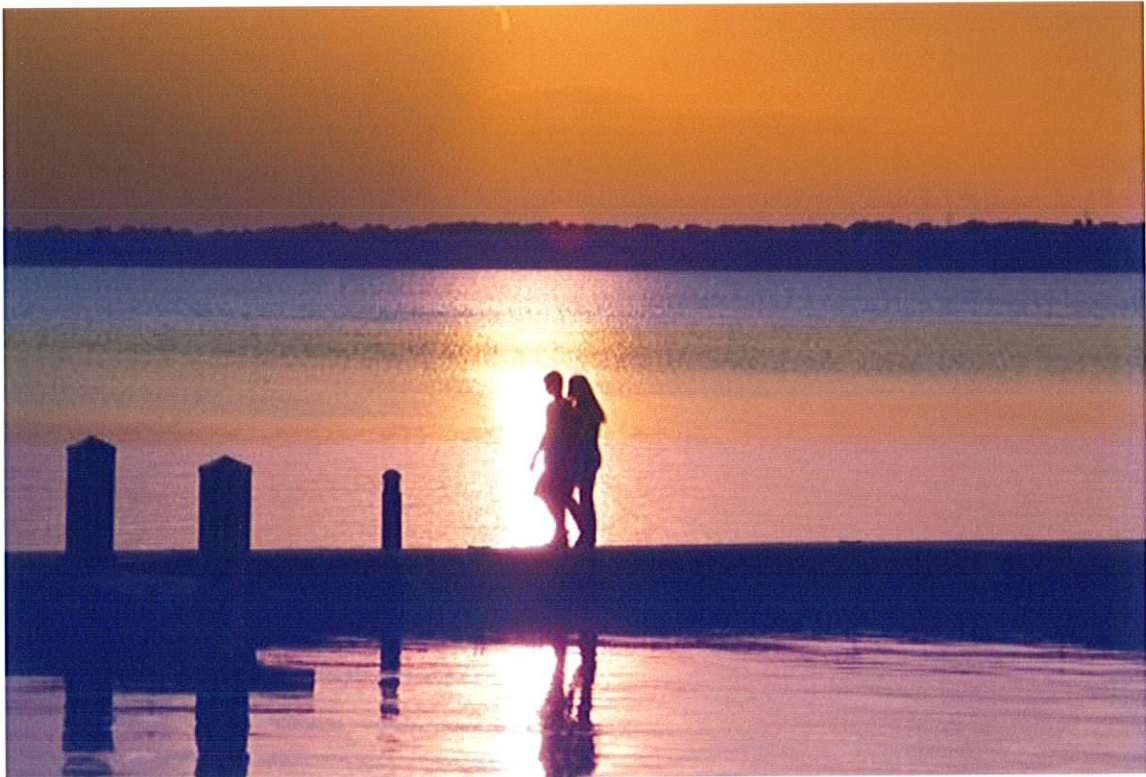


City of Eustis, Florida

City of Bright Tomorrows



Beautiful Sunsets on Lake Eustis

Comprehensive Annual Financial Report September 30, 2006

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STATEMENT OF NET ASSETS
CITY OF EUSTIS, FLORIDA
SEPTEMBER 30, 2006

	Governmental	Business	
Assets	Activities	Type	Total
	<u> </u>	<u> </u>	<u> </u>
Cash	\$ 8,796,634	\$ 11,330,796	\$ 20,127,430
Investments	6,210,985	3,127,686	9,338,671
Receivables, Net:			
Accounts	1,008,052	664,938	1,672,990
Interest	74,560	38,066	112,626
Inventory		130,774	130,774
Internal Balances	4,684,208	(4,684,208)	0
Other Assets	631,176		631,176
Capital Assets:			
Capital Assets, Not Being Depreciated	25,947,047	3,200,687	29,147,734
Capital Assets, Being Depreciated	38,898,968	50,828,584	89,727,552
(Accumulated Depreciation)	<u>(15,417,226)</u>	<u>(17,231,386)</u>	<u>(32,648,612)</u>
Total Assets	<u>70,834,404</u>	<u>47,405,937</u>	<u>118,240,341</u>
Liabilities			
Accounts Payable and Accrued Liabilities	1,151,019	671,634	1,822,653
Long-term Liabilities:			
Due Within One Year	504,513	363,038	867,551
Due in More Than One Year	<u>5,758,212</u>	<u>4,492,631</u>	<u>10,250,843</u>
Total Liabilities	<u>7,413,744</u>	<u>5,527,303</u>	<u>12,941,047</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	44,207,789	32,172,732	76,380,521
Restricted for:			
Library	152,382		152,382
Public Safety	37,199		37,199
Capital Projects	3,260,722	4,431,228	7,691,950
Community Development	1,248,561		1,248,561
Greenwood Cemetery	255,078		255,078
Road and Street Expenditures	1,108,596		1,108,596
Debt Service	0	176,008	176,008
Commission Restriction - RV Park	5,964,290		5,964,290
Unrestricted	<u>7,186,043</u>	<u>5,098,666</u>	<u>12,284,709</u>
Total Net Assets	<u>\$ 63,420,660</u>	<u>\$ 41,878,634</u>	<u>\$ 105,299,294</u>

See accompanying notes.

STATEMENT OF ACTIVITIES
CITY OF EUSTIS, FLORIDA
FOR THE YEAR ENDED SEPTEMBER 30, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
		Charges for Service	Operating		Governmental Activities	Primary Government	
			Grants and Contributions	Capital Contributions		Business-Type Activities	Total
Governmental Activities							
General Government	\$ 3,450,318	\$ 1,576,635	\$ 215,027	\$ (1,658,656)	\$ (1,658,656)	\$ (1,658,656)	
Public Safety	5,917,766	191,313	50,371	177,485	(5,498,597)	(5,498,597)	
Transportation	2,196,372	352,451	1,706,803		(137,118)	(137,118)	
Culture and Recreation	2,557,357	198,440	119,678	291,640	(1,947,599)	(1,947,599)	
Nondepartmental	698,691				(698,691)	(698,691)	
Interest and Fees on Long-term Debt	234,968				(234,968)	(234,968)	
Total Governmental Activities	15,055,472	2,318,839	170,049	2,390,955	(10,175,629)	0	(10,175,629)
Business-type Activities							
Water and Sewer	\$ 6,283,212	\$ 7,737,734	\$ 0	\$ 4,824,315	0	6,278,837	6,278,837
General Revenues							
Taxes:							
Property Taxes					4,413,134		4,413,134
Utility Service Taxes					1,412,149		1,412,149
Franchise Fees					1,366,483		1,366,483
State Shared Revenues					4,691,565		4,691,565
Investment Income					702,978	543,684	1,246,662
Miscellaneous					378,497	312,171	690,668
Transfers					1,188,978	(1,188,978)	0
Total General Revenues, Special Items and Transfers					14,153,784	(333,123)	13,820,661
Change in Net Assets					3,978,155	5,945,714	9,923,869
Net Assets, Beginning of Year					59,442,505	35,932,920	95,375,425
Net Assets, End of Year					\$ 63,420,660	\$ 41,878,634	\$105,299,294

See accompanying notes.

BALANCE SHEET
ALL GOVERNMENTAL FUNDS
CITY OF EUSTIS, FLORIDA
SEPTEMBER 30, 2006

	General Fund	Street Improvement Fund	Sales Tax Revenue Fund	Community Redevelopment Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 4,197,770	\$ 15,806	\$ 1,497,094	\$ 612,660	\$ 2,443,891	\$ 8,767,221
Investments	6,210,985					6,210,985
Receivables, Net:						
Accounts	669,171	151,953	158,746		28,182	1,008,052
Interest	74,560					74,560
Due from Other Funds	3,553,028	977,367	614,850	184,620	19,638	5,349,503
Interfund Loan Receivable			1,991,848			1,991,848
Other Assets	15,000					15,000
Total Assets	14,720,514	1,145,126	4,262,538	797,280	2,491,711	23,417,169
Liabilities and Fund Balances						
Liabilities						
Accounts Payable and Accrued Liabilities	1,104,757	17,508	23,017		1,817	1,147,099
Vacation and Sick Leave Payable	150,679	16,914			1,920	169,513
Due to Other Funds	2,235,761	2,108	122,325		296,749	2,656,943
Total Liabilities	3,491,197	36,530	145,342	-	300,486	3,973,555
Fund Balances						
Reserved for:						
Library					152,382	152,382
Police Automation					19,805	19,805
Police Training and Education					17,394	17,394
Community Development				797,280	451,281	1,248,561
Road and Street Expenditures		1,108,596				1,108,596
Capital Projects			2,125,348		1,135,374	3,260,722
Cemetery Projects					255,078	255,078
Interfund Loan			1,991,848			1,991,848
Commission Restriction - RV Park	5,964,290					5,964,290
Unreserved:						
Designated for Emergency Contingency	682,709					682,709
Designated for Industrial Park	48,112					48,112
Reported in General Fund	4,534,206					4,534,206
Reported in Special Revenue Funds					159,911	159,911
Total Fund Balances	11,229,317	1,108,596	4,117,196	797,280	2,191,225	19,443,614
Total Liabilities and Fund Balances	\$ 14,720,514	\$ 1,145,126	\$ 4,262,538	\$ 797,280	\$ 2,491,711	\$ 23,417,169

See accompanying notes.

See accompanying notes.

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
CITY OF EUSTIS, FLORIDA
SEPTEMBER 30, 2006

	General Fund	Street Improvement Fund	Sales Tax Revenue Fund	Community Redevelopment Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Ad Valorem	\$ 4,202,531					\$ 4,202,531
Franchise Fees	1,366,484					1,366,484
Utility Service Taxes	1,412,148					1,412,148
State Revenue Sharing	2,280,716					2,280,716
Other Intergovernmental Revenues	389,572	\$ 857,701	\$ 1,908,349	\$ 210,603		3,366,225
Licenses and Permits	873,533					873,533
Fines and Forfeitures	93,526				61,922	155,448
Charges for Services	917,586				331,051	1,248,637
Miscellaneous:						
Interest	457,437	423,762	107,937	26,324		1,015,460
Other Sources	224,031				731,019	955,050
Total Revenues	<u>12,217,564</u>	<u>1,281,463</u>	<u>2,016,286</u>	<u>236,927</u>	<u>1,123,992</u>	<u>16,876,232</u>
Expenditures						
Current:						
General Government and Administration	2,967,235		28,809		88,637	3,084,681
Public Safety	5,501,695		9,043	41,000	27,343	5,579,081
Transportation	116,543	1,361,172	31,652		212,544	1,721,911
Culture and Recreation	2,097,920		96,736		58,390	2,253,046
Nondepartmental	698,691					698,691
Capital Outlay	134,432	32,921	1,380,983		36,536	1,584,872
Debt Service:						
Principal Payments			315,000			315,000
Interest and Fees			231,718			231,718
(Total Expenditures)	<u>(11,516,516)</u>	<u>(1,394,093)</u>	<u>(2,093,941)</u>	<u>(41,000)</u>	<u>(423,450)</u>	<u>(15,469,000)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>701,048</u>	<u>(112,630)</u>	<u>(77,655)</u>	<u>195,927</u>	<u>700,542</u>	<u>1,407,232</u>
Other Financing Sources (Uses)						
Transfers in	1,061,048	344,628	140,000	184,592	14,600	1,744,868
Transfers Out	(429,192)		0	0	(126,698)	(555,890)
Total Other Financing Sources (Uses)	<u>631,856</u>	<u>344,628</u>	<u>140,000</u>	<u>184,592</u>	<u>(112,098)</u>	<u>1,188,978</u>
Net Change in Fund Balances	<u>1,332,904</u>	<u>231,998</u>	<u>62,345</u>	<u>380,519</u>	<u>588,444</u>	<u>2,596,210</u>
Fund Balances, Beginning of Year	<u>9,896,413</u>	<u>876,598</u>	<u>4,054,851</u>	<u>416,761</u>	<u>1,602,781</u>	<u>16,847,404</u>
Fund Balances, End of Year	<u>\$ 11,229,317</u>	<u>\$ 1,108,596</u>	<u>\$ 4,117,196</u>	<u>\$ 797,280</u>	<u>\$ 2,191,225</u>	<u>\$ 19,443,614</u>

See accompanying notes.

See accompanying notes.

**STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 CITY OF EUSTIS, FLORIDA
 SEPTEMBER 30, 2006**

	Business-Type Activities Water and Sewer System Fund	Governmental Activities Internal Service Fund
Assets		
Current Assets		
Cash	\$ 6,316,861	\$ 29,413
Restricted Assets Available for Current Liabilities	731,202	
Investments	3,127,686	
Accounts Receivable, Net	664,938	
Accrued Interest Receivable	38,066	
Inventory	130,774	
Total Current Assets	11,009,527	29,413
Noncurrent Assets		
Restricted Assets:		
Sinking Fund	65,625	
Renewal and Replacement Account	930,839	
Debt Service Reserve Account	161,283	
Customer Deposits	355,799	
Water Impact Fees	1,462,301	
Sewer Impact Fees	2,038,088	
Less: Portion Classified as Current	(731,202)	
Total Restricted Assets	4,282,733	0
Property, Plant and Equipment:		
Land	2,307,117	
Improvements Other Than Buildings	44,639,418	
Buildings	901,781	
Equipment	5,287,385	
Construction in Progress	893,570	
(Accumulated Depreciation)	(17,231,386)	
Total Property, Plant and Equipment - Cost Less Depreciation	36,797,885	0
Total Noncurrent Assets	41,080,618	0
Total Assets	\$ 52,090,145	\$ 29,413

See accompanying notes.

	Business-Type Activities Water and Sewer System Fund	Governmental Activities Internal Service Fund
Liabilities		
Current Liabilities Payable from Current Assets		
Accounts Payable	\$ 186,716	
Claims Payable		\$ 3,920
Due to Governmental Funds	2,692,360	200
Accrued Expenses	78,219	
Compensated Absences	38,535	
Total Current Liabilities Payable from Current Assets	<u>2,995,830</u>	<u>4,120</u>
Current Liabilities Payable from Restricted Assets		
Deposits	355,799	
Accrued Interest Payable	50,900	
Loan Payable - Current Portion	257,083	
Revenue Bonds Payable	67,420	
Total Current Liabilities Payable from Restricted Assets	<u>731,202</u>	<u>0</u>
Total Current Liabilities	<u>3,727,032</u>	<u>4,120</u>
Long-term Liabilities		
Interfund Loan Payable	1,991,848	
Revenue Bonds Payable		
Loan Payable	4,300,650	
Compensated Absences	191,981	
Total Long-term Liabilities	<u>6,484,479</u>	<u>0</u>
Total Liabilities	<u>10,211,511</u>	<u>4,120</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	32,172,732	
Restricted for Debt Service	176,008	
Reserved for Capital Projects	4,431,228	
Unreserved	5,098,666	25,293
Total Net Assets	<u>\$ 41,878,634</u>	<u>\$ 25,293</u>

See accompanying notes.

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
CITY OF EUSTIS, FLORIDA
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Business-Type Activities Water and Sewer System Fund	Governmental Activities Internal Service Fund
Operating Revenues		
Charges for Services	\$ 7,737,734	\$ 46,031
Other Miscellaneous Revenues	118,303	0
Total Operating Revenues	<u>7,856,037</u>	<u>46,031</u>
Operating Expenses		
Personal Services	2,033,681	
Operating Expenses	2,048,734	13,074
Professional Services	110,142	
Medical Claims		26,461
Depreciation and Amortization	1,660,660	
Insurance	220,000	
Bad Debts	66,029	
(Total Operating Expenses)	<u>(6,139,246)</u>	<u>(39,535)</u>
Operating Income (Loss)	<u>1,716,791</u>	<u>6,496</u>
Nonoperating Revenues (Expenses)		
Interest Earnings	543,684	
Sale of Assets	193,868	
Interest Expense and Issue Costs Amortization	(143,966)	
Total Nonoperating Revenues	<u>593,586</u>	<u>0</u>
Income (Loss) Before Operating Transfers	<u>2,310,377</u>	<u>6,496</u>
Transfers and Capital Contributions		
Capital Contributions	4,824,315	
Transfers to Other Funds	(1,188,978)	
Total Transfers and Capital Contributions	<u>3,635,337</u>	<u>0</u>
Change in Net Assets	5,945,714	6,496
Net Assets, Beginning of Year	<u>35,932,920</u>	<u>18,797</u>
Net Assets, End of Year	<u>\$ 41,878,634</u>	<u>\$ 25,293</u>

See accompanying notes.

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 CITY OF EUSTIS, FLORIDA
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Business-Type Activities Water and Sewer System Fund	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 10,285,138	\$ 46,031
Cash Payments to Suppliers for Goods and Services	(2,426,640)	
Cash Payments for Employee Services	(2,004,201)	(45,441)
Net Cash Provided by (Used in) Operating Activities	5,854,297	590
Cash Flows from Noncapital Financing Activities		
Net Operating Transfers to Other Funds	(1,188,978)	0
Cash Flows from Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	(5,480,562)	
Proceeds from Sale of Capital Assets	273,868	
Principal Payments on Revenue Bond Maturities and State Revolving Loan	(334,806)	
Interest Paid on Revenue Bonds and Revolving Loan	(143,966)	
Proceeds from Capital Contributions	4,824,315	
Net Cash Provided by (Used in) Capital and Related Financing Activities	(861,151)	0
Cash Flows from Investing Activities		
Purchase of Investments	0	
Interest	408,941	
Net Cash Provided by (Used in) Investing Activities	408,941	0
Net Increase (Decrease) in Cash and Cash Equivalents	4,213,109	590
Cash and Cash Equivalents, Beginning of Year	7,117,687	28,823
Cash and Cash Equivalents, End of year	\$ 11,330,796	\$ 29,413

See accompanying notes.

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 CITY OF EUSTIS, FLORIDA
 FOR THE YEAR ENDED SEPTEMBER 30, 2006
 (Concluded)**

	<u>Business-Type Activities Water and Sewer System Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<u>Reconciliation of Cash and Cash Equivalents to Balance Sheet</u>		
Total Unrestricted Cash and Investments per the Balance Sheet :		
Cash and Cash Equivalents	\$ 6,316,861	\$ 29,413
Restricted Assets Available for Current Liabilities	731,202	
Total Restricted Cash and Investments Per the Balance Sheet	4,282,733	
Total Cash and Investments	11,330,796	29,413
Less: Investments Not Meeting the Definition of Cash Equivalents	0	0
Cash and Cash Equivalents, End of Year	\$ 11,330,796	\$ 29,413
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>		
Operating Income (Loss)	\$ 1,716,791	\$ 6,496
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used in) Operating Activities:		
Depreciation	1,660,660	
Provision for Uncollectible Accounts	66,029	
Decrease (Increase) in Assets:		
Accounts and Interest Receivable	(145,806)	
Inventories	3,285	
Increase (Decrease) in Liabilities:		
Accounts Payable	18,265	(5,906)
Due to Other Funds	2,462,133	
Utility Deposits	43,460	
Accrued Expenses	29,480	
Net Cash Provided by (Used in) Operating Activities	\$ 5,854,297	\$ 590

See accompanying notes.