,106	377,543
Utilities	155,588	14,631
Other Charges and Services	233,024	1,321,605
Depreciation and Amortization	833,812	25,578
Landfill Closure and Post Closure Care Costs	<u>73,209</u>	<u>-</u>
Total Operating Expenses	<u>21,398,057</u>	<u>14,075,432</u>
 Operating Income (Loss)	(5,190,431)	724,819
 Non-Operating Revenues (Expenses):		
Interest Revenue	1,050,342	486,147
Interest and Financing Costs	(268,140)	-
Aid to Government Agencies	(92,922)	-
Net Gain (Loss) on Disposal of Capital Assets	<u>(1,550)</u>	<u>5,703</u>
Total Non-Operating Revenues (Expenses)	<u>687,730</u>	<u>491,850</u>
 Income (Loss) Before Transfers	(4,502,701)	1,216,669
 Transfers In	7,958,049	885,522
Transfers Out	<u>(1,002,753)</u>	<u>(378,057)</u>
Total Transfers	<u>6,955,296</u>	<u>507,465</u>
 Change in Net Assets	2,452,595	1,724,134
Total Net Assets at Beginning of Year	<u>10,568,427</u>	<u>7,983,628</u>
Total Net Assets at End of Year	<u>\$ 13,021,022</u>	<u>\$ 9,707,762</u>

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

LAKE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2006

	Business-Type Activity Landfill Fund	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities:		
Cash Received from Customers, and Contributions		
Including Cash Deposits	\$ 16,185,848	\$ 13,916,552
Cash Paid to Suppliers and for Claims	(18,805,619)	(12,968,393)
Cash Paid to Employees	(1,608,141)	(406,133)
Cash Paid to Internal Service Fund	(428,460)	(113,275)
Net Cash Provided (Used) by Operating Activities	(4,656,372)	428,751
Cash Flows from NonCapital Financing Activities:		
Cash Received for NonCapital Grants		-
Payments to Government Agencies	(92,922)	-
Cash Transfers from Other Funds	7,958,049	885,522
Cash Transfers to Other Funds	(1,002,753)	(378,057)
Net Cash Provided by NonCapital Financing Activities	6,862,374	507,465
Cash Flows From Capital And Related Financing Activities:		
Payment on Note Payable	(1,000,000)	-
Interest and Financing Costs Paid on Note Payable	(268,140)	-
Additions to Capital Assets	(535,126)	(21,279)
Net Cash Used by Capital and Related Financing Activities	(1,803,266)	(21,279)
Cash Flows from Investing Activities:		
Interest Received	1,050,342	486,147
Net Cash Provided by Investing Activities	1,050,342	486,147
Net Change in Cash And Cash Equivalents	1,453,078	1,401,084
Cash and Cash Equivalents at October 1	15,113,808	10,568,264
Cash and Cash Equivalents at September 30	\$ 16,566,886	\$ 11,969,348

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

LAKE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2006

	<u>Business-Type Activity Landfill Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities		
Operating Income(Loss)	\$ (5,190,431)	\$ 724,819
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	833,812	25,578
Change in Accounts Receivable	(3,887)	(276,020)
Change in Prepaid Expenses	-	43,790
Change in Intragovernmental Receivables	(75)	(11,571)
Change in Due from Other Governments	-	(28,258)
Change in Inventory	-	58,424
Change in Accounts Payable	(163,747)	(54,243)
Change in Accrued Liabilities	(4,553)	3,451
Change in Estimated Claims Payable	-	(53,735)
Change in Accrued Benefits Payable	1,511	(3,484)
Change in Closure and Post Closure Costs	(128,477)	-
Change in Deposits	(525)	-
Total Adjustments	<u>534,059</u>	<u>(296,068)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (4,656,372)</u>	<u>\$ 428,751</u>
<u>Noncash Investing, Capital and Financing Activities</u>		
Loss on Disposition of Capital Assets	(1,550)	5,703
Accrued Interest Payable Reported in Accrued Liabilities	86,100	-

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

LAKE COUNTY, FLORIDA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
September 30, 2006

	<u>Agency Funds</u>
 <u>Assets</u>	
Cash	\$ 2,904,522
Pooled Cash and Investments	8,679,934
Restricted Cash and Investments	247,069
Accounts Receivable	<u>3,202</u>
 Total Assets	 <u>\$ 11,834,727</u>
 <u>Liabilities</u>	
Liabilities:	
Accounts Payable	\$ 74,091
Intragovernmental Payables	625,470
Due to Other Governments	4,866,894
Deposits	3,861,989
Taxes Collected in Advance	1,881,610
Cash Bonds Payable	<u>524,673</u>
 Total Liabilities	 <u>\$ 11,834,727</u>

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

LAKE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

Lake County is a political subdivision of the State of Florida pursuant to Article VIII, Section (1), Constitution of the State of Florida. It is guided by an elected Board of County Commissioners (the Board) which is governed by state statutes. In addition to the members of the Board, there are five elected Constitutional Officers: the Tax Collector, Property Appraiser, Clerk of the Circuit Court (Clerk), Sheriff and the Supervisor of Elections. The entities controlled by these officials are combined and comprise the primary government.

The Board funds a portion, or in certain instances all, of the operating budgets of the County's Constitutional Officers. The payments by the Board to fund the operations of the Constitutional Officers are recorded as "Transfers Out" on the financial statements of the Board and as "Transfers In" on the financial statements of the Constitutional Officers. Florida Statutes require the applicable budget excess of the Constitutional Officers to be returned to the Board at the close of the fiscal year. Accordingly, such amounts are recorded as "Transfers Out" by the Constitutional Officers and "Transfers In" by the Board.

Information is reported for each of the County's Constitutional Officers within the General Fund. Eliminations of intragovernmental receivables, payables, and transfers for governmental activities have been made and are reported in the financial statements.

The accompanying financial statements present Lake County (the primary government described above) and its component units. A component unit is a legally separate organization for which the County is financially accountable. Blended component units, although legally separate entities, are in substance, part of the County's operations. A description of the County's component units and the criteria for their inclusion in the County's financial statements follows:

Blended Component Units:

Lake County Municipal Taxing Unit for Fire Protection; Greater Hills Municipal Service Benefit Unit; Greater Groves Municipal Service Benefit Unit; Village Green Street Lighting; Greater Pines Municipal Services; Picciola Island Street Lighting; and Valencia Terrace Street Lighting: These funds are supported by

LAKE COUNTY, FLORIDA
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fees collected from the residents who benefit from these services; however, pursuant to Florida Statutes, the Board of County Commissioners is the governing body of these organizations.

These funds are included as Special Revenue Funds.

Discretely Presented Component Unit:

Lake County Industrial Development Authority (Authority): The Authority was created by resolution of the Board pursuant to Florida Statutes for the purpose of financing public projects and fostering economic development in the County. The County contracts with the Economic Development Commission of Mid-Florida, Inc. to provide these services. The Authority is funded by the County and by fees collected from the issuance of bonds. The bonds issued by the Authority constitute “no-commitment debt”, and are, therefore, not reported as liabilities of the Authority. The Authority had no assets, liabilities, fund equity, revenues or expenditures for the year ended September 30, 2006. The Authority publishes annual audited financial statements. Those statements may be obtained by contacting the Office of the Clerk of Courts, 315 West Main Street, Post Office Box 7800, Tavares, Florida 32778, 352-343-9808.

The following is a listing of the name and legal authority for each component unit of Lake County, Florida.

<u>Name</u>	<u>Legal Authority</u>
Lake County Municipal Taxing Unit for Fire Protection	County Ordinances 1985-13,1989-9(G), 1990-24, 29; 1991-18,1998-64
Greater Hills Municipal Service Taxing Unit	County Ordinance 1990-28
Greater Groves Municipal Service Benefit Unit	County Ordinance 1991-11
Village Green Street Lighting	County Resolution 1993-224
Greater Pines Municipal Services	County Resolution 1993-227
Picciola Island Street Lighting	County Resolution 1997-167
Valencia Terrace Street Lighting	County Resolution 1999-147
Lake County Industrial Development Authority	County Resolution 1987-8

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Joint Ventures:

District Five Medical Examiner: Lake County is a participant in an interlocal agreement with Citrus, Hernando, Marion and Sumter counties to share the operating costs of the District Five Medical Examiner's Office (Medical Examiner). The Medical Examiner is governed by a committee consisting of one county commissioner from each county. The committee approves the annual budget and the method for dividing costs among the five counties. Lake County is the Administrative Coordinator for the Medical Examiner and is responsible for hiring employees, managing funds, and providing support services. Lake County receives a fee of 5% of expenditures to cover these support services. In addition, Lake County provides the facility that is used for the operation of the office. The costs of maintenance, repair, upkeep and subsequent capital expenditures of and for the facility, however, are considered costs of the joint venture. Any one of the counties has the right to terminate its participation by giving 60 days notice to the other counties and paying its share of the costs up to the date of termination. The termination of the interlocal agreement by one county does not affect the validity of the agreement for the other non-terminating counties.

The District Five Medical Examiner publishes annual audited financial statements. Those statements may be obtained by contacting the Office of the Clerk of Courts, 315 West Main Street, Post Office Box 7800, Tavares, Florida 32778, 352-343-9808.

Lake-Sumter Emergency Medical Services, Inc. (LSEMS): Lake County is a participant in an interlocal agreement with Sumter County to provide ambulance services to the citizens of each county through the creation of a non-profit corporation. The corporation is governed by a Board of Directors consisting of: one member each from the Sumter and Lake County Board of County Commissioners, one member each from a city commission within each county, one citizen from each county, and a representative from a hospital whose service area includes either county. Officers are elected by the Board except for the Treasurer which shall be the Lake County Clerk of Courts for the duration of the corporation's existence. As Treasurer, the Clerk is responsible for all funds of the corporation, including the receipt and disbursement of all cash. The Clerk receives an administrative fee for this service. The Board employs an executive director who is responsible for the daily operation of the ambulance service, including carrying out the Board's directives, hiring and firing employees, and preparing an annual operating budget. Funding is provided by Lake and Sumter Counties. All costs and expenses are prorated between the two counties based upon the number of transports each county received for the prior fiscal year. For fiscal year 2005-06, Lake County is responsible for 82% of such costs and expenses and Sumter County is responsible for 18% of such costs and expenses. During the year ended September 30, 2006, Lake County provided funding of \$7,214,900. Upon notification by the Treasurer that a budget deficit exists, both Counties shall prorate the amount of deficit in accordance with the

LAKE COUNTY, FLORIDA
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above allocation and remit such payment to the Treasurer.

Lake-Sumter Emergency Medical Services, Inc. publishes annual audited financial statements. Those statements may be obtained by contacting the Office of the Clerk of Courts, 315 West Main Street, Post Office Box 7800, Tavares, Florida 32778, 352-343-9808.

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 Lake County 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 the County's Landfill Fund, a business-type activity, which relies primarily on user fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, such as general government, public safety, transportation, physical and economic environment, human services, culture and recreation and court related expenses, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Taxes and other items, including unrestricted intergovernmental revenues, 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 fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the Landfill fund are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. The fiduciary fund financial statements, which include only agency funds, are reported using the accrual basis of accounting. 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 soon as all eligibility requirements imposed by the provider have been met.

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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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The General Fund is the County'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 general funds of the Clerk, Property Appraiser, Sheriff, Tax Collector and Supervisor of Elections are included in the County's General Fund.

The Road Impact Fees Special Revenue Fund accounts for revenues and expenditures for road improvements pursuant to County Ordinance.

The County Sales Tax Special Revenue Fund accounts for revenues collected from the discretionary infrastructure sales surtax pursuant to Chapter 212, Part I, Florida Statutes. This one cent levy was originally approved November 3, 1987, for a period of 15 years. An extension for another 15 years was approved by referendum November 6, 2001.

The Sales Tax Capital Projects Fund accounts for the construction of projects financed by the discretionary infrastructure sales surtax.

Lake County has the following major proprietary fund:

The Landfill Fund accounts for the operating of the County's landfills and the Waste to Energy Facility operated by a private vendor.

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Additionally, Lake County has the following fund types:

Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds account for the accumulation of resources for and the payment of principal and interest on the Pari-Mutuel Revenues Replacement Bonds and the Sales Tax Renewal Line of Credit.

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Internal Service Funds account for the provision of health and general liability insurance coverage and fleet maintenance services provided to other County departments or outside agencies and other governments, on a cost reimbursement basis.

Agency Funds account for situations where the County's role in handling funds is purely custodial, such as the receipt, temporary investment and subsequent payment to individuals, agencies or other governments. Activities of the agency funds are primarily related to the collection and payment of taxes, educational impact fees, and court registry deposits.

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

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

Proprietary funds distinguish operating revenues and expenses from 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 landfill enterprise fund, 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

LAKE COUNTY, FLORIDA
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expenses not meeting this definition are reported as non-operating revenues and expenses.

Proprietary funds also distinguish between restricted and unrestricted resources. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

The Landfill Fund does not apply all Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989.

D. Deposits and Investments:

Cash and cash equivalents consist of cash in the State Board of Administration (SBA) cash management pool which has the general characteristic of a demand deposit account in that the County may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty.

Section 218.415, Florida Statutes, gives the County the authority to invest surplus funds in:

- (a) The Local Government Surplus Funds Trust Fund (SBA).
- (b) Direct obligations of the United States Treasury.
- (c) Interest-bearing time deposits or savings accounts in qualified public depositories.
- (d) Federal agencies and instrumentalities.

All investments are stated at fair value. Investment income includes interest earnings and realized and unrealized gains and losses on investments.

E. Inventories:

Inventories are stated at cost, using the first-in, first-out (FIFO) method. For the "consumption method" of accounting for inventories, the cost of an item is recorded as an expenditure at the time the item is used. The "purchases method" of accounting for inventories records the cost of an inventory item when it is purchased. Inventories reported under the purchases method for all Governmental Funds are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

In the governmental fund financial statements, all governmental fund inventories are accounted for using the purchases method except for postage in the General

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Fund, which is accounted for using the consumption method. In the government-wide statements, all inventories are reported using the consumption method.

F. Property Taxes – Lien and Levy Dates

All real and tangible personal property taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is open for collection. The Tax Collector mails a notice of taxes levied by the various governmental entities in the County to each property owner on the assessment roll. Taxes may be paid upon receipt of such notice with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount. All unpaid taxes on real and tangible personal property become delinquent on April 1 of the year following the year in which taxes were assessed.

Prior to May 1 of each year, a list of delinquent personal property taxpayers is advertised. Warrants are issued directing seizure and sale of the personal property of the taxpayer if the delinquent taxes are not paid before May 1. On or before June 1 of the year following the year in which taxes were assessed, tax certificates are sold on all real estate parcels with outstanding taxes. These parcels are advertised once a week for four weeks prior to the tax certificate sale.

The key dates in the property tax cycle are as follows:

Assessment date	January 1
Assessment roll validated	July 1
Millage Resolution approved	By September 30
Beginning of fiscal year for which taxes have been levied	October 1
Tax bills rendered and due	November 1
Property taxes payable:	
Maximum Discount	November 30
Delinquent	April 1
Tax Certificates Sold	May 31

Collections of County, municipal, and independent taxing district taxes and remittances are accounted for in the Tax Collector's Tax Collections Trust Fund.

G. Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets, (see below), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 (equipment) or \$25,000 (land, building and infrastructure), and an estimated useful life in excess of one year. Such assets are recorded at historical cost or

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estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of infrastructure assets, including roads, bridges, curbs and gutters, streets, sidewalks, drainage systems and lighting systems, acquired during the period from October 1, 1979 to September 30, 2006 are recorded in the government-wide financial statements.

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. No interest was capitalized in 2006.

Property, plant, and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40
Improvements other than buildings	10
Infrastructure	10-50
Vehicles/Computer equipment	6
Furniture/Office equipment	10
Heavy equipment	20

H. Budgets and Budgetary Accounting:

Chapters 129 and 200, Florida Statutes, govern the County's annual budgetary process. The total of the estimated receipts, including balances brought forward, must equal the total of the appropriations and reserves, therefore enabling a balanced budget.

Pursuant to legal requirements, an annual appropriated budget is adopted by resolution subject to public hearing. Such resolution sets the budget appropriations on a fund by fund basis for the Board Governmental Fund Types and the Proprietary Fund Types. However, other Board approved policies, more fully discussed below, set the legal level of control at the major object level within a department. Since reporting budget to actual comparisons at the major object level would significantly increase the size of the Comprehensive Annual Financial Report, aggregation of such account classifications through revenue "source" and expenditure "function" is presented in this report, which represents a higher level of summarization than the legal level of control for the Board. In addition, a detailed report comparing budgeted to actual expenditures is generated monthly and at year end and is made available to interested parties.

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The Constitutional Officers submit, at various times, to the Lake County Board of County Commissioners, and to certain divisions within the Department of Revenue, State of Florida, a proposed operating budget for the fiscal year commencing the following October 1. The tentative budget is reviewed and/or modified by the Board, after which public hearings are conducted pursuant to Section 200.065, Florida Statutes. Prior to October 1, the budget is legally enacted by approval of the Board of County Commissioners. The Department of Revenue, State of Florida, has the final authority on the operating budgets for the Tax Collector and the Property Appraiser included in the General Fund. The Clerk's Court Fund budget included in the Special Revenue Funds is approved by the Florida Clerk of Courts Operation Corporation (CCOC), and is limited to the amount approved in total by the CCOC.

In addition to the legal requirements discussed above, the Board has adopted management control and approval guidelines for expenditures and budget amendments. Key components of these management guidelines are as follows:

- (1) Transfers of budgeted amounts between major object codes of a department within a fund must be approved by the Board if they exceed \$25,000.
- (2) Transfers of budgeted amounts between departments or between funds must be approved by the Board following a public hearing.
- (3) No expenditure or encumbrance may occur without a sufficient budgetary balance.
- (4) All encumbered and unencumbered appropriations lapse at the close of the fiscal year. Encumbered amounts must be re-appropriated in the next fiscal year.

For the fiscal year 2005-2006, the Board of County Commissioners adopted budgets for the following funds and fund types: All Governmental Fund types, Landfill Fund and Internal Service Funds. The original budget is adopted before final audited beginning fund balances are available, resulting in differences between the beginning fund balance for the original and the final budget presentation in the governmental funds.

Except for the Landfill Fund and Fleet Maintenance Fund (Proprietary Fund Types), all budgets are prepared on a basis consistent with GAAP. The budget for these funds is prepared on an accrual basis and is in conformance with GAAP except that capital outlay expenses are budgeted for management purposes and subsequently recorded as assets as year end.

LAKE COUNTY, FLORIDA
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I. Deferred Charge:

The deferred charge recorded in the Landfill Fund represents amounts paid for capital improvements at the solid waste disposal/resource recovery facility, owned and operated by Covanta Lake, Inc. (Covanta), as more fully described in Note 7E. The County is contractually obligated under the terms of a waste disposal agreement with Covanta to provide these improvements which will be amortized over the life of the agreement. The waste disposal agreement expires July 1, 2014.

J. Accrued Benefits Payable:

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements.

K. Fund Equity/Restricted Net Assets:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets are restricted when constraints are placed on their use by external creditors such as through debt covenants, grantors, and donors or imposed by law such as through constitutional provisions or enabling legislation. The majority of the restrictions placed on net assets for the County are those imposed by enabling legislation such as the use of gas taxes, road impact fees, infrastructure sales taxes and fire special assessments.

L. Long-term Obligations:

In the government-wide financial statements, and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds, using the straight line method which approximates 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.

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.

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NOTES TO FINANCIAL STATEMENTS
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M. Use of Estimates:

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Governmental Fund Balance Sheet includes a reconciliation between Fund Balance - Total Governmental Funds and Net Assets – Governmental Activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$12,574,879 difference are as follows:

Bonds Payable	\$ 3,920,000
Less: Deferred Charge for Issuance Costs	(63,505)
Less: Issuance Discount	(41,218)
Compensated Absences (excluding internal service fund \$52,959)	8,759,602
Net Adjustment	<u>\$ 12,574,879</u>

3. DEPOSITS AND INVESTMENTS

Pooled cash accounts are maintained for each fund of the Board of County Commissioners, Sheriff, and Clerk. Each fund’s portion of this pool is displayed on the fund financial statement balance sheets as “Pooled Cash and Investments”, and is included in the cash and cash equivalents on the Statement of Net Assets. Interest earned from investments with pooled cash is allocated to each of the funds based on the fund’s average daily equity balance. Each of the Constitutional Officers, with the exception of the Supervisor of Elections, maintains various cash deposit and investment accounts.

Deposits

The County’s deposits consisted of interest bearing demand accounts and certificates of deposit, all of which were entirely covered by federal depository insurance or by a multiple financial institution collateral pool pursuant to the Public Depository Security Act of the State of Florida. This Act requires that the County maintain deposits only in “qualified public depositories”. All qualified public depositories must deposit with the State Treasurer eligible collateral in

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such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss caused by the default or insolvency of other qualified public depositories of the same type. Should a default or insolvency occur, the State Treasurer will implement procedures for payment of losses according to the validated claims of the County.

Investments

The Board of County Commissioners and the Clerk are members of the Local Government Surplus Funds Trust Fund (LGSF) that is administered by the State Board of Administration of Florida (SBA).

The LGSF is not a registrant with the Securities and Exchange Commission (SEC); however, its Board has adopted operating procedures consistent with the requirements for a 2a-7 fund. In accordance with these requirements, the method used to determine participants' shares sold and redeemed is the amortized cost method. Amortized cost includes accrued income and is a method of calculating an investment's value by adjusting its acquisition cost for the amortization of discount or premium over the period from purchase to maturity. Thus, the County's account balance in the fund is its fair value.

Pursuant to a resolution and execution of a joinder agreement, the County is also authorized to invest in the Florida Local Government Investment Trust (FLGIT). This fund was established in 1992 by the Florida Association of Court Clerks and the Florida Association of Counties to provide local governments with a professionally managed, longer term investment pool. The County's investment in this fund is recorded at fair value.

LAKE COUNTY, FLORIDA
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As of September 30, the County had the following investments. All investments are held in an internal investment pool except the repurchase agreement.

<u>Investment Type</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
State Investment Pool (SBA)	0.25	\$ 51,267,700
Florida Local Government Investment Trust (FLGIT)	2.58	13,429,060
U. S. Agencies	1.14	57,973,657
Repurchase Agreement	N/A	<u>195,673</u>
 Total Fair Value		 <u>\$ 122,866,090</u>
 Portfolio Weighted Average Maturity	 0.92	

Interest Rate Risk – In an effort to minimize interest rate risk, the County’s investment policy requires that the weighted average maturity of the portfolio in total not exceed two years. In addition, no individual security can have a maturity greater than five years. When computing the weighted average maturity of investments, the County assumes callable securities will be redeemed on the first call date.

Credit Risk – Authorized investments include only those securities with the highest credit ratings. The U. S. Agency securities are rated Aaa/AAA by Moody’s and Standard & Poor’s rating services. FLGIT has an investment rating of AAf by Standard & Poor’s. This rating indicates the fund portfolio holdings provide extremely strong protection against losses from credit defaults. The state investment pool is not rated.

A reconciliation of cash and investments as shown on the Statement of Net Assets follows:

	<u>Total</u>
Cash on Hand and Carrying Amount of Deposits	\$ 99,662,409
Carrying Amount of Investments	<u>122,866,090</u>
Total	<u>\$ 222,528,499</u>

	<u>Gov't-Wide</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 130,791,113	\$ 11,584,456	\$ 142,375,569
Current Restricted			
Cash and Cash Equivalents	157,011	247,069	404,080
Other Investments	76,327,038	-	76,327,038
Noncurrent Restricted			
Cash and Cash Equivalents	3,421,812	-	3,421,812
Total	<u>\$ 210,696,974</u>	<u>\$ 11,831,525</u>	<u>\$ 222,528,499</u>

LAKE COUNTY, FLORIDA
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4. ASSESSMENTS RECEIVABLE

Assessments receivable at September 30, 2006 consist primarily of \$322,892 in secondary roads, of which \$28,900 is current, \$237,719 is deferred and \$56,274 is past due.

These assessments are reported in the County Transportation Trust Fund and are administered by the Board. Assessments to the fund become due and payable thirty days after the final assessment roll is approved by the Board. All assessments not paid within the period are paid in equal installments over a seven-year period, with interest ranging from 6.5% to 12% per annum. Any assessments payable in installments may be paid at any time, together with accrued interest to date.

5. CAPITAL ASSETS

A summary of governmental activities capital assets follows:

	<u>Balance Oct 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept 30, 2006</u>
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 16,901,754	\$ 1,148,123	\$ (460,299)	\$ 17,589,578
Construction work in progress	21,047,372	28,587,952	(10,643,449)	38,991,875
Total	<u>37,949,126</u>	<u>29,736,075</u>	<u>(11,103,748)</u>	<u>56,581,453</u>
Capital assets being depreciated:				
Buildings	89,670,912	1,577,375	-	91,248,287
Improvements	8,547,275	137,781	-	8,685,056
Machinery and equipment	41,837,830	8,675,136	(3,548,981)	46,963,985
Infrastructure	161,578,656	10,350,237	-	171,928,893
Total	<u>301,634,673</u>	<u>20,740,529</u>	<u>(3,548,981)</u>	<u>318,826,221</u>
Less accumulated depreciation:				
Buildings	(27,331,351)	(2,210,711)	-	(29,542,062)
Improvements	(842,817)	(700,646)	-	(1,543,463)
Machinery and equipment	(25,030,194)	(4,569,110)	3,143,309	(26,455,995)
Infrastructure	(65,663,076)	(6,351,976)	-	(72,015,052)
Total	<u>(118,867,438)</u>	<u>(13,832,443)</u>	<u>3,143,309</u>	<u>(129,556,572)</u>
Total capital assets being depreciated, net	<u>182,767,235</u>	<u>6,908,086</u>	<u>(405,672)</u>	<u>189,269,649</u>
Governmental activities capital assets, net	<u>\$ 220,716,361</u>	<u>\$ 36,644,161</u>	<u>\$ (11,509,420)</u>	<u>\$ 245,851,102</u>

LAKE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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Depreciation expense for governmental activities was charged to functions as follows:

Governmental activities:	
General government	\$ 1,293,852
Public safety	4,341,705
Physical environment	42,999
Transportation	7,073,790
Economic environment	16,542
Human services	224,384
Culture and recreation	368,657
Court-related expenses	444,936
	<u>13,806,865</u>
Capital assets held by the internal service funds are charged to various functions based on their usage of the assets	25,578
Total depreciation expense - governmental activities	<u>\$ 13,832,443</u>

A summary of business activities capital assets follows:

	Balance Oct 1, 2005	Additions	Deletions	Balance Sept 30, 2006
Business-type activities:				
Capital assets not depreciated:				
Land	\$ 2,913,017	\$ -	\$ -	\$ 2,913,017
Construction work in progress	481,139	219,335	-	700,474
Total	<u>3,394,156</u>	<u>219,335</u>	<u>-</u>	<u>3,613,491</u>
Capital assets being depreciated:				
Buildings	2,211,665	-	-	2,211,665
Improvements other than buildings	6,894,402			6,894,402
Machinery and equipment	4,211,990	433,545	(106,902)	4,538,633
Total	<u>13,318,057</u>	<u>433,545</u>	<u>(106,902)</u>	<u>13,644,700</u>
Less accumulated depreciation for:				
Buildings	(782,393)	(85,824)	-	(868,217)
Improvements other than buildings	(5,740,086)	(436,932)		(6,177,018)
Machinery and equipment	(3,360,504)	(300,578)	97,726	(3,563,356)
Total	<u>(9,882,983)</u>	<u>(823,334)</u>	<u>97,726</u>	<u>(10,608,591)</u>
Total capital assets being depreciated, net	<u>3,435,074</u>	<u>(389,789)</u>	<u>(9,176)</u>	<u>3,036,109</u>
Business-type activities capital assets, net	<u>\$ 6,829,230</u>	<u>\$ (170,454)</u>	<u>\$ (9,176)</u>	<u>\$ 6,649,600</u>

LAKE COUNTY, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
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6. LONG-TERM DEBT

6(a). LAKE COUNTY, FLORIDA, BOARD OF COUNTY COMMISSIONERS SALES TAX REVENUE BONDS (PARI-MUTUEL REVENUES REPLACEMENT PROGRAM), 2000

The County issued \$4,400,000 in bonds to provide funds to finance the cost of acquisition, construction and equipping of certain capital improvements to be made within the County including the acquisition of land for a regional park and various walking and biking trails. The bonds are secured by a pledge of sales tax revenues received by the County as a replacement of the funds previously distributed under Chapter 550, Florida Statutes, from racetrack and jai alai fronton revenues. Bond principal payments are due in annual installments beginning October 1, 2001 continuing until October 1, 2019 with \$2,390,000 in term bonds due October 1, 2030. The serial bonds bear interest at rates ranging from 4.50% to 5.30%. The term bonds bear interest at 5.50%.

The annual requirements to amortize the Pari-Mutuel Revenues Replacement Bonds at September 30, 2006 are as follows:

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 90,000	\$ 207,563	\$ 297,563
2008	90,000	203,513	293,513
2009	95,000	199,373	294,373
2010	100,000	194,979	294,979
2011	105,000	190,354	295,354
2012-2016	605,000	870,275	1,475,275
2017-2021	785,000	696,070	1,481,070
2022-2026	1,015,000	458,425	1,473,425
2027-2030	1,035,000	146,025	1,181,025
Total	<u>\$ 3,920,000</u>	<u>\$ 3,166,577</u>	<u>\$ 7,086,577</u>

6(b) LANDFILL ENTERPRISE FUND DEBT

On November 20, 2002 the County refinanced the previously outstanding \$10 million Solid Waste Line of Credit Note for a ten year period at a fixed interest rate of 3.69%. Principal payments of \$1 million are payable annually in December and interest is payable semiannually in June and December, with the final payment due December 1, 2012. The bonds are secured by solid waste system net revenues and a covenant by the County to budget and appropriate a sufficient amount to pay the debt service when due. Interest expense paid during 2006 amounted to \$268,140.

LAKE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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6(c) SALES TAX LINE OF CREDIT

The County obtained a non-revolving line of credit with a local bank in the amount of \$15,000,000 to provide interim financing for projects to be funded with infrastructure sales tax collected after January 1, 2002. The County has the ability to draw upon the line through June 1, 2007. Thereafter any outstanding balance must be converted into a term loan maturing no later than June 1, 2014. Interest on draws is due semi-annually at a variable rate. Draws may be prepaid at any time. No draws have been made on this line of credit as of September 30, 2006.

6(d) CHANGES IN LONG-TERM LIABILITIES

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

<u>Govt Activities</u>	<u>Balance Oct 1, 2005</u>	<u>Additions</u>	<u>Payments and Reductions</u>	<u>Balance Sept 30, 2006</u>	<u>Due Within One Year</u>
Pari-mutuel Revenues					
Replacement Bonds	\$ 4,005,000	\$ -	\$ 85,000	\$ 3,920,000	\$ 90,000
Less Bond Discount	(42,936)	-	(1,718)	(41,218)	-
Total Bonds Payable	<u>3,962,064</u>	<u>-</u>	<u>83,282</u>	<u>3,878,782</u>	<u>90,000</u>
Accrued Benefits Payable	<u>7,263,320</u>	<u>7,113,029</u>	<u>5,563,789</u>	<u>8,812,560</u>	<u>4,151,928</u>
Total - Govt Activities	<u>\$ 11,225,384</u>	<u>\$ 7,113,029</u>	<u>\$ 5,647,071</u>	<u>\$ 12,691,342</u>	<u>\$ 4,241,928</u>
<u>Business Activities</u>	<u>Balance Oct 1, 2005</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance Sept 30, 2006</u>	<u>Due Within One Year</u>
Note Payable	\$ 8,000,000	\$ -	\$ 1,000,000	\$ 7,000,000	\$ 1,000,000
Accrued Benefits Payable	<u>119,339</u>	<u>63,143</u>	<u>61,633</u>	<u>120,849</u>	<u>61,633</u>
Total - Bus Activities	<u>\$ 8,119,339</u>	<u>\$ 63,143</u>	<u>\$ 1,061,633</u>	<u>\$ 7,120,849</u>	<u>\$ 1,061,633</u>

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 \$56,443 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

LAKE COUNTY, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
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The government-wide statements of net assets for business type activities include \$157,011 for the current portion and \$3,631,314 for the long-term portion of closing and long term care costs.

7. COMMITMENTS AND CONTINGENCIES

A. Various suits and claims, arising in the ordinary course of County operations, are pending against the County. The ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of management and the County's legal counsel that the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the County or the changes in its financial position.

B. Pursuant to County Ordinance, road impact fees are collected by the County based on the transportation impact of new development. Fees and expenditures are segregated by six districts.

Any funds not expended or encumbered by the end of the calendar quarter immediately following six (6) years from the date the road impact fee was paid, shall, upon application of the feepayer, be returned to him with interest at the rate of six (6) percent per annum. This six year period may be extended for up to an additional three (3) years by action of the Board.

The following is a summary of impact fees which may be subject to refunds within the time limitations:

Year Deadline	District 1	District 2	District 3	District 4	District 5	District 6
09/30/2007	-	-	-	-	-	-
09/30/2008	-	-	-	127,345	-	246,656
09/30/2009	-	-	-	571,544	-	1,214,932
09/30/2010	-	622,317	1,153,553	700,085	2,034,756	1,095,098
09/30/2011	-	4,673,276	4,301,904	1,050,151	6,754,388	2,188,290
09/30/2012	-	4,514,072	3,782,795	950,610	4,365,015	2,046,783

C. Pursuant to County Ordinance, fire services impact fees are collected by the Board to accommodate new development without decreasing the current level of fire services. Any funds not expended or encumbered by the end of the calendar quarter immediately following six (6) years from the date the fire services impact fee monies were paid shall be returned to the landowner without interest, provided an application for refund is presented within one hundred eighty days (180) from the expiration of the six year period. This six (6) year period may be extended by action of the Board for up to an additional three (3) years. The amount of fire services impact fees which may be subject to refund is \$2,737,508,

LAKE COUNTY, FLORIDA
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of which \$560,222, \$1,250,142 and \$927,144 are subject to refund in the years ended September 30, 2010, 2011 and 2012, respectively.

D. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Effective October 1, 1985, the Board of County Commissioners elected to self-insure its general liability. In addition, effective October 1, 1989, the County elected to self-insure its automobile, workers' compensation and property liabilities. Effective October 1, 1999 the County elected to self-insure its medical coverage.

The County established an Insurance Fund (an internal service fund) to account for its uninsured risks of loss. Under this program, the Insurance Fund provides coverage for up to a maximum of \$100,000 per occurrence for each property claim, \$50,000 for each general liability claim, \$150,000 for each workers' compensation claim, and \$100,000 for each medical claim. The County purchases commercial insurance for claims in excess of coverage provided by the Fund.

Effective January 1, 1994, the Clerk began to self-insure its medical coverage. The Clerk established an Insurance Fund to account for its uninsured risks of loss. Specific stop loss reinsurance has been obtained for all medical claims exceeding \$50,000 per individual per year.

Each participating entity of the County and Clerk makes payments to the Insurance Fund based on actuarial estimates as well as historical data for the amounts needed to pay prior and current year claims. The latest actuarial estimate, based on industry standards, relates to the fiscal year ended September 30, 2006.

Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (\$1,663,370 for general liability, \$866,940 for County medical and \$224,476 for Clerk medical).

LAKE COUNTY, FLORIDA
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Changes in the reported liability since October 1, 2004 resulted from the following:

	<u>Liability Balance Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Liability Balance End of Year</u>
<u>2004-2005</u>				
County:				
General Liability	\$ 1,143,500	\$ 1,689,936	\$ (1,191,436)	\$ 1,642,000
County:				
Health	678,100	6,442,511	(6,260,973)	859,638
Clerk:				
Health	<u>309,549</u>	<u>1,432,197</u>	<u>(1,434,863)</u>	<u>306,883</u>
Total	<u>\$ 2,131,149</u>	<u>\$ 9,564,644</u>	<u>\$ (8,887,272)</u>	<u>\$ 2,808,521</u>
<u>2005-2006</u>				
County:				
General Liability	\$ 1,642,000	\$ 1,504,146	\$ (1,482,776)	\$ 1,663,370
County:				
Health	859,638	7,630,320	(7,623,018)	866,940
Clerk:				
Health	<u>306,883</u>	<u>1,253,319</u>	<u>(1,335,726)</u>	<u>224,476</u>
Total	<u>\$ 2,808,521</u>	<u>\$ 10,387,785</u>	<u>\$ (10,441,520)</u>	<u>\$ 2,754,786</u>

All other coverages continue to be insured through commercial carriers and no settlements in excess of claims have been incurred during Fiscal 2004, 2005, or 2006.

E. In 1989, the County issued industrial development revenue bonds in the amount of \$79,000,000 for the construction of a solid waste disposal/resource recovery facility located in the county and owned and operated by NRG/Recovery Group, Inc. (now Covanta, Inc.). The bonds were issued pursuant to the Florida Industrial Development Financing Act and do not constitute a debt, obligation or a pledge of the faith and credit of the County. The proceeds of the bonds were loaned to Covanta for the construction of the facility, and the facility was mortgaged to the County to secure the loan agreement. The County, through a service agreement, pays a service fee which includes the operating and debt service costs of the facility. In 1993, the original bonds were refunded and refunding bonds in the amount of \$77,550,000 (\$69,915,000 tax exempt and \$7,935,000 in taxable bonds) were issued. These bonds were refunded as discussed below.

LAKE COUNTY, FLORIDA
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On December 15, 2004 the County settled a lawsuit with Covanta Energy, Inc. At the same time, the County executed a current refunding of the \$69,615,000 Series 1993A Resource Recovery Industrial Development Refunding Revenue bonds by borrowing \$55,515,196 in a fixed rate bond held by a bank for a ten year period at a rate of 4.16% and using other funds. In addition, the County entered into a new Waste Disposal Agreement with Covanta (replacing the service agreement mentioned above) for the operation of the resource recovery facility. The debt is not an obligation of Lake County. However, the County is responsible for the debt service payments through the Waste Disposal Agreement. The amount outstanding on the refunding bond at September 30, 2006 (on Covanta's books) was \$44,136,792.

8. CONDUIT DEBT

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State of Florida, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2006, there were fourteen series of Industrial Revenue Bonds outstanding, excluding the resource recovery bonds mentioned above. The aggregate principal amount for the bonds issued in prior years could not be determined; however, their original issue amounts totaled \$35,725,000.

9. PENSION PLANS

A. Florida Retirement System

Substantially all County full-time employees participate in the State of Florida Retirement System ("System"), a cost sharing multiple-employer public employee retirement system (PERS). The System offers a choice between a defined benefit plan ("Pension Plan") and a defined contribution plan ("Investment Plan") for all state, county, district school board, community college and university employees, and is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement.

The Pension Plan provides for vesting of benefits after 6 years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with 6 years or more of service. Early retirement is available after 6

LAKE COUNTY, FLORIDA
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years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation and years-of-service credit, where average compensation is computed based on an individual's five highest years of earnings. Benefits also include a post-retirement health insurance subsidy as well as disability and survivor's benefits, as established by Florida Statutes.

The Investment plan provides for vesting after one year of creditable service. Under this plan, the employer makes contributions to a participant's account and the participant directs where the contributions are invested among the plan's investment funds. Upon termination, vested participants receive amounts accumulated in their investment accounts.

Participating employer contributions are based upon actuarially determined State-wide rates established by the State of Florida. Expressed as percentages of annual covered payroll, employer contribution rates are applied to employee salaries as follows:

<u>Membership Category</u>	July 1, 2006 Employer's Contribution Rates	July 1, 2005 Employer's Contribution Rates
Regular	9.85%	7.83%
Special Risk (Fire and Police)	20.92%	18.53%
Senior Management	13.12%	10.45%
Elected State Officer (Includes County Officials)	16.53%	15.23%

The County's contribution to the plan for the years ended September 30, 2006, 2005, and 2004 was \$8,974,608, \$7,467,430, and \$6,827,932, respectively, equal to the required contributions for each year. There are no employee contributions to the plan.

Pension Plan members may participate in a Deferred Retirement Option Plan (DROP), after reaching eligibility for normal retirement or through the available deferral period for eligible members. This plan allows employees to defer receipt of retirement benefits while continuing employment for a System employer for a period up to sixty months. Accumulated system benefits earn 6.5% interest compounded monthly. The employer continues to contribute to the System on behalf of the employee at a rate of 10.91% of salary.

The Florida Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to Division of Retirement, 2639

LAKE COUNTY, FLORIDA
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North Monroe Street, Building C, Tallahassee, Florida 32399-1560 or by calling 850-488-5706.

B. Post Employment Health Plan

In addition to the retirement plan described above, the Board, the Clerk and the Supervisor provide post employment health care benefits under plans established through Nationwide Retirement Solutions, Inc. (Nationwide). Each contributes 1% of annual salary for all employees with more than one year of service to a trust administered by Nationwide. Twenty-five percent of accrued sick pay for employees with less than 10 years of service and 50-75% for employees with ten years or more of service is paid into the trust upon termination, retirement or death. The maximum contribution is limited to 1440 hours. Contributions are invested according to instructions given by the employee and earnings accumulate tax exempt under section 501(c)(9) of the Internal Revenue Code. Upon separation of service, the account can be used to reimburse any qualified health insurance premiums paid by the employee.

10. INTERFUND BALANCES AND TRANSFERS

Interfund receivables and payables generally represent temporary loans between funds to cover operating expenditures or intragovernmental balances due to/from the Board and the Constitutional Officers. All balances are expected to be repaid within one year. Interfund transfers generally represent permanent transfers of funds for administrative costs paid to the General Fund, and for debt service payments and capital outlay.

The composition of interfund balances in the governmental fund financial statements as of September 30, 2006 is as follows:

Due to/from Other Funds:

Due to General Fund from Nonmajor Governmental Funds	\$ 128,688
Due from Other Funds - General Fund	<u>\$ 128,688</u>

LAKE COUNTY, FLORIDA
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Intragovernmental receivables
and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Govt Funds	\$ 87,110
General Fund	Agency Funds	460,759
Nonmajor Govt Funds	General Fund	1,013,142
Nonmajor Govt Funds	Agency Funds	163,592
Internal Service Funds	General Fund	32,351
Landfill Enterprise Fund	Agency Funds	1,119
Total		<u>\$ 1,758,073</u>

Interfund transfers for the year ended September 30, 2006 consist of the following:

Transfer out:	Transfers In:			
	<u>General Fund</u>	<u>Sales Tax Capital Projects Fund</u>	<u>Non Major Funds</u>	<u>Total</u>
General Fund	\$ -	\$ -	\$ 9,598,070	\$ 9,598,070
County Sales Tax Fund	850,250	10,175,143	-	11,025,393
Nonmajor Govt Funds	3,558,303	-	-	3,558,303
Internal Service Funds	378,057	-	-	378,057
Landfill Fund	1,002,753	-	-	1,002,753
Total	<u>\$ 5,789,363</u>	<u>\$ 10,175,143</u>	<u>\$ 9,598,070</u>	<u>25,562,576</u>
			Transfers out	<u>(33,025,337)</u>
			Net Transfers	<u>\$ (7,462,761)</u>

Transfers out exceed transfers in for transfers made to and from the Landfill Enterprise Fund and the Internal Service Funds as follows:

Landfill Fund transfer out to General Fund	\$ (1,002,753)
General Fund transfer out to Landfill Fund	7,958,049
Insurance Fund transfer out to General Fund	(378,057)
Insurance Fund transfer in from General Fund	850,522
Fleet Maintenance Fund transfer in from General Fund	30,000
Fleet Maintenance Fund transfer in from Nonmajor Funds	5,000
Total Net Transfers	<u>\$ 7,462,761</u>

LAKE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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11. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following departments had expenditures in excess of appropriations at the major object level at September 30, 2006:

<u>Fund/Department/Object</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
General/Public Safety/Capital Outlay	\$568,052	\$1,049,470	\$(481,418)

The expenditures in excess of appropriations were primarily the result of the expenditure of unanticipated grant revenue.

12. LANDFILL CLOSURE AND POSTCLOSURE COSTS

The County is required by federal and state laws and regulations to place a final cover over its existing landfills after they stop accepting waste, and perform certain maintenance and monitoring functions for a period of 5 to 30 years after closure. In addition, new landfills must be constructed in accordance with federal and state requirements.

The County has estimated the closure and long-term care costs for each landfill and recorded a liability in the Landfill Enterprise Fund.

The following schedule reflects the changes in estimates and payments for the year ended September 30, 2006:

<u>Landfill</u>	<u>Balance October 1, 2005</u>	<u>Additions/ Changes in Estimates</u>	<u>Payments</u>	<u>Balance September 30, 2006</u>
Construction and Demolition	\$ 219,604	\$ 6,591	\$ -	\$ 226,195
Loghouse	104,587	(5,194)	7,060	92,333
Umatilla	144,116	17,956	28,476	133,596
Lady Lake	304,225	45,919	57,684	292,460
Astatula I	593,077	18,739	30,036	581,780
Phase II Landfill	2,551,193	(10,802)	78,430	2,461,961
Totals	\$ <u>3,916,802</u>	\$ <u>73,209</u>	\$ <u>201,686</u>	\$ <u>3,788,325</u>

Although closure and postclosure care costs will be paid only near or after the date that each landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense each year based on landfill capacity used as of each balance sheet date. At September 30, 2006 the Loghouse, Umatilla, Lady Lake and Astatula I landfills had no remaining capacity.

LAKE COUNTY, FLORIDA
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The following schedule reflects the estimated closure and postclosure care costs for each landfill as of September 30, 2006:

<u>Landfill</u>	<u>Remaining Postclosure Care Period</u>	<u>Closure Costs</u>	<u>Postclosure Care</u>	<u>Total Liability</u>
Construction and Demolition	5 years	\$ 176,310	\$ 49,885	\$ 226,195
Loghouse	6 years	-	92,333	92,333
Umatilla	9 years	-	133,596	133,596
Lady Lake	14 years	-	292,460	292,460
Astatula I	20 years	-	581,780	581,780
Phase II Landfill	30 years	938,419	1,523,542	2,461,961
Totals		<u>\$ 1,114,729</u>	<u>\$ 2,673,596</u>	<u>\$ 3,788,325</u>

The estimated closure and postclosure care costs remaining to be recognized for the Phase II landfill which is still accepting waste are \$296,343 and \$481,118, respectively, based on 76% of the capacity used to date.

These amounts are based on what it would cost the County to perform all closure and postclosure care in 2006. Actual costs may be higher due to inflation, changes in technology or changes in regulations. Restricted cash and investments on the Statement of Net Assets of the Landfill Enterprise Fund includes \$3,115,159 for the payment of long term care and closing costs.

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

LIBRARY IMPACT FEE TRUST FUND

To account for revenues and expenditures for library impact fees collected pursuant to County Ordinance 2003-99.

PARK IMPACT FEE TRUST FUND

To account for revenues and expenditures for park impact fees collected pursuant to County Ordinance 2003-99.

COUNTY TRANSPORTATION TRUST FUND

To account for revenues and expenditures incurred to carry on all work on roads and bridges in the County in accordance with Section 336.022, Florida Statutes.

CHRISTOPHER C. FORD COMMERCE PARK FUND

To account for revenues (land sales and interest earned) and expenditures during the development of this county-owned property. The Lake County Industrial Development Authority is participating in oversight responsibilities pursuant to Chapter 159, Part III, Florida Statutes.

MOSQUITO MANAGEMENT FUND

To account for State Grants and local matching funds in accordance with Chapter 388, Florida Statutes and for the operation of the arthropod control program.

LAW LIBRARY FUND

To record the activity of the Lake County Law Library established by County Ordinance 72-7, effective January 1, 1973.

AQUATIC PLANT MANAGEMENT FUND

To account for state grants and local funding for the operations of the Aquatic Weed Control Program in accordance with Chapter 369, Part II, Florida Statutes.

FISH CONSERVATION TRUST FUND

To account for the revenues and expenditures for fish stocking and conservation in accordance with Chapter 67-1604, Laws of Florida.

COMMUNITY DEVELOPMENT FUND

To account for the revenues and expenditures in accordance with the Community Development Block Grant from the U.S. Department of Housing and Urban Development, under Title I of the Housing and Community Development Act.

PUBLIC TRANSPORTATION FUND

To account for the activities of the County as Community Transportation Coordinator, responsible for ensuring that coordinated transportation services are provided to the transportation disadvantaged residents of Lake County in accordance with Chapter 427, Florida Statutes.

LAKE COUNTY AMBULANCE FUND

To account for ad valorem tax revenues collected for the Lake County Municipal Service Taxing Unit for Ambulance and Emergency Medical Services in accordance with Ordinance 2000-35.

STORMWATER MANAGEMENT FUND

To account for ad valorem tax revenues and disbursements of the Stormwater Management Municipal Services Taxing Unit established by County Ordinance 1990-25, in accordance with Sections 125.0101 and 197.3632, Florida Statutes.

EMERGENCY 9-1-1 FUND

To account for revenues and expenditures for Emergency 9-1-1 telephone services in accordance with Section 365.171, Florida Statutes.

RESORT/DEVELOPMENT TAX FUND

To account for revenues and expenditures of the Tourist Development Tax in accordance with Section 125.0104, Florida Statutes and County Ordinance 1984-7. A majority vote of the qualified electors of the County approved this local option tax November 6, 1984.

AFFORDABLE HOUSING ASSISTANCE TRUST FUND

To account for revenues received from the State Housing Initiative Partnership Program pursuant to Sections 420.9072 - 420.9079, Florida Statutes.

SECTION 8 FUND

To account for revenues and expenditures for housing assistance to qualified persons in accordance with a grant from the U.S. Department of Housing and Urban Development.

HURRICANE HOUSING RECOVERY PROGRAM FUND

To account for revenues and expenditures for housing assistance to qualified persons in accordance with a grant from the Florida Housing Finance Corporation.

MUNICIPAL SERVICE BENEFIT UNITS/ SPECIAL ASSESSMENTS FUND

To account for the financing of public improvements and services deemed to benefit the properties against which special assessments are levied in accordance with Sections 125.0101 and 197.3632, Florida Statutes.

LAW ENFORCEMENT TRUST FUND

To account for the proceeds from the sale of confiscated property in accordance with Section 932.7055, Florida Statutes.

POLLUTION RECOVERY FUND

To account for revenues collected as civil penalties and through enforcement actions against violators of Chapters 6 and 9, Land Development Regulations. Monies obtained are to be used to restore the polluted area that was the subject of the violation to its former condition, enhance pollution control activities in Lake County, or purchase pollution control equipment for Lake County in accordance with Chapter 93-344, Laws of Florida.

CODE ENFORCEMENT LIENS FUND

To account for revenues collected for administrative fines and other noncriminal penalties imposed for the pending or repeated violation of a county ordinance. These revenues are used for the cleanup of county property acquired through code enforcement liens.

BUILDING SERVICES FUND

To account for revenues collected and expenditures for permitting, inspections and plans review for the building services of the County.

LAKE COUNTY MUNICIPAL TAXING UNIT FOR FIRE PROTECTION FUND

To account for the revenues and expenditures for county-wide consolidated fire protection. County Ordinance 1990-29 created this Municipal Taxing Unit.

FIRE RESCUE IMPACT FEE TRUST FUND

To account for revenues and expenditures for fire rescue impact fees collected pursuant to County Ordinance 2003-99.

COUNTY-WIDE LIBRARY FUND

To account for the State, Local and County revenues and expenditures received and disbursed on behalf of the County-Wide Library system.

ANIMAL SHELTER TRUST FUND

To account for the receipt and disbursement of contributions to the County's Animal Shelter.

EMPLOYEE BENEFIT FUND

To account for the collection of commissions received from vending machine sales in County buildings.

CLERK SPECIAL REVENUE FUNDS

To account for revenues collected by the Clerk of the Circuit Court for each instrument recorded in the official records of the County and to report expenditures for the modernization of the public records system pursuant to Section 28.24, Florida Statutes, and to account for the operations of the Courts portion of the Clerk's office.

SHERIFF'S SPECIAL REVENUE FUNDS

To account for revenues and expenditures of various Special Revenue projects of the Lake County Sheriff's Office, including marine patrol services provided to the Lake County Water Authority, school crossing guard services, and drug awareness and prevention programs, and to account for the operations of the Commissary operated for the benefit of County jail inmates.

DEBT SERVICE FUNDS

SALES TAX LINE OF CREDIT DEBT SERVICE FUND

To account for payments on the sales tax line of credit borrowings.

PARI-MUTUEL REVENUE BONDS DEBT SERVICE FUND

To accumulate monies for payment of the \$4,400,000 Pari-Mutuel Revenues Replacement Bonds, Series 2000. Financing is provided by sales tax revenues collected by the State pursuant to Chapter 212, Part 1, Florida Statutes. Beginning July 1, 2000, the State began using sales tax revenues to replace revenues formerly distributed to counties from racetrack and jai alai fronton monies.

CAPITAL PROJECTS FUND

PARKS CAPITAL PROJECTS FUND

To account for construction of various parks throughout Lake County.

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**LAKE COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2006**

	<u>Special Revenue Funds</u>		
	<u>Library Impact Fee Trust</u>	<u>Park Impact Fee Trust</u>	<u>County Transportation Trust</u>
<u>Assets</u>			
Cash	\$ -	\$ -	\$ 350
Pooled Cash and Investments	2,424,736	1,177,449	5,081,161
Other Investments	-	-	-
Accounts Receivable	-	-	4,636
Assessments Receivable	-	-	322,892
Intragovernmental Receivables	-	-	-
Due from Other Governments	30,960	-	3,114,540
Total Assets	<u>\$ 2,455,696</u>	<u>\$ 1,177,449</u>	<u>\$ 8,523,579</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts Payable	\$ 1,753	\$ 6,209	\$ 621,022
Retainage Payable	-	-	204,930
Accrued Liabilities	-	-	197,477
Due to Other Funds	-	-	-
Intragovernmental Payables	-	-	-
Due to Other Governments	-	-	66,946
Deferred Revenue	-	-	322,892
Deposits	-	-	2,590
Total Liabilities	<u>1,753</u>	<u>6,209</u>	<u>1,415,857</u>
Fund Balances			
Reserved for Encumbrances	-	101,681	1,900,670
Unreserved - Undesignated	2,453,943	1,069,559	5,207,052
Total Fund Balances	<u>2,453,943</u>	<u>1,171,240</u>	<u>7,107,722</u>
Total Liabilities and Fund Balances	<u>\$ 2,455,696</u>	<u>\$ 1,177,449</u>	<u>\$ 8,523,579</u>

Special Revenue Funds, continued

Christopher C. Ford Commerce Park	Mosquito Management	Law Library Fund	Aquatic Plant Management	Fish Conservation Trust	Community Development
\$ -	\$ -	\$ 75	\$ -	\$ -	\$ -
6,257,720	116,113	43,984	25,264	44,168	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	21,595	1,791	-
<u>\$ 6,257,720</u>	<u>\$ 116,113</u>	<u>\$ 44,059</u>	<u>\$ 46,859</u>	<u>\$ 45,959</u>	<u>\$ 145,236</u>
\$ 7,205	\$ 61,111	\$ 3,033	\$ 895	\$ -	\$ 5,733
-	-	-	-	-	-
-	21,587	-	8,462	-	6,967
-	-	-	-	-	128,688
-	-	15,604	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,473	-	-	-
<u>7,205</u>	<u>82,698</u>	<u>22,110</u>	<u>9,357</u>	<u>-</u>	<u>141,388</u>
-	-	-	-	-	570,834
6,250,515	33,415	21,949	37,502	45,959	(566,986)
<u>6,250,515</u>	<u>33,415</u>	<u>21,949</u>	<u>37,502</u>	<u>45,959</u>	<u>3,848</u>
<u>\$ 6,257,720</u>	<u>\$ 116,113</u>	<u>\$ 44,059</u>	<u>\$ 46,859</u>	<u>\$ 45,959</u>	<u>\$ 145,236</u>

Continued

LAKE COUNTY, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
September 30, 2006

	Special Revenue Funds, continued		
<u>Assets</u>	Public Transportation	Lake County Ambulance	Stormwater Management
Cash	\$ -	\$ -	\$ -
Pooled Cash and Investments	84,667	2,548,052	8,938,887
Other Investments	-	-	-
Accounts Receivable	45,685	-	-
Assessments Receivable	-	-	-
Intragovernmental Receivables	-	72,363	60,159
Due from Other Governments	346,566	-	-
Total Assets	\$ 476,918	\$ 2,620,415	\$ 8,999,046
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts Payable	\$ 6,237	\$ -	\$ 316,567
Retainage Payable	-	-	69,810
Accrued Liabilities	3,915	-	5,187
Due to Other Funds	-	-	-
Intragovernmental Payables	-	-	-
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Deposits	-	-	-
Total Liabilities	10,152	-	391,564
Fund Balances			
Reserved for Encumbrances	77,273	-	2,334,875
Unreserved - Undesignated	389,493	2,620,415	6,272,607
Total Fund Balances	466,766	2,620,415	8,607,482
Total Liabilities and Fund Balances	\$ 476,918	\$ 2,620,415	\$ 8,999,046

Special Revenue Funds, continued

Emergency 9-1-1	Resort/ Development Tax	Affordable Housing Assistance Trust	Section 8	Hurricane Recovery Program	Municipal Service Benefit Units/ Special Assessments
\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -
2,267,409	1,292,708	8,554,737	57,744	652,433	259,828
-	-	-	-	-	-
64,422	-	-	-	-	-
-	-	-	-	-	-
-	159,535	-	-	-	-
102,830	-	-	-	-	-
\$ 2,434,661	\$ 1,452,443	\$ 8,554,737	\$ 57,744	\$ 652,433	\$ 259,828
\$ 31,968	\$ 43,264	\$ 14,190	\$ 913	\$ 611	\$ -
-	-	-	-	-	-
10,277	10,957	6,794	8,644	2,341	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
42,245	54,221	20,984	9,557	2,952	-
600	167,775	20,833	758	-	-
2,391,816	1,230,447	8,512,920	47,429	649,481	259,828
2,392,416	1,398,222	8,533,753	48,187	649,481	259,828
\$ 2,434,661	\$ 1,452,443	\$ 8,554,737	\$ 57,744	\$ 652,433	\$ 259,828

Continued

LAKE COUNTY, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
September 30, 2006

	Special Revenue Funds, continued		
<u>Assets</u>	Law Enforcement Trust	Pollution Recovery	Code Enforcement Liens
Cash	\$ -	\$ -	\$ -
Pooled Cash and Investments	77,991	101,165	233,233
Other Investments	-	-	-
Accounts Receivable	-	-	-
Assessments Receivable	-	-	-
Intragovernmental Receivables	820,214	-	-
Due from Other Governments	-	-	-
	\$ 898,205	\$ 101,165	\$ 233,233
Total Assets	\$ 898,205	\$ 101,165	\$ 233,233
 <u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Retainage Payable	-	-	-
Accrued Liabilities	-	-	-
Due to Other Funds	-	-	-
Intragovernmental Payables	11,246	-	-
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Deposits	-	-	-
	11,246	-	-
Total Liabilities	11,246	-	-
 Fund Balances			
Reserved for Encumbrances	-	-	-
Unreserved - Undesignated	886,959	101,165	233,233
	886,959	101,165	233,233
Total Fund Balances	886,959	101,165	233,233
Total Liabilities and Fund Balances	\$ 898,205	\$ 101,165	\$ 233,233

Special Revenue Funds, continued

Building Services	Lake County MTU for Fire Protection	Fire Rescue Impact Fee Trust	County-Wide Library	Animal Shelter Trust	Employee Benefit
\$ 550	\$ -	\$ -	\$ 763	\$ -	\$ -
2,686,344	5,883,539	3,176,206	689,960	131,460	1,332
-	-	-	-	-	-
-	-	-	-	-	-
-	899	-	-	-	-
-	16,494	636	-	-	-
\$ 2,686,894	\$ 5,900,932	\$ 3,176,842	\$ 690,723	\$ 131,460	\$ 1,332
\$ 34,182	\$ 55,854	\$ 2,069	\$ 38,526	\$ 10,270	\$ -
-	-	-	-	-	-
145,081	449,836	-	82,228	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	55,500	-	-
-	-	-	-	-	-
179,263	505,690	2,069	176,254	10,270	-
43,848	137,896	9,463	50,443	704	-
2,463,783	5,257,346	3,165,310	464,026	120,486	1,332
2,507,631	5,395,242	3,174,773	514,469	121,190	1,332
\$ 2,686,894	\$ 5,900,932	\$ 3,176,842	\$ 690,723	\$ 131,460	\$ 1,332

Continued

LAKE COUNTY, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
September 30, 2006

	Special Revenue Funds, continued	
	Clerk Special Revenue Funds	Sheriff Special Revenue Funds
<u>Assets</u>		
Cash	\$ 2,535	\$ -
Pooled Cash and Investments	2,941,452	956,727
Other Investments	-	-
Accounts Receivable	-	-
Assessments Receivable	-	-
Intragovernmental Receivables	-	63,564
Due from Other Governments	-	80,177
	\$ 2,943,987	\$ 1,100,468
<u>Liabilities and Fund Balances</u>		
Liabilities:		
Accounts Payable	\$ 124,239	\$ 1,960
Retainage Payable	-	-
Accrued Liabilities	-	2,748
Due to Other Funds	-	-
Intragovernmental Payables	6,575	53,685
Due to Other Governments	1,415,268	29,338
Deferred Revenue	-	-
Deposits	26,962	-
	1,573,044	87,731
Fund Balances		
Reserved for Encumbrances	-	-
Unreserved - Undesignated	1,370,943	1,012,737
	1,370,943	1,012,737
Total Liabilities and Fund Balances	\$ 2,943,987	\$ 1,100,468

Debt Service Funds		Capital Projects Fund		Total
Sales Tax Line of Credit Debt Service	Pari-Mutuel Revenue Bonds Debt Service	Parks Capital Projects	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ 4,473	
52,046	84,845	623,129	57,466,489	
-	2,139,426	-	2,139,426	
-	-	-	114,743	
-	-	-	322,892	
-	-	-	1,176,734	
-	-	-	3,860,825	
\$ 52,046	\$ 2,224,271	\$ 623,129	\$ 65,085,582	
\$ -	\$ 28,980	\$ 394,171	\$ 1,810,962	
-	-	-	274,740	
-	-	-	962,501	
-	-	-	128,688	
-	-	-	87,110	
-	-	-	1,511,552	
-	-	-	378,392	
-	-	-	33,025	
-	28,980	394,171	5,186,970	
-	36,807	135,952	5,590,412	
52,046	2,158,484	93,006	54,308,200	
52,046	2,195,291	228,958	59,898,612	
\$ 52,046	\$ 2,224,271	\$ 623,129	\$ 65,085,582	

LAKE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2006

	<u>Special Revenue Funds</u>		
	<u>Library Impact Fee Trust</u>	<u>Park Impact Fee Trust</u>	<u>County Transportation Trust</u>
Revenues			
Taxes	\$ -	\$ -	\$ 6,992,219
Licenses and Permits	-	-	-
Intergovernmental	-	-	6,804,148
Charges for Services	-	-	1,137,611
Fines and Forfeitures	-	-	-
Special Assessments	911,091	449,539	215,744
Investment Income	94,497	51,673	262,454
Miscellaneous	-	-	245,212
Total Revenues	<u>1,005,588</u>	<u>501,212</u>	<u>15,657,388</u>
Expenditures			
Current:			
General Government	-	-	-
Public Safety	-	-	-
Physical Environment	-	-	-
Transportation	-	-	15,092,664
Economic Environment	-	-	-
Human Services	-	-	-
Culture and Recreation	151,753	214,571	-
Court-Related Expenditures	-	-	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>151,753</u>	<u>214,571</u>	<u>15,092,664</u>
Excess of Revenues Over (Under)			
Expenditures	<u>853,835</u>	<u>286,641</u>	<u>564,724</u>
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	-	(350,000)	(791,609)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(350,000)</u>	<u>(791,609)</u>
Net Change in Fund Balances	853,835	(63,359)	(226,885)
Fund Balances at Beginning of Year	1,600,108	1,234,599	7,988,639
Inventory Reserve Decrease	-	-	(654,032)
Fund Balances at End of Year	<u>\$ 2,453,943</u>	<u>\$ 1,171,240</u>	<u>\$ 7,107,722</u>

Special Revenue Funds, continued

Christopher C. Ford Commerce Park	Mosquito Management	Law Library Fund	Aquatic Plant Management	Fish Conservation Trust	Community Development
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	19,820	-
-	37,822	-	109,389	-	727,710
-	-	-	-	-	-
-	-	-	-	-	-
208,062	5,854	2,134	1,739	2,219	-
3,946,105	5,226	60,932	358	-	-
4,154,167	48,902	63,066	111,486	22,039	727,710
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	396,558	87,186	-
-	-	-	-	-	-
30,110	-	-	-	-	594,062
-	963,807	-	-	-	134,192
-	-	-	-	-	-
-	-	263,631	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
30,110	963,807	263,631	396,558	87,186	728,254
4,124,057	(914,905)	(200,565)	(285,072)	(65,147)	(544)
-	850,593	158,000	245,249	-	-
(65,750)	-	-	-	(1,000)	-
(65,750)	850,593	158,000	245,249	(1,000)	-
4,058,307	(64,312)	(42,565)	(39,823)	(66,147)	(544)
2,192,208	179,097	64,514	88,731	112,106	4,392
-	(81,370)	-	(11,406)	-	-
\$ 6,250,515	\$ 33,415	\$ 21,949	\$ 37,502	\$ 45,959	\$ 3,848

Continued

LAKE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Year Ended September 30, 2006

	Special Revenue Funds, continued		
	Public Transportation Fund	Lake County Ambulance	Stormwater Management
Revenues			
Taxes	\$ -	\$ 7,303,219	\$ 3,815,611
Licenses and Permits	-	-	-
Intergovernmental	1,907,849	-	-
Charges for Services	228,549	-	9,712
Fines and Forfeitures	-	-	-
Special Assessments	-	-	-
Investment Income	-	156,328	390,240
Miscellaneous	11,894	-	-
Total Revenues	<u>2,148,292</u>	<u>7,459,547</u>	<u>4,215,563</u>
Expenditures			
Current:			
General Government	-	132,196	-
Public Safety	-	7,214,900	-
Physical Environment	-	-	1,925,969
Transportation	3,991,483	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Culture and Recreation	-	-	-
Court-Related Expenditures	-	-	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>3,991,483</u>	<u>7,347,096</u>	<u>1,925,969</u>
Excess of Revenues Over (Under)			
Expenditures	<u>(1,843,191)</u>	<u>112,451</u>	<u>2,289,594</u>
Other Financing Sources (Uses)			
Transfers In	2,076,923	69,800	59,563
Transfers Out	-	(207,911)	(310,502)
Total Other Financing Sources (Uses)	<u>2,076,923</u>	<u>(138,111)</u>	<u>(250,939)</u>
Net Change in Fund Balances	233,732	(25,660)	2,038,655
Fund Balances at Beginning of Year	233,034	2,646,075	6,568,827
Inventory Reserve Decrease	-	-	-
Fund Balances at End of Year	<u>\$ 466,766</u>	<u>\$ 2,620,415</u>	<u>\$ 8,607,482</u>

Special Revenue Funds, continued

Emergency 9-1-1	Resort/ Development Tax	Affordable Housing Assistance Trust	Section 8	Hurricane Housing Recovery	Municipal Service Benefit Units/Special Assessments
\$ -	\$ 2,240,902	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
595,615	-	2,441,416	2,691,725	776,674	-
825,033	2,388	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	534,714
88,673	42,789	292,869	1,474	12,672	18,692
-	-	1,306,707	100	-	-
1,509,321	2,286,079	4,040,992	2,693,299	789,346	553,406
-	-	-	-	-	-
930,130	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	556,671
-	2,980,719	1,271,608	2,682,254	139,865	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
930,130	2,980,719	1,271,608	2,682,254	139,865	556,671
579,191	(694,640)	2,769,384	11,045	649,481	(3,265)
-	-	-	-	-	-
-	(100,345)	-	-	-	(55,245)
-	(100,345)	-	-	-	(55,245)
579,191	(794,985)	2,769,384	11,045	649,481	(58,510)
1,813,225	2,193,207	5,764,369	37,142	-	318,338
-	-	-	-	-	-
\$ 2,392,416	\$ 1,398,222	\$ 8,533,753	\$ 48,187	\$ 649,481	\$ 259,828

Continued

LAKE COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 For the Year Ended September 30, 2006

	<u>Special Revenue Funds, continued</u>		
	<u>Law Enforcement Trust</u>	<u>Pollution Recovery</u>	<u>Code Enforcement Liens</u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charges for Services	-	-	-
Fines and Forfeitures	890,549	11,500	121,045
Special Assessments	-	-	-
Investment Income	2,400	4,666	7,762
Miscellaneous	-	-	-
Total Revenues	<u>892,949</u>	<u>16,166</u>	<u>128,807</u>
Expenditures			
Current:			
General Government	-	-	-
Public Safety	52,888	-	20,762
Physical Environment	-	72,314	-
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Culture and Recreation	-	-	-
Court-Related Expenditures	-	-	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>52,888</u>	<u>72,314</u>	<u>20,762</u>
Excess of Revenues Over (Under)			
Expenditures	<u>840,061</u>	<u>(56,148)</u>	<u>108,045</u>
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	-	(550)	(1,375)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(550)</u>	<u>(1,375)</u>
Net Change in Fund Balances	840,061	(56,698)	106,670
Fund Balances at Beginning of Year	46,898	157,863	126,563
Inventory Reserve Decrease	-	-	-
Fund Balances at End of Year	<u>\$ 886,959</u>	<u>\$ 101,165</u>	<u>\$ 233,233</u>

Special Revenue Funds, continued

Building Services	Lake County MTU For Fire Protection	Fire Rescue Impact Fee Trust	County-Wide Library	Animal Shelter Trust	Employee Benefit
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,289,179	-	-	-	-	-
-	267,770	-	401,018	-	-
370,630	200,075	-	411	-	-
24,450	-	-	59,349	-	-
-	12,129,513	927,144	-	-	-
126,420	410,828	121,104	31,149	6,484	134
-	111,161	-	47,513	23,354	479
5,810,679	13,119,347	1,048,248	539,440	29,838	613
-	-	-	-	-	-
5,801,082	15,015,183	135,368	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	55,927	6,139
-	-	-	4,978,521	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,801,082	15,015,183	135,368	4,978,521	55,927	6,139
9,597	(1,895,836)	912,880	(4,439,081)	(26,089)	(5,526)
-	450,000	-	4,376,621	-	-
(1,028,042)	(948,239)	-	-	-	-
(1,028,042)	(498,239)	-	4,376,621	-	-
(1,018,445)	(2,394,075)	912,880	(62,460)	(26,089)	(5,526)
3,526,076	7,789,317	2,261,893	576,929	147,279	6,858
-	-	-	-	-	-
\$ 2,507,631	\$ 5,395,242	\$ 3,174,773	\$ 514,469	\$ 121,190	\$ 1,332

Continued

LAKE COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 For the Year Ended September 30, 2006

	Special Revenue Funds, continued	
	Clerk Special Revenue Funds	Sheriff Special Revenue Funds
Revenues		
Taxes	\$ -	\$ -
Licenses and Permits	-	-
Intergovernmental	520,941	297,399
Charges for Services	5,456,146	898,417
Fines and Forfeitures	2,363,167	197,939
Special Assessments	-	-
Investment Income	110,193	49,419
Miscellaneous	-	56,505
Total Revenues	8,450,447	1,499,679
Expenditures		
Current:		
General Government	1,661,045	-
Public Safety	-	2,686,121
Physical Environment	-	-
Transportation	-	-
Economic Environment	-	-
Human Services	-	-
Culture and Recreation	-	-
Court-Related Expenditures	6,685,934	-
Debt Service:		
Principal	-	-
Interest and Fiscal Charges	-	-
Capital Outlay	-	-
Total Expenditures	8,346,979	2,686,121
Excess of Revenues Over (Under)		
Expenditures	103,468	(1,186,442)
Other Financing Sources (Uses)		
Transfers In	-	1,311,321
Transfers Out	-	(52,735)
Total Other Financing Sources (Uses)	-	1,258,586
Net Change in Fund Balances	103,468	72,144
Fund Balances at Beginning of Year	1,267,475	940,593
Inventory Reserve Decrease	-	-
Fund Balances at End of Year	\$ 1,370,943	\$ 1,012,737

<u>Debt Service Funds</u>		<u>Capital Projects Fund</u>		<u>Total Nonmajor Governmental Funds</u>
<u>Sales Tax Line of Credit Debt Service</u>	<u>Pari-Mutuel Revenue Bonds Debt Service</u>	<u>Parks Capital Projects</u>		
\$ -	\$ -	\$ -	\$	20,351,951
-	-	-		5,308,999
-	297,667	73,051		17,950,194
-	-	-		9,128,972
-	-	-		3,667,999
-	-	-		15,167,745
2,178	94,049	20,354		2,619,509
-	-	-		5,815,546
2,178	391,716	93,405		80,010,915
-	-	-		1,793,241
-	-	-		31,856,434
-	-	-		2,482,027
-	-	-		19,640,818
-	-	-		7,698,618
-	-	-		1,160,065
-	-	-		5,344,845
-	-	-		6,949,565
-	85,000	-		85,000
-	215,172	-		215,172
-	39,720	443,350		483,070
-	339,892	443,350		77,708,855
2,178	51,824	(349,945)		2,302,060
-	-	350,000		9,948,070
-	-	-		(3,913,303)
-	-	350,000		6,034,767
2,178	51,824	55		8,336,827
49,868	2,143,467	228,903		52,308,593
-	-	-		(746,808)
\$ 52,046	\$ 2,195,291	\$ 228,958	\$	59,898,612

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LIBRARY IMPACT FEE TRUST
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Special Assessments	\$ 752,720	\$ 752,720	\$ 911,091	\$ 158,371
Investment Income	8,000	8,000	94,497	86,497
Less: Statutory Requirement	(38,036)	(38,036)	-	38,036
Total Revenues	<u>722,684</u>	<u>722,684</u>	<u>1,005,588</u>	<u>282,904</u>
Expenditures				
Current:				
Culture and Recreation	-	1,180,000	151,753	1,028,247
Total Expenditures	<u>-</u>	<u>1,180,000</u>	<u>151,753</u>	<u>1,028,247</u>
Excess of Revenues Over (Under)				
Expenditures	<u>722,684</u>	<u>(457,316)</u>	<u>853,835</u>	<u>1,311,151</u>
Other Financing Uses				
Reserve for Contingencies	(1,537,781)	(1,142,792)	-	1,142,792
Total Other Financing Uses	<u>(1,537,781)</u>	<u>(1,142,792)</u>	<u>-</u>	<u>1,142,792</u>
Net Change in Fund Balances	(815,097)	(1,600,108)	853,835	2,453,943
Fund Balances at Beginning of Year	<u>815,097</u>	<u>1,600,108</u>	<u>1,600,108</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,453,943</u></u>	<u><u>\$ 2,453,943</u></u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARK IMPACT FEE TRUST
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Special Assessments	\$ 659,000	\$ 659,000	\$ 449,539	\$ (209,461)
Investment Income	20,000	20,000	51,673	31,673
Less: Statutory Requirement	(33,950)	(33,950)	-	33,950
Total Revenues	<u>645,050</u>	<u>645,050</u>	<u>501,212</u>	<u>(143,838)</u>
Expenditures				
Current:				
Culture and Recreation	1,494,461	1,529,649	214,571	1,315,078
Total Expenditures	<u>1,494,461</u>	<u>1,529,649</u>	<u>214,571</u>	<u>1,315,078</u>
Excess of Revenues Over (Under) Expenditures	<u>(849,411)</u>	<u>(884,599)</u>	<u>286,641</u>	<u>1,171,240</u>
Other Financing Uses				
Transfers Out	(350,000)	(350,000)	(350,000)	-
Total Other Financing Uses	<u>(350,000)</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net Change in Fund Balances	(1,199,411)	(1,234,599)	(63,359)	1,171,240
Fund Balances at Beginning of Year	<u>1,199,411</u>	<u>1,234,599</u>	<u>1,234,599</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,171,240</u>	<u>\$ 1,171,240</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COUNTY TRANSPORTATION TRUST
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Taxes	\$ 7,239,500	\$ 7,239,500	\$ 6,992,219	\$ (247,281)
Intergovernmental	7,756,660	7,756,660	6,804,148	(952,512)
Charges for Services	509,125	509,125	1,137,611	628,486
Special Assessments	111,000	111,000	215,744	104,744
Investment Income	101,400	101,400	262,454	161,054
Miscellaneous	14,500	169,500	245,212	75,712
Less: Statutory Requirement	(786,609)	(786,609)	-	786,609
Total Revenues	<u>14,945,576</u>	<u>15,100,576</u>	<u>15,657,388</u>	<u>556,812</u>
Expenditures				
Current:				
Transportation	21,251,776	21,002,660	15,092,664	5,909,996
Total Expenditures	<u>21,251,776</u>	<u>21,002,660</u>	<u>15,092,664</u>	<u>5,909,996</u>
Excess of Revenues Over (Under) Expenditures	<u>(6,306,200)</u>	<u>(5,902,084)</u>	<u>564,724</u>	<u>6,466,808</u>
Other Financing Sources (Uses)				
Special Assessment Bonds Issue	740,812	740,812	-	(740,812)
Transfers Out	(791,609)	(791,609)	(791,609)	-
Reserve for Contingencies	(315,810)	(2,035,758)	-	2,035,758
Total Other Financing Sources (Uses)	<u>(366,607)</u>	<u>(2,086,555)</u>	<u>(791,609)</u>	<u>1,294,946</u>
Net Change in Fund Balances	(6,672,807)	(7,988,639)	(226,885)	7,761,754
Fund Balances at Beginning of Year	6,672,807	7,988,639	7,988,639	-
Inventory Reserve Decrease	-	-	(654,032)	(654,032)
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,107,722</u>	<u>\$ 7,107,722</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CHRISTOPHER C. FORD COMMERCE PARK
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Investment Income	\$ 15,000	\$ 15,000	\$ 208,062	\$ 193,062
Miscellaneous	1,300,000	1,300,000	3,946,105	2,646,105
Less: Statutory Requirement	<u>(65,750)</u>	<u>(65,750)</u>	<u>-</u>	<u>65,750</u>
Total Revenues	<u>1,249,250</u>	<u>1,249,250</u>	<u>4,154,167</u>	<u>2,904,917</u>
Expenditures				
Current:				
Economic Environment	398,700	395,000	30,110	364,890
Total Expenditures	<u>398,700</u>	<u>395,000</u>	<u>30,110</u>	<u>364,890</u>
Excess of Revenues Over Expenditures	<u>850,550</u>	<u>854,250</u>	<u>4,124,057</u>	<u>3,269,807</u>
Other Financing Uses				
Transfers Out	(65,750)	(65,750)	(65,750)	-
Reserve for Contingencies	<u>(6,671,410)</u>	<u>(2,980,708)</u>	<u>-</u>	<u>2,980,708</u>
Total Other Financing Uses	<u>(6,737,160)</u>	<u>(3,046,458)</u>	<u>(65,750)</u>	<u>2,980,708</u>
Net Change in Fund Balances	(5,886,610)	(2,192,208)	4,058,307	6,250,515
Fund Balances at Beginning of Year	<u>5,886,610</u>	<u>2,192,208</u>	<u>2,192,208</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,250,515</u>	<u>\$ 6,250,515</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MOSQUITO MANAGEMENT
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 37,025	\$ 37,850	\$ 37,822	\$ (28)
Investment Income	1,000	1,000	5,854	4,854
Miscellaneous	1,000	5,226	5,226	-
Less: Statutory Requirement	<u>(1,951)</u>	<u>(1,951)</u>	<u>-</u>	<u>1,951</u>
Total Revenues	<u>37,074</u>	<u>42,125</u>	<u>48,902</u>	<u>6,777</u>
Expenditures				
Current:				
Human Services	<u>965,816</u>	<u>1,016,299</u>	<u>963,807</u>	<u>52,492</u>
Total Expenditures	<u>965,816</u>	<u>1,016,299</u>	<u>963,807</u>	<u>52,492</u>
Excess of Revenues Over (Under) Expenditures	<u>(928,742)</u>	<u>(974,174)</u>	<u>(914,905)</u>	<u>59,269</u>
Other Financing Sources (Uses)				
Transfers In	850,593	850,593	850,593	-
Reserve for Contingencies	<u>(20,000)</u>	<u>(55,516)</u>	<u>-</u>	<u>55,516</u>
Total Other Financing Sources (Uses)	<u>830,593</u>	<u>795,077</u>	<u>850,593</u>	<u>55,516</u>
Net Change in Fund Balances	(98,149)	(179,097)	(64,312)	114,785
Fund Balances at Beginning of Year	98,149	179,097	179,097	-
Inventory Reserve Decrease	<u>-</u>	<u>-</u>	<u>(81,370)</u>	<u>(81,370)</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,415</u>	<u>\$ 33,415</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LAW LIBRARY FUND
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Investment Income	\$ 500	\$ 500	\$ 2,134	\$ 1,634
Miscellaneous	50,000	50,000	60,932	10,932
Less: Statutory Requirement	<u>(2,525)</u>	<u>(2,525)</u>	-	<u>2,525</u>
Total Revenues	<u>47,975</u>	<u>47,975</u>	<u>63,066</u>	<u>15,091</u>
Expenditures				
Current:				
Court-Related Expenditures	246,751	269,475	263,631	5,844
Total Expenditures	<u>246,751</u>	<u>269,475</u>	<u>263,631</u>	<u>5,844</u>
Excess of Revenues Over (Under) Expenditures	<u>(198,776)</u>	<u>(221,500)</u>	<u>(200,565)</u>	<u>20,935</u>
Other Financing Sources (Uses)				
Transfers In	142,000	158,000	158,000	-
Reserve for Contingencies	<u>(12,377)</u>	<u>(1,014)</u>	-	<u>1,014</u>
Total Other Financing Sources (Uses)	<u>129,623</u>	<u>156,986</u>	<u>158,000</u>	<u>1,014</u>
Net Change in Fund Balances	(69,153)	(64,514)	(42,565)	21,949
Fund Balances at Beginning of Year	<u>69,153</u>	<u>64,514</u>	<u>64,514</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,949</u></u>	<u><u>\$ 21,949</u></u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
AQUATIC PLANT MANAGEMENT
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 109,389	\$ 9,389
Investment Income	1,000	1,000	1,739	739
Miscellaneous	500	500	358	(142)
Less: Statutory Requirement	(5,075)	(5,075)	-	5,075
Total Revenues	<u>96,425</u>	<u>96,425</u>	<u>111,486</u>	<u>15,061</u>
Expenditures				
Current:				
Physical Environment	385,767	420,892	396,558	24,334
Total Expenditures	<u>385,767</u>	<u>420,892</u>	<u>396,558</u>	<u>24,334</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(289,342)</u>	<u>(324,467)</u>	<u>(285,072)</u>	<u>39,395</u>
Other Financing Sources (Uses)				
Transfers In	245,249	245,249	245,249	-
Reserve for Contingencies	(7,000)	(9,513)	-	9,513
Total Other Financing Sources (Uses)	<u>238,249</u>	<u>235,736</u>	<u>245,249</u>	<u>9,513</u>
Net Change in Fund Balances	(51,093)	(88,731)	(39,823)	48,908
Fund Balances at Beginning of Year	51,093	88,731	88,731	-
Inventory Reserve Decrease	-	-	(11,406)	(11,406)
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,502</u>	<u>\$ 37,502</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FISH CONSERVATION TRUST
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Licenses and Permits	\$ 18,000	\$ 18,000	\$ 19,820	\$ 1,820
Investment Income	2,000	2,000	2,219	219
Less: Statutory Requirement	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>
Total Revenues	<u>19,000</u>	<u>19,000</u>	<u>22,039</u>	<u>3,039</u>
Expenditures				
Current:				
Physical Environment	<u>95,675</u>	<u>95,675</u>	<u>87,186</u>	<u>8,489</u>
Total Expenditures	<u>95,675</u>	<u>95,675</u>	<u>87,186</u>	<u>8,489</u>
Excess of Revenues Over (Under) Expenditures	<u>(76,675)</u>	<u>(76,675)</u>	<u>(65,147)</u>	<u>11,528</u>
Other Financing Uses				
Transfers Out	(1,000)	(1,000)	(1,000)	-
Reserve for Contingencies	<u>(31,993)</u>	<u>(34,431)</u>	<u>-</u>	<u>34,431</u>
Total Other Financing Uses	<u>(32,993)</u>	<u>(35,431)</u>	<u>(1,000)</u>	<u>34,431</u>
Net Change in Fund Balances	(109,668)	(112,106)	(66,147)	45,959
Fund Balances at Beginning of Year	<u>109,668</u>	<u>112,106</u>	<u>112,106</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,959</u>	<u>\$ 45,959</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 1,435,060	\$ 1,620,060	\$ 727,710	\$ (892,350)
Miscellaneous	75,530	75,530	-	(75,530)
Less: Statutory Requirement	<u>(75,530)</u>	<u>(75,530)</u>	<u>-</u>	<u>75,530</u>
Total Revenues	<u>1,435,060</u>	<u>1,620,060</u>	<u>727,710</u>	<u>(892,350)</u>
Expenditures				
Current:				
Economic Environment	1,256,826	1,446,218	594,062	852,156
Human Services	152,297	152,297	134,192	18,105
Total Expenditures	<u>1,409,123</u>	<u>1,598,515</u>	<u>728,254</u>	<u>870,261</u>
Excess of Revenues Over (Under)				
Expenditures	<u>25,937</u>	<u>21,545</u>	<u>(544)</u>	<u>(22,089)</u>
Other Financing Uses				
Transfers Out	(5,000)	(5,000)	-	5,000
Reserve for Contingencies	<u>(20,937)</u>	<u>(20,937)</u>	<u>-</u>	<u>20,937</u>
Total Other Financing Uses	<u>(25,937)</u>	<u>(25,937)</u>	<u>-</u>	<u>25,937</u>
Net Change in Fund Balances	-	(4,392)	(544)	3,848
Fund Balances at Beginning of Year	-	4,392	4,392	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,848</u>	<u>\$ 3,848</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PUBLIC TRANSPORTATION FUND
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 1,752,281	\$ 1,622,537	\$ 1,907,849	\$ 285,312
Charges for Services	378,467	378,467	228,549	(149,918)
Investment Income	5,000	5,000	-	(5,000)
Miscellaneous	92,226	92,226	11,894	(80,332)
Less: Statutory Requirement	<u>(111,399)</u>	<u>(111,399)</u>	<u>-</u>	<u>111,399</u>
Total Revenues	<u>2,116,575</u>	<u>1,986,831</u>	<u>2,148,292</u>	<u>161,461</u>
Expenditures				
Current:				
Transportation	4,119,484	4,224,968	3,991,483	233,485
Total Expenditures	<u>4,119,484</u>	<u>4,224,968</u>	<u>3,991,483</u>	<u>233,485</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(2,002,909)</u>	<u>(2,238,137)</u>	<u>(1,843,191)</u>	<u>394,946</u>
Other Financing Sources (Uses)				
Transfers In	1,826,923	2,076,923	2,076,923	-
Reserve for Contingencies	<u>(331,094)</u>	<u>(71,820)</u>	<u>-</u>	<u>71,820</u>
Total Other Financing Sources (Uses)	<u>1,495,829</u>	<u>2,005,103</u>	<u>2,076,923</u>	<u>71,820</u>
Net Change in Fund Balances	(507,080)	(233,034)	233,732	466,766
Fund Balances at Beginning of Year	<u>507,080</u>	<u>233,034</u>	<u>233,034</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 466,766</u>	<u>\$ 466,766</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LAKE COUNTY AMBULANCE
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Taxes	\$ 7,542,512	\$ 7,542,512	\$ 7,303,219	\$ (239,293)
Investment Income	32,000	32,000	156,328	124,328
Less: Statutory Requirement	(378,726)	(378,726)	-	378,726
Total Revenues	<u>7,195,786</u>	<u>7,195,786</u>	<u>7,459,547</u>	<u>263,761</u>
Expenditures				
Current:				
General Government	130,980	132,196	132,196	-
Public Safety	6,963,812	7,214,900	7,214,900	-
Total Expenditures	<u>7,094,792</u>	<u>7,347,096</u>	<u>7,347,096</u>	<u>-</u>
Excess of Revenues Over (Under)				
Expenditures	<u>100,994</u>	<u>(151,310)</u>	<u>112,451</u>	<u>263,761</u>
Other Financing Sources (Uses)				
Transfers In	600	600	69,800	69,200
Transfers Out	(221,912)	(221,912)	(207,911)	14,001
Reserve for Contingencies	(2,473,491)	(2,273,453)	-	2,273,453
Total Other Financing Sources (Uses)	<u>(2,694,803)</u>	<u>(2,494,765)</u>	<u>(138,111)</u>	<u>2,356,654</u>
Net Change in Fund Balances	(2,593,809)	(2,646,075)	(25,660)	2,620,415
Fund Balances at Beginning of Year	<u>2,593,809</u>	<u>2,646,075</u>	<u>2,646,075</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,620,415</u>	<u>\$ 2,620,415</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STORMWATER MANAGEMENT
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Taxes	\$ 3,963,544	\$ 3,963,544	\$ 3,815,611	\$ (147,933)
Charges for Services	6,100	6,100	9,712	3,612
Investment Income	115,000	115,000	390,240	275,240
Less: Statutory Requirement	(204,232)	(204,232)	-	204,232
Total Revenues	<u>3,880,412</u>	<u>3,880,412</u>	<u>4,215,563</u>	<u>335,151</u>
Expenditures				
Current:				
Physical Environment	4,172,331	5,418,171	1,925,969	3,492,202
Total Expenditures	<u>4,172,331</u>	<u>5,418,171</u>	<u>1,925,969</u>	<u>3,492,202</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(291,919)</u>	<u>(1,537,759)</u>	<u>2,289,594</u>	<u>3,827,353</u>
Other Financing Sources (Uses)				
Transfers In	1,600	1,600	59,563	57,963
Transfers Out	(323,138)	(323,138)	(310,502)	12,636
Reserve for Contingencies	(6,183,639)	(4,709,530)	-	4,709,530
Total Other Financing Sources (Uses)	<u>(6,505,177)</u>	<u>(5,031,068)</u>	<u>(250,939)</u>	<u>4,780,129</u>
Net Change in Fund Balances	(6,797,096)	(6,568,827)	2,038,655	8,607,482
Fund Balances at Beginning of Year	<u>6,797,096</u>	<u>6,568,827</u>	<u>6,568,827</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,607,482</u>	<u>\$ 8,607,482</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
EMERGENCY 9-1-1
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 336,000	\$ 336,000	\$ 595,615	\$ 259,615
Charges for Services	840,350	840,350	825,033	(15,317)
Investment Income	15,000	15,000	88,673	73,673
Less: Statutory Requirement	(59,568)	(59,568)	-	59,568
Total Revenues	<u>1,131,782</u>	<u>1,131,782</u>	<u>1,509,321</u>	<u>377,539</u>
Expenditures				
Current:				
Public Safety	1,191,060	1,252,245	930,130	322,115
Total Expenditures	<u>1,191,060</u>	<u>1,252,245</u>	<u>930,130</u>	<u>322,115</u>
Excess of Revenues Over (Under) Expenditures	<u>(59,278)</u>	<u>(120,463)</u>	<u>579,191</u>	<u>699,654</u>
Other Financing Uses				
Reserve for Contingencies	(1,771,391)	(1,692,762)	-	1,692,762
Total Other Financing Uses	<u>(1,771,391)</u>	<u>(1,692,762)</u>	<u>-</u>	<u>1,692,762</u>
Net Change in Fund Balances	(1,830,669)	(1,813,225)	579,191	2,392,416
Fund Balances at Beginning of Year	<u>1,830,669</u>	<u>1,813,225</u>	<u>1,813,225</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,392,416</u>	<u>\$ 2,392,416</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
RESORT/DEVELOPMENT TAX
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Taxes	\$ 1,980,000	\$ 1,980,000	\$ 2,240,902	\$ 260,902
Charges for Services	900	900	2,388	1,488
Investment Income	26,000	26,000	42,789	16,789
Less: Statutory Requirement	(100,345)	(100,345)	-	100,345
Total Revenues	<u>1,906,555</u>	<u>1,906,555</u>	<u>2,286,079</u>	<u>379,524</u>
Expenditures				
Current:				
Economic Environment	2,320,583	3,378,626	2,980,719	397,907
Total Expenditures	<u>2,320,583</u>	<u>3,378,626</u>	<u>2,980,719</u>	<u>397,907</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(414,028)</u>	<u>(1,472,071)</u>	<u>(694,640)</u>	<u>777,431</u>
Other Financing Uses				
Transfers Out	(100,345)	(100,345)	(100,345)	-
Reserve for Contingencies	(1,559,225)	(620,791)	-	620,791
Total Other Financing Uses	<u>(1,659,570)</u>	<u>(721,136)</u>	<u>(100,345)</u>	<u>620,791</u>
Net Change in Fund Balances	(2,073,598)	(2,193,207)	(794,985)	1,398,222
Fund Balances at Beginning of Year	<u>2,073,598</u>	<u>2,193,207</u>	<u>2,193,207</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,398,222</u>	<u>\$ 1,398,222</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
AFFORDABLE HOUSING ASSISTANCE TRUST
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 1,800,834	\$ 2,386,989	\$ 2,441,416	\$ 54,427
Investment Income	50,000	50,000	292,869	242,869
Miscellaneous	694,781	694,781	1,306,707	611,926
Less: Statutory Requirement	(127,281)	(127,281)	-	127,281
Total Revenues	<u>2,418,334</u>	<u>3,004,489</u>	<u>4,040,992</u>	<u>1,036,503</u>
Expenditures				
Current:				
Economic Environment	3,827,700	8,773,858	1,271,608	7,502,250
Total Expenditures	<u>3,827,700</u>	<u>8,773,858</u>	<u>1,271,608</u>	<u>7,502,250</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(1,409,366)</u>	<u>(5,769,369)</u>	<u>2,769,384</u>	<u>8,538,753</u>
Other Financing Sources				
Transfer In	5,000	5,000	-	(5,000)
Total Other Financing Sources	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net Change in Fund Balances	<u>(1,404,366)</u>	<u>(5,764,369)</u>	<u>2,769,384</u>	<u>8,533,753</u>
Fund Balances at Beginning of Year	<u>1,404,366</u>	<u>5,764,369</u>	<u>5,764,369</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,533,753</u>	<u>\$ 8,533,753</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SECTION 8
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 2,965,716	\$ 2,683,106	\$ 2,691,725	\$ 8,619
Investment Income	-	-	1,474	1,474
Miscellaneous	156,091	156,091	100	(155,991)
Less: Statutory Requirement	(156,091)	(156,091)	-	156,091
Total Revenues	<u>2,965,716</u>	<u>2,683,106</u>	<u>2,693,299</u>	<u>10,193</u>
Expenditures				
Current:				
Economic Environment	<u>2,972,652</u>	<u>2,715,042</u>	<u>2,682,254</u>	<u>32,788</u>
Total Expenditures	<u>2,972,652</u>	<u>2,715,042</u>	<u>2,682,254</u>	<u>32,788</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(6,936)</u>	<u>(31,936)</u>	<u>11,045</u>	<u>42,981</u>
Other Financing Uses				
Reserve for Contingencies	<u>(192,611)</u>	<u>(5,206)</u>	<u>-</u>	<u>5,206</u>
Total Other Financing Uses	<u>(192,611)</u>	<u>(5,206)</u>	<u>-</u>	<u>5,206</u>
Net Change in Fund Balances	<u>(199,547)</u>	<u>(37,142)</u>	<u>11,045</u>	<u>48,187</u>
Fund Balances at Beginning of Year	<u>199,547</u>	<u>37,142</u>	<u>37,142</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 48,187</u></u>	<u><u>\$ 48,187</u></u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HURRICANE HOUSING RECOVERY
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 776,674	\$ 276,674
Investment Income	-	-	12,672	12,672
Miscellaneous	26,316	26,316	-	(26,316)
Less: Statutory Requirement	(26,316)	(26,316)	-	26,316
Total Revenues	<u>500,000</u>	<u>500,000</u>	<u>789,346</u>	<u>289,346</u>
Expenditures				
Current:				
Economic Environment	491,217	491,217	139,865	351,352
Total Expenditures	<u>491,217</u>	<u>491,217</u>	<u>139,865</u>	<u>351,352</u>
Excess of Revenues Over Expenditures	<u>8,783</u>	<u>8,783</u>	<u>649,481</u>	<u>640,698</u>
Other Financing Uses				
Reserve for Contingencies	(8,783)	(8,783)	-	8,783
Total Other Financing Uses	<u>(8,783)</u>	<u>(8,783)</u>	<u>-</u>	<u>8,783</u>
Net Change in Fund Balances	-	-	649,481	649,481
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 649,481</u>	<u>\$ 649,481</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MUNICIPAL SERVICE BENEFIT UNITS/SPECIAL ASSESSMENTS
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Special Assessments	\$ 552,491	\$ 552,491	\$ 534,714	\$ (17,777)
Investment Income	6,640	6,640	18,692	12,052
Less: Statutory Requirement	(27,956)	(27,956)	-	27,956
Total Revenues	<u>531,175</u>	<u>531,175</u>	<u>553,406</u>	<u>22,231</u>
Expenditures				
Current:				
Transportation	471,970	558,004	556,671	1,333
Total Expenditures	<u>471,970</u>	<u>558,004</u>	<u>556,671</u>	<u>1,333</u>
Excess of Revenues Over (Under)				
Expenditures	<u>59,205</u>	<u>(26,829)</u>	<u>(3,265)</u>	<u>23,564</u>
Other Financing Uses				
Transfers Out	(61,428)	(61,428)	(55,245)	6,183
Reserve for Contingencies	(296,131)	(230,081)	-	230,081
Total Other Financing Uses	<u>(357,559)</u>	<u>(291,509)</u>	<u>(55,245)</u>	<u>236,264</u>
Net Change in Fund Balances	(298,354)	(318,338)	(58,510)	259,828
Fund Balances at Beginning of Year	<u>298,354</u>	<u>318,338</u>	<u>318,338</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,828</u>	<u>\$ 259,828</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LAW ENFORCEMENT TRUST
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Fines and Forfeitures	\$ -	\$ 29,957	\$ 890,549	\$ 860,592
Investment Income	800	800	2,400	1,600
Total Revenues	<u>800</u>	<u>30,757</u>	<u>892,949</u>	<u>862,192</u>
Expenditures				
Current:				
Public Safety	53,281	77,655	52,888	24,767
Total Expenditures	<u>53,281</u>	<u>77,655</u>	<u>52,888</u>	<u>24,767</u>
Net Change in Fund Balances	(52,481)	(46,898)	840,061	886,959
Fund Balances at Beginning of Year	<u>52,481</u>	<u>46,898</u>	<u>46,898</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 886,959</u>	<u>\$ 886,959</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- BUDGET AND ACTUAL
POLLUTION RECOVERY
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 11,500	\$ 1,500
Investment Income	1,000	1,000	4,666	3,666
Less: Statutory Requirement	(550)	(550)	-	550
Total Revenues	10,450	10,450	16,166	5,716
Expenditures				
Physical Environment	104,245	104,245	72,314	31,931
Total Expenditures	104,245	104,245	72,314	31,931
Excess of Revenues Over (Under)				
Expenditures	(93,795)	(93,795)	(56,148)	37,647
Other Financing Uses				
Transfers Out	(550)	(550)	(550)	-
Reserve for Contingencies	(21,014)	(63,518)	-	63,518
Total Other Financing Uses	(21,564)	(64,068)	(550)	63,518
Net Change in Fund Balances	(115,359)	(157,863)	(56,698)	101,165
Fund Balances at Beginning of Year	115,359	157,863	157,863	-
Fund Balances at End of Year	\$ -	\$ -	\$ 101,165	\$ 101,165

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CODE ENFORCEMENT LIENS
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Fines and Forfeitures	\$ 25,000	\$ 25,000	\$ 121,045	\$ 96,045
Investment Income	2,500	2,500	7,762	5,262
Less: Statutory Requirement	(1,375)	(1,375)	-	1,375
Total Revenues	26,125	26,125	128,807	102,682
Expenditures				
Current:				
Public Safety	169,067	151,313	20,762	130,551
Total Expenditures	169,067	151,313	20,762	130,551
Excess of Revenues Over (Under)				
Expenditures	(142,942)	(125,188)	108,045	233,233
Other Financing Uses				
Transfers Out	(1,375)	(1,375)	(1,375)	-
Total Other Financing Uses	(1,375)	(1,375)	(1,375)	-
Net Change in Fund Balances	(144,317)	(126,563)	106,670	233,233
Fund Balances at Beginning of Year	144,317	126,563	126,563	-
Fund Balances at End of Year	\$ -	\$ -	\$ 233,233	\$ 233,233

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUILDING SERVICES
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Licenses and Permits	\$ 6,564,750	\$ 6,564,750	\$ 5,289,179	\$ (1,275,571)
Charges for Services	233,863	233,863	370,630	136,767
Fines and Forfeitures	15,000	15,000	24,450	9,450
Investment Income	40,000	40,000	126,420	86,420
Less: Statutory Requirement	(342,681)	(342,681)	-	342,681
Total Revenues	<u>6,510,932</u>	<u>6,510,932</u>	<u>5,810,679</u>	<u>(700,253)</u>
Expenditures				
Current:				
Public Safety	6,608,010	6,659,573	5,801,082	858,491
Total Expenditures	<u>6,608,010</u>	<u>6,659,573</u>	<u>5,801,082</u>	<u>858,491</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(97,078)</u>	<u>(148,641)</u>	<u>9,597</u>	<u>158,238</u>
Other Financing Uses				
Transfers Out	(1,028,042)	(1,028,042)	(1,028,042)	-
Reserve for Contingencies	(1,541,416)	(2,349,393)	-	(2,349,393)
Total Other Financing Uses	<u>(2,569,458)</u>	<u>(3,377,435)</u>	<u>(1,028,042)</u>	<u>(2,349,393)</u>
Net Change in Fund Balances	<u>(2,666,536)</u>	<u>(3,526,076)</u>	<u>(1,018,445)</u>	<u>2,507,631</u>
Fund Balances at Beginning of Year	<u>2,666,536</u>	<u>3,526,076</u>	<u>3,526,076</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,507,631</u>	<u>\$ 2,507,631</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- BUDGET AND ACTUAL
LAKE COUNTY MTU FOR FIRE PROTECTION
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Special Assessments	\$ 13,000,000	\$ 13,000,000	\$ 12,129,513	\$ (870,487)
Intergovernmental	25,000	227,930	267,770	39,840
Charges for Services	204,550	204,550	200,075	(4,475)
Investment Income	156,000	156,000	410,828	254,828
Miscellaneous	56,150	112,417	111,161	(1,256)
Less: Statutory Requirement	(672,085)	(672,085)	-	672,085
Total Revenues	<u>12,769,615</u>	<u>13,028,812</u>	<u>13,119,347</u>	<u>90,535</u>
Expenditures				
Current:				
Public Safety	18,657,653	19,182,916	15,015,183	4,167,733
Total Expenditures	<u>18,657,653</u>	<u>19,182,916</u>	<u>15,015,183</u>	<u>4,167,733</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(5,888,038)</u>	<u>(6,154,104)</u>	<u>(1,895,836)</u>	<u>4,258,268</u>
Other Financing Sources (Uses)				
Transfers In	450,000	450,000	450,000	-
Transfers Out	(995,471)	(995,471)	(948,239)	47,232
Reserve for Contingencies	(1,725,441)	(1,089,742)	-	1,089,742
Total Other Financing Sources (Uses)	<u>(2,270,912)</u>	<u>(1,635,213)</u>	<u>(498,239)</u>	<u>1,136,974</u>
Net Change in Fund Balances	(8,158,950)	(7,789,317)	(2,394,075)	5,395,242
Fund Balances at Beginning of Year	<u>8,158,950</u>	<u>7,789,317</u>	<u>7,789,317</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,395,242</u></u>	<u><u>\$ 5,395,242</u></u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FIRE RESCUE IMPACT FEE TRUST
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Special Assessments	\$ 1,249,044	\$ 1,249,044	\$ 927,144	\$ (321,900)
Investment Income	20,000	20,000	121,104	101,104
Less: Statutory Requirement	(63,452)	(63,452)	-	63,452
Total Revenues	<u>1,205,592</u>	<u>1,205,592</u>	<u>1,048,248</u>	<u>(157,344)</u>
Expenditures				
Current:				
Public Safety	3,387,960	3,376,316	135,368	3,240,948
Total Expenditures	<u>3,387,960</u>	<u>3,376,316</u>	<u>135,368</u>	<u>3,240,948</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(2,182,368)</u>	<u>(2,170,724)</u>	<u>912,880</u>	<u>3,083,604</u>
Other Financing Uses				
Reserve for Contingencies	(6,495)	(91,169)	-	91,169
Total Other Financing Uses	<u>(6,495)</u>	<u>(91,169)</u>	<u>-</u>	<u>91,169</u>
Net Change in Fund Balances	(2,188,863)	(2,261,893)	912,880	3,174,773
Fund Balances at Beginning of Year	<u>2,188,863</u>	<u>2,261,893</u>	<u>2,261,893</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,174,773</u></u>	<u><u>\$ 3,174,773</u></u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COUNTY-WIDE LIBRARY
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 417,500	\$ 401,018	\$ 401,018	\$ -
Charges for Services	250	250	411	161
Fines and Forfeitures	23,000	23,000	59,349	36,349
Investment Income	7,500	7,500	31,149	23,649
Miscellaneous	10,000	38,000	47,513	9,513
Total Revenues	<u>458,250</u>	<u>469,768</u>	<u>539,440</u>	<u>69,672</u>
Expenditures				
Current:				
Culture and Recreation	5,358,547	5,394,932	4,978,521	416,411
Total Expenditures	<u>5,358,547</u>	<u>5,394,932</u>	<u>4,978,521</u>	<u>416,411</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,900,297)</u>	<u>(4,925,164)</u>	<u>(4,439,081)</u>	<u>486,083</u>
Other Financing Sources (Uses)				
Transfers In	4,657,042	4,376,621	4,376,621	-
Reserve for Contingencies	(53,254)	(28,386)	-	28,386
Total Other Financing Sources (Uses)	<u>4,603,788</u>	<u>4,348,235</u>	<u>4,376,621</u>	<u>28,386</u>
Net Change in Fund Balances	(296,509)	(576,929)	(62,460)	514,469
Fund Balances at Beginning of Year	<u>296,509</u>	<u>576,929</u>	<u>576,929</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514,469</u>	<u>\$ 514,469</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ANIMAL SHELTER TRUST
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Investment Income	\$ 2,500	\$ 2,500	\$ 6,484	\$ 3,984
Miscellaneous	<u>14,000</u>	<u>14,000</u>	<u>23,354</u>	<u>9,354</u>
Total Revenues	<u>16,500</u>	<u>16,500</u>	<u>29,838</u>	<u>13,338</u>
Expenditures				
Current:				
Human Services	<u>-</u>	<u>73,000</u>	<u>55,927</u>	<u>17,073</u>
Total Expenditures	<u>-</u>	<u>73,000</u>	<u>55,927</u>	<u>17,073</u>
Excess of Revenues Over (Under) Expenditures	<u>16,500</u>	<u>(56,500)</u>	<u>(26,089)</u>	<u>30,411</u>
Other Financing Uses				
Reserve for Contingencies	<u>(155,602)</u>	<u>(90,779)</u>	<u>-</u>	<u>90,779</u>
Total Other Financing Uses	<u>(155,602)</u>	<u>(90,779)</u>	<u>-</u>	<u>90,779</u>
Net Change in Fund Balances	(139,102)	(147,279)	(26,089)	121,190
Fund Balances at Beginning of Year	<u>139,102</u>	<u>147,279</u>	<u>147,279</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,190</u>	<u>\$ 121,190</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
EMPLOYEE BENEFIT
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Investment Income	\$ 130	\$ 130	\$ 134	\$ 4
Miscellaneous	-	-	479	479
Total Revenues	<u>130</u>	<u>130</u>	<u>613</u>	<u>483</u>
Expenditures				
Current:				
Human Services	6,164	6,988	6,139	849
Total Expenditures	<u>6,164</u>	<u>6,988</u>	<u>6,139</u>	<u>849</u>
 Net Change in Fund Balances	 (6,034)	 (6,858)	 (5,526)	 1,332
Fund Balances at Beginning of Year	<u>6,034</u>	<u>6,858</u>	<u>6,858</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,332</u></u>	<u><u>\$ 1,332</u></u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- BUDGET AND ACTUAL
CLERK SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ 499,350	\$ 520,941	\$ 21,591
Charges for Services	4,657,700	4,657,700	5,456,146	798,446
Fines and Forfeitures	1,702,000	1,702,000	2,363,167	661,167
Investment Income	10,000	10,000	110,193	100,193
Total Revenues	<u>6,369,700</u>	<u>6,869,050</u>	<u>8,450,447</u>	<u>1,581,397</u>
Expenditures				
Current:				
General Government	1,941,082	1,984,397	1,661,045	323,352
Court-Related Expenditures	5,377,318	5,539,818	5,270,666	269,152
Total Expenditures	<u>7,318,400</u>	<u>7,524,215</u>	<u>6,931,711</u>	<u>592,504</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(948,700)</u>	<u>(655,165)</u>	<u>1,518,736</u>	<u>2,173,901</u>
Other Financing Uses				
Excess Court Revenues Due to the State	(831,398)	-	(1,415,268)	(1,415,268)
Reserve for Contingencies	(285,688)	(612,310)	-	612,310
Total Other Financing Uses	<u>(1,117,086)</u>	<u>(612,310)</u>	<u>(1,415,268)</u>	<u>(802,958)</u>
Net Change in Fund Balances	(2,065,786)	(1,267,475)	103,468	1,370,943
Fund Balances at Beginning of Year	<u>2,065,786</u>	<u>1,267,475</u>	<u>1,267,475</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,370,943</u></u>	<u><u>\$ 1,370,943</u></u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SHERIFF SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 62,263	\$ 101,693	\$ 297,399	\$ 195,706
Charges for Services	838,956	868,956	898,417	29,461
Fines and Forfeitures	-	-	197,939	197,939
Investment Income	-	-	49,419	49,419
Miscellaneous	-	-	56,505	56,505
Total Revenues	<u>901,219</u>	<u>970,649</u>	<u>1,499,679</u>	<u>529,030</u>
Expenditures				
Current:				
Public Safety	<u>2,513,430</u>	<u>2,842,530</u>	<u>2,686,121</u>	<u>156,409</u>
Total Expenditures	<u>2,513,430</u>	<u>2,842,530</u>	<u>2,686,121</u>	<u>156,409</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(1,612,211)</u>	<u>(1,871,881)</u>	<u>(1,186,442)</u>	<u>685,439</u>
Other Financing Sources (Uses)				
Transfers In	1,329,163	1,329,163	1,311,321	(17,842)
Transfers Out	<u>-</u>	<u>-</u>	<u>(52,735)</u>	<u>(52,735)</u>
Total Other Financing Sources (Uses)	<u>1,329,163</u>	<u>1,329,163</u>	<u>1,258,586</u>	<u>(70,577)</u>
Net Change in Fund Balances	(283,048)	(542,718)	72,144	614,862
Fund Balances at Beginning of Year	<u>397,562</u>	<u>181,562</u>	<u>940,593</u>	<u>759,031</u>
Fund Balances at End of Year	<u>\$ 114,514</u>	<u>\$ (361,156)</u>	<u>\$ 1,012,737</u>	<u>\$ 1,373,893</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- BUDGET AND ACTUAL
SALES TAX LINE OF CREDIT DEBT SERVICE
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Investment Income	\$ -	\$ -	\$ 2,178	\$ 2,178
Total Revenues	<u>-</u>	<u>-</u>	<u>2,178</u>	<u>2,178</u>
Expenditures				
Debt Service:				
Interest and Fiscal Charges	50,302	49,868	-	49,868
Total Expenditures	<u>50,302</u>	<u>49,868</u>	<u>-</u>	<u>49,868</u>
Excess of Revenues Over (Under) Expenditures	<u>(50,302)</u>	<u>(49,868)</u>	<u>2,178</u>	<u>52,046</u>
Net Change in Fund Balances	(50,302)	(49,868)	2,178	52,046
Fund Balances at Beginning of Year	<u>50,302</u>	<u>49,868</u>	<u>49,868</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,046</u>	<u>\$ 52,046</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARI-MUTUEL REVENUE BONDS DEBT SERVICE
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 297,667	\$ 297,667	\$ 297,667	\$ -
Investment Income	45,000	45,000	94,049	49,049
Less: Statutory Requirement	<u>(17,133)</u>	<u>(17,133)</u>	<u>-</u>	<u>17,133</u>
Total Revenues	<u>325,534</u>	<u>325,534</u>	<u>391,716</u>	<u>66,182</u>
Expenditures				
Debt Service:				
Principal	85,000	85,000	85,000	-
Interest and Fiscal Charges	214,623	215,172	215,172	-
Capital Outlay	1,321,821	1,418,829	39,720	1,379,109
Total Expenditures	<u>1,621,444</u>	<u>1,719,001</u>	<u>339,892</u>	<u>1,379,109</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(1,295,910)</u>	<u>(1,393,467)</u>	<u>51,824</u>	<u>1,445,291</u>
Other Financing Uses				
Transfers Out	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>	<u>750,000</u>
Total Other Financing Uses	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>	<u>750,000</u>
Net Change in Fund Balances	(2,045,910)	(2,143,467)	51,824	2,195,291
Fund Balances at Beginning of Year	<u>2,045,910</u>	<u>2,143,467</u>	<u>2,143,467</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,195,291</u>	<u>\$ 2,195,291</u>

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARKS CAPITAL PROJECTS
For the Year Ended September 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ 73,051	\$ 73,051	\$ -
Investment Income	5,000	5,000	20,354	15,354
Less: Statutory Requirement	(250)	(250)	-	250
Total Revenues	<u>4,750</u>	<u>77,801</u>	<u>93,405</u>	<u>15,604</u>
Expenditures				
Capital Outlay	1,166,059	1,357,550	443,350	914,200
Total Expenditures	<u>1,166,059</u>	<u>1,357,550</u>	<u>443,350</u>	<u>914,200</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,161,309)</u>	<u>(1,279,749)</u>	<u>(349,945)</u>	<u>929,804</u>
Other Financing Sources (Uses)				
Transfers In	1,100,000	1,100,000	350,000	(750,000)
Reserve for Contingencies	(169,368)	(49,154)	-	49,154
Total Other Financing Sources (Uses)	<u>930,632</u>	<u>1,050,846</u>	<u>350,000</u>	<u>(700,846)</u>
Net Change in Fund Balances	(230,677)	(228,903)	55	228,958
Fund Balances at Beginning of Year	<u>230,677</u>	<u>228,903</u>	<u>228,903</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,958</u>	<u>\$ 228,958</u>

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUND

SALES TAX CAPITAL PROJECTS FUND

To account for construction of various capital projects, using discretionary infrastructure sales surtax revenues.

LAKE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- BUDGET AND ACTUAL
MAJOR FUND - SALES TAX CAPITAL PROJECTS
For the Year Ended September 30, 2006

	<u>Sales Tax Capital Projects</u>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	\$ -	\$ 451,538	\$ 529,109	\$ 77,571
Investment Income	50,000	50,000	721,760	671,760
Less: Statutory Requirement	(2,500)	(2,500)	-	2,500
Total Revenues	47,500	499,038	1,250,869	751,831
Expenditures				
Capital Outlay	30,253,551	30,569,623	17,402,673	13,166,950
Total Expenditures	30,253,551	30,569,623	17,402,673	13,166,950
Excess of Revenues Over (Under)				
Expenditures	(30,206,051)	(30,070,585)	(16,151,804)	13,918,781
Other Financing Sources (Uses)				
Transfers In	9,561,750	10,175,143	10,175,143	-
Reserve for Contingencies	(660,104)	(1,058,166)	-	1,058,166
Total Other Financing Sources (Uses)	8,901,646	9,116,977	10,175,143	1,058,166
Net Change in Fund Balances	(21,304,405)	(20,953,608)	(5,976,661)	14,976,947
Fund Balances at Beginning of Year	21,304,405	20,953,608	20,953,608	-
Fund Balances at End of Year	\$ -	\$ -	\$ 14,976,947	\$ 14,976,947

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

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INTERNAL SERVICE FUNDS

INSURANCE FUND - BOARD

To account for the revenues and expenses of the Employee Group Health Insurance Program for the Board of County Commissioners, Supervisor of Elections, and Property Appraiser. This fund also accounts for the revenues and expenses of the Comprehensive Liability Programs for the Board of County Commissioners and all Constitutional Officers (except the Sheriff).

INSURANCE FUND - CLERK

To account for the revenues and expenses of the Employee Group Health Insurance Program for the Clerk of the Circuit Court.

FLEET MAINTENANCE INTERNAL SERVICE FUND

To account for the revenues and expenses of the Fleet Maintenance Division within the County's Public Works Department.

LAKE COUNTY, FLORIDA
 COMBINING STATEMENT OF NET ASSETS
 ALL INTERNAL SERVICE FUNDS
September 30, 2006

	<u>Insurance</u>	
	<u>Board</u>	<u>Clerk</u>
<u>Assets</u>		
Current Assets:		
Pooled Cash and Investments	\$ 7,926,307	\$ 878,314
Cash with fiscal agent	82,090	-
Other Investments	-	2,784,895
Accounts Receivable	331,767	-
Prepaid Expenses	-	14,021
Intragovernmental Receivables	5,153	-
Due from Other Governments	-	-
Inventory	-	-
Total Current Assets	<u>8,345,317</u>	<u>3,677,230</u>
Capital Assets:		
Equipment	-	-
Less: Accumulated Depreciation	-	-
Total Capital Assets	<u>-</u>	<u>-</u>
Total Assets	<u>8,345,317</u>	<u>3,677,230</u>
<u>Liabilities</u>		
Current Liabilities:		
Accounts Payable	40,778	-
Accrued Liabilities	-	-
Estimated Insurance Claims Payable	2,530,310	224,476
Current Portion of Long-Term Obligations	-	-
Total Current Liabilities	<u>2,571,088</u>	<u>224,476</u>
Long-Term Liabilities:		
Accrued Benefits Payable	-	-
Total Long-Term Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>2,571,088</u>	<u>224,476</u>
<u>Net Assets</u>		
Invested in Capital Assets	-	-
Unrestricted	5,774,229	3,452,754
Total Net Assets	<u>\$ 5,774,229</u>	<u>\$ 3,452,754</u>

<u>Fleet Maintenance</u>	<u>Total</u>
\$ 297,742	\$ 9,102,363
-	82,090
-	2,784,895
-	331,767
-	14,021
27,198	32,351
50,730	50,730
175,681	175,681
<u>551,351</u>	<u>12,573,898</u>
346,871	346,871
(257,138)	(257,138)
<u>89,733</u>	<u>89,733</u>
<u>641,084</u>	<u>12,663,631</u>
87,876	128,654
19,470	19,470
-	2,754,786
25,420	25,420
<u>132,766</u>	<u>2,928,330</u>
27,539	27,539
<u>27,539</u>	<u>27,539</u>
<u>160,305</u>	<u>2,955,869</u>
89,733	89,733
391,046	9,618,029
<u>\$ 480,779</u>	<u>\$ 9,707,762</u>

LAKE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
ALL INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2006

	<u>Insurance</u>	
	<u>Board</u>	<u>Clerk</u>
Operating Revenues:		
Charges for Services	\$ 10,312,110	\$ 1,486,936
Miscellaneous	551,324	-
Total Operating Revenues	<u>10,863,434</u>	<u>1,486,936</u>
Operating Expenses:		
Benefit Payments and Claims	9,134,466	1,253,319
Personal Services	-	-
Contracted Services	-	-
Supplies and Materials	-	-
Repairs and Maintenance	-	-
Utilities	-	-
Other Charges and Services	876,541	411,192
Depreciation	-	-
Total Operating Expenses	<u>10,011,007</u>	<u>1,664,511</u>
Operating Gain (Loss)	852,427	(177,575)
Non-Operating Revenues:		
Interest Revenue	350,782	135,221
Net Gain on Disposal of Capital Assets	-	-
Total Non-Operating Revenues	<u>350,782</u>	<u>135,221</u>
Gain (Loss) Before Transfers	1,203,209	(42,354)
Transfers In	-	850,522
Transfers Out	(378,057)	-
Total Transfers	<u>(378,057)</u>	<u>850,522</u>
Change in Net Assets	825,152	808,168
Net Assets at Beginning of Year	<u>4,949,077</u>	<u>2,644,586</u>
Net Assets at End of Year	<u>\$ 5,774,229</u>	<u>\$ 3,452,754</u>

<u>Fleet Maintenance</u>	<u>Total</u>
\$ 2,438,335	\$ 14,237,381
11,546	562,870
<u>2,449,881</u>	<u>14,800,251</u>
-	10,387,785
519,375	519,375
8,181	8,181
1,420,734	1,420,734
377,543	377,543
14,631	14,631
33,872	1,321,605
25,578	25,578
<u>2,399,914</u>	<u>14,075,432</u>
49,967	724,819
144	486,147
5,703	5,703
<u>5,847</u>	<u>491,850</u>
55,814	1,216,669
35,000	885,522
-	(378,057)
<u>35,000</u>	<u>507,465</u>
90,814	1,724,134
<u>389,965</u>	<u>7,983,628</u>
<u>\$ 480,779</u>	<u>\$ 9,707,762</u>

LAKE COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2006

	<u>Insurance</u>	
	Board	Clerk
Cash Flows from Operating Activities:		
Cash Received from Customers and for Contributions	\$ 10,030,937	\$ 1,481,956
Cash Paid to Suppliers and for Claims	(9,424,415)	(1,746,918)
Cash Paid to Employees	-	-
Cash Paid to Insurance Fund	-	-
Net Cash Provided (Used) by Operating Activities	606,522	(264,962)
 Cash Flows from NonCapital Financing Activities:		
Cash Transfers from Other Funds	-	850,522
Cash Transfers to Other Funds	(378,057)	-
Net Cash Provided (Used) by NonCapital Financing Activities	(378,057)	850,522
 Cash Flows from Capital Activities:		
Additons to Capital Assets	-	-
Net Cash Provided (Used) by Capital Activities	-	-
 Cash Flows from Investing Activities:		
Interest Received	350,782	135,221
Net Cash Provided by Investing Activities	350,782	135,221
 Net Change in Cash and Cash Equivalents	579,247	720,781
Cash and Cash Equivalents at October 1	7,429,150	2,942,428
Cash and Cash Equivalents at September 30	\$ 8,008,397	\$ 3,663,209

**RECONCILIATION OF OPERATING LOSS TO
NET CASH PROVIDED BY (USED) OPERATING ACTIVITIES**

	<u>Insurance</u>	
	Board	Clerk
Operating Gain (Loss)	\$ 852,427	\$ (177,575)
 Adjustments to Reconcile Operating Gain (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	-	-
Change in Accounts Receivable	(276,020)	-
Change in Intragovernmental Receivables	(5,153)	-
Change in Due from Other Governments	-	-
Change in Prepaid Assets	48,770	(4,980)
Change in Inventory	-	-
Change in Accounts Payable	(42,174)	-
Change in Accrued Liabilities	-	-
Change in Estimated Claims Payable	28,672	(82,407)
Change in Accrued Benefits Payable	-	-
Total Adjustments	(245,905)	(87,387)
Net Cash Provided (Used) by Operating Activities	\$ 606,522	\$ (264,962)
 Noncash Investing, Capital and Financing Activities		
Gain on Disposition of Capital Assets	-	-

<u>Fleet Maintenance</u>	<u>Total</u>
\$ 2,403,659	\$ 13,916,552
(1,797,060)	(12,968,393)
(406,133)	(406,133)
(113,275)	(113,275)
<u>87,191</u>	<u>428,751</u>
35,000	885,522
-	(378,057)
<u>35,000</u>	<u>507,465</u>
(21,279)	(21,279)
<u>(21,279)</u>	<u>(21,279)</u>
144	486,147
<u>144</u>	<u>486,147</u>
101,056	1,401,084
196,686	10,568,264
<u>\$ 297,742</u>	<u>\$ 11,969,348</u>

<u>Fleet Maintenance</u>	<u>Total</u>
<u>\$ 49,967</u>	<u>\$ 724,819</u>
25,578	25,578
(6,418)	(276,020)
(28,258)	(11,571)
-	(28,258)
58,424	43,790
(12,069)	58,424
3,451	(54,243)
-	3,451
(3,484)	(53,735)
<u>37,224</u>	<u>(3,484)</u>
<u>\$ 87,191</u>	<u>(296,068)</u>
5,703	428,751
	5,703

AGENCY FUNDS

BOARD OF COUNTY COMMISSIONERS

EDUCATIONAL SYSTEM IMPACT FEE TRUST FUND

To account for the collection and distribution of impact fees pertaining to the Lake County District School Board.

ESCROW DEPOSITS FUND

To account for the collection and payment of builders' and developers' surety deposits.

CLERK OF CIRCUIT COURT

AGENCY FUND

To record the collection and payment of monies collected for the Department of Revenue, Bureau of Vital Statistics, State Treasurer, and other various State and Federal agencies.

CASH BONDS FUND

To account for the receipt and disbursement of bonds posted by individuals for judicial proceedings.

FINES AND COSTS FUND

To account for the collection and disbursement of all court ordered fines and costs collected on behalf of various governmental agencies.

TAX DEED SALES FUND

To account for the collection and disbursements of the proceeds of tax deed sales in accordance with Chapter 197, Florida Statutes.

JUROR AND WITNESS FUND

To record the receipt and disbursement of funds to jurors and witnesses on behalf of state agencies.

UNIFORM SUPPORT FUND

To account for the collection and payment of court ordered alimony and child support payments.

SUSPENSE

To account for the receipt and disbursement of temporarily unidentified monies.

COURTS REGISTRY FUND

To record the collection and payment of deposits required by Circuit and County Court legal actions.

TAX COLLECTOR

TAX COLLECTIONS TRUST FUND

To record the receipt and distribution of ad valorem tax collections.

TAG AND TITLE TRUST FUND

To record the receipt and distribution of vehicle tag and title collections and marine title and registration fees collected on behalf of various State agencies.

HUNTING AND FISHING LICENSE FUND

To account for the collection and disbursement of hunting and fishing license fees collected on behalf of State and local agencies.

SHERIFF'S OFFICE

CASH BONDS FUND

To account for the receipt and disbursement of bonds posted by individuals pending judicial proceedings.

CIVIL FUND

To account for the receipt and disbursement of funds that result from civil process, confiscation and Sheriff's sales.

INMATE TRUST FUND

To account for the receipt and distribution of the personal funds of County Jail inmates.

SUSPENSE

To account for the receipt and disbursement of temporarily unidentified monies.

FLEXIBLE SPENDING

To account for the receipt and disbursement of employee flexible spending monies.

LAKE COUNTY, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
September 30, 2006

	<u>AGENCY FUNDS</u>	
	<u>Board of County Commissioners</u>	
	<u>Educational System</u>	
	<u>Impact Fee</u>	<u>Escrow</u>
	<u>Trust</u>	<u>Deposits</u>
<u>Assets</u>		
Cash	\$ -	\$ -
Pooled Cash and Investments	2,131,784	147,655
Restricted Cash and Investments	-	-
Accounts Receivable	-	-
	<hr/>	<hr/>
Total Assets	<u>\$ 2,131,784</u>	<u>\$ 147,655</u>
<u>Liabilities</u>		
Liabilities:		
Accounts Payable	\$ -	\$ -
Intragovernmental Payables	-	-
Due to Other Governments	2,131,784	-
Deposits	-	147,655
Taxes Collected in Advance	-	-
Cash Bonds Payable	-	-
	<hr/>	<hr/>
Total Liabilities	<u>\$ 2,131,784</u>	<u>\$ 147,655</u>

AGENCY FUNDS
Clerk of the Circuit Court

Agency	Clerk Cash Bonds	Fines and Costs	Tax Deed Sales
\$ -	\$ -	\$ -	\$ -
1,878,273	343,126	442,249	463,618
-	-	-	-
-	-	-	-
<u>\$ 1,878,273</u>	<u>\$ 343,126</u>	<u>\$ 442,249</u>	<u>\$ 463,618</u>
\$ 2,006	\$ -	\$ 26,934	\$ -
-	-	163,613	682
1,858,644	-	251,702	-
17,623	-	-	462,936
-	-	-	-
-	343,126	-	-
<u>\$ 1,878,273</u>	<u>\$ 343,126</u>	<u>\$ 442,249</u>	<u>\$ 463,618</u>

Continued

LAKE COUNTY, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS (Continued)
September 30, 2006

	<u>AGENCY FUNDS</u>	
	<u>Clerk of the Circuit Court</u>	
	<u>Juror and Witness</u>	<u>Uniform Support</u>
<u>Assets</u>		
Cash	\$ -	\$ -
Pooled Cash and Investments	14,837	1,398
Restricted Cash and Investments	-	-
Accounts Receivable	-	3,202
	<hr/>	<hr/>
Total Assets	<u>\$ 14,837</u>	<u>\$ 4,600</u>
<u>Liabilities</u>		
Liabilities:		
Accounts Payable	\$ -	\$ -
Intragovernmental Payables	-	-
Due to Other Governments	14,837	4,072
Deposits	-	528
Taxes Collected in Advance	-	-
Cash Bonds Payable	-	-
	<hr/>	<hr/>
Total Liabilities	<u>\$ 14,837</u>	<u>\$ 4,600</u>

<u>AGENCY FUNDS</u> Clerk of the Circuit Court	
<u>Suspense</u>	<u>Courts Registry</u>
\$ -	\$ -
1,021	3,175,204
-	-
-	-
<u>\$ 1,021</u>	<u>\$ 3,175,204</u>

\$ -	\$ -
-	-
-	-
1,021	3,175,204
-	-
-	-
<u>\$ 1,021</u>	<u>\$ 3,175,204</u>

<u>AGENCY FUNDS</u> Tax Collector	
<u>Tax Collections Trust</u>	
\$ 2,444,650	
-	
-	
-	
<u>\$ 2,444,650</u>	

\$ 25,752	
361,579	
175,709	
-	
1,881,610	
-	
<u>\$ 2,444,650</u>	

Continued

LAKE COUNTY, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS (Continued)
September 30, 2006

	<u>AGENCY FUNDS</u>	
	<u>Tax Collector</u>	
	<u>Tag and Title Trust</u>	<u>Hunting and Fishing License</u>
<u>Assets</u>		
Cash	\$ 457,704	\$ 1,168
Pooled Cash and Investments	-	-
Restricted Cash and Investments	-	-
Accounts Receivable	-	-
Total Assets	<u>\$ 457,704</u>	<u>\$ 1,168</u>
<u>Liabilities</u>		
Liabilities:		
Accounts Payable	\$ 19,163	\$ 236
Intragovernmental Payables	9,327	-
Due to Other Governments	429,214	932
Deposits	-	-
Taxes Collected in Advance	-	-
Cash Bonds Payable	-	-
Total Liabilities	<u>\$ 457,704</u>	<u>\$ 1,168</u>

AGENCY FUNDS

Sheriff

Sheriff Cash Bonds	Civil	Inmate Trust
\$ -	\$ -	\$ 1,000
-	-	-
181,547	13,949	41,418
-	-	-
<u>\$ 181,547</u>	<u>\$ 13,949</u>	<u>\$ 42,418</u>
\$ -	\$ -	\$ -
-	16,827	-
-	-	-
-	(2,878)	42,418
-	-	-
181,547	-	-
<u>\$ 181,547</u>	<u>\$ 13,949</u>	<u>\$ 42,418</u>

Continued

LAKE COUNTY, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS (Continued)
September 30, 2006

	<u>AGENCY FUNDS</u>	
	<u>Sheriff</u>	
	<u>Suspense</u>	<u>Flexible Spending</u>
<u>Assets</u>		
Cash	\$ -	\$ -
Pooled Cash and Investments	80,769	-
Restricted Cash and Investments	-	10,155
Accounts Receivable	-	-
	<hr/>	<hr/>
Total Assets	<u>\$ 80,769</u>	<u>\$ 10,155</u>
<u>Liabilities</u>		
Liabilities:		
Accounts Payable	\$ -	\$ -
Intragovernmental Payables	73,442	-
Due to Other Governments	-	-
Deposits	7,327	10,155
Taxes Collected in Advance	-	-
Cash Bonds Payable	-	-
	<hr/>	<hr/>
Total Liabilities	<u>\$ 80,769</u>	<u>\$ 10,155</u>

**Total
Agency
Funds**

\$	2,904,522
	8,679,934
	247,069
	3,202
	<hr/>
\$	11,834,727
	<hr/> <hr/>

\$	74,091
	625,470
	4,866,894
	3,861,989
	1,881,610
	524,673
	<hr/>
\$	11,834,727
	<hr/> <hr/>

LAKE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended September 30, 2006

	<u>Balance 9/30/05</u>	<u>Educational System Impact Fee Trust</u>		<u>Balance 9/30/06</u>
		<u>Additions</u>	<u>Deletions</u>	
<u>Assets</u>				
Cash	\$ -	\$ -	\$ -	\$ -
Pooled Cash and Investments	1,438,440	21,216,268	20,522,924	2,131,784
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	-	-	-	-
Total Assets	\$ 1,438,440	\$ 21,216,268	\$ 20,522,924	\$ 2,131,784
<u>Liabilities</u>				
Accounts Payable	\$ 3,794	\$ 22,517,373	\$ 22,521,167	\$ -
Intragovernmental Payables	-	-	-	-
Due to Other Governments	1,434,646	23,191,652	22,494,514	2,131,784
Deposits	-	-	-	-
Taxes Collected in Advance	-	-	-	-
Cash Bonds Payable	-	-	-	-
Total Liabilities	\$ 1,438,440	\$ 45,709,025	\$ 45,015,681	\$ 2,131,784

<u>Balance</u> <u>9/30/05</u>	<u>Escrow Deposits</u>		<u>Balance</u> <u>9/30/06</u>	<u>Balance</u> <u>9/30/05</u>	<u>Agency - Clerk</u>		<u>Balance</u> <u>9/30/06</u>
	<u>Additions</u>	<u>Deletions</u>			<u>Additions</u>	<u>Deletions</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
354,699	222,986	430,030	147,655	1,194,001	65,548,422	64,864,150	1,878,273
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 354,699</u>	<u>\$ 222,986</u>	<u>\$ 430,030</u>	<u>\$ 147,655</u>	<u>\$ 1,194,001</u>	<u>\$ 65,548,422</u>	<u>\$ 64,864,150</u>	<u>\$ 1,878,273</u>
\$ -	\$ 684,060	\$ 684,060	\$ -	\$ 7,980	\$ 138,709	\$ 144,683	\$ 2,006
-	-	-	-	-	-	-	-
-	-	-	-	1,174,377	65,497,723	64,813,456	1,858,644
354,699	336,549	543,593	147,655	11,644	20,910	14,931	17,623
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 354,699</u>	<u>\$ 1,020,609</u>	<u>\$ 1,227,653</u>	<u>\$ 147,655</u>	<u>\$ 1,194,001</u>	<u>\$ 65,657,342</u>	<u>\$ 64,973,070</u>	<u>\$ 1,878,273</u>

Continued

LAKE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended September 30, 2006

	<u>Cash Bonds - Clerk</u>			<u>Balance</u> <u>9/30/06</u>
	<u>Balance</u> <u>9/30/05</u>	<u>Additions</u>	<u>Deletions</u>	
<u>Assets</u>				
Cash	\$ -	\$ -	\$ -	\$ -
Pooled Cash and Investments	198,448	846,317	701,639	343,126
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	-	-	-	-
Total Assets	<u>\$ 198,448</u>	<u>\$ 846,317</u>	<u>\$ 701,639</u>	<u>\$ 343,126</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Intragovernmental Payables	-	-	-	-
Due to Other Governments	-	-	-	-
Deposits	-	-	-	-
Taxes Collected in Advance	-	-	-	-
Cash Bonds Payable	198,448	846,317	701,639	343,126
Total Liabilities	<u>\$ 198,448</u>	<u>\$ 846,317</u>	<u>\$ 701,639</u>	<u>\$ 343,126</u>

Balance 9/30/05	Fines and Costs		Balance 9/30/06	Balance 9/30/05	Tax Deed Sales		Balance 9/30/06
	Additions	Deletions			Additions	Deletions	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
442,286	6,458,880	6,458,917	442,249	107,618	1,485,590	1,129,590	463,618
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 442,286	\$ 6,458,880	\$ 6,458,917	\$ 442,249	\$ 107,618	\$ 1,485,590	\$ 1,129,590	\$ 463,618
\$ 23,713	\$ 963,036	\$ 959,815	\$ 26,934	\$ -	\$ 1,060,208	\$ 1,060,208	\$ -
159,036	2,102,730	2,098,153	163,613	-	682	-	682
259,537	3,419,697	3,427,532	251,702	-	-	-	-
-	-	-	-	107,618	1,478,609	1,123,291	462,936
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 442,286	\$ 6,485,463	\$ 6,485,500	\$ 442,249	\$ 107,618	\$ 2,539,499	\$ 2,183,499	\$ 463,618

Continued

LAKE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended September 30, 2006

	<u>Balance 9/30/05</u>	<u>Juror and Witness</u>		<u>Balance 9/30/06</u>
		<u>Additions</u>	<u>Deletions</u>	
<u>Assets</u>				
Cash	\$ -	\$ -	\$ -	\$ -
Pooled Cash and Investments	23,997	74,846	84,006	14,837
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	-	-	-	-
Total Assets	\$ 23,997	\$ 74,846	\$ 84,006	\$ 14,837
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ 9,216	\$ 9,216	\$ -
Intragovernmental Payables	-	-	-	-
Due to Other Governments	23,997	74,846	84,006	14,837
Deposits	-	-	-	-
Taxes Collected in Advance	-	-	-	-
Cash Bonds Payable	-	-	-	-
Total Liabilities	\$ 23,997	\$ 84,062	\$ 93,222	\$ 14,837

Balance 9/30/05	Uniform Support		Balance 9/30/06	Balance 9/30/05	Suspense - Clerk		Balance 9/30/06
	Additions	Deletions			Additions	Deletions	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,922	60,362	60,886	1,398	1,351	35,893	36,223	1,021
-	-	-	-	-	-	-	-
2,508	7,408	6,714	3,202	-	-	-	-
\$ 4,430	\$ 67,770	\$ 67,600	\$ 4,600	\$ 1,351	\$ 35,893	\$ 36,223	\$ 1,021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
4,430	53,388	53,746	4,072	-	-	-	-
-	528	-	528	1,351	35,893	36,223	1,021
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 4,430	\$ 53,916	\$ 53,746	\$ 4,600	\$ 1,351	\$ 35,893	\$ 36,223	\$ 1,021

Continued

LAKE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended September 30, 2006

	<u>Balance 9/30/05</u>	<u>Courts Registry</u>		<u>Balance 9/30/06</u>
		<u>Additions</u>	<u>Deletions</u>	
<u>Assets</u>				
Cash	\$ -	\$ -	\$ -	\$ -
Pooled Cash and Investments	2,883,196	13,564,683	13,272,675	3,175,204
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	-	-	-	-
Total Assets	\$ 2,883,196	\$ 13,564,683	\$ 13,272,675	\$ 3,175,204
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ 244,316	\$ 244,316	\$ -
Intragovernmental Payables	-	-	-	-
Due to Other Governments	-	-	-	-
Deposits	2,883,196	9,307,863	9,015,855	3,175,204
Taxes Collected in Advance	-	-	-	-
Cash Bonds Payable	-	-	-	-
Total Liabilities	\$ 2,883,196	\$ 9,552,179	\$ 9,260,171	\$ 3,175,204

Balance 9/30/05	Tax Collections Trust		Balance 9/30/06	Balance 9/30/05	Tag and Title Trust		Balance 9/30/06
	Additions	Deletions			Additions	Deletions	
\$ 2,438,920	\$ 306,883,543	\$ 306,877,813	\$ 2,444,650	\$ 537,947	\$ 28,915,969	\$ 28,996,212	\$ 457,704
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 2,438,920	\$ 306,883,543	\$ 306,877,813	\$ 2,444,650	\$ 537,947	\$ 28,915,969	\$ 28,996,212	\$ 457,704
\$ 372,989	\$ 304,981,488	\$ 305,328,725	\$ 25,752	\$ 31,078	\$ 28,837,385	\$ 28,849,300	\$ 19,163
332,579	361,579	332,579	361,579	9,779	1,886,945	1,887,397	9,327
145,344	280,565,609	280,535,244	175,709	497,090	25,021,329	25,089,205	429,214
-	-	-	-	-	-	-	-
1,588,008	3,217,322	2,923,720	1,881,610	-	-	-	-
-	-	-	-	-	-	-	-
\$ 2,438,920	\$ 589,125,998	\$ 589,120,268	\$ 2,444,650	\$ 537,947	\$ 55,745,659	\$ 55,825,902	\$ 457,704

Continued

LAKE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended September 30, 2006

	Balance 9/30/05	Hunting and Fishing License		Balance 9/30/06
		Additions	Deletions	
<u>Assets</u>				
Cash	\$ 1,241	\$ 86,591	\$ 86,664	\$ 1,168
Pooled Cash and Investments	-	-	-	-
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	-	-	-	-
Total Assets	\$ 1,241	\$ 86,591	\$ 86,664	\$ 1,168
<u>Liabilities</u>				
Accounts Payable	\$ 209	\$ 72,852	\$ 72,825	\$ 236
Intragovernmental Payables	-	-	-	-
Due to Other Governments	1,032	72,534	72,634	932
Deposits	-	-	-	-
Taxes Collected in Advance	-	-	-	-
Cash Bonds Payable	-	-	-	-
Total Liabilities	\$ 1,241	\$ 145,386	\$ 145,459	\$ 1,168

<u>Balance</u> <u>9/30/05</u>	<u>Cash Bonds - Sheriff</u>		<u>Balance</u> <u>9/30/06</u>	<u>Balance</u> <u>9/30/05</u>	<u>Civil</u>		<u>Balance</u> <u>9/30/06</u>
	<u>Additions</u>	<u>Deletions</u>			<u>Additions</u>	<u>Deletions</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	457,366	457,366	-	-	-	-	-
463,797	121,458	403,708	181,547	30,501	462,729	479,281	13,949
-	-	-	-	-	-	-	-
\$ 463,797	\$ 578,824	\$ 861,074	\$ 181,547	\$ 30,501	\$ 462,729	\$ 479,281	\$ 13,949
\$ -	\$ 423,566	\$ 423,566	\$ -	\$ -	\$ 14,517	\$ 14,517	\$ -
-	-	-	-	14,517	45,861	43,551	16,827
-	-	-	-	-	-	-	-
-	-	-	-	15,984	462,729	481,591	(2,878)
-	-	-	-	-	-	-	-
463,797	121,007	403,257	181,547	-	-	-	-
\$ 463,797	\$ 544,573	\$ 826,823	\$ 181,547	\$ 30,501	\$ 523,107	\$ 539,659	\$ 13,949

Continued

LAKE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended September 30, 2006

	Balance 9/30/05	Inmate Trust		Balance 9/30/06
		Additions	Deletions	
<u>Assets</u>				
Cash	\$ 1,000	\$ -	\$ -	\$ 1,000
Pooled Cash and Investments	-	-	-	-
Restricted Cash and Investments	39,473	1,310,471	1,308,526	41,418
Accounts Receivable	-	-	-	-
Total Assets	\$ 40,473	\$ 1,310,471	\$ 1,308,526	\$ 42,418
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Intragovernmental Payables	-	-	-	-
Due to Other Governments	-	-	-	-
Deposits	40,473	1,312,459	1,310,514	42,418
Taxes Collected in Advance	-	-	-	-
Cash Bonds Payable	-	-	-	-
Total Liabilities	\$ 40,473	\$ 1,312,459	\$ 1,310,514	\$ 42,418

Balance 9/30/05	Suspense - Sheriff		Balance 9/30/06	Balance 9/30/05	Flexible Spending - Sheriff		Balance 9/30/06
	Additions	Deletions			Additions	Deletions	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
131,254	73,971	124,456	80,769	-	-	-	-
-	-	-	-	9,345	34,364	33,554	10,155
-	-	-	-	-	-	-	-
\$ 131,254	\$ 73,971	\$ 124,456	\$ 80,769	\$ 9,345	\$ 34,364	\$ 33,554	\$ 10,155
\$ -	\$ 182,269	\$ 182,269	\$ -	\$ -	\$ -	\$ -	\$ -
57,812	189,067	173,437	73,442	-	-	-	-
-	-	-	-	-	-	-	-
73,442	16,158	82,273	7,327	9,345	33,301	32,491	10,155
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 131,254	\$ 387,494	\$ 437,979	\$ 80,769	\$ 9,345	\$ 33,301	\$ 32,491	\$ 10,155

Continued

LAKE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended September 30, 2006

	Totals - All Agency Funds			Balance 9/30/06
	Balance 9/30/05	Additions	Deletions	
<u>Assets</u>				
Cash	\$ 2,979,108	\$ 335,886,103	\$ 335,960,689	\$ 2,904,522
Pooled Cash and Investments	6,777,212	110,045,584	108,142,862	8,679,934
Restricted Cash and Investments	543,116	1,929,022	2,225,069	247,069
Accounts Receivable	2,508	7,408	6,714	3,202
Total Assets	\$ 10,301,944	\$ 447,868,117	\$ 446,335,334	\$ 11,834,727
<u>Liabilities</u>				
Accounts Payable	\$ 439,763	\$ 360,128,995	\$ 360,494,667	\$ 74,091
Intragovernmental Payables	573,723	4,586,864	4,535,117	625,470
Due to Other Governments	3,540,453	397,896,778	396,570,337	4,866,894
Deposits	3,497,752	13,004,999	12,640,762	3,861,989
Taxes Collected in Advance	1,588,008	3,217,322	2,923,720	1,881,610
Cash Bonds Payable	662,245	967,324	1,104,896	524,673
Total Liabilities	\$ 10,301,944	\$ 779,802,282	\$ 778,269,499	\$ 11,834,727

LAKE COUNTY, FLORIDA
Overview of Statistical Section Contents

Financial Trends Information

These schedules show trend information to help the reader understand how the County's financial performance and financial condition have changed over time.

Revenue Capacity Information

These schedules provide information to help the reader assess the County's most significant local revenue source- property taxes.

Debt Capacity Information

These schedules provide information to help the reader assess the County's current debt load and its ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County operates.

Operating Information

These schedules provide service and infrastructure data related to County services and activities in order to help the reader better understand the information presented in the financial statements.

LAKE COUNTY, FLORIDA
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

Governmental Activities

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Invested in capital assets, net of related debt	\$ 244,263,097	\$ 218,963,917	\$ 201,843,267
Restricted	103,295,572	111,616,899	87,460,004
Unrestricted	69,828,969	42,172,148	30,816,738
Total Governmental Activities Net Assets	<u>417,387,638</u>	<u>372,752,964</u>	<u>320,120,009</u>

Business-Type Activities

Invested in capital assets, net of related debt	\$ 3,592,533	3,335,440	3,338,233
Restricted	1,271,740	1,269,963	940,818
Unrestricted	8,156,749	5,963,024	9,883,740
Total Business-Type Activities Net Assets	<u>13,021,022</u>	<u>10,568,427</u>	<u>14,162,791</u>

Primary Government

Invested in capital assets, net of related debt	247,855,630	222,299,357	205,181,500
Restricted	104,567,312	112,886,862	88,400,822
Unrestricted	77,985,718	48,135,172	40,700,478
Total Primary Government Net Assets	<u>\$ 430,408,660</u>	<u>\$ 383,321,391</u>	<u>\$ 334,282,800</u>

	<u>2003</u>		<u>2002</u>
\$	194,325,116	\$	102,630,953
	64,047,888		63,632,594
	27,704,717		24,903,158
	<u>286,077,721</u>		<u>191,166,705</u>

4,447,832	3,693,211
1,738,723	1,684,197
<u>2,563,863</u>	<u>414,750</u>
<u>8,750,418</u>	<u>5,792,158</u>

198,772,948	106,324,164
65,786,611	65,316,791
<u>30,268,580</u>	<u>25,317,908</u>
\$ <u>294,828,139</u>	\$ <u>196,958,863</u>

LAKE COUNTY, FLORIDA
CHANGES IN NET ASSETS, LAST FIVE FISCAL YEARS

(accrual basis of accounting)

(amounts in thousands)

Expenses	2006	2005	2004	2003	2002
Governmental Activities:					
General Government	\$ 37,309	\$ 23,869	\$ 27,344	\$ 25,181	\$ 27,698
Public Safety	84,337	90,105	69,980	60,370	56,829
Physical Environment	2,961	1,938	1,756	2,304	1,844
Transportation	20,993	19,184	17,561	17,657	9,176
Economic Environment	8,485	6,744	6,271	6,418	6,230
Human Services	8,393	7,123	5,100	4,451	4,616
Culture and Recreation	11,648	11,975	5,735	5,096	5,078
Court-Related	8,587	8,385	7,303	7,208	6,543
Interest on Long-Term Debt	220	225	226	486	578
Total Governmental Activities	182,933	169,549	141,276	129,170	118,592
Business-Type Activity:					
Landfill	21,761	27,072	18,918	19,627	14,290
Total	\$ 204,694	\$ 196,621	\$ 160,194	\$ 148,798	\$ 132,883
Program Revenues					
Governmental Activities:					
Charges for services:	48,236	45,327	38,421	32,155	21,300
Operating grants and contributions	20,066	32,557	19,814	13,366	14,448
Capital grants and contributions	17,964	27,679	19,333	12,850	11,429
Total governmental activities program revenues	86,265	105,562	77,568	58,371	47,177
Business-Type Activity:					
Landfill:					
Charges for services:	15,712	15,250	15,189	13,837	13,910
Operating grants and contributions	-	-	24	31	99
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	15,712	15,250	15,213	13,868	14,009
Total primary government program revenues	101,977	120,812	92,781	72,240	61,186
Net (Expense)/Revenue					
Governmental activities	(96,668)	(63,987)	(63,708)	(70,799)	(71,416)
Business-type activities	(6,049)	(11,822)	(3,705)	(5,759)	(281)
Total primary government net expense	(102,717)	(75,809)	(67,412)	(76,558)	(71,697)

LAKE COUNTY, FLORIDA
CHANGES IN NET ASSETS, LAST FIVE FISCAL YEARS
(accrual basis of accounting)

(amounts in thousands)

	2006	2005	2004	2003	2002
General Revenues					
Governmental activities:					
Taxes:					
Property Taxes	90,654	76,776	66,364	59,757	47,278
Sales Taxes	11,989	10,599	9,018	9,961	14,312
Gas Taxes	6,992	6,946	6,785	6,167	5,692
Communication Services Tax	1,988	1,606	1,201	1,050	1,119
Other	2,241	2,069	1,807	1,090	9,260
Intergovernmental Revenues, unrestricted	20,221	18,305	16,280	13,894	13,061
Investment Income	8,948	4,264	2,628	2,358	3,055
Miscellaneous	5,226	3,043	1,741	2,250	1,810
Transfers	(6,955)	(6,988)	(8,074)	(7,349)	1,065
Total governmental activities	141,303	116,620	97,750	89,178	96,653
Business-Type Activity:					
Franchise fees		-	-	-	316
Investment earnings	1,050	693	547	850	916
Miscellaneous	496	548	496	518	592
Transfers	6,955	6,988	8,074	7,349	(1,065)
Total business-type activities	8,502	8,228	9,117	8,717	758
Total primary government	149,804	124,848	106,867	97,895	97,411
Change in Net Assets					
Governmental activities	44,635	52,633	34,042	18,379	25,237
Business-type activities	2,453	(3,594)	5,412	2,958	477
Total primary government	\$ 47,087	\$ 49,039	\$ 39,455	\$ 21,337	\$ 25,714

LAKE COUNTY, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

General Fund	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Reserved	\$ 2,469,250	\$ 2,279,471	\$ 1,553,687	\$ 1,013,937
Unreserved	51,896,117	37,495,636	22,862,698	25,011,515
Total General Fund	\$ <u>54,365,367</u>	\$ <u>39,775,107</u>	\$ <u>24,416,385</u>	\$ <u>26,025,452</u>
All Other Governmental Funds				
Reserved	\$ 18,932,368	\$ 14,709,927	\$ 8,480,376	\$ 7,225,316
Unreserved, reported in:				
Special revenue funds	88,349,326	80,111,849	65,767,021	44,434,233
Capital projects funds	10,276,096	18,252,767	11,737,690	11,870,915
Debt service funds	2,247,337	2,193,335	3,927,241	3,829,892
Total All Other Governmental Funds	\$ <u>119,805,127</u>	\$ <u>115,267,878</u>	\$ <u>89,912,328</u>	\$ <u>67,360,356</u>

	<u>2002</u>		<u>2001</u>		<u>2000</u>		<u>1999</u>		<u>1998</u>		<u>1997</u>
\$	1,262,022	\$	1,118,946	\$	1,175,860	\$	1,079,615	\$	1,014,322	\$	414,737
	22,393,419		22,046,563		17,132,692		17,281,764		17,551,085		16,303,622
\$	<u>23,655,441</u>	\$	<u>23,165,509</u>	\$	<u>18,308,552</u>	\$	<u>18,361,379</u>	\$	<u>18,565,407</u>	\$	<u>16,718,359</u>

\$	24,361,391	\$	27,023,368	\$	17,046,834	\$	15,708,290	\$	9,994,349	\$	7,574,401
	41,406,578		37,285,157		33,859,357		25,464,587		23,122,651		20,897,275
	-		-		-		-		-		-
	-		-		-		-		-		-
\$	<u>65,767,969</u>	\$	<u>64,308,525</u>	\$	<u>50,906,191</u>	\$	<u>41,172,877</u>	\$	<u>33,117,000</u>	\$	<u>28,471,676</u>

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LAKE COUNTY, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2006	2005	2004
Revenues			
Taxes	\$ 113,863,906	\$ 97,995,270	\$ 85,175,093
Licenses and Permits	5,865,897	6,917,060	6,428,201
Intergovernmental	41,275,805	61,534,517	31,124,823
Charges for Services	24,437,505	19,948,093	16,025,540
Fines and Forfeitures	4,372,611	4,564,678	2,767,557
Special Assessments	28,563,372	34,498,393	31,194,134
Investment Income	8,461,493	3,989,959	2,446,971
Miscellaneous	7,855,498	5,274,060	3,311,099
Total Revenues	<u>234,696,087</u>	<u>234,722,030</u>	<u>178,473,418</u>
Expenditures			
Current:			
General Government	34,490,441	28,645,171	25,667,321
Public Safety	84,287,893	87,709,112	68,719,544
Physical Environment	4,275,109	3,629,539	2,667,435
Transportation	33,435,392	24,610,047	20,198,354
Economic Environment	8,468,093	7,101,453	6,938,871
Human Services	8,600,240	7,266,696	5,197,571
Culture and Recreation	7,442,380	11,838,609	5,729,583
Court-Related Expenditures	8,145,183	7,683,482	6,630,993
Debt Service:			
Principal	85,000	80,000	75,000
Interest and Fiscal Charges	215,172	221,030	221,516
Capital Outlay	17,885,743	7,715,934	7,278,177
Total Expenditures	<u>207,330,646</u>	<u>186,501,073</u>	<u>149,324,365</u>
Excess of Revenues Over Expenditures	<u>27,365,441</u>	<u>48,220,957</u>	<u>29,149,053</u>
Other Financing Sources (Uses)			
Transfers In	25,562,576	26,101,279	21,543,183
Transfers Out	(33,025,337)	(33,577,030)	(29,911,309)
Bond Proceeds/Additions to Long Term Debt	-	-	-
Total Other Financing Sources (Uses)	<u>(7,462,761)</u>	<u>(7,475,751)</u>	<u>(8,368,126)</u>
Net Change in Fund Balances	19,902,680	40,745,206	20,780,927
Fund Balances at Beginning of Year	155,042,985	114,328,713	93,385,808
Inventory Reserve Increase (Decrease)	(775,171)	(30,934)	161,978
Transfer Equity from Component Unit	-	-	-
Fund Balances at End of Year	\$ <u>174,170,494</u>	\$ <u>155,042,985</u>	\$ <u>114,328,713</u>

(1) Prior to 1999 the Law Library was considered a component unit of the County. During 1999, its status as a special district was dissolved and the Law Library is now a special revenue fund of the County.

Continued

LAKE COUNTY, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2003	2002	2001
Revenues			
Taxes	\$ 78,025,125	\$ 77,661,044	\$ 70,431,363
Licenses and Permits	5,150,718	4,798,953	4,441,560
Intergovernmental	28,392,416	27,934,668	23,076,603
Charges for Services	14,656,227	13,415,072	13,430,666
Fines and Forfeitures	2,164,551	1,992,761	3,245,929
Special Assessments	21,213,354	11,965,816	9,529,942
Investment Income	2,167,804	2,804,931	5,488,695
Miscellaneous	3,659,665	2,029,628	2,969,235
Total Revenues	<u>155,429,860</u>	<u>142,602,873</u>	<u>132,613,993</u>
Expenditures			
Current:			
General Government	23,982,911	23,129,643	24,236,136
Public Safety	56,736,525	56,397,469	52,099,913
Physical Environment	3,011,140	2,400,907	1,635,522
Transportation	25,728,595	21,362,823	14,887,918
Economic Environment	6,830,427	6,648,334	2,411,587
Human Services	4,412,871	4,644,267	6,440,968
Culture and Recreation	5,164,182	4,754,840	4,902,630
Court-Related Expenditures	6,436,741	6,049,315	1,676,201
Debt Service:			
Principal	4,560,141	4,010,000	5,690,345
Interest and Fiscal Charges	407,636	578,555	987,538
Capital Outlay	6,090,767	11,503,059	4,567,443
Total Expenditures	<u>143,361,936</u>	<u>141,479,212</u>	<u>119,536,201</u>
Excess of Revenues Over Expenditures	<u>12,067,924</u>	<u>1,123,661</u>	<u>13,077,792</u>
Other Financing Sources (Uses)			
Transfers In	21,109,624	24,105,380	23,339,716
Transfers Out	(29,256,710)	(23,421,776)	(22,517,068)
Bond Proceeds/Additions to Long Term Debt	-	-	4,314,474
Total Other Financing Sources (Uses)	<u>(8,147,086)</u>	<u>683,604</u>	<u>5,137,122</u>
Net Change in Fund Balances	3,920,838	1,807,265	18,214,914
Fund Balances at Beginning of Year	89,423,410	87,474,034	69,214,743
Inventory Reserve Increase (Decrease)	41,560	142,111	44,377
Transfer Equity from Component Unit	-	-	-
Fund Balances at End of Year	\$ <u>93,385,808</u>	\$ <u>89,423,410</u>	\$ <u>87,474,034</u>

	2000	1999	1998	1997
\$	60,505,127	\$ 54,748,502	\$ 46,147,191	\$ 44,659,815
	3,617,808	2,884,150	2,663,378	2,296,064
	21,759,754	21,206,324	18,392,797	16,861,210
	10,321,355	9,914,312	9,989,506	9,657,673
	2,038,243	2,404,457	1,631,542	1,779,167
	9,570,646	6,497,410	5,524,230	3,941,105
	4,554,572	2,999,528	3,076,720	2,670,425
	1,454,934	2,775,488	2,584,854	1,496,203
	113,822,439	103,430,171	90,010,218	83,361,662
	22,493,939	18,642,363	17,912,580	16,937,381
	45,250,690	38,195,199	32,884,280	30,514,016
	1,562,348	1,638,517	1,498,850	1,368,171
	13,041,595	17,149,036	11,939,226	11,934,296
	1,975,320	3,251,671	2,296,736	1,585,277
	6,291,169	5,442,314	4,748,093	4,735,112
	3,641,547	3,095,392	2,915,635	2,617,940
	1,615,553	1,389,504	1,192,356	-
	5,404,780	4,843,046	4,683,783	4,285,356
	937,363	1,184,371	1,342,295	2,850,628
	2,349,467	775,193	2,365,852	2,773,125
	104,563,771	95,606,606	83,779,686	79,601,302
	9,258,668	7,823,565	6,230,532	3,760,360
	21,523,389	16,131,697	15,296,791	12,966,421
	(21,146,555)	(16,171,654)	(15,285,799)	(12,451,478)
	-	-	351,200	-
	376,834	(39,957)	362,192	514,943
	9,635,502	7,783,608	6,592,724	4,275,303
	59,534,256	51,706,501	45,190,035	40,903,867
	44,985	44,147	(100,352)	10,865
	-	-	24,094	-
\$	69,214,743	59,534,256	51,706,501	45,190,035

LAKE COUNTY, FLORIDA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(in millions of dollars)

<u>FISCAL YEAR</u>	<u>REAL PROPERTY</u>		<u>PERSONAL PROPERTY</u>		<u>CENTRALLY ASSESSED</u>	
	<u>ASSESSED TAXABLE VALUE</u>	<u>ESTIMATED ACTUAL VALUE</u>	<u>ASSESSED TAXABLE VALUE</u>	<u>ESTIMATED ACTUAL VALUE</u>	<u>ASSESSED TAXABLE VALUE</u>	<u>ESTIMATED ACTUAL VALUE</u>
1997	4,627	6,711	845	1,019	3	3
1998	4,966	7,151	918	1,141	3	3
1999	5,395	7,670	948	1,159	4	4
2000	5,943	8,348	996	1,242	4	4
2001	6,613	9,239	1,066	1,315	4	4
2002	7,368	10,088	1,108	1,379	4	4
2003	8,166	11,115	1,135	1,453	4	4
2004	9,230	12,541	1,153	1,447	4	4
2005	10,568	14,415	1,155	1,482	4	4
2006	12,995	17,332	1,202	1,583	4	4

Note: The assessed value is one year behind the fiscal year. For example, the assessed value at January 1, 2005 is for the fiscal year ended September 30, 2006.

SOURCE: Lake County Property Appraiser

ASSESSSED TAXABLE VALUE	<u>TOTAL</u> ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE	PERCENTAGE OF ASSESSSED TAXABLE VALUE TO ESTIMATED ACTUAL VALUE
5,475	7,733	4.909	70.80%
5,888	8,296	4.733	70.97%
6,346	8,833	4.733	71.85%
6,943	9,595	4.833	72.36%
7,682	10,558	5.317	72.76%
8,481	11,470	5.417	73.93%
9,305	12,572	6.317	74.01%
10,387	13,991	6.417	74.24%
11,726	15,900	6.317	73.75%
14,201	18,919	6.297	75.06%

LAKE COUNTY, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000.00 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	2006	2005	2004	2003
DIRECT RATES:				
Board of County Commissioners				
General Revenue Fund	5.797	5.817	5.917	5.917
Stormwater Municipal Services Taxing Unit	0.500	0.500	0.500	0.400
Total Direct Rate	<u>6.297</u>	<u>6.317</u>	<u>6.417</u>	<u>6.317</u>
OVERLAPPING RATES:				
Board of Public Instruction	7.981	7.990	8.440	8.395
Lake County Water Authority (Independent Special District) (1)	0.337	0.383	0.408	0.4819
Total County Wide	<u>14.615</u>	<u>14.690</u>	<u>15.265</u>	<u>15.1939</u>
Special Districts				
Dependent Districts				
Lake County Ambulance District	0.5289	0.5289	0.5289	0.5289
Independent Districts				
South Lake County Hospital District	1.000	1.000	1.000	1.000
Southwest Florida Water Management	0.422	0.422	0.422	0.422
St. Johns River Water Management	0.462	0.462	0.462	0.462
North Lake County Hospital District	1.000	1.000	1.000	1.000
Cities				
Astatula	3.900	3.400	2.850	2.500
Clermont	3.729	3.729	3.729	3.729
Eustis	5.840	5.840	5.487	5.487
Fruitland Park	4.390	3.890	3.890	3.890
Groveland	5.750	5.850	5.950	6.000
Howey-in-the-Hills	5.445	5.445	5.445	5.445
Lady Lake	2.200	2.200	2.200	2.200
Leesburg	4.500	4.500	4.500	4.500
Mascotte	5.999	5.999	5.999	5.999
Minneola	4.500	3.390	3.390	3.390
Montverde	2.990	2.990	2.990	2.990
Mount Dora	6.105	6.181	6.181	6.181
Tavares	5.420	5.420	5.420	5.420
Umatilla	6.240	5.990	5.990	5.990

(1) Formerly the Oklawaha Recreation, Water Control and Conservation Authority.

SOURCE: Lake County Property Appraiser.

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
5.117	5.117	4.733	4.733	4.733	4.909
0.300	0.20	0.100	-	-	-
<u>5.417</u>	<u>5.317</u>	<u>4.833</u>	<u>4.733</u>	<u>4.733</u>	<u>4.909</u>
8.202	8.495	8.742	9.190	9.100	9.228
0.500	0.500	0.500	0.384	0.384	0.384
<u>14.119</u>	<u>14.312</u>	<u>14.075</u>	<u>14.307</u>	<u>14.217</u>	<u>14.521</u>
0.5289	0.550	0.316	0.268	0.158	0.158
1.000	1.000	1.000	2.000	2.000	2.000
0.422	0.422	0.422	0.422	0.422	0.422
0.462	0.472	0.482	0.482	0.482	0.482
1.000	1.000	1.000	1.000	1.000	1.000
2.350	2.250	2.250	2.000	1.750	1.500
3.729	3.729	3.479	2.979	2.979	2.979
5.487	5.237	5.237	5.350	5.400	5.500
3.890	3.890	3.890	3.390	3.390	3.390
6.000	6.000	6.000	6.000	6.000	6.000
5.445	5.445	5.445	5.445	5.445	5.445
2.720	2.720	2.720	2.720	2.720	2.720
4.500	4.500	4.500	4.500	4.500	4.500
5.999	5.999	5.352	5.352	5.352	5.352
3.390	3.390	3.390	3.390	3.500	3.970
2.990	2.990	2.990	2.990	2.990	2.990
6.181	6.181	6.181	6.181	6.181	6.181
4.420	4.420	4.420	4.420	4.420	4.420
5.750	5.514	5.514	5.514	5.514	5.514

**LAKE COUNTY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>TAXPAYER</u>	<u>2006</u>		<u>PERCENT OF TOTAL COUNTY ASSESSED VALUE</u>
	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	
Summer Bay Partnership	\$ 167,821,140	1	1.18%
Sprint - Florida, Inc.	131,700,002	2	0.93%
Florida Power Corporation	116,104,406	3	0.82%
Sumter Electric Co-op, Inc.	93,725,100	4	0.66%
Ginn-La Pine Island II LLP	63,856,285	5	0.45%
Cutrale Citrus Juices USA Inc.	48,744,089	6	0.34%
First Berkshire Business Trust	40,807,525	7	0.29%
The Villages of Lake-Sumter Inc.	38,379,563	8	0.27%
Covanta Lake II, Inc.	34,803,295	9	0.25%
Centex Homes	31,699,152	10	0.22%
Lake Port Square	-	-	-
COMCAST SCH Holdings, Inc.	-	-	-
Golden Gem Growers	-	-	-
Equitable Life Assurance	-	-	-
Silver Springs Citrus Cooperative	-	-	-
	<u>\$ 767,640,557</u>		<u>5.41%</u>

(1) Known as NRG/Recovery Group in 1997.

SOURCE: Lake County Property Appraiser (Includes both real and tangible personal property)

1997		
<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>PERCENT OF TOTAL COUNTY ASSESSED VALUE</u>
\$ -	-	-
135,285,827	1	2.47%
72,338,673	2	1.32%
43,243,207	5	0.79%
-	-	-
52,516,011	4	0.96%
-	-	-
-	-	-
63,051,756	3 (1)	1.15%
-	-	-
32,421,920	7	0.59%
41,069,542	6	0.75%
27,160,749	8	0.50%
24,999,436	9	0.46%
20,661,595	10	0.38%
<u>\$ 512,748,716</u>		<u>9.36%</u>

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**LAKE COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>PERCENT OF LEVY COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>PERCENT OF TOTAL COLLECTIONS TO LEVY</u>
1997	27,556,669	26,313,178	95.5	180,945	26,494,123	96.1 (1)
1998	28,584,267	27,289,014	95.5	97,291	27,386,305	95.8 (1)
1999	31,323,970	29,953,579	95.6	535,191	30,488,770	97.3 (1)
2000	34,882,207	33,648,046	96.5	399,734	34,047,780	97.6 (2)
2001	44,478,517	42,527,424	95.6	223,929	42,751,353	96.1 (2)
2002	49,406,147	46,872,967	94.9	357,339	47,230,306	95.6 (2)
2003	62,185,910	59,320,649	95.4	436,181	59,756,830	96.1 (2)
2004	69,926,515	65,926,221	94.3	437,904	66,364,125	94.9 (2)
2005	77,701,911	74,986,572	96.5	1,789,262	76,775,834	98.8 (2)
2006	93,853,142	88,045,476	93.8	2,608,263	90,653,739	96.6 (2)

(1) These figures include property tax levies of the General County and Lake County Ambulance District.

(2) These figures include property tax levies of the General County, Lake County Ambulance District and Lake County Stormwater MSTU.

NOTE: Property taxes become due and payable on November 1st of each year. A four (4) percent discount is allowed if the taxes are paid in November, with the discount declining by one (1) percent each month thereafter. Accordingly, taxes collected will never be 100 percent of the tax levy. Taxes become delinquent on April 1st of each year; tax certificates for the full amount of any unpaid Real Property taxes and assessments must be sold not later than June 1st of each year.

SOURCE: Lake County Property Appraiser.

**LAKE COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			
	Sales Tax Revenue Refunding Bonds Series 1992	Capital Improvements Certificates of Indebtedness Series 1971	Capital Improvements Line of Credit	Capital Leases
1997	\$ 21,985,000	\$ 560,000	\$ 5,900,000	\$ 154,948
1998	18,770,000	435,000	4,650,000	412,291
1999	15,390,000	300,000	3,400,000	335,273
2000	11,840,000	155,000	1,700,000	325,493
2001	8,105,000	-	-	320,141
2002	4,165,000	-	-	320,141
2003	-	-	-	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-

* Statistics not yet published.

<u>Pari-Mutuel Revenues Replacement Bonds</u>	<u>Business-type Activity Solid Waste Line of Credit/ Note Payable</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$ -	\$ 17,500,000	\$ 46,099,948	1077.77%	245
-	16,500,000	40,767,291	864.75%	208
-	15,500,000	34,925,273	691.85%	171
-	14,500,000	28,520,493	522.39%	135
4,305,000	13,000,000	25,730,141	440.65%	117
4,235,000	11,000,000	19,720,141	323.63%	85
4,160,000	10,000,000	14,160,000	217.42%	59
4,085,000	9,000,000	13,085,000	184.25%	52
4,005,000	8,000,000	12,005,000	*	46
3,920,000	7,000,000	10,920,000	*	39

**LAKE COUNTY, FLORIDA
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

SALES TAX REVENUE REFUNDING BONDS, SERIES 1992									
FISCAL YEAR	NET REVENUE		DEBT SERVICE			COVERAGE			
	AVAILABLE		PRINCIPAL	INTEREST	TOTAL				
1997	\$	9,378,208	\$	3,075,000	\$	1,259,700	\$	4,334,700	216%
1998		10,069,134		3,215,000		1,107,042		4,322,042	232
1999		11,596,508		3,380,000		940,054		4,320,054	268
2000		12,650,989		3,550,000		760,257		4,310,257	293
2001		13,451,715		3,735,000		564,357		4,299,357	313
2002		14,311,889		3,940,000		350,832		4,290,832	334
2003		4,626,720		4,165,000		119,744		4,284,744	108
2004		-		-		-		-	-
2005		-		-		-		-	-
2006		-		-		-		-	-

SOURCE OF REVENUE - Infrastructure Sales Tax

**CAPITAL IMPROVEMENTS
CERTIFICATES OF INDEBTEDNESS REVENUE BONDS, SERIES 1971**

	NET REVENUE AVAILABLE	DEBT SERVICE			COVERAGE
		PRINCIPAL	INTEREST	TOTAL	
\$	317,493	\$ 120,000	\$ 39,647	\$ 159,647	199%
	317,227	125,000	31,685	156,685	202%
	309,384	135,000	23,336	158,336	195%
	316,540	145,000	14,446	159,446	199%
	159,921	155,000	4,921	159,921	100%
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-

Continued

**LAKE COUNTY, FLORIDA
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

**SALES TAX REVENUE BONDS
(PARI-MUTUEL REVENUES REPLACEMENT PROGRAM, SERIES 2000)**

FISCAL YEAR	NET REVENUE AVAILABLE	DEBT SERVICE			COVERAGE
		PRINCIPAL	INTEREST	TOTAL	
1997	\$ -	\$ -	\$ -	\$ -	-
1998	-	-	-	-	-
1999	-	-	-	-	-
2000	-	-	-	-	-
2001	302,699	95,000	182,213	277,213	109%
2002	381,792	70,000	224,523	294,523	130%
2003	388,613	75,000	221,513	296,513	131%
2004	401,824	75,000	218,288	293,288	137%
2005	375,989	80,000	214,987	294,987	127%
2006	391,716	85,000	211,387	296,387	132%

**LAKE COUNTY, FLORIDA
SALES AND USE TAX REVENUES
REMAINING IN STATE GENERAL REVENUE
FUND AFTER REQUIRED TRANSFERS PURSUANT
TO SECTION 212.20 (6), FLORIDA STATUTES**

State fiscal years ended June 30	Sales and Use Tax (\$Millions)
1999	12,614.4
2000	13,646.3
2001	13,859.4
2002	14,135.9
2003	14,496.3
2004	15,768.6
2005	17,599.8
2006	19,377.7

Source: State of Florida Department of Revenue - Research and Analysis

This information is provided in connection with the \$ 4,400,000 Lake County, Florida, Sales Tax Revenue Bonds (Pari-Mutuel Revenues Replacement Program) Series 2000.

**LAKE COUNTY, FLORIDA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	POPULATION (1)	PERSONAL INCOME (2)	PER CAPITA INCOME (2)	UNEMPLOYMENT RATE (3)	
				COUNTY	NATIONAL
1997	188,331	\$ 4,277,338	\$ 22,295	4.8	4.7
1998	195,978	4,714,335	23,698	3.9	4.4
1999	203,845	5,048,075	24,610	3.2	4.1
2000	210,528	5,459,638	25,651	3.1	3.8
2001	220,323	5,839,137	26,048	3.7	4.7
2002	231,072	6,093,467	25,937	4.7	5.4
2003	240,716	6,512,795	26,389	4.6	6.0
2004	251,878	7,101,873	27,122	4.1	5.6
2005	263,017	*	*	3.6	5.2
2006	277,035	*	*	3.0	4.1

SOURCES:

- (1) Bureau of Economic Business Research, Gainesville.
- (2) US Department of Commerce, Bureau of Economic Analysis
- (3) Florida Agency for Workforce Innovation and US Department of Labor
- * Statistics Not Yet Published.

**LAKE COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

EMPLOYER	2006			1997		
	EMPLOYEES	RANK	PERCENT OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	RANK	PERCENT OF TOTAL COUNTY EMPLOYMENT
Lake County Public Schools	4,353	1	3.57%	3,314	1	3.82%
Villages of Lake-Sumter, Inc.	2,220	2	1.82%	-	-	-
Leesburg Regional Medical Ctr	1,870	3	1.53%	1,300	2	1.50%
Lake County Govt Offices	1,803	4	1.48%	1,126	4	1.30%
Florida Hospital/Waterman, Inc.	1,400	5	1.15%	-	-	-
Embarq (formerly Sprint)	811	6	0.67%	-	-	-
Casmin Inc	800	7	0.66%	-	-	-
G & T Conveyor Company	550	8	0.45%	-	-	-
Bailey Industries	509	9	0.42%	-	-	-
Accent	500	10	0.41%	-	-	-
Lake Port Square	400	11	0.33%	-	-	-
Cherry Tree Farm	260	12	0.21%	-	-	-
Florida Crushed Stone	-	-	-	1,250	3	1.44%
Golden Gem Growers	-	-	-	853	4	0.98%
Consolidated Minerala	-	-	-	382	5	0.44%
Cutrale Citrus	-	-	-	375	6	0.43%
Dura Stress	-	-	-	250	7	0.29%
G. G. Harmon Groves Mfg.	-	-	-	250	7	0.29%
Silver Springs Citrus Co-op	-	-	-	233	8	0.27%
Aluminum Building Systems	-	-	-	220	9	0.25%
Carroll Fulmer	-	-	-	200	10	0.23%
White Aluminum Products	-	-	-	200	10	0.23%
Alberta Crate and Box Co.	-	-	-	175	11	0.20%
AG Carriers	-	-	-	160	12	0.18%
Florida Medical Industries	-	-	-	150	13	0.17%
Daily Commercial	-	-	-	140	14	0.16%
Florida Select Citrus	-	-	-	100	15	0.12%
Hallmark Nameplate	-	-	-	100	15	0.12%
	15,476		12.70%	10,778		12.43%

SOURCES: Metro Orlando Economic Development Commission - 2006
Lake County Government Offices

LAKE COUNTY CLERK OF COURTS
Full-time Equivalent County Government Employees by Function
Last Ten Years

Function	Full-time Equivalent Employees									
	As of September 30									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Government	518	489	481	445	449	385	346	308	262	261
Public Safety	900	925	837	783	773	729	690	643	603	563
Physical Environment	77	70	64	69	82	86	83	80	84	82
Transportation	133	129	123	117	122	119	116	116	107	118
Economic Development	23	20	18	17	19	15	13	12	11	11
Human Services	34	29	24	23	24	24	24	23	23	22
Courts	118	106	107	110	89	85	79	76	73	69
Total	1,803	1,768	1,654	1,564	1,558	1,443	1,351	1,258	1,163	1,126

Sources: Lake County Adopted Budget
Clerk of Courts Adopted Budget
Lake County Sheriff's Office
Lake County Tax Collector's Office
Lake County Property Appraiser's Office

**LAKE COUNTY, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST FISCAL YEAR**

Function	2005
General Government	
Number of new employees recruited	168
Number of employee educational programs/participants	18/321
Number of term and supply contracts managed	240
Public Safety	
Calls to Fire Rescue Department	14,841
Number of inspections for code violations	10,796
Single family building permits issued	3,805
Physical Environment	
Gallons of used oil recycled	19,730
Number of samples tested by lab	1,789
Transportation	
Number of transportation disadvantaged trips billed	229,678
Economic Environment	
Number of quarterly event guides distributed	240,000
Number of homes rehabilitated	25
Human Services	
Number of citizens receiving hardship assistance for fire and solid waste assessments	399
Culture and Recreation	
Circulation in branch libraries	544,193
Court Related Expenditures	
Number of cases heard in Teen Court	107
Solid Waste System	
Total tons collected	164,007
Residents receiving collection service	61,970
Resource Recovery Plant	
Revenue earned from electricity production	\$ 6,793,289

Source: Lake County 2007 Proposed Budget

LAKE COUNTY, FLORIDA
Capital Asset Statistics by Function
Current Fiscal Year

<u>Function</u>	<u>2006</u>
Public Safety	
Number of Fire Stations (a)	21
Sheriff's marked and unmarked patrol vehicles (b)	367
Transportation	
Miles of maintained roadway (c)	1350
Traffic Signals (c)	264
Traffic Signs (c)	24,333
Facilities	
Number of County owned buildings (g)	127
Number of building square feet maintained (g)	983,196
Human Services	
Number of Transportation Disadvantaged Busses & Vans (d)	35
Culture and Recreation	
Number of libraries (e)	13
Acres of Parks (f)	877
Number of Boat Ramps (f)	15
Solid Waste System	
Number of acres developed for use as landfills (h)	39
Number of acres available for landfill development (h)	69

- (a) Lake County Fire Rescue Department
- (b) Lake County Sheriff's Office
- (c) Lake County Department of Public Works
- (d) Lake County Finance
- (e) Lake County Library Services Department
- (f) Lake County Parks & Trails Division
- (g) Lake County Dept. of Facilities Development & Management
- (h) Lake County Landfill

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LAKE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2006

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA / CSFA</u>	<u>Pass-Through / State Contract Number</u>	<u>Amount of Expenditures</u>
Department of Agriculture:			
Indirect:			
Florida Department of Agriculture Cooperative Forestry Assistance	10.664	None	\$ 6,690
Florida Department of Banking and Finance Schools and Roads - Grants to Counties	10.666	None	121,318
Total Department of Agriculture			128,008
Department of Housing and Urban Development:			
Direct:			
Community Development Block Grant (B-06-UC-12-0015)	14.218	N/A	727,710
Section 8 Housing Choice Voucher (FL 106 VO)	14.871	N/A	2,682,254
Total Department of Housing and Urban Development			3,409,964
Department of the Interior			
Direct:			
Payments in Lieu of Taxes	15.226	N/A	17,074
Total Department of the Interior			17,074
Department of Justice			
Direct:			
Edward Byrne Memorial Formula Grant Program 2005-DJ-BX-1098	16.579	N/A	88,200
State Criminal Alien Assistance Program	16.606	N/A	61,813
Gang Resistance Education and Training 2004-JV-FX-0192	16.737	N/A	3,401
Gang Resistance Education and Training 2006-JV-FX-0064	16.737	N/A	4,120
Indirect:			
Florida Department of Law Enforcement:			
Edward Byrne Memorial Formula Grant Program	16.579	2006-JAGC-LAKE-1-M8-194	41,324
Edward Byrne Memorial Formula Grant Program	16.579	2006-JAGC-LAKE-4-M8-203	14,430
Public Safety Partnership and Community Policing Grants	16.710	ORI#FL04800	697,125
Total Department of Justice			910,413
Department of Transportation			
Indirect:			
Florida Department of Transportation:			
Highway Planning and Construction - LAP SR 19 Landscaping	20.205	ANP47	136,973
Highway Planning and Construction - So. Lake Trail Ph II	20.205	AO125	1,553,516
Highway Planning and Construction - CR 48 Paved Shoulders	20.205	ANV98	495,785
Highway Planning and Construction - CR 561 Paved Shoulders	20.205	AO005	34,974
Highway Planning and Construction	20.205	ANY04	5,982
			2,227,230
Capital Assistance Program for Elderly Persons & Persons with Disabilities	20.513	AL863	53,829
Formula Grants for Other Than Urbanized Areas	20.509	AM732	192,377
Total Department of Transportation			2,473,436
General Services Administration			
Indirect:			
Florida Department of State			
Voting Systems Assistance Funds	39.011	N/A	451,538
Voter Education Funds	39.011	N/A	46,966
Total General Services Administration			498,504

LAKE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2006

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA / CSFA</u>	<u>Pass-Through / State Contract Number</u>	<u>Amount of Expenditures</u>
Institute of Museum and Library Services			
Indirect:			
Florida Department of State Division of Library and Info Services Grants to States	45.310	05-LSTA-F-04	67,500
Total Institute of Museum and Library Services			<u>67,500</u>
Department of Education			
Indirect:			
Florida Department of Law Enforcement Safe and Drug-Free Schools and Communities - State Grants	84.186	2005-DFC-LAKE-1-N8-044	38,013
Safe and Drug-Free Schools and Communities - State Grants	84.186	2006-DFC-LAKE-1-Q3-016	7,603
Total Department of Education			<u>45,616</u>
Election Assistance Commission			
Indirect:			
Florida Department of State Division of Elections Help America Vote Act Requirements Program	90.401	N/A	46,966
Total Election Assistance Commission			<u>46,966</u>
Department of Health and Human Services:			
Direct:			
Healthy Communities Access Program	93.252	G92OA03735-01-00	654,995
Indirect:			
Florida Department of Revenue: Child Support Enforcement	93.563	CC335	244,202
Florida Department of State Voting Access for Individuals with Disabilities - Grants to States	93.617	N/A	20,832
Total Department of Health and Human Services			<u>920,029</u>
Corporation for National and Community Service			
Indirect:			
Volunteer Florida Retired and Senior Volunteer Program	94.002	N/A	7,264
Total Corporation for National and Community Service			<u>7,264</u>
Department of Homeland Security			
Direct:			
Assistance to Firefighters	97.044	EMW-2005-FG-15835	39,001
Indirect:			
Florida Department of Community Affairs St. Domestic Preparedness Equipment Support Program	97.004	05-DS-2N-06-45-01-067	89,015
Urban Areas Securities Initiative	97.008	05-DS-2M-06-58-02-114	129,961
Disaster Grants - Public Assistance	97.036	DR1602	16,176
Disaster Grants - Public Assistance	97.036	DR1609	10,116
Disaster Grants - Public Assistance	97.036	DR1595	2,177
Disaster Grants - Public Assistance - Frances FEMA-DR-1545-FL	97.036	05-PA-G%-06-45-01-926	73,510
Emergency Management Performance Grant	97.042	06BG-04-06-45-01-089	30,136
Homeland Security Grant Program	97.067	06-DS-3W-06-45-01	38,162
Florida Department of Law Enforcement St. Domestic Preparedness Equipment Support Program	97.004	2006-SHSP-LAKE-1-N9-053	24,959
Florida Department of Financial Services State Homeland Security Program (SHSP)	97.073	N/A	16,732
Total Department of Homeland Security			<u>469,945</u>
Total Expenditures of Federal Awards			<u>\$ 8,994,719</u>

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

LAKE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2006

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA / CSFA</u>	<u>Pass-Through / State Contract Number</u>	<u>Amount of Expenditures</u>
Florida Department of Agriculture and Consumer Affairs			
Mosquito Control (Waste Tire and State Aid)	42.003	None	\$ 44,735
Total Florida Department of Agriculture and Consumer Affairs			<u>44,735</u>
Florida Department of State			
Local Arts Agency/State Service Organizations	45.005	06-8002	6,456
Florida Arts License Plates Program	45.013	None	12,467
State Aid to Libraries FY04	45.030	04-ST-25	21,187
State Aid to Libraries FY05	45.030	05-ST-26	35,246
State Aid to Libraries FY06	45.030	06-ST-26	235,508
Total Florida Department of State			<u>310,864</u>
Florida Department of Education			
VSA Arts of Florida	48.000	N/A	1,500
Total Florida Department of Education			<u>1,500</u>
Florida Department of Community Affairs			
Emergency Management Programs	52.008	06BG-04-06-45-01-089	102,959
Emergency Management Projects	52.023	06-CP-11-06-45-01-204	11,668
Growth Management Implementation - School Concurrency Program	52.033	06-DR-73-06-45-01-020	53,858
Total Florida Department of Community Affairs			<u>168,485</u>
Florida Housing Finance Corporation			
State Housing Initiatives Partnership Program (SHIP)	52.901	None	1,271,607
Hurricane Housing Recovery Program	52.902	None	139,865
Total Florida Housing Finance Corporation			<u>1,411,472</u>
Florida Department of Transportation			
Commission for the Transportation Disadvantaged Trip and Equipment Grant	55.001	AN934	56,284
Commission for the Transportation Disadvantaged Trip and Equipment Grant	55.001	ANN01	48,834
Commission for the Transportation Disadvantaged Trip and Equipment Grant	55.001	AOG05	121,669
Commission for the Transportation Disadvantaged Trip and Equipment Grant	55.001	AO176	391,240
Transportation Outreach	55.022	AL765	294,880
Total Florida Department of Transportation			<u>912,907</u>
Florida Department of Health			
County Grant Awards	64.005	C5-035	49,102
Total Florida Department of Health			<u>49,102</u>
Florida Department of Law Enforcement			
Drug Control/Money Laundering Investigation Matching Funds	71.005	N/A	12,526
Total Florida Department of Law Enforcement			<u>12,526</u>
Total Expenditures of State Financial Assistance			<u>\$ 2,911,591</u>

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

Lake County, Florida

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended September 30, 2006

1. Summary of Significant Accounting Policies

General

The Schedule of Expenditures of Federal Awards and State Financial Assistance have been prepared using the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they become measurable and available as net current assets and expenditures when related fund liability is incurred.

2. Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the County. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

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Report of Independent Certified Public Accountants on Compliance With Requirements Applicable to Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control Over Compliance In Accordance with OMB Circular A-133, Section 215.97, Florida Statutes, and Chapter 10.550 Rules of the Auditor General and Schedule of Expenditures of Federal Awards and State Financial Assistance

The Honorable Members of the Board
of County Commissioners
Lake County, Florida

Compliance

We have audited the compliance of Lake County, Florida (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement that are applicable to each of its major federal programs and state financial assistance projects for the year ended September 30, 2006. The County's major federal programs and state financial assistance projects are identified in the summary of auditor's 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 and state financial assistance projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; Section 215.97, Florida Statutes, and Chapter 10.550, Rules of the Auditor General, State of Florida. Those standards, OMB Circular A-133, Section 215.97, Florida Statutes, and Chapter 10.550 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 or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the County'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's compliance with those requirements.

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

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state financial assistance projects. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program and state financial assistance project 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, Section 215.97, Florida Statutes, and Chapter 10.550 Rules of the Auditor General.

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 or state financial assistance project 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.

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the basic financial statements of the County, as of and for the year ended September 30, 2006. Our audit was performed for the purpose of forming an opinion on the basic financial statements of the County taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance for the year ended September 30, 2006 is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 215.97, Florida Statutes, and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners, management, the State of Florida, and 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.

Ernst & Young LLP

June 14, 2007

Lake County, Florida

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2006

Part I—Summary of Auditor’s Results

Financial Statements Section

Type of auditor’s report issued:	<u>Unqualified</u>	
	<u>Yes</u>	<u>No</u>
Internal control over financial reporting:		
Material weakness(es) identified?		<u>X</u>
Reportable condition(s) identified that are not considered to be material weaknesses?		<u>X</u>
Noncompliance material to financial statements noted?		<u>X</u>

Federal and State Awards Section

	<u>Yes</u>	<u>No</u>
Internal control over major programs:		
Material weakness(es) identified?		<u>X</u>
Reportable condition(s) identified that are not considered to be material weaknesses?		<u>X</u>
Type of auditor’s report issued on compliance for major programs:	<u>Unqualified</u>	
	<u>Yes</u>	<u>No</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510(a)) and with Section 215.97, Florida Statutes and the Rules of the Auditor General, State of Florida (Chapter 10.550)?		<u>X</u>

Lake County, Florida

Schedule of Findings and Questioned Costs (continued)

For the Year Ended September 30, 2006

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
16.710	Public Safety Partnership and Community Policing Grants
20.205	Highway Planning and Construction
39.011	Voting System Assistance Funds
93.252	Health Communities Access Program
<u>CSEA Number(s)</u>	<u>Name of State Financial Assistance</u>
52.901	State Housing Initiative Partnership Program
55.001	Commission for the Transportation Disadvantaged Trip and Equipment Grant

Dollar threshold used to determine
Type A programs for federal programs: \$ 300,000

Dollar threshold used to determine
Type A programs for state financial assistance
projects: \$ 300,000

Yes No

Auditee qualified as low-risk auditee for federal testing?
There is no such designation for the testing of state
financial assistance. X

Lake County, Florida

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2006

Part II—Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

Part III—Federal Award and State Financial Assistance Findings and Questioned Costs

This section identifies the audit findings required to be reported by Circular A-133 section .510 and State Financial Assistance Projects as required by Section 215.97, Florida Statutes, and Chapter 10.550, Rules of the Auditor General, State of Florida. For example, reportable conditions, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any abuse findings involving federal awards that are material to a major program.

There were no findings required to be reported by Circular A-133 section .510 and by Chapter 10.550, Rules of the Auditor General.

Report of Independent Certified Public Accountants on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of the Financial Statements Performed in Accordance
With *Government Auditing Standards*

The Honorable Members of the Board
of County Commissioners
Lake County, Florida

We have audited the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Lake County, Florida (the County) as of and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 9, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting 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 misstatements caused by error or fraud in amounts that would be material in relation 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's basic 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 basic 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 herein under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated January 9, 2007.

This report is intended solely for the information and use of the Board of County Commissioners, management, and the Auditor General, State of Florida and is not intended to be and should not be used by anyone other than these specified parties.



January 9, 2007

Management Letter

The Honorable Members of the Board
of County Commissioners
Lake County, Florida

We have audited the accompanying financial statements of Lake County, Florida (the County) as of and for the year ended September 30, 2006, and have issued our report thereon January 9, 2007.

We have issued our Report of Independent Certified Public Accountants 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*, dated January 9, 2007.

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

Current Year Recommendations

There were no current year recommendations.

Prior Year's Recommendations

All prior year's recommendations were resolved.

Required Disclosures

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, nothing came to our attention that would cause us to believe that the County was not in compliance with Section 218.415, *Florida Statutes*.

As required by the *Rules of the Auditor General* (Sections 10.554(h)6.c. and 10.556(7)), we applied financial assessment procedures. 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 same. Our procedures did not identify deteriorating conditions that would be required to be reported under the *Rules of the Auditor General*.

During the course of our audit of the County's basic financial statements, nothing came to our attention that would cause us to believe that the County was in a state of financial emergency, as defined by Section 218.503(1), *Florida Statutes*.

We have reviewed the County's annual financial report filed with the Florida Department of Financial Services as required by Section 218.32(1)(a), *Florida Statutes*, for the fiscal year ended September 30, 2006. We noted no material differences in comparing this information to that of the County's basic financial statements.

The legal authority for the County's component units is disclosed in the notes to the financial statements.

* * * * *

We wish to thank the Board of County Commissioners, County Manager, Clerk of the Circuit Court and their staffs for the courtesy and cooperation given to us during our audit. We look forward to a continued good relationship.



January 9, 2007