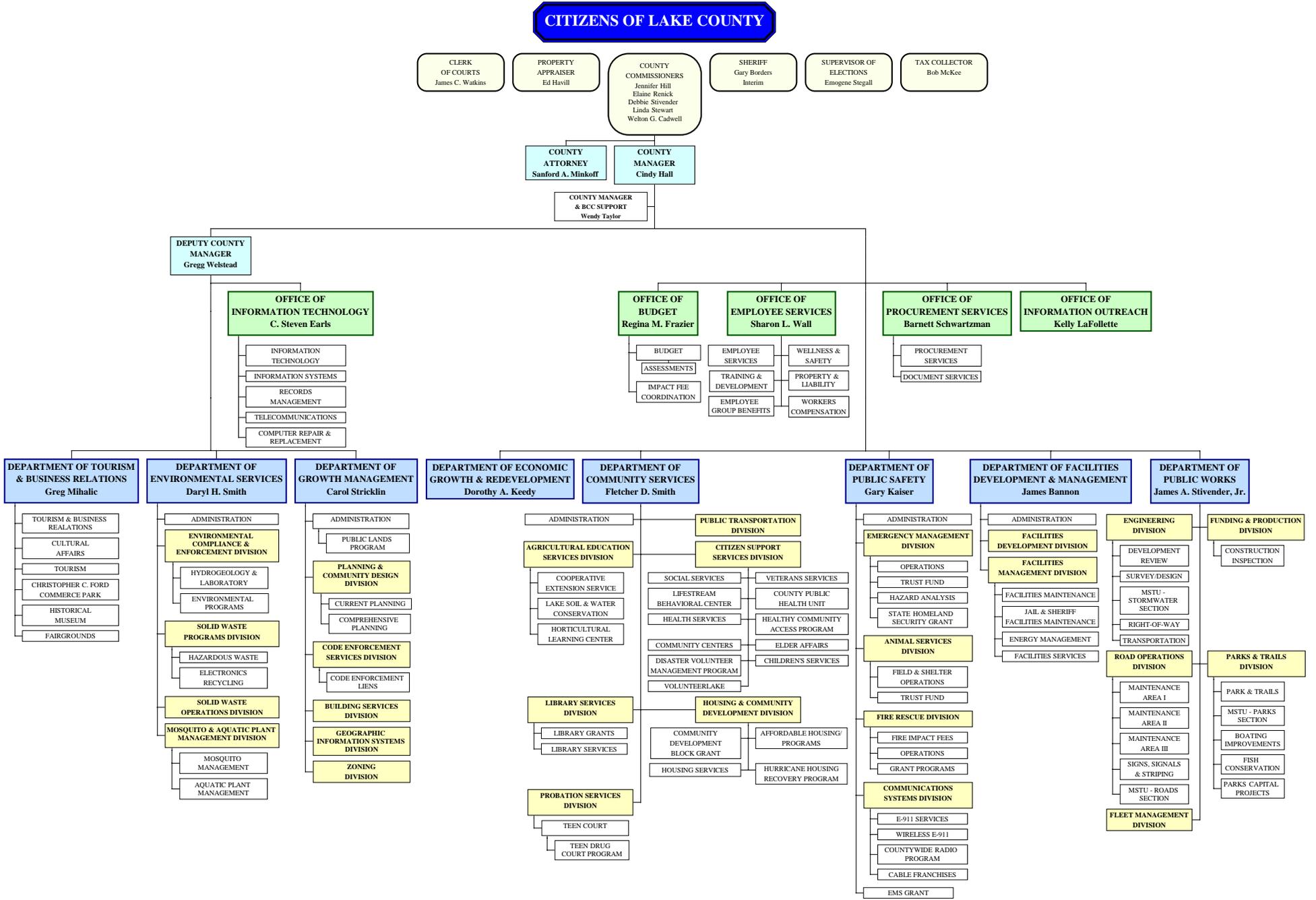


Overview

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ORGANIZATIONAL CHART OF LAKE COUNTY GOVERNMENT





2007 Commissioner Goals and Focus Areas

Lake County focused on innovation, progress, and long-term solutions when the Board of County Commissioners established eight long-term goals in January 2006. Lake County Government's direction for the next 25 years will travel down a path designed to ensure that the citizens' desired lifestyle is attainable. Departments have been commissioned to develop strategies and implement programs geared toward achieving the specific goals which answer the question, "What do we want Lake County to be in 25 years?" The following goal statements depict a quality future for Lake County.

A. Lake County is a High Performance Organization

- Excellent customer service is expected and delivered.
 - Excellent and consistent telephone etiquette is routine.
- Effective internal communication strengthens the organization.
 - People are accessible and information is accurate.
- Effective external communication strengthens the community.
- Innovative change occurs from within.
- Internal service departments spark energy within the organization.
- Business processes are innovative and effective.
- Old is integrated with new.

B. Lake County is a Leader in Multi-jurisdictional Cooperation

- Strong, centralized county government realizes consistency of vision, regulation and direction.
- Lake County takes the lead in facilitating countywide cooperation across all entities.
- Regional cooperation is effective and constant.

C. The Economy of Lake County is Strong, Diversified, and Sustainable

- The residential and commercial tax bases are equitably balanced.
- High-end business centers are strategically placed along major corridors.
- Lake County has a good balance of jobs and housing opportunities.
- Targeted industries recognize Lake County as business-friendly and seek Lake County as their destination.

D. Lake County Offers a Quality, Reliable Transportation Network in a Multi-modal System

- The transportation network includes well-placed pathways for roads, bicycles, pedestrian walkways, buses and rail.

E. Social Services are Provided to Those in Need Throughout the Entire County

- Lake County coordinates the provision of social services and affordable housing through the private sector and through non-profit organizations.



2007 Commissioner Goals and Focus Areas

F. Lake County Preserves Environmental Resources

- Major systems, such as lakes and wetlands, are preserved.
- The County offers a network of resource-based recreation: trails, hiking County infrastructure and structures reflect maximum energy efficiency.

G. Urban Development is Well Planned and Implemented

- Distinctive, small towns or communities are preserved.
- Responsible utility services are available outside of municipal boundaries through partnerships with private and public providers and wholesale agreements.
- Urban form is designed (outlined) by green space and density and clustering is appealing.

H. Appearance of Lake County is Esthetically Pleasing and Well Designed

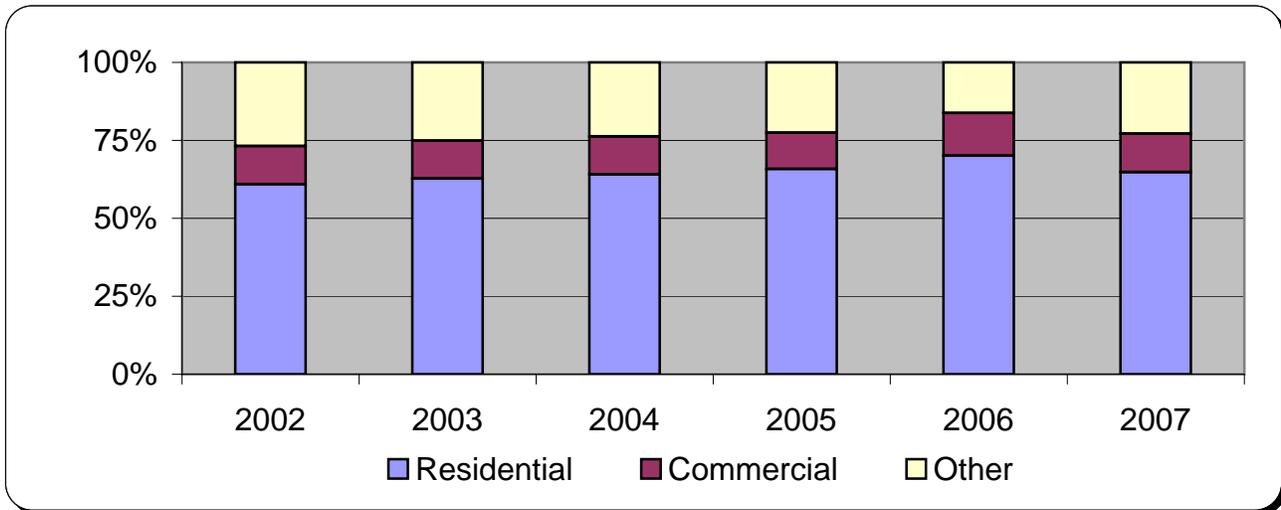
- Uniform countywide design standards are applied along major corridors.



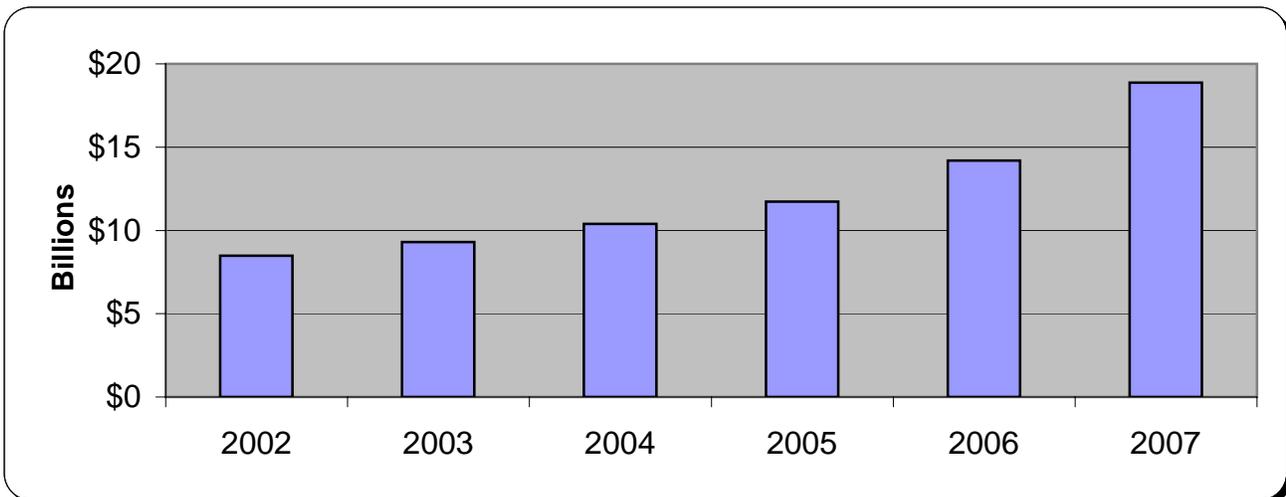
Property Tax Highlights

Lake County Millage History						
	2002 Adopted	2003 Adopted	2004 Adopted	2005 Adopted	2006 Adopted	2007 Adopted
General Fund	5.117	5.917	5.917	5.817	5.797	5.747
Emergency Medical Services MSTU	.5289	.5289	.5289	.5289	.5289	.5289
Stormwater, Parks and Roads MSTU	.3000	.4000	.5000	.5000	.5000	.6000
Public Lands Debt Service <i>(voter approved)</i>	NA	NA	NA	NA	NA	.2000

Composition of Assessed Property Value

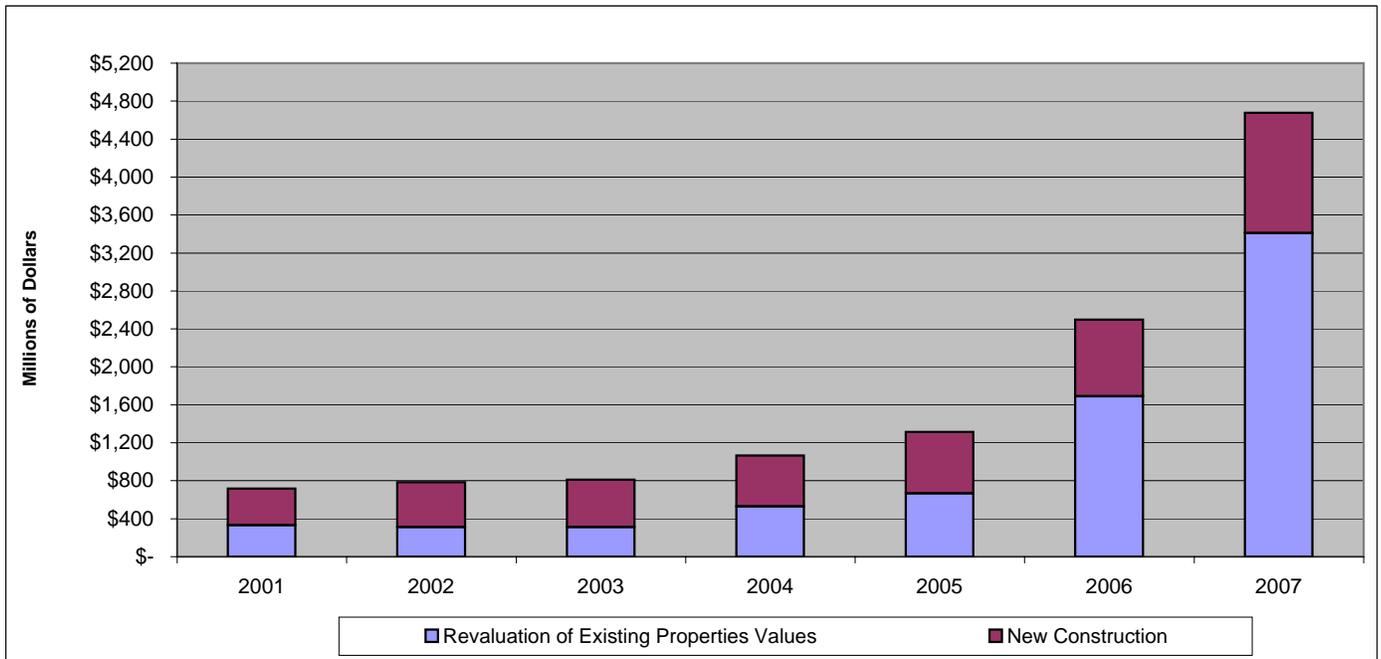


Total Taxable Property Value





Increase in Gross Taxable Value Over Prior Year



	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
New Construction	\$ 387,180,497	\$ 473,821,526	\$ 500,201,820	\$ 535,689,696	\$ 648,864,776	\$ 809,784,473	\$ 1,268,616,667
Revaluation of Existing Properties Values	330,381,473	310,401,441	312,551,038	530,602,523	667,230,827	1,688,279,164	3,409,204,435
Total Increase in Gross Taxable Value	\$ 717,561,970	\$ 784,222,967	\$ 812,752,858	\$ 1,066,292,219	\$ 1,316,095,603	\$ 2,498,063,637	\$ 4,677,821,102

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
% Increase Due to New Construction	5.58%	6.17%	5.90%	5.76%	6.25%	6.92%	8.93%
% Increase Due to Revaluation	4.76%	4.04%	3.69%	5.70%	6.42%	14.43%	24.01%
Total % Increase	10.33%	10.21%	9.58%	11.46%	12.67%	21.35%	32.94%

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Millage Rate	5.117	5.117	5.917	5.917	5.817	5.797	5.747
Ad Valorem Taxes	\$ 37,587,262	\$ 41,178,785	\$ 52,239,608	\$ 58,296,739	\$ 64,673,998	\$ 77,925,882	\$ 103,073,567
Net New Dollars	\$ 5,887,315	\$ 3,591,523	\$ 11,060,823	\$ 6,057,131	\$ 6,716,584	\$ 13,251,883	\$ 25,147,684

For FY 2007, 1 mill is expected to net \$17,935,195



Budget Summary By Fund

All Funds			
	2005 Actual	2006 Amended	2007 Adopted
General Fund	\$ 120,686,801	\$ 152,363,603	\$ 183,414,443
Library Impact Fee Trust	\$ 56,323	\$ 2,322,793	\$ 3,405,684
Park Impact Fee Trust	\$ 54,008	\$ 1,879,649	\$ 1,374,924
County Transportation Trust	\$ 11,828,906	\$ 23,830,027	\$ 19,035,458
Christopher C. Ford Commerce Park	\$ 2,223,092	\$ 3,441,459	\$ 6,367,847
Road Impact Fees	\$ 10,621,722	\$ 52,842,429	\$ 41,839,881
Mosquito Management (FY 2007 included in General Fund)	\$ 780,089	\$ 1,067,589	\$ -
Law Library	\$ 234,016	\$ 270,489	\$ 314,986
Aquatic Plant Management (FY 2007 included in General Fund)	\$ 246,106	\$ 430,406	\$ -
Fish Conservation	\$ 4,775	\$ 131,107	\$ 64,447
Community Development Block Grant	\$ 815,501	\$ 1,624,452	\$ 988,033
Transportation Disadvantaged	\$ 3,091,696	\$ 4,296,789	\$ 5,223,784
Lake County Ambulance	\$ 5,307,430	\$ 9,842,462	\$ 11,950,391
Stormwater, Parks and Roads MSTU	\$ 2,144,377	\$ 10,450,840	\$ 11,667,579
Emergency 911	\$ 923,208	\$ 2,945,008	\$ 3,031,605
Resort/Development Tax	\$ 1,860,363	\$ 4,099,763	\$ 4,007,832
Lake County Affordable Housing	\$ 996,414	\$ 8,773,858	\$ 5,191,359
Section 8 (County)	\$ 2,702,727	\$ 2,720,248	\$ 2,892,032
Hurricane Housing Recovery Program	\$ -	\$ 500,000	\$ 547,232
Greater Hills MSBU	\$ 3,690	\$ 281,810	\$ 286,478
Law Enforcement Trust	\$ 188,897	\$ 77,656	\$ 10,980
Criminal Justice Trust	\$ 58,916	\$ -	\$ 223,348
Greater Groves MSBU	\$ 144,147	\$ 211,558	\$ 11,445,000
Infrastructure Sales Tax Revenue	\$ 11,160,206	\$ 11,025,393	\$ 13,322
Village Green Street Lighting	\$ 8,432	\$ 11,307	\$ 260,311
Greater Pines Municipal Services	\$ 131,905	\$ 331,426	\$ 4,223
Picciola Island Street Lighting	\$ 2,403	\$ 4,293	\$ 9,288
Valencia Terrace Street Lighting	\$ 4,664	\$ 9,122	\$ 75,519
Lake County Pollution Recovery	\$ 7,206	\$ 168,314	\$ 211,563
Lake County Code Enforcement Liens	\$ 35,991	\$ 152,688	\$ 8,606,886
Building Services	\$ 6,159,446	\$ 10,037,009	\$ 23,119,409
County Fire Rescue	\$ 12,283,846	\$ 21,195,130	\$ 4,081,705
Fire Services Impact Fee	\$ 465,810	\$ 3,467,485	\$ 2,250
Employees Benefit	\$ 647	\$ 6,989	\$ -
Animal Shelter Sterilization Trust	\$ -	\$ 163,780	\$ 136,080
County Library System	\$ 4,458,709	\$ 5,395,319	\$ 5,801,246



Budget Summary By Fund

All Funds			
	2005 Actual	2006 Amended	2007 Adopted
Pari-Mutuel Revenues Replacement Bonds	\$ 2,115,524	\$ 2,469,002	\$ 2,523,946
Renewal Sales Tax LOC Debt Service	\$ 2,808	\$ 49,869	\$ 51,569
Public Lands Program Debt Service	\$ -	\$ -	\$ 3,634,539
Expansion Projects Debt Service	\$ -	\$ -	\$ 4,014,625
Sales Tax Capital Projects	\$ 888,579	\$ 10,018,784	\$ 986,954
Parks Capital Projects	\$ 11,940	\$ 1,333,654	\$ 6,578,555
Renewal Sales Tax Capital Projects	\$ 5,008,604	\$ 21,609,006	\$ 17,766,006
Landfill Enterprise	\$ 28,511,725	\$ 33,856,803	\$ 30,172,000
Solid Waste Capital Projects (FY 2007 combined with Fund 420)	\$ 304,906	\$ 1,345,128	\$ -
Solid Waste Closure and Care	\$ 513,504	\$ 3,722,632	\$ 4,893,576
Solid Waste Long-Term Capital Projects	\$ 3,328	\$ 5,876,524	\$ 7,249,903
Insurance - Property and Casualty	\$ 2,078,894	\$ 5,810,074	\$ 6,381,756
Insurance - Employee Group Benefits	\$ 7,196,609	\$ 8,971,800	\$ 10,549,639
Fleet Maintenance	\$ 2,369,230	\$ 3,812,654	\$ 4,416,237
TOTAL BUDGET	\$ 248,698,120	\$ 435,248,180	\$ 454,824,430

Beginning Fund Balances



All Funds	2006 Amended	2007 Adopted
General Fund	\$ 39,604,662	\$ 40,204,393
Library Impact Fee Trust	\$ 1,600,109	\$ 2,492,829
Park Impact Fee Trust	\$ 1,234,599	\$ 960,249
County Transportation Trust	\$ 7,988,639	\$ 5,985,408
Christopher C. Ford Commerce Park	\$ 2,192,209	\$ 5,418,797
Road Impact Fees	\$ 40,485,034	\$ 27,418,750
Mosquito Management (FY 2007 included in General Fund)	\$ 179,097	\$ -
Law Library	\$ 64,514	\$ 59,489
Aquatic Plant Management (FY 2007 included in General Fund)	\$ 88,732	\$ -
Fish Conservation	\$ 112,107	\$ 44,421
Community Development	\$ 4,392	\$ -
Transportation Disadvantaged	\$ 233,035	\$ 135,967
Lake County Ambulance	\$ 2,646,076	\$ 2,281,085
Stormwater, Parks and Roads MSTU	\$ 6,568,828	\$ 5,486,985
Emergency 911	\$ 1,813,226	\$ 1,770,005
Resort/Development Tax	\$ 2,193,208	\$ 1,007,085
Lake County Affordable Housing	\$ 5,764,370	\$ 2,667,838
Section 8 (County)	\$ 37,142	\$ 213,633
Hurricane Housing Recovery Program	\$ -	\$ 20,000
Greater Hills MSBU	\$ 90,498	\$ 95,166
Law Enforcement Trust	\$ 46,899	\$ 9,000
Greater Groves MSBU	\$ 61,107	\$ 62,572
Infrastructure Sales Tax Revenue	\$ 1,520,643	\$ 515,250
Village Green Street Lighting	\$ 3,797	\$ 926
Greater Pines Municipal Services	\$ 157,530	\$ 77,134
Picciola Island Street Lighting	\$ 1,692	\$ 1,471
Valencia Terrace Street Lighting	\$ 3,717	\$ 3,837
Lake County Pollution Recovery	\$ 157,864	\$ 65,069
Lake County Code Enforcement Liens	\$ 126,563	\$ 184,963
Building Services	\$ 3,526,077	\$ 2,113,942
County Fire Rescue	\$ 7,789,317	\$ 6,051,319
Fire Rescue Impact Fee Trust	\$ 2,261,893	\$ 2,985,329
Employees Benefit	\$ 6,859	\$ 1,547
Animal Control Sterilization Trust	\$ 147,280	\$ 115,180
County Library System	\$ 576,930	\$ 324,620
Pari-Mutuel Revenues Replacement Bonds	\$ 2,143,468	\$ 2,225,962

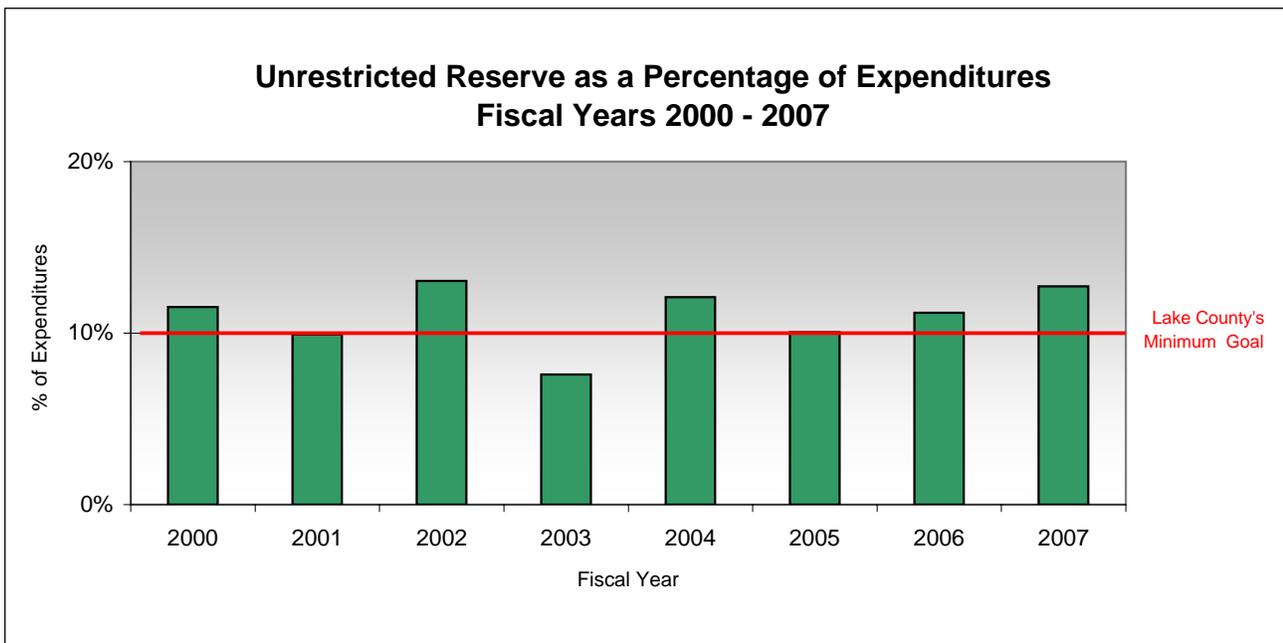
Beginning Fund Balances



All Funds		
	2006 Amended	2007 Adopted
Renewal Sales Tax LOC Debt Service	\$ 49,869	\$ 51,569
Sales Tax Capital Projects	\$ 10,018,784	\$ 986,954
Parks Capital Projects	\$ 228,904	\$ 36,442
Renewal Sales Tax Capital Projects	\$ 10,934,825	\$ 10,683,756
Landfill Enterprise	\$ 9,964,346	\$ 5,520,000
Solid Waste Capital Projects (FY 2007 combined with Fund 420)	\$ 48,882	\$ -
Solid Waste Closure and Care	\$ 3,115,075	\$ 3,196,972
Solid Waste Long-Term Capital Projects	\$ 1,526,092	\$ 5,289,903
Insurance - Property and Casualty	\$ 3,760,613	\$ 3,514,455
Insurance - Employee Group Benefits	\$ 1,188,464	\$ 846,839
Fleet Maintenance	\$ 389,966	\$ 352,318
TOTAL BEGINNING FUND BALANCES	\$ 172,657,933	\$ 141,479,429

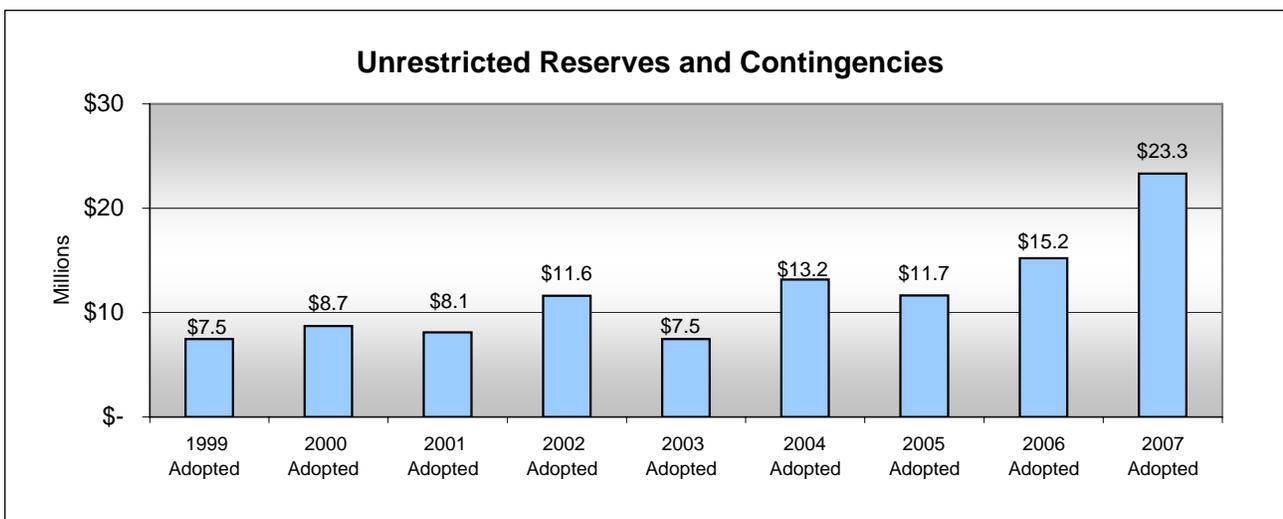


General Fund Reserves



Unrestricted Reserves as a Percentage of Expenditures								
Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007
Unrestricted Reserves	11.5%	9.9%	13.0%	7.6%	12.1%	10.05%	11.19%	12.72%

Note: Budget Recommended Practices indicate that the unrestricted reserve should be 2 months of expenditures (10% - 17%). Board Policy LCC-51 recommends at least 10% in the Economic Stabilization Reserve. That percentage has been met in the FY 2007 Budget.



Reserves and Contingencies

All Funds	2006 Amended	2007 Adopted
General Fund	\$ 30,044,307	\$ 27,055,695
Library Impact Fee Trust	\$ 2,322,793	\$ 2,823,034
County Transportation Trust	\$ 2,075,758	\$ 897,516
Christopher C. Ford Commerce Park	\$ 2,980,709	\$ 622,897
Mosquito Management (FY 2007 combined with General Fund)	\$ 55,517	\$ -
Law Library	\$ 7,738	\$ -
Aquatic Plant Management (FY 2007 combined with General Fund)	\$ 9,514	\$ -
Fish Conservation	\$ 34,432	\$ -
Community Development Block Grant	\$ 20,937	\$ 20,000
Transportation Disadvantaged	\$ 71,821	\$ 200,000
Lake County Ambulance	\$ 2,273,454	\$ 2,128,539
Stormwater, Parks and Roads MSTU	\$ 5,125,493	\$ 4,917,138
Emergency 911	\$ 1,692,763	\$ 1,802,110
Resort/Development Tax	\$ 765,792	\$ 245,723
Section 8 (County)	\$ 30,206	\$ 187,611
Hurricane Housing Recovery Program	\$ 8,783	\$ 28,388
Greater Hills MSBU	\$ 90,498	\$ 95,166
Greater Groves MSBU	\$ 61,183	\$ 62,647
Village Green Street Lighting	\$ 1,306	\$ 1,379
Greater Pines Municipal Services	\$ 157,532	\$ 162,134
Picciola Island Street Lighting	\$ 1,492	\$ 916
Valencia Terrace Street Lighting	\$ 3,573	\$ 3,337
Lake County Pollution Recovery	\$ 63,519	\$ 74,969
Building Services	\$ 2,349,394	\$ 1,235,517
County Fire Rescue	\$ 1,089,742	\$ 2,491,452
Fire Rescue Impact Fee Trust	\$ 91,169	\$ 1,705
Animal Control Sterilization Trust	\$ 163,780	\$ 62,580
County Library System	\$ 52,084	\$ 68,505
Sales Tax Capital Projects	\$ 164,298	\$ -
Parks Capital Projects	\$ 49,155	\$ 42,801
Renewal Sales Tax Capital Projects	\$ 1,193,868	\$ 377,766
Landfill Enterprise	\$ 4,668,512	\$ 1,971,709
Solid Waste Capital Projects	\$ 49,876	\$ -
Solid Waste Closure and Care	\$ 3,196,224	\$ 3,188,544
Solid Waste Long-Term Capital Projects	\$ 5,280,335	\$ 246,903
Insurance - Property and Casualty	\$ 3,033,545	\$ 3,584,197
Insurance - Employee Group Benefits	\$ 1,137,387	\$ 1,500,783
Fleet Maintenance	\$ 250,520	\$ 235,430
TOTAL RESERVES AND CONTINGENCIES	\$ 70,669,009	\$ 56,337,091



General Fund Revenues

Adopted Revenues 2007

\$143,210,050

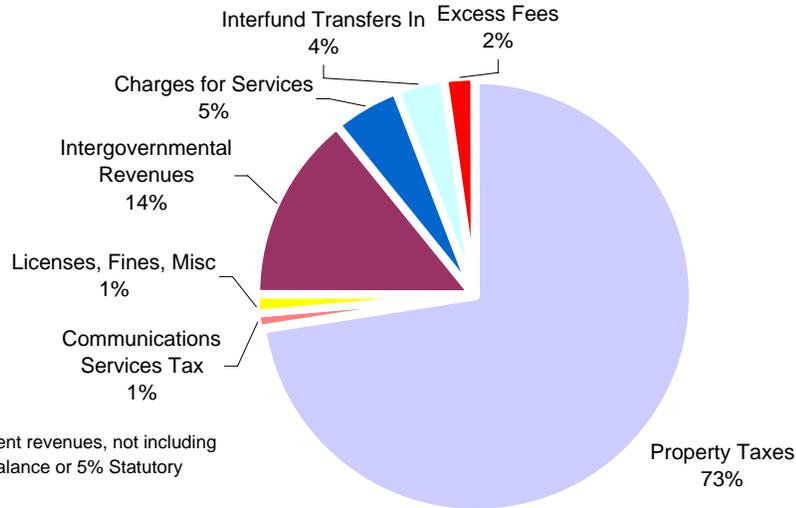


Chart reflects current revenues, not including Beginning Fund Balance or 5% Statutory Reduction

Historical General Fund Revenue Sources

	2000	2004	2007 Budget
Property Taxes	\$32,093,752	\$58,349,562	\$108,748,491
Intergovernmental Revenues	\$13,372,440	\$16,886,460	\$21,577,052
Charges for Services	\$4,357,875	\$4,865,093	\$7,383,500
Interfund Transfers In	\$4,952,339	\$5,279,377	\$5,296,811
Excess Fees	\$2,044,858	\$4,653,483	\$3,495,893
Licenses, Fines, Misc	\$6,909,805	\$3,371,083	\$2,082,900
Communications Services Tax	\$0	\$1,201,064	\$1,700,000
5% Statutory Reduction	\$0	\$0	(\$7,074,597)
	<u>\$63,731,069</u>	<u>\$94,606,122</u>	<u>\$143,210,050</u>

The most striking trend that emerges when looking at similar charts for the past seven years is the additional reliance upon Property Tax. In 2000, only 50% of the revenues were attributable to Property Taxes. This has steadily increased to 73% in the 2007 budget.

The reduction in Licenses, Fines, and Miscellaneous revenues is attributable to Growth Management transferring the building permit revenues to a separate fund dedicated to building services.

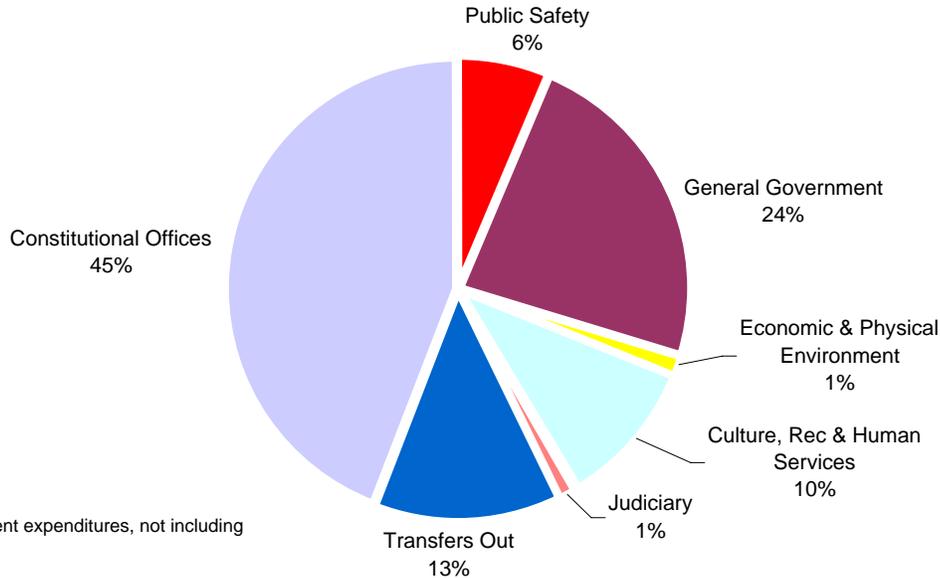
Another trend is the decrease in Intergovernmental Revenues. In 2000, these comprised 21% of the revenues, compared to 14% in the 2007 budget.

The other revenues have remained fairly constant as the budget and population of Lake County has increased.



General Fund Expenditures

Adopted Expenditures 2007 \$157,211,952



Historical General Fund Expenditures

	2000	2004	2007 Budget
Constitutional Offices	\$38,617,403	\$52,599,256	\$69,472,290
General Government	\$3,825,994	\$13,203,325	\$36,659,926
Transfers Out	\$2,792,270	\$13,546,360	\$20,326,629
Culture, Rec & Human Services	\$6,472,732	\$7,184,466	\$16,245,109
Public Safety	\$10,047,467	\$7,365,604	\$10,110,497
Economic & Physical Environment	\$753,243	\$732,721	\$2,025,717
Judiciary	\$1,454,607	\$1,496,580	\$1,997,284
Transportation	\$0	\$0	\$374,500
	<u>\$63,963,716</u>	<u>\$96,128,312</u>	<u>\$157,211,952</u>

Constitutional Offices continue to represent a large portion of the General Fund. These costs have increased 55% since 2000, and represent 45% of the General Fund expenses in 2007.

General Government remains the second largest portion and has been steadily increasing as a category in the General Fund.

Culture and Recreation has also become a larger piece of the General Fund since 2000, while the other categories remained relatively flat as the County has continued population growth.

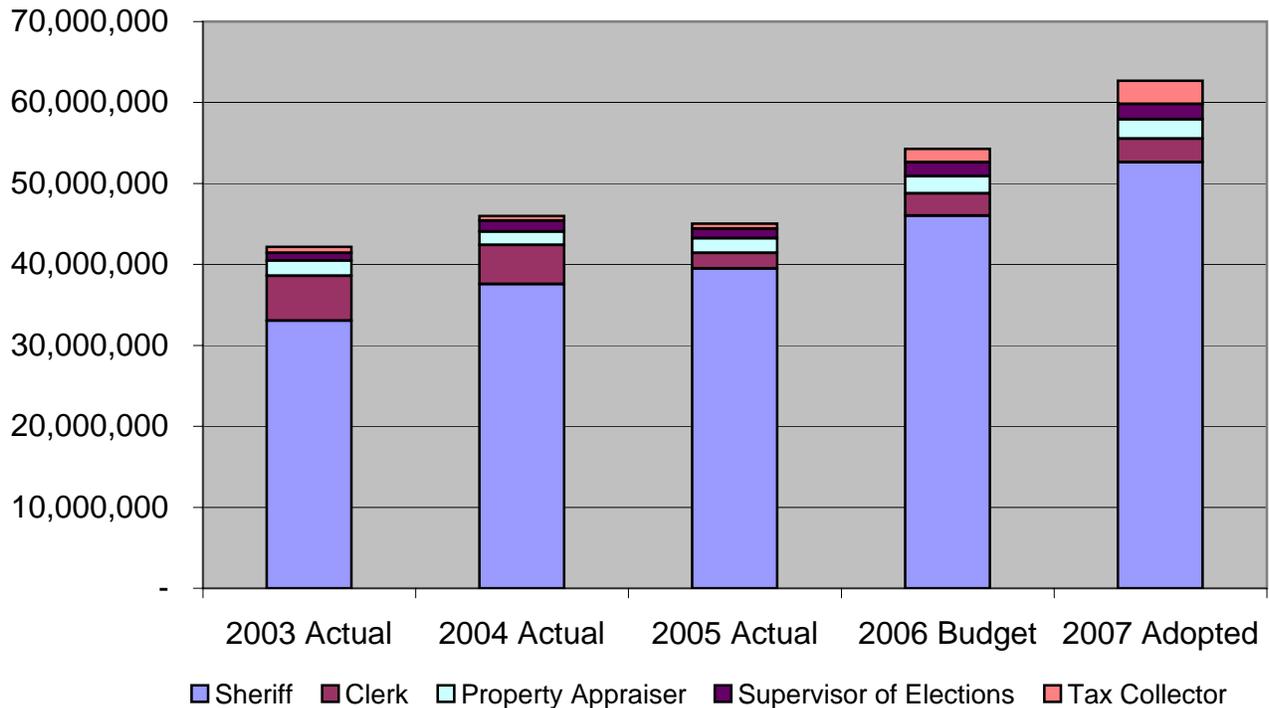


Constitutional Offices

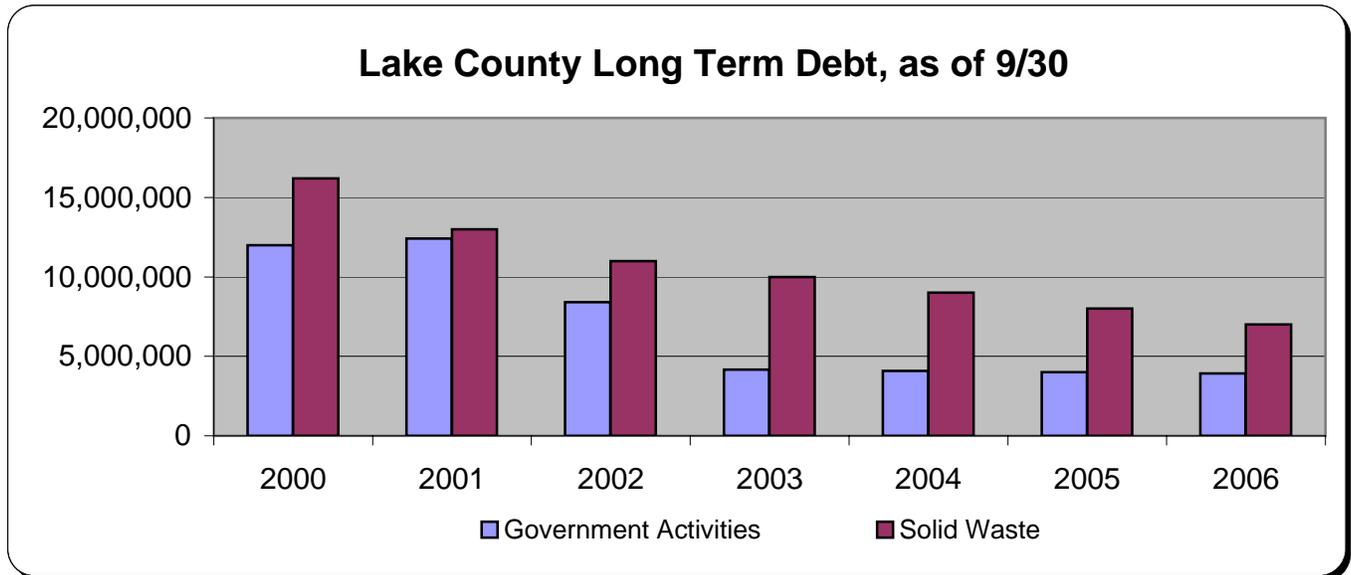
General Fund Budget History

	Actual FY 2005	Budget FY 2006	Adopted FY 2007
CLERK			
Net to General Fund	\$ 1,958,910	\$ 2,763,955	\$ 2,892,121
<i>Total Staff (Including Fee Budget)</i>	202	218	229
PROPERTY APPRAISER			
Net to General Fund	\$ 1,793,825	\$ 2,107,581	\$ 2,397,946
<i>Staff</i>	35	38	39
SHERIFF			
Net to General Fund	\$ 39,486,286	\$ 46,026,572	\$ 52,642,285
<i>Staff</i>	627	711	729
SUPERVISOR OF ELECTIONS			
Net to General Fund	\$ 1,193,219	\$ 1,728,671	\$ 1,888,758
<i>Staff</i>	9	9	10
TAX COLLECTOR			
Net to General Fund	\$ 597,125	\$ 1,668,886	\$ 2,864,742
<i>Staff</i>	62	64	64

Net Impact to General Fund From Constitutional Offices



Note: Net Impact is defined as the expenditures minus the revenues associated with each Constitutional Office.



Lake County has two current debt issues outstanding:

Government Activities:

The County’s remaining outstanding debt from governmental activities is approximately \$4.0 million as of September 30, 2006. This outstanding debt is being repaid from the pari-mutuel revenues. These bonds were issued to fund countywide recreation projects.

Solid Waste:

Funds are budgeted annually to repay this amount at \$1 million per year from the Solid Waste Enterprise Fund. There is \$7 million outstanding as of 9/30/06.

Lake County is also planning two additional debt issues in FY 2007.

These include:

Public Lands:

This represents the referendum approved by Lake County voters in 2004. Under provisions of the referendum, Lake County can issue up to \$36 million for the purpose of purchasing environmentally sensitive lands. Revenue to pay for this debt is funded through a levy of up to .33 mills property tax. The FY 2007 budget includes a levy of 0.20 mills. Additional detail can be found on page 14.3 in the debt section of this book.

Facilities Expansion:

Lake County is anticipated to issue bonds pledged with the Half-Cent Sales Tax revenues received from the State of Florida. These bonds will be issued for the construction of many governmental buildings, including Downtown Tavares Center for Governmental Operations. This includes expansion of the Judicial Center.

Personnel Summary



SUMMARY OF AUTHORIZED FULL-TIME POSITIONS TEN FISCAL YEARS*

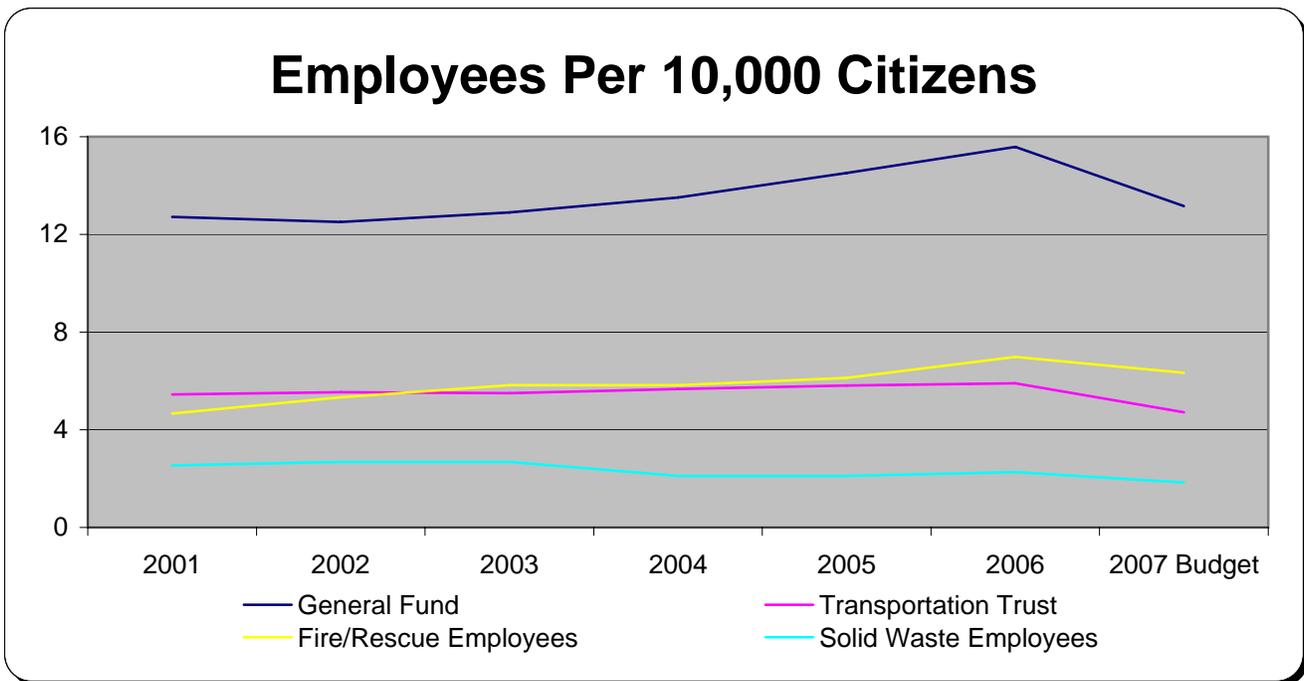
FY	BCC	Supervisor of Elections	Clerk	Tax Collector	Property Appraiser	Law Enforcement	Corrections	Judicial Bailiffs	Total
1998	460	6	140	51	29	264	238	16	1,204
1999	515	6	143	57	29	277	242	16	1,285
2000	591	6	150	57	29	298	242	16	1,389
2001	643	6	165	58	30	313	243	16	1,474
2002	662	7	192	59	30	325	247	16	1,538
2003	684	8	204	59	33	333	247	17	1,585
2004	698	9	204	59	33	346	267	17	1,633
2005	735	9	202	62	35	355	254	18	1,670
2006	797	9	218	64	38	384	306	21	1,837
2007	863	10	229	64	39	401	307	21	1,934

*Does not include Medical Examiner's Office or Metropolitan Planning Organization

The decrease in the Clerk's Office from FY 2004 to FY 2005 is due to the Article V legislation.

HISTORY OF AUTHORIZED FULL-TIME POSITIONS CONSTITUTIONAL OFFICES AND BOARD OF COUNTY COMMISSIONERS

<u>CONSTITUTIONAL OFFICES</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Supervisor of Elections	7	8	9	9	9	10
Clerk of Courts	192	204	204	202	218	229
Tax Collector	59	59	59	62	64	64
Property Appraiser	30	33	33	35	38	39
Sheriff	588	597	630	627	711	729
Subtotal	876	901	935	935	1,040	1,071
<u>BCC DEPARTMENTS</u>	662	684	698	735	797	863
Total	1,538	1,585	1,633	1,670	1,837	1,934
Net Difference	64	47	48	37	167	97



Lake County traditionally has an employee force that grows in concert with our population. The chart above shows the level of employees in 4 key funds per 10,000 citizens.

The 2007 budget includes a total of 67 new employees across all BCC departments. The total cost for these new positions, including operating and capital costs, is \$3,670,633. Some key new positions are detailed below:

Growth Management:

Growth Management added 2 new Code Enforcement Officers to ensure compliance around the County. In addition, they added 2 new inspectors to assist in providing timely inspections, and a Chief Planner for the Comprehensive Planning process.

Community Services:

Community Services added a total of 4 new positions. These include a Community Development Specialist to assist with the Affordable Housing program, and a Housing Intake Specialist for the Section 8 Housing program. Libraries added a Librarian II for the youth program at the Citrus Ridge Library.

Public Safety:

Lake County continues its commitment to Public Safety by adding a total of 25 positions. This includes 3 Firefighter Paramedics, 6 Firefighter Lieutenants, and 15 new Firefighter/EMTs.

Environmental Services:

Lake County continues to expand our Mosquito Control program by adding a Biological Technician and a Mechanic. Also added in Fiscal Year 2007 are a Environmental Technician for Hazardous Waste and an Equipment Operator IV for Solid Waste Disposal.

Public Works:

Public Works added three Engineers to help with the numerous road projects in the County. Also added were 6 employees to help with the expanding Parks and Trails program.

Summary of Major Revenues - Collected Monthly



GENERAL FUND

Current Planning

Department: Growth Management
 Source: Charges for services, including zoning fees and permits, variances, site plan reviews, lot splits, etc.

Legal: Resolution 2001-179, adopted September 18, 2001



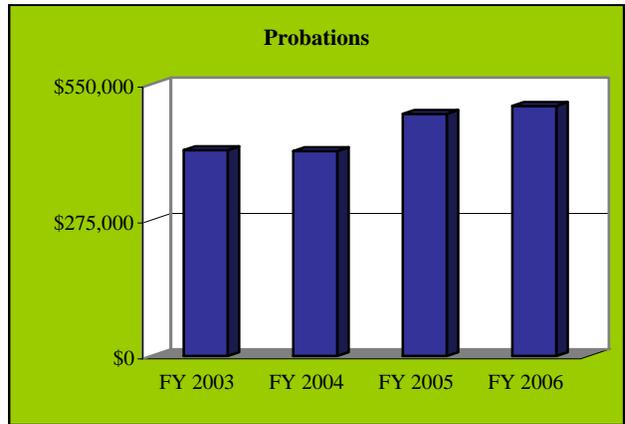
FY 2003 Actual Revenue	FY 2004 Actual Revenue	FY 2005 Actual Revenue	FY 2006 Actual Revenue	FY 2007 Budgeted Revenue
\$680,240	\$710,241	\$887,443	\$807,080	\$940,600

GENERAL FUND

Probations

Department: Community Services
 Source: Misdemeanor probation fines

Legal: Chapter 948.09(b), Florida Statutes



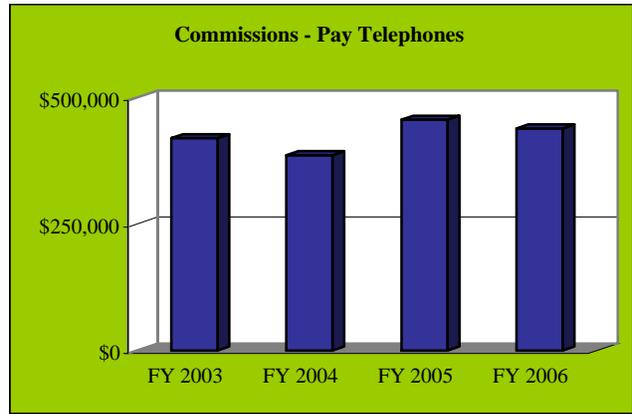
FY 2003 Actual Revenue	FY 2004 Actual Revenue	FY 2005 Actual Revenue	FY 2006 Actual Revenue	FY 2007 Budgeted Revenue
\$416,809	\$414,999	\$490,535	\$506,648	\$450,000

GENERAL FUND

Commissions - Pay Telephones

Department: Constitutional Offices
 Source: Commissions on pay telephone use in the Lake County Jail

Legal: Contract with Sprint



FY 2003 Actual Revenue	FY 2004 Actual Revenue	FY 2005 Actual Revenue	FY 2006 Actual Revenue	FY 2007 Budgeted Revenue
\$419,893	\$386,317	\$456,197	\$439,102	\$350,000

Summary of Major Revenues - Collected Monthly



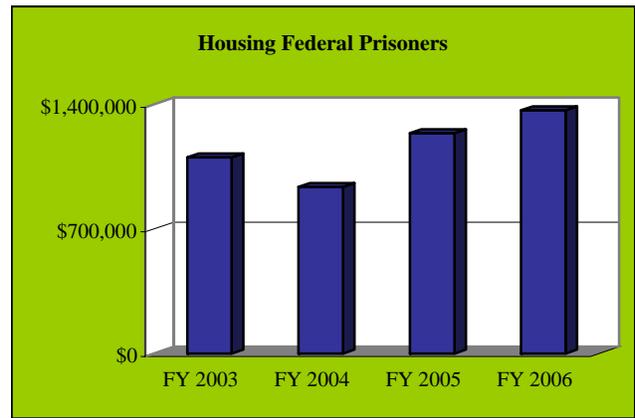
GENERAL FUND

Housing Federal Prisoners

Department: Constitutional Offices

Source: Agreement with the U.S. Marshals Service and U.S. Bureau of Prisons for the housing of federal inmates in the Lake County Jail at an established rate per day

Legal: Intergovernmental Service Agreement dated April 1, 1996



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$1,101,909	\$936,226	\$1,238,615	\$1,366,982	\$900,000

GENERAL FUND

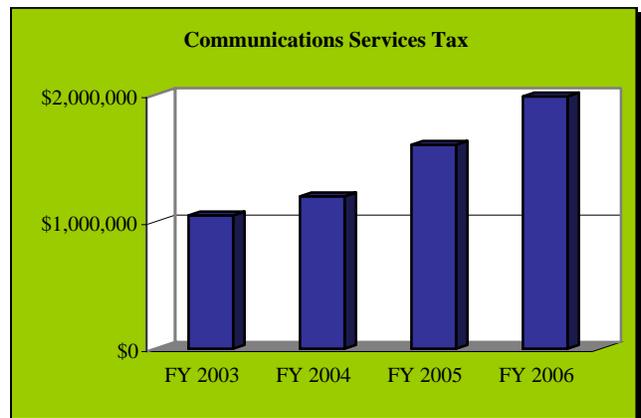
Communications Services Tax

Department: Non-Departmental

Source: This revenue consists of a state collected service tax. Cable providers collect the tax, and revenues are remitted to the State. Monthly distributions are made to counties based on an annual population factor.

Legal: Chapter 202.19, Florida Statutes

♦ Lake County's local Communications Services Tax rate is 1.94%.



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$1,050,297	\$1,201,064	\$1,605,640	\$1,987,881	\$1,700,000

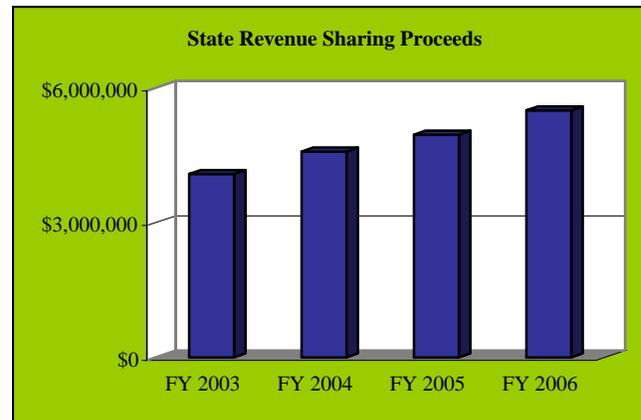
GENERAL FUND

State Revenue Sharing Proceeds

Department: Non-Departmental

Source: The Department of Revenue administers these funds to counties based on a portion of net cigarette tax collections and sales and use tax collections.

Legal: Chapter 218, Florida Statutes



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$4,086,157	\$4,584,413	\$4,958,427	\$5,502,254	\$4,750,000



Summary of Major Revenues - Collected Monthly

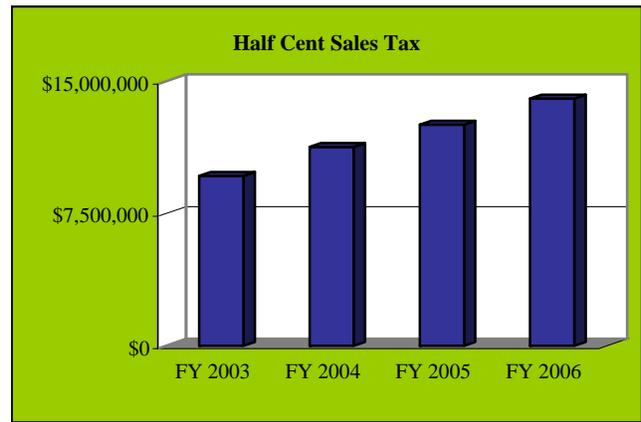
GENERAL FUND

Half Cent Sales Tax

Department: Non-Departmental

Source: The County receives a portion of State general sales and use tax from the Department of Revenue.

Legal: Chapter 212, *Florida Statutes*



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$9,627,310	\$11,272,644	\$12,541,879	\$14,014,256	\$14,500,000

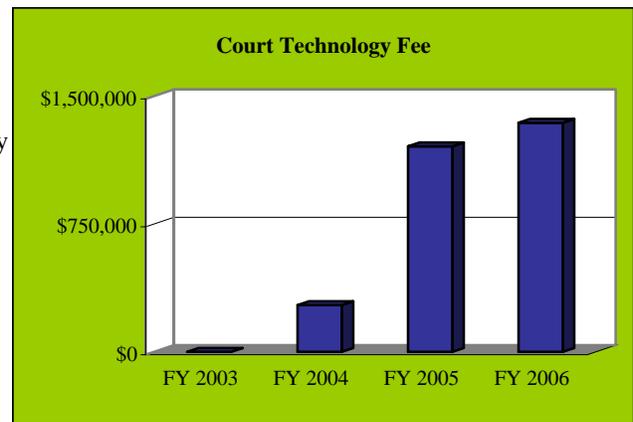
GENERAL FUND

Court Technology Fee

Department: Non-Departmental

Source: Recording fees dedicated to fund Court technology

Legal: Chapter 29 *Florida Statutes*



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$0	\$274,154	\$1,205,699	\$1,343,524	\$1,000,000

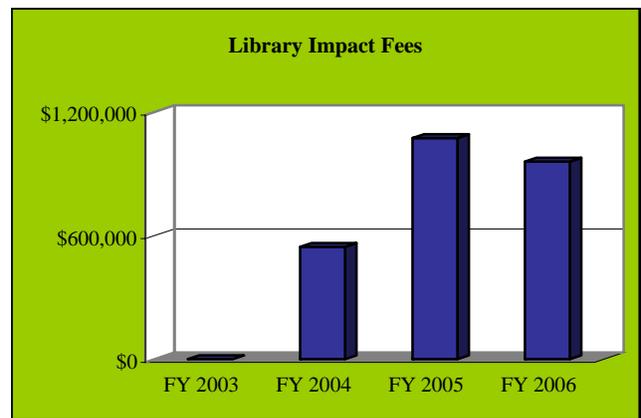
LIBRARY IMPACT FEE TRUST FUND

Library Impact Fees

Department: Community Services

Source: Fees imposed on new residential development to help pay the capital cost of public library facilities

Legal: Ordinance 2003-99



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$0	\$546,114	\$1,074,505	\$960,104	\$1,000,000

Summary of Major Revenues - Collected Monthly



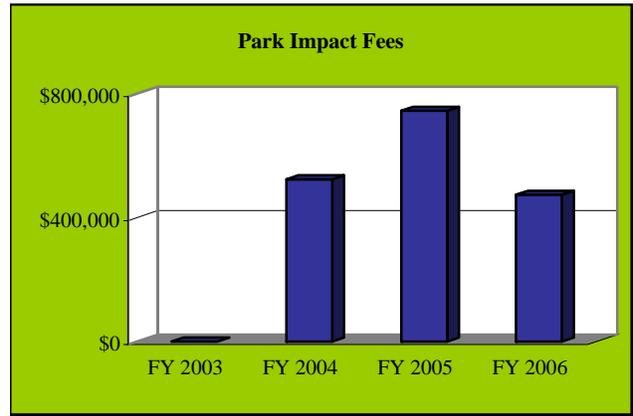
PARK IMPACT FEE TRUST FUND

Park Impact Fees

Department: Public Works

Source: Fees imposed on all residential construction in the unincorporated areas of the County for the construction or improvement of the County Park System

Legal: Ordinance 2003-99



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Actual Revenue	Actual Revenue	Actual Revenue	Actual Revenue	Budgeted Revenue
\$0	\$523,971	\$745,179	\$474,127	\$435,000

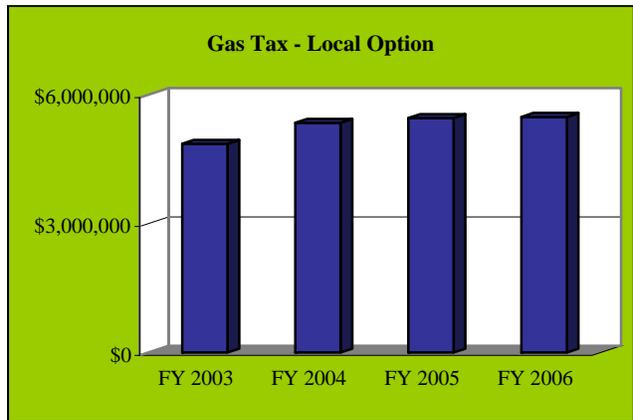
COUNTY TRANSPORTATION TRUST FUND

Gas Tax - Local Option

Department: Public Works

Source: A six-cent tax is levied on every gallon of motor fuel sold at the retail level.

Legal: Chapters 336.21; 206.41, Florida Statutes



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Actual Revenue	Actual Revenue	Actual Revenue	Actual Revenue	Budgeted Revenue
\$4,859,278	\$5,348,278	\$5,458,800	\$5,486,324	\$5,450,000

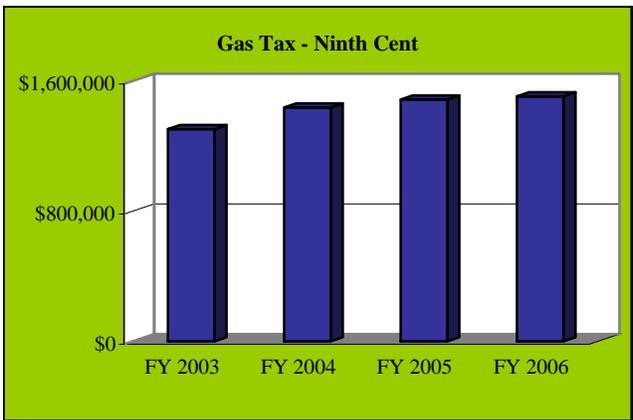
COUNTY TRANSPORTATION TRUST FUND

Gas Tax - Ninth Cent

Department: Public Works

Source: Lake County levies an additional tax of one cent on every gallon of motor and diesel fuel sold in the County. Proceeds are distributed by the Department of Revenue and can only be used for transportation-related expenditures.

Legal: Chapter 336.21; 206.41, Florida Statutes



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Actual Revenue	Actual Revenue	Actual Revenue	Actual Revenue	Budgeted Revenue
\$1,303,709	\$1,436,952	\$1,485,505	\$1,505,141	\$1,500,000

Summary of Major Revenues - Collected Monthly



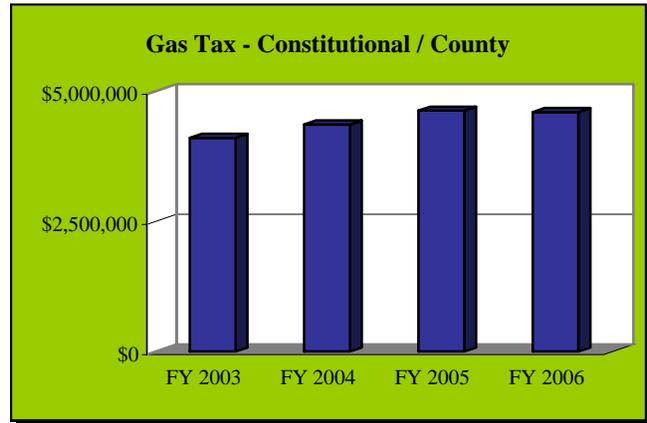
COUNTY TRANSPORTATION TRUST FUND

Gas Tax - Constitutional / County

Department: Public Works

Source: A two-cent tax is imposed by the state on every gallon of motor fuel sold at the wholesale level in Lake County.

Legal: Chapter 206.60, *Florida Statutes*



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$4,103,771	\$4,361,253	\$4,628,138	\$4,600,055	\$4,611,500

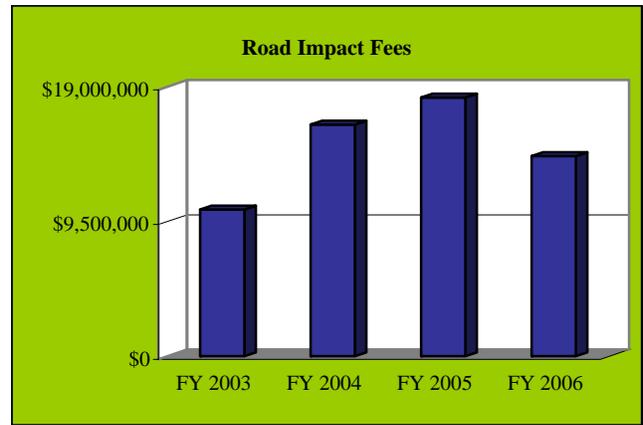
ROAD IMPACT FEES FUND

Road Impact Fees

Department: Public Works

Source: Fees imposed on new structures to ensure that new developments bear a proportionate share of the cost of capital expenditures necessary to provide roads in Lake County

Legal: County Ordinance 1996-33 and Chapter 163.3202(3), *Florida Statutes*



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$10,347,629	\$16,336,703	\$18,244,901	\$14,122,518	\$11,780,000

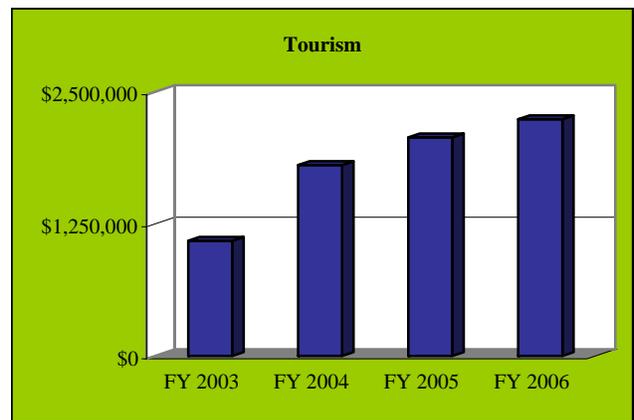
RESORT / DEVELOPMENT TAX FUND

Tourism

Department: Tourism and Business Relations

Source: A 4% tax on transient rental transactions, including the leasing of living quarters or accommodations in any hotel, motel, mobile home park, condominium, or recreational vehicle park for a period of six months or less.

Legal: Chapter 125.0104, *Florida Statutes*



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$1,090,443	\$1,806,965	\$2,068,827	\$2,240,901	\$2,079,000



Summary of Major Revenues - Collected Monthly

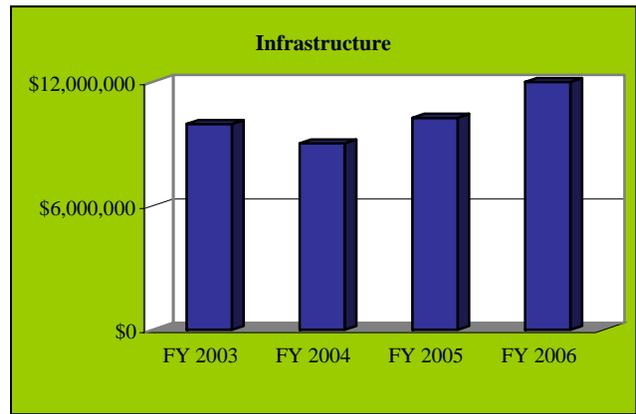
COUNTY SALES TAX REVENUE FUND

Infrastructure

Department: Non-Departmental

Source: A 1% tax is levied on all transactions (up to \$5,000) that are subject to the state tax.

Legal: Chapter 212, *Florida Statutes*



FY 2003 Actual Revenue	FY 2004 Actual Revenue	FY 2005 Actual Revenue	FY 2006 Actual Revenue	FY 2007 Budgeted Revenue
\$9,960,908	\$9,017,710	\$10,255,658	\$11,989,164	\$11,500,000

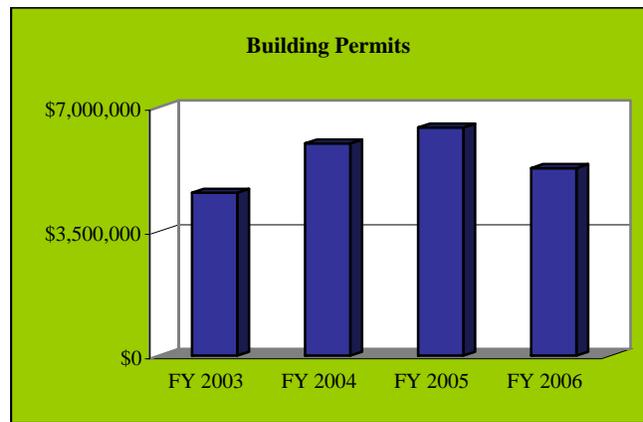
BUILDING SERVICES FUND

Building Permits

Department: Growth Management

Source: This revenue is derived from fees paid by contractors and individual home builders to offset the cost of inspections.

Legal: Resolution 2001-179, adopted September 18, 2001



FY 2003 Actual Revenue	FY 2004 Actual Revenue	FY 2005 Actual Revenue	FY 2006 Actual Revenue	FY 2007 Budgeted Revenue
\$4,595,218	\$5,981,459	\$6,431,656	\$5,289,178	\$6,479,594

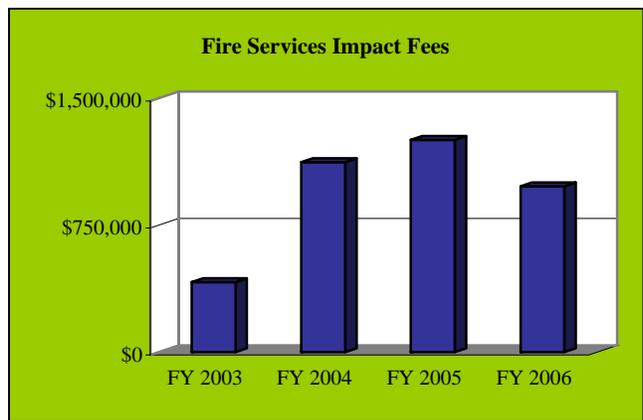
FIRE SERVICES IMPACT FEES TRUST FUND

Fire Services Impact Fees

Department: Public Safety

Source: Fees imposed on new dwellings for the provision of fire services by the County

Legal: County Ordinance 2004-26 and Chapter 163.3202(3), *Florida Statutes*



FY 2003 Actual Revenue	FY 2004 Actual Revenue	FY 2005 Actual Revenue	FY 2006 Actual Revenue	FY 2007 Budgeted Revenue
\$414,040	\$1,121,575	\$1,252,478	\$978,607	\$1,200,000



Summary of Major Revenues - Variable Collections

GENERAL FUND

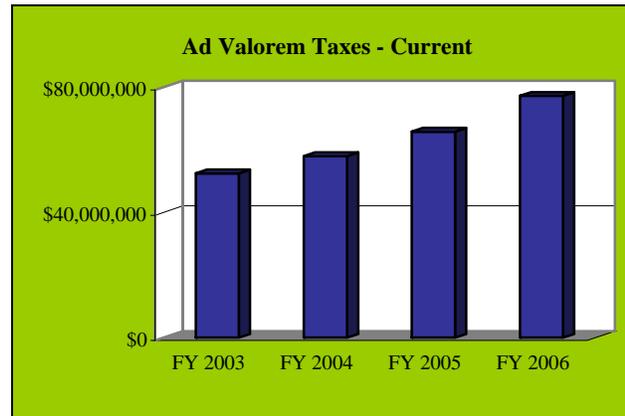
Ad Valorem Taxes - Current

Department: Non-Departmental

Source: Ad valorem taxes on all property located in the County, as assessed by the Property Appraiser and remitted to the County by the Tax Collector.

Legal: Chapter 129, *Florida Statutes*

♦ 2007 Millage rate is 5.747.



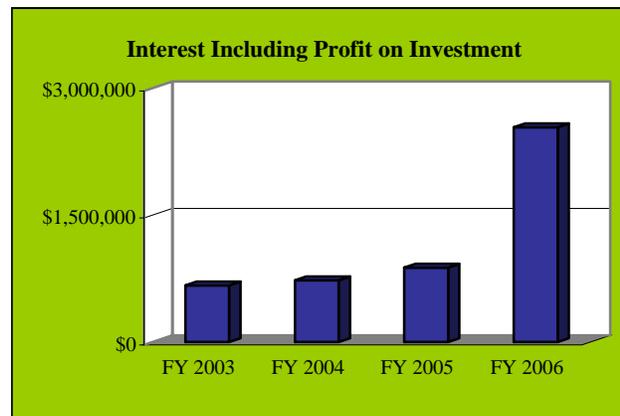
FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$52,532,047	\$57,957,414	\$65,824,140	\$77,925,883	\$103,073,566

GENERAL FUND

Interest Including Profit on Investment

Department: Non-Departmental

Source: Approximately 53% of the County's surplus funds are invested with the State Board of Administration (SBA). The remaining 47% is invested in Certificates of Deposits and U.S. Agencies ranging in maturity from 1 to 5 years.



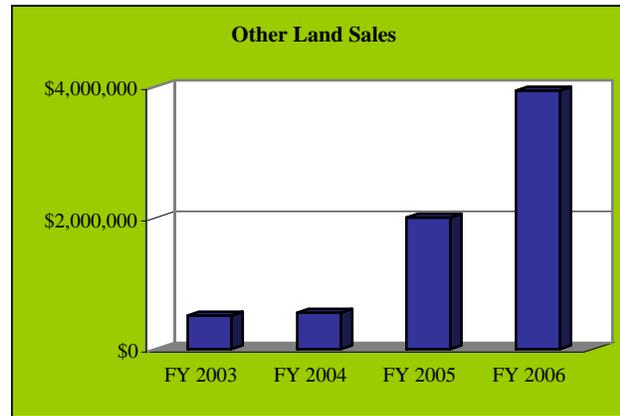
FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$670,127	\$728,616	\$878,175	\$2,536,913	\$720,000

CHRISTOPHER C. FORD COMMERCE PARK FUND

Other Land Sales

Department: Tourism and Business Relations

Source: Sales of property located in the Ford Commerce Park Development



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$516,896	\$562,280	\$2,007,910	\$3,946,104	\$969,000



Summary of Major Revenues - Variable Collections

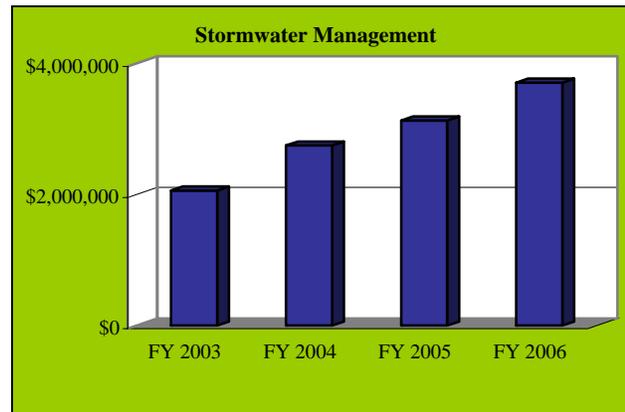
STORMWATER, PARKS & ROADS MSTU FUND

Stormwater, Parks and Roads

Department: Public Works

Source: Ad valorem taxes for stormwater, parks, and road improvements - millage rate was increased from \$0.50 to \$0.60 per \$1,000 of assessed taxable value for FY 2007.

Legal: Chapter 129, *Florida Statutes*



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$2,059,777	\$2,748,573	\$3,129,972	\$3,705,158	\$5,048,540

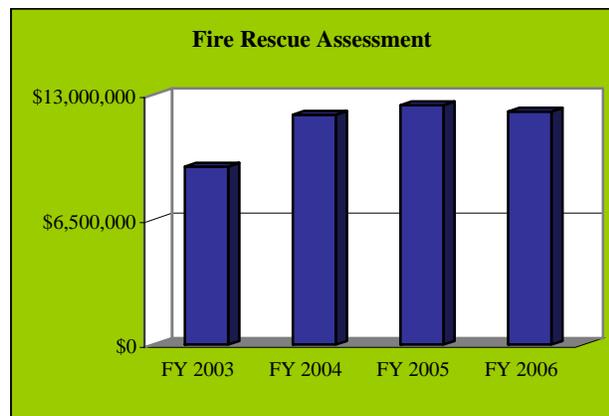
COUNTY FIRE CONTROL FUND

Fire Rescue Assessment

Department: Public Safety

Source: This non-ad valorem assessment is levied to provide fire protection in the unincorporated areas of Lake County, and the municipalities of Lady Lake, Howey-in-the-Hills, and Astatula.

Legal: Ordinances 1998-63 and 1998-64



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$9,260,169	\$11,964,485	\$12,458,248	\$12,129,513	\$16,726,287

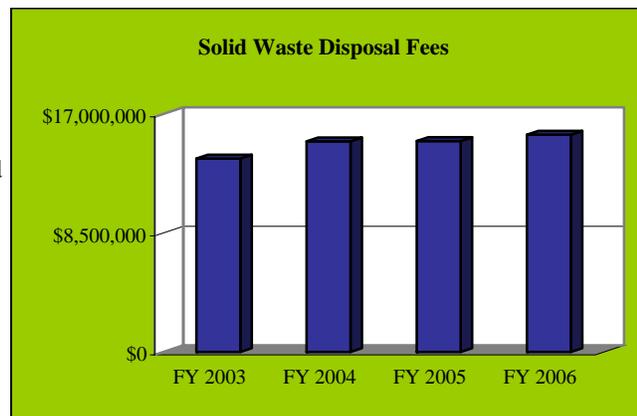
LANDFILL ENTERPRISE FUND

Solid Waste Disposal Fees

Department: Environmental Services

Source: This is a non-ad valorem assessment levied on owners of improved real estate in the unincorporated area of the County. The solid waste collection and disposal rate is \$174.00 per residential household. Also includes operating fees collected at the landfill.

Legal: Chapter 21, Lake County Code and Chapter 197, *Florida Statutes*



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$13,816,082	\$15,052,692	\$15,072,021	\$15,527,686	\$15,600,000

Summary of Major Revenues - Grants

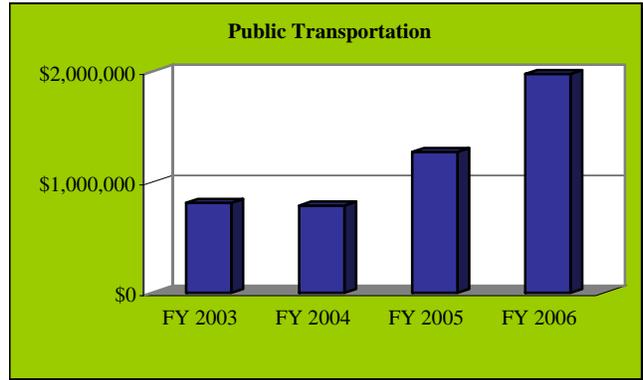


TRANSPORTATION DISADVANTAGED FUND

Public Transportation

Department: Community Services
 Source: Grants from the Florida Department of Transportation and the Commission for Transportation Disadvantaged

Legal: Chapter 427.011, Florida Statutes



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$813,936	\$788,317	\$1,272,253	\$1,977,450	\$3,194,420

LAKE COUNTY AFFORDABLE HOUSING ASSISTANCE TRUST FUND

Affordable Housing

Department: Community Services
 Source: Revenues are received from the State Housing Initiative Partnership Program for the creation of local housing partnerships and for the production of affordable housing. Amounts remitted to Lake County are based on a percentage of Documentary Stamp collections.

Legal: Sadowski Act, July 7, 1992, and Chapter 92-317, Laws of Florida



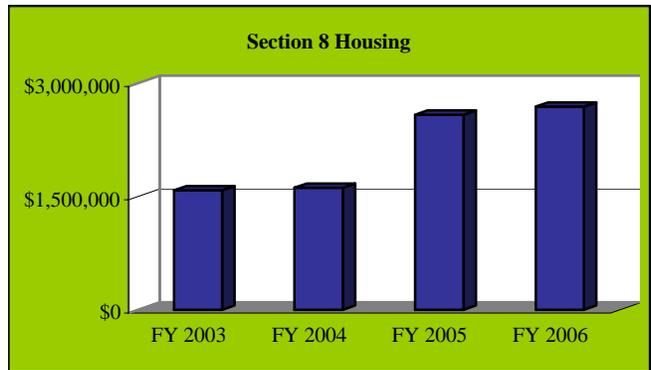
FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$1,909,750	\$2,921,035	\$1,834,995	\$2,441,416	\$2,386,988

SECTION 8 (COUNTY) FUND

Section 8 Housing Grant

Department: Community Services
 Source: This is a grant from the U.S. Department of Housing and Urban Development.

Legal: Housing and Community Development Act of 1974



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$1,582,946	\$1,614,834	\$2,582,488	\$2,691,725	\$2,678,399

Summary of Major Revenues - Grants



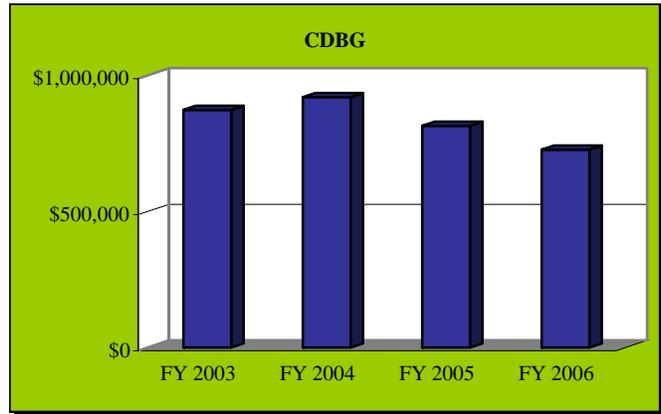
COMMUNITY DEVELOPMENT FUND

Community Development Block Grant (CDBG)

Department: Community Services

Source: Yearly entitlement from the Federal Government

Legal: Housing and Community Development Act of 1974



FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Actual Revenue</u>	<u>Budgeted Revenue</u>
\$873,550	\$920,172	\$815,500	\$727,709	\$1,588,868

Financial Conditions Indicators

The information contained on the following pages has been developed and included in this document in order to provide a long-range picture of the County’s financial condition. Introducing a long-range strategic planning aspect to the budget process is another method of ensuring that Lake County establishes its fiscal and annual policies with a clear vision of how they will affect the future.

The Board of County Commissioners has always reviewed individual expenditure patterns and revenue collections and projections (micro-economic indicators) prior to starting the budget process. This type of data is a necessary and valuable tool during the budget development process; however, it does not provide a macro perspective of the County’s future financial position.

The financial indicators used in this section have been identified by the International City Managers Association (ICMA) as the factors that should be used by local governments, and are also used by private financial rating agencies to evaluate a government’s ability to sustain debt service.

The primary advantages these macro-economic indicators offer are: (1) budget decisions are made with a better understanding of the overall financial health of the County; (2) emerging trends and problems are identified; and (3) when combined with the micro factors, the Board is able to determine how best to provide the level and quality of services required for the safety, health and welfare of the community.

The economic indicators have been separated for purposes of clarification. Each indicator is complete with a trend analysis in graphic form and a brief explanation of the impact each individual factor has on the County’s future. It is important to note that the financial condition information contained in this section only illustrates the emerging or existing trends and

does not attempt to explain why the trends are occurring. On the other hand, it does provide clues about potential issues and provides enough advance notice to be able to take action to correct or mitigate the impact of any possible problems.

Indicators analyzed include the following:

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Population Analysis

Description

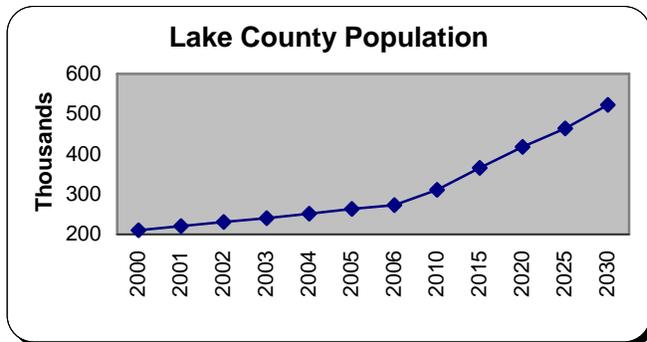
Population change can directly affect governmental revenues. For example, State Revenue Sharing and ½ Cent Sales Tax are distributed with population as a major contributing factor. Rapid increases may create an immediate need for new capital outlay and higher levels of service. These figures are based off the average of medium and high BEBR projections.

Warning Trend

Increases – Pressure for new capital outlay/improvements and new or enhanced service levels

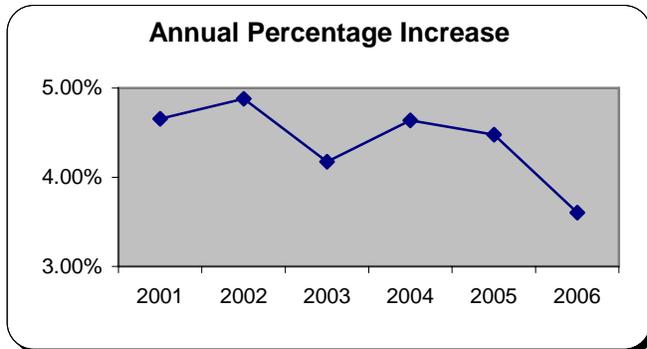
Formulas

Actual numbers and percentage change



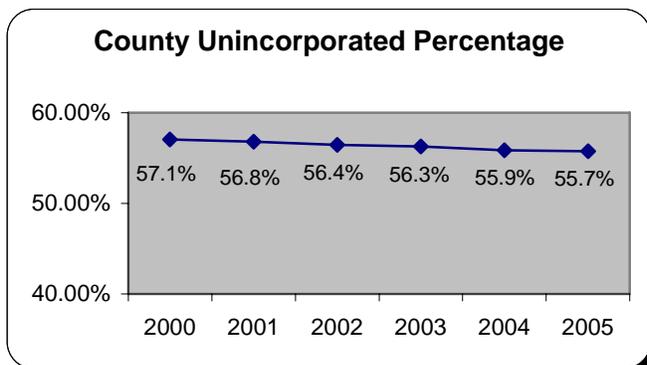
Lake County Population

Specific services provided by the County are affected by rapid growth. These include water supply, sewer and septic, traffic circulation and parking, waste disposal, open space, utility, and water/air quality. Growth puts pressure on the financial resources, which may not expand at the same rate as the need for those services. From 2000-2006, Lake County is averaging 4.40% growth. BEBR is projecting a 148% increase in population between 2000-2030.



County's Annual Population Increase

After strong increases in 2001 & 2002, the County is still showing continued steady growth that outpaces the State of Florida, from 2000 – 2006 (29.5% Lake; 14.4% Florida – US Census Bureau)



Unincorporated Percentage

The trend here shows that while the percent of total unincorporated population is slightly decreasing, it is relatively steady from 2000-2005.

Source: Bureau of Economic and Business Research 2005 (Medium/High Figures) and OrlandoEDC.com

Population Under 18 and Over 64

Description

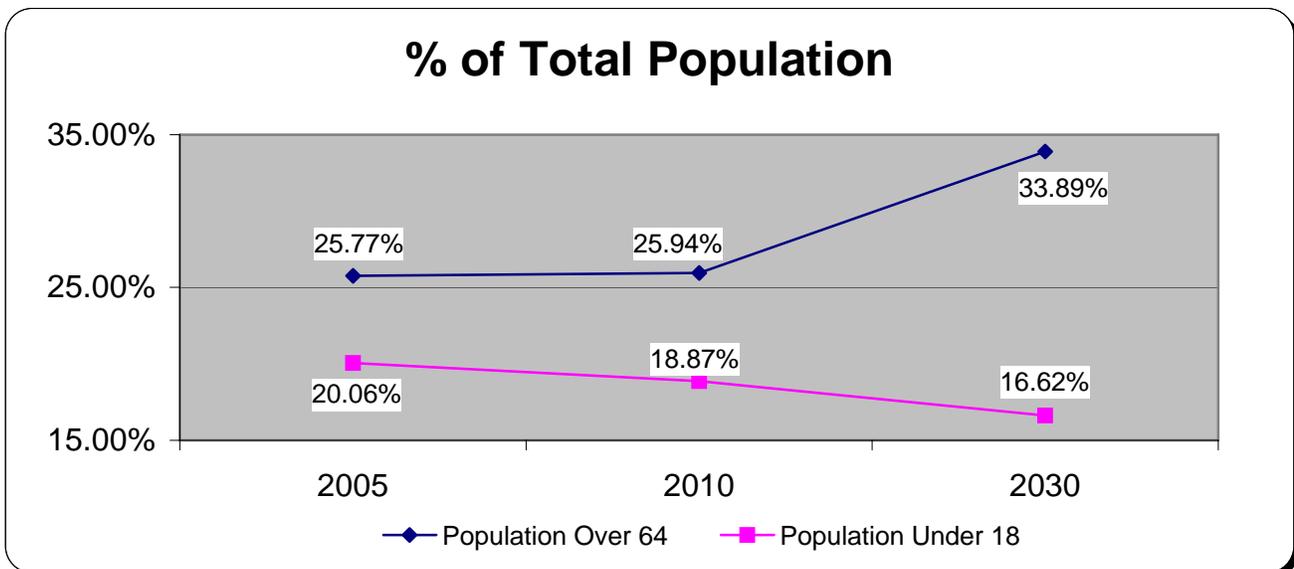
This measure helps define the County's needs from a population age vantage point. It is well known that those under 18 and over 64 require the largest number of resources. Reviewing, monitoring, and projecting these population segments will give indications to increasing services and accompanying resources that may be expected in future years.

Warning Trend

Increases in the percentage of those under 18 and over 64

Formula

Population under 18 and over 64 divided by the total population



Population Under 18

Sources indicate that the trend of the under 18 population slightly decreasing as a total percentage will continue through 2030.

Population Over Age 64

This trend continues to emphasize the need to provide services for the elderly. Indications are that this population segment will continue to represent a larger portion of the population through 2030.

Revenue Structure

Description

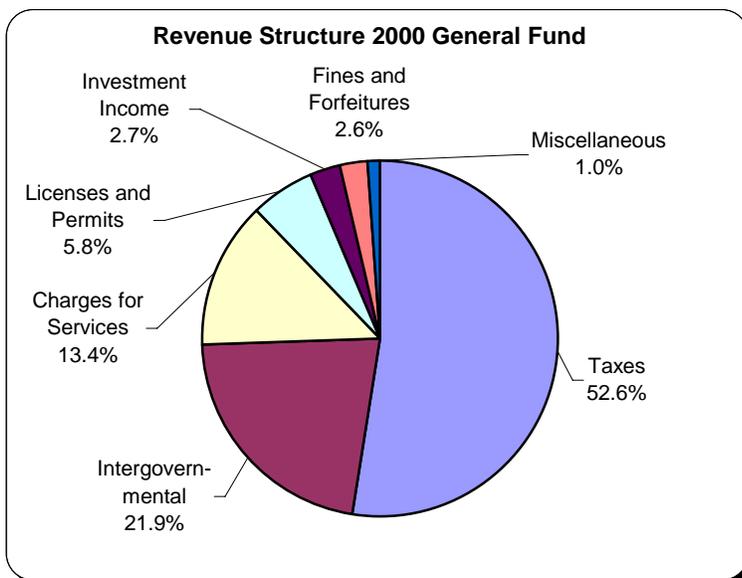
An analysis of how the revenue structure has changed over the past five years will tell the reader how the revenue burden may be shifting from one segment of the population to another (Example: Charges for Services vs. Taxes).

Warning Trend

Growth in the rates of some revenues exceeding growth in other revenue types

Formulas

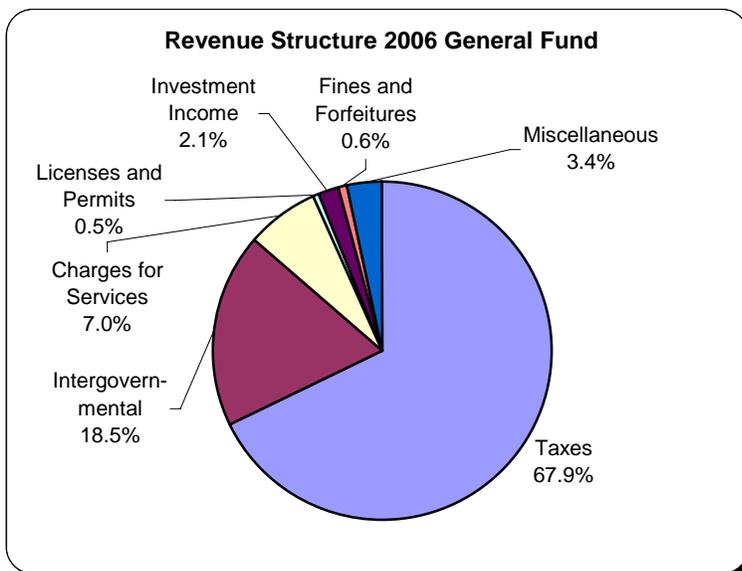
Major revenue categories divided by the total current year revenues in the General Fund



Analysis

A trend that emerges is the additional reliance on taxes. Currently, 67% of the General Fund revenue is attributed to taxes. This has increased from 52% in 2000.

Intergovernmental revenues represent 18.5% of the General Fund budget, a decrease of 3.4% since 2000.



Licenses and permits have been reduced from 5.8% to .5%. This is due to shifting of a majority of these revenues to the Building Services Fund in FY 2002.

The other General Fund revenue sources have remained relatively level.

Source: Lake County CAFR Documents 2000 & Budget Reports 2006

Financial Conditions Indicators

Property Taxes

Description

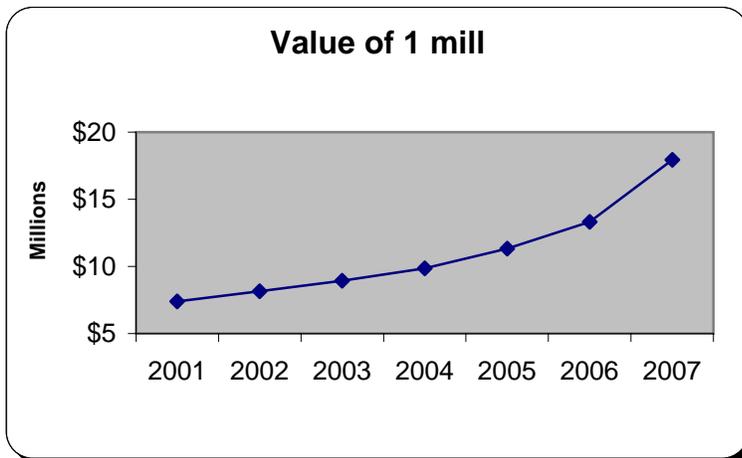
Since property taxes are the largest single revenue for funding services in Lake County, it is vital that this revenue source is monitored. Statutes restrict the maximum annual increase of homestead properties to 3% or the CPI, whichever is lower. In 2004, the maximum was 2.4%, and in 2005, it was 1.9%. For 2006, Department of Revenue reported that the CPI is 3.4%, so the increase will be the Save Our Homes limit of 3%. (Note: FY 06 property tax revenues projected at 95%)

Warning Trend

Significant changes in the value of a mill

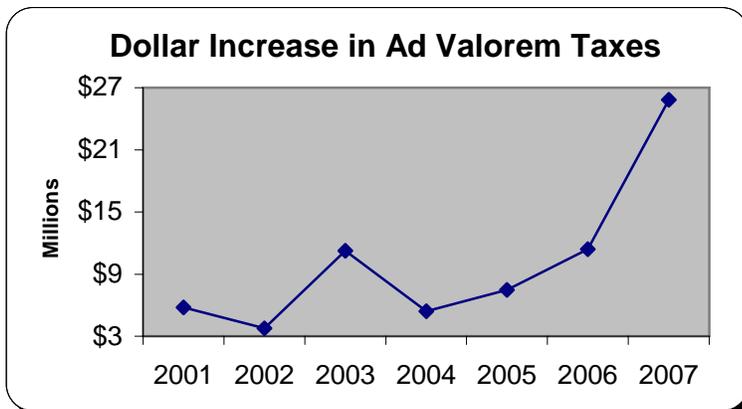
Formulas

Total ad valorem revenues received divided by the millage rate



Value of 1 Mill

This chart demonstrates that the value of Lake County property continues to rise. There has been a steady increasing trend in the value of a mill. In fact, the 2007 budget value of 1 mill is \$17.9 million. This is 142 % higher than the 2000 amount of \$6.7 million. This measure is also important to project future ad valorem revenues.



Dollar Increase in Ad Valorem Taxes

The millage increase in 2003 created strong growth in this revenue source. The 2006 Budget includes an increase of over \$13 million compared to the previous fiscal year. This increase in ad valorem revenues is attributable to the strong growth as seen in the value of a mill chart and new developments in the county.

	2002	2003	2004	2005	2006	2007
Millage Rate	5.117	5.917	5.917	5.817	5.797	5.747
Ad Valorem Revenue						
General Fund	\$41,666,496	\$52,917,573	\$58,349,562	\$65,824,140	\$77,925,883	\$103,073,567

Source: Lake County CAFR 2005 and Office of Budget figures

Residential vs. Commercial Assessed Value

Description

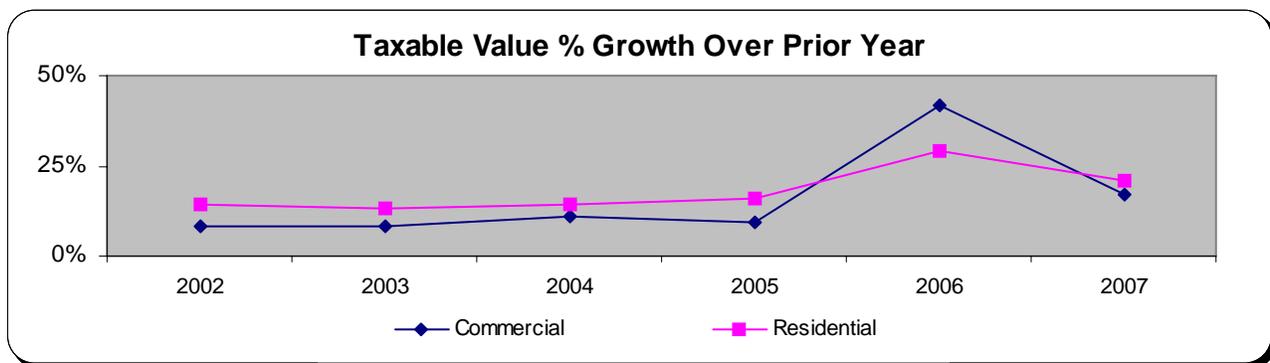
A review of property values by class will enable the reviewer to identify sectors in which change has occurred. The impact of those changes will be reflected in the County's ability to sustain its dependence on property taxes for the provision of quality levels of services in the General Fund. The figures here do not include vacant lands.

Warning Trend

Disproportional reliance on property owners vs. commercial properties

Formulas

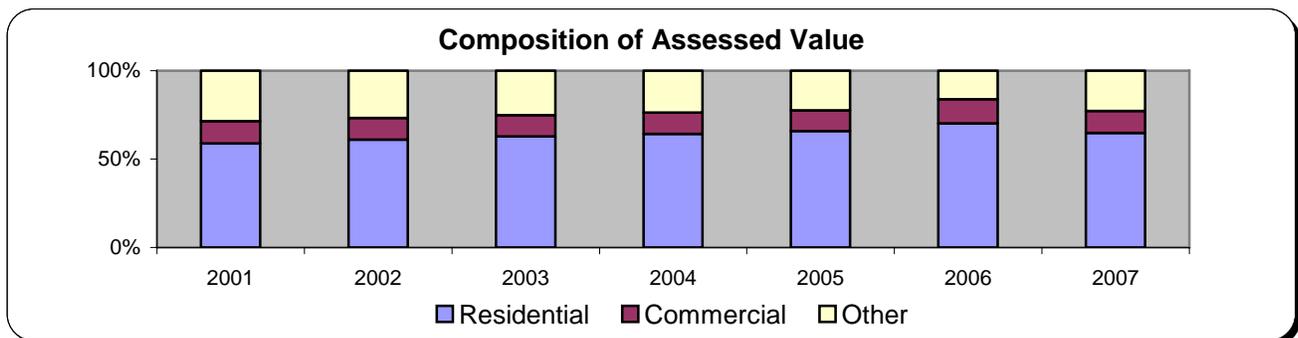
Individual class as a percentage of the total assessed taxable value



Residential and Commercial Taxable Value

Residential taxable value rates in Lake County have been supporting our strong growth, as evidenced by the graph. The growth has been at least 13% every year since 2002. In 2007, residential accounted for 64.83% of the total taxable value.

Growth in the industrial and commercial segment of taxable value is showing strong growth. In 2007, it grew at 17.30%, and accounted for 12.28% of total taxable value. This is slightly decreased from 13.69% in 2006.



This chart shows how the growth of the residential segment has affected the entire composition of the assessed value. Commercial has been reducing slightly as a percentage from 2001 – 2005, but increased in 2006 and remained steady in 2007. Finally, the growth in residential has reduced the other category, which is primarily composed of vacant lands assessed as neither residential nor commercial.

Source: Lake County Property Appraiser

Real vs. Tangible Property Value

Description

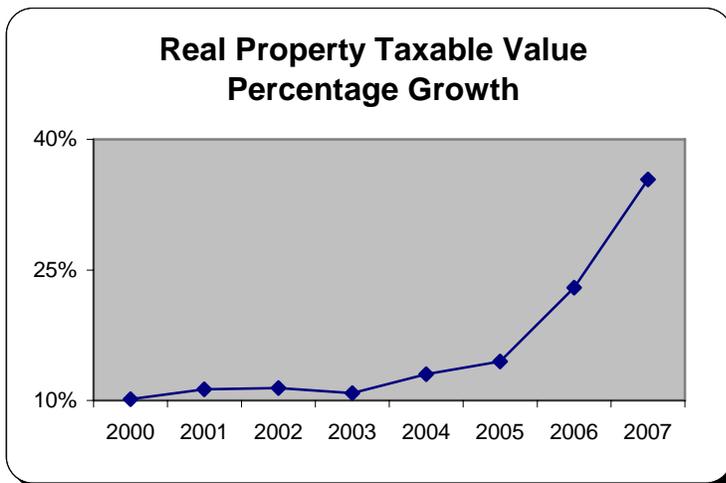
A review of the changes in property value is important because it is a major source of revenue. Communities experiencing population and economic growth are likely to experience short-run, per unit increases in property value. This is because the housing supply is relatively fixed, and an increase in demand created by growth will force prices up. On the other hand, a decline in property tax revenues is usually not a cause, but a symptom of other, underlying problems. This factor and indicator is a useful sign of the health of an organization.

Warning Trend

Declining growth or drop in market value of property

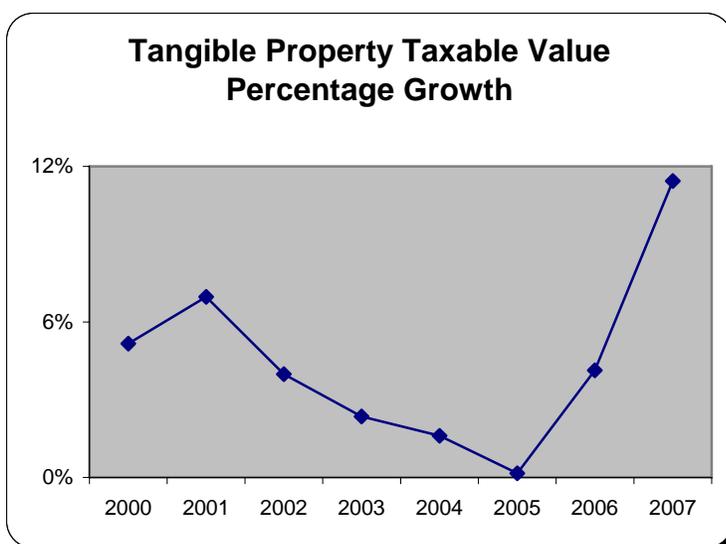
Formulas

Growth in real and tangible property values as opposed to the previous years value



Real Property Value

Real property consists of land value. As is evidenced by the tremendous growth in the County, the growth in the real property values has increased significantly, peaking at 35.38% in 2007. Currently, real property makes up 95% of the total taxable value.



Tangible Property

Tangible property represents items such as furniture and fixtures, which are taxable, but not captured as real property. The growth in tangible property has begun to increase. In 2007, the growth is 11.43%. This portion of our revenue stream must be considered in any long-term plans. Growth in tangible property is generally flat for two reasons. First, increasing technology causes tangible property to depreciate much quicker than in the past as it makes older technology obsolete. Second, this category does not appreciate in value like real property.

Source: Lake County Property Appraiser

Top Five Taxpayers

Description

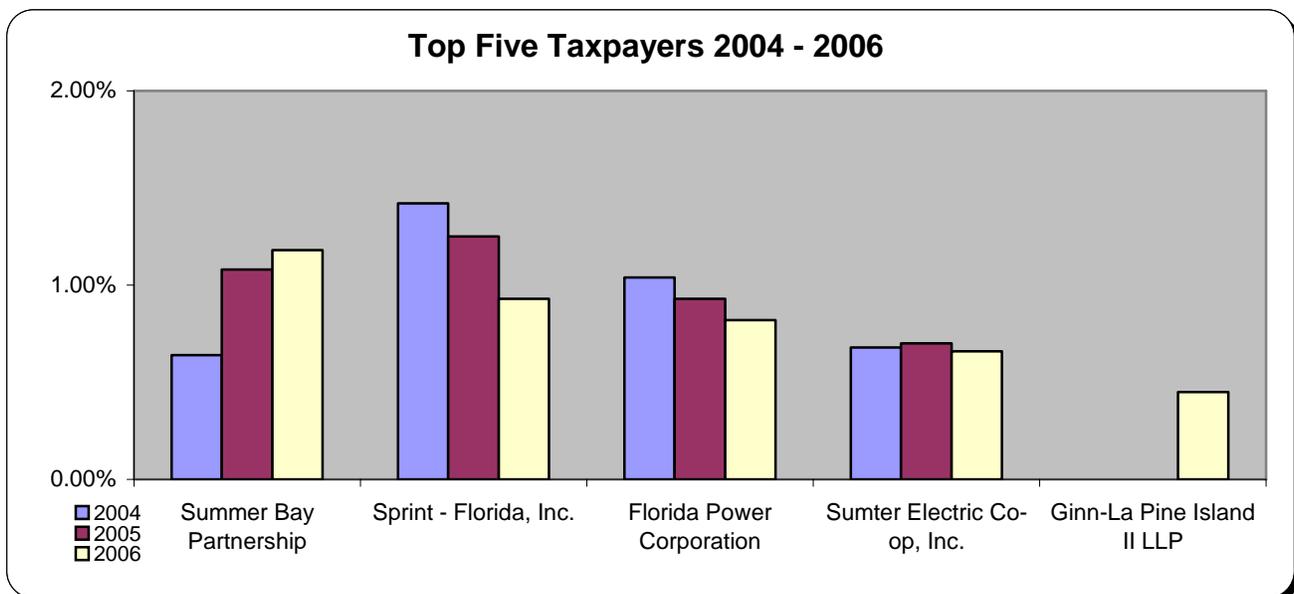
This measure indicates the concentration of property values in the community and helps to analyze how vulnerable the County would be if a few of the largest taxpayers were to relocate. The bond rating agencies use this indicator to determine the degree of concentration of revenues generated.

Warning Trend

Increasing and high percentage of values of top five taxpayers

Formulas

Assessed property value for one company divided by total property value



Top Five Taxpayers

The above chart shows the comparison of the 2003, 2004, and 2005 top five taxpayers. The trend here that is seen in four of the five taxpayers, excluding Summer Bay, is these represent a generally smaller portion of the tax base. To further illustrate this, the top ten taxpayers in Lake County consisted of 7.14% in 2002, 6.92% in 2003, 6.51% in 2004, and 5.5% in 2005. In 2006, the top ten taxpayers represented 5.41%. This indicates an economic base that is becoming more diversified. From previous data, it is clear that the tax base is expanding. Through this expansion and continued diversification, Lake County is in a better financial position. Diversification will continue to be monitored through the evaluation of the major taxpayers in Lake County.

Intergovernmental Revenues

Description

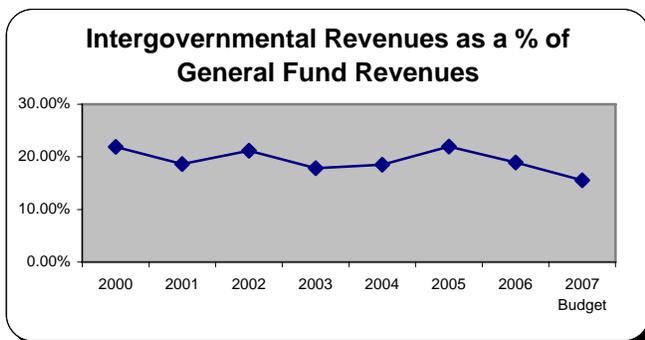
The State and Federal Governments continue to struggle with their own budget problems when the economy does not expand at the same rate as services demanded by their citizens. When this occurs, they frequently reduce or withdraw payments to local governments as a cutback measure. The reduction of intergovernmental funds leaves the local government with the challenge of funding the programs from other sources or cutting the programs.

Warning Trend

Changes in intergovernmental revenues as a percentage of operating revenues

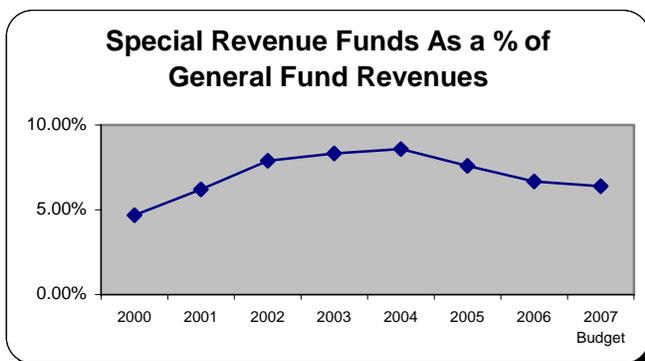
Formulas

Intergovernmental revenues divided by total operating revenues



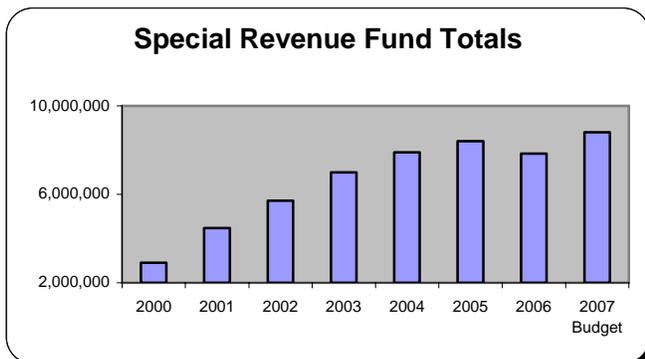
General Fund

The two primary sources of Intergovernmental Revenue in the General Fund are: 1) Revenue Sharing, which is a portion of sales and use tax collections, and 2) Sales Tax, which is based on a pro-rata share of ½ cent of the first six cents of sales and use tax. The 2005 figure excludes an additional \$22.3 million of Federal/State Hurricane funds. This revenue category is subject to legislative issues.



Special Revenue Funds

Intergovernmental revenues from State and Federal sources provide housing, transportation, and community development assistance to qualified persons and agencies.



Affordable Housing and Public Transportation (TD) grants are received from the state; Section 8 and Community Development Block Grant (CDBG) are Federally Funded. These charts depict the percentage and dollar impact upon the General Fund should these grants be eliminated, and the services continued.

Source: Lake County CAFR Documents 2000-2005 and Budget Documents 2007

Per Capita Revenues

Description

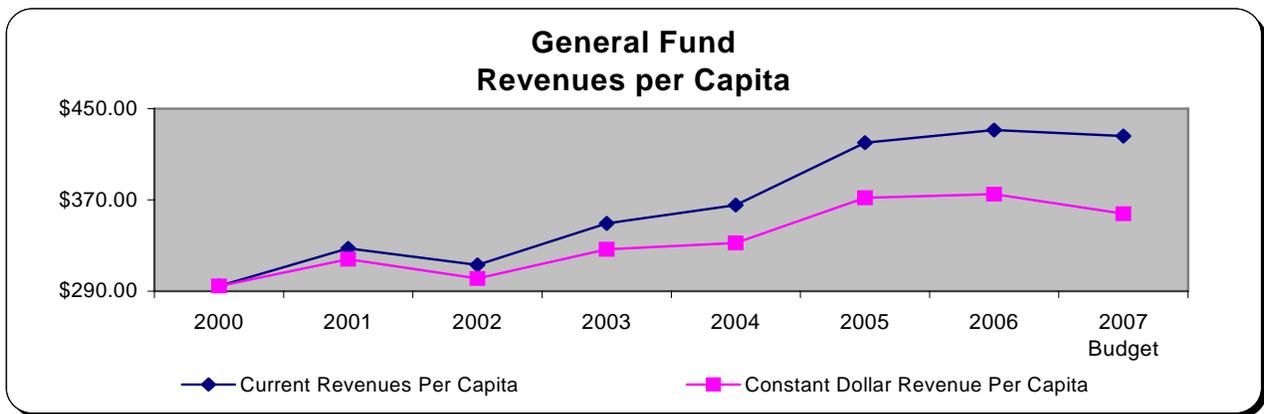
Reviewing per capita revenue gives the reader an indication of revenue patterns in relation to the population of the County. A steady trend would indicate that revenues were remaining stable with the current population. A decreasing trend would indicate that the County might not be able to maintain current service levels. Constant dollars as shown below have been adjusted for inflation and population growth.

Warning Trend

Decreasing revenues per capita

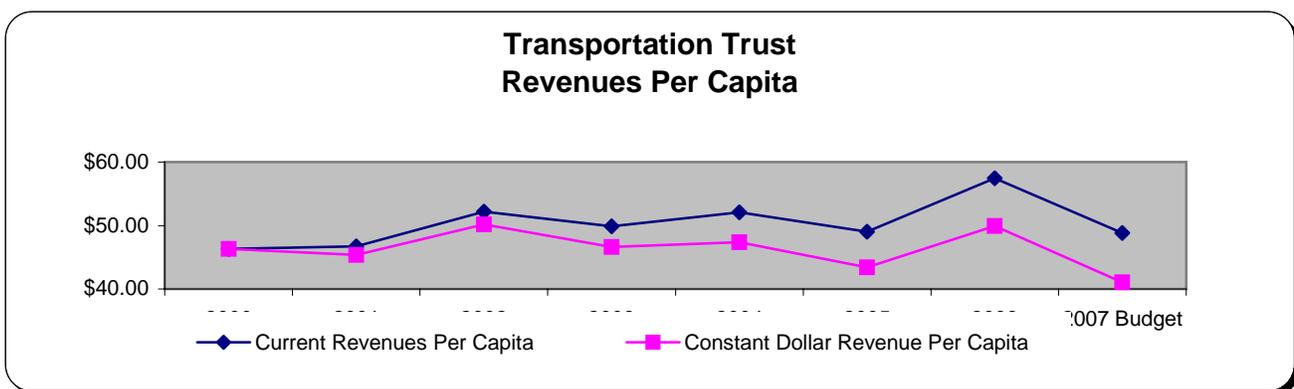
Formulas

Current and Constant revenues divided by population



General Fund

Both current and constant revenues per capita have trended upward after the decrease in 2002. The 2005 figure excludes \$22.3 million in hurricane reimbursements/grants. The 2007 amount is \$357.88 in constant dollars.



Transportation Trust Fund

The prevailing trend in this chart depicts fairly level spending in the Transportation Trust Fund per capita. 2007 revenues from the state are expected to be less than in previous years.

Source: Lake County CAFR Documents 2000-2005 and Budget Documents.

Expenditure Structure – General Fund

Description

The relative percentages of each group to the total helps the County analyze the overall expenditures of the General Fund. Bond raters review expenditure composition and stability, in concert with revenue patterns. This section presents expenditure structure by area in Fiscal Years 2000 and 2004.

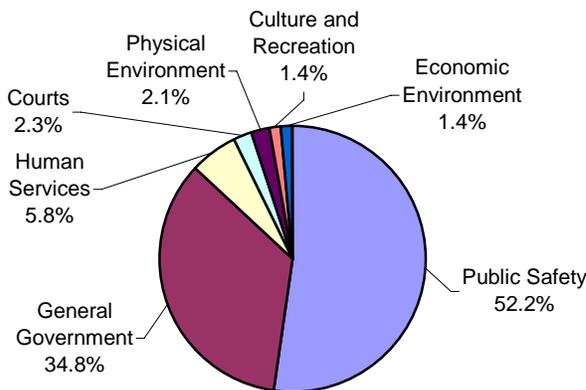
Warning Trend

Increasing expenditures for one function as a percentage of total operating expenditures

Formulas

Expenditures for one category divided by the total operating expenditures

Expenditure Structure General Fund 2000

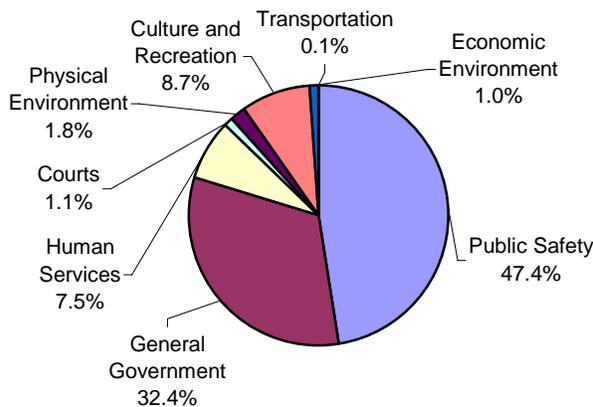


Analysis

Comparing these two charts provides a perspective on the expenditures made from the General Fund. One observation is the percentage of funds spent on Public Safety decreased from 52% to 47%. \$22.3 million of hurricane-related expenditures were excluded for comparison purposes in 2005. The percentage spent on General Government has decreased slightly from 35% to 33%.

At the same time, expenditures spent on Courts have decreased dramatically since 2000. This was expected as revenues and expenditures directed to the County were reduced due to Article V. Culture and Recreation has increased due to expenditures for Ferndale Preserve and PEAR Park.

Expenditure Structure General Fund 2005



In addition to the changes, Lake County has continued to keep pace with demands from growth in the critical categories of Human Services, Physical Environment, and Economic Environment.

Source: Lake County CAFR Documents 2000-2005

Expenditures by Function – General Fund Detail General Government

Description

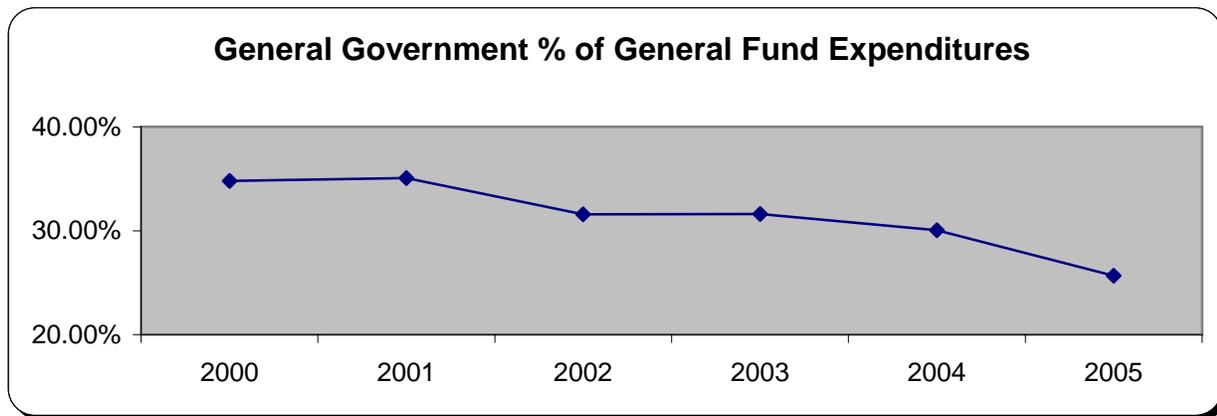
This page represents one of the seven major functions: General Government.

Warning Trend

Increasing expenditures for one function as a percentage of total operating expenditures

Formulas

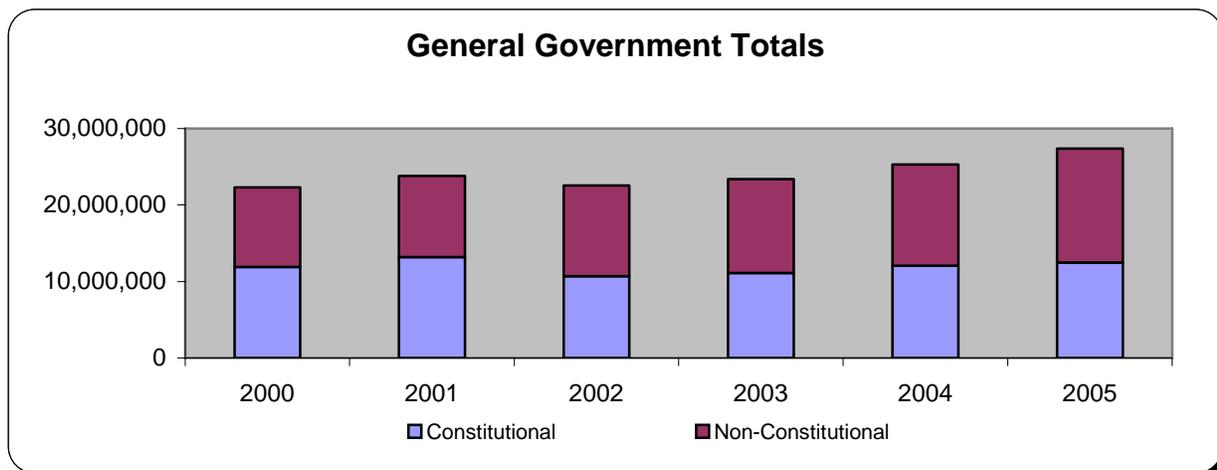
Expenditures for one category divided by the total operating expenditures



General Government

Services: Budget Office, Employee Services, Constitutional Offices (Excludes Sheriff and Court Functions), Facilities Management, Planning, Zoning, and other Board administrative functions.

Analysis: The percentage of costs attributed to General Government has decreased since peaking in 2001. The decrease in 2002 is attributed to a reclassification of Clerk of Court Costs, which decreased the General Government expenditures and increased Court expenditures.



A large portion of General Government costs is attributed to Constitutional Offices. In 2005, they were 45.6% of General Government costs, compared to 53.4% in 2000.

Source: Lake County CAFR Documents 2000-2005

Expenditures by Function – General Fund Detail *Public Safety, Courts, and Human Services*

Description

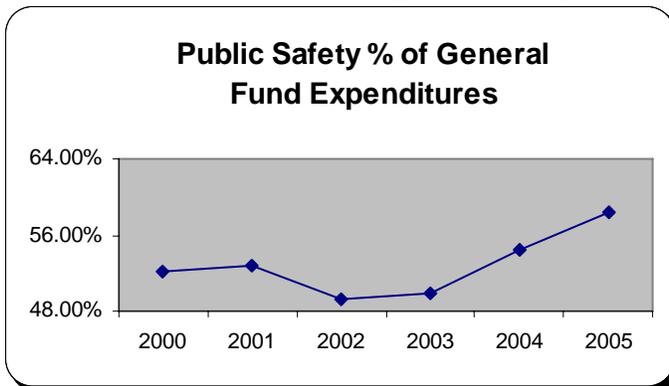
This page represents three of the seven major functions: Public Safety, Courts, and Human Services.

Warning Trend

Increasing expenditures for one function as a percentage of total operating expenditures

Formulas

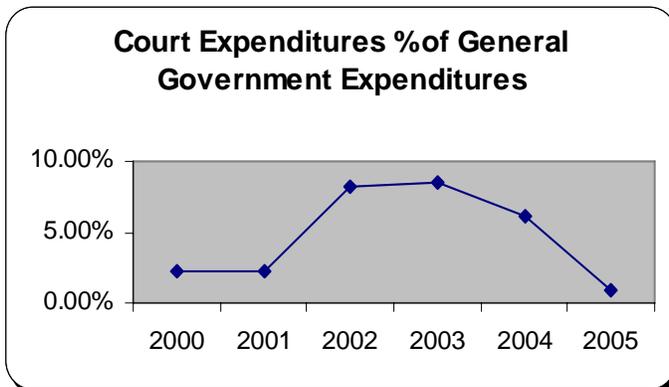
Expenditures for one category divided by the total operating expenditures



Public Safety

Services: Emergency and disaster relief, Law Enforcement – road patrol, jail, bailiffs, code enforcement, county probation, and Office of the Medical Examiner.

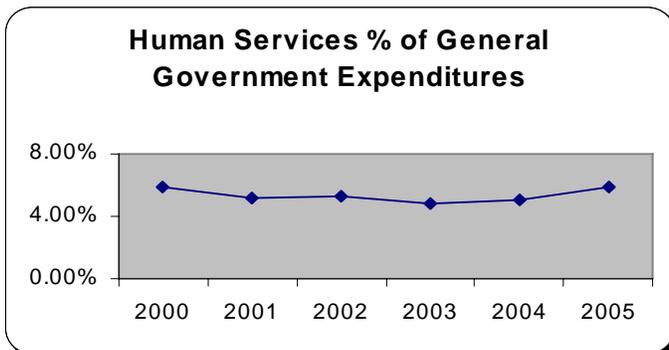
Analysis: The 2002 decrease is due to the creation of the Building Services Fund, which shifted these expenditures to a Special Revenue Fund. 2005 includes \$22.3 million for hurricane preparation, supplies, and debris removal.



Courts

Services: State Attorney, Public Defender, Guardian Ad Litem, and Circuit Judges.

Analysis: The 2002 increase is a function of reclassified Clerk of Court costs from General Government to Courts. After costs peaked in 2002 and 2003, the implementation of Article V occurred in July 2004. The full year of Article V implementation had significantly reduced the Court Expenditures.



Human Services

Services: Assistance for low-income residents for rent, utilities, medical bills; hardship payments for fire and solid waste assessments; indigent burials, children's services, and animal control.

Analysis: In spite of potential reduction in this area by the State Legislature, this category has remained relatively flat.

Source: Lake County CAFR Documents 2000-2005

Expenditures by Function – General Fund Detail *Culture and Recreation, Physical Environment, and Economic Environment*

Description

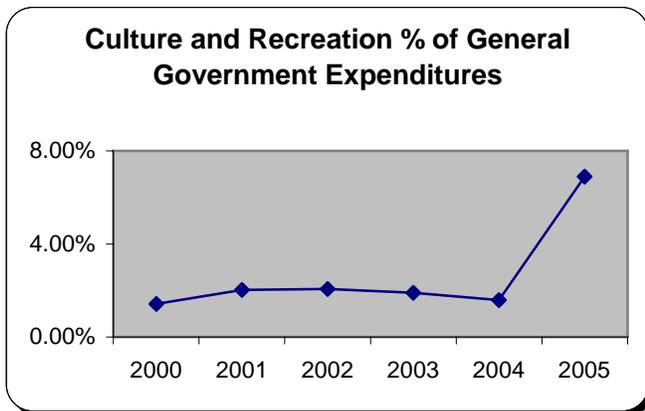
This page represents three of the seven major functions: Culture and Recreation, Physical Environment, and Economic Environment.

Warning Trend

Increasing expenditures for one function as a percentage of total operating expenditures

Formulas

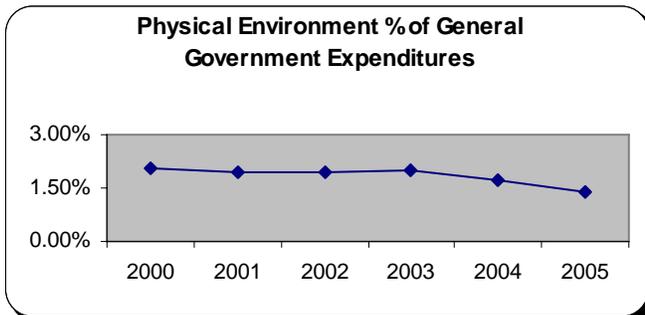
Expenditures for one category divided by the total operating expenditure



Culture and Recreation

Services: Park maintenance, park development, fairgrounds, and the historical museum.

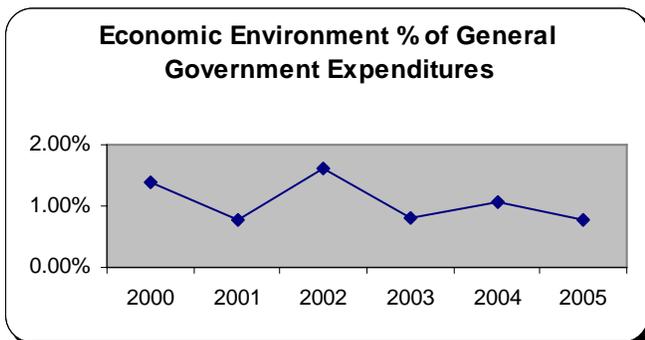
Analysis: The percentage spent on this category has remained relatively flat 2000 - 2004. 2005 includes \$5.8 million of expenses for Ferndale Preserve and PEAR Park-Gateway parcel.



Physical Environment

Services: Aquatic plant management, mosquito control management, agricultural cooperative extension, horticultural education, soil and water conservation management.

Analysis: Percentage of expenditures in this category has remained relatively level. In 2000, it was 2.07% and in 2005, was 1.39%.



Economic Environment

Services: Jobs Growth Incentive Fund, Community Redevelopment Agencies, and Veterans' Services.

Analysis: Percent of expenditures in this category has decreased slightly since 2000, from 1.4% to .78% in 2005.

Source: Lake County CAFR Documents 2000-2005

Employees per Capita – Summary

Description

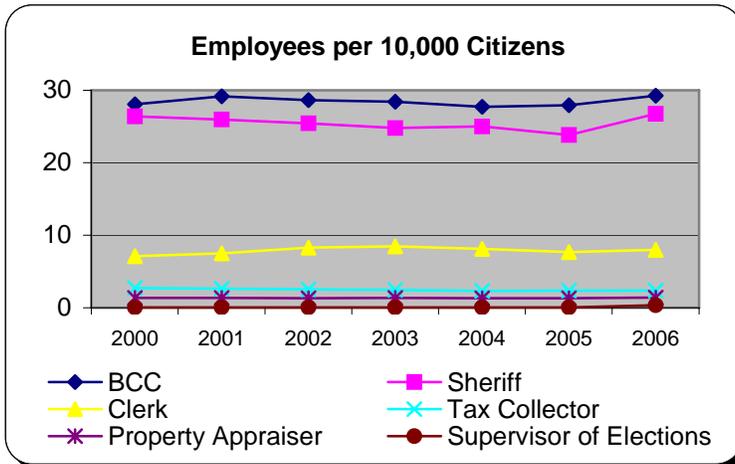
This analysis shows the changes in per capita employees for the Board of County Commissioners and each Constitutional Office.

Warning Trend

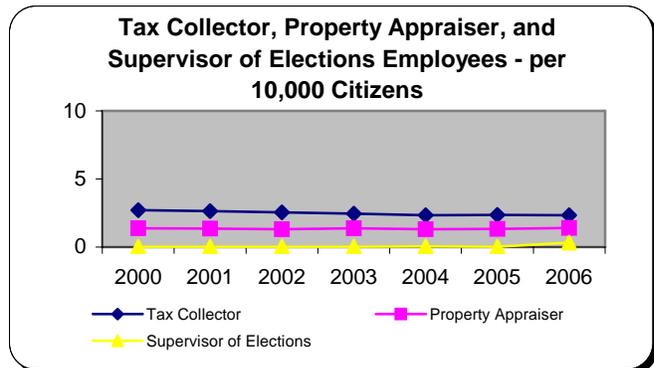
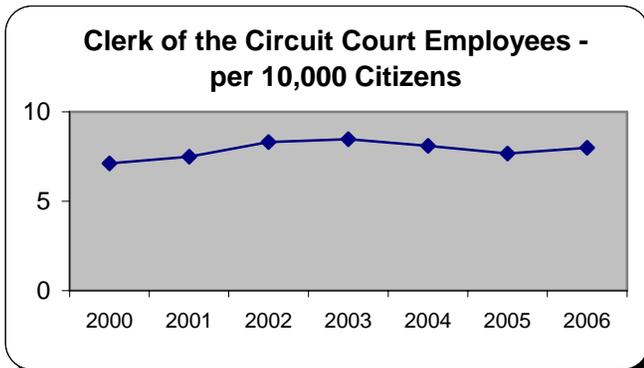
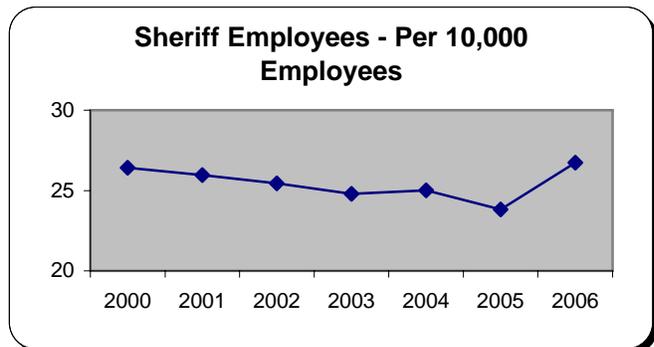
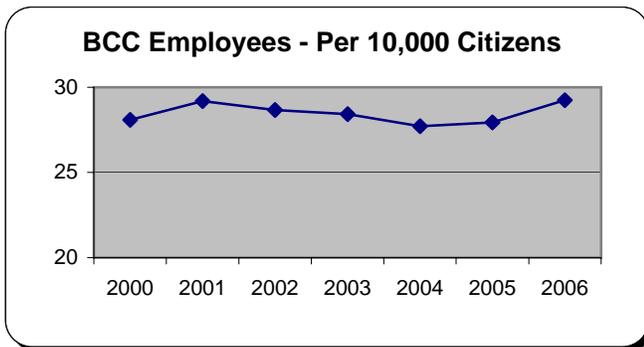
Change in number of employees per capita

Formulas

Number of employees divided by population



Employees per Capita
Based on budgetary constraints and benchmark indicators, the County and each Constitutional Office must evaluate internal efficiencies combined with increasing demands for services. This method helps determine appropriate staffing for each group.



Source: Lake County Budget Office and Bureau of Economic and Business Research 2005

Employees per Capita – Various BCC Funds

Description

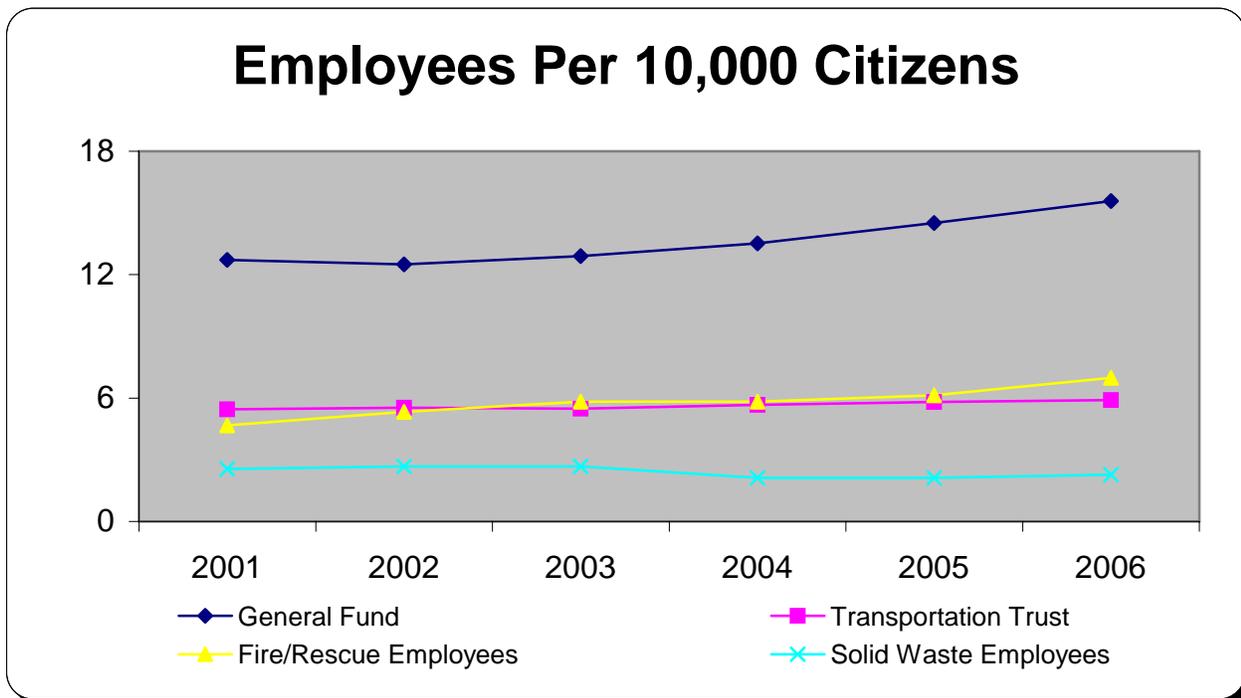
Personnel expenditures are a major cost of a local government's operating budget. Plotting changes in the number of employees per capita may indicate that either the County is becoming more efficient, or that the County's staffing is not keeping pace with the demands from growth.

Warning Trend

Change in number of employees per capita

Formulas

Number of employees divided by population



Employees Per Capita

The chart above illustrates how the number of employees per fund has kept pace with the number of citizens. This graph shows slight increases in General Fund, Transportation Trust Fund, and Fire Rescue, which is justified by higher revenues per capita in these funds, as well as the increased demand that accompanies an expanding community. The decreasing trend in Solid Waste can be attributed to contracting recycling services and downsizing internal operations. The larger General Fund employees include Library Services, Animal Control, Parks and Trails, Probation, Extension Services, Geographic Information Services, Code Enforcement, Current Planning, Facilities Maintenance, Information Technology, and many other administrative offices.

Source: Lake County Budget Office and Bureau of Economic and Business Research 2005

Fringe Benefits

Description

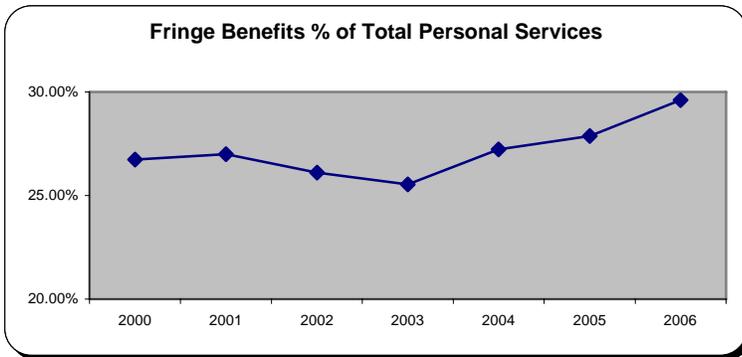
Fringe benefits represent a significant portion of operating costs. The figures below include: Social Security match, insurance, retirement, workers' compensation, and unemployment compensation contributions. Because these benefits represent a significant expenditure, it is vital to note warning trends and assess the ability of the County to control or mitigate the impact of significant increases.

Warning Trend

Increasing fringe benefits as a percentage of total Personal Services expenditures

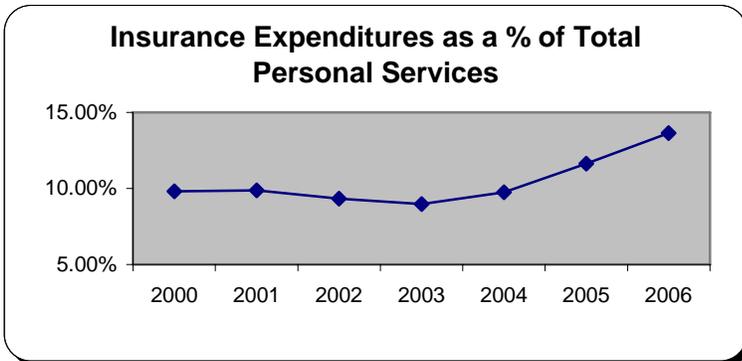
Formulas

Fringe benefit expenditures divided by total Personal Services expenditures



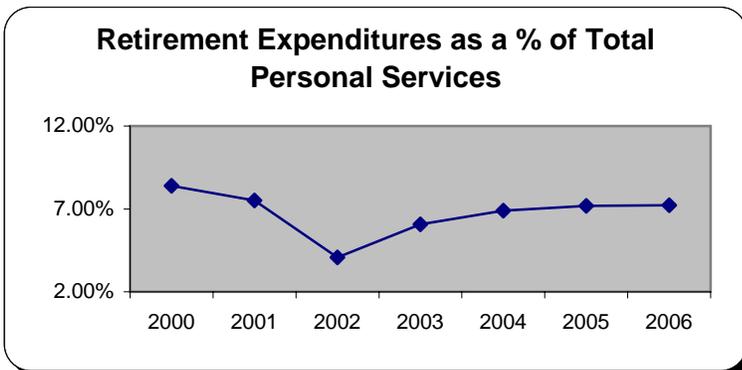
Total Fringe Benefits

Fringe benefits as a percentage of total personal services declined in both 2002 and 2003, and are increasing since the 2004 fiscal year. The main factors contributing to this increase are shown in the charts below.



Insurance Expenditures

This chart is very similar in trend to the Total Fringe Benefit chart above. Again, insurance costs as a percentage of total personal services decreased in 2002 and 2003. However, in 2005 and 2006, these costs represent a higher percentage of expenditures. The total 2006 budget projects expenditures of over \$8.1 million. The average increase is 16.8% per year 2001-2006 Budget.



Retirement Expenditures

The Florida Retirement System determines the retirement rates. The rates were lowered from 2000-2002, and began rising again in 2003. The rate was 7.83% for regular class employees in FY 2006.

Source: Lake County Budget Office

Operating Surplus or Deficit

Description

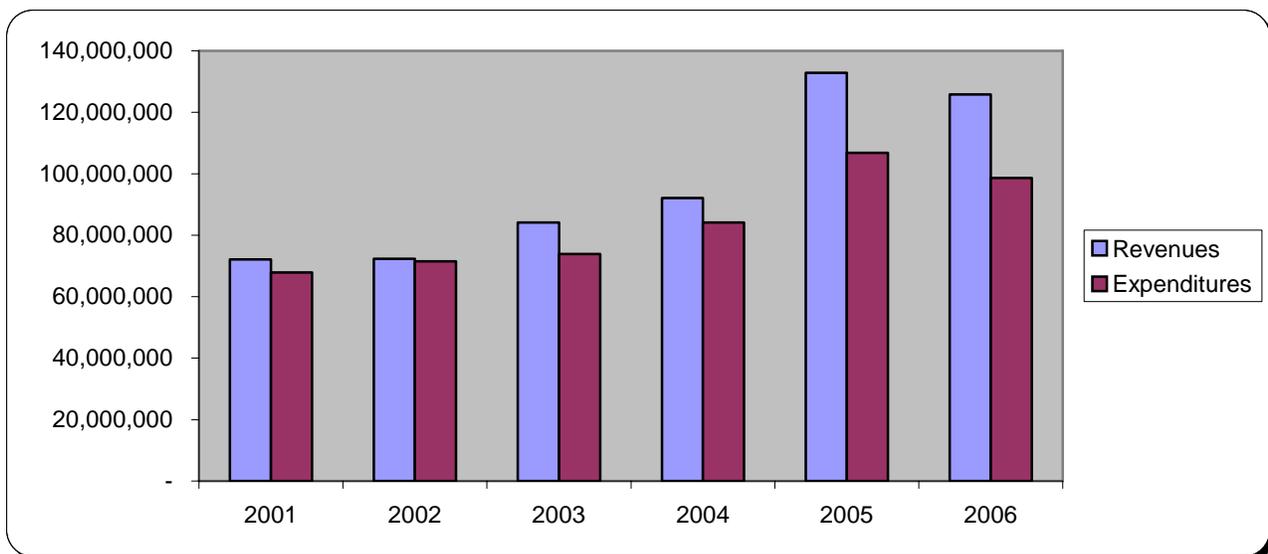
An operating surplus or deficit is formed when expenditures are less than current revenues, or exceed revenues, respectively. An operating deficit does not always indicate an out of balance budget, as other resources, such as reserves can be used to balance funds. It would indicate however, that the entity is spending more than it is collecting, and measures may need to be taken to re-align current spending with revenues.

Warning Trend

Current expenditures exceed current revenues

Formulas

General Fund current revenues and current expenditures



Analysis

For the last four fiscal years, current revenues have exceeded current expenditures. 2005 includes \$22.3 million for hurricane related reimbursements and \$5.7 million for Ferndale Preserve and PEAR Park.

Credit Rating Benchmark

A credit-rating firm would regard a current-year operating deficit as a minor warning signal. Policies and the reasons would be evaluated.

In addition, the following conditions could possibly signal further investigation:

- Two consecutive years of operating deficits
- A current operating fund deficit greater than that of the previous year
- An operating fund deficit in two or more of the last five years
- An abnormally large deficit – larger than 5-10% - in one year

Source: Lake County CAFR Documents 2000-2006 (2006 CAFR uncompleted)

Unrestricted Reserves

Description

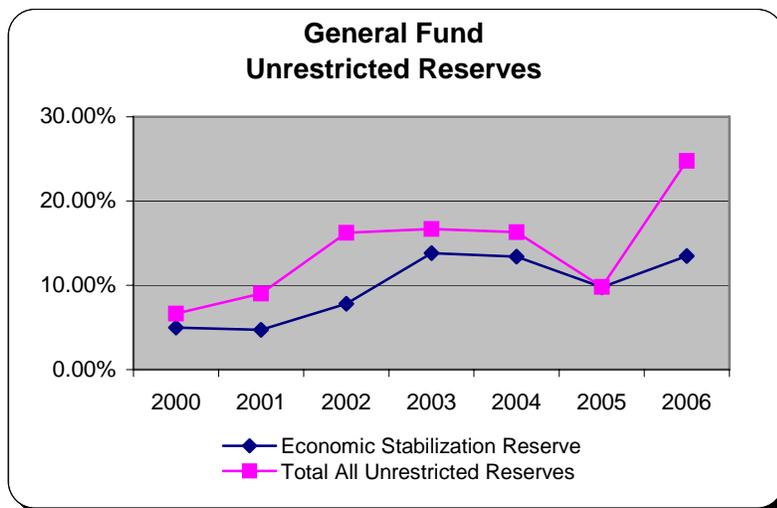
The size of a local government's reserves can affect its ability to withstand financial emergencies. It can also affect its ability to accumulate funds for capital purchases without borrowing. The graph on this page represents the unrestricted reserves remaining in the General Fund at the end of Fiscal Years 2000-2005, and the current unrestricted reserves for 2006. The 2006 figure includes mid-year adjustments.

Warning Trend

Declining unreserved fund balance as a percentage of budgeted expenditures

Formulas

Unrestricted General Fund reserve amounts at the end of the fiscal year divided by expenditures



← 10% line depicts minimum recommended Lake County Policy level

Economic Stabilization Reserve

In April 2003, the Board of County Commissioners adopted an *Economic Stabilization Reserve* policy, which follows the Government Finance Officers Association (GFOA) Recommended Practice. The GFOA policy (2002) recognizes the guideline of a General Fund reserve of between 8.3% and 16.6% of the expenditures for the fiscal year. Ten percent is the minimum target for the Lake County Economic Stabilization Reserve. The purpose for this reserve is to set aside funds when needed in economic downturns or catastrophic emergencies. In an emergency, funds may be used from the Economic Stabilization Reserve, but must be repaid the following year.

All Unrestricted Reserves

In addition to the *Economic Stabilization Reserve*, this figure includes two other unrestricted reserves. *The Reserve for Operations* allows for a limited amount of funding for unanticipated expenditures for current operations. *The Reserve for Contingency* allows for appropriations of a non-recurring nature. When expenditures of a recurring nature are appropriated from this account, future funding must be identified.

Source: Lake County Financial Reports and CAFR Documents 2000-2005

Financial Conditions Indicators

Liquidity

Description

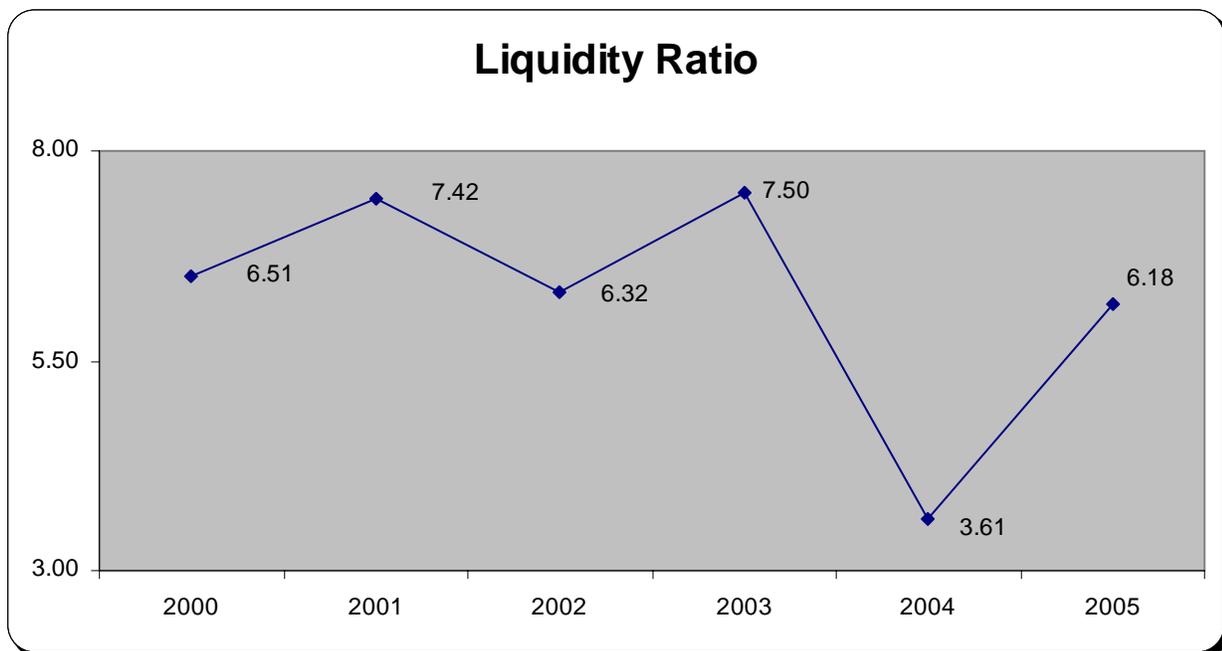
A good measure of a local government’s short-run financial condition is its cash position. Cash position including cash on hand and in the bank as well as other assets that can easily be converted to cash, determines a government’s ability to pay for short-term obligations. The immediate effect of insufficient liquidity is insolvency – the inability to pay bills. This indicator is known as “current account analysis”.

Warning Trend

Decreasing amount of cash and short-term investments as a percentage of current liabilities

Formulas

Cash and short-term investments divided by current liabilities



Liquidity

The liquidity ratio helps to assess the ability of Lake County to sustain a strong financial position. This indicator would be the first sign of a cash shortage for the County. This indicator, although showing a decrease in 2004, would only be a warning sign for impending challenges if the numbers were below 1.00. The 2005 figure is more consistent with previous years. Additional expenditures/liabilities in 2004 lowered the liquidity in this year.

The chart indicates a sound cash position with 2005 General Fund cash and short term investments exceeding current liabilities by 6.18 times.

Long-Term Debt

Description

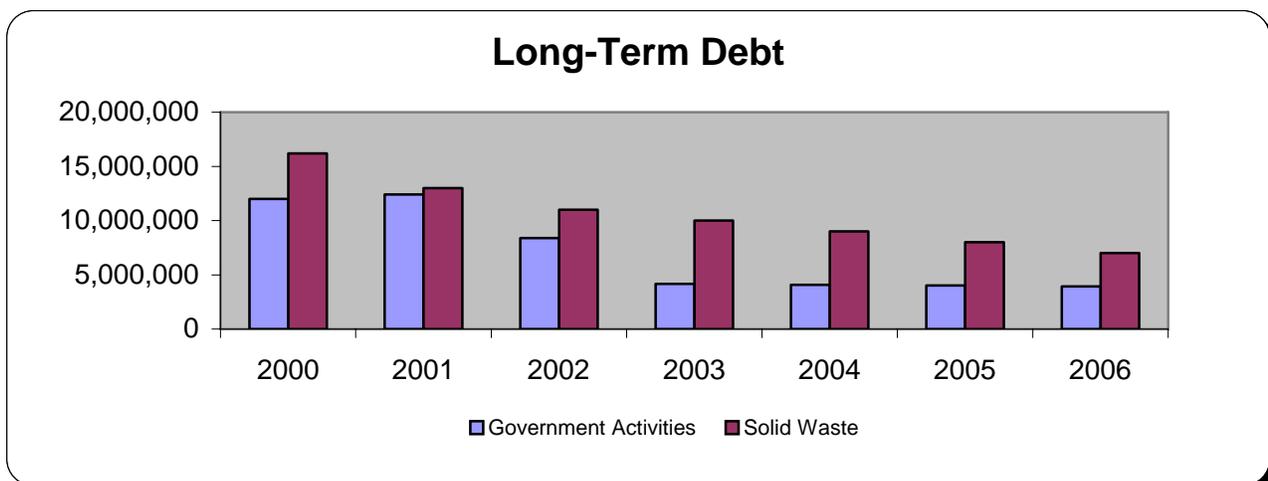
Bond rating agencies will review the level of long-term debt, recognizing that accelerated debt issuance can overburden a county. However, low debt profile may not be a positive credit factor, since that may indicate under-investment in capital projects. There are two types of debt. "Direct Debt" is bonded debt for which the County pledges general tax revenues. Lake County currently has no direct debt. However, the Environmental Lands Program, approved by voters in November 2004, will be direct debt when issued. The second type of debt is "Self-Supporting Debt". This is bonded debt that the county has pledged to repay from a special, separate revenue source. The chart below highlights the current level of long-term, self-supporting debt in Lake County.

Warning Trend

Increasing debt with decreasing repayment sources

Formulas

Amount of long-term debt



Long-Term Debt

The County's remaining outstanding debt from governmental activities is approximately \$4.0 million as of September 30, 2006. This outstanding debt is being repaid from the pari-mutuel revenues. These bonds were issued to fund countywide recreation projects.

Solid Waste Note Payable

Funds are budgeted annually to repay this amount at \$1 million per year from the Solid Waste Enterprise Fund.

Potential Future Debt

Lake County is currently in the process of reviewing the issuance of debt for the Environmental Lands Program, as approved by voter referendum. This amount could be issued for up to \$36 million. The County is also reviewing the options for the issuance of Sales Tax bonds for funding of capital facility improvements.

Source: Lake County CAFR Documents 2000-2006 (2006 CAFR uncompleted)

Capital Assets

Description

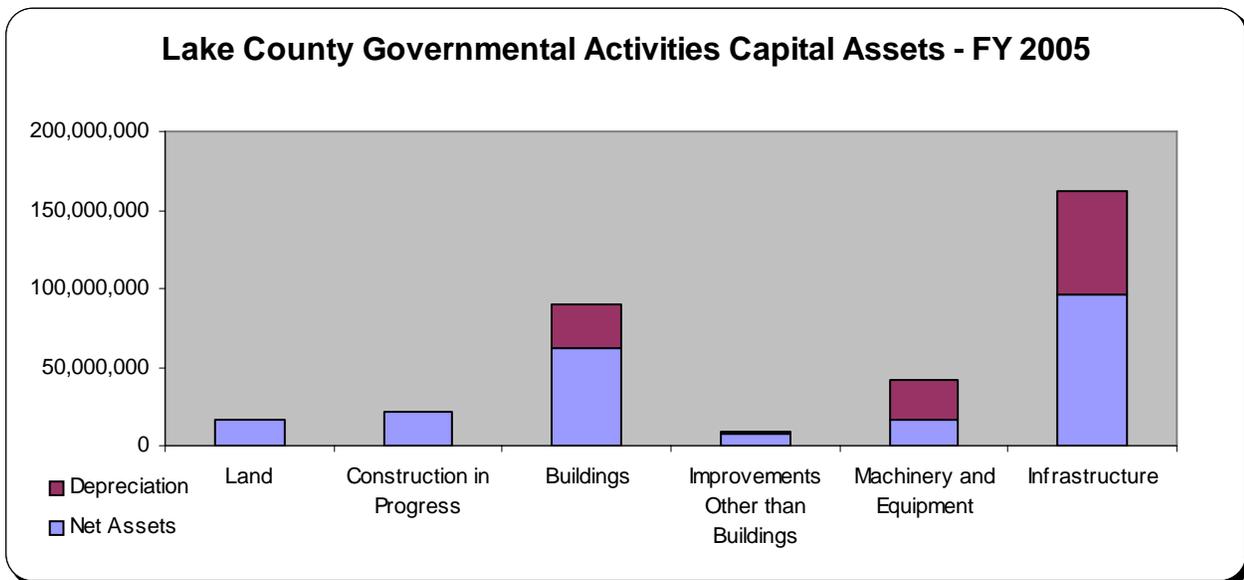
In Fiscal Year 2002, the County's Finance Department reclassified the County's capital assets in accordance with a requirement of the Governmental Accounting Standards Board. Because of this reclassification, the County is now able to review the total assets.

Warning Trend

Aging infrastructure

Formulas

Fixed assets with associated depreciation



Summary of Accounting Procedures

The County follows Generally Accepted Accounting Principles and guidelines set forth by the Governmental Accounting Standards Board (GASB). The values placed in the accounting records represent the original purchase price or, if donated, the estimated fair market value at the time of receipt. Neither land nor construction work in progress is depreciated.

The County began accounting for the cost, and depreciation of infrastructure (roads, bridges, curbs, gutters, streets, sidewalks, drainage systems, and lighting systems) beginning in 2002. The amounts shown on this graph are representative of all assets through September 30, 2005.

Depreciated Value

For Fiscal Year 2005, the County's buildings were depreciated by 30.4%, improvements other than buildings by 9.8%, machinery and equipment by 59.8%, and infrastructure by 40.6%.

Source: Lake County CAFR Documents 2005

Roads Maintenance Efforts

Description

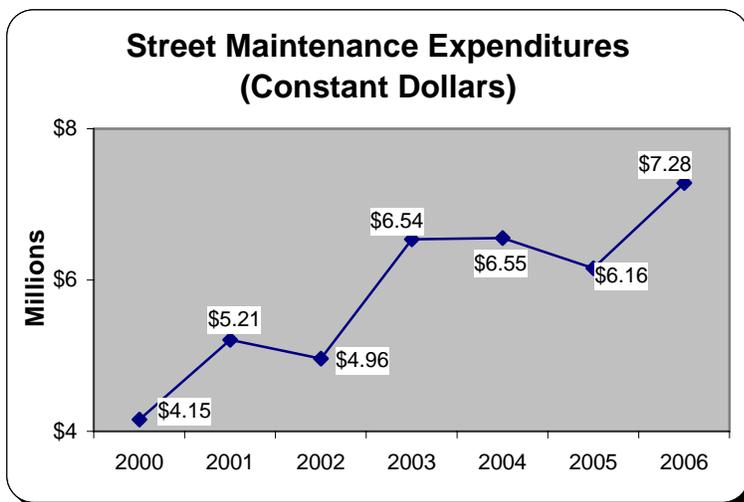
Enduring assets are built at a large cost and their decline can have far-reaching effects on business activity, property value, and operating expenditures. Staff should monitor costs such as these to determine if increased maintenance costs would warrant increased capital expenditures. The figures on the graphs below have been adjusted for inflation.

Warning Trend

Declining expenditures for maintenance of roads per unit of asset (constant dollars)

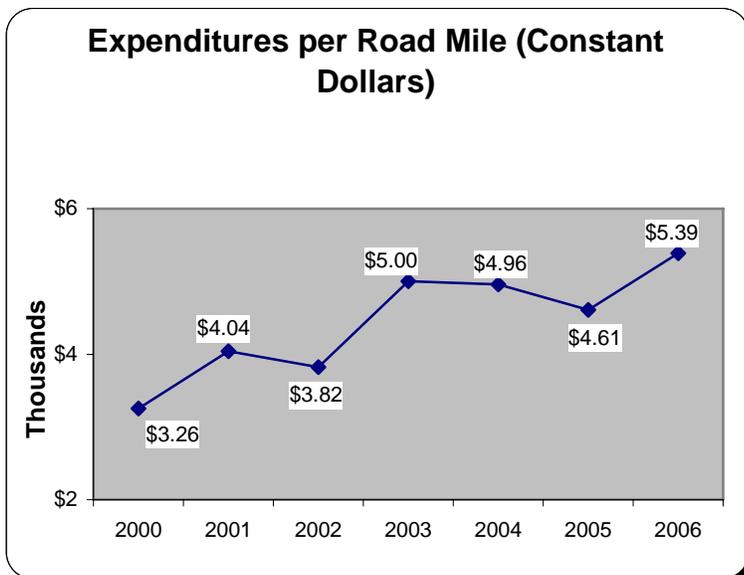
Formulas

Expenditures for repair and maintenance of roads (constant dollars)/Quantity of assets



Maintenance Effort – Roads

In general, maintenance expenditures should remain relatively stable (in constant dollars) relative to the number of assets. From the data presented in the chart, spending on road maintenance has increased by over \$3.1 million (constant dollars) since 2000.



Expenditures per Road Mile

The chart indicates a general trend toward higher cost per road mile over the last five years. It is important to look at this type of analysis, because it demonstrates the cost of aging infrastructure. Other possible areas for future analysis include: maintenance per acre of park, maintenance per square foot of buildings, maintenance per traffic signal, and maintenance per mile of sidewalk. This type of analysis shows the per capita cost of these assets.

Source: Lake County Public Works Department 2007