ANNUAL FINANCIAL REPORT

Fiscal Year Ending September 30, 1978

City of Leesburg
Florida

POOR ORIGINAL

8004180491

CITY OF LEESBURG, FLORIDA

CITY COMMISSIONERS AND OFFICIALS
SEPTEMBER 30, 1978

Mayor-Commissioner	Joe H. Sellers
Mayor-Commissioner Pro-Tem	Charles C. Strickland
Commissioner	Jack K. Bradley
Commissioner	Burton Brown
Commissioner	Edwin M. Merrell
City Manager	Calvin E. Glidewell
City Clerk/Finance Director	James C. Schuster
City Attorney	R. Dewey Burnsed

BROOKS, BROWN AND SHUMACKER
Certified Public Accountants
Leesburg, Florida

CITY OF LEESBURG, FLORIDA

	Exhibit
Report of Certified Public Accountants	
Financial Statements:	
Combined Balance Sheet - All Funds	A
General Fund - Statement of Revenues, Expenditures, Transfers and Fund Balance	B
Federal Revenue Sharing Trust Fund- Statement of Revenues, Expenditures, Transfers and Fund Balance	C
Special Improvement Fund - Statement of Revenues, Expenditures, Transfers and Fund Balance	D
Public Improvement Revenue Certificate Sinking Fund - Statement of Revenues, Expenditures, Transfers and Fund Balance	E
Capital Projects Fund - Statement of Revenues, Expenditures, Transfers and Fund Balance	F
X-Ray Equipment Fund - Statement of Revenue, Expense and Retained Earnings	G
X-Ray Equipment Fund - Statement of Change in Financial Position	H
Utilities Systems Funds - Combined Balance Sheet	I
Utilities Systems Funds - Statement of Combined Revenues and Expense	J
Utilities Systems Funds - Analysis of Changes in Reserves, Contributions and Retained Earnings.	K
Utilities Systems Funds - Statement of Changes in Combined Financial Position	L
Employee Retirement Funds - Statement of Cash Receipts and Disbursements	M
Municipal Police Officers' Retirement Trust Fund - Analysis of Changes in Fund Balance and Retirement Reserves	N
Municipal Firemen's Retirement Plan - Analysis of Changes in Fund Balance and Retirement Reserves	O
Retirement Plan for General Employees of the City of Leesburg - Analysis of Changes in Fund Balance and Retirement Reserves	P
Statement of General Fixed Assets	Q
Notes to Financial Statements	

	Schedule
Supplemental Schedules:	
Investments - All Funds	1
Utilities Revenue Fund - Schedule of Budgeted and Actual Operating Revenues	2
Utilities Revenue Fund - Schedule of Budgeted and Actual Operating Expenses (Exclusive of Depreciation)	3
Utilities Revenue Fund - Schedule of Utility Plant-In-Service and Depreciation	4

BROOKS, BROWN AND SHUMACKER

CERTIFIED PUBLIC ACCOUNTANTS

215 North 3rd Street • Leesburg, Florida 32748

Telephone (904) 787-8682

MEMBERS:

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

W. THOMAS BROOKS, C.P.A.

B. ALLEN BROWN, JR., C.P.A.

J. CECIL SHUMACKER, III, C.P.A.

January 26, 1979

The Honorable City Commissioners,
City of Leesburg, Florida

We have examined the financial statements of the various funds and account groups of the City of Leesburg, Florida for the year ended September 30, 1978, listed in the foregoing index, except as explained in the following paragraph. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other au iting procedures as we considered necessary in the circumstances.

As described in Note 4 we were unable to substantiate the amount due from the Group Annuity Contract carrier for the Municipal Firemen's Retirement Plan and Retirement Plan for General Employees. In addition, the unfunded actuarial deficiency of these pension funds has not been determined as of the balance sheet date pending a final accounting by the Group Annuity Contract carrier.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to substantiate the amount due from the Group Annuity Contract carrier and the unfunded actuarial deficiency of the above mentioned pension funds, the aforementioned financial statements present fairly the financial position of the various funds and account groups of the City of Leesburg, Florida at September 30, 1978, and the results of operations of such funds and the changes in financial position of the Utilities System Funds and the X-Ray Equipment Fund for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Brooks, Brown & Shumacher

Brooks, Brown and Shumacher

CITY OF LEESBURG, FLORIDA

COMBINED BALANCE SHEET - ALL FUNDS
SEPTEMBER 30, 1978

EXHIBIT A

	GENERAL FUND	FEDERAL REVENUE SHARING TRUST FUND	PUBLIC IMPROVEMENT REVENUE CERTIFICATE SINKING FUND	ECONOMIC DEVELOPMENT ADMINISTRATION CAPITAL PROJECTS FUNDS: RECREATION COMPLEX	CULTURAL DISPLAY FACILITY	X-RAY EQUIPMENT FUND	UTILITIES SYSTEM FUNDS	MUNICIPAL POLICE RETIREMENT TRUST FUND	MUNICIPAL FIREMEN'S RETIREMENT PLAN	RETIREMENT PLAN FOR GENERAL EMPLOYEES	GENERAL FIXED ASSETS	GENERAL LONG TERM DEBT
ASSETS												
CURRENT ASSETS:												
Cash	$ 141,806	$ 36,155	$ -	$ -	$ -	$ -	$ 639,175	$ -	$ -	$ -	$ -	$ -
Investments (Note 1) (Schedule 1)	96,598	54,197	-	-	-	-	-	-	-	-	-	-
Due From Other Governments	41,760	19,116	-	6,496	24,935	-	-	-	-	-	-	-
Accounts Receivable:												
Customer Accounts (Net of Allowance for Uncollectable Accounts of $14,515)	-	-	-	-	-	-	938,709	-	-	-	-	-
Other Accounts Receivable (Net of Allowance for Uncollectable Accounts of $36,873)	23,530	-	-	-	-	-	17,874	-	-	-	-	-
Net Investment in Direct Financing Lease (Note 3)						55,659		-	-	-	-	-
Inventory (at First-In, First-Out; Cost-General Fund, Average Cost-Utility Fund)(Note 1)	5,519	-	-	-	-	-	500,622	-	-	-	-	-
Amounts Due From Other Funds	311,607	-	-	-	-	-	447,638	-	-	-	-	-
Total Current Assets	620,820	109,468	-	6,496	24,935	55,659	2,544,018	-	-	-	-	-
RESTRICTED ASSETS (NOTE 2):												
Cash	21,724	-	4,984	-	-	-	482,229	151	27,978	1,538	-	-
Funds with Fiscal Agent (Note 1)	-	-	-	-	-	-	555,091	-	-	-	-	-
Investments (Note 1) (Schedule 1)	-	-	80,000	-	-	-	3,266,125	343,079	100,330	271,457	-	-
Accrued Interest Receivable	-	-	1,583	-	-	-	53,332	5,861	1,086	2,205	-	-
Sanitary Sewer Assessments Receivable	-	-	-	-	-	-	8,678	-	-	-	-	-
Due From Group Annuity Contract Carrier (Note 4)	-	-	-	-	-	-	-	-	195,502	508,997	-	-
Amounts Due From Other Funds	-	-	13,260	-	-	-	2,000	882	17,347	2,385	-	-
Amounts Due From Federal Government (EPA)	-	-	-	-	-	-	18,626	-	-	-	-	-
Amount Receivable From Bank of Clearwater	-	-	-	-	-	-	21,755	-	-	-	-	-
Total Restricted Assets	21,724	-	99,827	-	-	-	4,407,836	349,973	342,243	786,582	-	-
UTILITY PLANT IN SERVICE (At Cost, Net of Accumulated Depreciation of $5,303,331)(Note 1) (Schedule 4)	-	-	-	-	-	-	17,052,975	-	-	-	-	-
GENERAL FIXED ASSETS (at Cost) (Note 1) (Exhibit Q)	-	-	-	-	-	-	-	-	-	-	8,029,887	-
OTHER ASSETS:												
Net Investment in Direct Financing Lease (Note 3)	-	-	-	-	-	197,269	-	-	-	-	-	-
Unamortized Discount on Series 1977 Utility Revenue Bonds (Note 1)	-	-	-	-	-	-	235,219	-	-	-	-	-
Deferred Issue Costs - Series 1977 Utility Revenue Bonds (Note 1)	-	-	-	-	-	-	222,700	-	-	-	-	-
Total Other Assets	-	-	-	-	-	197,269	457,919	-	-	-	-	-
AMOUNTS AVAILABLE FOR GENERAL LONG-TERM DEBT RETIREMENT	-	-	-	-	-	-	-	-	-	-	-	86,566
AMOUNTS TO BE PROVIDED FOR GENERAL LONG-TERM DEBT RETIREMENT	-	-	-	-	-	-	-	-	-	-	-	338,434
TOTAL ASSETS	$ 642,544	$ 109,468	$ 99,827	$ 6,496	$ 24,935	$ 252,928	$24,462,748	$ 349,973	$ 342,243	$ 786,582	$ 8,029,887	$ 425,000
LIABILITIES, RESERVES, FUND BALANCES AND RETAINED EARNINGS												
CURRENT LIABILITIES:												
Public Improvement Revenue Certificates - Amounts Due Within One Year (Note 2)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 30,000
Mortgage and Other Notes Payable - Amounts Due Within One Year (Note 2)	-	-	-	-	-	55,659	-	-	-	-	-	2,000
Accounts Payable	91,262	-	-	-	-	-	1,219,345	-	1,007	5,409	-	-
Accrued Wages and Payroll Tax	70,726	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-	766	354,995	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-	343,395	-	-	-	-	-
Due to Other Funds	16,681	40,161	-	6,496	7	-	714,580	-	-	17,193	-	-
Prepaid Licenses	28,683	-	-	-	-	-	-	-	-	-	-	-
Customer Advances for Construction	-	-	-	-	-	-	99,654	-	-	-	-	-
Other Current Liabilities	30,893	-	-	-	24,928	-	31,127	-	-	-	-	-
Total Current Liabilities	238,245	40,161	-	6,496	24,935	56,425	2,763,096	-	1,007	22,602	-	32,000
DEFERRED REVENUE	-	-	-	-	-	-	8,678	-	-	-	-	-

POOR ORIGINAL

CITY OF LEESBURG, FLORIDA

COMBINED BALANCE SHEET - ALL FUNDS

SEPTEMBER 30, 1978

EXHIBIT A

	GENERAL FUND	FEDERAL REVENUE SHARING TRUST FUND	PUBLIC IMPROVEMENT REVENUE CERTIFICATE SINKING FUND	ECONOMIC DEVELOPMENT ADMINISTRATION CAPITAL PROJECTS FUNDS: RECREATION COMPLEX	CULTURAL DISPLAY FACILITY	X-RAY EQUIPMENT FUND	UTILITIES SYSTEM FUNDS	MUNICIPAL POLICE RETIREMENT TRUST FUND	MUNICIPAL FIREMEN'S RETIREMENT PLAN	RETIREMENT PLAN FOR GENERAL EMPLOYEES	GENERAL FIXED ASSETS	GENERAL LONG TERM DEBT
TOTAL ASSETS (Forward)	$ 642,544	$ 109,468	$ 99,827	$ 6,496	$ 24,935	$ 252,928	$24,462,748	$ 349,973	$342,243	$ 786,582	$ 8,029,887	$ 425,000
LIABILITIES, RESERVES, FUND BALANCES AND RETAINED EARNINGS (Forward)	$ 238,245	$ 40,161	$ -	$ 6,496	$ 24,935	$ 56,625	$ 2,771,774	$ -	$ 1,007	$ 22,602	$ -	$ 32,000
LONG-TERM DEBT - Amounts Due After One Year (Note 2):												
Utilities Revenue Bonds	-	-	-	-	-	-	12,020,000	-	-	-	-	-
Public Improvement Revenue Certificates	-	-	-	-	-	-	-	-	-	-	-	370,000
Mortgage and Other Notes Payable	-	-	-	-	-	197,269	-	-	-	-	-	23,000
Total Long-Term Debt	-	-	-	-	-	197,269	12,020,000	-	-	-	-	393,000
RESERVES, CONTRIBUTIONS, FUND BALANCES, AND RETAINED EARNINGS (DEFICIT):												
Reserves-Employee Retirement System	-	-	-	-	-	-	-	212,694	577,629	1,264,000	-	-
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	8,029,887	-
Reserve for Group Insurance Premium Increase	21,724	-	-	-	-	-	-	-	-	-	-	-
Reserve for Inventory	5,519	-	-	-	-	-	-	-	-	-	-	-
Reserve (Deficit) for Revenue Bond Debt Service	-	-	-	-	-	-	(11,354,633)	-	-	-	-	-
Reserve for Revenue Bond Retirement	-	-	-	-	-	-	804,957	-	-	-	-	-
Reserve for Revenue Bond Contingency	-	-	-	-	-	-	472,036	-	-	-	-	-
Reserve for Authorized Construction	-	-	-	-	-	-	2,089,744	-	-	-	-	-
Contributions from Customers and Subdividers	-	-	-	-	-	-	524,351	-	-	-	-	-
Contribution from Federal Government	-	-	-	-	-	-	1,037,935	-	-	-	-	-
Fund Balance (Deficit)	377,056	69,307	99,827	-	-	-	-	137,279	(236,393)	(500,020)	-	-
Retained Earnings (Deficit)	-	-	-	-	-	(766)	16,096,584	-	-	-	-	-
Total Reserves, Contributions, Fund Balances, and Retained Earnings	404,299	69,307	99,827	-	-	(766)	9,670,974	349,973	341,236	763,980	8,029,887	-
TOTAL LIABILITIES, RESERVES, CONTRIBUTIONS, FUND BALANCES AND RETAINED EARNINGS	$ 642,544	$ 109,468	$ 99,827	$ 6,496	$ 24,935	$ 252,928	$24,462,748	$ 349,973	$342,243	$ 786,582	$ 8,029,887	$ 425,000

POOR ORIGINAL

EXHIBIT B

CITY OF LEESBURG, FLORIDA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS,
AND FUND BALANCE
YEAR ENDED SEPTEMBER 30, 1978

	BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES:			
Ad valorem Taxes	$ 459,550	$ 467,852	$ 8,302
Cable TV Franchise	6,500	6,891	391
Telephone Franchise	16,000	17,651	1,651
City Licenses	32,000	35,214	3,214
County Licenses	18,000	17,403	(597)
Building Permits	12,000	16,088	4,088
Plumbing Permits	13,500	4,300	(9,200)
Electric Permits	4,100	4,368	268
Gas Permits	200	238	38
License Permits	700	1,048	348
Dog Licenses	150	106	(44)
License Penalties	600	981	381
Housing Assistance Program	88,850	53,035	(35,815)
Federal Anti-Recession Fiscal Assistance Grant	34,204	43,946	9,742
Federal Aid - CETA	150,964	139,292	(11,672)
Federal Aid - CETA Special Projects	85,470	55,414	(30,056)
Additional Homestead Exemption Trust Fund	9,620	12,435	2,815
Governor's Highway Safety Council	53,500	-	(53,500)
LEAA (Police Communications) Grant	10,556	7,586	(2,970)
Comprehensive Planning Assistance Grant	-	10,399	10,399
Meals-on-Wheels Grant	2,500	4,416	1,916
State Revenue Sharing	388,006	387,534	(472)
Additional 2¢ Cigarette Tax	70,100	68,774	(1,326)
State Fuel Tax Refunds	8,400	8,556	156
Mobile Home Licenses	16,690	11,297	(5,393)
Alcoholic Beverage Licenses	12,000	10,084	(1,916)
Lake County Boating Improvement	6,000	6,000	-
Northwest District Ambulance Tax	170,000	170,000	-
County Road and Bridge Tax	63,000	57,475	(5,525)
Sales of Services	750	1,530	780
Police Alarm System Sales	5,625	2,825	(2,800)
Police Station Revenue	8,000	2,373	(5,627)
Prisoner Room and Board	2,000	6,480	4,480
Fire Station Revenue	200	20	(180)
Ambulance Service	50,000	67,208	17,208
Miscellaneous Revenue	1,500	212	(1,288)
Forward	1,801,235	1,699,031	(102,204)

(Continued)

EXHIBIT B

CITY OF LEESBURG, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS,
AND FUND BALANCE - GENERAL FUND, CONTINUED

	BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES - (Forward)	$1,801,235	$1,699,031	($102,204)
Paving Construction	5,000	-	(5,000)
Refuse and Garbage Collection	300,000	305,610	5,610
Landfill Fees	14,000	13,442	(558)
Swimming Pool #1	5,500	3,641	(1,859)
Swimming Pool #2	1,500	1,863	363
Community Building Revenue	8,700	7,367	(1,333)
Library Revenue	5,300	5,238	(62)
Recreation-Citizens Participation.	19.000	26,862	7,862
Recreation Revenue	3,200	718	(2,482)
Police Fines	55,000	69,873	14,873
Forfeitures	21,000	18,462	(2,538)
Interest Earned	3,000	16,240	13,240
Boathouse Rentals	480	-	(480)
Real Estate Rental	3,500	3,200	(300)
Airport Rental	10,000	8,554	(1,446)
Sale of Aviation Fuel	1,500	1,437	(63)
Sales of Property and Equipment	14,000	16,448	2,448
Insurance Compensation	1,000	1,085	85
Public Works Jobbing	5,000	22,334	17,334
Insurance Rebates	3,000	13,524	10,524
Other Income	500	379	(121)
Reimbursement by Utility Revenue Fund for Accounting, Billing and Collection Services	302,413	302,413	-
HUD Grant Revenues	-	1,188	1,188
Florida Recreational Development Assistance Grant	-	31,323	31,323
Group Insurance Premium Refund ...	-	21,724	21,724
Total Revenues	2,583,828	2,591,956	8,128
TRANSFERS FROM OTHER FUNDS:			
Federal Revenue Sharing	106,311	108,217	1,906
Utility Revenue Fund	1,697,067	1,464,013	(233,054)
Total Transfers	$1,803,378	$1,572,230	($231,148)

(Continued)

EXHIBIT B

CITY OF LEESBURG, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS,
AND FUND BALANCE - GENERAL FUND, CONTINUED

	BUDGET	ACTUAL	OVER (UNDER) BUDGET
Total Revenues and Transfers	$4,387,206	$4,164,186	($223,020)
EXPENDITURES:			
City Commission	19,950	21,703	1,753
Ordinances and Proceedings	2,850	1,591	(1,259)
Elections	1,400	456	(944)
City Manager	43,775	41,469	(2,306)
Boards and Commissions	21,800	14,460	(7,340)
City Clerk and Auditor:			
General Office	41,784	43,272	1,488
Accounting	87,496	69,385	(18,111)
Independent Audit	9,800	11,410	1,610
Data Processing	118,122	113,848	(4,274)
Customer Service	66,685	62,842	(3,843)
Collections	23,424	24,304	880
Meter Reading	38,136	37,819	(317)
City Attorney	30,300	29,358	(942)
Personnel	28,444	28,472	28
Planning	23,903	35,312	11,409
Statistician	15,112	15,236	124
Purchasing	32,149	34,519	2,370
Warehouse	28,314	27,907	(407)
Printing	12,199	9,638	(2,561)
Municipal Building	19,918	16,412	(3,506)
Maintenance of Public Buildings	55,728	80,536	24,808
Rental Property Maintenance	650	-	(650)
Switchboard	18,964	18,059	(905)
Police Department	587,097	557,739	(29,358)
LEAA Regional Police Communications	-	8,373	8,373
Police Support Service	35,622	-	(35,622)
City Jail	22,341	24,964	2,623
Fire Department	355,810	353,632	(2,178)
Inspection Department	34,108	23,428	(10,680)
Rescue Service	261,980	192,205	(69,775)
Traffic Engineering	19,916	17,115	(2,801)
Boat Ramp Improvement	2,850	6,219	3,369
Engineering	83,603	77,069	(6,534)
Cemeteries	2,600	2,481	(119)
Lake and Lot Clean Up	31,649	26,606	(5,043)
Public Works Office	40,132	53,977	13,845
Street Maintenance	167,311	147,712	(19,599)
Forward	2,385,922	2,229,528	(156,394)

(Continued)

EXHIBIT B

CITY OF LEESBURG, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS,
AND FUND BALANCE - GENERAL FUND, CONTINUED

	BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES AND TRANSFERS - (Forward)	$4,387,206	$4,164,186	($223,020)
EXPENDITURES - (Forward)	2,385,922	2,229,528	(156,394)
Public Works Jobbing	37,390	16,159	(21,231)
Storm Drainage Maintenance	16,244	12,875	(3,369)
Street Lighting	70,000	63,867	(6,133)
Airport	21,899	12,697	(9,202)
Public Health and Welfare	750	543	(207)
Housing Assistance Payments	71,475	62,538	(8,937)
Urban Development and Housing Administration	17,375	17,001	(374)
Animal Control	12,572	17,159	4,587
Mental Health	5,500	5,500	-
Recreation	137,820	166,514	28,694
Swimming Pools	52,850	45,516	(7,334)
Community Building	69,121	68,651	(470)
Boathouse Projects	61,915	23,351	(38,564)
Parks and Canals	215,653	212,172	(3,481)
Library	134,987	135,673	686
Street Cleaning	14,175	14,992	817
Refuse and Garbage Collection	342,372	342,612	240
Landfill	60,322	64,348	4,026
Retirement System and Employee Benefits	232,775	255,395	22,620
Workman's Compensation Insurance	81,650	91,746	10,096
Unemployment Compensation	10,000	8,338	(1,662)
Hospitalization and Life Insurance	114,650	137,293	22,643
Property and Protection Insurance	73,432	86,959	13,527
Principal and Interest Payments on General Long Term Debt	31,545	31,420	(125)
Warehouse Demolition	10,439	3,687	(6,752)
Contingencies:			
Salaries and Wages	2,500	-	(2,500)
Miscellaneous	500	1,553	1,053
Public Relations	1,500	325	(1,175)
Support of Civic Organizations	18,500	26,170	7,670
Capital Improvements (Note 1)		5,893	5,893
Bad Debt Expense		31,013	31,013
Motor Pool		90,080	90,080
Total Expenditures	$4,305,833	$4,281,568	($ 24,265)

(Continued)

EXHIBIT B

CITY OF LEESBURG, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS,
AND FUND BALANCE - GENERAL FUND, CONTINUED

		BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES AND TRANSFERS - (Forward)		$4,387,206	$4,164,186	($223,020)
EXPENDITURES - (Forward)		4,305,833	4,281,568	(24,265)
TRANSFERS TO OTHER FUNDS:				
Public Improvement Revenue Certificate Sinking Fund		16,130	16,130	-
EDA Capital Projects Funds		-	7,850	7,850
Total Transfers		16,130	23,980	7,850
Total Expenditures and Transfers		4,321,963	4,305,548	(16,415)
EXCESS (DEFICIT) OF REVENUES AND TRANSFERS OVER EXPENDITURES AND TRANSFERS		$ 65,243	($ 141,362)	($206,605)
FUND BALANCE, BEGINNING OF YEAR			545,661	
FUND BALANCE, END OF YEAR:				
Reserve for Inventory	$ 5,519			
Reserve for Group Insurance Premium Increase	21,724			
Fund Balance	377,056		$ 404,299	

See Accompanying Notes.

EXHIBIT C

CITY OF LEESBURG, FLORIDA

FEDERAL REVENUE SHARING TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS,
AND FUND BALANCE
YEAR ENDED SEPTEMBER 30, 1978

REVENUES:			
Federal Revenue Sharing Allocations	$ 76,464		
Interest	4,455		
Total Revenues			$ 80,919
EXPENDITURES:			
Lounge Furniture	723		
Public Works Projects	1,450		
Meals on Wheels	2,756		
Library Equipment	555		
Dock Repairs	864		
Miscellaneous	586		
Parking Lot	10,072		
Police Excersise Room	1,132		
Total Expenditures		$ 18,138	
TRANSFERS TO OTHER FUNDS:			
To General Fund	108,218		
To Economic Development Administration Capital Projects Fund - Recreation Building	13,980		
Total Transfers		122,198	
Total Expenditures and Transfers			140,336
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES AND TRANSFERS			(59,417)
FUND BALANCE BEGINNING OF YEAR ...			128,724
FUND BALANCE END OF YEAR			$ 69,307

See Accompanying Notes

EXHIBIT D

CITY OF LEESBURG, FLORIDA

SPECIAL IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS, AND FUND BALANCE
YEAR ENDED SEPTEMBER 30, 1978

REVENUES:			
Interest			$ 1,240
EXPENDITURES:			
Payment of Long-Term Debt Installment	$ 23,816		
Interest	433		
Miscellaneous	152		
Total Expenditures		$ 24,401	
TRANSFERS TO OTHER FUNDS:			
To Economic Development Administration Capital Projects Fund - Recreation Building		56,007	
Total Expenditures and Transfers			80,408
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES AND TRANSFERS ..			(79,168)
FUND BALANCE, BEGINNING OF YEAR			79,168
FUND BALANCE, END OF YEAR			$ -

See Accompanying Notes

EXHIBIT E

CITY OF LEESBURG, FLORIDA

PUBLIC IMPROVEMENT REVENUE CERTIFICATE SINKING FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS
AND FUND BALANCE
YEAR ENDED SEPTEMBER 30, 1978

REVENUES:		
Interest	$ 5,931	
TRANSFERS FROM GENERAL FUND	29,390	
Total Revenues and Transfers		$ 35,321
EXPENDITURES:		
Retirement of Public Improvement Revenue Certificates	30,000	
Interest	17,075	
Miscellaneous	331	
Total Expenditures		47,406
EXCESS (DEFICIT) OF REVENUES AND TRANSFERS OVER EXPENDITURES		(12,085)
FUND BALANCE, BEGINNING OF YEAR		111,912
FUND BALANCE, END OF YEAR		$ 99,827

See Accompanying Notes

EXHIBIT F

CITY OF LEESBURG, FLORIDA

CAPITAL PROJECTS FUND
STATEMENT OF REVENUE, TRANSFERS, EXPENDITURES, AND FUND BALANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1978

	RECREATION COMPLEX	CULTURAL DISPLAY FACILITY	RECREATION BUILDING
REVENUE:			
Economic Development Administration Grant Reimbursements (Note 5) ...	$ 211,213	$ 155,571	$ -0-
TRANSFERS FROM OTHER FUNDS:			
From Utility Revenue Fund			58,718
From Special Improvement Fund			56,007
From Federal Revenue Sharing Fund .			13,980
From General Fund			7,856
Total Transfers			136,561
Total Revenue and Transfers	211,213	155,571	136,561
EXPENDITURES:			
Project Expenditures (Note 1)	211,213	155,571	136,561
EXCESS OF REVENUES AND TRANSFERS OVER EXPENDITURES	-	-	-
FUND BALANCE BEGINNING OF YEAR	-	-	-
FUND BALANCE END OF YEAR	$ -	$ -	$ -

See Accompanying Notes

EXHIBIT G

CITY OF LEESBURG, FLORIDA

X-RAY EQUIPMENT FUND
STATEMENT OF REVENUE, EXPENSE AND RETAINED EARNINGS
YEAR ENDED SEPTEMBER 30, 1978

OPERATING REVENUES:	
Lease Revenues (Note 3)	$ 19,034
NON-OPERATING EXPENSE:	
Interest Expense	17,781
NET INCOME	1,253
RETAINED EARNINGS (DEFICIT), BEGINNING OF YEAR	(2,019)
RETAINED EARNINGS (DEFICIT), END OF YEAR	($ 766)

See Accompanying Notes

EXHIBIT H

CITY OF LEESBURG, FLORIDA

X-RAY EQUIPMENT FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED SEPTEMBER 30, 1978

SOURCE OF FUNDS:		
Net Income	$	1,253
Increase in Long Term Debt		59,040
Decrease in Long Term Portion of Net Investment in Direct Financing Lease		4,649
		64,942
APPLICATION OF FUNDS:		
Payment of Long Term Debt		42,272
Increase in Working Capital	$	22,670
REPRESENTED BY:		
Increase (Decrease) in Current Assets:		
Current Portion of Net Investment in Direct Financing Lease	$	21,417
Accounts Receivable	(	828)
Increase in Current Assets		20,589
Decrease in Current Liabilities:		
Due to General Fund		828
Accrued Interest Payable		1,253
Decrease in Current Liabilities		2,081
Increase in Working Capital	$	22,670

See Accompanying Notes

EXHIBIT I

CITY OF LEESBURG, FLORIDA

UTILITIES SYSTEM FUNDS
COMBINED BALANCE SHEET
SEPTEMBER 30, 1978

	UTILITIES SYSTEM TOTAL	UTILITIES REVENUE FUND	UTILITIES REVENUE CERTIFICATE SINKING FUND	UTILITIES REVENUE CERTIFICATE RESERVE FUND	UTILITIES REVENUE RENEWAL AND REPLACEMENT FUND	1974 BOND CONSTRUCTION FUND	CRYSTAL RIVER #3 BOND FUND	1977 BOND CONSTRUCTION FUND	POTABLE WATER RESEARCH AND DEVELOPMENT FUND
ASSETS									
CURRENT ASSETS:									
Cash	$ 639,175	$ 639,175	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts Receivable:									
Utility Accounts (Net of Allowance for Uncollectible Accounts of $14,515)	938,709	938,709	-	-	-	-	-	-	-
Other (Net of Allowance for Uncollectible Accounts of $36,873)	17,874	17,874	-	-	-	-	-	-	-
Inventory - (At Average Cost) (Note 1)	500,622	500,622	-	-	-	-	-	-	-
Amounts Due from Other Funds	447,638	447,638	-	-	-	-	-	-	-
Total Current Assets	2,544,018	2,544,018	-	-	-	-	-	-	-
RESTRICTED ASSETS (Note 2):									
Cash	482,229	-	5,849	13,404	251,154	157,342	1,964	12,520	39,996
Funds with Fiscal Agent	555,091	-	555,091	-	-	-	-	-	-
Investments (At Book Value) (Note 1 Schedule 1)	3,266,125	3,768	1,503	784,348	301,837	-	204,669	1,970,000	-
Sanitary Sewer Assessments	8,678	8,144	-	534	-	-	-	-	-
Accrued Interest	53,332	-	-	7,205	1,424	856	374	43,473	-
Amounts Due from Other Funds	2,000	-	-	-	-	-	-	-	2,000
Amount Due from Federal Government (EPA)	18,626	18,626	-	-	-	-	-	-	-
Amount Receivable from Bank of Clearwater	21,755	-	-	-	-	-	-	21,755	-
Total Restricted Assets	4,407,836	30,538	562,443	805,491	554,415	158,198	207,007	2,047,748	41,996
UTILITY PLANT IN SERVICE (At Cost, Net of Accumulated Depreciation of $5,303,331) (Notes 1 and 5) (Schedule 4)	17,052,975	17,052,975	-	-	-	-	-	-	-
OTHER ASSETS:									
Unamortized Discount on 1977 Utility Revenue Bonds (Note 1)	235,219	-	235,219	-	-	-	-	-	-
Deferred Issue Costs-1977 Utility Revenue Bonds (Note 1)	222,700	-	222,700	-	-	-	-	-	-
Total Other Assets	457,919	-	457,919	-	-	-	-	-	-
TOTAL ASSETS	$ 24,462,748	$ 19,627,531	$ 1,020,362	$ 805,491	$ 554,415	$ 158,198	$ 207,007	$ 2,047,748	$ 41,996
LIABILITIES, RESERVES, CONTRIBUTIONS AND RETAINED EARNINGS									
CURRENT LIABILITIES:									
Accounts Payable	$ 1,219,345	$ 1,219,345	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued Interest	354,995	-	354,995	-	-	-	-	-	-
Customers' Deposits	343,395	343,395	-	-	-	-	-	-	-
Due to Other Funds	714,580	266,996	-	-	82,379	158,198	207,007	-	-
Other Current Liabilities	31,127	31,127	-	-	-	-	-	-	-
Customers' Advances for Construction	99,654	99,654	-	-	-	-	-	-	-
Total Current Liabilities	2,763,096	1,960,517	354,995	-	82,379	158,198	207,007	-	-
DEFERRED REVENUE	8,678	8,144	-	534	-	-	-	-	-
LONG-TERM DEBT - Amount Due After One Year (Note 2):									
Utilities Revenue Bonds	12,020,000	-	12,020,000	-	-	-	-	-	-
RESERVES:									
Reserve (Deficit) for Revenue Bond Debt Service	(11,354,633)	-	(11,354,633)	-	-	-	-	-	-
Reserve for Revenue Bond Retirement	804,957	-	-	804,957	-	-	-	-	-
Reserve for Revenue Bond Contingency	472,036	-	-	-	472,036	-	-	-	-
Reserve for Authorized Construction	2,089,744	-	-	-	-	-	-	2,047,748	41,996
Total Reserves (Deficit) (Exhibit L)	(7,987,896)	-	(11,354,633)	804,957	472,036	-	-	2,047,748	41,996
CONTRIBUTIONS:									
Contributions from Customers and Subdividers	524,351	524,351	-	-	-	-	-	-	-
Contribution from Federal Government Agency	1,037,935	1,037,935	-	-	-	-	-	-	-
Total Contributions (Exhibit L)	1,562,286	1,562,286	-	-	-	-	-	-	-
RETAINED EARNINGS (Exhibit L)	16,096,584	16,096,584	-	-	-	-	-	-	-
TOTAL LIABILITIES, RESERVES CONTRIBUTIONS AND RETAINED EARNINGS	$ 24,462,748	$ 19,627,531	$ 1,020,362	$ 805,491	$ 554,415	$ 158,198	$ 207,007	$ 2,047,748	$ 41,996

POOR ORIGINAL

See Accompanying Notes

CITY OF LEESBURG, FLORIDA

UTILITIES SYSTEM FUNDS
STATEMENT OF COMBINED REVENUES AND EXPENSE
YEAR ENDED SEPTEMBER 30, 1978

EXHIBIT J

		...UTILITIES REVENUE FUND...											
			...DEPARTMENTS...										
	UTILITIES SYSTEM TOTAL	UTILITIES REVENUE FUND TOTAL	ELECTRIC	GAS	WATER	SANITARY SEWER AND WASTEWATER TREATMENT	UTILITIES REVENUE CERTIFICATE SINKING FUND	UTILITIES REVENUE CERTIFICATE RESERVE FUND	UTILITIES REVENUE RENEWAL AND REPLACEMENT FUND	1974 BOND CONSTRUCTION FUND	CRYSTAL RIVER #3 BOND FUND	1977 BOND CONSTRUCTION FUND	POTABLE WATER RESEARCH AND DEVELOPMENT FUND
OPERATING REVENUES (Schedule 2):													
Energy Sales	$11,268,741	$11,268,741	$9,761,124	$1,507,617	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Water Sales	421,153	421,153	-	-	421,153	-	-	-	-	-	-	-	-
Pollution Abatement Charge	303,828	303,828	-	-	-	303,828	-	-	-	-	-	-	-
Industrial Waste Treatment Charges	31,471	31,471	-	-	-	31,471	-	-	-	-	-	-	-
Suburban Waste Treatment Charges	39,887	39,887	-	-	-	39,887	-	-	-	-	-	-	-
Other Operating Revenues	221,100	221,100	172,064	9,532	2,616	36,888	-	-	-	-	-	-	-
Total Operating Revenues	12,286,180	12,286,180	9,933,188	1,517,149	423,769	412,074	-	-	-	-	-	-	-
OPERATING EXPENSES (Exclusive of Depreciation) (Schedule 3):													
Nuclear Power Operation	99,974	99,974	99,974	-	-	-	-	-	-	-	-	-	-
Purchases	5,188,302	5,188,302	4,347,506	840,796	-	-	-	-	-	-	-	-	-
Fuel Charge	2,716,417	2,716,417	2,716,417	-	-	-	-	-	-	-	-	-	-
Pumping	131,164	131,164	-	-	-	131,164	-	-	-	-	-	-	-
Source of Supply	67,409	67,409	-	-	67,409	-	-	-	-	-	-	-	-
Water Purification	117,072	117,072	-	-	117,072	-	-	-	-	-	-	-	-
Sewage Treatment	115,025	115,025	-	-	-	115,025	-	-	-	-	-	-	-
Distribution Operation	201,299	201,299	38,359	60,957	101,983	-	-	-	-	-	-	-	-
Distribution Maintenance	186,238	186,238	148,856	11,998	-	25,384	-	-	-	-	-	-	-
Customer Accounting	322,945	322,945	159,157	60,878	70,572	32,338	-	-	-	-	-	-	-
General and Administrative	500,786	500,786	293,022	84,318	29,024	94,422	-	-	-	-	-	-	-
Total Operating Expenses (Exclusive of Depreciation)	9,646,631	9,646,631	7,803,291	1,058,947	386,060	398,333	-	-	-	-	-	-	-
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	2,639,549	2,639,549	2,129,897	458,202	37,709	13,741	-	-	-	-	-	-	-
Less Depreciation (Note 1) (Schedule 4)	615,558	615,558	449,875	56,089	59,345	50,249	-	-	-	-	-	-	-
OPERATING INCOME (LOSS)	2,023,991	2,023,991	1,680,022	402,113	(21,636)	(36,508)	-	-	-	-	-	-	-
OTHER INCOME (EXPENSE):													
Gain on Advance Debt Refunding (Note 6)	31,196	-	-	-	-	-	31,196	-	-	-	-	-	-
Interest Income	201,600	2,566	706	-	-	1,860	10,924	48,360	19,028	37,550	15,319	65,993	1,860
Other Income	91,024	90,803	48,904	439	37,008	4,452	-	221	-	-	-	-	-
Other Expense	(3,243)	-	-	-	-	-	(2,360)	(258)	(180)	(170)	(275)	-	-
Interest Expense	(450,669)	-	-	-	-	-	(450,669)	-	-	-	-	-	-
Amortization of Debt Issue Costs (Note 1)	(4,906)	-	-	-	-	-	(4,906)	-	-	-	-	-	-
Other Income (Expense) - Net	(134,998)	93,369	49,610	439	37,008	6,312	(415,815)	48,323	18,848	37,380	15,044	65,993	1,860
NET INCOME (LOSS) (EXHIBIT N)	$ 1,888,993	$ 2,117,360	$1,729,632	$ 402,552	$ 15,372	($ 30,196)	($ 415,815)	$ 48,323	$ 18,848	$ 37,380	$ 15,044	$ 65,993	$ 1,860

See Accompanying Notes

POOR ORIGINAL

CITY OF LEESBURG, FLORIDA

UTILITIES SYSTEM FUNDS
ANALYSIS OF CHANGES IN RESERVES, CONTRIBUTIONS, AND RETAINED EARNINGS
YEAR ENDED SEPTEMBER 30, 1978

EXHIBIT K

		.....UTILITIES REVENUE FUND.....										
	UTILITIES SYSTEM TOTAL	TOTAL CONTRIBUTIONS AND RETAINED EARNINGS	CONTRIBUTIONS FROM CUSTOMERS AND SUBDIVIDERS	CONTRIBUTIONS FROM FEDERAL GOVERNMENT AGENCY (EPA)	RETAINED EARNINGS	UTILITIES REVENUE CERTIFICATE SINKING FUND	UTILITIES REVENUE CERTIFICATE RESERVE FUND	UTILITIES REVENUE CERTIFICATE RENEWAL AND REPLACEMENT FUND	1974 BOND CONSTRUCTION FUND	CRYSTAL RIVER #3 BOND FUND	1977 BOND CONSTRUCTION FUND	POTABLE WATER FUND
Balance at October 1, 1977:												
Reserves (Deficit)	($ 7,237,211)	$ -	$ -	$ -	$ -	($ 9,614,519)	$ 628,439	$ 198,014	$ 1,108,140	$ 414,579	$ -	$ 28,136
Contributions	447,917	447,917	365,382	82,535	-	-	-	-	-	-	-	-
Retained Earnings	14,957,882	14,957,882	-	-	14,957,882	-	-	-	-	-	-	-
Total Balance	8,168,588	15,405,799	365,382	82,535	14,957,882	(9,614,519)	628,439	198,014	1,108,140	414,579	-	28,136
Add:												
Increase in Reserve for Revenue Bond Debt Service	792,015	-	-	-	-	792,015	-	-	-	-	-	-
Increase in Reserve for Revenue Bond Retirement	128,195	-	-	-	-	-	128,195	-	-	-	-	-
Increase in Reserve for Revenue Bond Contingency	372,849	-	-	-	-	-	-	372,849	-	-	-	-
Increase in Reserve for Authorized Construction	1,981,755	-	-	-	-	-	-	-	-	-	1,981,755	-
Increase in Reserve for Potable Water Research and Development	12,000	-	-	-	-	-	-	-	-	-	-	12,000
Contributions From:												
Customers and Subdividers	158,969	158,969	158,969	-	-	-	-	-	-	-	-	-
Federal Government Agency (EPA)	955,400	955,400	-	955,400	-	-	-	-	-	-	-	-
Net Income for Fiscal Year 1978 (Exhibit J)	2,304,808	2,117,360	-	-	2,117,360	-	48,323	18,848	37,380	15,044	65,993	1,860
Interfund Transfers:												
Increase in Retained Earnings	1,692,818	1,692,818	-	-	1,692,818	-	-	-	-	-	-	-
Total Additions	8,398,809	4,924,547	158,969	955,400	3,810,178	792,015	176,518	391,697	37,380	15,044	2,047,748	13,860
(Deductions):												
Increase in Reserve for Revenue Bond Debt Service	(2,752,015)	(635,701)	-	-	(635,701)	(1,960,000)	-	-	-	(156,314)	-	-
Increase in Reserve for Revenue Bond Retirement	(128,195)	(128,195)	-	-	(128,195)	-	-	-	-	-	-	-
Increase in Reserve for Revenue Bond Contingency	(372,849)	(372,849)	-	-	(372,849)	-	-	-	-	-	-	-
Increase in Reserve for Potable Water Research and Development	(12,000)	(12,000)	-	-	(12,000)	-	-	-	-	-	-	-
Net (Loss) for Fiscal Year (Exhibit J)	(415,815)	-	-	-	-	(415,815)	-	-	-	-	-	-
Interfund Transfers:												
Decrease in Reserves	(1,692,818)	-	-	-	-	(156,314)	-	(117,675)	(1,145,520)	(273,309)	-	-
To General Fund	(1,464,013)	(1,464,013)	-	-	(1,464,013)	-	-	-	-	-	-	-
To Capital Projects Fund	(58,718)	(58,718)	-	-	(58,718)	-	-	-	-	-	-	-
Total (Deductions)	(6,896,423)	(2,671,476)	-	-	(2,671,476)	(2,532,129)	-	(117,675)	(1,145,520)	(429,623)	-	-
Balance at September 30, 1978:												
Reserves (Deficit)	(7,987,896)	-	-	-	-	(11,354,633)	804,957	472,036	-	-	2,047,748	41,996
Contributions	1,562,286	1,562,286	524,351	1,037,935	-	-	-	-	-	-	-	-
Retained Earnings	16,096,584	16,096,584	-	-	16,096,584	-	-	-	-	-	-	-
TOTAL BALANCE (EXHIBIT I)	$ 9,670,974	$17,658,870	$ 524,351	$ 1,037,935	$16,096,584	($11,354,633)	$ 804,957	$ 472,036	$ -	$ -	$2,047,748	$ 41,996

See Accompanying Notes

POOR ORIGINAL

EXHIBIT L

CITY OF LEESBURG, FLORIDA

UTILITIES SYSTEMS FUNDS
STATEMENT OF CHANGES IN COMBINED FINANCIAL POSITION
YEAR ENDED SEPTEMBER 30, 1978

FUNDS PROVIDED BY:	
Net Income (Exhibit J)	$ 1,888,993
Expense not Requiring the Outlay of Working Capital: Depreciation	615,558
Amortization of Debt Issue Costs	4,906
Amortization of Bond Discount	5,181
Amortization - Other	39,305
Total From Operations	2,554,443
Disposal of Utility Plant in Service at Net Book Value	17,536
Increase in Contributions in Aid of Construction	1,114,369
Increase in Long Term Debt	2,282,000
Increase in Deferred Revenue	7,923
Depreciation Capitalized on Construction of Utility Plant in Service	40,315
Decrease in Working Capital	388,290
TOTAL	$ 6,404,876
FUNDS APPLIED TO:	
Additions to Utility Plant in Service	$ 2,530,663
Transfers to Other Funds	1,522,731
Increase in Restricted Assets	2,010,672
Increase in Other Assets	340,810
TOTAL	$ 6,404,876
INCREASE (DECREASE) IN WORKING CAPITAL:	
Current Assets:	
Cash	($ 306,286)
Funds with Fiscal Agent	(469,121)
Investments	(1,184)
Receivables	56,879
Inventory	88,237
Due From Other Funds	390,353
Current Liabilities:	
Current Portion of Utilities Revenue Certificates and Mortgage Notes Payable	185,000
Accounts Payable	(85,252)
Accrued Interest	(70,874)
Customers' Deposits	(72,046)
Due to Other Funds	(83,845)
Other Current Liabilities	79,503
Customers' Advances for Construction	(99,654)
TOTAL	($ 388,290)

See Accompanying Notes

EXHIBIT M

CITY OF LEESBURG, FLORIDA

EMPLOYEE RETIREMENT FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED SEPTEMBER 30, 1978

	MUNICIPAL POLICE OFFICERS RETIREMENT TRUST FUND	MUNICIPAL FIREMEN'S RETIREMENT PLAN	RETIREMENT PLAN FOR GENERAL EMPLOYEES
CASH BALANCE OCTOBER 1, 1977	$ 28,875	$ -0-	$ -0-
RECEIPTS:			
Transfer of Prior Years' Contributions from General Fund (Note 4)	-	69,150	135,857
Employer Contributions - Current Year	-	30,892	117,401
Excess Rmployer Contribution due to Municipal Firemen's Retirement Plan	-	-	16,742
Employee Contribution - Current Year	14,512	8,157	-
State of Florida Contributions - Current Year	30,568	20,331	-
Interest Received	13,414	2,667	6,522
Investments Redeemed	364,435	372,282	369,599
Total Receipts	422,929	503,479	646,121
DISBURSEMENTS:			
Investments Purchased	437,927	472,612	641,740
Accrued Interest on Investments Purchased	5,136	1,304	2,732
Refunds - Resignations	1,789	1,543	-
Annuity Payments	6,401	-	-
Administrative Expenses	400	42	111
Total Disbursements	451,653	475,501	644,583
CASH BALANCE SEPTEMBER 30, 1978	$ 151	$ 27,978	$ 1,538

See Accompanying Notes

EXHIBIT N

CITY OF LEESBURG, FLORIDA

MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND
ANALYSIS OF CHANGES IN FUND BALANCE AND RETIREMENT RESERVES
YEAR ENDED SEPTEMBER 30, 1978

	FUND BALANCE	RESERVE FOR EMPLOYEE CONTRIBUTIONS	RESERVE FOR CONTRIBUTIONS STATE OF FLORIDA
Balances October 1, 1977	$ 133,531	$ 43,110	$ 126,372
Additions:			
Current Year Contributions	-	14,433	30,568
Interest Earnings	18,861	-	-
Total Balance and Additions ..	152,392	57,543	156,940
Deductions:			
Annuity Payments	6,401	-	-
Refunds Resignations	-	1,789	-
Administrative Expenses	400	-	-
Loss on Sale of Investments	8,312	-	-
Total Deductions	15,113	1,789	-
Balances September 30, 1978	$ 137,279	$ 55,754	$ 156,940

See Accompanying Notes

EXHIBIT O

CITY OF LEESBURG, FLORIDA

MUNICIPAL FIREMEN'S RETIREMENT PLAN
ANALYSIS OF CHANGES IN FUND BALANCE AND RETIREMENT RESERVES
YEAR ENDED SEPTEMBER 30, 1978

ANALYSIS OF CHANGES IN FUND BALANCE

	FUND BALANCE (DEFICIT)
Balance October 1, 1977 (Note 4)	-0-
Actuarial Deficiency (Note 4)	($236,393)
Balance (Deficit) September 30, 1978	($236,393)

ANALYSIS OF CHANGES IN RETIREMENT RESERVES

	RESERVE FOR EMPLOYEE'S CONTRIBUTION	RESERVE FOR EMPLOYER CONTRIBUTION	ACTUARIAL DEFICIENCY RESERVE FOR EMPLOYER CONTRIBUTION	RESERVE FOR CONTRIBUTION HELD BY GROUP ANNUITY CONTRACT CARRIER	RESERVE FOR CONTRIBUTIONS STATE OF FLORIDA MUNICIPAL FIREMEN'S PENSION TRUST	RESERVE FOR UNDISTRIBUTED INVESTMENT INCOME
Balances October 1, 1977 (Note 4)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
Additions:						
Member Contributions	8,690	-	-	-	-	-
Employer Contributions	-	30,850	-	-	-	-
State of Florida Municipal Firemen's Pension Trust Fund Contribution	-	-	-	-	20,331	-
Interest Earnings	-	-	-	-	-	2,892
Total Balance and Additions	8,690	30,850	-	-	20,331	2,892

Continued - 1

CITY OF LEESBURG, FLORIDA
MUNICIPAL FIREMEN'S RETIREMENT PLAN
ANALYSIS OF CHANGES IN FUND BALANCE AND RETIREMENT RESERVES
YEAR ENDED SEPTEMBER 30, 1978

ANALYSIS OF CHANGES IN RETIREMENT RESERVES

	RESERVE FOR EMPLOYEE'S CONTRIBUTION	RESERVE FOR EMPLOYER CONTRIBUTION	ACTUARIAL DEFICIENCY RESERVE FOR EMPLOYER CONTRIBUTION	RESERVE FOR CONTRIBUTION HELD BY GROUP ANNUITY CONTRACT CARRIER	RESERVE FOR CONTRIBUTIONS STATE OF FLORIDA MUNICIPAL FIREMEN'S PENSION TRUST	RESERVE FOR UNDISTRIBUTED INVESTMENT INCOME
Total Balance and Additions (Forward)	$ 8,690	$ 30,850	$ -0-	$ -0-	$ 20,331	$ 2,892
Transfers:						
Actuarial Deficiency (Note 4)	-	-	236,393	-	-	-
Transfer of Prior Years Contribution from General Fund	10,747	44,607	-	-	31,145	-
Contributions Funded Under Group Annuity Plan-Prior Years (Note 4)	-	-	-	195,502	-	-
Total Revised Balances	19,437	75,457	236,393	195,502	51,476	2,892
Deductions:						
Refunds-Resignations	(2,479)	-	-	-	-	-
Administrative Expenses						(1,049)
Balances September 30,1978	$ 16,958	$ 75,457	$ 236,393	$ 195,502	$ 51,476	$ 1,843

See Accompanying Notes

Concluded - 2

EXHIBIT P

CITY OF LEESBURG, FLORIDA

RETIREMENT PLAN FOR GENERAL EMPLOYEES OF
THE CITY OF LEESBURG
ANALYSIS OF CHANGES IN FUND BALANCE AND RETIREMENT RESERVES

	FUND BALANCE (DEFICIT)	RESERVE FOR EMPLOYER CONTRIBUTION	ACTUARIAL DEFICIENCY-RESERVE FOR EMPLOYER CONTRIBUTION
Balance October 1, 1977	$ -	$ -	$ -
Additions:			
Employer Contribution-Current Year	-	117,401	-
Interest Earnings	-	7,929	-
Total Balance and Additions	-	125,330	-
Transfers:			
Actuarial Deficiency (Note 4)....	(500,020)		500,020
Assets held by Group Annuity Contract Carrier (Note 4)		508,997	
Employer Contributions Funded Under Group Annuity Plan - Previous Years		135,857	
Total Revised Balances	(500 020)	770,184	500,020
Deductions:			
Administrative Expenses	-	(5,521)	-
Loss on Investments	-	(683)	-
Balance September 30, 1978	($ 500,020)	$ 763,980	$ 500,020

See Accompanying Notes

EXHIBIT Q

CITY OF LEESBURG, FLORIDA

STATEMENT OF GENERAL FIXED ASSETS
SEPTEMBER 30, 1978

General Fixed Assets:	
Land	$ 1,027,182
Buildings	3,142,106
Improvements Other than Buildings	1,450,678
Equipment	1,899,926
Construction Work-in-Progress	509,995
Total General Fixed Assets	$ 8,029,887
Investment in General Fixed Assets From:	
General Obligation Bonds and Revenue Certificates	$ 1,245,756
Capital Projects Funds:	
Economic Development Administration.	366,784
Utility Revenue Fund	58,718
Special Improvement Fund	62,657
Federal Revenue Sharing Fund	13,980
General Revenue Fund	7,856
Hospital Construction Fund	2,174,204
State, Federal and Local Grants	215,666
Federal Revenue Sharing	370,138
General Fund Revenues	3,514,128
Total Investment in General Fixed Assets	$ 8,029,887

See Accompanying Notes

CITY OF LEESBURG, FLORIDA

NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 1978

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

The accounting policies of the City of Leesburg, Florida conform to generally accepted accounting policies as applicable to governmental units. The following is a summary of the significant policies.

Bases of Accounting:

The accrual basis of accounting is followed by the X-Ray Equipment Fund, Utilities System Funds, Capital Projects Funds, and Employee Retirement Funds. All other funds utilize the modified accrual basis of accounting.

Depreciation:

Depreciation on Utility Revenue Fund assets has been computed on a straight-line basis over the estimated useful lives of the assets and made a part of operating expenditures.

Amortization:

Amortization has been computed using the present-value method on Unamortized Discount on the 1977 Utilities Revenue Bonds and the Deferred Issue Costs on the 1977 Bonds.

Investments:

Investments are comprised of time deposits, savings deposits, U.S. Government obligations, U.S. Government agency obligations and long-term corporate bonds. The carrying value of investments is stated at original cost which is substantially the same as market value as of September 30, 1978. There have been no significant market fluctuations subsequent to September 30, 1978 through the date of this report.

General Fixed Assets:

General Fixed Assets purchased are recorded as expenditures in the General Fund, Federal Revenue Sharing Trust Fund and Capital Projects Funds at the time of purchase. Such assets are capitalized at cost in the General Fixed Assets group of accounts. General Fixed Assets include the City's cost of assets of Leesburg General Hospital which is operated by an independent association.

Depreciation is not provided on General Fixed Assets.

(Continued)

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Inventories:

Inventory held by the Utilities Revenue Fund is priced at average cost which approximates the lower of first-in first-out cost or market. Inventory shown in the General Fund consists of expendable supplies held for consumption. The amount thereof has been recorded for information purposes only as an asset, offset by a reserve in an equal amount.

Funds with Fiscal Agent:

Utilities revenue certificates maturing on October 1 each year together with interest payments then due are paid to the City's paying agent prior to that date. The aforementioned payment is recorded as an asset as of balance sheet date and subsequently as a reduction of utilities revenue certificates and accrued interest payable within the fiscal year of maturity.

Note 2 LONG-TERM DEBT

The outstanding issues of public improvement revenue certificates and utilities revenue certificates require the City to transfer certain amounts to reserve accounts based upon subsequent debt service criteria. At September 30, 1978, funding is current related to the debt agreements.

Additionally, the utilities revenue bond agreement provides that an amount equal to 5% of Annual Gross Revenues for the previous fiscal year of the Utilities System, after deducting from such gross revenues a sum equal to one hundred per cent of the fuel adjustment collections and one hundred per cent of the cost of the purchased energy component of purchased electric power and natural gas incurred during the previous fiscal year, shall be deposited into a special account known as the Renewal and Replacement Fund, until there shall be on deposit in such Renewal and Replacement Fund an amount recommended by the Consulting Engineers and approved by the City. The monies in said Renewal and Replacement Fund shall be used only for the purpose of paying the cost of extensions, enlargements, or additions to, or the replacement of capital assets of the Utility System and emergency repairs thereto.

(Continued)

Note 2 LONG-TERM DEBT (Continued)

Collateral and interest rates on long-term debt are as follows:

	Interest Rate	Collateral Pledged
Utilities Revenue Bonds (final maturity: October 1,2005)	6%	Net Revenues of the Utility System and all income on investments in the Utility Revenue Sinking Fund and Investment Account
Public Improvements Revenue Certificates (final maturity: 1989)	4% to 4.2%	None
Mortgage Notes and other notes payable - General Long-Term Debt (final maturity: 1995)..	4% to 10%	Certain Real Estate recorded in General Fixed Assets
Note Payable - X-Ray Equipment (final maturity: 1982)	6.5%	None

(See Following Page)

Fiscal Year Ending September 30	Public Improvement Revenue Certificates	Mortgage Notes and Notes Payable	General Long-Term Debt Total	UTILITIES SYSTEM ...FUNDS... Utilities Revenue Certificates	X-RAY EQUIPMENT FUND Note Payable
1979....	$ 30,000	$ 2,000	$ 32,000	-	$ 55,659
1980....	30,000	2,000	32,000	-	59,364
1981....	30,000	2,000	32,000	-	63,339
1982....	30,000	2,000	32,000	-	74,566
1983....	30,000	2,000	32,000	-	-
Thereafter..	250,000	15,000	265,000	$12,020,000	-
TOTAL	$ 400,000	$ 25,000	$ 425,000	$12,020,000	$ 252,928

(Continued)

NOTE 3 NET INVESTMENT IN DIRECT FINANCING LEASE

The City's leasing operation consists solely of the leasing of X-ray equipment to the City-owned hospital (which is operated by an independent association). The lease is classified as a direct financing lease and expires November 13, 1982. Lease payments of $5,870 per month are received from the hospital which represents the monthly principal and interest payments due on the note payable for which the City is primarily liable. Beginning in October, 1978 the hospital will make direct payments to the bank. Lease transactions are accounted for in the X-Ray Equipment Fund.

NOTE 4 PENSION PLANS

The City has three pension plans for employees as follows:

1. Municipal Police Officers' Retirement Trust Fund
2. Municipal Firemen's Retirement Plan
3. Retirement Plan for General Employees

The Firemen's and General Employees Plans were previously held under a group annuity contract with an insurance company. The group annuity contract was terminated as of July 1, 1977 and contributions have been held in escrow pending the adoption of revised plans. A substantial portion of these contributions (which were reported as restricted assets within the General Fund in the previous year) have been transferred to the Trustee of the revised plans. Each plan is reported as a separate Trust Fund in the current year.

Revised plans will become effective October 1, 1978 and the assets held by the group annuity contract carrier (net of accrued benefits) will be transferred to the Trustee. A final accounting has not been made by the group annuity contract carrier and the amounts due from the carrier ($195,502 for Firemen and $508,997 for General Employees) are subject to market fluctuations and expense adjustments prior to transfer. As a result, an actuarial valuation of the two plans is not yet complete for September 30, 1978. The most recent actuarial valuations of the Pension Plans are as follow.

NOTE 4 PENSION PLANS (Continued)

	MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND	MUNICIPAL FIREMEN'S RETIREMENT PLAN	RETIREMENT PLAN FOR GENERAL EMPLOYEES
Most Recent Valuation Date	January 1, 1978	July 1,1977	July 1,1977
Unfunded Actuarial Deficiency (Excess):			
Current Plan	($ 77,000)	$236,000	$ 500,000
Revised Plan (effective October 1, 1978)	N/A	$585,000	$1,077,000

The Employee Retirement System Reserves and Fund Balance reflect the unfunded actuarial deficiency of the Firemen's and General Employees' pension plans prior to revision and as of July 1, 1977.

NOTE 5 CAPITAL PROJECTS FUND

The City has received project grants from the Economic Development Administration, U.S. Department of Commerce as follows:

Recreation Complex	$ 267,820
Cultural Display Facility	159,180
	$ 427,000

The projects were estimated at 97% completion (Recreation Complex) and 61% (Cultural Display Facility) complete as of September 30, 1978. The remaining grants available for reimbursement are expected to be sufficient to cover the estimated costs to complete the projects.

NOTE 6 ADVANCE DEBT REFUNDING

The City issued $12,020,000 principal amount of Refunding and Capital Improvement Utilities Revenue Bonds, Series 1977, dated April 1, 1978, under the provisions of a Resolution adopted by the City on February 2, 1978, for the purpose of refunding the outstanding $9,738,000 principal amount of Utilities Revenue Certificates of various series and for the purpose of paying the cost of acquisition and construction of improvements to the utility system. Simultaneously with the issuance of the 1977 Bonds, the City issued its Special Obligation Bonds, Series 1977A, in order to provide a portion of the funds necessary to accomplish the refunding.

The 1977 Bonds are secured by a first lien on and a pledge of the net revenues of the utility system, and from all income derived from the investment of funds in the Utilities Revenue Sinking Fund - Investment Account.

NOTE 6 ADVANCE DEBT REFUNDING (Continued)

This was a full cash advance refunding. The Special Obligation Bonds were issued to provide additional funds, which together with the proceeds from the 1977 Bonds, were sufficient to pay the interest, principal and any call premiums on the then outstanding $9,738,000 principal amount of Utilities Revenue Certificates, the "old debt". The "old debt" is serviced by the investments in trust and the revenue bonds are serviced by the entity. The Special Obligation Bonds are serviced by the income earned on the investment in trust.

The investments in trust are direct U.S. Treasury obligations acquired with proceeds of the 1977 Bonds and of the Special Obligation bonds.

The computation of the gain on the advance debt refunding is as follows:

	Refunding Portion	Capital Improvements Portion	Total
1977 Bonds, Principal Amount	$10,020,000	$2,000,000	$12,020,000
Issuance Costs and discounts to be deferred and amortized over the life of the revenue bonds:			
Discount	(200,400)	(40,000)	(240,400)
Issuance Costs	(227,605)	(-)	(227,605)
	(428,005)	(40,000)	(468,005)
Net Carrying Value of 1977 Bonds	9,591,995	$1,960,000	$11,551,995
Carrying Amount of "Old Debt"			
Principal	9,738,000		
Unamortized Discount ..	(114,809)		
	9,623,191		
Gain on Advance Refunding	$ 31,196		

The Special Obligation Bonds are not included in the calculation of the gain on advance refunding or in the balance sheet, because they will be serviced from the earnings on the proceeds from the advance refunding and do not constitute an obligation of the City.

(Continued)

NOTE 6 ADVANCE DEBT REFUNDING (Continued)

The "Old Debt" is not included in the balance sheet as the advance refunding is accounted for as a defeasance transaction in which the "Old Debt" is legally satisfied.

NOTE 7 CONTINGENCIES

The City of Leesburg is the defendant in a lawsuit filed by a group of black citizens alleging racial discrimination in the use of Federal Revenue Sharing funds. The plaintiff seeks an order to place Federal Revenue Sharing funds in escrow for providing additional facilities and services to the black residential community. The suit also seeks plaintiff's costs and legal fees.

Provision has not been made in the financial statements for costs to be incurred relative to the lawsuit.

BROOKS, BROWN AND SHUMACKER

CERTIFIED PUBLIC ACCOUNTANTS

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Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

W. THOMAS BROOKS, C.P.A.

B. ALLEN BROWN, JR., C.P.A.

J. CECIL SHUMACKER, III, C.P.A.

January 26, 1979

SUPPLEMENTARY SCHEDULES

In connection with our examination of the financial statements of the City of Leesburg for the year ended September 30, 1978, we have also examined the additional information presented in the following pages. In our opinion, such information is fairly presented although it is not necessary for a fair presentation of financial position, results of operations or changes in financial position.

Brooks, Brown & Shumacker

BROOKS, BROWN AND SHUMACKER

Certified Public Accountants

CITY OF LEESBURG, FLORIDA

COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS
SEPTEMBER 30, 1978

---DESCRIPTION OF INVESTMENTS---	INTEREST RATES	MATURITY DATES	PAR VALUE	UNAMORTIZED PREMIUMS	UNAMORTIZED DISCOUNTS	TOTAL BOOK VALUE
GENERAL FUND:						
Savings Deposit	5.0%	-	$ 96,598	-	-	$ 96,598
FEDERAL REVENUE SHARING TRUST FUND:						
Savings Deposit	5.25%	-	$ 54,197	-	-	$ 54,197
PUBLIC IMPROVEMENT REVENUE CERTIFICATE SINKING FUND:						
Time Deposit	7.85%	1978	$ 80,000	-	-	$ 80,000
MUNICIPAL POLICE OFFICERS RETIREMENT TRUST FUND:						
U.S. Treasury Note	6.25%	1979	$ 4,000	-	-	$ 4,000
Savings Deposit	5.25%	-	50,242	-	-	50,242
Savings Deposit	5.25%	-	2,110	-	-	2,110
Federal Home Loan Bank Bonds	6.65%	1980	50,000	-	$ 187	49,813
Federal Land Bank Bonds	6.15%	1979	50,000	-	484	49,516
U.S. Treasury Note	7.125%	1982	91,415	-	-	91,415
U.S. Treasury Note	8.35%	1979	46,093	-	-	46,093
U.S. Treasury Note	8.375%	1980	49,890	-	-	49,890
Total Municipal Police Officers Retirement Trust Fund			$ 343,750		$ 671	$ 343,079
MUNICIPAL FIREMEN'S RETIREMENT PLAN:						
Republic of Texas Corp. Revolving Notes	8.7%	1978	$ 2,000	-		$ 2,000
U.S. Treasury Bills	7.9%	1978	40,000	-	$ 697	39,303
U.S. Treasury Note	8.2%	1985	25,000	-	352	24,648
U.S. Treasury Note	8.4%	1988	25,000	-	484	24,516
Phillip Morris, Inc. Corporate Bonds	8.6%	1985	10,000	-	137	9,863
Total Municipal Firemen's Retirement Plan			$ 102,000		$ 1,670	$ 100,330

Continued - 1

CITY OF LEESBURG, FLORIDA
COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS

---DESCRIPTION OF INVESTMENTS---	INTEREST RATES	MATURITY DATES	PAR VALUE	UNAMORTIZED PREMIUMS	UNAMORTIZED DISCOUNTS	TOTAL BOOK VALUE
RETIREMENT PLAN FOR GENERAL EMPLOYEES:						
Republic of Texas Corp. Revolving Notes	8.7%	1978	$ 6,000	-	-	$ 6,000
U.S. Treasury Bills	7.9%	1978	145,000	-	$ 2,527	142,473
U.S. Treasury Notes	8.2%	1985	50,000	-	703	49,297
U.S. Treasury Notes	8.4%	1988	50,000	-	969	49,031
Phillip Morris, Inc. Corporate Bonds	8.6%	1985	25,000	-	344	24,656
Total Retirement Plan for General Employees ..			$ 276,000		$ 4,543	$ 271,457
UTILITIES REVENUE FUND:						
Savings Deposit	5.25%	-	$ 3,768	-	-	$ 3,768
UTILITIES REVENUE CERTIFICATE RESERVE FUND:						
U.S. Treasury Bonds	7.25%	1979	200,000	$ 322	-	200,322
U.S. Treasury Bonds	4.25%	1985	40,000	-	$ 4,547	35,453
U.S. Treasury Bonds	3.25%	1983	18,000	-	930	17,070
U.S. Treasury Bonds	3.25%	1983	37,000	-	-	37,000
Savings Deposit	5.25%	-	494,503	-	-	494,503
Total Utilities Revenue Certificate Reserve Fund			789,503	322	5,477	784,348
1977 BOND CONSTRUCTION FUND:						
Time Deposit	7.82%	1978	1,970,000	-	-	1,970,000
CRYSTAL RIVER #3 BOND FUND:						
Time Deposit	8.01%	1978	100,000	-	-	100,000
Savings Deposit	5.00%	-	104,669	-	-	104,669
Total Crystal River #3 Bond Fund			204,669			204,669
UTILITIES REVENUE CERTIFICATE SINKING FUND:						
Savings Deposit	5.25%	-	1,119	-	-	1,119
Savings Deposit	5.00%	-	384	-	-	384
Total Utilities Revenue Certificate Sinking Fund			1,503			1,503

Continued - 2

CITY OF LEESBURG, FLORIDA
COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS

---DESCRIPTION OF INVESTMENTS---	INTEREST RATES	MATURITY DATES	PAR VALUE	UNAMORTIZED PREMIUMS	UNAMORTIZED DISCOUNTS	TOTAL BOOK VALUE
UTILITIES FUNDS (FORWARD)			$2,969,443	$ 322	$ 5,477	$2,964,288
UTILITIES REVENUE RENEWAL & REPLACEMENT FUND:						
Time Deposit	8.1%	1978	101,837	-	-	101,837
Time Deposit	8.01%	1978	200,000	-	-	200,000
Total Utilities Revenue Renewal & Replacement Fund			301,837			301,837
Total Utility System Funds (Exhibit 1).			$3,271,280	$ 322	$ 5,477	$3,266,125

Concluded - 3

CITY OF LEESBURG, FLORIDA

UTILITIES REVENUE FUND
SCHEDULE OF BUDGETED AND ACTUAL OPERATING REVENUES
YEAR ENDED SEPTEMBER 30, 1978

	BUDGET	ACTUAL	OVER (UNDER) BUDGET
ELECTRIC DEPARTMENT:			
Energy Sales:			
Domestic	$ 2,632,000	$ 2,233,317	($ 398,683)
General, Non-Demand	1,838,000	1,633,561	(204,439)
General, Demand	860,700	1,237,658	376,958
Domestic Outdoor Lighting	104,000	84,995	(19,005)
Sales to Other Public Authorities	10,000	-0-	(10,000)
Street and Highway	52,000	63,751	11,751
Penalties	24,000	32,081	8,081
Total Energy Sales	5,520,700	5,285,363	(235,337)
Fuel Charge	2,445,550	4,475,761	2,030,211
Other Operating Revenues:			
Pole Rental	31,000	30,299	(701)
Service Charge	13,000	17,412	4,412
Underground Electric Service	15,000	4,193	(10,807)
Florida Power Rebate	-0-	99,731	99,731
Miscellaneous Salvage	20,000	20,429	429
Total Other Operating Revenues	79,000	172,064	93,064
Total Electric Department	8,045,250	9,933,188	1,887,938
GAS DEPARTMENT:			
Energy Sales:			
Residential	673,364	584,241	(89,123)
Commercial	189,409	236,100	46,691
Interruptible	197,300	672,014	474,714
Penalties	14,500	15,262	762
Total Energy Sales	1,074,573	1,507,617	433,044
Other Operating Revenues:			
Service Charges	17,500	9,532	(7,968)
Total Gas Department	1,092,073	1,517,149	425,076

Continued - 1

CITY OF LEESBURG, FLORIDA
SCHEDULE OF BUDGETED AND ACTUAL OPERATING
REVENUES - UTILITIES REVENUE FUND

	BUDGET	ACTUAL	OVER (UNDER) BUDGET
WATER DEPARTMENT:			
Water Sales:			
Residential	$ 237,931	$ 239,212	$ 1,281
Commercial and Industrial	161,233	135,268	(25,965)
Municipal Water Sales ...	38,896	27,825	(11,071)
Penalties	15,000	17,249	2,249
Sprinkler Service	1,500	1,599	99
Total Water Sales	454,560	421,153	(33,407)
Other Operating Revenues:			
Service Charges	17,500	2,616	(14,884)
Total Water Department	472,060	423,769	(48,291)
WASTEWATER TREATMENT AND SANITARY SEWER DEPARTMENTS			
Revenues:			
Pollution Abatement Charges	305,000	301,173	(3,827)
Suburban Waste Treatment Charges	39,350	39,887	537
Service Charges:			
Coca-Cola Company	26,800	31,472	4,672
Penalties	3,500	2,654	(846)
Total Operating Revenues	374,650	375,186	536
Other Operating Revenues:			
Tap-Ins	15,000	25,835	10,835
Sewer Liens	10,000	1,086	(8,914)
Sales of Processed Sludge	300	263	(37)
Assessments & Extensions.	15,000	9,704	(5,296)
Total Other Operating Revenues	40,300	36,888	(3,412)
Total Wastewater and Sanitary Sewer Departments	414,950	412,074	(2,876)
TOTAL (Exhibit J) ..	$10,024,333	$12,286,180	$2,261,847

Concluded - 2

CITY OF LEESBURG, FLORIDA

UTILITIES REVENUE FUND
SCHEDULE OF BUDGETED AND ACTUAL OPERATING EXPENSES
(EXCLUSIVE OF DEPRECIATION)
YEAR ENDED SEPTEMBER 30, 1978

	BUDGET	ACTUAL	OVER (UNDER) BUDGET
ELECTRIC DEPARTMENT:			
Nuclear Power Operation	$ —	$ 99,974	$ 99,974
Power Supply:			
Normal Rate Charge	2,270,000	3,034,935	764,935
Fuel Charge	2,330,000	2,716,417	386,417
Crystal River Generation	500,000	1,083,424	583,424
Crystal River Transmission	150,000	229,147	79,147
Distribution Operation	30,700	38,359	7,659
Distribution Maintenance	151,000	148,856	(2,144)
Customer Accounting	145,800	159,157	13,357
General and Administrative	302,500	293,022	(9,478)
Total Electric Department ..	5,880,000	7,803,291	1,923,291
WATER DEPARTMENT:			
Source of Supply	54,587	67,409	12,822
Water Purification	119,520	117,072	(2,448)
Distribution Operation.....	92,364	101,983	9,619
Customer Accounting	65,081	70,572	5,491
General and Administrative	29,100	29,024	(76)
Total Water Department	360,652	386,060	25,408
GAS DEPARTMENT:			
Purchases	486,460	840,796	354,336
Distribution Operation	66,048	60,957	(5,091)
Distribution Maintenance	10,200	11,998	1,798
Customer Accounting	54,467	60,878	6,411
General and Administrative	55,054	84,318	29,264
Total Gas Department	672,229	1,058,947	386,718
WASTEWATER TREATMENT AND SANITARY SEWER DEPARTMENT:			
Pumping	121,973	131,164	9,191
Sewage Treatment	118,813	115,025	(3,788)
Distribution Maintenance	33,740	25,384	(8,356)
Customer Accounting	32,040	32,338	298
General and Administrative	97,638	94,422	(3,216)
Total Wastewater Treatment and Sanitary Sewer Dept.	404,204	398,333	(5,871)
TOTAL (EXHIBIT J)	$ 7,317,085	$9,646,631	$2,329,546

CITY OF LEESBURG, FLORIDA

UTILITIES REVENUE FUND
SCHEDULE OF UTILITY PLANT IN SERVICE AND DEPRECIATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1978

Schedule 4

	ASSETS				DEPRECIATION	
	BALANCES (Beginning of Year)	ADDITIONS	DELETIONS	BALANCES (End of Year)	DEPRECIATION TAKEN	DEPRECIATION RATES (%)
ELECTRIC PLANT						
Buildings:						
Warehouse	$ 454,987	$ -	$ -	$ 454,987		
General Plant	145,801	-	-	145,801		
City Hall	33,295	-	-	33,295		
Transformer-Repair Shop	-	14,499	-	14,499		
Total-Buildings	634,083	14,499	-	648,582	$ 12,794	2.00
Improvements Other Than Buildings:						
Nuclear Fuel	-	55,393	-	55,393	27,677	100.00
Crystal River #3 Nuclear Power Plant	4,473,531	212,032	-	4,685,562	161,047	3.60
Overhead Conductors and Devices	3,987,719	502,583	-	4,490,302	134,696	3.00
Underground Conductors and Devices	18,157	5,980	-	24,137	724	3.00
Line Transformers	1,277,891	119,820	-	1,397,711	41,931	3.00
Distribution Plant	113,089		-	113,089	3,393	3.00
Electric Meters	392,957	33,752	-	426,709	12,801	3.00
Street Lights & Signals	458,989	30,381	470	488,901	14,667	3.00
Rental Lights	1,655	-	-	1,655	50	3.00
Total-Improvements Other Than Buildings	10,723,988	959,941	470	11,683,459	396,986	
Machinery & Equipment:						
Plant and Test Equipment	45,649	-	65	45,584	2,279	5.00
Tools and Work Equipment	9,408	20,041	-	29,449	1,472	5.00
Office Equipment	104,522		-	104,522	5,227	5.00
Vehicles	367,827	68,373	16,005	420,195	71,433	17.00
Total Machinery & Equipment	527,406	88,414	16,070	599,750	80,411	
TOTAL ELECTRIC PLANT	$11,885,477	$1,062,854	$ 16,540	$12,931,791	$490,191	

Continued - 1

CITY OF LEESBURG, FLORIDA

UTILITIES REVENUE FUND
SCHEDULE OF UTILITY PLANT IN SERVICE AND DEPRECIATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1978

Schedule 4

	ASSETS				DEPRECIATION	
	BALANCE (Beginning of Year)	ADDITIONS	DELETIONS	BALANCE (End of Year)	DEPRECIATION TAKEN	DEPRECIATION RATES (%)
GAS PLANT						
Land	$ 16,050	$ -	$ -	$ 16,050		
Buildings:						
City Hall	12,704	-	-	12,704	$ 225	
Total Buildings	12,704	-	-	12,704	225	2.00
Improvements Other Than Buildings:						
Natural Gas System	1,322,889	14,468	-	1,337,356		
Gate Station	46,429	-	-	46,429		
Gas Meters	116,770	37,391	-	154,162		
Total Improvements Other Than Buildings	1,486,088	51,859	-	1,537,947	42,294	2.75
Machinery & Equipment:						
System Equipment	35,057	-	-	35,057	1,753	5.00
Tools and Shop Equipment	9,334	7,268	-	16,602	830	5.00
Office Equipment	16,949	-	-	16,949	847	5.00
Vehicles	59,648	-	-	59,648	10,140	17.00
Total Machinery & Equipment	120,988	7,268	-	128,256	13,570	
TOTAL GAS PLANT	$ 1,635,830	$ 59,127	$ -	$ 1,694,957	$ 56,089	

Continued - 2

CITY OF LEESBURG, FLORIDA

UTILITIES REVENUE FUND
SCHEDULE OF UTILITY PLANT IN SERVICE AND DEPRECIATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1978

SCHEDULE 4

	ASSETS				DEPRECIATION	
	BALANCE (Beginning of Year)	ADDITIONS	DELETIONS	BALANCE (End of Year)	DEPRECIATION TAKEN	DEPRECIATION RATES (%)
WATER PLANT						
Land	$ 5,488	$ 26,757	$ -	$ 32,245	$ -	
Buildings:						
Pumping Plant	10,094	31,612	-	41,706	834	2.00
Warehouse-Water	22,618	-	-	22,618	1,131	5.00
Warehouse-Improvement	32,699	-	-	32,699	612	2.00
City Hall	1,800	-	-	1,800	36	2.00
Total Buildings	67,211	31,612	-	98,823	2,613	
Improvements Other Than Buildings:						
Water Works	1,397,399	-	-	1,397,399	27,948	2.00
Water Distribution	19,410	-	-	19,410	388	2.00
Fire Hydrants	37,819	4,116	-	41,935	839	2.00
Water Mains	1,621,786	99,121	-	1,720,907	17,209	1.00
Potable Water Wells	1,331	-	-	1,331	13	1.00
Well and Spring Pumps	187,798	20,183	-	207,981	4,160	2.00
Total Improvements Other Than Buildings	3,265,543	123,420	-	3,388,963	50,557	
Machinery & Equipment:						
System Equipment	17,397	-	-	17,397	870	5.00
Tools and Shop Equipment	13,993	20,550	-	34,543	1,727	5.00
Office Equipment	5,650	-	-	5,650	282	5.00
Vehicles	19,882	-	500	19,382	3,295	17.00
Total Machinery & Equip.	56,922	20,550	500	76,972	6,174	
TOTAL WATER PLANT	$ 3,395,164	$ 202,339	$ 500	$ 3,597,003	$ 59,344	

Continued - 3

CITY OF LEESBURG, FLORIDA

UTILITIES REVENUE FUND
SCHEDULE OF UTILITY PLANT IN SERVICE AND DEPRECIATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1978

SCHEDULE 4

	ASSETS				DEPRECIATION	
	BALANCE (Beginning of Year)	ADDITIONS	DELETIONS	BALANCE (End of Year)	DEPRECIATION TAKEN	DEPRECIATION RATES (%)
WASTEWATER TREATMENT PLANT						
Land:						
Treatment Plant	$ 45,258	$ -	$ -	$ 45,258	$	
201 Farm	102,350	821,866	-	924,216		
Total Land	147,608	821,866	-	969,474	-	
Buildings:						
Treatment Plant	7,625	-	-	7,625		
Office	2,310	-	-	2,310		
Lab	4,315	-	-	4,315		
Fence	700	-	-	700		
City Hall	2,699	-	-	2,699		
Total Buildings	17,649	-	-	17,649	338	2.00
Improvements Other Than Buildings:						
201 Plant-Feasibility	129,990	-	-	129,990	-	
201 Plant-Survey	26,540	342,215	-	368,755	-	
Disposal Expansion Plant	1,007,435	-	-	1,007,435	20,149	1.00
Total Improvements Other Than Buildings	1,163,965	342,215	-	1,506,180	20,149	
Machinery & Equipment:						
System Equipment	41,443	2,080	240	43,283	2,164	5.00
Office Equipment	8,475	-	-	8,475	424	5.00
Vehicles	29,824	10,050	155	39,719	6,752	17.00
Total Machinery & Equipment	79,742	12,130	395	91,477	9,340	
TOTAL WASTEWATER PLANT	$ 1,408,964	$ 1,176,211	$ 395	$ 2,584,780	$ 29,827	

Continued - 4

CITY OF LEESBURG, FLORIDA

UTILITIES REVENUE FUND
SCHEDULE OF UTILITY PLANT IN SERVICE AND DEPRECIATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1978

SCHEDULE 4

	ASSETS				DEPRECIATION	
	BALANCES (Beginning of Year)	ADDITIONS	DELETIONS	BALANCES (End of Year)	DEPRECIATION TAKEN	DEPRECIATION RATES (%)
SEWER SYSTEM						
Land	$ 4,573	$ -	$ -	$ 4,573	$ -	
Buildings:						
Truck Shed	7,668	-	-	7,668		
City Hall	1,800	-	-	1,800		
Total Buildings	9,468	-	-	9,468	180	2.00%
Improvements Other Than Buildings:						
Sewer Lines & Manholes	1,444,326	26,566	-	1,470,892	14,709	1.00
Machinery and Equipment:						
System Equipment	33,843	3,565	100	37,308	1,865	5.00
Office Equipment	5,650	-	-	5,650	288	5.00
Vehicles	19,882	-	-	19,882	3,380	17.00
Total Machinery & Equip	59,375	3,565	100	62,840	5,532	
TOTAL SEWER PLANT	$1,517,742	$ 30,130	$ 100	$1,547,772	20,422	

Concluded-5

CITY OF LEESBURG, FLORIDA

UTILITIES REVENUE FUND
SUMMARY SCHEDULE OF UTILITY PLANT IN SERVICE AND DEPRECIATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1978

SCHEDULE 4
SUMMARY

	ASSETS				DEPRECIATION	
	BALANCE (Beginning of Year)	ADDITIONS	DELETIONS	BALANCE (End of Year)	DEPRECIATION TAKEN	DEPRECIATION RATES(%)
ELECTRIC PLANT:						
Buildings	$ 634,083	$ 14,500	$ -0-	$ 648,583	$ 12,794	2.00
Improvements Other Than Buildings	10,723,988	959,941	470	11,683,459	396,986	3.00 to 100
Machinery and Equipment	527,406	88,414	16,070	599,750	80,411	5.00 to 17.00
Total Electric Plant	11,885,477	1,062,855	16,540	12,931,792	490,191	
GAS PLANT:						
Land	16,050	-0-	-0-	16,050	-0-	
Buildings	12,704	-0-	-0-	12,704	225	2.00
Improvements Other Than Buildings	1,486,088	51,859	-0-	1,537,947	42,294	2.75
Machinery and Equipment	120,988	7,268	-0-	128,256	13,570	5.00 to 17.00
Total Gas Plant	1,635,830	59,127	-0-	1,694,957	56,089	
WATER PLANT:						
Land	5,488	26,757	-0-	32,245	-0-	
Buildings	67,211	31,612	-0-	98,823	2,613	2.00 to 5.00
Improvements Other Than Buildings	3,265,543	123,420	-0-	3,388,963	50,557	1.00 to 2.00
Machinery and Equipment	56,922	20,550	500	76,972	6,175	5.00 to 17.00
Total Water Plant	3,395,164	202,339	500	3,597,003	59,345	
WASTEWATER TREATMENT PLANT:						
Land	147,608	821,866	-0-	969,474		
Buildings	17,649	-0-	-0-	17,649	338	2.00
Improvements Other Than Buildings	1,007,435	-0-	-0-	1,007,435	20,149	1.00
Machinery and Equipment	79,742	12,130	395	91,477	9,340	5.00 to 17.00
Construction Work in Progress	156,531	342,215	-0-	498,746	-0-	
Total Wastewater Treatment Plant	1,408,965	1,176,211	395	2,584,781	29,827	

Continued - 1

CITY OF LEESBURG, FLORIDA

UTILITIES REVENUE FUND
SUMMARY SCHEDULE OF UTILITY PLANT IN SERVICE AND DEPRECIATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1978

SCHEDULE 4
SUMMARY

	ASSETS				DEPRECIATION	
	BALANCE (Beginning of Year)	ADDITIONS	DELETIONS	BALANCE (End of Year)	DEPRECIATION TAKEN	DEPRECIATION RATES (%)
Total Electric Plant, Gas Plant, Water Plant and Wastewater Treatment Plant	$ 18,325,436	$ 2,500,532	$ 17,435	$ 20,808,533	$ 635,452	
SANITARY SEWER PLANT:						
Land	4,573	-0-	-0-	4,573	-0-	
Buildings	9,468	-0-	-0-	9,468	180	2.00
Improvements Other Than Buildings	1,444,326	26,566	-0-	1,470,892	14,709	1.00
Machinery and Equipment	59,375	3,565	101	62,840	5,533	5.00 to 17.00
Total Sanitary Sewer Plant	$ 1,517,742	$ 30,131	$ 101	$ 1,547,773	$ 20,422	
GRAND TOTALS (Exhibit I)	$ 19,843,178	$ 2,530,663	$ 17,536	$ 22,356,306	$ 655,874	

Concluded - 2

SEBRING UTILITIES COMMISSION
SEBRING, FLORIDA
REPORT OF EXAMINATION
SEPTEMBER 30, 1979

SEBRING UTILITIES COMMISSION
SEBRING, FLORIDA
REPORT OF EXAMINATION
SEPTEMBER 30, 1979

COMMISSIONERS AND OFFICERS

Robert G. Pollard, Chairman

Rex E. Bond, Vice Chairman

Jim Fulton, Secretary

James F. Holsonback, Assistant Secretary

Ted Shoemaker, Commissioner

J. H. Phillips, General Manager

SEBRING UTILITIES COMMISSION
SEBRING, FLORIDA
REPORT OF EXAMINATION
SEPTEMBER 30, 1979

TABLE OF CONTENTS

	PAGE
ACCOUNTANTS' REPORT	1
COMPARATIVE BALANCE SHEETS	2
COMPARATIVE STATEMENTS OF RETAINED EARNINGS	3
COMPARATIVE STATEMENTS OF SOURCES OF FUNDS USED FOR CONSTRUCTION	4
COMPARATIVE SUMMARY STATEMENTS OF INCOME	5
COMPARATIVE STATEMENTS OF INCOME - ELECTRIC DEPARTMENT	6
COMPARATIVE STATEMENTS OF INCOME - WATER DEPARTMENT	7
COST OF ELECTRIC PLANT OPERATIONS AND MAINTENANCE	8
COMPARATIVE DETAIL OF GENERAL AND ADMINISTRATIVE EXPENSES	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 13
SUPPLEMENTARY FINANCIAL INFORMATION:	
COST OF ELECTRIC PLANT OPERATIONS AND MAINTENANCE:	
STEAM PLANT	14
NUCLEAR PLANT	15
DIESEL PLANT	16
PURCHASED POWER	17
SUMMARY OF PROPERTY, PLANT AND EQUIPMENT	18

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SEBRING OFFICE
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Sebring Utilities Commission
368 South Commerce Avenue
Sebring, Florida

We have examined the balance sheets of Sebring Utilities Commission as of September 30, 1979 and September 30, 1978 and the related statements of retained earnings, sources of funds used for construction, and income for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheets, statements of retained earnings, sources of funds used for construction and income present fairly the financial position of Sebring Utilities Commission at September 30, 1979 and September 30, 1978 and the results of its operations and sources of funds used for construction for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis after giving retroactive effect to the change in the method of accounting for contributions from subdividers and customers as described in Note 3 to the financial statements.

Wicks, Brown & Williams
Wicks, Brown & Williams

March 6, 1980

SEBRING UTILITIES COMMISSION
SEBRING, FLORIDA
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 1979 AND 1978

ASSETS	1979	1978
PROPERTY, PLANT AND EQUIPMENT:		
Property, plant and equipment in service	$16,770,241	$15,611,322
Less: Accumulated depreciation	5,857,072	5,353,480
Total	10,913,169	10,257,842
Construction work in progress	1,284,598	236,822
Nuclear fuel - net	188,972	154,605
Total property, plant and equipment	12,386,739	10,649,269
RESTRICTED ASSETS:		
Sinking Fund	786,388	830,788
Renewal and Replacement Fund	113,022	104,753
Construction Fund	564,736	1,643,071
Total restricted assets	1,464,146	2,578,612
CURRENT ASSETS:		
Cash	37,789	138,677
Accounts receivable, net of provision for doubtful accounts of $20,718 for 1979 and $32,308 for 1978	756,140	480,111
Inventories	403,381	464,597
Accrued interest	5,694	15,638
Prepaid expenses	46,173	38,625
Total current assets	1,249,177	1,137,648
DEFERRED CHARGES:		
Unamortized bond expense	196,190	212,156
Other deferred charges	77,287	-
Total deferred charges	273,477	212,156
TOTAL ASSETS	$15,373,539	$14,577,685

LIABILITIES AND CAPITALIZATION		
CAPITALIZATION:		
Long-term debt:		
Revenue bonds payable	$ 8,280,000	$ 8,400,000
Unamortized discount	(112,400)	(126,000)
Accrued interest on revenue bonds	-	44,313
Revenue certificate payable, less amount due currently	200,000	-
Customer deposits	426,599	359,996
Accrued pension liabilities	27,590	2,319
Total long-term debt	8,821,789	8,680,628
Equity:		
Contributed by City of Sebring	712,648	712,648
Retained earnings	4,548,097	4,216,507
Total equity	5,260,745	4,929,155
Contributions in Aid of Construction	613,930	472,367
Total capitalization	14,696,464	14,082,150
CURRENT LIABILITIES:		
Current portion of revenue certificate	50,000	-
Accounts payable	556,817	429,344
Accrued expenses payable	70,258	66,191
Total current liabilities	677,075	495,535
TOTAL LIABILITIES AND CAPITALIZATION	$15,373,539	$14,577,685

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

SEBRING UTILITIES COMMISSION
SEBRING, FLORIDA
COMPARATIVE STATEMENTS OF RETAINED EARNINGS
FOR THE YEARS ENDED SEPTEMBER 30, 1979 AND 1978

	1979	1978
RETAINED EARNINGS - BEGINNING:		
As previously reported	$4,688,874	$3,659,689
Adjustment (Note 3)	(472,367)	(394,189)
As restated	4,216,507	3,265,500
Net income for the year	689,904	1,279,226
Transfers to the City of Sebring:		
Cash	185,000	165,000
Receivables balances	173,314	163,219
	358,314	328,219
RETAINED EARNINGS - END OF YEAR	$4,548,097	$4,216,507

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

SEBRING UTILITIES COMMISSION
SEBRING, FLORIDA
COMPARATIVE STATEMENTS OF SOURCES OF FUNDS USED FOR CONSTRUCTION
FOR THE YEARS ENDED SEPTEMBER 30, 1979 AND 1978

	1979	1978
SOURCE OF FUNDS:		
Funds derived from operations:		
Net income for the year	$ 689,904	$1,279,226
Add: Items charged to net income not requiring cash outlay		
Depreciation	543,235	504,328
Amortization of nuclear fuel	46,203	29,494
Bond expense and discount amortization	37,332	10,889
Accrued pension expense	25,273	26,705
Total funds derived from operations	1,341,947	1,850,642
(Increase) decrease in net current assets	70,011	(80,926)
Funds from financing and other sources:		
Net bond proceeds - 1978 series	-	8,061,844
Bonds refunded by defeasance	-	(7,297,000)
Proceeds from revenue certificate, less current portion	200,000	-
Accrued interest on bonded debt	(44,313)	(60,746)
Bonds redeemed	(120,000)	(110,000)
Decrease in unamortized bond expense from refunding	-	174,769
Increase in deferred charges	(85,053)	-
Net decrease (increase) in restricted cash	1,114,466	(1,198,111)
Payments and commitments to the City of Sebring	(358,314)	(328,219)
Contributions in aid of construction	141,564	78,178
Customer deposits	66,602	54,469
Payment to fund accrued pension liability	-	(60,000)
Total	914,952	(684,816)
FUNDS USED FOR CONSTRUCTION	$2,326,910	$1,084,900
CHANGES IN NET CURRENT ASSETS:		
Increase (decrease) in current assets:		
Cash	($ 100,888)	$ 49,247
Accounts receivable	276,029	(22,434)
Inventories	(61,216)	139,700
Accrued interest	(9,944)	9,176
Prepaid expenses	7,548	(1,488)
Decrease (increase) in current liabilities:		
Current portion of revenue certificate	(50,000)	-
Accounts payable	(127,473)	(86,577)
Accrued expenses payable	(4,067)	(6,698)
INCREASE (DECREASE) IN NET CURRENT ASSETS	($ 70,011)	$ 80,926

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

SEBRING UTILITIES COMMISSION
SEBRING, FLORIDA
COMPARATIVE SUMMARY STATEMENTS OF INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 1979 AND 1978

	1979	1978
NET OPERATING INCOME:		
Electric department (Page 6)	$ 755,686	$ 793,133
Water department (Page 7)	238,166	115,555
Total net operating income	993,852	908,688
INTEREST INCOME (After credit to construction costs of $25,650 in 1979)	157,920	79,967
Totals	1,151,772	988,655
OTHER DEDUCTIONS:		
Interest expense (After charge to construction costs of $129,755 in 1979)	439,846	412,606
Pension expense - prior years service costs	22,024	20,579
Total other deductions	461,870	433,185
NET INCOME BEFORE EXTRAORDINARY ITEM	689,904	555,470
EXTRAORDINARY ITEM:		
Gain from refunding of revenue bonds (Note 6)	-	723,756
NET INCOME	$ 689,904	$1,279,226

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

SEBRING UTILITIES COMMISSION
SEBRING, FLORIDA
ELECTRIC DEPARTMENT
COMPARATIVE STATEMENTS OF INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 1979 AND 1978

	1979	1978
OPERATING REVENUE:		
Sale of electricity	$4,774,111	$4,357,735
Interdepartmental sales	66,794	69,183
Miscellaneous sales and services	73,064	86,646
Total operating revenue	4,913,969	4,513,554
OPERATING EXPENSES:		
Plant operations and maintenance (as shown by statement (Page 8))	3,310,002	2,946,713
Transmission system operations and maintenance:		
Maintenance	-	218
Depreciation	30,148	30,139
Distribution system operations and maintenance:		
Operating expenses:		
Distribution circuits	2,333	1,168
Meters	4,247	5,108
Street and rental lighting	8,667	768
Maintenance expenses:		
Distribution circuits	68,308	70,242
Meters	1,447	1,632
Street and rental lighting	7,634	6,715
Depreciation	202,867	175,086
Overhead applied	67,576	65,454
FICA, pension and payroll insurance	11,551	11,180
State utility tax	49,432	56,944
General and administrative expenses allocated (as shown by statement (Page 9))	383,675	324,057
Provision for uncollectible accounts receivable - customers	10,396	24,997
Total operating expenses	4,158,283	3,720,421
NET OPERATING INCOME	$ 755,686	$ 793,133

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

SEBRING UTILITIES COMMISSION
SEBRING, FLORIDA
WATER DEPARTMENT
COMPARATIVE STATEMENTS OF INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 1979 AND 1978

	1979	1978
OPERATING REVENUE:		
Sale of water	$665,839	$526,206
Interdepartmental sales	3,600	3,600
Miscellaneous sales and services	9,611	7,502
Total operating revenue	679,050	537,308
OPERATING EXPENSES:		
Production operations and maintenance:		
Electricity for pumping	63,806	57,574
Other production operating expense	36,857	36,282
Maintenance expense	5,755	14,383
Transmission and distribution operations and maintenance:		
Operating expense	9,161	11,170
Maintenance expense	29,973	30,226
Depreciation	119,806	107,432
Overhead applied	37,271	44,008
FICA, pension and payroll insurance	9,078	9,642
General and administrative expense allocated (as shown by statement (Page 9))	127,892	108,019
Provision for uncollectible accounts receivable - customers	1,285	3,017
Total operating expenses	440,884	421,753
NET OPERATING INCOME	$238,166	$115,555

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

SEBRING UTILITIES COMMISSION
SEBRING, FLORIDA
COST OF ELECTRIC PLANT OPERATIONS AND MAINTENANCE
FOR THE YEARS ENDED SEPTEMBER 30, 1979 AND 1978

	1979		1978	
	Amount	KWH Sold	Amount	KWH Sold
KWH generated and purchased	109,750,191		106,130,783	
KWH sold and used	97,901,977		94,474,797	
Operating supervision and engineering	$ 51,921	$.00053	$ 47,029	$.00050
Fuel and lubricating oil	2,282,898	.02332	2,048,110	.02168
Other power generation expense	572,172	.00585	472,848	.00501
Maintenance supervision and engineering	27,781	.00028	18,296	.00019
Maintenance of structures	4,689	.00005	4,589	.00005
Maintenance of grounds	282	.00000	1,960	.00002
Maintenance of generating and electrical equipment	127,252	.00130	111,275	.00118
Depreciation	179,246	.00183	181,749	.00192
Overhead applied	17,862	.00018	15,917	.00017
FICA, pension and group insurance	45,899	.00047	44,940	.00047
TOTALS	$3,310,002	$.03381	$2,946,713	$.03119

	KWH	Percent To Gross	Percent To Net
KWH generated	71,172,820	64.85%	67.42%
KWH purchased	38,577,371	35.15	36.54
Totals	109,750,191	100.00	103.96
Less: Station power	4,183,558	3.81	3.96
Net kilowatt hours	105,566,633	96.16	100.00
Less: KWH sold and commission usage	97,901,977	89.20	92.74
INDICATED LINE LOSSES	7,664,656	6.99%	7.26%

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

SEBRING UTILITIES COMMISSION
SEBRING, FLORIDA
COMPARATIVE DETAIL OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 1979 AND 1978

	1979	1978
Administrative and general office salaries	$109,406	$101,646
Office expense and supplies	52,442	49,408
Customer records and collection expense	92,587	71,794
Meter reading expense	27,203	22,593
Data processing expense	43,286	37,876
Outside services employed	41,627	30,928
Property insurance and surety bonds	51,693	47,227
FICA, employee pension and group insurance	37,827	28,151
Office rent	13,939	6,224
Maintenance of general plant	1,749	486
Depreciation	11,168	9,922
Overhead applied	12,477	9,422
Electric and water expense	2,988	11,609
Advertising	2,603	1,041
Miscellaneous expense	10,572	3,749
TOTALS	$511,567	$432,076
ALLOCATION OF GENERAL AND ADMINISTRATIVE EXPENSES:		
Electric Department - 75%	$383,675	$324,057
Water Department - 25%	127,892	108,019
TOTALS	$511,567	$432,076

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

SEBRING UTILITIES COMMISSION
SEBRING, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1979

Note 1 - The Sebring Utilities Commission is an independent special district that is incorporated under the laws of the State of Florida.

Note 2 - Summary of Significant Accounting Policies:

The financial statements have been prepared on the accrual basis of accounting based upon the Uniform System of Accounts prescribed for electric utilities by the Federal Energy Regulator Commission and upon the Uniform System of Accounts for water utilities issued by the National Association of Regulatory Utility Commissioners.

Property, plant and equipment are stated at cost. Construction costs include payroll and related costs such as taxes, pensions, and other fringe benefits, and allocation of indirect charges for engineering, supervision and transportation expenses. Construction period interest has been capitalized. The assets are depreciated over estimated useful lives ranging from 5 to 50 years, using the straight-line method of depreciation. A summary of property, plant and equipment and accumulated depreciation is included on Page 18 of this report.

Maintenance is charged in the electric plant accounts at cost, net of estimated energy consumed. The amount consumed is charged to nuclear fuel expense. Amortization of energy consumed has been determined by the unit-of-production method, based on engineering estimates. Nuclear fuel expense does not include a provision for salvage value nor a provision for future disposition costs.

Unbilled utility revenues are accrued based on the estimaged usage between the last meter reading dates and year end.

Inventories are stated at the lower of cost or market. Cost is determined generally on an average cost method, except for fuel inventory costs, which are determined using the last-in, first-out (LIFO) method. Reusable materials that have been removed from service are included in inventories at the carrying value of similar new materials.

Issuance discount and expenses related to the long-term bonded debt are deferred and amortized over the life of the debentures on the bonds outstanding method.

Note 3 - Contributions in Aid of Construction:

Subdividers and customers are required to pay part of the cost required to install and connect water lines and services. Prior to the current year such amounts received by the Commission were included in revenue. In order to conform with generally accepted accounting principles, amounts received in 1979 were credited to the contributions account in the balance sheet. Accordingly, the financial statements for 1978 have been retroactively restated to conform with principles applied in the current year.

Note 3 - Contributions in Aid of Construction (Continued):

The effect of the adjustment was to decrease prior year beginning retained earnings and ending retained earnings by $394,189 and $472,367 respectively, and to decrease net income for the years ended September 30, 1979 and 1978 by $141,563 and $78,178 respectively.

Note 4 - Long-Term Debt:

Revenue bonds outstanding at September 30, are as follows:

	1979	1978
Series of 1978, 5.5% to 6.8% due serially to 2000	$8,280,000	$8,400,000

In September 1978, the Commission provided for advance refunding of the Series 1964, 1973 and 1975 revenue bonds (Refunded Bonds) by the sale of $8,400,000 Utilities System Revenue Bonds (Series 1978) and $5,670,000 Utilities System Special Obligation Bonds (Series 1978A). From the proceeds of the sale of the two issues, and other sources, sufficient monies were deposited into irrevocable escrow accounts, and invested in United States obligations that will provide sufficient funds for the payment of the maturing principal and interest on the Series 1964, 1973 and 1975 outstanding revenue bonds. The Refunded Bonds have been treated as extinguished debts as explained in Note 6. If for any reason the funds held in escrow are not sufficient to make payments on the Refunded Bonds, the holders of the bonds will have a claim on net revenues superior to the holders of the 1978 series bonds to the extent required to make up the insufficiency.

The Revenue Bonds (Series 1978) are secured by a pledge of the net revenues of the Commission. The Special Obligation Bonds (Series 1978A) are secured by a pledge of the interest to be paid on the escrow funds.

The resolution provided, among other things, that revenues shall be used as follows (amounts shown are monthly requirements for fiscal 1980):

First, to pay operating and maintenance expense	$338,000
Next, to debt service fund:	
For principal	10,000
For interest	43,763
Next, to the sinking fund:	
Reserve (no addition is required, as the reserve is fully funded)	-
Next, to fund plant renewals and replacements:	
5% of gross plant, excluding generation and transmission plant, for normal improvements	37,065
For emergency and facilities account, expendable only for extraordinary plant renewals	22,556
Total monthly requirement	$451,384

NOTE 4 - Long-Term Debt (Cont'd)

The maturity schedule for the Revenue Bonds (Series 1978) is as follows:

Year Ending October 1	Principal Amount	Interest	Total Principal and Interest
1980	$ 120,000	$ 525,160	$ 645,160
1981	130,000	518,560	648,560
1982	130,000	511,410	641,410
1983	140,000	504,260	644,260
1984	290,000	496,560	786,560
1985	300,000	480,320	780,320
1986	310,000	463,220	773,220
1987	330,000	445,240	775,240
1988	350,000	425,770	775,770
1989	370,000	404,770	774,770
1990	390,000	382,200	772,200
1991	410,000	358,020	768,020
1992	430,000	332,190	762,190
1993	460,000	305,100	765,100
1994	490,000	275,660	765,660
1995	520,000	243,810	763,810
1996	550,000	209,490	759,490
1997	580,000	173,190	753,190
1998	620,000	134,330	754,330
1999	660,000	92,480	752,480
2000	700,000	47,600	747,600
TOTALS	$8,280,000	$7,329,340	$15,609,340

The Revenue Certificates are payable $50,000 annually beginning September 30, 1980, plus interest at 7.25%. The certificates are junior lien to the Revenue Bonds.

Note 5 - Employee Pension Plan:

The Commission has a pension plan covering the majority of its employees. Pension expense amounted to $70,189 and $72,789 in 1979 and 1978 respectively, including amortization of prior service costs over forty years. At September 30, 1979, the value of the pension fund was in excess of the actuarially computed value of vested benefits. Unfunded prior service cost was approximately $394,500 at September 30, 1979.

Note 6 - Extraordinary Item:

In connection with the September 1978 advance refunding of bonds as described in Note 4, a gain was recognized. The escrow account described in Note 4 is sufficient in amount so that operating revenues should not be needed to meet debt service requirements on the Refunded Bonds. Accordingly, the transaction has been recognized as a completed refinancing.

SEBRING UTILITIES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 1979

Note 7 - Insurance in Force:

Coverage	Limits
Workmen's Compensation & Employer's Liability	$ 500,000
Automobile	
Bodily Injury - Each Person	$1,000,000
- Each Occurrence	$1,000,000
Property Damage - Each Occurrence	$ 100,000
Uninsured Motorist - Each Person	$ 15,000
- Each Accident	$ 30,000
General Liability	
Bodily Injury - Each Occurrence	$1,000,000
Property Damage - Each Occurrence	$ 100,000
Fire, Lightning and Extended Coverages	
Listed Items - 80% Co-Insurance	$4,174,400
Listed Items - 80% Co-Insurance	$2,536,050
Boiler and Machinery - Each Accident	$7,500,000

Note 8 - Investment of Restricted Funds:

Restricted fund investments are carried at cost. At September 30, 1979, the Emergency and Facilities Account and the Construction Fund were invested in short-term certificates of deposit. The Sinking Fund Reserve is invested as follows:

	Cost	Market Value	
	9/30/79	9/30/79	3/5/80
U. S. Treasury Bond	$178,888	$163,070	$126,911
Federal Farm Credit Bond	607,500	600,000	595,020
Totals	$786,388	$763,070	$721,931

SUPPLEMENTARY FINANCIAL INFORMATION

Our examination has been made primarily for the purpose of formulating an opinion on the basic financial statements, taken as a whole, and the other data included in this report, although not considered necessary for a fair presentation of the financial position, results of operations, and sources of funds used for construction in conformity with generally accepted accounting principles, are presented for supplementary analysis purposes.

The additional information in the following pages has been subjected to the audit procedures applied in the examination of the basic financial statements and is in our opinion fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wicks Brown & Williams
Wicks, Brown & Williams

March 6, 1980

SEBRING UTILITIES COMMISSION
COST OF ELECTRIC PLANT OPERATIONS AND MAINTENANCE - STEAM PLANT
YEARS ENDED SEPTEMBER 30, 1979 AND 1978

	Year Ended 9/30/79		Year Ended 9/30/78	
	Amount	KWH Sold	Amount	KWH Sold
KWH generated		50,713,600		40,879,230
KWH sold and used		44,297,504		35,088,116
Operating supervision and engineering	$ 17,676	$.00040	$ 16,684	$.00048
Fuel and lubricating oil	908,230	.02050	676,204	.01927
Other operating expense	155,805	.00352	165,585	.00472
Maintenance supervision and engineering	19,662	.00044	13,008	.00037
Maintenance of structures	2,256	.00005	1,842	.00005
Maintenance of grounds	282	.00001	1,961	.00006
Maintenance of generating and electrical equipment	59,334	.00134	51,719	.00147
Depreciation	68,210	.00154	68,138	.00194
Overhead applied	1,863	.00004	1,770	.00005
FICA, pension and group insurance	31,717	.00072	30,822	.00088
Totals	$1,265,035	$.02856	$1,027,733	$.02929

	KWH	Percent to Gross	Percent to Net
KWH generated	50,713,600	100.00%	106.17%
Less: Station power	2,948,085	5.81	6.17
Net kilowatt hours	47,765,515	94.19	100.00
Less: KWH sold and commission usage	44,297,504	87.35	92.74
INDICATED LINE LOSSES	3,468,011	6.84%	7.26%

SEBRING UTILITIES COMMISSION
COST OF ELECTRIC PLANT OPERATIONS AND MAINTENANCE - NUCLEAR PLANT
YEARS ENDED SEPTEMBER 30, 1979 AND 1978

	Year Ended 9/30/79		Year Ended 9/30/78	
	Amount	KWH Sold	Amount	KWH Sold
KWH generated		17,603,220		12,152,821
KWH sold and used		15,505,533		10,724,725
Operating supervision and engineering	$ 9,380	$.00060	$ 8,383	$.00078
Fuel and lubricating oil	46,491	.00300	29,742	.00277
Other operating expense	126,458	.00816	101,183	.00943
Maintenance supervision and engineering	8,118	.00052	5,288	.00049
Maintenance of structures	1,584	.00010	2,719	.00025
Maintenance of generating and electrical equipment	38,587	.00249	23,750	.00221
Depreciation	74,891	.00483	78,145	.00729
Overhead applied	15,139	.00098	13,337	.00125
Totals	$ 320,648	$.02068	$ 262,547	$.02447

	KWH	Percent to Gross	Percent to Net
KWH generated	17,603,220	100.00%	105.29%
Less: Station power	883,773	5.02	5.29
Net kilowatt hours	16,719,447	94.98	100.00
Less: KWH sold and commission usage	15,505,533	88.08	92.74
INDICATED LINE LOSSES	1,213,914	6.90%	7.26%

SEBRING UTILITIES COMMISSION
COST OF ELECTRIC PLANT OPERATIONS AND MAINTENANCE - DIESEL PLANT
YEARS ENDED SEPTEMBER 30, 1979 AND 1978

	Year Ended 9/30/79		Year Ended 9/30/78	
	Amount	KWH Sold	Amount	KWH Sold
KWH generated		2,856,000		5,507,900
KWH sold and used		2,322,476		4,467,892
Operating supervision and engineering	$ 24,866	$.01071	$ 21,962	$.00492
Fuel and lubricating oil	107,524	.04629	160,333	.03589
Other operating expense	54,717	.02356	58,187	.01302
Maintenance of structures	849	.00037	28	.00001
Maintenance of generating and electrical equipment	29,331	.01263	35,806	.00801
Depreciation	36,145	.01556	35,465	.00793
Overhead applied	860	.00037	811	.00018
FICA, pension and group insurance	14,182	.00611	14,117	.00316
Totals	$ 268,474	$.11560	$ 326,709	$.07312

	KWH	Percent to Gross	Percent to Net
KWH generated	2,856,000	100.00%	114.04%
Less: Station power	351,700	12.31	14.04
Net kilowatt hours	2,504,300	87.69	100.00
Less: KWH sold and commission usage	2,322,476	81.32	92.74
INDICATED LINE LOSSES	181,824	6.37%	7.26%

SEBRING UTILITIES COMMISSION
SEBRING, FLORIDA
COST OF ELECTRIC PLANT OPERATIONS AND MAINTENANCE - PURCHASED POWER
FOR THE YEARS ENDED SEPTEMBER 30, 1979 AND 1978

	1979		1978	
	Amount	KWH Sold	Amount	KWH Sold
KWH purchased	38,577,371		47,590,832	
KWH sold and used	35,776,464		44,197,606	
Fuel and lubricating oil	$1,220,654	$.03412	$1,181,831	$.02674
Other operating expense	235,191	.00657	147,892	.00335
TOTALS	$1,455,845	$.04069	$1,329,723	$.03009

	KWH	Percent To Gross	Percent To Net
KWH purchased	38,577,371	100.00%	100.00%
Less: Station power	-	-	-
Net kilowatt hours	38,577,371	100.00	100.00
Less: KWH sold and commission usage	35,776,464	92.74	92.74
INDICATED LINE LOSSES	2,800,907	7.26%	7.26%

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

SEBRING UTILITIES
SEBRING, FLO
SUMMARY OF PROPERTY, PLA
SEPTEMBER 30,

	Cost of Assets		
	Balance 10-1-78	Additions	Deductions
Land	$ 213,431	$ 4,819	$ -
Power plant - diesel	2,439,273	1,403	-
- steam	2,823,960	361	-
- nuclear	2,072,508	2,029	-
Electric transmission system	904,747	95,285	-
Electric distribution system	4,020,338	703,685	27,577
Water system	2,586,227	383,752	-
Equipment	501,013	122,174	12,066
Storage buildings	49,825	32,611	-
Work in progress	236,822	2,082,941	1,182,722
Nuclear fuel assemblies	154,605	80,570	46,203
TOTALS	$16,002,749	$3,509,630	$1,268,568

The notes to the financial statements

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T AND EQUIPMENT
1979

Balance 9-30-79	Accumulated Depreciation: Balance 10-1-78	Additions	Deductions	Balance 9-30-79	Net Book Value 9-30-79
$ 218,250	$ -	$ -	$ -	$ -	$ 218,250
2,440,676	1,824,135	36,145	-	1,860,280	580,396
2,824,321	804,189	68,210	-	872,399	1,951,922
2,074,537	112,226	74,891	-	187,117	1,887,420
1,000,032	127,777	30,148	-	157,925	842,107
4,696,446	1,099,722	162,353	27,577	1,234,498	3,461,948
2,969,979	1,067,082	106,988	-	1,174,070	1,795,909
611,121	296,260	61,343	12,066	345,537	265,584
82,436	22,089	3,157	-	25,246	57,190
1,137,041	-	-	-	-	1,137,041
188,972	-	-	-	-	188,972
$18,243,811	$5,353,480	$543,235	$39,643	$5,857,072	$12,386,739

re an integral part of this statement

SEBRING UTILITIES COMMISSION
Sebring, Florida

REPORT OF EXAMINATION

Year Ended September 30, 1978

SEBRING UTILITIES COMMISSION
Sebring, Florida

REPORT OF EXAMINATION
September 30, 1978

COMMISSIONERS AND OFFICERS

J. A. Butler, Chairman

Rex E. Bond, Secretary

Robert G. Pollard, Vice Chairman

Jim Fulton, Assistant Secretary

James E. Holsonback, Commissioner

J. H. Phillips, General Manager

SEBRING UTILITIES COMMISSION

REPORT OF EXAMINATION
September 30, 1978

CONTENTS

	Page
Accountants' Report	1
Comparative Balance Sheets	2
Comparative Statements of Retained Earnings	3
Comparative Statements of Sources of Funds Used for Construction	4
Comparative Summary Statements of Income	5
Comparative Statements of Income - Electric Department	6
Comparative Statements of Income - Water Department	7
Cost of Electric Plant Operations and Maintenance	8
Comparative Detail of General and Administrative Expenses	9
Notes to the Financial Statements	10 - 13
Supplementary Financial Information	
Cost of Electric Plant Operations and Maintenance	
Steam Plant	14
Diesel Plant	15
Nuclear Plant	16
Purchased Power	17
Summary of Property, Plant and Equipment	18

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Sebring Utilities Commission
368 South Commerce Avenue
Sebring, Florida

We have examined the balance sheets of Sebring Utilities Commission as of September 30, 1978 and September 30, 1977 and the related statements of retained earnings, sources of funds used for construction, and income for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheets, statements of retained earnings, sources of funds used for construction, income and notes to the financial statements present fairly the financial position of Sebring Utilities Commission at September 30, 1978 and September 30, 1977 and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Respectfully submitted,

Wicks & Wicks
Certified Public Accountants

Sebring, Florida
December 22, 1978

Members: American Institute of Certified Public Accountants — Florida Institute of Certified Public Accountants

SEBRING UTILITIES COMMISSION

COMPARATIVE BALANCE SHEETS
September 30, 1978 and 1977

Assets	9/30/78	9/30/77
Property, Plant and Equipment:		
Property, plant and equipment in service	$15,611,322.48	$14,627,933.60
Less: Accumulated depreciation	5,353,480.68	4,894,596.84
Total	10,257,841.80	9,733,336.76
Construction work in progress	236,822.28	231,662.88
Nuclear fuel - net	154,604.71	133,190.92
Total property, plant and equipment	10,649,268.79	10,098,190.56
Restricted Assets:		
Sinking fund:		
Cash on deposit	-	505.17
Certificates of deposit	830,788.13	765,027.50
Renewal and replacement fund:		
Cash on deposit	93.60	20,853.03
Certificates of deposit	104,659.40	110,000.00
Construction fund:		
Cash on deposit	43,070.57	31,417.85
Certificates of deposit	1,600,000.00	452,697.03
Total restricted assets	2,578,611.70	1,380,500.58
Current Assets:		
Cash on hand and in bank	138,677.64	89,430.34
Accounts receivable:		
Customers, less allowance for uncollectible accounts in 1978 of $31,023.01 and in 1977 of $16,554.23	474,980.51	410,569.62
Other, less allowance for uncollectible in 1978 of $1,285.45 and in 1977 of $1,285.45	5,129.69	91,974.15
Inventories	464,597.38	324,897.36
Accrued interest receivable	15,638.29	6,462.16
Prepaid expenses	38,625.39	40,113.72
Total current assets	1,137,648.90	963,447.35
Deferred Charge:		
Unamortized bond expense	212,155.75	185,658.86
Total assets	$14,577,685.14	$12,627,797.35

Equity and Liabilities	9/30/78	9/30/77
Equity:		
Contributed by City of Sebring	$ 712,647.47	$ 712,647.47
Retained earnings	4,688,873.22	3,659,688.35
Total equity	5,401,520.69	4,372,335.82
Long-Term Debt: (Note 3)		
Funded debt:		
Revenue Bonds payable:		
Series of 1964	-	2,117,000.00
Series of 1973	-	1,990,000.00
Series of 1975	-	3,300,000.00
Series of 1978	8,400,000.00	-
Less: unamortized discount	(126,000.00)	-
Total funded debt	8,274,000.00	7,407,000.00
Accrued interest on revenue bonds	44,313.33	105,059.16
Customer utility deposits	359,996.40	305,527.80
Accrued pension liabilities (Note 6)	2,319.47	35,614.07
Total long-term debt	8,680,629.20	7,853,201.03
Current Liabilities:		
Accounts payable	429,344.34	342,767.80
Social security tax payable	8,905.94	6,994.40
State sales tax payable	7,341.39	6,189.77
Accrued state utility tax	15,046.36	17,761.69
Accrued payroll	34,897.22	28,546.84
Total current liabilities	495,535.25	402,260.50
Total equity and liabilities	$14,577,685.14	$12,627,797.35

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

SEBRING UTILITIES COMMISSION

COMPARATIVE STATEMENTS OF RETAINED EARNINGS
Years Ended September 30, 1978 and 1977

Description	Year Ended 9/30/78	Year Ended 9/30/77
Net income for the year	$1,357,403.55	$ 649,831.56
Deduct:		
Transfer of utility account receivable balance to the City of Sebring:		
Balance at September 30, 1978	160,487.91	-
Balance at September 30, 1977	-	125,880.62
Transfer of miscellaneous account receivable balance to the City of Sebring:		
Balance at September 30, 1978	2,730.77	-
Balance at September 30, 1977	-	6,854.47
Transfer of cash to the City of Sebring	165,000.00	150,000.00
Total deductions	328,218.68	282,735.09
Balance of net income for the year, transferred to retained earnings	1,029,184.87	367,096.47
Retained earnings balance, beginning of year	3,659,688.35	3,292,591.88
Retained earnings balance, end of year	$4,688,873.22	$3,659,688.35

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

SEBRING UTILITIES COMMISSION

COMPARATIVE STATEMENTS OF SOURCES OF FUNDS USED FOR CONSTRUCTION
Years Ended September 30, 1978 and 1977

Description	Year Ended 9/30/78	Year Ended 9/30/77
Source of Funds:		
Funds derived from operations:		
Net income for the year	$1,357,403.55	$ 649,831.56
Add:		
Items charged to net income not requiring cash outlay:		
Depreciation	504,327.60	446,141.87
Amortization of nuclear fuel	29,494.20	29,964.73
Bond expense and discount amortization	10,889.28	15,134.94
Accrued pension expense	26,705.40	35,614.07
Total funds derived from operations	1,928,820.03	1,176,687.17
Net (increase) decrease in net current assets (exclusive of short-term debt)	(80,926.80)	(92,812.69)
Funds from financing and other sources:		
Net bond proceeds - 1978 series	8,061,844.25	-
Bonds refunded by defeasance	(7,297,000.00)	-
Net increase (decrease) in short-term borrowing	-	(270,000.00)
Accrued interest on bonded debt	(60,745.83)	(1,300.04)
Bonds redeemed	(110,000.00)	(157,000.00)
Decrease in unamortized bond expense from refunding	174,769.58	-
Net decrease (increase) in restricted cash	(1,198,111.12)	550,084.16
Payments and commitments to the City of Sebring	(328,218.68)	(282,735.09)
Increase in customer utiiity deposits	54,468.60	57,777.00
Payment to fund accrued pension liability	(60,000.00)	(111,302.78)
Total	(762,993.20)	(214,476.75)
Funds Used For Construction	$1,084,900.03	$ 869,397.73
Changes in Net Current Assets (Exclusive of Short-Term Debt):		
Increase (decrease) in current assets:		
Cash on hand and in bank	$ 49,247.30	$ 11,219.55
Accounts receivable - net	(22,433.57)	153,768.42
Inventories	139,700.02	8,547.36
Accrued interest receivable	9,176.13	(11,583.26)
Prepaid expenses	(1,488.33)	11,652.02
Decrease (increase) in current liabilities:		
Accounts payable	(86,576.54)	(68,246.84)
Social security tax payable	(1,911.54)	(1,176.75)
State sales tax payable	(1,151.62)	(2,683.49)
Accrued expenses	(3,635.05)	(8,684.32)
Net increase in net current assets (exclusive of short-term debt)	$ 80,926.80	$ 92,812.69

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

SEBRING UTILITIES COMMISSION

COMPARATIVE SUMMARY STATEMENTS OF INCOME
Years Ended September 30, 1978 and 1977

Description	Year Ended 9/30/78	Year Ended 9/30/78
Net Operating Income:		
Electric department (Page 6)	$ 793,132.35	$ 780,369.57
Water department (Page 7)	193,732.17	159,925.91
Total net operating income	986,864.52	940,295.48
Other Income:		
Allens of Florida recovery (Note 5)	-	15,737.23
Interest income (after credit to construction costs in 1977 or $37,541.75)	79,967.27	59,966.72
Total income	1,066,831.79	1,015,999.43
Other Deductions:		
Financing expense:		
Interest expense		
1961 Issue revenue bonds	-	3,160.64
1964 Issue revenue bonds	69,523.36	76,443.50
1973 Issue revenue bonds (after charge to construction costs of $16,851.22 in 1977)	96,685.16	92,096.24
1975 Issue revenue certificates (after charge to construction costs of $73,865.76 in 1977)	191,194.90	135,431.45
1978 Issue revenue bonds	44,313.33	-
Other	-	13,611.10
Amortization of discount and costs of revenue bonds	10,889.28	15,134.94
Total financing expense	412,606.03	335,877.87
Pension expense - prior years service cost	20,578.74	30,290.00
Total other deductions	433,184.77	366,167.87
Net Income Before Extraordinary Items	633,647.02	649,831.56
Extraordinary Items:		
Gain from refunding of revenue bonds (Note 7)	723,756.53	-
Net Income	$1,357,403.55	$ 649,831.56

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

SEBRING UTILITIES COMMISSION

ELECTRIC DEPARTMENT

COMPARATIVE STATEMENTS OF INCOME
Years Ended September 30, 1978 and 1977

Description	Year Ended 9/30/78	Year Ended 9/30/77
Operating Revenue:		
Sale of electricity	$4,357,725.42	$3,750,993.25
Wholesale	-	85,218.43
Interdepartmental sales	69,182.61	72,171.79
Gas supplier recovery (Note 6)	-	90,952.00
Miscellaneous sales and services	86,646.12	87,274.54
Total operating revenue	4,513,554.15	4,086,610.01
Operating Expenses:		
Plant operations and maintenance - as shown by statement (Page 8)	2,946,712.68	2,625,738.98
Transmission system operations and maintenance:		
Maintenance	217.51	898.06
Depreciation	30,139.05	30,122.63
Distribution system operations and maintenance:		
Operating expense:		
Distribution circuits	1,168.70	4,528.41
Meters	5,108.27	7,409.69
Street and rental lighting	768.44	166.73
Maintenance expense:		
Distribution circuits	70,242.18	58,957.59
Meters	1,632.00	1,714.23
Street and rental lighting	6,715.47	6,299.50
Depreciation	175,086.23	155,798.31
Overhead applied	65,454.03	42,786.83
FICA, pension and payroll insurance	11,180.13	8,860.10
State utility tax	56,943.72	55,227.92
General and administrative expense allocated - as shown by statement (Page 9)	324,056.79	296,988.81
Provision for uncollectible accounts receivable-customers	24,996.60	10,742.65
Total operating expenses	3,720,421.80	3,306,240.44
Net Operating Income	$ 793,132.35	$ 780,369.57

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

SEBRING UTILITIES COMMISSION

WATER DEPARTMENT

COMPARATIVE STATEMENTS OF INCOME
Years Ended September 30, 1978 and 1977

Description	Year Ended 9/30/78	Year Ended 9/30/77
Operating Revenue:		
Sale of water	$526,205.69	$470,916.60
System charges to customers	21,900.00	15,160.00
Interdepartmental sales	3,600.00	3,600.00
Miscellaneous sales and service	63,779.91	44,837.46
Total operating revenue	615,485.60	534,514.06
Operating Expenses:		
Production operations and maintenance:		
Electricity for pumping	57,573.88	62,065.19
Other production operating expense	36,281.64	25,796.60
Maintenance expense	14,382.51	4,710.39
Transmission and distribution operations and maintenance:		
Operating expense	11,170.19	10,765.58
Maintenance expense	30,226.18	25,671.65
Depreciation	107,432.22	95,496.68
Overhead applied	44,008.33	39,482.24
FICA, pension and payroll insurance	9,642.48	6,211.00
General and administrative expense allocated - as shown by statement (Page 9)	108,018.93	98,996.27
Provision for uncollectible accounts receivable - customers	3,017.07	1,352.20
Tank supplier settlement	-	4,040.35
Total operating expenses	421,753.43	374,588.15
Net Operating Income	$193,732.17	$159,925.91

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

SEBRING UTILITIES COMMISSION

COST OF ELECTRIC PLANT OPERATIONS AND MAINTENANCE
Years Ended September 30, 1978 and 1977

Description	Year Ended 9/30/78 Amount	Year Ended 9/30/78 KWH Sold	Year Ended 9/30/77 Amount	Year Ended 9/30/77 KWH Sold
KWH generated and purchased		106,130,783		100,415,898
KWH sold and used		94,474,797		90,448,130
Operating supervision and engineering	$ 47,029.34	$.00050	$ 40,477.57	$.00045
Fuel and lubricating oil	2,048,109.55	.02168	1,874,537.51	.02073
Other power generation expense	472,848.04	.00501	408,008.96	.00451
Maintenance supervision and engineering	18,295.71	.00019	4,766.16	.00005
Maintenance of structures	4,589.00	.00005	4,586.38	.00005
Maintenance of grounds	1,960.51	.00002	1,374.07	.00002
Maintenance of generating and electrical equipment	111,274.93	.00118	106,706.76	.00118
Depreciation	181,748.56	.00192	140,773.85	.00156
Overhead applied	15,917.47	.00017	7,150.16	[illegible]
FICA, pension and group insurance	44,939.57	.00047	37,357.56	.00040
Totals	$2,9[illegible],712.68	$.03119	$2,625,738.98	$.02903

	KWH	Percent to Gross	Percent to Net
KWH generated	58,539,951	55.16%	57.[illegible]4%
KWH purchased	47,590,832	44.84	46.[illegible]8
Total	106,130,783	100.00	104.[illegible]2
Less: Station power	4,398,966	4.14	4.[illegible]2
Net killowatt hours	101,731,817	95.86	100.[illegible]0
Less: KWH sold and commission usage	94,474,797	89.02	92.[illegible]37
indicated line losses	7,257,020	6.84%	7.13%

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

SEBRING UTILITIES COMMISSION

COMPARATIVE DETAIL OF GENERAL AND ADMINISTRATIVE EXPENSES
Years Ended September 30, 1978 and 1977

Description	Year Ended 9/30/78	Year Ended 9/30/77
Administrative and general office salaries	$101,645.92	$ 80,068.64
Office expense and supplies	49,408.04	36,051.60
Customer records and collection expense	71,794.28	63,040.71
Meter reading expense	22,593.46	19,830.43
Data processing expense	37,875.93	33,241.86
Outside services employed	30,927.96	52,766.34
Property insurance and surety bonds	47,226.98	48,357.06
FICA, employee pension and group insurance	28,150.72	23,312.53
Office rent	6,223.92	6,223.92
Maintenance of general plant	486.30	851.87
Depreciation	9,921.54	12,950.40
Overhead applied	9,422.26	5,641.97
Electric and water expense	11,608.73	10,106.60
Advertising	1,041.21	2,810.55
Miscellaneous expense	3,748.47	730.60
Totals	$432,075.72	$395,985.08
Allocation of general and administrative expenses:		
Electric department - 75%	$324,056.79	$296,988.81
Water department - 25%	108,018.93	98,996.27
Totals	$432,075.72	$395,985.08

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

SEBRING UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
September 30, 1978

Note 1 - The Sebring Utilities Commission is an enterprise fund of the City of Sebring that is incorporated under the laws of the State of Florida.

Note 2 - Summary of Significant Accounting Policies

The financial statements have been prepared on the accrual basis of accounting, recognizing income when earned and expense as incurred.

Property, plant and equipment are stated at cost and, in accordance with industry practice, construction period interest has been capitalized. The assets are depreciated over estimated useful lives using the straight-line method of depreciation. A summary of property, plant and equipment and accumulated depreciation is included on Page 18 of this report.

Maintenance is charged with the cost of repairs of property and the plant accounts are charged with the cost of renewals and replacements.

Nuclear fuel is carried in the electric plant accounts at cost, net of estimated energy consumed. The amount consumed is charged to nuclear fuel expense. Amortization of energy consumed has been determined by the unit-of-production method, based on engineering estimates. Nuclear fuel expense does not include a provision for salvage value nor a provision for future disposition costs.

Inventories are stated at the lower of cost or market. Cost is determined generally on an average cost method, except for fuel inventory costs, which are determined using the last-in, first-out (LIFO) method. Reusable materials that have been removed from service are included in inventories at the carrying value of similar new materials.

Issuance discount and expenses related to the long-term bonded debt are deferred and amortized over the life of the debentures on the bonds outstanding method.

Note 3 - Long-Term Debt

Revenue bonds outstanding at September 30, are as follows:

Note 3 - Long-Term Debt (Continued)

	1978	1977
Series of 1964, 3% to 3.7% due serially to 1993	$ -	$2,117,000.00
Series of 1973, 4% to 6.5% due serially to 1995	-	1,990,000.00
Series of 1975, 5.8% to 6.8% due serially to 1998	-	3,300,000.00
Series of 1978, 5.5% to 6.8% due serially to 2000	8,400,000.00	-
	$8,400,000.00	$7,407,000.00

In September 1978, the Commission provided for advance refunding of the Series 1964, 1973, and 1975 revenue bonds (Refunded Bonds) by the sale of $8,400,000.00 Utilities System Revenue Bonds (Series 1978) and $5,670,000.00 Utilities System Special Obligation Bonds (Series 1978A). From the proceeds of the sale of the two issues, and other sources, sufficient monies were deposited into irrevocable escrow accounts, and invested in United States obligations that will provide sufficient funds for the payment of the maturing principal and interest on the Series 1964, 1973, and 1975 outstanding revenue bonds. The Refunded Bonds have been treated as extinguished debts as explained in Note 7. The principal and interest requirements of the Refunded Bonds are provided for by the escrow funds, however, if for any reason, the funds held in escrow are not sufficient to make payments on the Refunded Bonds, the holders of the bonds will have a claim on net revenues superior to the holders of the 1978 series bonds to the extent required to make up the insufficiency.

The Revenue Bonds (Series 1978) are secured by a pledge of the net revenues of the Commission. The Special Obligation Bonds (Series 1978A) are secured by a pledge of the interest to be paid on the escrow funds.

Pursuant to the resolution under which the 1978 bonds were issued, the Commission deposited monies into the Reserve Account. The Reserve Account is required to be at least equal to the maximum annual principal and interest requirements on the Revenue Bonds (Series 1978). The interest earned on the reserve account may not exceed the yield on the bonds. The Reserve Account is included in the Sinking Fund.

Note 3 - Long-Term Debt (Continued)

The maturity schedule for the Revenue Bonds (Series 1978) is as follows:

Year Ending October 1	Principal Amount	Interest	Total Principal and Interest
1979	$ 120,000.00	$ 576,073.33	$ 696,073.33
1980	120,000.00	525,160.00	645,160.00
1981	130,000.00	518,560.00	648,560.00
1982	130,000.00	511,410.00	641,410.00
1983	140,000.00	504,260.00	644,260.00
1984	290,000.00	496,560.00	786,560.00
1985	300,000.00	480,320.00	780,320.00
1986	310,000.00	563,220.00	773,220.00
1987	330,000.00	445,240.00	775,240.00
1988	350,000.00	425,770.00	775,770.00
1989	370,000.00	404,770.00	774,770.00
1990	390,000.00	382,200.00	772,200.00
1991	410,000.00	358,020.00	768,020.00
1992	430,000.00	332,190.00	762,190.00
1993	460,000.00	305,100.00	765,100.00
1994	490,000.00	275,660.00	765,660.00
1995	520,000.00	243,810.00	763,810.00
1996	550,000.00	209,490.00	759,490.00
1997	580,000.00	173,190.00	753,190.00
1998	620,000.00	134,330.00	754,330.00
1999	660,000.00	92,480.00	752,480.00
2000	700,000.00	47,600.00	747,600.00
TOTAL	$ 8,400,000.00	$ 7,905,413.33	$16,305,413.33

The resolution provided that, initially on issuance of the Revenue Bonds (Series 1978), $100,000.00 be deposited to the Renewal and Replacement Fund, and thereafter the Commission deposit monthly one-twelfth the required amount into that account. The amount required to be deposited is 5% of the gross plant investment excluding investment in electric generating and transmission facilities ($386,363.05 for fiscal 1979). The amount of $10,000.00 is required to be deposited monthly into an Emergency and Facilities Account for sixty months beginning October, 1978, plus beginning in fiscal 1980, one-twelfth of two hundred percentum of any increase in the amount required to be deposited in the Renewal and Replacement Fund.

The adjusted composite yield on the Revenue Bonds (Series 1978) is 6.79%, considering the discount on the bonds.

Note 4 - Employee Pension Plan

The Commission has a pension plan covering the majority of its employees. Pension expense amounted to $66,488.75 and $70,189.00 in 1978 and 1977, respectively, including amortization of prior service costs over forty years. At September 30, 1978, the value of the pension fund was in excess of the actuarially computed value of vested benefits. Unfunded prior service cost was approximately $343,000. at September 30, 1977.

Note 5 - Allens of Florida Recovery

During the years ended September 30, 1974 and 1975, the Commission expended approximately $30,000 to repair water lines which had been damaged by Allens of Florida. The cost of the repairs was recorded as a receivable, and a claim was asserted against Allens of Florida. During the year ended September 30, 1975, the $30,000 receivable was written-off as uncollectible and was charged to other deductions. During fiscal 1977, the claim was settled for $18,721.33, less legal fees.

Note 6 - Gas Supplier Recovery

The Commission, together with seven other municipal utilities, asserted a joint claim against Florida Gas Transmission Company and Amoco Production Company for damages resulting from breach of agreements to supply natural gas. The damages were incurred during several prior fiscal years. The parties settled their dispute July 12,1977. The Commission received $90,952.00 in November, 1977, representing its share of an initial cash settlement, net of legal fees and estimated future administrative expenses. The Commission's share of the balance payable under the settlement agreements amounts to approximately $766,000 to be paid in cash or gas equivalents (measured at 72.82 cents per mmbtu) over a four year period beginning in 1978.

The $90,952 received in November was reported in electric revenues and in receivables as of September 30, 1977. The balance will be recognized as income during the fiscal years in which it is realized.

Note 7 - Extraordinary Item

In connection with the September 1978 advance refunding of bonds as described in Note 3, a gain was recognized in accordance with generally accepted accounting principles. The escrow account described in Note 3 is sufficient in amount so that operating revenues should not be needed to meet debt service requirements on the Refunded Bonds. Accordingly, the transaction has been recognized as a completed refinancing.

SUPPLEMENTARY FINANCIAL INFORMATION

Our examination has been made primarily for the purpose of formulating an opinion on the basic financial statements, taken as a whole, and the other data included in this report, although not considered necessary for a fair presentation of the financial position, results of operations, and changes in financial position in conformity with generally accepted accounting principles, are presented for supplementary analysis purposes.

The additional information in the following pages has been subjected to the audit procedures applied in the examination of the basic financial statements and is in our opinion fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Weisel & Weisel

Certified Public Accountants

Sebring, Florida
December 22, 1978

SEBRING UTILITIES COMMISSION

COST OF ELECTRIC PLANT OPERATIONS AND MAINTENANCE - STEAM PLANT
Years Ended September 30, 1978 and 1977

Description	Year Ended 9/30/78 Amount	Year Ended 9/30/78 KWH Sold	Year Ended 9/30/77 Amount	Year Ended 9/30/77 KWH Sold
KWH generated		40,879,230		35,683,260
KWH sold and used		35,088,116		31,234,807
Operating supervision and engineering	$ 16,683.52	$.00048	$ 16,161.28	$.00052
Fuel and lubricating oil	676,204.35	.01927	693,821.04	.02221
Other operating expense	165,585.41	.00472	136,968.21	.00439
Maintenance supervision and engineering	13,008.03	.00037	3,504.37	.00011
Maintenance of structures	1,842.29	.00005	3,946.61	.00013
Maintenance of grounds	1,960.51	.00006	1,374.07	.00004
Maintenance of generating and electrical equipment	51,719.36	.00147	61,610.12	.00197
Depreciation	68,138.40	.00194	67,865.99	.00217
Overhead applied	1,769.69	.00005	919.10	.00003
FICA, pension and group insurance	30,822.20	.00088	25,275.93	.00081
Totals	$1,027,733.76	$.02929	$1,011,446.72	$.03238

	KWH	Percent to Gross	Percent to Net
KWH generated	40,879,230	100.00%	108.20%
Less: Station power	3,097,260	7.58	8.20
Net Kilowatt hours	37,781,970	92.42	100.00
Less: KWH sold and commission usage	35,088,116	85.83	92.87
Indicated line losses	2,693,854	6.59%	7.13%

SEBRING UTILITIES COMMISSION

COST OF ELECTRIC PLANT OPERATIONS AND MAINTENANCE - DIESEL PLANT
Years Ended September 30, 1978 and 1977

Description	Year Ended 9-30-78 Amount	Year Ended 9-30-78 KWH Sold	Year Ended 9-30-77 Amount	Year Ended 9-30-77 KWH Sold
KWH generated	5,507,900		8,745,000	
KWH sold and used	4,467,892		7,642,176	
Operating supervision and engineering	$ 21,962.38	$.00492	$ 21,650.65	$.00283
Fuel and lubricating oil	160,333.01	.03589	235,036.95	.03076
Other operating expense	58,187.60	.01302	59,033.43	.00772
Maintenance of structures	27.77	.00001	289.36	.00004
Maintenance of generating and electrical equipment	35,805.65	.00801	39,843.34	.00521
Depreciation	35,464.89	.00793	38,826.80	.00508
Overhead applied	810.61	.00018	439.32	.00006
FICA, pension and group insurance	14,117.37	.00316	12,081.63	.00158
Totals	$326,709.28	$.07312	$407,201.48	$.05328

	KWH	Percent to Gross	Percent to Net
KWH generated	5,507,900	100.00%	114.49%
Less: Station power	696,990	12.65	14.49
Net kilowatt hours	4,810,910	87.35	100.00
Less: KWH sold and commission usage	4,467,892	81.12	92.87
Indicated line losses	343,018	6.23%	7.13%

SEBRING UTILITIES COMMISSION

COST OF ELECTRIC PLANT OPERATIONS AND MAINTENANCE - NUCLEAR PLANT
Years Ended September 30, 1978 and 1977

Description	Year Ended 9-30-78 Amount	Year Ended 9-30-78 KWH Sold	Year Ended 9-30-77 Amount	Year Ended 9-30-77 KWH Sold
KWH generated		12,152,821		11,904,324
KWH sold and used		10,724,725		10,464,141
Operating supervision and engineering	$ 8,383.44	$.00078	$ 2,665.64	$.00025
Fuel and lubricating oil	29,741.61	.00277	30,105.91	.00288
Other operating expense	101,182.99	.00943	57,891.54	.00554
Maintenance supervision and engineering	5,287.68	.00049	1,261.79	.00012
Maintenance of structures	2,718.94	.00025	350.41	.00003
Maintenance of generating and electrical equipment	23,749.92	.00221	5,253.30	.00050
Depreciation	78,145.27	.00729	34,081.06	.00326
Overhead applied	13,337.17	.00125	5,791.74	.00055
Totals	$262,547.02	$.02447	$137,401.39	$.01313

	KWH	Percent To Gross	Percent To Net
KWH generated	12,152,821	100.00%	105.24%
Less: Station power	604,716	4.98	5.24
Net kilowatt hours	11,548,105	95.02	100.00
Less: KWH sold and commission usage	10,724,725	88.25	92.87
Indicated line losses	823,380	6.77%	7.13%

SEBRING UTILITIES COMMISSION

COST OF ELECTRIC PLANT OPERATIONS AND MAINTENANCE - PURCHASED POWER
Years Ended September 30, 1978 and 1977

Description	Year Ended 9-30-78 Amount	Year Ended 9-30-78 KWH Sold	Year Ended 9-30-77 Amount	Year Ended 9-30-77 KWH Sold
KWH purchased		47,590,832		44,083,314
KWH sold and used		44,197,606		41,107,006
Fuel and lubricating oil	$1,181,830.58	$.02674	$ 915,573.61	$.02227
Other operating expense	147,892.04	.00335	154,115.78	.00375
Totals	$1,329,722.62	$.03009	$1,069,689.39	$.02602

	KWH	Percent To Gross	Percent To Net
KWH purchased	$47,590,832	100.00%	100.00%
Less: Station power	-	-	-
Net kilowatt hours	47,590,832	100.00	100.00
Less: KWH sold and commission usage	44,197,606	92.87	92.87
Indicated line losses	3,393,226	7.13%	7.13%

SEBRING UTILITIES COMMISSION

SUMMARY OF PROPERTY, PLANT AND EQUIPMENT
September 30, 1978

Description	Cost of Assets		
	Balance 10-1-77	Additions	Deductions
Land	$ 35,000.00	$ 178,430.65	$ -
Power plant - diesel	2,413,457.59	25,815.15	-
- steam	2,819,599.95	4,360.33	-
- nuclear	2,088,405.36	-	15,896.98
Electric transmission system	904,747.10	-	-
Electric distribution system	3,413,521.07	628,490.14	21,673.14
Water system	2,435,983.28	150,244.14	-
Equipment	468,884.73	65,642.72	33,514.50
Storage buildings	48,334.52	1,490.37	-
Work in progress	231,662.88	128,633.96	123,474.56
Nuclear fuel assemblies	133,190.92	50,907.99	29,494.20
Totals	$14,992,787.40	$1,234,015.45	$224,053.38

Balance 9-30-78	Accumulated Depreciation Balance 10-1-77	Additions	Deductions	Balance 9-30-78	Net Book Value 9-30-78
$ 213,430.65	$ -	$ -	$ -	$ -	$ 213,430.65
2,439,272.74	1,788,670.52	35,464.89	-	1,824,135.41	615,137.33
2,823,960.28	736,050.90	68,138.40	-	804,189.30	2,019,770.98
2,072,508.38	34,081.06	78,145.27	-	112,226.33	1,960,282.05
904,747.10	97,638.23	30,139.05	-	127,777.28	776,969.82
4,020,338.07	978,993.18	142,401.94	21,673.14	1,099,721.98	2,920,616.09
2,586,227.42	969,804.38	97,277.37	-	1,067,081.75	1,519,145.67
501,012.95	269,643.96	50,386.13	23,770.62	296,259.47	204,753.48
49,824.89	19,714.61	2,374.55	-	22,089.16	27,735.73
236,822.28	-	-	-	-	236,822.28
154,604.71	-	-	-	-	154,604.71
$16,002,749.47	$4,894,596.84	$504,327.60	$45,443.76	$5,353,480.68	$10,649,268.79