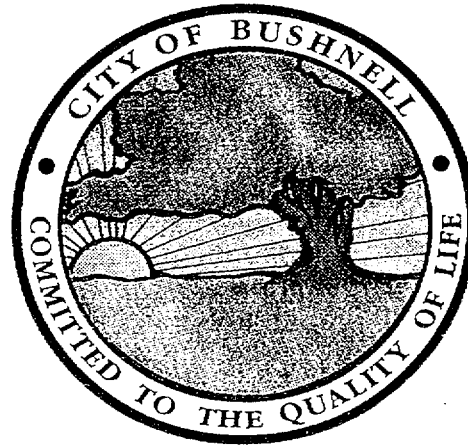


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**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**



**FISCAL YEAR ENDED
SEPTEMBER 30, 1999**

Florida

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF BUSHNELL, FLORIDA
FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 1999**

PREPARED BY OFFICE OF CITY CLERK

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**CITY OF BUSHNELL, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 1999**

INTRODUCTORY SECTION

	Page
City Council Elected and Appointed Officials	i
Letter of Transmittal	ii - xii
Organizational Chart	xiii

FINANCIAL SECTION

	<u>Exhibit</u>	
INDEPENDENT AUDITORS' REPORT		1 - 2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW):		
Combined Balance Sheet - All Fund Types and Account Groups	1	4 - 5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	2	6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types	3	7
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types	4	8
Combined Statement of Cash Flows - All Proprietary Fund Types	5	10-11
Combined Statement of Changes in Net Plan Assets - Pension Trust Funds	6	12
Notes to Financial Statements		13-33

**COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP
FINANCIAL STATEMENTS AND SCHEDULES**

GENERAL FUND:

Comparative Balance Sheets	A - 1	38
Comparative Statement of Revenues Expenditures, and Changes in Fund Balance	A - 2	39
Schedule of Revenues - Budget and Actual	A - 3	40-41
Schedule of Expenditures - Budget and Actual	A - 4	42-43

**CITY OF BUSHNELL, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 1999**

**COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP
FINANCIAL STATEMENTS AND SCHEDULES (continued)**

	<u>Statement/ Schedule</u>	<u>Page</u>
SPECIAL REVENUE FUNDS:		
Combining Balance Sheet	B - 1	46
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B - 2	47
Evergreen Cemetery Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B - 3	48
Community Development Block Grant Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B - 4	49
ENTERPRISE FUNDS:		
Combining Balance Sheet	C - 1	52-54
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	C - 2	55
Combining Statement of Cash Flows	C - 3	56-57
Statement of Revenues, Expenses, and Changes in Retained Earnings - Budget and Actual Electric Utility Fund	C - 4	58
Statement of Revenues, Expenses, and Changes in Retained Earnings - Budget and Actual Water Utility Fund	C - 5	59
Statement of Revenues, Expenses, and Changes in Retained Earnings - Budget and Actual Waste Water Utility Fund	C - 6	60
Statement of Revenues, Expenses, and Changes in Retained Earnings - Budget and Actual Sanitation Fund	C - 7	61

**CITY OF BUSHNELL, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 1999**

**COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP
FINANCIAL STATEMENTS AND SCHEDULES (continued)**

	<u>Schedule</u>	<u>Page</u>
FIDUCIARY FUNDS:		
Combining Balance Sheet	D - 1	64
GENERAL FIXED ASSETS ACCOUNT GROUP:		
Schedule of General Fixed Assets - By Source	E - 1	66
Schedule of Changes in General Fixed Assets - By Function and Activity	E - 2	67
Schedule of General Fixed Assets - By Function and Activity	E - 3	68
STATISTICAL SECTION		
	<u>Table</u>	
General Governmental Expenditures by Function	1	70
General Governmental Revenues by Source	2	71
General Governmental Tax Revenues by Source	3	72
Property Tax Levies and Collections	4	73
Assessed and Estimated Actual Value of Property	5	74
Property Tax Rates - Direct and Overlapping Governments	6	75
Principal Taxpayers	7	76
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures	8	77
Schedule of Electric Utility Revenue Debt Coverage	9	78
Schedule of Water Revenue Debt Coverage	10	79
Demographic Statistics	11	80
Property Values and New Construction	12	81

**CITY OF BUSHNELL, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 1999**

STATISTICAL SECTION (continued)

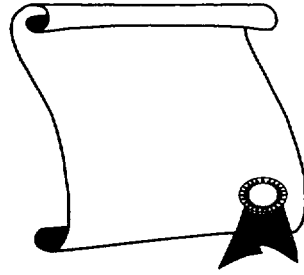
	<u>Table</u>	<u>Page</u>
Miscellaneous Statistics	13	82
Schedule of Insurance Coverage	14	84-85

REGULATORY AND COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards and State Financial Assistance		89
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting		91-93
Independent Auditor's Report on Examination of Management's Assertion about Compliance with Specified Requirements		94
Management Letter		95-97
Management Response		99-102

INTRODUCTORY SECTION

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CITY COUNCIL ELECTED OFFICIALS

Mayor	Joseph P. Strickland Jr.
Vice Mayor	Ronald E. Morris
Councilman	Billy K. Williams
Councilman	Dale Swain
Councilman	Warren Maddox
City Clerk	N. Joy Coleman

APPOINTED OFFICIALS

City Manager	Vince Ruano
Public Safety Director	George (Eddie) Lovett
Utilities Superintendent	Herschel Stone
Director of Public Works	Ronnie Pitts

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CITY OF BUSHNELL

219 N. Market Street
P.O. Box 115



Bushnell, Florida 33513
(352) 793-2591
Fax (352) 793-2711

July 13, 2000

To the citizens of The City of Bushnell:

The comprehensive annual financial report of the City of Bushnell for the fiscal year ended September 30, 1999, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the city. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the city. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

FINANCIAL STATEMENT PRESENTATION

The comprehensive annual financial report is presented in three sections. Introductory, Financial, Statistical. The *Introductory Section* includes this transmittal letter, the city's organizational chart and a list of principle officials. The *Financial Section* includes the general-purpose financial statements, combining fund, individual fund & account group financial statements and schedules and the auditors report on the financial statements and schedules. The *Statistical Section* includes selected financial & demographic information.

THE REPORTING ENTITY AND ITS SERVICES

This report includes all funds and account groups of the city. The City of Bushnell provides a full range of general governmental services and activities. These services include police, fire and code enforcement; administrative and financial services; planning, zoning and development review; maintenance of highways, streets & drainage; library, recreation and special events. In addition to general government activities, the governing body exercises authority over special revenues and enterprise funds. Special revenue funds are maintained for the purpose of grant administration and for the perpetual maintenance of the Bushnell Evergreen Cemetery. Enterprise funds consist of electric, water and sanitation funds. These funds maintain their own set of accounts on a full accrual basis.

ECONOMIC CONDITION AND OUTLOOK

Bushnell is the County Seat of Sumter County, reported by the University of Florida Bureau of Economic and Business research as "The fastest growing County in the State of Florida in 1998 and 1999". Situated just 50 miles north of Tampa and 50 miles west of Orlando, Bushnell is strategically located between Interstate 75 and the Florida Turnpike. Our location provides easy transportation access to both of these metropolitan areas.

Easily accessible from many areas and being the County Seat in rural Sumter County makes Bushnell's market area much larger than its corporate limits. Independent market studies suggest that the population within the market area affected by the City of Bushnell could exceed 50,000 people. In addition to this significant number, traffic studies conducted by the Sumter County Road & Bridge Department indicate average daily traffic counts of 17,000 cars on Main St. (CR 475) as measured just north of Belt St. These statistics are mentioned only to illustrate the much larger market forces affecting this small community on a daily basis.

Within the utility service area, which comprises mostly the incorporated city limits and some small areas in the unincorporated Sumter County, the City of Bushnell services a total of 984 metered customers, 217 of which are commercial customers. Bushnell exhibits steady growth in its commercial sector. Most recently, permits have been issued for the development of a Commercial Center, a 390 unit RV Park, a furniture store, a drug store and a service station/fast food restaurant. Continued community growth and development is expected along Main St. north, and SR 48 west corridor to the I - 75 interchange. The SR 48 and I - 75 interchange still has a number of commercial undeveloped parcels of varying size; currently, the city serves only potable water and sanitation services to this area.

Based on current trends and projections, it's anticipated that the interchange area will have the most impact on the commercial sector of the City of Bushnell. As such, it will present the city with significant challenges in order to preserve the highest level of service. Approximately 80 acres of land in this vicinity were annexed into the City during Fiscal Year 1999.

CURRENT YEAR PROJECTS

During the fiscal year 99', the City of Bushnell completed, some major construction projects, and made several purchases of Capital equipment, all in order to improve on the service delivery or the economic environment for its citizens. The following will highlight some of these major initiatives taken by the city during the fiscal 99':

Public Works Complex:

Construction of the Complex was completed in March 1999. The project includes a building in a new location with sufficient grounds for future expansion. The building consists approximately of 6,800 feet, serves as an office, shop and garage; for the sanitation, streets, and parks and recreation departments. The project was completed as scheduled and within budget.

Electric and Water System Expansions and Improvements:

During fiscal year 1999 the utilities department crew reconstructed part of the electric system along Florida Street and Noble Avenue. Wooden poles on these well-traveled streets were replaced with prestressed concrete poles and the system voltage was upgraded to 13-kilo

volts. The crew also installed approximately .75 miles of 10 and 8-inch water mains along West Street and Belt Avenue. Various pieces of equipment were purchased in this department, ranging from pick-up trucks to wire trailers.

MAJOR INITIATIVES/FUTURE PROJECT

A number of major initiatives for the city are being considered by the city government. Some initiatives are in more advanced stages than others. This section will highlight briefly, the future major initiatives as follows:

Waste Water System:

In 1996, the Bushnell City Council commissioned a study committee consisting of 13 citizens to explore the feasibility and desirability of a citywide waste water system. The study committee's final recommendation to the governing body was to proceed with the development of the system providing it is determined that the system could be economically feasible. Since that time, the City of Bushnell has been found eligible for funding through the Rural Utility Services (R.U.S.) a program of the US Department of Agriculture (U.S.D.A.).

In addition, the State of Florida, through a legislative appropriation, has earmarked \$ 700,000.00 to initiate the project. The project is still estimated at a total project cost of \$ 5.5 million dollars with the R.U.S. providing financing in the amount of \$ 4.8 million.

This project was officially started by the City's acceptance of a ceremonial check from USDA officials during the July 12, 1999 "Water 2000 Celebration", a presidential initiative ceremony, held at the Bushnell Community Center.

Bushnell Public Library

The Bushnell City Council recently adopted a resolution authorizing the submittal of a grant application to the Department of State, Division of Library and Information Services for the construction of a new library building of approximately 3,600 square feet with an estimated project cost of \$ 600,000.00. This grant is a 50% / 50% match and the city is expected to be successful in receiving this grant. The projected start date is anticipated for October 2000.

West Side Drainage Improvements

A grant application was submitted to the Florida Department of Community Affairs for the purpose of providing neighborhood improvements/flood protection on the Southwest area of the city. This grant request was in the amount of \$550,000 and provides for the enlargement, connection, and outfall of four ponds in the area. Notification of the grant award has been made by the state agency. A contract is currently pending.

Electric Distribution

It has been the city's intention, to upgrade the electric distribution system to a more efficient and reliable single voltage system. Currently, the city's system is split. Roughly half of the system carries a voltage of 13 kV and the remaining carries 4 kV.

Through a continued effort of upgrading the system it is anticipated that within the next five years, the entire system will be functioning at a 13 kV level. This conversion process has been and is expected to continue to be performed strictly in house with municipal crews.

Department Focus:

Management has selected to highlight the utilities department for 1999. This department is poised for significant changes with the on set of the city's first municipal waste water system. The wastewater facilities will come under the daily administration and supervision of Mr. Herschel Stone, Superintendent of Utilities.

Preliminary engineering calls for two separate service areas. Phase one includes portions of the commercial sector and some high-density residential areas inside the city, with Phase 2 serving areas outside the city, mostly the commercial interchange area of I-75 and SR 48. Original system daily capacity of 250,000 gallons per day are anticipated and approximately 64,000 linear feet of gravity and force mains.

Design plans and specifications are expected for a completion date of August 1, 2000, with the permitting phase to follow. Current time lines place the system operational by April 2002.

ACCOUNTING SYSTEM, INTERNAL ACCOUNTING CONTROLS, AND BUDGETARY CONTROL

Management of the City of Bushnell is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the city are protected from loss, theft and misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls:

The City of Bushnell maintains budgetary controls; the objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds and enterprise funds are included in the annual budget. A five-year capital expenditure plan is reviewed every year and incorporated into the budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function or department within any individual fund.

As demonstrated by the statements and schedules included in the financial section of this report, the City of Bushnell continues to meet its responsibility for sound financial management.

General Government Functions. The following schedule presents a summary of general fund revenues for the fiscal year ended September 30, 1999.

<u>Revenues and other funding sources</u>	<u>1999 Amount</u>	<u>Percent of Total</u>
Ad Valorem	\$95,342	7%
Local Option Gas Tax	\$357,343	23%
Utility Taxes	\$254,215	18%
Franchise Fees	\$67,172	5%
License & Permits	\$5,093	3%
Intergovernmental	\$221,855	16%
Charges for Services	\$27,976	2%
Fines & Forfeitures	\$39,109	3%
Transfer In	\$291,386	18%
Miscellaneous	\$76,094	5%
Total Revenues:	\$1,435,585	

It is evident by the table above that the General Fund derives the vast majority of its revenue from outside sources; such as, local option gas tax, utility taxes, or transfers from enterprise funds. The larger sources of Intergovernmental funds are; state revenue sharing, cigarette tax, local government sales surtax, and state sales tax. Intergovernmental transfers are derived from electric, water & sanitation with a make up of 21% of the revenues to general fund.

Other large self-generated revenue sources for the General Fund are the utility tax & franchise fees. Currently a 10% utility tax is charged on all services that are provided within the municipal limits, excluding telecommunications, which are calculated at a municipal rate of 7%. Franchise fees are also remitted by companies providing services within the municipal limits, at varying percentage of gross sales.

It is notable that the ad valorem taxes are fairly insignificant to the city as a revenue source. The city has rolled back its ad valorem tax levy since 1981.

The following schedule presents a summary of general fund expenditures for the fiscal year ended September 30, 1999:

<u>Expenditures</u>	<u>1999 Amount</u>	<u>Percent of Total</u>
Legislative	\$25,817	2%
Administrative	\$254,643	17%
Legal	\$26,247	2%
Police	\$362,389	24%
Fire	\$40,785	3%
Code Compliance	\$37,736	2%
Streets	\$431,134	30.5%
Industrial Development	\$12,000	1%
Cemetery	\$2,400	.5%
Library	\$51,314	4%
Parks & Recreation	\$180,225	12%
Special Events	\$17,338	2%
<i>Total Expenditures/Expenses:</i>	<i>\$ 1,442,028</i>	

The table above shows that the expenditures within the Police & Street departments are fairly significant in comparison to the other expenditures. The expenditures for the special events include the annual fall festival and the yearly summer youth program. The library expenditure continues to increase from previous years due to the growth and increase of programs available to the citizens.

Enterprise Operation:

Electric: The City of Bushnell has owned and operated its own electric services since the 1920's. The electric department has been a continued source of revenues for the General fund of the city. The city's electric distribution system is one of the smallest found in the state of Florida, with an average customer base of approximately 1,005 electric customers and a service territory of 1 1/2 miles.

<u>REVENUES:</u>	<u>1999 Amount</u>	<u>Percent of Total</u>
Electric Sales:	\$1,745,602	94%
Miscellaneous:	\$129,221	6%
TOTAL REVENUES:	\$1,874,823	
<u>EXPENDITURES/EXPENSES:</u>		
Operations & Maintenance:	\$1,375,022	83%
Interest & Debt Service:	\$55,179	3%
Transfers (out):	\$235,224	14%
TOTAL EXPENDITURES/EXPENSES:	\$1,665,425	

Water: City of Bushnell water system consists of two well fields with a combined rated capacity of 4.8 million gallons per day. Currently, the city's average daily flow is only 11% of maximum rated capacity. The city services customers within and out of its municipal territory, with an average customer base of 730 residential and 235 commercial customers.

<u>REVENUES:</u>	<u>1999 Amount</u>	<u>Percent of Total</u>
Water Sales:	\$406,226	94%
Miscellaneous:	\$27,592	6%
TOTAL REVENUES:	\$433,673	
<u>EXPENDITURES/EXPENSES:</u>		
Operations & Maintenance:	\$206,773	64%
Interest & Debt Service:	\$74,303	23%
Transfers (out):	\$40,100	12%
TOTAL EXPENDITURES/EXPENSES:	\$321,176	

Sanitation: The City provides sanitation services to customers by residential curbside pick up and commercial rear-loading containers on a twice a week basis. Disposal takes place at the Sumter County recycling and composting facility. Sanitation service is provided only to customers inside the City limits. The sanitation customer base for fiscal year 1999 are 736 residential and 156 commercial.

<u>REVENUES:</u>	<u>1999 Amount</u>	<u>Percent of Total</u>
Sanitation Sales:	\$264,441	98%
Miscellaneous:	\$6,543	2%
TOTAL REVENUES:	\$270,984	
<u>EXPENDITURES/EXPENSES:</u>		
Operations & Maintenance:	\$251,791	92%
Interest & Debt Service:		
Transfers (out):	\$19,168	8%
TOTAL EXPENDITURES/EXPENSES:	\$270,959	

Special Revenues:

The Bushnell Evergreen Cemetery: The Cemetery fund is a fund created for the purpose of operating and maintaining the Bushnell Evergreen Cemetery. Under Section 9-1 through 9-26 in Chapter 9 of the Code of Ordinances, the city is required to fund the maintenance on a perpetual basis for the Cemetery.

<u>REVENUES:</u>	<u>1999 Amount</u>	<u>Percent of Total</u>
Lot Sales & Contributions:	\$31,510	63%
Miscellaneous:	\$18,968	37%
TOTAL REVENUES:	\$50,478	
<u>EXPENDITURES/EXPENSES:</u>		
Operations & Maintenance:	\$33,000	100%
TOTAL EXPENDITURES/EXPENSES:	\$33,000	

Pension Plan & Trust Fund Operations:

The City of Bushnell provides its employees with retirement benefits. Employees hired after January 1, 1996 are on the Regular Employees Pension Plan (REPP). Police Officers hired after January 1, 1996 were placed on the Police Officers Pension Plan (POPP). The POPP is a Chapter 185 plan which entitles the City to the .85% insurance premium tax on real estate. Both plans are defined benefit plans, with similar benefits as offered by the Florida Retirement System (FRS). The REPP is currently contributed to at 9.6%. The POPP is currently contributed to at 19% with a 1% contribution from the employee. Contributions are calculated on the employee's salary.

The City of Bushnell offers a deferred compensation plan defined by the IRS as a 457 B. Participation within this plan is voluntary. Participating employees currently receive a 10% match from the city on money deposited into the plan. The investments within this plan are self directed by the employee and maintained by the Nationwide Retirement Solutions Inc., formerly the Public Employee Benefit Service Corporation.

Debt Administration:

All funds of the City of Bushnell have significantly low levels of debt. The 1976 Bond Series of the City combined Water & Electric System was defeased two years ahead of schedule in October 1997 which significantly decreased debt service within these respective funds.

The electric and water departments have participated in a pooled loan program with Florida Municipal Power Agency. This program enabled the City of Bushnell to finance certain improvements in the electric & water systems. This program offers a variable interest rate, which is monitored by staff on an ongoing basis with the program consistently yielding favorable interest rates.

All other debts of the City are secured through local lending institutions and are usually for short-term fixed interest rate.

Cash Management:

Cash accounts during the year 1999 were invested in demand deposits, certificates of deposit, and pooled investments. The pension trust fund's investments were within certificates of deposits and mutual funds. The average yield on investments, except for the pension trust fund, was 6.0%. The pension trust fund achieved a yield rate of 5.0% for the same period. The city earned interest revenue of \$115,129 on all investments for the year ended September 30, 1999.

The city's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the city, its agent or financial institution's trust department in the government's name.

Risk Management:

The City of Bushnell participates in a managed care program for workers' compensation. This program provides the city with a system that controls fraud and routes medical services. By participating within this managed care program, a premium credit was provided by the carrier. In addition, various risk control techniques, including employee accident prevention training, are ongoing programs intended to minimize accident-related losses. Coverage is currently maintained for workers' compensation claims through the Florida League of Cities.

OTHER INFORMATION

Independent Audit:

State statutes require an annual audit by independent certified public accountants. The accounting firms of Shumacker, Johnston & Ross P.A. and Linda L. Thigpen P.A. was selected by the City of Bushnell's to complete this year's audit. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules are included in the financial section of the report.

Awards:

Safety Award: The City has received numerous electric safety awards. The first safety award was presented to the City by the Florida Municipal Electric Agency to the Utility Department for recognition of a perfect safety record without reports of accidents. The City has received this award for 13 consecutive years.

Tree City USA: The Tree City USA award was first presented to the City in 1994. The city has continued to receive this award to the present. This award requires an annual Arbor Day Celebration, the planting of trees, and the implementation of a tree preservation policy as well as an annual application documenting levels of expenditure for maintenance of the program.

Outstanding Rural Community: The State of Florida issued its first annual Outstanding Rural Community Award of the Year to the City of Bushnell. This award highlights one rural community with population under 8,000 for a project that significantly impacts the community's quality of life. In 1992, the City of Bushnell submitted the Kenny Dixon Sports Complex as the project for this award.

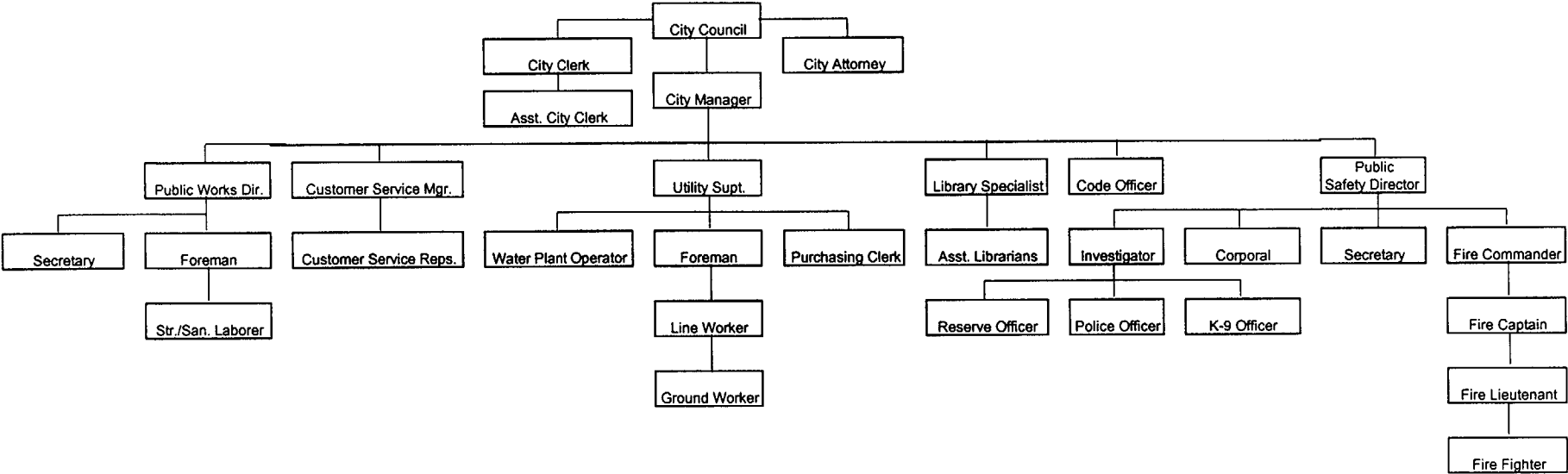
Acknowledgments:

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Administrative Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We should also like to thank the Mayor and the Commissioners for their interest and support in planning and conducting the financial operations of the city in a responsible and progressive manner.

Sincerely,


Vince Ruano,
City Manager

City of Bushnell
Organizational Chart



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FINANCIAL SECTION

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Shumacker, Johnston & Ross, PA

Certified Public Accountants

J. Cecil Shumacker, CPA
Robert E. Johnston, CPA
W. Chet Ross, CPA

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CERTIFIED PUBLIC ACCOUNTANT

LINDA L. THIGPEN, CPA

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FAX: (352) 568-1179

INDEPENDENT AUDITOR'S REPORT

July 13, 2000

Honorable Mayor and Members of
the City Council
City of Bushnell, Florida

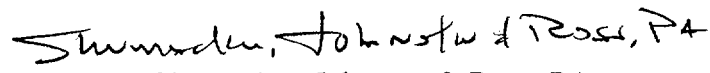
We have audited the accompanying general-purpose financial statements and the combining and individual fund and account group financial statements of the City of Bushnell, Florida as of September 30, 1999, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the City of Bushnell's management. Our responsibility is to express an opinion on these financial statements based on our audit.

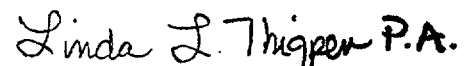
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the City of Bushnell, Florida as of September 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Bushnell, Florida as of September 30, 1999 and the results of operations of such funds and the cash flows of individual proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 13, 2000 on our consideration of the City of Bushnell's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole. The accompanying information listed under Statistical Section in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements of the City of Bushnell, Florida. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose, combining and individual fund and account group financial statements, and, accordingly, we express no opinion on it.


Shumacker, Johnston & Ross, PA



Linda L. Thigpen, PA

GENERAL-PURPOSE FINANCIAL STATEMENTS

(Combined Statements - Overview)

These basic financial statements provide a summary overview of the financial position of all funds and account groups as well as the operating results of all funds. They also serve as an introduction to the more detailed statements and schedules that follow in the next subsection.

CITY OF BUSHNELL, FLORIDA
 COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS
 SEPTEMBER 30, 1999
 (WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998)

Exhibit 1
 (Page 1 of 2)

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	ENTERPRISE	PENSION TRUST	GENERAL FIXED ASSETS	GENERAL LONG TERM DEBT	1999	1998
ASSETS AND OTHER DEBITS								
Assets:								
Cash	\$ 741,773	\$ 401,173	\$ 1,503,685	\$ 79,592	\$ -	\$ -	\$ 2,726,223	\$ 2,548,269
Investments	-	-	-	24,191	-	-	24,191	-
Receivables:								
Taxes	69,604	-	-	-	-	-	69,604	59,756
Other Receivables	20	-	-	-	-	-	20	-
Accounts (Net of allowance for uncollectibles - \$2000)	-	-	352,356	-	-	-	352,356	404,303
Due from Other Governments	59,689	-	13,868	-	-	-	73,557	95,104
Due from Other Funds	-	-	10,022	161	-	-	10,183	53,140
Inventories	-	-	182,664	-	-	-	182,664	173,092
Restricted Assets:								
Cash	-	-	174,278	-	-	-	174,278	157,121
Property and Equipment (Net, where applicable, of accumulated depreciation)	-	-	2,839,483	-	2,659,633	-	5,499,116	5,055,625
Other Assets	-	-	4,858	-	-	-	4,858	43,263
Other Debits:								
Amount to be Provided for Retirement of General Long- Term Debt	-	-	-	-	-	430,004	430,004	458,579
Total Assets and Other Debits	<u>\$ 871,086</u>	<u>\$ 401,173</u>	<u>\$ 5,081,214</u>	<u>\$ 103,944</u>	<u>\$2,659,633</u>	<u>\$ 430,004</u>	<u>\$ 9,547,054</u>	<u>\$ 9,048,252</u>

CITY OF BUSHNELL, FLORIDA
 COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS
 SEPTEMBER 30, 1999
 (WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998)

Exhibit 1
 (Page 2 of 2)

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS	
	GENERAL	SPECIAL REVENUE	ENTERPRISE	PENSION TRUST	GENERAL FIXED ASSETS	GENERAL LONG TERM DEBT	(MEMORANDUM ONLY) 1999	1998
<u>LIABILITIES AND FUND EQUITY</u>								
Liabilities:								
Accounts Payable	\$ 40,371	\$ -	\$ 147,792	\$ -	\$ -	\$ -	\$ 188,163	\$ 294,581
Other Accrued Liabilities	48,390	-	39,551	-	-	-	87,941	54,536
Due to Other funds	6,388	-	3,795	-	-	-	10,183	53,140
Deferred Revenue/Deferred Credits	16,472	-	2,318	-	-	-	18,790	38,978
Deposits	974	2,475	-	-	-	-	3,449	3,100
Payable From Restricted Assets:								
Customer Deposits	-	-	83,838	-	-	-	83,838	74,147
CR-3 Decommissioning Deferred Credit	-	-	90,395	-	-	-	90,395	82,929
Notes Payable	-	-	341,570	-	-	357,418	698,988	790,993
Compensated Absences Payable	-	-	58,260	-	-	72,586	130,846	127,908
<u>Total Liabilities</u>	<u>112,595</u>	<u>2,475</u>	<u>767,519</u>	<u>-</u>	<u>-</u>	<u>430,004</u>	<u>1,312,593</u>	<u>1,520,312</u>
Equity and Other Credits:								
Contributed Capital	-	-	1,259,549	-	-	-	1,259,549	1,244,458
Investment in General Fixed Assets	-	-	-	-	2,659,633	-	2,659,633	2,319,435
Retained Earnings:								
Unreserved	-	-	3,054,146	-	-	-	3,054,146	2,681,622
Fund Balances:								
Reserved	9,810	398,698	-	103,944	-	-	512,452	460,498
Unreserved	748,681	-	-	-	-	-	748,681	821,927
<u>Total Equity and Other Credits</u>	<u>758,491</u>	<u>398,698</u>	<u>4,313,695</u>	<u>103,944</u>	<u>2,659,633</u>	<u>-</u>	<u>8,234,461</u>	<u>7,527,940</u>
Total Liabilities, Equity and Other Credits	<u>\$ 871,086</u>	<u>\$ 401,173</u>	<u>\$ 5,081,214</u>	<u>\$ 103,944</u>	<u>\$ 2,659,633</u>	<u>\$ 430,004</u>	<u>\$ 9,547,054</u>	<u>\$ 9,048,252</u>

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

CITY OF BUSHNELL, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES--ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED SEPTEMBER 30, 1999
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

Exhibit 2

	GENERAL	SPECIAL REVENUE	TOTALS (MEMORANDUM ONLY)	
			1999	1998
Revenues:				
Taxes	\$ 741,281	\$ -	\$ 741,281	\$ 708,234
Licenses & Permits	5,093	-	5,093	25,446
Intergovernmental	264,442	-	264,442	258,313
Grant Revenue	6,840	-	6,840	249,100
Charges for Services	19,398	-	19,398	5,388
Fines & Forfeitures	39,109	-	39,109	23,348
Interest & Miscellaneous	68,036	36,589	104,625	113,954
Total Revenues	<u>1,144,199</u>	<u>36,589</u>	<u>1,180,788</u>	<u>1,383,783</u>
Expenditures:				
Current:				
General Government	306,366	-	306,366	269,378
Public Safety	440,907	-	440,907	437,443
Physical Environment	-	33,001	33,001	30,522
Transportation	431,133	-	431,133	785,847
Economic Environment	12,000	-	12,000	9,000
Culture & Recreation	264,934	-	264,934	148,863
Debt Service	43,069	-	43,069	97,102
Total Expenditures	<u>1,498,409</u>	<u>33,001</u>	<u>1,531,410</u>	<u>1,778,155</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(354,210)</u>	<u>3,588</u>	<u>(350,622)</u>	<u>(394,372)</u>
Other Financing Sources (Uses):				
Debt Proceeds	-	-	-	290,000
Operating Transfers In	291,384	13,889	305,273	222,000
Operating Transfers Out	<u>(13,889)</u>	<u>-</u>	<u>(13,889)</u>	<u>-</u>
Total Other Financing Sources	<u>277,495</u>	<u>13,889</u>	<u>291,384</u>	<u>512,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(76,715)</u>	<u>17,477</u>	<u>(59,238)</u>	<u>117,628</u>
Fund Balances, Beginning of Year	835,206	381,221	1,216,427	1,135,309
Residual Equity Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,510)</u>
Fund Balances, End of Year	<u>\$ 758,491</u>	<u>\$ 398,698</u>	<u>\$ 1,157,189</u>	<u>\$ 1,216,427</u>

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

CITY OF BUSHNELL, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES--BUDGET AND ACTUAL -
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED SEPTEMBER 30, 1999

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:						
Taxes	\$ 721,281	\$ 741,281	\$ 20,000	\$ -	\$ -	\$ -
Licenses and Permits	5,350	5,093	(257)	-	-	-
Intergovernmental	267,964	264,442	(3,522)	-	-	-
Grant Revenue	-	6,840	6,840	-	-	-
Charges for Services	17,555	19,398	1,843	-	-	-
Fines and Forfeits	32,084	39,109	7,025	-	-	-
Interest and Miscellaneous	53,620	68,036	14,416	36,000	36,589	589
Total Revenues	1,097,854	1,144,199	46,345	36,000	36,589	589
Expenditures:						
Current:						
General Government	323,401	323,928	(527)	-	-	-
Public Safety	464,403	440,907	23,496	-	-	-
Physical Environment	-	-	-	48,500	33,001	15,499
Transportation	457,139	456,640	499	-	-	-
Economic Environment	13,000	12,000	1,000	-	-	-
Culture and Recreation	274,803	264,934	9,869	-	-	-
Total Expenditures	1,532,746	1,498,409	34,337	48,500	33,001	15,499
Excess (Deficiency) of Revenues Over (Under) Expenditures	(434,892)	(354,210)	80,682	(12,500)	3,588	16,088
Other Financing Sources (Uses):						
Debt Proceeds						
Operating Transfers In	317,044	291,384	(25,660)	12,500	13,889	1,389
Operating Transfers Out	(12,500)	(13,889)	(1,389)	-	-	-
Total Other Financing Sources (Uses)	304,544	277,495	(27,049)	12,500	13,889	1,389
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(130,348)	(76,715)	53,633	-	17,477	17,477
Fund Balances, Beginning of Year	675,500	835,206	159,706	381,221	381,221	-
Fund Balances, End of Year	\$ 545,152	\$ 758,491	\$ 213,339	\$ 381,221	\$ 398,698	\$ 17,477

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

CITY OF BUSHNELL, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS--ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED SEPTEMBER 30, 1999
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

Exhibit 4

		TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	1999	1998
Operating Revenues:			
Charge for Services	<u>\$ 2,514,345</u>	<u>\$ 2,514,345</u>	<u>\$ 2,496,960</u>
Operating Expenses:			
Cost of Sales and Services	1,436,222	1,436,222	1,460,954
Administration	276,352	276,352	277,005
Depreciation	<u>188,377</u>	<u>188,377</u>	<u>178,664</u>
Total Operating Expenses	<u>1,900,951</u>	<u>1,900,951</u>	<u>1,916,623</u>
Operating Income	<u>613,394</u>	<u>613,394</u>	<u>580,337</u>
Non-Operating Revenues (Expenses):			
Interest Income	65,283	65,283	50,466
Interest Expense	(12,874)	(12,874)	(19,469)
Other Debt Service Costs	<u>(1,895)</u>	<u>(1,895)</u>	<u>(3,335)</u>
Total Non-Operating Revenues (Expenses)	<u>50,514</u>	<u>50,514</u>	<u>27,662</u>
Net Income Before Transfers	663,908	663,908	607,999
Transfers to Other Funds:			
Operating Transfers Out	<u>(291,384)</u>	<u>(291,384)</u>	<u>(222,000)</u>
Net Income	372,524	372,524	385,999
Retained Earnings, Beginning of Year	<u>2,681,622</u>	<u>2,681,622</u>	<u>2,295,623</u>
Retained Earnings, End of Year	<u><u>\$ 3,054,146</u></u>	<u><u>\$ 3,054,146</u></u>	<u><u>\$ 2,681,622</u></u>

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

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CITY OF BUSHNELL, FLORIDA
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED SEPTEMBER 30, 1999
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

Exhibit 5
 (Page 1 of 2)

		TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	1999	1998
Cash Flows From Operating Activities:			
Cash Received From Customers	\$ 2,583,180	\$ 2,583,180	\$ 2,579,641
Cash Paid to Employees	(266,256)	(266,256)	(232,023)
Cash Paid to Suppliers	(1,509,325)	(1,509,325)	(1,447,660)
Net Cash Provided By Operating Activities	807,599	807,599	899,958
Cash Flows From Noncapital Financing Activities:			
Operating Transfers Out to Other Funds	(291,384)	(291,384)	(222,000)
Deferred Credit CR-3 Decommissioning	7,466	7,466	-
Net Cash Used In Noncapital Financing Activities	(283,918)	(283,918)	(222,000)
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(291,670)	(291,670)	(179,291)
Principal Payments on Notes	(64,082)	(64,082)	(157,847)
Interest Paid	(12,874)	(12,874)	(18,284)
Contributed Capital	51,601	51,601	52,301
Feasibility Study	-	-	(36,510)
Net Cash Used In Capital and Related Financing Activities	(317,025)	(317,025)	(339,631)
Cash Flows From Investing Activities:			
Interest Received	65,283	65,283	50,466
Net Increase in Cash and Cash Equivalents	271,939	271,939	388,793
Cash and Cash Equivalents, Beginning of Year	1,405,979	1,405,979	1,017,186
Cash and Cash Equivalents, End of Year	\$ 1,677,918	\$ 1,677,918	\$ 1,405,979
Presented in the accompanying Combined Balance Sheet as:			
Unrestricted Cash	\$ 1,503,685	\$ 1,503,685	\$ 1,248,903
Restricted Cash	174,233	174,233	157,076
Total Cash	\$ 1,677,918	\$ 1,677,918	\$ 1,405,979

CITY OF BUSHNELL, FLORIDA
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED SEPTEMBER 30, 1999
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

Exhibit 5
 (Page 2 of 2)

		TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	1999	1998
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 613,394	\$ 613,394	\$ 580,337
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	188,377	188,377	178,664
(Increase) Decrease in Accounts Receivable	51,947	51,947	79,654
(Increase) Decrease in Due From Other Funds	21,065	21,065	6,135
(Increase) Decrease in Inventories	(9,572)	(9,572)	1,448
(Increase) Decrease in Other Assets	-	-	1,895
Increase (Decrease) in Accounts Payable	(13,642)	(13,642)	23,845
Increase (Decrease) in Other Accrued Expenses	8,667	8,667	11,027
Increase (Decrease) in Due to Other Funds	(15,390)	(15,390)	(18,037)
Increase (Decrease) in Deferred Credit	(36,660)	(36,660)	28,498
Increase (Decrease) in Due From Other Governments	(13,868)	(13,868)	-
Increase (Decrease) in Compensated Absences Payable	3,590	3,590	3,455
Increase (Decrease) in Customer Deposits	9,691	9,691	3,037
Total Adjustments	194,205	194,205	319,621
Net Cash Provided by Operating Activities	\$ 807,599	\$ 807,599	\$ 899,958

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

CITY OF BUSHNELL, FLORIDA
 COMBINED STATEMENT OF CHANGES IN NET PLAN ASSETS
 PENSION TRUST FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 1999
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

Exhibit 6

	PENSION TRUST FUNDS		TOTALS	
	GENERAL	POLICE	(MEMORANDUM ONLY)	
	EMPLOYEES' RETIREMENT FUND	OFFICERS' RETIREMENT FUND	1999	1998
Additions:				
Contributions:				
Employer	\$ 15,721	\$ -	\$ 15,721	\$ 16,893
Employee	-	927	927	893
State	-	20,190	20,190	26,773
Miscellaneous	-	(3)	(3)	443
Total Contributions	15,721	21,114	36,835	45,002
Investment Income:				
Interest and Dividend Income	577	1,386	1,963	-
Net Depreciation in Fair Value of Investments	(619)	(233)	(852)	-
Total Investment Income (Loss)	(42)	1,153	1,111	-
Total Additions	15,679	22,267	37,946	45,002
Net Assets Held in Trust for Pension Benefits:				
Beginning of Year	12,060	53,938	65,998	20,996
End of Year	\$ 27,739	\$ 76,205	\$ 103,944	\$ 65,998

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

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bushnell (the "City") is a political subdivision of the State of Florida located in Sumter County. The City operates under a council - manager form of government. The legislative branch of the City is composed of a four (4) member elected Council, and an elected mayor. The Mayor and City Council are governed by the City Charter by state and local laws and regulations. The Mayor and City Council are responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Manager. The City provide services to its residents in many areas, including public safety (police and fire), highways and streets, utilities, sanitation, culture and recreation, public improvements, and general administrative services.

The accompanying general purpose financial statements present the combined financial positions and results of operations of the various fund types and account groups and the cash flows of the proprietary fund types for all funds of the City.

The following policies of the City conform to generally accepted accounting principals as applicable to governments. The following is a summary of the significant policies.

Reporting Entity

The accompanying financial statements present the financial position, results of operations and cash flows of the applicable fund types and account groups governed by the Mayor and City Council of the City of Bushnell, Florida. The reporting entity for the City includes all functions of government for which the Mayor and City Council are considered to be financially accountable.

Based upon the application of the criteria as set forth in Government Accounting Standards Board Statement Number 14, *The Financial Reporting Entity*, there are no potential component units or related organizations of the City.

Basis of Presentation

The City maintains its accounting records in accordance with the principals and policies applicable to governmental units set forth by the Governmental Accounting Standards Board (GASB), as well as generally accepted accounting principals (GAAP) as promulgated by the American Institute of Certified Public Accountants and the Financial Accounting Standards Board (FASB). The proprietary funds do not apply FASB statements and interpretations issued after November 30, 1989.

Fund Accounting

The accounting system and financial reports of the City are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund and Account Group Categories

The categories of funds and account groups of the City are summarized as follows:

Governmental fund types are those through which most government functions typically are financed. The acquisition, use, and balances of expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental type funds. Governmental funds used by the City are as follows:

- **General Fund** - To account for all financial resources which are not required to be accounted for in another fund.
- **Special Revenue Funds** - To account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Proprietary funds are used to account for the City's ongoing activities which are similar to those found in the private sector.

- **Enterprise Funds** - To account for activities that are operated in a manner similar to private businesses where the costs of providing goods and services are primarily recovered through user charges.

Fiduciary fund types are used to account for assets held in a trustee capacity for others.

- **Pension Trust Funds** - To account for the accumulation of resources to be used for retirement payments to employees.

Account groups record and control the City's general fixed assets and general long-term debt. The account groups are not funds and do not reflect available financial resources and related liabilities. The following account groups are maintained by the City:

- **General Fixed Assets** - To account for property and equipment not used in proprietary fund operations.
- **General Long-Term Debt** - To account for unmatured principal of long-term special obligation indebtedness, notes and capital leases payable, and compensated absences which are not the specific liability of a proprietary fund.

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

Measurement Focus

Governmental fund types (general and special revenue) are accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets. Reported fund balance (net current assets) is considered a measure of "available, spendable, or appropriable resources." Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Proprietary fund types are accounted for on a "cost of services" or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet to provide an indication of the economic net worth of the funds. The reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. The proprietary fund types operating statement presents increases (revenues) and decreases (expenses) in net total assets.

Fiduciary fund types are accounted for like proprietary funds.

Basis of Accounting

Governmental fund type revenues and expenditures are recognized on the modified accrual basis. This method recognizes revenues in the accounting period in which the fund liability is incurred (except unmatured interest on general long-term debt, which is recognized when due).

Governmental fund type revenues that are susceptible to accrual include utility service taxes, franchise fees, federal and state shared revenues, and reimbursements from grants for authorized expenditures through September 30.

Proprietary fund revenues and expenses are recognized on the accrual basis. Revenues are recorded when earned, and expenses are recorded when incurred.

Fiduciary funds of the City consist of pension trust funds which are accounted for on the accrual basis.

Transfers

Transfers are recognized in the accounting period in which the interfund receivable and payable arise. Transfers are made from the utility funds to finance operations of the general fund.

Grants - Proprietary Funds

Unrestricted grants, entitlements or shared revenues received are reported as nonoperating revenues. Such resources externally restricted for capital acquisitions or construction are reported as contributed capital. Operating expenses include depreciation on all depreciable fixed assets (including those financed by grants).

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

Cash and Cash Equivalents

The City considers all demand deposits as well as all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

In all funds, except the pension trust funds, investments are stated at amortized cost. The investments of the pension trust funds are stated at fair value.

Receivables

Utility operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered after the last billing date and up to September 30 is estimated and accrued at year end.

Inventories and Prepaid Items

Inventories held by the utility funds are priced by the weighted average cost method at the lower of cost or market. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Cost Reimbursements

Certain personal services and operating expenses recorded in various funds and departments are a result of services performed and expenses/expenditures incurred for the benefit of other funds and departments. In order to better reflect various funds' and departments' actual costs, a cost reimbursement is recorded as a reduction in expenditures or expenses. The funds and departments that benefit from the services and expenses/expenditures record a cost reimbursement as an increase in expenditures or expenses.

Proprietary Fund Fixed Assets

Proprietary fund fixed assets are recorded at historical cost. Donated fixed assets are recorded at fair market value on the date received. Depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

	<u>Useful Lives</u>
Electric Utility Fund	
Buildings	32 Years
Improvements Other Than Buildings	25 to 40 Years
Machinery, Equipment and Vehicles	6 to 12 Years
Investment in Crystal River No. 3 Nuclear Plant	28 Years
Water Utility Fund	
Improvements Other Than Buildings	25 to 101 Years
Buildings	50 Years
Equipment	25 Years
Sanitation Fund	
Equipment	7 Years

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General Fixed Assets

General fixed assets purchased are recorded as expenditures in the governmental fund types at the time of purchase. Such assets are capitalized at cost in the general fixed assets account groups. The City's policy is not to capitalize public domain fixed assets such as streets, right-of-ways, sidewalks, drainage systems and similar assets. Donated fixed assets are valued at their estimated fair market value at the time of acquisition. Depreciation is not provided on general fixed assets.

Bond Discounts and Issuance Cost

Bond discounts and insurance costs for proprietary fund types are deferred and amortized over the term of the bonds using the straight-line amortization method which produces a result not significantly different from the interest method. Bond discounts are presented as a reduction of the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

Compensated Absences

The City accrues accumulated compensated absences for governmental and proprietary funds. Compensated absences are recorded in the governmental fund types as an expenditure for the amount accrued during the year that would normally be liquidated with expendable available financial resources. The remainder of the liability is reported in the general long-term debt account group. The proprietary funds accrue compensated absences in the period they are earned.

The policy as of September 30, 1999 is to vest up to a maximum accumulation of 1,040 hours of sick leave. Upon voluntary termination, 50% of the accumulated hours are paid to the employee (75% for long-term employees with twenty or more years of full-time service). The City accrues 100% of unpaid vacation pay and 50% of accumulated unpaid sick pay at the employee's current pay rate.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded as expenditures in order to reserve that portion of the applicable appropriation, is not employed by the City for budgetary purposes.

Deferred Revenues

Deferred revenues include amounts collected before the revenue recognition criteria are met and receivables which, under the modified accrual basis of accounting, are measurable but not yet available. The deferred revenues will be recognized as revenue in the fiscal year they are earned or become available. The deferred items consist primarily of grant revenues, over collected electric power cost adjustments, and for monies collected for use in future decommissioning of the Crystal River No. 3 Nuclear Power Plant.

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reserves

Fund balances are reserved as follows:

General Fund

Reserved for Drug Interdiction	<u>\$ 9,810</u>
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Special Revenue Funds

Reserved for Perpetual Care - Cemetery	<u>\$ 398,698</u>
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Pension Trust Funds

Reserved for Pension Benefits	<u>\$ 103,944</u>
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Budgeting

The City's procedures in preparing and adopting the annual budget are as follows:

- The City Manager is responsible for preparing a proposed operating budget for all governmental funds and proprietary funds for the upcoming year prior to September 30, that includes estimated revenues, proposed expenditures, and other financing sources and uses.
- Public hearings are held to obtain taxpayer comments and suggestions. The budget is enacted through passage of a resolution.
- The City Manager is authorized to transfer budgeted amounts within any fund, but may not revise total fund expenditures without the approval of City Council. The budgetary data presented is in agreement with the originally adopted budget as amended by the City Council.
- Formal budgetary integration is employed as a management control device during the year for substantially all funds. Budgets are adopted on a basis consistent with generally accepted accounting principals, except that the provision for depreciation expense is not included in the budget of the proprietary funds. Total budgeted appropriations within a governmental fund type may not be exceeded legally. Appropriations lapse at the end of the year. Budget data, when presented in the general-purpose financial statements is prepared on the same basis of accounting as that prescribed for the fund. A 1998 annual operating budget was not prepared for the Pension Trust Funds.

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

During the year, the City made supplemental budget appropriations which increased or decreased the budgets as indicated below:

<u>Governmental Funds</u>	<u>Original Adopted</u>	<u>Final Amended</u>	<u>Increase (Decrease)</u>
General Fund	\$1,499,103	\$1,545,243	\$ 46,140
Special Revenue Funds	<u>48,500</u>	<u>48,500</u>	<u>-</u>
Total Governmental Funds	<u>\$1,547,603</u>	<u>\$1,593,743</u>	<u>\$ 46,140</u>

<u>Proprietary Funds</u>	<u>Original Adopted</u>	<u>Final Amended</u>	<u>Increase (Decrease)</u>
Enterprise Funds	<u>\$2,120,345</u>	<u>\$2,156,514</u>	<u>\$ 36,169</u>
Total Proprietary Funds	<u>\$2,120,345</u>	<u>\$2,156,514</u>	<u>\$ 36,169</u>

Water Line Extension Charges

Water line extension charges are made to customers to cover the full cost of the addition. Such charges are recorded as an equity contribution. Costs of the extension are reported as property and equipment and depreciated over the estimated useful life of the asset.

Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Total Columns on Combined Statements

Total columns on the combined statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand. Minor reclassifications of 1998 amounts have been made to enhance comparison to 1999.

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 1999 was 2.147 mills.

The tax levy of the City is established by the City Council prior to October 1 of each year and the Sumter County Property Appraiser incorporates the City millages into the total tax levy, which includes the County and the County School Board tax requirements.

All property is reassessed according to its fair market value January 1 of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if it meets all of the appropriate requirements of the Florida Statutes.

Taxes are assessed on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector. Unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount.

On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest at 18% per year or any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of property, or by the five-year statute of limitations.

The City does not accrue its portion of the County held tax sales certificates or personal property tax warrants because such amounts are not measurable and available as of the balance sheet date.

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

At September 30, 1999, the carrying amount of the City's cash deposits was \$2,897,348 and the bank balance was \$3,012,558. All cash deposits were held in qualified public depositories and were covered by federal depository insurance or by the Florida Security for Public Deposits Act (the Act); Chapter 280 of the Florida Statutes. The Act established a multiple financial institution collateral pool with the ability to assess member institutions to satisfy the claims of governmental entities if any member financial institution fails. This ability to assess provides protection which is similar to depository insurance.

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 2 DEPOSITS AND INVESTMENTS (continued)

Investments

Florida Statutes authorize the investment of funds in certificates of deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the United States Government, instruments guaranteed by the United States Government, and money market funds registered with the Securities Exchange Commission. Investments may also include repurchase agreements collateralized by U.S. Treasury Securities and Market-to-Market, and deposits with the State Board of Administration pool, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act. The City is further authorized to invest in securities of, or other interests in, any open-ended or close-ended management type investment company or investment trust registered under the Investment Company Act of 1940, 15 United States Code. Revenue bond covenants also restrict the type and maturities of investments in bond-related funds.

Assets of the General Employee's Pension Trust Fund and Police Officer's Pension Trust Fund may be invested in accordance with Florida Statutes as previously described.

Certain City investments, such as investment pools managed by other governments, cannot be categorized because the City's investments are not evidenced by specific, identifiable investment securities. Section 218.407, Florida Statutes, authorizes the City to participate in the State Board of Administration investment pool located in Tallahassee, Florida. The State Board of Administration deposits are maintained in an investment pool which invests primarily in commercial paper, repurchase agreements, bankers acceptance notes, and U.S. Government obligations.

Level of credit risk assigned to the investments and their level of risk exposure at September 30, 1999, were typical of these items held during the fiscal year then ended.

Governmental investments are generally required to be categorized as either: (1) insured or registered for which the securities are held by the City or its agent in the City's name; (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name; or (3) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent, but not in the City's name. Throughout the fiscal year the City invested only in types of investments as listed below:

Investment Description	Category 1	Category 2	Category 3	Fair Value
Pension Trust Fund Investments:				
Corporate Stocks	\$ -	\$ 24,191	\$ -	\$ 24,191
Total Investments	<u>\$ -</u>	<u>\$ 24,191</u>	<u>\$ -</u>	<u>\$ 24,191</u>

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 3 RESTRICTED ASSETS

Nuclear Decommissioning

The Florida Public Service Commission requires utilities to set aside monies to pay the estimated future cost of dismantling or decommissioning nuclear power plants. The City has set aside such monies in the custody account with a third party trustee.

Customer Deposits

Customer deposits have been restricted to indicate that the amount is not available for the financing of current utility operations.

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

Changes in General Fixed Assets

The following is a summary of changes in general fixed assets during the fiscal year:

	Balance October 1, 1998	Additions	Deletions and Transfers	Balance September 30, 1999
Land	\$ 486,370	\$ -	\$ -	\$ 486,370
Buildings	454,508	218,426	-	672,934
Improvement Other Than Buildings	507,467	1,224	-	508,691
Machinery and Equipment	871,090	120,548	-	991,638
Total	<u>\$2,319,435</u>	<u>\$ 340,198</u>	<u>\$ -</u>	<u>\$ 2,659,633</u>

The following is a summary of the Proprietary Fund Type plant, property and equipment at September 30, 1999:

	Electric Utility Fund	Water Utility Fund	Waste Water Fund	Sanitation Fund	Totals
Land	\$ 2,300	\$ 18,090	\$ -	\$ -	\$ 20,390
Buildings	230,544	439,541	-	-	670,085
Improvements Other Than Buildings	1,809,682	1,166,010	-	-	2,975,692
Machinery and Equipment	307,382	526,829	-	217,528	1,051,739
Construction in Progress	-	-	52,724	-	52,724
Total	2,349,908	2,150,470	52,724	217,528	4,770,630
Less: Accumulated Depreciation	<u>(1,010,783)</u>	<u>(733,284)</u>	<u>-</u>	<u>(187,080)</u>	<u>(1,931,147)</u>
Net	<u>\$1,339,125</u>	<u>\$1,417,186</u>	<u>\$ 52,724</u>	<u>\$ 30,448</u>	<u>\$ 2,839,483</u>

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 5 ENTERPRISE FUNDS LONG-TERM LIABILITIES

The following is a summary of all long-term liabilities of the Enterprise Funds at September 30, 1999.

- **Florida Municipal Power Agency (FMPA) - Initial Pooled Loan Project**
 The City has entered into a financing agreement with the FMPA. Interest is payable at a variable rate (currently 3.40% plus a 0.60% administration fee). Final maturity is July 1, 2011. \$ 311,000
 - **Water Fund Note Payable - AmSouth Bank of Florida**
 During 1995, the City borrowed \$150,000 from AmSouthBank of Florida to finance construction of 5,800 feet of water main extension along State Road 48. This note is payable in monthly installments of \$1,664 including interest at 5.98% per annum, with final maturity on May 2, 2001. 30,570
- Total Loans and Notes Payable** \$ 341,570

The following represents the debt service requirements to maturity of all the City's Enterprise Funds as of September 30, 1999 including future interest payments.

Year Ending 9/30	Electric Utility Fund		Water Utility Fund		Total
	FMPA Loan	FMPA Loan	AmSouth Bank Note		
2000	\$ 31,656	\$ 25,543	\$ 19,966	\$ 77,165	
2001	31,130	27,014	12,009	\$ 70,153	
2002	-	22,287	-	\$ 22,287	
2003	-	21,769	-	\$ 21,769	
2004	-	26,251	-	\$ 26,251	
2005	-	25,560	-	\$ 25,560	
2006	-	24,869	-	\$ 24,869	
2007	-	24,179	-	\$ 24,179	
2008	-	28,488	-	\$ 28,488	
2009	-	27,625	-	\$ 27,625	
2010	-	26,761	-	\$ 26,761	
2011	-	26,898	-	\$ 26,898	
	62,786	307,244	31,975	402,005	
Less:					
Amounts Representing Interest	(1,641)	(57,389)	(1,405)	\$ (60,435)	
Current Principal Portion	(30,572)	(19,427)	(16,931)	\$ (66,930)	
Long-Term Debt	\$ 30,573	\$ 230,428	\$ 13,639	\$ 274,640	

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 5 ENTERPRISE FUNDS LONG-TERM LIABILITIES (continued)

Crystal River III Decommissioning Trust Fund

Federal law requires that an external trust fund be created to accumulate amounts to pay the future plant decommissioning. The City contributes to a common trust fund, maintained by FMPPA, for all its members that own a portion of the Crystal River III Nuclear Generating Unit. As of September 30, 1999 the City has a balance in the trust fund of \$ 90,395.

Crystal River III Nuclear Decommission Cost Payable

The City is responsible for its share of the future costs to decommission the Crystal River III Nuclear Generating Unit. The City is accruing this cost over the expected useful life of the plant. A summary of the activity in the liability account is as follows:

Balance, September 30, 1998	\$ 82,929
1999 Accrual	7,466
Balance, September 30, 1999	<u>\$ 90,395</u>

NOTE 6 GENERAL LONG-TERM DEBT

Bank Note Payable - Community National Bank

On August 25, 1998, the City borrowed \$290,000 from the Community National Bank of Pasco County, for the purpose of financing the construction of the City's new public works building. The loan is collateralized by a first lien on 50% of the annual local option gas tax revenue, with a minimum annual collateral of \$90,000.

The loan is payable in semi-annual principal payments of \$14,500 plus accrued interest at 4.88% beginning June 1, 1999, and is due December 1, 2008. Annual debt service requirements for the loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 29,000	\$ 13,224	\$ 42,224
2001	29,000	11,795	40,795
2002	29,000	10,365	39,365
2003	29,000	8,935	37,935
2004	29,000	7,506	36,506
2005	29,000	6,076	35,076
2006	29,000	4,647	33,647
2007	29,000	3,217	32,217
2008	29,000	1,787	30,787
2009	<u>14,500</u>	<u>357</u>	<u>14,857</u>
	<u>\$275,500</u>	<u>\$ 67,909</u>	<u>\$343,409</u>

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 6 GENERAL LONG-TERM DEBT (continued)

Bank Note Payable - Community National Bank

On July 15, 1994, the City borrowed \$150,000 from Community National Bank of Pasco County, payable in monthly payments of \$1,597, including interest at 5.00%, beginning August 15, 1994. The loan is due July 15, 2004 and is unsecured. Remaining annual debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 15,437	\$ 3,721	\$ 19,158
2001	16,227	2,931	19,158
2002	17,057	2,101	19,158
2003	17,930	1,228	19,158
2004	<u>15,267</u>	<u>325</u>	<u>15,592</u>
	<u>\$ 81,918</u>	<u>\$ 10,306</u>	<u>\$ 92,224</u>

The following is a schedule of changes in General Long-Term Debt for the year ended September 30, 1999.

	<u>Balances 10/01/98</u>	<u>Additions</u>	<u>Principal Reductions</u>	<u>Balances 9/30/99</u>
Community National Bank	\$ 290,000	\$ -	\$ (14,500)	\$275,500
Community National Bank	95,341	-	(13,423)	81,918
Compensated Absences	<u>73,238</u>	<u>-</u>	<u>(652)</u>	<u>72,586</u>
	<u>\$ 458,579</u>	<u>\$ -</u>	<u>\$ (28,575)</u>	<u>\$430,004</u>

NOTE 7 CONTRIBUTED CAPITAL

The changes in the City's contributed capital accounts for its Enterprise (Proprietary) Funds were as follows:

	<u>Electric Utility Fund</u>	<u>Water Utility Fund</u>	<u>Waste Water Fund</u>	<u>Sanitation Fund</u>	<u>Totals</u>
Balance October 1	\$176,907	\$1,038,102	\$ -	\$ 29,449	\$1,244,458
Additions:					
Capital Contribution from Customers	-	1,255	-	-	1,255
Capital Contribution from General Fund	-	-	36,510	-	36,510
Capital Contribution from State of Florida	-	-	13,869	-	13,869
Adjustments	<u>(33)</u>	<u>(36,510)</u>	<u>-</u>	<u>-</u>	<u>(36,543)</u>
Balance, September 30	<u>\$176,874</u>	<u>\$1,002,847</u>	<u>\$ 50,379</u>	<u>\$ 29,449</u>	<u>\$1,259,549</u>

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 8 ELECTRIC POWER AGREEMENTS

Crystal River Power Unit No. 3 Participation Agreement

The City is a participant in an agreement with Florida Power Corporation, which was entered into on July 31, 1975. Under terms of the agreement, the City acquired a 0.0388% ownership interest and generation entitlement share in the nuclear steam electric generating unit. Participants are entitled to energy output of the unit based upon their respective generation entitlement share.

Florida Power Corporation has been appointed by the participants to act as their agent and has sole authority to manage, control, maintain and operate the unit. Operating costs of the unit, in general, are shared in proportion to each generation entitlement share on a monthly basis. Common and external facilities of the generating unit are solely owned by Florida Power Corporation, and participants share in the operating and maintenance expenses of such facilities in proportion to their generation entitlement share.

The participation agreement provides for reversion of the ownership interest of the unit to Florida Power Corporation on August 1, 2050, or upon retirement from service, which ever occurs first. The book value of the investment included in utility plant in service on September 30, 1999, was \$372,254.

Florida Municipal Power Agency (FMPA)

The City is a member of the FMPA, which is a joint action agency formed by a number of Florida municipalities for the purpose of providing electric power alternatives for its members.

FMPA is a nonprofit, joint action agency formed pursuant to Florida Statutes Chapter 163, Parts I and II ("The Interlocal Act" and "The Joint Power Act"). FMPA has authority to undertake joint power supply projects and to issue tax-exempt bonds or other obligations to finance or refinance the costs of such projects.

Due to the diverse needs of Florida's municipal electric system, FMPA was established as a project-oriented agency. Under this structure, each member has the option whether or not to participate in a project. Members may choose to participate in more than one project; however, each of the FMPA's five projects is independent from the other, and no revenues or funds available from one project can be used to pay the costs of any other project.

The City has elected to participate in the "All Requirements Project", which supplies all the City's power requirements. The agreement will remain in effect until October 1, 2025, with optional successive five-year renewal periods. Power rates charged to the City by FMPA are subject to a majority vote of the Board of Directors of FMPA. In addition, the City has elected participation in the "Pooled Loan Project" in which FMPA issues debt, then loans the money to individual systems to finance utility related projects.

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 9 DEFINED BENEFIT PENSION PLANS

Florida State Retirement System

All full-time employees of the City hired prior to January 1, 1996, participate in the Florida State Retirement System (the System). This system was created by the Florida Legislature and is a cost-sharing, multiple-employer defined benefit public retirement plan available to governmental units within the State of Florida. The System issued a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, Division of Retirement, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560, or by calling (850) 488-5706.

All full-time employees of the City hired prior to January 1, 1996 are eligible to participate in the System. Special risk employees who retire at or after age 55, with ten years of creditable service; and all other employees who retire at or after age 62, with ten years of creditable service; are entitled to a retirement benefit, payable monthly for life, equal to the product of 1) average monthly compensation in the highest five years of creditable service; 2) creditable service during the appropriate period; and 3) the appropriate benefit percentage. Benefits fully vest on reaching ten years of service. Vested employees may retire after ten years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits and annual cost-of-living adjustments. Benefits are established by Florida Statute.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the City, are required to contribute 16.45% of the compensation for regular members, 25.32% for special risk, and 24.04% for senior management through 6/30/99. Beginning 7/01/99, the required contribution rate is changed to 10.15%, 21.16% and 12.13% of the members gross compensation for regular members, special risk and senior management, respectfully. The City's contributions to the System for the years ended September 30, 1999, 1998, 1997 and 1996 are as follows:

<u>Year</u>	<u>Amount</u>
1999	\$ 87,620
1998	\$102,925
1997	\$113,744
1996	\$115,281

Florida State Retirement System Opt-Out

In December 1995, the City Council approved opting out of the Florida State Retirement System effective with all new employees hired after January 1, 1996. City employees covered under the System at December 31, 1995 will continue to participate in the State System, and the City will continue to make contributions on their behalf.

Pension Trust Funds

• **Plan Description**

In January 1996, the City adopted two separate single-employer pension plans, one for police officers, and a general employees' retirement plan that covers substantially all full-time City

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 9 DEFINED BENEFIT PENSION PLANS (continued)

employees employed after January 1, 1996, pursuant to the City's opt-out of the Florida Retirement System. These plans are maintained as pension trust funds and included as a part of the City's reporting entity. City ordinance and state law requires contributions to be determined by actuarial studies every three years. Both plans had actuarial studies performed on a pro forma basis immediately prior to plan adoption, but not since then. Stand-alone financial reports are not issued.

The general employees' retirement plan covers all full-time employees, except for police officers. The plan is noncontributory, and the City provides the full contribution to fund the plan. The annual pension cost related to the plan includes amortization. Over a thirty-year period, of a prior service cost established October 13, 1995.

The police officers' retirement plan covers all full-time police officers. The plan is contributory and requires participants to contribute 1% of their salary to the plan. The City provides the balance of contributions required after the participants' contributions. In addition, state funds collected under Florida Statutes Chapter 175 and 185 are contributed to the plan. The pension cost of the Police Officers' Retirement Plan includes the amortization, over a thirty-year period, of prior service costs established October 13, 1995.

Substantially all full-time city employees hired on or after January 1, 1996 are eligible to participate in their respective plans. Benefits vest after ten years of credited service for all employees.

- **Annual Pension Cost**

The Board of Trustees of each Plan establishes, and may amend, the contribution requirements of plan members and the City. The City's annual pension cost for the current year and related information for each plan is shown below:

	<u>General Employees'</u>	<u>Police Officers'</u>
Contribution rates:		
Employer	9.60%	23.10%
Employee	-	1.0%
Annual pension cost	\$ 9,719	\$14,940
City Contributions made:		
City	15,721	-
Employees	-	927
State Premium Tax Refund	-	20,190
Total	<u>\$ 25,440</u>	<u>\$36,057</u>

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 9 DEFINED BENEFIT PENSION PLANS (continued)

Actuarial valuation date	1/1/96
Actuarial cost method	Aggregate
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases (*)	6.0%
(*) Includes inflation at	3.0%
Post Retirement COLA	3.0%

• **3-Year Trend Information**

Three year trend information for the plan follows:

Plan	Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
General Employees'	9/30/99	\$ 9,719	100%	\$ -
	9/30/98	7,743	100%	-
	9/30/97	3,303	100%	-
Police Officers'	9/30/99	\$ 14,940	141%	\$ -
	9/30/98	-	399%	-
	9/30/97	-	251%	-

• **Funding Progress**

The City has had one actuarial valuation of the funding progress as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) c=(b-a)	Funded Ratio d=(a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll f=[(b-a)/c]
General Employees' 10/1/98	\$12,061	\$ 12,061	\$ -	100.00%	\$101,222	0.00%
Police Officers' 10/1/98	\$53,556	\$ 53,556	\$ -	100.00%	\$ 67,470	0.00%

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 9 DEFINED BENEFIT PENSION PLANS (continued)

- **Contributions - Employer and Other**

A six year schedule of contributions from the employer and other contributing entities follows:

<u>Year Ended September 30</u>	<u>Annual Required Contribution</u>	<u>City's Contribution</u>	<u>State's Contribution</u>	<u>Percentage Contributed</u>
General Employees				
1999	\$ 9,719	\$ 15,721	\$ -	161.75%
1998	7,743	7,743	-	100.00%
1997	3,303	3,303	-	100.00%
1996	879	879	-	100.00%
1995	-	-	-	-
1994	-	-	-	-
Police Officers'				
1999	\$ 14,940	\$ -	\$ 20,190	135.14%
1998	8,965	8,965	26,773	398.64%
1997	5,577	5,577	8,421	251.00%
1996	2,315	2,315	-	100.00%
1995	-	-	-	-
1994	-	-	-	-

NOTE 10 RETIREMENT BENEFITS

The City allows retired employees to participate in the City's health insurance plan. These retirees are responsible for their premium payments. Currently, there are two retirees participating.

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 11 OTHER DISCLOSURES

A. Segment Information for Enterprise Funds

The City operates three enterprise funds which provide electric, water, and sanitation services. Segment information for the year ended September 30, 1999, is as follows:

	Electric Utility Fund	Water Utility Fund	Waste Water Fund	Sanitation Fund	Total Enterprise Funds
Operating Revenues	\$1,824,130	\$ 424,921	\$ -	\$ 265,294	\$2,514,345
Depreciation Expense	107,625	63,491	-	17,261	188,377
Operating Income	448,967	150,571	-	13,856	613,394
Operating Transfers (Out)	(232,116)	(40,100)	-	(19,168)	(291,384)
Net Income	263,565	108,582	-	377	372,524
Current Capital Contributions	-	1,255	50,379	-	51,634
Plant, Property and Equipment: Additions	112,274	123,085	52,724	3,588	291,671
Deletions, net of accumulated depreciation	-	-	-	-	-
Total Assets	3,019,456	1,758,736	66,592	236,430	5,081,214
Net Working Capital (Deficit)	1,305,038	255,017	(2,345)	186,239	1,743,949
Other Long-Term Liabilities Payable from Operating Revenue	30,573	244,067	-	-	274,640
Total Fund Equity	2,613,635	1,432,994	50,379	216,687	4,313,695
Total Retained Earnings	2,436,761	430,147	-	187,238	3,054,146

B. Interfund Receivables and Payables

Interfund receivables and payables at September 30, 1999 are as follows:

	Interfund Receivable	Interfund Payables
General Fund	\$ -	\$ 6,388
Water Utility Fund	370	-
Electric Utility Fund	9,282	3,795
Sanitation Fund	370	-
Police Officers Retirement Fund	161	-
CDBG Fund	-	-
Total Interfund Receivables and Payables	\$ 10,183	\$ 10,183

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 11 OTHER DISCLOSURES (continued)

C. Interfund Transfers

Interfund transfers at September 30, 1999 are as follow:

	Interfund Transfers In	Interfund Transfers Out
General Fund	\$291,384	\$ 13,889
Electric Utility Fund	-	232,116
Water Utility Fund	-	40,100
Sanitation Fund	-	19,168
Cemetery Fund	13,889	-
Total Interfund Transfers	<u><u>\$305,273</u></u>	<u><u>\$ 305,273</u></u>

D. Allowances For Doubtful Accounts

Allowances for doubtful accounts at September 30, 1999 are as follows:

Electric Utility Fund	\$ 1,000
Water Utility Fund	500
Sanitation Fund	<u>500</u>
Total Allowances for Doubtful Accounts	<u><u>\$ 2,000</u></u>

E. Excess of Operating Expenses Over Budgeted Operating Expenses in Individual Funds

Excess of operating expenses over appropriations in individual funds are as follows at September 30, 1999:

	<u>Budget</u>	<u>Actual</u>	Operating Expenses (in Excess) of Budgeted <u>Operating Expenses</u>
Water Utility Fund	\$232,856	\$274,350	\$ (41,494)
Sanitation Fund	\$232,561	\$251,438	\$ (18,877)

F. Deficit retained earnings/fund balances of individual funds at September 30, 1999: None.

CITY OF BUSHNELL, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 12 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City transfers risk of loss through the purchase of commercial insurance from the Florida League of Cities, Inc. and independent agencies. Insurance against losses are provided for the following types of risk:

- Workers' Compensation and Employer's Liability
- General and Automobile Liability
- Real and Personal Property Damage
- Public Officials Liability
- Accidental Death and Disability

The City's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to date of the City's experience for this type of risk.

There have been no significant reductions in insurance coverage during fiscal year 1999. Settled claims have not exceeded the commercial excess coverages in any of the past three years.

NOTE 13 CONTINGENCIES

Grants

Amounts received or receivable from grantor agencies are subject to audits and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the City. In the opinion of management, any such adjustments would not be significant.

Wastewater Treatment Facility

The United States Department of Agriculture-Rural Development ("USDA") approved a loan and grant to the City for its wastewater project. The amount of the grant is \$2,000,000, and the loan amount is \$2,800,000. The loan is at a 4.75% interest rate and is repayable over a period not exceeding 40 years from the date of the loan closing.

In addition, the City and Sumter County, Florida ("the County") entered into an inter local agreement whereby the County will contribute approximately \$1,000,000 to the capital cost of the system at a rate of \$56,000 per year.

The total cost of the wastewater project is estimated to be \$6,500,000.

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**COMBINING, INDIVIDUAL FUND, AND ACCOUNT
GROUP STATEMENTS AND SCHEDULES**

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GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund receives a greater variety and number of taxes than any other fund. The City of Bushnell, Florida General Fund directly services general long term debt.

CITY OF BUSHNELL, FLORIDA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 1999 AND 1998

A - 1

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
Cash	\$ 741,773	\$ 845,241
Utility Taxes and Franchise Fees Receivable	69,604	59,726
Due From Other Governments	59,689	74,355
Due From Other Funds	-	20,398
Other Receivables	<u>20</u>	<u>30</u>
Total Assets	<u>\$ 871,086</u>	<u>\$ 999,750</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts Payable	\$ 40,371	\$ 127,576
Other Accrued Liabilities	48,390	23,652
Due to Other Funds	6,388	12,466
Deferred Revenue - Library	16,472	-
Deposits	<u>974</u>	<u>850</u>
Total Liabilities	<u>112,595</u>	<u>164,544</u>
Fund Balances:		
Reserved for Drug Interdiction	9,810	13,279
Fund Balance--Unreserved	<u>748,681</u>	<u>821,927</u>
Total Fund Balance	<u>758,491</u>	<u>835,206</u>
Total Liability and Fund Balance	<u>\$ 871,086</u>	<u>\$ 999,750</u>

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

CITY OF BUSHNELL, FLORIDA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED SEPTEMBER 30, 1999 AND 1998

A - 2

	1999	1998
Revenues:		
Taxes	\$ 741,281	\$ 708,234
Licenses and Permits	5,093	25,446
Intergovernmental	264,442	258,313
Grant Revenue	6,840	2,830
Charges for Services	19,398	5,388
Fines and Forfeitures	39,109	23,348
Interest and Miscellaneous	68,036	66,730
Total Revenues	<u>1,144,199</u>	<u>1,090,289</u>
Expenditures:		
Current:		
General Government	306,366	269,378
Public Safety	440,907	437,443
Physical Environment	-	12,682
Transportation	431,133	528,629
Economic Environment	12,000	9,000
Culture and Recreation	264,934	148,863
Debt Service:		
Principal	27,923	86,526
Interest	15,146	10,576
Total Expenditures	<u>1,498,409</u>	<u>1,503,097</u>
Deficiency of Revenues Under Expenditures	<u>(354,210)</u>	<u>(412,808)</u>
Other Financing Sources (Uses):		
Debt Proceeds	-	290,000
Operating Transfers In:		
Electric Utility Fund	232,116	187,000
Water Utility Fund	40,100	25,000
Sanitation Fund	19,168	10,000
Operating Transfers Out:		
Cemetery Fund	(13,889)	-
Total Other Financing Sources	<u>277,495</u>	<u>512,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(76,715)	99,192
Fund Balance, Beginning of Year	835,206	772,524
Residual Equity Transfer Out	-	(36,510)
Fund Balance, End of Year	<u>\$ 758,491</u>	<u>\$ 835,206</u>

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

CITY OF BUSHNELL, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL

A - 3

(Page 1 of 2)

FOR THE YEAR ENDED SEPTEMBER 30, 1999
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

	1999		VARIANCE	1998
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
Taxes:				
Ad Valorem Taxes	\$ 98,529	\$ 95,341	\$ (3,188)	\$ 93,779
Local Government Infrastructure Surtax	111,144	125,850	14,706	112,048
Local Option Gas Tax	189,302	198,703	9,401	186,847
Franchise Fees:				
Telephone	2,350	2,790	440	2,362
Electric	52,758	49,144	(3,614)	52,108
Cable TV	16,038	15,238	(800)	17,292
Utility Service Taxes:				
Telephone	78,316	84,551	6,235	75,494
Gas	11,354	12,709	1,355	10,573
Electric	60,334	53,197	(7,137)	57,800
City Utility Tax	101,156	103,758	2,602	99,931
Total Taxes	<u>721,281</u>	<u>741,281</u>	<u>20,000</u>	<u>708,234</u>
Licenses and Permits:				
Occupational Licenses	4,850	4,643	(207)	5,878
Building Permits	500	450	(50)	19,568
Total Licenses and Permits	<u>5,350</u>	<u>5,093</u>	<u>(257)</u>	<u>25,446</u>
Intergovernmental:				
Two-Cent Cigarette Tax	17,920	18,341	421	18,549
State Revenue Sharing	54,121	55,044	923	57,104
Mobile Home Licenses	6,400	6,096	(304)	6,477
Alcoholic Beverage License	514	1,380	866	1,145
Half-Cent Sales Tax	73,066	73,676	610	71,053
County Fire Fee	67,217	65,044	(2,173)	67,217
County Occupational Licenses	2,577	2,275	(302)	1,780
Sumter County Gas Tax	39,433	32,790	(6,643)	34,988
County Library Assistance	6,716	9,796	3,080	-
Total Intergovernmental	<u>267,964</u>	<u>264,442</u>	<u>(3,522)</u>	<u>258,313</u>

CITY OF BUSHNELL, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL

A - 3

(Page 2 of 2)

FOR THE YEAR ENDED SEPTEMBER 30, 1999
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

	1999		VARIANCE	1998
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
Grant Revenue:				
Federal Law Enforcement Grant	\$ -	\$ 1,841	\$ 1,841	\$ 2,830
DEP Grant	-	4,999	4,999	-
Total Grant Revenue	-	6,840	6,840	2,830
Charges for Services:				
Mowing Fees	1,750	3,204	1,454	40
Fall Festival	7,705	7,404	(301)	5,348
Summer Youth Program	8,100	8,790	690	-
Total Charges for Services	17,555	19,398	1,843	5,388
Fines and Forfeitures:				
Fines and Forfeitures	31,166	38,311	7,145	22,630
Police Education	918	798	(120)	718
Total Fines and Forfeitures	32,084	39,109	7,025	23,348
Miscellaneous:				
Interest Earned	26,246	35,211	8,965	30,024
Rent - Community Building	3,116	2,800	(316)	3,132
Rent - Tower Space	5,400	5,778	378	4,815
Miscellaneous	18,858	24,247	5,389	28,759
Total Miscellaneous	53,620	68,036	14,416	66,730
TOTAL REVENUES	\$ 1,097,854	\$ 1,144,199	\$ 46,345	\$ 1,090,289

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

CITY OF BUSHNELL, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL

A - 4

(Page 1 of 2)

FOR THE YEAR ENDED SEPTEMBER 30, 1999
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

	1999		VARIANCE	1998
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
GENERAL GOVERNMENT:				
Legislative:				
Personnel Expenses	\$ 18,000	\$ 18,000	\$ -	\$ 18,000
Operating Expenses	5,672	4,667	1,005	5,122
Grants and Aids	4,600	3,150	1,450	4,765
Total Legislative	28,272	25,817	2,455	27,887
Financial and Administrative				
Personnel Expenses	172,153	171,170	983	151,537
Operating Expenses	64,345	68,758	(4,413)	48,177
Capital Outlay	15,700	14,374	1,326	17,823
Total Financial and Administrative	252,198	254,302	(2,104)	217,537
Legal Counsel:				
Operating Expense	23,773	26,247	(2,474)	23,954
TOTAL GENERAL GOVERNMENT	304,243	306,366	(2,123)	269,378
PUBLIC SAFETY:				
Police Department:				
Personnel Expenses	264,561	263,297	1,264	284,106
Operating Expenses	58,971	55,116	3,855	49,419
Capital Outlay	50,500	43,974	6,526	3,659
Total Police Department	374,032	362,387	11,645	337,184
Fire Department:				
Personnel Expenses	20,519	9,576	10,943	28,080
Operating Expenses	28,789	23,487	5,302	25,282
Capital Outlay	1,909	7,720	(5,811)	8,034
Total Fire Department	51,217	40,783	10,434	61,396
Building Department:				
Personnel Expenses	34,054	32,726	1,328	35,837
Operating Expenses	5,100	5,011	89	2,626
Capital Outlay	-	-	-	400
Total Building Department	39,154	37,737	1,417	38,863
TOTAL PUBLIC SAFETY	464,403	440,907	23,496	437,443

CITY OF BUSHNELL, FLORIDA
GENERAL FUND

A - 4

SCHEDULE OF EXPENDITURES

(Page 2 of 2)

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 1999

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

	1999		VARIANCE	1998
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
PHYSICAL ENVIRONMENT:				
Cemetery:				
Operating Expenses	\$ -	\$ -	\$ -	\$ 10,282
Grants and Aid	-	-	-	2,400
TOTAL PHYSICAL ENVIRONMENT	-	-	-	12,682
TRANSPORTATION:				
Road and Street Department:				
Personnel Expenses	85,973	95,536	(9,563)	97,053
Operating Expenses	150,923	144,578	6,345	182,176
Capital Outlay	192,299	191,019	1,280	249,400
TOTAL TRANSPORTATION	429,195	431,133	(1,938)	528,629
ECONOMIC ENVIRONMENT:				
Grants and Aid	13,000	12,000	1,000	9,000
CULTURE AND RECREATION:				
Library:				
Personnel Expenses	34,075	33,385	690	4,963
Operating Expenses	12,495	14,959	(2,464)	3,335
Capital Outlay	3,900	2,970	930	1,000
Total Library	50,470	51,314	(844)	9,298
Parks and Recreation:				
Personnel Expenses	59,701	49,997	9,704	34,312
Operating Expenses	44,368	44,365	3	72,226
Capital Outlay	84,874	87,862	(2,988)	-
Total Parks and Recreation	188,943	182,224	6,719	106,538
Special Events and Other Services:				
Operating Expenses	35,390	31,396	3,994	33,027
TOTAL CULTURE AND RECREATION	274,803	264,934	9,869	148,863
DEBT SERVICE				
Principal Retirement				
GE-Fire Truck	-	-	-	72,576
Note	14,747	13,423	1,324	13,950
Public Works Note	14,500	14,500	-	-
	29,247	27,923	1,324	86,526
Interest and Fiscal Charges				
GE- Fire Truck	-	-	-	5,368
Note	4,411	4,139	272	5,208
Public Works Note	13,444	11,007	2,437	-
	17,855	15,146	2,709	10,576
TOTAL DEBT SERVICE	47,102	43,069	4,033	97,102
TOTAL EXPENDITURES	\$ 1,532,746	\$ 1,498,409	\$ 34,337	\$ 1,503,097

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

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SPECIAL REVENUE FUNDS

Special Revenue Funds account for revenues from specific taxes or other earmarked revenue sources which, by law are designated to finance particular functions or activities of government. The City has the following Special Revenue Funds:

Evergreen Cemetery Fund - To account for the proceeds and expenditures generated to maintain the City's cemetery.

Community Development Block Grant (CDBG) Fund - To account for the receipts awarded and expenditures made in compliance with grant requirements to develop the City's downtown area.

CITY OF BUSHNELL, FLORIDA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1999
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998)

B - 1

	EVERGREEN CEMETERY	CDBG GRANT	TOTALS	
			1999	1998
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 401,173	\$ -	\$ 401,173	\$ 388,691
Due From Other Governments	-	-	-	20,749
TOTAL ASSETS	<u>401,173</u>	<u>-</u>	<u>401,173</u>	<u>409,440</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	-	-	-	5,571
Due to General Fund	-	-	-	20,398
Deposits	<u>2,475</u>	<u>-</u>	<u>2,475</u>	<u>2,250</u>
Total Liabilities	<u>2,475</u>	<u>-</u>	<u>2,475</u>	<u>28,219</u>
Fund Balances:				
Reserved: Perpetual Care	<u>398,698</u>	<u>-</u>	<u>398,698</u>	<u>381,221</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 401,173</u>	<u>\$ -</u>	<u>\$ 401,173</u>	<u>\$ 409,440</u>

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

CITY OF BUSHNELL, FLORIDA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 1999
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

B - 2

	EVERGREEN CEMETERY	CDBG GRANT	TOTALS	
			1999	1998
Revenues:				
Contributions	\$ 6,097	\$ -	\$ 6,097	\$ 8,665
Sale of Cemetery Lots	11,225	-	11,225	7,225
Interest	18,968	-	18,968	20,221
Memorials and Gifts	299	-	299	165
Grant Revenue	-	-	-	246,270
Other Revenue	-	-	-	10,948
Total Revenues	<u>36,589</u>	<u>-</u>	<u>36,589</u>	<u>293,494</u>
Expenditures:				
Operating Expenditures	27,601	-	27,601	17,840
Capital Outlay	<u>5,400</u>	<u>-</u>	<u>5,400</u>	<u>257,218</u>
Total Expenditures	<u>33,001</u>	<u>-</u>	<u>33,001</u>	<u>275,058</u>
Excess of Revenues over Expenditures	3,588	-	3,588	18,436
Other Financing Sources:				
Operating Transfers In	<u>13,889</u>	<u>-</u>	<u>13,889</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over Expenditures	17,477	-	17,477	18,436
Fund Balances, Beginning of Year	<u>381,221</u>	<u>-</u>	<u>381,221</u>	<u>362,785</u>
Fund Balances, End of Year	<u>\$ 398,698</u>	<u>\$ -</u>	<u>\$ 398,698</u>	<u>\$ 381,221</u>

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

CITY OF BUSHNELL, FLORIDA
EVERGREEN CEMETERY FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 1999
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

B -3

	1999		VARIANCE	1998
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:				
Contributions	\$ 6,200	\$ 6,097	\$ (103)	\$ 8,665
Sale of Cemetery Lots	8,600	11,225	2,625	7,225
Interest	19,500	18,968	(532)	20,221
Memorials and Gifts	1,700	299	(1,401)	165
Total Revenues	36,000	36,589	589	36,276
Expenditures:				
Operating Expenses	47,900	27,601	20,299	17,840
Capital Outlay	600	5,400	(4,800)	-
Total Expenditures	48,500	33,001	15,499	17,840
Excess (Deficit) of Revenues Over (Under) Expenditures	(12,500)	3,588	16,088	18,436
Other Operating Sources:				
Operating Transfers In	12,500	13,889	1,389	-
Excess of Revenues and Other Financing Sources Over Expenditures	-	17,477	17,477	18,436
Fund Balance, Beginning of Year	381,221	381,221	-	362,785
Fund Balance, End of Year	\$ 381,221	\$ 398,698	\$ 17,477	\$ 381,221

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

CITY OF BUSHNELL, FLORIDA
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 1999
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

B - 4

	1999		VARIANCE	1998
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:				
Grant Revenues	\$ 339,125	\$ -	\$ (339,125)	\$ 246,270
Other Revenues	-	-	-	10,948
Total Revenues	<u>339,125</u>	<u>-</u>	<u>(339,125)</u>	<u>257,218</u>
Expenditures:				
Capital Outlay	<u>331,912</u>	<u>-</u>	<u>331,912</u>	<u>257,218</u>
Total Expenditures	<u>331,912</u>	<u>-</u>	<u>331,912</u>	<u>257,218</u>
Excess of Revenues Over Expenditures	7,213	-	7,213	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 7,213</u>	<u>\$ -</u>	<u>\$ 7,213</u>	<u>\$ -</u>

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

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ENTERPRISE FUNDS

Enterprise Funds account for operations (a) that are financed and operated in manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Certain administrative expenses are paid by the General Fund.

CITY OF BUSHNELL, FLORIDA
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
SEPTEMBER 30, 1999

C - 1

(Page 1 of 3)

(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998)

ASSETS	ELECTRIC UTILITY FUND	WATER UTILITY FUND	WASTE WATER FUND	SANITATION FUND	TOTALS	
					1999	1998
Current Assets:						
Cash and Cash Equivalents	\$ 1,070,587	\$ 260,352	\$ -	\$ 172,746	\$ 1,503,685	\$ 1,248,903
Customer Accounts Receivable, net of allowance for uncollectibles	- 279,499	- 39,991	- -	- 32,866	- 352,356	- 404,303
Due From Other Funds	9,282	370	-	370	10,022	31,087
Due From Other Governments	-	-	13,868	-	13,868	-
Inventories, at Cost	146,685	35,979	-	-	182,664	173,092
Total Current Assets	1,506,053	336,692	13,868	205,982	2,062,595	1,857,385
Restricted Assets:						
Cash and Cash Equivalents:						
CR-3 Nuclear Decommissioning	90,395	-	-	-	90,395	82,929
Customer Deposits	83,838	-	-	-	83,838	74,147
Other	45	-	-	-	45	45
Total Restricted Assets	174,278	-	-	-	174,278	157,121
Property and Equipment:						
Utility Plant in Service	2,349,908	2,150,470	-	217,528	4,717,906	4,478,959
Construction In Progress	-	-	52,724	-	52,724	-
Accumulated Depreciation	(1,010,783)	(733,284)	-	(187,080)	(1,931,147)	(1,742,769)
Total Property and Equipment - (Cost Less Depreciation)	1,339,125	1,417,186	52,724	30,448	2,839,483	2,736,190
Other Assets:						
Deferred Debt - Feasibility Study	-	-	-	-	-	36,510
Loan Cost (Net)	-	4,858	-	-	4,858	6,753
Total Other Assets	-	4,858	-	-	4,858	43,263
TOTAL ASSETS	\$ 3,019,456	\$ 1,758,736	\$ 66,592	\$ 236,430	\$ 5,081,214	\$ 4,793,959

CITY OF BUSHNELL, FLORIDA
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
SEPTEMBER 30, 1999

C - 1

(Page 2 of 3)

(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998)

	ELECTRIC UTILITY FUND	WATER UTILITY FUND	WASTE WATER FUND	SANITATION FUND	TOTALS	
					1999	1998
<u>LIABILITIES AND FUND EQUITY</u>						
Current Liabilities:						
Accounts Payable	\$ 111,107	\$ 9,593	\$ 16,213	\$ 10,879	\$ 147,792	\$ 161,434
Other Accrued Expenses	26,045	9,902	-	3,604	39,551	30,884
Due to Other Funds	-	3,795	-	-	3,795	19,185
Deferred Credit	2,318	-	-	-	2,318	38,978
Current Portion of Notes Payable	30,572	36,358	-	-	66,930	58,882
Compensated Absences Payable	30,973	22,027	-	5,260	58,260	54,670
Total Current Liabilities	201,015	81,675	16,213	19,743	318,646	364,033
Current Liabilities (Payable From Restricted Assets):						
Customer Deposits	83,838	-	-	-	83,838	74,147
Total Current Liabilities (Payable From Restricted Assets)	83,838	-	-	-	83,838	74,147
Long Term Liabilities:						
Deferred Credit - CR-3 Decommissioning	90,395	-	-	-	90,395	82,929
Note Payable	-	13,639	-	-	13,639	35,770
Note Payable - Florida Municipal Power Agency	30,573	230,428	-	-	261,001	311,000
Total Long Term Liabilities	120,968	244,067	-	-	365,035	429,699
Total Liabilities	405,821	325,742	16,213	19,743	767,519	867,879

Continued on next page

CITY OF BUSHNELL, FLORIDA
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 SEPTEMBER 30, 1999
 (WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998)

C - 1

(Page 3 of 3)

	<u>ELECTRIC UTILITY FUND</u>	<u>WATER UTILITY FUND</u>	<u>WASTE WATER FUND</u>	<u>SANITATION FUND</u>	<u>TOTALS</u>	
					<u>1999</u>	<u>1998</u>
<u>LIABILITIES AND FUND EQUITY</u>						
(continued)						
Fund Equity:						
Contributed Capital	\$ 176,874	\$ 1,002,847	\$ 50,379	\$ 29,449	\$ 1,259,549	\$ 1,244,458
Retained Earnings:						
Unreserved	<u>2,436,761</u>	<u>430,147</u>	<u>-</u>	<u>187,238</u>	<u>3,054,146</u>	<u>2,681,622</u>
Total Fund Equity	<u>2,613,635</u>	<u>1,432,994</u>	<u>50,379</u>	<u>216,687</u>	<u>4,313,695</u>	<u>3,926,080</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,019,456</u>	<u>\$ 1,758,736</u>	<u>\$ 66,592</u>	<u>\$ 236,430</u>	<u>\$ 5,081,214</u>	<u>\$ 4,793,959</u>

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

CITY OF BUSHNELL, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS
 ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 1999
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

	ELECTRIC UTILITY FUND	WATER UTILITY FUND	WASTE WATER FUND	SANITATION FUND	TOTALS	
					1999	1998
Operating Revenues:						
Charge for Sales and Services	\$ 1,824,130	\$ 424,921	\$ -	\$ 265,294	\$ 2,514,345	\$ 2,496,960
Operating Expenses:						
Cost of Sales and Services	1,137,914	99,016	-	199,292	1,436,222	1,460,954
Administration	129,624	111,843	-	34,885	276,352	277,005
Depreciation	107,625	63,491	-	17,261	188,377	178,664
Total Operating Expenses	1,375,163	274,350	-	251,438	1,900,951	1,916,623
Operating Income	448,967	150,571	-	13,856	613,394	580,337
Non-Operating Revenues (Expense):						
Interest Income	50,698	8,896	-	5,689	65,283	50,466
Interest Expense	(2,375)	(10,499)	-	-	(12,874)	(19,469)
Other Debt Service Costs	(1,609)	(286)	-	-	(1,895)	(3,335)
Total Non-Operating Revenues (Expense)	46,714	(1,889)	-	5,689	50,514	27,662
Net Income Before Transfers	495,681	148,682	-	19,545	663,908	607,999
Operating Transfers Out	(232,116)	(40,100)	-	(19,168)	(291,384)	(222,000)
Net Income	263,565	108,582	-	377	372,524	385,999
Retained Earnings, Beginning of Year	2,173,196	321,565	-	186,861	2,681,622	2,295,623
Retained Earnings, End of Year	\$ 2,436,761	\$ 430,147	\$ -	\$ 187,238	\$ 3,054,146	\$ 2,681,622

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

CITY OF BUSHNELL, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 1999
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

C - 3

(Page 1 of 2)

	ELECTRIC UTILITY FUND	WATER UTILITY FUND	WASTE WATER FUND	SANITATION FUND	TOTALS	
					1999	1998
Cash Flows From Operating Activities:						
Cash Received from Customers	\$ 1,889,303	\$ 445,496	\$ (13,868)	\$ 262,249	\$ 2,583,180	\$ 2,579,641
Cash (Paid to) Employees	(110,872)	(96,690)	-	(58,694)	(266,256)	(232,023)
Cash (Paid to) Suppliers	(1,242,872)	(106,204)	16,213	(176,462)	(1,509,325)	(1,447,660)
Net Cash Provided by Operating Activities	<u>535,559</u>	<u>242,602</u>	<u>2,345</u>	<u>27,093</u>	<u>807,599</u>	<u>899,958</u>
Cash Flows From Noncapital Financing Activities:						
Operating Transfers Out to Other Funds	(232,116)	(40,100)	-	(19,168)	(291,384)	(222,000)
Deferred Credit CR-3 Decommissioning	<u>7,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,466</u>	<u>-</u>
Net Cash Used In Non-Capital Financing Activities	<u>(224,650)</u>	<u>(40,100)</u>	<u>-</u>	<u>(19,168)</u>	<u>(283,918)</u>	<u>(222,000)</u>
Cash Flows From Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	(112,274)	(123,085)	(52,724)	(3,587)	(291,670)	(179,291)
Principal Payments - Notes	(26,205)	(37,877)	-	-	(64,082)	(157,847)
Interest Paid - Notes	(2,375)	(10,499)	-	-	(12,874)	(18,284)
Contributed Capital	(33)	1,255	50,379	-	51,601	52,301
Deferred Debit - Feasibility Study	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,510)</u>
Net Cash Used In Capital and Related Financing Activities	<u>(140,887)</u>	<u>(170,206)</u>	<u>(2,345)</u>	<u>(3,587)</u>	<u>(317,025)</u>	<u>(339,631)</u>
Cash Flows From Investing Activities:						
Interest Received	<u>50,698</u>	<u>8,896</u>	<u>-</u>	<u>5,689</u>	<u>65,283</u>	<u>50,466</u>
Net Increase in Cash and Cash Equivalents	<u>220,720</u>	<u>41,192</u>	<u>-</u>	<u>10,027</u>	<u>271,939</u>	<u>388,793</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,024,100</u>	<u>219,160</u>	<u>-</u>	<u>162,719</u>	<u>1,405,979</u>	<u>1,017,186</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,244,820</u>	<u>\$ 260,352</u>	<u>\$ -</u>	<u>\$ 172,746</u>	<u>\$ 1,677,918</u>	<u>\$ 1,405,979</u>
Presented in the accompanying Balance Sheet as:						
Unrestricted Cash	\$ 1,070,587	\$ 260,352	\$ -	\$ 172,746	\$ 1,503,685	\$ 1,248,903
Restricted Cash	<u>174,233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,233</u>	<u>157,076</u>
Total Cash	<u>\$ 1,244,820</u>	<u>\$ 260,352</u>	<u>\$ -</u>	<u>\$ 172,746</u>	<u>\$ 1,677,918</u>	<u>\$ 1,405,979</u>

CITY OF BUSHNELL, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 1999
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

C - 3
 (Page 2 of 2)

	ELECTRIC UTILITY FUND	WATER UTILITY FUND	WASTE WATER FUND	SANITATION FUND	TOTALS	
					1999	1998
Reconciliation of Operating Income to Net Cash						
Provided by Operating Activities:						
Operating Income	\$ 448,967	\$ 150,571	\$ -	\$ 13,856	\$ 613,394	\$ 580,337
Adjustments to reconcile operating income						
to net cash provided by operating activities:						
Depreciation	107,625	63,491	-	17,261	188,377	178,664
(Increase) Decrease in Accounts Receivable	52,862	1,760	-	(2,675)	51,947	79,654
(Increase) Decrease in Due From Other Funds	2,620	18,815	-	(370)	21,065	6,135
(Increase) Decrease in Due From Other Governments	-	-	(13,868)	-	(13,868)	-
(Increase) Decrease in Inventories	(20,263)	10,691	-	-	(9,572)	1,448
(Increase) Decrease in Other Assets	-	-	-	-	-	1,895
Increase (Decrease) in Accounts Payable	(16,089)	(11,972)	16,213	(1,794)	(13,642)	23,845
Increase (Decrease) in Other Accrued Expenses	3,686	3,927	-	1,054	8,667	11,027
Increase (Decrease) in Due to Other Funds	(19,185)	3,795	-	-	(15,390)	(18,037)
Increase (Decrease) in Deferred Credit	(36,660)	-	-	-	(36,660)	28,498
Increase (Decrease) in Compensated Absences						
Payable	2,305	1,524	-	(239)	3,590	3,455
Increase (Decrease) in Customer Deposits	9,691	-	-	-	9,691	3,037
Total Adjustments	86,592	92,031	2,345	13,237	194,205	319,621
Net Cash Provided by Operating Activities	\$ 535,559	\$ 242,602	\$ 2,345	\$ 27,093	\$ 807,599	\$ 899,958

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

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL
ELECTRIC UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1999
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

C - 4

	1999			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL
Operating Revenues:				
Residential Electric Sales	\$ 624,318	\$ 613,636	\$ (10,682)	\$ 611,099
Commercial Demand Sales	597,204	544,285	(52,919)	652,456
Commercial Non-demand Sales	646,857	574,761	(72,096)	568,878
Private Area Light Sales	13,764	12,920	(844)	13,010
Miscellaneous	19,487	78,528	59,041	18,072
Total Operating Revenues	1,901,630	1,824,130	(77,500)	1,863,515
Operating Expenses:				
Demand and Energy Charge	1,054,530	963,111	91,419	984,976
CR-3 Operations and Maintenance	62,076	70,013	(7,937)	78,796
Salaries	122,061	112,291	9,770	105,192
Employee Benefits	43,845	36,883	6,962	40,304
Professional Services	28,920	30,537	(1,617)	23,227
Operating Supplies	12,300	6,256	6,044	8,794
Other Current Charges	54,628	48,447	6,181	58,438
Depreciation	-	107,625	(107,625)	99,036
Total Operating Expenses	1,378,360	1,375,163	3,197	1,398,763
Operating Income	523,270	448,967	(74,303)	464,752
Non-Operating Revenues (Expenses):				
Interest Income	32,674	50,698	18,024	35,646
Interest Expense	(3,938)	(2,375)	1,563	(4,402)
Other Debt Service Costs	-	(1,609)	(1,609)	(2,848)
Total Non-Operating Revenues (Expenses)	28,736	46,714	17,978	28,396
Net Income Before Transfers	552,006	495,681	(56,325)	493,148
Transfers to Other Funds:				
Operating Transfers Out	(235,224)	(232,116)	3,108	(187,000)
Net Income	\$ 316,782	263,565	\$ (53,217)	306,148
Retained Earnings, Beginning of Year		2,173,196		1,867,048
Retained Earnings, End of Year		\$ 2,436,761		\$ 2,173,196

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

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL
WATER UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1999
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

C - 5

	1999		VARIANCE	1998
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
Operating Revenues:				
Residential Water Sales	\$ 146,648	\$ 143,909	\$ (2,739)	\$ 139,410
Commercial Water Sales	186,743	187,430	687	173,777
Penalties and Reconnections	17,790	20,266	2,476	20,681
Water Connection Fees	1,951	2,977	1,026	1,530
Capacity Reservation Charges	27,611	38,260	10,649	22,959
Miscellaneous	12,126	32,079	19,953	13,160
Total Operating Revenues	392,869	424,921	32,052	371,517
Operating Expenses:				
Salaries	121,657	97,110	24,547	92,491
Employee Benefits	36,924	35,329	1,595	34,647
Professional Services	20,410	23,717	(3,307)	38,074
Operating Supplies	1,600	2,065	(465)	4,179
Other Current Charges	52,265	52,638	(373)	46,115
Depreciation	-	63,491	(63,491)	62,848
Total Operating Expenses	232,856	274,350	(41,494)	278,354
Operating Income	160,013	150,571	(9,442)	93,163
Non-Operating Revenues (Expenses):				
Interest Income	8,513	8,896	383	8,436
Interest Expense	(14,475)	(10,499)	3,976	(15,000)
Other Debt Service Costs	-	(286)	(286)	(487)
Total Non-Operating Revenues (Expenses)	(5,962)	(1,889)	4,073	(7,051)
Net Income Before Transfers	154,051	148,682	(5,369)	86,112
Transfers to Other Funds:				
Operating Transfers Out	(40,100)	(40,100)	-	(25,000)
Net Income	\$ 113,951	108,582	\$ 5,369	61,112
Retained Earnings, Beginning of Year		321,565		260,453
Retained Earnings, End of Year		\$ 430,147		\$ 321,565

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

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL
WASTE WATER UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1999

C - 6

	1999		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
Operating Revenues:			
Miscellaneous	\$ -	\$ -	\$ -
Total Operating Revenues	-	-	-
Net Income	<u>\$ -</u>	-	<u>\$ -</u>
Retained Earnings, Beginning of Year		-	
Retained Earnings, End of Year		<u>\$ -</u>	

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

CITY OF BUSHNELL, FLORIDA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL
SANITATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1999
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1998)

C - 7

	1999		VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	BUDGET	ACTUAL		
Operating Revenues:				
Residential Garbage	\$ 127,369	\$ 119,087	\$ (8,282)	\$ 123,290
Commercial Garbage	139,319	143,766	4,447	134,420
Miscellaneous	936	2,441	1,505	4,218
Total Operating Revenue	<u>267,624</u>	<u>265,294</u>	<u>(2,330)</u>	<u>261,928</u>
Operating Expense:				
Salaries	60,526	57,985	2,541	48,821
Employee Benefits	26,182	24,105	2,077	24,903
Professional Services	3,044	2,468	576	4,181
Operating Supplies	7,090	6,839	251	10,199
Other Current Charges	18,007	20,040	(2,033)	18,484
Depreciation	-	17,261	(17,261)	16,780
Landfill	117,712	122,740	(5,028)	116,138
Total Operating Expenses	<u>232,561</u>	<u>251,438</u>	<u>(18,877)</u>	<u>239,506</u>
Operating Income	<u>35,063</u>	<u>13,856</u>	<u>(21,207)</u>	<u>22,422</u>
Non-Operating Revenues (Expenses):				
Interest Income	6,209	5,689	(520)	6,384
Interest Expense	-	-	-	(67)
Total Non-Operating Revenues (Expenses)	<u>6,209</u>	<u>5,689</u>	<u>(520)</u>	<u>6,317</u>
Net Income Before Transfers	41,272	19,545	(21,727)	28,739
Transfers to Other Funds:				
Operating Transfers Out	<u>(19,000)</u>	<u>(19,168)</u>	<u>(168)</u>	<u>(10,000)</u>
Net Income	<u>\$ 22,272</u>	377	<u>\$ (21,895)</u>	18,739
Retained Earnings, Beginning of Year		<u>186,861</u>		<u>168,122</u>
Retained Earnings, End of Year		<u>\$ 187,238</u>		<u>\$ 186,861</u>

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

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FIDUCIARY FUNDS

These funds account for assets held by a governmental unit in a trustee capacity or as agent for individual, private organizations, other governmental units and/or other funds.

General Employees' Retirement Fund - To account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future and also the administrative costs of the system. Resources are contributed by the general and enterprise funds at amounts determined by triennial actuarial studies.

Police Officers' Retirement Fund - To account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future and also the administrative costs of the system. Resources are contributed by the state and plan participants, with additional funds needed to meet actuarially determined amounts provided by the general fund.

CITY OF BUSHNELL, FLORIDA
FIDUCIARY FUND TYPES
COMBINING BALANCE SHEET
SEPTEMBER 30, 1999
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998)

D - 1

	PENSION TRUST FUNDS		TOTALS	
	GENERAL	POLICE	1999	1998
	EMPLOYEES' RETIREMENT FUND	OFFICERS' RETIREMENT FUND		
<u>ASSETS</u>				
Cash	\$ 19,315	\$ 60,277	\$ 79,592	\$ 65,434
Investments	8,424	15,767	24,191	-
Due From Other Funds	-	161	161	1,655
Total Assets	<u>\$ 27,739</u>	<u>\$ 76,205</u>	<u>\$ 103,944</u>	<u>\$ 67,089</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Due to other Funds	\$ -	\$ -	\$ -	\$ 1,091
Total Liabilities	-	-	-	1,091
Fund Balance:				
Reserved for Pension Benefits	27,739	76,205	103,944	65,998
Total Liabilities and Fund Balance	<u>\$ 27,739</u>	<u>\$ 76,205</u>	<u>\$ 103,944</u>	<u>\$ 67,089</u>

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

GENERAL FIXED ASSET ACCOUNT GROUP

To account for fixed assets other than those accounted for in proprietary and similar trust funds.

CITY OF BUSHNELL, FLORIDA
SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE
AS OF SEPTEMBER 30, 1999

E - 1

	<u>1999</u>
GENERAL FIXED ASSETS:	
Land	\$ 486,370
Buildings	672,934
Improvements - Other Than Buildings	508,691
Equipment and Furniture	<u>991,638</u>
 TOTAL GENERAL FIXED ASSETS	 <u><u>\$ 2,659,633</u></u>
 INVESTMENT IN GENERAL FIXED ASSETS:	
General Fund Revenues	\$ 2,553,610
Federal Grants	3,193
State Grants	<u>102,830</u>
 TOTAL INVESTMENT IN GENERAL FIXED ASSETS	 <u><u>\$ 2,659,633</u></u>

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

CITY OF BUSHNELL, FLORIDA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 1999

E - 2

<u>FUNCTION AND ACTIVITY</u>	<u>GENERAL FIXED ASSETS 10/1/1998</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>GENERAL FIXED ASSETS 9/30/1999</u>
GENERAL GOVERNMENT:				
Financial and Administrative	\$ 361,447	\$ 14,374	\$ -	\$ 375,821
Legislative	2,873	-	-	2,873
TOTAL GENERAL GOVERNMENT	364,320	14,374	-	378,694
PUBLIC SAFETY:				
Law Enforcement	278,637	43,975	-	322,612
Fire Control	321,679	-	-	321,679
Protective Inspections	13,369	-	-	13,369
TOTAL PUBLIC SAFETY	613,685	43,975	-	657,660
PHYSICAL ENVIRONMENT:				
Cemetery	68,023	-	-	68,023
TOTAL PHYSICAL ENVIRONMENT	68,023	-	-	68,023
TRANSPORTATION:				
Road and Streets	385,230	191,019	-	576,249
TOTAL TRANSPORTATION	385,230	191,019	-	576,249
CULTURE/RECREATION:				
Library	7,223	2,969	-	10,192
Parks and Recreation	834,354	7,942	-	842,296
Special Facilities:				
Community Building	46,600	79,919	-	126,519
TOTAL CULTURE/RECREATION	888,177	90,830	-	979,007
TOTAL GENERAL FIXED ASSETS	<u>\$ 2,319,435</u>	<u>\$ 340,198</u>	<u>\$ -</u>	<u>\$ 2,659,633</u>

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

CITY OF BUSHNELL, FLORIDA
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 1999

E - 3

<u>FUNCTION AND ACTIVITY</u>	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS OTHER THAN BUILDINGS</u>	<u>EQUIPMENT AND FURNITURE</u>
GENERAL GOVERNMENT:					
Financial and					
Administrative	\$ 375,821	\$ 167,985	\$ 103,480	\$ -	\$ 104,356
Legislative	2,873	-	-	-	2,873
TOTAL GENERAL GOVERNMENT	378,694	167,985	103,480	-	107,229
PUBLIC SAFETY:					
Law Enforcement	322,611	60,426	-	4,523	257,662
Fire Control	321,680	-	6,300	-	315,380
Protective Inspections	13,369	-	-	-	13,369
TOTAL PUBLIC SAFETY	657,660	60,426	6,300	4,523	586,411
PHYSICAL ENVIRONMENT:					
Cemetery	68,023	68,023	-	-	-
TOTAL PHYSICAL ENVIRONMENT	68,023	68,023	-	-	-
TRANSPORTATION:					
Roads and Streets	576,249	14,250	313,135	33,596	215,268
TOTAL TRANSPORTATION	576,249	14,250	313,135	33,596	215,268
CULTURE/RECREATION:					
Library	10,192	200	4,000	1,224	4,768
Parks and Recreation	842,296	157,922	137,064	469,348	77,962
Special Facilities: Community Building	126,519	17,564	108,955	-	-
TOTAL CULTURE/ RECREATION	979,007	175,686	250,019	470,572	82,730
TOTAL GENERAL FIXED ASSETS	\$ 2,659,633	\$ 486,370	\$ 672,934	\$ 508,691	\$ 991,638

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

STATISTICAL SECTION

CITY OF BUSHNELL, FLORIDA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

Table 1

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Economic Environment	Culture and Recreation	Debt Service	Total
1990	\$ 176,245	\$ 310,674	\$ 14,928	\$ 112,755	\$ 10,931	\$ 94,889	\$ 29,747	\$ 750,169
1991	210,592	369,639	16,336	149,615	11,000	290,801	26,485	1,074,468
1992	209,553	507,286	22,261	114,909	59,408	95,070	-	1,008,487
1993	208,491	417,381	28,749	132,729	333,512	173,512	-	1,294,374
1994	294,711	458,547	24,199	279,891	13,000	217,257	-	1,287,605
1995	280,284	425,897	20,534	214,868	12,000	134,779	-	1,088,362
1996	317,049	439,703	62,017	208,376	12,250	225,620	-	1,265,015
1997	279,604	469,726	258,109	201,520	13,000	289,541	-	1,511,500
1998	269,378	437,443	30,522	785,847	9,000	148,863	97,102	1,778,155
1999	306,366	440,907	33,001	431,133	12,000	264,934	43,069	1,531,410

(1) Includes General and Special Revenue Funds.

CITY OF BUSHNELL, FLORIDA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (A)
LAST TEN FISCAL YEARS

Table 2

Fiscal Year	Taxes	License and Permits	Inter- Governmental	Charges For Services	Fines and Forfeitures	Interest and Miscellaneous	Total
1990	\$ 262,000	\$ 10,883	\$ 225,179	\$ 8,764	\$ 23,583	\$ 50,820	\$ 581,229
1991	275,487	24,970	349,412	3,210	19,450	54,136	726,665
1992	293,004	14,987	406,743	2,250	50,271	55,683	822,938
1993	407,466	21,039	658,040	1,632	53,826	71,841	1,213,844
1994	469,928	23,748	364,562	1,752	44,038	75,812	979,840
1995	504,851	18,748	381,085	1,787	19,134	79,900	1,005,505
1996	536,217	21,940	506,840	750	37,014	150,006	1,252,767
1997	577,880	14,891	619,647	3,074	34,834	112,377	1,362,703
1998	708,234	25,446	507,413	5,388	23,348	113,954	1,383,783
1999	741,281	5,093	271,282	19,398	39,109	104,625	1,180,788

(A) Includes General and Special Revenue Funds.

CITY OF BUSHNELL, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

Table 3

Fiscal Year	Property Taxes	Franchise Fees	Utility Taxes	Fuel Taxes	Sales Use and Gas Taxes	Total Taxes
1990	\$ 79,999	\$ 42,300	\$ 139,701	\$ -	\$ -	\$ 262,000
1991	86,753	64,835	143,849	50	-	295,487
1992	87,982	49,199	155,823	-	-	293,004
1993	180,046	52,061	175,359	-	-	407,466
1994	90,213	55,850	206,020	-	117,845	469,928
1995	92,993	55,796	224,986	-	131,076	504,851
1996	94,340	58,618	233,307	-	149,952	536,217
1997	96,703	70,562	263,724	-	146,891	577,880
1998	93,779	71,762	243,798	-	298,895	708,234
1999	95,341	67,172	254,215	-	324,553	741,281

(1) Includes General and Special Revenue Funds.

CITY OF BUSHNELL, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Table 4

Fiscal Year	Total Tax Levy	Current Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
1990	\$ 87,032	\$ 79,999	92%	*	\$ 79,999	92%
1991	90,013	86,753	96%	*	86,753	96%
1992	90,332	87,982	97%	*	87,982	97%
1993	93,469	87,871	94%	*	87,871	94%
1994	94,536	90,213	95%	*	90,213	95%
1995	97,083	92,993	96%	*	92,993	96%
1996	97,598	94,340	97%	*	94,340	97%
1997	99,741	96,703	97%	*	96,703	97%
1998	98,259	93,526	95%	253	93,779	95%
1999	97,660	94,744	97%	597	95,341	98%

* Information not available

CITY OF BUSHNELL, FLORIDA
 ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY
 LAST TEN FISCAL YEARS

Table 5

Fiscal Year	Real Property		Personal Property		Total		Ratio of Total Assessed To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Value	Assessed Value	Estimated Actual Value	
1990	*	*	*	*	\$ 30,527,090	\$ 35,914,224	85%
1991	*	*	*	*	33,338,228	39,221,445	85%
1992	*	*	*	*	33,468,971	39,375,260	85%
1993	*	*	*	*	37,002,810	43,532,718	85%
1994	*	*	*	*	38,012,169	44,720,199	85%
1995	*	*	*	*	40,876,122	48,089,555	85%
1996	*	*	*	*	42,016,283	49,430,921	85%
1997	*	*	*	*	44,689,547	52,575,937	85%
1998	34,612,123	44,538,727	11,153,561	11,160,563	45,765,684	55,699,290	82%
1999	37,489,724	53,308,291	11,621,364	12,911,203	49,111,088	66,219,494	75%

* Not Available

CITY OF BUSHNELL, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Table 6

Fiscal Year	Total City Millage	Total State & County Millage	Total
1990	2.850	19.49	22.500
1991	2.700	19.48	22.180
1992	2.700	19.91	22.610
1993	2.530	19.95	22.470
1994	2.490	20.23	22.710
1995	2.380	20.09	22.460
1996	2.350	20.09	22.440
1997	2.180	20.14	22.330
1998	2.147	20.08	22.227
1999	1.997	20.02	22.017

Information Source:
City Millage Records
Sumter County Property Appraiser

CITY OF BUSHNELL, FLORIDA
PRINCIPAL TAXPAYERS
SEPTEMBER 30, 1999

Table 7

Owner	Assessed Valuation	Percent of Total Assessed Valuation
1. Metal Industries	\$ 7,218,687	16.153%
2. Sumter Center	2,279,683	5.101%
3. Walmart, Inc.	1,369,643	3.065%
4. Bushnell Elderly Housing	918,215	2.055%
5. Bushnell R.R.H. Ltd.	824,139	1.844%
6. Windmeadows RRH, Ltd.	705,148	1.578%
7. Josephine Ramsey	584,403	1.308%
8. Spaude Family Partnership	619,355	1.386%
9. SunTrust Nature Coast	488,580	1.093%
10. Community National Bank	908,883	2.034%
	<u>\$ 15,916,736</u>	<u>35.617%</u>

Information Source:

Sumter County, Florida Property Appraiser's Office

CITY OF BUSHNELL, FLORIDA
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
 GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
 LAST TEN FISCAL YEARS

Table 8

Fiscal Year	Principal	Interest	Total Debt Service	Total (I) General Expenditures	Ratio of Debt Service to Total General Expenditures
1990	\$ 20,190	\$ 9,557	\$ 29,747	\$ 750,169	3.96%
1991	21,174	5,311	26,485	1,074,468	2.46%
1992	26,774	13,469	40,243	1,008,487	3.99%
1993	31,549	14,220	45,769	1,294,374	3.54%
1994	91,128	8,940	100,068	1,287,605	7.77%
1995	23,723	14,640	38,363	1,088,362	3.52%
1996	23,527	13,172	36,700	1,265,015	2.90%
1997	25,813	12,483	38,296	1,511,500	2.53%
1998	86,526	10,576	97,102	1,778,155	5.46%
1999	27,923	15,146	43,069	1,531,410	2.81%

(1) Includes General and Special Revenue Funds

CITY OF BUSHNELL, FLORIDA
SCHEDULE OF ELECTRIC UTILITY REVENUE DEBT COVERAGE
LAST TEN FISCAL YEARS

Table 9

Fiscal Year	Operating Revenue	Operating Expenses	Net Operating Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage Ratio
				Principal	Interest	Total	
1990	\$ 1,296,674	\$ 994,382	\$ 302,292	*	*	\$ 53,675	563%
1991	1,252,491	1,025,482	227,009	*	*	72,339	314%
1992	1,259,120	1,054,735	204,385	*	*	71,132	287%
1993	1,402,282	1,084,015	318,267	*	*	72,987	436%
1994	1,443,086	1,091,387	351,699	*	*	72,290	487%
1995	1,494,100	1,249,954	244,146	*	*	73,419	333%
1996	1,652,681	1,341,876	310,805	*	*	71,363	436%
1997	1,784,613	1,368,548	416,065	*	*	76,228	546%
1998	1,863,515	1,398,763	464,752	107,905	4,402	112,307	414%
1999	1,824,130	1,375,163	448,967	26,205	2,375	28,580	1571%

* Not available.

CITY OF BUSHNELL, FLORIDA
SCHEDULE OF WATER REVENUE DEBT COVERAGE
LAST TEN YEARS

Table 10

Fiscal Year	Operating Revenue	Operating Expense	Net Operating Revenue Available for Debt Service	Debt Service Requirements			Debt Coverage Ratio
				Principal	Interest	Total	
1990	\$ 175,043	\$ 173,014	\$ 2,029	*	*	\$ 42,791	5%
1991	186,302	190,456	(4,154)	*	*	44,425	-9%
1992	251,573	187,524	64,049	*	*	40,830	157%
1993	274,478	192,355	82,123	*	*	43,007	191%
1994	280,391	199,304	81,087	*	*	41,111	197%
1995	285,767	220,368	65,399	*	*	38,828	168%
1996	366,672	236,155	130,517	*	*	56,762	230%
1997	333,100	233,147	99,953	*	*	56,952	176%
1998	371,517	278,354	93,163	28,222	15,000	43,222	215%
1999	424,921	274,350	150,571	37,877	10,499	48,376	311%

* Not available.

CITY OF BUSHNELL, FLORIDA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Table 11

Fiscal Year	Population	Per Capita Income	Median Age	School Enrollment	Unemployment Rate / Percent
1990	1,998	\$ 11,757	40.1	1,330	7.50%
1991	1,995	12,534	40.3	1,322	8.40%
1992	2,107	13,021	40.4	1,352	8.40%
1993	2,212	13,529	40.6	1,390	7.10%
1994	2,263	13,995	40.3	1,415	6.90%
1995	2,273	14,473	40.6	1,447	5.90%
1996	2,358	14,967	41.0	1,551	5.60%
1997	2,384	15,364	40.0	1,702	3.30%
1998	2,423	15,640	41.5	1,627	2.50%
1999	2,547	15,847	41.6	1,710	2.70%

Information Source:
Sumter County Development Council

CITY OF BUSHNELL, FLORIDA
PROPERTY VALUES AND NEW CONSTRUCTION
LAST TEN FISCAL YEARS

Table 12

Fiscal Year	New Construction Units	New Construction Estimated Value	Total Estimated Property Value
1990	21	\$ 783,758	\$ 35,914,224
1991	54	2,324,266	29,221,445
1992	18	849,047	39,375,260
1993	27	1,155,429	43,532,718
1994	22	831,128	44,720,199
1995	24	1,024,398	48,089,555
1996	25	806,752	49,430,921
1997	13	528,244	52,575,937
1998	13	421,900	55,699,290
1999	11	1,177,184	55,698,064

Information Source:
City Building Department

CITY OF BUSHNELL, FLORIDA
MISCELLANEOUS STATISTICS
SEPTEMBER 30, 1999

Table 13

Date of Incorporation	1911
Form of Government	Council - Manager
Area in Square Miles	1.95
Miles in Streets	18.1
Fire Protection:	Volunteer
Number of Stations	1
Number of Firefighters	18
Police Protection:	
Number of Stations	1
Number of Police Officers	9
Education:	1 High School 1 Elementary School
Municipal Water Department:	
Number of Consumers	951
Average Daily Consumption (gallons)	562,000
Miles of Water Mains	18
Municipal Electric Department:	
Number of Consumers	969
Average Daily Consumption (kwh usage)	59
Miles of Electric Lines	18.1
Sanitation Department:	
Average Number of Customers	749
Building Permits Issued	79
Recreation and Culture - Parks:	1 with 30 Acres 1 with 5 Acres
Employees	32
Information Source:	
City Records	

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CITY OF BUSHNELL, FLORIDA
SCHEDULE OF INSURANCE COVERAGE

Table 14

Page 1 of 2

CARRIER	TYPE OF COVERAGE	LIMITS OF COVERAGE
COREGIS INSURANCE CO.	GENERAL LIABILITY DEDUCTIBLE - NONE LAW ENFORCEMENT OPERATIONS PREMISES/OPERATIONS "INSURED" CONTRACTS HOST LIQUOR LAW LIABILITY BROAD FORM PROPERTY DAMAGE WATERCRAFT LIABILITY (UNDER 26') LIMITED WORLDWIDE COVERAGE ADD. PERSONS INSURED EXTENDED BODILY INJURY INCIDENTAL MEDICAL MALPRACTICE EMPLOYEES BENEFITS LIABILITY	BODILY INJURY AND PROPERTY DAMAGE \$100,00 PER PERSON \$200,000 PER OCCURRENCE EXCESS INJURY AND PROPERTY DAMAGE \$900,000 PER PERSON \$800,000 PER OCCURRENCE
FLORIDA LEAGUE OF CITIES FL MUNICIPAL INSURANCE TRUST FMIT #070	WORKER'S COMPENSATION	STATUTORY - STATE OF FLORIDA
HARTFORD LIFE INSURANCE CO.	ACCIDENTAL DEATH/DISEMBLEMENT	PRINCIPAL SUM ACCIDENT MEDICAL EXPENSE BENEFIT MAX. BENEFIT AMT - \$100 DEDUCTIBLE AMT - NONE
	DISABILITY	WEEKLY BENEFIT AMOUNT \$100 MAX. PAYMENT PERIOD 104 WEEKS
	ACCIDENT PARTIAL DISABILITY	SEE BENEFIT MAX. BENEFIT AMT - \$5,000
HARTFORD LIFE INSURANCE CO.	VOLUNTEER FIRE DEPARTMENT	ACCIDENTAL DEATH AND DISEMBLEMENT CATASTROPHIC LOSS BENEFIT - \$100,000
	ACCIDENT TOTAL DISABILITY BENEFIT	WEEKLY BENEFIT AMT. - \$250 MAX. PAYMENT PERIOD - 104 WEEKS

Information Source:
City Insurance Records

CITY OF BUSHNELL, FLORIDA
SCHEDULE OF INSURANCE COVERAGE

Table 14
(Page 2 of 2)

85

CARRIER	TYPE OF COVERAGE	LIMITS OF COVERAGE
COREGIS INSURANCE CO.	AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE NUMBER OF CITY VEHICLES (26)	BODILY INJURY/PROPERTY DAMAGE \$100,000 PER PERSON \$200,000 PER OCCURRENCE EXCESS BODILY INJURY /PROPERTY DAMAGE \$900,000 PER PERSON \$800,000 PER OCCURRENCE PERSONAL INJURY PROTECTION - \$10,000 MEDICAL PAYMENTS - \$5,000 UNINSURED MOTORISTS - \$30,000 LIABILITY DEDUCTIBLE - NONE PHYSICAL DAMAGE COVERAGE - ACTUAL VALUE COMPREHENSIVE DEDUCTIBLE - \$250 COLLISION DEDUCTIBLE - \$250
COREGIS INSURANCE CO.	PUBLIC OFFICIALS LIABILITY	\$1,000,000 EACH LOSS \$1,000,000 AGGREGATE RETENTION - \$2500
COREGIS INSURANCE CO.	PROPERTY - BUILDING AND CONTENTS DEDUCTIBLE - \$250 ALL PERILS COVERAGE EXTENSIONS: EXTRA EXPENSE ACCOUNTS RECEIVABLE EDP BLDG. ORD. INLAND MARINE COVERAGE DEDUCTIBLE - \$250 ALL-RISK EXCL. FLOOD, QUAKE	BUILDINGS - \$2,046,167 CONTENTS - \$283,155 \$25,000 PER OCCURRENCE \$25,000 PER OCCURRENCE \$10,000 PER OCCURRENCE \$250,000 PER OCCURRENCE CONTRACTORS EQUIPMENT - \$67,963 EDP EQUIPMENT - \$40,000 MISC. PROP. FLOATER - \$138,840

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REGULATORY AND COMPLIANCE SECTION

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CITY OF BUSHNELL, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 1999

FEDERAL AWARDS				
Federal Grantor/ Program Title	Federal CFDA Number	Federal Revenues	Federal Expenditures	Federal through State Receipts
U.S. Department of Agriculture: Rural Development - Wastewater Collection & Treatment System Grant (total grant \$2,000,000)	10.760	\$ -	\$ -	\$ -
Pass through the Florida Dept. of Community Affairs: Community Development Block Grant (total grant \$500,000) Contract #96DB-1E-05-70-02-C05	14.228	-	-	20,750
Local Law Enforcement Block Grant (total grant \$1,841) Contract #99-CJ-A2-05-70-02-048	16.592	1,841	1,841	1,841
Total Federal Awards		<u>\$ 1,841</u>	<u>\$ 1,841</u>	22,591

STATE OF FLORIDA PROGRAMS

State Agency/ Program Title	Project Number	State Receipts
State of Florida Dept. of Environmental Protection: Wastewater Management System Improvements (total grant \$700,000)	SP490	-
Wellhead Protection Program - Technical Document (total grant \$4,999)	GW098	4,999
Total State Financial Assistance		<u>\$ 27,590</u>

NOTE: This schedule was prepared using the accrual basis of accounting for *Federal Revenues* and *Federal Expenditures*, and the cash basis for *Federal through State Receipts* and *State Receipts*.

(Single Audit not required)

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

July 13, 2000

Honorable Mayor and Members of the
City Council
City of Bushnell, Florida

We have audited the general purpose financial statements of the City of Bushnell, Florida, as of and for the year ended September 30, 1999, and have issued our report thereon dated July 13, 2000, included under the heading **INDEPENDENT AUDITORS' REPORT**.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Bushnell's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect of the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule as items A-1 and A-2. We also noted certain immaterial instances of noncompliance that we have reported to management of the City of Bushnell, Florida, in a separate letter dated July 13, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Bushnell's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the City of Bushnell internal control over financial reporting and its operation that we consider to be

reportable conditions.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Bushnell, Florida's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule as items A-1 and A-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable conditions (A-1 & A-2) described below, to be material weaknesses.

Schedule of Non Compliance and Reportable Conditions

Item A-1 - Payroll

1. Payroll tax returns are not prepared timely and accurately. Even with knowledge that a report is in error, amended returns are not prepared. This situation has occurred with both federal returns and state unemployment returns resulting in non compliance with Federal and State laws.
2. Payroll tax payments have not been made timely with significant penalties resulting for each quarter of the audit period ended September 30, 1999.
3. Interest and Penalty assessed by the IRS for late payroll deposits and late tax return filing were not recorded to the proper penalty accounts and proper accounting periods. Penalties and interest are inconsistently coded to various accounts rather than to the proper penalty accounts whereby overstating unrelated expenditure accounts. Total interest and penalties for late filing and late payments to state and federal agencies totaled \$8,899 with \$2,517 recorded by the City to the penalty accounts as of September 30, 1999.
4. There has been no reconciliation of payroll tax reports to the general ledger or of payroll tax reports to Forms W-3 and W-2's. During the audit period, there were discrepancies between each

Schedule of Noncompliance and Reportable Conditions (continued)

of these areas. The effect of not reconciling the payroll expenditures and liability accounts results in an understatement of tax liability on related quarterly and annual payroll tax returns.

Additionally, the General, Electric, Water and Sanitation Fund payroll tax liability accounts were understated in the amount of \$16,911, \$4,792, \$4,413 and \$2,078, respectively as of September 30, 1999.

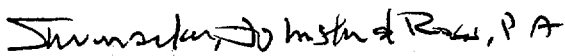
Item A-2 - Cash

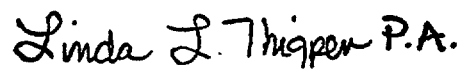
1. The City does not prepare accurate and timely bank reconciliations that agree to the general ledger. An electronic payroll tax transmission to the Internal Revenue Service (IRS) was erroneously recorded as an outstanding item on the bank reconciliation for the second pay period in July, 1999, when the liability was not actually paid until January, 2000. Additionally, a late electronic payment for the June, 1999 payroll was listed as an outstanding item as of September 30, 1999 when a check had been issued and cleared in August, 1999. The result of the above bank reconciliation errors understated pooled cash in the amount of \$17,246.

2. During the course of our audit we found that eleven cash accounts, including the pooled cash accounts, were not properly reconciled to the General Ledger. The Pooled cash accounts were understated by \$18,967, other General Fund cash accounts understated by \$19,166 and Fiduciary Funds were understated by \$1,537 as of September 30, 1999.

3. We made observations of subsequent bank reconciliations prepared by the City for the three months after the audit period (October, November and December, 1999) and found that the bank reconciliations did not agree to the general ledger. Our observations of subsequent bank reconciliations were made on May 1, 2000.

This report is intended for the information of the Mayor and City Council, management and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Shumacker, Johnston & Ross, PA



Linda L. Thigpen PA

Shumacker, Johnston & Ross, PA

Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON EXAMINATION
OF MANAGEMENT'S ASSERTION ABOUT COMPLIANCE
WITH SPECIFIED REQUIREMENTS**

July 13, 2000

Honorable Mayor and Members of
the City Council
City of Bushnell, Florida

We have examined management's assertion included in its representation letter dated July 13, 2000 that the City of Bushnell, Florida complied with the allowable cost requirements of the grants and aids appropriations identified in the Schedule of Expenditures of Federal Awards and State Financial Assistance for the year ended September 30, 1999. Management is responsible for the City of Bushnell, Florida's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, management's assertion that the City of Bushnell, Florida complied with the allowable cost requirements of the grants and aids appropriations identified in the Schedule of Expenditures of Federal Awards and State Financial Assistance during the year ended September 30, 1999 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor and City Council, management, and applicable State of Florida and Federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Shumacker, Johnston & Ross, PA
Shumacker, Johnston & Ross, PA

Linda L. Thigpen P.A.
Linda L. Thigpen, PA

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MANAGEMENT LETTER

July 13, 2000

Honorable Mayor and Members of the
City Council
City of Bushnell, Florida

The following comments and recommendations are provided as required by Chapter 10.554, Rules of the Auditor General for the State of Florida.

1. There were no inaccuracies, irregularities, shortages, defalcations, and/or violations of laws, rules, regulations or contractual provision reported in the preceding annual financial audit.
2. The recommendations made in the preceding annual financial audit report have been satisfactorily addressed by the City, except for the following items:

Evergreen Cemetery Fund

The Evergreen Cemetery fund of the City is maintained and operated by a volunteer association that handles all financial functions of the fund. The volunteer association's treasurer alone keeps all records, approves payments, writes and signs checks, and receives the bank statements. In prior years, the annual audit has been the only time that the financial activity and records of the fund are received and analyzed by the City.

During 1998/99 year, the City began the process of obtaining some financial information on a quarterly basis. However, we recommend that the City continue working with the volunteer association to perform a more in-depth financial review and perform a reconciliation of the bank statements on a monthly basis.

Bank Reconciliations

Our audit indicates that the City does not prepare accurate and timely bank reconciliations that agree to the general ledger. Since cash receipts are not integrated with the City's general ledger software package, reconciling the cash accounts would help insure that deposits and all other cash transactions are recorded in the proper accounting period.

Similarly, we would recommend that the City determine how to best integrate the cash receipts with the general ledger, instead of compiling the cash receipts externally on spread sheets and subsequently recording the receipts as one large entry to the general ledger. This integration would possibly save time, provide sufficient detail to financial statement users and provide a more appropriate internal audit trail

Safeguarding Assets

During the course of our audit, we noted various penalties and interest assessed to the City by Federal and State authorities for late and insufficient payments of both payroll taxes and sales taxes. We would recommend that the City institute procedures for prevention of future occurrences of this nature.

3. The City is not and, during the fiscal year, has not been in a state of financial emergency as consequence of conditions described in Section 218.503(1), Florida Statutes.
4. The financial report filed with the Department of Banking and Finance pursuant to Section 218.32(1)(a), Florida Statutes is in agreement with the annual financial audit report for the year ended September 30, 1999.
5. The management letter is not for a Clerk of the Circuit Court (not applicable).
6. We have made the following recommendations to improve the City's present financial management, accounting procedures, and internal controls:

Police Pension Fund

Police Pension contributions erroneously made to the Regular Employee's Pension investment account, as noted in the prior years audit, were not deposited until August 23, 1999. We recommend that cash transactions be promptly reconciled and deposited to the proper accounts expeditiously to safeguard future investment returns for the respective pension funds.

General Ledger Reconciliation

We recommend monthly oversight and analysis of the financial data to interpret the reasonableness of the information for proper classification and allocation within and to each fund.

Safeguarding Assets

Several checks totaling \$3,705 drawn off of the City's account by bank error in April, 1999 were not credited to the City as of September 30, 1999.

7. We discovered the following violations of laws, rules, regulations or contractual provisions within the scope of the financial audit:


Sales Tax Compliance

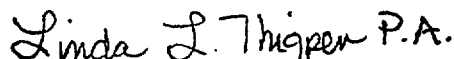
Sales tax computed on tower rental should be sales tax collected. The Sales tax was not remitted for the twelve months ended September 30, 1999 in accordance with Florida Sales Tax Regulations.

8. We did not discover any illegal or improper expenditures within the scope of the financial audit.
9. a. Accounting procedures appear to be proper and adequate, except for the recommendation for improving accounting procedures with regard to **Reconciliations** as hereintofore mentioned in comment number 2 and 6 above.
- b. Financial transactions were properly recorded, except as hereintofore mentioned in comment number 6 above.
- c. We did not discover any other inaccuracies, irregularities, shortages or defalcations.
10. The name of the primary government is the City of Bushnell, Florida, created by charter under the legal authority of the Laws of Florida 57-1205 and the Evergreen Cemetery by City Ordinance.

We would like to take this opportunity to express our appreciation for the courtesies extended to our staff during the course of this audit. If you should have any questions or comments about the contents of this management letter, please do not hesitate to contact us.

This report is intended for the information and use of management, the Mayor and City Council, and the State of Florida Auditor General and should not be used by anyone other than these specified parties.


Shumacker, Johnston & Ross, PA


Linda L. Thigpen, P.A.

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CITY OF BUSHNELL

219 N. Market Street
P.O. Box 115



Bushnell, Florida 33513
(352) 793-2591
Fax (352) 793-2711

July 24, 2000

To: Honorable Mayor and Council Members
From: Vince Ruano and Joy Coleman
Re: Management response to the auditor's management letter

Honorable Council members;

This letter of explanation, or rebuttal, is being offered in accordance with the "Rules of the Auditor General" in particular, Chapter 10.500 thereof.

Specifically, this letter responds to Shoemaker, Johnston, & Ross, PA and Linda Thigpen, PA "Management Letter" comments, dated July 13, 2000. In their report Shoemaker, Johnston, & Ross, PA, and Linda Thigpen, PA made several recommendations for improvement in different areas of the City's accounting functions. The specific areas identified in their recommendations are as follows:

PRIOR YEAR COMMENTS:

- ❖ Evergreen Cemetery
- ❖ Bank Reconciliation
- ❖ Safeguarding Assets

CURRENT YEAR COMMENTS:

- ❖ Police Pension Fund
- ❖ General Ledger Reconciliation
- ❖ Safeguarding Assets

DISCOVERY

- ❖ Sales Tax Compliance

PAGE 2
RESPONSE TO THE MANAGEMENT LETTER
JULY 24, 2000

The management of the city recognizes that the recommendations of the auditor's report are beneficial and achievable and the discovery were an oversight on staff's behalf, therefore, this letter will be without rebuttal. Our comments will hence be restricted to explanatory comments, implementation plans or recommendations for the above identified areas.

PRIOR YEAR COMMENTS:

EVERGREEN CEMETERY FUND

Management agrees with the auditors recommendation for the need of more in-depth financial review of the Bushnell Evergreen Cemetery financial activities by the city.

Traditionally, the Cemetery Board of Trustees and its treasurer has had total control and custody of these City funds. The Council or management has had no oversight of the fund activities, for the exception of quarterly financial information to the City, by the Board's treasurer.

During 1999 the city began receiving bank statements, copies of cancelled checks & deposit tickets which allows staff to complete a bank reconciliation of the various accounts. Staff compares the Board of Trustee's treasurer's annual report to those developed by the staff from quaterly information to provide reasonable assurance of it's accuracy.

BANK RECONCILATION

All checking accounts held by the City from October through March were reconciled accurately and timely. In April 1999, Suntrust purchased our local branch bank, at which time, management felt it appropriate to consolidate our major checking accounts into one pooled cash account for investment benefits. We notified our financial software vendor of our intensions. A vendor representative installed all settings for pooled cash operations. In June, staff noticed inconsistency in the pooled cash accounting reports. All finanical reporting and cash reconcilations were unsuccessfully attempted. Unknown to staff, the settings were installed incorrectly. The software developer eventually came on site to assist with the general ledger reconstruction. This assistance provided staff with the capability to regenerate the general ledger from April to September 1999, which lead to the reconciliation of the cash accounts.

Within the current window's based general ledger, there is a cash receipts program which is intergrated with the general ledger. Staff has reviewed the program, and is working with the vendor to correct it's functional deficiencies prior to it's utilization. Staff developed and continues to utilize cash receipts spreadsheets for daily postings to general ledger. When management is assured of the intergrated cash receipts programs full functionality, we will begin it's utilization in conjuction with bank reconciliation.

SAFEGUARDING ASSETS

Payroll tax payment authorization is the responsibility of the finance director. These payments are made from a report generated by the assistant city clerk after each and every payroll period. This report is a spreadsheet that was developed by staff and usually submitted to the finance director after the completion of the entire payroll process. The spreadsheet report is now completed and verified in conjuction with other computer generated payroll reports. Therefore, this allows the finance director to authorize payments in a more timely manner. In addition to the expedition of the report, the assistance city clerk has been trained in the payment process and has authorization to make said payments in the finance director's absence.

CURRENT YEAR COMMENTS:

POLICE PENSION PLAN

The post audit adjusting entry submitted by the auditors between the Regular Employee's Pension Plan and the Police Officer's Pension Plan did not occur until August 23, 1999. During the July quarterly meeting, staff secured the Regular Employee Pension Plan Board's approval to make this post audit adjustment. In August the transaction was finaled.

In order to expedite future investment returns, staff is planning to implement a bi-weekly deposit instead of monthly deposit beginning in August 2000.

GENERAL LEDGER RECONCILIATION

The finance department prepares Budget Summary and Revenue and Expenditure reports that are disseminated to the City Council, City Manager and each department head on a monthly basis. In addition, the finance department prepares a Detailed Budget and an Accounts Payables Disbursement report on a monthly basis for the individual department heads. These reports enable the various individuals to review and inquire as to any transactions that are questionable. The finance department takes these inquiries under advisement and confirms or adjusts the transaction.

PAGE 4
RESPONSE TO THE MANAGEMENT LETTER
JULY 24, 2000

SAFEGUARDING ASSETS


During the Suntrust acquisition of our local branch, checks drawn by others were incorrectly debited by the bank to the City's General Fund account. In June staff contacted bank personnel and informed them of the debited amounts. Suntrust did not credit the City's account until completion of their research. As of the date of this letter the credit by Suntrust has been recorded.


DISCOVERY:

The communication tower rental agreement between Air Touch and the City of Bushnell had been recorded as rental revenue, in the General Fund, when in fact part of the payment was to be allocated to sales tax on the rental fee. The \$31.50 sales tax fee on the rental had not been recorded as a tax liability throughout the fiscal year. This oversight has been corrected and paid to the state. Current posting of those revenues have been separated into the appropriate accounts and paid on a montly basis.

This letter along with the general purpose financial statement for fiscal year ending September 30, 1999 will be filed with the public records of the City of Bushnell and the State of Florida Auditor General's Office.

Respectfully submitted,


Vince Ruano
City Manager


Joy Coleman, CMC
City Clerk/Finance Director