

BASIC FINANCIAL STATEMENTS



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City of Palm Coast, Florida
Statement of Net Assets
September 30, 2003

	Governmental Activities
ASSETS	
Equity in pooled cash and investments	\$ 16,689,522
Receivables - net	319,306
Due from other governments	943,531
Prepaid items	7,292
Inventories	9,997
Capital assets (net of accumulated depreciation):	
Land	67,812,181
Buildings and improvements other than buildings	2,225,766
Infrastructure	97,648,848
Equipment	2,472,144
Construction in progress	1,256,076
	189,384,663
Total assets	
LIABILITIES	
Accounts payable and other current liabilities	1,671,322
Due to other governments	808,594
Customer deposits	56,604
Deferred revenue	782
Noncurrent liabilities:	
Due within one year	321,121
Due in more than one year	447,825
	3,306,248
Total liabilities	
NET ASSETS	
Invested in capital assets, net of related debt	171,361,402
Restricted for:	
Specific capital projects	18,168
Unrestricted	14,698,845
	186,078,415
Total net assets	\$ 186,078,415

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



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City of Palm Coast, Florida
Statement of Activities
For the Year Ended September 30, 2003

Functions/Programs	Program Revenues			Capital Grants	Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants		
Primary government:					
Governmental activities:					
General government	\$ 6,979,556	\$ 5,157,949	\$ 79,750	\$ -	\$ (1,741,857)
Public safety	2,837,067	871,075	3,352	-	(1,962,640)
Transportation and physical environment	5,449,800	1,692,582	-	151,000	(3,606,218)
Culture and recreation	687,477	1,634,750	-	-	947,273
Interest on long-term debt	39,515	-	-	-	(39,515)
Total governmental activities	\$ 15,993,415	\$ 9,356,356	\$ 83,102	\$ 151,000	(6,402,957)
General revenues:					
Property taxes					6,539,567
Sales and use taxes					2,112,667
Franchise fees					103,024
Telecommunication services tax					1,500,863
Intergovernmental revenue					1,676,669
Unrestricted investment earnings					186,128
Miscellaneous					131,716
Loss on sale of capital assets					(20,803)
Total general revenues					12,229,831
Change in net assets					5,826,874
Net assets - beginning					180,251,541
Net assets - ending					\$ 186,078,415

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

City of Palm Coast, Florida
Balance Sheet
Governmental Funds
September 30, 2003

	General	Park Impact Fee Special Revenue	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Equity in pooled cash and investments	\$ 5,868,809	\$ 2,763,058	\$ 5,974,742	\$ 1,980,899	\$ 16,587,508
Accounts receivable - net	41,360	-	-	-	41,360
Notes receivable - current	29,607	-	-	-	29,607
Due from other governments	723,247	-	-	220,284	943,531
Notes receivable - noncurrent	230,693	-	-	-	230,693
Prepaid items	7,292	-	-	-	7,292
Total assets	\$ 6,901,008	\$ 2,763,058	\$ 5,974,742	\$ 2,201,183	\$ 17,839,991
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,229,687	\$ 5,500	\$ 142,548	\$ -	\$ 1,377,735
Accrued liabilities	269,974	-	-	-	269,974
Due to other governments	808,594	-	-	-	808,594
Customer deposits	56,604	-	-	-	56,604
Deferred revenue	782	-	-	-	782
Total liabilities	2,365,641	5,500	142,548	-	2,513,689
Fund balances:					
Reserved for:					
Encumbrances	571,714	-	1,085,606	118,578	1,775,898
Specific capital projects	18,168	-	-	-	18,168
Notes receivable - noncurrent	230,693	-	-	-	230,693
Unreserved, reported in:					
General fund	3,714,792	-	-	-	3,714,792
Special revenue funds	-	2,757,558	-	2,082,605	4,840,163
Capital projects funds	-	-	4,746,588	-	4,746,588
Total fund balances	4,535,367	2,757,558	5,832,194	2,201,183	15,326,302
Total liabilities and fund balances	\$ 6,901,008	\$ 2,763,058	\$ 5,974,742	\$ 2,201,183	\$ 17,839,991

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

City of Palm Coast, Florida
 Reconciliation of the Balance Sheet to the Statement of Net Assets
 Governmental Funds
 September 30, 2003

Fund balances - total governmental funds	\$	15,326,302
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		170,533,891
Internal services funds are used by management to charge the costs of data processing, insurance, fleet lease and maintenance, building maintenance, and internal loans to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		984,545
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		<u>(766,323)</u>
Net assets of governmental activities	\$	<u>186,078,415</u>

City of Palm Coast, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2003

	General	Park Impact Fee Special Revenue	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$9,458,394	\$ -	\$1,134,647	\$ 978,020	\$ 11,571,061
Licenses and permits	4,209,977	-	-	-	4,209,977
Intergovernmental revenue	2,140,974	-	-	-	2,140,974
Charges for services	805,027	-	-	41,060	846,087
Fines and forfeitures	134,490	-	-	24,891	159,381
Impact fees	-	1,532,811	-	780,514	2,313,325
Investment earnings	84,784	22,477	61,260	17,607	186,128
Miscellaneous	247,616	-	-	-	247,616
Total revenues	17,081,262	1,555,288	1,195,907	1,842,092	21,674,549
EXPENDITURES					
Current:					
General government	6,841,677	-	-	-	6,841,677
Public safety	2,647,050	-	-	34,175	2,681,225
Transportation and physical environment	3,365,153	-	-	-	3,365,153
Culture and recreation	602,408	-	-	-	602,408
Capital outlay:					
General government	44,555	-	56,548	-	101,103
Public safety	55,640	-	348,377	-	404,017
Transportation and physical environment	1,493,825	-	413,472	658,425	2,565,722
Culture and recreation	12,755	22,019	443,004	-	477,778
Debt service:					
Principal	78,933	-	2,520,000	-	2,598,933
Interest and Other	17,024	-	16,013	-	33,037
Total expenditures	15,159,020	22,019	3,797,414	692,600	19,671,053
Excess of revenues over (under) expenditures	1,922,242	1,533,269	(2,601,507)	1,149,492	2,003,496
OTHER FINANCING SOURCES AND (USES)					
Transfers in	-	-	670,622	310,000	980,622
Transfers out	(1,096,522)	-	-	-	(1,096,522)
Loan and capital lease proceeds	98,811	-	-	-	98,811
Total other financing sources (uses)	(997,711)	-	670,622	310,000	(17,089)
Net change in fund balances	924,531	1,533,269	(1,930,885)	1,459,492	1,986,407
Fund balances - beginning	3,610,836	1,224,289	7,763,079	741,691	13,339,895
Fund balances - ending	<u>\$4,535,367</u>	<u>\$2,757,558</u>	<u>\$5,832,194</u>	<u>\$ 2,201,183</u>	<u>\$ 15,326,302</u>

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

City of Palm Coast, Florida
 Reconciliation of the Statement of Revenues, Expenditures,
 And Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 Governmental Funds
 For the Year Ended September 30, 2003

Net change in fund balances - total governmental funds		\$ 1,986,407
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.</p>		
Expenditures for capital assets	3,548,620	
Less current year depreciation	<u>(2,232,578)</u>	1,316,042
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Contributed property and equipment		-
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, the governmental funds report the effect of issuance costs when debt is first issued, whereas amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		2,493,644
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		(373,138)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.</p>		
		<u>403,919</u>
Change in net assets of governmental activities		<u>\$ 5,826,874</u>



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City of Palm Coast, Florida
Statement of Net Assets
Proprietary Fund
September 30, 2003

	<u>Governmental Activities - Internal Service Fund</u>
ASSETS	
Current assets:	
Equity in pooled cash and investments	\$ 102,014
Miscellaneous receivables	17,646
Inventories	9,997
Total current assets	<u>129,657</u>
Noncurrent assets:	
Equipment	995,491
Less accumulated depreciation	<u>(114,367)</u>
Total capital assets (net of accumulated depreciation)	<u>881,124</u>
Total assets	<u>1,010,781</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	22,837
Accrued liabilities	776
Compensated absences	1,656
Total current liabilities	<u>25,269</u>
Noncurrent liabilities:	
Compensated absences	967
Total liabilities	<u>26,236</u>
 NET ASSETS	
Invested in capital assets	881,124
Unrestricted	103,421
Total net assets	<u>\$ 984,545</u>

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

City of Palm Coast, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended September 30, 2003

	<u>Governmental Activities - Internal Service Fund</u>
Operating revenues:	
Charges for services	\$ 609,035
Total operating revenues	<u>609,035</u>
Operating expenses:	
Administrative	230,938
Depreciation	<u>95,928</u>
Total operating expenses	<u>326,866</u>
Operating income (loss)	282,169
Nonoperating revenues:	
Investment revenue	276
Gain (loss) on disposal of capital assets	<u>5,574</u>
Total nonoperating revenues	<u>5,850</u>
Income before transfers	288,019
Transfers in	<u>115,900</u>
Change in net assets	403,919
Total net assets - beginning	<u>580,626</u>
Total net assets - ending	<u>\$ 984,545</u>

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

City of Palm Coast, Florida
Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2003

	<u>Governmental Activities - Internal Service Fund</u>
Cash flows from operating activities	
Cash received from governmental customers	\$ 592,414
Cash payments for goods and services	(174,721)
Cash payments to employees	(68,271)
Net cash provided (used) by operating activities	<u>349,422</u>
Cash flow from noncapital financing activities	
Transfer from other funds	115,900
Net cash provided by noncapital activities	<u>115,900</u>
Cash flow from capital and related financing activities	
Proceeds from sale of capital assets	59,422
Acquisition and construction of capital assets	(637,340)
Net cash provided (used) by capital and related financing activities	<u>(577,918)</u>
Cash flow from investing activities	
Interest on investments	276
Net cash provided by investing activities	<u>276</u>
Net decrease in cash and cash equivalents	(112,320)
Beginning cash and cash equivalents	214,334
Ending cash and cash equivalents	<u>\$ 102,014</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 282,169
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	95,928
Change in assets and liabilities	
Accounts receivables	(16,621)
Inventories	(9,997)
Accounts payable	(4,283)
Accrued liabilities	2,226
Net cash provided by operating activities	<u>\$ 349,422</u>

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