

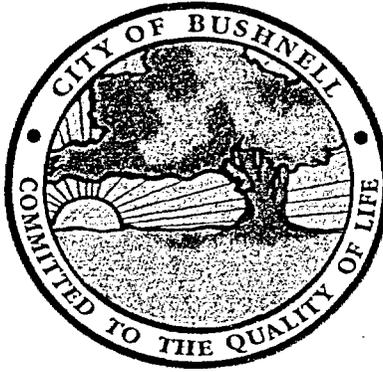
*City of Bushnell, Florida
Comprehensive Annual Financial Report
Fiscal Year Ending September 30, 2002*

Cover Photo
The Veranda House

**Comprehensive Annual Financial Report
of the
City of Bushnell, Florida
for the
Fiscal Year Ended September 30, 2002**

PREPARED BY THE OFFICE OF THE CITY CLERK

Introductory Section



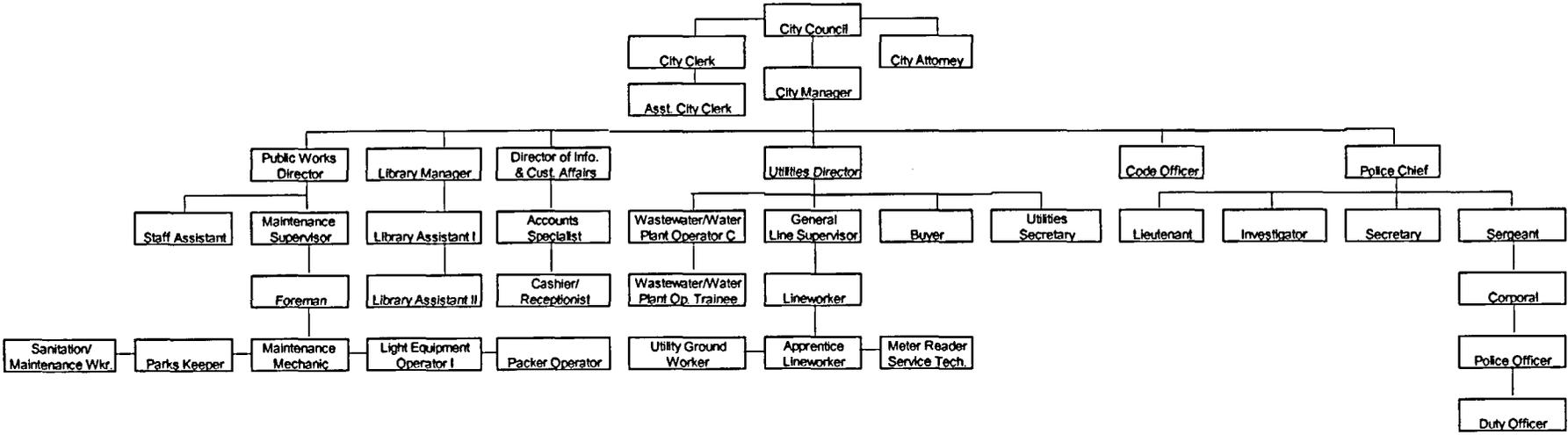
ELECTED OFFICIALS

| | |
|------------|--------------------------|
| Mayor | Joseph P. Strickland Jr. |
| Vice Mayor | Warren Maddox |
| Councilman | Billy K. Williams |
| Councilman | Dale Swain |
| Councilman | Dale Barnes |
| City Clerk | N. Joy Coleman |

APPOINTED OFFICIALS

| | |
|-----------------------|----------------|
| City Manager | Vince Ruano |
| Police Chief | Joyce Wells |
| Utilities Director | Herschel Stone |
| Public Works Director | Ronnie Pitts |

City of Bushnell
Organizational Chart



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2002
CITY OF BUSHNELL, FLORIDA**

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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

March 14, 2003

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, 2002, 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, waste 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 annual population change from 1998 to 2002". 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 it's 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 and social 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 1047 metered customers, 262 of which are commercial customers. Bushnell exhibits steady growth in its commercial sector. 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 potable water, wastewater 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 adopted level of service of its infrastructure while allowing quality develops.

CURRENT YEAR PROJECTS

During the fiscal year 02', the City of Bushnell initiated, some major construction projects to improve on the service delivery for our citizens. The following will highlight some of these major initiatives taken by the City during the fiscal 02':

Bushnell Public Library

The new Public Library completed in December '02 is located at the intersection of Florida Street and Dade Avenue. The building is a modern looking facility constructed of brick, Sumter County fieldstone and glass. The interior area is approximately 4, 500 square feet.

The building is segmented into three areas. The first area is for children's media and activities. The center houses the main collection and provide numerous computer terminals for the library's patrons. The last area consists of offices and a community room that is available to various groups for meetings or training purposes.

This new library is jointly financed by the City of Bushnell and the State of Florida Division of Library Services. Total cost including furnishings is approximately \$600,000. The new library has paved parking with landscaping and handicap accessibility is available throughout.

The Bushnell Public Library is part of the Sumter County cooperative library system, which consists of five public libraries and the community college library. Operational funds for the cooperative library system come from the state with each individual library supported by state and local tax dollars.

Electric and Water System Expansions

The City of Bushnell continues to expand and upgrade its electric and water systems on an ongoing annual basis. Expansions have been made not only to serve new customers but to improve reliability of the systems

During the Fiscal Year the City of Bushnell acquired a two acre parcel containing an 8" deep well. This agricultural well is currently being transformed into a community potable water supply resource with a target in service date of April 2003.

This rehabilitation is jointly funded by the City of Bushnell and the Withlacoochee Regional Water Supply Authority. The total cost of the project is anticipated to be \$220,000. Of importance is the location of this well, which is at the outmost western portion of the City of Bushnell's potable water system, due west of the I-75 interchange. The well will allow for continuous service to the western side of the system should a main failure occur along the State Road 48 corridor.

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:

The City of Bushnell's Wastewater Treatment Facility has been under construction throughout the fiscal year. This facility will provide wastewater services to the downtown area, the main street corridor, and the I-75/SR 48 interchange. The plant is designed for a capacity of 250,000 gallons per day.

The project has been funded through a \$700,000 grant from the Florida Department of Environmental Protection, a \$2.8 million loan from Rural Utility Services, and a \$2 million grant from Rural Utility Services.

It is projected that the in service date will be April 2003. The system consists of low-pressure collection in the downtown area along with standard gravity collection in the rest of the service area. The treatment process is sequential batch reactor process, which is highly automated. The treatment facility is located in the sand hills of the Sumterville area approximately five miles North of the City of Bushnell where final effluent disposal will be by spray irrigation method.

West Side Drainage Improvements

A grant agreement with the Florida Department of Community Affairs has been entered into 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. The South West Florida Water Management District has agreed to contribute an additional \$275,000 towards this project for the purpose of enhancing flood protection and water quality, bringing the total

project cost to \$825,000. Engineering design is currently underway for this project, with an estimated construction start of Summer 2003.

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 focus upon the Public Safety Department of the City of Bushnell. Public Safety has consisted of the City of Bushnell's Police and Fire Department led by one individual department head, the Public Safety Director. During the fiscal year county government initiated and successfully created the countywide fire service under the direction of the Director of Fire Services.

The countywide fire services unified the department of five municipalities and five unincorporated areas fire companies. The unification took place in a form of a lease and an ordinance where about the City of Bushnell leased to the Board of County Commissioners equipment and properties over a period of 3 years. The countywide fire service then becomes responsible for the ongoing operating expenses for the various departments. This lease was signed by the City of Bushnell during the later part of the fiscal year.

Simultaneously with the consolidation of the fire service, the long term Director of Public Safety retired from the City of Bushnell and Chief Joyce Wells was appointed not as Public Safety Director but as Chief of Police in light of the consolidation. Chief Wells is the first female Chief in the City of Bushnell and was previously sergeant with the City Police Department. In her short tenure, Chief Wells has been able to acquire grants for specialized surveillance equipment for the police department.

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, enterprise funds and pension plans 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 is established by section 7.04 "Budget Adoption" of the Bushnell City Charter which establishes the fund as the level of budgetary control.

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 Operation:. The following schedule presents a summary of general fund revenues for the fiscal year ended September 30, 2002.

| <u>Revenues and other funding sources</u> | <u>2002 Amount</u> | <u>Percent of Total</u> |
|---|------------------------|-----------------------------|
| Ad Valorem | \$124,441 | 6% |
| Local Gov't. Infrastructure Sutax | \$113,294 | 6% |
| Local Option Gas Tax | \$153,666 | 8% |
| Utility Taxes | \$306,879 | 16% |
| Franchise Fees | \$61,345 | 3% |
| License & Permits | \$21,021 | 1% |
| Intergovernmental | \$279,364 | 14% |
| Charges for Services | \$20,008 | 2% |
| Fines & Forfeitures | \$26,319 | 2% |
| Transfer In | \$359,000 | 18% |
| Interest & Miscellaneous | \$39,901 | 2% |
| Grant Revenues | \$242,304 | 12% |
| Debt Proceeds | \$200,000 | 10% |
| Total Revenues: | \$1,947,542 | |

It is evident by the table above that the General Fund derives the vast majority of its revenue from outside sources; such as utility taxes, local option gas tax, or transfers from enterprise funds. The larger sources of Intergovernmental funds are; state revenue sharing, local option gas tax and state sales tax. Intergovernmental transfers are derived from electric, water & sanitation with a make up of 20% 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 were calculated during fiscal year 2001 at a municipal rate of 7%. Franchise fees are also remitted by companies providing

electric, cable TV, and phone services within the municipal limits, at varying percentage of gross sales.

The following schedule presents a summary of general fund expenditures for the fiscal year ended September 30, 2002:

| <u>Expenditures</u> | <u>2002 Amount</u> | <u>Percent of Total</u> |
|-------------------------------------|------------------------|-----------------------------|
| General Government | | |
| Legislative | \$28,359 | 1% |
| Administrative % Finance | \$305,762 | 12% |
| Legal | \$22,980 | 1% |
| Public Safety | | |
| Police | \$529,583 | 22% |
| Fire | \$347,922 | 14% |
| Code Compliance | \$54,665 | 1% |
| Human Services | | |
| Streets | \$251,780 | 11% |
| Industrial Development | \$10,720 | 1% |
| Cemetery | \$2,577 | 1% |
| Animal Control | \$275 | 1% |
| Culture & Recreation | | |
| Library | \$437,944 | 18% |
| Parks & Recreation | \$294,299 | 12% |
| Special Events/ Summer Youth | \$38,215 | 1% |
| Debt Services | \$107,088 | 4% |
| Total Expenditures/Expenses: | \$2,432,169 | |

The table above shows that the expenditures within the Police are fairly significant in comparison to the other department 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 contributing source of revenue 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 1,084 electric customers and a service territory of 1 ½ square miles.

| <u>REVENUES:</u> | <u>2002 Amount</u> | <u>Percent of Total</u> |
|--|------------------------|-----------------------------|
| Electric Sales: | \$2,112,832 | 96% |
| Interest & Miscellaneous: | \$77,866 | 4% |
| TOTAL REVENUES: | \$2,190,698 | |
| <u>EXPENDITURES/EXPENSES:</u> | | |
| Operations & Maintenance: | \$1,819,916 | 85% |
| Interest & Debt Service: Transfers (out): | \$320,000 | 15% |
| TOTAL EXPENDITURES/EXPENSES: | \$2,139,916 | |

Water: City of Bushnell water system consists of two well fields with a combined rated capacity of 4.8 million gallons per day. The City of Bushnell has recently acquired a new well that will be in operation in the next fiscal year. Currently, the City's average daily flow is only 10% of maximum rated capacity. The City serves customers within and out of its municipal territory, with an average customer base of 766 residential and 299 commercial customers.

| <u>REVENUES:</u> | <u>2002 Amount</u> | <u>Percent of Total</u> |
|--|------------------------|-----------------------------|
| Water Sales: | \$387,764 | 89% |
| Capital Contribution | \$22,636 | 5% |
| Interest & Miscellaneous: | \$33,689 | 6% |
| TOTAL REVENUES: | \$444,089 | |
| <u>EXPENDITURES/EXPENSES:</u> | | |
| Operations & Maintenance: | \$438,338 | 95% |
| Interest Expenditure & Debt Service: Transfers (out): | \$4,779 | 1% |
| | \$20,000 | 4% |
| TOTAL EXPENDITURES/EXPENSES: | \$463,117 | |

Wastewater: This is a young enterprise fund for the City of Bushnell. The City acquired an existing package plant in September of 2001 and began construction of a regional plant and collection system. The construction of a new wastewater plant and collection system will be completed within the next fiscal year. There will be an increase in sales in the near future. Currently, there is only two commercial customers on the system.

| <u>REVENUES:</u> | <u>2002 Amount</u> | <u>Percent of Total</u> |
|--------------------------------------|-------------------------------|------------------------------------|
| Wastewater Sales: | \$27,306 | 10% |
| Interest & Miscellaneous: | \$13,793 | 5% |
| Capital Funding | \$229,579 | 85% |
| TOTAL REVENUES: | \$270,678 | |
| <u>EXPENDITURES/EXPENSES:</u> | | |
| Operations & Maintenance: | \$64,683 | 68% |
| Interest Expenditure & Debt Service: | \$30,800 | 32% |
| TOTAL EXPENDITURES/EXPENSES: | \$95,483 | |

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 to customers inside the City limits or customers having a pending annexation agreement with the City. The sanitation customer base for fiscal year 2002 is 828 residential and 192 commercial.

| <u>REVENUES:</u> | <u>2002 Amount</u> | <u>Percent of Total</u> |
|--------------------------------------|-------------------------------|------------------------------------|
| Sanitation Sales: | \$365,378 | 98% |
| Interest & Miscellaneous: | \$9,080 | 2% |
| TOTAL REVENUES: | \$374,458 | |
| <u>EXPENDITURES/EXPENSES:</u> | | |
| Operations & Maintenance: | \$298,701 | 93% |
| Interest Expenditure & Debt Service | \$3,315 | 1% |
| Transfers (out): | \$19,000 | 6% |
| TOTAL EXPENDITURES/EXPENSES: | \$321,016 | |

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 Ordinance's, the City is required to fund the maintenance on a perpetual basis for the Cemetery.

| <u>REVENUES:</u> | <u>2002 Amount</u> | <u>Percent of Total</u> |
|-------------------------------------|------------------------|-----------------------------|
| Lot Sales & Contributions: | \$15,675 | 34% |
| Interest & Miscellaneous: | \$17,443 | 37% |
| Transfer (in): | \$10,500 | 29% |
| TOTAL REVENUES: | \$46,618 | |
| <u>EXPENDITURES/EXPENSES:</u> | | |
| Operations & Maintenance: | \$21,833 | 100% |
| TOTAL EXPENDITURES/EXPENSES: | \$21,833 | |

CDBG:

The City of Bushnell has acquired grant funding to complete a stormwater drainage project within the City of Bushnell. This shall see a majority of its activity within the next fiscal year.

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 10.9%. The POPP is currently contributed to at 21.1% 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 2002 were invested in demand deposits, certificates of deposit, and pooled investments. The pension trust fund's investments were within mutual funds.

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 Preferred Government Insurance Trust.

OTHER INFORMATION

Independent Audit:

State statutes require an annual audit by independent certified public accountants. The accounting firm of Purvis, Gray, and Company 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 15 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.

Certificate of Excellence in Financial Reporting: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bushnell for its comprehensive annual financial report for the fiscal year ended September 30, 2001. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 Council Members for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,



Joy Coleman,
City Clerk/Finance Director



Vince Ruano,
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bushnell,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



William Patrick Harte

President

Jeffrey R. Emer

Executive Director

Financial Section

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

We have audited the accompanying general purpose financial statements of the City of Bushnell, Florida (the City) as of and for the year ended September 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 general purpose financial statements. An audit also includes assessing the accounting principles 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 above present fairly, in all material respects, the financial position of the City as of September 30, 2002, and the results of its operations and changes in cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 13, 2003, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the City of Bushnell, Florida taken as a whole. The required supplementary information listed in the table of contents is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited

Certified Public Accountants

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

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Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it. The accompanying schedule of expenditures of federal awards and state financial assistance as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the *Rules of the Auditor General* of the State of Florida, and combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Bushnell, Florida. 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 information presented in the statistical section is presented for the purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on it.

March 13, 2003
Ocala, Florida

Purvis, Gray and Company

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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.

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 2002, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | Governmental Fund Types | | Proprietary | Fiduciary | Account Groups | | Totals | |
|---|-------------------------|-------------------|----------------------|-------------------|---------------------|---------------------|----------------------|----------------------|
| | General | Special | Fund Type | Fund Type | General | General | (Memorandum Only) | |
| | General | Revenue | Enterprise | Pension Trust | Fixed Assets | Long-Term Debt | 2002 | 2001 |
| Assets and Other Debits | | | | | | | | |
| Assets | | | | | | | | |
| Cash and Cash Equivalents | \$ 431,027 | \$ 482,383 | \$ 2,464,006 | \$ 33,285 | | | \$ 3,410,701 | \$ 3,525,482 |
| Investments | | | | 194,585 | | | 194,585 | 166,809 |
| Receivables: | | | | | | | | |
| Other Receivables | 57,175 | | | | | | 57,175 | 82,770 |
| Accounts Receivable (Net of Allowance for Uncollectibles - \$2,000) | | | 368,049 | | | | 368,049 | 371,443 |
| Deferred Debit | | | | | | | 0 | 119,410 |
| Retainage Receivable | | | 70,000 | | | | 70,000 | 52,333 |
| Due From Other Governments | 354,347 | 3,490 | 212,053 | | | | 569,890 | 232,146 |
| Due From Other Funds | 4,095 | | 11,805 | | | | 15,900 | 35,105 |
| Advances to Other Funds | 250,000 | | 220,100 | | | | 470,100 | 250,000 |
| Inventories | | | 255,438 | | | | 255,438 | 214,290 |
| Restricted Assets: | | | | | | | | |
| Cash and Investments | | | 230,558 | | | | 230,558 | 224,776 |
| Property, Plant and Equipment (Net, Where Applicable, of Accumulated Depreciation) | | | 6,673,662 | | \$ 4,035,977 | | 10,709,639 | 6,689,271 |
| Other Assets | | | 4,001 | | | | 4,001 | 4,286 |
| Other Debits | | | | | | | | |
| Amount to be Provided for Retirement of General Long-Term Debt | | | | | | \$ 1,079,046 | 1,079,046 | 944,850 |
| Total Assets and Other Debits | \$ 1,096,644 | \$ 485,873 | \$ 10,509,672 | \$ 227,870 | \$ 4,035,977 | \$ 1,079,046 | \$ 17,435,082 | \$ 12,912,971 |

See accompanying notes.

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 2002, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA
(Concluded)

| | Governmental Fund Types | | Proprietary | Fiduciary | Account Groups | | Totals | | |
|--|-------------------------|-------------------|----------------------|-------------------|---------------------|---------------------|----------------------|----------------------|--|
| | General | Special | Fund Type | Fund Type | General | General | (Memorandum Only) | | |
| | | Revenue | Enterprise | Pension | Fixed | Long-Term | 2002 | 2001 | |
| | | | Trust | Assets | Debt | | | | |
| Liabilities, Equity and Other Credits | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Accounts Payable | \$ 179,988 | \$ 208 | \$ 618,846 | | | | \$ 799,042 | \$ 335,333 | |
| Other Accrued Liabilities | 25,905 | | 25,138 | | | | 51,043 | 60,856 | |
| Accrued Liability - Power Costs Adjustment | | | 14,984 | | | | 14,984 | 0 | |
| Due to Other Funds | | 4,095 | 11,805 | | | | 15,900 | 35,105 | |
| Deferred Revenue/Deferred Credit | | 1,227 | 320,155 | | | | 321,382 | 1,228 | |
| Deposits | 2,025 | 3,525 | | | | | 5,550 | 4,675 | |
| Payable From Restricted Assets: | | | | | | | | | |
| Customer Deposits | | | 94,406 | | | | 94,406 | 99,895 | |
| CR-3 Decommissioning Deferred Credit | | | 136,152 | | | | 136,152 | 124,836 | |
| Notes Payable | | | 3,041,000 | | | \$ 1,005,814 | 4,046,814 | 1,144,655 | |
| Compensated Absences Payable | | | 63,910 | | | 73,232 | 137,142 | 149,801 | |
| Advances From Other Funds | | | 470,100 | | | | 470,100 | 250,000 | |
| Total Liabilities | <u>207,918</u> | <u>9,055</u> | <u>4,796,496</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>1,079,046</u> | <u>6,092,515</u> | <u>2,206,384</u> | |
| Equity and Other Credits | | | | | | | | | |
| Contributed Capital | | | 1,784,162 | | | | 1,784,162 | 1,784,162 | |
| Investment in General Fixed Assets | | | | | | 4,035,977 | 4,035,977 | 3,238,810 | |
| Retained Earnings: | | | | | | | | | |
| Unreserved | | | 3,929,014 | | | | 3,929,014 | 3,668,623 | |
| Fund Balances: | | | | | | | | | |
| Reserved | 255,515 | 476,818 | | 227,870 | | | 960,203 | 882,315 | |
| Unreserved | 633,211 | | | | | | 633,211 | 1,132,677 | |
| Total Equity and Other Credits | <u>888,726</u> | <u>476,818</u> | <u>5,713,176</u> | <u>227,870</u> | <u>4,035,977</u> | <u>0</u> | <u>11,342,567</u> | <u>10,706,587</u> | |
| Total Liabilities, Equity and Other Credits | <u>\$ 1,096,644</u> | <u>\$ 485,873</u> | <u>\$ 10,509,672</u> | <u>\$ 227,870</u> | <u>\$ 4,035,977</u> | <u>\$ 1,079,046</u> | <u>\$ 17,435,082</u> | <u>\$ 12,912,971</u> | |

See accompanying notes.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2002, WITH
COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | General | Special Revenue | Totals (Memorandum Only) | |
|---|--------------------|--------------------|-----------------------------|---------------------|
| | | | 2002 | 2001 |
| Revenues | | | | |
| Taxes | \$ 759,625 | \$ 0 | \$ 759,625 | \$ 845,671 |
| Licenses and Permits | 21,021 | 0 | 21,021 | 8,836 |
| Intergovernmental | 279,364 | 0 | 279,364 | 316,206 |
| Grant Revenue | 242,304 | 10,709 | 253,013 | 222,267 |
| Charges for Services | 20,008 | 0 | 20,008 | 21,699 |
| Fines and Forfeitures | 26,319 | 0 | 26,319 | 22,494 |
| Interest and Miscellaneous | 39,901 | 33,118 | 73,019 | 73,599 |
| Total Revenues | <u>1,388,542</u> | <u>43,827</u> | <u>1,432,369</u> | <u>1,510,772</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 347,502 | 0 | 347,502 | 328,680 |
| Public Safety | 671,046 | 0 | 671,046 | 496,174 |
| Human Services | 257,196 | 32,542 | 289,738 | 299,182 |
| Culture and Recreation | 249,285 | 0 | 249,285 | 215,345 |
| Debt Service: | | | | |
| Principal | 60,341 | 0 | 60,341 | 45,255 |
| Interest | 46,747 | 0 | 46,747 | 19,247 |
| Capital Outlay | 800,052 | 0 | 800,052 | 327,625 |
| (Total Expenditures) | <u>(2,432,169)</u> | <u>(32,542)</u> | <u>(2,464,711)</u> | <u>(1,731,508)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,043,627)</u> | <u>11,285</u> | <u>(1,032,342)</u> | <u>(220,736)</u> |
| Other Financing Sources (Uses) | | | | |
| Operating Transfers In | 359,000 | 10,500 | 369,500 | 346,146 |
| Operating Transfers Out | (10,500) | 0 | (10,500) | (10,500) |
| Loan Proceeds | 200,000 | 0 | 200,000 | 600,000 |
| Total Other Financing Sources (Uses) | <u>548,500</u> | <u>10,500</u> | <u>559,000</u> | <u>935,646</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | <u>(495,127)</u> | <u>21,785</u> | <u>(473,342)</u> | <u>714,910</u> |
| Fund Balances, Beginning of Year | <u>1,383,853</u> | <u>455,033</u> | <u>1,838,886</u> | <u>1,123,976</u> |
| Fund Balances, End of Year | <u>\$ 888,726</u> | <u>\$ 476,818</u> | <u>\$ 1,365,544</u> | <u>\$ 1,838,886</u> |

See accompanying notes.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2002
CITY OF BUSHNELL, FLORIDA**

| | General Fund | | | Special Revenue Funds | | | Totals (Memorandum Only) | | |
|---|--------------------|--------------------|----------------------------------|-----------------------|-------------------|----------------------------------|--------------------------|---------------------|----------------------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues | | | | | | | | | |
| Taxes | \$ 828,611 | \$ 759,625 | \$ (68,986) | \$ 0 | \$ 0 | \$ 0 | \$ 828,611 | \$ 759,625 | \$ (68,986) |
| Licenses and Permits | 11,036 | 21,021 | 9,985 | 0 | 0 | 0 | 11,036 | 21,021 | 9,985 |
| Intergovernmental | 319,456 | 279,364 | (40,092) | 0 | 0 | 0 | 319,456 | 279,364 | (40,092) |
| Grant Revenue | 460,391 | 242,304 | (218,087) | 12,000 | 10,709 | (1,291) | 472,391 | 253,013 | (219,378) |
| Charges for Services | 20,386 | 20,008 | (378) | 0 | 0 | 0 | 20,386 | 20,008 | (378) |
| Fines and Forfeitures | 31,436 | 26,319 | (5,117) | 0 | 0 | 0 | 31,436 | 26,319 | (5,117) |
| Interest and Miscellaneous | 57,174 | 39,901 | (17,273) | 39,000 | 33,118 | (5,882) | 96,174 | 73,019 | (23,155) |
| Total Revenues | <u>1,728,490</u> | <u>1,388,542</u> | <u>(339,948)</u> | <u>51,000</u> | <u>43,827</u> | <u>(7,173)</u> | <u>1,779,490</u> | <u>1,432,369</u> | <u>(347,121)</u> |
| Expenditures | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government | 328,921 | 347,502 | (18,581) | 12,000 | 0 | 12,000 | 340,921 | 347,502 | (6,581) |
| Public Safety | 655,170 | 671,046 | (15,876) | 0 | 0 | 0 | 655,170 | 671,046 | (15,876) |
| Human Services | 276,378 | 257,196 | 19,182 | 23,825 | 32,542 | (8,717) | 300,203 | 289,738 | 10,465 |
| Culture and Recreation | 242,348 | 249,285 | (6,937) | 0 | 0 | 0 | 242,348 | 249,285 | (6,937) |
| Debt Service: | | | | | | | | | |
| Principal | 237,836 | 60,341 | 177,495 | 0 | 0 | 0 | 237,836 | 60,341 | 177,495 |
| Interest | 33,751 | 46,747 | (12,996) | 0 | 0 | 0 | 33,751 | 46,747 | (12,996) |
| Capital Outlay | 953,198 | 800,052 | 153,146 | 0 | 0 | 0 | 953,198 | 800,052 | 153,146 |
| (Total Expenditures) | <u>(2,727,602)</u> | <u>(2,432,169)</u> | <u>295,433</u> | <u>(35,825)</u> | <u>(32,542)</u> | <u>3,283</u> | <u>(2,763,427)</u> | <u>(2,464,711)</u> | <u>298,716</u> |
| Excess (Deficiency) of Revenues | | | | | | | | | |
| Over (Under) Expenditures | <u>(999,112)</u> | <u>(1,043,627)</u> | <u>(44,515)</u> | <u>15,175</u> | <u>11,285</u> | <u>(3,890)</u> | <u>(983,937)</u> | <u>(1,032,342)</u> | <u>(48,405)</u> |
| Other Financing Sources (Uses) | | | | | | | | | |
| Operating Transfers In | 379,000 | 359,000 | (20,000) | 10,500 | 10,500 | 0 | 389,500 | 369,500 | (20,000) |
| Operating Transfers Out | (10,500) | (10,500) | 0 | 0 | 0 | 0 | (10,500) | (10,500) | 0 |
| Loan Proceeds | 548,977 | 200,000 | (348,977) | 0 | 0 | 0 | 548,977 | 200,000 | (348,977) |
| Total Other Financing Sources (Uses) | <u>917,477</u> | <u>548,500</u> | <u>(368,977)</u> | <u>10,500</u> | <u>10,500</u> | <u>0</u> | <u>927,977</u> | <u>559,000</u> | <u>(368,977)</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | <u>(81,635)</u> | <u>(495,127)</u> | <u>(413,492)</u> | <u>25,675</u> | <u>21,785</u> | <u>(3,890)</u> | <u>(55,960)</u> | <u>(473,342)</u> | <u>(417,382)</u> |
| Fund Balances, Beginning of Year | 81,635 | 1,383,853 | 1,302,218 | 455,033 | 455,033 | 0 | 536,668 | 1,838,886 | 1,302,218 |
| Fund Balances, End of Year | <u>\$ 0</u> | <u>\$ 888,726</u> | <u>\$ 888,726</u> | <u>\$ 480,708</u> | <u>\$ 476,818</u> | <u>\$ (3,890)</u> | <u>\$ 480,708</u> | <u>\$ 1,365,544</u> | <u>\$ 884,836</u> |

See accompanying notes.

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES - ENTERPRISE
FOR THE YEAR ENDED SEPTEMBER 30, 2002, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | 2002 | (Memorandum Only) 2001 |
|---|---------------------|------------------------------|
| Operating Revenues | | |
| Charges for Sales and Services | \$ 2,893,280 | \$ 3,093,374 |
| Miscellaneous Revenues | 82,941 | 28,485 |
| Total Operating Revenues | <u>2,976,221</u> | <u>3,121,859</u> |
| Operating Expenses | | |
| Demand and Energy Charge | 1,299,023 | 1,395,064 |
| CR-3 Operations and Maintenance | 57,832 | 66,636 |
| Salaries | 401,218 | 357,303 |
| Employee Benefits | 149,566 | 121,054 |
| Professional Services | 138,145 | 83,448 |
| Operating Supplies | 26,887 | 73,302 |
| Other Current Charges | 190,419 | 164,939 |
| Depreciation | 204,706 | 198,688 |
| Landfill | 153,842 | 139,544 |
| (Total Operating Expenses) | <u>(2,621,638)</u> | <u>(2,599,978)</u> |
| Operating Income (Loss) | <u>354,583</u> | <u>521,881</u> |
| Nonoperating Revenues (Expenses) | | |
| Interest Income | 51,487 | 107,103 |
| Interest Expense | (38,608) | (15,246) |
| Other Debt Service Costs | (286) | (286) |
| Total Nonoperating Revenues (Expenses) | <u>12,593</u> | <u>91,571</u> |
| Net Income (Loss) Before Capital Contributions and Transfers | <u>367,176</u> | <u>613,452</u> |
| Capital Contributions and Transfers | | |
| Capital Contributions | 252,215 | 0 |
| Operating Transfers (Out) | (359,000) | (335,646) |
| Total Capital Contributions and Transfers | <u>(106,785)</u> | <u>(335,646)</u> |
| Net Income (Loss) After Capital Contributions and Transfers | 260,391 | 277,806 |
| Retained Earnings, Beginning of Year | 3,668,623 | 3,390,817 |
| Retained Earnings, End of Year | <u>\$ 3,929,014</u> | <u>\$ 3,668,623</u> |

See accompanying notes.

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES - ENTERPRISE
FOR THE YEAR ENDED SEPTEMBER 30, 2002, WITH
COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA

| | <u>2002</u> | <u>(Memorandum Only) 2001</u> |
|---|----------------------------|---------------------------------------|
| Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities: | | |
| Operating Income (Loss) | \$ 354,583 | \$ 521,881 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities: | | |
| Depreciation and Amortization | 204,705 | 198,688 |
| Change in Current Assets - Decrease (Increase) and Current Liabilities - Increase (Decrease): | | |
| Accounts Receivable | (212,040) | (70,965) |
| Deferred Debits | 119,410 | (58,210) |
| Due From Other Funds | (231,905) | 49,950 |
| Inventories | (41,148) | (9,463) |
| Accounts Payable | 392,241 | 23,564 |
| Other Accrued Expenses | 3,581 | 5,690 |
| Due to Other Funds | 11,618 | (3,608) |
| Deferred Credit | (34,845) | 0 |
| Compensated Absences Payable | (7,196) | (4,569) |
| Customer Deposits | (5,489) | 6,007 |
| Total Adjustments | <u>198,932</u> | <u>137,084</u> |
| Net Cash Provided By (Used In) Operating Activities | <u>553,515</u> | <u>658,965</u> |
| Cash Flows From Noncapital Financing Activities | | |
| Operating Transfers Out to Other Funds | <u>(359,000)</u> | <u>(335,646)</u> |
| Cash Flows From Capital and Related Financing Activities | | |
| Advance From Other Fund | 220,100 | 0 |
| Acquisition and Construction of Capital Assets | (3,042,907) | (393,576) |
| Principal Payments on Notes | (37,500) | (84,470) |
| Interest Paid on Notes | (38,608) | (14,057) |
| Contributed Capital | 252,215 | 167,415 |
| Proceeds of Note Payable | <u>2,800,000</u> | <u>0</u> |
| Net Cash Provided By (Used In) Capital and Related Financing Activities | <u>153,300</u> | <u>(324,688)</u> |
| Cash Flows From Investing Activities | | |
| Interest Received | <u>51,487</u> | <u>107,103</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 399,302 | 105,734 |
| Cash and Cash Equivalents, Beginning of Year | 2,159,110 | 2,053,376 |
| Cash and Cash Equivalents, End of Year | <u><u>\$ 2,558,412</u></u> | <u><u>\$ 2,159,110</u></u> |

See accompanying notes.

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES - ENTERPRISE
FOR THE YEAR ENDED SEPTEMBER 30, 2002, WITH
COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA
(Concluded)

| | <u>2002</u> | <u>(Memorandum Only) 2001</u> |
|--|----------------------------|---------------------------------------|
| <u>Presented in the Accompanying Combined Balance Sheet as:</u> | | |
| Unrestricted Cash | \$ 2,464,006 | \$ 2,059,170 |
| Restricted Cash - Customer Deposits | 94,406 | 99,940 |
| Total Cash | <u>\$ 2,558,412</u> | <u>\$ 2,159,110</u> |
| <u>Noncash Investing, Capital, and Financing Activities:</u> | | |
| Assets Received in Exchange for Developers Agreement | <u>\$ 385,000</u> | <u>\$ 0</u> |

See accompanying notes.

**COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002, WITH
COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | <u>2002</u> | <u>(Memorandum Only) 2001</u> |
|---|-------------------|---------------------------------------|
| Additions | | |
| Contributions | | |
| Employer | \$ 52,579 | \$ 42,319 |
| Employee | 2,019 | 1,265 |
| State | 25,053 | 21,311 |
| Miscellaneous | 0 | 399 |
| Total Contributions | <u>79,651</u> | <u>65,294</u> |
| Investment Income (Loss) | | |
| Interest and Dividend Income (Loss) | 5,616 | 11,159 |
| Net Appreciation (Depreciation) in Fair Value of Investments | <u>(27,017)</u> | <u>(35,696)</u> |
| Total Investment Income (Loss) | <u>(21,401)</u> | <u>(24,537)</u> |
| Total Additions | <u>58,250</u> | <u>40,757</u> |
| Deductions | | |
| Termination Payments | (460) | (1,183) |
| Miscellaneous | <u>(6,025)</u> | <u>0</u> |
| (Total Deductions) | <u>(6,485)</u> | <u>(1,183)</u> |
| Net Increase (Decrease) | 51,765 | 39,574 |
| Net Assets Held in Trust for Pension Benefits: | | |
| Beginning of Year | <u>176,105</u> | <u>136,531</u> |
| End of Year | <u>\$ 227,870</u> | <u>\$ 176,105</u> |

See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Note 1 - Summary of Significant Accounting Policies

The City of Bushnell, Florida (the City) is a political subdivision of the State of Florida located in Sumter County. The City was established under the legal authority of the Laws of Florida, Chapter 57-105. The City operates under a council-manager form of government. The legislative branch of the City is composed of a four-member elected City 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 provides 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 principles 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. The reporting entity for the City includes all functions of government for which the Mayor and City Council are considered to be financially accountable.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable and, as such, be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Management has determined that there are no component units that the City is required to report on.

Basis of Presentation

The City maintains its accounting records in accordance with the principles and policies applicable to governmental units set forth by the GASB, as well as generally accepted accounting principles (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.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies *(Continued)*

Fund and Account Group Categories *(Concluded)*

- **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.

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 measurement of "available, spendable, or appropriate resources." Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financial 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 funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds with the government. The measurement focus and basis of accounting for the pension trust funds are similar to proprietary funds, which are maintained on the accrual basis. The City operates the following fiduciary funds:

- **Pension Trust Funds** - Police officers' retirement plan and the general employees' retirement plan.

Basis of Accounting

Governmental fund type revenues and expenditures are recognized on the modified accrual basis. Revenues are recognized when they become susceptible to accrual; that is, when they become both "measurable" and "available" to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recorded when paid.

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.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Concluded)

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

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, investments are stated at fair value. Interest earnings on the City's cash and investment pool are allocated based on each funds' proportionate ownership of the cash and investment pool's fund equity.

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 costs 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/expenditures recorded in various funds and departments are a results 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

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Cost Reimbursements (Concluded)

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 |
| Utility Plant in Service | 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 | |
| Utility Plant in Service | 25 to 101 Years |
| Buildings | 50 Years |
| Equipment | 25 Years |
| | |
| ■ Sanitation Fund | |
| Equipment | 7 Years |
| | |
| ■ Wastewater Utility Fund | |
| Utility Plant in Service | 50 Years |

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 Costs

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.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences

Accumulated unpaid vacation and sick pay benefit amounts are accrued in the period they are earned in proprietary funds (using the accrual basis of accounting). Such amounts are accrued in governmental funds (general fund) to the extent of the amount left unpaid at the end of the reporting period that would normally be liquidated with expendable and available financial resources. The remainder of the liability is reported in the general long-term debt account group.

The policy as of September 30, 2002, 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

Encumbrances 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.

Reserves

Fund balances are reserved as follows:

| | |
|--|--------------------------|
| ■ General Fund | |
| Reserved for Advances to Other Funds | \$ 250,000 |
| Reserved for Drug Interdiction | 5,515 |
| Total General Fund | <u><u>\$ 255,515</u></u> |
| | |
| ■ Special Revenue Funds | |
| Reserved for Perpetual Care - Cemetery | <u><u>\$ 476,818</u></u> |
| | |
| ■ Pension Trust Funds | |
| Reserved for Pension Benefits | <u><u>\$ 149,151</u></u> |

Budgeting

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

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies *(Continued)*

Budgeting *(Concluded)*

- 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 the City Council. The budget 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 principles, except that the provision for depreciation expense is not included in the budget of the proprietary funds. Total budgetary 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. An annual operating budget was prepared for all funds.

During the year, the City made supplemental budget appropriations which increased or decreased the budgets as necessary.

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 depreciation over the estimated useful life of the assets.

Fund Equity

Prior to the implementation of Government Accounting Standards Board (GASB) Statement No. 33, contributed capital was recorded in proprietary funds that had received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriate 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.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

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 2001 amounts have been made to enhance the comparison to 2002.

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 the 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, 2002, was 2.000.

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 assessed according to its fair market value on 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 the rolls meet all of the appropriate requirements of 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 the 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.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 2 - Deposits and Investments

Deposits

At September 30, 2002, the carrying amount of the City's cash deposits was \$2,132,858 and the bank balance was \$2,308,750. 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.

Investments

Florida Statutes authorize the investments 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 on bond related funds.

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.

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. The Local Government Surplus Funds Trust Fund is an investment pool administered by the Florida State Board of Administration. Investments held in the Fund consist of short-term federal agency obligations, treasury bills, repurchase agreements, and commercial paper. Investment income is recognized as earned and is allocated to participants of the fund based on their equity participation. In accordance with GASB Statement No. 31, the SBA has reported that the Local Government Investment Trust, which it operates, is a "2A-7 like" pool and, thus, these investments are valued using the pooled share price.

Assets of the general employees' pension trust fund and police officers' pension trust fund may be invested in accordance with Florida Statutes as previously described. Currently, the assets consist of stock and bond mutual funds which are not required to be categorized since the investments are not evidenced by securities that exist in physical or book entry form.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 2 - Deposits and Investments (Concluded)

Investments (Concluded)

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 |
|---|---------------|---------------|-------------------|---------------------|
| U.S. Government Bonds | \$ 0 | \$ 0 | \$ 42,165 | \$ 42,165 |
| Other Miscellaneous - Short-Term Investments | 0 | 0 | 77,532 | 77,532 |
| Repurchase Agreement | 0 | 0 | 6,568 | 6,568 |
| Discount Notes | 0 | 0 | 9,887 | 9,887 |
| Subtotal | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 136,152</u> | <u>136,152</u> |
| Stock and Bond Mutual Funds (Pension) | | | | 194,585 |
| Total Investments | | | | <u>330,737</u> |
| Local Government Surplus Funds Trust | | | | |
| Fund | | | | 916,491 |
| Cash Deposits | | | | 2,132,858 |
| Certificates of Deposit | | | | 455,000 |
| Total Cash and Cash Equivalents | | | | <u>3,504,349</u> |
| Total Investments and Cash and Cash Equivalents | | | | <u>\$ 3,835,086</u> |

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 10/1/01 | Additions | (Deletions and Transfers) | Balance 9/30/02 |
|-----------------------------------|---------------------|-------------------|---------------------------------|---------------------|
| Land | \$ 486,370 | \$ 0 | \$ 0 | \$ 486,370 |
| Buildings | 705,325 | 0 | 0 | 705,325 |
| Improvements Other Than Buildings | 589,205 | 13,852 | 0 | 603,057 |
| Equipment and Furniture | 1,325,430 | 289,554 | 0 | 1,614,984 |
| Construction in Progress | 132,480 | 493,761 | 0 | 626,241 |
| Total | <u>\$ 3,238,810</u> | <u>\$ 797,167</u> | <u>\$ 0</u> | <u>\$ 4,035,977</u> |

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 4 - Property, Plant and Equipment (Concluded)

Change in General Fixed Assets (Concluded)

The following is a summary of the proprietary fund type property, plant and equipment at September 30, 2002:

| | Electric Utility Fund | Water Utility Fund | Waste- water Fund | Sanitation Fund | Totals |
|--------------------------------------|-----------------------------|--------------------------|-------------------------|--------------------|---------------------|
| Land | \$ 2,300 | \$ 38,090 | \$ 468,711 | \$ 0 | \$ 509,101 |
| Buildings | 230,544 | 457,541 | 0 | 0 | 688,085 |
| Improvements Other Than Buildings | 1,633,036 | 1,385,530 | 235,000 | 0 | 3,253,566 |
| Machinery and Equipment | 936,890 | 599,409 | 0 | 330,645 | 1,866,944 |
| Construction in Progress | 0 | 0 | 2,855,126 | 0 | 2,855,126 |
| Total | <u>2,802,770</u> | <u>2,480,570</u> | <u>3,558,837</u> | <u>330,645</u> | <u>9,172,822</u> |
| (Accumulated Depreciation) | (1,329,943) | (922,544) | (4,700) | (241,973) | (2,499,160) |
| Net | <u>\$ 1,472,827</u> | <u>\$ 1,558,026</u> | <u>\$ 3,554,137</u> | <u>\$ 88,672</u> | <u>\$ 6,673,662</u> |

Note 5 - Enterprise Funds - Long-Term Liabilities

The following is a summary of all long-term liabilities of the enterprise funds at September 30, 2002:

**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 1.10% plus a 0.60% administration fee. Final maturity is July 1, 2011.

\$ 196,000

Sanitation Fund Note Payable - SunTrust Bank

During 2000, the City borrowed \$90,000 from SunTrust Bank to finance the purchase of a sanitation truck. The loan is payable in semiannual installments of principal in the amount of \$11,500 plus interest at 5.97% per annum, with final maturity on June 1, 2004.

43,840

Water and Sewer Revenue Bond Anticipation Note, Series 2002

During 2002, the City obtained a term loan agreement with SunTrust Bank for \$2,800,000. The loan agreement will provide interim financing for the City's construction of the wastewater treatment facility. Interest is payable monthly at 2.64% per annum, with final maturity on April 26, 2003. In the subsequent fiscal year, this loan will be repaid through a federal loan program. The federal loan will be payable over forty years at an interest rate determined at that time.

2,800,000

Total Loans and Notes Payable

\$ 3,039,840

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 5 - Enterprise Funds - Long-Term Liabilities (Concluded)

The following represents the debt service requirements to maturity of all the City's enterprise funds as of September 30, 2002, including future interest payments.

| Year Ending 9/30 | Water Utility | Sanitation | Wastewater | Total |
|------------------------------------|---------------|-------------|--|--------------|
| | Fund | Fund | Fund | |
| | FMPA | SunTrust | Water and Sewer Revenue Bond Anticipation Note, Series 2002 | |
| | Loan | Certificate | | |
| 2003 | \$ 17,522 | \$ 25,287 | \$ 2,843,120 | \$ 2,885,929 |
| 2004 | 23,101 | 21,911 | 0 | 45,012 |
| 2005 | 22,758 | 0 | 0 | 22,758 |
| 2006 | 22,416 | 0 | 0 | 22,416 |
| 2007 | 22,073 | 0 | 0 | 22,073 |
| 2008 | 26,730 | 0 | 0 | 26,730 |
| 2009 | 26,302 | 0 | 0 | 26,302 |
| 2010 | 25,874 | 0 | 0 | 25,874 |
| 2011 | 26,446 | 0 | 0 | 26,446 |
| Total | 213,222 | 47,198 | 2,843,120 | 3,103,540 |
| (Amounts Representing Interest) | (17,222) | (2,198) | (43,120) | (62,540) |
| (Current Principal Portion) | (15,000) | (11,250) | (2,800,000) | (2,826,250) |
| Long-Term Debt | \$ 181,000 | \$ 33,750 | \$ 0 | \$ 214,750 |

Crystal River 3 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 FMPA, for all its members that own a portion of the Crystal River 3 Nuclear Generating Unit. As of September 30, 2002, the City has a balance in the trust fund of \$136,152.

Crystal River 3 Nuclear Decommission Cost Payable

The City is responsible for its share of the future costs to decommission the Crystal River 3 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, 2001 | \$ 124,836 |
| 2002 Accrual | 11,316 |
| Balance, September 30, 2002 | <u>\$ 136,152</u> |

Note 6 - General Long-Term Debt

Bank Note Payable - SunTrust Bank

On August 7, 2001, the City borrowed \$600,000 from the SunTrust Bank of Brooksville, Florida, with quarterly interest only payments at 4.98% until June 30, 2003, at which time a \$300,000 principal plus accrued interest payment is due. Thereafter, beginning December 30, 2003, seventeen semiannual principal payments of \$16,667 plus accrued interest are due with the final payment due on or before June 30, 2012.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 6 - General Long-Term Debt (Continued)

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 semiannual payments of \$14,500, including interest at 4.88%, beginning June 1, 1999, and is due December 1, 2008.

Bank Note Payable - Community National Bank

On July 15, 1994, the City borrowed \$150,000 from the Community National Bank of Pasco County, payable in monthly payments of \$1,597, including interest at 5%, beginning August 15, 1994. The loan is due July 15, 2004, and is unsecured.

Certificate of Obligation - SunTrust Bank

On November 7, 2001, the City borrowed \$200,000 through the issuances of a Certificate of Obligation Note from SunTrust Bank for the purpose of purchasing a fire truck. The terms of the note include thirteen semiannual payments of principal in the amount of \$14,286 each plus accrued interest at 4.40% per annum, beginning May 7, 2002. The loan is due November 7, 2008.

The following is a summary of debt service to maturity for all general long-term debt notes payable:

| Year Ending | Principal | Interest | Total |
|--------------|---------------------|-------------------|---------------------|
| 9/30 | | | |
| 2003 | \$ 375,561 | \$ 44,160 | \$ 419,721 |
| 2004 | 104,516 | 28,696 | 133,212 |
| 2005 | 90,904 | 24,050 | 114,954 |
| 2006 | 90,904 | 19,680 | 110,584 |
| 2007 | 90,904 | 15,309 | 106,213 |
| 2008 | 90,904 | 9,366 | 100,270 |
| 2009 | 62,119 | 6,251 | 68,370 |
| 2010 | 33,333 | 4,210 | 37,543 |
| 2011 | 33,333 | 2,526 | 35,859 |
| 2012 | 33,336 | 842 | 34,178 |
| 2013 | 0 | 0 | 0 |
| Total | \$ 1,005,814 | \$ 155,090 | \$ 1,160,904 |

The general fund is used to provide the debt service payments of the general long-term debt.

The following is a schedule of changes in general long-term debt for the year ended September 30, 2002:

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 6 - General Long-Term Debt (Concluded)

| | Balance 10/1/01 | Additions | (Principal Reductions) | Balance 9/30/02 |
|----------------------------|--------------------|-------------------|---------------------------|---------------------|
| SunTrust Bank - Library | \$ 600,000 | \$ 0 | \$ 0 | \$ 600,000 |
| SunTrust Bank - Fire Truck | 0 | 200,000 | (14,286) | 185,714 |
| Community National Bank | 217,500 | 0 | (29,000) | 188,500 |
| Community National Bank | 48,655 | 0 | (17,055) | 31,600 |
| Compensated Absences | 78,695 | 0 | (5,463) | 73,232 |
| Total | <u>\$ 944,850</u> | <u>\$ 200,000</u> | <u>\$ (65,804)</u> | <u>\$ 1,079,046</u> |

Note 7 - Electric Power Agreements

Crystal River Power Unit 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, whichever occurs first.

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. FMPA has the 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 systems, 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.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)**

Note 7 - Electric Power Agreements (Concluded)

Florida Municipal Power Agency (FMPA) (Concluded)

The City has elected to participate in the "All Requirements Project," which supplies all of 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.

Note 8 - Employee Retirement Systems

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 six years of creditable service; and all other employees who retire at or after age 55, with six 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 six years of service. Vested employees may retire after six 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 7.30% of the compensation for regular members, 18.44% for special risk, 9.28% for senior management and 11.86% for elected officials through June 30, 2002. Beginning July 1, 2002, the required contribution rate is changed to 5.76%, 16.01%, 6.06% and 11.86% of the member's gross compensation for regular members, special risk, senior management and elected officials, respectively. The City's contributions to the System for the years ended September 30, 2002, 2001, 2000, were as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2002 | \$ 49,504 |
| 2001 | 60,754 |
| 2000 | 68,564 |

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 8 - Employee Retirement Systems (Continued)

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. Administrative costs for each plan are financed through investment earnings.

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 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 part of the City's reporting entity. City ordinance and state law requires contributions to be determined by actuarial studies every three years. 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 185 are contributed to the plan.

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

■ **Membership**

Membership of each plan consisted of the following as of September 30, 2002:

| | General Employees | Police Officers |
|--|------------------------------|----------------------------|
| Active Plan Members | 17 | 7 |
| Retirees and Beneficiaries Receiving Benefits | 0 | 0 |
| Terminated Plan Members, Entitled But Not Yet Receiving Benefits | 0 | 0 |
| | 0 | 0 |
| Total | 17 | 7 |

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 8 - Employee Retirement Systems *(Continued)*

Pension Trust Funds *(Continued)*

■ **Annual Pension Costs**

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 current year and related information for each plan is shown below:

| | General Employees | Police Officers |
|---|------------------------------|----------------------------|
| Contribution Rates | | |
| Employer | 10.90% | 22.00% |
| Employee | 0.00% | 1.00% |
| Annual Pension Cost | | |
| Annual Required Contribution (ARC) | \$ 28,193 | \$ 27,830 |
| Interest on Net Pension Obligation | 0 | 0 |
| Annual Pension Costs | 28,193 | 27,830 |
| Contributions Made | 33,584 | 44,048 |
| (Increase) in Net Pension Obligation | (5,391) | (16,218) |
| Net Pension Obligation (Asset), Beginning of Year | (14,349) | 0 |
| Net Pension Obligation (Asset), End of Year | \$ (19,740) | \$ (16,218) |

| | General Employees' and Police Officers |
|--------------------------------|---|
| Actuarial Valuation Date | October 1, 2001 |
| 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% |
| Postretirement COLA | 3.0% |

Both the general employees' and police officers' plans use the aggregate actuarial cost method, which does not identify or separately amortize unfunded actuarial liabilities.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 8 - Employee Retirement Systems (Concluded)

Pension Trust Funds (Concluded)

■ **Three-Year Trend Information**

Three-year trend information for the plan follows:

| <u>Plan</u> | <u>Fiscal Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation (Asset)</u> |
|-------------------|---------------------------|----------------------------------|--------------------------------------|---------------------------------------|
| General Employees | 9/30/2002 | \$ 28,193 | 119% | \$ (19,740) |
| | 9/30/2001 | 20,494 | 121% | (14,349) |
| | 9/30/2000 | 20,211 | 109% | (8,780) |
| Police Officers | 9/30/2002 | 27,830 | 158% | (16,218) |
| | 9/30/2001 | 25,691 | 100% | 0 |
| | 9/30/2000 | 18,755 | 100% | 0 |

Note 9 - Retirement Benefits

The City allows retired employees to participate in the City's health insurance plan. These retirees are responsible for their premium payments. There were no retirees participating in the City's health insurance plan as of September 30, 2002.

Note 10 - Other Disclosures

Segment Information for Enterprise Funds

The City operates three enterprise funds which provide electric, water, wastewater, and sanitation services. Segment information for the year ended September 30, 2002, is as follows:

| | <u>Electric Utility Fund</u> | <u>Water Utility Fund</u> | <u>Wastewater Fund</u> | <u>Sanitation Fund</u> | <u>Total Enterprise Funds</u> |
|---|------------------------------|---------------------------|------------------------|------------------------|-------------------------------|
| Operating Revenues | \$ 2,160,507 | \$ 417,566 | \$ 27,416 | \$ 370,732 | \$ 2,976,221 |
| Depreciation Expense | 113,809 | 67,085 | 4,700 | 19,112 | 204,706 |
| Operating Income (Loss) | 340,591 | (20,772) | (37,267) | 72,031 | 354,583 |
| Operating Transfers (Out) | (320,000) | (20,000) | 0 | (19,000) | (359,000) |
| Net Income (Loss) | 50,782 | (19,028) | 175,195 | 53,442 | 260,391 |
| Current Capital Contributions | 0 | 2,636 | 229,579 | 0 | 232,215 |
| Plant, Property and Equipment Additions (Deletions) | 281,903 | 154,051 | 2,986,193 | 5,760 | 3,427,907 |
| Total Assets | 3,629,343 | 1,982,596 | 4,523,046 | 374,687 | 10,509,672 |
| Net Working Capital | 1,713,559 | 338,668 | (2,574,074) | 242,210 | (279,637) |
| Other Long-Term Liabilities | | | | | |
| Payable From Operating Revenue | 0 | 181,000 | 0 | 33,750 | 214,750 |
| Total Fund Equity | 3,186,386 | 1,499,595 | 730,063 | 297,132 | 5,713,176 |

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 10 - Other Disclosures (Continued)

Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2002, are as follows:

| | <u>Interfund Receivable</u> | <u>Interfund Payables</u> |
|---|---------------------------------|-------------------------------|
| General Fund | \$ 4,095 | \$ 0 |
| Wastewater Utility Fund | 0 | 11,805 |
| Water Utility Fund | 11,805 | 0 |
| CDBG Fund | 0 | 4,095 |
| Total Interfund Receivables and Payables | <u><u>\$ 15,900</u></u> | <u><u>\$ 15,900</u></u> |

Interfund Transfers

Interfund transfers at September 30, 2002, are as follows:

| | <u>Interfund Transfers In</u> | <u>Interfund Transfers Out</u> |
|----------------------------------|---------------------------------------|--|
| General Fund | \$ 359,000 | \$ 10,500 |
| Electric Utility Fund | 0 | 320,000 |
| Water Utility Fund | 0 | 20,000 |
| Sanitation Fund | 0 | 19,000 |
| Cemetery Fund | 10,500 | 0 |
| Total Interfund Transfers | <u><u>\$ 369,500</u></u> | <u><u>\$ 369,500</u></u> |

Advances

Advances to and from other funds at September 30, 2002, are as follows:

| | <u>Advances to Other Funds</u> | <u>Advances From Other Funds</u> |
|-------------------------|--|--|
| General Fund | \$ 250,000 | |
| Water Utility Fund | | \$ 220,100 |
| Wastewater Utility Fund | 220,100 | 250,000 |
| Total Advances | <u><u>\$ 470,100</u></u> | <u><u>\$ 470,100</u></u> |

Allowances for Doubtful Accounts

Allowances for doubtful accounts at September 30, 2002, are as follows:

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

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 10 - Other Disclosures (Concluded)

Excess (Deficiency) of Operating Expenditures/Expenses Over (Under) Budgeted Operating Expenditures/Expenses in Individual Funds

| | <u>Budget</u> | <u>Actual</u> | <u>Operating Expenditures/Expenses (In Excess) Budgeted Operating Expenditures/Expenses</u> |
|--------------------|---------------|---------------|---|
| Water Utility Fund | \$ 275,880 | \$ 438,338 | \$ (162,458) |
| Sanitation Fund | 279,474 | 298,701 | (19,227) |
| Electric Fund | 1,683,015 | 1,819,916 | (136,901) |

Note 11 - 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 2002. Settled claims have not exceeded the commercial excess coverages in any of the past three years.

Note 12 - 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.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Concluded)

Note 12 - Contingencies (Concluded)

Wastewater Treatment Facility

The U.S. 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 forty years from the date of the loan closing. As of September 30, 2002, no amounts have been drawn on either this grant or loan.

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

During the fiscal year, the City entered into several construction contracts to build the wastewater treatment facility.

The total cost of the wastewater project is estimated to be \$6,500,000 and expected completion date is March 2003.

REQUIRED SUPPLEMENTARY INFORMATION

General Employees' Retirement Plan - The following supplemental schedules present required trend information regarding the City's General Employees' Retirement Plan.

Police Officers' Retirement Plan - The following supplemental schedules present required trend information regarding the City's Police Retirement Plan.

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REQUIRED SUPPLEMENTARY INFORMATION

**CONTRIBUTIONS - EMPLOYER AND OTHER
GENERAL EMPLOYEES' RETIREMENT FUND AND
POLICE OFFICERS' RETIREMENT FUND
CITY OF BUSHNELL, FLORIDA
(Unaudited)**

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

General Employees' Retirement Plan

| <u>Year Ended September 30,</u> | <u>Annual Required Contribution</u> | <u>City's Contribution</u> | <u>Percentage Contributed</u> |
|-------------------------------------|---|--------------------------------|-----------------------------------|
| 2002 | \$ 28,193 | \$ 33,584 | 119.00% |
| 2001 | 20,494 | 24,737 | 121.00% |
| 2000 | 20,211 | 21,963 | 109.00% |
| 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% |

Police Officers' Retirement Plan

| <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> |
|-------------------------------------|---|--------------------------------|---------------------------------|-----------------------------------|
| 2002 | \$ 27,830 | \$ 18,995 | \$ 25,053 | 158.00% |
| 2001 | 26,036 | 4,725 | 21,311 | 100.00% |
| 2000 | 22,014 | 14,635 | 7,379 | 100.00% |
| 1999 | 14,940 | 0 | 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 | 0 | 100.00% |

Note: Both plans were established during the fiscal year ended September 30, 1996.

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**COMBINING, INDIVIDUAL FUND AND
ACCOUNT GROUP FINANCIAL
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's general fund directly services general long-term debt.

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COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2002 AND 2001
CITY OF BUSHNELL, FLORIDA

| | <u>2002</u> | <u>2001</u> |
|---|---------------------|---------------------|
| Assets | | |
| Cash and Cash Equivalents | \$ 431,027 | \$ 999,465 |
| Other Receivables | 57,175 | 82,770 |
| Due From Other Governments | 354,347 | 185,988 |
| Due From Other Funds | 4,095 | 32,485 |
| Advance to Wastewater Fund | 250,000 | 250,000 |
| Total Assets | <u>1,096,644</u> | <u>1,550,708</u> |
| | | |
| Liabilities and Fund Balance | | |
| | | |
| Liabilities | | |
| Accounts Payable | 179,988 | 138,582 |
| Other Accrued Liabilities | 25,905 | 24,315 |
| Due to Other Funds | 0 | 2,433 |
| Deposits | 2,025 | 1,525 |
| Total Liabilities | <u>207,918</u> | <u>166,855</u> |
| | | |
| Fund Balance | | |
| Reserved | 255,515 | 251,176 |
| Fund Balance: | | |
| Unreserved | 633,211 | 1,132,677 |
| Total Fund Balance | <u>888,726</u> | <u>1,383,853</u> |
| | | |
| Total Liabilities and Fund Balance | <u>\$ 1,096,644</u> | <u>\$ 1,550,708</u> |

**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2002 AND 2001
CITY OF BUSHNELL, FLORIDA**

| | <u>2002</u> | <u>2001</u> |
|---|--------------------|---------------------|
| Revenues | | |
| Taxes | \$ 759,625 | \$ 845,671 |
| Licenses and Permits | 21,021 | 8,836 |
| Intergovernmental | 279,364 | 316,206 |
| Grant Revenue | 242,304 | 176,248 |
| Charges for Services | 20,008 | 21,699 |
| Fines and Forfeitures | 26,319 | 22,494 |
| Interest and Miscellaneous | 39,901 | 32,479 |
| Total Revenues | <u>1,388,542</u> | <u>1,423,633</u> |
| Expenditures | | |
| Current: | | |
| General Government | 347,502 | 328,680 |
| Public Safety | 671,046 | 496,174 |
| Human Services | 257,196 | 232,519 |
| Culture and Recreation | 249,285 | 215,345 |
| Debt Service: | | |
| Principal | 60,341 | 45,255 |
| Interest | 46,747 | 19,247 |
| Capital Outlay | 800,052 | 327,425 |
| (Total Expenditures) | <u>(2,432,169)</u> | <u>(1,664,645)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,043,627)</u> | <u>(241,012)</u> |
| Other Financing Sources (Uses) | | |
| Operating Transfers In | 359,000 | 335,646 |
| Operating Transfers (Out) | (10,500) | (10,500) |
| Loan Proceeds | 200,000 | 600,000 |
| Total Other Financing Sources (Uses) | <u>548,500</u> | <u>925,146</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (495,127) | 684,134 |
| Fund Balance, Beginning of Year (As Restated) | <u>1,383,853</u> | <u>699,719</u> |
| Fund Balance, End of Year | <u>\$ 888,726</u> | <u>\$ 1,383,853</u> |

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2002,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | 2002 | | Variance Favorable (Unfavorable) | 2001 |
|--|----------------|----------------|--|----------------|
| | Budget | Actual | | Actual |
| Revenues | | | | |
| Taxes | | | | |
| Ad Valorem Taxes | \$ 127,672 | \$ 124,441 | \$ (3,231) | \$ 103,989 |
| Local Government Infrastructure Surtax | 126,236 | 113,294 | (12,942) | 151,513 |
| Local Option Gas Tax | 194,556 | 153,666 | (40,890) | 195,722 |
| Franchise Fees: | | | | |
| Telephone | 0 | 0 | 0 | 3,272 |
| Electric | 57,228 | 60,524 | 3,296 | 59,626 |
| Cable TV | 0 | 821 | 821 | 24,647 |
| Utility Service Taxes: | | | | |
| Telephone | 0 | 0 | 0 | 119,010 |
| Communication | 131,002 | 117,499 | (13,503) | 0 |
| Gas | 14,118 | 9,455 | (4,663) | 11,890 |
| Electric | 64,178 | 65,341 | 1,163 | 65,591 |
| City Utility Tax | 113,621 | 114,584 | 963 | 110,411 |
| Total Taxes | <u>828,611</u> | <u>759,625</u> | <u>(68,986)</u> | <u>845,671</u> |
| Licenses and Permits | | | | |
| Occupational Licenses | 5,036 | 4,256 | (780) | 6,146 |
| City Permits | 6,000 | 16,765 | 10,765 | 2,690 |
| Total Licenses and Permits | <u>11,036</u> | <u>21,021</u> | <u>9,985</u> | <u>8,836</u> |
| Intergovernmental | | | | |
| State Revenue Sharing | 73,708 | 75,100 | 1,392 | 72,451 |
| Mobile Home Licenses | 7,361 | 7,268 | (93) | 8,248 |
| Alcoholic Beverage License | 1,174 | 344 | (830) | 1,141 |
| Half-Cent Sales Tax | 70,529 | 74,491 | 3,962 | 80,712 |
| County Fire Fee | 112,163 | 84,057 | (28,106) | 109,967 |
| County Occupational Licenses | 2,331 | 843 | (1,488) | 2,399 |
| Sumter County Gas Tax | 34,990 | 23,906 | (11,084) | 31,963 |
| County Library Assistance | 17,200 | 13,355 | (3,845) | 9,325 |
| Total Intergovernmental | <u>319,456</u> | <u>279,364</u> | <u>(40,092)</u> | <u>316,206</u> |
| Grant Revenue | | | | |
| Federal Law Enforcement Grant | 3,391 | 3,391 | 0 | 4,143 |
| FRDAP Grant | 50,000 | 36,771 | (13,229) | 107,969 |
| Library Grant | 180,000 | 188,074 | 8,074 | 59,586 |
| SWFMD Grant | 185,000 | 10,555 | (174,445) | 4,550 |
| Division of Forestry | 0 | 3,513 | 3,513 | 0 |
| Cascade Grant | 42,000 | 0 | (42,000) | 0 |
| Total Grant Revenue | <u>460,391</u> | <u>242,304</u> | <u>(218,087)</u> | <u>176,248</u> |

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2002,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA
(Concluded)

| | 2002 | | Variance Favorable (Unfavorable) | 2001 |
|------------------------------------|---------------------|---------------------|--|---------------------|
| | Budget | Actual | | Actual |
| Revenues (Concluded) | | | | |
| Charges for Services | | | | |
| Mowing Fees | \$ 1,750 | \$ 50 | \$ (1,700) | \$ 1,802 |
| Fall Festival | 7,010 | 11,256 | 4,246 | 8,211 |
| Summer Youth Program | 11,626 | 8,702 | (2,924) | 11,686 |
| Total Charges for Services | <u>20,386</u> | <u>20,008</u> | <u>(378)</u> | <u>21,699</u> |
| Fines and Forfeitures | | | | |
| Fines and Forfeitures | 30,736 | 25,259 | (5,477) | 21,830 |
| Police Education | 700 | 1,060 | 360 | 664 |
| Total Fines and Forfeitures | <u>31,436</u> | <u>26,319</u> | <u>(5,117)</u> | <u>22,494</u> |
| Miscellaneous | | | | |
| Interest Earned | 18,934 | 9,111 | (9,823) | 15,938 |
| Rent - Community Building | 5,990 | 6,700 | 710 | 5,270 |
| Rent - Tower Space | 6,000 | 6,000 | 0 | 5,849 |
| Library Fund-Raising | 250 | 0 | (250) | 0 |
| Miscellaneous | 26,000 | 18,090 | (7,910) | 5,422 |
| Total Miscellaneous | <u>57,174</u> | <u>39,901</u> | <u>(17,273)</u> | <u>32,479</u> |
| Total Revenues | <u>\$ 1,728,490</u> | <u>\$ 1,388,542</u> | <u>\$ (339,948)</u> | <u>\$ 1,423,633</u> |

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2002,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | 2002 | | Variance Favorable (Unfavorable) | 2001 |
|----------------------------------|-----------|-----------|--|-----------|
| | Budget | Actual | | Actual |
| Expenditures | | | | |
| General Government | | | | |
| Legislative: | | | | |
| Personal Services | \$ 18,000 | \$ 18,000 | \$ 0 | \$ 18,000 |
| Operating Expenditures | 5,971 | 6,309 | (338) | 5,398 |
| Grants and Aids | 4,450 | 4,050 | 400 | 9,700 |
| Total Legislative | 28,421 | 28,359 | 62 | 33,098 |
| Finance and Administrative: | | | | |
| Personal Services | 205,997 | 214,497 | (8,500) | 192,532 |
| Operating Expenditures | 68,759 | 81,666 | (12,907) | 80,167 |
| Capital Outlay | 18,000 | 9,599 | 8,401 | 6,459 |
| Total Finance and Administrative | 292,756 | 305,762 | (13,006) | 279,158 |
| Legal Counsel: | | | | |
| Operating Expenditures | 25,744 | 22,980 | 2,764 | 22,883 |
| Total General Government | 346,921 | 357,101 | (10,180) | 335,139 |
| Public Safety | | | | |
| Police Department: | | | | |
| Personal Services | 434,440 | 444,916 | (10,476) | 342,201 |
| Operating Expenditures | 83,198 | 79,085 | 4,113 | 62,343 |
| Capital Outlay | 5,582 | 5,582 | 0 | 54,228 |
| Total Police Department | 523,220 | 529,583 | (6,363) | 458,772 |
| Fire Department: | | | | |
| Personal Services | 33,247 | 34,593 | (1,346) | 27,234 |
| Operating Expenditures | 55,476 | 57,787 | (2,311) | 21,608 |
| Capital Outlay | 255,542 | 255,542 | 0 | 12,206 |
| Total Fire Department | 344,265 | 347,922 | (3,657) | 61,048 |
| Code Compliance Department: | | | | |
| Personal Services | 40,650 | 41,049 | (399) | 37,832 |
| Operating Expenditures | 8,159 | 13,616 | (5,457) | 4,956 |
| Total Code Compliance Department | 48,809 | 54,665 | (5,856) | 42,788 |
| Total Public Safety | 916,294 | 932,170 | (15,876) | 562,608 |

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2002,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA
(Continued)**

| | 2002 | | Variance Favorable (Unfavorable) | 2001 |
|--|----------------|----------------|--|----------------|
| | Budget | Actual | | Actual |
| Expenditures (Continued) | | | | |
| Human Services | | | | |
| Street Department: | | | | |
| Personal Services | \$ 107,888 | \$ 123,976 | \$ (16,088) | \$ 113,547 |
| Operating Expenses | 142,870 | 119,648 | 23,222 | 114,409 |
| Capital Outlay | 47,494 | 8,156 | 39,338 | 52,791 |
| Total Street Department | <u>298,252</u> | <u>251,780</u> | <u>46,472</u> | <u>280,747</u> |
| Cemetery: | | | | |
| Personal Services | 0 | 177 | (177) | 163 |
| Grants and Aids | 2,400 | 2,400 | 0 | 2,400 |
| Total Cemetery | <u>2,400</u> | <u>2,577</u> | <u>(177)</u> | <u>2,563</u> |
| Industrial Development Department: | | | | |
| Operating Expenses | 1,720 | 1,720 | 0 | 0 |
| Grants and Aids | 13,000 | 9,000 | 4,000 | 2,000 |
| Total Industrial Development Department | <u>14,720</u> | <u>10,720</u> | <u>4,000</u> | <u>2,000</u> |
| Animal Control: | | | | |
| Operating Expenses | 8,500 | 275 | 8,225 | 0 |
| Total Human Services | <u>323,872</u> | <u>265,352</u> | <u>58,520</u> | <u>285,310</u> |
| Culture and Recreation | | | | |
| Library: | | | | |
| Personal Services | 45,059 | 51,490 | (6,431) | 41,704 |
| Operating Expenditures | 10,274 | 10,305 | (31) | 15,100 |
| Capital Outlay | 481,492 | 376,149 | 105,343 | 118,509 |
| Total Library | <u>536,825</u> | <u>437,944</u> | <u>98,881</u> | <u>175,313</u> |
| Parks and Recreation: | | | | |
| Personal Services | 79,467 | 87,800 | (8,333) | 72,949 |
| Operating Expenditures | 66,446 | 61,475 | 4,971 | 49,280 |
| Capital Outlay | 145,088 | 145,024 | 64 | 83,232 |
| Total Parks and Recreation | <u>291,001</u> | <u>294,299</u> | <u>(3,298)</u> | <u>205,461</u> |

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2002,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA
(Concluded)**

| | 2002 | | Variance Favorable (Unfavorable) | 2001 |
|---|---------------------|---------------------|--|---------------------|
| | Budget | Actual | | Actual |
| Expenditures (Concluded) | | | | |
| Culture and Recreation (Concluded) | | | | |
| Special Events: | | | | |
| Operating Expenditures | \$ 22,451 | \$ 19,465 | \$ 2,986 | \$ 18,666 |
| Summer Youth Program: | | | | |
| Personal Services | 5,150 | 4,883 | 267 | 3,940 |
| Operating Expenditures | 13,501 | 13,867 | (366) | 13,706 |
| Total Summer Youth Program | <u>18,651</u> | <u>18,750</u> | <u>(99)</u> | <u>17,646</u> |
| Total Culture and Recreation | <u>868,928</u> | <u>770,458</u> | <u>98,470</u> | <u>417,086</u> |
| Debt Service | | | | |
| Principal Retirement | 237,836 | 60,341 | 177,495 | 45,255 |
| Interest and Fiscal Charges | 33,751 | 46,747 | (12,996) | 19,247 |
| Total Debt Service | <u>271,587</u> | <u>107,088</u> | <u>164,499</u> | <u>64,502</u> |
| Total Expenditures | <u>\$ 2,727,602</u> | <u>\$ 2,432,169</u> | <u>\$ 295,433</u> | <u>\$ 1,664,645</u> |

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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.

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**COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2002,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | <u>Evergreen Cemetery</u> | <u>CDBG Grant</u> | <u>Totals</u> | |
|--|-------------------------------|-----------------------|-------------------|-------------------|
| | | | <u>2002</u> | <u>2001</u> |
| Assets | | | | |
| Current Assets | | | | |
| Cash and Cash Equivalents | \$ 480,551 | \$ 1,832 | \$ 482,383 | \$ 460,171 |
| Due From Other Governments | | 3,490 | 3,490 | 31,872 |
| | | | <u> </u> | <u> </u> |
| Total Assets | <u>480,551</u> | <u>5,322</u> | <u>485,873</u> | <u>492,043</u> |
| | | | | |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts Payable | 208 | | 208 | 146 |
| Due to General Fund | | 4,095 | 4,095 | 32,486 |
| Deferred Revenues | | 1,227 | 1,227 | 1,228 |
| Deposits | 3,525 | | 3,525 | 3,150 |
| Total Liabilities | <u>3,733</u> | <u>5,322</u> | <u>9,055</u> | <u>37,010</u> |
| Fund Balances | | | | |
| Reserved for Perpetual Care | 476,818 | 0 | 476,818 | 455,033 |
| | | | <u> </u> | <u> </u> |
| Total Liabilities and Fund Balances | <u>\$ 480,551</u> | <u>\$ 5,322</u> | <u>\$ 485,873</u> | <u>\$ 492,043</u> |

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2002,
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2001
 CITY OF BUSHNELL, FLORIDA**

| | Evergreen Cemetery | CDBG Grant | <u>Totals</u> | |
|--|-----------------------|-----------------|-------------------|-------------------|
| | | | <u>2002</u> | <u>2001</u> |
| Revenues | | | | |
| Contributions | \$ 8,970 | \$ 0 | \$ 8,970 | \$ 9,190 |
| Sale of Cemetery Lots | 6,425 | 0 | 6,425 | 6,700 |
| Interest | 17,443 | 0 | 17,443 | 24,180 |
| Memorials and Gifts | 280 | 0 | 280 | 1,050 |
| Grant Revenue | 0 | 10,709 | 10,709 | 46,019 |
| Total Revenues | <u>33,118</u> | <u>10,709</u> | <u>43,827</u> | <u>87,139</u> |
| | | | | |
| Expenditures | | | | |
| Operating Expenditures | 21,233 | 10,709 | 31,942 | 66,663 |
| Capital Outlay | 600 | 0 | 600 | 200 |
| (Total Expenditures) | <u>(21,833)</u> | <u>(10,709)</u> | <u>(32,542)</u> | <u>(66,863)</u> |
| | | | | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 11,285 | 0 | 11,285 | 20,276 |
| | | | | |
| Other Financing Sources | | | | |
| Operating Transfers In | <u>10,500</u> | <u>0</u> | <u>10,500</u> | <u>10,500</u> |
| | | | | |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures | 21,785 | 0 | 21,785 | 30,776 |
| | | | | |
| Fund Balances, Beginning of Year | <u>455,033</u> | <u>0</u> | <u>455,033</u> | <u>424,257</u> |
| | | | | |
| Fund Balances, End of Year | <u>\$ 476,818</u> | <u>\$ 0</u> | <u>\$ 476,818</u> | <u>\$ 455,033</u> |

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - EVERGREEN CEMETERY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2002,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | 2002 | | Variance Favorable (Unfavorable) | 2001 |
|--|-------------------|-------------------|--|-------------------|
| | Budget | Actual | | Actual |
| Revenues | | | | |
| Contributions | \$ 8,500 | \$ 8,970 | \$ 470 | \$ 9,190 |
| Sale of Cemetery Lots | 6,000 | 6,425 | 425 | 6,700 |
| Interest | 24,000 | 17,443 | (6,557) | 24,180 |
| Memorials and Gifts | 500 | 280 | (220) | 1,050 |
| Total Revenues | <u>39,000</u> | <u>33,118</u> | <u>(5,882)</u> | <u>41,120</u> |
| Expenditures | | | | |
| Operating Expenses | 23,425 | 21,233 | 2,192 | 20,644 |
| Capital Outlay | 400 | 600 | (200) | 200 |
| (Total Expenditures) | <u>(23,825)</u> | <u>(21,833)</u> | <u>1,992</u> | <u>(20,844)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 15,175 | 11,285 | (3,890) | 20,276 |
| Other Financing Sources | | | | |
| Operating Transfers In | <u>10,500</u> | <u>10,500</u> | <u>0</u> | <u>10,500</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures | 25,675 | 21,785 | (3,890) | 30,776 |
| Fund Balance, Beginning of Year | <u>455,033</u> | <u>455,033</u> | <u>0</u> | <u>424,257</u> |
| Fund Balance, End of Year | <u>\$ 480,708</u> | <u>\$ 476,818</u> | <u>\$ (3,890)</u> | <u>\$ 455,033</u> |

**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT BLOCK GRANT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2002,
 WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 2001
 CITY OF BUSHNELL, FLORIDA**

| | <u>2002</u> | | <u>Variance Favorable (Unfavorable)</u> | <u>2001</u> |
|--|---------------|---------------|---|---------------|
| | <u>Budget</u> | <u>Actual</u> | | <u>Actual</u> |
| Revenues | | | | |
| Grant Revenue | \$ 12,000 | \$ 10,709 | \$ (1,291) | \$ 46,019 |
| Expenditures | | | | |
| Operating Expenditures | <u>12,000</u> | <u>10,709</u> | <u>1,291</u> | <u>46,019</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | 0 | 0 | 0 |
| Fund Balance, Beginning of Year | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance, End of Year | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

ENTERPRISE FUNDS

Enterprise funds are used to account for operations (a) that are financed and operated in a 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 recorded 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.

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**COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
SEPTEMBER 30, 2002,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | Electric Utility Fund | Water Utility Fund | Wastewater Utility Fund | Sanitation Fund | Totals | |
|--|-----------------------------|--------------------------|-------------------------------|--------------------|----------------------|---------------------|
| | | | | | 2002 | 2001 |
| Assets | | | | | | |
| Current Assets | | | | | | |
| Cash and Cash Equivalents | \$ 1,240,729 | \$ 292,942 | \$ 683,422 | \$ 246,913 | \$ 2,464,006 | \$ 2,059,170 |
| Customer Accounts Receivable, Net of Allowance for Uncollectibles | 294,747 | 33,533 | 667 | 39,102 | 368,049 | 371,443 |
| Deferred Debit | | | | | 0 | 119,410 |
| Retainage Receivable | | | 70,000 | | 70,000 | 52,333 |
| Due From Other Funds | | 11,805 | | | 11,805 | 0 |
| Due From Other Governments | | | 212,053 | | 212,053 | 14,286 |
| Advance to Other Funds | 220,100 | | | | 220,100 | 0 |
| Inventories, At Cost | 170,382 | 82,289 | 2,767 | | 255,438 | 214,290 |
| Total Current Assets | <u>1,925,958</u> | <u>420,569</u> | <u>968,909</u> | <u>286,015</u> | <u>3,601,451</u> | <u>2,830,932</u> |
| Restricted Assets | | | | | | |
| Cash and Investments: | | | | | | |
| CR-3 Nuclear Decommissioning | 136,152 | | | | 136,152 | 124,836 |
| Customer Deposits | 94,406 | | | | 94,406 | 99,895 |
| Other | | | | | 0 | 45 |
| Total Restricted Assets | <u>230,558</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>230,558</u> | <u>224,776</u> |
| Property and Equipment | | | | | | |
| Utility Plant in Service | 2,802,770 | 2,480,570 | 703,711 | 330,645 | 6,317,696 | 5,172,271 |
| Construction in Progress | | | 2,855,126 | | 2,855,126 | 572,644 |
| (Accumulated Depreciation) | (1,329,943) | (922,544) | (4,700) | (241,973) | (2,499,160) | (2,294,454) |
| Total Property and Equipment - Cost Less Depreciation | <u>1,472,827</u> | <u>1,558,026</u> | <u>3,554,137</u> | <u>88,672</u> | <u>6,673,662</u> | <u>3,450,461</u> |
| Other Assets | | | | | | |
| Loan Cost (Net) | 0 | 4,001 | 0 | 0 | 4,001 | 4,286 |
| Total Assets | <u>\$ 3,629,343</u> | <u>\$ 1,982,596</u> | <u>\$ 4,523,046</u> | <u>\$ 374,687</u> | <u>\$ 10,509,672</u> | <u>\$ 6,510,455</u> |

COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
SEPTEMBER 30, 2002,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA
(Concluded)

| | Electric Utility Fund | Water Utility Fund | Wastewater Utility Fund | Sanitation Fund | Totals | |
|---|-----------------------------|--------------------------|-------------------------------|--------------------|----------------------|---------------------|
| | | | | | 2002 | 2001 |
| Liabilities and Fund Equity | | | | | | |
| Current Liabilities | | | | | | |
| Accounts Payable | \$ 149,347 | \$ 39,743 | \$ 410,134 | \$ 19,622 | \$ 618,846 | \$ 196,605 |
| Other Accrued Liabilities | 15,969 | 5,843 | 889 | 1,414 | 24,115 | 35,071 |
| Due to Other Funds | | | 11,805 | | 11,805 | 187 |
| Deferred Credit | | | 320,155 | | 320,155 | 0 |
| Current Portion of Notes Payable | | 15,000 | 2,800,000 | 11,250 | 2,826,250 | 37,500 |
| Compensated Absences Payable | 31,972 | 21,315 | | 10,623 | 63,910 | 71,106 |
| Accrued Liability - Power Cost Adjustment | 14,984 | | | | 14,984 | 0 |
| Accrued Interest | 127 | | | 896 | 1,023 | 1,470 |
| Total Current Liabilities | <u>212,399</u> | <u>81,901</u> | <u>3,542,983</u> | <u>43,805</u> | <u>3,881,088</u> | <u>341,939</u> |
| Current Liabilities (Payable From Restricted Assets) | | | | | | |
| Customer Deposits | 94,406 | 0 | 0 | 0 | 94,406 | 99,895 |
| Long-Term Liabilities | | | | | | |
| Deferred Credit - CR-3 Decommissioning Note Payable | 136,152 | | | 33,750 | 136,152 | 124,836 |
| Note Payable - Florida Municipal Power Agency | | 181,000 | | | 181,000 | 196,000 |
| Advance From Other Fund | | 220,100 | 250,000 | | 470,100 | 250,000 |
| Total Long-Term Liabilities | <u>136,152</u> | <u>401,100</u> | <u>250,000</u> | <u>33,750</u> | <u>821,002</u> | <u>615,836</u> |
| Total Liabilities | <u>442,957</u> | <u>483,001</u> | <u>3,792,983</u> | <u>77,555</u> | <u>4,796,496</u> | <u>1,057,670</u> |
| Fund Equity | | | | | | |
| Contributed Capital | 176,873 | 1,018,003 | 559,837 | 29,449 | 1,784,162 | 1,784,162 |
| Retained Earnings: | | | | | | |
| Unreserved | 3,009,513 | 481,592 | 170,226 | 267,683 | 3,929,014 | 3,668,623 |
| Total Fund Equity | <u>3,186,386</u> | <u>1,499,595</u> | <u>730,063</u> | <u>297,132</u> | <u>5,713,176</u> | <u>5,452,785</u> |
| Total Liabilities and Fund Equity | <u>\$ 3,629,343</u> | <u>\$ 1,982,596</u> | <u>\$ 4,523,046</u> | <u>\$ 374,687</u> | <u>\$ 10,509,672</u> | <u>\$ 6,510,455</u> |

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA

| | Electric Utility Fund | Water Utility Fund | Wastewater Utility Fund | Sanitation Fund | Totals | |
|---|-----------------------------|--------------------------|-------------------------------|--------------------|---------------------|---------------------|
| | | | | | 2002 | 2001 |
| Operating Revenues | | | | | | |
| Charge for Sales and Services | \$ 2,112,832 | \$ 387,764 | \$ 27,306 | \$ 365,378 | \$ 2,893,280 | \$ 3,093,374 |
| Miscellaneous Revenues | 47,675 | 29,802 | 110 | 5,354 | 82,941 | 28,485 |
| Total Operating Revenues | <u>2,160,507</u> | <u>417,566</u> | <u>27,416</u> | <u>370,732</u> | <u>2,976,221</u> | <u>3,121,859</u> |
| Operating Expenses | | | | | | |
| Demand and Energy Charge | 1,299,023 | 0 | 0 | 0 | 1,299,023 | 1,395,064 |
| CR-3 Operations and Maintenance | 57,832 | 0 | 0 | 0 | 57,832 | 66,636 |
| Salaries | 161,193 | 153,136 | 26,793 | 60,096 | 401,218 | 357,303 |
| Employee Benefits | 54,245 | 53,602 | 5,984 | 35,735 | 149,566 | 121,054 |
| Professional Services | 34,691 | 85,556 | 14,272 | 3,626 | 138,145 | 83,448 |
| Operating Supplies | 1,681 | 10,914 | 5,836 | 8,456 | 26,887 | 73,302 |
| Other Current Charges | 97,442 | 68,045 | 7,098 | 17,834 | 190,419 | 164,939 |
| Depreciation | 113,809 | 67,085 | 4,700 | 19,112 | 204,706 | 198,688 |
| Landfill | 0 | 0 | 0 | 153,842 | 153,842 | 139,544 |
| (Total Operating Expenses) | <u>(1,819,916)</u> | <u>(438,338)</u> | <u>(64,683)</u> | <u>(298,701)</u> | <u>(2,621,638)</u> | <u>(2,599,978)</u> |
| Operating Income (Loss) | <u>340,591</u> | <u>(20,772)</u> | <u>(37,267)</u> | <u>72,031</u> | <u>354,583</u> | <u>521,881</u> |
| Nonoperating Revenues (Expenses) | | | | | | |
| Interest Income | 30,191 | 3,887 | 13,683 | 3,726 | 51,487 | 107,103 |
| Interest Expense | | (4,493) | (30,800) | (3,315) | (38,608) | (15,246) |
| Other Debt Service Costs | 0 | (286) | 0 | 0 | (286) | (286) |
| Total Nonoperating Revenues (Expenses) | <u>30,191</u> | <u>(892)</u> | <u>(17,117)</u> | <u>411</u> | <u>12,593</u> | <u>91,571</u> |
| Net Income (Loss) Before Capital Contributions and Transfers | <u>370,782</u> | <u>(21,664)</u> | <u>(54,384)</u> | <u>72,442</u> | <u>367,176</u> | <u>613,452</u> |
| Capital Contributions and Transfers | | | | | | |
| Capital Contributions | 0 | 22,636 | 229,579 | 0 | 252,215 | 0 |
| Operating Transfers (Out) | (320,000) | (20,000) | 0 | (19,000) | (359,000) | (335,646) |
| Total Capital Contributions and Transfers | <u>(320,000)</u> | <u>2,636</u> | <u>229,579</u> | <u>(19,000)</u> | <u>(106,785)</u> | <u>(335,646)</u> |
| Net Income (Loss) | 50,782 | (19,028) | 175,195 | 53,442 | 260,391 | 277,806 |
| Retained Earnings, Beginning of Year | 2,958,731 | 500,620 | (4,969) | 214,241 | 3,668,623 | 3,390,817 |
| Retained Earnings, End of Year | <u>\$ 3,009,513</u> | <u>\$ 481,592</u> | <u>\$ 170,226</u> | <u>\$ 267,683</u> | <u>\$ 3,929,014</u> | <u>\$ 3,668,623</u> |

**COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | Electric Utility Fund | Water Utility Fund | Wastewater Utility Fund | Sanitation Fund | Totals | |
|--|-----------------------------|--------------------------|-------------------------------|--------------------|----------------|------------------|
| | | | | | 2002 | 2001 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities: | | | | | | |
| Operating Income (Loss) | \$ 340,591 | \$ (20,772) | \$ (37,267) | \$ 72,031 | \$ 354,583 | \$ 521,881 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities: | | | | | | |
| Depreciation and Amortization | 113,809 | 67,084 | 4,700 | 19,112 | 204,705 | 198,688 |
| Change in Current Assets - Decrease (Increase) and Current Liabilities - Increase (Decrease): | | | | | | |
| Accounts Receivable | 6,727 | (11,629) | (215,823) | 8,685 | (212,040) | (70,965) |
| Deferred Debits | 119,410 | 0 | 0 | 0 | 119,410 | (58,210) |
| Due From Other Funds | (220,100) | (11,805) | 0 | 0 | (231,905) | 49,950 |
| Inventories | 468 | (38,849) | (2,767) | 0 | (41,148) | (9,463) |
| Accounts Payable | (7,880) | (348) | 397,621 | 2,848 | 392,241 | 23,564 |
| Other Accrued Expenses | 3,040 | (229) | 889 | (119) | 3,581 | 5,690 |
| Due to Other Funds | (187) | 0 | 11,805 | 0 | 11,618 | (3,608) |
| Deferred Credit | 0 | 0 | (34,845) | 0 | (34,845) | 0 |
| Compensated Absences Payable | (352) | (234) | 0 | (6,610) | (7,196) | (4,569) |
| Customer Deposits | (5,489) | 0 | 0 | 0 | (5,489) | 6,007 |
| Total Adjustments | 9,446 | 3,990 | 161,580 | 23,916 | 198,932 | 137,084 |
| Net Cash Provided By (Used In) Operating Activities | 350,037 | (16,782) | 124,313 | 95,947 | 553,515 | 658,965 |
| Cash Flows From Noncapital Financing Activities | | | | | | |
| Operating Transfers Out to Other Funds | (320,000) | (20,000) | 0 | (19,000) | (359,000) | (335,646) |
| Cash Flows From Capital and Related Financing Activities | | | | | | |
| Advance From Other Fund | 0 | 220,100 | 0 | 0 | 220,100 | 0 |
| Acquisition and Construction of Capital Assets | (281,903) | (124,051) | (2,631,193) | (5,760) | (3,042,907) | (393,576) |
| Principal Payments on Notes | 0 | (15,000) | 0 | (22,500) | (37,500) | (84,470) |
| Interest Paid on Notes | 0 | (4,493) | (30,800) | (3,315) | (38,608) | (14,057) |
| Contributed Capital | 0 | 22,636 | 229,579 | 0 | 252,215 | 167,415 |
| Proceeds of Note Payable | 0 | 0 | 2,800,000 | 0 | 2,800,000 | 0 |
| Net Cash Provided By (Used In) Capital and Related Financing Activities | (281,903) | 99,192 | 367,586 | (31,575) | 153,300 | (324,688) |

**COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA
(Concluded)**

| | Electric Utility Fund | Water Utility Fund | Wastewater Fund | Sanitation Fund | Totals | |
|--|-----------------------------|--------------------------|--------------------|--------------------|--------------|--------------|
| | | | | | 2002 | 2001 |
| Cash Flows From Investing Activities | | | | | | |
| Interest Received | \$ 30,191 | \$ 3,887 | \$ 13,683 | \$ 3,726 | \$ 51,487 | \$ 107,103 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (221,675) | 66,297 | 505,582 | 49,098 | 399,302 | 105,734 |
| Cash and Cash Equivalents, Beginning of Year | 1,556,810 | 226,645 | 177,840 | 197,815 | 2,159,110 | 2,053,376 |
| Cash and Cash Equivalents, End of Year | \$ 1,335,135 | \$ 292,942 | \$ 683,422 | \$ 246,913 | \$ 2,558,412 | \$ 2,159,110 |

Presented in the Accompanying Combined Balance Sheet as:

| | | | | | | |
|-------------------|--------------|------------|------------|------------|--------------|--------------|
| Unrestricted Cash | 1,240,729 | 292,942 | 683,422 | 246,913 | 2,464,006 | 2,059,170 |
| Restricted Cash | 94,406 | 0 | 0 | 0 | 94,406 | 99,940 |
| Total Cash | \$ 1,335,135 | \$ 292,942 | \$ 683,422 | \$ 246,913 | \$ 2,558,412 | \$ 2,159,110 |

Noncash Investing, Capital, and Financing Activities:

| | | | | | | |
|--|------|-----------|------------|------|------------|------|
| Assets Received in Exchange for Developers Agreement | \$ 0 | \$ 30,000 | \$ 355,000 | \$ 0 | \$ 385,000 | \$ 0 |
|--|------|-----------|------------|------|------------|------|

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
ELECTRIC UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2002,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | 2002 | | Variance Favorable (Unfavorable) | 2001 |
|---|---------------------|---------------------|--|---------------------|
| | Budget | Actual | | Actual |
| Operating Revenues | | | | |
| Residential Electric Sales | \$ 785,053 | \$ 700,265 | \$ (84,788) | \$ 791,057 |
| Commercial Demand Sales | 715,273 | 667,005 | (48,268) | 749,171 |
| Commercial Nondemand Sales | 745,665 | 724,347 | (21,318) | 795,809 |
| Penalties and Reconnections | 0 | 4,971 | 4,971 | 0 |
| Private Area Light Sales | 14,664 | 16,244 | 1,580 | 16,360 |
| Miscellaneous | 17,900 | 47,675 | 29,775 | 28,089 |
| Total Operating Revenues | <u>2,278,555</u> | <u>2,160,507</u> | <u>(118,048)</u> | <u>2,380,486</u> |
| Operating Expenses | | | | |
| Demand and Energy Charge | 1,291,836 | 1,299,023 | (7,187) | 1,395,064 |
| CR-3 Operations and Maintenance | 87,041 | 57,832 | 29,209 | 66,636 |
| Salaries | 151,006 | 161,193 | (10,187) | 156,331 |
| Employee Benefits | 44,957 | 54,245 | (9,288) | 48,591 |
| Professional Services | 35,400 | 34,691 | 709 | 35,335 |
| Operating Supplies | 14,000 | 1,681 | 12,319 | 38,130 |
| Other Current Charges | 58,775 | 97,442 | (38,667) | 72,757 |
| Depreciation | 0 | 113,809 | (113,809) | 119,848 |
| (Total Operating Expenses) | <u>(1,683,015)</u> | <u>(1,819,916)</u> | <u>(136,901)</u> | <u>(1,932,692)</u> |
| Operating Income (Loss) | <u>595,540</u> | <u>340,591</u> | <u>(254,949)</u> | <u>447,794</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | 77,000 | 30,191 | (46,809) | 69,509 |
| Interest Expense | (4,025) | 0 | 4,025 | (133) |
| Total Nonoperating Revenues (Expenses) | <u>72,975</u> | <u>30,191</u> | <u>(42,784)</u> | <u>69,376</u> |
| Net Income (Loss) Before Transfers | 668,515 | 370,782 | (297,733) | 517,170 |
| Operating Transfers (Out) | <u>(328,500)</u> | <u>(320,000)</u> | <u>8,500</u> | <u>(276,646)</u> |
| Net Income (Loss) | 340,015 | 50,782 | (289,233) | 240,524 |
| Retained Earnings, Beginning of Year | <u>2,958,731</u> | <u>2,958,731</u> | <u>0</u> | <u>2,718,207</u> |
| Retained Earnings, End of Year | <u>\$ 3,298,746</u> | <u>\$ 3,009,513</u> | <u>\$ (289,233)</u> | <u>\$ 2,958,731</u> |

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
WATER UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2002,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | 2002 | | Variance Favorable (Unfavorable) | 2001 |
|---|-------------------|-------------------|--|-------------------|
| | Budget | Actual | | Actual |
| Operating Revenues | | | | |
| Residential Water Sales | \$ 147,000 | \$ 143,118 | \$ (3,882) | \$ 140,449 |
| Commercial Water Sales | 205,000 | 179,589 | (25,411) | 161,672 |
| Penalties and Reconnections | 20,500 | 8,793 | (11,707) | 20,843 |
| Water Connection Fees | 3,000 | 4,753 | 1,753 | 4,520 |
| Capacity Reservation Charges | 15,000 | 51,511 | 36,511 | 36,259 |
| Miscellaneous | 37,160 | 29,802 | (7,358) | 38,095 |
| Total Operating Revenues | <u>427,660</u> | <u>417,566</u> | <u>(10,094)</u> | <u>401,838</u> |
| Operating Expenses | | | | |
| Salaries | 140,491 | 153,136 | (12,645) | 136,857 |
| Employee Benefits | 38,195 | 53,602 | (15,407) | 43,079 |
| Professional Services | 26,100 | 85,556 | (59,456) | 44,383 |
| Operating Supplies | 27,500 | 10,914 | 16,586 | 23,521 |
| Other Current Charges | 43,594 | 68,045 | (24,451) | 68,627 |
| Depreciation | 0 | 67,085 | (67,085) | 60,193 |
| (Total Operating Expenses) | <u>(275,880)</u> | <u>(438,338)</u> | <u>(162,458)</u> | <u>(376,660)</u> |
| Operating Income (Loss) | <u>151,780</u> | <u>(20,772)</u> | <u>(172,552)</u> | <u>25,178</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | 20,000 | 3,887 | (16,113) | 19,335 |
| Interest Expense | (9,000) | (4,493) | 4,507 | (10,359) |
| Other Debt Service Costs | 0 | (286) | (286) | (286) |
| Total Nonoperating Revenues (Expenses) | <u>11,000</u> | <u>(892)</u> | <u>(11,892)</u> | <u>8,690</u> |
| Net Income (Loss) Before Capital Contributions and Transfers | <u>162,780</u> | <u>(21,664)</u> | <u>(184,444)</u> | <u>33,868</u> |
| Capital Contributions and Transfers | | | | |
| Capital Contributions | 0 | 22,636 | 22,636 | 0 |
| Operating Transfers (Out) | (40,000) | (20,000) | 20,000 | (40,000) |
| Total Capital Contributions and Transfers | <u>(40,000)</u> | <u>2,636</u> | <u>42,636</u> | <u>(40,000)</u> |
| Net Income (Loss) After Capital Contributions and Transfers | 122,780 | (19,028) | (141,808) | (6,132) |
| Retained Earnings, Beginning of Year | 500,620 | 500,620 | 0 | 506,752 |
| Retained Earnings, End of Year | <u>\$ 623,400</u> | <u>\$ 481,592</u> | <u>\$ (141,808)</u> | <u>\$ 500,620</u> |

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
WASTEWATER UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2002,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | 2002 | | Variance Favorable (Unfavorable) | 2001 |
|---|---------------------|-------------------|--|-------------------|
| | Budget | Actual | | Actual |
| Operating Revenues | | | | |
| Commercial Wastewater Services | \$ 2,685 | \$ 4,249 | \$ 1,564 | \$ 278 |
| Penalties and Reconnections | 100 | 17 | (83) | 0 |
| Capacity Reservation Charges | 0 | 23,040 | 23,040 | 0 |
| Miscellaneous | 200 | 110 | (90) | 396 |
| Total Operating Revenues | <u>2,985</u> | <u>27,416</u> | <u>24,431</u> | <u>674</u> |
| Operating Expenses | | | | |
| Salaries | 24,568 | 26,793 | (2,225) | 0 |
| Employee Benefits | 8,363 | 5,984 | 2,379 | 0 |
| Professional Services | 15,900 | 14,272 | 1,628 | 0 |
| Operating Supplies | 5,200 | 5,836 | (636) | 1,278 |
| Other Current Charges | 21,800 | 7,098 | 14,702 | 3,264 |
| Depreciation | 0 | 4,700 | (4,700) | 0 |
| (Total Operating Expenses) | <u>(75,831)</u> | <u>(64,683)</u> | <u>11,148</u> | <u>(4,542)</u> |
| Operating Income (Loss) | <u>(72,846)</u> | <u>(37,267)</u> | <u>35,579</u> | <u>(3,868)</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | 12,000 | 13,683 | 1,683 | 8,558 |
| Interest Expense | (84,000) | (30,800) | 53,200 | 0 |
| Total Nonoperating Revenues (Expenses) | <u>(72,000)</u> | <u>(17,117)</u> | <u>54,883</u> | <u>8,558</u> |
| Net Income (Loss) Before Capital Contributions | (144,846) | (54,384) | 90,462 | 4,690 |
| Capital Contributions | | | | |
| Capital Funding - Grants | 0 | 229,579 | 229,579 | 0 |
| Net Income (Loss) After Capital Contributions | (144,846) | 175,195 | 320,041 | 4,690 |
| Retained Earnings, Beginning of Year | <u>(4,969)</u> | <u>(4,969)</u> | <u>0</u> | <u>(9,659)</u> |
| Retained Earnings, End of Year | <u>\$ (149,815)</u> | <u>\$ 170,226</u> | <u>\$ 320,041</u> | <u>\$ (4,969)</u> |

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
SANITATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2002,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | 2002 | | Variance Favorable (Unfavorable) | 2001 |
|---|-------------------|-------------------|--|-------------------|
| | Budget | Actual | | Actual |
| Operating Revenues | | | | |
| Residential Garbage | \$ 131,682 | \$ 138,890 | \$ 7,208 | \$ 135,869 |
| Commercial Garbage | 186,479 | 226,488 | 40,009 | 198,821 |
| Miscellaneous | 4,275 | 5,354 | 1,079 | 4,171 |
| Total Operating Revenues | <u>322,436</u> | <u>370,732</u> | <u>48,296</u> | <u>338,861</u> |
| Operating Expenses | | | | |
| Salaries | 77,550 | 60,096 | 17,454 | 64,115 |
| Employee Benefits | 32,455 | 35,735 | (3,280) | 29,384 |
| Professional Services | 3,415 | 3,626 | (211) | 3,730 |
| Operating Supplies | 10,900 | 8,456 | 2,444 | 10,373 |
| Other Current Charges | 20,654 | 17,834 | 2,820 | 20,291 |
| Depreciation | 0 | 19,112 | (19,112) | 18,647 |
| Landfill | 134,500 | 153,842 | (19,342) | 139,544 |
| (Total Operating Expenses) | <u>(279,474)</u> | <u>(298,701)</u> | <u>(19,227)</u> | <u>(286,084)</u> |
| Operating Income (Loss) | <u>42,962</u> | <u>72,031</u> | <u>29,069</u> | <u>52,777</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | 10,000 | 3,726 | (6,274) | 9,701 |
| Interest Expense | (4,030) | (3,315) | 715 | (4,754) |
| Total Nonoperating Revenues (Expenses) | <u>5,970</u> | <u>411</u> | <u>(5,559)</u> | <u>4,947</u> |
| Net Income (Loss) Before Transfers | 48,932 | 72,442 | 23,510 | 57,724 |
| Operating Transfers (Out) | <u>(19,000)</u> | <u>(19,000)</u> | <u>0</u> | <u>(19,000)</u> |
| Net Income (Loss) | 29,932 | 53,442 | 23,510 | 38,724 |
| Retained Earnings, Beginning of Year | <u>214,241</u> | <u>214,241</u> | <u>0</u> | <u>175,517</u> |
| Retained Earnings, End of Year | <u>\$ 244,173</u> | <u>\$ 267,683</u> | <u>\$ 23,510</u> | <u>\$ 214,241</u> |

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PENSION TRUST 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 biennial 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.

**COMBINING STATEMENT OF PLAN NET ASSETS
PENSION TRUST FUNDS
SEPTEMBER 30, 2002, WITH
COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | <u>General Employees' Retirement Fund</u> | <u>Police Officers' Retirement Fund</u> | <u>2002</u> | <u>2001</u> |
|--|---|---|--------------------------|--------------------------|
| Assets | | | | |
| Cash | \$ 6,069 | \$ 27,216 | \$ 33,285 | \$ 6,676 |
| Investments | 72,650 | 121,935 | 194,585 | 166,809 |
| Due From Other Funds | <u> </u> | <u> </u> | <u>0</u> | <u>2,620</u> |
| Total Assets | <u><u>78,719</u></u> | <u><u>149,151</u></u> | <u><u>227,870</u></u> | <u><u>176,105</u></u> |
| Liabilities | | | | |
| Due to Other Funds | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Assets Held in Trust for Pension Benefits | <u><u>\$ 78,719</u></u> | <u><u>\$ 149,151</u></u> | <u><u>\$ 227,870</u></u> | <u><u>\$ 176,105</u></u> |

**COMBINING STATEMENTS OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002, WITH
COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2001
CITY OF BUSHNELL, FLORIDA**

| | <u>General Employees' Retirement Fund</u> | <u>Police Officers' Retirement Fund</u> | <u>2002</u> | <u>2001</u> |
|--|---|---|-------------------|-------------------|
| Additions | | | | |
| Contributions | | | | |
| Employer | \$ 33,584 | \$ 18,995 | \$ 52,579 | \$ 42,319 |
| Employee | 0 | 2,019 | 2,019 | 1,265 |
| State | 0 | 25,053 | 25,053 | 21,311 |
| Miscellaneous | 0 | 0 | 0 | 399 |
| Total Contributions | <u>33,584</u> | <u>46,067</u> | <u>79,651</u> | <u>65,294</u> |
| Investment Income (Loss) | | | | |
| Interest and Dividend Income | 453 | 5,163 | 5,616 | 11,159 |
| Net Appreciation (Depreciation) in Fair Value of Investments | (12,890) | (14,127) | (27,017) | (35,696) |
| Total Investment Income (Loss) | <u>(12,437)</u> | <u>(8,964)</u> | <u>(21,401)</u> | <u>(24,537)</u> |
| Total Additions | <u>21,147</u> | <u>37,103</u> | <u>58,250</u> | <u>40,757</u> |
| Deductions | | | | |
| Termination Payments | 0 | (460) | (460) | (1,183) |
| Miscellaneous | (2,000) | (4,025) | (6,025) | 0 |
| (Total Deductions) | <u>(2,000)</u> | <u>(4,485)</u> | <u>(6,485)</u> | <u>(1,183)</u> |
| Net Increase (Decrease) | 19,147 | 32,618 | 51,765 | 39,574 |
| Net Assets Held in Trust for Pension Benefits: | | | | |
| Beginning of Year | <u>59,572</u> | <u>116,533</u> | <u>176,105</u> | <u>136,531</u> |
| End of Year | <u>\$ 78,719</u> | <u>\$ 149,151</u> | <u>\$ 227,870</u> | <u>\$ 176,105</u> |

See accompanying notes.

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GENERAL FIXED ASSETS ACCOUNT GROUP

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

SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE
SEPTEMBER 30, 2002 AND 2001
CITY OF BUSHNELL, FLORIDA

| | <u>2002</u> | <u>2001</u> |
|---|---------------------|---------------------|
| General Fixed Assets | | |
| Land | \$ 486,370 | \$ 486,370 |
| Buildings | 705,325 | 705,325 |
| Improvements Other Than Buildings | 603,057 | 589,205 |
| Equipment and Furniture | 1,614,984 | 1,325,430 |
| Construction in Progress | 626,241 | 132,480 |
| Total General Fixed Assets | <u>4,035,977</u> | <u>3,238,810</u> |
| | | |
| Investment in General Fixed Assets | | |
| General Fund Revenues | 3,403,711 | 2,838,293 |
| Federal Grants | 17,901 | 10,997 |
| State Grants | 597,893 | 373,048 |
| Donations | <u>16,472</u> | <u>16,472</u> |
| Total Investment in General Fixed Assets | <u>\$ 4,035,977</u> | <u>\$ 3,238,810</u> |

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 2002
CITY OF BUSHNELL, FLORIDA**

| | Balance October 1, 2001 | Additions | (Deletions) | Balance September 30, 2002 |
|-------------------------------------|-------------------------------|-------------------|-------------|----------------------------------|
| General Fixed Assets | | | | |
| General Government | | | | |
| Financial Administrative | \$ 440,493 | \$ 9,599 | \$ 0 | \$ 450,092 |
| Legislative | 2,873 | 0 | 0 | 2,873 |
| Total General Government | <u>443,366</u> | <u>9,599</u> | <u>0</u> | <u>452,965</u> |
| Public Safety | | | | |
| Law Enforcement | 389,933 | 5,582 | 0 | 395,515 |
| Fire Control | 374,591 | 255,542 | 0 | 630,133 |
| Code Compliance | 13,369 | 0 | 0 | 13,369 |
| Total Public Safety | <u>777,893</u> | <u>261,124</u> | <u>0</u> | <u>1,039,017</u> |
| Human Services | | | | |
| Cemetery | 68,023 | 0 | 0 | 68,023 |
| Roads and Streets | 632,529 | 5,271 | 0 | 637,800 |
| Total Human Services | <u>700,552</u> | <u>5,271</u> | <u>0</u> | <u>705,823</u> |
| Culture and Recreation | | | | |
| Library | 145,406 | 376,149 | 0 | 521,555 |
| Parks and Recreation | 1,045,074 | 145,024 | 0 | 1,190,098 |
| Special Facilities: | | | | |
| Community Building | 126,519 | 0 | 0 | 126,519 |
| Total Culture and Recreation | <u>1,316,999</u> | <u>521,173</u> | <u>0</u> | <u>1,838,172</u> |
| Total General Fixed Assets | <u>\$ 3,238,810</u> | <u>\$ 797,167</u> | <u>\$ 0</u> | <u>\$ 4,035,977</u> |

**SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2002
CITY OF BUSHNELL, FLORIDA**

| | <u>Total</u> | <u>Land</u> | <u>Buildings</u> | <u>Improvements Other Than Buildings</u> | <u>Equipment and Furniture</u> | <u>Construction in Progress</u> |
|-------------------------------------|---------------------|-------------------|-------------------|--|--|---|
| General Fixed Assets | | | | | | |
| General Government | | | | | | |
| Financial Administrative | \$ 450,092 | \$ 167,985 | \$ 103,480 | \$ 17,480 | \$ 161,147 | \$ 0 |
| Legislative | 2,873 | 0 | 0 | 0 | 2,873 | 0 |
| Total General Government | <u>452,965</u> | <u>167,985</u> | <u>103,480</u> | <u>17,480</u> | <u>164,020</u> | <u>0</u> |
| Public Safety | | | | | | |
| Law Enforcement | 395,515 | 60,426 | 0 | 4,523 | 330,566 | 0 |
| Fire Control | 630,133 | 0 | 6,300 | 0 | 623,833 | 0 |
| Code Compliance | 13,369 | 0 | 0 | 0 | 13,369 | 0 |
| Total Public Safety | <u>1,039,017</u> | <u>60,426</u> | <u>6,300</u> | <u>4,523</u> | <u>967,768</u> | <u>0</u> |
| Human Services | | | | | | |
| Cemetery | 68,023 | 68,023 | 0 | 0 | 0 | 0 |
| Roads and Streets | 637,800 | 14,250 | 313,135 | 35,966 | 269,652 | 4,797 |
| Total Human Services | <u>705,823</u> | <u>82,273</u> | <u>313,135</u> | <u>35,966</u> | <u>269,652</u> | <u>4,797</u> |
| Culture and Recreation | | | | | | |
| Library | 521,555 | 200 | 4,000 | 1,224 | 21,473 | 494,658 |
| Parks and Recreation | 1,190,098 | 157,922 | 169,455 | 543,864 | 192,070 | 126,787 |
| Special Facilities: | | | | | | |
| Community Building | 126,519 | 17,564 | 108,955 | 0 | 0 | 0 |
| Total Culture and Recreation | <u>1,838,172</u> | <u>175,686</u> | <u>282,410</u> | <u>545,088</u> | <u>213,543</u> | <u>621,445</u> |
| Total General Fixed Assets | <u>\$ 4,035,977</u> | <u>\$ 486,370</u> | <u>\$ 705,325</u> | <u>\$ 603,057</u> | <u>\$ 1,614,983</u> | <u>\$ 626,242</u> |

Statistical Section

TABLE 1

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)(2)
LAST TEN FISCAL YEARS
CITY OF BUSHNELL, FLORIDA

| Fiscal Year | General Government | Public Safety | Physical Environment | Transportation | Human Services | Economic Environment | Culture and Recreation | Debt Service | Total |
|-------------|--------------------|---------------|----------------------|----------------|----------------|----------------------|------------------------|--------------|--------------|
| 1993 | \$ 208,491 | \$ 417,381 | \$ 28,749 | \$ 132,729 | \$ 0 | \$ 333,512 | \$ 173,512 | \$ 0 | \$ 1,294,374 |
| 1994 | 294,711 | 458,547 | 24,199 | 279,891 | 0 | 13,000 | 217,257 | 0 | 1,287,605 |
| 1995 | 280,284 | 425,897 | 20,534 | 214,868 | 0 | 12,000 | 134,779 | 0 | 1,088,362 |
| 1996 | 317,049 | 439,703 | 62,017 | 208,376 | 0 | 12,250 | 225,620 | 0 | 1,265,015 |
| 1997 | 279,604 | 469,726 | 258,109 | 201,520 | 0 | 13,000 | 289,541 | 0 | 1,511,500 |
| 1998 | 269,378 | 437,443 | 30,522 | 785,847 | 0 | 9,000 | 148,863 | 97,102 | 1,778,155 |
| 1999 | 306,366 | 440,907 | 33,001 | 431,133 | 0 | 12,000 | 264,934 | 43,069 | 1,531,410 |
| 2000 | 391,477 | 505,189 | 0 | 325,582 | 0 | 15,000 | 329,453 | 63,078 | 1,629,779 |
| 2001 | 335,139 | 562,608 | 69,426 | 280,747 | 0 | 2,000 | 417,086 | 64,502 | 1,731,508 |
| 2002 | 347,502 | 671,046 | ** | ** | 289,738 | ** | 249,285 | 107,088 | 1,664,659 |

(1) Includes general and special revenue funds.

(2) Function includes capital outlay expenditures.

** During 2002, physical environment, transportation and economic environment functions were combined into the Human Services function.

Information Source:

Audited Financial Reports

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

| <u>Fiscal Year</u> | <u>Taxes</u> | <u>License and Permits</u> | <u>Intergovernmental</u> | <u>Charges For Services</u> | <u>Fines and forfeitures</u> | <u>Interest and Miscellaneous</u> | <u>Total</u> |
|------------------------|--------------|------------------------------------|--------------------------|-------------------------------------|--------------------------------------|---|--------------|
| 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 |
| 2000 | 752,375 | 10,120 | 329,337 | 15,675 | 28,262 | 118,663 | 1,254,432 |
| 2001 | 845,671 | 8,836 | 538,473 | 21,699 | 22,494 | 73,599 | 1,510,772 |
| 2002 | 759,625 | 21,021 | 532,377 | 20,008 | 26,319 | 73,019 | 1,432,369 |

(1) Includes general and special revenue funds.

Information Source:

Audited Financial Reports

TABLE 3

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

| Fiscal Year | Property Taxes | Franchise Fees | Utility Taxes | Sales Use and Gas Taxes | Total Taxes |
|----------------|-------------------|-------------------|------------------|-------------------------------|----------------|
| 1993 | \$ 180,046 | \$ 52,061 | \$ 175,359 | \$ 0 | \$ 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 |
| 2000 | 94,776 | 74,443 | 265,383 | 317,773 | 752,375 |
| 2001 | 103,989 | 87,545 | 306,902 | 347,235 | 845,671 |
| 2002 | 124,441 | 61,345 | 306,879 | 266,960 | 759,625 |

(1) Includes general and special revenue funds.

Information Source:

Audited Financial Reports

TABLE 4

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

| 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 |
|--------------------|-----------------------|----------------------------|----------------------------------|-----------------------------------|------------------------------|---|
| 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% |
| 2000 | 93,261 | 94,566 | 100% | 210 | 94,776 | 100% |
| 2001 | 105,771 | 103,783 | 98% | 206 | 103,989 | 98% |
| 2002 | 129,973 | 124,309 | 96% | 132 | 124,441 | 96% |

* Information not available.

Information Source:

Sumter County Tax Collector and City Clerk's Office

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

| Fiscal Year | Real Property | | Personal Property | | Total | | Ratio of Total Assessed to Total Estimated Actual Value |
|----------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|---|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | |
| 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% |
| 2000 | 42,971,688 | 53,748,501 | 13,039,744 | 13,046,244 | 56,011,432 | 66,794,745 | 83% |
| 2001 | 49,955,255 | 61,049,808 | 14,793,127 | 14,799,627 | 64,748,382 | 75,849,435 | 85% |
| 2002 | 55,848,388 | 67,919,372 | 18,975,340 | 19,370,643 | 74,823,728 | 87,290,015 | 86% |

* Information not available.

Information Source:

Sumter County Property Appraiser

TABLE 6

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

| <u>Fiscal Year</u> | <u>Total City Millage</u> | <u>Total State and County Millage</u> | <u>Total</u> |
|--------------------|---------------------------|---------------------------------------|--------------|
| 1993 | 2.7 | 19.95 | 22.65 |
| 1994 | 2.53 | 20.23 | 22.76 |
| 1995 | 2.49 | 20.09 | 22.58 |
| 1996 | 2.38 | 20.09 | 22.47 |
| 1997 | 2.35 | 20.14 | 22.49 |
| 1998 | 2.18 | 20.08 | 22.26 |
| 1999 | 2.147 | 20.02 | 22.167 |
| 2000 | 1.997 | 21.073 | 23.07 |
| 2001 | 1.889 | 21.073 | 22.962 |
| 2002 | 2.500 | 21.273 | 23.773 |

Information Source:
 City Millage Records
 Sumter County Property Appraiser

TABLE 7

COMPUTATION OF OVERLAPPING BOND DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2002
CITY OF BUSHNELL, FLORIDA

| <u>Overlapping Debt</u> | <u>Debt Outstanding</u> | <u>Percent Applicable</u> | <u>Amount Applicable</u> |
|-------------------------------|-----------------------------|-------------------------------|------------------------------|
| Sumter County | \$ 13,990,000 | 3.35% | \$ 468,665 |
| Sumter County School Board | 2,995,000 | 3.35% | <u>100,333</u> |
| Total Overlapping Debt | | | <u><u>\$ 568,998</u></u> |

Note
The City has no general bonded debt.

Source
Sumter County Finance Department
Sumter County School Board

TABLE 8

**PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2002
CITY OF BUSHNELL, FLORIDA**

| <u>Taxpayer</u> | <u>Assessed Valuation</u> | <u>Percent of Total Assessed Valuation</u> |
|-----------------------------|------------------------------------|--|
| 1. Metal Industries | \$ 4,333,291 | 7.699% |
| 2. Sumter Center | 2,324,059 | 4.129% |
| 3. Osprey Point | 1,966,877 | 3.495% |
| 4. Wal-Mart, Inc. | 1,404,643 | 2.496% |
| 5. Eckerd Corporation | 1,218,597 | 2.165% |
| 6. Bushnell Elderly Housing | 881,108 | 1.565% |
| 7. Bushnell R.R.H., Ltd. | 824,139 | 1.464% |
| 8. Windmeadows R.R.H., Ltd. | 705,148 | 1.253% |
| 9. MC Development | 620,176 | 1.102% |
| 10. SunTrust Nature Coast | <u>557,442</u> | <u>0.990%</u> |
| Total Assessed Value | <u><u>\$ 14,835,480</u></u> | <u><u>26.358%</u></u> |

Information Source:
Sumter County Tax Collector

TABLE 9

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

| Fiscal Year | Principal | Interest | Total Debt Service | Total General Expenditures (1) | Ratio of Debt Service to Total General Expenditures |
|------------------------|------------------|-----------------|-----------------------------------|---|--|
| 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% |
| 2000 | 45,663 | 17,415 | 63,078 | 1,629,779 | 3.87% |
| 2001 | 45,255 | 19,247 | 64,502 | 1,731,508 | 3.73% |
| 2002 | 60,341 | 46,747 | 107,088 | 2,464,711 | 4.35% |

(1) Includes general and special revenue funds.

Information Source:

Audited Financial Reports

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

| Fiscal Year | Operating Revenue | Operating Expenses | Net Operating Revenue Available for Debt Service | Debt Service Requirements | | | Debt Coverage Ratio |
|-------------|-------------------|--------------------|--|---------------------------|----------|-----------|---------------------|
| | | | | Principal | Interest | Total | |
| 1993 | \$ 1,402,282 | \$ 1,084,015 | \$ 318,267 | * | * | \$ 72,987 | 436% |
| 1994 | 1,443,085 | 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 | 157% |
| 2000 | 1,982,195 | 1,547,436 | 434,759 | 30,572 | 1,417 | 31,989 | 136% |
| 2001 | 2,380,486 | 1,932,692 | 447,794 | 30,573 | 133 | 30,706 | 146% |
| 2002 | 2,160,507 | 1,819,916 | 340,591 | 0 | 0 | 0 | N/A |

* Information not available.

Information Source:
Audited Financial Reports
General Ledger

TABLE 11

**SCHEDULE OF WATER REVENUE DEBT SERVICE
LAST TEN FISCAL YEARS
CITY OF BUSHNELL, FLORIDA**

| Fiscal Year | Operating Revenue | Operating Expenses | Net Operating Revenue Available for Debt Service | Debt Service Requirements | | | Debt Coverage Ratio |
|----------------|----------------------|-----------------------|--|---------------------------|-----------|-----------|---------------------------|
| | | | | Principal | Interest | Total | |
| 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 | * | * | 56,962 | 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% |
| 2000 | 434,564 | 315,926 | 118,638 | 19,428 | 12,435 | 31,863 | 372% |
| 2001 | 401,838 | 376,660 | 25,178 | 31,397 | 10,359 | 41,756 | 60% |
| 2002 | 417,566 | 438,338 | (20,772) | 15,000 | 4,493 | 19,493 | (107%) |

* Information not available.

Information Source:
Audited Financial Reports
General Ledger

**SCHEDULE OF SANITATION REVENUE DEBT SERVICE
LAST THREE FISCAL YEARS (1)
CITY OF BUSHNELL, FLORIDA**

| Fiscal Year | Operating Revenue | Operating Expenses | Net Operating Revenue Available for Debt Service | Debt Service Requirements | | | Debt Coverage Ratio |
|----------------|----------------------|-----------------------|--|---------------------------|----------|----------|---------------------------|
| | | | | Principal | Interest | Total | |
| 2000 | \$ 285,194 | \$ 281,972 | \$ 3,222 | \$ 0 | \$ 2,687 | \$ 2,687 | 120% |
| 2001 | 338,861 | 286,084 | 52,777 | 22,500 | 3,565 | 25,865 | 111% |
| 2002 | 370,732 | 298,701 | 72,031 | 22,500 | 3,315 | 25,815 | 279% |

(1) The sanitation fund has no debt service requirements from 1993 through 1999.

Information Source:

Audited Financial Reports
General Ledger

**SCHEDULE OF WASTEWATER REVENUE DEBT SERVICE
CURRENT FISCAL YEAR (1)
CITY OF BUSHNELL, FLORIDA**

| Fiscal Year | Operating Revenue | Operating Expenses | Net Operating Revenue Available for Debt Service | Debt Service Requirements | | | Debt Coverage Ratio |
|-------------|-------------------|--------------------|--|---------------------------|-----------|-----------|---------------------|
| | | | | Principal | Interest | Total | |
| 2002 | \$ 27,416 | \$ 64,483 | \$ (37,267) | \$ 0 | \$ 30,800 | \$ 30,800 | (121%) |

(1) The wastewater fund has no debt service requirements from 1993 through 2001.

Information Source:
Audited Financial Reports
General Ledger

TABLE 14

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
CITY OF BUSHNELL, FLORIDA**

| Fiscal Year | Population | Per Capita Income | Median Age | School Enrollment | Unemployment Rate/Percent |
|--------------------|-------------------|--------------------------|-------------------|--------------------------|----------------------------------|
| 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% |
| 2000 | 2,547 | 15,144 | 41.8 | 1,686 | 4.30% |
| 2001 | 2,016 | 17,312 | 42.0 | 1,804 | 2.70% |
| 2002 | 2,052 | 17,312 | 51.0 | 1,734 | 2.66% |

Information Source:

Sumter County Development Council

TABLE 15

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

| <u>Fiscal Year</u> | <u>New Construction Units</u> | <u>New Construction Estimated Value</u> | <u>Total Estimated Property Value</u> | - |
|------------------------|---------------------------------------|---|---|---|
| 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 | 66,219,494 | |
| 2000 | 14 | 1,683,880 | 66,794,745 | |
| 2001 | 15 | 1,278,616 | 76,087,988 | |
| 2002 | 17 | 9,479,510 | 10,430,054 | |

Information Source:
City Building Department

TABLE 16

**MISCELLANEOUS STATISTICS
 SEPTEMBER 30, 2002
 CITY OF BUSHNELL, FLORIDA**

| | |
|---------------------------------------|---|
| Date of Incorporation | 1911 |
| Form of Government | Council-Manager |
| Area/Miles | 1.95 |
| Miles of Streets | 18.1 |
| Fire Protection | Volunteer |
| Number of Stations | 1 |
| Number of Firefighters and Officers | 18 |
| Police Protection | |
| Number of Stations | 1 |
| Number of Policemen and Officers | 10 |
| Education | 1 High School 1 Elementary School 1 Alternative School |
| Municipal Water Department | 1 |
| Number of Consumers | 1,307 |
| Average Daily Consumption (Gallons) | 525,295 |
| Miles of Water Mains | 20 |
| Municipal Electric Department | 1 |
| Number of Consumers | 1,347 |
| Average Daily Consumption (kwh Usage) | 73 |
| Miles of Electric Lines | 18 |
| Sanitation Department | |
| Average Number of Consumers | 1,203 |
| Building Permits Issued | 17 |
| Recreation and Culture | |
| Number of Parks | 30 Acre Sports Recreation Complex 5 Acre Recreation Complex 4 Acre Recreation Complex |
| Public Library | 1 |
| Community Center | 1 |
| Employees | 40 |
| Information Source: | |
| City Records | |

**SCHEDULE OF INSURANCE COVERAGE
SEPTEMBER 30, 2002
CITY OF BUSHNELL, FLORIDA**

| <u>Carrier</u> | <u>Type of Coverage</u> | <u>Limits of Coverage</u> |
|--|---|---|
| Coregis Insurance Company | General Liability | Bodily Injury and Property Damage |
| | Deductible - None | \$100,000 Per Person |
| | Law Enforcement Operations | \$200,000 Per Occurrence |
| | Premises/Operations | Excess Injury and Property Damage |
| | Products and Operations | \$900,000 Per Person |
| | "Insured" Contracts | \$800,000 Per Occurrence |
| | Host Liquor Law Liability | |
| | Broad Form Property Damage | |
| | Watercraft Liability (Under 26') | |
| | Limited Worldwide Coverage | |
| | Additional Persons Insured | |
| | Extended Bodily Injury | |
| | Incidental Medical Malpractice | |
| Employees' Benefits Liability | | |
| Program Management Services, Inc. Preferred Governmental Insurance Trust Policy #001000000144100 | Workers' Compensation | Statutory - State of Florida |
| Hartford Life Insurance Company | Accidental Death/Dismemberment | Principal Sum Accident Medical Expense Benefit Maximum Benefit Amount - \$100 Deductible Amount - None |
| | Disability | Weekly Benefit Amount - \$100 Maximum Payment Period - 104 Weeks |
| | Accident Partial Disability | See Benefit Maximum Benefit Amount - \$5,000 |
| Hartford Life Insurance Company | Volunteer Fire Department | Accidental Death and Dismemberment Catastrophic Loss Benefit - \$100,000 |
| | Accident Total Disability Benefit | Weekly Benefit Amount - \$250 Maximum Payment Period - 104 Weeks |
| Coregis Insurance Company | Automobile Liability and Physical Damage | Bodily Injury/Property Damage \$100,000 Per Person \$200,000 Per Occurrence |

TABLE 17
(Concluded)

SCHEDULE OF INSURANCE COVERAGE
SEPTEMBER 30, 2002
CITY OF BUSHNELL, FLORIDA

| <u>Carrier</u> | <u>Type of Coverage</u> | <u>Limits of Coverage</u> |
|---------------------------|---|---|
| Coregis Insurance Company | Number of City Vehicles (26) | Excess Bodily Injury/Property Damage \$100,000 Per Person \$200,000 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 Company | Public Officials' Liability | \$1,000,000 Each Loss \$1,000,000 Aggregate Retention - \$2,500 |
| Coregis Insurance Company | Property - Building and Contents Deductible - \$250 All Perils | Building - \$2,046,167 Contents - \$283,155 |
| | Coverage Extensions: | |
| | Extra Expense | \$25,000 Per Occurrence |
| | Accounts Receivable | \$25,000 Per Occurrence |
| | EDP | \$10,000 Per Occurrence |
| | Building Ord. | \$250,000 Per Occurrence |
| | Inland Marine Coverage | Contractor's Equipment - \$67,963 |
| | Deductible - \$250 | EDP Equipment - \$40,000 |
| | All-Risk Excluding Flood, Quake | Miscellaneous Property Floater - \$138,840 |

Information Source:
City Insurance Records

REGULATORY AND COMPLIANCE SECTION

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**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE
UNITED STATES; AND THE *RULES OF THE AUDITOR GENERAL*
OF THE STATE OF FLORIDA**

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

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

We have audited the general purpose financial statements of the City of Bushnell, Florida (the City) as of and for the year ended September 30, 2002, and have issued our report thereon dated March 13, 2003. 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'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 on 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Certified Public Accountants

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443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
1727 2nd Street • Sarasota, Florida 34236 • (941) 365-3774 • FAX (941) 365-0238
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

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Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

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

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

March 13, 2003
Ocala, Florida

Purvis, Gray and Company

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MANAGEMENT LETTER

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

We have audited the general purpose financial statements of the City of Bushnell, Florida (the City) as of and for the fiscal year ended September 30, 2002, and have issued our report thereon dated March 13, 2003.

We have issued our independent auditors' report on compliance and on internal control over financial reporting dated March 13, 2003. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the state of Florida, and require that certain items be addressed in this letter.

The *Rules of the Auditor General* [Section 10.554(1)(g)1.(a)] require that we comment as to whether or not inaccuracies, shortages, defalcations, fraud, and violations of laws, rules and regulations reported in the preceding annual financial audit report have been corrected. There were no such matters disclosed in the preceding audit report.

The *Rules of the Auditor General* [Section 10.554(1)(g)1.(b)] require that we comment as to whether or not recommendations made in the preceding annual financial audit report have been followed. The recommendations made in the preceding audit report have been addressed by the City. Those not fully completed have been included in the current year report.

The *Rules of the Auditor General* [Section 10.554(1)(g)2.] require that we determine whether the City complied with Section 218.415, Florida Statutes, regarding investment of public funds. Our audit disclosed no matters requiring comment as outlined in Section 218.415, Florida Statutes.

Certified Public Accountants

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Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

MANAGEMENT LETTER
(Concluded)

The *Rules of the Auditor General* [Sections 10.554(1)(g)3., 4.(a), (b), and (c)] require disclosure in the management letter of the following matters if not already addressed in the auditors' report on compliance and internal control: recommendations to improve financial management, accounting procedures, and internal controls; violations of laws, rules, regulations, and contractual provisions which may or may not materially affect the financial statements; illegal or improper expenditures that may or may not materially affect the financial statements; improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); failures to properly record financial transactions; and other inaccuracies, shortages, and defalcations and instances of fraud discovered by, or that come to the attention of, the auditor. (Please see accompanying management letter comments dated March 13, 2003.)

The *Rules of the Auditor General* [Section 10.554(1)(g)5.] also require that the name or official title and legal authority for the government be disclosed in the management letter, unless disclosed in the notes to the financial statements (see note 1 to the financial statements).

As required by the *Rules of the Auditor General* [Section 10.554(1)(g)6.(a)], the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the City is not in a state of financial emergency as a consequence of the conditions described by Section 218.503(1), Florida Statutes.

As required by the *Rules of the Auditor General* [Section 10.554(1)(g)6.(b)], we determined that the financial report for the City for the fiscal year ended September 30, 2002, filed with the Department of Banking and Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2002.

As required by the *Rules of the Auditor General* [Section 10.554(1)(g)6.(c)1.], we have applied the financial assessment procedures pursuant to Rules 10.556(8).

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

March 13, 2003
Ocala, Florida

Purvis, Gray and Company

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MANAGEMENT LETTER COMMENTS
SEPTEMBER 30, 2002
CITY OF BUSHNELL, FLORIDA

Prior Year Comments and Recommendations

Evergreen Cemetery Fund

The Evergreen Cemetery fund of the City of Bushnell, Florida (the City) is maintained and operated by a volunteer association that handles all financial activities of the fund. The volunteer association's treasurer keeps all financial records, approved payments, writes and signs checks, and receives the bank statements. Information for financial reporting is obtained by the City's Finance Department only once a year at the time of the annual audit.

Although the information provided us during the audit reconciled with the available information including bank statements, confirmations, reports, etc., we recommend that the City continue working with the volunteer association to perform a more in-depth financial review, system of internal control and perform an independent reconciliation of the bank statement on at least a quarterly basis.

Accounting Reconciliations and Procedures

During the audit, we reviewed several areas where internal controls and operating efficiency could be improved, thereby, enhancing the overall accounting and financial reporting functions. The following areas, should be considered for financial reporting improvement:

■ **Grant Reporting and Accounting**

In recent years, the City has obtained several grants that require knowledge of complex compliance and reporting issues. Currently, the City requires both a Single Audit under OMB Circular A-133 and the Florida Single Audit Act.

We recommend that the City expend additional resources developing stronger grant management and financial reporting skills including:

- Consistent procedures for filing maintenance and recording of grant-related expenditures.
- System of timely requesting reimbursement for expenditures and required financial reporting to grantor agencies. This system should include the ability to reconcile draw requests and grantor payments with the general ledger.

■ **Inventory System**

During our audit, we noted that the balance in the inventory system did not agree to the general ledger and had to be adjusted. Although, this is usually a common procedure to adjust the inventory subsidiary to the general ledger, we believe that a more accurate and timely method of recording work orders throughout the year will help to curb some of the existing problems with inventory balances at year end.

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MANAGEMENT LETTER COMMENTS
SEPTEMBER 30, 2002
CITY OF BUSHNELL, FLORIDA
(Concluded)

Prior Year Comments and Recommendations *(Concluded)*

Accounting Reconciliations and Procedures *(Concluded)*

■ **Inventory System** *(Concluded)*

We recommend that the City develop a policy and procedure manual that will document such steps as how items are entered into the inventory system, how work orders are used to properly requisition items from inventory, and ways to reflect items returned to inventory. In addition, the manual should also address how completed work orders are entered into the general ledger with a related system of timely accounting for them. This should enable the Accounting Department to reconcile with the inventory subsidiary ledger as needed during the year.

Current Year Comments and Recommendations

General Fixed Asset Inventory System

With the upcoming implementation of Governmental Accounting Standards Board (GASB) Statement No. 34 (fiscal year ending 2004 for the City), the City will be required to report on a financial model that includes the depreciation and capitalization of general fixed assets.

We recommend in preparation of this area of implementation, that the City determine if their existing fixed asset software will be able to adequately assist them with their fixed asset purchases, inventory of current assets, and calculation of depreciation expense.

Wastewater Utility System

During the fiscal year, a substantial portion of the cost to construct the wastewater utility system was expended. The purchase and construction of this system includes land, easements, networks of sewer lines, equipment and machinery, and the plant facilities with a total estimated cost budgeted at \$6,500,000.

We recommend that the City unitize both the direct and indirect costs related to the assets compiling the system as noted above, making determinations of costs that should be allocated. Additionally, with the completion date of the system for operation expected in March 2003, the City will find this cost accumulated information useful for overall funding review and necessary for calculations of depreciation expense.

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**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE
UNITED STATES; THE PROVISIONS OF OFFICE OF
MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133;
AND THE *RULES OF THE AUDITOR GENERAL*
OF THE STATE OF FLORIDA**

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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

March 14, 2003

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 is being offered in accordance with the "Rules of the Auditor General" in particular, Chapter 10.500 thereof.

Specifically, this letter responds to Purvis, Gray and Company "Management Letter" comments, dated March 13, 2003. In their report Purvis, Gray and Company 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 RECOMMENDATIONS:

- ❖ Evergreen Cemetery Fund
- ❖ Grant Reporting and Accounting
- ❖ Inventory System

CURRENT YEAR RECOMMENDATIONS:

- ❖ General Fixed Asset Inventory System
- ❖ Wastewater Utility System

PAGE 2
RESPONSE TO THE MANAGEMENT LETTER
MARCH 14, 2003

The management of the city recognizes that several of the recommendations from the auditors are beneficial and achievable. Our comments will hence be restricted to explanatory comments, implementation plans for the above-identified areas.

PRIOR YEAR RECOMMENDATIONS:

EVERGREEN CEMETERY FUND

Management agrees with the auditor's 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 have had total control and custody over certain city funds.

At year-end, staff compares the Board of Trustees' treasurers' annual report to the general ledger activity, to provide assurance of the general ledgers' accuracy.

GRANT REPORTING AND ACCOUNTING

Management is aware of the need for detailed file maintenance and recording for each grant independently. The current financial software has the capability of performing project accounting and reporting.

Staff has utilized this software function to reconcile grant revenues & expenditures to the general ledger. It would be managements intent for staff to continue to utilize and develop this project accountability in an effort to facilitate all compliance requirements for Federal and State single audit requirements.

INVENTORY SYSTEM

The Finance Department is working with the Utility Department to ensure a timely manner and procedure for inventory accountability. This procedure includes the flow of inventory from the time of purchases to the time of system capitalization. Management feels that this cooperation and procedure development will continue to minimize the manual adjustment made to the general ledger annually.

PAGE 3
RESPONSE TO THE MANAGEMENT LETTER
MARCH 13, 2003

CURRENT YEAR RECOMMENDATIONS:

GENERAL FIXED ASSET INVENTORY SYSTEM

Staff will be working to calculate the accumulated depreciation expense for general fixed assets within the current year (2003), in an effort to ease the transition into the implementation year of 2004. Management feels that the existing fixed asset software is adequate to facilitate the implementation of Governmental Accounting Standards Board Statement No. 34.

WASTEWATER UTILITY SYSTEM

During the September 30, 2002 fiscal year ended, the City had several assets to be recorded within the wastewater fund. These capital items have been so recorded and properly reported within the Comprehensive Annual Financial Report.

Although many expenditures for the new wastewater system took place within the 2002 fiscal year it is managements belief that depreciation and capitalization should not be considered until the fiscal year of 2003. Therefore it has been recorded as construction in progress for 2002 and will be moved to plant in service within the fiscal year of 2003. The assets unitization and depreciation will be recorded within the current fixed assets program by unitizing direct & indirect costs of the system. Management feels this process will ensure proper accountability and compliance with the auditor's recommendation.

This letter along with the general-purpose financial statement for fiscal year ending September 30, 2002 will be filed with the public records of the City of Bushnell and the State of Florida Auditor General's Office.

Respectfully submitted,



Joy Coleman, CMC
City Clerk/Finance Director



Vince Ruano,
City Manager

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002
CITY OF BUSHNELL, FLORIDA**

| Grantor/Pass-Through Grantor/Program Title | CFDA/ CSDA Number | Contract Number | Contract Award | Federal/State Expenditures |
|---|-------------------------|-----------------------|-------------------|-------------------------------|
| Federal | | | | |
| U.S. Department of Agriculture | | | | |
| Rural Utilities Service Wastewater Treatment Facility - Loan | 10.760 | 92-04 | \$ 2,800,000 | \$ 1,993,104 |
| Rural Utilities Service Wastewater Treatment Facility - Grant | 10.760 | 92-04 | 2,000,000 | 56,286 |
| Passed Through Florida Department of Agriculture and Consumer Services: Volunteer Fire Assistance | 10.662 | N/A | 3,513 | 3,513 |
| U.S. Department of Justice | | | | |
| Passed Through Florida Department of Law Enforcement: Local Law Enforcement Block Grant | 10.592 | 02-CJ-2M-05-70-02-036 | 3,391 | 3,391 |
| U.S. Department of Housing and Urban Development | | | | |
| Passed Through Department of Com- munity Affairs: Community Development Block Grant | 14.228 | 00DB-6B-05-70-02-N13 | 550,000 | <u>10,709</u> |
| Total Federal Expenditures | | | | <u>2,067,003</u> |
| State | | | | |
| Florida Department of Environmental Protection | | | | |
| Kenny Dixon Sports Complex | 37.017 | F1282 | 100,000 | 0 |
| Kenny Dixon Sports Complex | 37.017 | F0187 | 50,000 | 36,771 |
| Florida Department of State | | | | |
| Library Construction | 45.020 | 01-PLC-13 | 300,000 | 188,074 |
| Florida Department of Environmental Protection | | | | |
| Wastewater Management System Improvements | 37.039 | SPA-490 | 700,000 | <u>192,548</u> |
| Total State Financial Assistance | | | | <u>417,393</u> |
| Total Federal Expenditures and State Financial Assistance | | | | <u>\$ 2,484,396</u> |

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the City of Bushnell, Florida, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *Rules of the Auditor General* of the State of Florida. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER COMPLIANCE APPLICABLE
TO EACH MAJOR FEDERAL AWARD PROGRAM AND
STATE FINANCIAL ASSISTANCE PROJECT**

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

Compliance

We have audited the compliance of the City of Bushnell, Florida (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2002. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with United States generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133, and Chapter 10.550, *Rules of the Auditor General* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or the state project occurred. An audit includes 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 audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2002.

Certified Public Accountants

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER COMPLIANCE APPLICABLE
TO EACH MAJOR FEDERAL AWARD PROGRAM AND
STATE FINANCIAL ASSISTANCE PROJECT
(Concluded)**

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program or state project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the general purpose financial statements of the City as of and for the year ended September 30, 2002, and have issued our report thereon dated March 13, 2003. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General* 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.

This report is intended solely for the information and use of the City Council, management, and specific legislative or regulatory bodies, and is not intended to be and should not be used by anyone other than these specified parties.

March 13, 2003
Ocala, Florida

Perruis, Gray and Company

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002
CITY OF BUSHNELL, FLORIDA**

PART A - SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unqualified opinion on the general purpose financial statements of the City.
2. No reportable conditions were disclosed during the audit of the general purpose financial statements of the City.
3. No instances of noncompliance material to the general purpose financial statements of the City were disclosed during the audit.
4. No reportable conditions relating to internal control and compliance over major federal programs and state projects were disclosed.
5. The auditors' report on compliance for the major federal award programs and state financial assistance projects for the City expresses an unqualified opinion.
6. No audit findings were disclosed relative to the major federal award programs and state financial assistance projects for the City.
7. The programs/projects tested as major programs/projects included the following:
 - **Federal Programs**
 - U.S. Department of Agriculture
 - ▶ Rural Utilities Service Wastewater Treatment Facility
Loan - CFDA No. 10.760
 - ▶ Rural Utilities Service Wastewater Treatment Facility
Grant - CFDA No. 10.760
 - **State Projects**
 - Florida Department of State
 - ▶ Library Construction
CSDA No. 45.020
 - Florida Department of Environmental Protection
 - ▶ Wastewater Management System Improvements
CSDA No. 37.039
8. The threshold for distinguishing Type A and Type B programs/projects was \$300,000 for major federal award programs and major state financial assistance projects.
9. The City of Bushnell, Florida did not qualify as a low-risk auditee pursuant to OMB Circular A-133.

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002
CITY OF BUSHNELL, FLORIDA
(Concluded)**

PART B - FINDINGS - FINANCIAL STATEMENTS

1. No matters were reported.

PART C - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

1. No matters were reported.

PART D - FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

1. No matters were reported.

PART E - OTHER ISSUES

1. No summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to federal programs or state projects.
2. No Corrective Action Plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.

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