Florida Power
CORPORATION
Crystal River Unit 3
Docket No. 50-302

April 30, 1991
3F0491-09

U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, D.C. 20555

Subject: Annual Financial Report

Dear Sir:

In accordance with 10 CFR 50.71(b), Florida Power Corporation (FPC) hereby submits its Annual Financial Report and the Annual Financial Reports for nine of the eleven participating owners of Crystal River Unit 3. The nine participant reports are:

City of Alachua
City of Leesburg
City of Tallahassee
Orlando Utilities Commission
Sebring Utilities Commission
Kissimmee Utility Authority
Gainesville Regional Utilities
Seminole Electric Coorperative, Inc.
Utility Commission New Smyrna Beach

The City of Bushnell and the City of Ocala have not submitted a Financial Report to date. These reports will be f warded upon their receipt by FPC.

Sincerely,

P. M. Beard, Jr.
Senior Vice President
Nuclear Operations

PMB/GMF/sdr

Enclosure

xc: Regional Administrator, Region II
NRR Project Manager
Senior Resident Inspector

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UTILITIES COMMISSION

CITY OF NEW SMYRNA BEACH, FLORIDA



Financial Statements
and
Auditor's Report
September 30, 1990 and 1989

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

FINANCIAL STATEMENTS

and

INDEPENDENT AUDITORS' REPORT

September 30, 1990 and 1989

OFFICIALS

Richard C. Allen, Chairman

Jesse L. McKee, Jr., Vice-Chairman
Albert J. Verick, Secretary-Treasurer
Heyward A. Paxton, Jr., Assistant Secretary-Treasurer
James A. Pence, Commissioner

DIRECTOR OF UTILITIES

R. Ronald Hagen

CONTROLLER

Valois Pagan, CPA

LEGAL COUNSEL

Bolt & Spence, P.A.

INDEPENDENT AUDITORS

Brent Millikan & Co., P.A.

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

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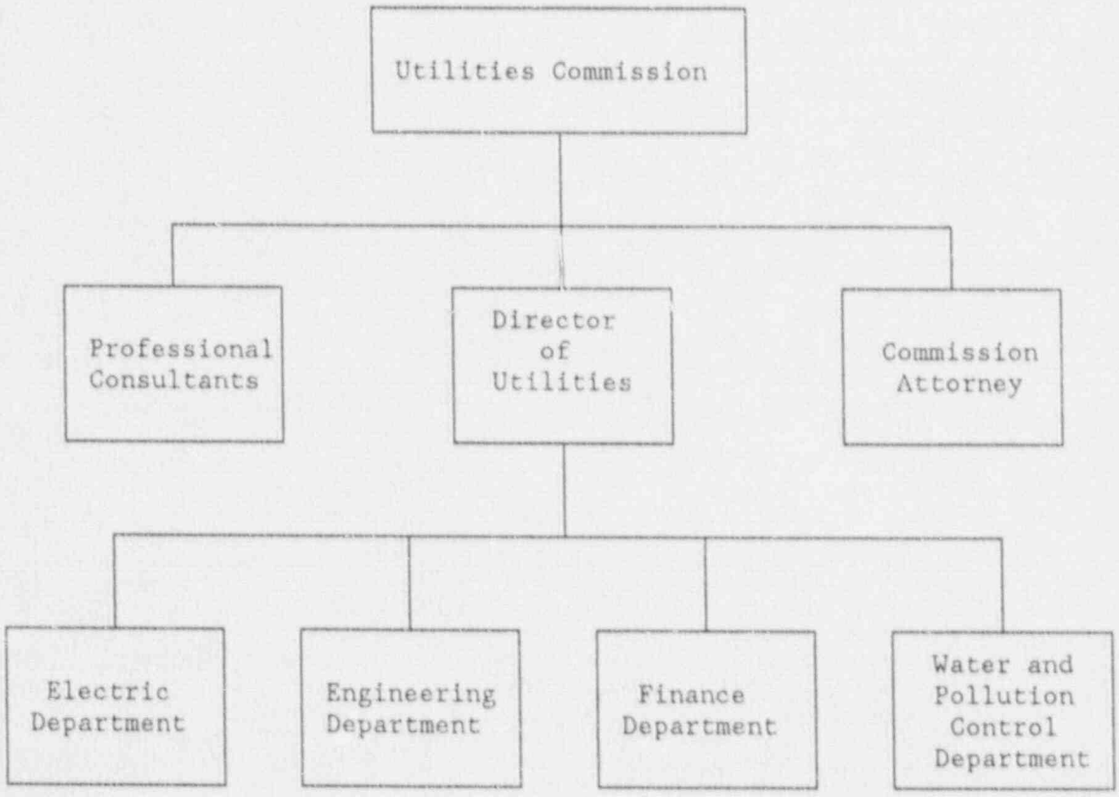
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ORGANIZATI

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

ORGANIZATION CHART



UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

CERTIFICATE OF ACHIEVEMENT
for the year ended September 30, 1989

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Utilities Commission, City of New Smyrna Beach, Florida, for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 1989.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Management believes that this report continues to conform to Certificate of Achievement Program standards.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Utilities Commission, City of New Smyrna Beach, Florida

For its Component Unit
Financial Report
for the Fiscal Year Ended
September 30, 1989

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



Gary R. Hoistrem
President

Jeffrey L. Esser
Executive Director

LETTER OF TRANSMITTAL

RICHARD C. ALLEN
Chairman
JESSE McKEE
Vice-Chairman
ALBERT J. VERICK
Secretary-Treasurer
HEYWARD A. PAXTON
Asst. Secretary-Treasurer
JAMES A. PENCE
Commissioner

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA
ELECTRIC, WATER, POLLUTION CONTROL
Post Office Box 100 - 120 Sams Ave.
New Smyrna Beach, Florida 32170-0100
(904) 427-1361

December 11, 1990

To the Chairman and Members
of the Utilities Commission
City of New Smyrna Beach, Florida

The Component Unit Financial Report of the Utilities Commission, City of New Smyrna Beach, Florida, for the fiscal years ended September 30, 1990 and 1989, is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Utilities Commission. To the best of our knowledge and belief, the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the Utilities Commission. All disclosures necessary to enable the reader to gain the maximum understanding of the Utilities Commission's financial affairs have been included.

This financial report is presented in four sections: introductory, financial, statistical, and compliance (Auditor General of the State of Florida). The introductory section includes this transmittal letter, the Utilities Commission's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and the independent auditors' report on the financial statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis, and selected five-year historical financial information.

The Utilities Commission is required to be audited in accordance with Chapter 10-500, Rules of the Auditor General of the State of Florida. Information related to this audit, findings and recommendations, and auditors' reports on the internal control structure and compliances with applicable laws and regulations, are included in the compliance section of this report.

REPORTING ENTITY AND SERVICES PROVIDED

The funds and entities related to the operation of the Utilities Commission which are included in these financial statements are a component unit of the City of New Smyrna Beach, Florida, and an integral part of the City's reporting entity. The Component Unit Financial Report of the Utilities Commission is issued separately to provide a comprehensive financial reporting summary and presentation to the Utilities Commission and its revenue certificate holders.

Audited financial statements of the City of New Smyrna Beach, Florida, are available upon request from the City of New Smyrna Beach, 210 Sams Avenue, New Smyrna Beach, Florida, 32168.

The Utilities Commission, City of New Smyrna Beach, Florida, provides a full range of electric, water and pollution control services to its customers both inside and outside the city limits. These activities are fully accounted for in this financial report.

ECONOMIC CONDITION AND OUTLOOK

The economic condition and outlook of the Utilities Commission have continually improved during the past several years due in large to the controlled development of residential and commercial properties which in turn has increased the Commission's quality customer base. In addition, substantial increases in the local tourism, light manufacturing, and service related business industries have had a positive effect on the area's employment statistics.

MAJOR INITIATIVES

The Commission issued $15 million Utilities System Revenue Certificates, Series 1990, in January 1990. The proceeds of the certificates, together with other available funds, will be used to finance the cost of improvements, extensions and additions to the Commission's electric, water, and pollution control systems.

The Commission has established a Five Year Capital Improvement Plan for the period from October 1, 1989 through September 30, 1994. The capital expenditures of this plan are in addition to the annual capital requirements for routine extensions of existing utility facilities to serve new customers. The Commission plans to finance the Plan from the proceeds of the above described revenue certificates, along with an estimated $15 million of additional revenue certificates in 1993, along with its annual revenues and connection fees.

Significant system improvements to be financed from the issuance of revenue certificates in 1990 and 1993 will consist of the following:

- A new 30 MVA electric substation located in the northern part of the Commission's electric service area;
- Approximately 11 miles of 115 kV electric transmission line linking the Commission's Smyrna substation to the Florida Power Corporation's eastern service territory boundary;
- Expansion of a water treatment plant in conjunction with the scheduled expansion of the Commission's well field areas;

- Construction of a treated water transmission line;

- Expansion and upgrading of existing treated water distribution lines;

- Development and construction of a phased water reuse system which consists of tertiary treatment of the wastewater treatment plant effluent along with pumping facilities and transmission lines to provide irrigation service to prospective customers; and

- Pollution control facilities improvements consisting of the construction of a small pollution control treatment plant, construction of wastewater collection lines and a wastewater pumping station, and the installation of a computerized wastewater telemetry system.

In addition to the improvements identified above, the Commission also plans to refund an existing obligation payable to the Florida Municipal Power Agency (FMPA). Based on the repayment schedule, the October 1, 1993 outstanding balance on the loan will be $2.8 million. The proceeds of this loan were originally used to finance utility relocations resulting from a state highway project.

FINANCIAL INFORMATION

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

Budgeting Controls

The Utilities Commission maintains an integrated system of budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the approved annual budget. The operating activities of the electric, water, and pollution control systems are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within each individual operating system. The Commission also maintains a separate encumbrance accounting system as one technique of accomplishing budgetary control. This system is used exclusively to maintain budgetary control and is not utilized for purposes of presenting financial statements prepared in accordance with generally accepted accounting principles.

As is demonstrated by the financial statements and schedules in the financial section of this report, the Utilities Commission continues to meet its responsibility for sound financial management.

Utility Operations

In compliance with Resolution No. 16-75, the electric, water and pollution control systems are accounted for as a single enterprise fund. As of September 30, 1990, the Utilities Commission served 18,351 electric customers, 9,757 water customers and 7,701 sewer customers. Service totals for the last five years are summarized below:

Fiscal Year	Electric Accounts	Water Accounts	Sewer Accounts
1986	12,997	8,494	6,797
1987	17,025	8,828	7,036
1988	17,440	9,115	7,289
1989	18,045	9,509	7,556
1990	18,531	9,757	7,701

The current year's operating revenues from the combined utilities systems totaled $28,112,213, an increase of 6.42% over last year's $26,416,607. The increase was caused by general economic growth throughout the year. The amount of revenue from various sources and the increases over last year are shown in the following tabulation:

Operating Revenue Source	Amount (000's)	Percent of Total	Increase Over 1989 (000's)
Electric system	$ 22,362	79.55%	$ 1,520
Water system	3,305	11.76	120
Pollution control system	2,445	8.69	55
TOTALS	$ 28,112	100.00%	$ 1,695

The current year's operating expenses from the combined utilities system totaled $26,642,379, an increase of 8.77% over last year's adjusted amount of $24,494,675. Increases in the levels of expenses for the individual systems over the preceding year are shown in the following tabulation:

Operating Expenses by Function	Amount (000's)	Percent of Total	Increase Over 1989 (000's)
Electric system	$ 21,304	79.96%	$ 1,664
Water system	2,751	10.33	242
Pollution control system	2,587	9.71	241
TOTALS	$ 26,642	100.00%	$ 2,147

Debt Administration

The revenue certificate debt coverage ratio is a useful indicator of the Utilities Commission's debt position. The current year's revenue certificate coverage is 2.27 times and is summarized in the following tabulation:

Operating revenues	$ 28,112,213	
Interest and other income	990,858	
Connection fees	1,001,968	
Assessment collections	45,828	
REVENUES PER CERTIFICATE RESOLUTION		$ 30,150,867
Cost of Operation and Maintenance (net of depreciation and required payments to the City)		22,532,305
NET REVENUES PER CERTIFICATE RESOLUTION		$ 7,618,562
Annual debt service requirement		$ 3,358,281
COVERAGE RATIO		2.27 Times

The Commission's revenue certificate coverage ratio for each of the last five fiscal years is presented in Table XIII of the accompanying financial report.

As of September 30, 1990, the Utilities Commission had outstanding $51,640,000 of revenue certificates payable. All of these obligations are secured by a first lien on and a pledge of the net revenues of the system.

Also during the year, the Commission made draws on a construction loan agreement with the Florida Municipal Power Agency, as agent for the Initial Pooled Loan Project in the aggregate amount of $1,213,256. The proceeds from the loan have been used to finance the cost of relocating utility lines within the City as a result of the construction of a new high rise bridge by the Florida Department of Transportation. As of September 30, 1990, the balance outstanding on the note totaled $2,925,000.

In connection with the issuance of the Utility System Revenue Certificates, Series 1990, the Commission maintained its A rating from Moody's, and Standard & Poor's raised its stand alone rating from the previous BBB+ to A-.

	Moody's	Standard & Poor's
Utilities System Revenue Refunding and Improvement Certificates, Series 1978	A	A-
Utilities System Revenue Improvement Certificates, Series 1986	Aaa	AAA (FGIC Insured)
Utilities System Refunding Revenue Certificates, Series 1987	Aaa	AAA (AMBAC Insured)
Utilities System Revenue Certificates, Series 1990	Aaa	AAA (AMBAC Insured)

The debt service requirements on these obligations are detailed in Note 6 to the financial statements.

Cash Management

Cash temporarily idle during the year was invested through the use of a competitive bid procedure in short-term time deposits and medium short-term investments. Shorter investment periods were utilized by the Utilities Commission due to the rapid changes and uncertainties of interest rates experienced during the fiscal year. The amount of interest earned during the year was $801,086.

The Commission's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized in accordance with the Florida Security for Public Deposits Act (the "Act"). All collateral on deposits was held either by the Commission, or by the State of Florida in accordance with the applicable provisions of the Act. All of the Commission's investments held at September 30, 1990, are classified in the category of lowest credit risk (backed exclusively by the full faith and credit of the United States government) as defined by the Governmental Accounting Standards Board.

OTHER INFORMATION

Independent Audit

Resolution Number 28-78 and other local and state statutes require an annual audit of the books of account, financial records and transactions of all administrative departments of the Utilities Commission by an independent certified public accountant selected by the Utilities Commission. The accounting firm of Brent Millikan & Co., P.A., Certified Public Accountants, was selected by the Commission to satisfy this requirement. Their independent auditors' report on the financial statements and schedules of the Commission has been included in the financial section this report.

Awards - Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Utilities Commission, City of New Smyrna Beach, Florida, for its component unit financial report for the fiscal year ended September 30, 1989. We are also quite proud of the fact that we have been awarded with this Certificate for the twelfth consecutive year.

In order to be awarded a Certificate of Achievement, the Commission must publish an easily readable and efficiently organized component unit annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

We would also like to thank the members of the Utilities Commission for their interest, support, and leadership in planning and conducting the financial operations of the Utilities Commission in a most responsible and progressive manner.

Respectfully submitted,

R. Ronald Hagen,
Director of Utilities

Valois Pagan, CPA
Controller

FINANCIAL SECTION

This section is composed of the following three parts:

INDEPENDENT AUDITORS' REPORT

GENERAL PURPOSE FINANCIAL STATEMENTS

SUPPLEMENTAL INFORMATION

INDEPENDENT AUDITORS' REPORT

BM&C

BRENT MILLIKAN & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Utilities Commission,
City of New Smyrna Beach, Florida
New Smyrna Beach, Florida

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying balance sheets of the Utilities Commission, City of New Smyrna Beach, Florida, as of September 30, 1990 and 1989, and the related statements of revenues, expenses and changes in retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Utilities Commission, City of New Smyrna Beach, as of September 30, 1990, and 1989, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Utilities Commission, City of New Smyrna Beach, Florida. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

205 MAGNOLIA ST. • P.O. BOX 1226 • NEW SMYRNA BEACH, FL 32170-1226 • (904) 427-1333 252-3821 • FAX (904) 427-5823

MEMBER: American Institute of Certified Public Accountants and AICPA Private Companies Practice Section

In connection with our audit, nothing came to our attention that caused us to believe that the Utilities Commission, City of New Smyrna Beach, Florida, was not in compliance with any of the terms, covenants, provisions, or conditions of section 16 of Resolution No. 28-78 dated June 30, 1978, as amended. However, it should be noted that our audit was not directed primarily toward obtaining knowledge of such noncompliance.

Brent Millikan & Co., P.A.

New Smyrna Beach, Florida
December 11, 1990

GENERAL PURPOSE FINANCIAL STATEMENTS
(Combined Statements - Overview)

These basic financial statements provide a summary overview of the financial position as well as the operating results of the Utilities Commission. They also serve as an introduction to the more detailed statements and schedules that follow.

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Statement 1

COMPARATIVE BALANCE SHEETS
September 30, 1990 and 1989

ASSETS	1990	1989
UTILITY PLANT:		
Electric plant	$42,448,486	$39,229,967
Water plant	15,990,608	14,771,713
Pollution control plant	17,878,551	16,995,713
General plant	5,029,681	4,762,069
	81,347,326	75,759,462
Less accumulated depreciation and amortization	(27,391,733)	(25,294,147)
	53,955,593	50,465,315
Construction work in progress	2,507,473	3,886,761
UTILITY PLANT-NET	56,463,066	54,352,076
RESTRICTED ASSETS:		
Debt Service funds	6,793,117	5,067,859
Renewal and Replacement funds	3,922,752	3,677,300
1990 Certificates Construction fund	11,804,801	-
Customer's deposits	952,693	907,953
CR-3 Decommissioning fund	480,849	362,117
Rate Stabilization fund	67,505	90,516
TOTAL RESTRICTED ASSETS	24,021,717	10,105,745
CURRENT ASSETS:		
Cash and cash equivalents	344,113	521,953
Accrued interest receivable	65,227	56,420
Accounts receivable (net)	1,549,934	1,553,631
Unbilled accounts receivable	1,972,800	1,490,395
Due from other governments	1,007	30,772
Inventories	1,423,786	1,467,463
Prepaid expenses and other assets	159,007	121,889
Assessments receivable	74,402	63,454
TOTAL CURRENT ASSETS	5,590,276	5,305,977
DEFERRED CHARGES AND OTHER ASSETS:		
Unamortized debt expense	793,544	550,807
Deferred charges and other assets	18,234	23,543
Assessments receivable - noncurrent	58,917	115,692
TOTAL DEFERRED CHARGES AND OTHER ASSETS	870,695	690,042
TOTAL ASSETS	$86,945,754	$70,453,840

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

LIABILITIES AND UTILITY EQUITY	1990	1989
UTILITY EQUITY:		
Contributed capital	$19,644,604	$18,540,201
Retained Earnings:		
Reserved for debt service	3,632,700	2,675,541
Unreserved	3,177,342	4,697,935
	6,810,042	7,373,476
TOTAL UTILITY EQUITY	26,454,646	25,913,677
LONG-TERM DEBT:		
Note payable (net of current portion)	2,865,000	1,726,744
Revenue certificates payable (net of current portion)	50,265,000	36,285,000
Less unamortized discount on revenue certificates and note payable	(846,606)	(689,602)
TOTAL LONG-TERM DEBT	52,283,394	37,322,142
RESTRICTED FUND LIABILITIES:		
Revenue certificates payable (current portion)	1,375,000	1,145,000
Note payable (current portion)	60,000	45,000
Accrued interest payable	1,792,922	1,292,834
Accounts payable	312,295	697,404
Customers' deposits	912,064	849,963
Deferred credits:		
Reserve for decommissioning costs	480,849	362,117
Reserve for arbitrage rebate	94,223	-
TOTAL RESTRICTED FUND LIABILITIES	5,027,353	4,392,318
CURRENT LIABILITIES:		
Accounts payable	1,675,863	1,443,706
Accrued liabilities	623,669	544,468
Due to other governments	405,353	231,956
TOTAL CURRENT LIABILITIES	2,704,885	2,220,130
OTHER NONCURRENT LIABILITIES:		
Deferred compensated absences	474,456	490,315
Deferred credits - operating reserves	1,020	115,258
TOTAL OTHER NONCURRENT LIABILITIES	475,476	605,573
TOTAL LIABILITIES	60,491,108	44,540,163
TOTAL LIABILITIES AND UTILITY EQUITY	$86,945,754	$70,453,840

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Statement 2

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
For the Fiscal Years Ended September 30, 1990 and 1989

	1990	1989
OPERATING REVENUES:		
Sales	$27,833,668	$26,155,534
Other revenues	278,545	261,073
TOTAL OPERATING REVENUES	28,112,213	26,416,607
OPERATING EXPENSES:		
Production expenses	14,971,670	13,793,020
Transmission, distribution and sewage collection and treatment	2,856,957	2,795,429
Customer accounting	721,935	660,210
Administrative and general	3,541,852	3,025,338
Required payments to the City of New Smyrna Beach	1,781,241	1,589,082
State utilities tax	321,159	308,843
Depreciation and decommissioning	2,447,565	2,322,753
TOTAL OPERATING EXPENSES	26,642,379	24,494,675
OPERATING INCOME	1,469,834	1,921,932
ADD: NONOPERATING REVENUES:		
Interest earnings	801,086	818,148
Other income	189,772	190,580
Gain on disposal of assets	-	6,373
TOTAL NONOPERATING REVENUES	990,858	1,015,101
TOTAL INCOME	2,460,692	2,937,033
LESS: NONOPERATING EXPENSES:		
Interest and debt expense	2,781,553	2,737,217
Other expenses	108,507	83,773
Loss on disposal of assets	134,066	52,836
TOTAL NONOPERATING EXPENSES	3,024,126	2,873,826
NET INCOME (LOSS)	(563,434)	63,207
RETAINED EARNINGS - BEGINNING OF YEAR	7,373,476	7,310,269
RETAINED EARNINGS - END OF YEAR	$ 6,810,042	$ 7,373,476

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

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

STATEMENTS OF CASH FLOWS
For the Fiscal Years Ended September 30, 1990 and 1989

	1990	1989
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$27,764,482	26,420,593
Cash paid to suppliers	(19,091,380)	(17,136,023)
Cash paid to employees	(4,908,802)	(4,488,871)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,764,300	4,795,699
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from nonoperating sources	189,771	190,581
Cash paid for nonoperating expenses	(108,507)	(83,773)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	81,264	106,808
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Net proceeds from issuance of long-term debt	15,719,090	1,026,182
Debt reduction outlays	(850,000)	(775,000)
Contributed capital	1,104,404	867,360
Proceeds from sale of property and equipment	363	17,969
Acquisition and construction of capital assets	(4,686,529)	(4,706,497)
Interest paid (net of amount capitalized)	(2,187,040)	(2,666,377)
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	9,100,288	(6,236,363)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment securities	(6,016,589)	(4,829,867)
Proceeds from sale and maturities of investment securities	4,325,177	4,610,600
Interest received	792,279	815,335
NET CASH USED IN INVESTING ACTIVITIES	(899,133)	596,068
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,046,719	(737,788)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	7,349,371	8,087,159
CASH AND CASH EQUIVALENTS - END OF YEAR	$19,396,090	$ 7,349,371

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

	1990	1989
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	$ 1,469,834	$ 1,921,932
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, amortization and decommissioning	2,559,841	2,385,398
Provision for losses on receivables	61,237	54,541
Decrease (increase) in operating assets:		
Accounts receivable	(510,181)	(262,857)
Assessments receivable	(10,947)	26,357
Inventories	43,677	(28,735)
Prepaid expenses	(37,118)	18,340
Deferred charges and other assets	62,084	156,422
Increase (decrease) in operating liabilities:		
Accounts payable	(152,952)	517,874
Due to other governments	173,398	(111,665)
Customer deposits	62,100	71,286
Other liabilities	43,327	46,806
TOTAL ADJUSTMENTS	2,294,466	2,873,767
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,764,300	$ 4,795,699

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

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Utilities Commission, City of New Smyrna Beach, (the "Utilities Commission") conform to the generally accepted accounting principles as promulgated by the American Institute of Certified Public Accountants, the Financial Accounting Standards Board, the Governmental Accounting Standards Board, and the Federal Energy Regulatory Commission. The following is a summary of the significant policies:

REPORTING ENTITY - (A) The Utilities Commission, was created in 1967 through the passage of Chapter 67-1754, Laws of Florida, Special Acts of 1967 (House Bill 1669) which amended the Charter of the City of New Smyrna Beach, Florida, to create the Utilities Commission. In a referendum held October 2, 1984, the voters of the City of New Smyrna Beach, Florida, approved amendments to the City Charter to limit the terms of office of the Utilities Commissioner's, require City Commission approval for extensions of utility services outside the city limits, give the City Commission the right to review and approve the Utilities Commission budget, and require City Commission approval before issuing or refunding revenue certificates and entering into contracts exceeding four years.

These elements of oversight require that the funds and entities related to the operation of the Utilities Commission be included as a component unit of the City of New Smyrna Beach, Florida, and an integral part of the City's reporting entity. The basic financial statements are incorporated in the City's Comprehensive Annual Financial Report as an enterprise fund activity.

(B) In 1983, the Utilities Commission entered into a participation agreement with Florida Municipal Power Agency (FMPA) for an entitlement share of electric capacity and electric energy from FMPA's undivided ownership interest in Florida Power and Light Company's St. Lucie Unit No. 2, a nuclear generating unit. The Utilities Commission's role in the agreement is limited to that of a participant contractually obligated to purchase electric capacity and electric energy. The agreement between the Utilities Commission and FMPA does not meet the criteria for inclusion within the reporting entity of the Utilities Commission. The agreement specifically provides that the arrangement is not a joint venture and neither FMPA nor the other utilities which entered into participation agreements with FMPA for entitlement shares from FMPA's undivided ownership interest in St. Lucie Unit No. 2 are accounting for the agreement as a joint venture. Accordingly, the Utilities Commission is not accounting for the agreement as a joint venture.

BASIS OF ACCOUNTING - Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. The Utilities Commission utilizes the accrual basis of accounting. By utilizing this method, revenues are recognized when they are earned, and expenses are recognized as they are incurred. Unbilled utility service receivables are recorded so as to provide a better matching of service revenues and the costs of providing the service.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGET AND BUDGETARY ACCOUNTING - An annual budget was adopted for the electric, water and pollution control utility systems. The budget was adopted on a basis consistent with generally accepted accounting principles (GAAP) except that certain other cash receipts and payments are treated as budgetary items to maintain effective fiscal and budgetary control over the collection and disposition of all commission resources. Specific budgetary control is exercised over internal operating transfers to restricted funds, payments of principal on long-term debt obligations, and collections of contributed capital which are recognized in the budget as additions and/or deductions to reconcile budgeted net cash receipts to reported net income (loss) for each system. Budget appropriations are prepared by the administrative staff and approved as provided by law by the Utilities Commission. Budgetary control is exercised at the departmental level. Budget amendments, if any, can be requested by the Director of Utilities. However, all budget amendments must be approved by the Utilities Commission. Unexpended appropriations for operations lapse at year end. No supplemental appropriations were required for the current year.

CASH AND CASH EQUIVALENTS - The Utilities Commission invests all cash balances in interest bearing accounts. Earnings from these investments are appropriately allocated to the investing fund accounts based upon the investment equity and are used, where applicable, to finance general utilities commission operations.

For purposes of the statement of cash flows, the Commission considers all highly liquid debt instruments purchased with original maturity dates of three months or less to be cash equivalents.

INVESTMENTS - Investments are recorded at cost or amortized cost, which approximates market. Adjustments are made to cost, for any premium or discount, which is amortized over the maturity of the investment.

RECEIVABLES

Allowance for uncollectible accounts - Accounts receivable have been reported net of the allowance for uncollectible accounts which has been provided based upon management's analysis of historical trends.

Estimated unbilled revenue Utility Operating sales are recognized on the basis of cycle billings rendered monthly. Unbilled accounts receivable are accrued at September 30, to recognize the sales revenues earned between the last meter reading date made through the end of the fiscal year.

INVENTORIES - Inventories are priced at cost by the use of the "first-in, first-out" method of accounting. The effect of this method is to flow the costs of the materials and supplies in the order in which they are purchased and to assign a balance sheet inventory valuation more nearly at current replacement value. Electric line transformers, electric meters, water meters and replacement

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVENTORIES (Continued)

units for the generating plants are classified as utility plant in accordance with accepted industry practices set forth by the National Association of Regulatory Utilities Commissioners.

UNAMORTIZED DEBT DISCOUNT AND ISSUE COSTS - Bond discounts and issuance costs are deferred and amortized over the term of the bonds using the bond outstanding method which approximates the interest method. Unamortized bond discounts are presented in aggregate in the financial statements as a reduction of the carrying cost of the related long-term debt. Unamortized debt issuance costs are presented as other assets.

RESTRICTED ASSETS - Proceeds from debt, funds required to be set aside for the payment of revenue bonds debt service and contingencies, and other specific assets set aside for restricted purposes which cannot be used for routine operations are classified as restricted assets since their exclusive use is limited by applicable bond covenants and other legal indentures.

UTILITY PLANT - Utility plant is stated at historical or estimated historical cost. The costs of additions, replacements, and renewals of units of property are added to utility plant. The cost (estimated, if not known) of units of property retired, less net salvage, is charged to accumulated depreciation and the appropriate asset account. Donated utility plant is stated at its estimated fair market value on the date donated.

Maintenance and repairs of property and replacements and renewals of items determined to be less than units of property, are charged to operating expense as incurred. Construction period interest is capitalized net of interest earned on unexpended construction funds in accordance with the applicable provisions of Financial Accounting Standard Number 62 and, therefore, depreciated over the remaining useful life of the related asset.

Depreciation is provided for by utilization of the straight line method (half-year convention in year of acquisition) calculated on a service life basis to amortize the cost of the assets over their economic estimated useful lives which are as follows:

Electric System:	
Production plant:	
Nuclear production	27 years
Diesel production	20 - 40 years
Transmission plant	30 - 55 years
Distribution plant	28 - 45 years
General plant:	
Structures and improvements	40 years
Other general plant	5 - 20 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Water System:	
Source of supply plant	25 - 50 years
Pumping plant	35 years
Wate. treatment plant	40 - 50 years
Transmission and distribution plant	25 - 50 years
General plant:	
Structures and improvements	35 years
Other general plant	10 - 35 years
Pollution Control System:	
Collection plant	35 - 50 years
Pumping plant:	
Structures and improvements	50 years
Pumping equipment	25 years
Treatment and disposal plant	25 - 40 years
General plant	10 - 50 years
Common Plant:	
Structures and improvements	35 years
Other general plant	5 - 15 years

ACCRUED PAYROLL AND ACCUMULATED UNPAID VACATION AND SICK PAY - The portion of employee payroll costs paid subsequent to year-end attributable to services performed prior to year-end is recorded and recognized as a current liability. Employees earn annual vacation leave at the rate of 80 hours per year for one through five years of service and 80 hours plus eight hours for each two years service over the first five years to a maximum of 160 hours per year. All outstanding vacation leave is payable upon termination.

Employees accumulate ten hours (eight hours prior to July 1, 1986) of sick leave credit for each month on regular pay status. Employees make an irrevocable election regarding the accumulation of credits and the amounts of credits which can be received upon termination. One option provides for the payment of all unused sick leave at 75% of the existing pay rate at termination. The second option requires the "banking" of at least 240 accumulated hours. Hours accumulated in excess of 240 hours will be paid annually at 75% of the preceding July 1st pay rate.

DEFERRED CREDITS - OPERATING RESERVES - The reserve for nuclear re-fueling and maintenance outage is an operating reserve established to account for the estimated charges to be incurred for the removal and installation of nuclear fuel assemblies. Charges are made against the reserve at the time the actual re-fueling takes place. The reserve for nuclear plant decommissioning costs was established to account for the estimated costs of nuclear plant decommissioning. Charges against the reserve will be made at the actual time of decommissioning.

The reserve for arbitrage rebate is a reserve established to account for the estimated amount of excess interest earnings from the investment of the 1990 Series Revenue Certificates proceeds which will be rebated to the Internal Revenue Service in five years as required under recent federal tax legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CONTRIBUTIONS - Contributions of capital to a proprietary fund from any source received are recorded in an appropriately captioned contributed capital account.

RESERVES - Funded reserves are used to record a portion of retained earnings which must be segregated for some future use and which are, therefore, not available for further appropriation or expenditure.

RATES, REVENUES AND FUEL EXPENSES - Revenues are recognized based on monthly cycle billings to customers. The rate schedules are approved by the Utilities Commission. The electric rate schedule contains an energy cost adjustment clause which reflects the cost of fuel as well as the energy and fuel components of purchased power. Generally, the effect of the increases and/or decreases in the cost of energy is recovered over a four month period and is determined as the difference between actual applicable fuel costs and the costs actually billed during the same period.

The cost of nuclear fuel is amortized to fuel expense based on the quantity of heat produced for generation of electric energy in relation to the quantity of heat expected to be produced over the life of the nuclear fuel core.

2. CASH DEPOSITS AND INVESTMENTS

Pursuant to the applicable provisions of Chapter 280, Florida Statutes, (The Florida Security for Public Deposits Act), the State of Florida, Department of Insurance, Bureau of Collateral Securities, and the Department of Treasury have established specific requirements relative to the security and collateralization for public deposits. Accordingly, banks qualifying as a public depository in the State of Florida must adopt the necessary procedures outlined in these statutes and meet all of the requirements of this chapter to be designated by the State Treasurer as eligible to receive deposits from municipal depositors. Collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance is required to be pledged or deposited with the State Treasurer to secure such deposits. Additional collateral, up to a maximum of 125%, may be required if deemed necessary under the conditions set forth in the Act. Securities eligible to be pledged as collateral are generally limited to obligations of the United States government and any state thereof and are held in the name of the State Treasurer's office. Compliance with the provisions of Chapter 280, Florida Statutes, is monitored by the Department of Insurance.

2. CASH DEPOSITS AND INVESTMENTS (Continued)

DEPOSITS - The Commission maintains several multi-purpose cash accounts which are aggregated and swept nightly for investment in accordance with the provisions of a negotiated three-year overnight repurchase agreement. As a part of this agreement, the Commission is required to maintain a single non-interest bearing compensating balance account in the amount of $208,000.

At September 30, 1990, the carrying amount of the Commission's deposits was $17,223,774. Of this amount, $300,000 was insured by federal depository insurance and $16,923,774 was secured in accordance with the statutory provisions of the Florida Security for Public Deposits Act. Included in the carrying amount of Commission deposits is $8,650 in petty cash and change funds.

INVESTMENTS - The Commission's investment policies are governed by state statutes and local resolution. At September 30, 1990, the Commission's investment in allowable investment instruments included: bonds, notes, certificates of indebtedness, treasury bills, and other securities which are guaranteed by the full faith and credit of the United States of America.

The Commission's investments are categorized below to give an indication of the level of risk assumed by the Commission at September 30th. Category 1 includes investments that are insured or registered or for which the securities are held by the Commission or its agent in the Commission's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the banks' trust departments or agents in the Commission's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the banks, or by their trust departments or agents but not in the Commission's name. There were no category 2 and 3 investments at September 30, 1990.

Type of Investment	Category 1	Carrying Value	Market Value
U.S. Treasury Fund	$2,326,521	$2,326,521	$2,326,521
U.S. Treasury Bills	2,063,631	2,063,631	2,064,210
U.S. Treasury Notes	1,206,222	1,206,222	1,208,112
U.S. Treasury State and Local Government Series (SLGS):			
Notes	740,200	740,200	740,200
Bonds	607,600	607,600	607,600
TOTALS	$6,944,174	$6,944,174	$6,946,643

2. CASH DEPOSITS AND INVESTMENTS (Continued)

CASH AND CASH EQUIVALENTS - For purposes of the Statement of Cash Flows, cash and cash equivalents consist of the following at September 30:

Cash and Cash Equivalents	September 30, 1990	1989
Operating cash	$ 344,113	$ 521,953
Restricted assets:		
Debt service funds	2,273,377	2,089,532
Renewal and replacement funds	3,922,752	3,677,300
1990 Certificates construction fund	11,804,801	-
Customer deposits	952,693	907,953
CR-3 Decommissioning fund	30,849	62,117
Rate stabilization fund	67,505	90,516
	19,051,977	6,827,418
TOTAL CASH AND CASH EQUIVALENTS	$19,396,090	$ 7,349,371

3. RESTRICTED ASSETS

Restricted assets consist of the following:

	September 30, 1990				
	Cash	Time Deposits/ Investment	Accrued Interest Receivable	Total	September 30, 1989 Total
Debt Service Funds:					
1978 Sinking Fund	$1,042,898	$ -	$ 1,395	$1,044,293	$ 1,044,503
1978 Reserve Fund	14,419	2,032,975	-	2,047,394	2,047,394
1986 Sinking Fund	316,733	-	415	317,148	319,618
1986 Reserve Fund	1,036	546,394	-	547,430	547,431
1987 Sinking Fund	368,452	-	511	368,963	368,713
1987 Reserve Fund	-	740,200	-	740,200	740,200
1990 Sinking Fund	522,519	-	-	522,519	-
1990 Reserve Fund	4,999	1,200,171	-	1,205,170	-
	2,271,056	4,519,740	2,321	6,793,117	5,067,859
Renewal and Replacement Funds:					
Res. No. 28-78	$ 959,719	$ -	$ 1,790	$ 961,509	$ 1,225,781
FDOT Project Fund	-	-	-	-	112,929
Water and Pollution Control Connection Fee Fund	2,955,732	-	5,511	2,961,243	2,338,590
	3,915,451	-	7,301	3,922,752	3,677,300
1990 Certificates Construction Fund	11,780,993	-	23,808	11,804,801	-

3. RESTRICTED ASSETS (Continued)

	September 30, 1990				
	Cash	Time Deposits/ Investment	Accrued Interest Receivable	Total	September 30, 1989 Total
Customer deposits	951,607	-	1,086	952,693	907,953
CR-3 decommissioning Fund	17,888	450,000	12,961	480,849	362,117
Rate Stabilization Fund	67,373	-	132	67,505	90,516
TOTALS	$19,004,368	$4,969,740	$ 47,609	$24,021,717	$10,105,745

4. ACCOUNTS RECEIVABLE

A summary of net accounts receivable at September 30, 1990 and 1989, is as follows:

	1990	1989
Billed customer accounts receivable	$1,608,113	$1,610,470
Customer notes receivable	-	578
	1,608,113	1,611,048
Less: allowance for doubtful accounts	(58,179)	(57,417)
TOTALS	$1,549,934	$1,553,631

5. FIXED ASSETS

A summary of utility plant at September 30, 1990 and 1989, is as follows:

(000's omitted)

1990:	Electric	Water	Pollution Control	Common	Total
Land and land rights	$ 1,230	$ 98	$ 216	$ 7	$ 1,552
Structures and improvements	2,504	2,668	3,851	902	9,925
Production plant, nuclear fuel and treatment plant	9,962	4,126	4,230	-	18,317
Transmission, distribution and collection plant	28,345	9,099	9,582	-	47,026
Other general plant and equipment	407	-	-	4,121	4,528
	42,448	15,991	17,879	5,030	81,348
Accumulated depreciation	15,732	4,322	5,134	2,204	27,392
	26,716	11,669	12,745	2,826	53,956
Construction in progress	951	933	194	429	2,507
UTILITY PLANT - NET	$27,667	$12,602	$12,939	$ 3,255	$56,463

5. FIXED ASSETS

1989:

Land and land rights	$ 1,230	$ 98	$ 197	$ 7	$ 1,532
Structures and improvements	2,528	2,436	3,786	948	9,698
Production plant, nuclear fuel and treatment plant	9,886	4,119	4,210	-	18,215
Transmission, distribution and collection plant ...	25,178	8,118	8,803	-	42,099
Other general plant and equipment	408	-	-	3,807	4,215
	39,230	14,771	16,996	4,762	75,759
Accumulated depreciation ..	14,717	3,997	4,682	1,898	25,294
	24,513	10,774	12,314	2,864	50,465
Construction in progress ..	2,135	764	805	183	3,887
UTILITY PLANT - NET	$26,648	$11,538	$13,119	$ 3,047	$54,352

Capitalized interest on outstanding tax-exempt securities charged (credited) to projects during the construction period was $160,777 and $69,687, for 1990 and 1989 respectively (net of interest earned on unexpended long-term debt proceeds totaling $671,837 and $72,756, respectively).

6. LONG-TERM DEBT

A. Long-term debt outstanding at September 30, is as follows:

	1990	1989
Revenue Certificates:		
Utilities System Revenue Refunding and Improvement Certificates, Series 1978--6.00% to 7.125% due serially to 1993, with $9,075,000 and $11,335,000 term certificates due in 2003 and 2010, respectively	$22,395,000	$22,890,000
Utilities System Revenue Improvement Certificates, Series 1986--5.00% to 7.25% due serially to 2001, with $4,670,000 term bonds due in 2015	6,315,000	6,410,000
Utilities System Refunding Revenue Certificates, Series 1987--4.50% to 7.10% due serially to 2001, with $2,790,000 and $2,080,000 term bonds due in 2007 and 2011, respectively	7,930,000	8,130,000

6. LONG-TERM DEBT (Continued)

Utilities System Revenue Certificates, Series 1990--5.90% to 6.80% due serially to 2001, with $1,465,000, $1,930,000 and $9,075,000 term bonds due in 2005, 2009, and 2019, respectively	15,000,000	-
	51,640,000	37,430,000
Less: unamortized debt discount	834,666	689,602
TOTAL REVENUE CERTIFICATES OUTSTANDING (NET OF UNAMORTIZED DISCOUNT)	50,805,334	36,740,398
Note Payable.		
Note payable-Florida Municipal Power Agency, as agent for The Initial Pooled Loan Project--$3,000,000 maximum principal amount, with variable interest rate (currently 5.50%), principal due in installments to 2013	$ 2,925,000	$ 1,771,744
Less: unamortized debt discount	11,940	-
TOTAL NOTE PAYABLE OUTSTANDING (NET OF UNAMORTIZED DISCOUNT)	2,913,060	1,771,744
TOTAL OUTSTANDING LONG-TERM DEBT	53,718,394	38,512,142
Current Maturities:		
Series 1978 Certificates	800,000	755,000
Series 1986 Certificates	200,000	190,000
Series 1987 Certificates	210,000	200,000
Series 1990 Certificates	165,000	-
Note Payable - FMPA	60,000	45,000
TOTAL CURRENT MATURITIES	1,435,000	1,190,000
TOTAL LONG-TERM DEBT (NET OF UNAMORTIZED DISCOUNT)	$52,283,394	$37,322,142

The authorization for the outstanding 1978 Certificates and all subsequent issues provides that the Utilities Commission will not issue additional obligations except for the construction and acquisition of additions, extensions and improvements to the system or for refunding purposes and except upon the conditions provided in the authorizing resolution.

6. LONG-TERM DEBT (Continued)

The 1978 Certificates are payable from and secured by a first lien upon and pledge of the net revenues derived from the operation of the system. The payment of the principal of and interest on the 1986, 1987, and 1990 Certificates referred to herein are secured ratably by a first lien on and a pledge of the net revenues of the system on a parity with the outstanding 1978 Certificates. These Certificates do not constitute general indebtedness of the Utilities Commission or the City of New Smyrna Beach, Florida (City) and the City is not obligated to levy any taxes for the payment thereof.

Under the terms of its long-term debt agreements, the Utilities Commission has agreed to maintain certain restricted funds (see Note 3) and to comply with the covenants contained in such agreements. Certain of these agreements contain the following provision relating to the right of the obligation holder:

> "Any holder of certificates or any coupons appertaining thereto issued under the provision hereof or any trustee acting for the holders of such certificates may by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained herein, and may enforce and compel the performance of all duties herein required or by any applicable statutes to be performed by the Commission or by any officer thereof.
>
> Nothing herein, however, shall be construed to grant to any holder of the certificates any lien on any real property of the Commission or the City."

The applicable rate of interest on the note payable to the Florida Municipal Power Agency (FMPA), as agent for the Initial Pooled Loan Project is subject to change with ten days notice from FMPA. The Loan Agreement also provides that FMPA may increase the effective rate of interest to recover the cost of interest becoming due on the FMPA obligations allocable to the loan and to recover certain other expenses from the Utilities Commission, if any, in administering the subject Loan.

B. The schedules of debt service to maturity on the outstanding revenue certificates at September 30, 1990, are as follows:

6. LONG-TERM DEBT (Continued)

Payment Date	1978 Certificates Principal	Coupon Rate	Interest	Total Requirements
10-1-90	$ 260,000	6.200%	$ 784,281	$ 1,044,281
04-1-91	265,000	6.300	776,221	1,041,221
10-1-91	275,000	6.300	767,873	1,042,873
04-1-92	285,000	6.350	759,211	1,044,211
10-1-92	290,000	6.350	750,162	1,040,162
04-1-93	300,000	6.400	740,954	1,040,954
10-1-93	310,000	6.400	731,354	1,041,354
04-1-94	320,000	7.000	721,434	1,041,434
10-1-94	330,000	7.000	710,234	1,040,234
04-1-95	345,000	7.000	698,684	1,043,684
10-1-95	355,000	7.000	686,609	1,041,609
04-1-96	370,000	7.000	674,184	1,044,184
10-1-96	380,000	7.000	661,234	1,041,234
04-1-97	395,000	7.000	647,934	1,042,934
10-1-97	410,000	7.000	634,109	1,044,109
04-1-98	425,000	7.000	619,759	1,044,759
10-1-98	435,000	7.000	604,884	1,039,884
04-1-99	455,000	7.000	589,659	1,044,659
10-1-99	470,000	7.000	573,734	1,043,734
04-1-00	485,000	7.000	557,284	1,042,284
10-1-00	500,000	7.000	540,309	1,040,309
04-1-01	520,000	7.000	522,809	1,042,809
10-1-01	540,000	7.000	504,609	1,044,609
04-1-02	555,000	7.000	485,709	1,040,709
10-1-02	575,000	7.000	466,285	1,041,285
04-1-03	595,000	7.000	446,160	1,041,160
10-1-03	615,000	7.000	425,335	1,040,335
04-1-04	640,000	7.125	403,810	1,043,810
10-1-04	660,000	7.125	381,010	1,041,010
04-1-05	685,000	7.125	357,497	1,042,497
10-1-05	710,000	7.125	333,094	1,043,094
04-1-06	735,000	7.125	307,800	1,042,800
10-1-06	760,000	7.125	281,615	1,041,616
04-1-07	790,000	7.125	254,541	1,044,541
10-1-07	815,000	7.125	226,397	1,041,397
04-1-08	845,000	7.125	197,363	1,042,363
10-1-08	875,000	7.125	167,259	1,042,259
04-1-09	905,000	7.125	136,088	1,041,088
10-1-09	940,000	7.125	103,847	1,043,847
04-1-10	970,000	7.125	70,359	1,040,359
10-1-10	1,005,000	7.125	35,803	1,040,803
	$22,395,000		$20,337,498	$42,732,498

6. LONG-TERM DEBT (Continued)

1986 Certificates

Payment Date	Principal	Coupon Rate	Interest	Total Requirements
10-1-90	$ 95,000	5.400%	$ 222,147	$ 317,147
04-1-91			219,583	219,583
10-1-91	105,000	5.600	219,582	324,582
04-1-92			216,643	216,643
10-1-92	110,000	5.800	216,642	326,642
04-1-93			213,453	213,453
10-1-93	115,000	6.000	213,452	328,452
04-1-94			210,003	210,003
10-1-94	120,000	6.200	210,002	330,002
04-1-95			206,283	206,283
10-1-95	130,000	6.400	206,282	336,282
04-1-96			202,123	202,123
10-1-96	135,000	6.500	202,122	337,122
04-1-97			197,735	197,735
10-1-97	145,000	6.600	197,735	342,735
04-1-98			192,950	192,950
10-1-98	155,000	6.700	192,950	347,950
04-1-99			187,758	187,758
10-1-99	165,000	6.800	187,757	352,757
04-1-00			182,148	182,148
10-1-00	180,000	6.900	182,147	362,147
04-1-01			175,938	175,938
10-1-01	190,000	7.000	175,937	365,937
04-1-02			169,288	169,288
10-1-02	205,000	7.250	169,287	374,287
04-1-03			161,857	161,857
10-1-03	220,000	7.250	161,856	381,856
04-1-04			153,881	153,881
10-1-04	235,000	7.250	153,881	388,881
04-1-05			145,363	145,363
10-1-05	250,000	7.250	145,362	395,362
04-1-06			136,300	136,300
10-1-06	270,000	7.250	136,300	406,300
04-1-07			126,513	126,513
10-1-07	290,000	7.250	126,512	416,512
04-1-08			116,000	116,000
10-1-08	310,000	7.250	116,000	426,000
04-1-09			104,763	104,763
10-1-09	330,000	7.250	104,762	434,762
04-1-10			92,800	92,800
10-1-10	355,000	7.250	92,800	447,800
04-1-11			79,931	79,931

6. LONG-TERM DEBT (Continued)

1986 Certificates (Continued)

Payment Date	Principal	Coupon Rate	Interest	Total Requirements
10-1-11	380,000	7.250	79,931	459,931
04-1-12			66,156	66,156
10-1-12	410,000	7.250	66,156	476,156
04-1-13			51,294	51,294
10-1-13	440,000	7.250	51,294	491,294
04-1-14			35,344	35,344
10-1-14	470,000	7.250	35,344	505,344
04-1-15			18,306	18,306
10-1-15	505,000	7.250	18,306	523,306
	$6,315,000		$7,546,959	$13,861,959

1987 Certificates

Payment Date	Principal	Coupon Rate	Interest	Total Requirements
10-1-90			$ 263,963	$ 263,963
04-1-91	$ 210,000	5.000%	263,962	473,962
10-1-91			258,713	258,713
04-1-92	220,000	5.200	258,712	478,712
10-1-92			252,993	252,993
04-1-93	230,000	5.400	252,992	482,992
10-1-93			246,783	246,783
04-1-94	245,000	5.600	246,782	491,782
10-1-94			239,923	239,923
04-1-95	255,000	5.800	239,922	494,922
10-1-95			232,528	232,528
04-1-96	270,000	6.000	232,527	502,527
10-1-96			224,428	224,428
04-1-97	285,000	6.200	224,427	509,427
10-1-97			215,593	215,593
04-1-98	305,000	6.400	215,592	520,592
10-1-98			205,833	205,833
04-1-99	325,000	6.500	205,832	530,832
10-1-99			195,270	195,270
04-1-00	345,000	6.600	195,270	540,270
10-1-00			183,885	183,885
04-1-01	370,000	6.700	183,885	553,885
10-1-01			171,490	171,490
04-1-02	390,000	7.000	171,490	561,490
10-1-02			157,840	157,840
04-1-03	420,000	7.000	157,840	577,840
10-1-03			143,140	143,140
04-1-04	445,000	7.000	143,140	588,140
10-1-04			127,565	127,565

6. LONG-TERM DEBT (Continued)

1987 Certificates (Continued)

Payment Date	Principal	Coupon Rate	Interest	Total Requirements
04-1-05	$ 480,000	7.000%	$ 127,565	$ 607,565
10-1-05			110,765	110,765
04-1-06	510,000	7.000	110,765	620,765
10-1-06			92,915	92,915
04-1-07	545,000	7.000	92,915	637,915
10-1-07			73,840	73,840
04-1-08	585,000	7.100	73,840	658,840
10-1-08			53,073	53,073
04-1-09	630,000	7.100	53,072	683,072
10-1-09			30,708	30,708
04-1-10	670,000	7.100	30,707	700,707
10-1-10			6,923	6,923
04-1-11	195,000	7.100	6,922	201,922
	$7,930,000		$6,976,330	$14,906,330

1990 Certificates

Payment Date	Principal	Coupon Rate	Interest	Total Requirements
10-1-90			$ 522,519	$ 522,519
04-1-91			522,519	522,519
10-1-91	$ 165,000	5.900%	522,519	687,519
04-1-92			517,651	517,651
10-1-92	175,000	6.000	517,651	692,651
04-1-93			512,401	512,401
10-1-93	185,000	6.100	512,401	697,401
04-1-94			506,759	506,759
10-1-94	200,000	6.200	506,759	706,759
04-1-95			500,559	500,559
10-1-95	210,000	6.300	500,559	710,559
04-1-96			493,944	493,944
10-1-96	225,000	6.400	493,944	718,944
04-1-97			486,744	486,744
10-1-97	240,000	6.500	486,744	726,744
04-1-98			478,944	478,944
10-1-98	255,000	6.600	478,944	733,944
04-1-99			470,529	470,529
10-1-99	270,000	6.700	470,529	740,529
04-1-00			461,484	461,484
10-1-00	295,000	6.750	461,484	756,484
04-1-01			451,528	451,528

6. LONG-TERM DEBT (Continued)

1990 Certificates (Continued)

10-1-01	310,000	6.800	451,527	761,527
04-1-02			440,988	440,988
10-1-02	330,000	7.000	440,987	770,987
04-1-03			429,438	429,438
10-1-03	355,000	7.000	429,437	784,437
04-1-04			417,013	417,013
10-1-04	375,000	7.000	417,013	792,013
04-1-05			403,888	403,888
10-1-05	405,000	7.000	403,888	808,888
04-1-06			389,713	389,713
10-1-06	435,000	7.000	389,713	824,713
04-1-07			374,488	374,488
10-1-07	465,000	7.000	374,488	839,488
04-1-08			358,213	358,213
10-1-08	495,000	7.000	358,213	853,213
04-1-09			340,887	340,887
10-1-09	535,000	7.000	340,887	875,887
04-1-10			322,162	322,162
10-1-10	570,000	7.100	322,162	892,162
04-1-11			301,927	301,927
10-1-11	610,000	7.100	301,927	911,927
04-1-12			280,272	280,272
10-1-12	655,000	7.100	280,272	935,272
04-1-13			257,020	257,020
10-1-13	700,000	7.100	257,020	957,020
04-1-14			232,170	232,170
10-1-14	755,000	7.100	232,170	987,170
04-1-15			205,367	205,367
10-1-15	805,000	7.100	205,367	1,010,367
04-1-16			176,790	176,790
10-1-16	1,145,000	7.100	176,790	1,321,790
04-1-17			136,142	136,142
10-1-17	1,210,000	7.100	136,142	1,346,142
04-1-18			93,187	93,187
10-1-18	1,280,000	7.100	93,187	1,373,187
04-1-19			47,747	47,747
10-1-19	1,345,000	7.100	47,747	1,392,747
	$15,000,000		$21,743,464	$36,743,464

6. LONG-TERM DEBT (Continued)

C. The aggregate annual debt service requirements for the certificates and variable interest rate note payable in each of the next five years are as follows:

	Revenue Certificates	Note Payable	Total
1991	$ 4,570,972	$ 182,825	$ 4,753,797
1992	$ 4,569,666	$ 222,432	$ 4,792,098
1993	$ 4,563,791	$ 223,584	$ 4,787,375
1994	$ 4,566,896	$ 224,909	$ 4,791,805
1995	$ 4,566,426	$ 225,952	$ 4,792,378

D. As a part of its outstanding revenue certificate obligations, the Utilities Commission is subject to certain covenants and provisions which require specific actions to be taken by the Commission during the year. The Commission has complied with all significant contractual covenants and provisions.

7. PRIOR YEARS' DEFFASANCE OF DEBT

In prior years, the Utilities Commission defeased certain outstanding utilities revenue certificates of the Commission and certain general obligation bonds of the City of New Smyrna Beach issued for the System payable out of revenues derived from the operation of the utilities system by placing the proceeds of new certificates in irrevocable trusts to provide for all future debt service payments on the old certificates/bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Commission's financial statements.

At September 30, the following certificates/bonds are considered defeased:

	1990	1989
1978 Refunding:		
Waterworks and Electric:		
Series 1955--3.75% due serially to 1993	$ 436,000	$ 572,000
Series 1962 refunding--3.5% due serially to 1987 and $35,000 in 1999	35,000	35,000
Series 1962--3.9% to 4.2% due serially to 2000	1,595,000	1,640,000
Series 1965--4.2% and 4.25% due serially to 2004	1,830,000	1,865,000
Sewer:		
Series S-1963--3.9% due serially to 2002	280,000	300,000
Series T-1963--4.0% due 2003	713,000	748,000
Series B-1965--3.7% to 4.1% due serially to 2003	415,000	435,000

7. PRIOR YEARS' DEFEASANCE OF DEBT (Continued)

Utilities:		
Series 1975--3.75% to 6.2% due serially to 2004	2,140,000	2,250,000
Series 1975A--5.0% to 6.6% due serially to 2005	2,900,000	3,010,000
Water and Sewer Revenue General Obligation Bonds:		
Series 1976--4.5% to 6.2% due serially to 2001 .	4,340,000	4,605,000
1985 Refunding:		
Series 1982--12.625% due serially from 2012 to 2016	6,190,000	6,190,000
1987 Refunding:		
Series 1985--5.75% to 9.50% due serially to 1999 with $2,135,000 and $3,130,000 term certificates due in 2005 and 2011, respectively	6,965,000	7,090,000

8. COMPENSATED EMPLOYEE ABSENCES

Pursuant to the Utilities Commission's collective bargaining agreement and employment contracts, the Commission provides compensatory wages for accumulated vacation and sick leave credits that vest with employees. The Commission's liability for accumulated compensated absences at September 30, is as follows:

	1990		1989	
	Current	Deferred	Current	Deferred
Vacation credits	$195,781	$ 48,945	$180,518	$ 41,487
Sick leave credit	106,378	425,511	12,665	448,828
TOTALS	$302,159	$474,456	$193,183	$490,315

9. REQUIRED PAYMENT TO THE CITY OF NEW SMYRNA BEACH, FLORIDA

The legislation that created the Utilities Commission requires it to pay to the general fund of the City of New Smyrna Beach a sum equal to six percent (6%) of the gross revenues from utilities under Commission control. This payment is subordinate to the debt service requirement of all utilities revenue certificates and is recorded as a quasi-external transaction for financial reporting purposes. The amount paid to the City totaled $1,781,241 and $1,589,082 for the years ended September 30, 1990 and 1989, respectively. The balance due to the City at September 30, 1990 and 1989, totaled $335,307 and $173,875, respectively.

10. LEASES

The Utilities Commission leases additional office space located at 114 Sams Avenue under an operating lease expiring August 31, 1993. The minimum monthly lease payments are $425. The lease agreement contains a renewal option which must be negotiated at the end of the initial lease term. The minimum future rental payments under this lease for each of the next three years, to expiration of the lease, and in the aggregate are:

Year Ended	Amount
September 30, 1991	$ 5,100
September 30, 1992	5,100
September 30, 1993	4,675
Total Minimum Future Rental Payments	$ 14,875

11. EMPLOYEE PENSION PLAN

The Utilities Commission contributes to the Florida Retirement System of the State of Florida, a cost-sharing multiple-employer public employee retirement system that acts as a common investment and administrative agent for municipalities in the State of Florida. The payroll for employees covered by the System for the year ended September 30, 1990, was $4,793,865. Total payroll for the year was $4,908,802.

All full-time employees are eligible to participate in the plan. All participating employees, upon attaining their normal retirement age (age 62), with 10 years of credited service are entitled to a retirement benefit payable monthly for life of at least 1.6%, but not more than 1.68% of their average final compensation for each year of credited service. The average final compensation is the average annual compensation of the 5 highest years of compensation during creditable service prior to retirement. Benefits fully vest on reaching 10 years of creditable service. The plan also provides for death and disability benefits.

The funding methods and determination of benefits payable are provided in the various acts of the Florida Legislature, which created the fund, including subsequent amendments thereto. In previous years, these acts provided, in general, that funds were to be accumulated from employee contributions, employer contributions, State appropriations and income from investments of accumulated funds. The act also provides that, should the accumulated funds in the fund at any time be insufficient to meet and pay the benefits due, the employer shall supplement the funds by an appropriation from current funds, or from any revenues which may lawfully be used for said purposes, in an amount sufficient to make up the deficiency.

The Utilities Commission's contribution to the plan during the year ended September 30, 1990, totaled $696,598 which was 14.38% of the qualifying employees' gross wages for the period from October 1, 1989 through December 31, 1989, and 15.14% for the period from January 1, 1990 through September 30, 1990.

11. EMPLOYEE PENSION PLAN (Continued)

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The plan does not make separate measurements of assets and pension benefit obligation for individual employers. The estimated pension benefit obligation at July 1, 1989, was computed based upon assumptions determined through an actuarial valuation performed as of July 1, 1989. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected annual salary scale increases of 7.5%, (c) projected annual payroll growth of 7.0%, and (d) no post-retirement benefit increases.

The total unfunded pension benefit obligation (estimated) applicable to the Commission's employees is not separately determined by the actuary. The estimated pension benefit obligation was $27.4 billion for the plan as a whole. The plan's net assets available for benefits on that date (valued at market) were $17.6 billion, leaving an unfunded pension benefit obligation of $9.8 billion. The representative amount of the Commission's 1989 contribution to the plan was not provided by the plan administrator, however, it is not significant in relation to the total contributions required of all participating entities.

Ten-year historical trend information showing the plan's progress in accumulating sufficient assets to pay benefits when due is obtainable from the State of Florida, Department of Administration, Division of Retirement.

12. SEGMENT INFORMATION

The Commission provides electric, water and pollution control services to the public. The following is a summary of the segment information for the electric, water, and pollution control systems:

	Electric System	Water System	Pollution Control System	Total
Operating revenue	$22,362,293	$ 3,305,107	$ 2,444,813	$28,112,213
Depreciation and decommissioning	1,468,516	426,844	552,205	2,447,565
Operating income (loss)	1,057,782	554,618	(142,566)	1,469,834
Required payments to City of New Smyrna Beach	1,387,110	228,692	165,439	1,781,241
Net income (loss)	(373,432)	149,131	(339,133)	(563,434)
Contribution in aid of Construction	413,178	6,646,402	12,585,024	19,644,604

12. SEGMENT INFORMATION (Continued)

	Electric System	Water System	Pollution Control System	Total
Utility plant acquisitions .	3,793,896	1,318,638	953,284	6,065,818
Utility plant retirements ..	414,809	32,841	30,304	477,954
Revenue certificates payable	24,488,100	20,053,050	7,098,850	51,640,000
Utility equity	6,030,956	9,291,193	11,132,497	26,454,646
Total assets	40,088,002	27,987,136	18,870,616	86,945,754

13. LEGAL MATTERS

The Utilities Commission is engaged in routine litigation incidental to the conduct of its municipal utilities affairs. In the opinion of the Counsel to the Commission, no legal proceedings are pending against the Commission not covered by insurance which would inhibit the Commission's ability to perform its operations or materially affect its financial condition.

14. COMMITMENTS

a. Acting through the Florida Municipal Power Agency (FMPA), the Utilities Commission is a participant in a portion of Florida Power and Light Company's (FPL) St. Lucie Unit No. 2, a nuclear generating unit with an original estimated net capability rating of 802 MW. St. Lucie Unit No. 2 was subsequently uprated and now has a seasonally adjusted rating of approximately 840 MW. FMPA issued St. Lucie Project Revenue Bonds, Series 1983, in the amount of $290,000,000, which were subsequently partially refunded by $284,810,000 St. Lucie Project Refunding Revenue Bonds, Series 1986 (together, the "St. Lucie Project Bonds"), for an 8.806% undivided ownership interest of St. Lucie No. 2 together with rights to receive electric capacity and electric energy under a reliability exchange agreement. The Utilities Commission's participation provides for a 9.884% entitlement share of FMPA's 8.806% undivided ownership interest.

A reliability exchange agreement provides for FMPA's exchanging 50% of its output from St. Lucie No. 2 for a like amount from St. Lucie No. 1 to mitigate the potential for economic loss resulting from an extended or permanent outage of St. Lucie No. 2.

The Utilities Commission is not directly obligated to pay the St. Lucie Project Bonds and neither the faith and credit nor the taxing power of the City of New Smyrna Beach is pledged to payment of the St. Lucie Project Bonds.

The Utilities Commission, as a participant, has entered into a power sales contract which requires payment on a "take-and pay" basis for the Utilities Commission's entitlement share of the project capability for the St. Lucie Project for each month during any portion of which electric capacity and electric energy are available to the Utilities Commission from the St. Lucie

14. COMMITMENTS (Continued)

Project, including electric capacity and electric energy under the reliability exchange agreement with FPL. In the event payment is not required for any month under the Utilities Commission's power sales contract, it is required to make payment for such month under its project support contract on a "take-or-pay" basis. The payment under the project support contract would be the amount the Utilities Commission would have been required to pay under its power sales contract for such month if any electric capacity and electric energy from the St. Lucie Project had been made available to them.

As a result of these agreements, the Utilities Commission is obligated to provide payments of approximately $3.8 million annually.

b. On October 14, 1988, the Commission entered into an agreement with FPL regarding the future short-term and long-term electric transmission needs of the Commission. Pursuant to the agreement, FPL will modify and upgrade certain existing FPL electric transmission facilities currently providing electric energy to the Commission. Beginning January, 1990, the cost of the improvements (not to exceed $250,000), are reimbursed to FPL by the Commission, without interest, in twenty-nine equal monthly installments of $8,621.

c. On August 18, 1989, the Commission simultaneously entered into a construction agreement and a related fifteen year lease agreement with Florida Power Corporation (FPC) which provides for the construction and subsequent leasing of 115 kv transmission facilities connecting their respective control areas with the Commission's Smyrna substation facility. Under the agreements, the lease will become effective when construction of the transmission facilities between the FPC tie point and Smyrna substation are completed and placed in service (currently expected to be May, 1992). The agreements also specify that the Commission has the option to purchase the transmission facilities at any time after the first year of the lease at a cost of $3.8 million. The lease provides for minimum monthly lease payments of $52,060, and includes a provision for insurance and real estate taxes levied against the facilities. As of September 30, 1990, there have been no modifications to the agreement and FPC has yet to begin construction of the substation.

d. In the year 2016, the Utilities Commission's share of decommissioning costs applicable to its participation in Florida Power Corporation's (FPC) Crystal River Unit No. 3, a nuclear generating unit, is expected to be approximately $6.7 million. An operating reserve has been established to account for these estimated costs. Funding of the reserve began in 1985 and, based on currently revised estimates, the Commission is expected to fund the reserve with payments of approximately $85,000 annually. Based on an assumed interest rate of 6% per annum, these annual payments, plus the interest earned thereon, is expected to be sufficient to meet the Commission's portion of the estimated future decommissioning costs. Decommissioning costs recognized during the year totaled $118,732.

e. At September 30, 1990, the Utilities Commission had additional unrecognized construction contract commitments of approximately $4.8 million for utility plant expansion and upgrading.

14. COMMITMENTS (Continued)

f. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the Commission. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

g. On October 1, 1995, the Utilities Commission will be required to remit the calculated arbitrage rebate as of that date, to the Internal Revenue Service, pursuant to current federal tax regulations. As of September 30, 1990, the Utilities Commission has estimated the amount of excess interest earnings on the Series 1990 Revenue Certificate invested proceeds to be approximately $94,223 for the first year.

The calculation of the rebateable arbitrage involves using the future value method of investment cash flows at an interest rate equal to the yield on the Series 1990 Revenue Certificates issue. The timing and amount of future cash flows of the bond proceeds, over the next four year period, will affect the amount of rebateable arbitrage. Generally, extended periods of investment tend to increase the amount of rebate to the government. Based on actual cash flows from the date of issuance, January 25, 1990, through September 30, 1990, the Utilities Commission has estimated the amount of excess interest earned and appropriately reported as a long-term liability, $94,223.

SUPPLEMENTAL INFORMATION

This section is composed of the following two parts:

SUPPLEMENTAL DETAIL INFORMATION OF THE ELECTRIC,
WATER AND POLLUTION CONTROL SYSTEMS

STATISTICAL SECTION

SUPPLEMENTAL DETAIL INFORMATION OF THE ELECTRIC, WATER AND POLLUTION CONTROL SYSTEMS

These financial statements provide a more detailed view of the "General Purpose Financial Statements" presented in the preceding subsection.

Resolution Numbers 16-75 and 28-78 established the electric, water and pollution control systems as a single enterprise fund. These statements are presented to provide detailed information on the individual electric, water and pollution control utility systems and to present the budgetary comparisons and are not necessary for a fair presentation in conformity with generally accepted accounting principles.

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Schedule 1

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ended September 30, 1990
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 1989

	Electric	Water	Pollution Control	Totals 1990	Totals 1989
OPERATING REVENUES:					
Sales	$22,184,982	$ 3,211,206	$ 2,437,480	$27,833,668	$26,155,534
Other revenues	177,311	93,901	7,333	278,545	261,073
TOTAL OPERATING REVENUES	22,362,293	3,305,107	2,444,813	28,112,213	26,416,607
OPERATING EXPENSES:					
Production expenses	14,191,470	780,200	-	14,971,670	13,793,020
Transmission, distribution and sewage collection and treatment	1,426,707	336,506	1,093,744	2,856,957	2,795,429
Customer accounting	437,131	177,968	106,836	721,935	660,210
Administrative and general	2,072,418	800,279	669,155	3,541,852	3,025,338
Required payments to the City of New Smyrna Beach	1,387,110	228,692	165,439	1,781,241	1,589,082
State utilities tax	321,159	-	-	321,159	308,843
Depreciation and decommissioning	1,468,516	426,844	552,205	2,447,565	2,322,753
TOTAL OPERATING EXPENSES	21,304,511	2,750,489	2,587,379	26,642,379	24,494,675
OPERATING INCOME (LOSS)	1,057,782	554,618	(142,566)	1,469,834	1,921,932
ADD: NONOPERATING REVENUES:					
Interest earnings	191,359	330,794	278,933	801,086	818,148
Other income	184,093	4,918	761	189,772	190,580
Gain on disposal of assets	-	-	-	-	6,373
TOTAL NONOPERATING REVENUES	375,452	335,712	279,694	990,858	1,015,101
TOTAL INCOME (LOSS)	1,433,234	890,330	137,128	2,460,692	2,937,033
LESS: NONOPERATING EXPENSES:					
Interest and debt expense	1,581,175	734,713	465,665	2,781,553	2,737,217
Other expenses	104,892	3,229	386	108,507	83,773
Loss on disposal of assets	120,599	3,257	10,210	134,066	52,836
TOTAL NONOPERATING EXPENSES	1,806,666	741,199	476,261	3,024,126	2,873,826
NET INCOME (LOSS)	(373,432)	149,131	(339,133)	(563,434)	63,207
RETAINED EARNINGS - BEGINNING OF YEAR	5,991,210	2,495,660	(1,113,394)	7,373,476	7,310,269
RETAINED EARNINGS - END OF YEAR	$ 5,617,778	$ 2,644,791	$(1,452,527)	$ 6,810,042	$ 7,373,476

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

SCHEDULE OF REVENUES, RECEIPTS, EXPENSES AND DISBURSEMENTS - BUDGET AND ACTUAL
ELECTRIC SYSTEM (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND RECEIPTS:			
Direct Sales:			
Electric sales	$21,271,935	$22,184,982	$ 913,047
Other revenues	196,500	177,311	(19,189)
Nonoperating revenue:			
Interest earnings	200,000	191,359	(8,641)
Other revenues (expenses)	167,000	79,201	(87,799)
TOTAL REVENUES AND RECEIPTS	21,835,435	22,632,853	797,418
OPERATING EXPENSES:			
Power production and fuel	13,468,835	14,191,470	(722,635)
Transmission and distribution	1,321,167	1,426,707	(105,540)
Customer accounting	454,391	437,131	17,260
Administrative and general	2,011,411	2,072,418	(61,007)
Required payments to the City of New Smyrna Beach	1,283,876	1,387,110	(103,234)
State utilities tax	319,079	321,159	(2,080)
TOTAL OPERATING EXPENSES	18,858,759	19,835,995	(977,236)
NET REVENUES AND RECEIPTS	2,976,676	2,796,858	(179,818)
OPERATING TRANSFERS:			
Sinking Funds:			
1978 Certificates	(1,006,228)	(1,006,229)	(1)
1986 Certificates	(539,295)	(539,295)	-
1987 Certificates	(331,954)	(331,954)	-
FMPA Pooled Loan	(91,542)	(91,542)	-
	(1,969,019)	(1,969,020)	(1)
Renewal and Replacement Funds:			
Required contribution	(1,291,293)	(1,291,293)	-
Unallocated fund contribution	283,636	283,636	-
	(1,007,657)	(1,007,657)	-
TOTAL OPERATING TRANSFERS	(2,976,676)	(2,976,677)	(1)
BUDGETED NET CASH RECEIPTS	$ -	(179,819)	$ (179,819)

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, RECEIPTS, EXPENSES AND DISBURSEMENTS - BUDGET AND ACTUAL
ELECTRIC SYSTEM (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
ADDITIONS (DEDUCTIONS) REQUIRED TO RECONCILE NET CASH RECEIPTS TO NET INCOME (GAAP BASIS):			
Principal portion of required Sinking Fund transfers		$ 459,503	
Excess Sinking Fund transfers		(16,640)	
Net transfers to Renewal and Replacement Fund		1,007,657	
Gain (loss) on disposal of property and equipment		(120,599)	
Depreciation and decommissioning		(1,468,516)	
Amortization of debt expense		(55,018)	
TOTAL ADJUSTMENTS		(193,613)	
NET INCOME (LOSS)		$ (373,432)	

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

SCHEDULE OF REVENUES, RECEIPTS, EXPENSES AND DISBURSEMENTS - BUDGET AND ACTUAL
WATER SYSTEM (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND RECEIPTS:			
Direct Sales:			
Water sales	$ 3,157,952	$ 3,211,206	$ 53,254
Other revenues	106,000	93,901	(12,099)
Nonoperating revenue:			
Interest earnings	287,000	330,794	43,794
Other revenues (expenses)	117,139	1,689	(115,450)
Connection fees	440,000	480,167	40,167
TOTAL REVENUES AND RECEIPTS	4,108,091	4,117,757	9,666
OPERATING EXPENSES:			
Water production	814,974	780,200	34,774
Transmission and distribution	388,057	336,506	51,551
Customer accounting	182,880	177,968	4,912
Administrative and general	828,173	800,279	27,894
Required payments to the City of New Smyrna Beach	194,037	228,692	(34,655)
TOTAL OPERATING EXPENSES	2,408,121	2,323,645	84,476
NET REVENUES AND RECEIPTS	1,699,970	1,794,112	94,142
OPERATING TRANSFERS:			
Sinking Funds:			
1978 Certificates	(562,261)	(562,261)	-
1987 Certificates	(354,084)	(354,084)	-
FMPA Pooled Loan	(61,655)	(61,655)	-
	(978,000)	(978,000)	-
Renewal and Replacement Funds:			
Required contribution	(281,970)	(281,970)	-
Restricted fund contribution	(440,000)	(480,167)	(40,167)
	(721,970)	(762,137)	(40,167)
TOTAL OPERATING TRANSFERS	(1,699,970)	(1,740,137)	(40,167)
BUDGETED NET CASH RECEIPTS	$ -	53,975	$ 53,975

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, RECEIPTS, EXPENSES AND DISBURSEMENTS - BUDGET AND ACTUAL
WATER SYSTEM (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
ADDITIONS (DEDUCTIONS) REQUIRED TO RECONCILE NET CASH RECEIPTS TO NET INCOME (GAAP BASIS):			
Connection fees		$ (480,167)	
Principal portion of required Sinking Fund transfers		253,545	
Excess Sinking Fund transfers		13,795	
Net transfers to Renewal and Replacement Fund		762,137	
Gain (loss) on disposal of property and equipment		(3,257)	
Depreciation		(426,844)	
Amortization of debt expense		(24,053)	
TOTAL ADJUSTMENTS		95,156	
NET INCOME (LOSS)		$ 149,131	

SCHEDULE OF REVENUES, RECEIPTS, EXPENSES AND DISBURSEMENTS - BUDGET AND ACTUAL
POLLUTION CONTROL SYSTEM (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND RECEIPTS:			
Direct Sales:			
Pollution control charges	$ 2,489,900	$ 2,437,480	$ (52,420)
Other revenues	23,500	7,333	(16,167)
Nonoperating revenue:			
Interest earnings	244,000	278,933	34,933
Other revenues (expenses)	19,422	375	(19,047)
Connection fees	360,000	427,080	67,080
TOTAL REVENUES AND RECEIPTS	3,136,822	3,151,201	14,379
OPERATING EXPENSES:			
Collection and treatment system	1,105,152	1,093,744	11,408
Customer accounting	112,412	106,836	5,576
Administrative and general	691,692	669,155	22,537
Required payments to the City of New Smyrna Beach	149,394	165,439	(16,045)
TOTAL OPERATING EXPENSES	2,058,650	2,035,174	23,476
NET REVENUES AND RECEIPTS	1,078,172	1,116,027	37,855
OPERATING TRANSFERS:			
Sinking Funds:			
1978 Certificates	(517,822)	(517,822)	-
1987 Certificates	(51,637)	(51,637)	-
FMPA Pooled Loan	(55,803)	(55,803)	-
	(625,262)	(625,262)	-
Renewal and Replacement Funds:			
Required contribution	(162,910)	(162,910)	-
Restricted fund contribution	(360,000)	(427,080)	(67,080)
	(522,910)	(589,990)	(67,080)
Sewer Assessments Fund:			
Contribution for operations	70,000	70,000	-
TOTAL OPERATING TRANSFERS	(1,078,172)	(1,145,252)	(67,080)
BUDGETED NET CASH RECEIPTS	$ -	(29,225)	$ (29,225)

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF REVENUES, RECEIPTS, EXPENSES AND DISBURSEMENTS - BUDGET AND ACTUAL
POLLUTION CONTROL SYSTEM (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended September 30, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
ADDITIONS (DEDUCTIONS) REQUIRED TO RECONCILE NET CASH RECEIPTS TO NET INCOME (GAAP BASIS):			
Connection fees		$ (427,080)	
Principal portion of required Sinking Fund transfers		156,951	
Excess Sinking Fund transfers		18,000	
Net transfers to Renewal and Replacement Fund		589,990	
Transfer from Sewer Assessment Fund		(70,000)	
Gain (loss) on disposal of property and equipment		(10,210)	
Depreciation		(552,205)	
Amortization of debt expense		(15,354)	
TOTAL ADJUSTMENTS		(309,908)	
NET INCOME (LOSS)		$ (339,133)	

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Schedule 5

SCHEDULE OF OPERATING EXPENSES
ELECTRIC SYSTEM
For the Fiscal Years Ended September 30, 1990 and 1989

	1990	1989
Power Production and Fuel:		
Nuclear Power Generation:		
Fuel	$ 112,277	$ 53,203
Operation	365,752	329,123
Maintenance	331,783	317,404
Diesel Power Generation:		
Fuel	516,534	469,746
Operation	520,163	521,581
Maintenance	225,809	84,037
Other Power Supply:		
Purchased power	11,772,768	10,978,917
System control and load dispatching	346,384	306,390
	14,191,470	13,060,401
Transmission and Distribution:		
Operation	1,049,794	1,013,560
Maintenance	376,913	386,698
	1,426,707	1,400,258
Customer Accounting:		
Operation	437,131	400,615
Administrative and General:		
Operation	1,948,781	1,669,856
Maintenance	123,637	154,565
	2,072,418	1,824,421
Required Payments to the City of New Smyrna Beach	1,387,110	1,256,840
State Utilities Taxes	321,159	308,843
Depreciation and decommissioning	1,468,516	1,388,401
TOTAL OPERATING EXPENSES	$21,304,511	$19,639,779

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Schedule 6

SCHEDULE OF OPERATING EXPENSES
WATER SYSTEM
For the Fiscal Years Ended September 30, 1990 and 1989

	1990	1989
Water Production:		
Source of Supply:		
Operation	$ 60,026	$ 62,911
Maintenance	22,410	6,728
Pumping:		
Operation	146,349	163,133
Maintenance	4,877	7,796
Water Treatment:		
Operation	535,659	482,073
Maintenance	10,879	9,978
	780,200	732,619
Transmission and Distribution:		
Operation	318,294	311,820
Maintenance	18,212	33,287
	336,506	345,107
Customer Accounting:		
Operation	177,968	160,646
Administrative and General:		
Operation	762,399	644,670
Maintenance	37,880	39,803
	800,279	684,473
Required Payments to the City of New Smyrna Beach	228,692	189,685
Depreciation	426,844	396,269
TOTAL OPERATING EXPENSES	$ 2,750,489	$ 2,508,799

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Schedule 7

SCHEDULE OF OPERATING EXPENSES
POLLUTION CONTROL SYSTEM
For the Fiscal Years Ended September 30, 1990 and 1989

	1990	1989
Collection and Treatment System:		
Collection and Pumping Expenses:		
Operation	$ 364,499	$ 368,648
Maintenance	45,090	74,779
Treatment and Disposal Expenses:		
Operation	659,428	582,454
Maintenance	24,727	24,183
	1,093,744	1,050,064
Customer Accounting:		
Operation	106,836	98,949
Administrative and General:		
Operation	638,691	487,322
Maintenance	30,464	29,122
	669,155	516,444
Required Payment to the City of New Smyrna Beach	165,439	142,557
Depreciation	552,205	538,083
TOTAL OPERATING EXPENSES	$ 2,587,379	$ 2,346,097

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Schedule 8

SCHEDULE OF INTEREST EARNINGS
For the Fiscal Years Ended September 30, 1990 and 1989

	1990	1989
INTEREST EARNINGS BY SOURCE:		
From Investments:		
Sinking funds	$ 337,352	$ 338,776
Renewal and replacement funds	291,752	322,625
Customers' deposits	50,677	57,268
Other	90,006	71,012
	769,787	789,681
From Assessments	31,299	28,467
TOTAL INTEREST EARNINGS	$ 801,086	$ 818,148
INTEREST EARNINGS BY SYSTEM:		
Electric system	$ 191,359	$ 209,973
Water system	330,794	318,814
Pollution control system	278,933	289,361
TOTAL INTEREST EARNINGS	$ 801,086	$ 818,148

STATISTICAL SECTION

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These tables reflect social and economic data and financial trends of the Utilities Commission, City of New Smyrna Beach.

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Table I

SCHEDULE OF EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
SEPTEMBER 30,

		Operating Expenses				
Fiscal Year	Total Expenses	Production Expenses	Transmission, Distribution and Collection	Customer Accounting	Administrative and General	Required Payments to City of New Smyrna Beach
1981	$12,284,939	$ 5,744,288	$1,113,301	$ 304,241	$1,612,993	$ 705,868
1982	14,921,572	7,297,762	1,409,742	315,595	1,776,286	826,719
1983	16,968,400	8,241,667	1,420,397	400,372	2,079,755	877,629
1984	18,388,070	8,686,618	1,710,284	496,921	2,214,716	1,047,779
1985	20,725,373	10,601,458	1,868,923	547,952	2,311,726	1,122,521
1986	21,451,417	10,599,170	2,044,229	565,057	2,581,264	1,209,499
1987	24,012,890	11,918,184	2,430,767	614,138	2,856,752	1,301,571
1988	25,687,082	12,681,390	2,657,153	647,001	2,888,994	1,481,102
1989	27,368,501	13,793,020	2,795,429	660,210	3,025,338	1,589,082
1990	29,666,505	14,971,670	2,856,957	721,935	3,541,852	1,781,241

Operating Expenses			Nonoperating Expenses		
State Utilities Tax	Depreciation and Decommissioning	Total Operating Expenses	Interest and Debt Expense	Other Nonoperating Expenses	Total Nonoperating Expenses
$ 57,196	$ 1,008,326	$ 10,546,213	$ 1,527,731	$ 210,995	$ 1,738,726
84,350	1,284,052	12,994,506	1,927,066	-	1,927,066
84,181	1,515,523	14,619,524	2,314,563	34,313	2,348,876
145,297	1,604,757	15,906,372	2,465,284	16,414	2,481,698
170,406	1,661,220	18,284,206	2,376,681	64,486	2,441,167
241,059	1,706,287	18,946,565	2,421,468	83,384	2,504,852
243,184	1,929,252	21,293,848	2,583,191	135,851	2,719,042
291,187	2,218,323	22,865,150	2,775,470	46,462	2,821,932
308,843	2,322,753	24,494,675	2,737,217	136,609	2,873,826
321,159	2,447,565	26,642,379	2,781,553	242,573	3,024,126

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Table II

SCHEDULE OF REVENUES BY SOURCE
LAST TEN FISCAL YEARS
SEPTEMBER 30,

Fiscal Year	Total Revenues	Operating Revenues			
		Electric System	Water System	Pollution Control System	Total
1981	$ 13,218,442	$ 9,810,442	$ 1,154,658	$ 1,020,688	$ 11,985,788
1982	14,937,949	11,152,100	1,456,125	1,111,216	13,719,441
1983	16,541,534	12,026,330	1,980,611	1,178,922	15,185,863
1984	19,010,464	13,800,387	2,430,016	1,291,324	17,521,727
1985	20,792,509	15,473,671	2,615,605	1,446,702	19,535,978
1986	21,204,306	15,743,029	2,735,021	1,754,963	20,233,013
1987	23,575,256	17,714,974	2,925,916	1,831,044	22,471,934
1988	25,269,603	19,467,476	3,050,904	1,924,385	24,442,765
1989	27,431,708	20,841,500	3,184,987	2,390,120	26,416,607
1990	29,103,071	22,362,293	3,305,107	2,444,813	28,112,213

Nonoperating Revenues		
Interest Earnings	Other Income	Total
$ 1,010,548	$ 222,106	$ 1,232,654
1,111,615	106,893	1,218,508
1,144,035	211,636	1,355,671
1,076,576	412,161	1,488,737
1,091,630	164,901	1,256,531
818,337	152,956	971,293
665,119	438,203	1,103,322
668,355	158,483	826,838
818,148	196,953	1,015,101
801,086	189,772	990,858

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Table III

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
SEPTEMBER 30,

Fiscal Year	New Smyrna Beach's Estimated Population (1)	Per Capita Income (3)	County Unemployment Rate (4)	School (5) Enrollment	School (5) Percent Attendance
1981	13,634	$ 9,057	4.8%	3,375	96%
1982	13,653	9,734 (4)	6.8	3,318	96
1983	13,829	10,220 (2)	6.7	3,665	97
1984	14,104 (2)	10,629 (2)	5.2	3,710	97
1985	14,697 (2)	11,593 (2)	4.4	3,862	97
1986	15,000 (2)	11,719 (2)	5.0	4,123	96
1987	15,344	11,719 (2)	4.9	4,219	96
1988	15,647	11,800	4.4	4,240	94
1989	17,266	13,401	4.5	4,445	95
1990	18,600 (6)	13,937	5.6	4,488	96

(1) Obtained from University of Florida, Bureau of Economics and Business Research.

(2) Estimated, actual amounts not available.

(3) Obtained from U.S. Department of Commerce, Bureau of Economic Analysis.

(4) State of Florida, Department of Labor and Employment Security.

(5) Volusia County School Board - includes grades K-12, Coronado Beach Elementary, Chisholm Elementary, New Smyrna Beach Middle School, New Smyrna Beach Senior High, Read-Pattillo Elementary and Sacred Heart, a private school.

(5) Obtained from the City of New Smyrna Beach 1990 Comprehensive Land Use Plan.

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Table IV

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS (1)
LAST TEN FISCAL YEARS
SEPTEMBER 30,

Fiscal Year	Construction		Bank Deposits (000's)	Savings and Loan Deposits (000's)	Assessed Value
	Number of Permits	Value of Construction			
1981	539	$ 25,229,289	$ 100,676	$ 182,271	$ 315,992,191
1982	550	11,111,417	104,324	192,305	421,495,317
1983	718	23,730,247	123,924	222,419	479,806,754
1984	937	35,666,534	144,154	260,142	550,410,029
1985	2,006	32,782,563	166,126	267,464	632,540,204
1986	2,286	26,095,656	192,712	251,404	711,561,352
1987	2,501	26,927,079	185,428	306,928	763,718,138
1988	2,246	30,639,766	190,477	284,244	834,037,543
1989	2,502	23,381,587	244,312	228,568	894,693,552
1990	2,416	27,491,710	310,746	285,541	975,234,226

Sources:

Construction - City of New Smyrna Beach, Florida Building Department
Deposits - Confirmed directly by banks and savings and loan associations assessed value - Volusia County, Florida Finance Department

(1) The above data is related exclusively to area within the municipal limits of the City of New Smyrna Beach, Florida

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

SCHEDULE OF INSURANCE IN FORCE
September 30, 1990

Coverage and Insuring Company	Policy Number	Policy Period	Details of Coverage	Liability Limits
Comprehensive General Liability				
Nutmeg Insurance Co.	21CENSK1693	12-01-89 12-01-90	Combined bodily injury and property damage	$1,000,000
Business Auto				
Twin City Fire Insurance Company	21CESSK4315	12-01-89 12-01-90	Liability	$1,000,000 bodily injury and property combined
			Comprehensive	Actual cash value less $250 deductible
			Collision	Actual cash value less $500 deductible
			Uninsured motorist	$100,000
			No fault	Statutory
Business Property				
American Guarantee and Liability Insurance Co.	CPO 330-86-70-03	12-01-89 12-01-90	Buildings and contents	$15,191,093 with $10,000 deductible and 90% co-insurance
			Accounts receivable	$850,000 with $500 deductible
			Valuable papers and records	$100,000 with $500 deductible
			Contractors' equipment	$455,983 with $500 deductible
			Computer equipment	$160,000 with $500 deductible

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA
SCHEDULE OF INSURANCE IN FORCE
September 30, 1990

Coverage and Insuring Company	Policy Number	Policy Period	Details of Coverage	Liability Limits
Crime				
Aetna Casualty and Surety Company	35BY100539780 BCA	12-01-89 12-01-90	Employee crime	$100,000 $1,000 deductible
			Money and securities	$ 50,000
			Counterfeit currency	$ 5,000
			Depositors' forgery	$100,000
Boiler and Machinery				
Great Northern Insurance Company	7827-4432	9-30-90 9-30-91	Breakdown due to accident	$5,000,000 with $10,000 deductible
Nuclear Energy Damage				
American Nuclear Insurance and Mutual Atomic Energy Liability Underwriters and Nuclear Electric Insurance Ltd.	5213 & TA5244	10-09-89 10-09-90	Primary property	$500 million
	X87187 & X87015	11-15-89 11-15-90	Excess property (Excess of $500 million)	$975 million
	NF195 & MF91	1-01-90 1-01-91	Primary liability	$200 million
	NS347 & MS65	12-31-89 12-31-90	Suppliers and transporters liability	$200 million
	N-35 & M-35	1-01-90 1-01-91	Secondary financial protection	$30 million per occurrence
	NW103 & NW62	1-01-90 1-01-91	Master Workers Torts	$200 million per occurrence and aggregate
Public Officials and Employees Liability				
International Surplus Lines Ins. Co.	106409D443	7-28-90 7-28-91	Liability	$500,000 retentions $10,000/loss
Workers' Compensation				
Florida Municipal Self-Insurers' Fund	109	10-01-90 10-01-91	Statutory coverage Employers liability	Statutory $100,000

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Table VI

TEN LARGEST WATER CUSTOMERS
September 30, 1990

	Consumption		Revenues Billed	
	Gallons (000's)	Percent of Total	Amount	Percent of Total
1. Seawoods Homeowners Association	26,741	2.17%	$ 33,630	1.06%
2. Rinker Materials	18,328	1.49%	20,909	0.66%
3. IDC (Bouchelle Island)	13,127	1.07%	24,289	0.77%
4. Cedar Dunes Homeowners Association	12,853	1.04%	15,966	0.51%
5. Federal Housing Authority	12,051	0.98%	17,743	0.56%
6. Ocean View Nursing Home	10,440	0.85%	13,136	0.42%
7. Islander Beach Lodge	10,364	0.84%	17,559	0.56%
8. Pelican Condominium	9,872	0.80%	17,362	0.55%
9. Sugar Tree by Cardinal	9,680	0.79%	14,200	0.45%
10. Oceanview Towers Homeowners	8,668	0.70%	18,310	0.58%
TOTALS	132,124	10.73%	$193,104	6.12%

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Table VII

TEN LARGEST ELECTRIC CUSTOMERS
September 30, 1990

	Kilowatt Hour Sales		Revenues Billed	
	(kWh) (000's)	Percent of Total	Amount	Percent of Total
1. Fish Memorial Hospital	4,609	1.75%	$ 344,910	1.59%
2. Publix Supermarket (#0191)	2,833	1.08%	213,487	0.99%
3. Publix Supermarket (#0335)	2,616	1.00%	193,594	0.89%
4. Utilities Commission Pollution Control Plant	2,450	0.93%	183,197	0.85%
5. Board of Public Instruction NSB Middle School	2,384	0.91%	201,200	0.93%
6. Winn Dixie Supermarket (#2302)	1,888	0.72%	140,376	0.65%
7. Islander Beach Lodge	1,812	0.69%	141,485	0.65%
8. Food Lion Corp. (#652)	1,698	0.65%	126,776	0.59%
9. Board of Public Instruction NSB Senior High School	1,585	0.60%	132,262	0.61%
10. K-Mart	1,542	0.59%	121,456	0.56%
TOTALS	23,417	8.92%	$1,798,743	8.31%

GENERAL UTILITIES COMMISSION INFORMATION

THE COMMISSION

The Commission was established in 1965 and chartered in 1967 through the passage of Chapter 67-1754, Laws of Florida, (The Enabling Act) which amended the Charter of the City of New Smyrna Beach, Florida. Approved by referendum vote of the citizens of New Smyrna Beach on October 24, 1967, the Enabling Act created the Utilities Commission as an appointive body with full and exclusive authority to the extent permitted by law over the management, operation and control of the City's utilities.

The Commission consists of five members who are appointed by the City Commission. Members are paid a salary of $100 each month. Officers of the Commission consist of a chairman, vice-chairman, secretary-treasurer and assistant secretary-treasurer elected by and from the membership which also appoints a Director of Utilities. The Commission has the duty to fix rates and the power to sell revenue certificates. All revenue certificates by the Commission are obligations of the Commission. The Commission has no power to pledge the full faith and credit of the City of New Smyrna Beach.

In a referendum held October 2, 1984, the voters of the City of New Smyrna Beach approved amendments to the City Charter. The amendments limit a Commissioner's term to three years instead of five with no more than three consecutive terms, require City Commission approval for extensions of utility services outside the city limits, give the City Commission the right to review and approve the Commission budget, and require City Commission approval before issuing or refunding revenue certificates and entering into contracts exceeding four years.

The following information describes the five current members of the Utilities Commission and the Director of Utilities.

Richard C. Allen, M.A.I., Chairman (term expires September, 1991)

Mr. Allen is the President of Pomeroy Appraisal Associates of Florida, Inc. and is a member of the American Institute of Real Estate Appraisers (M.A.I.). He is a licensed real estate broker and has taken many related courses. He served as a member and Chairman of the Zoning Board of Appeals in Salina, New York. He is a Director of the New Smyrna Beach-Edgewater-Oak Hill Chamber of Commerce and past President of the New Smyrna Beach Kiwanis Club. He has various teaching and lecturing experience. Mr. Allen was appointed to the Commission in September, 1988.

Jesse L. McKee, Vice Chairman (term expires September, 1992)

Mr. McKee has had twenty-five years banking experience and prior to entering banking, had twelve years experience in the finance industry. He holds a Bachelor of Science degree in Commerce and has completed five American Institute Banking Courses. He has served in the U.S. Coast Guard and the U.S. Army. He is a member of the New Smyrna Beach-Edgewater-Oak Hill Chamber of Commerce, a Director of the Kiwanis Club of New Smyrna Beach and has served on

numerous boards and organizations. Mr. McKee was appointed to the Commission in September, 1988 and was subsequently reappointed to serve a three year term in September, 1989.

Albert J. Verick, Secretary-Treasurer (term expires September, 1991)

Mr. Verick has over forty years experience in the utility business with Commonwealth-Edison Company of Chicago, Illinois which included operational and managerial positions, a working knowledge of electrical distribution, preparing five year budget planning for a 2,600 MW power plant, an operational understanding of sewage treatment, water treatment, deep wells and environmental rules. He also has experience in personnel supervision including time study surveys, salary reviews, training, safety, and union grievances. Mr. Verick served four years in the U.S. Navy. He retired in October, 1981 and moved to New Smyrna Beach in May, 1984. Mr. Verick was appointed to serve the unexpired term of a prior Commissioner in September, 1987.

Heyward A. Paxton, Jr., Assistant Secretary-Treasurer (term expires September, 1992)

Mr. Paxton retired from the United States Air Force with the rank of Colonel after thirty years of service. Mr. Paxton's military accomplishments included numerous operations and command assignments. He was a recipient of significant decorations and awards. Mr. Paxton is a native of New Smyrna Beach and in addition to military education and faculty participation at a number of military schools/colleges, did undergraduate study work at the University of Maryland and George Washington University. At the present time, Mr. Paxton is associated with a local realtor. He is a Certified Appraiser-Senior with the American Association of Certified Appraisers (AACA) with fifteen years of experience in this field. Mr. Paxton was appointed to the Commission in September 1989.

James A. Pence, Commissioner (term expires September, 1993)

Mr. Pence has over thirty years experience in the public utilities field with a nationwide telecommunications common carrier, Western Union. He is former chairman of the Republican Party in Volusia County. Mr. Pence is also a former chairman of the Utilities Commission. He was first appointed to the Commission in 1976 and served two consecutive terms until 1986. Mr. Pence served as chairman from September 1980 to September 1981 and from September 1985 to September 1986. He has currently been appointed, in September 1990, to serve a three year term.

R. Ronald Hagen, Director of Utilities

Mr. Hagen has over thirty years of progressively responsible municipal utility management experience, including twenty years with the Jacksonville Electric Authority (JEA) and over nine years with the Utilities Commission. He has a degree from Jacksonville University and has substantially broadened his background through attendance and presentation of papers at industry seminars

and conferences. During his tenure with the City of Jacksonville and the JEA, he headed the Statistical and Accounting Department and was Division Chief of the Budget and Cost Division and Director of Construction and Maintenance. Later he served as Director of Customer Service, a position he held until his retirement in 1976. In 1978 he was employed to fill the newly created position of Controller for the Utilities Commission. Mr. Hagen was appointed Director of Utilities in June, 1982.

THE UTILITIES SYSTEM

The Utilities Commission has been serving the residents of the New Smyrna Beach area since before 1920. Today the Commission serves approximately 18,500 electric customers, over 9,800 water customers and over 7,700 sewer customers.

Electric System

The Commission currently provides electric service to all incorporated areas of the City. The Commission's distribution lines also extend west and south from the City limits to serve unincorporated areas. The service area of the Commission's electric system is approximately 72 square miles.

Generation Resources

The system's power and energy requirements are met with a combination of self-generation and purchased power.

The Commission's generating facilities include the W.E. Swoope Generating Station which consists of three diesel engine generators with a combined nameplate rating of 5,235 kW; the Diesel Plant located on Smith Street which consists of five diesel engine generators with a combined nameplate capacity of 6,540 kW and three 2,000 kW quick-start remotely controlled peaking units; the North Causeway Plant 750 kW diesel peaking unit; and the Glencoe Road Plant 750 kW diesel peaking unit.

The Commission owns a 0.5608% undivided interest in Florida Power Corporation (FPC) Crystal River No. 3 Nuclear Unit (CR-3), with a maximum nameplate capacity of 4,991 kW available to the Commission. FPC operates CR-3 on behalf of itself, the Commission and ten other participants pursuant to a participation agreement. CR-3 is used as a primary base load resource of the Commission's electric system.

The Commission's total installed nameplate generation capacity, including CR-3, is 24,266 kW, which provided approximately 9.8% of the Commission's total energy requirements during Fiscal Year 1989.

Purchases from Florida Power and Light Company (FPL), Orlando Utilities Commission (OUC), Florida Municipal Power Agency (FMPA) and economy purchases under the Energy Broker system have provided the remainder for the Commission's power and energy requirements. The Commission has executed interchange agreements providing for the purchase and sale of economy energy with FPL and eighteen other investor owned and municipal utilities in Florida.

St. Lucie Nuclear Project

The Commission's electric system is currently one of twenty-eight individual municipal electric systems within the state which are members of the Florida Municipal Power Agency (FMPA). FMPA is a joint action power agency which was formed to provide bulk electric power to its members through joint cooperation with other electric utilities in Florida. The Commission has agreed to purchase 9.884 percent or approximately 7 megawatts, of FMPA's entitlement share in the St. Lucie Project. The Commission also has a reliability exchange agreement through the FMPA to exchange 50% of its output from St. Lucie No. 2 for a like amount from St. Lucie No. 1.

Energy Control Center

The Commission has operated an Energy Control Center since April, 1977, which is staffed around the clock by power coordinators who schedule the economic loading of its generating resources and the interchange of power over the interconnection with FPL using a supervisory control and data acquisition (SCADA) system. Telemetering of tie line energy is provided along with "hot line" voice communication and teletype circuits to all major power system control centers in Florida. A computer terminal provides access to the Florida energy broker system.

Transmission and Distribution Facilities

The Commission's transmission facilities consist of three major installations: the 115 kV/23 kV Smyrna and Field Street Substations and the 115 kV transmission line between the two. The distribution system is supplied from the Swoope Station and the Diesel Plant as well as from the Smyrna and Field Street Substations. There are eight 23 kV/4 kV and two 23 kV/13 kV substations on the Commission's distribution system. Energy is delivered to customers by a network of 23 kV/13 kV and 4 kV lines. A number of residential developments are now being served by underground electric facilities.

WATER SYSTEM

The current service area of the Commission's water system is an area of approximately 41.3 square miles, including 17.8 square miles, which is located within the City. The Commission also provides water service to the unincorporated south beachside area.

The raw water supply is derived from thirteen wells drawing from the Floridian Aquifer. These wells can produce and excess capacity of 7.7 million gallons per day (mgd). The seven wells are located at the Glencoe Road Water Treatment Plant site. During FY 1982, five additional wells were constructed and put in operation. In FY 1987, a sixth well was put in operation. These additional wells are located seven miles west of the Glencoe Treatment Plant and are over ten miles inland to mitigate salt water intrusion.

The raw water supply is projected to be sufficient through 1995. The Commission has implemented both a salt water intrusion monitoring program and a water supply management program to ensure the continued cost effective use of existing facilities.

Water System (continued)

Raw water is treated at the Glencoe Plant, which provides complete water treatment, including aeration, softening, pH adjustment, filtration, fluoridation and disinfection. The facility has a capacity of 6.2 MGD, and was designed for future expansion. Since its completion in 1977, this plant has received numerous top honors from the Florida Department of Environmental Regulation.

The storage, transmission and distribution system includes 4.62 million gallons of storage capacity, three pumping stations, and approximately 105 miles of transmission lines.

POLLUTION CONTROL SYSTEM

The present service area of the Commission's pollution control system includes approximately 41.3 square miles, including 17.8 square miles located within the City limits. Major system facilities include the Pollution Control Plant and the collection system.

The Pollution Control Plant, located on the North Causeway, was originally constructed in 1964 as a 1.2 million gallon per day (MGD) plant. In 1981, the plant was expanded to a capacity of 4.0 MGD. The expanded facility utilizes the oxygenation activated sludge process whereby pure oxygen is used for biological stabilization of sewage waste. This process was designed to provide more than three times the previous treatment capacity and produce better quality effluent, with fewer plant additions and lower capital investment than a more conventional process would require.

The collection system includes approximately 92 miles of associated gravity sewers and force mains. There are presently more than 57 wastewater lift stations in service.

In the past few years substantial improvements have been made in order to expand availability of service, improve operation and curb infiltration and inflow sources. In 1981, sanitary sewer service was extended to five previously unsewered areas within the City. A major collection system extension into the unincorporated south beachside area was completed in 1984 to replace package treatment plants used by condominiums along the south beach.

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Table IX

COMPARATIVE BALANCE SHEETS
September 30,

ASSETS	1990	1989	1988	1987	1986
UTILITY PLANT:					
Electric system	$42,448,486	$39,229,967	$38,103,157	$37,203,666	$28,193,908
Water system	15,990,608	14,771,713	14,325,687	13,397,752	12,789,175
Pollution control system	17,878,551	16,995,713	16,874,018	16,472,673	16,320,669
General plant	5,029,681	4,762,069	4,482,025	4,331,701	3,703,838
	81,347,326	75,759,462	73,784,887	71,405,792	61,007,590
less: Allowance for depreciation and amortization	(27,391,733)	(25,294,147)	(23,139,496)	(20,949,088)	(19,164,023)
	53,955,593	50,465,315	50,645,391	50,456,704	41,843,567
Construction work in progress	2,507,473	3,886,761	1,339,507	1,692,246	2,646,613
UTILITY PLANT-NET	56,463,066	54,352,076	51,984,898	52,148,950	44,490,180
RESTRICTED ASSETS:					
Debt Service funds	6,793,117	5,067,859	5,140,544	4,974,756	4,282,877
Renewal and Replacement funds	3,922,752	3,677,300	4,470,844	3,586,775	4,840,077
1990 Certificates Construction fund	11,804,801	-	-	-	-
Customers' deposits	952,693	907,953	871,457	887,456	764,269
CR 3 Decommissioning fund	480,849	362,117	251,605	153,603	109,733
Rate Stabilization fund	67,505	90,516	16,024	-	-
TOTAL RESTRICTED ASSETS	24,021,717	10,105,745	10,750,474	9,602,590	9,996,955
CURRENT ASSETS:					
Cash and cash equivalents	344,113	521,953	395,745	633,260	1,139,127
Accrued interest receivable	65,227	56,420	53,607	47,334	47,413
Accounts receivable (net)	1,549,934	1,553,631	1,223,125	1,209,442	918,271
Unbilled account receivable	1,972,800	1,490,395	1,598,744	1,969,057	1,360,322
Due from other governments	1,007	30,772	70,970	48,893	74,275
Inventories	1,423,786	1,467,469	1,438,728	1,297,140	1,272,477
Prepaid expenses and other assets	159,007	121,889	140,228	150,701	109,563
Assessments receivable	74,402	63,454	89,811	102,639	114,355
TOTAL CURRENT ASSETS	5,590,276	5,305,977	5,010,958	5,478,466	5,035,803
DEFERRED CHARGES AND OTHER ASSETS:					
Unamortized debt expense	793,544	550,807	590,875	631,730	546,456
Deferred charges and other assets	18,234	23,543	110,213	25,756	25,103
Assessments receivable - noncurrent	58,917	115,692	159,085	217,541	308,597
TOTAL DEFERRED CHARGES AND OTHER ASSETS	870,695	690,042	860,173	875,027	880,156
TOTAL ASSETS	$86,945,754	$70,453,840	$68,606,503	$68,105,033	$60,403,094

LIABILITIES AND UTILITY EQUITY	1990	1989	1988	1987	1986
UTILITY EQUITY:					
Contributed capital	$19,644,604	$18,540,201	$17,672,840	$16,878,706	$15,607,920
Retained Earnings:					
Reserved for debt service	3,632,700	2,675,541	2,728,142	2,704,948	2,375,957
Unreserved	3,177,342	4,697,935	4,582,127	5,022,800	7,174,970
	6,810,042	7,373,476	7,310,269	7,727,748	9,550,927
TOTAL UTILITY EQUITY	26,454,646	25,913,677	24,983,109	24,606,454	25,158,847
LONG-TERM DEBT:					
Note payable (net of current portion)	2,865,000	1,726,744	745,561	-	-
Revenue certificates payable (net of current portion)	50,265,000	36,285,000	37,090,000	37,855,000	30,890,000
Less: Unamortized debt discount on revenue certificates and note payable	(846,606)	(689,602)	(740,966)	(793,350)	(711,500)
TOTAL LONG-TERM DEBT	52,283,394	37,322,142	37,094,595	37,061,650	30,178,500
RESTRICTED FUND LIABILITIES:					
Revenue certificates payable (current portion)	1,375,000	1,145,000	1,085,000	940,000	750,000
Notes payable (current portion)	60,000	45,000	30,000	-	-
Accrued interest payable	1,792,922	1,292,834	1,313,426	1,329,808	1,176,920
Accounts payable	312,295	697,404	65,290	296,238	283,548
Customers' deposits	912,064	849,963	778,677	785,872	650,526
Deferred credits:					
Reserve for decommissioning costs	480,849	362,117	251,605	153,603	109,733
Reserve for arbitrage rebate	94,223	-	-	-	-
TOTAL RESTRICTED FUND LIABILITIES	5,027,353	4,392,318	3,523,998	3,505,521	2,950,727
CURRENT LIABILITIES:					
Accounts payable	1,675,863	1,443,706	1,557,946	1,481,512	1,034,491
Accrued liabilities	623,669	544,468	569,701	689,301	556,684
Due to other governments	405,353	231,956	343,620	324,517	161,433
TOTAL CURRENT LIABILITIES	2,704,885	2,220,130	2,471,267	2,495,330	1,752,608
OTHER NONCURRENT LIABILITIES:					
Deferred compensated absences	474,456	490,315	403,186	329,214	299,404
Deferred credits - operating reserves	1,020	115,258	45,303	106,864	63,007
Other liabilities	-	-	85,045	-	-
TOTAL OTHER NONCURRENT LIABILITIES	475,476	605,573	533,534	436,078	362,411
TOTAL LIABILITIES	60,491,108	44,540,163	43,623,394	43,498,579	35,244,246
TOTAL LIABILITIES AND UTILITY EQUITY	$86,945,754	$70,453,840	$68,606,503	$68,105,033	$60,403,093

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Table X

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
For the Fiscal Years Ended September 30,

	1990	1989	1988	1987	1986
OPERATING REVENUES:					
Sales	$27,833,668	$26,155,524	$24,180,899	$22,234,268	$20,084,838
Other revenues	278,545	261,083	261,866	237,666	148,175
TOTAL OPERATING REVENUES	28,112,213	26,416,607	24,442,765	22,471,934	20,233,013
OPERATING EXPENSES:					
Production expenses	14,971,670	13,793,020	12,681,390	11,916,184	10,599,170
Transmission, distribution and sewage collection and treatment	2,856,957	2,795,429	2,657,153	2,430,767	2,044,229
Customer accounting	721,935	660,210	647,001	614,138	565,057
Administrative and general	3,541,852	3,025,338	2,888,994	2,856,752	2,581,264
Required payments to the City of New Smyrna Beach	1,781,241	1,589,082	1,481,102	1,301,571	1,209,499
State utilities tax	321,159	308,843	291,187	243,184	241,059
Depreciation and decommissioning	2,447,565	2,322,753	2,218,323	1,929,252	1,706,287
TOTAL OPERATING EXPENSES	26,642,379	24,494,675	22,865,150	21,293,848	18,946,565
OPERATING INCOME	1,469,834	1,921,932	1,577,615	1,178,086	1,286,448
ADD: NONOPERATING REVENUE:					
Interest earnings	801,086	818,148	668,355	665,119	818,337
Other income	189,772	190,580	152,062	148,241	151,326
Gain on disposal of fixed assets	-	6,373	6,421	289,962	1,630
TOTAL NONOPERATING REVENUE	990,858	1,015,101	826,838	1,103,322	971,293
TOTAL INCOME	2,460,692	2,937,033	2,404,453	2,281,408	2,257,741
LESS: NONOPERATING EXPENSES:					
Interest and debt expense	2,781,553	2,737,217	2,775,470	2,583,191	2,421,468
Other expenses	108,507	83,773	37,730	101,482	23,423
Loss on disposal of fixed assets	134,066	52,836	8,732	34,369	59,961
TOTAL NONOPERATING EXPENSE	3,024,126	2,873,826	2,821,932	2,719,042	2,504,852
NET INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	(563,434)	63,207	(417,479)	(437,634)	(247,111)
EXTRAORDINARY ITEM:					
Loss from defeasance of debt	-	-	-	1,385,545	-
NET INCOME (LOSS)	(563,434)	63,207	(417,479)	(1,823,179)	(247,111)
RETAINED EARNINGS - BEGINNING OF YEAR	7,373,476	7,310,269	7,727,748	9,550,927	9,798,038
RETAINED EARNINGS - END OF YEAR	$ 6,810,042	$ 7,373,476	$ 7,310,269	$ 7,727,748	$ 9,550,927

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

STATEMENTS OF CASH FLOWS
For the Fiscal Years Ended September 30,

	1990	1989	1988	1987	1986
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	$27,764,482	$26,420,593	$24,880,642	$22,081,844	$20,630,498
Cash paid to suppliers	(19,091,380)	(17,136,023)	(16,584,464)	(14,596,300)	(13,603,179)
Cash paid to employees	(4,908,802)	(4,488,871)	(4,347,814)	(4,001,121)	(3,648,511)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,764,300	4,795,699	3,948,364	3,384,423	3,378,808
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash received from nonoperating sources	189,771	190,581	152,062	148,241	151,326
Cash paid for nonoperating expenses	(108,507)	(83,773)	(37,730)	(101,482)	(23,423)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	81,264	106,808	114,332	46,759	127,903
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Net proceeds from issuance of long-term debt	15,719,090	1,026,182	775,562	14,329,128	-
Debt reduction outlays	(850,000)	(775,000)	(620,000)	(8,804,557)	(495,000)
Contributed capital	1,104,404	867,360	794,134	1,270,785	1,027,004
Proceeds from sale of property and equipment	363	17,969	9,255	333,985	90,701
Acquisition and construction of capital assets	(4,686,529)	(4,706,497)	(2,094,748)	(9,773,409)	(2,896,710)
Interest paid (net of amount capitalized)	(2,187,040)	(2,666,377)	(2,698,611)	(2,332,546)	(2,415,380)
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	9,100,288	(6,236,363)	(3,834,408)	(4,976,614)	(4,689,385)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of investment securities	(6,016,589)	(4,829,867)	(4,154,042)	(1,797,166)	(1,426,226)
Proceeds from sale and maturities of investment securities	4,325,177	4,610,600	3,907,824	1,353,804	1,676,700
Interest received	792,279	815,335	662,081	665,200	834,654
NET CASH USED IN INVESTING ACTIVITIES	(899,133)	596,068	415,863	221,838	1,085,128
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,046,719	(737,788)	644,151	(1,323,594)	(97,546)
CASH - BEGINNING OF YEAR	7,349,371	8,087,159	7,443,008	8,766,602	8,864,148
CASH - END OF YEAR	$19,396,090	$ 7,349,371	$ 8,087,159	$ 7,443,008	$ 8,766,602

STATEMENTS OF CASH FLOWS
For the Fiscal Years Ended September 30,

	1990	1989	1988	1987	1986
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	$ 1,469,834	$ 1,921,932	$ 1,577,615	$ 1,178,086	$ 1,286,448
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation, amortization and decommissioning	2,559,841	2,385,398	2,345,883	2,080,116	1,706,287
Provision for losses on receivables	61,237	54,541	55,327	41,015	68,178
Decrease (increase) in operating assets:					
Accounts receivable	(510,181)	(262,857)	279,226	(915,539)	203,938
Assessments receivable	(10,947)	26,357	71,284	102,771	192,017
Inventories	43,677	(28,735)	(141,587)	(24,662)	(230,741)
Prepaid expenses	(37,118)	18,340	10,472	(41,138)	6,546
Deferred charges and other assets	62,084	156,422	(84,459)	(651)	1,530
Increase (decrease) in operating liabilities:					
Accounts payable	(152,952)	317,874	(154,513)	459,710	1,192
Due to other governments	173,398	(111,665)	19,103	163,084	(125,823)
Customer deposits	62,100	71,286	(7,195)	135,346	94,115
Other liabilities	43,327	46,806	(22,792)	206,285	175,121
TOTAL ADJUSTMENTS	2,294,466	2,873,767	2,370,749	2,206,337	2,092,360
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,764,300	$ 4,795,699	$ 3,948,364	$ 3,384,423	$ 3,378,808

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Table XII

SELECTED SEGMENT INFORMATION
September 30,

	Electric System	Water System	Pollution Control System	Total
	September 30, 1990			
Operating revenue	$22,362,293	$ 3,305,107	$ 2,444,813	$28,112,213
Depreciation and decommissioning	1,468,516	426,844	552,205	2,447,565
Operating income (loss)	1,057,782	554,618	(142,566)	1,469,834
Required payments to City of New Smyrna Beach	1,387,110	228,692	165,439	1,781,241
Net income (loss)	(373,432)	149,131	(339,133)	(563,434)
Contributions in aid of construction	413,178	6,646,402	12,585,024	19,644,604
Utility plant acquisitions	3,793,896	1,318,638	953,284	6,065,818
Utility plant retirements	414,809	32,841	30,304	477,954
Revenue Certificates payable	24,488,100	20,053,050	7,098,850	51,640,000
Utility equity	6,030,956	9,291,193	11,132,497	26,454,646
	September 30, 1989			
Operating revenue	$20,841,500	$ 3,184,987	$ 2,390,120	$26,416,607
Depreciation and decommissioning	1,388,401	396,269	538,083	2,322,753
Operating income (loss)	1,201,721	676,188	44,023	1,921,932
Required payments to City of New Smyrna Beach	1,256,840	189,685	142,557	1,589,082
Net income (loss)	(80,411)	261,767	(118,149)	63,207
Contributions in aid of construction	410,273	5,196,160	12,933,768	18,540,201
Utility plant acquisitions	1,438,980	547,037	173,227	2,159,244
Utility plant retirements	142,218	32,203	10,247	184,668
Revenue Certificates payable	21,055,700	10,082,700	6,291,600	37,430,000
Utility equity	6,401,483	7,691,820	11,820,374	25,913,677
	September 30, 1988			
Operating revenue	$19,467,476	$ 3,050,904	$ 1,924,385	$24,442,765
Depreciation and decommissioning	1,323,254	367,515	527,554	2,218,323
Operating income (loss)	1,240,917	661,896	(325,198)	1,577,615
Required payments to City of New Smyrna Beach	1,187,019	180,950	113,133	1,481,102
Net income (loss)	(51,032)	186,970	(553,417)	(417,479)
Contributions in aid of construction	410,273	5,443,804	11,818,763	17,672,840
Utility plant acquisitions	1,023,925	996,032	427,530	2,447,487
Utility plant retirements	34,240	30,516	3,636	68,392
Revenue Certificates payable	21,454,400	10,299,450	6,421,150	38,175,000
Utility equity	6,481,894	7,677,697	10,823,518	24,983,109

	Electric System	Water System	Pollution Control System	Total
	September 30, 1987			
Operating revenue	$17,714,974	$2,925,916	$1,831,044	$22,471,934
Depreciation and decommissioning	1,078,093	337,457	513,702	1,929,252
Operating income (loss)	883,855	618,625	(324,394)	1,178,086
Required payments to City of New Smyrna Beach	1,020,323	173,449	107,799	1,301,571
Net income (loss)	(572,267)	(566,931)	(683,981)	(1,823,179)
Contributions in aid of construction	410,904	4,989,643	11,478,159	16,878,706
Utility plant acquisitions	9,712,604	741,641	273,531	10,727,776
Utility plant retirements	292,121	13,229	24,223	329,573
Revenue Certificates payable	21,801,167	10,493,805	6,500,028	38,795,000
Utility equity	6,533,557	7,036,566	11,036,331	24,606,454
	September 30, 1986			
Operating revenue	$15,743,029	$2,735,021	$1,754,963	$20,233,013
Depreciation and decommissioning	888,495	323,705	494,087	1,706,287
Operating income (loss)	955,089	600,565	(269,206)	1,286,448
Required payments to City of New Smyrna Beach	945,448	159,907	104,144	1,209,499
Net income (loss)	23,446	174,454	(445,011)	(247,111)
Contributions in aid of construction	384,069	4,297,608	10,926,243	15,607,920
Utility plant acquisitions	1,316,215	434,503	153,051	1,903,769
Utility plant retirements	198,494	29,156	5,118	232,768
Revenue Certificates payable	15,010,821	10,082,448	6,526,731	31,620,000
Utility equity	7,078,989	6,911,462	11,168,396	25,158,847

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Table XIII

SCHEDULE OF REVENUE CERTIFICATE COVERAGE
September 30,

	1990	1989	1988	1987	1986
Gross Revenue Per Certificate Resolution:					
Operating revenues	$28,112,213	$26,416,607	$24,442,765	$22,471,934	$20,233,013
Interest and other income (excluding construction fund interest earnings)	990,858	1,008,728	620,417	813,360	876,820
Connection fees	1,001,968	806,571	718,976	1,180,590	958,390
Assessment collections	45,828	69,750	71,284	101,891	190,943
	30,150,867	28,301,656	26,091,442	24,567,775	22,259,166
Expenses Per Certificate Resolution:					
Operating expenses	26,642,379	24,494,675	22,865,150	21,293,848	18,946,565
Less: Depreciation expense	(2,328,833	(2,212,241)	(2,119,675)	(1,885,382)	(1,674,114)
Required payments to the City	(1,781,241)	(1,589,082)	(1,481,102)	(1,301,571)	(1,209,499)
	22,532,305	20,693,352	19,264,373	18,106,895	16,062,952
INCOME AVAILABLE FOR DEBT SERVICE	7,618,562	7,608,304	6,827,069	6,460,880	6,196,214
Annual Debt Service Requirements:					
Principal	805,000	765,000	725,000	515,000	495,000
Interest (less accrued interest) (1)	2,553,281	2,597,110	2,637,382	2,660,317	2,362,465
	$ 3,358,281	$ 3,362,110	$ 3,362,382	$ 3,175,317	$ 2,857,465
COVERAGE RATIO (TIMES)	2.27	2.26	2.03	2.03	2.17

(1) Interest expense for the fiscal year ended September 30, 1990, is stated net of $783,778 in interest expense which was funded from the proceeds of the issuance of $15,000,000 Utilities Commission, City of New Smyrna Beach, Florida Utilities System Revenue Certificates, Series 1990.

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

Table XIV

SCHEDULE OF SELECTED FINANCIAL RATIOS
September 30,

		1990	1989	1988	1987	1986
Current ratio - current assets divided by current liabilities	(Times)	2.06	2.39	2.00	2.20	2.87
Quick ratio - current assets less inventories divided by current liabilities	(Times)	1.54	1.73	1.43	1.68	2.15
Current assets divided by total assets	(Percent)	6.43%	7.53%	7.30%	8.04%	8.34%
Current liabilities divided by total liabilities	(Percent)	4.47%	4.98%	5.73%	5.74%	4.97%
Current liabilities divided by utility equity	(Percent)	10.22%	8.57%	10.01%	10.14%	6.97%
Contributed capital divided by utility equity	(Percent)	74.26%	71.55%	70.74%	68.59%	62.04%
Total liabilities divided by utility equity	(Times)	2.29	1.72	1.75	1.77	1.40
Long-term debt (net) divided by utility equity	(Times)	1.98	1.44	1.48	1.51	1.20
Current liabilities divided by total assets	(Percent)	3.11%	3.15%	3.65%	3.66%	2.90%
Long-term debt (net) divided by total assets	(Percent)	60.13%	52.97%	54.07%	54.42%	49.96%
Total liabilities divided by total assets	(Percent)	69.57%	65.22%	63.58%	63.87%	58.35%
Sales divided by average accounts receivable	(Times)	18.12	19.03	20.10	21.12	21.02
Average collection period - average billed accounts receivable divided by average daily sales	(Days)	19.87	18.92	17.91	17.04	17.13

SEBRING UTILITIES COMMISSION
Sebring, Florida

September 30, 1990 and 1989

Certified Public Accountants

Wicks, Brown, Williams & Co.

SEBRING UTILITIES COMMISSION

SEBRING, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 1990 AND 1989

SEBRING UTILITIES COMMISSION
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INDEPENDENT AUDITORS' REPORT

Sebring Utilities Commission
Sebring, Florida

We have audited the balance sheets of Sebring Utilities Commission as of September 30, 1990 and 1989, and the related statements of loss, retained deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sebring Utilities Commission as of September 30, 1990 and 1989 and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules of income for the electric and water systems are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information in these schedules has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the statistical data presented for pension plan supplementary information; therefore, we express no opinion thereon.

Wicks, Brown, Williams & Co.

January 8, 1991
(Except for Note 11, as to which the date is January 18, 1991.)

MEMBERS American Institute of C.P.A.'s Florida Institute of C.P.A.'s

SEBRING UTILITIES COMMISSION
BALANCE SHEETS
SEPTEMBER 30, 1990 AND 1989

ASSETS	1990	1989
PROPERTY, PLANT AND EQUIPMENT, at cost:		
Property, plant and equipment in service	$ 98,921,146	$ 97,455,406
Less: Accumulated depreciation	30,611,823	27,329,823
Net property, plant and equipment in service	68,309,323	70,125,583
Construction work in progress	251,345	776,344
Nuclear fuel, at amortized cost	375,923	457,986
Total property, plant and equipment	68,936,591	71,359,913
RESTRICTED ASSETS:		
Bond service fund	4,791,930	4,119,430
Sinking fund reserve	11,501,360	10,681,360
Customer deposits	1,144,537	1,050,948
Total restricted assets	17,437,827	15,851,738
CURRENT ASSETS:		
Cash	3,641,913	4,420,480
Accounts receivable, net of allowance for doubtful accounts of $17,479 and $15,273 for 1990 and 1989, respectively	2,609,006	2,481,240
Inventories of fuel and materials	1,274,952	1,033,482
Prepaid expenses	47,580	147,822
Total current assets	7,573,451	8,083,024
DEFERRED CHARGES:		
Unamortized bond expense	1,848,673	1,960,367
Total deferred charges	1,848,673	1,960,367
TOTAL ASSETS	$ 95,796,542	$ 97,255,042

CAPITALIZATION AND LIABILITIES	1990	1989
CAPITALIZATION:		
Long-term debt:		
Revenue bonds payable, net of unamortized discounts of $2,255,412 and $2,391,680 for 1990 and 1989, respectively	$ 127,427,065	$ 127,629,653
Notes payable	60,030	69,964
Total long-term debt	127,487,095	127,699,617
Contributed capital:		
Contributed by City of Sebring	712,647	712,647
Contributions in aid of construction	4,811,926	4,447,079
Total contributed capital	5,524,573	5,159,726
Retained deficit:		
Reserved for bond sinking fund	11,501,360	10,681,360
Unreserved	(58,453,332)	(53,442,439)
Total retained deficit	(46,951,972)	(42,761,079)
Total capitalization	86,059,696	90,098,264
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:		
Bond principal	2,030,000	1,265,000
Accrued interest	2,761,930	2,854,430
Customer deposits	1,144,537	1,050,948
Total current liabilities payable from restricted assets	5,936,467	5,170,378
CURRENT LIABILITIES:		
Accounts payable	830,990	561,400
Revenue bonds payable - current portion	2,537,456	953,066
Notes payable - current portion	9,936	23,057
Accrued expenses	421,997	448,877
Total current liabilities	3,800,379	1,986,400
TOTAL CAPITALIZATION AND LIABILITIES	$ 95,796,542	$ 97,255,042

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

SEBRING UTILITIES COMMISSION
STATEMENTS OF LOSS
FOR THE YEARS ENDED SEPTEMBER 30, 1990 AND 1989

	1990	1989
OPERATING REVENUE:		
Sales	$ 19,575,951	$ 18,459,700
Other	245,966	288,988
Total operating revenue	19,821,917	18,748,688
OPERATING EXPENSES	14,428,582	13,456,353
OPERATING INCOME	5,393,335	5,292,335
INTEREST INCOME	1,501,783	1,504,367
	6,895,118	6,796,702
INTEREST EXPENSE	11,086,011	10,870,190
NET LOSS	$ (4,190,893)	$ (4,073,488)

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

SEBRING UTILITIFS COMMISSION
STATEMENTS OF RETAINED DEFICIT
FOR THE YEARS ENDED SEPTEMBER 30, 1990 AND 1989

	1990	1989
RETAINED DEFICIT - Beginning of year	$(42,761,079)	$(38,687,591)
Net loss	(4,190,893)	(4,073,488)
RETAINED DEFICIT - End of year	$(46,951,972)	$(42,761,079)

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

SEBRING UTILITIES COMMISSION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 1990 AND 1989

	1990	1989
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 19,694,151	$ 18,419,348
Cash payments to suppliers for goods and services	(8,915,949)	(8,064,514)
Cash payments to employees for services	(1,784,367)	(1,628,656)
Other operating payments	(251,315)	(329,470)
Net cash provided by operating activities	8,742,520	8,396,708
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from customer deposits	93,589	197,646
Net cash provided from noncapital financing activities	93,589	197,646
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments of note principal	(23,055)	(31,517)
Payments of bond principal	(3,250,000)	(1,995,000)
Interest paid	(5,670,015)	(5,868,433)
Proceeds from contributed capital	364,847	631,981
Purchase and construction of capital assets	(952,147)	(2,584,707)
Net cash used for capital and related financing activities	(9,530,370)	(9,847,676)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on cash and investments	1,535,335	1,584,237
Proceeds from sale and maturity of investments	6,812,003	10,519,568
Purchase of investments	(6,823,889)	(10,504,000)
Net cash provided from investing activities	1,523,449	1,599,805
NET INCREASE IN CASH AND CASH EQUIVALENTS	829,188	346,483
CASH AND CASH EQUIVALENTS - beginning of year	7,959,584	7,613,101
CASH AND CASH EQUIVALENTS - end of year	$ 8,708,772	$ 7,959,584
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 5,393,335	$ 5,292,335
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,282,000	3,179,005
Amortization of nuclear fuel	93,469	53,383
Increase in accounts receivable	(127,766)	(329,340)
Increase in inventories	(241,470)	(101,301)
Decrease (increase) in prepaid expenses	100,242	(4,889)
Increase in accounts payable	269,590	271,294
Increase (decrease) in accrued expenses	(26,880)	36,221
Net cash provided by operating activities	$ 8,742,520	$ 8,396,708

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

NOTE 1. Summary of Significant Accounting Policies:

The Sebring Utilities Commission (the "Commission") is a political subdivision of the State of Florida, created by a special act of the legislature for the purpose of providing water and electric service within the geographical boundaries of the City of Sebring and outlying areas. The commissioners are appointed by the City of Sebring's elected city council. In addition, the Commission's charter was amended, authorizing the Commission to sell, convey, transfer, and lease its assets with a book value in excess of $100,000 with approval and consent of the city council. The amendment futher provides that the Commission shall not borrow any monies in excess of $100,000 without approval of the city council. The Commission is comprised of only one component unit. There are no potential component units to address in defining the Commission's reporting entity.

The financial statements have been prepared on the accrual basis of accounting based on generally accepted accounting principles as applicable to governments and substantially in conformity with accounting principles and methods prescribed for electric utilities by the Federal Energy Regulatory Commission and prescribed for water utilities by the National Association of Regulatory Utility Commissioners.

Property, plant and equipment are stated at cost. Construction costs include payroll and the related costs, such as taxes, pension and other fringe benefits, and allocation of indirect charges for engineering, supervision and transportation expenses. Construction period interest is capitalized. No interest cost was capitalized in 1990 and 1989. 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 in Note 9.

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.

For the purpose of the statement of cash flows, the Commission considers all highly liquid assets (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Electric rates include fuel adjustment provisions under which fuel and purchased energy costs above or below the base level are billed or credited to customers.

NOTE 1. Summary of Significant Accounting Policies: (continued)

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

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.

The Commission considers amounts received for construction and expansion of the utility's assets and new water service connections from developers and customers as capital contributions.

Issuance expenses related to the bonds payable are deferred and amortized over the lives of the bonds using the bonds outstanding method. Discounts and premiums are amortized using the interest method.

For comparability purposes, certain reclassifications have been made to the 1989 financial statements to conform with the 1990 financial statement presentation.

NOTE 2. Restricted Assets:

Certain assets are restricted by bond resolution; additionally, some assets have been classified as restricted in accordance with governmental accounting standards for enterprise funds and utility industry accounting practices.

Restricted Assets consists of:

	September 30, 1990	1989
Cash	$ 5,146,859	$ 3,539,104
Investments	12,164,752	12,152,866
Interest receivable	126,216	159,768
	$17,437,827	$15,851,738

NOTE 3. Cash and Investments:

Cash: At September 30, 1990 and 1989, the carrying amount of the Commission's deposits were $8,786,172 and $7,956,984, respectively, and the bank statement balances were $8,981,992 and $8,093,417, respectively. All of these amounts are deposited with qualified public depositories and are fully insured or collateralized. Additionally, the Commission maintained $2,600 for each year in petty cash and working funds.

NOTE 3. Cash and Investments: (continued)

Statutes authorize the Commission to invest in direct obligations of the U.S. Treasury (and obligations fully guaranteed by the U.S. Treasury), obligations of (or guaranteed by) certain U.S. Agencies, the Local Government Surplus Funds Trust Fund, and bank or savings and loan accounts regulated by the State of Florida or federal authority.

Investments: The Commission's investments are summarized and categorized below to give an indication of the level of credit risk assumed by the Commission at September 30, 1990 and 1989. The categories used to classify investment securities are described below:

Category 1 - Insured or registered, or securities held by the Commission or its agent in the Commission's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Commission's name.

Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Commission's name.

	Category 1	Category 2	Category 3	Carrying Amount	Market Value
September 30, 1990:					
Investments:					
Certificates of deposit	$300,000	$ -	$ 6,519,408	$ 6,819,408	$ 6,819,408
U.S. Government securities	-	-	256,208	256,208	250,501
Other U.S. backed securities:					
GNMA Participation Certificates	-	-	1,341,462	1,341,462	1,337,229
FHLMC Participation Certificates	-	-	2,044,890	2,044,890	2,008,760
FNMA Participation Certificates	-	-	1,829,000	1,829,000	1,796,529
	$300,000	$ -	$11,990,968	$12,290,968	$12,212,427

	Category 1	Category 2	Category 3	Carrying Amount	Market Value
September 30, 1989:					
Investments:					
Certificates of deposit	$200,000	$ -	$10,452,342	$10,652,342	$10,652,342
U.S. Government securities	-	-	256,290	256,290	256,066
Other U.S. backed securities:					
GNMA Participation Certificates	-	-	1,404,002	1,404,002	1,401,351
	$200,000	$ -	$12,112,634	$12,312,634	$12,309,759

NOTE 3. Cash and Investments: (continued)

These investments are held in the following accounts:

	September 30, 1990	1989
Restricted assets	$17,437,827	$15,851,738
Cash	3,641,913	4,420,480
	21,079,740	20,272,218
Less: Cash	8,788,772	7,959,584
	$12,290,968	$12,312,634

NOTE 4. Long-term Debt:

Aggregate amounts of debt maturing and sinking fund requirements during each of the next five years ending September 30 are as follows:

	Maturities	Sinking Fund	Combined
1991	$ 4,577,392	$ 930,000	$ 5,507,392
1992	5,200,977	1,120,000	6,320,977
1993	5,596,483	1,093,000	6,689,483
1994	6,017,600	849,000	6,866,600
1995	7,671,314	-	7,671,314
Thereafter	105,256,133	(15,493,360)	89,762,773
	$134,319,899	$(11,501,360)	$122,818,539

Following is a summary of notes payable at September 30, 1990 and 1989:

	1990	1989
Mortgage notes payable, bear interest at 8% and 12% annually, due in 1992 and 1998	$69,966	$78,969
Equipment notes payable, bear interest at 8.3% to 10.5%, due in 1990	-	14,052
	69,966	93,021
Current portion	9,936	23,057
	$60,030	$69,964

In September, 1978, the Commission provided for advance refunding on the Series 1964, 1973 and 1975 revenue bonds (Refunded Bonds) by the sale of $8,400,000 Utilities System Revenue Bonds (Series 1978) and 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. In March, 1981, the Series 1981

NOTE 4. Long-term Debt: (continued)

Bonds were issued and a portion of the proceeds were used to refund the Series 1978 Bonds and in March and April, 1986 the Series 1986 Bonds were issued and a portion of the proceeds were used to refund the Series 1981 and 1984 Bonds and the 1985 Notes in the same manner that the 1978 Bonds refunded prior issues. The aggregate balance of refunded bonds outstanding at September 30, 1990 and 1989 was $98,288,000 and $102,088,970, respectively.

The Series 1978 Bonds, the Series 1981 Bonds, the Series 1984 Bonds, the Series 1986 Bonds, and the 1986 Notes are secured by a pledge of the net revenues of the Commission. The pledge of net revenues for the Series 1984 Bonds and Series 1986 Notes is junior and subordinate to the pledge of net revenues for the Series 1981 and Series 1986 Bonds.

Series of 1986 Revenue Bonds outstanding at September 30, 1990 and 1989 follows:

	1990	1989
Capital Appreciation Series 1986A Serial Bonds, maturing semi-annually from April 1, 1987 through October 1, 1994, insured as to principal and interest, zero coupon rate, 5.5% to 7.2% effective rate	$ 27,470,000	$ 28,720,000
Current Interest Series 1986A Serial Bonds, maturing semi-annually from April 1, 1995 through April 1, 2001, insured as to principal and interest, 7.0% to 7.35% coupon rate and effective rate	75,215,000	75,215,000
Capital Appreciation Series 1986B Serial Bonds, maturing semi-annually from April 1, 2001 through April 1, 2012, uninsured, zero coupon rate, 11.5% effective rate	83,000,000	83,000,000
Capital Appreciation/Current Interest series 1986B Term Bonds, uninsured, due October 1, 2020, zero coupon rate until October 1, 2000, current interest commences October 1, 2000, 11.5% effective rate	60,800,000	60,800,000
Series 1986C, insured as to principal and interest, maturing semi-annually from April 1, 1988 through October 1, 1990, 9.25% coupon rate and effective rate	1,000,000	3,[illegible],000
	247,485,000	250,735,000
Less unamortized discount and deferred interest	115,490,479	120,887,281
	131,994,521	129,847,719
Current principal payable from restricted assets	2,030,000	1,265,000
Principal classified as current liabilities	2,537,456	953,066
Total long-term revenue bonds	$127,427,065	$127,629,653

NOTE 4. Long-term Debt: (continued)

The bond resolutions provide, among other things, that a sinking fund and renewal and replacement fund be established and funded and that the Commission maintain net revenues of at least 1.10 times the aggregate debt service for the forthcoming twelve-month period. At September 30, 1990, the Commission has complied with these requirements and there are no events of default as defined in the bond resolutions. The resolutions also provide for issuing additional parity bonds.

NOTE 5. Pension Plan:

Plan Description

Sebring Utilities Commission contributes to the Sebring Utilities Commission Retirement System which is a Single-Employer Pension Employees' Retirement System (PERS). It is the responsibility of the Sebring Utilities PERS to function as an investment and administrative agent for Sebring Utilities Commission with respect to the pension plan.

For years ended September 30, 1990 and 1989, the Commission's total covered payroll for all employees amounted to $2,507,000 and $2,469,343, respectively. Covered payroll refers to all compensation paid by the Commission to active employees covered by the Sebring Utilities Commission Retirement System on which contributions to the plan are based.

Based upon provisions of the pension plan, all employees are required to enter the plan upon their date of employment. Under provisions of the plan, pension benefits vest after ten years of full-time employment. An employee may retire at age 60 and receive pension benefits based on a percentage of his average monthly earnings for his highest five (5) consecutive years taking into consideration years of service and years of employee contributions. The earnings base includes all compensation. The plan also provides for early retirement, death and disability benefits.

Under provisions of the plan, all employees must contribute 5% of their gross earnings. In addition, the Commission must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements as mandated by the plan.

Funding Status and Progress

Presented below is the total pension benefit obligation of Sebring Utilities Commission PERS. The amount of the total pension benefit obligation is based on a standardized measurement established by Governmental Accounting Standards Board (GASB) Statement Number 5 that, with some exceptions, must be used by a PERS. The standardized measurement is the actuarial present value of credited projected benefits. The pension valuation method reflects the present value of

NOTE 5. Pension Plan: (continued)

estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effects of projected salary increases. A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of PERS Financial Statements to (a) assess Sebring Utilities Commission PERS funding status on a going-concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among PERS.

Because the standardized measure is used only for disclosure purposes by Sebring Utilities Commission PERS, the measurement is independent of the actuarial funding method used to determine contributions to the PERS as explained elsewhere in this note.

A variety of significant assumptions are used to determine the standardized measure of the pension benefit obligation and these assumptions are summarized as follows:

The present value of future pension payments was computed at a discount rate of 8% compounded annually. The discount rate is equal to the estimated long-term rate of return on current and future investments of the pension plan.

Future pension payments reflect the assumption of an 8% annual salary increase.

Future pension payments reflect no post-retirement benefit increases, which is consistent with the terms of the pension agreement.

The standardized measure of the pension benefit obligation included in the most recent actuarial valuation report dated October 1, 1989, is as follows:

Pension Benefit Obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$1,100,275
Current Employees:	
Accumulated employees' contributions including allocated investment income	704,237
Employer-financed vested	960,479
Employer-financed nonvested	408,357
Total pension benefit obligation	3,173,348
Net assets available for benefits, at market value	4,072,085
Assets in excess of pension benefit obligation	$ 898,737

NOTE 5. Pension Plan: (continued)

No changes in actuarial assumptions or benefit provisions that would significantly affect the valuation of the pension benefit obligation occurred during the year ended September 30, 1990.

Contributions Required and Contributions Made

Periodic employer contributions to the pension plan are determined on an actuarial basis using the frozen entry age actuarial cost method. Normal cost is funded on a current basis. As of the most recent valuation date, there was no unfunded actuarial accrued liability. Monthly contributions of normal cost is based on the level percentage of payroll method. The funding strategy should provide sufficient resources to pay employees' pension benefits on a timely basis.

Significant actuarial assumptions used to compute pension contribution requirements are the same as those used to determine the standardized measure of the pension obligation.

Total contributions to the pension plan during the year ended September 30, 1990 amounted to $272,771 of which $147,421 and $125,350 were made by the Commission and its employees, respectively. Contributions during the year ended September 30, 1989 amounted to $262,179 of which $136,051 and $126,128 were made by the Commission and its employees, respectively. The contributed amounts were actuarially determined as described above and were based on actuarial valuations as of October 1, 1989 and October 1, 1988, respectively. Contributions made by Sebring Utilities Commission as its employees as a percentage of covered payroll are shown as follows:

	1990	1989
Commission	5.88%	5.51%
Employees	5.00%	5.00%

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten-year trend information may be found on page 18, as supplementary information to the Commission's financial statements.

Trend information currently available for the past three years follows:

Year Ended September 30	Net Assets Available for Benefits as a Percentage of Pension Benefit Obligation	Assets in Excess of Pension Benefit Obligation as a Percentage of Covered Payroll	Employer Contributions as a Percentage of Covered Payroll
1987	130.71%	35.63%	4.22%
1988	119.19%	23.69%	4.51%
1989	128.32%	36.40%	5.82%

NOTE 6. Insurance in Force:

Coverage	Limits
Workmen's Compensation and Employers' Liability:	
Each accident	$ 100,000
By disease	$ 100,000
Aggregate by disease	$ 500,000
Automobile:	
Bodily injury and property damage Combined single limit	$ 2,000,000
General Liability:	
Bodily injury and property damage Combined single limit	$ 2,000,000
Fire, Lightning and Extended Coverages:	
Buildings and personal property	$102,067,995
Fuels	$ 2,486,740
Boiler and Machinery	$ 10,000,000

NOTE 7. Budget Analysis:

	1990		1989	
	Budget	Actual	Budget	Actual
Operating revenue	$20,394,000	$19,821,917	$18,772,000	$18,748,688
Interest income	1,390,000	1,501,783	1,300,000	1,504,367
Operating expense	(10,674,039)	(11,053,113)	(9,982,792)	(10,223,625)
Income before depreciation and amortization, and debt service	$11,109,961	$10,270,587	$10,089,208	$10,029,430
Variance over (under)		$ (839,374)		$ (59,778)

NOTE 8. Rate Revisions:

According to the existing laws of the State of Florida, the five members of the Commission act as the regulatory authority for the establishment of the amount of electric and water rates. The Florida Public Service Commission has authority to regulate the electric "rate structures" of municipal utilities in Florida, but not the actual amounts.

Electric and water rates were raised effective June 1, 1989 in accordance with adopted rate schedules. Electric and water rates were again raised subsequent to September 30, 1990.

NOTE 9. Property, Plant and Equipment in Service:

	September 30, 1990		September 30, 1989	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	$ 241,877	$ -	$ 241,877	$ -
Electric:				
Generation Plants	73,301,668	20,641,189	72,557,135	18,274,487
Transmission System	3,436,891	1,065,169	3,436,891	951,687
Distribution System	12,887,873	4,493,612	12,404,163	4,050,172
Water System	6,881,483	2,850,788	6,713,398	2,640,037
Equipment	1,765,957	1,392,674	1,700,721	1,264,146
Storage Buildings	405,397	168,391	401,221	149,294
	$98,921,146	$30,611,823	$97,455,406	$27,329,823

NOTE 10. Nuclear Decommissioning Costs:

The Commission's share of projected decommissioning costs associated with its participation interest in a nuclear generating plant is externally funded. The amount required to be transferred to the fund, established by regulatory authority, is charged to expense during the period that the funds are transferred to the external fund. Projected future transfers are not recorded as a liability prior to the period of transfer.

The Commission's estimated share amounts to $48,820 per year from 1990 through 2016. The Commission's contribution for the initial short period ended September 30, 1990 is $36,615.

NOTE 11. Subsequent Events:

On January 16, 1991, the Commission exchanged letters of intent with Tampa Electric Company (the purchaser) to sell the following assets: (1) The purchase price of $37,000,000 includes Phillips and Dinner Lake generating facilities; approximately 7.4 miles of natural gas supply line to Dinner Lake generating plant; related spare parts inventories; related sites, permits, licenses and other assets necessary for the operation of those plants; and salvage rights on the Park Street plant. (2) The Commission's ownership share of CR-3 Nuclear Power Plant and a portion of the Commission's transmission lines connecting the power plants to the transmission grid will be sold at net book value. (3) Fuel inventory for Phillips plant and the Commission's portion of CR-3 nuclear fuel inventory at cost. The closing of substantially all of this transaction is expected to take place on or before February 28, 1991. The consummation of the sale is subject to normal conditions, including obtaining certain environmental, regulatory and other governmental consents. The loss on this transaction is estimated to be approximately $13,750,000. The portion of the transaction relating to CR-3 is subject to the right of first refusal by other owners of the nuclear project.

NOTE 11. Subsequent Events: (continued)

In addition to provisions relating to the sale of the generation assets, the Commission granted the purchaser a right of first refusal to purchase the Commission's transmission and distribution system on terms and conditions offered to or by any bona-fide third party purchaser.

The purchaser would assume the benefits and obligations of related supply and service contracts, and would assume all liabilities associated with decommissioning the nuclear power plant. Under an operating contract, the Commission's employees would remain employees of the Commission and would continue to operate and maintain the generating facilities, under the supervision of the purchaser, on a cost basis.

The Commission would become a full requirements system with Tampa Electric Company as the sole electric power supplier at rates regulated by the Federal Energy Regulatory Commission. The demand and non-fuel energy charges would be guaranteed by the purchaser against increases for a five year period.

It is the intent of the Commission to redeem all of the 1986B Series Bonds and a portion of the other bonded indebtedness with the proceeds from the sale. The bond resolutions provide for redemption at par. However, a loss on extinguishment of the 1986B Series Bonds of approximately $1,075,000 would result due to write-off of unamortized issue expense and issue discount relating the issue.

The Commission intends to sell the generating assets as a portion of an overall plan to reduce the amount of projected future utility rate increases. The Commission and its consultants are investigating the possibility of selling the remainder of its assets or refinancing the remaining outstanding indebtedness as a portion of the aforementioned plan.

SEBRING UTILITIES COMMISSION
SUPPLEMENTARY SCHEDULES OF INCOME
ELECTRIC SYSTEM
FOR THE YEARS ENDED SEPTEMBER 30, 1990 AND 1989

	1990	1989
OPERATING REVENUE:		
Sale of electricity	$ 16,661,573	$ 15,729,429
Interdepartmental sales	197,749	223,769
Miscellaneous sales and service	245,966	288,988
Total operating revenue	17,105,288	16,242,186
OPERATING EXPENSES:		
Generation and transmission:		
Fuel	2,795,378	2,505,388
Purchased power	2,376,369	2,226,909
Operation and maintenance	2,568,850	2,246,925
Transmission system operation and maintenance	234,042	214,747
Distribution operation and maintenance:		
Operating expenses	208,125	187,444
Maintenance expenses	261,657	264,079
Depreciation	3,034,200	2,962,031
General and administrative expense	1,469,693	1,368,977
State taxes	217,683	335,182
Total operating expenses	13,166,007	12,311,682
OPERATING INCOME	$ 3,939,281	$ 3,930,504

SEBRING UTILITIES COMMISSION
SUPPLEMENTARY SCHEDULES OF INCOME
WATER SYSTEM
FOR THE YEARS ENDED SEPTEMBER 30, 1990 AND 1989

	1990	1989
OPERATING REVENUE:		
Sale of water	$ 2,686,846	$ 2,482,692
Interdepartmental sales	29,783	23,810
Total operating revenue	2,716,629	2,506,502
OPERATING EXPENSES:		
Production operation and maintenance:		
Operating expenses	269,056	265,904
Maintenance expenses	15,555	28,387
Transmission and distribution operation and maintenance:		
Operating expenses	22,050	24,093
Maintenance expenses	218,221	152,990
Depreciation	247,800	216,974
General and administrative expenses	489,893	456,323
Total operating expenses	1,262,575	1,144,671
OPERATING INCOME	$ 1,454,054	$ 1,361,831

SEBRING UTILITIES COMMISSION
PENSION PLAN SUPPLEMENTARY INFORMATION (UNAUDITED)
FISCAL YEARS ENDED SEPTEMBER 30, 1990 AND 1989

This schedule presents pension benefit information for the last three years currently available. This schedule will expand to ten years as the information becomes available.

Year Ended 9-30	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1)/(2)	(4) Unfunded/ (Overfunded) Pension Benefit Obligation (2)-(1)	(5) Annual Covered Payroll	(6) Unfunded/ (Overfunded) Pension Obligation as a percentage of payroll covered payroll (4)/(5)
1987	$3,309,429	$2,531,885	130.7%	$(777,539)	$2,182,329	(35.6)%
1988	3,454,714	2,898,607	119.2	(556,107)	2,347,360	(23.7)
1989	4,072,085	3,173,348	128.3	(898,737)	2,469,343	(36.4)

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides an indication of pension funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the pension plan. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Commission's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the pension plan.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

CITY OF ALACHUA

ALACHUA, FLORIDA

SEPTEMBER 30, 1990

Purvis Gray & Company

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

CITY OF ALACHUA
ALACHUA, FLORIDA
SEPTEMBER 30, 1990

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FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

CITY OF ALACHUA
ALACHUA, FLORIDA
SEPTEMBER 30, 1990

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Purvis Gray & Company

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Commission
City of Alachua
Alachua, Florida

We have audited the accompanying general purpose financial statements of the City of Alachua, Florida, as of September 30, 1990 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

We did not obtain sufficient evidential matter to determine if property, plant and equipment recorded in the Proprietary Fund Types is fairly presented at cost or estimated historical cost, due to insufficient detail within the City's property records.

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 determine the propriety of amounts recorded as property, plant and equipment in the Proprietary Fund Types, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Alachua, Florida, as of September 30, 1990, and the results of its operations and the changes in financial position of the Proprietary Fund Types for the year then ended, in conformity with generally accepted accounting principles.

Certified Public Accountants
P.O. Box 23999 • 222 N.E. 1st Street • Gainesville, Florida 32602 • (904) 378-2461
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 32671 • (904) 732-3872
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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable Mayor and City Commission
City of Alachua
Alachua, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Alachua, Florida. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, except for the effect of such adjustments, if any, related to the matter discussed in the third paragraph, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

November 16, 1990
Gainesville, Florida

Purvis, Gray and Company

GENERAL PURPOSE FINANCIAL STATEMENTS

These basic statements provide a summary overview of the financial position of all funds and account groups as well as the operating results of all funds and changes in financial position of the Proprietary Fund Type. They also serve as an introduction to and summary of the more detailed statements included in the accompanying information section.

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 1990
CITY OF ALACHUA, FLORIDA

ASSETS

	Governmental Fund Types			
	General	Special Revenue	Capital Project	Debt Service
Cash and Cash Equivalents	$ 162,087			$ 36,591
Investments	305,500			
Receivables (Net of Allowances For Uncollectibles Parenthetically Indicated):				
Taxes	90,563			
Accounts ($18,000)				
Assessments				
Accrued Interest and Penalties	1,601			
Other Receivables	2,265			
Due From Water Fund	250,000			
Due From Other Governments	32,923			
Inventory of Utility Supplies				
Prepaid Expenses	17,406			
Unbilled Revenue				
Restricted Assets:				
Cash and Cash Equivalents				
Investments				
Accrued Interest				
Property, Plant and Equipment - Cost Less Accumulated Depreciation For Proprietary Fund Types; Cost For General Fixed Asset Account Group				
Unamortized Bond Issue Costs				
Amount Available For Retirement of General Long-Term Debt				
Amount to be Provided For Retirement of General Long-Term Debt				
Total Assets	$ 862,345	$ 0	$ 0	$ 36,591

See accompanying notes.

Proprietary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	General Fixed Assets	General Long-Term Debt	1990	1989
$ 43,094			$ 241,772	$ 629,742
135,564			441,064	476,334
			90,563	102,591
510,140			510,140	409,377
1,069			1,069	1,069
			1,601	1,932
4,079			6,344	13,915
			250,000	0
			32,923	20,685
214,412			214,412	249,631
24,030			41,436	21,954
99,679			99,679	78,705
756,428			756,428	274,240
4,377,296			4,377,296	1,469,448
77,618			77,618	4,963
7,422,520	$ 2,672,518		10,095,038	9,596,496
419,945			419,945	138,118
		$ 36,591	36,591	36,861
		1,382,044	1,382,044	974,612
$ 14,085,874	$ 2,672,518	$ 1,418,635	$ 19,075,963	$ 14,500,673

See accompanying notes.

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 1990
CITY OF ALACHUA, FLORIDA
(Concluded)

LIABILITIES AND FUND EQUITY

	Governmental Fund Types			
	General	Special Revenue	Capital Project	Debt Service
Liabilities				
Accounts Payable	$ 261,280			
Other Accrued Expenses	33,435			
Payable From Restricted Assets:				
Accrued Interest				
Current Portion of Bonds Payable				
Customer Deposits				
Due to General Fund				
Deferred Revenues and Credits	89,305			
Note Payable - Gulf Breeze				
Note Payable - FLGFA				
Notes Payable - First National				
Chattel Mortgage Payable				
Revenue Bonds Payable				
Accrued Compensated Absences				
Total Liabilities	384,020	$ 0	$ 0	$ 0
Fund Equity				
Contributed Capital				
Investment in General Fixed Assets				
Retained Earnings:				
Reserved For Debt Service and Contingencies				
Unreserved				
Fund Balance:				
Reserved	165,680			36,591
Designated	7,705			
Undesignated	304,940			
Total Fund Equity	478,325	0	0	36,591
Total Liabilities and Fund Equity	$ 862,345	$ 0	$ 0	$ 36,591

See accompanying notes.

Proprietary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	General Fixed Assets	General Long-Term Debt	1990	1989
$ 13,529			$ 274,809	$ 499,285
13,402			46,837	50,416
367,189			367,189	18,925
152,000			152,000	11,000
108,429			108,429	100,575
250,000			250,000	0
331,627			420,932	481,439
		$ 955,000	955,000	970,000
		425,000	425,000	0
60,193			60,193	372,721
4,497		1,927	6,424	12,826
11,540,931			11,540,931	8,336,868
28,974		36,708	65,682	61,322
12,870,771	$ 0	1,418,635	14,673,426	10,915,377
1,825,485			1,825,485	1,486,783
	2,672,518		2,672,518	2,508,135
1,337,205			1,337,205	1,333,931
(1,947,587)			(1,947,587)	(1,817,242)
			202,271	(129,153)
			7,705	33
			304,940	202,809
1,215,103	2,672,518	0	4,402,537	3,585,296
$ 14,085,874	$ 2,672,518	$ 1,418,635	$ 19,075,963	$ 14,500,673

See accompanying notes.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1990
CITY OF ALACHUA, FLORIDA

Revenues
- Taxes and Special Assessments
- Licenses and Permits
- Intergovernmental
- Charges For Services
- Fines and Forfeitures
- Interest and Miscellaneous

Total Revenues

Expenditures
- Current:
  - General Government
  - Public Safety
  - Physical Environment
  - Transportation
  - Parks and Recreation
- Capital Projects
- Debt Service

(Total Expenditures)

Excess (Deficiency) of Revenues Over (Under) Expenditures

Other Financing Sources (Uses)
- Debt Proceeds
- (Loan Costs)
- Transfers In
- (Transfers Out)

Total Other Financing Sources (Uses)

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses

Fund Balance, Beginning of Year

Fund Balance, End of Year

See accompanying notes.

Governmental Fund Types				Totals (Memorandum Only)	
General	Special Revenue	Capital Project	Debt Service	1990	1989
$ 767,122				$ 767,122	$ 722,730
42,987				42,987	32,326
447,409	$ 445,920			893,329	511,172
42,765				42,765	25,886
38,864				38,864	44,151
106,968				106,968	132,684
1,446,115	445,920	$ 0	$ 0	1,892,035	1,468,949
280,523				280,523	248,563
830,094				830,094	842,439
75,246	369,935			445,181	120,123
239,394	75,985			315,379	217,661
102,066				102,066	79,617
		91,489		91,489	929,040
2,204			109,428	111,632	90,860
(1,529,527)	(445,920)	(91,489)	(109,428)	(2,176,364)	(2,528,303)
(83,412)	0	(91,489)	(109,428)	(284,329)	(1,059,354)
		425,000		425,000	0
		(15,276)		(15,276)	0
349,529			109,158	458,687	134,326
(109,158)		(33,697)		(142,855)	(88,212)
240,371	0	376,027	109,158	725,556	46,114
156,959	0	284,538	(270)	441,227	(1,013,240)
321,366	0	(284,538)	36,861	73,689	1,086,929
$ 478,325	$ 0	$ 0	$ 36,591	$ 514,916	$ 73,689

See accompanying notes.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1990
CITY OF ALACHUA, FLORIDA

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes and Special Assessments	$ 713,296	$ 767,122	$ 53,826
Licenses and Permits	37,500	42,987	5,487
Intergovernmental	470,734	447,409	(23,325)
Charges For Services	45,500	42,765	(2,735)
Fines and Forfeitures	40,000	38,864	(1,136)
Interest and Miscellaneous	105,000	106,968	1,968
Total Revenues	1,412,030	1,446,115	34,085
Expenditures			
Current:			
General Government	245,295	280,523	(35,228)
Public Safety	868,401	830,094	38,307
Physical Environment	46,743	75,246	(28,503)
Transportation	174,925	239,394	(64,469)
Parks and Recreation	91,599	102,066	(10,467)
Capital Projects			
Debt Service	8,300	2,204	6,096
(Total Expenditures)	(1,435,263)	(1,529,527)	(94,264)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,233)	(83,412)	(60,179)
Other Financing Sources (Uses)			
Debt Proceeds			
(Loan Costs)			
Transfers In	329,778	349,529	19,751
(Transfers Out)	(116,213)	(109,158)	7,055
Total Other Financing Sources (Uses)	213,565	240,371	26,806
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	190,332	156,959	(33,373)
Fund Balance, Beginning of Year		321,366	
Fund Balance, End of Year		$ 478,325	

See accompanying notes.

Special Revenue Fund			Capital Project Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ 500,000	$445,920	$ (54,080)			
500,000	445,920	(54,080)	$ 0	$ 0	$ 0
412,978	369,935	43,043			
87,022	75,985	11,037			
			0	91,489	(91,489)
(500,000)	(445,920)	54,080	0	(91,489)	(91,489)
0	0	0	0	(91,489)	(91,489)
			0	425,000	425,000
			0	(15,276)	(15,276)
			0	(33,697)	(33,697)
0	0	0	0	376,027	376,027
0	0	0	0	284,538	284,538
				(284,538)	
	$ 0			$ 0	

See accompanying notes.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1990
CITY OF ALACHUA, FLORIDA
(Concluded)

Revenues
- Taxes and Special Assessments
- Licenses and Permits
- Intergovernmental
- Charges For Services
- Fines and Forfeitures
- Interest and Miscellaneous

Total Revenues

Expenditures
- Current:
  - General Government
  - Public Safety
  - Physical Environment
  - Transportation
  - Parks and Recreation
- Capital Projects
- Debt Service

(Total Expenditures)

Excess (Deficiency) of Revenues Over (Under) Expenditures

Other Financing Sources (Uses)
- Debt Proceeds
- (Loan Costs)
- Transfers In
- (Transfers Out)

Total Other Financing Sources (Uses)

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses

Fund Balance, Beginning of Year

Fund Balance, End of Year

See accompanying notes.

Debt Service Fund			Totals (Memorandum Only)	
Budget	Actual	Variance Favorable (Unfavorable)	1990	1989
			$ 767,122	$ 722,730
			42,987	32,326
			893,329	511,172
			42,765	25,886
			38,864	44,151
			106,968	132,684
$ 0	$ 0	$ 0	1,892,035	1,468,949
			280,523	248,563
			830,094	842,439
			445,181	120,123
			315,379	217,661
			102,066	79,617
			91,489	929,040
116,213	109,428	6,785	111,632	90,860
(116,213)	109,428)	6,785	(2,176,364)	(2,528,303)
(116,213)	(109,428)	6,785	(284,329)	(1,059,354)
			425,000	0
			(15,276)	0
116,213	109,158	(7,055)	458,687	134,326
			(142,855)	(88,212)
116,213	109,158	(7,055)	725,556	46,114
0	(270)	(270)	441,227	(1,013,240)
	36,861		73,689	1,086,929
	$ 36,591		$ 514,916	$ 73,689

See accompanying notes.

COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1990
CITY OF ALACHUA, FLORIDA

	Proprietary Fund Types	Total (Memorandum Only)
	Enterprise	1989
Operating Revenues	$ 4,086,052	$ 3,648,496
Operating Expenses		
Power Production Expense	2,296,243	2,073,311
Customer Accounts	116,046	85,707
Depreciation	287,118	280,737
Warehousing	39,485	30,522
Distribution and Collection	248,653	184,514
General and Administrative	175,847	161,891
Taxes	53,471	42,835
Treatment	159,068	131,543
(Total Operating Expenses)	(3,375,931)	(2,991,060)
Operating Income	710,121	657,436
Nonoperating Revenue (Expenses)		
Interest Income	187,523	133,926
(Interest on Long-Term Debt)	(702,985)	(645,726)
(Amortization of Bond Issue Costs)	(7,644)	(5,212)
Miscellaneous Income	1,746	2,070
Total Nonoperating Revenues (Expenses)	(521,360)	(514,942)
Income Before Operating Expenses	188,761	142,494
(Operating Transfers Out)	(315,832)	(46,113)
Net (Loss) Income	(127,071)	96,381
Retained Earnings (Deficit), Beginning of Year	(483,311)	(579,692)
Retained Earnings (Deficit), End of Year	$ (610,382)	$ (483,311)

See accompanying notes.

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1990
CITY OF ALACHUA, FLORIDA

	Proprietary Fund Types	Total (Memorandum Only)
	Enterprise	1989
Source of Working Capital		
Net (Loss) Income	$ (127,071)	$ 96,381
Items Not Requiring Outlay of Working Capital:		
Depreciation and Amortization	315,544	297,783
Write-off of Special Equipment	2,823	0
Working Capital Provided From Operations	191,296	394,164
Revenue Bonds Issued	3,335,281	0
Increase in Deferred Credit - Special Assessments	8,368	7,250
Plant Salvage From Retirements	26,349	24,485
Land Sales	2,493	5,258
Increase in Contributions	362,282	179,861
Increase in Deferred Credit - CR-3 Decommissioning Costs	18,879	20,346
Increase (Decrease) in Current Liabilities Payable From Restricted Assets	497,118	(85,810)
Total Source of Working Capital	4,442,066	545,554
Use of Working Capital		
Utility Plant in Service Additions	671,311	490,642
Bond Issue Costs	289,471	0
Decrease in Long-Term Liabilities:		
Reclassified as Current and Payments	156,888	16,445
Plant Removal Costs	5,211	22,487
Increase (Decrease) in Restricted Assets	3,462,691	(187,171)
(Total Use of Working Capital)	(4,585,572)	(342,403)
(Decrease) Increase in Working Capital (Below)	(143,506)	203,151

See accompanying notes.

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1990
CITY OF ALACHUA, FLORIDA
(Concluded)

	Proprietary Fund Types	Total (Memorandum Only)
	Enterprise	1989
Changes in Working Capital By Component		
Current Assets - Increase (Decrease):		
Cash and Investments	$ (249,517)	$ 86,914
Receivables	99,072	39,589
Inventory	(35,219)	63,670
Prepaid Expenses	11,646	75
Unbilled Revenue	20,974	19,037
Current Liabilities - Decrease (Increase):		
Accounts Payable	163,327	(4,785)
Other Accrued Expenses	11,358	(12,115)
Power Costs Recovered in Advance	66,539	70,000
Due to General Fund	(250,000)	0
Deferred Credits and Developer Deposits	6,193	13,533
Note Payable - First National Bank	12,528	(72,721)
Current Portion of Long-Term Debt	(407)	(46)
(Decrease) Increase in Working Capital (Above)	$ (143,506)	$ 203,151

See accompanying notes.

Note 1 - Summary of Significant Accounting Policies

The City of Alachua, Florida, is a political subdivision of the State of Florida located in Alachua County. The legislative branch of the City is composed of a five-member elected commission. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Commission-appointed City Manager.

The City's major operations include various utility services - electric, water and wastewater as well as police protection, road and street maintenance, parks, recreation and other general government services. The City contracts with Alachua County for the provision of fire service at a fixed cost to the City which is renegotiated annually. The City leases the fire station and equipment to the County at no cost. Sanitation services are provided by a private company, but billed by the City to its customers. The City retains an administrative fee on sanitation services.

The accounting policies of the City of Alachua, Florida, conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies.

Reporting Entity

The basic criterion for including an agency, institution, authority, or other organization in a governmental unit's reporting entity is the exercise of oversight responsibility over such entities by the governmental unit's elected officials. Oversight responsibility is defined to include, but is not limited to: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; accountability for fiscal matters; and other factors including special financing relationships. There are no entities over which the City exerts any type of influence and, accordingly, the accompanying general purpose financial statement include only the fund types and account groups of the City itself.

Fund Accounting

The City's accounting records are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity, with a self-balancing set of accounts recording all financial resources with all related liabilities, reserves and residual entities, or balances or changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives. Amounts received from or payable to other funds are shown in the accounts of an individual fund and separately presented in the accompanying general purpose financial statements until liquidated by payment or an interfund transfer.

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

Fund Accounting *(Concluded)*
The following fund types and account groups are used in accounting for the financial operations of the City.

Governmental Fund Types

- **General Fund** - to account for all financial resources not properly accounted for in another fund.
- **Special Revenue Fund** - to account for the proceeds of specific revenue resources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The City uses this fund to account for the proceeds from the U.S. Department of Housing and Urban Development Community Development Block Grants.
- **Capital Project Fund** - to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary fund types and trust funds). The City uses the Capital Project Fund to account for the street, drainage, and utility construction and improvements financed by the Gulf Breeze and Florida Local Government Finance Authority loans.
- **Debt Service Fund** - to account for the accumulation of resources and payment of general obligation bond principal and interest from these resources. The City uses the Debt Service Fund to account for the accumulation of resources and the payment of principal and interest on the Gulf Breeze loan and for 1990, on the $300,000 First National Bank loan.

Proprietary Fund Types

- **Enterprise Funds** - to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's electric, water and wastewater utility services are accounted for in these funds.

Account Groups

- The **Account Groups** are used to establish accounting control and accountability for the government's general fixed assets and general long-term debt. These account groups are not considered funds since they do not reflect available financial resources and related liabilities.

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

Measurement Focus

The accounting and reporting treatment applied to the fixed assets and long-term liability associated with a fund are determined by its measurement focus. Governmental Fund Types are accounted for a "spending" or "financial flow" measurement focus. This means that only current assets and current and liabilities are generally included on the balance sheet. The reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental Fund Type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, such statements are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in Governmental Fund Type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds, and long-term liabilities expected to be financed from Governmental Fund Types are accounted for in the General Long-Term Debt Account Group.

The Proprietary Fund Types are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity are included on the balance sheet. The reported fund equity (net total assets) is segregated into contributions and retained earnings components. The Proprietary Fund Type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Bases of Accounting

The Governmental Fund Types are maintained on the modified accrual basis of accounting. Under this method of accounting, revenues are generally recognized when they become measurable and available as net current assets. Revenues which are susceptible to accrual, i.e., being recorded when earned, include property and utility taxes, refuse collection fees and lot clearing and certain other fees. Expenditures are generally recorded on an accrual basis, i.e., when incurred, except as follows:

- Principal and interest on long-term debt are recognized when due;
- accumulated vacation and sick pay is not recorded in the General Fund since the current amount is immaterial.

The Proprietary Fund Types are maintained on the accrual basis of accounting. This method of accounting relates costs and expenditures to the period in which benefits of the outlays are received. It is intended to provide an accurate matching of these benefits with associated revenues. Under the accrual basis of accounting, revenues are recognized when earned and measurable, and expenses are recognized when incurred.

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

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

- The City Manager is responsible for preparing a proposed operating budget for the upcoming year prior to September 30 that includes estimated revenues, proposed expenditures, and other financing sources and uses.
- Public hearings are held to obtain taxpayer comments and suggestions. The budget is enacted through passage of an ordinance, which sets spending limits by department.
- The City Manager is authorized to transfer budgeted amounts within any department in any fund, but may not revise total departmental expenditures without the approval of the City Commission. The budgetary information for all governmental fund types in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances is reported as amended.
- Budgets are adopted on a basis consistent with generally accepted accounting principles. Appropriations lapse at the end of the year. Encumbrances are not recorded.
- The budgets for governmental funds which include the General Fund, Special Revenue Funds and Debt Service Fund that were either adopted or amended during the year by the City Commission were prepared on the same basis of accounting utilized by those specific fund types. There was no budget adopted for the Capital Project Fund for the year ended September 30, 1990. A combined General Fund - Debt Service Fund budget was adopted for 1990, which has been reclassified to the separate funds for reporting purposes. Comparisons of budgetary data to actual are not required to be reported for proprietary fund types.

Receivables
Customer accounts and assessments receivable are recorded at their net realizable value reduced by an allowance for uncollectible accounts. Property taxes receivable are recorded in total, offset by deferred revenue for the amount which is not measurable and available at September 30, 1990.

Inventory
Inventory in the General Fund is charged to expenditures when purchased. Inventory in the Proprietary Fund Types consists of supplies held for repairs or capital improvements, plus nuclear fuel.

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

Property, Plant and Equipment and Depreciation
Property, plant and equipment in the Proprietary Fund Types are recorded at historical cost or at fair market value on the date donated. Ordinary maintenance and repairs are charged to expenses as incurred.

Provision has been made for the depreciation of such property, plant and equipment using the straight-line method with a half-year convention. The straight-line rate is computed using the period of years considered as the normal service life of the property. Such rates are as follows:

Nuclear Plant and Equipment	2.7% to 3.6%
Electric Distribution Plan	2% to 4%
Water Plant	3% to 10%
Wastewater Plant	2.5%
Other Equipment	10% to 20%

Construction work in progress is not depreciated until completed and placed into service. Utility plant acquired through grants is depreciated along with other utility plant purchased or constructed.

All other property and equipment owned by the City is reflected at cost in the General Fixed Assets Group of Accounts and shown as an expenditure in the fund purchasing the property or equipment. Certain improvements such as streets, sidewalks and other infrastructure assets are capitalized along with other general fixed assets. No provision for depreciation is made for any general fixed assets.

Bond Discount and Issue Costs Amortization
The bond issue costs on the Utility Revenue Bonds of 1990 and 1996 are being amortized over the lives of the bonds using the straight-line method. The bond discounts on the Utility Revenue Bonds are being amortized over the life of the bonds using the effective interest method.

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

Capitalized Interest During Construction
The City accounts for capitalized interest during construction in accordance with Statement of Financial Accounting Standards No. 34, Capitalization of Interest Costs, and Statement No. 62, Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants. No interest paid or payable during 1990 has been capitalized as a cost of construction in any fund or account group.

Long-Term Liabilities
Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

Compensated Absences
The City accrues accumulated unpaid vacation and sick pay when incurred, if material, in the Proprietary Funds and the General Long-Term Debt Account Group. Amounts representing the current liability for unused annual and sick leave in governmental fund types are immaterial. Therefore, the entire liability for governmental fund types is recorded in the General Long-Term Debt Account Group.

Personnel policies allow permanent, full-time employees to accumulate a maximum of twenty-five days vacation leave and sixty days sick leave. One weeks vacation time is granted if sixty days sick leave is accumulated. Employees are paid the balance of their accumulated vacation leave, in full, upon termination. Also upon termination, employees are paid the balance of their accumulated sick leave, up to a maximum of eighty hours.

Revenue Recognition
Utility revenues are recognized when customers are billed unless there has been a significant change in meter reading rates. In that event, unbilled or deferred revenues are recorded for consistency.

Restricted grant revenues which are received, but not expended, are recorded as deferred revenues in the liability section of the balance sheet.

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

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method state-wide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills.

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

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

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

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

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

Unsold tax certificates were $81,521 at September 30, 1990, including interest and are offset by deferred revenue of $81,521.

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

Total Columns on the Combined Statements
Total columns on the combined statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. The totals from 1989 are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements. Certain minor reclassifications have been made to these totals to provide more meaningful comparative data.

Note 2 - Deposits and Investments

All monies collected by the City are required to be deposited in accordance with the laws of the State of Florida. State Statutes authorize the City to invest in the following:

- Direct obligations of, or obligations guaranteed by, the U.S. Government;
- interest-bearing time deposits or savings accounts in qualified institutions;
- obligations of the Federal Farm Credit Banks;
- obligations of the Federal National Mortgage Association; and
- the Local Government Surplus Funds Trust Fund.

Deposits
At year end, the carrying amount of the City's deposits was $539,777 and the bank balance was $621,359. All deposits of the City are maintained in qualified public depositories. In addition, the City had $348,539 deposited with a fiscal agent as of September 30, 1990, for the payment of revenue bond interest on October 1.

The Florida Security for Public Deposits Act; Chapter 280 of the Florida Statutes, provides the qualified public depositories must maintain eligible collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the twelve months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in the City's name nor specify which collateral is held for the City's benefit. In the event of default, the Public Deposit Security Trust Fund, as created under the laws of the State of Florida, would be required to pay the City for any deposits not covered by depository insurance or collateral pledged by the depository as previously described.

Note 2 - **Deposits and Investments** *(Concluded)*

Investments
Investments are carried at cost or amortized cost. The carry amount and market value of investments owned by the City of Alachua at September 30, 1990, was as follows:

Type of Investment	Carrying Amount	Market Value
Certificates of Deposit, 7.00% - 9.50% Interest, Varying Maturities Through October 1, 1991	$ 2,226,911	$ 2,226,911
State Board of Administration of Florida, Local Government Pooled Investment Account, Variable Interest Rate (8.78% at September 30, 1990)	31,131	31,131
$575,000 Par Value, United State Treasury Bonds, 7.625% Interest, Maturing February 15, 2007	560,552	510,132
$1,920,000 Par Value Federal Home Loan Bank Notes, Effective Interest Rates of Approximately 8.10%, Varying Maturities Through October 25, 1991	1,920,205	1,922,349
$190,000 Par Value Federal Farm Credit Bank Notes, 7.55% Interest, Maturing April 22, 1991	189,445	189,614
Total	$ 4,928,244	$ 4,880,137

All the above investments are insured or registered, or held by the City or its agent in the City's name. The State Board of Administration's deposits in Tallahassee are maintained in an investment pool which invests primarily in commercial paper, repurchase agreements, bankers acceptance notes and U.S. Government obligations.

Certificates of deposit totalling $78,753 at September 30, 1990, as well as the State Board of Administration accounts are classified as "Cash and Cash Equivalents" on the balance sheets because the investments have original maturities of ninety days or less.

Note 3 - Inventory

Inventory in the proprietary fund types at September 30, 1990, consists of the following:

Electric Utility Supplies	$ 120,005
Water/Sewer Supplies	14,044
Nuclear Fuel	66,249
Nuclear Plant Materials Inventory	14,114
Total	$ 214,412

The utility supplies and plant inventory are valued at cost as determined by the average unit cost method. The City's portion of nuclear fuel inventory at the Crystal River - 3 nuclear generating facility is recorded at amortized cost.

Note 4 - Detail of Property, Plant and Equipment

General Fixed Assets Account Group
A summary of changes in general fixed assets for the year follows:

	Balance 10/1/89	Additions	Removals and Adjustments	Balance 9/30/90
City Park - Structures and Improvements	$ 15,930		$ (545)	$ 15,385
Jail and Equipment	3,068		(3,068)	0
City Hall - Building	152,150	$ 2,600	0	154,750
City Hall - Equipment, Furnishings and Vehicles	84,176	1,010	(18,271)	66,915
Fire Station	72,515	0	(346)	72,169
Police Station	62,597	5,615	0	68,212
Rolling Green - Land and Buildings	639,860	0	0	639,860
Rolling Green - Equipment	0	14,653	0	14,653
Parking Lots - Land	26,939	0	0	26,939
Street Paving and Sidewalks	805,977	171,585	4,002	981,564
Fire Trucks and Other Equipment	201,595	0	(22,730)	178,865
Mosquito Spraying Equipment	2,425	0	0	2,425
Land - Other	175,491	0	(45,000)	130,491
Police Department - Cars and Equipment	152,858	32,410	8,621	193,889

Note 4 - Detail of Property, Plant and Equipment *(Concluded)*

General Fixed Assets Account Group *(Concluded)*

	Balance 10/1/89	Additions	Removals and Adjustments	Balance 9/30/90
Streets and Roads Equipment	$ 62,325	$ 0	$ (10,745)	$ 51,580
Miscellaneous	8,716	3,223	(230)	11,709
Parks and Recreation - Equipment	23,333	0	6,455	29,788
Physical Environment - Equipment	18,180	15,144	0	33,324
Total Property, Plant and Equipment - At Cost	$ 2,508,135	$ 246,240	$ (81,857)	$ 2,672,518

Proprietary Fund Types
A summary of property, plant and equipment in the proprietary fund types at September 30, 1990, follows:

Nuclear Generating Plant and Equipment	$ 496,910
Electric Distribution Plant and Equipment	4,677,621
Water Plant and Equipment	1,896,416
Sewer Plant and Equipment	3,054,860
	10,125,807
(Accumulated Depreciation)	(2,712,796)
Utility Plant in Service - Cost Less Accumulated Depreciation	7,413,011
Construction-in-Progress	9,509
Total Utility Plant - Cost Less Accumulated Depreciation	$ 7,422,520

Nuclear generating plant and equipment represents the cost of the City's .0779% undivided interest in the Florida Power Corporation Crystal River Unit Number 3 (CR-3).

Note 5 - Long-Term Debt

General Long-Term Debt

The following tabulation summarizes the changes in the City's general long-term debt account group during the year ended September 30, 1990:

	Balance 9/30/89	New Debt	(Principal Paid)	Balance 9/30/90
City of Gulf Breeze, Florida, Local Government Loan Program	$ 970,000	$ 0	$ (15,000)	$ 955,000
Florida Local Government Finance Authority, Government Unit Loan Program	0	425,000	0	425,000
Chattel Mortgage: Computer Equipment - System 36	3,848	0	(1,921)	1,927
Compensated Absences	37,625	0	(917)	36,708
Total	$1,011,473	$ 425,000	$ (17,838)	$ 1,418,635

City of Gulf Breeze, Florida - Local Government Loan Program

On June 1, 1987, the City of Alachua executed a Loan Agreement with the City of Gulf Breeze, Florida (the "Administrator" and "Sponsor"), and Sun Bank National Association, Orlando, Florida (as Trustee), to borrow $1,000,000 from the Sponsor's $100,000,000 Local Government Loan Program. The Sponsor had issued $100,000,000 Local Government Loan Program Floating Rate Demand Revenue Bonds, Series 1985B (the "Bonds") and deposited the proceeds with Sun Bank to fund the program, available to governmental entities for financing and refinancing certain qualified projects.

The City of Alachua used the proceeds to finance certain specified street construction and improvement projects within the corporate limits of the City. The loan is evidenced by a Governmental Unit Note which is payable solely from the City's Local Option Gas Tax revenues and Guaranteed Entitlement Revenues (the "Pledged Revenues").

Note 5 - **Long-Term Debt** *(Continued)*

General Long-Term Debt *(Continued)*
The Loan Agreement required the establishment of the following accounts:

Loan Proceeds	To receive the proceeds of the loan and disburse the project costs.
Revenue	To collect the Pledged Revenues.
Sinking	To accumulate sufficient monies to pay interest on the next semiannual interest date (December 1 and June 1), to pay principal coming due annually and to make required "Reserve Payments."
Reserve	To accumulate monthly 1/72nd of the maximum annual debt service requirement, beginning at some future da'.

In accordance with the Loan Agreement, money on deposit in the Revenue Account must be disbursed in the following order:

- To satisfy current debt service requirements of the note;
- to provide for the Reserve Payments, if any, when due;
- to the payment of any additional Parity Bonds;
- to fund a reserve account equal to the maximum annual debt service requirement by the year 1996;
- to the payment of any junior lien obligations; and
- for any other lawful purpose.

The note is payable over 27-1/2 years with an average coupon rate of 7.729%. The following tabulation summarizes remaining interest and principal payment requirements of the note:

Fiscal Year Ended September 30	Principal	Interest	Total
1991	$ 15,000	$ 71,852	$ 86,852
1992	15,000	70,998	85,998
1993	15,000	70,112	85,112
1994	20,000	69,043	89,043
1995	20,000	67,782	87,782
1996 - 2000	115,000	317,013	432,013
2001 - 2005	170,000	264,650	434,650
2006 - 2010	235,000	186,725	421,725
2011 - 2015	350,000	72,844	422,844
Total	$ 955,000	$1,191,019	$ 2,146,019

Note 5 - Long-Term Debt *(Continued)*

General Long-Term Debt *(Continued)*

Florida Local Government Finance Authority - Government Unit Loan Program
On September 26, 1990, the City adopted Resolution R-90-17 authorizing the borrowing of $425,000 from the Florida Local Government Finance Authority (FLGFA), Governmental Unit Loan Program, to provide funds for the repayment of a $300,000 General Obligation Note to First National Bank of Alachua, Florida, and to finance certain other qualified projects, primarily street improvements. FLGFA, a public body corporate and politic of the State of Florida (the "Sponsor") had issued $427,500,000 Government Unit Loan Program Revenue Bonds, Series 1986 A through E on December 1, 1986, and deposited the proceeds with Sun Bank (the "Trustee") for the purpose of financing or refinancing qualified projects for any public agency of a state or local government. The loan is evidenced by a Governmental Unit Note which is payable solely from the City's Half-Cent Sales Tax Revenues (the "Pledged Revenues").

The Loan Agreement required the establishment of the following accounts:

Loan Fund	To receive the proceeds of the loan and disburse the project costs.
Revenue Fund	To collect the Pledged Revenues.
Sinking Fund	To accumulate sufficient monies to make the next debt service payment.

In accordance with the Loan Agreement, money on deposit in the Revenue Fund must be disbursed in the following order:

- To satisfy current debt service requirements of the note;
- to the payment of any additional Parity Bonds;
- to the payment of any junior lien obligations; and
- for any other lawful purpose.

The note is payable over 305 months beginning November 1, 1990 at a variable interest rate (7.01% at September 30, 1990). The following tabulation summarizes remaining interest and principal payment requirements of the note, assuming an interest rate of 7.01% for the entire term:

Note 5 - Long-Term Debt *(Continued)*

General Long-Term Debt *(Continued)*

Florida Local Government Finance Authority - Government Unit Loan Program *(Concluded)*

Fiscal Year Ended September 30	Principal	Interest	Total
1991	$ 5,406	$ 27,492	$ 32,898
1992	6,687	29,202	35,889
1993	7,171	28,718	35,889
1994	7,691	28,198	35,889
1995	8,247	27,642	35,889
1996 - 2000	51,106	128,337	179,443
2001 - 2005	72,485	106,958	179,443
2006 - 2010	102,808	76,635	179,443
2011 - 2016	163,399	33,989	197,388
Total	$ 425,000	$ 487,171	$ 912,171

Other General Long-Term Debt
The chattel mortgage secured by the System 36 computer equipment is payable in monthly installments of $184, which includes interest at 9.50%.

The following tabulation indicates the principal retirement of general long-term debt by fiscal year:

Fiscal Year Ended September 30	Gulf Breeze	FLGFA	Other	Total Principal
1991	$ 15,000	$ 5,406	$ 1,927	$ 22,333
1992	15,000	6,687	0	21,687
1993	15,000	7,171	0	22,171
1994	20,000	7,691	0	27,691
1995	20,000	8,247	0	28,247
1996 and Later	870,000	389,798	36,708	1,296,506
Total	$ 955,000	$ 425,000	$ 38,635	$ 1,418,635

Note 5 - Long-Term Debt *(Continued)*

General Long-Term Debt *(Concluded)*

General Obligation Note - First National Bank of Alachua, Florida
On September 28, 1989, the City issued a $300,000 General Obligation Note to First National Bank of Alachua, Florida, in return for $300,000 borrowed to finance additional costs associated with the Gulf Breeze street construction and improvement projects. The note matured in September, 1990, and was paid off with the proceeds of the FLGFA loan. The amount was classified as a short-term obligation in the Capital Project Fund at September 30, 1989, and the proceeds for repayment are shown as an "Other Financing Source" in the current year.

Proprietary Fund Types

Utility Revenue Bonds, Series 1990
On June 18, 1990, the City adopted Resolution R-90-9 authorizing the issuance of $3,500,000 Utility Revenue Bonds, Series 1990 to provide a portion of the funds required to construct and install certain facilities constituting water and wastewater capital improvements. The 1990 bonds were issued in the par amount of $3,366,328.40 on a parity and rank equally as to lien on and source and security for payment from gross utility revenues and excise taxes as the Utility Revenue Refunding Bonds, Series 1986 and the Utilities Revenue Bond, Series 1979.

Gross revenues of the electric, water and wastewater utility systems plus utilities service taxes are pledged as collateral for the revenue bonds.

The 1990 bonds are considered Additional Parity Bonds issued under the authority of the Original Resolution R-86-10 (which authorized the issuance of the Utility Revenue Refunding Bonds, Series 1986, the "Parity Bonds"). The covenants and pledges contained in the Original Resolution regarding the establishment and maintenance of various funds and accounts for the Parity Bonds are applicable to the 1990 bonds. The Reserve Account established in the Original Resolution is applicable pro-rata to the 1990 bonds, and the payments to be made into said Reserve Account are increased proportionately to provide a reserve for the Parity Bonds and the 1990 bonds.

The $3,366,328 issue consists of: $245,000 - 7.00% Current Interest Term Bonds due April 1, 2005; $2,665,000 Current Interest Term Bonds due April 1, 2016 (approximate yield - 7.35%); and $456,328 Capital Appreciation Term Bonds due April 1, 2020 (approximate yield - 7.50%).

Note 5 - Long-Term Debt *(Continued)*

Proprietary Fund Types *(Continued)*

Utility Revenue Bonds, Series 1990 *(Continued)*
All bonds are subject to mandatory redemption prior to their stated maturity dates, without premium.

The par amount of the bonds plus appreciation on the Capital Appreciation Bonds, less the unamortized discount on the term bonds is recorded in the electric fund because that fund is expected to make the debt service payments.

	Par	Unamortized Discount	Appreciation	Carrying Value
Current Interest Bonds	$ 2,910,000	$ (30,451)	$ 0	$2,879,549
Capital Appreciation Bonds	456,328	0	7,408	463,736
Total	$ 3,366,328	$ (30,451)	$ 7,408	$3,343,285

The following tabulation summarizes remaining principal, appreciation and interest payment requirements of the 1990 issue:

Fiscal Year Ended September 30	Principal	Appreciation	Interest	Total
1991	$ 15,000		$ 157,772	$ 172,772
1992	10,000		209,313	219,313
1993	10,000		208,612	218,612
1994	10,000		207,913	217,913
1995	10,000		207,212	217,212
1996	15,000		206,513	221,513
1997	10,000		205,462	215,462
1998	15,000		204,763	219,763
1999	15,000		203,712	218,712
2000	15,000		202,663	217,663
2001	25,000		201,612	226,612
2002	25,000		199,863	224,863
2003	20,000		198,112	218,112
2004	25,000		196,713	221,713
2005	25,000		194,962	219,962
2006	25,000		193,213	218,213
2007	390,000		191,400	581,400

Note 5 - Long-Term Debt *(Continued)*

Proprietary Fund Types *(Continued)*

Utility Revenue Bonds, Series 1990 *(Concluded)*

Fiscal Year Ended September 30	Principal	Appreciation	Interest	Total
2008	$ 185,000		$ 163,125	$ 348,125
2009	200,000		149,712	349,712
2010	215,000		135,213	350,213
2011	230,000		119,625	349,625
2012	250,000		102,950	352,950
2013	265,000		84,825	349,825
2014	280,000		65,612	345,612
2015	300,000		45,313	345,313
2016	325,000		23,562	348,562
2017	125,574	$ 772,442	0	898,016
2018	116,605	780,988	0	897,593
2019	108,196	788,299	0	896,495
2020	105,953	839,047	0	945,000
Total	$ 3,366,328	$ 3,180,776	$4,279,747	$10,826,851

Utility Refunding Revenue Bonds of 1986

On May 19, 1986, the City adopted a resolution to issue the Utilities Refunding Revenue Bonds, Series 1986. These bonds were issued pursuant to a multi-purpose plan including the advance refunding of certain of the City's utility refunding and revenue bonds. The refunding portion of the proceeds was deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the 1983 bonds and all other refunded bonds are considered to be defeased, and the trust account assets and liabilities of the defeased bonds are not included in the City of Alachua's financial statements.

The 1986 bonds were issued on a parity and rank equally as to lien on and source and security for payment from gross revenues and excise taxes as the Utilities Revenue Bond of 1979. Gross revenues of the electric, water and wastewater utility systems, plus utilities service taxes are pledged as collateral for the refunding bonds which have a coupon rate ranging from 6.15% to 7.80%.

Note 5 - Long-Term Debt *(Continued)*

Proprietary Fund Types *(Continued)*

Utility Refunding Revenue Bonds of 1986 *(Continued)*

The bond resolution required the establishment of the following accounts:

Revenue	To collect electric, water and sewer revenues.
Operation and Maintenance	To pay for cost of operation and maintenance of the utility system.
Bond and Interest Sinking	To accumulate sufficient monies to pay interest on the next semiannual interest date (October 1 and April 1) and to pay principal coming due on serial bonds.
Bond Amortization	To accumulate monies for payment of amortization installations coming due on term bonds.
Reserve	To accumulate monies to (1) pay cost of repairs and replacement to utility system; (2) pay for improvements to the system; (3) pay bond principal and interest when other accounts are insufficient.

In accordance with the bond resolution, operating revenues from the utility system must be disbursed in the following order:

- To satisfy current debt service requirements of serial and term bonds;
- to fund a reserve account equal to the maximum annual bond service requirement;
- to meet operating and maintenance expenses before depreciation;
- for any other lawful purpose.

The $7,750,000 issue consists of $1,795,000 of serial bonds maturing from 1991 to 2000, and $5,955,000 of term bonds, $2,495,000 due in 2007 and $3,460,000 due in 2016, but which are subject to mandatory redemption in earlier years as tabulated below at no premium.

Certain of the Series 1986 serial bonds may be redeemed prior to their maturity date, at the option of the City, subject to a call premium of one-half to two percent (1/2% to 2%).

The following tabulation summarizes remaining interest and principal payment requirements of the 1986 issue:

Note 5 - Long-Term Debt *(Continued)*

Proprietary Fund Types *(Continued)*

Utility Refunding Revenue Bonds of 1986 *(Continued)*

Fiscal Year Ended September 30	Principal	Interest	Total
1991	$ 125,000	$ 591,896	$ 716,896
1992	140,000	584,206	724,206
1993	150,000	575,319	725,319
1994	160,000	565,419	725,419
1995	170,000	554,459	724,459
1996	180,000	542,369	722,369
1997	195,000	529,249	724,249
1998	205,000	514,721	719,721
1999	225,000	499,141	724,141
2000	245,000	481,985	726,985
2001	255,000	463,242	718,242
2002	275,000	443,480	718,480
2003	300,000	422,168	722,168
2004	320,000	398,917	718,917
2005	350,000	374,118	724,118
2006	375,000	346,993	721,993
2007	620,000	317,930	937,930
2008	280,000	269,880	549,880
2009	300,000	248,040	548,040
2010	325,000	224,640	549,640
2011	350,000	199,290	549,290
2012	375,000	171,990	546,990
2013	405,000	142,740	547,740
2014	440,000	111,150	551,150
2015	475,000	76,830	551,830
2016	510,000	39,780	549,780
Total	$ 7,750,000	$ 9,689,952	$17,439,952

Note 5 - Long-Term Debt *(Continued)*

Proprietary Fund Types *(Continued)*

Utility Refunding Revenue Bonds of 1986 *(Concluded)*

Allocated Between Proprietary Funds

	Par	Unamortized Discount	Carrying Value
Electric Fund	$ 4,212,260	$ 79,543	$ 4,132,717
Sewer Fund	3,537,740	66,811	3,470,929
Total	$ 7,750,000	$ 146,354	$ 7,603,646

Utilities Revenue Bond of 1979

On August 6, 1979, the City adopted a resolution to issue the Utilities Revenue Bond of 1979. The bond was issued on December 17, 1979, to partially finance the cost of construction of additions to the utility system.

Net utility revenues and utilities service taxes are pledged as collateral for the revenue bond which has a coupon rate of 5%. The lien on revenues by the 1979 bond is equal to the Utilities Refunding Revenue Bonds of 1986. Amounts deposited in the revenue fund created by the bond resolution must be disbursed in the following order:

- To meet operating expenses.
- To satisfy debt service requirements.
- To fund a reserve account to be used for repairs, improvements and to satisfy debt service.

The issue consists of $830,800 of Serial Bonds - $84,800 of which has been paid and the remainder which matures as indicated in the following schedule:

Fiscal Year Ended September 30	Principal	Interest	Total
1991	$ 12,000	$ 37,300	$ 49,300
1992	12,000	36,700	48,700
1993	13,000	36,100	49,100
1994	14,000	35,450	49,450
1995	15,000	34,750	49,750
1996 - 2000	84,000	162,000	246,000
2001 - 2005	108,000	138,800	246,800

Note 5 - Long-Term Debt *(Continued)*

Proprietary Fund Types *(Concluded)*

Utility Revenue Bond of 1979 *(Concluded)*

Fiscal Year Ended September 30	Principal	Interest	Total
2006 - 2010	137,000	108,950	245,950
2011 - 2015	175,000	71,050	246,050
2016 - 2019	176,000	22,650	198,650
Total	$ 746,000	$ 683,750	$ 1,429,750

Summary of Principal Maturities Required For Next Five Years on Long-Term Debt

	Principal Required During Fiscal Year Ended September 30				
	1991	1992	1993	1994	1995
General Long-Term Debt	$ 22,333	$ 21,687	$ 22,171	$ 27,691	$ 28,247
Chattel Mortgage - Enterprise Funds	4,497	0	0	0	0
Note Payable - Enterprise Funds	60,193	0	0	0	0
Utility Revenue Bonds of 1990	15,000	10,000	10,000	10,000	10,000
Utility Refunding Revenue Bonds of 1986	125,000	140,000	150,000	160,000	170,000
Utilities Revenue Bonds of 1979	12,000	12,000	13,000	14,000	15,000
Total	$ 239,023	$ 183,687	$ 195,171	$ 211,691	$223,247

The chattel mortgage in the enterprise funds is secured by computer equipment and payable in monthly installments of $429, including interest at 9.50%.

The note payable is unsecured and payable in monthly installments of $5,242 to First National Bank of Alachua, Florida, including interest at 8.25%.

Note 5 - Long-Term Debt *(Concluded)*

Interest
Interest paid or accrued amounted to $284 in the General Fund, $94,428 in the Debt Service Fund, and $702,985 in the Proprietary Fund Types (including amortization of bond discounts and appreciation on capital appreciation bonds) for the fiscal year ended September 30, 1990.

Note 6 - Restricted Assets

The carrying values of the restricted asset accounts in the Enterprise Funds at September 30, 1990, are as follows:

	Electric	Water	Wastewater	Total
Revenue Bond Accounts:				
Construction Account	$ 2,823,818			$ 2,823,818
Sinking Fund	52,591	$ 24,650	$ 327,394	404,635
Reserve Account	217,995	41,154	731,841	990,990
Bond Amortization Account	0	0	560,552	560,552
Interest Receivable	48,346	0	29,272	77,618
Special Assessment Accounts	116,424	0	0	116,424
Customer Deposits	108,429	0	0	108,429
CR-3 Decommissioning Account	86,955	0	0	86,955
Impact Fee Fund	41,921	0	0	41,921
Total	$ 3,496,479	$ 65,804	$1,649,059	$ 5,211,342

It is the City's policy to record all debt service cash accounts related to the 1990 issue in the electric fund, the 1986 issue in the Wastewater Fund, and the 1979 issue in the Water Fund. The City has adequately funded the Debt Service accounts for the 1990, 1986, and 1979 bond issues.

Special assessment accounts are recorded in both the General Fund and Electric Fund based on the required expenditure provisions of the original ordinance. The Electric Fund's portion of the restricted special assessment account is offset by a deferred credit in the liability section of the balance sheet which will be amortized against plant-in-service as improvements are constructed.

The CR-3 Decommissioning Account is required by state law to accumulate funds for the City's share of the decommissioning costs of the Crystal River III nuclear power plant. The City's contribution to this account was $1,110 monthly plus interest during 1990. The amount is offset by a deferred credit on the balance sheet.

Note 6 - Restricted Assets *(Concluded)*

The Impact Fee Fund represents prepaid impact fees and is also offset by a deferred credit.

Note 7 - Interfund Receivables and Payables

There were no interfund receivables or payables at September 30, 1990, except as reflected in the combined balance sheet. Interfund transactions are normally recorded through a consolidated cash account instead of interfund receivables and payables.

Note 8 - Fund Balances - Reserves and Designations

Fund balances are reserved and designated within the governmental fund types as follows:

	General	Debt Service
Reserved		
Special Assessments:		
Roads and Streets	$ 52,070	
Recreation	1,085	
Fire Service	45,797	
Police Service	862	
Prepaid Expenses	17,406	
Police Training and Education	602	
Fire Station Improvements	47,728	
Other	130	
Debt Service	0	$ 36,591
Total Reserved Fund Balances	$ 165,680	$ 36,591
Designated		
Police Operations	$ 7,705	$ 0

Reserves earmark a portion of fund equity as (1) not available for appropriation or expenditure, or (2) legally restricted to a specific future use. Designations of fund equity represent management's tentative spending plan.

Note 9 - Changes in Fund Equity - Enterprise Funds

Following is a summary of the changes in fund equity - enterprise funds for the year ended September 30, 1990:

Fund Equity - October 1, 1989	$1,003,472
Contributed Capital - Water Fund	96,786
Contributed Capital - Wastewater Fund	241,916
Net (Loss) Income - All Enterprise Funds	(127,071)
Fund Equity - September 30, 1990	$1,215,103

Note 10 - Excess of Expenditures Over Budget

For excesses of actual expenditures over budgeted appropriations for governmental fund types, please see Pages 6 and 7 of the financial statements.

Note 11 - Segment Information - Proprietary Fund Types

	Electric Fund	Water Fund	Wastewater Fund
Operating Revenues	$ 3,496,570	$ 222,134	$ 367,348
Depreciation and Amortization	166,194	59,877	82,066
Operating Income (Loss)	654,489	(36,854)	92,486
Operating Transfers In (Out)	(75,341)	(249,193)	8,702
Net Income (Loss)	252,378	(319,635)	(59,814)
Property, Plant and Equipment Additions	313,726	106,967	250,618
Contributions - Current Year	23,580	96,786	241,916
Net Working Capital	562,033	3,472	9,640
Total Assets	8,727,497	1,470,016	3,888,361
Bonds Payable - Long-Term Portion	7,393,062	734,000	3,413,869
Total Equity	658,024	444,486	112,593
Total Retained Earnings (Deficit)	658,024	(11,996)	(1,256,410)

Note 12 - Electric Power Agreements

City of Gainesville

The City entered into a wholesale electric service contract with the City of Gainesville, Florida, on January 21, 1987, for the purchase of the majority of the City's electric power requirements beginning January 6, 1988. The City constructed a 138 x 69 - 12.47Y/7.2kV substation to receive the power, which was placed into operation on that date. The substation is located in such a manner that the City has reasonable access to both the City of Gainesville's and Florida Power Corporation's transmission lines. A portion of the substation is owned by the City of Gainesville. The term of the contract is five years, with options for additional annual extensions. Provisions in the contract allow for price adjustments for increases and decreases in the City of Gainesville's fuel and operating costs. Total payments to the City of Gainesville for 1990 were $1,995,749.

Crystal River Unit #3 Participation Agreement

The City is a participant in an agreement with Florida Power Corporation which was entered into on July 31, 1975. Under terms of the agreement, the City acquired an 0.0779% ownership interest and generation entitlement share in the nuclear steam electric generating unit. Participants are entitled to energy output of the unit based upon their respective generation entitlement share.

Florida Power Corporation has been appointed by the participants to act as their agent and has sole authority to manage, control, maintain and operate the unit. Operating costs of the unit, in general, are shared in proportion to each generation entitlement share on a monthly basis. Common and external facilities of the generating unit are solely owned by Florida Power Corporation and participants share in the operating and maintenance expenses of such facilities. Nuclear fuel payments and capital acquisition costs are required of participants in advance. Total payments for 1990 were $139,778.

The City's share of plant decommissioning costs to be paid during the years 2015 through 2022 has been estimated at $137,553 in 1985 dollars. A provision is being amortized against net income using the straight-line method at $13,320 per year, beginning March, 1985. The balance of this deferred credit including interest at September 30, 1990, is $86,955. Cash is being accumulated in an equal amount to provide for the funding of this deferred credit.

St. Lucie No. 2 Power Purchase Agreement

The City has negotiated a long-term agreement with Florida Power and Light Corporation through the Florida Municipal Power Agency to purchase .3044 megawatts of generating capacity and a corresponding amount of energy monthly from the St. Lucie No. 2 nuclear generating plant. The plant became operational in 1984. Total payments for 1990 were $142,563.

Note 13 - Defined Benefit Pension Plan

All full-time employees of the City of Alachua participate in the Florida State Retirement System (the "System"), a multiple-employer defined benefit public retirement system. The payroll for employees covered by the System for the year ended September 30, 1990, was $334,299 for special risk employees, $42,808 for senior management and $643,001 for all other employees; the City's total payroll was $1,025,859.

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

The City is required by Florida Statute to contribute 20.38% of special risk, 16.52% of senior management and 15.14% of all other employee earnings during calendar year 1990 (17.98%, 15.43% and 14.38%, respectively for calendar year 1989). The contribution requirement for the year ended September 30, 1990, was $169,161; $66,125 for special risk employees, $6,955 for senior management and $96,081 for all other employees.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employees. The System does not make special measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation at June 30, 1989, for the System as a whole, determined through an actuarial valuation for benefits on that date, was $27.4 billion. The System's net assets available for benefits on that date (valued at market) were $17.7 billion, leaving an unfunded pension benefit obligation of $9.7 billion. The City's 1990 contribution represented less than one percent (1%) of total contributions required of all participating entities.

Note 13 - Defined Benefit Pension Plan *(Concluded)*

Ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is not presently available. However, historical trend information commencing with 1986-87 is present in the System's June 30, 1990 annual financial report.

Note 14 - Commitments and Contingencies

The City has signed certain documents with Florida Municipal Power Agency relating to the St. Lucie Project that provide that if the agency defaults on certain bond payments, the City would be required to satisfy payment. The par amount of the outstanding bonds at September 30, 1990, was $318 million. The City's maximum contingent liability is .431% or $1.37 million.

The City is currently constructing a new 600,000 gallon per day wastewater treatment plant at a total cost of approximately $1,052,000. In addition, certain water system improvements have been committed to as part of a contract agreement with a major customer and are estimated to cost approximately $1,800,000. Both projects will be funded from the proceeds of the 1990 Utility Revenue Bond issue.

ACCOMPANYING INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

These statements provide a more detailed view of the "General Purpose Financial Statements" presented in the previous section. Combining statements are presented when there is more than one fund of a given fund type. Individual fund statements are presented wher. there is only one fund of a given fund type. They are also necessary to present budgetary comparisons, by fund.

BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 1990 AND 1989
CITY OF ALACHUA, FLORIDA

	1990	1989
Assets		
Cash in Bank, Including Certificates of Deposit:		
Police Department Trust Fund	$ 7,705	$ 33
Alachua Meadows Account	105,500	105,500
Special Assessments Account	99,814	105,393
Other	254,568	341,927
Receivables:		
Utility Taxes	9,042	11,101
Tax Certificates	81,521	91,490
Accrued Interest	1,601	1,720
Other	2,265	8,357
Due From Water Fund	250,000	0
Due From Other Governments	32,923	20,685
Prepaid Expenses	17,406	9,570
Total Assets	862,345	695,776
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	261,280	254,704
Accrued Expenses	33,435	20,379
Occupational Licenses Collected in Advance	7,784	7,837
Deferred Revenues - Taxes	81,521	91,490
Total Liabilities	384,020	374,410
Fund Balance		
Reserved For Prepaid Expenses	17,406	9,570
Reserved For Police Education	602	3,561
Reserved For Special Assessment Expenditures	99,814	105,393
Reserved For Fire Station Improvements	47,728	0
Reserved For Community Theater	130	0
Designated For Police Department Operations	7,705	33
Undesignated	304,940	202,809
Total Fund Balance	478,325	321,366
Total Liabilities and Fund Balance	$ 862,345	$ 695,776

STATEMENT OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1990, WITH
COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1989
CITY OF ALACHUA, FLORIDA

	1990			1989
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes				
Property Taxes	$ 421,796	$ 431,510	$ 9,714	$ 414,882
Franchise Taxes	11,500	14,984	3,484	18,055
Utility Taxes	280,000	320,628	40,628	289,793
Total Taxes	713,296	767,122	53,826	722,730
Licenses and Permits				
Occupational Licenses	17,500	14,642	(2,858)	9,632
Building Permits	20,000	28,345	8,345	22,694
Total Licenses and Permits	37,500	42,987	5,487	32,326
Intergovernmental				
State Grants:				
Planning	464	3,464	0	9,855
Narcotics	37,352	26,050	(11,302)	41,502
Solid Waste	0	14,851	14,851	8,145
Total State Grants	40,816	44,365	3,549	59,502
State-Shared Revenue:				
Alcoholic Beverage License	8,000	5,101	(2,899)	5,283
Local Governmental Half-Cent Sales Tax	160,365	150,594	(9,771)	142,556
Mobile Home Licenses	5,000	6,017	1,017	5,873
State Revenue Sharing	126,997	124,264	(2,733)	126,220
Cigarette Tax	16,239	15,087	(1,152)	14,825
Local Option Gas Tax	110,817	99,401	(11,416)	103,376
Rebate on Municipal Vehicles	2,500	2,580	80	2,096
Total State-Shared Revenue	429,918	403,044	(26,874)	400,229
Total Intergovernmental	470,734	447,409	(23,325)	459,731
Charges For Services				
Sanitation, Including Penalties	20,600	18,084	(2,516)	24,669
Mosquito Control	22,900	23,132	232	0
Zoning Fees and Other	2,000	1,549	(451)	1,217
Total Charges For Services	45,500	42,765	(2,735)	25,886
Fines and Forfeitures				
Court Fines	40,000	38,864	(1,136)	44,151
Miscellaneous				
Interest	70,000	68,225	(1,775)	72,220
Proceeds From Asset Sales	25,000	24,460	(540)	0
Other Income	10,000	14,283	4,283	12,810
Total Miscellaneous	105,000	106,968	1,968	85,030
Total Revenues	$ 1,412,030	$ 1,446,115	$ 34,085	$ 1,369,854

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1990, WITH
COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1989
CITY OF ALACHUA, FLORIDA

	1990			1989
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
General Government				
Legislative:				
Personal Services	$ 14,684	$ 15,252	$ (568)	$ 13,212
Operations	8,135	10,691	(2,556)	9,416
Total Legislative	22,819	25,943	(3,124)	22,628
Executive:				
Personal Services	31,576	30,826	750	32,936
Operations	8,641	9,610	(969)	7,892
Capital Outlay	0	0	0	5,410
Total Executive	40,217	40,436	(219)	46,238
Finance and Administration:				
Personal Services	48,515	48,708	(193)	55,857
Operations	41,579	38,913	2,666	36,978
Capital Outlay	3,600	3,611	(11)	1,350
Total Finance and Administration	93,694	91,232	2,462	94,185
Legal:				
Contract Services	31,330	31,611	(281)	31,196
Operations	6,870	13,320	(6,450)	5,646
Total Legal	38,200	44,931	(6,731)	36,842
Comprehensive Planning:				
Personal Services	28,355	29,322	(967)	9,595
Operations	9,945	34,361	(24,416)	29,007
Total Comprehensive Planning	38,300	63,683	(25,383)	38,602
Other General Government:				
Operations	12,065	11,075	990	10,068
Capital Outlay	0	3,223	(3,223)	0
Total Other General Government	12,065	14,298	(2,233)	10,068
Total General Government	245,295	280,523	(35,228)	248,563

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1990, WITH
COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1989
CITY OF ALACHUA, FLORIDA
(Continued)

	1990			1989
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures *(Continued)*				
Public Safety				
Law Enforcement:				
Personal Services	$ 601,483	$ 599,259	$ 2,224	$ 574,455
Operations	146,842	129,250	17,592	125,368
Capital Outlay	13,815	38,025	(24,210)	32,516
Total Law Enforcement	762,140	766,534	(4,394)	732,339
Fire Control:				
Operations	51,341	51,101	240	101,562
Capital Outlay	50,000	2,272	47,728	0
Total Fire Control	101,341	53,373	47,968	101,562
Protective Inspections:				
Operations	2,000	7,638	(5,638)	5,158
Other Public Safety:				
Operations	2,920	2,549	371	2,380
Total Public Safety	868,401	830,094	38,307	842,439
Physical Environment				
Personal Services	38,456	45,289	(6,833)	38,470
Operations	8,287	14,813	(6,526)	16,403
Capital Outlay	0	15,144	(15,144)	10,909
Total Physical Environment	46,743	75,246	(28,503)	65,782
Transportation				
Personal Services	91,059	103,207	(12,148)	98,416
Operations	83,866	125,663	(41,797)	86,156
Capital Outlay	0	10,524	(10,524)	21,959
Total Transportation	174,925	239,394	(64,469)	206,531
Parks and Recreation				
Personal Services	49,939	52,665	(2,706)	49,558
Operations	27,192	34,748	(7,556)	23,541
Capital Outlay	14,448	14,653	(205)	6,518
Total Parks and Recreation	91,599	102,066	(10,467)	79,617

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1990, WITH
COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1989
CITY OF ALACHUA, FLORIDA
(Concluded)

	1990			1989
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures *(Concluded)*				
Debt Service				
Principal Retirement	$ 6,500	$ 1,920	$ 4,580	$ 1,885
Interest Paid	1,800	284	1,516	502
Total Debt Service	8,300	2,204	6,096	2,387
Total Expenditures	$ 1,435,263	$1,529,527	$ (94,264)	$1,445,319

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT BLOCK GRANT II
FOR THE YEAR ENDED SEPTEMBER 30, 1990, WITH
COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1989
CITY OF ALACHUA, FLORIDA

	1990			1989
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	$ 500,000	$ 445,920	$ (54,080)	$ 51,441
Miscellaneous	0	0	0	14,030
Total Revenues	500,000	445,920	(54,080)	65,471
Expenditures				
Street Improvements	45,150	39,786	5,364	5,228
Water System Extensions and Improvements	85,229	78,390	6,839	9,933
Sewer System Extensions and Improvements	267,021	241,916	25,105	31,891
Fire Hydrants	15,300	18,397	(3,097)	1,568
Flood and Drainage	32,300	29,784	2,516	3,660
Administration	55,000	37,647	17,353	13,191
(Total Expenditures)	(500,000)	(445,920)	54,080	(65,471)
Excess of Revenues Over Expenditures	0	0	0	0
Fund Balance, Beginning of Year		0		0
Fund Balance, End of Year		$ 0		$ 0

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECT FUND - GULF BREEZE AND FLORIDA LOCAL GOVERNMENT FINANCE AUTHORITY LOAN PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 1990, WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1989
CITY OF ALACHUA, FLORIDA

	1990			1989
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues	$ 0	$ 0	$ 0	$ 33,624
Expenditures				
Construction Contracts	0	44,326	(44,326)	794,199
Engineering	0	44,252	(44,252)	120,001
Other	0	2,911	(2,911)	14,840
(Total Expenditures)	0	(91,489)	(91,489)	(929,040)
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(91,489)	(91,489)	(895,416)
Other Financing Sources (Uses)				
Note Proceeds	0	425,000	425,000	0
(Loan Costs)	0	(15,276)	(15,276)	0
(Transfers Out)	0	(33,697)	(33,697)	0
Total Other Financing Sources (Uses)	0	376,027	376,027	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	284,538	284,538	(895,416)
Fund Balance, Beginning of Year		(284,538)		610,878
Fund Balance, End of Year		$ 0		$(284,538)

COMBINING BALANCE SHEET
PROPRIETARY FUNDS
SEPTEMBER 30, 1990, WITH
COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1989
CITY OF ALACHUA, FLORIDA

Assets
Current Assets
Cash and Cash Equivalents
Investments
Receivables (Net of Allowance For Uncollectibles as Parenthetically Indicated):
Accounts ($18,000)
Assessments
Other Interest and Penalties
Other Receivables
Inventory, At Cost
Prepaid Power Costs
Other Prepaid Expenses
Unbilled Revenue
Total Current Assets
Restricted Assets
Revenue Bond Accounts:
Construction Account:
Cash and Investments
Sinking Fund
Reserve Account
Bond Amortization Account
Interest Receivable
Special Assessment Accounts:
Cash and Time Deposits
Assessments Receivable (Net of Allowance For Uncollectibles of $2,459)
Customer Deposits
CR-3 Decommissioning Account
Impact Fee Fund
Total Restricted Assets
Property, Plant and Equipment
Utility Plant in Service
(Accumulated Depreciation)

Construction-in-Progress
Total Property, Plant and Equipment - Cost Less Depreciation
Other Assets
Unamortized Bond Issue Costs
Total Assets

Electric	Water	Wastewater	Totals 1990	Totals 1989
$ (224,676)	$ 250,308	$ 17,462	$ 43,094	$ 257,341
135,564			135,564	170,824
510,140			510,140	409,377
		1,069	1,069	1,069
			0	212
4,079			4,079	5,558
200,368	14,044		214,412	249,631
12,035			12,035	0
11,995			11,995	12,384
99,679			99,679	78,705
749,184	264,352	18,531	1,032,067	1,185,111
2,823,818			2,823,818	70,765
52,591	24,650	327,394	404,635	64,642
217,995	41,154	731,841	990,990	768,663
		560,552	560,552	520,990
48,346		29,272	77,618	4,963
116,424			116,424	108,056
			0	0
108,429			108,429	100,575
86,955			86,955	68,076
41,921			41,921	41,921
3,496,479	65,804	1,649,059	5,211,342	1,748,651
5,174,531	1,896,416	3,054,860	10,125,807	9,314,100
(1,017,066)	(757,363)	(938,367)	(2,712,796)	(2,422,462)
4,157,465	1,139,053	2,116,493	7,413,011	6,891,638
0	807	8,702	9,509	196,723
4,157,465	1,139,860	2,125,195	7,422,520	7,088,361
324,369	0	95,576	419,945	138,118
$ 8,727,497	$ 1,470,016	$ 3,888,361	$ 14,085,874	$ 10,160,241

COMBINING BALANCE SHEET
PROPRIETARY FUNDS
SEPTEMBER 30, 1990, WITH
COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1989
CITY OF ALACHUA, FLORIDA
(Concluded)

Liabilities and Fund Equity

Current Liabilities, Payable From Current Assets
- Accounts Payable
- Other Accrued Expenses
- Due to General Fund
- Power Costs Recovered in Advance
- Deferred Credits and Developer Deposits
- Note Payable - First National Bank
- Chattel Mortgage Payable

Total Current Liabilities, Payable From Current Assets

Current Liabilities, Payable From Restricted Assets
- Accrued Interest
- Bonds Payable - Current Portion
- Customer Deposits

Total Current Liabilities, Payable From Restricted Assets

Long-Term Liabilities
- Chattel Mortgage Payable, Less Current Portion
- Utilities Revenue Bond of 1979, Less Current Portion
- Utility Refunding Revenue Bonds of 1986, Less Current Portion
- Utility Revenue Bonds of 1990, Less Current Portion
- Deferred Credit - CR-3 Decommissioning Costs
- Deferred Contributions - Special Assessments
- Deferred Contribution - Impact Fee

Total Long-Term Liabilities

Total Liabilities

Fund Equity
- Contributions:
  - Customers
  - Capital Project Fund
  - EDA and HUD
  - Farmers Home Administration
- Total Contributions
- Retained Earnings:
  - Reserved For Debt Service and Contingencies
  - Unreserved
- Total Retained Earnings (Deficit)

Total Fund Equity

Total Liabilities and Fund Equity

Electric	Water	Wastewater	Totals 1990	Totals 1989
$ 13,529			$ 13,529	$ 176,856
26,135	$ 8,635	$ 7,606	42,376	53,734
	250,000		250,000	0
			0	66,539
85,367	960		86,327	92,520
60,193			60,193	72,721
1,927	1,285	1,285	4,497	4,090
187,151	260,880	8,891	456,922	466,460
52,591	18,650	295,948	367,189	18,925
82,940	12,000	57,060	152,000	11,000
108,429			108,429	100,575
243,960	30,650	353,008	627,618	130,500
			0	4,888
	734,000		734,000	746,000
4,064,777		3,413,869	7,478,646	7,590,868
3,328,285			3,328,285	0
85,955			86,955	68,076
116,424			116,424	108,056
41,921			41,921	41,921
7,638,362	734,000	3,413,869	11,786,231	8,559,809
8,069,473	1,025,530	3,775,768	12,870,771	9,156,769
	36,774	884,325	921,099	921,100
	37,758		37,758	37,758
	135,050	304,278	439,328	100,625
	246,900	180,400	427,300	427,300
0	456,482	1,369,003	1,825,485	1,486,783
	41,754	1,296,051	1,337,205	1,333,931
658,024	(53,150)	(2,552,461)	(1,947,587)	(1,817,242)
658,024	(11,996)	(1,256,410)	(610,382)	(483,311)
658,024	444,486	112,593	1,215,103	1,003,472
$ 8,727,497	$ 1,470,016	$ 3,888,361	$ 14,085,874	$ 10,160,241

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1990, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1989
CITY OF ALACHUA, FLORIDA

Operating Revenues
- Utility Billings
- Hookup Charges and Other

Total Operating Revenues

Operating Expenses
- Power Production Expenses:
  - Nuclear Power Generation and Transmission
  - Purchased Power and Other
- Customer Accounts
- Depreciation
- Warehousing
- Distribution and Collection
- General and Administrative
- Taxes
- Treatment

(Total Operating Expenses)

Operating Income (Loss)

Nonoperating Revenues (Expenses)
- Interest Income
- (Interest and Fiscal Charges)
- (Amortization of Bond Issue Costs)
- Miscellaneous (Expense) Income

Total Nonoperating Revenues (Expenses)

Income (Loss) Before Operating Transfers

Operating Transfers
- Transfers In
- (Transfers Out)

Total Operating Transfers In (Out)

Net Income (Loss)

Retained Earnings (Deficit), Beginning of Year

Retained Earnings (Deficit), End of Year

Electric	Water	Wastewater	Totals 1990	Totals 1989
$ 3,465,586	$ 200,595	$ 360,396	$ 4,026,577	$ 3,621,049
30,984	21,539	6,952	59,475	27,447
3,496,570	222,134	367,348	4,086,052	3,648,496
149,425	0	0	149,425	111,997
2,146,818	0	0	2,146,818	1,961,314
49,603	35,216	31,227	116,046	85,707
154,755	59,877	72,486	287,118	280,737
25,931	10,401	3,153	39,485	30,522
172,000	45,389	31,264	248,653	184,514
90,078	48,979	36,790	175,847	161,891
53,471	0	0	53,471	42,835
	59,126	99,942	159,068	131,543
(2,842,081)	(258,988)	(274,862)	(3,375,931)	(2,991,060)
654,489	(36,854)	92,486	710,121	657,436
63,021	4,118	120,384	187,523	133,926
(386,901)	(37,706)	(278,378)	(702,985)	(645,726)
(3,896)	0	(3,748)	(7,644)	(5,212)
1,006	0	740	1,746	2,070
(326,770)	(33,588)	(161,002)	(521,360)	(514,942)
327,719	(70,442)	(68,516)	188,761	142,494
0	807	8,702	9,509	0
(75,341)	(250,000)	0	(325,341)	(46,113)
(75,341)	(249,193)	8,702	(315,832)	(46,113)
252,378	(319,635)	(59,814)	(127,071)	96,381
405,646	307,639	(1,196,596)	(483,311)	(579,692)
$ 658,024	$ (11,996)	$ (1,256,410)	$ (610,382)	$ (483,311)

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1990, WITH
COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1989
CITY OF ALACHUA, FLORIDA

Source of Working Capital
- Net Income (Loss)
- Items Not Requiring Outlay of Working Capital:
  - Depreciation
  - Amortization of Bond Issue Costs
  - Amortization of Bond Discount
  - Write-off of Special Equipment
  - Appreciation on Current Appreciation Bonds
- Working Capital Provided From (Applied to) Operations
- Revenue Bonds Issued
- Increase in Deferred Credit - Special Assessments
- Plant Salvage From Retirements
- Land Sales
- Increase in Contributions
- Increase in Deferred Credit - CR-3 Decommissioning Cost
- Increase (Decrease) in Current Liabilities Payable From Restricted Assets

Total Source of Working Capital

Use of Working Capital
- Utility Plant in Service Additions
- Bond Issue Costs
- Decrease in Long-Term Liabilities:
  - Reclassified as Current or Payments
- Plant Removal Costs
- Increase (Decrease) in Restricted Assets

(Total Use of Working Capital)

(Decrease) Increase in Working Capital (Below)

Changes in Working Capital By Component
- Current Assets - Increase (Decrease):
  - Cash and Investments
  - Receivables
  - Inventory
  - Prepaid Power Costs
  - Other Prepaid Expenses
  - Unbilled Revenue
- Current Liabilities - Decrease (Increase):
  - Accounts Payable
  - Other Accrued Expenses
  - Due to General Fund
  - Power Costs Recovered in Advance
  - Deferred Credits and Developer Deposits
  - Note Payable - First National Bank
  - Current Portion of Long-Term Debt

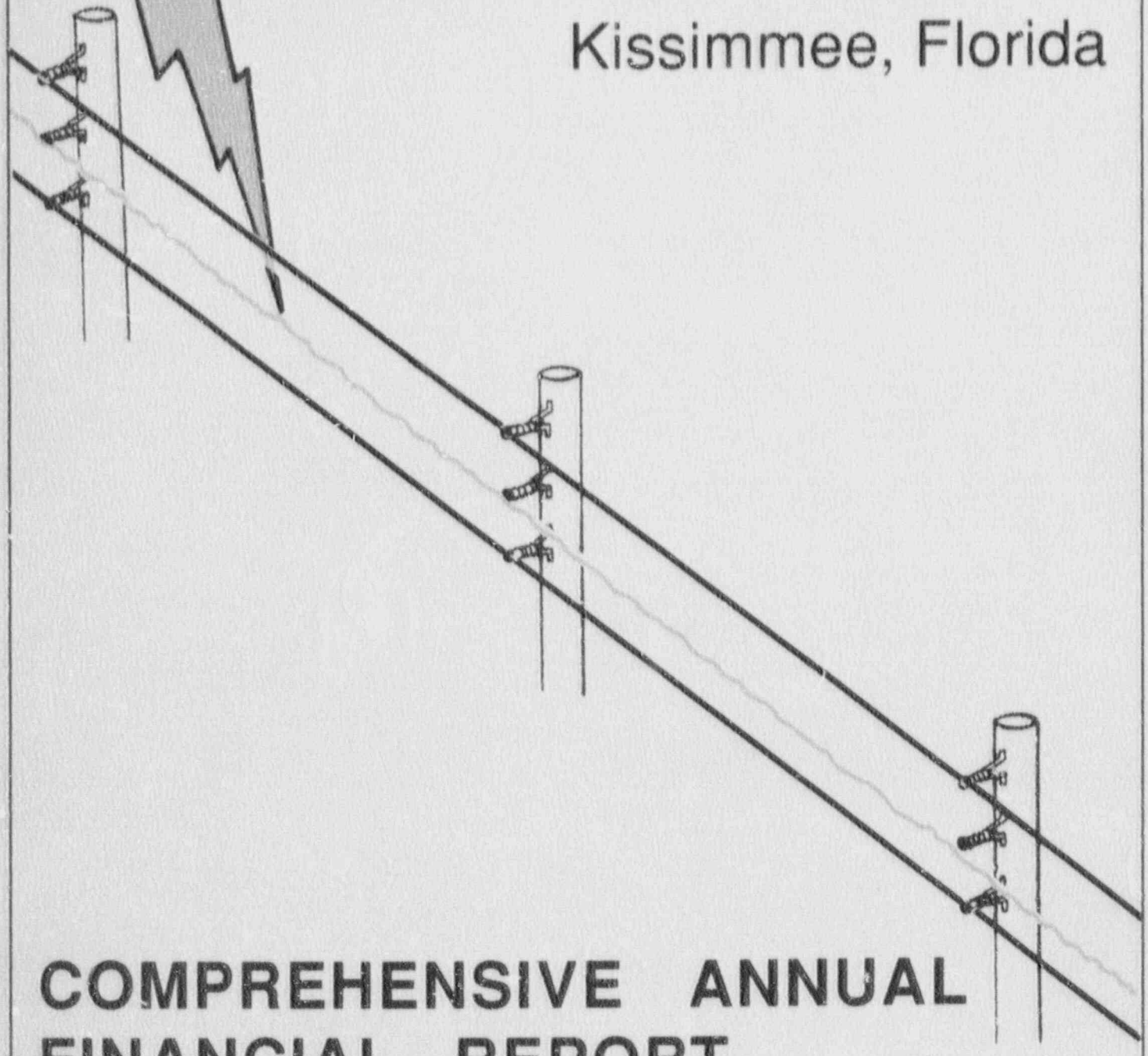
(Decrease) Increase in Working Capital (Above)

Electric	Water	Wastewater	Totals 1990	Totals 1989
$ 252,378	$ (319,635)	$ (59,814)	$ (127,071)	$ 96,381
154,755	59,877	72,486	287,118	280,737
3,896	0	3,748	7,644	5,212
7,543	0	5,832	13,375	11,834
2,823	0	0	2,823	0
7,407	0	0	7,407	0
428,802	(259,758)	22,252	191,296	394,164
3,335,281	0	0	3,335,281	0
8,368	0	0	8,368	7,250
23,391	2,958	0	26,349	24,485
0	0	2,493	2,493	5,258
23,580	96,786	241,916	362,282	179,861
18,879	0	0	18,879	20,346
143,385	725	353,008	497,118	(85,810)
3,981,686	(159,289)	619,639	4,442,066	545,554
313,726	106,967	250,618	671,311	490,642
289,471	0	0	289,471	0
85,034	13,397	58,457	156,888	16,445
4,625	586	0	5,211	22,487
3,107,086	3,655	351,950	3,462,691	(187,171)
(3,799,942)	(124,605)	(661,025)	(4,585,572)	(342,403)
181,744	(283,894)	(41,356)	(143,506)	203,151
(181,981)	(28,599)	(38,937)	(249,517)	86,914
99,072	0	0	99,072	39,589
(32,338)	(2,881)	0	(35,219)	63,670
12,035	0	0	12,035	0
(389)	0	0	(389)	75
20,974	0	0	20,974	19,037
163,327	0	0	163,327	(4,785)
15,957	(2,297)	(2,302)	11,358	(12,115)
0	(250,000)	0	(250,000)	0
66,539	0	0	66,539	70,000
6,193	0	0	6,193	13,533
12,528	0	0	12,528	(72,721)
(173)	(117)	(117)	(407)	(46)
$ 181,744	$ (283,894)	$ (41,356)	$ (143,506)	$ 203,151

KUA

KISSIMMEE
UTILITY
AUTHORITY

Kissimmee, Florida



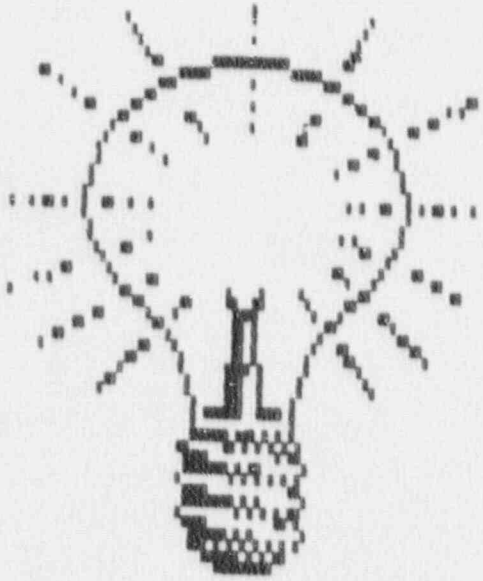
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended
September 30, 1990

KISSIMMEE UTILITY AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 1990



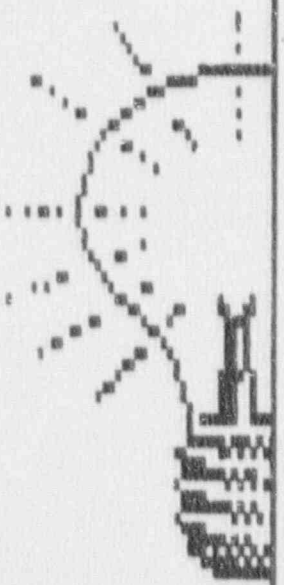
JOSEPH HOSTETLER — DIRECTOR OF FINANCE

AARON WILKINSON — MANAGER OF ACCOUNTING

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INTRODUCTORY SECTION

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KISSIMMEE UTILITY AUTHORITY
KISSIMMEE, FLORIDA

LISTING OF OFFICIALS
AS OF SEPTEMBER 30, 1990

BOARD OF DIRECTORS

Richard L. Hord - Chairman

George A. Gant, M.D. - Vice Chairman

Bob Bobroff - Secretary

Harry Lowenstein - Asst. Secretary

Arnold Jones - Director

Bruce R. VanMeter - Ex-Officio/Mayor

GENERAL MANAGER

James C. Welsh, P.E.

ATTORNEY

Brinson, Smith & Smith, P.A.

DIRECTORS

Christine Beck	Director of Customer Relations
Kenneth Davis	Director of Planning
Joseph Hostetler	Director of Finance
Kenneth Lackey	Director of Distribution
A.K. Sharma	Director of Power Supply
James Tillman	Director of Materials Mgmt.
Neville Turner	Director of Personnel

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KISSIMMEE UTILITY AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 1990 AND 1989

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FINANCE

KUA
KISSIMMEE
UTILITY
AUTHORITY

P.O. BOX 423219 • KISSIMMEE, FLORIDA 34742-3219
407/933-7777 • FAX # 407/933-8238

December 4, 1990

Board of Directors
Kissimmee Utility Authority

The comprehensive annual financial report of the Kissimmee Utility Authority (KUA), for the Fiscal Year ended September 30, 1990, is submitted herewith pursuant to Section 10 of the KUA Charter, Florida Statutes Chapter 166.241(1) and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the KUA. This Comprehensive Annual Financial Report was prepared by the staff of the Finance Department of the KUA. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the KUA; that all disclosures necessary to enable the readers to gain the maximum understanding of the KUA's financial activity have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical.

Section I: Introductory Section - Contains the Letter of Transmittal and other such material as may be useful in understanding the reporting entity.

Section II: Financial Section - This section of the report contains the auditors' report and financial statements of the KUA which present fairly the financial position and results of operations for the fiscal year.

Section III: Statistical Section - This section presents selected financial and demographic information which will be beneficial to the reader in understanding the KUA's historic growth and its future growth prospects.

BACKGROUND

In 1984, the City Commission of the City of Kissimmee established a Utility Study Committee. The report of this committee recommended establishing a separate authority. In February 1985, the City Commission adopted Ordinance #1285 establishing the KUA, subject to approval by a majority of qualified voters. In March 1985, the voters of Kissimmee did approve establishing the KUA effective October 1, 1985. The KUA Charter (Ordinance #1285) states that the KUA shall be responsible for the development, production, purchase and distribution of all electricity and such other utility services as may be designated by resolution by the City Commission. The KUA currently provides electric services in an 85 square mile service territory in the Kissimmee area. All of the service territory is within Osceola County. This report includes all funds of the KUA. This report does not include the financial activities of the City of Kissimmee. Reference should be made to their report published separately.

ECONOMIC CONDITION AND OUTLOOK

The KUA service territory is located approximately 18 miles south of Orlando and 7 miles east of Walt Disney World. This area is one of the fastest growing areas in the State of Florida. The area's rapid population growth has continued this past year and is expected to continue this trend through the end of the century. Customer growth is expected to increase from approximately 33,500 currently to approximately 42,000 by the year 2000. Sales are expected to increase from approximately 645,000 MWh's currently to approximately 1,200,000 MWh's by the year 2000.

The economic condition and outlook of the KUA has continued to improve over the last year. The expected growth will present major challenges to the KUA in the coming decade.

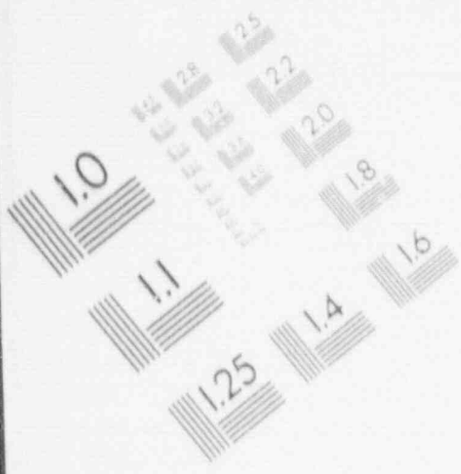
MAJOR INITIATIVES

For the year. In preparing the 1990 Budget, the KUA identified major projects that would improve our system. These included the construction of two new distribution substations and upgrading of generation and transmission equipment. Customer Service was enhanced by the implementation of a new envelope billing system and use of bank lockbox facilities.

For the Future. In preparing the 1991 - 1995 Five Year Plan, the KUA identified major projects that will help meet the need of rapid customer growth. These include the first phase of construction on a new gas turbine facility, installation of a new Supervisory Control and Data Acquisition (SCADA) system to better monitor and regulate the flow of energy requirements, improvements to the transmission and distribution system including two new substations, and the purchase of property and construction of a new administration facility.

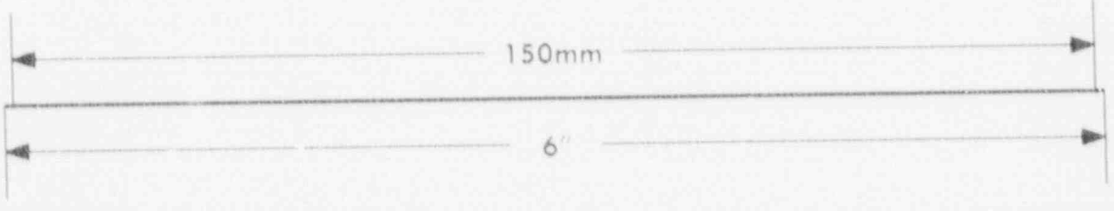
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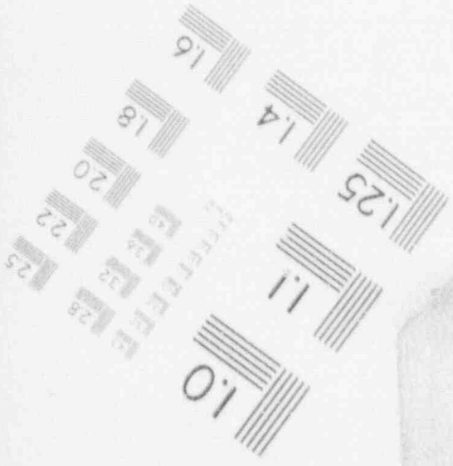
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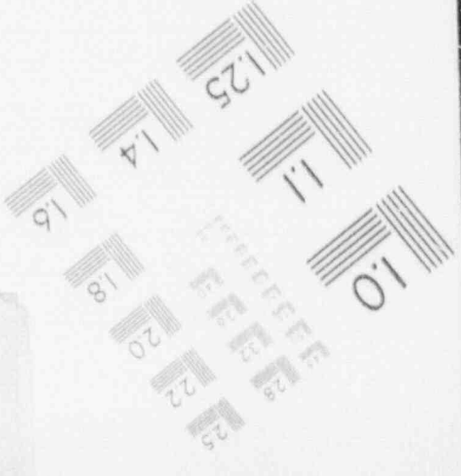






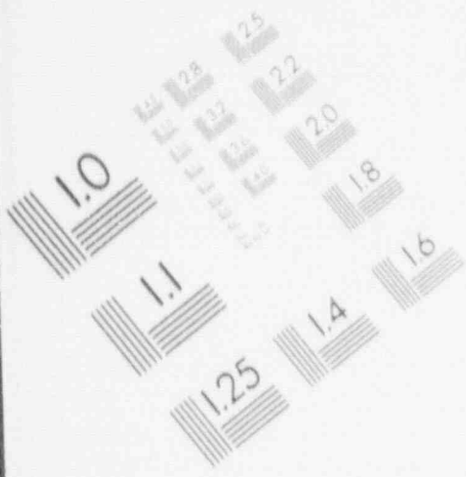


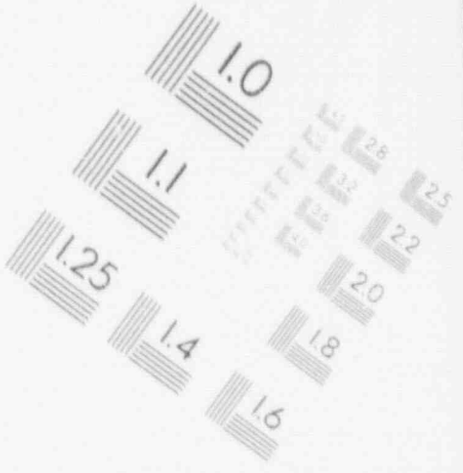




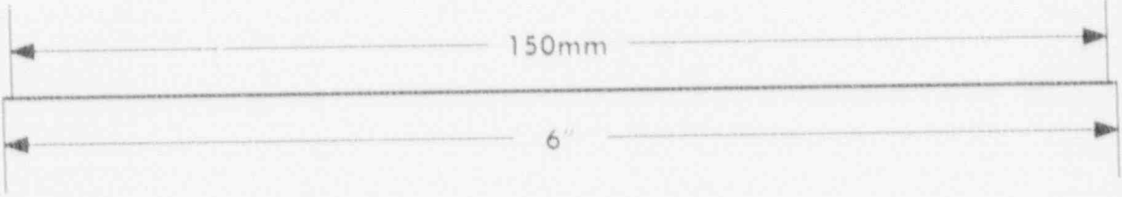
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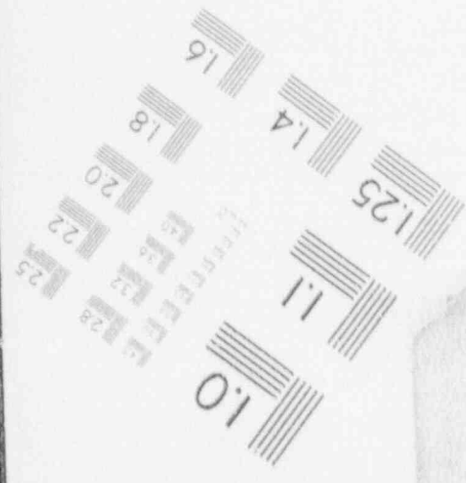
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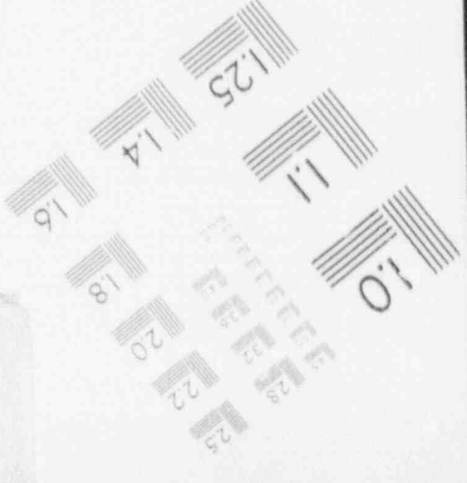






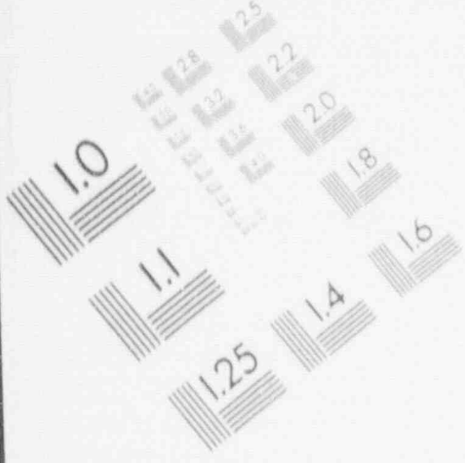


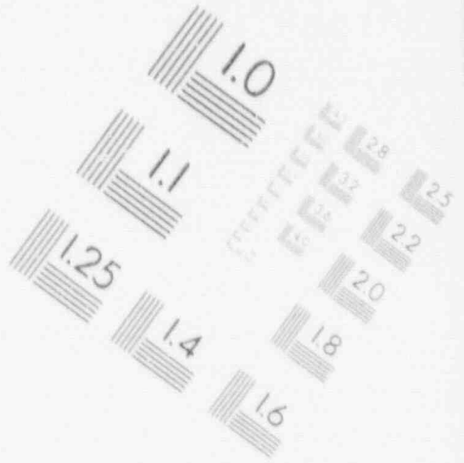




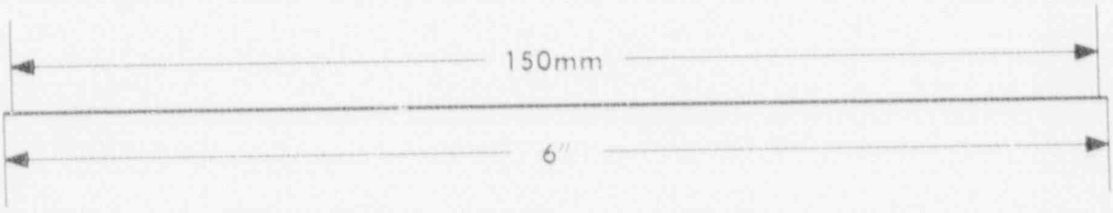
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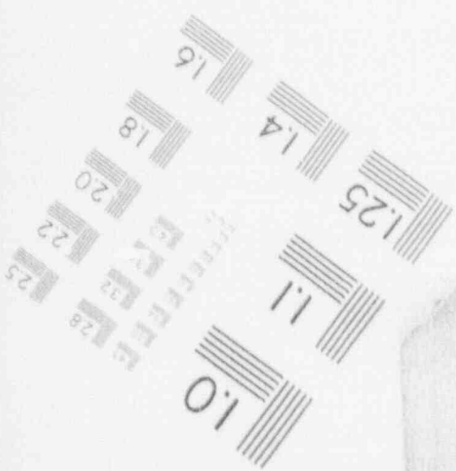
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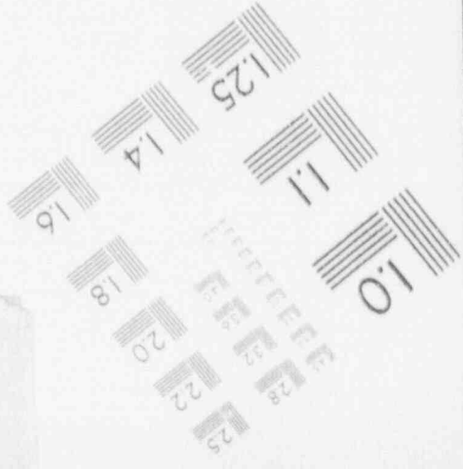






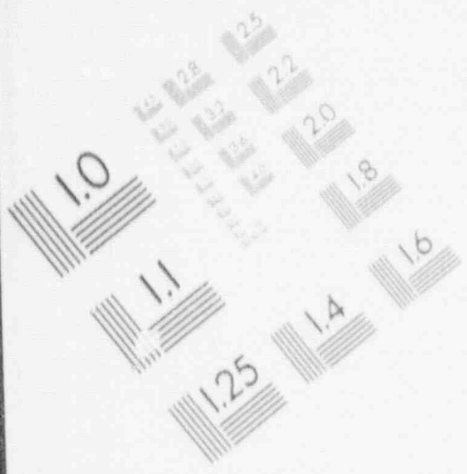


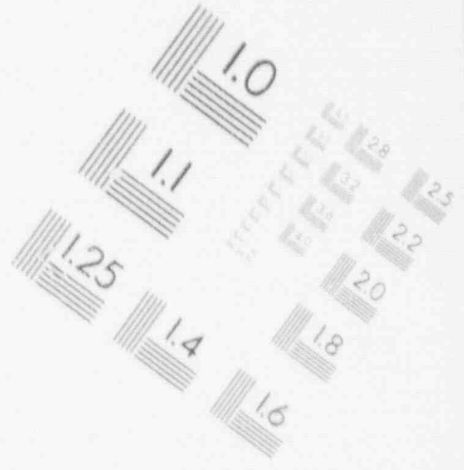




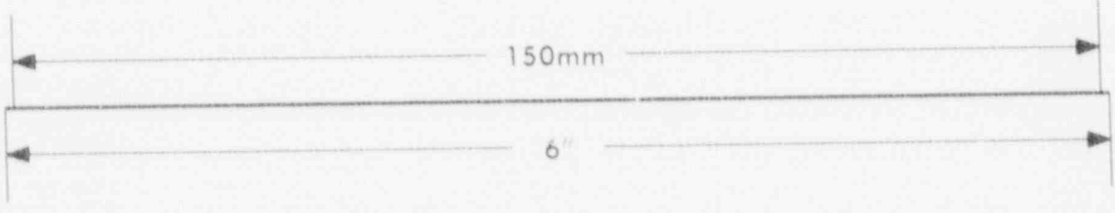
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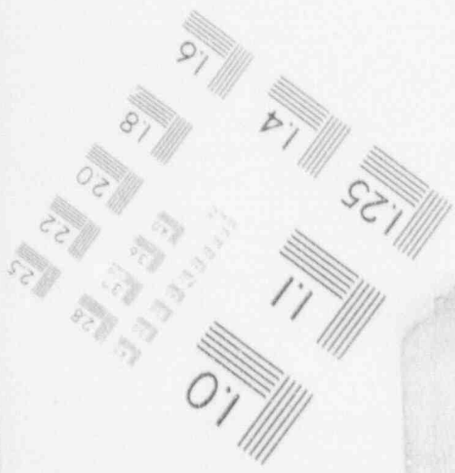
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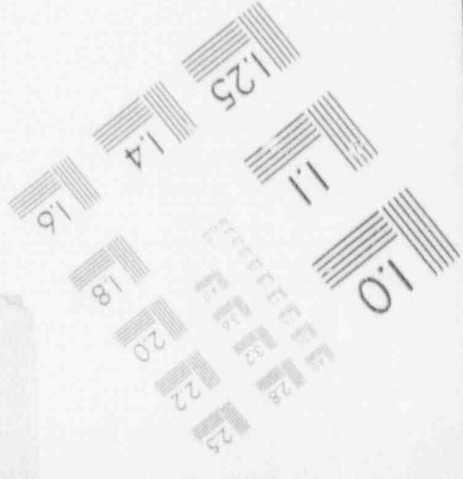












FINANCIAL INFORMATION

Management of the KUA is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the KUA are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. In developing and modifying the KUA's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

1. The safeguarding of assets against loss from unauthorized use or disposition; and
2. The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

1. The costs of a control should not exceed the benefits likely to be derived; and
2. The evaluation of costs and benefits requires estimates and judgements by management.

All internal control evaluations occur within the above framework. We believe that the KUA's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Annual Budgets

The KUA follows these procedures in establishing the annual budget:

1. The General Manager submits to the Board of Directors a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the sources of funds to finance them.
2. During several workshops, which are open to the public, the staff and Board of Directors discuss and revise the submitted budget. A public hearing is conducted to obtain ratepayer comments.
3. The budget is approved by the Board of Directors and becomes the basis for operations for the ensuing fiscal year.

The KUA is required by charter to adopt an annual budget.

Budgetary control is provided by monthly revenue and expense reports. These interim reports are provided to the Board of Directors for review in advance of a formal verbal presentation of financial activity at each monthly Board meeting.

Cash Management

KUA has a banking service agreement with a local depository bank that provides that all funds in excess of a compensating balance will earn interest through overnight repurchase agreements. In addition, KUA participates in the State of Florida State Board of Administration's program for pooled investment of local government surplus funds. During 1990, investments were maintained almost entirely with these arrangements although the portfolio still includes other unmatured instruments purchased in prior years. The cash management program involves a theory of keeping principal and earnings free from risk, maintaining reasonable liquidity to meet maturing obligations and maximizing return through the use of competitive rate comparisons from various investment sources.

Debt Management

The Kissimmee Utility Authority attempts to minimize external financing needs through internal generation of capital funds. The purpose of this financial policy is to establish and maintain a debt-to-equity ratio and a coverage ratio that would minimize the impact of future debt issues for generation plants. Forecasts for capital expenditures for Fiscal Years 1991-1995 indicate a need for approximately $127 million and the Authority is planning to pay substantially all of these costs from internally generated funds. In 1987, a major refunding issue was accomplished and for several years, interest earned on existing debt service reserve accounts has been designated for either retiring debt early or reducing the amount of future debt issues.

The principal of, premium if any, and interest on all outstanding Bonds are payable solely from the Net Revenues derived by the Authority from the operation of the System. These obligations do not constitute liens upon the System or on any other property of the Authority or the City of Kissimmee, but are a lien only on the Net Revenues and special funds created by the Bond Resolution and in the manner provided therein.

Rates

In December 1974, the City Commission adopted an ordinance permitting the City (and now the Authority) to pass on directly to the consumer incremental fuel cost increases on a monthly basis. This Cost of Power Adjustment ("COPA") has eliminated the regulatory delay that has been a problem for many other utilities. Additionally, in June 1983, the City Commission modified the COPA Ordinance to allow the System to project the COPA billed to a levelized rate for the Fiscal Year and the negative or positive COPA account balance is used in calculating the projected COPA rate for the next Fiscal Year.

In addition to the COPA, the City has from time to time raised base rates as necessary to insure proper operation of the System. Base Rate increases of 7%, 6.2% and 2% were approved in Fiscal Years 1983, 1984, and 1985 respectively. The Base Rate did not change in 1986. In Fiscal Year 1987 an effective decrease in the base rates of 1% was implemented, while in Fiscal Year 1988 a 4.1% decrease was approved by the Authority's Board of Directors affecting the commercial classes only. The Base Rate did not change in Fiscal Year 1989. In Fiscal Year 1990 the Florida Gross Receipts Tax of 1.5% was removed from the base rate and shown separately on customer bills as required by the State of Florida. This effectively reduced the base rate.

In 1985, the Authority implemented a program of rate stabilization in an effort to prevent uneven increases in total electric charges to the customers. The Authority, additionally, maintains a computerized cost of service study which is updated each year with:

a. past year's audited figures to survey the adequacy of each rate and rate structure;
b. the current year's budgeted amounts to predict the need for a rate change.

Customer rates and rate structures are intended to follow guidelines of the Florida Public Service Commission and, as such, should be "fair, just and reasonable". It is also intended that they be equitable between rate classes.

Financial Condition

Comparative data for the last three fiscal years is presented in the following tables:

	1990	1989	1988
Utility Plant - Net	$99,013,906	$96,384,224	$87,885,888
Cash & Cash Equivalents (Unrestricted & Undesignated)	9,694,713	10,413,500	7,734,099
Designated Cash & Cash Equivalents	27,796,429	21,513,853	19,512,240
Current Ratio	4.02 to 1	4.13 to 1	3.71 to 1
Operating Income	14,533,267	14,505,055	13,016,168
Income before cumulative effect of a change in Accounting Principle	11,235,497	10,987,908	8,307,021
Income available for debt service	29,242,873	25,913,099	22,770,270
Debt Service Requirement	8,671,481	8,673,567	8,570,081
Debt Service Coverage	3.37x	2.99x	2.66x

Continued expansion of the generation, transmission and distribution system has caused significant growth in the values of the utility plant in the years presented. Designated Cash and Cash equivalents has increased which is attributable to the current policy to internally finance capital improvements. In future periods, large outlays for capital expenditures will be financed from these funds.

Operating income was only slightly higher in 1990 versus 1989 due to an increase in depreciation expense based on a study of useful lives of utility assets (see note 1 on page 3). Income available for debt service increased 13% while the debt service requirement decreased slightly. This resulted in an increase of our debt service coverage by 13%. Our current high customer growth rate and projected increase in metered sales should result in maintaining the current level of operating income in Fiscal Year 1991.

Risk Management

During the current Fiscal Year the Kissimmee Utility Authority has continued to accumulate resources in the Self Insurance Fund. The amount in the Fund at September 30, 1990, was $1,369,550. Management is currently reviewing the Insurance Program to determine the appropriate amount of risk that can be assumed by the Kissimmee Utility Authority. In addition, various risk control techniques, including employee accident prevention training, have been continued during the year to minimize accident related losses.

Future Prospects

Demand for electric power from the system has significantly increased in recent years and is projected to continue to increase. In response to this growth the Authority has initiated its internal financing policy. The accumulation of cash in the Capital Improvement Fund will be used to offset part of the financing needs for the new plant capacity. The KUA is carefully watching the growth of the surrounding community and is methodically building its staff and system resources to a level adequate to serve the area for many years to come.

OTHER INFORMATION

Independent Audit

State Statutes require an annual audit by independent certified public accountants. The accounting firm of Coopers and Lybrand was selected by KUA's auditor selection committee. The auditor's report on the general purpose financial statements is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to KUA for its comprehensive annual financial report for the fiscal year ended September 30, 1989. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The KUA has received a Certificate of Achievement for the last three consecutive years (fiscal years ended September 30, 1987 - 1989). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

In addition, the KUA also received the GFOA's Award for Distinguished Budget Presentation for its annual budget ended September 30, 1990. In order to qualify for the Distinguished Budget Presentation Award, the KUA's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the Department has my sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Board of Directors of KUA, preparation of this report would not have been possible.

Respectfully submitted,

James C. Welsh
General Manager

Joseph Hostetler
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Kissimmee Utility Authority, Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 1989

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



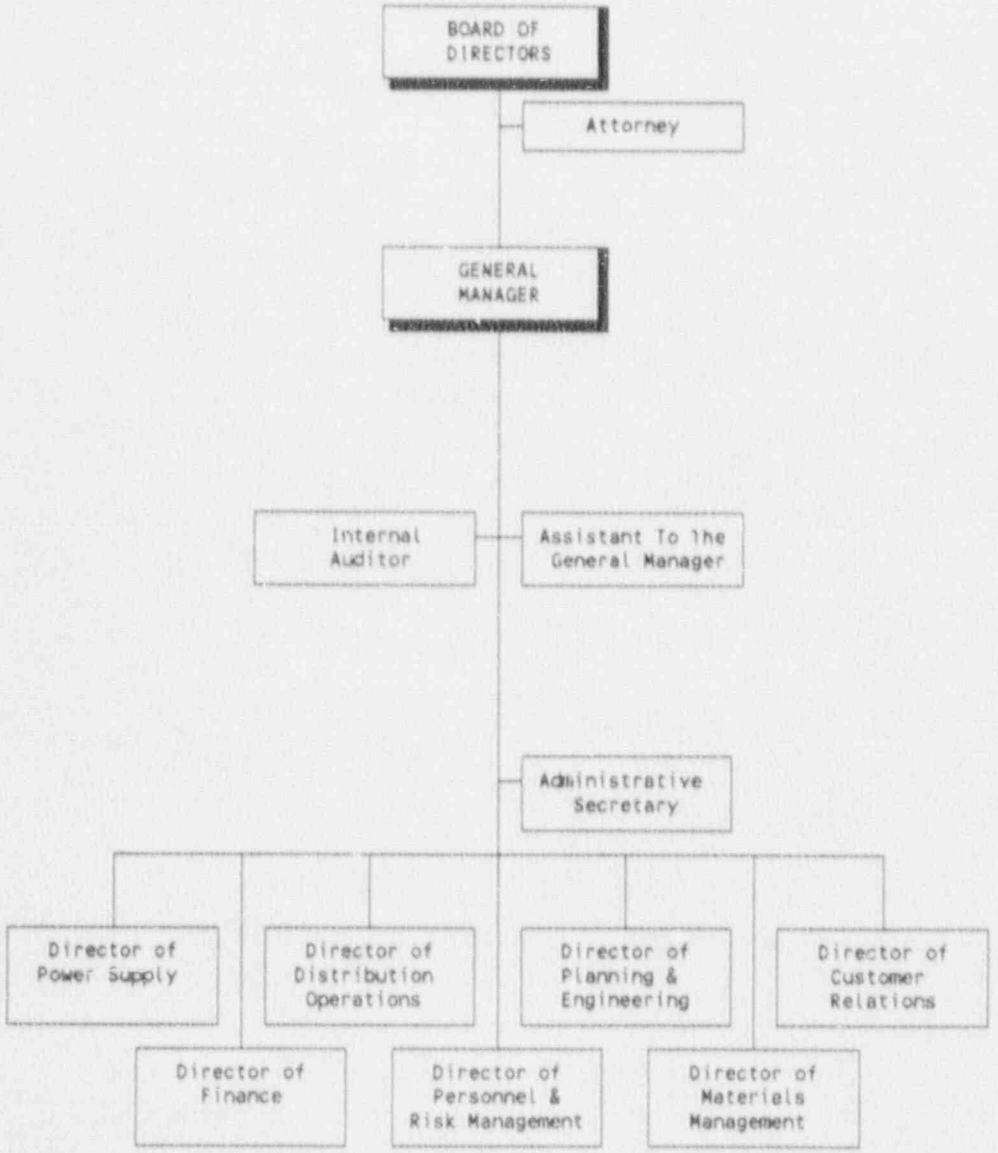
Gary R. Hoistrem
President

Jeffrey L. Esser
Executive Director

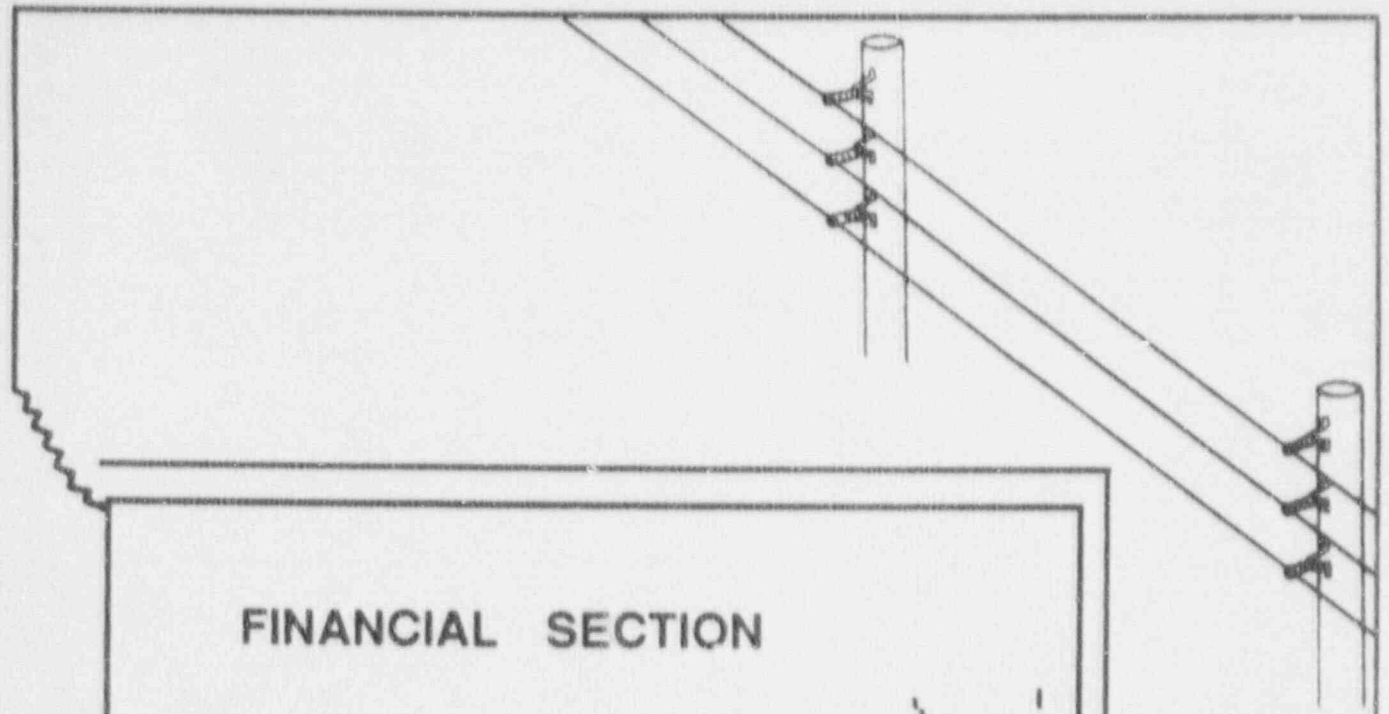
KISSIMMEE UTILITY AUTHORITY

ORGANIZATIONAL CHART

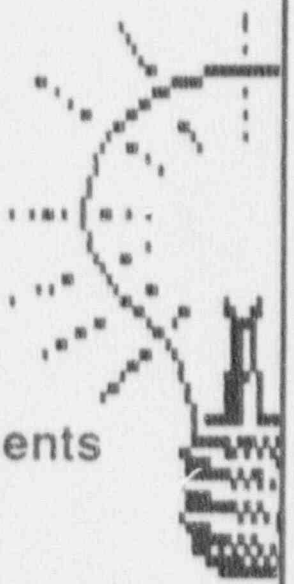
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FINANCIAL SECTION



Auditor's Report
General Purpose
Financial Statements
Notes To Financial Statements

Coopers
&Lybrand

certified public accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Board of Directors
Kissimmee Utility Authority

We have audited the accompanying balance sheets of the Kissimmee Utility Authority as of September 30, 1990 and 1989, and the related statements of revenue, expenses and changes in retained earnings, and cash flows for the years ended September 30, 1990 and 1989. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Kissimmee Utility Authority as of September 30, 1990 and 1989, and the results of its operations and its cash flow for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, in 1989 the Company changed its method of recording revenues by accruing the non-fuel portion of base revenues for services rendered but unbilled.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The introductory and statistical sections, on which we express no opinion, are presented for purposes of additional analysis and are not a required part of the basic financial statements of Kissimmee Utility Authority.

Coopers & Lybrand

Tampa, Florida
November 21, 1990

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KISSIMMEE UTILITY AUTHORITY
BALANCE SHEET
FOR THE YEARS ENDED SEPTEMBER 30, 1990 AND 1989

ASSETS	1990	1989
UTILITY PLANT		
Property, plant and equipment	$ 129,399,759	$ 114,101,034
less: accumulated depreciation	(32,551,317)	(26,000,407)
	96,848,442	88,100,627
Construction in progress	1,601,399	7,579,600
Inventory - nuclear fuel	564,065	703,997
TOTAL UTILITY PLANT	99,013,906	96,384,224
RESTRICTED ASSETS		
Debt service - Investments	9,211,484	9,503,218
- Cash and cash equivalents	4,949,986	4,911,659
Construction - Cash and cash equivalents	1,500,000	2,467,994
Customer deposits - Cash and cash equivalents	1,783,708	1,793,285
TOTAL RESTRICTED ASSETS	17,445,178	18,676,156
DESIGNATED ASSETS		
Cash and cash equivalents designated for specific purposes	27,796,429	21,513,853
Deferred compensation plan assets	434,001	310,319
TOTAL DESIGNATED ASSETS	28,230,430	21,824,172
CURRENT ASSETS		
Cash and cash equivalents	9,694,713	10,413,500
Accounts receivable	9,470,286	8,306,889
less: allowance for doubtful accounts	(406,757)	(875,544)
Notes receivable	23,626	28,802
Inventory	4,708,096	2,965,907
Prepaid expenses	122,448	1,580
Due from other governments	265,197	393,210
Deferred cost of power adjustment	1,191,385	25,178
TOTAL CURRENT ASSETS	25,068,994	21,259,522
OTHER ASSETS		
Unamortized bond costs	1,125,803	1,184,696
TOTAL ASSETS	$ 170,884,311	$ 159,328,770

See accompanying notes.

CAPITALIZATION AND LIABILITIES	1990	1989
CAPITALIZATION		
Retained earnings - Reserved for debt service	$ 10,503,230	$ 10,503,230
- Unreserved	42,831,009	31,595,512
Total Retained Earnings	53,334,239	42,098,742
Contributed capital	6,258,171	4,851,765
TOTAL CAPITALIZATION	59,592,410	46,950,507
LIABILITIES		
LONG-TERM DEBT		
Revenue Bonds payable	102,705,000	104,350,000
less: unamortized bond discount	(5,255,716)	(5,585,316)
TOTAL LONG-TERM DEBT	97,449,284	98,764,684
CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)		
Current portion of revenue bonds	1,645,000	1,550,000
Accrued interest payable - revenue bonds	3,513,240	3,561,784
Contracts/retainages payable from construction	237,400	344,455
Customer deposits	1,783,708	1,793,285
TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)	7,179,348	7,249,524
DESIGNATED LIABILITIES (PAYABLE FROM DESIGNATED ASSETS)		
Contracts/retainages payable from designated assets	0	906,281
Due to employees under deferred compensation plan	434,001	310,319
TOTAL DESIGNATED LIABILITIES (PAYABLE FROM DESIGNATED ASSETS)	434,001	1,216,600
CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)		
Accounts payable	2,552,509	2,006,875
Due to other governments	2,441,810	2,114,043
Accrued taxes payable	460,244	388,007
Accrued salaries	166,376	115,267
Pension plan liability	264,866	252,802
Accumulated unused compensated absences	343,463	270,461
TOTAL CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)	6,229,268	5,147,455
TOTAL LIABILITIES	111,291,901	112,378,263
TOTAL CAPITALIZATION AND LIABILITIES	$ 170,884,311	$ 159,328,770

See accompanying notes.

KISSIMMEE UTILITY AUTHORITY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED SEPTEMBER 30, 1990 AND 1989

	1990	1989
OPERATING REVENUES		
Metered sales	$ 59,368,189	$ 49,795,980
Other operating revenues	989,151	766,856
TOTAL OPERATING REVENUES	60,357,340	50,562,836
OPERATING EXPENSES		
Power generation	10,530,920	9,734,643
Purchased power	17,483,408	12,916,048
Transmission	876,468	818,905
Distribution	1,818,238	1,767,161
Customer Services	1,704,500	1,159,144
Administrative and general	2,830,579	2,382,313
Payment to the City of Kissimmee	4,029,930	3,594,489
Depreciation	6,550,030	3,685,078
TOTAL OPERATING EXPENSES	45,824,073	36,057,731
OPERATING INCOME	14,533,267	14,505,055
NONOPERATING REVENUE (EXPENSES)		
Interest revenue	4,129,646	4,098,482
Interest expense	(7,427,416)	(7,615,629)
TOTAL NONOPERATING REVENUE (EXPENSES)	(3,297,770)	(3,517,147)
INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE	11,235,497	10,987,908
CUMULATIVE EFFECT TO OCTOBER 1, 1988 OF ACCRUING UNBILLED REVENUES	0	1,087,691
NET INCOME	11,235,497	12,075,599
RETAINED EARNINGS AT BEGINNING OF YEAR	42,098,742	30,023,143
RETAINED EARNINGS AT END OF YEAR	$ 53,334,239	$ 42,098,742

See accompanying notes.

KISSIMMEE UTILITY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 1990 AND 1989

	1990	1989
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	$ 14,533,267	$ 14,505,055
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation and amortization	6,751,704	3,859,475
Cumulative effect of accounting change	0	1,087,691
Interest on customer deposits	(68,572)	(73,017)
CHANGES IN CURRENT ASSETS AND LIABILITIES:		
Accounts receivable, net of reserves	(1,632,184)	(2,762,481)
Inventory	(1,742,189)	(488,216)
Due from other governments	128,013	(156,042)
Deferred cost of power adjustment	(1,166,207)	(25,178)
Accounts payable	545,634	542,513
Due to other governments	327,767	638,604
Other deferred costs	0	(272,834)
Other assets	(115,692)	23,462
Other liabilities	322,519	310,725
NET CASH PROVIDED BY OPERATING ACTIVITIES	17,884,060	17,189,757
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets and nuclear fuel	(10,267,488)	(11,338,760)
Principal paid on revenue bonds	(1,550,000)	(1,365,000)
Interest paid on revenue bonds	(7,087,182)	(7,194,875)
Capital contributed by developers	1,406,407	1,251,150
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(17,498,263)	(18,647,485)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(4,402,600)	(4,359,651)
Increase in deferred compensation plan assets	(123,682)	(59,747)
Proceeds from maturities of investment securities	4,439,672	4,402,702
Interest and dividends on investments	4,325,358	4,009,037
NET CASH PROVIDED BY INVESTING ACTIVITIES	4,238,748	3,992,341
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,624,545	2,534,613
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	41,100,291	38,565,678
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 45,724,836	$ 41,100,291

See accompanying notes.

KISSIMMEE UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 1990 AND 1989

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Kissimmee Utility Authority (KUA) are presented in conformity with generally accepted accounting principles. The statements are substantially in conformity with accounting principles and methods prescribed by the Federal Energy Regulatory Commission and other regulatory authorities.

Entity Definition:: The accompanying financial statements present the financial position, results of operations and cash flows of the KUA in accordance with NCGA Statement No. 3, "Defining the Governmental Reporting Entity", and subsequent interpretation No. 7 clarifying the application of Statement No. 3. The reporting entity for the KUA includes all functions in which the Board of Directors exercise oversight responsibility. Oversight responsibility includes, but is not limited to, financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. As a result of applying the above reporting entity criteria, no other component units exist in which the KUA has any oversight responsibility which would require inclusion in the KUA's financial statements.

The Kissimmee Utility Authority was created effective October 1, 1985 by the City of Kissimmee Ordinance #1285 adopted on February 19, 1985 and ratified by the voters on March 26, 1985. The Authority Board has 6 members. The Mayor of the City of Kissimmee is a non-voting Ex-Officio member. The 5 voting members are nominated by the Board and ratified by the City Commission. The Authority has exclusive jurisdiction, control and management of the electric utility and the following factors indicate that the KUA is properly excluded from the City's financial statements:

1. Subsequent to Board appointments being ratified by the City Commission, there is no continuing relationship.
2. KUA management is selected by the Board.
3. The City has no authority to interfere with KUA's operation.
4. KUA is responsible for its financial affairs including rate setting and the disposition of any surplus.
5. The City does not guarantee KUA's outstanding debt.

Regulation: According to existing laws of the State of Florida, the six members of the KUA act as the regulatory authority for the establishment of electric rates. The Florida Public Service Commission (FPSC) has authority to regulate the electric "rate structure" of municipal utilities in Florida. It is believed that "rate structures" are clearly distinguishable from the total amount of revenues which a particular utility may receive from rates, and that distinction has thus far been carefully made by the FPSC.

As noted above, the FPSC has jurisdiction to regulate electric "rate structures" of municipal utilities. In addition, the Florida Energy Efficiency and Conservation Act has given the FPSC exclusive authority to approve the construction of new power plants under the Florida Electrical Power Plant Siting Act. The FPSC also exercises jurisdiction under the National Energy Act, including electric use conservation programs.

Operations of the KUA are subject to environmental regulations by Federal, State and local authorities and to zoning regulations by local authorities. Federal and State standards and procedures that govern control of the environment can change. These changes can arise from continuing legislative, regulatory and judicial action respecting the standards and procedures. Therefore, there is no assurance that the units in operation, under construction, or contemplated will always remain subject to the regulations currently in effect or will always be in compliance with future regulations.

An inability to comply with environmental standards or deadlines could result in reduced operating levels or complete shutdown of individual electric generating units not in compliance. Furthermore, compliance with environmental standards or deadlines may substantially increase capital and operating costs.

Basis of Accounting: The Financial Statements are presented on the accrual basis of accounting. Under this basis, revenues are recognized in the period earned and expenses are recognized in the period incurred. Retail electric service rates are designed to recover debt service and operating fund requirements and exclude depreciation expense and other noncash expense items. This method of rate setting results in costs being included in the determination of rates in different periods than when these costs are recognized for financial statement purposes. The effect of these differences are recognized in the determination of net income in the period that they occur in accordance with the KUA's accounting principles.

Budget: The Kissimmee Utility Authority is required by charter to adopt an Annual Budget. The Budget is adopted on a basis consistent with generally accepted accounting principles.

The Kissimmee Utility Authority follows these procedures in establishing the annual budget:

1. The General Manager submits to the Board of Directors a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the sources of funds to finance them.
2. During several workshops, which are open to the public, the staff and Board of Directors discuss and revise the submitted budget. A public hearing is conducted to obtain ratepayer comments.
3. The budget is approved by the Board of Directors and becomes the basis for operations for the ensuing fiscal year.

The General Manager is authorized to approve all budget transfers and these transfers are reported to the Board of Directors monthly. Budget amendments which increase the adopted budget are approved by the Board of Directors. Both budget transfers and budget amendments were made during the fiscal year.

Operating expense budgets lapse at year end. Capital projects are budgeted for the project life rather than for the current fiscal year. The unexpended portion of project budgets do not lapse until the conclusion of the project.

Revenues and Fuel Costs: Kissimmee Utility Authority recognizes revenues when service is rendered to customers. Prior to 1989 revenues were recognized as customers were billed on a cycle billing basis.

Utility Plant: Property, plant and equipment are stated at cost when purchased or constructed. Depreciation is provided using the straight-line method. The estimated useful lives of the various classes of depreciable property, plant and equipment are as follows:

	1990 (years)	1989 (years)
Structures & Improvements	22 1/4 to 50	33 1/3 to 50
Generation Plant & Equipment	13 1/3 to 50	33 1/3 to 50
General Machinery & Equipment	6 2/3 to 40	10 to 40

In 1990 the KUA evaluated the useful lives of their utility assets and related depreciation rates. As a result the lives on the majority of its assets were reduced. This change in estimated lives resulted in an increase in depreciation expense and a resulting decrease in net income of approximately $2,346,000.

The cost of maintenance and repairs, including renewal of minor items of property, is charged to operating expense as incurred. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to utility plant. The cost of units replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation.

Nuclear Fuel: Amortization of nuclear fuel is based on cost, which is prorated by fuel assembly batch in accordance with the thermal energy that each assembly produces. The KUA is currently paying 1 mill per kWh for residual future disposal costs in addition to estimated labor and waste burial costs.

Inventories: Inventories are stated at the lower of cost or market, with cost determined using the weighted average cost basis.

Other Assets: Unamortized bond discounts and issuance costs on long-term debt are amortized over the life of the issue on a straight-line basis. The KUA considered the effective interest method

of amortizing bond discounts and determined that no material difference results from the continued use of the straight-line method.

Reserves: Reserves representing the excess of amounts provided for certain restricted asset accounts over the liabilities payable there from are established by a reservation of retained earnings. The restricted assets and liabilities are used to indicate a segregation of a portion of retained earnings equal to the net current assets that are restricted for meeting various covenants as may be specified and defined in the various revenue bond indentures. Usage of reserves has been limited to the following items:

Reserve for Bond Retirement - restricted for future servicing of the revenue bonds.

Reserve for Bond Asset Replacement - restricted for meeting of various contingencies as may be so specified and defined in the indenture (frequently referred to as renewal, replacement and improvement).

Designations: Certain designations are made in the financial records during the fiscal year to identify a portion of cash and investments intended to be used for specific purposes in a future period. Designated assets are as follows:

	SEPTEMBER 30	
	1990	1989
Decommissioning (Note 11)	$ 483,500	$ 383,500
Self Insurance	1,369,550	1,025,025
Capital Improvements	24,462,448	18,624,398
Rate Stabilization	1,480,930	1,480,930
Deferred Compensation Plan Assets	434,001	310,319
TOTAL	$ 28,230,429	$ 21,824,172

Deferred Cost of Power Adjustment: Deferred cost of power adjustment represents the KUA's cost of power adjustment revenues collected, but for which costs have not been incurred or costs that have been incurred, but for which cost of power adjustment revenues have not been collected.

Payments to the City of Kissimmee: By charter the Kissimmee Utility Authority is required to pay to the City of Kissimmee a minimum of $6.24 per 1,000 kWh. This payment is treated as an operating and maintenance expense in the statement of revenue, expenses and cash flows.

Reclassification: For comparability purposes certain reclassifications have been made to the 1989 financial statements to conform with the 1990 financial statement presentation.

Cash and Cash Equivalents: Cash and cash equivalents include short-term, highly liquid investments that are both readily convertible to known amounts of cash and whose original maturity is three months or less. These consist of repurchase agreements, the State Board of Administration Pool and the carrying amount of KUA's deposits with financial institutions.

Cash Flows: The 1989 Statement of Changes in Financial Position has been restated into the Statement of Cash Flows in order to fulfill the reporting requirements of Governmental Accounting Standard No. 9, adopted by the Governmental Accounting Standards Board in 1989 and effective for fiscal years beginning after December 15, 1989.

2. DEPOSITS AND INVESTMENTS

Florida Statutes, the KUA Charter and Investment Policies authorize the investment of excess funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the United States Government and certain instruments guaranteed by the U.S. Government. Investments may include repurchase agreements. Revenue Bond Covenants also restrict the type and maturities of investments in the required trust funds (See Note 8).

Investments (excluding deferred compensation plan assets) are recorded at cost, which approximates market. Deferred compensation plan assets are stated at market value (see Note 7). Adjustments are made to cost for any premiums or discounts. Premiums and discounts are amortized over the life of the investments using the straight-line method.

Investments must be in KUA's name and placed in a safety-deposit box in a bank or institution carrying adequate safety-deposit insurance or represented by bank trust receipts which enumerate the various securities held.

The Statutes also require depositories of public funds to provide collateral each month at least equal to 50 percent of the average daily balance of all public deposits in excess of deposit insurance. Any loss not covered by the pledged securities and deposit insurance would be assessed by the State Treasurer and paid by other qualified public depositories.

At year end, the carrying amount and market value of investments (in thousands of dollars) classified by category of credit risk were:

	SEPTEMBER 30, 1990			
	CATEGORY OF RISK		CARRYING	MARKET
	1	2	AMOUNT	VALUE
Repurchase Agreements	$	6,390	6,390	6,390
U.S. Gov. Securities	4,403	451	4,854	4,885
U.S. Instrumental Sec.	4,225		4,225	4,326
	$ 8,628	$ 6,841	$15,469	$15,601
State Board of Administrative Pool			38,839	38,839
Total Investments			$54,308	$54,440

	SEPTEMBER 30, 1989			
	CATEGORY OF RISK		CARRYING	MARKET
	1	2	AMOUNT	VALUE
Repurchase Agreements	$	7,236	7,236	7,236
U.S. Gov. Securities	4,359	466	4,825	5,026
U.S. Instrumental Sec.	4,350		4,350	4,519
	$ 8,709	$ 7,702	$16,411	$16,781
State Board of Administrative Pool			33,790	33,790
Total Investments			$50,201	$50,571

Level of credit risk assigned to the above investments include:

Category 1 - Insured or registered, or securities held by the Kissimmee Utility Authority or its agency in the Kissimmee Utility Authority's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Kissimmee Utility Authority's name.

The investments in the State Board of Administration Pool (representing approximately 72 percent of total investments) is collaterlized in accordance with Florida Statutes. All investments are delivered to the SBA's custody bank and held for the SBA's account according to their instructions.

Repurchase agreements result entirely from a banking services agreement requiring overnight repurchase agreements of securities guaranteed by the United States Government. At September 30, 1990 and 1989, the balance sheet also includes $132,544 and $328,255 respectively of accrued interest on investments.

At September 30, 1990 and 1989 the carrying amount of KUA's deposits with financial institutions was $495,647 and $31,974 respectively, and the bank balance was $661,166 and $578,386 respectively. All bank balances are fully insured in accordance with Florida Statute 280, which established the multiple financial institution collateral pool.

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is comprised of the following at:

	SEPTEMBER 30	
	1990	1989
Nuclear production	$ 4,041,243	$ 3,990,623
Steam production	16,349,742	16,349,742
Other production	42,244,145	42,046,778
Transmission plant	21,458,401	19,649,267
Distribution plant	37,163,664	26,835,388
General	8,142,564	5,229,236
SUBTOTAL	$129,399,759	$114,101,034
Less: accumulated depreciation	32,551,317	26,000,407
TOTAL	$ 96,848,442	$ 88,100,627

4. CONSTRUCTION PROJECT INTEREST COST

In accordance with Statement of Financial Accounting Standards No. 62, "Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants," the KUA has recorded interest cost on long-term debt issued to finance specific capital projects as construction in progress. KUA capitalized interest of $68,287 in 1990. There was no interest capitalized in 1989.

5. PARTICIPATION AND POWER SUPPLY AGREEMENTS

Kissimmee Utility Authority is party to the following participation and power supply agreements at September 30, 1990:

A. Stanton Energy Center Unit No. 1 (SEC 1): In 1984, the KUA entered into a Participation Agreement with Orlando Utilities Commission (OUC) to acquire a 4.8193% (20MW) undivided ownership interest in SEC 1 and to participate in the use of related common and external facilities. The capacity and energy of the KUA's ownership interest in SEC 1 is transmitted through OUC's transmission facilities to the KUA's transmission facilities. SEC 1 is part of the Stanton Energy Center, which involved the development of an approximately 3,200 acre plant site located approximately 20 miles northeast of the City of Kissimmee. In addition to SEC 1, the Stanton Energy Center is capable of accommodating three more units with a total capacity at the Stanton

Energy Center of approximately 2000 MW. Each participant in the project financed their share of the cost independently and no liability exists for the debt service required by the other participants. KUA's cost was financed by the proceeds of the 1984 Bonds and revenues of the system. KUA's benefit in the Agreement is the added availability of capacity and energy of the facilities through its participation in future energy purchased and it does not otherwise maintain an ongoing financial interest or responsibility for the project.

Stanton Energy Center began commercial operations on July 1, 1987. The KUA does not exercise significant influence or control over operating or financial policies of OUC.

B. **Crystal River Unit No. 3 (CR3):** In 1975, the KUA entered into a Participation Agreement with Florida Power Corporation (FPC) to purchase a .6754% undivided interest in their 806 net MW nuclear powered electric generating plant designated Crystal River Unit No. 3. The KUA is billed for its share of operating and capital costs. Capital costs are included in Property, Plant and Equipment and operating costs are included as power generation expenses. KUA's benefit in the Agreement is the added availability of capacity and energy of the facilities through its participation in future energy purchases and it does not otherwise maintain an ongoing financial interest or responsibility for the project.

The KUA does not exercise significant influence or control over the operating or financial policies of FPC.

C. **Indian River Combustion Turbine:** In 1988, the KUA entered into a Participation Agreement with Orlando Utilities Commission (OUC) to acquire a 12.2% (11.7 MW) undivided ownership interest in the Indian River Combustion Turbine and participate in the use of related common and external facilities. Each participant in the project financed their share of the cost independently and no liability exists for the debt service required by the other participants.

The KUA does not exercise significant influence or control over the operating or financial policies of OUC.

D. **Florida Municipal Power Agency (FMPA):** In 1981, the KUA entered into a Power Supply Acquisition Agreement with the FMPA. KUA is to receive approximately 7 MW of power from the St. Lucie nuclear power plant. Costs associated with this agreement are included in purchased power expenses.

The KUA does not exercise significant influence or control over the operating or financial policies of FMPA.

It has been determined that none of the participation agreements to which KUA is a party meet the criteria of a joint venture as specified by the National Council on Governmental Accounting Statement No. 7. The KUA lacks operational control over the SEC1, CR3, Indian River and FMPA projects. No separate governing authority exists for any of the projects.

According to the participation agreements, each participant must provide its own financing and each participant share of expenses for operations of the plants are included in the corresponding operating expenses of its own income statement. The amounts of utility plant in service do not include the cost of common and external facilities for which participants pay user charges to the operating entity. Accumulated depreciation on utility plant in service is determined by each participant based on their depreciation methods and rates relating to their share of each plant. Following is a summary of KUA's proportionate share of each jointly owned plant at:

	SEPTEMBER 30, 1990		
	SEC 1	CR3	INDIAN RIVER
Utility Plant in Service	$16,349,742	$ 4,041,243	$ 2,678,954
Accumulated depreciation	(1,497,927)	(1,572,265)	(161,261)
	$14,851,815	$ 2,468,978	$ 2,517,693

	SEPTEMBER 30, 1989		
	SEC 1	CR3	INDIAN RIVER
Utility Plant in Service	$16,349,742	$ 3,990,623	$ 2,696,424
Accumulated depreciation	(986,503)	(1,321,179)	(80,893)
	$15,363,239	$ 2,669,444	$ 2,615,531

6. PENSIONS

The KUA employees participate in a multiple-employer cost sharing Retirement Plan for both employees of the City of Kissimmee and Kissimmee Utility Authority (The Plan). The Plan was established in 1968 and amended and restated in 1975 to cover substantially all full-time employees, except City police officers and firefighters. Annual costs of the pension plan are actuarially computed and include amortization of past service costs over a 30 to 40 year period beginning January 1, 1974. An actuarial study was conducted at January 1, 1990 and 1989.

The table below shows relevant data for the Plan as a whole and for KUA's portion where this was available:

	1990		1989	
Total Plan:				
Unfunded accrued liability	$ 658,088		$ 1,391,070	
Value of assets	12,173,234		9,574,922	
Vested benefits	6,359,395		5,345,639	
Nonvested benefits	435,592		566,415	
Normal Cost	695,768		568,171	
Amortization of Unfunded liability	60,939		116,983	
Interest Adjustment	56,753		51,387	
Actuarial funding requirement	813,460		736,541	
Administrative costs	93,346		45,943	
Total Employer contribution	906,806		782,484	
		% of Total Plan		% of Total Plan
KUA'S Portion:				
Vested benefits	2,601,030	40.9	2,171,391	40.6
Nonvested benefits	222,571	51.1	275,826	48.7
Normal Cost	301,495		260,466	
Amortization of Unfunded liability	27,020		53,087	
Interest Adjustment	24,639		23,517	
Actuarial funding requirement	353,154	43.4	337,070	45.8
		% of Covered Payroll		% of Covered Payroll
Covered Payroll	3,235,960		2,972,404	
Normal Cost	301,495	9.3	260,466	8.8
Amortization of Unfunded liability	27,020	.8	53,087	1.8
Employer Contributions	353,154	10.9	337,070	11.3

The Entry-Age Normal-Level Percentage of Pay actuarial cost method was utilized in the January 1, 1990 and 1989 valuations. The significant assumptions for this Plan are:

1. Life expectancy is calculated using the GA-1951 Male Mortality projected to 1965 by Scale C with a five-year set-back for females;
2. an interest return of 7.5% compounded annually;
3. a salary increase of 6% per year.

As of January 1, 1990, the plan included 366 employees at a total annual basic compensation of $7,504,839. Of these numbers, KUA employees were 141 at a total annual basic compensation of $3,235,960. The current year payroll for all KUA employees was $5,014,453. Membership in the Plan is comprised of the following:

Retirees receiving benefits	31
Beneficiaries receiving benefits	24
Vested terminated employees	12
Active employees:	
Fully vested	95
Partially vested	94
Nonvested	110
	366

Normal retirement eligibility is defined as attainment of age 65 and completion of 10 years of credited service. Eligibility for early retirement is attained at age 55 and completion of 15 years of credited service. The Plan also provides for disability retirement and a death benefit. The prior year employee contribution rate was 1% (2% if member of bargaining unit) of basic annual compensation. A plan amendment in 1986 provides that the employee contribution rate be reduced 1% each year. The shortfall is handled through an increase in normal cost and through the establishment of a plan amendment base to be amortized over 30 years. KUA's contribution is calculated by the actuary based on membership. The administrative cost of the Plan is allocated proportionately between the City and KUA and paid separately.

As of January 1, 1990, the pension benefit obligation was calculated as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits:	$ 2,221,325
Current employees:	
Accumulated employee contributions including allocated investment income	937,099
Employer financed - vested	3,200,971
Employer financed - nonvested	3,233,504
Total pension benefit obligation	$ 9,592,899
Less actuarial value of assets	12,173,234
Unfunded (assets in excess of) pension benefit obligation	$ (2,580,335)

The actuarial assumptions used to compute contribution requirements were the same as those used to compute the pension benefit obligation. The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of

projected salary increases and step-rate benefits estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers.

Historical trend information presenting the Retirement Plan's progress in accumulating sufficient assets to pay benefits when due is presented in Table 9 of the Statistical Section of this report.

7. DEFERRED COMPENSATION PLAN

The KUA offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are administered by the International City Managers Association (ICMA) and the United States Conference of Mayors (USCM). The plans, available to all KUA employees permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination or unforeseeable emergency (including death, retirement and disability).

The Internal Revenue Code section 457 requires that all amounts of compensation deferred, all property and rights purchased, and all income earned are (until paid or made available to employees or their beneficiaries) solely the property and rights of the KUA, subject only to the claims of the KUA's general creditors. Participants' rights under the plans are equal to those of general creditors of the KUA in an amount equal to the fair market value of the deferred account for each participant. Deferred Compensation accounts are stated at market value.

The ICMA and USCM are responsible for investment of funds, distribution of benefits and reporting to participants. The KUA believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

8. REVENUE BONDS OUTSTANDING

The Revenue Bond resolutions provide for:

A. Establishment and maintenance of various funds:
   (1) Revenue Fund records all operating revenues and expenses of the system;
   (2) Sinking Fund records principal and interest requirements;
   (3) Bond Amortization Fund records funds held for the retirement of term bonds;
   (4) Reserve Fund records funds held for the maximum annual debt service requirement;
   (5) Renewal, Replacement and Improvement Fund is to be used only for making improvements, extensions and replacements to the system, and
   (6) Construction Fund records the cost of major additions to the system financed by revenue bonds.

B. Restrictions on the use of cash from operations in order of priority:

(1) Deposits are made to the Revenue Fund to meet current operations according to the Budget;

(2) Deposits to the Sinking Fund Account are required on or before the 25th day of each month equal to one-sixth (1/6) of the interest coming due on the next semi-annual interest payment date and one-twelfth (1/12) of the principal coming due on the next principal payment date;

(3) Deposits to the Bond Amortization Fund are required on or before the 25th of each month equal to one-sixth (1/6) of the amortization installment coming due on the next semi-annual payment date;

(4) Deposits to the Reserve Fund are to be made when required to maintain the Fund at the reserve requirements (maximum annual debt service); and

(5) Deposits to the Renewal, Replacement and Improvement Fund are required each month in an amount equal to one-twelfth (1/12) of the adopted budget for that fund. The total annual deposit may not be less than 5% of the gross revenues for the preceding fiscal year after deducting 100% of the fuel expense and the energy component of purchased power expenses incurred in such preceding fiscal year. However, no such monthly deposit shall be required when the amount in such fund shall at least equal $1,500,000.

C. **Early redemption:** The bond ordinance provides for early redemption of outstanding bonds, except original issue discount bonds, at call rates varying from 100% to 102% of the instruments' face value, dependent upon the call date. Original issue discount bonds may be redeemed early at call rates of 80% to 100% of the face value, dependent upon the call date.

D. **Investment restrictions:**

(1) Funds of the Sinking Fund, Bond Amortization Fund, Reserve Fund and Renewal, Replacement and Improvement Fund are required to be continuously secured in the same manner as municipal deposits of funds are required to be secured by the Laws of the State of Florida; and

(2) Monies on deposit in the Sinking Fund and the Bond Amortization Fund shall be invested only in direct obligation of, or obligations the principal of and interest on which are guaranteed by the United States of America and which do not permit redemption prior to maturity at the option of the Authority. Monies on deposit in the Revenue Fund, Reserve Fund and Renewal, Replacement and Improvement Fund may be invested as described above as well as in obligations rating an "A" or better from Moody's Investors Service, Inc., bank time deposits represented by certificates of deposit and bankers acceptances, repurchase agreements, commercial paper which has the highest investment grade rating and shares of investment companies which invest principally in United States government securities.

The refunding and revenue bonds consist of the following serial and term bonds:

DESCRIPTION	FINAL MATURITY	ORIGINAL AMOUNT	AMOUNT OUTSTANDING 9/30/90	AMOUNT OUTSTANDING 9/30/89
Refunding Revenue Bonds-Series 1982A 7.25% - 7.75% 4/1;10/1	10/01/92	$71,500,000	$ 3,470,000	$ 4,280,000
Refunding Revenue Bonds-Series 1985 7.00% - 8.50% 4/1;10/1	10/01/17	5,000	36,165,000	36,530,000
Electric Revenue Bonds-Series 1987 4.40% - 6.80% 4/1;10/1	10/01/12	66,020,000	64,715,000	65,090,000

9. **CHANGES IN LONG-TERM DEBT**

The following is a summary of bond transactions:

	1990	1989
Bonds Payable Beginning of Year	$ 105,900,000	$ 107,265,000
Bonds Retired	(1,550,000)	(1,365,000)
BONDS PAYABLE AT END OF YEAR	$ 104,350,000	$ 105,900,000

The annual long-term debt service requirements are as follows:

YEAR ENDING SEPTEMBER 30	1990	YEAR ENDING SEPTEMBER 30	1989
1991	8,564,178	1990	$ 8,576,481
1992	8,856,167	1991	8,564,178
1993	8,838,229	1992	8,856,167
1994	8,871,371	1993	8,838,229
1995	8,847,977	1994	8,871,371
1996-2000	43,851,457	1995-1999	44,064,507
2001-2005	42,294,407	2000-2004	42,544,839
2006-2010	41,370,545	2005-2009	41,482,485
2011-2015	30,441,820	2010-2014	35,838,725
2016-2017	8,552,425	2015-2017	11,428,075
TOTAL	$210,488,576		$219,065,057
LESS: Amt. representing interest	(106,138,576)		(113,165,057)
TOTAL AT PRESENT VALUE	$104,350,000		$105,900,000

10. **REFUNDED BONDS**

The KUA presently has outstanding serial bonds, which were refunded through the full cash defeasance method on January 4, 1978 and through the net cash defeasance method on February 25, 1982, January 25, 1983, December 31, 1985 and April 1, 1987 as follows:

	AMOUNT OUTSTANDING	
ELECTRIC & WATER BOND ISSUES	1990	1989
1963	$ 905,000	$ 1,110,000
1967	825,000	905,000
1971	850,000	850,000
1971-A	385,000	420,000
1973	3,030,000	3,085,000
1975	3,135,000	3,225,000
ELECTRIC REVENUE BONDS		
1977 Series A	$ 17,505,000	$ 17,965,000
1979-A	2,380,000	2,425,000
1982	46,750,000	47,190,000
1982-A	69,375,000	70,185,000
1984	28,010,000	28,210,000
	$173,150,000	$175,570,000

Since governmental obligations are held in escrow for the payment of principal and interest on these bonds, they are not liabilities to the KUA.

11. **COMMITMENTS AND CONTINGENT LIABILITIES:**

The KUA owns a portion of Florida Power Corporation's nuclear power plant at Crystal River, Florida. This plant is scheduled to be decommissioned beginning in the year 2015 and ending 2.22. The KUA will be liable for approximately $861,000 in decommissioning costs in 1989 dollars. As of September 30, 1990 and 1989, $483,500 and $383,500 respectively was escrowed. An additional $100,000 has been budgeted to be escrowed during FY 1990/91.

In June 1988, the Nuclear Regulatory Commission (NRC) required utilities to provide financial assurance that decommissioning funds would be sufficient and available when needed for NRC required decommissioning activities. On July 12, 1990 the KUA and the Florida Municipal Power Agency (FMPA) entered into an agreement whereby the FMPA would act as agent for the KUA and certain other Crystal River Unit 3 (CR3) participants to coordinate the administration of a trust fund. Contributions to this trust fund are not available to KUA for any other purpose except the decommissioning of CR3. On October 17, 1990 the KUA transferred $436,231 to this trust account. Future contributions will be made to this trust account as needed based on updated cost estimates and trust fund earnings.

As stated in note five (5), the KUA entered into a Power Supply Acquisition Agreement with the Florida Municipal Power Agency (FMPA) in 1981. KUA contracted to receive approximately 7 MW of power from the St. Lucie nuclear power plant for the life of the plant. The amount of KUA's participation costs for 1990 and 1989 were $3,167,264 and $3,022,866 respectively. The participation costs for 1991 will be approximately $3,649,000. Future participation costs are not known at this time.

The KUA has purchase agreements with utilities whereby the KUA must pay capacity demand or reservation fees whether electricity or fuel is received from these utilities or not. The utilities involved and the charges paid are as follows:

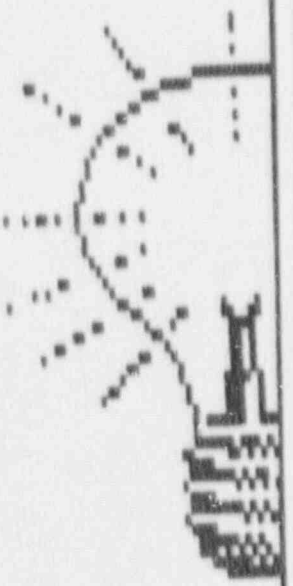
	Expiration Date	Maximum Annual Commitment
Orlando Utilities Commission (OUC)	2019	$ 1,545,435
Florida Power Corporation (FPC)	1995	4,532,124
Tampa Electric Company (TECO)	1992	2,235,945
Florida Gas Transmission (FGT)	NONE	389,129
		$8,702,633

The charges paid to OUC, FPC and TECO are recorded as purchased power while charges paid to FGT are recorded as power generation expenses.

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STATISTICAL SECTION

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These tables reflect social and economical trends of the Kissimmee Utility Authority.



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KISSIMMEE UTILITY AUTHORITY

TABLE 1

Operating Revenues By Source/Operating Expenses By Department
Last Ten Fiscal Years

Operating Revenues:

Sources	1990	1989	1988	1987
Metered Sales	$59,200,205	$49,647,743	$42,094,838	$41,805,328
Public Street & Highway Lighting	94,135	87,536	87,169	82,042
Sales To Other Utilities	0	5,371	-	-
Interdepartmental Sales	73,849	55,330	19,434	725,063
Other Operating Revenues	989,151	766,856	770,138	647,019
Total Operating Revenues	$60,357,340	$50,562,836	$42,971,579	$43,259,452

Operating Expenses:

Departments	1990	1989	1988	1987
Nuclear Power Generation	$1,138,120	$884,533	$1,027,636	$879,544
Other Power Generation (1)	9,392,800	8,850,110	6,784,651	4,839,234
Purchased Power (1)	17,483,408	12,916,048	10,232,845	12,231,779
Transmission	876,468	818,905	656,736	688,632
Distribution	1,149,311	1,223,593	914,551	1,100,826
Planning & Engineering	668,927	543,568	429,805	437,272
Customer Service	1,704,500	1,159,144	977,081	597,353
Executive	180,822	166,770	128,414	160,916
Administrative & General	1,087,299	930,262	884,633	1,506,908
Payment to City of Kissimmee (2)	4,029,930	3,594,489	3,194,276	3,330,166
Depreciation	6,550,030	3,715,073	3,475,030	2,483,376
Finance (3)	800,194	545,257	841,912	188,066
Materials Management (4)	237,894	245,570	-	-
Personnel & Risk Management (3)	524,370	464,460	407,841	251,063
Total Operating Expenses	$45,824,073	$36,057,781	$29,955,411	$28,695,135

(1) Information separating Purchased Power from Other Power Generation was unobtainable for the year 1981.
(2) Payment to City of Kissimmee prior to 1986 was considered a non-operating expense.
(3) These departments were created during 1987.
(4) This department was created during 1989.

1986	1985	1984	1983	1982	1981
$34,794,795	$33,252,960	$26,029,118	$23,768,402	$18,797,493	$10,844,014
76,281	82,322	84,313	68,773	60,655	65,866
1,887	183,380	595,123	116,685	528,161	1,059,874
788,838	758,778	606,824	509,989	362,643	313,303
580,517	565,162	619,121	242,998	179,931	6,786,276
$36,242,318	$34,842,602	$27,934,499	$24,706,847	$19,928,883	$19,069,330

1986	1985	1984	1983	1982	1981
$785,795	$1,076,424	$797,136	$823,054	$518,277	$409,157
4,389,997	6,016,859	9,399,901	4,895,406	3,555,398	11,660,394
10,722,351	10,571,234	5,564,182	9,486,552	8,217,056	-
579,865	511,852	484,400	345,633	250,299	194,599
925,953	765,448	494,343	741,607	706,923	277,516
317,139	360,424	284,780	330,945	273,009	207,412
450,234	457,097	607,734	267,511	226,484	187,050
212,014	278,324	198,706	213,362	127,300	149,321
1,698,993	1,278,601	1,456,651	952,603	1,121,554	1,002,333
2,321,885	-	-	-	-	-
2,370,378	2,239,552	1,527,630	1,032,233	976,554	920,609
.	.	.	.	.	.
.	.	.	.	.	.
.	.	.	.	.	.
$24,774,604	$23,555,815	$20,815,463	$19,088,906	$15,972,854	$15,008,391

KISSIMMEE UTILITY AUTHORITY
CLIMATE
TABLE 2
Average Monthly Rainfall & Temperature
Kissimmee, Florida

	Rain (Inches)	Temperature (Degree F)
January	2.20	60
February	2.28	62
March	3.46	66
April	2.72	71
May	2.94	76
June	7.11	80
July	8.29	81
August	6.73	82
September	7.50	80
October	4.57	79
November	1.56	67
December	1.90	62
Annual Avg. Monthly	**4.27**	**72**

SOURCE: Kissimmee/Osceola County Chamber of Commerce

KISSIMMEE UTILITY AUTHORITY

TABLE 3

Demographics Statistics

POPULATION (1)

	1980	1985	1990	1995	2000
Kissimmee	15,487	22,929	32,449	41,369	49,568
Osceola County	49,287	77,374	105,244	126,000	145,500

AGE DISTRIBUTION AS OF 1980 CENSUS (2)

Age	Osceola County % Population	State of Florida % Population
0 - 14	21.3	18.8
15 - 44	41.9	42.3
45 - 64	21.4	20.8
65+	15.3	18.1

SOURCE: (1) City of Kissimmee Draft Comprehensive Plan (1990)
(2) 1989 Florida Statistical Abstract, Table 1.38

KISSIMMEE UTILITY AUTHORITY

TABLE 4

TEN HIGHEST METER LOCATIONS - ELECTRIC

Customer	Annual Consumption (MWH)
1. Weathashade Corporation	7,120
2. Kissimmee Memorial Hospital	5,641
3. Humana Hospital	4,695
4. Publix #351	4,135
5. Martin Brower	3,785
6. Osceola County Board	2,966
7. Publix #378	2,918
8. Larson Drainage System	2,797
9. Academy Housing, Inc.	2,558
10. Publix #228	2,547

SOURCE: Kissimmee Utility Authority, Budget & Audit Division

KISSIMMEE UTILITY AUTHORITY

TABLE 5

COMPARATIVE COST OF LIVING

County	Rank	Total	Food	Housing	Clothing	Trans-portation	Health, Recreation Services
Lake	(32)	94.73	102.22	89.71	94.10	96.05	96.63
Orange	(15)	98.30	100.87	94.79	99.11	102.51	98.75
Osceola	(23)	96.24	100.51	93.54	93.62	96.98	97.92

(100 = State Average)

SOURCE: Office of the Governor

KISSIMMEE UTILITY AUTHORITY

TABLE 6

Insurance

COMPANY	TYPE OF COVERAGE	DED./AGG. MAXIMUM
Florida League of Cities	General Liability	10M/ 1 Mil.
Florida League of Cities	Workers Compensation	$0/ FL. Stat.
Hartford Steam Boiler	Primary Property	10M/ Scheduled
Hartford Steam Boiler	Boiler & Machinery	Sched/ Sched
International Surplus	Public Officials Liab.	$25,000/ 1 Mil.
Aetna Insurance	Fiduciary Liability	$250,000 Max
The Hartford	Public Official Bond	$250,000 Max
The Hartford	Fidelity & Crime	$250,000
Hartford Steam Boiler	Data Processing	Scheduled
Humana	PPO	$200 - 80/ 20
Humana	HMO	$5/25 CO Pay
Prudential Insurance Co.	Life and AD&D Insurance	Scheduled by Salary

SOURCE: Kissimmee Utility Authority, Personnel Department

KISSIMMEE UTILITY AUTHORITY

TABLE 7

Percentage Employment Growth
(average annual percentage change)

Area	1969 - 1973 Growth	Rank	1973 - 1979 Growth	Rank	1979 - 1981 Growth	Rank	1981 - 1988 Growth	Rank	1988 - 2000* Growth	Rate
Orlando	11.23	4	3.43	10	5.93	8	7.34	2	3.23	6
Tampa	8.98	10	3.56	9	5.56	10	5.05	11	2.52	13
Jacksonville	4.57	19	2.23	20	2.85	19	4.47	13	2.51	14
Lakeland	7.13	15	3.76	8	5.24	12	2.59	19	2.21	16
Tallahassee	9.01	9	2.31	18	3.97	17	4.05	16	2.21	17
Miami	5.64	17	2.25	19	4.17	15	1.93	20	1.44	20

Absolute Employment Growth
(average annual number of jobs)

Area	1969 - 1973 Growth	Rank	1973 - 1979 Growth	Rank	1979 - 1981 Growth	Rank	1981 - 1988 Growth	Rank	1988 - 2000* Growth	Rate
Orlando	19,303	4	8,329	5	16,663	4	28,081	2	19,475	2
Tampa	31,192	1	16,713	1	30,250	1	34,651	1	24,124	1
Jacksonville	10,178	5	5,864	6	8,220	6	15,388	5	11,804	6
Lakeland	5,437	7	3,736	7	6,063	7	3,499	14	3,731	10
Tallahassee	5,063	8	1,698	15	3,217	15	3,930	11	2,832	15
Miami	29,701	2	14,380	2	29,321	2	15,335	6	13,338	4

* = Forecast

SOURCE: University of Florida, Bureau of Economics and Business Research, Economic Leaflet, November, 1989.

KISSIMMEE UTILITY AUTHORITY

TABLE 8

Osceola County Indicators

Indicator	1970	1980	1985	1986	1987	1988
Population	25,267	49,287	77,374	82,554	87,556	94,041
Birth Rate (per 1,000 pop)	16.5	14.2	14.9	15.8	15.5	15.7
Death Rate (per 1,000 pop)	15.4	11.5	9.0	8.2	8.8	9.2
School Enrollment	5,413	8,744	11,435	12,228	13,221	14,488
Social Security Beneficiaries	5,939	11,211	13,624	14,020	15,037	16,300
Active Residential Electric Meters	10,206	20,552	31,593	34,262	37,179	40,049
Phone Connections Residential	7,194	17,893	27,805	30,333	33,144	33,931
Phone Connections Commercial	1,237	3,780	7,354	7,594	8,926	9,168
Building Permits Issued	896	2,131	2,206	3,352	3,472	5,574
Unemployment Rate (% Unadjusted)	n/a	6.8	6.5	4.8	4.7	4.3
Personal Income (in $1,000,000)	76.6	336.2	1,042.1	1,183.4	1,325.6	n/a
Time Deposits in $1,000,000)	9.34	84.09	213.78	238.55	324.91	377.74
Demand Deposits (in $1,000,000)	14.44	54.49	81.61	93.89	126.27	150.93
Retail Sales (in $1,000,000)	57.8	736.8	997.4	1,252.0	1,653.1	1,858.5
Gasoline Sales (Mil. of Gals.)	21.0	34.3	51.5	52.7	60.9	65.9

SOURCE: East Central Florida Regional Planning Council - Perspective on Region Growth 1989-1993

KISSIMMEE UTILITY AUTHORITY

TABLE 9

Osceola County Growth

	1988	1989	1990	1991	1992	1993
Employment (000's)	32.1	33.8	36.5	39.2	41.1	44.1
Growth	2.9	1.7	2.8	2.6	1.9	3.0
% Change	10.0	5.3	8.2	7.2	4.8	7.4
Income ($ bils.)	1.4	1.6	1.7	1.9	2.1	2.4
% Change	13.0	10.3	10.4	11.4	9.8	13.4
Unemployment (%)	4.4	5.3	5.1	5.3	5.9	5.2
Total Starts	4,152	3,668	3,299	3,182	2,408	3,328
Single	2,517	2,185	2,051	1,980	1,505	1,925
Multi	1,635	1,483	1,248	1,202	903	1,403
Total Com'l ($ mils.)	58	55	49	77	41	130
Bank Dep ($ bils.)	0.5	0.6	0.6	0.6	0.7	0.7

SOURCE: Economic Development Commission of Mid-Florida, Inc.

CITY OF KISSIMMEE
KISSIMMEE UTILITY AUTHORITY
TABLE 10
General Employee Retirement Plan
(Numbers represented in thousands)

Plan Year	(1) Net Assets Available For Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1)\(2)	(4) Unfunded Pension Benefit Obligation (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4)\(5)
1989	$12,173	$9,593	126.9%	$(2,580)	$7,505	(34.4%)
1988	$ 9,575	$8,369	114.4%	$(1,206)	$6,589	(18.3%)
1987	$ 8,322	$7,347	113.3%	$ (975)	$5,779	(16.9%)
*						

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

*For Plan Years 1986 - 1980 the Pension Benefit Obligation was not calculated by the Actuary. Government Accounting Standards Board (GASB) Statement #5, which was issued in November 1986, required this disclosure for subsequent years.

SOURCE: City of Kissimmee\Kissimmee Utility Authority Actuary Study

KISSIMMEE UTILITY AUTHORITY

TABLE 11

Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Income Available for Debt Service	Debt Service Requirement	Debt Service Coverage
1990	29,242,873	8,671,481	3.37
1989	25,913,099	8,673,567	2.99
1988	22,770,270	8,570,081	2.66
1987	22,466,832	7,435,601	3.02
1986	19,222,388	7,514,756	2.56
1985	17,247,198	7,286,426	2.37
1984	10,371,803	5,901,623	1.76
1983	8,558,790	6,032,412	1.42
1982	6,100,068	3,932,798	1.55
1981	5,687,263	1,540,834	3.69

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City of Tallahassee, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For The Fiscal Year Ended September 30, 1990

"Florida's Capital City"—Serving all Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF TALLAHASSEE, FLORIDA

FOR THE

Fiscal Year Ended September 30, 1990



PREPARED BY THE

Department of Finance

CITY OF TALLAHASSEE, FLORIDA

COMMISSION—MANAGER FORM OF GOVERNMENT

CITY COMMISSION

STEVE MEISBURG, Mayor

DEBBIE LIGHTSEY, Mayor Pro Tem

DOROTHY INMAN-CREWS, Commissioner

JACK L. McLEAN, JR., Commissioner

BOB HIGHTOWER, Commissioner

CITY MANAGER

Daniel A. Kleman

CITY ATTORNEY

James R. English

CITY TREASURER—CLERK

Robert B. Inzer

CITY AUDITOR

Ricardo Fernandez, CPA

DIRECTOR OF FINANCE

Philip F. Inglese, CPA

CONTROLLER

Johnny F. Session, CPA

INTRODUCTORY SECTION

CITY OF TALLAHASSEE, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 1990

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CITY OF TALLAHASSEE, FLORIDA

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CITY OF TALLAHASSEE

CITY HALL
TALLAHASSEE, FL
32301-1731
904/599-8100

STEVE MEISBURG
Mayor/Commissioner
DEBBIE LIGHTSEY
Mayor Pro tem/
Commissioner
BOB HIGHTOWER
Commissioner
DOROTHY INMAN
Commissioner
JACK L. McLEAN, JR.
Commissioner
DANIEL A. KLEMAN
City Manager
ROBERT B. INZER
City Treasurer-Clerk
JAMES R. ENGLISH
City Attorney
RICARDO FERNANDEZ
City Auditor

February 8, 1991

The Honorable Mayor and
Members of the City Commission
City of Tallahassee, Florida

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Tallahassee, Florida, for the fiscal year ended September 30, 1990, is submitted herewith pursuant to Florida Statutes, Chapter 11, Section 45, and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. The Comprehensive Annual Financial Report was compiled by the staff of the Finance Department, with close cooperation of the external auditors, and represents the official report of the City financial operations and condition to the citizens, City Commission, management personnel of the City, rating agencies, and other interested persons. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The Comprehensive Annual Financial Report is designed to meet the needs of a broad spectrum of readers and is presented in three sections: introductory, financial, and statistical. The introductory section includes the table of contents, this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting awarded to the City by the Government Finance Officers Association, and the City organization chart. The financial section includes the general purpose financial statements, the combining and individual fund and account group financial statements and schedules, and the independent auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The Reporting Entity

The City of Tallahassee was incorporated in 1825, twenty years before Florida was admitted to the Union. In 1919, Tallahassee was granted a new City Charter by the State Legislature authorizing our present Commission-Manager form of government.

This report includes all funds, account groups, organizations, authorities, and agencies that are controlled by or dependent upon the City, as determined on the basis of budgetary oversight, taxing authority, or the City's obligation to fund any deficits that may occur. The City provides a full range of municipal services. These services include public safety (police and fire), construction and maintenance of streets and sidewalks, stormwater management, solid waste collection, recreation, public improvements, planning and zoning, general administrative services, four utilities (electric, gas, water, and sewer), a mass transit bus system, and a regional airport.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other enterprises are maintained on the accrual basis. Budgetary control is maintained at the department level. Purchase orders which would result in an overrun of balances are not released until additional appropriations are made available. Open encumbrances are reported as reservations of fund balance at September 30, 1990. In developing and altering the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss for unauthorized use or disposition; and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgements by management.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City's Auditing Department reviews and appraises the soundness, adequacy, and application of accounting, financial, and administrative controls in the City's accounting system. Financial transactions and related data are examined for accuracy, completeness, and authorization. Data processing applications and systems are addressed by the internal auditors at appropriate times to assess the adequacy and accuracy of controls. Also, computerized applications are reviewed to determine that they have been developed according to the policies, procedures, standards, and guidelines of the City.

General Governmental Functions

The General Fund encompasses the general governmental functions of the City not required to be accounted for in other funds. The following summary shows actual revenue to support these functions for the current fiscal year and the change from the prior fiscal year:

Financing Sources	Amount	Percent Of Total	Increase (Decrease) From 1989
Taxes	$25,691,900	32.2	$ 6,671,300
Licenses & Permits	1,426,000	1.8	16,200
Intergovernmental Revenues	9,666,700	12.1	340,100
Charges for Services	6,506,200	8.1	318,300
Fines & Forfeits	1,269,900	1.6	282,900
Miscellaneous	1,343,800	1.7	436,500
SUB-TOTAL	45,904,500	57.5	8,065,300
Transfers In	33,969,600	42.5	3,723,000
TOTAL	$79,874,100	100.0	$11,788,300

The City's principal sources of local tax revenues are property taxes, public service taxes, and the local option gas and sales taxes. In fiscal years 1990 and 1989, the City's property tax, all of which is for operating purposes, was 2.900 mills. The related property values subject to taxes showed growth of 7.9 percent, representing $200.7 million in added taxable property. This increase continues the trend of growth as a result of increased property values in existing

properties and new construction. Taxable assessed values have increased by $700 million over the last five years. Collection of property taxes increased by $651,500 over 1989 to $7,758,800.

Public service taxes are levied at the maximum allowable State rate of 10 percent on telephone, electric, water, and natural and bottled gas, and four cents per gallon on fuel oil services within the City. In 1990, total revenue from this tax reflected an increase of $751,300, equivalent to 9.3 percent over 1989. This growth is attributed to increased utility sales.

According to Florida Statutes, Chapter 336, a county may impose a one to six cents local option gas tax upon every gallon of motor fuel and special fuel sold within the county. In June, 1985, Leon County and the City entered into an interlocal agreement whereby a levy of four cents was approved and is to be split on an equal 50-50 percentage basis. In June, 1987, the levy was increased by an additional two cents. The tax is due to expire September 30, 1996 unless the voters, by referendum, approve an extension. The tax can be used only for transportation purposes. During 1990, the City collected $3,271,500, as compared to $3,054,700 in 1989.

The local option sales tax is the remaining major source of local tax revenue. On September 19, 1989, Leon County voters, in accordance with Florida Statutes, Chapter 212.055, approved in referendum the implementation of a one percent tax on all transactions subject to the state sales tax. The tax is to be split between the City and Leon County based upon the distribution as provided in the Florida Statutes. The tax began on December 1, 1989 and will expire November 30, 2004. The proceeds of the tax may be expended only on infrastructure, defined as any fixed capital expenditure or fixed capital costs associated with the construction, reconstruction or improvement of public facilities which have a life expectancy of five or more years and any land acquisition, land improvement, design and engineering costs related thereto. The City will utilize these funds to fund City roads, advance fund state road projects, and to provide expansion of the City Police Station. During 1990, the City collected $4,954,500.

The following summary shows the level of funds used in providing governmental services:

Financing Use	Amount	Percent Of Total	Increase From 1989
Expenditures:			
General Government	$ 9,377,200	11.8	$ 1,341,700
Public Safety	28,999,700	36.4	1,583,500
Transportation	7,999,000	10.0	1,287,900
Human Services	1,222,900	1.5	114,000
Economic Environment	502,200	.6	67,800
Physical Environment	1,691,300	2.1	407,900
Culture & Recreation	5,411,800	6.8	604,900
SUB-TOTAL	55,204,100	69.2	5,405,700
Transfers Out	24,597,800	30.8	5,238,800
TOTAL USES	$79,801,900	100.0	$10,644,500

The overall increase in expenditures for governmental services is generally attributable to inflation and meeting the demands of growth in the community. Specific increases were general government expenditures which increased $1,341,700 or 16.7 percent, transportation expenditures which increased $1,287,900 or 19.2 percent, and transfers out which increased $5,238,800 or 27.1 percent. The increase in general government expenditures is primarily attributable to costs associated with the Comprehensive Plan, as discussed in more depth in the Perspectives section of this letter. Increases in transportation expenditures are due to the City's continuing emphasis in upgrading and maintaining the City's road and street infrastructure, and the increase in transfers out is attributable to the collection of the newly implemented local option sales tax whereby sales tax revenues were collected in the General Fund and subsequently transferred to the Sales Tax Construction Fund.

The preceding schedules of Financing Sources and Uses reflect significant Transfers In and Out. Transfers In primarily represent excess enterprise fund revenues which may legally be used for general governmental purposes. Transfers Out are primarily used for debt service, underwriting the operations of certain funds, and capital projects. The General Fund acts as a clearing fund and accordingly utilizes these funds or transfers them to other funds for their respective purposes. The City Commission adopted a financing policy that addressed the transfer of monies from the enterprise funds to the General Fund. The amount transferred is limited to the policy established for each enterprise fund. Included in the Transfers Out is $12,893,400 to internally fund capital projects, which otherwise would have to be bonded. This internal funding is in accordance with the City Commission approved Debt Management Policy.

In 1990, General Fund sources were $72,200 over General Fund uses. At September 30, 1990, the fund balance of the General Fund consists of $6,098,300, with $3,621,000 reserved and $2,477,300 unreserved.

Certain revenues of the General Fund are pledged toward the repayment of the outstanding Capital Refunding Bonds, Series 1984 and Capital Bonds, Series 1989. Coverage information is as follows:

	1990	1989
Pledged Revenues	$14,802,600	$13,889,400
Bond Service Requirement	5,054,400	3,635,000
Debt Coverage	2.93	3.82
Required Coverage	1.25	1.25

Special Revenue Funds

Special revenue funds account for revenue from special revenue sources which are legally restricted for specific purposes. The combined fund balances of these funds amount to $3,841,600, and the following represents an analysis of sources and uses in the special revenue funds for 1990.

Fund	Sources	Uses	Change in Fund Balances	Sept. 30, 1990 Fund Balances
Special Projects Fund	$2,653,400	$2,653,500	$ (100)	$2,217,400
Stormwater Management Fund	2,738,200	2,473,800	264,400	1,383,300
Law Enforcement Forfeiture Fund	130,800	85,500	45,300	240,900
TOTAL	$5,522,400	$5,212,800	$309,600	$3,841,600

The Special Projects Fund is used to account for Federal, State, local and other revenues that are to be used for specific general governmental purposes. The major revenue source in this fund was the Federally funded Community Development Block Grant program which provided $1,329,400 to the City during 1990.

The Stormwater Management Fund was established to account for fees restricted for stormwater operating and capital costs. The ordinance establishing the fee became effective October 1, 1986 and the total revenues, including interest earnings, collected for fiscal year 1990 were $2,284,400; the balance of the uses was funded by a subsidy from the General Fund.

The Law Enforcement Forfeiture Fund was established to account for forfeitures as prescribed by Chapter 932 of the Florida Statutes. Appropriations from this fund can be made only for law enforcement purposes.

Capital Projects Funds

Capital Projects Funds are used to account for proceeds from general revenue bond issues, sales and gas tax collections, transportation impact fee collections, and internally generated funds used to acquire or construct major capital facilities.

At the end of the fiscal year, completed projects, except for infrastructure assets, are capitalized in the General Fixed Assets Account Group. During 1990, a net amount of $7,188,400 of such assets was added to General Fixed Assets. As of September 30, 1990, there were projects with an authorized amount of $34,518,000, with $24,011,800 expended, in progress.

Enterprise Funds

Enterprise funds are those that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the cost of providing goods and services on a continuing basis be financed through user charges or where the governmental body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, budget policy, management control, accountability, or other purposes. The City accounts for its Electric, Gas, Water, Sewer, Airport, Transit, Solid Waste, Golf Course, and Forest Meadows Funds as enterprise operations. These funds are primarily supported by user charges. Net income as used in these funds is a defined accounting term; it is different from budgetary income in that depreciation and transfers have been deducted but not bond principal payments, contributions to required reserve accounts, or capital outlay.

Comparative data for the last two fiscal years for the Electric Fund are presented below:

	1990	1989
Operating Revenues	$139,396,900	$131,622,700
Net Income	14,701,800	21,101,800
Amount Available for Debt Service	67,629,500	66,095,500
Debt Service	10,803,100	14,028,900
Debt Coverage	6.26	4.71
Required Coverage	1.40	1.40

Electric Fund operating revenues increased by $8.1 million over 1989, due to an increase in consumption of 165,471 megawatts (9.4 percent) attributable to increased consumption in 1990 by both commercial and residential customers due to inclement weather compared to 1989. Net income decreased by $6,400,000 due to increases in depreciation, decreases in non-operating revenues and the increase in the transfer to other funds. For the fiscal year 1990, growth plus interest earnings exceeding estimates by $3.7 million, sales to other utilities exceeding estimates by $5.2 million and debt service savings of $1.7 million due to debt not being issued contributed to surplus funds of $10.1 million more than was required to operate the system. In accordance with the City's Financing Policy, the City rebated $3.6 million to the City's electric customers. The remaining $6.5 million will be kept in the electric system to offset future operating increases.

The City of Tallahassee maintains separate funds for its gas, water, and sewer operations. However, the outstanding bonds are principally Municipal Utility Revenue Bonds secured by the revenues of the combined operations of these funds; this combined operation is referred to as the

Municipal Utility System. Therefore, it is reasonable to show certain combined data for the last two fiscal years as presented below:

	1990	1989
Operating Revenues	$36,874,400	$33,388,900
Net Income	9,340,900	11,793,800
Amount Available for Debt Service	10,844,600	12,589,000
Debt Service	2,513,900	2,513,000
Debt Coverage	4.31	5.01
Required Coverage	1.25	1.25

For the combined system, operating revenues increased by $3.5 million over 1989 due to an increase in gas consumption of 129 million cubic feet (9.8 percent) due to the cold winter and growth, and an increase in water consumption of 522.1 million gallons (63 percent) due to the dry summer and growth. Net income decreased by $2.5 million due to increases in depreciation and decreases in non-operating revenues.

Comparative data for the Airport Fund follows.

	1990	1989
Operating Revenues	$6,339,200	$4,896,200
Net Income	247,700	1,084,700
Amount Available for Debt Service	2,583,400	1,061,600
Debt Service	939,700	454,700
Debt Coverage	2.75	2.33
Required Coverage	1.25	1.25

During fiscal year 1990, the new terminal was placed into operation. As a result of this, operating revenues increased due to the implementation of the Airline Use Agreements. Under the terms of the agreements, the Signatory Airlines are responsible for the payment of rentals sufficient to pay for their proportionate share of the terminal and the airfield. Any excess funds not required for payments or deposits to reserves are to be applied to the Prepaid Fees Credit (60 percent), the Signatory Airline Capital Account (10 percent), and the Airport System Capital Account (30 percent). During fiscal year 1990, the Airport Fund generated $1,442,800 of excess funds. Activity at the Airport, as demonstrated by enplanements, increased from 431,689 in 1989 to 456,607 in 1990, or 24,918 (5.7 percent).

The Tallahassee Transit Fund accounts for the City-owned bus system. The capital assets of the system were primarily funded through Federal grants from the Urban Mass Transportation Administration (UMTA). Additionally, each year the operating loss, exclusive of depreciation and capital purchases, has been partially funded by a Section IX operating grant from UMTA. The loss before Operating Transfers increased from $2,501,200 in 1989 to $2,971,300 in 1990, or $470,100.

In the Golf Course Fund, the loss before operating transfers increased from $287,500 in 1989 to $296,100 in 1990, or $8,600. The General Fund subsidized the Golf Course Fund in the amount of $464,100 resulting in net income of $168,000. Golf rounds increased from 74,193 in 1989 to 82,747 in 1990, or 8,554.

The Solid Waste Fund had an operating loss of $4,500 in 1990 compared to $811,700 in 1989. The General Fund subsidized the Solid Waste Fund in the amount of $85,300, resulting in net income of $83,400. The increase in net income is attributable to the policy of raising residential sanitation rates $1.00 per month each fiscal year until full cost recovery is achieved.

The Forest Meadows (tennis and athletic facility) Fund had an operating loss of $122,500 in 1990 compared to $54,200 in 1989. The General Fund subsidized Forest Meadows in the amount of $286,100, resulting in net income of $56,100.

Internal Service Funds

Internal service funds are established to account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit on a cost-reimbursement basis. The City of Tallahassee accounted for its Reading, Billing, and Collection activities, Data Processing, Accounting, Central Stores, Purchasing, Garage, Human Resources, Pension Administration, Risk Management, Employee Healthcare, and Communications activities as internal service funds in 1990. The expenses associated with these funds are billed to other City departments through allocation methodologies deemed reasonable for each activity.

Fiduciary Funds

Fiduciary funds are established to account for assets held by the City in a trustee or agent capacity for individuals, private organizations, other governmental units, and/or other funds.

Pension Trust Funds - The City maintains a retirement plan for its employees which covers police officers, firefighters, and general employees. Benefits vary depending on the particular membership in the plan. The City is responsible for funding liabilities of the plan based upon actuarial valuations. Employees participate in both a defined benefit article and a defined contribution article. At September 30, 1990, the City's pension plan had total assets of $210,019,400. In order to obtain the highest possible yield on pension assets, substantially all of the assets are managed via contracts with private investment companies. Further details concerning pension expenses, vested benefits, and actuarial assumptions are included in the notes to the financial statements.

Expendable Trust Funds - Expendable trust funds consist of the Downtown Improvement Authority Fund (used to account for monies appropriated by the Downtown Improvement Authority to regulate downtown growth); the Special Capital Projects Fund (used to provide a means for financing long-term capital projects while minimizing the impact on the City's operating budget); and the Deficiencies and Emergencies Fund (used to provide for unforeseen expenditures of an emergency nature). These funds have total assets of $18,584,400 at September 30, 1990.

Nonexpendable Trust Fund - The Cemetery Perpetual Care Trust Fund was established pursuant to Commission action to provide for the perpetual maintenance of the City's cemeteries. This fund had total assets of $2,769,100 at September 30, 1990.

Agency Fund - The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The City has chosen to have this plan administered by the International City Management Association Retirement Corporation. This fund had total assets of $4,649,000 at September 30, 1990.

General Fixed Asset Account Group

The general fixed assets of the City are those assets used in the performance of general governmental functions and exclude the fixed assets of the Enterprise and Internal Service Funds. Governmental accounting dictates that these assets be accounted for separately from the General Fund since they do not represent financial resources available for expenditure. In accordance with generally accepted accounting principles, the City of Tallahassee does not record depreciation in the General Fixed Assets Group of Accounts. The City of Tallahassee has $83,643,700 of general fixed assets which were acquired from General Fund revenues, bonds, and gifts. As allowed by generally accepted accounting principles for local governments, roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the governmental unit are not recorded as general fixed assets.

Debt Administration

The City's outstanding debt is classified and reported according to the type of resource pledged to satisfy the individual debt series.

General long-term debt consists of bonds supported by general revenues that are obligations of the City as a whole and not of its individual funds. The City has no general obligation debt (debt secured by ad valorem taxes) outstanding. At September 30, 1990, the City has outstanding $41,330,000 of Capital Revenue and Refunding Bonds with $13,141,700 available for debt service.

Enterprise debt encompasses electric, gas, water, sewer, and airport long-term debt and is comprised of obligations incurred in the course of financing extensions and improvements to these systems that are financed solely from their revenues. At September 30, 1990, the City has outstanding $99,465,300 of Electric Revenue Bonds with $14,804,500 available for debt service, $20,220,000 of bonds secured by gas, water, and sewer systems with $2,594,300 available for debt service, and $12,350,000 Airport Revenue Bonds with $1,199,700 available for debt service.

Ratings for the City's bonds are assigned by independent nationally recognized agencies. These ratings have a significant influence in establishing the rate of interest expense the City must pay when bonds are sold. Such "credit" ratings for the City of Tallahassee's debt have been consistently judged to be of good investment quality. Current ratings by the two major ratings agencies are shown below for each series of long-term bonded debt:

Bonds	Moody's	Standard & Poor's
Capital Revenue Bonds	A1	A+
Capital Refunding Bonds	A1	AAA
Electric Junior Lien Refunding Revenue Bonds	A1	AA
Municipal Utility Revenue Bonds	A1	A+
Airport System Revenue Bonds	Aaa	AAA

All reserve and coverage requirements mandated by bond covenants have been met.

Cash Management Program

The City's banking service agreement calls for the bank, on a daily basis, to invest all monies in the City's demand accounts in an overnight repurchase agreement at the Federal Funds rate. Earnings directly attributable to our banking services agreement for fiscal year 1990 are $382,100.

The City Charter relative to investment of City funds provides for the adoption of an investment policy. In connection with the City Charter, the City Commission adopted an investment policy which provides a wide range of securities from which to choose, including U.S. Treasury Securities, bankers' acceptances, commercial paper, various government agencies and sponsored corporations, certificates of deposit, open and term repurchase agreements, and corporate fixed income securities. These instruments provide great flexibility and diversity, as well as a high return on investments. The policy also establishes restrictions that require diversification of investment types and issuers, liquidity and maturity provisions, and standards for rating security issuers.

These policies enable the City's investment program to be in step with other innovative municipal investment operations and provides the mechanism for keeping our policies current with the ever changing investment environment. The result of these investment policies was that the City's general investment portfolio achieved an 9.12 percent effective yield during fiscal year 1990.

Risk Management

All insurance except health is administered through the Risk Management Program. A major portion of the insurance program involves self-insurance which is provided for through an internal service fund. The City is currently self-insured in the areas of workers' compensation, general liability, police professional liability, and automobile liability. Premiums in excess of claims charged to the various operating funds have been retained in the fund to provide for stability and protection against catastrophic losses in accordance with the City's Financing Policy. It is the City's policy to record incurred-but-not-reported claims as expenses.

Perspectives

The economy of Tallahassee is strongly oriented toward governmental and educational activities. The remainder of the demand for labor is almost equally divided into those industry groups that support urban populations and governmental affairs. The level of governmental employment has a stabilizing effect on the economy and helps to keep unemployment down. Of the work force, 3.9 percent were unemployed in 1990. The percentage of employees employed by government has leveled off at approximately 43 percent of the work force.

The City is attempting to reduce its dependence on electric revenue for general governmental operations. There are areas in general government expenditures, specifically transportation and public safety, that are creating pressure on the general government dollar.

During its 1985 session, the State Legislature passed the Growth Management Act which requires the State and local governments to develop five-year comprehensive plans addressing growth related issues for the particular political division. The State requires each unit of local government's plan to effectively co-exist (city with county, city and county with regional planning council, etc.) to ensure that adequate attention is being placed on the infrastructure needs of the State.

The City's plan was adopted and forwarded to the State on July 16, 1990. Amendments to the plan based upon the State's review have been approved by the City Commission and will be forwarded to the State for their review by March 1991. The State has 60 days to comment and, once approved by the State and adopted by the City, the plan will be a legally binding document that will have a high level of specificity and will identify the City's goals, objectives, and policies. It will identify needs, facilities, levels of service, and amounts and sources of revenues needed to meet the adopted levels of services. Once in place, all development decisions and approvals must be consistent with the plan. The alternative is a mandatory moratorium on the issuance of new building permits.

The City continues to aggressively seek new revenues through a number of approaches while continuing to address the whole spectrum of economy in government. The City has moved to increase user fees in many areas that fall under the City's purview. The economic pressure from reduced Federal contributions and reduced reliance on utility revenue support has led to an aggressive cost recovery approach for the general governmental activities. Fees have risen to approach costs in many activities.

In the area of economic development, an aggressive effort by the City is underway. Significant achievements in this area follow:

- The City has, for the last several years, pursued a public/private venture to develop a mixed use project (government facility, hotel, public parking garage, and other commercial ventures.) Due to changing economic conditions, the build-out of the City's downtown mixed use project has changed. The current emphasis on the project is to develop, at a minimum, a parking facility, a city hall annex, an office building, a public plaza, and downtown retail stores. Other potential project elements, such as hotel, museum, arena, are to be explored at a later date.

- The City, with the assistance of a grant from the State of Florida Division of Cultural Affairs, is currently evaluating the feasibility of establishing, either individually or collectively, a visual arts museum, a science center, or a performing arts center.

Certain events that occurred during 1990 affected or will affect the City's electric system, as follows:

- On August 1, 1990, the Electric Department implemented its "Open Access" to markets transportation program of natural gas. This was possible after the Federal Energy Regulatory Commission (FERC), following many years of related proceedings, approved a service restructuring and "Open Access" settlement proposal of Florida Gas Transmission Company (FGT). "Open Access" allows the City to achieve substantial savings by buying the gas directly from suppliers at the wellhead instead from the pipeline (FGT). It is estimated that the Electric Department saved $4.5 million in the cost of natural gas for the City's power plants during the first six months of the "Open Access" implementation program. The City has already obtained contractual arrangements and regulatory approvals toward further securing low cost supplies of natural gas. Also, programs of an aggregate utility fuel supply on a Citywide basis for the Electric and Gas Utilities are currently developed for implementation in FY 1992. These programs could not be implemented previously due to unfavorable market conditions as well as lack of statutory authority and regulatory support. Fuel cost reductions resulting from the City's "Open Access" programs and the planned aggregate utility fuels supply systems are passed on to the City's electric and gas customers through the fuel and purchase gas adjustments.

- The Florida State University's (FSU) Selection Committee for its cogeneration project completed its ranking of the three proposals during the fourth quarter of fiscal year 1988.

The number one ranked proposal was the partnership arrangement between Foster Wheeler Corporation, the City of Tallahassee and Ruston Turbine. The City's participation in the project would provide partial recovery of the anticipated revenue lost by the installation of cogeneration at FSU. FSU is continuing to evaluate the economic value of the project.

- In 1986, the City submitted a proposal to the U. S. Department of Energy (DOE) in response to a Clean Coal Technology program solicitation. The proposal involved the conversion of the boiler at Hopkins Unit 2 from gas/oil to fluidized-bed coal operation. In June 1989, the City was notified by DOE that the Hopkins conversion project had been selected for negotiation. The negotiations were concluded in November 1990 and the project is presently in Phase I-A. This phase involves preliminary design and permitting activities. The City Commission will decide in April 1991 whether or not to proceed to subsequent phases.

  The total projected direct construction cost is $253 million, with DOE participating in the form of a non-interest bearing loan in the amount of $75 million. The loan is to be repaid out of the savings recognized by the City through the utilization of the new technology.

- The City is also involved as the host utility in another DOE Clean Coal Technology project. The project, proposed by ORSS Capital, Inc. and TECO Power Services, involves an integrated gassifier combined cycle plant which could be located at the City's Hopkins generation station. This facility would burn coal to produce a gas which is used to drive the combined cycle unit, and is potentially the cleanest coal combustion technology available. The project has been approved by DOE and the City is presently evaluating the feasibility of participating in the project as a purchaser of energy under a power sales agreement with the developers.

- The City has Interchange Service Contracts with the Cities of Starke, Vero Beach, Homestead, Lakeland, and Lake Worth; Utility Board of Key West; Kissimmee Utility Authority; Utility Commission of New Smyrna Beach; and the Orlando Utilities Commission. These contracts include service schedules for the purchases and sales of emergency, short term firm, economy, long term firm, backup and extended economy service.

- During FY 90, the City's backup service schedule with Seminole Electric Cooperative produced total sales revenues of $2,524,200 from Seminole, and associated expenses incurred by the Electric Department to produce energy sales to Seminole was $1,183,000 (the cost of fuel). The results of sales (46,243,000 kwh) to Seminole were net revenues of $1,341,200 for the year.

- On October 30, 1988, the City's territorial agreement with Talquin Electric Cooperative expired after approximately two years of unsuccessful negotiations. During FY 89, the City was involved in Circuit Court proceedings and extensive Florida Public Service Commission proceedings attempting to preserve the City's right to serve electrical customers within the City of Tallahassee urban area. Concurrently with the Florida Public Service Commission litigation preparation, the City was successful in negotiating an acceptable agreement with Talquin which provided for two fixed geographic zones, a term of 30 years and purchase by the City of all Talquin facilities within the City's zone based on a fixed 15-year schedule. Furthermore, the agreement provides for voluntary transfer of existing customers who will be purchased at a rate subject to a declining multiplier for the first 15 years of the agreement, new customers at existing service locations will be transferred on a voluntary basis during the first 15 years of the agreement and automatically transferred during the second 15 years of the agreement and cross billing between the utilities for customers served on the other's behalf. The Florida Public Service Commission approved the agreement on February 7, 1990.

The City Commission received the Sewer Master Plan in the summer of 1988 that outlined the major sewer improvements needed through the year 2010. The major capital costs, approximately $65 million is to be funded through the issuance of debt. The City Commission has been reviewing the Capital Improvement Program and has had staff push projects out as far as possible in time to lessen the impact to the rate payer.

A rate study is in progress that is expected to be delivered to the City Commission in April 1991. The rate consultant and staff will again be reviewing the Capital Program and trying to provide solutions to the City Commission in the rate study that will lessen costs to the rate payer.

During the 1988 legislative session, the Florida Legislature passed the Solid Waste Management Act. The Act has numerous provisions, with required implementation dates, which will have a significant impact on waste collection within the City. The Act will require, among other things, the initiation of a recycling program and a required reduction in the amount and type of waste allowed to be placed in landfills. The result of the Act will be to increase costs associated with collection and disposal. During fiscal year 90, a voluntary residential recycling program was implemented. Other measures to reduce the City's waste stream, including voluntary multifamily recycling and commercial recycling, will be implemented in future years.

Stormwater management continues to be a concern for the City. In order to address this concern, the City previously implemented a stormwater utility fee as a means of financing stormwater operations and improvements; is currently performing a mapping of City-wide stormwater facilities; and, in conjunction with Leon County, entered into a contract with the Northwest Florida Water Management District to have a comprehensive Stormwater Management Plan developed. When developed, the plan will provide the City and County with a hydrological model for the City's major lakes and a prioritized list of stormwater capital needs.

Under the Florida Constitution, the State Legislature is the body responsible for determining the taxing authority that units of local government may have. As indicated earlier, the Legislature has passed some legislation providing the means for raising the necessary dollars at the local level. However, as more and more of the problems of local government and State and Federal mandates have to be financed locally, the Legislature will have to continue to provide the means necessary to raise the required revenues.

Independent Audit

The Florida Statutes and the City's Bond Resolutions require an annual audit of the books of account and financial records of the City by independent certified public accountants selected by the City Commission. This requirement has been complied with and the auditors' opinion has been included in this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tallahassee, Florida for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 1989.

In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City received the GFOA's Award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning October 1, 1989. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, operations guidance, financial planning and communications.

In 1989, the City received the GFOA's Award for Excellence in Financial Management for Portfolio Management: Policy, Performance and Evaluation. The award is presented to those organizations whose financial management systems and procedures are judged the winners in international competition in a specific financial discipline (cash management). This award is not given every year in a discipline if no submission is judged worthy of recognition.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department, in particular the members of the Accounting Division who actually compiled the report. We would also like to thank the members of the City Commission for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Philip F. Inglese, C.P.A.
Director of Finance

Daniel A. Kleman
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Tallahassee, Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 1989

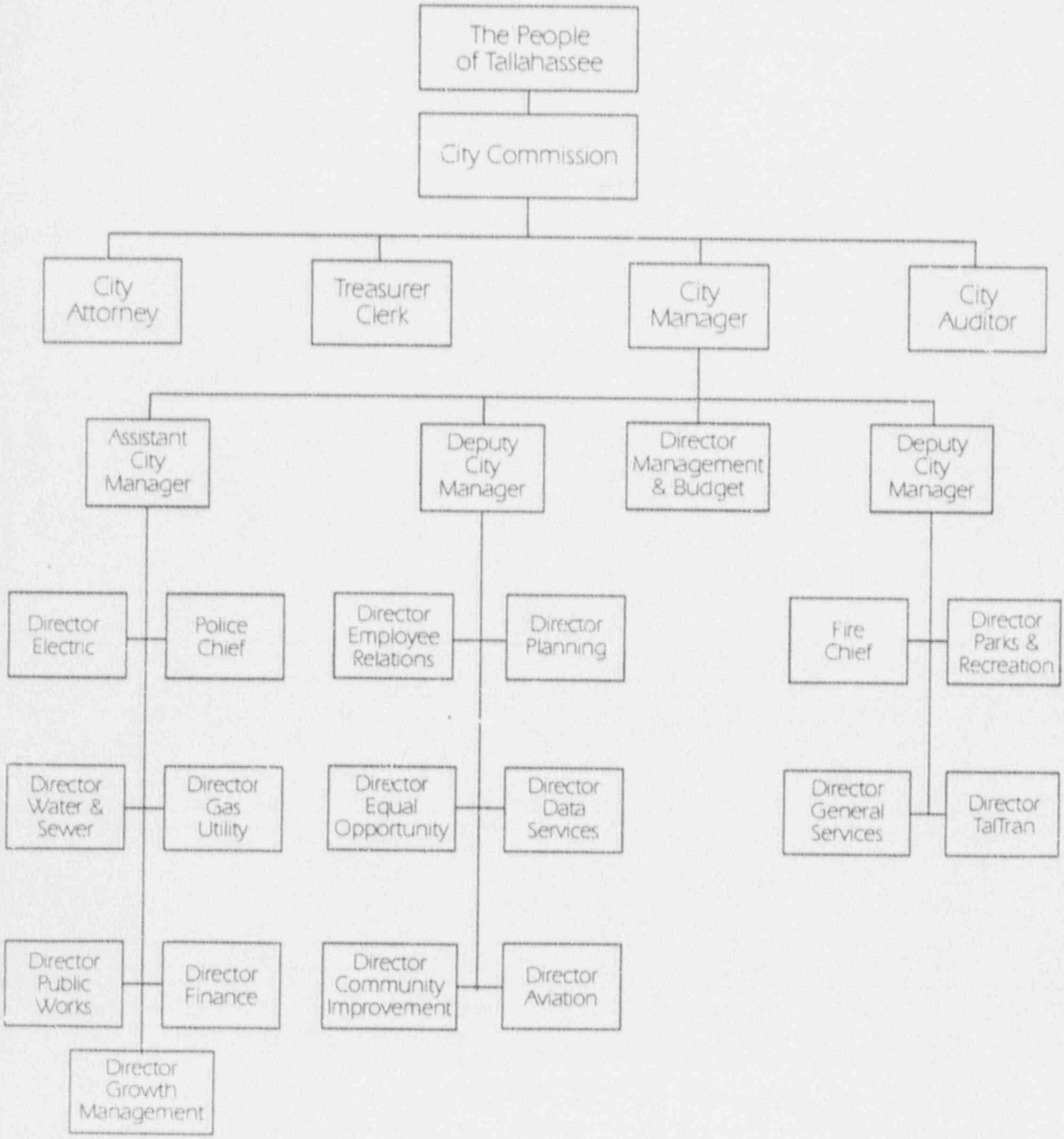
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards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



Gary R. Hoistrom
President

Jeffrey L. Esser
Executive Director

ORGANIZATION CHART



CITY OF TALLAHASSEE, FLORIDA

LISTING OF CITY OFFICIALS

ELECTED OFFICIALS

Mayor-Commissioner	Steve Meisburg
Mayor Pro Tem Commissioner	Debbie Lightsey
Commissioner	Bob Hightower
Commissioner	Dorothy Inman-Crews
Commissioner	Jack L. McLean, Jr.

APPOINTED OFFICIALS

City Manager	Daniel A. Kleman
City Treasurer-Clerk	Robert B. Inzer
City Auditor	Ricardo Fernandez
City Attorney	James R. English

ASSISTANT AND DEPUTY CITY MANAGERS

Assistant City Manager	Jerry L. Maxwell
Deputy City Manager	Charles F. Cuthbertson
Deputy City Manager	Anita Favors

DEPARTMENT DIRECTORS

Aviation	Jerry L. Sealy
Community Improvement	Diane Dunson
Data Services	Michael DiPaolo
Electric	Benjamin Walt, III
Employee Relations	Gloria Hall-McNeil
Equal Opportunity	Sharon Ofuani
Finance	Philip F. Inglese
Fire	Edwin C. Ragans
Gas Utility	Samuel Davis,
General Services	Kenneth M. Austin
Growth Management	Henry L. Holshouser, Jr.
Management and Budget	Donald A. Corley
Parks and Recreation	Randy Trousdell
Planning	Mark Gumula
Police	Melvin L. Tucker
Public Works	Rhett A. Miller
TalTran (Tallahassee Transit)	John L. Carter
Water and Sewer	James H. Peters

FINANCIAL SECTION

This section contains the following subsections:
Auditors' report
General Purpose Financial Statements
Combining and Individual Fund and Account Group—
Statements and Schedules

Coopers
&Lybrand

Williams
Cox
Weidner
Cox

The Honorable Mayor-Commissioner
and City Commissioners
City of Tallahassee, Florida

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying general purpose financial statements of the City of Tallahassee, Florida and the individual fund financial statements of the City's electric, gas, sewer, water, and airport enterprise funds, as of and for the year ended September 30, 1990, as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Tallahassee, Florida, at September 30, 1990, and the results of its operations and the changes in financial position of its proprietary fund types and similar trust funds for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the individual fund financial statements of the City's electric, gas, sewer, water and airport enterprise funds present fairly, in all material respects, the financial position of each of these enterprise funds of the City of Tallahassee, Florida, at September 30, 1990, and the results of operations of such funds and the changes in their financial position for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the individual fund financial statements of the City's electric, gas, sewer, water and airport enterprise funds. The combining and individual fund and account group financial statements and schedules listed in the Table of Contents (except for the enterprise funds referred to above) are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Tallahassee, Florida. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Certain 1989 data included in the general purpose financial statements and the combining and individual fund financial statements of the City's enterprise funds and the accompanying supplemental information were contained in the City's comprehensive annual financial report for the year ended September 30, 1989, and are included herein for comparative purposes only.

The information shown in the statistical section listed in the Table of Contents has not been subjected to auditing procedures sufficient to enable us to express an opinion as to the fairness of all the information included therein and, accordingly, we do not express an opinion thereon.

Coopers & Lybrand

February 8, 1991
Tallahassee, Florida

Williams, Cox, Weidner & Cox

GENERAL PURPOSE FINANCIAL STATEMENTS

(Combined Statements—Overview)

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

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COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 1990
(Continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets:				
Cash	$ 43,600	$ 470,700	$ --	$ --
Equity in Pooled Cash	1,989,700	1,716,800	3,948,500	42,155,300
Investments	--	1,097,700	9,320,600	20,609,200
Receivables:				
Special Assessments - Current	--	--	--	227,900
Special Assessments - Deferred	--	--	--	195,500
Accrued Interest	--	--	219,400	167,300
Notes	15,000	190,900	--	--
Customers	764,200	--	--	--
Accounts	2,161,000	541,700	--	23,600
Less: Allowance for Doubtful Accounts	(17,900)	--	--	--
Due from Other Governments	--	--	--	77,800
Due from Other Funds	--	--	--	--
Advance to Other Funds	2,070,300	--	--	--
Deposits	--	--	59,200	--
Inventory	5,600	--	--	--
Restricted Assets:				
Equity in Pooled Cash	--	--	--	--
Cash with Fiscal Agent	--	--	--	--
Investments	--	--	--	--
Accounts Receivable	--	--	--	--
Notes Receivable	--	--	--	--
Due from Other Governments	--	--	--	--
Fixed Assets (Net of Accumulated Depreciation)	--	--	--	--
Unamortized Bond Issue Costs	--	--	--	--
Unamortized Loan Issue Costs	--	--	--	--
Accrued Leave	--	--	--	--
Other Debits:				
Amount Available in Debt Service Funds	-	--	--	--
Amount to be Provided for Retirement of General Long-term Debt:				
Bonds, Notes, and Loans Payable	--	--	--	--
Total Assets and Other Debits	$ 7,031,500	$ 4,017,800	$13,547,700	$ 63,456,600

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Debt	September 30, 1990	September 30, 1989
$ 3,900	$ 17,500	$ --	$ --	$ --	$ 535,700	$ 71,600
22,503,700	8,728,200	25,310,700	--	--	106,352,900	134,862,500
--	--	207,907,600	--	--	238,935,100	163,149,200
--	--	--	--	--	227,900	227,600
--	--	--	--	--	195,500	341,800
--	--	--	--	--	386,700	327,000
--	--	--	--	--	209,900	194,900
15,934,400	--	--	--	--	16,698,600	15,395,000
2,794,600	226,000	87,700	--	--	5,834,600	3,349,600
(1,998,400)	--	--	--	--	(2,016,300)	(1,272,800)
--	--	--	--	--	77,800	1,336,400
59,600	1,094,100	--	--	--	1,153,700	1,371,300
--	--	2,715,900	--	--	4,786,200	5,281,900
--	6,500	--	--	--	65,700	64,000
6,637,800	4,529,700	--	--	--	11,173,100	12,630,400
105,809,900	13,227,000	--	--	--	119,036,900	126,183,000
--	--	--	--	--	--	1,039,200
29,228,000	--	--	--	--	29,228,000	13,129,900
3,062,400	--	--	--	--	3,062,400	1,049,500
2,708,300	--	--	--	--	2,708,300	3,540,100
1,757,700	--	--	--	--	1,757,700	3,161,400
375,981,300	16,981,500	--	83,643,700	--	476,606,500	447,554,300
883,500	--	--	--	--	883,500	965,200
154,400	--	--	--	--	154,400	160,400
--	--	--	--	3,564,100	3,564,100	3,229,000
--	--	--	--	13,547,700	13,547,700	11,632,900
--	--	--	--	29,884,700	29,884,700	32,184,400
$565,521,100	$ 44,810,500	$236,021,900	$ 83,643,700	$ 46,996,500	$1,065,047,300	$ 981,159,700

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 1990
(Continued)

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities:				
Accounts Payable	$ 889,600	$ 176,200	$ --	$ 785,900
Accrued Interest Payable	--	--	--	--
Claims Payable	--	--	--	--
Lease Payable	--	--	--	--
Accrued Leave	--	--	--	--
Contracts Payable	--	--	--	--
Retainage Payable	--	--	--	223,100
Due to Other Funds	43,600	--	--	--
Due to Other Governments	--	--	--	--
Advance from Other Fund	--	--	--	--
Customer Advances	--	--	--	--
Utility Deposits Payable	--	--	--	--
Payable from Restricted Assets:				
Accrued Interest and Commissions Payable	--	--	--	--
Retainage and Accounts Payable	--	--	--	--
Deferred Compensation Payable	--	--	--	--
Deferred Revenue	--	--	--	215,500
Revenue Bonds Payable	--	--	--	--
Unamortized Bond Discount	--	--	--	--
Special Assessment Certificates Payable	--	--	--	--
Note and Loan Payable	--	--	--	--
Arbritrage Rebate Payable	--	--	--	--
Prepaid Fee Credit Payable	--	--	--	--
Total Liabilities	933,200	176,200	--	1,224,500
Equity and Other Credits:				
Contributed Capital	--	--	--	--
Investment in General Fixed Assets	--	--	--	--
Retained Earnings:				
Reserved	--	--	--	--
Unreserved	--	--	--	--
Fund Balances:				
Reserved	3,621,000	1,585,600	13,547,700	46,185,200
Unreserved:				
Designated	--	--	--	--
Undesignated	2,477,300	2,256,000	--	16,046,900
Total Equity and Other Credits	6,098,300	3,841,600	13,547,700	62,232,100
Total Liabilities, Equity and Other Credits	$ 7,031,500	$4,017,800	$13,547,700	$63,456,600

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Debt	September 30, 1990	September 30, 1989
$ 13,964,900	$ 326,500	$ 8,300	$ --	$ --	$ 16,151,400	$ 15,672,700
--	--	--	--	--	--	10,800
--	2,861,700	--	--	--	2,861,700	2,553,300
--	1,591,900	--	--	--	1,591,900	2,343,200
2,931,800	973,700	--	--	3,564,100	7,469,600	6,568,100
4,929,500	--	--	--	--	4,929,500	3,507,300
--	--	--	--	--	223,100	317,400
3,900	1,106,200	--	--	--	1,153,700	1,371,300
--	--	--	--	--	--	73,900
3,691,300	--	10,400	--	1,084,500	4,786,200	5,281,900
184,000	--	--	--	--	184,000	374,500
8,210,400	--	--	--	--	8,210,400	7,421,900
91,900	--	--	--	--	91,900	88,800
2,658,200	--	--	--	--	2,658,200	2,114,100
--	--	4,649,000	--	--	4,649,000	3,909,400
414,300	--	827,200	--	--	1,457,000	751,300
132,035,300	--	--	--	41,330,000	173,365,300	176,835,200
(2,067,900)	--	--	--	--	(2,067,900)	(2,193,700)
--	--	--	--	--	--	7,000
17,404,300	--	--	--	406,000	17,810,300	17,865,800
--	--	--	--	611,900	611,900	--
862,300	--	--	--	--	862,300	--
185,314,200	6,860,000	5,494,900	--	46,996,500	246,999,500	244,874,200
65,454,900	6,418,400	--	--	--	71,873,300	67,824,100
--	--	--	83,643,700	--	83,643,700	80,254,500
139,733,700	15,165,400	--	--	--	154,899,100	146,969,700
175,018,300	16,366,700	--	--	--	191,385,000	167,180,000
--	--	211,900,600	--	--	276,840,100	233,841,600
--	--	953,500	--	--	953,500	2,814,500
--	--	17,672,900	--	--	38,453,100	37,401,100
380,206,900	37,950,500	230,527,000	83,643,700	--	818,047,800	736,285,500
$565,521,100	$44,810,500	$236,021,900	$ 83,643,700	$ 46,996,500	$1,065,047,300	$981,159,700

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended September 30, 1990

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Revenues:			
Special Assessment Revenues	$ --	$ --	$ --
Taxes	25,691,900	--	--
Licenses and Permits	1,426,000	--	--
Intergovernmental Revenues	9,666,700	1,758,800	--
Charges for Services	6,506,200	2,203,300	--
Fines and Forfeits	1,269,900	111,600	--
Interest Earned	589,300	178,500	568,700
Miscellaneous Revenues	754,500	53,400	--
Total Revenues	45,904,500	4,305,600	568,700
Expenditures:			
Current:			
General Government	9,377,200	412,100	--
Public Safety	28,999,700	37,900	--
Transportation	7,999,000	210,600	--
Human Services	1,222,900	526,600	--
Economic Environment	502,200	708,400	--
Physical Environment	1,691,300	2,583,200	--
Culture and Recreation	5,411,800	389,300	--
Capital Outlay	--	44,800	--
Debt Service:			
Principal Retired	--	--	579,800
Interest and Fiscal Charges	--	--	3,683,800
Total Expenditures	55,204,100	4,912,900	4,263,600
Excess of Revenues Over (Under) Expenditures	(9,299,600)	(607,300)	(3,694,900)
Other Financing Sources (Uses):			
Proceeds from Advanced Funds	--	--	--
Debt Proceeds	--	--	436,200
Proceeds from Sale of Property	--	--	--
Reduction in Loan Proceeds	--	--	--
Operating Transfers In	33,969,600	1,216,800	5,173,500
Operating Transfers Out	(24,597,800)	(299,900)	--
Total Other Financing Sources (Uses)	9,371,800	916,900	5,609,700
Excess of Revenues and Other Sources Over(Under) Expenditures and Other Uses	72,200	309,600	1,914,800
Fund Balances - October 1	6,026,100	3,606,600	11,632,900
Residual Equity Transfer	--	(74,600)	--
Fund Balances - September 30	$ 6,098,300	$ 3,841,600	$ 13,547,700

The accompanying notes are an integral part of these financial statements.

Capital Projects	Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only) September 30, 1990	September 30, 1989
$ 146,400	$ --	$ 146,400	$ 131,700
--	75,300	25,767,200	19,097,200
--	--	1,426,000	1,409,800
479,700	--	11,905,200	10,770,900
865,100	--	9,574,600	7,942,500
--	--	1,381,500	1,118,200
4,897,200	1,257,800	7,491,500	7,440,900
470,800	8,100	1,286,800	588,000
6,859,200	1,341,200	58,979,200	48,499,200
408,400	2,000	10,199,700	8,698,500
325,200	--	29,362,800	27,449,600
8,203,800	--	16,413,400	14,576,100
--	--	1,749,500	1,460,200
221,100	--	1,431,700	1,080,900
75,700	--	4,350,200	3,413,000
197,000	89,200	6,087,300	5,044,700
3,570,800	--	3,615,600	20,351,900
--	--	579,800	28,[illegible]
--	--	3,683,800	2,977,500
13,002,000	91,200	77,473,800	85,081,100
(6,142,800)	1,250,000	(18,494,600)	(36,581,900)
1,084,500	--	1,084,500	1,420,000
--	--	436,200	21,179,100
--	--	--	1,550,300
(1,937,400)	--	(1,937,400)	--
20,605,200	1,017,000	61,982,100	56,532,500
(2,679,200)	(5,490,700)	(33,067,600)	(29,682,700)
17,073,100	(4,473,700)	28,497,800	50,999,200
10,930,300	(3,223,700)	10,003,200	14,417,300
51,227,200	21,796,900	94,289,700	79,872,400
74,600	--	--	--
$62,232,100	$18,573,200	$104,292,900	$94,289,700

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 1990

	1990				1989
	Budget	Actual On Budgetary Basis	(Unfavorable)	Actual	Actual
Revenues:					
Taxes	$26,334,200	$25,691,900	$ (642,300)	$25,691,900	$19,020,600
Licenses and Permits	2,060,100	1,426,000	(634,100)	1,426,000	1,409,800
Intergovernmental Revenues	9,901,700	9,666,700	(235,000)	9,666,700	9,326,600
Charges for Services	6,302,400	6,506,200	203,800	6,506,200	6,187,900
Fines and Forfeits	884,700	1,269,900	385,200	1,269,900	987,000
Interest Earned	510,700	589,300	78,600	589,300	436,900
Miscellaneous Revenues	813,800	1,234,800	421,000	754,500	254,000
Total Revenues	46,807,600	46,384,800	(422,800)	45,904,500	37,622,800
Expenditures:					
Current:					
General Government	10,866,100	9,788,500	1,077,600	9,377,200	8,035,500
Public Safety	29,676,900	29,107,300	569,600	28,999,700	27,716,200
Transportation	7,681,200	7,724,600	(43,400)	7,999,000	6,711,100
Human Services	1,253,800	1,231,100	22,700	1,222,900	1,108,900
Economic Environment	531,600	502,200	29,400	502,200	434,400
Physical Environment	2,173,100	1,883,000	290,100	1,691,300	1,283,400
Culture and Recreation	5,586,000	5,554,300	31,700	5,411,800	4,808,900
Total Expenditures	57,768,700	55,791,000	1,977,700	55,204,100	49,798,400
Excess of Revenues Over (Under) Expenditures	(10,961,100)	(9,406,200)	1,554,900	(9,299,600)	(12,175,600)
Other Financing Sources (Uses):					
Proceeds from Advanced Funds	--	--	--	--	1,420,000
Operating Transfers In	34,684,300	33,969,600	(714,700)	33,969,600	30,246,600
Operating Transfers Out	(23,723,200)	(24,597,800)	(874,600)	(24,597,800)	(19,359,000)
Total Other Financing Sources (Uses)	10,961,100	9,371,800	(1,589,300)	9,371,800	12,307,600
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ --	$ (34,400)	$ (34,400)	$ 72,200	$ 132,000

The accompanying notes are an integral part of these financial statements.

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances
All Proprietary Fund Types and Similar Trust Funds
For the Fiscal Year Ended September 30, 1990

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	Pension Trust	Nonexpendable Trust	September 30, 1990	September 30, 1989
Operating Revenues:						
Charges for Services	$194,893,400	33,800,300	$ --	$ --	$ 228,693,700	$209,707,800
Investment Revenue	--	--	11,335,900	156,300	11,492,200	9,094,800
Investment Gains-Net	--	--	10,480,500	--	10,480,500	4,798,900
Contributions	--	--	15,975,300	--	15,975,300	14,791,100
Miscellaneous	--	145,200	11,700	20,400	177,300	55,300
Total Operating Revenues	194,893,400	33,945,500	37,803,400	176,700	266,819,000	238,427,900
Operating Expenses:						
Personal Services	26,699,800	9,967,900	--	--	36,667,700	32,185,200
Fossil Fuel	37,582,400	--	--	--	37,582,400	36,771,000
Power Purchased	16,825,800	--	--	--	16,825,800	13,677,500
Gas Purchased	4,688,100	--	--	--	4,688,100	4,510,500
Materials and Supplies	3,170,100	554,600	--	--	3,724,700	3,619,900
Contractual Services	27,374,200	13,829,800	--	--	41,204,000	34,796,100
Other Expenses	7,244,700	3,960,800	--	--	11,205,500	13,098,700
Less: Applied Equipment Charges	(738,300)	--	--	--	(738,300)	(623,100)
Depreciation	13,927,800	2,448,400	--	--	16,376,200	14,234,100
Amortization	213,500	--	--	--	213,500	205,200
Benefit Payments	--	--	4,750,000	--	4,750,000	4,267,000
Refunds	--	--	768,300	--	768,300	878,300
Insurance	--	--	12,300	--	12,300	17,300
Administration	--	--	771,700	--	771,700	727,000
Total Operating Expenses	136,988,100	30,761,500	6,302,300	--	174,051,900	156,364,700
Operating Income	57,905,300	3,184,000	31,501,100	176,700	92,767,100	80,063,200
Non-operating Revenues(Expenses):						
Interest Revenue	13,308,300	1,242,400	--	--	14,550,700	15,109,100
Gain on Sale - Surplus Property	39,700	1,000	--	--	40,700	234,300
Grant Revenue	907,500	--	--	--	907,500	646,100
Other Revenues	3,166,100	--	--	--	3,166,100	9,502,500
Interest and Commission Expenses	(11,046,100)	(80,700)	--	--	(11,126,800)	(11,269,300)
Other Expenses	(8,807,000)	--	--	--	(8,807,000)	(7,260,100)
Total Non-operating Revenues (Expenses)	(2,433,500)	1,162,700	--	--	(1,270,800)	6,962,600
Income Before Operating Transfers	55,471,800	4,346,700	31,501,100	176,700	91,496,300	87,025,800
Operating Transfers In	3,858,500	1,989,500	1,336,400	508,500	7,692,900	4,978,900
Operating Transfers Out	(35,074,800)	(196,200)	(1,336,400)	--	(36,607,400)	(31,828,700)
Net Income	24,255,500	6,140,000	31,501,100	685,200	62,581,800	60,176,000
Disposition of Net Income:						
Increase in Contributed Capital	(40,900)	--	--	--	(40,900)	(187,600)
Depreciation on Contributed Assets	1,779,800	--	--	--	1,779,800	1,781,300
Net Increase in Retained Earnings/Fund Balances	25,994,400	6,140,000	31,501,100	685,200	64,320,700	61,769,700
Retained Earnings/ Fund Balances - October 1	288,757,600	25,392,100	177,683,600	2,083,900	493,917,200	432,147,600
Retained Earnings/ Fund Balances - September 30	$314,752,000	$31,532,100	$209,184,700	$ 2,769,100	$558,237,900	$493,917,300

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

Combined Statement of Changes in Financial Position
All Proprietary Fund Types and Similar Trust Funds
For the Fiscal Year Ended September 30, 1990

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	Pension Trust	Nonexpendable Trust	September 30, 1990	September 30, 1989
Sources of Working Capital:						
Operations:						
Net Income	$ 24,255,500	$ 6,140,000	$ 31,501,100	$ 685,200	$ 62,581,800	$ 60,176,400
Items not Requiring (Providing) Working Capital:						
Depreciation	13,927,800	2,448,400	--	--	16,376,200	14,254,100
Amortization	213,500	--	--	--	213,500	205,200
Accretion	1,470,100	--	--	--	1,470,100	1,341,900
Accrued Leave	433,600	147,300	--	--	580,900	555,700
Working Capital Provided by Operations	40,300,500	8,735,700	31,501,100	685,200	81,222,500	76,533,300
Increase in Customer Contracts Payable	362,300	--	--	--	362,300	8,700
Decrease in Restricted Assets	6,451,500	--	--	--	6,451,500	12,716,800
Retirement of Plant in Service	--	700	--	--	700	1,000
Increase in Customer Advances	--	--	--	--	--	172,200
Increase in Deferred Revenue	4,600	--	--	--	4,600	44,100
Contributions	4,844,900	943,300	--	--	5,788,200	6,832,500
Lease Payable Non-Current	--	--	--	--	--	88,000
Increase in Advance From Other Funds	5,600	--	--	--	5,600	3,025,600
Increase in Payable from Restricted Assets	1,311,200	--	--	--	1,311,200	738,100
Increase in Loan Payable	1,797,400	--	--	--	1,797,400	--
Contribution - Residual Equity Transfer	--	--	1,336,400	--	1,336,400	--
Total Sources of Working Capital	55,278,200	9,679,700	32,837,500	685,200	98,480,600	101,939,600
Uses of Working Capital:						
Acquisition of Fixed Assets	37,636,100	4,403,900	--	--	42,040,000	55,723,600
Decrease in Customer Advances	190,500	--	--	--	190,500	--
Decrease in Deferred Revenues	--	--	--	--	--	7,300
Decrease in Bonds Payable	4,445,000	--	--	--	4,445,000	7,190,000
Decrease in Loan Payable	273,600	--	--	--	273,600	154,800
Increase in Restricted Assets	11,490,200	2,651,500	--	--	14,141,700	13,304,100
Contributions	--	--	--	--	--	10,700
Decrease in Customer Contracts Payable	--	--	--	--	--	19,300
Decrease in Payable from Restricted Assets	964,000	--	--	--	964,000	196,800
Decrease in Advance From Other Funds	1,580,600	--	--	--	1,580,600	--
Reduction of Claim Payable	--	--	--	--	--	100
Decrease in Accrued Leave	--	14,400	--	--	14,400	--
Decrease in Lease Payable	--	492,400	--	--	492,400	--
Contribution - Residual Equity Transfer	--	--	1,336,400	--	1,336,400	--
Total Uses of Working Capital	56,580,000	7,562,200	1,336,400	--	65,478,600	77,606,700
Net Increase (Decrease) in Working Capital	$ (1,301,800)	$ 2,117,500	$ 31,501,100	$ 685,200	$ 33,002,000	$ 24,332,900
Elements of Net Increase in Working Capital:						
Cash	$ --	$ 3,100	$ --	$ --	$ 3,100	$ (94,500)
Equity in Pooled Cash	1,687,300	1,762,400	(17,454,000)	685,200	(13,319,100)	10,825,400
Investments - At Cost	--	--	51,183,800	--	51,183,800	13,665,200
Accounts Receivable	1,479,800	189,400	(65,300)	--	1,603,900	2,769,500
Inventory	(1,470,500)	13,200	--	--	(1,457,300)	1,118,500
Due from Other Funds	59,600	(336,800)	--	--	(277,200)	1,292,200
Accounts Payable	(1,182,400)	256,200	200	--	(926,000)	27,400
Claims Payable - Current	--	(308,400)	--	--	(308,400)	(1,030,600)
Lease Payable - Current	--	256,900	--	--	256,900	(217,800)
Customer Contracts Payable	(224,800)	--	--	--	(224,800)	(204,700)
Customer Advances	--	--	--	--	--	5,500
Utility Deposits Payable	(788,500)	--	--	--	(788,500)	(696,900)
Deferred Revenue	--	--	(827,200)	--	(827,200)	--
Prepaid Fee Credit Payable	(862,300)	--	--	--	(862,300)	--
Due to Other Funds	--	279,500	--	--	279,500	(1,326,100)
Due from Other Government	--	--	(1,336,400)	--	(1,336,400)	--
Net Increase (Decrease) in Working Capital	$ (1,301,800)	$ 2,117,500	$ 31,501,100	$ 685,200	$ 33,002,000	$ 24,332,900

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 1990

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Tallahassee have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, the GASB issued a codification of the then existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Standards and Interpretations), constitutes GAAP for governmental units.

This summary of Tallahassee's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements.

A. REPORTING ENTITY - The City of Tallahassee is a political subdivision of the State of Florida, located in Leon County in the north central portion of the State. Tallahassee, the capital city of Florida, is the county seat and the only incorporated municipality in Leon County. The City was incorporated in 1825 and has operated since 1919 under the same charter. The City is approximately 56 square miles in area. The City is a full service city, providing its citizens with a full complement of municipal services. In addition, the City owns and operates six utilities including: an electric generation, transmission and distribution system; a natural gas distribution system; a water production and distribution system; a sewage collection and treatment system; and a municipal airport and a bus system.

This report includes financial statements of the funds and account groups required to account for those financial activities which are related to the City and are controlled by or dependent upon the City's legislative body, the City Commission. Control or dependence upon the City was determined on the basis of budget adoption, taxing authority, outstanding debt collateralized by revenues of general obligations of the City, or the City's legal responsibility to fund any deficits that may occur. On this basis, the following entities are not part of the City of Tallahassee and thus, are excluded from the accompanying financial statements:

Tallahassee Housing Authority - This authority was created by the City pursuant to State Statutes with commissioners of the Authority appointed by the City Commission. Operations are administered by the Authority and financed with Federal funds and rentals. Outstanding debt of the Authority is not an obligation of the City.

Sunshine State Governmental Financing Commission - The Cities of Orlando and Tallahassee, Florida entered into an interlocal agreement to create the Commission and undertook certain initial risks to ensure its ability to sell bonds. The Commission is a joint venture between the members of the governmental units (See Note V.B).

Crystal River Unit 3 - As indicated in Note V.A, the City of Tallahassee has an ownership interest in the Crystal River Unit 3 nuclear power plant operated by Florida Power Corporation. The City's interest does not meet the criteria for inclusion as part of the reporting entity since the operation of the plant is not controlled by the City.

B. BASIS OF PRESENTATION - The accounting records of the City are organized on the basis of funds and account groups. For reporting purposes, the various funds of the City are classified into three basic fund types: governmental funds, proprietary funds, and fiduciary funds. In addition to the various fund types, a fourth category of accounting entities is the account groups.

NOTE 1 - (Continued)

Amounts in the "Totals (Memorandum Only)" columns in the combined financial statements represent a summation of the combined financial statement line items of the fund types and account groups and are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Certain balances presented in the financial statements for the year ended September 30, 1989 have been reclassified for comparative purposes in the accompanying financial statements.

The following fund types and account groups are used by the City:

GOVERNMENTAL FUNDS

The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon determination of net income. The following is a description of the Governmental Funds of the City:

GENERAL FUND - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

DEBT SERVICE FUNDS - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

CAPITAL PROJECTS FUNDS - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, financial position, and changes in financial position. The generally accepted accounting principles utilized for these funds are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the City:

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

NOTE I - (Continued)

INTERNAL SERVICE FUNDS - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

FIDUCIARY FUNDS

TRUST AND AGENCY FUNDS - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust, Nonexpendable Trust, Agency, and Pension Trust Funds. Pension Trust Funds and Nonexpendable Trust Funds are accounted for in essentially the same manner as Proprietary Funds since capital maintenance is critical. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUPS

Account Groups are used to establish control and accountability over the City's general fixed assets, and the unmatured principal of its general long-term debt, which is not associated with, or the obligation of, the proprietary or trust funds. Accordingly, the City maintains a GENERAL FIXED ASSET ACCOUNT GROUP and a GENERAL LONG-TERM DEBT ACCOUNT GROUP.

C. **BASIS OF ACCOUNTING** - Basis of accounting refers to when revenues or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds, Expendable Trust Funds, and Agency Funds are accounted for using modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. The following revenues are considered to be susceptible to accrual: grant revenues, rent revenues, cigarette tax revenue, telephone tax revenue, mobile home licenses, state revenue sharing, and special assessments. Interest earned on special assessment levies and interest expense on offsetting long-term debt are not accrued unless fully matured and unpaid. Property taxes are accounted for when measurable and available as prescribed in NCGA Interpretation #3.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on general long-term debt are recognized when due.

All Proprietary Funds, Nonexpendable Trust Funds, and Pension Trust Funds are accounted for using the accrual basis of accounting. Utility revenues are recorded as earned. Fuel adjustment revenues are recognized based on the actual fuel costs. Amounts are charged based on estimated costs and are adjusted semi-annually for any differences between the actual and estimated cost once actual costs are known.

D. **BUDGETARY DATA**

1. **BUDGET POLICY** - Budgets are legally adopted for the General and Enterprise Funds and are controlled on a fund and departmental level. The City Manager is authorized to transfer budget amounts within departments; however, any revision that alters the total expenditures of any department or fund must be approved by the City Commission. During the year, several supplementary appropriations were necessary to ensure that expenditures did not exceed budgeted appropriations. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent final authorized amounts. Unencumbered appropriations are lapsed at year end.

NOTE 1 - (Continued)

2. **ENCUMBRANCES** - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue, Expendable Trust Funds and Capital Projects Funds. Encumbrances outstanding at year end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

E. **ASSETS, LIABILITIES AND FUND EQUITY**

1. **INVESTMENTS** - Investments, except for those included in the Deferred Compensation Fund, are stated at amortized cost. Investments in the Deferred Compensation Fund are stated at market value.

2. **INVENTORY** - Fuel inventory in the Electric, Airport, and Tallahassee Transit Funds are stated at the lower of cost or market based upon a moving average cost. Fuel inventory in the Gas Fund is stated at lower of cost or market utilizing the first-in, first-out (FIFO) method. Material inventory in the Tallahassee Transit Fund, consisting of maintenance parts and tires, and inventories in the Internal Service Funds, consisting of general office supplies, maintenance parts, tires, and fuel held for consumption, are stated at weighed average cost. Material inventory in the General Fund, consisting of maintenance and repair parts are stated at cost utilizing the first-in, first-out (FIFO) method. The cost of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Inventories in the Golf Course Fund, consisting of resale items, are stated at lower of cost or market utilizing the first-in, first-out (FIFO) method. Appropriate allowances have been recorded for obsolete items. Perpetual inventory records are maintained for all significant inventories.

3. **ADVANCE TO/FROM OTHER FUNDS** - Noncurrent portions of long-term interfund loans receivable (reported in "Advance to" asset accounts) of governmental funds are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of long-term interfund receivables (reported in "Due from" asset accounts) are considered "available spendable resources". Non-current portions of long-term interfund loans payable of governmental funds are reported in the General Long-Term Debt Account Group since they are not liquidated through the use of expendable available financial resources. The proceeds of such advances to governmental funds are recorded in "Other Financing Sources".

4. **FIXED ASSETS** - Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated fixed assets are valued at their fair market value on the date donated.

Fixed Assets used in Enterprise and Internal Service Fund are accounted for in these funds. Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method, with no depreciation recorded in the year of addition and full year's depreciation recorded in the year of retirement. Depreciation is charged to contributed capital for those assets constructed or purchased with funds received from Grants, Entitlements or Shared Revenues.

NOTE 1 - (Continued)

The estimated useful lives are as follows:

Buildings	10 to 40 Years
Improvements other than Buildings . .	10 to 40 Years
Machinery and Equipment	10 to 40 Years
Vehicles.	5 to 15 Years

The City of Tallahassee follows the Federal Energy Regulatory Commission's Uniform System of Accounting; therefore, retirements of Utility Funds' plant in service are accounted for in accordance with Federal Energy Regulatory Commission regulations, whereby, when an asset is retired, the cost of the asset is charged to accumulated depreciation.

Net interest costs incurred during long-term construction projects are capitalized. For fiscal year 1990 capitalized interest in the proprietary funds amounted to $1,305,900. Capitalized interest in the proprietary funds for 1989 was $1,723,300.

5. **BOND DISCOUNTS AND ISSUANCE COSTS** - Bond discounts and issuance costs are deferred and amortized over the term of the bonds using the effective interest method. Bond discounts are presented on the financial statements as such and issuance costs are presented as other assets.

6. **LOAN ISSUANCE COSTS** - Loan issuance costs are deferred and amortized over the term of the loan.

F. **REVENUES, EXPENDITURES AND EXPENSES**

1. **PROPERTY TAXES** - Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 1990 was 2.900.

All property is assessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

The current year taxes for the fiscal year, beginning October 1, are billed in the month of November and are due no later than March 31. On April 1, all unpaid amounts become delinquent and are subject to interest and penalties. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount.

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

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

Since the Leon County Tax Collector's Office acts quickly in selling tax certificates and in remitting such collections to the City, no delinquent nor uncollected property taxes exist at year end. The City Tax Calendar is as follows: Valuation Date: January 1; Levy Date: November 1; Due Date: March 31, Succeeding Year; and Lien Date: April 1, Succeeding Year.

NOTE I - (Continued)

2. **AMORTIZATION OF NUCLEAR FUEL** - The costs of nuclear fuel, including estimated disposal cost, are charged to operating expenses. These costs are charged to customers through increased rates or through the fuel adjustment clause.

3. **COMPENSATED ABSENCES** - All full-time employees earn vacation and sick leave starting with the first day of employment; all part-time employees earn vacation and sick leave in proportion to the number of hours in their normal work day.

Vacation leave is earned based on years of continuous and creditable service as follows:

Executive		Senior Management		General	
Years of Service	Total Days Per Year	Years of Service	Total Days Per Year	Years of Service	Total Days Per Year
Up to 1	12	Up to 1	12	Up to 5	12
1 to 5	18	1 to 5	15	5 to 10	15
5 to 10	21	5 to 10	18	10 to 20	18
Over 10	24	10 to 20	21	20 to 30	21
		Over 20	24	Over 30	24

A maximum of 40 days vacation leave time may be carried over from one fiscal year to the next for executive employees and a maximum of 30 days for senior management and general employees. An employee who terminates employment with the City is paid for any unused vacation leave accumulated to the time of termination.

Sick leave is earned at the rate of eight hours for each month of service with no maximum limit on the number of hours which may be accumulated. An employee who terminates from the City for any reason other than retirement (as defined by the provisions of the appropriate City Pension Plan) or death, does not receive payment for unused sick leave. If the employee retires or dies, the employee (or his beneficiary or estate) is paid one quarter of the total amount of sick leave accumulated by him or her on the effective date of his or her retirement or death.

Accumulated unpaid vacation and sick pay amounts are accrued when vested in Proprietary Funds. The Governmental Funds accumulated liabilities are recorded in the General Long-term Debt Account Group. The short-term portion of the liability is recorded in their respective fund and disclosed in Note III B5.

4. **INTRA-GOVERNMENTAL CHARGES** - Certain functions of the City of a general and administrative nature are centralized and the related costs are allocated to the various funds of the City. Such costs allocated to the funds for the year ended September 30, 1990 are as follows:

General	$ 6,264,800
Electric	$ 5,167,100
Gas	$ 601,500
Sewer	$ 1,915,300
Water	$ 2,004,500
Airport	$ 440,400
Tallahassee Transit	$ 334,400
Solid Waste	$ 1,450,500
Golf Course	$ 91,900
Forest Meadows	$ 22,500
Storm Water	$ 198,100
	$18,491,000

NOTE 1 - (Continued)

5. **RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS** - The following schedule reconciles the "Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses - Budgetary Basis" to the "Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses - GAAP Basis" for the General Fund for the year ended September 30, 1990:

Excess of Revenues and Other Sources Under Expenditures and Other Uses - Budgetary Basis	$ (34,400)
Adjustments:	
Cancellation of Prior Year Encumbrances	(480,300)
Recognition of Current Year Encumbrances	586,900
Excess of Revenues and Other Sources Over Expenditures and Other Uses - GAAP Basis	$ 72,200

6. **BUDGETARY COMPLIANCE SCHEDULE** - The schedule below gives a comparison on a departmental basis of budget to actual expenditures on a budgetary basis. The City legally adopted budget requires that we report encumbrances as an expenditure. We have included encumbrances as an expenditure in the schedule listed below. Budgetary basis expenditures include encumbrances to reflect actual expenditures on a basis consistent with the legally adopted budget. This schedule includes budgetary comparisons for both Enterprise and General Fund operations.

Departments	Budget	Expenditures	Variance
City Commission	$ 306,600	$ 300,500	$ 6,100
Legal	888,100	880,600	7,500
Treasurer/Clerk	5,580,200	5,478,700	101,500
Auditing	279,000	275,400	3,600
Executive	1,069,900	1,021,100	48,800
Management and Budget	16,189,000	15,639,700	549,300
Fire	10,320,700	10,184,600	136,100
Police	19,169,900	18,743,800	426,100
Public Works	23,367,600	22,176,600	1,191,000
Parks and Recreation	7,632,900	7,477,400	155,500
General Services	1,439,900	1,402,100	37,800
Planning	1,732,300	1,689,800	42,500
Community Improvement	1,869,400	1,808,900	60,500
Aviation	6,049,900	5,525,000	524,900
Taltran	5,051,900	4,993,300	58,600
Electric	115,395,600	107,393,100	8,002,500
Water and Sewer	27,198,200	26,702,400	495,800
Gas	10,088,500	8,446,400	1,642,100
Growth Management	1,733,600	1,287,600	446,000
	$ 255,363,200	$ 241,427,000	$ 13,936,200

NOTE I - (Continued)

7. **AIRPORT FUND'S LEASING OPERATIONS** - The Airport Fund's leasing operations consist principally of leasing land and buildings under operating leases to airlines, rent-a-car agencies and other commercial enterprises. Lease terms vary from one to fifteen years and require, in some cases, the construction of space leasehold improvements that will be contributed to the City at lease termination. The following is a schedule by years of minimum future rentals on noncancellable operating leases of the Airport Fund as of September 30, 1990:

Years ending September 30,	
1991	$ 1,079,400
1992	1,142,500
1993	1,258,300
1994	1,335,200
1995	448,400
Later years	1,248,500
	$ 6,512,300

Total minimum future rentals do not include contingent rentals that may be realized under certain leases that require additional rent if the tenant's gross revenues exceed stipulated minimums. Contingent rentals for the fiscal year ended September 30, 1990 amounted to $54,600. The City has fifteen year lease and use agreements with its major airline tenants (the signatory airline agreements). Among other provisions, the agreements require that landing fees and terminal rentals be reviewed annually and adjusted so that the total revenues of the Airport System are sufficient to meet the Airport Fund's requirements as determined by the signatory airline agreement. At the end of the fiscal year, after all required deposits have been made, a portion of remaining funds are required to be designated as the prepaid fees credited and credited against the subsequent year's rates for rentals, fees and charges. The allocation of the Prepaid Fees Credit between rates for terminal rentals and landing fees is 85% to the terminal and 15% to the landing area. The percentage of remaining funds which constitutes the prepaid fees credit for the first five fiscal years of the agreements, is 60% of remaining funds, and for subsequent fiscal years, 50% of remaining funds.

These funds have been recorded as a current liability by the Airport Fund at September 30,1990. For the year ended September 30, 1990, these funds amounted to $862,300.

The residual portion of remaining funds, 40% for the first five fiscal years and 50% for subsequent fiscal years, is to be allocated to the Signatory Airline Capital Account (25% up to $100,000, adjusted for inflation) and the Airport System Capital Account (75%). Signatory Airlines constituting a majority-in-interest shall direct the use of the Signatory Airline Capital Account. Funds on credit to the Airport System Capital Account shall generally be used to pay the costs of improvements in other than airline supported areas; or the cost of improvements in airline supported areas for which the signatory airlines are not financially responsible under the agreement.

The minimum rentals to be paid by the airlines under this agreement will vary each year and such amounts have not been included in the above schedule of minimum future rentals.

The fifteen year lease and use agreements with the City's major airline tenants (the signatory airline agreements) are reliant on the ongoing operations of the signatory airlines.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS
The City has no material violations of finance-related legal and contractual provisions.

B. DEFICIT RETAINED EARNINGS OF INDIVIDUAL FUNDS
Enterprise Funds - The Solid Waste Fund had a deficit retained earnings of $(255,700) at September 30, 1990. The Solid Waste Fund and Forest Meadows Fund had deficit retained earnings of ($339,100) and ($31,500), respectively at September 30, 1989.

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS
No individual fund contained an excess of expenditures over appropriations.

D. ESTABLISHMENT OF NEW FUNDS
1. EMPLOYEE HEALTHCARE FUND - On October 1, 1989, the City established the Employee Healthcare Fund (an Internal Service Fund) to account for the costs of the City's self-insured employee healthcare operation.

2. SALES TAX CONSTRUCTION FUND - During 1990, the City established the Sales Tax Construction Fund (a Capital Projects Fund) to account for sales tax proceeds used for the acquisition or construction of public safety and transportation improvements.

3. GAS TAX CONSTRUCTION FUND - During 1990, the City established the Gas Tax Construction Fund (a Capital Projects Fund) to account for gas tax proceeds used for the acquisition or construction of transportation improvements.

4. TRANSPORTATION IMPACT FEE FUND - During fiscal year 1989 the City established the Transportation Impact Fee Fund as a Special Revenue Fund to account for fees restricted for required additions and improvements to the City's road system to accommodate future growth. During fiscal year 1990, the Transportation Impact Fee Fund was reclassified as a Capital Project Fund to more closely reflect the nature and intent of this fund.

NOTE III - DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS

A. ASSETS

1. EQUITY IN POOLED CASH, DEPOSITS AND INVESTMENTS

The City of Tallahassee maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed as "Equity in Pooled Cash." Interest earned by this pool is distributed to each fund monthly based on weekly balances. In addition, investments are separately held by several of the City's funds.

Deposits - At year end, the book balance of the City's deposits was ($5,073,100) and the bank balance was $23,065,800. The difference between the negative book balance and bank balance is due to outstanding checks. The City's banking arrangement requires daily cash balances to be invested in an overnight repurchase agreement at the federal fund rate. The repurchase agreements balance at September 30, 1990 is $5,340,000. The bank balance was insured by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Investments - The City's investment guidelines, as defined by the City Charter and its written investment policies, are approved by the City Commission or the Sinking Fund Commission, as described below. The policies established three investment pools: 1) The General Operating Pool, which covers all monies of the City not otherwise classified and is included in the above-referenced cash and investment pool; 2) the Sinking Fund Pool, which covers all monies set aside for the payment of principal and interest on the City's notes, bonds, or other obligations of indebtedness; and 3) the Pension Fund Pool which covers all monies of the City's pension funds. According to the City Charter, the City Treasurer-Clerk is designated to invest all monies belonging to the City pursuant to the policies approved by the City Commission, except those monies in the Sinking Fund and Pension Fund Pools. Monies in the Sinking Fund and Pension Fund Pools are invested under the auspices of the City Charter-created Sinking Fund Commission, which consists of the five City Commissioners and three appointed members. Under the policies approved by the City Commission and the Sinking Fund Commission, the day-to-day investment of all monies is managed by the City Treasurer-Clerk.

NOTE III - (Continued)

The Pension Fund Pool may be invested at a level considered acceptable for the plan as adopted by the Sinking Fund Commission. The level of acceptable risk has been determined to equal the risk of a market portfolio composed of: 40% in S & P 500 stock index, 15% in the Frank Russell 2,000 Index, 35% in Shearson Lehman's G/C Composite Index, and 10% in the Frank Russell Company real estate index.

	General Operating	Sinking Fund
Repurchase Agreements	X	X
Reverse Repurchase Agreements	X	X
Certificates of Deposit	X	X
Bankers' Acceptances	X	X
Commercial Paper Rated A-1 by Standard & Poor's or P-1 by Moody's	X	X
U. S. Treasury Bills, Bonds or Notes	X	X
U. S. Government Agencies	X	X
Mortgage-backed Government Obligations	X	
Corporate Fixed Income Securities rated at least A by Standard & Poor's or Moody's	X	
Florida State Board of Administration Local Governments Surplus Funds Investment Pool	X	X

In addition to authorizing investment instruments, the City's policies also identify various portfolio parameters addressing issuer diversification, term to maturity and liquidity, and requires "purchase versus delivery" perfection for securities held by a third party on behalf of and in the name of the City.

The City's investments for all pools are summarized and categorized under GASB 3 guidelines as follows to give an indication of the level of risk assumed by the City at September 30, 1990:

	Category 1	Category 2	Category 3	Carrying Amount	Market Value
Repurchase Agreements	$ --	$ 5,340,000	$ --	$ 5,340,000	$ 5,340,000
U. S. Government Securities	106,210,000	--	--	106,210,000	106,045,200
U. S. Government Agencies	34,817,300	--	--	34,817,300	34,765,000
Commercial Paper	16,576,600	--	--	16,576,600	16,585,400
Bankers' Acceptances	22,404,800	--	--	22,404,800	22,394,400
Equity Real Estate	9,336,500	--	--	9,336,500	9,176,800
Corporate Fixed Income Securities	36,785,000	--	--	36,785,000	36,761,600
	$226,130,200	$ 5,340,000	$ --	231,470,200	231,068,600
Investment in Florida State Board of Administration Local Governments Surplus Funds Investment Pool				48,491,200	48,491,200
Investment in mutual funds				137,027,600	127,073,700
Investment in guaranteed investment contract				78,595,400	78,595,400
Accrued Interest				3,328,900	3,328,900
Total Investments				$498,913,300	$488,557,800

NOTE III - (Continued)

Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker, dealer, or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, by its agent but not in the name of the City.

2. FIXED ASSETS

During the fiscal year ended September 30, 1990, the following changes occurred in the general fixed assets account group:

	Balance October 1, 1989	Additions	Deletions	Balance September 30, 1990
Land	$11,113,700	$ 3,867,600	$ --	$ 14,981,300
Buildings	20,747,700	7,178,500	--	27,926,200
Improvements Other Than Buildings	4,045,200	60,400	--	4,105,600
Equipment	12,010,600	837,000	228,800	12,618,800
Construction in Progress	32,337,300	3,615,600	11,941,100	24,011,800
	$80,254,500	$15,559,100	$12,169,900	$ 83,643,700

General fixed assets construction in progress is composed of the following as of September 30, 1990:

	Project Authorized	Expended	Committed	Required Future Funding
Municipal Garage Expansion	$ 3,420,600	$ 3,301,900	$ 118,900	None
Downtown Mixed Use Project	8,777,600	8,040,500	737,100	None
Economic Development	3,528,600	2,531,900	996,700	None
Land Acquisition	4,830,000	3,213,800	1,636,200	None
Parks & Recreation Facilities	4,881,700	2,118,500	2,763,200	None
Fire Stations	787,200	787,200	--	None
Miscellaneous Projects	8,272,100	4,018,000	4,254,100	None
	$ 34,518,000	$ 24,011,800	$10,506,200	

A summary of proprietary fund type fixed assets at September 30, 1990 is as follows:

	Enterprise	Internal Service
Land	$ 9,194,900	$ 44,400
Structures and improvements	84,593,600	650,700
Equipment	362,909,100	6,868,300
Vehicles	8,418,900	20,281,500
Construction in Progress	83,448,600	--
Total	548,565,100	27,844,900
Less: Accumulated Depreciation	172,583,800	10,863,400
Net	$375,981,300	$ 16,981,500

Capitalized lease equipment of $3,586,800 is included in the amount reported for equipment in the Internal Service Fund as of September 30, 1990. See Note VI for schedule of minimum lease payments.

NOTE III - (Continued)

A summary of fixed assets for each Enterprise Fund as of September 30, 1990 is as follows:

	Land	Structures and Improvements	Equipment	Vehicles	Construction In Progress	Total	Less Accumulated Depreciation	Net
Electric	$ 3,048,400	$ 22,317,100	$225,919,100	$ 3,166,000	$ 60,422,000	$314,872,600	$ 119,487,800	$195,384,800
Gas	61,600	523,000	9,850,400	--	3,777,500	14,212,500	4,491,400	9,721,100
Sewer	871,800	2,318,000	85,759,000	45,400	8,283,600	97,277,800	21,863,600	75,414,200
Water	156,400	2,909,300	38,270,300	2,600	6,128,900	47,463,500	12,239,100	35,224,400
Airport	2,782,200	49,996,300	504,100	284,400	1,430,500	54,997,500	8,389,600	46,607,900
Tallahassee Transit	1,850,300	3,762,700	850,100	4,845,400	3,395,000	14,703,500	4,186,300	10,517,200
Solid Waste	280,000	--	1,573,100	6,800	--	1,859,900	1,582,500	277,400
Golf Course	144,200	1,352,700	183,000	68,300	--	1,748,200	314,700	1,433,500
Forest Meadows	--	1,418,500	--	--	11,100	1,429,600	28,800	1,400,800
Total	$ 9,194,900	$ 84,593,600	$362,909,100	$ 8,418,900	$ 83,448,600	$548,565,100	$ 172,583,800	$375,981,300

NOTE III - (Continued)

B. LIABILITIES

1. PENSION PLAN OBLIGATIONS

The City's pension plan is established by Chapter 17 of the City Code of Ordinances. Under the plan the City provides a single employer defined benefit provision covering general employees (Article II), police officers (Article III) and firefighters (Article IV), and a defined contribution provision (Article V - Matched Annuity) covering all City employees' pension. The City also maintains a police officers' share plan (Article VI), established by Florida Statutes, Chapter 185 which was repealed effective October 1, 1989 with all current and future monies deposited into the Defined Benefit Plan. The provisions of the pension plans are "qualified" under the Internal Revenue Service Code, which makes employee contributions tax deferred.

a. Defined Benefit Provision - is established in Parts A, B, and C in each of the Articles II, III, and IV. Parts A and B are closed to further participation while part C provides coverage to all general employees hired on or after January 27, 1988. All members of the pension plan are covered by one of these parts depending upon employment date. These parts provide a detail description of the various defined benefit provisions. These provisions include the types of employees covered, benefit provisions, employee eligibility requirements for normal, early and/or vested retirements, and the related benefits for each of these retirements, pre-retirement death benefits, and provisions for disability retirements. There are also provisions for normal retirement benefit and post retirement cost-of-living adjustment (COLA).

b. Defined Contribution Provision - Requires general employees to contribute 1% of their compensation and the City contributes 2% to the general employee's MAP account. Effective October 1, 1988 for firefighters and June 1, 1990 for police officers, the mandatory employee contributions to MAP together with the City's match on future employee contributions were eliminated. All employees (general, firefighters and police) may elect to contribute up to an additional 5%. However, for firefighters and police the City will not match future contributions. Employees may change the amounts of their additional contribution but may do so no more than two time' in any one fiscal year. Upon reaching normal retirement age or retiring under the plan, a participant shall be paid his contributions, together with accrued earnings. If a general employee uses the contributions and accrued earnings to purchase an annuity contract, the plan will increase the amount of funds so used by the participant by a factor of 50 percent. Firefighters and police officers will be entitled to the 50% match only on funds relating to contributions prior to the effective dates of October 1, 1988 and June 1, 1990 respectively, along with the respective accumulated earnings on such funds. Employee contributions plus accrued earnings thereon are 100% refundable if the employee elects to terminate his vesting rights or is not vested at the date of employment termination.

c. Police Officers' Share Plan - The City established a Police Officers' Share Plan on December 16, 1987. The Plan was established to provide additional benefits for the police officers who are in the permanent employment of the City. The City is required to establish an individual share plan account for each participant. The City is not obligated to provide any funding for the plan beyond the amount received from the State under Florida Statutes, Chapter 185. By City Ordinance 90-O-0067 this plan was repealed effective October 1, 1989, requiring all current and future monies deposited into the Defined Benefit Plan. Accordingly, this transaction has been reflected as a residual equity transfer from the Police Officers' Share Plan to the City Employees' Pension Plan.

NOTE III - (Continued)

d. Funding Status and Progress - The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the plan on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the plan. The pension benefit obligation was computed as part of an actuarial valuation performed as of September 30, 1989. Significant actuarial assumptions used in the valuation include (a) an interest rate of 8% per annum compounded annually, (b) projected salary increases of 6.5% per annum compounded annually, (c) a moderation of future inflation and, (d) post retirement benefit increases including 3% cost-of-living adjustments and a health care supplement.

The total assets in excess of pension benefit obligation as of September 30, 1989 were as follows:

Pension Benefit Obligation

o Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving benefits	$ 63,025,300
o Current employees:	
Accumulated employee contributions	32,833,000
Employer-financed vested	27,246,100
Employer-financed nonvested	41,026,900
Total Pension Benefit Obligation	164,131,300
o Net assets available for benefits, at amortized cost	177,683,600
o Assets in excess of Pension Benefit Obligation	$ 13,552,300

The market value of net assets available for benefits was $192,417,600.

Pension Plan Information:

1990 Membership Statistical Information

A. Retirees and beneficiaries of deceased retirees currently receiving benefits and terminated employees entitled to benefits but not yet receiving benefits	392
B. Fully vested, partially vested and non-vested active employees	2,283
C. Total current years payroll	$60,164,000
D. Current year payroll for employees covered by the Plan	$53,958,700

NOTE III - (Continued)

e. Actuarially Determined Contribution Requirements and Contribution Made - The contributions required to support the benefits under Article II, III and IV, other than pre-retirement death benefits, are determined based on a level funding approach and consist of a normal contribution and an accrued liability contribution. The normal contribution is determined using the entry age actuarial cost method. Under this method, a calculation is made to determine the uniform and constant percentage rate of contribution which, if applied to the compensation of the average new member during the entire period of his anticipated covered service, would be required to meet the cost of all benefits payable on his behalf.

The unfunded actuarial accrued liability is determined by subtracting the present value of prospective normal contributions, together with the current assets held from the present value of expected benefits to be paid from the Plan.

Additional contributions are made on a term cost basis to support the pre-retirement death benefits. Employer contributions required to support the benefits under Article V (MAP Program) are determined following a level funding aggregate approach. The present value of prospective employer contributions is determined by subtracting the present value of prospective member contributions and present assets from the total present value of benefits expected to be paid from the program.

The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation as described in the preceding page.

The employer pension cost as a percentage of payroll for each Article for three years is as follows:

1990	Article II - General	Article III - Police	Article IV - Fire
Normal Cost	15.36%	24.25%	22.81%
Unfunded Liability Amortization	0.09	(1.75)	1.98
Term Life Cost	0.84	0.58	1.11
Expenses	0.50	0.50	0.50
Sub-total	16.79	23.58	26.40
Member	(7.00)	(7.00)	(9.00)
Chapter 175/185	0.00	(5.61)	(5.45)
City	9.79%	10.97%	11.95%

NOTE III - (Continued)

1989	Article II - General	Article III - Police	Article IV - Fire
Normal Cost	11.24%	13.04%	22.57%
Unfunded Liability Amortization	0.59	0.00	4.16
Term Life Cost	0.96	0.71	0.97
Expenses	0.50	0.50	0.50
Sub-total	13.29	14.25	28.20
Member	(7.00)	(7.00)	(9.00)
Chapter 175/185	0.00	0.00	(5.45)
City	6.29%	7.25%	13.75%

1988	Article II - General	Article III - Police	Article IV - Fire
Normal Cost	11.24%	13.04%	14.56%
Unfunded Liability Amortization	0.59	0.00	4.16
Term Life Cost	0.96	0.71	0.97
Expenses	0.50	0.50	0.50
Sub-total	13.29	14.25	20.19
Member	(7.00)	(7.00)	(7.00)
Chapter 175/185	0.00	0.00	(5.45)
City	6.29%	7.25%	7.74%

A separate Article V MAP employer contribution is also payable for general employees, police and firefighters. Firefighters and police officers MAP plans were amended on October 1, 1988 and June 1, 1990 eliminating the City's required contribution. The Article V MAP employer contribution for general employees was 3.75%, 1.21% and 1.21% for 1990, 1989 and 1988 respectively. The Article V MAP employer contribution for police was 2.26% during 1989 and 1988, and 2.01% for firefighters during 1988.

NOTE III - (Continued)

f. Trend Information - Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

The following first three years of the ten-year historical trend information, prepared in accordance with Governmental Accounting Standards Board Statement No. 5, provides information on progress made in accumulating sufficient assets to pay benefits when due. The purpose of the chart is to establish a consistent method for analyzing and making comparisons among different public retirement systems.

Required Supplementary Information Analysis of Funding Progress
(In $ million)

Fiscal Year Ended	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) * Percentage Funded (1) / (2)	(4) Assets in Excess of Pension Benefit Obligation (1) - (2)	(5) Annual Covered Payroll	(6) ** Assets in Excess of PBO as % of Covered Payroll (4) / (5)
9/30/87	$ 128.8	$ 125.4	103	$ 3.4	$ 44.3	8
9/30/88	$ 153.6	$ 142.1	108	$ 11.5	$ 49.3	23
9/30/89	$ 177.7	$ 164.1	108	$ 13.6	$ 54.0	25

*Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation and assets in excess of pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation, provides one indication of the systems' funding status on a going-concern basis. Analysis of the percentage overtime indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system.

**Trends in assets in excess of pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the assets in excess of the pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the systems' progress in accumulating sufficient assets to pay benefits when due. Generally, the greater this percentage, the stronger the system.

NOTE III - (Continued)

Revenues by Source

Fiscal Year	Employee Contributions	*Employer Contributions	State Contributions	Other Revenue	**Investment Income	Total
1981	$ 1,757,600	$ 2,590,200	$ 277,500	$ --	$ 3,840,700	$ 8,466,000
1982	1,914,400	2,864,700	300,800	9,600	4,153,100	9,242,600
1983	2,254,200	3,415,900	339,300	9,000	4,983,100	11,001,500
1984	2,455,000	4,800,100	380,800	10,600	7,525,700	15,172,200
1985	4,127,900	5,354,800	424,300	11,300	6,905,200	16,823,500
1986	4,386,500	5,822,700	529,700	240,600	11,740,600	22,720,100
1987	4,688,200	6,802,300	101,600	9,100	22,499,100	34,100,300
1988	5,246,600	7,477,700	1,370,300	12,100	17,718,500	31,825,200
1989	5,399,500	8,639,600	752,000	8,900	13,838,500	28,638,500
1990	6,428,300	8,760,400	786,600	11,700	21,816,400	37,803,400

Expenses by Type

Fiscal Year	Benefits	Administrative Expenses	Refunds	Insurance	Total
1981	$ 1,186,000	$ 74,900	$ 329,200	$ 304,800	$ 1,894,900
1982	1,368,200	147,700	262,200	398,200	2,176,300
1983	1,559,500	276,000	298,000	412,400	2,545,900
1984	2,101,500	340,400	438,800	489,300	3,370,000
1985	2,433,000	446,900	459,200	314,000	3,653,100
1986	2,920,300	614,300	606,700	229,200	4,370,500
1987	3,264,000	686,200	953,800	25,100	4,929,100
1988	3,752,400	779,300	1,131,500	13,200	5,676,400
1989	4,267,000	727,000	878,300	17,300	5,889,600
1990	4,750,000	771,700	768,300	12,300	6,302,300

*Contributions were made in accordance with actuarially determined contribution requirements.

**Investment income includes only realized gains and losses on investments.

NOTE III - (Continued)

2. **OTHER EMPLOYEE BENEFITS** - The City of Tallahassee offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the assets to satisfy the claims of the general creditors in the future.

The City has chosen to have this plan administered by an independent plan administrator. By agreement between the employee and the City, an arrangement has been made to have the applicable portion of the employee's compensation deposited with the International City Management Association Retirement Corporation's national trust fund. It will invest and reinvest the money and credit each account with earnings from its investments.

3. **OUTSTANDING CONTRACTS** - The City has outstanding commitments on various contracts for construction and other projects. These commitments, as of September 30, 1990, in the respective funds are as follows:

Special Revenue Funds	$ 158,800
Capital Project Funds	756,700
Internal Service Funds	15,100
Enterprise Funds	
Electric	851,100
Sewer	170,000
Water	298,600
Airport	730,900
Gas	109,900
Tallahassee Transit	178,300
Total	$ 3,269,400

4. **LONG-TERM DEBT**

a. The following is a summary of the changes in the general long-term debt account group for the City for the year ended September 30, 1990:

	Balance October 1	Additions	Reductions	Balance September 30
General Revenue Bonds	$ 41,825,000	$ --	$ 495,000	$ 41,330,000
Loan Payable	1,985,300	--	1,985,300	--
Accrued Leave	3,229,000	335,100	--	3,564,100
Certificate Payable	7,000	--	7,000	--
Note Payable	--	406,000	--	406,000
Advances	--	1,084,500	--	1,084,500
Arbitrage Rebate Payable	--	611,900	--	611,900
	$ 47,046,300	$ 2,437,500	$ 2,487,300	$ 46,996,500

NOTE III - (Continued)

b. Summarized below are the City's individual bond issues which were outstanding at Septemb 30, 1990:

General revenue bonds:	
$20,605,000 Capital Refunding Bonds - Series 1984, due in annual installments of $540,000 to $1,050,000 from October 1, 1994 to October 1, 2006 with a term payment of $13,765,000 due October 2007, interest at 11.05%. In addition, the City is required to make semi-annual sinking fund investment purchases of $986,500 to $1,780,200 from November 15, 1984 to May 15, 1993, in order to provide for the term payment due October 1, 2007.	$ 20,605,000
$21,220,000 Capital Bonds - Series 1989, due in annual installments of $495,000 to $1,960,000 from October 1, 1990 to October 1, 2009, interest at 7.32%.	20,725,000
	$ 41,330,000
Proprietary revenue bonds:	
$93,290,100 Junior Lien Electric Refunding Revenue Bonds - Series 1985, due in annual installments of $2,899,800 to $8,130,000, October 1, 1991 through October 1, 2007, at an effective average interest of 9.34%, Bonds stated at face amount plus accretion of $6,175,200.	$ 99,465,300
$7,300,000 Municipal Utility Revenue Bonds - Series 1970, due in annual installments of $50,000 to $700,000 through October 1, 1995, interest at 5.9%.	3,850,000
$3,150,000 Municipal Utility Revenue Bonds - Series 1970A, due in annual installments of $50,000 to $300,000 through October 1, 2001, interest at 5.5%.	1,400,000
$12,000,000 Municipal Utility Revenue Bonds - Series 1979, due in annual installments of $175,000 to $1,785,000 through October 1, 2001, interest at 5.9%.	9,895,000
$6,000,000 Municipal Utility Revenue Bonds - Series 1982, due in annual installments of $100,000 to $675,000 from October 1, 1984 to October 1, 2003, interest at 8.72%.	5,075,000
$12,350,000 Airport Revenue Bonds - Series 1988A, due in annual installments of $225,000 to $1,080,000 from October 1, 1992 to October 1, 2014, interest at 6.2%.	12,350,000
	$132,035,300

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 1990

c. Schedule of Principal Requirements

Year Ending September 30	General Revenue	Proprietary Revenue					Note and Loan Payable	Total
		Electric	Gas	Sewer	Water	Airport		
1991	$ 530,000	$ 4,590,000	$ 11,000	$ 858,600	$ 360,400	$ --	$ 65,000	$ 6,415,000
1992	565,000	4,935,000	12,000	909,100	373,900	225,000	65,000	7,085,000
1993	605,000	5,315,000	13,000	993,600	408,400	240,000	65,000	7,640,000
1994	1,190,000	5,735,000	13,000	1,032,400	439,600	255,000	65,000	8,730,000
1995	1,290,000	6,200,000	14,000	1,116,900	474,100	270,000	65,000	9,450,000
1996	1,400,000	6,715,000	14,000	1,170,700	515,300	290,000	65,000	10,170,000
1997	1,515,000	5,795,000	--	1,291,900	463,200	310,000	16,000	9,391,100
1998	1,650,000	4,815,000	--	1,387,300	502,700	330,000	--	8,685,000
1999	1,790,000	5,245,000	--	1,486,600	543,400	355,000	--	9,420,000
2000	1,178,000	5,715,000	--	1,593,600	586,400	380,000	--	9,453,000
2001	1,236,100	6,235,000	--	1,704,400	630,500	410,000	--	10,216,000
2002	1,305,400	6,815,000	--	375,000	250,000	440,000	--	9,185,400
2003	1,376,600	7,445,000	--	405,000	270,000	470,000	--	9,966,600
2004	1,463,900	8,130,000	--	--	--	510,000	--	10,103,900
2005	2,395,000	4,761,400	--	--	--	550,000	--	7,706,400
2006	2,615,000	5,240,600	--	--	--	590,000	--	8,445,600
2007	15,450,000	5,778,300	--	--	--	635,000	--	21,863,300
2008-2016	3,775,000	--	--	--	--	6,090,000	17,404,300	27,269,300
	$41,330,000	$ 99,465,300	$ 77,000	$14,325,100	$ 5,817,900	$12,350,000	$17,810,300	$191,175,600

d. Schedule of Debt Service Requirements, Including Principal and Interest

Year Ending September 30	General Revenue	Proprietary Revenue					Note and Loan Payable	Total
		Electric	Gas	Sewer	Water	Airport		
1991	$ 4,093,000	$ 11,856,700	$ 15,300	$ 1,769,900	$ 750,300	$ 959,700	$ 2,744,900	$ 22,169,800
1992	4,091,400	11,857,400	16,000	1,768,500	741,600	1,164,700	2,744,900	22,384,500
1993	4,092,400	11,857,400	16,000	1,797,300	752,800	1,166,200	2,744,900	22,427,000
1994	4,635,700	11,857,500	15,200	1,774,500	757,800	1,166,200	2,744,900	22,951,800
1995	4,639,600	11,858,000	15,400	1,793,100	763,800	1,164,600	2,744,900	22,979,400
1996	4,644,700	11,858,400	14,600	1,776,500	774,000	1,166,700	2,744,900	22,979,800
1997	4,644,500	11,853,800	--	1,833,500	690,700	1,166,800	2,695,900	22,885,200
1998	4,652,900	11,855,900	--	1,847,400	699,200	1,165,100	2,679,900	22,900,400
1999	4,653,800	11,857,400	--	1,857,900	705,600	1,166,400	2,679,900	22,921,000
2000	4,663,400	11,855,300	--	1,869,300	711,300	1,165,400	2,679,900	22,944,600
2001	4,668,700	11,855,200	--	1,875,900	714,500	1,167,300	2,679,900	22,961,500
2002	4,675,400	11,858,500	--	434,500	289,700	1,156,600	2,679,900	21,104,600
2003	4,677,800	11,858,100	--	430,800	287,200	1,163,100	2,679,900	21,096,900
2004	4,676,000	11,854,500	--	--	--	1,167,200	2,679,900	20,377,600
2005	4,688,200	12,298,500	--	--	--	1,167,600	2,679,900	20,834,200
2006	4,701,900	12,340,100	--	--	--	1,165,000	2,679,900	20,886,900
2007	17,311,100	12,396,200	--	--	--	1,164,300	2,679,900	33,551,500
2008 -2016	4,193,700	--	--	--	--	8,158,800	41,522,600	53,875,100
	$ 94,404,200	$203,028,900	$ 92,500	$20,829,100	$ 8,638,500	$27,751,700	$87,486,900	$ 442,231,800

NOTE III - (Continued)

e. Refunded issues - In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The following schedule reflects the refunded bonds as of September 30, 1990:

Type	Series	Outstanding as of September 30, 1990
General Revenue	1973	$ 15,150,000
	1978	38,800,000
	1981	22,325,000
Municipal Hospital	1967	680,000
Municipal Electric	1964	1,200,000
	1969	3,200,000
	1972	11,950,000
	1977	80,530,000
	1982	18,675,000
		$ 192,510,000

f. Loan Payable - On November 18, 1986, the City obtained an $18,200,000 loan from the Sunshine State Governmental Financing Commission, the proceeds of which were used to retire an outstanding Special Assessment note and to finance construction of certain water and sewer projects. The rate of interest on the loan varies based upon market interest rates for short-term tax exempt financing. The loan interest rate at September 30, 1990 was 6.24%. The debt service schedule on B-30 was prepared utilizing a fifteen percent (15%) interest rate, which is the maximum rate on the loan. The outstanding balance at September 30, 1990 is $17,404,300.

The loan is non-project specific (as long as designated projects are appropriate under Florida Law and will not cause the loan, if considered as a separate bond issue, to be in violation of applicable IRS guidelines) and non-revenue specific (a covenant to budget and appropriate for non-advalorem revenues exists).

The loan has been allocated as follows: gas fund ($2,022,000, with the primary source of debt service being gas operating revenues); water fund ($7,483,700, with the primary source of debt service being water operating revenues); and sewer fund ($8,694,300, with the primary source of debt service being sewer operating revenues).

The loan is due to be repaid at July 1, 2016; however, earlier repayment is allowed under the terms of the loan.

During 1990, the City authorized staff to proceed with the procurement of a loan from the Sunshine State Governmental Financing Commission Secondary Loan Program. The loan of approximately $5,000,000 is to be used for the purpose of designing and constructing improvements necessary to treat water at certain City water wells and to implement the City's micro-computer conversion plan. No funds had been drawn at September 30, 1990.

NOTE III - (Continued)

5. ACCRUED LEAVE

Current and Long-Term portion of accrued leave by fund consists of the following at September 30, 1990:

	Accrued Vacation	Accrued Sick Leave	Total	Accrued Leave Short-Term Portion
Enterprise Funds:				
Electric	$ 738,600	$ 690,900	$ 1,429,500	$ 637,600
Gas	79,700	55,600	135,300	80,100
Sewer	252,200	191,300	443,500	220,000
Water	85,800	90,400	176,200	78,000
Airport	95,500	107,600	203,100	96,500
Tallahassee Transit	129,200	64,700	193,900	99,900
Solid Waste	154,000	150,600	304,600	123,700
Golf Course	27,600	13,900	41,500	19,300
Forest Meadows	3,200	1,000	4,200	2,700
Internal Service Funds	581,100	392,600	973,700	485,200
General Long-Term Debt	1,877,000	1,687,100	3,564,100	1,660,300*
Total	$ 4,023,900	$ 3,445,700	$ 7,469,600	$ 3,503,300

*It should be noted that the General Fund's accrued leave short-term portion has been reported in the General Long-Term Debt Account Group, because this liability will be liquidated with future financial resources.

6. LEASE COMMITMENTS

The City leases a significant amount of equipment from various corporations. The leases are for 1 to 5 years expiring in 1990 through 1994, and may be renewed annually thereafter. The leases are classified as operating leases and the payments are charged to expenditures when paid. In addition, the City leases certain equipment which meet the criteria for capitalization. Total remaining operating lease payments and future minimum lease payments and capitalized leases follows:

	September 30, 1990	
	Operating	Capital
1991	$ 485,200	$ 829,300
1992	462,700	709,400
1993	453,700	543,700
1994	452,000	66,300
1995	201,800	--
Total Minimum Lease Payments	$ 2,055,400	2,148,700
Less: Amount Representing Interest		(556,800)
Present Value of Net Minimum Lease Payments		1,591,900
Current Portions		(395,100)
Long-Term Obligation at September 30, 1990		$ 1,196,800

7. SELF-INSURANCE PROGRAMS

A Self-Insurance Program is maintained which provides coverage against workers' compensation claims (up to a maximum of $100,000 per occurrence), general liability and automobile liability. The Risk Management Fund is responsible for collecting premiums from insured funds, paying claims settlements and purchasing certain insurance policies. Claims settlements and loss expenses are accrued for the estimated settlement value of reported and unreported claims. At September 30, 1990, the City recorded a liability of $2,745,600 for claims.

NOTE III - (Continued)

Employee health insurance is provided through two programs. Employees may choose a health maintenance organization for which a premium is paid and the City retains no additional liability. Alternatively, employees may choose a traditional insurance program under which the City is self-insured. Under the traditional program, the City has a stop-loss provision which provides coverage for losses in excess of $60,000 per covered individual. Blue Cross Blue Shield of Florida, the contractual service agent for the self-insurance program, collects premiums from the City, pays benefits and provides the City with an accounting of its' operations quarterly. The City accounts for its self-insurance program through the Employee Healthcare Fund which is classified as an Internal Service Fund. At September 30, 1990, the City recorded a liability of $116,100 reflecting an amount for reported and unreported claims incurred.

8. UTILITY DEPOSITS REFUND

On December 12, 1990, the City of Tallahassee adopted a policy to refund utility deposits to customers meeting certain criteria. Deposits for residential customers will be refunded after a customer has been with the City at the same address for two consecutive years provided that there have been no nonpayment or returned check cut-off orders issued in the preceding twenty-four (24) month period. If, subsequent to the refund, the account is ordered cut-off for nonpayment, the customer may be required to pay a new deposit at the existing rate.

The effect of this policy, beginning January 1991, will reduce the City's liabilities in the Enterprise Fund by approximately $3,800,000.

9. ELECTRIC SYSTEM REBATE

On November 12, 1986, the City of Tallahassee adopted a policy to rebate a portion of the electric operating surplus under certain circumstances. The rebate would be placed in motion if the surplus, after meeting all reserve requirements, exceeded $2,000,000 whereby 50 percent of the surplus would be rebated. The rebate is available to all electric customers of the prior twelve (12) months, based on their proportional electric consumption.

The rebate to customers of record at September 30, 1990 will be made in December 1990 in the amount of $3,583,475 which is reflected in Accounts Payable in the Electric Fund. This amount was derived after additional transfers were made pursuant to fiscal 1991 budget process, Financial Policy and Debt Policy.

C. INTERFUND RECEIVABLES AND PAYABLES

At September 30, 1990, Interfund Receivables and Payables are as follows:

Fund	Interfund Receivables	Interfund Payables
General	$ --	$ 43,600
Airport	59,600	1,000
Tallahassee Transit	--	2,900
Internal Service	1,094,100	1,106,200
	$ 1,153,700	$ 1,153,700

NOTE III - (Continued)

D. FUND EQUITY

1. CHANGES IN CONTRIBUTED CAPITAL

1) Enterprise Funds - The following changes occurred in contributed capital of the Enterprise Funds during the year ended September 30, 1990:

	Electric	Sewer	Airport	Tallahassee Transit	Others	Total
Beginning Balance as of October 1, 1989	$ 2,126,000	$21,282,500	$27,051,700	$ 9,608,500	$ 2,280,300	$62,349,000
Additions:						
Grant Revenue	--	--	2,808,100	2,036,700	--	4,844,800
Transfer from Other Funds	--	--	--	40,900	--	40,900
Total Additions	--	--	2,808,100	2,077,600	--	4,885,700
Deductions:						
Depreciation on Contributed Assets	--	(699,500)	(574,100)	(506,200)	--	(1,779,800)
Total Deductions	--	(699,500)	(574,100)	(506,200)	--	(1,779,800)
Ending Balance as of September 30, 1990	$ 2,126,000	$20,583,000	$29,285,700	$11,179,900	$ 2,280,300	$65,454,900

2) Internal Service Funds - The following changes occurred in contributed capital of the Internal Service Funds during the year ended September 30, 1990:

	Garage	Risk Management	Communication	Total
Beginning Balance as of October 1, 1989	$ 4,451,800	$ 893,500	$ 129,800	$ 5,475,100
Additions:				
Total Additions	943,300	--	--	943,300
Deductions:				
Total Deductions	--	--	--	--
Ending Balance as of September 30, 1990	$ 5,395,100	$ 893,500	$ 129,800	$ 6,418,400

NOTE III - (Continued)

D. FUND EQUITY

2. CHANGES IN RESERVED RETAINED EARNINGS - ENTERPRISE FUNDS

For purposes of this presentation, the Tallahassee Transit Fund, Airport Fund, Solid Waste Fund, Golf Fund, and Forest Meadows Fund have been combined as Others. As of September 30, 1990, the Reserved Retained Earnings for the Tallahassee Transit Fund, Airport Fund, Solid Waste Fund, Golf Fund, and Forest Meadows Fund was $50,700, $4,888,400, $7,400, $197,000, and $32,500, respectively. The following changes occurred in reserved retained earnings of the enterprise funds during the year ended September 30, 1990:

	Electric	Gas	Sewer	Water	Others	Total Enterprise Funds
Reserved Retained Earnings:						
Revenue Bond Reserve	$14,804,500	$ --	$ 1,883,300	$ 635,600	$ 1,167,700	$ 18,491,100
Sunshine State Construction	--	--	6,766,300	6,246,900	--	13,013,200
Revenue Bonds Renewal and Replacement	40,823,200	3,635,300	8,021,400	3,108,700	1,878,300	57,466,900
Revenue Bonds Construction	16,066,400	75,500	3,506,800	3,897,100	4,636,400	28,182,200
System Charges	--	--	4,175,600	2,368,000	--	6,543,600
Revenue Bond Debt Service	--	--	--	443,000	25,500	468,500
Other	9,657,200	43,300	1,131,600	--	278,900	11,111,000
Total - October 1, 1989	81,351,300	3,754,100	25,485,000	16,699,300	7,986,800	135,276,500
Add						
Income Earned on Restricted Assets	2,270,300	307,100	1,871,800	2,057,300	2,451,000	8,957,500
Debt Service Funding	10,803,000	137,800	2,571,400	1,468,600	939,700	15,920,500
Renewal and Replacement Funding	15,538,400	1,363,000	1,421,800	1,262,000	896,900	20,482,100
Increase in Other Reserve	6,584,400	87,100	--	6,300	1,556,100	8,233,900
Other	7,400	--	1,303,700	--	--	1,311,100
Deduct						
Payment of Bond Principal	(3,305,000)	(10,000)	(973,400)	(336,900)	--	(4,625,300)
Transfer to Other Funds	--	--	(42,100)	(134,500)	--	(176,600)
Interest and Fiscal Charges	(7,498,000)	(6,900)	(917,000)	(864,900)	(939,700)	(10,226,500)
Transfer of Fixed Assets and Expenses	(15,217,100)	(676,900)	(5,692,900)	(6,117,800)	(7,714,800)	(35,419,500)
Net Increase/(Decrease) in Reserved Retained Earnings	9,183,400	1,201,200	(456,700)	(2,659,900)	(2,810,800)	4,457,200
	$90,534,700	$ 4,955,300	$25,028,300	$14,039,400	$ 5,176,000	$139,733,700
Reserved Retained Earnings:						
Revenue Bond Reserve	$14,804,500	$ --	$ 1,883,200	$ 635,600	$ 1,174,100	$ 18,497,400
Loan Debt Service	--	--	190,600	159,600	--	350,200
Revenue Bonds Construction	16,006,000	75,500	2,982,200	3,410,500	1,094,300	23,568,500
Revenue Bonds Renewal and Replacement	43,443,400	3,3[illegible],900	7,151,300	2,552,400	2,226,800	58,766,800
Sunshine State Construction	--	1,359,700	6,034,300	3,878,800	--	11,272,800
System Charges	--	--	5,849,800	3,194,100	--	9,043,900
Other	16,280,800	127,200	936,900	208,400	680,800	18,234,100
Total - September 30, 1990	$90,534,700	$ 4,955,300	$25,028,300	$14,039,400	$ 5,176,000	$139,733,700

NOTE III - (Continued)

The following is a description of each reserve:

Revenue Bond Reserve:

Established in conjunction with the issuance of Revenue Bonds and fully funded by initial deposits from the proceeds of such revenue bonds. The reserve is to be maintained, in an amount equal to the maximum debt service due in any ensuing fiscal year, as long as the bonds are outstanding.

Loan Debt Service:

Established in conjunction with the borrowing of funds from Sunshine State Governmental Financing Commission and funded by transfers from the revenue accounts of the appropriate Enterprise Funds. The use of the money is restricted to the payment of current loan service requirement.

Revenue Bond Construction:

Established in conjunction with the issuance of revenue bonds and funded by initial deposits from the proceeds of such revenue bonds and investment earnings. The use of the money is restricted to the acquisition of construction of projects as indicated in the appropriate Bond Resolution.

Revenue Bond Renewal and Replacement:

Established in conjunction with the issuance of revenue bonds and funded by transfers from the revenue accounts of the appropriate enterprise funds. The use of money is restricted to funding the cost of extensions, enlargements or additions to, or replacement or emergency repair of, capital assets.

Sunshine State Construction:

Established in conjunction with the borrowing of funds from Sunshine State Governmental Financing Commission and funded by transfers from the revenue accounts of the appropriate Enterprise Funds. The use of the money is restricted to finance construction of certain water and sewer projects.

System Charges:

This reserve is funded through the collection of water and sewer system charges. The use of money is restricted to extensions and expansions of the City's water and sewer systems.

Other:

Other reserves have been established by Commission action for specified purposes.

NOTE III - (Continued)

3. RESERVED FUND BALANCES AND RETAINED EARNINGS:

1) Governmental and Expendable Trust Funds - Reserved fund balances indicate those portions of fund balances that are legally segregated for a specific use or not available for appropriation or expenditure. The nature of these reserves are as follows:

	September 30 1990	1989
General Fund - Reserved for:		
Inventory	$ 5,600	$ 5,600
Advances to Other Funds	2,070,300	2,148,400
Law Enforcement	54,400	46,200
Note Receivable	15,000	15,000
Encumbrances	1,475,700	1,369,100
Total General Fund	3,621,000	3,584,300
Special Revenue Funds - Reserved for:		
Projects	1,389,200	1,106,000
Notes Receivable	179,900	179,900
Community and Rehabilitative Trust	16,500	12,000
Total Special Revenue Funds	1,585,600	1,297,900
Debt Service Fund - Reserved for:		
Current Debt Service	787,500	403,700
Future Debt Service	12,760,200	11,229,200
Total Debt Service Fund	13,547,700	11,632,900
Capital Projects Funds - Reserved for:		
Encumbrances	5,309,300	5,828,000
Projects	40,264,000	32,787,000
Other	611,900	—
Total Capital Projects Funds	46,185,200	38,615,000
Expendable Trust Funds - Reserved for:		
Advance to Other Funds	2,715,900	1,027,900
Total Expendable Trust Funds	2,715,900	1,027,900
Total	$67,655,400	$56,158,000

2) Internal Service Funds - Reserved retained earnings are restricted to indicate funds obligated as follows:

Reserved for:		
Fleet Management	$13,227,000	$10,575,500
Projects	1,938,400	1,117,700
Total	$15,165,400	$11,693,200

NOTE III - (Continued)

3) Pension Trust Fund - Fund Balance by Article is reserved to indicate fund equity restricted for future benefits to members of the pension plans as follows:

	1990	1989
General Employees - Article II	$136,303,300	$116,250,400
Police Officers - Article III & VI	31,703,100	24,991,200
Firefighters - Article IV	29,206,400	24,355,500
General Defined Contribution - Article V	11,971,900	12,086,500
Total	$209,184,700	$177,683,600

4. DESIGNATED FUND BALANCE

The City has established the following designations of fund balance within the Deficiencies and Emergencies Fund (an Expendable Trust Fund type):

A $953,500 designation of funds is provided for unappropriated expenditures in nearby annexed areas of the City. The nature of these expenditures include but are not limited to police and fire protection, street lights, sidewalks and street paving.

NOTES TO FINANCIAL STATEMENTS
September 30, 1990

NOTE IV - FINANCIAL SEGMENT INFORMATION OF ENTERPRISE FUNDS

The City maintains eight Enterprise Funds which provide electric, gas, sewer, water, airport, mass transportation, solid waste collection, recreation, and golf course operation services. Segment information for the year ended September 30, 1990 was as follows:

	Electric Fund	Gas Fund	Sewer Fund	Water Fund	Airport Fund	Tallahassee Transit Fund	Solid Waste Fund	Forest Meadows and Golf Course Fund	Total Enterprise Funds
Operating Revenues	$139,396,900	$ 9,778,600	$ 15,538,600	$11,457,200	$ 6,339,200	$ 1,502,700	$ 9,591,300	$ 1,188,300	$194,893,400
Depreciation and Amortization Expense	$ 9,150,800	$ 253,800	$ 2,261,400	$ 1,072,600	$ 729,400	$ 571,100	$ 14,500	$ 87,700	$ 14,141,300
Operating Income or (Loss)	$ 52,070,100	$ 2,797,900	$ 2,622,900	$ 3,860,600	$ 862,800	$(3,885,400)	$ (4,500)	$ (419,100)	$ 57,905,300
Operating Transfers: In	$ --	$ 96,400	$ 270,100	$ 27,600	$ --	$ 2,628,900	$ 85,300	$ 750,200	$ 3,858,500
Out	$(31,521,500)	$(1,277,600)	$ (286,500)	$(1,801,700)	$ (78,600)	$ --	$ --	$ (109,100)	$(35,074,800)
Net Income or (Loss)	$ 14,701,800	$ 1,440,100	$ 4,646,100	$ 3,254,700	$ 247,700	$ (342,400)	$ 85,400	$ 224,100	$ 24,255,500
Current Capital Contributions	$ --	$ --	$ --	$ --	$ 2,808,100	$ 2,036,800	$ --	$ --	$ 4,844,900
Restricted Assets	$ 91,625,800	$ 5,026,500	$ 25,740,900	$14,316,700	$ 5,619,300	$ --	$ 7,400	$ 229,500	$142,566,300
Fixed Assets: Additions	$ 14,854,200	$ 2,213,400	$ 4,263,700	$ 6,139,100	$ 7,643,200	$ 2,468,500	$ --	$ 54,000	$ 37,636,100
Deletions	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Net Working Capital	$ 15,453,900	$ 728,000	$ 1,644,600	$ 1,418,200	$ 109,700	$ 1,037,800	$ 552,400	$ 140,600	$ 21,081,200
Total Assets	$322,050,000	$16,199,900	$103,578,800	$52,207,600	$53,828,200	$11,863,400	$ 1,684,500	$ 3,228,700	$565,521,100
Bonds and Other Long-term Liabilities: Payable from Operating Revenues	$ 99,465,300	$ 77,000	$ 14,325,100	$ 5,817,900	$12,350,000	$ --	$ --	$ --	$132,035,300
Total Fund Equity	$201,700,200	$15,394,700	$ 77,511,200	$36,098,700	$37,894,700	$11,361,100	$ 532,600	$ 1,713,700	$380,206,900

NOTE V - RELATED PARTIES

A. JOINTLY OWNED ELECTRIC UTILITY PLANT

The City, through a participation agreement with Florida Power Corporation, a corporation organized and existing under the laws of the State of Florida, has 1.333% undivided ownership interest, as tenants in common, in the Crystal River Unit 3 (CR3) nuclear power plant operated by Florida Power Corporation. In accordance with the agreement, the City participates in the cost and the power output of CR3 based on its respective interest. CR3 revenue and operating maintenance costs, which represents the Electric Utility's share of all revenue and expenses attributable to operation of CR3, are properly recorded in accordance with the instructions as set forth in the Uniform System of Accounts. Payments are made to Florida Power Corporation in accordance with the CR3 participation agreement.

Condensed financial information is not available relating to the power plant.

Included within the Electric Fund's "Reserve for Other" is approximately $2.6 million set aside for the City's share of the costs associated with the decommissioning of the nuclear power plant. The plant's decommissioning is anticipated to occur in 2008.

B. SUNSHINE STATE GOVERNMENTAL FINANCING COMMISSION

In November 1985, the Cities of Tallahassee and Orlando, Florida, through an interlocal agreement, created the Sunshine State Governmental Financing Commission (the Commission) which was developed as a pooled financing vehicle to allow for a limited number of high quality Florida local governmental units (cities and counties) to join together in a variable rate financing program. On July 16, 1986, the Commission issued $300,000,000 in Variable Rate Long-Term Bonds supported by a letter of credit from three major Japanese banking institutions.

The proceeds of the bonds are being used to provide loans to selected governmental units, acceptable to the banks, which have an A (or better) credit rating. Individual loans may be for a term of up to 30 years, with or without principal amortization. Each participant's loan will bear interest at an effective blended rate and the participant is responsible for paying interest and in some cases principal by the 15th of each month for the preceding month.

According to the interlocal agreement, each participating governmental unit appoints a representative to the Commission. These representatives elect a Board of Directors which is responsible for the administration of the program. As of September 30, 1990, the Board consisted of five members representing the City of Tallahassee, the City of Orlando, the City of Vero Beach, the City of Lakeland, and Dade County.

The City of Tallahassee has no obligation or risk associated with the Commission other than the repayment of its loan from the Commission (See Note B III.4.F). Condensed financial information relating to the Commission as of September 30, 1990 is as follows:

Total Assets	- $301,977,100	Total Liabilities	- $301,977,100
Total Retained Earnings	- $ --	Total Operating Revenue	- $ 16,571,000
Total Operating Expense	- $ 19,724,100	Operating Loss	- $ 3,153,200
Non-Operating Income	- $ 3,165,100	Net Income	- $ --

NOTE V - (Continued)

C. CO-TENANCY WITH LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY

During 1988 and 1989, the City and Leon County Research & Development Authority entered into certain agreements for the purpose of constructing and holding a building situated on 9.16 acres of land located in Innovation Park, Tallahassee, Florida. The building was completed in 1989 at a cost of $2,800,000. During 1988, the land and building was leased to Tadiran Ltd. for an initial period of 15 years. The lease terms require annual rental of $1.00 during year 1 through 7 and $1.00 during year 8 through 10 provided that certain minimum employment levels are achieved. During years 11 through 15, the annual rental shall be the fair market lease value with adjustments if the tenant exceeds certain employment levels. The lease requires the Tenant to pay all utilities and expenses associated with maintaining and operating the facility. The lease is considered an operating lease and accordingly revenues are recognized when due over the term of the lease.

The interest of the City and Authority in the Co-Tenancy is 60% and 40% respectively. The City and Authority agreed that they acquired their respective interest in the building as a separate and distinct ownership and do not intend by the Agreement, to form or create a partnership, joint venture, organization or association of any kind. Each Tenant in Common is the direct owner of its respective interest in the building, each owning its undivided interest separate and apart from the undivided interest of the other.

In the event that funds of the Co-Tenancy are insufficient to pay operating expenses or any other expenses, then the Tenants in Common shall contribute the necessary funds for such purposes in proportion to their respective interest. To the extent that either Tenant in Common does not contribute cash, then the other Tenant in Common may lend money to the Co-Tenancy for such purpose. Such loan shall bear interest and have a priority claim on cash available for distribution.

To the extent cash flow is available after considering a reserve for capital improvements and working capital, a distribution will be made to the City and Authority in proportion to their respective interest. However, distributions will not be made until the Co-Tenancy begins receiving fair market lease value payments under the ground and building lease.

Condensed financial information relating to the Co-Tenancy as of September 30, 1990 is as follows:

Total Assets	-	$2,720,000	Total Liabilities	-	$ --
Total Fund Equity	-	$2,720,000	Total Operating Revenue	-	$ --
Total Operating Expense	-	$ --	Depreciation Expense	-	$ 70,000
Non-Operating Income	-	$ --	Net Loss	-	$ 70,000

NOTE VI - CONTINGENCIES

A. Litigation

The City is involved in pending lawsuits. The City Attorney estimates that the potential claims against the City not covered by insurance resulting from litigation would not materially affect the financial position of the City.

B. Federal Grants

The City participates in a number of federally assisted programs, principal of which are the Urban Mass Transportation Authority, Community Development Block Grant and the Federal Aviation Authority programs. These programs are subject to the program compliance audits by the grantees under the Office of Management and Budget Circular A-128. The audits of these programs for and including the year ended September 30, 1990 will be issued under separate report. The amount, if any, of expenditures which may be disallowed by the granting agencies is immaterial to the City's Combined Financial Statements.

C. $150,000,000 City of Tallahassee, Florida Capital Program Revenue Bonds, Series 1988

On July 14, 1988, the City issued $150,000,000 City of Tallahassee, Florida Capital Program Revenue Bonds, Series 1988. The bonds are a special, limited obligation of the City issued under a Trust Indenture dated as of July 1, 1988 between the City and Sun Bank, National Association, as trustee. The bonds were issued to provide funds for the City or to loan to any participating political subdivision or municipal corporation to finance, refinance or reimburse the costs of qualified projects.

The bonds are solely and exclusively obligations of the City to the extent the City draws down the bond issue. Accordingly, the City only reflects the amounts drawn down from the bond issue in the financial statements. At September 30, 1990, the City has not borrowed any such funds.

D. Resolution Authorizing the Issuance of Revenue Bonds

On December 19, 1990 the City adopted resolution number 90-R-0052, authorizing the issuance of Consolidated Utility Systems Revenue Bonds not to exceed $90,000,000. These bonds will be used to refund certain outstanding obligations of the City and to acquire and construct certain improvements for the expansion of the water, sewer, gas and the storm water drainage system of the City. The bonds when issued, will be payable solely from the Pledged Revenues of the various systems. The issuer will not be required to levy ad valorem taxes on any real or personal property within the City to pay the principal and interest on the bonds. Further, the bonds shall not constitute a lien upon any properties owned by or located within the boundaries of the City.

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COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP— STATEMENTS AND SCHEDULES

These financial statements provide a more detailed view of the "General Purpose Financial Statements" presented in the preceding sections.

Combining statements are presented when there are more than one fund of a given fund type.

GOVERNMENTAL FUNDS

GENERAL FUND
SPECIAL REVENUE FUNDS
DEBT SERVICE FUND
CAPITAL PROJECTS FUNDS

GENERAL FUND

The General Fund accounts for all financial resources not properly accounted for in another fund.

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
BALANCE SHEET

	September 30 1990	1989
ASSETS		
Cash	$ 43,600	$ 41,300
Equity in Pooled Cash	1,989,700	3,177,600
Receivables:		
Customers	764,200	970,000
Accounts	2,161,000	427,800
Note	15,000	15,000
Less: Allowance for Doubtful Accounts	(17,900)	(200)
Advances to Other Funds	2,070,300	2,148,400
Inventory	5,600	5,600
Total Assets	$7,031,500	$6,785,500
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	$ 889,600	$ 718,100
Due to Other Funds	43,600	41,300
Total Liabilities	933,200	759,400
Fund Balance:		
Reserved for:		
Inventory	5,600	5,600
Advances to Other Funds	2,070,300	2,148,400
Law Enforcement	54,400	46,200
Note Receivable	15,000	15,000
Encumbrances	1,475,700	1,369,100
Total Reserved	3,621,000	3,584,300
Unreserved/Undesignated	2,477,300	2,441,800
Total Fund Balance	6,098,300	6,026,100
Total Liabilities and Fund Balance	$7,031,500	$6,785,500

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF REVENUE

	Fiscal Year Ended September 30			
	1990			1989
	Budget	Actual on Budgetary Basis	Variance-Favorable (Unfavorable)	Actual on Budgetary Basis
Taxes:				
Ad Valorem	$ 7,714,100	$ 7,758,800	$ 44,700	$ 7,107,300
General Sales and Use Taxes:				
Local Option Gas Tax	3,175,800	3,271,500	95,700	3,054,700
Local Option Sales Tax	6,164,700	4,954,500	(1,210,200)	--
Local Alternative Fuel User Fee	--	--	--	2,700
Public Service Taxes:				
Electricity	5,995,900	6,191,400	195,500	5,829,200
Telephone	965,900	1,072,700	106,800	950,000
Water	746,300	733,700	(12,800)	662,500
Gas	471,300	512,800	41,500	441,200
Propane	173,500	297,000	123,500	167,700
Fuel Oil	70,300	37,200	(33,100)	42,900
Franchise Fees:				
Telephone	503,500	488,500	(15,000)	429,800
Cable Television	352,700	373,800	21,100	332,600
Total Taxes	26,334,200	25,691,900	(642,300)	19,020,600
Licenses and Permits:				
Occupational	729,100	685,300	(43,800)	680,500
Building Permits	756,000	688,000	(68,000)	698,600
Other	575,000	52,700	(522,300)	30,700
Total Licenses and Permits	2,060,100	1,426,000	(634,100)	1,409,800
Intergovernmental Revenue:				
Federal Grants:				
Economic Environment	373,900	492,800	118,900	243,300
Transportation	145,000	91,500	(53,500)	111,500
State:				
Shared Revenues:				
Local Government 1/2 Cent Sales Tax	4,732,200	4,706,800	(25,400)	4,544,900
Two-Cent Cigarette Tax	345,100	308,600	(36,500)	317,000
Revenue Sharing	4,047,100	3,824,400	(222,700)	3,884,900
Mobile Home Licenses	38,700	46,200	7,500	48,300
Alcoholic Beverage License	91,800	78,300	(13,500)	74,700
Public Safety:				
Firefighters' Supplemental Compensation	25,200	20,000	(5,200)	24,700
County:				
City Share of County Occupational Licenses	99,800	96,900	(2,900)	77,300
Payments-in-Lieu-of-Taxes	2,900	1,200	(1,700)	--
Total Intergovernmental Revenue	9,901,700	9,666,700	(235,000)	9,326,600

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF REVENUE
(Continued)

	Fiscal Year Ended September 30			
	1990			1989
	Budget	Actual on Budgetary Basis	Variance-Favorable (Unfavorable)	Actual on Budgetary Basis
Charges for Services:				
General Government Charges:				
Zoning Fees	$ 38,900	$ 46,100	$ 7,200	$ 31,200
County for Planning Dept.	701,700	721,000	19,300	575,100
Cost Allocation	1,966,200	1,966,200	--	2,301,400
Sale of City Code Books	2,500	9,900	7,400	3,300
Public Safety Charges:				
Police Services	44,000	40,500	(3,500)	44,000
County for Fire Protection	1,888,600	1,888,600	--	1,714,200
Physical Environment Charges:				
Lot Mowing and Clearing	5,600	5,400	(200)	3,500
Transportation Charges:				
Parking Facility	413,400	503,900	90,500	463,600
Traffic Signal Maintenance	5,500	14,900	9,400	8,100
Parking Meter Receipts	206,400	226,200	19,800	226,600
Human Services Charges:				
Animal Shelter Fees	70,000	127,800	57,800	39,800
Parks and Recreation:				
Program Activity Fees	421,400	411,100	(10,300)	386,500
Swimming Pools	63,800	79,600	15,800	73,400
Other	24,400	15,000	(9,400)	17,200
County for Parks and Recreation	450,000	450,000	--	300,000
Total Charges for Services	6,302,400	6,506,200	203,800	6,187,900
Fines and Forfeitures:				
Traffic Fines	476,200	629,300	153,100	524,500
Parking Violations	373,300	615,300	242,000	433,400
Police Education $2.00	35,200	25,300	(9,900)	29,100
Total Fines and Forfeitures	884,700	1,269,900	385,200	987,000

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF REVENUE
(Continued)

	Fiscal Year Ended September 30			
	1990			1989
	Budget	Actual on Budgetary Basis	Variance-Favorable (Unfavorable)	Actual on Budgetary basis
Miscellaneous Revenues:				
Interest	$ 510,700	$ 589,300	$ 78,600	$ 436,900
Rents and Royalties	262,000	194,400	(67,600)	213,800
Sales:				
Cemetery Lots	109,600	124,500	14,900	99,100
Surplus Traffic Materials	--	13,300	13,300	7,200
Other	442,200	902,600	460,400	(66,100)
Total Miscellaneous Revenue	1,324,500	1,824,100	499,600	690,900
Total Revenue	$ 46,807,600	$ 46,384,800	$ (422,800)	$37,622,800

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF EXPENDITURES

	Fiscal Year Ended September 30				
	1990				1989
	Budget	Budgetary Basis	Variance-Favorable (Unfavorable)	Actual	Actual
General Government:					
Legislative					
City Commission					
Personal Services	$ 249,400	$ 247,400	$ 2,000	$ 247,400	$ 208,500
Other Operating	57,200	53,100	4,100	53,100	51,100
Total Legislative	306,600	300,500	6,100	300,500	259,600
Executive					
City Manager					
Personal Services	609,400	586,500	22,900	586,500	490,700
Other Operating	137,800	122,800	15,000	121,700	123,600
Capital Outlay	18,200	15,700	2,500	5,300	--
Total Executive	765,400	725,000	40,400	713,500	614,300
Financial and Administrative					
Treasurer-Clerk					
Personal Services	370,400	370,000	400	370,000	325,100
Other Operating	290,200	237,300	52,900	219,200	178,200
Capital Outlay	16,100	13,800	2,300	14,600	2,400
	676,700	621,100	55,600	603,800	505,700
Management and Budget					
Personal Services	478,900	431,400	47,500	431,400	407,300
Other Operating	183,300	166,200	17,100	166,300	148,500
Capital Outlay	1,300	1,300	--	4,300	4,400
	663,500	598,900	64,600	602,000	560,200
Records Management					
Personal Services	165,000	169,600	(4,600)	169,600	153,300
Other Operating	190,100	158,000	32,100	102,900	133,300
Capital Outlay	--	--	--	800	2,800
	355,100	327,600	27,500	273,300	289,400
Real Estate Control					
Personal Services	270,000	138,700	131,300	138,600	130,500
Other Operating	19,700	18,400	1,300	18,000	60,600
Capital Outlay	700	700	--	--	--
	290,400	157,800	132,600	156,600	191,100

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF EXPENDITURES
(Continued)

	Fiscal Year Ended September 30				
	1990				1989
	Budget	Budgetary Basis	Variance-Favorable (Unfavorable)	Actual	Actual
General Services					
Personal Services	$ 143,700	$ 140,500	$ 3,200	$ 140,500	$ 131,500
Other Operating	182,800	156,600	26,200	148,500	103,500
	326,500	297,100	29,400	289,000	235,000
Internal Audit					
Personal Services	203,200	204,500	(1,300)	204,500	167,300
Other Operating	43,300	38,400	4,900	38,300	48,700
Capital Outlay	32,500	32,500	--	3,200	--
	279,000	275,400	3,600	246,000	216,000
Archives					
Personal Services	85,100	77,300	7,800	77,300	78,600
Other Operating	21,000	15,800	5,200	15,800	14,700
Capital Outlay	1,100	900	200	900	--
	107,200	94,000	13,200	94,000	93,300
Total Financial and Administrative	2,698,400	2,371,900	326,500	2,264,700	2,090,700
Legal					
Personal Services	144,400	151,000	(6,600)	151,000	140,700
Other Operating	743,700	729,600	14,100	729,600	557,500
Total Legal	888,100	880,600	7,500	880,600	698,200
Planning					
Comprehensive Planning					
Personal Services	1,294,500	1,294,700	(200)	1,294,700	1,124,400
Other Operating	343,400	319,100	24,300	303,500	236,000
Capital Outlay	37,900	37,500	400	27,200	7,100
	1,675,800	1,651,300	24,500	1,625,400	1,367,500
Growth Management/Administration/Concurrency					
Personal Services	204,100	108,600	95,500	108,600	--
Other Operating	149,400	94,100	55,300	39,500	--
Capital Outlay	210,400	209,400	1,000	32,000	--
	563,900	412,100	151,800	180,100	--
Total Planning	2,239,700	2,063,400	176,300	1,805,500	1,367,500

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF EXPENDITURES
(Continued)

	Fiscal Year Ended September 30				
	1990				1989
	Budget	Budgetary Basis	Variance-Favorable (Unfavorable)	Actual	Actual
Other General Government					
Liaison Office					
Personal Services	$ 114,800	$ 119,700	$ (4,900)	$ 119,700	$ 80,600
Other Operating	54,800	51,100	3,700	44,900	50,300
Capital Outlay	600	500	100	500	--
	170,200	171,300	(1,100)	165,100	130,900
Public Works Administration					
Personal Services	273,700	273,800	(100)	273,800	280,300
Other Operating	788,600	787,700	900	787,700	714,900
Capital Outlay	--	--	--	--	3,000
	1,062,300	1,061,500	800	1,061,500	998,200
Non-Departmental					
Personal Services	264,800	--	264,800	--	--
Other Operating	1,409,000	1,165,300	243,700	1,181,300	1,052,500
Capital Outlay	--	--	--	--	3,300
	1,673,800	1,165,300	508,500	1,181,300	1,055,800
Code Enforcement Board					
Personal Services	30,000	30,800	(800)	30,800	28,200
Other Operating	12,400	10,500	1,900	10,500	5,400
	42,400	41,300	1,100	41,300	33,600
City Hall Maintenance					
Personal Services	259,700	256,000	3,700	256,000	235,400
Other Operating	596,500	617,700	(21,200)	597,600	548,900
Capital Outlay	18,800	18,700	100	5,500	2,400
	875,000	892,400	(17,400)	859,100	786,700
Cable Communications					
Personal Services	26,000	20,700	5,300	20,700	--
Other Operating	14,500	11,300	3,200	8,500	--
Capital Outlay	16,800	4,800	12,000	4,900	--
	57,300	36,800	20,500	34,100	--
Intergovernmental Relations					
Personal Services	38,600	31,400	7,200	31,400	--
Other Operating	40,200	39,100	1,100	37,800	--
Capital Outlay	8,100	8,000	100	800	--
	86,900	78,500	8,400	70,000	--
Total Other General Government	3,967,900	3,447,100	520,800	3,412,400	3,005,200
Total General Government	10,866,100	9,788,500	1,077,600	9,377,200	8,035,500

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF EXPENDITURES
(Continued)

	Fiscal Year Ended September 30				
	1990				1989
	Budget	Budgetary Basis	Variance-Favorable (Unfavorable)	Actual	Actual
Public Safety:					
Law Enforcement					
Personal Services	$14,750,000	$14,341,100	$ 408,900	$14,341,100	$12,548,500
Other Operating	3,632,800	3,626,400	6,400	3,564,900	2,940,000
Capital Outlay	164,600	165,300	(700)	168,800	335,900
Total Law Enforcement	18,547,400	18,132,800	414,600	18,074,800	15,824,400
Fire Control					
Personal Services	7,266,100	7,076,900	189,200	7,076,900	6,883,700
Other Operating	2,615,800	2,653,300	(37,500)	2,623,300	2,370,200
Capital Outlay	18,600	17,600	1,000	18,200	1,235,800
Total Fire Control	9,900,500	9,747,800	152,700	9,718,400	10,489,700
Protective Inspection					
Building Inspection					
Personal Services	804,500	818,700	(14,200)	818,700	716,100
Other Operating	101,800	106,800	(5,000)	107,100	89,600
Capital Outlay	--	--	--	1,400	16,700
	906,300	925,500	(19,200)	927,200	822,400
Code Enforcement					
Personal Services	266,400	243,900	22,500	243,900	253,100
Other Operating	55,000	56,000	(1,000)	35,000	24,900
Capital Outlay	1,300	1,300	--	400	1,700
	322,700	301,200	21,500	279,300	279,700
Total Protective Inspection	1,229,000	1,226,700	2,300	1,206,500	1,102,100
Total Public Safety	29,676,900	29,107,300	569,600	28,999,700	27,416,200
Transportation:					
Road and Street Facilities					
Street Lighting					
Personal Services	46,700	48,500	(1,800)	48,500	59,500
Other Operating	835,000	1,105,500	(270,500)	1,105,500	679,800
	881,700	1,154,000	(272,300)	1,154,000	739,300
Right-Of-Ways					
Personal Services	1,339,900	1,351,500	(11,600)	1,351,500	1,316,000
Other Operating	467,700	395,000	72,700	390,000	391,500
Capital Outlay	28,100	28,000	100	60,100	7,800
	1,835,700	1,774,500	61,200	1,801,600	1,715,300

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF EXPENDITURES
(Continued)

	Fiscal Year Ended September 30				
	1990				1989
	Budget	Budgetary Basis	Variance-Favorable (Unfavorable)	Actual	Actual
Streets					
Personal Services	$1,604,400	$1,629,800	$ (25,400)	$1,629,800	$1,377,100
Other Operating	1,360,100	1,221,200	138,900	1,213,100	1,166,800
Capital Outlay	9,000	9,000	--	231,300	7,000
	2,973,500	2,860,000	113,500	3,074,200	2,550,900
Traffic Engineering					
Personal Services	1,102,400	1,118,800	(16,400)	1,118,900	978,300
Other Operating	657,100	613,200	43,900	627,000	582,400
Capital Outlay	68,800	59,800	9,000	79,000	15,000
	1,828,300	1,791,800	36,500	1,824,900	1,575,700
Total Road and Street Facilities	7,519,200	7,580,300	(61,100)	7,854,700	6,581,200
Parking Facilities					
Other Operating	162,000	144,300	17,700	144,300	129,900
Total Transportation	7,681,200	7,724,600	(43,400)	7,999,000	6,711,100
Human Services:					
Smith-Williams Center					
Personal Services	87,500	87,700	(200)	87,700	78,600
Other Operating	45,500	38,800	6,700	37,000	40,300
	133,000	126,500	6,500	124,700	118,900
Senior Citizen Center					
Personal Services	160,800	154,500	6,300	154,500	138,900
Other Operating	84,900	77,000	7,900	70,900	64,500
Capital Outla	1,500	1,200	300	1,200	--
	247,200	232,700	14,500	226,600	203,400
Lincoln Center					
Personal Services	106,000	107,800	(1,800)	107,700	95,600
Other Operating	94,100	62,000	32,100	61,800	63,800
	200,100	169,800	30,300	169,500	159,400

The accompanying notes are an integral part of these financial statements.

GENERAL FUND
SCHEDULE OF EXPENDITURES
(Continued)

	Fiscal Year Ended September 30				
	1990				1989
	Budget	Budgetary Basis	Variance-Favorable (Unfavorable)	Actual	Actual
Administration					
Personal Services	$ 137,200	$ 166,000	$ (28,800)	$ 165,900	$ 129,300
Other Operating	536,300	536,100	200	536,200	497,900
	673,500	702,100	(28,600)	702,100	627,200
Total Human Services	1,253,800	1,231,100	22,700	1,222,900	1,108,900
Economic Environment:					
Industry Development					
Minority Business Office					
Personal Services	94,800	91,400	3,400	91,500	88,400
Other Operating	14,800	12,900	1,900	12,900	15,600
Capital Outlay	2,000	2,000	--	2,000	--
	111,600	106,300	5,300	106,400	104,000
Housing and Urban Development					
Personal Services	254,900	248,600	6,300	248,600	215,600
Other Operating	165,100	147,300	17,800	147,200	114,800
	420,000	395,900	24,100	395,800	330,400
Total Economic Environment	531,600	502,200	29,400	502,200	434,400
Physical Environment:					
Environmental Services					
Personal Services	387,700	214,000	173,700	214,000	64,100
Other Operating	142,900	69,500	73,400	61,900	34,400
Capital Outlay	193,600	165,300	28,300	25,500	76,500
	724,200	448,800	275,400	301,400	175,000
Cemeteries					
Personal Services	38,400	37,200	1,200	37,200	29,100
Other Operating	184,400	201,400	(17,000)	189,600	192,200
Capital Outlay	--	--	--	--	--
	222,800	238,600	(15,800)	226,800	221,300

 The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF EXPENDITURES
(Continued)

	Fiscal Year Ended September 30				
	1990				1989
	Budget	Budgetary Basis	Variance-Favorable (Unfavorable)	Actual	Actual
Engineering					
Personal Services	$ 1,026,300	$ 1,020,000	$ 6,300	$ 1,020	$ 743,900
Other Operating	155,600	131,400	24,200	127	131,700
Capital Outlay	44,200	44,200	--	15,400	11,500
	1,226,100	1,195,600	30,500	1,163,100	887,100
Total Physical Environment	2,173,100	1,883,000	290,100	1,691,300	1,283,400
Culture and Recreation:					
Administration					
Personal Services	505,700	517,200	(11,500)	517,200	474,500
Other Operating	445,400	452,600	(7,200)	448,700	435,700
Capital Outlay	1,700	1,700	--	1,700	--
	952,800	971,500	(18,700)	967,600	910,200
Grounds and Facilities					
Personal Service	1,419,300	1,379,100	40,200	1,379,100	1,177,900
Other Operating	660,700	695,200	(34,500)	699,900	560,500
Capital Outlay	153,100	151,800	1,300	24,400	48,700
	2,233,100	2,226,100	7,000	2,103,400	1,787,100
Recreation					
Personal Services	1,124,500	1,144,900	(20,400)	1,144,900	1,056,200
Other Opeating	458,300	432,000	26,300	411,300	325,100
Capital Outlay	5,700	5,400	300	4,300	8,000
	1,588,500	1,582,300	6,200	1,560,500	1,389,300
Athletics					
Personal Services	554,200	529,600	24,600	529,600	498,500
Other Operating	255,200	242,700	12,500	250,100	223,800
Capital Outlay	2,200	2,100	100	600	--
	811,600	774,400	37,200	780,300	722,300
Total Culture and Recreation	5,586,000	5,554,300	31,700	5,411,800	4,808,900
Total Expenditures	$57,768,700	$55,791,000	$ 1,977,700	$55,204,100	$49,798,400

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF OPERATING TRANSFERS

	Fiscal Year Ended September 30			
	1990			1989
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Operating Transfers In:				
Capital Improvement Fund	$ --	$ --	$ --	$ 8,000
Electric Fund	30,640,800	30,640,800	--	27,452,600
Water Fund	2,041,400	1,751,700	(289,700)	1,886,900
Gas Fund	1,227,600	1,227,600	--	899,100
Human Resources Fund	109,000	109,000	--	--
Sewer Fund	425,000	--	(425,000)	--
Stormwater Management Fund	240,500	240,500	--	--
Total Operating Transfers In	$ 34,684,300	$ 33,969,600	$ (714,700)	$ 30,246,600
Operating Transfers Out:				
Special Capital Projects Fund	$ --	$ 508,500	$ (508,500)	$ 1,382,400
Capital Improvement Fund	5,528,200	5,602,700	(74,500)	7,518,700
Tallahassee Transit Fund	2,815,500	2,587,900	227,600	2,110,300
Deficiencies and Emergencies Fund	--	508,500	(508,500)	1,382,400
Golf Course Fund	490,800	464,100	26,700	408,100
Debt Service Fund	4,614,200	4,687,000	(72,800)	3,329,800
Stormwater Management Fund	611,800	383,800	228,000	682,100
Pension Administration Fund	--	--	--	21,000
Human Resources Fund	19,900	19,900	--	12,200
Data Processing Fund	31,900	31,900	--	2,500
Cemetery Perpetual Care Trust Fund	--	508,500	(508,500)	1,382,400
Special Projects Fund	288,700	288,700	--	465,800
Solid Waste Fund	820,200	85,300	734,900	661,300
Sewer Fund	--	270,100	(270,100)	--
Sales Tax Construction Fund	6,164,800	6,164,800	--	--
Gas Tax Construction Fund	2,100,000	2,100,000	--	--
Warehouse Fund	100,000	100,000	--	--
Forest Meadows Fund	137,200	286,100	(148,900)	--
Total Operating Transfers Out	$ 23,723,200	$ 24,597,800	$ (874,600)	$ 19,359,000

The accompanying notes are an integral part of these financial statements.

SPECIAL REVENUE FUNDS

Special Projects Fund—to account for Federal, State, local and other revenues that are to be used for specific general government purposes.

Stormwater Management Fund—to account for fees restricted for stormwater operating and capital costs.

Law Enforcement Forfeiture Fund—to account for forfeitures received by the City as prescribed by Florida Statutues.

CITY OF TALLAHASSEE, FLORIDA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 1990

ASSETS	Special Projects	Stormwater Management	Law Enforcement Forfeiture	Totals September 30, 1990	Totals September 30, 1989
Cash	$ 470,700	$ --	$ --	$ 470,700	$ 12,000
Equity in Pooled Cash	222,500	1,253,400	240,900	1,716,800	1,821,600
Investments	1,097,700	--	--	1,097,700	1,016,200
Notes Receivable	190,900	--	--	190,900	179,900
Accounts Receivable	399,000	142,700	--	541,700	610,800
Total Assets	$2,380,800	$1,396,100	$ 240,900	$ 4,017,800	$3,640,500
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 163,400	$ 12,800	$ --	$ 176,200	$ 33,900
Total Liabilities	163,400	12,800	--	176,200	33,900
Fund Balances:					
Reserved for:					
Projects	--	1,253,700	135,500	1,389,200	1,106,000
Notes Receivable	179,900	--	--	179,900	179,900
Community and Rehabilitative Trust	16,500	--	--	16,500	12,000
Total Reserved	196,400	1,253,700	135,500	1,585,600	1,297,900
Unreserved/Undesignated	2,021,000	129,600	105,400	2,256,000	2,308,700
Total Fund Balances	2,217,400	1,383,300	240,900	3,841,600	3,606,600
Total Liabilities and Fund Balances	$2,380,800	$ 1,396,100	$ 240,900	$ 4,017,800	$3,640,500

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended September 30, 1990

	Special Projects	Stormwater Management	Law Enforcement Forfeiture	Transportation Impact Fee	Totals September 30, 1990	Totals September 30, 1989
Revenues:						
Intergovernmental Revenues	$1,758,800	$ --	$ --	--	$1,758,800	$ 1,347,300
Charges for Services	--	2,203,300	--	--	2,203,300	1,716,600
Fines and Forfeitures	--	--	111,600	--	111,600	131,200
Interest Earned	82,100	77,200	19,200	--	178,500	1,062,400
Miscellaneous Revenues	49,500	3,900	--	--	53,400	33,500
Total Revenues	1,890,400	2,284,400	130,800	--	4,305,600	4,291,000
Expenditures:						
Current:						
General Government	412,100	--	--	--	412,100	253,900
Public Safety	28,800	--	9,100	--	37,900	21,900
Transportation	210,600	--	--	--	210,600	93,100
Human Services	526,600	--	--	--	526,600	306,800
Economic Environment	708,400	--	--	--	708,400	612,700
Physical Environment	362,400	2,220,800	--	--	2,583,200	2,064,300
Cultural and Recreation	389,300	--	--	--	389,300	800
Capital Outlay	11,900	--	32,900	--	44,800	33,700
Total Expenditures	2,650,100	2,220,800	42,000	--	4,912,900	3,387,200
Excess of Revenues Over (Under) Expenditures	(759,700)	63,600	88,800	--	(607,300)	903,800
Other Financing Sources (Uses):						
Operating Transfers In	763,000	453,800	--	--	1,216,800	1,265,900
Operating Transfers Out	(3,400)	(253,000)	(43,500)	--	(299,900)	(7,000)
Total Other Financing Sources (Uses)	759,600	200,800	(43,500)	--	916,900	1,258,900
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(100)	264,400	45,300		309,600	2,162,700
Fund Balances - October 1	2,217,500	1,118,900	195,600	74,600	3,606,600	1,443,900
Residual Equity Transfer	--	--	--	(74,600)	(74,600)	--
Fund Balances - September 30	$2,217,400	$1,383,300	$ 240,900	$ --	$3,841,600	$ 3,606,600

The accompanying notes are an integral part of these financial statements.

DEBT SERVICE FUND

To account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

CITY OF TALLAHASSEE, FLORIDA

DEBT SERVICE FUND
BALANCE SHEET

	September 30 1990	1989
ASSETS		
Equity in Pooled Cash	$ 3,948,500	$ 5,587,900
Investments	9,320,600	5,822,900
Accrued Interest Receivable	219,400	175,400
Deposits	59,200	57,500
Total Assets	$ 13,547,700	$ 11,643,700
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accrued Interest Payable	$ --	$ 10,800
Total Liabilities	--	10,800
Fund Balance:		
Reserved for:		
Current Debt Service	787,500	403,700
Future Debt Service	12,760,200	11,229,200
Total Reserved	13,547,700	11,632,900
Total Liabilities and Fund Balance	$ 13,547,700	$ 11,643,700

DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

	Fiscal Year Ended September 30 1990	1989
Revenue:		
Interest Earned	$ 868,700	$ 442,200
Expenditures:		
Debt Service:		
Principal Retirement	579,800	28,700
Interest and Fiscal Charges	3,683,800	2,977,500
Total Expenditures	4,263,600	3,006,200
Excess of Revenues (Under) Expenditures	(3,394,900)	(2,564,000)
Other Financing Sources (Uses):		
Debt Proceeds	436,200	2,271,600
Operating Transfers In	5,173,500	3,806,300
Total Other Financing Sources	5,609,700	6,077,900
Excess of Revenues and Other Sources Over Expenditures and Other Uses	1,914,800	3,513,900
Fund Balance - October 1	11,632,900	8,119,000
Fund Balance - September 30	$ 13,547,700	$ 11,632,900

The accompanying notes are an integral part of these financial statements.

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CAPITAL PROJECTS FUNDS

Capital Improvement Fund—to account for general revenue used for the acquisition or construction of general fixed assets.

Capital Bonds Construction Fund—to account for bond proceeds used for the acquisition or construction of general fixed assets.

Transportation Impact Fee Fund—to account for impact fees used for the acquisition or construction of transportation improvements.

Sales Tax Construction Fund—to account for tax proceeds used for the acquisition or construction of public safety and transportation improvements.

Gas Tax Construction Fund—to account for tax proceeds used for the acquisition or construction of transportation improvements.

CITY OF TALLAHASSEE, FLORIDA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 1990

	Capital Improvement	Capital Bonds Construction	Transportation Impact Fee	Sales Tax Construction	Gas Tax Construction	Totals September 30, 1990	Totals September 30, 1989
ASSETS							
Equity In Pooled Cash	$29,773,500	$ 4,230,400	$ 1,263,200	$ 5,308,500	$ 1,579,700	$42,155,300	$49,057,100
Accounts Receivable	23,600	--	--	--	--	23,600	3,800
Accrued Interest Receivable	167,300	--	--	--	--	167,300	151,600
Investments	984,500	18,604,200	--	1,020,500	--	20,609,200	2,813,800
Special Assessment Receivable							
Current	227,900	--	--	--	--	227,900	227,600
Deferred	195,500	--	--	--	--	195,500	341,800
Due From Other Governments	77,800	--	--	--	--	77,800	--
Total Assets	$31,450,100	$ 22,834,600	$ 1,263,200	$ 6,329,000	$ 1,579,700	$63,456,600	$52,595,700
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	$ 456,900	$ 104,700	$ 224,300	$ --	$ --	$ 785,900	$ 709,300
Retainage Payable	97,000	126,100	--	--	--	223,100	317,400
Deferred Revenue	215,500	--	--	--	--	215,500	341,800
Total Liabilities	769,400	230,800	224,300	--	--	1,224,500	1,368,500
Fund Balances:							
Reserved for:							
Encumbrances	2,349,700	2,294,700	375,200	270,900	18,800	5,309,300	5,828,000
Projects	20,345,900	12,761,400	--	5,673,200	1,483,500	40,264,000	32,787,000
Other	--	611,900	--	--	--	611,900	--
Total Reserved	22,695,600	15,668,000	375,200	5,944,100	1,502,300	46,185,200	38,615,000
Unreserved/Undesignated	7,985,100	6,935,800	663,700	384,900	77,400	16,046,900	12,612,200
Total Fund Balances	30,680,700	22,603,800	1,038,900	6,329,000	1,579,700	62,232,100	51,227,200
Total Liabilities and Fund Balances	$31,450,100	$ 22,834,600	$ 1,263,200	$ 6,329,000	$ 1,579,700	$63,456,600	$52,595,700

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended September 30, 1990

	Capital Improvement	Capital Bonds Construction	Transportation Impact Fee	Sales Tax Construction	Gas Tax Construction	Totals September 30, 1990	Totals September 30, 1989
Revenues:							
Special Assessment Revenue	$ 146,400	$ --	$ --	$ --	$ --	$ 146,400	$ 131,700
Intergovernmental Revenue	479,700	--	--	--	--	479,700	97,000
Charges For Services	--	--	865,100	--	--	865,100	--
Interest Earned	2,600,700	1,895,800	44,000	279,300	77,400	4,897,200	3,703,600
Miscellaneous	399,100	71,700	--	--	--	470,800	38,800
Total Revenues	3,625,900	1,967,500	909,100	279,300	77,400	6,859,200	3,971,100
Expenditures:							
Current:							
General Government	408,400	--	--	--	--	408,400	323,400
Public Safety	325,200	--	--	--	--	325,200	11,500
Transportation	4,020,300	3,280,700	--	105,100	797,700	8,203,800	7,771,900
Human Services	--	--	--	--	--	--	44,500
Economic Environment	221,100	--	--	--	--	221,100	33,800
Physical Environment	75,700	--	--	--	--	75,700	65,300
Culture and Recreation	197,000	--	--	--	--	197,000	124,700
Capital Outlay	3,226,300	334,500	--	10,000	--	3,570,800	20,318,200
Total Expenditures	8,474,000	3,615,200	--	115,100	797,700	13,002,000	28,693,300
Excess of Revenues Over (Under) Expenditures	(4,848,100)	(1,647,700)	909,100	164,200	(720,300)	(6,142,800)	(24,722,200)
Other Financing Sources (Uses):							
Proceeds from Advanced Funds	1,084,500	--	--	--	--	1,084,500	--
Proceeds from Sale of Bonds	--	--	--	--	--	--	18,907,500
Proceeds from Sale of Property	--	--	--	--	--	--	1,550,300
Reduction in Loan Proceeds	(1,937,400)	--	--	--	--	(1,937,400)	--
Operating Transfers In	11,747,300	337,900	55,200	6,164,800	2,300,000	20,605,200	18,448,900
Operating Transfers Out	(1,994,300)	(684,900)	--	--	--	(2,679,200)	(1,681,100)
Total Other Financing Sources (Uses)	8,900,100	(347,000)	55,200	6,164,800	2,300,000	17,073,100	37,225,600
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	4,052,000	(1,994,700)	964,300	6,329,000	1,579,700	10,930,300	12,503,400
Fund Balances-October 1	26,628,700	24,598,500	--	--	--	51,227,200	38,723,800
Residual Equity Transfer	--	--	74,600	--	--	74,600	--
Fund Balances-September 30	$30,680,700	$ 22,603,800	$ 1,038,900	$ 6,329,000	$ 1,579,700	$62,232,100	$ 51,227,200

The accompanying notes are an integral part of these financial statements.

ENTERPRISE FUNDS

Electric Fund—to account for the assets, operation and maintenance of the City-owned electric system.

Gas Fund—to account for the assets, operation and maintenance of the City-owned gas system.

Sewer Fund—to account for the assets, operation and maintenance of the City-owned sewer system.

Water Fund—to account for the assets, operation and maintenance of the City-owned water system.

Airport Fund-to account for the assets, operation and maintenance of the City-owned regional airport.

Tallahassee Transit Fund-to account for the assets, operation and maintenance of the City's mass transportation system.

Solid Waste Fund—to account for the assets, operation and maintenance of the City's solid waste operation.

Golf Course Fund—to account for the assets, operation and maintenance of the City's golf courses.

Forestmeadows Fund—to account for the assets, operation and maintenance of the City's Tennis and Health Club operation.

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CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
September 30, 1990

	Electric	Gas	Sewer	Water
ASSETS				
Current Assets:				
Cash	$ --	$ --	$ --	$ --
Equity in Pooled Cash	17,541,300	960,500	1,219,000	1,394,700
Receivables:				
Customers	11,295,300	598,600	1,250,000	1,297,400
Accounts	2,052,100	--	9,500	--
Less: Allowance for Doubtful Accounts	(1,445,200)	(188,700)	(186,800)	(111,400)
Due from Other Funds	--	--	--	--
Inventory	6,042,000	81,900	--	--
Total Current Assets	35,485,500	1,452,300	2,291,700	2,580,700
Restricted Assets:				
Equity in Pooled Cash	69,947,100	3,603,900	19,189,900	10,234,100
Cash with Fiscal Agent	--	--	--	--
Notes Receivable	2,504,900	--	203,400	--
Investments	16,457,900	1,422,600	6,088,100	4,082,600
Accounts Receivable	2,715,900	--	259,500	--
Due from Other Governments	--	--	--	--
Total Restricted Assets	91,625,800	5,026,500	25,740,900	14,316,700
Other Assets:				
Unamortized Bond Issue Cost	433,900	--	48,700	14,700
Unamortized Loan Issue Cost	--	--	83,300	71,100
Total Other Assets	433,900	--	132,000	85,800
Fixed Assets:				
Fixed Assets - Cost	254,450,600	10,435,000	88,994,200	41,334,600
Less: Accumulated Depreciation	(119,487,800)	(4,491,400)	(21,863,600)	(12,239,100)
Construction in Progress	60,422,000	3,777,500	8,283,600	6,128,900
Fixed Assets - Net	195,384,800	9,721,100	75,414,200	35,224,400
Total Assets	$322,930,000	$ 16,199,900	$103,578,800	$ 52,207,600

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
September 30, 1990
(Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Forest Meadows	Totals September 30, 1990	Totals September 30, 1989
$ 1,000	$ 2,900	$ --	$ --	$ --	$ 3,900	$ 3,900
461,400	185,000	637,100	71,800	32,900	22,503,700	20,816,400
618,000	116,400	758,700	--	--	15,934,400	14,425,000
--	595,900	36,400	100	600	2,794,600	2,098,400
(33,800)	--	(32,500)	--	--	(1,998,400)	(1,272,600)
59,600	--	--	--	--	59,600	--
108,400	346,000	--	47,900	11,600	6,637,800	8,108,300
1,214,600	1,346,200	1,399,700	119,800	45,100	45,935,600	44,179,400
2,598,000	--	7,400	197,000	32,500	105,809,900	115,607,500
--	--	--	--	--	--	1,039,200
--	--	--	--	--	2,708,300	3,540,100
1,176,800	--	--	--	--	29,228,000	13,129,900
87,000	--	--	--	--	3,062,400	1,049,500
1,757,700	--	--	--	--	1,757,700	3,161,400
5,619,500	--	7,400	197,000	32,500	142,566,300	137,527,600
386,200	--	--	--	--	883,500	965,200
--	--	--	--	--	154,400	160,400
386,200	--	--	--	--	1,037,900	1,125,600
53,567,000	11,308,500	1,859,900	1,748,200	1,418,500	465,116,500	409,449,800
(8,389,600)	(4,186,300)	(1,582,500)	(314,700)	(28,800)	(172,583,800)	(158,854,800)
1,430,500	3,395,000	--	--	11,100	83,448,600	101,678,100
46,607,900	10,517,200	277,400	1,433,500	1,400,800	375,981,300	352,273,100
$53,828,200	$11,863,400	$ 1,684,500	$ 1,750,300	$ 1,478,400	$569,521,100	$535,105,700

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
September 30, 1990
(Continued)

LIABILITIES AND FUND EQUITY	Electric	Gas	Sewer	Water
Current Liabilities:				
Accounts Payable	$ 11,717,200	$ 603,700	$ 129,700	$ 113,100
Customer Contracts Payable	835,100	--	517,400	431,100
Customer Advances	--	7,800	--	--
Due to Other Funds	--	--	--	--
Utility Deposits Payable	7,479,300	112,800	--	618,300
Prepaid Fee Credit Payable	--	--	--	--
Total Current Liabilities	20,031,600	724,300	647,100	1,162,500
Payable from Restricted Assets:				
Accrued Interest and Commissions Payable	--	8,800	44,700	38,400
Retainage and Accounts Payable	1,458,200	62,400	167,800	238,900
Total Payable from Restricted Assets	1,458,200	71,200	212,500	277,300
Other Liabilities:				
Advance From Other Funds	--	--	500,000	--
Deferred Revenue	414,300	--	--	--
Customer Contracts Payable	110,900	--	1,606,500	1,428,500
Customer Advances	121,600	--	16,300	16,800
Accrued Leave	1,429,500	135,300	443,500	176,200
Loan Payable	--	1,797,400	8,353,600	7,253,300
Bonds and Notes Payable	99,465,300	77,000	14,325,100	5,817,900
Less: Bond Discount	(1,801,600)	--	(37,000)	(23,600)
Total Other Liabilities	99,740,000	2,009,700	25,208,000	14,669,100
Total Liabilities	121,229,800	2,805,200	26,067,600	16,108,900
Fund Equity:				
Contributed Capital	2,126,000	--	20,583,000	--
Retained Earnings:				
Reserved	90,534,700	4,955,300	25,028,300	14,039,400
Unreserved	109,039,500	8,439,400	31,899,900	22,059,300
Total Fund Equity	201,700,200	13,394,700	77,511,200	36,098,700
Total Liabilities and Fund Equity	$322,930,000	$ 16,199,900	$103,578,800	$ 52,207,600

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
September 30, 1990
(Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Forest Meadows	Totals September 30, 1990	Totals September 30, 1989
$ 233,900	$ 295,700	$ 847,300	$ 19,700	$ 4,600	$ 13,964,900	$ 13,617,600
--	--	--	--	--	1,783,600	723,700
11,700	9,800	--	--	--	29,300	29,300
1,000	2,900	--	--	--	3,900	3,900
--	--	--	--	--	8,210,400	7,421,900
862,300	--	--	--	--	862,300	--
1,108,900	308,400	847,300	19,700	4,600	24,854,400	21,796,400
--	--	--	--	--	91,900	88,800
730,900	--	--	--	--	2,658,200	2,114,100
730,900	--	--	--	--	2,750,100	2,202,900
1,746,300	--	--	--	1,445,000	3,691,300	5,266,300
--	--	--	--	--	414,300	409,500
--	--	--	--	--	3,145,900	2,783,600
--	--	--	--	--	154,700	345,200
203,100	193,900	304,600	41,500	4,200	2,931,800	2,498,200
--	--	--	--	--	17,404,300	15,880,500
12,350,000	--	--	--	--	132,035,300	135,010,200
(205,700)	--	--	--	--	(2,067,900)	(2,193,700)
14,093,700	193,900	304,600	41,500	1,449,200	157,709,700	159,999,800
15,933,500	502,300	1,151,900	61,200	1,453,800	185,314,200	183,999,100
29,285,700	11,179,900	788,300	1,492,000	--	65,454,900	62,349,000
4,888,400	50,700	7,400	197,000	32,300	139,733,700	135,276,500
3,720,600	130,500	(263,100)	100	(7,900)	175,018,300	153,481,100
37,894,700	11,361,100	532,600	1,689,100	24,600	380,206,900	351,106,600
$53,828,200	$11,863,400	$ 1,684,500	$ 1,750,300	$ 1,478,400	$565,521,100	$535,105,700

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ended September 30, 1990

	Electric	Gas	Sewer	Water
Operating Revenue:				
Charges for Services:				
Residential Sales	$ 57,004,200	$ 2,774,500	$ 7,605,100	$ 5,923,600
Recyclables Sales	--	--	--	--
Commercial and Industrial Sales	68,330,800	6,828,700	7,265,200	3,697,200
Public Street and Highway Lighting	894,500	--	--	--
Sales for Resale	5,633,400	--	--	--
Sales to Other Funds	4,118,400	81,500	100,500	253,000
Surcharge	1,031,800	3,400	246,800	660,800
Tapping Fees	--	9,900	134,400	360,000
Sales of Gas and Oil	--	--	--	--
Landing and Tie Down Fees	--	--	--	--
Late Fees	321,600	36,500	--	54,800
Initiating Service	846,700	35,000	--	398,200
Rentals	221,000	--	--	52,500
Cut-ins and cut-fees	15,900	300	--	--
Recreation Fees	--	--	--	--
Transportation Fees	--	--	--	--
Other	978,600	9,000	286,600	57,100
Total Operating Revenues	139,396,900	9,778,600	15,638,600	11,457,200
Operating Expenses:				
Personal Services	10,633,700	1,012,900	4,757,100	1,872,100
Fossil Fuel	37,582,400	--	--	--
Power Purchased	16,825,800	--	--	--
Gas Purchased	--	4,688,100	--	--
Materials and Supplies	817,700	83,900	566,400	2,200
Contractual Services	8,760,300	810,200	4,771,200	,400
Other Expenses	3,590,700	405,700	740,800	,900
Less: Applied Equipment Charges	(34,600)	(273,900)	(81,200)	00)
Depreciation	8,980,800	253,800	2,247,400	,000
Amortization	170,000	--	14,000	7,600
Total Operating Expenses	87,326,800	6,980,700	13,015,700	596,600
Operating Income (Loss)	52,070,100	2,797,900	2,622,900	3,860,600

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ended September 30, 1990
(Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Forest Meadows	Totals September 30, 1990	Totals September 30, 1989
$ --	$ --	$ 5,764,300	$ --	$ --	$ 79,071,700	$ 71,998,100
--	--	118,600	--	--	118,600	--
--	--	3,709,000	--	--	89,830,900	86,051,000
--	--	--	--	--	894,500	1,207,000
--	--	--	--	--	5,633,400	4,243,900
--	--	--	--	--	4,553,200	4,008,300
--	--	--	--	--	1,942,800	1,683,000
--	--	--	--	--	504,300	841,900
2,181,200	--	--	--	--	2,181,200	1,936,900
706,200	--	--	--	--	706,200	302,400
--	--	--	--	--	412,900	299,200
--	--	--	--	--	1,279,900	818,700
3,193,400	--	--	--	--	3,466,900	2,713,100
--	--	--	--	--	16,200	158,500
--	--	--	931,200	257,100	1,188,300	948,100
--	1,502,700	--	--	--	1,502,700	1,549,100
258,400	--	--	--	--	1,589,700	1,177,200
6,339,200	1,502,700	9,591,900	931,200	257,100	194,893,400	179,986,400
1,819,000	3,199,300	2,704,900	563,200	137,600	26,699,800	23,261,200
--	--	--	--	--	37,582,400	36,771,000
--	--	--	--	--	16,825,800	13,677,500
--	--	--	--	--	4,688,100	4,510,500
135,900	880,200	79,400	193,100	41,300	3,170,100	2,861,400
2,396,700	493,100	6,409,500	221,600	125,200	27,374,200	22,607,000
395,400	244,400	388,100	191,000	46,700	7,244,700	8,700,500
--	--	--	--	--	(738,300)	(623,100)
707,500	571,100	14,500	58,900	28,800	13,927,800	12,129,600
21,900	--	--	--	--	213,500	205,200
5,476,400	5,388,100	9,596,400	1,227,800	379,600	136,986,100	124,100,800
862,800	(3,885,400)	(4,500)	(296,600)	(122,500)	57,905,300	55,885,600

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ended September 30, 1990
(Continued)

	Electric	Gas	Sewer	Water
Nonoperating Revenues (Expenses):				
Interest Revenue	$ 8,922,600	$ 462,000	$ 2,142,800	$ 1,475,900
Gain on Sale of Surplus Property	39,300	--	--	400
Grant Revenue	--	--	--	--
Other Revenue	555,300	54,900	1,467,600	1,020,500
Interest and Commission Expenses	(8,409,000)	(69,500)	(917,000)	(864,900)
Other Expenses	(6,955,000)	(624,000)	(654,000)	(463,700)
Total Nonoperating Revenues (Expenses)	(5,846,800)	(176,600)	2,039,400	1,168,200
Income (Loss) Before Operating Transfers	46,223,300	2,621,300	4,662,500	5,028,800
Operating Transfers In (Out):				
Operating Transfers In	--	96,400	270,100	27,600
Operating Transfers (Out)	(31,521,500)	(1,277,600)	(286,300)	(1,801,700)
Net Income (Loss)	14,701,800	1,440,100	4,646,100	3,254,700
Disposition of Net Income:				
(Increase) Decrease in Contributed Capital	--	--	--	--
Depreciation on Contributed Assets	--	--	699,500	--
Net Increase in Retained Earnings	14,701,800	1,440,100	5,345,600	3,254,700
Retained Earnings (Deficit) - October 1	184,872,400	11,954,600	51,582,600	32,844,000
Retained Earnings (Deficit) - September 30	$199,574,200	$ 13,394,700	$ 56,928,200	$ 36,098,700

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ended September 30, 1990
(Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Forest Meadows	Totals September 30, 1990	Totals September 30, 1989
$ 303,400	$ --	$ --	$ --	$ 1,600	$ 13,308,300	$ 14,080,400
--	--	--	--	--	39,700	5,500
--	907,500	--	--	--	907,500	646,100
20,900	43,800	2,600	500	--	3,166,100	9,502,500
(787,700)	--	--	--	--	(11,048,100)	(11,098,300)
(73,100)	(37,200)	--	--	--	(8,807,000)	(7,260,100)
(536,500)	914,100	2,600	500	1,600	(2,433,500)	5,916,100
326,300	(2,971,300)	(1,900)	(296,100)	(120,900)	55,471,800	61,801,700
--	2,628,900	85,300	464,100	286,100	3,858,500	3,360,600
(78,600)	--	--	--	(109,100)	(35,074,800)	(31,511,100)
247,700	(342,400)	83,400	168,000	56,100	24,255,500	33,671,200
--	(40,900)	--	--	--	(40,900)	(187,600)
574,100	506,200	--	--	--	1,779,800	1,781,300
821,800	122,900	83,400	168,000	56,100	25,994,400	35,264,900
7,787,200	(34,300	(339,100)	29,100	(31,500)	288,757,600	253,492,700
$ 8,609,000	$ 181,200	$ (255,700)	$ 197,100	$ 24,600	$314,752,000	$288,757,600

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Fiscal Year Ended September 30, 1990

	Electric	Gas	Sewer	Water
Sources of Working Capital:				
Operations:				
Net Income (Loss)	$ 14,701,800	$ 1,440,100	$ 4,646,100	$ 3,254,700
Items Not Requiring (providing) Working Capital:				
Depreciation	8,980,800	253,800	2,247,400	1,065,000
Amortization	170,000	--	14,000	7,600
Accretion	1,470,100	--	--	--
Accrued Leave	200,600	30,700	66,300	24,400
Working Capital Provided by Operations	25,523,300	1,724,600	6,973,800	4,351,700
Increase in Customer Contract Payable	--	--	202,500	159,800
Decrease in Restricted Assets	--	--	49,800	2,461,800
Increase in Customer Advances	--	--	--	--
Increase in Deferred Revenue	4,800	--	--	--
Contributions	--	--	--	--
Increase in Advance from Other Funds	--	--	--	--
Increase in Payable from Restricted Assets	1,242,000	71,200	--	198,000
Increase in Loan Payable	--	1,797,400	--	--
Total Sources of Working Capital	26,770,100	3,593,200	7,226,100	7,171,300
Uses of Working Capital:				
Acquisition of Fixed Assets	14,854,200	2,213,400	4,263,700	6,139,100
Decrease in Customer Advances	158,400	--	17,300	14,800
Decrease in Deferred Revenue	--	--	--	--
Decrease in Bonds Payable	3,305,000	10,000	793,100	336,900
Increase in Loan Payable	--	--	180,300	93,300
Increase in Restricted Assets	10,027,900	1,272,400	--	--
Contributions	--	--	--	--
Decrease in Customer Contracts Payable	--	--	--	--
Decrease in Payable from Restricted Assets	--	--	24,700	--
Decrease in Advance From Other Funds	--	--	1,546,000	--
Total Uses of Working Capital	28,345,500	3,495,800	6,825,100	6,584,100
Net Increase (Decrease) in Working Capital	$(1,575,400)	$ 97,400	$ 401,000	$ 587,200

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Fiscal Year Ended September 30, 1990

Airport	Tallahassee Transit	Solid Waste	Golf Course	Forest Meadows	Totals September 30, 1990	Totals September 30, 1989
$ 247,700	$ (342,400)	$ 83,400	$ 168,000	$ 56,100	$ 24,255,500	$ 33,671,200
707,500	571,100	14,500	58,900	28,800	13,927,800	12,129,600
21,900	--	--	--	--	213,500	205,200
--	--	--	--	--	1,470,100	1,341,900
38,000	24,200	38,700	6,500	4,200	433,600	251,700
1,015,100	252,900	136,600	233,400	89,100	40,300,500	47,599,600
--	--	--	--	--	362,300	8,200
3,939,900	--	--	--	--	6,451,500	12,716,800
--	--	--	--	--	--	172,200
--	--	--	--	--	4,800	44,100
2,608,100	2,036,800	--	--	--	4,844,900	7,818,100
5,600	--	--	--	--	5,600	3,025,600
--	--	--	--	--	1,511,200	738,100
--	--	--	--	--	1,797,400	--
7,768,700	2,289,700	136,600	233,400	89,100	55,278,200	72,122,700
7,643,200	2,468,500	--	46,900	7,100	37,636,100	51,412,800
--	--	--	--	--	190,500	--
--	--	--	--	--	--	7,300
--	--	--	--	--	4,445,000	7,190,000
--	--	--	--	--	273,600	154,800
--	--	7,400	150,000	32,500	11,490,200	9,487,400
--	--	--	--	--	--	10,700
--	--	--	--	--	--	19,300
939,300	--	--	--	--	964,000	196,800
--	--	--	--	34,600	1,580,600	--
8,582,500	2,468,500	7,400	196,900	74,200	56,580,000	68,479,100
$ (813,800)	$ (178,800)	$ 129,200	$ 36,500	$ 14,900	$ (1,301,800)	$ 3,643,600

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Fiscal Year Ended September 30, 1990
(Continued)

	Electric	Gas	Sewer	Water
Elements of Net Increase (Decrease) in Working Capital:				
Cash	$ --	$ --	$ --	$ --
Equity in Pooled Cash	(2,005,500)	642,500	1,215,600	966,700
Accounts Receivable	3,032,700	(535,700)	(708,400)	(73,800)
Due from Other Funds	--	--	--	--
Inventory	(1,568,200)	77,800	--	--
Accounts Payable	(357,100)	(93,000)	(13,400)	(56,700)
Customer Contracts Payable	--	--	(92,800)	(132,000)
Customer Advances	--	--	--	--
Utility Deposits Payable	(677,300)	5,800	--	(117,000)
Prepaid Fee Credit Payable	--	--	--	--
Net Increase (Decrease) Working Capital	$(1,575,400)	$ 97,400	$ 401,000	$ 587,200

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Fiscal Year Ended September 30, 1990
(Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Forest Meadows	Totals September 30, 1990	Totals September 30, 1989
$ --	$ --	$ --	$ --	$ --	$ --	$ (97,700)
(2,600)	185,000	625,100	32,200	28,300	1,687,300	2,411,600
61,800	(154,700)	(142,700)	--	600	1,479,800	2,813,400
59,600	--	--	--	--	59,600	--
30,700	(13,600)	--	13,000	(10,200)	(1,470,500)	(1,069,300)
(101,000)	(195,500)	(353,200)	(8,700)	(3,800)	(1,182,400)	481,700
--	--	--	--	--	(224,800)	(204,700)
--	--	--	--	--	--	5,500
--	--	--	--	--	(788,500)	(696,900)
(862,300)	--	--	--	--	(862,300)	--
$ (813,800)	$ (178,800)	$ 129,200	$ 36,500	$ 14,900	$(1,301,800)	$ 3,643,600

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ELECTRIC FUND
BALANCE SHEET

	September 30 1990	1989
ASSETS		
Current Assets:		
Equity in Pooled Cash	$ 17,541,300	$ 19,546,800
Accounts Receivable:		
Customers	11,295,300	8,869,500
Other	2,052,100	814,500
Less: Allowance for Doubtful Accounts	(1,445,200)	(814,500)
Inventory:		
Fossil Fuel	3,609,800	5,161,100
Nuclear Fuel	5,258,400	4,981,400
Accumulated Amortization of Nuclear Fuel	(2,826,200)	(2,532,300)
Total Current Assets	35,485,500	36,026,500
Restricted Assets:		
Revenue Bonds Reserve:		
Equity in Pooled Cash	14,804,500	14,804,500
Revenue Bonds Construction:		
Equity in Pooled Cash	--	16,077,700
Investments	16,417,700	--
Accounts Receivable	195,700	--
Revenue Bonds RR & I:		
Equity in Pooled Cash	43,438,400	40,224,400
Accounts Receivable	363,600	678,700
Other Restricted Funds:		
Equity in Pooled Cash	11,704,200	6,058,300
Investments	40,200	--
Accounts Receivable	2,156,600	370,800
Notes Receivable	2,504,900	3,383,500
Total Restricted Assets	91,625,800	81,597,900
Other Assets:		
Unamortized Bond Issue Cost	433,900	490,100
Total Other Assets	433,900	490,100
Fixed Assets:		
Fixed Assets - Cost	254,450,600	243,832,800
Less: Accumulated Depreciation	(119,487,800)	(110,703,500)
Construction in Progress	60,422,000	56,382,100
Total Fixed Assets	195,384,800	189,511,400
Total Assets	$322,930,000	$307,625,900

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ELECTRIC FUND
BALANCE SHEET
(Continued)

	September 30 1990	1989
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	$ 11,717,200	$ 12,195,200
Customer Contract Payable	835,100	--
Utility Deposits Payable	7,479,300	6,802,000
Total Current Liabilities	20,031,600	18,997,200
Payable from Restricted Assets:		
Retainage and Accounts Payable	1,458,200	216,200
Total Payable from Restricted Assets	1,458,200	216,200
Other Liabilities:		
Customer Contracts Payable	110,900	110,900
Deferred Revenue	414,300	409,500
Customer Advances	121,600	280,000
Accrued Leave	1,429,500	1,228,900
Bonds and Notes Payable	99,465,300	101,300,200
Less: Bond Discount	(1,801,600)	(1,915,400)
Total Other Liabilities	99,740,000	101,414,100
Total Liabilities	121,229,800	120,627,500
Fund Equity:		
Contributed Capital	2,126,000	2,126,000
Retained Earnings:		
Reserved for:		
Revenue Bonds	14,804,500	14,804,500
Revenue Bonds Construction	16,006,000	16,066,400
Revenue Bonds RR & I	43,443,400	40,823,200
Other Reserves	16,280,800	9,657,200
Total Reserved	90,534,700	81,351,300
Unreserved	109,039,500	103,521,100
Total Fund Equity	201,700,200	186,998,400
Total Liabilities and Fund Equity	$322,930,000	$307,625,900

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ELECTRIC FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

	Fiscal Year Ended September 30 1990	1989
Operating Revenue:		
Charges for Services:		
Residential Sales	$ 57,004,200	$ 53,864,300
Commercial and Industrial Sales	68,330,800	66,492,000
Public Street and Highway Lighting	894,500	1,207,000
Sales for Resale	5,633,400	4,243,900
Sales to Other Funds	4,118,400	3,647,000
Surcharge	1,031,800	927,000
Late Fees	321,600	240,800
Initiating Service	846,700	340,900
Rentals	221,000	216,400
Cut-ins and Cut-fees	15,900	99,700
Other	978,600	343,700
Total Operating Revenues	139,396,900	131,622,700
Operating Expenses:		
Personal Services	10,633,700	9,388,400
Fossil Fuel	37,582,400	36,771,000
Power Purchased	16,825,800	13,677,500
Materials and Supplies	817,700	848,600
Contractual Services	8,760,300	6,898,300
Other Expenses	3,590,700	5,333,300
Less: Applied Equipment Charges	(34,600)	(31,900)
Depreciation	8,980,800	7,825,300
Amortization	170,000	161,400
Total Operating Expenses	87,326,800	80,871,900
Operating Income	52,070,100	50,750,800
Nonoperating Revenues (Expenses):		
Interest Revenue	8,922,600	9,183,100
Gain on Sale of Surplus Property	39,300	5,300
Other Revenue	555,300	3,481,000
Interest and Commission Expenses	(8,409,000)	(8,610,500)
Other Expenses	(6,955,000)	(5,446,600)
Total Nonoperating Revenues (Expenses)	(5,846,800)	(1,387,700)
Income Before Operating Transfers	46,223,300	49,363,100
Operating Transfers Out:		
Operating Transfers Out	(31,521,500)	(28,261,300)
Net Income	14,701,800	21,101,800
Retained Earnings - October 1	184,872,400	163,770,600
Retained Earnings - September 30	$199,574,200	$184,872,400

The accompanying statements are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ELECTRIC FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION

	Fiscal Year Ended September 30 1990	1989
Sources of Working Capital:		
Operations:		
Net Income	$ 14,701,800	$ 21,101,800
Items Not Requiring Working Capital:		
Depreciation	8,980,800	7,825,300
Amortization	170,000	161,400
Accretion	1,470,100	1,341,900
Accrued Leave	200,600	106,900
Working Capital Provided by Operations	25,523,300	30,537,300
Increase in Customer Advances	--	149,400
Increase in Payable from Restricted Assets	1,242,000	--
Contributions	--	235,300
Increase in Deferred Revenue	4,800	44,100
Total Sources of Working Capital	26,770,100	30,966,100
Uses of Working Capital:		
Acquisition of Plant in Service	14,854,200	15,153,800
Decrease in Bonds Payable	3,305,000	6,115,000
Increase in Restricted Assets	10,027,900	6,775,400
Decrease in Payable from Restricted Assets	--	148,500
Decrease in Customer Advances	158,400	--
Total Uses of Working Capital	28,345,500	28,192,700
Net Increase (Decrease) in Working Capital	$ (1,575,400)	$ 2,773,400
Elements of Net Increase (Decrease) in Working Capital:		
Cash	$ --	$ (97,700)
Equity in Pooled Cash	(2,005,500)	3,960,400
Accounts Receivable	3,032,700	(654,400)
Inventory	(1,568,200)	(1,053,800)
Accounts Payable	(357,100)	1,119,400
Customer Contract Payable	--	8,400
Utility Deposits Payable	(677,300)	(508,900)
Net Increase (Decrease) Working Capital	$ (1,575,400)	$ 2,773,400

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

ELECTRIC FUND
SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30 1990	1989
Administrative and General:		
Personal Services	$ 1,615,000	$ 1,412,200
Contractual Services	4,994,000	3,422,000
Materials and Supplies	34,600	35,400
Other	3,444,800	5,208,100
	10,088,400	10,077,700
Distribution:		
Personal Services	3,342,600	2,984,500
Contractual Services	1,422,700	1,359,000
Materials and Supplies	248,100	237,400
Other	24,200	27,500
	5,037,600	4,608,400
Transmission:		
Personal Services	111,700	121,200
Contractual Services	209,400	179,500
Materials and Supplies	1,600	10,900
Other	26,900	43,100
	349,600	354,700
Engineering:		
Personal Services	669,200	415,000
Contractual Services	54,600	46,900
Materials and Supplies	17,800	14,900
Other	45,800	30,200
	787,400	507,000
Generation:		
Personal Services	4,895,300	4,455,500
Fossil Fuel	37,582,400	36,771,000
Contractual Services	2,079,600	1,890,900
Power Purchased	16,825,800	13,677,500
Materials and Supplies	515,600	550,000
Other	48,900	24,400
	61,947,600	57,369,300
Other:		
Less: Applied Equipment Charges	(34,600)	(31,900)
Depreciation	8,980,800	7,825,300
Amortization	170,000	161,400
	9,116,200	7,954,800
Total Operating Expense	$ 87,326,800	$ 80,871,900

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAH/ SSEE, FLORIDA

ELECTRIC FUND
REGULATORY SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30 1990	1989
Fossil Fuel	$ 37,582,400	$ 36,771,000
Nuclear	1,414,600	1,471,000
Purchase of Power	16,825,800	13,677,500
Production:		
Operating	3,759,000	3,237,900
Maintenance	1,341,900	1,194,600
Transmission:		
Operating	272,800	340,900
Maintenance	328,400	230,600
Distribution:		
Operating	2,770,000	2,476,400
Maintenance	1,228,300	955,000
Administrative	6,213,500	6,181,400
Automotive Equipment Expense	620,900	680,900
Less: Applied Equipment Charges	(34,600)	(31,900
Depreciation	8,980,800	7,825,300
Amortization	170,000	161,400
Customer Accounts Expense	5,317,300	4,731,400
Other	535,700	968,500
Total Operating Expense	$ 87,326,800	$ 80,871,900

The above schedule is presented in accordance with the Uniform Chart of Accounts as promulgated by the Federal Energy Regulatory Commission.

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GAS FUND
BALANCE SHEET

	September 30 1990	1989
ASSETS		
Current Assets:		
Equity in Pooled Cash	$ 960,500	$ 318,000
Accounts Receivable:		
Customers	598,600	1,060,800
Less: Allowance for Doubtful Accounts	(188,700)	(115,200)
Inventory:		
Fossil Fuel	81,900	4,100
Total Current Assets	1,452,300	1,267,700
Restricted Assets:		
Revenue Bonds Reserve:		
Equity in Pooled Cash	75,500	75,500
Revenue Bonds Renewal and Replacement:		
Equity in Pooled Cash	3,401,200	3,635,300
Sunshine State Construction:		
Investments	1,422,600	—
Other:		
Equity in Pooled Cash	127,200	43,300
Total Restricted Assets	5,026,500	3,754,100
Fixed Assets:		
Fixed Assets - Cost	10,435,000	9,958,400
Less: Accumulated Depreciation	(4,491,400)	(4,237,600)
Construction in Progress	3,777,500	2,040,700
Fixed Assets - Net	9,721,100	7,761,500
Total Assets	$ 16,199,900	$ 12,783,300

 The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GAS FUND
BALANCE SHEET
(Continued)

	September 30 1990	1989
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	$ 603,700	$ 510,700
Customer Advances	7,800	7,800
Utility Deposits Payable	112,800	118,600
Total Current Liabilities	724,300	637,100
Payable from Restricted Assets:		
Accrued Interest and Commissions Payable	8,800	--
Retainage and Accounts Payable	62,400	--
Total Payable from Restricted Assets	71,200	--
Other Liabilities:		
Accrued Leave	135,300	104,600
Loan Payable	7,400	--
Bonds and Notes Payable	200	87,000
Total Other Liabilities	2,009,700	191,600
Total Liabilities	2,805,200	828,700
Fund Equity:		
Retained Earnings:		
Reserved for:		
Revenue Bonds	75,500	75,500
Revenue Bonds Renewal and Replacement	3,392,900	3,635,300
Sunshine State Construction	1,359,700	--
Other	127,200	43,300
Total Reserved	4,955,300	3,754,100
Unreserved	8,439,400	8,200,500
Total Fund Equity	13,394,700	11,954,600
Total Liabilities and Fund Equity	$ 16,199,900	$ 12,783,300

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GAS FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

	Fiscal Year Ended September 30	
	1990	1989
Operating Revenue:		
Charges for Services:		
Residential Sales	$ 2,774,500	$ 2,223,400
Commercial and Industrial Sales	6,628,700	6,145,900
Sales to Other Funds	81,300	68,300
Tapping Fees	9,900	35,300
Late Fees	36,500	25,500
Initiating Service	35,000	29,500
Cut-ins and Cut-fees	300	6,800
Surcharge	3,400	2,700
Other	9,000	40,600
Total Operating Revenues	9,778,600	8,578,000
Operating Expenses:		
Personal Services	1,012,900	816,000
Gas Purchased	4,688,100	4,510,500
Materials and Supplies	83,900	52,100
Contractual Services	810,200	794,400
Other Expenses	405,700	715,800
Less: Applied Equipment Charges	(273,900)	(209,800)
Depreciation	253,800	221,500
Total Operating Expenses	6,980,700	6,900,500
Operating Income	2,797,900	1,677,500
Nonoperating Revenues (Expenses):		
Interest Revenue	462,000	351,400
Other Revenue	54,900	460,000
Interest and Commission Expenses	(69,500)	(7,200)
Other Expenses	(624,000)	(146,800)
Total Nonoperating Revenues (Expenses)	(176,600)	657,400
Income Before Operating Transfers	2,621,300	2,334,900
Operating Transfers In (Out):		
Operating Transfers In	96,400	—
Operating Transfers (Out)	(1,277,600)	(929,800)
Net Income	1,440,100	1,405,100
Retained Earnings - October 1	11,954,600	10,549,500
Retained Earnings - September 30	$ 13,394,700	$ 11,954,600

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GAS FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION

	Fiscal Year Ended September 30 1990	1989
Sources of Working Capital:		
Operations:		
Net Income	$ 1,440,100	$ 1,405,100
Items Not Requiring Working Capital:		
Depreciation	233,800	221,500
Accrued Leave	50,700	15,500
Working Capital Provided by Operations	1,724,600	1,642,100
Increase in Loan Payable	1,797,400	--
Increase in Payable from Restricted Asset	71,200	--
Total Sources of Working Capital	3,593,200	1,642,100
Uses of Working Capital:		
Acquisition of Plant in Service	2,213,400	1,701,800
Decrease in Bonds Payable	10,000	9,500
Increase in Restricted Assets	1,272,400	172,300
Total Uses of Working Capital	3,495,800	1,883,600
Net Increase (Decrease) in Working Capital	$ 97,400	$ (241,500)
Elements of Net Increase (Decrease) in Working Capital:		
Equity in Pooled Cash	$ 642,500	$ (465,500)
Accounts Receivable	(535,700)	452,100
Inventory	77,800	(91,600)
Accounts Payable	(93,000)	(139,000)
Customer Advances	--	(4,500)
Utility Deposits Payable	5,800	7,000
Net Increase (Decrease) Working Capital	$ 97,400	$ (241,500)

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GAS FUND
SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30 1990	1989
Administrative and General:		
Personal Services	$ 276,000	$ 193,000
Contractual Services	488,700	522,600
Materials and Supplies	9,600	5,300
Other Expenses	391,600	696,200
	1,165,900	1,417,100
Peak Shaving:		
Personal Services	18,300	8,700
Contractual Services	1,800	1,800
Materials and Supplies	1,000	1,000
	21,100	11,500
Transmission and Distribution:		
Personal Services	718,600	614,300
Gas Purchased	4,688,100	4,510,500
Contractual Services	319,700	270,000
Materials and Supplies	73,300	45,800
Other Expenses	14,100	19,600
	5,813,800	5,460,200
Less Applied Equipment Charges	(273,900)	(209,800)
Depreciation	253,800	221,500
Total Operating Expense	$ 6,980,700	$ 6,900,500

GAS FUND
REGULATORY SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30 1990	1989
Purchase of Gas	$ 4,688,100	$ 4,510,500
Distribution:		
Operating	503,100	349,600
Maintenance	288,300	196,400
Administrative	652,300	645,300
Automotive Equipment Expense	290,400	241,000
Less: Applied Equipment Charges	(273,900)	(209,800)
Depreciation	253,800	221,500
Customer Accounts Expense	513,700	565,800
Other	64,900	380,200
Total Operating Expense	$ 6,980,700	$ 6,900,500

The above schedule is presented in accordance with the Uniform Chart of Accounts as promulgated by the Federal Energy Regulatory Commission.

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND
BALANCE SHEET

	September 30 1990	1989
ASSETS		
Current Assets:		
Equity in Pooled Cash	$ 1,219,000	$ 3,400
Accounts Receivable:		
Customers	1,250,000	1,890,800
Other	9,500	29,900
Less: Allowance for Doubtful Accounts	(186,800)	(139,600)
Total Current Assets	2,291,700	1,784,500
Restricted Assets:		
Loan Debt Service:		
Equity in Pooled Cash	235,300	178,900
Revenue Bonds Reserve:		
Equity in Pooled Cash	1,883,200	1,883,300
Revenue Bonds Construction:		
Equity in Pooled Cash	2,988,500	3,581,000
Other:		
Equity in Pooled Cash	1,233,500	844,000
Notes Receivable	203,400	156,600
Revenue Bonds Renewal and Replacement:		
Equity in Pooled Cash	7,244,800	8,080,600
Sewer System Charges:		
Equity in Pooled Cash	5,590,300	4,175 600
Receivables	259,500	--
Sunshine State Contruction:		
Equity in Pooled Cash	14,300	35,100
Investments	6,088,100	6,855,500
Total Restricted Assets	25,740,900	25,790,700
Other Assets:		
Unamortized Bond Issue Cost	48,700	54,800
Unamortized Loan Issue Cost	83,300	86,500
Total Other Assets	132,000	141,300
Fixed Assets:		
Fixed Assets - Cost	88,994,200	83,540,400
Less: Accumulated Depreciation	(21,863,600)	(19,617,100)
Construction in Progress	8,283,600	9,474,600
Fixed Assets - Net	75,414,200	73,397,900
Total Assets	$103,578,800	$101,114,400

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND
BALANCE SHEET
(Continued)

	September 30 1990	September 30 1989
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	$ 129,700	$ 116,300
Customer Contracts Payable	517,400	424,600
Total Current Liabilities	647,100	540,900
Payable from Restricted Assets:		
Accrued Interest and Commissions Payable	44,700	47,900
Retainage and Accounts Payable	167,800	189,300
Total Payable from Restricted Assets	212,500	237,200
Other Liabilities:		
Advance from Other Funds	500,000	2,046,000
Customer Contracts Payable	1,606,500	1,404,000
Customer Advances	16,300	33,600
Accrued Leave	443,500	377,200
Loan Payable	8,353,600	8,533,900
Bonds Payable	14,325,100	15,118,200
Less: Bond Discount	(37,000)	(41,700)
Total Other Liabilities	25,208,000	27,471,200
Total Liabilities	26,067,600	28,249,300
Fund Equity:		
Contributed Capital	20,583,000	21,282,500
Retained Earnings:		
Reserved for:		
Loan Debt Service	190,600	131,000
Revenue Bonds	1,883,200	1,883,300
Revenue Bonds Construction	2,982,200	3,506,800
Other	936,900	1,000,600
Revenue Bonds Renewal and Replacement	7,151,300	8,021,400
Sewer System Charges	5,849,800	4,175,600
Sunshine State Construction	6,034,300	6,766,300
Total Reserved	25,028,300	25,485,000
Unreserved	31,899,900	26,097,600
Total Fund Equity	77,511,200	72,865,100
Total Liabilities and Fund Equity	$103,578,800	$101,114,400

 The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

	Fiscal Year Ended September 30	
	1990	1989
Operating Revenue:		
Charges for Services:		
Residential Sales	$ 7,605,100	$ 6,657,000
Commercial and Industrial Sales	7,265,200	6,569,700
Sales to Other Funds	100,500	95,400
Surcharge	246,800	204,900
Tapping Fees	134,400	193,400
Other	286,600	338,100
Total Operating Revenues	15,638,600	14,058,500
Operating Expenses:		
Personal Services	4,757,100	4,046,400
Materials and Supplies	566,400	521,300
Contractual Services	4,771,200	4,228,900
Other Expenses	740,800	364,300
Less: Applied Equipment Charges	(81,200)	(79,900)
Depreciation	2,247,400	1,924,500
Amortization	14,000	14,400
Total Operating Expenses	13,015,700	11,019,900
Operating Income	2,622,900	3,038,600
Nonoperating Revenues (Expenses):		
Interest Revenue	2,142,800	2,070,300
Other Revenue	1,467,600	2,412,000
Interest and Commission Expenses	(917,000)	(950,000)
Other Expenses	(654,000)	(1,164,600)
Total Nonoperating Revenues (Expenses)	2,039,400	2,367,700
Income Before Operating Transfers	4,662,300	5,406,300
Operating Transfers In (Out):		
Operating Transfers In	270,100	—
Operating Transfers (Out)	(286,300)	(224,600)
Net Income	4,646,100	5,181,700
Disposition of Net Income:		
Depreciation on Contributed Assets	699,500	699,400
Net Increase in Retained Earnings	5,345,600	5,881,100
Retained Earnings - October 1	51,582,600	45,701,500
Retained Earnings - September 30	$ 56,928,200	$ 51,582,600

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION

	Fiscal Year Ended September 30 1990	1989
Sources of Working Capital:		
Operations:		
Net Income	$ 4,646,100	$ 5,181,700
Items Not Requiring Working Capital:		
Depreciation	2,247,400	1,924,500
Amortization	14,000	14,400
Accrued Leave	66,300	53,800
Working Capital Provided by Operations	6,973,800	7,174,400
Increase in Customer Contracts Payable	202,500	8,200
Increase in Customer Advances	--	300
Increase in Advance from Other Fund	--	1,546,000
Increase in Payable from Restricted Assets	--	177,100
Decrease in Restricted Assets	49,800	--
Total Sources of Working Capital	7,226,100	8,906,000
Uses of Working Capital:		
Decrease in Customer Advance	17,300	--
Decrease in Payable from Restricted Assets	24,700	--
Acquisition of Plant in Service	4,263,700	6,294,400
Decrease in Bonds Payable	793,100	747,000
Decrease in Loan Payable	180,300	83,500
Contribution	--	10,700
Increase in Restricted Assets	--	1,346,500
Decrease in Advance From Other Funds	1,546,000	--
Total Uses of Working Capital	6,825,100	8,482,100
Net Increase in Working Capital	$ 401,000	$ 423,900
Elements of Net Increase (Decrease) in Working Capital:		
Equity in Pooled Cash	$ 1,215,600	$ (221,200)
Accounts Receivable	(708,400)	881,700
Accounts Payable	(13,400)	(96,300)
Customer Contracts Payable	(92,800)	(140,300)
Net Increase Working Capital	$ 401,000	$ 423,900

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND
SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30 1990	1989
Administrative and General:		
Personal Services	$ 813,600	$ 630,200
Contractual Services	1,644,100	1,324,700
Other	689,400	317,200
	3,147,100	2,272,100
Treatment Plants:		
Personal Services	2,084,200	1,657,800
Contractual Services	1,906,000	1,769,300
Materials and Supplies	287,000	284,700
Other	16,900	18,200
	4,294,100	3,730,000
Water Quality Lab:		
Personal Services	376,400	293,000
Contractual Services	12,300	12,800
Materials and Supplies	62,000	65,000
Other	14,900	19,500
	465,600	390,300
Sewer Collection:		
Personal Services	1,051,100	1,082,400
Contractual Services	690,900	650,500
Materials and Supplies	130,100	93,200
Other	18,300	6,900
	1,890,400	1,833,000
TV Inspection:		
Personal Services	154,500	137,500
Contractual Services	62,400	53,900
Materials and Supplies	16,800	15,800
Other	900	1,000
	234,600	208,200
Pumping Stations:		
Personal Services	277,300	245,500
Contractual Services	455,600	417,800
Materials and Supplies	70,500	62,500
Other	300	1,500
	803,700	727,300
Applied Equipment Expense	(81,200)	(79,900)
Depreciation	2,247,400	1,924,500
Amortization	14,000	14,400
Total Operating Expense	$ 13,015,700	$ 11,019,900

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND

REGULATORY SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30 1990	1989
Production:		
Operating	$ 2,121,500	$ 1,410,700
Maintenance	648,200	507,800
Transmission:		
Operating	200,100	155,300
Maintenance	102,300	103,400
Distribution:		
Operating	2,668,700	2,608,500
Maintenance	134,800	136,600
Administrative	2,025,100	1,965,900
Automotive Equipment Expense	974,300	824,900
Less: Applied Equipment Charges	(81,200)	(79,900)
Depreciation	2,247,400	1,924,500
Amortization	14,000	14,400
Customer Accounts Expense	1,527,700	1,447,800
Other	432,800	--
Total Operating Expense	$ 13,015,700	$ 11,019,900

The above schedule is presented in accordance with the Uniform System of Accounts for Class A and B Water Utilities as promulgated by the National Association of Regulatory Utility Commissioners.

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

WATER FUND
BALANCE SHEET

	September 30 1990	1989
ASSETS		
Current Assets:		
Equity in Pooled Cash	$ 1,394,700	$ 428,000
Accounts Receivable:		
Customers	1,297,400	1,351,400
Other	--	5,900
Less: Allowance for Doubtful Accounts	(111,400)	(97,500)
Total Current Assets	2,580,700	1,687,800
Restricted Assets:		
Loan Debt Service:		
Equity in Pooled Cash	198,000	152,800
Revenue Bonds Reserve:		
Equity in Pooled Cash	635,600	635,600
Revenue Bonds Construction:		
Equity in Pooled Cash	3,435,100	3,900,500
Revenue Bonds Renewal and Replacement:		
Equity in Pooled Cash	2,562,900	3,117,800
Water System Charge		
Equity in Pooled Cash	3,194,100	2,368,000
Sunshine State Construction:		
Investments	4,082,600	6,272,700
Other:		
Equity in Pooled Cash	208,400	331,100
Total Restricted Assets	14,316,700	16,778,500
Others Assets:		
Unamortized Bond Issue Cost	14,700	16,500
Unamortized Loan Issue Cost	71,100	73,900
Total Other Assets	85,800	90,400
Fixed Assets:		
Fixed Assets - Cost	41,334,600	36,952,400
Less: Accumulated Depreciation	(12,239,100)	(11,175,700)
Construction in Progress	6,128,900	4,373,600
Fixed Assets - Net	35,224,400	30,150,300
Total Assets	$52,207,600	$48,707,000

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

WATER FUND
BALANCE SHEET
(Continued)

	September 30 1990	1989
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	$ 113,100	$ 56,400
Customer Contracts Payable	431,100	299,100
Utility Deposits Payable	618,300	501,300
Total Current Liabilities	1,162,500	856,800
Payable from Restricted Assets:		
Accrued Interest and Commissions Payable	38,400	40,900
Retainage and Accounts Payable	238,900	38,400
Total Payable from Restricted Assets	277,300	79,300
Other Liabilities:		
Customer Contracts Payable	1,428,500	1,268,700
Customer Advances	16,800	31,600
Accrued Leave	176,200	151,800
Loan Payable	7,253,300	7,346,600
Bonds and Notes Payable	5,817,900	6,154,800
Less: Bond Discount	(23,600)	(26,600)
Total Other Liabilities	14,669,100	14,926,900
Total Liabilities	16,108,900	15,863,000
Fund Equity:		
Retained Earnings:		
Reserved for:		
Loan Debt Service	159,600	111,900
Revenue Bonds	635,600	635,600
Revenue Bonds Construction	3,410,500	3,897,100
Revenue Bonds Renewal and Replacement	2,552,400	3,108,700
Water Line Systems Charge	3,194,100	2,368,000
Sunshine State Construction	3,878,800	6,246,900
Other	208,400	331,100
Total Reserved	14,039,400	16,699,300
Unreserved	22,059,300	16,144,700
Total Fund Equity	36,098,700	32,844,000
Total Liabilities and Fund Equity	$ 52,207,600	$ 48,707,060

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE FLORIDA

WATER FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

	Fiscal Year Ended September 30	
	1990	1989
Operating Revenue:		
Charges for Services:		
Residential Sales	$ 5,923,600	$ 5,095,900
Commercial and Industrial Sales	3,697,200	3,419,500
Sales to Other Funds	253,000	197,600
Surcharge	660,800	548,400
Tapping Fees	560,000	613,200
Late Fees	54,800	32,900
Initiating Service	398,200	448,300
Rentals	52,500	48,100
Cut-ins and Cut-fees	--	52,000
Other	57,100	296,500
Total Operating Revenues	11,457,200	10,752,400
Operating Expenses:		
Personal Services	1,872,100	1,638,300
Materials and Supplies	372,200	332,500
Contractual Services	3,386,400	3,029,300
Other Expenses	1,241,900	821,300
Less: Applied Equipment Charges	(348,600)	(301,500)
Depreciation	1,065,000	717,100
Amortization	7,600	7,700
Total Operating Expenses	7,596,600	6,244,700
Operating Income	3,860,600	4,507,700
Nonoperating Revenues (Expenses):		
Interest Revenue	1,475,900	1,335,400
Gain on Sale of Surplus Property	400	--
Other Revenue	1,020,500	2,381,400
Interest and Commission Expenses	(864,900)	(947,500)
Other Expenses	(463,700)	(136,000)
Total Nonoperating Revenues (Expenses)	1,168,200	2,633,300
Income Before Operating Transfers	5,028,800	7,141,000
Operating Transfers In (Out):		
Operating Transfers In	27,600	--
Operating Transfers (Out)	(1,801,700)	(1,934,000)
Net Income	3,254,700	5,207,000
Retained Earnings - October 1	32,844,000	27,637,000
Retained Earnings - September 30	$ 36,098,700	$32,844,000

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

WATER FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION

	Fiscal Year Ended September 30 1990	1989
Sources of Working Capital:		
Operations:		
Net Income	$ 3,254,700	$ 5,207,000
Items not Requiring Working Capital:		
Depreciation	1,065,000	717,100
Amortization	7,600	7,700
Accrued Leave	24,400	11,300
Working Capital Provided by Operations	4,351,700	5,943,100
Increase in Customer Contracts Payable	159,800	--
Increase in Customer Advances	--	22,500
Increase in Payable for Restricted Assets	198,000	--
Decrease in Restricted Assets	2,461,800	--
Total Sources of Working Capital	7,171,300	5,965,600
Uses of Working Capital:		
Acquisition of Plant in Services	6,139,100	4,026,200
Decrease in Bonds Payable	336,900	318,500
Decrease in Customer Advances	14,800	--
Increase in Restricted Assets	--	1,146,200
Decrease in Payable from Restricted Assets	--	48,300
Decrease in Customer Contracts Payable	--	19,300
Decrease in Loan Payable	93,300	71,300
Total Uses of Working Capital	6,584,100	5,629,800
Net Increase (Decrease) in Working Capital	$ 587,200	$ 335,800
Elements of Net Increase (Decrease) in Working Capital:		
Equity in Pooled Cash	$ 966,700	$ (37,500)
Accounts Receivable	(73,800)	697,300
Accounts Payable	(56,700)	(56,200)
Customer Contracts Payable	(132,000)	(72,800)
Utility Deposits Payable	(117,000)	(195,000)
Net Increase in Working Capital	$ 587,200	$ 335,800

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

WATER FUND
SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30 1990	1989
Administrative and General:		
Personal Services	$ 307,100	$ 252,200
Contractual Services	1,501,800	1,353,600
Other Expenses	925,700	809,900
	2,734,600	2,415,700
Supply:		
Personal Services	250,800	254,800
Contractual Services	1,398,000	973,000
Materials and Supplies	55,300	67,900
Other Expenses	23,600	1,600
	1,727,700	1,297,300
Transmission and Distribution:		
ersonal Services	1,314,200	1,131,400
Contractual Services	486,600	702,600
Materials and Supplies	316,900	264,600
Other Expenses	292,600	9,800
	2,410,300	2,108,400
Less: Applied Equipment Charges	(348,600)	(301,500)
Depreciation Expense	1,065,000	717,100
Amortization Expense	7,600	7,700
Total Operating Expense	$ 7,596,600	$ 6,244,700

WATER FUND
REGULATORY SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30 1990	1989
Production:		
Operating	$ 1,672,600	$ 1,041,800
Maintenance	--	--
Distribution:		
Operating	546,200	608,700
Maintenance	798,000	693,100
Administrative	801,300	953,900
Automotive Equipment Expense	762,600	658,300
Less: Applied Equipment Charges	(348,600)	(301,500)
Depreciation	1,065,000	717,100
Amortization	7,600	7,700
Customer Accounts Expense	1,625,100	1,406,900
Other	666,800	458,700
Total Operating Expense	$ 7,596,600	$ 6,244,700

The above schedule is presented in accordance with the Uniform System of Accounts for Class A and B Water Utilities as promulgated by the National Association of Regulatory Utility Commissioners.

CITY OF TALLAHASSEE, FLORIDA

AIRPORT FUND
BALANCE SHEET

ASSETS	September 30 1990	1989
Current Assets:		
Cash	$ 1,000	$ 1,000
Equity in Pooled Cash	461,400	464,000
Accounts Receivable:		
Customers	618,000	277,300
Other	--	290,700
Less: Allowance for Doubtful Accounts	(33,800)	(45,600)
Due From Other Funds	59,600	--
Inventory - Fossil Fuel	108,400	77,700
Total Current Assets	1,214,600	1,065,100
Restricted Assets:		
Construction:		
Equity in Pooled Cash	--	2,204,500
Cash with Fiscal Agent	--	1,039,200
Due From Other Governments	1,633,200	3,053,300
Accounts Receivable	87,000	--
Other:		
Equity in Pooled Cash	497,200	120,200
Due From Other Governments	107,400	108,100
Renewal and Replacement:		
Equity in Pooled Cash	2,077,900	1,840,900
Due From Other Governments	17,100	--
Revenue Bond:		
Equity in Pooled Cash	-	1,167,700
Investments	1,174,100	--
Revenue Bonds Debt Service:		
Equity in Pooled Cash	22,900	23,900
Investment	2,700	1,600
Total Restricted Assets	5,619,500	9,559,400
Other Assets:		
Unamortized Bond Issue Cost	386,200	403,800
Total Other Assets	386,200	403,800
Fixed Assets:		
Fixed Assets - Cost	53,567,000	19,117,000
Less: Accumulated Depreciation	(8,389,600)	(7,682,000)
Construction in Progress	1,430,500	28,237,200
Fixed Assets - Net	46,607,900	39,672,200
Total Assets	$53,828,200	$50,700,500

 The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

AIRPORT FUND
BALANCE SHEET
(Continued)

	September 30 1990	1989
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	$ 233,900	$ 132,900
Customer Advances	11,700	11,700
Prepaid Fee Credit Payable	862,300	--
Due to Other Funds	1,000	1,000
Total Current Liabilities	1,108,900	145,600
Payable From Restricted Assets:		
Retainage and Accounts Payable	730,900	1,670,200
Total Payable from Restricted Assets	730,900	1,670,200
Other Liabilities:		
Accrued Leave	203,100	165,100
Bonds Payable	12,350,000	12,350,000
Less: Bond Discount	(205,700)	(210,000)
Advance from Other Funds	1,746,300	1,740,700
Total Other Liabilities	14,093,700	14,045,800
Total Liabilities	15,933,500	15,861,600
Fund Equity:		
Contributed Capital	29,285,700	27,051,700
Retained Earnings:		
Reserved for:		
Revenue Bonds Debt Service	25,500	25,500
Revenue Bond	1,174,100	1,167,700
Construction	1,094,300	4,636,400
Renewal and Replacement	1,989,900	1,831,300
Other	604,600	228,200
Total Reserved	4,888,400	7,889,100
Unreserved	3,720,600	(101,900)
Total Fund Equity	37,894,700	34,838,900
Total Liabilities and Fund Equity	$53,828,200	$50,700,500

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

AIRPORT FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

	Fiscal Year Ended September 30 1990	1989
Operating Revenue:		
Charges for Services:		
Sales of Gas and Oil	$ 2,181,200	$ 1,936,900
Landing and Tie Down Fees	706,200	352,400
Rentals	3,193,400	2,448,600
Other	258,400	158,300
Total Operating Revenues	6,339,200	4,896,200
Operating Expenses:		
Personal Services	1,819,000	1,433,600
Materials and Supplies	135,900	94,200
Contractual Services	2,396,700	1,979,000
Other Expenses	395,400	392,200
Depreciation	707,500	670,800
Amortization	21,900	21,700
Total Operating Expenses	5,476,400	4,591,500
Operating Income	862,800	304,700
Nonoperating Revenues (Expenses):		
Interest Revenue	303,400	1,130,900
Other Revenue	20,900	424,000
Interest and Commission Expenses	(787,700)	(543,100)
Other Expenses	(73,100)	(109,500)
Total Nonoperating Revenues (Expenses)	(536,500)	902,300
Income Before Operating Transfers	326,300	1,207,000
Operating Transfers Out:		
Operating Transfers Out	(78,600)	(122,300)
Net Income	247,700	1,084,700
Disposition of Net Income:		
Depreciation on Contributed Assets	574,100	575,500
Net Increase in Retained Earnings	821,800	1,660,200
Retained Earnings - October 1	7,787,200	6,127,000
Retained Earnings - September 30	$ 8,609,000	$ 7,787,200

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

AIRPORT FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION

	September 30 1990	1989
Sources of Working Capital:		
Operations:		
Net Income	$ 247,700	$ 1,084,700
Items Not Requiring Working Capital:		
Depreciation	707,500	670,800
Accrued Leave	38,000	17,900
Amortization	21,900	21,700
Working Capital Provided by Operations	1,015,100	1,795,100
Increase in Payable from Restricted Assets	--	561,000
Advance from Other Funds	5,600	--
Decrease in Restricted Assets	3,939,900	12,716,800
Contributions	2,808,100	7,334,800
Total Sources of Working Capital	7,768,700	22,407,700
Uses of Working Capital:		
Acquisition of Plant in Service	7,643,200	22,241,400
Decrease in Payable From Restricted Assets	939,300	--
Total Uses of Working Capital	8,582,500	22,241,400
Net Increase (Decrease) in Working Capital	$ (813,800)	$ 166,300
Elements of Net Increase (Decrease) in Working Capital:		
Equity in Pooled Cash	$ (2,600)	$ (21,600)
Accounts Receivable	61,800	195,300
Due From Other Funds	59,600	--
Inventory	30,700	(17,300)
Accounts Payable	(101,000)	9,900
Prepaid Fee Credit Payable	(862,300)	--
Net Increase (Decrease) Working Capital	$ (813,800)	$ 166,300

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

AIRPORT FUND
SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30	
	1990	1989
Administrative and General:		
Personal Services	$ 221,400	$ 199,000
Contractual Services	241,200	215,300
Materials and Supplies	7,500	3,500
Other Expenses	390,000	361,700
	860,100	779,500
Public Safety - Fire:		
Personal Services	335,300	307,500
Contractual Services	101,400	83,200
Other Expenses	1,100	2,300
	437,800	393,000
Airport Patrol:		
Personal Services	282,400	199,000
Contractual Services	12,800	6,100
Materials and Supplies	200	1,300
	295,400	206,400
Flightline:		
Personal Services	458,600	414,100
Contractual Services	1,506,300	1,357,600
Materials and Supplies	16,100	15,900
Other Expenses	4,300	11,300
	1,985,300	1,798,900
Building Maintenance:		
Personal Services	280,100	166,000
Contractual Services	422,200	224,200
Materials and Supplies	52,900	34,200
Other Expenses	—	2,800
	755,200	427,200
Base Maintenance:		
Personal Services	241,200	148,000
Contractual Services	112,800	92,600
Materials and Supplies	59,200	39,300
Other Expenses	—	14,100
	413,200	294,000
Other:		
Depreciation	707,500	670,800
Amortization	21,900	21,700
	729,400	692,500
Total Operating Expense	$5,476,400	$4,591,500

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

TALLAHASSEE TRANSIT
BALANCE SHEET

	September 30 1990	September 30 1989
ASSETS		
Current Assets:		
Cash	$ 2,900	$ 2,900
Equity in Pooled Cash	185,000	--
Accounts Receivable:		
Customers	116,400	93,100
Other	695,900	873,900
Inventory:		
Fossil Fuel	22,800	18,800
Other	323,200	340,800
Total Current Assets	1,346,200	1,329,500
Fixed Assets:		
Fixed Assets - Cost	11,308,500	11,097,100
Less: Accumulated Depreciation	(4,186,300)	(3,615,100)
Construction in Progress	3,395,000	1,137,900
Fixed Assets - Net	10,517,200	8,619,900
Total Assets	$11,863,400	$ 9,949,400
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	$ 295,700	$ 100,200
Customer Advances	9,800	9,800
Due to Other Funds	2,900	2,900
Total Current Liabilities	308,400	112,900
Other Liabilities:		
Accrued Leave	193,900	169,700
Total Other Liabilities	193,900	169,700
Total Liabilities	502,300	282,600
Fund Equity:		
Contributed Capital	11,179,900	9,608,500
Retained Earnings:		
Reserved for Projects	50,700	50,700
Unreserved	130,500	7,600
Total Fund Equity	11,361,100	9,666,800
Total Liabilities and Fund Equity	$11,863,400	$ 9,949,400

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

TALLAHASSEE TRANSIT FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)

	Fiscal Year Ended September 30	
	1990	1989
Operating Revenues:		
Transportation Fees	$ 1,502,700	$ 1,549,100
Total Operating Revenues	1,502,700	1,549,100
Operating Expenses:		
Personal Services	3,199,300	2,908,100
Materials and Supplies	880,200	786,000
Contractual Services	493,100	202,900
Other Expenses	244,400	474,800
Depreciation	571,100	530,700
Total Operating Expenses	5,388,100	4,902,500
Operating Loss	(3,885,400)	(3,353,400)
Nonoperating Revenues (Expenses):		
Grant Revenue	907,500	646,100
Other Revenue	43,800	233,600
Loss on Sale of Surplus Property	--	200
Other Expenses	(37,200)	(27,700)
Total Nonoperating Revenues	914,100	852,200
Loss Before Operating Transfers	(2,971,300)	(2,501,200)
Operating Transfers:		
Operating Transfers In	2,628,900	2,297,900
Net Loss	(342,400)	(203,300)
Disposition of Net Income:		
Increase in Contributed Capital	(40,900)	(187,600)
Depreciation on Contributed Assets	506,200	506,400
Net Increase in Retained Earnings	122,900	115,500
Retained Earnings (Deficit) - October 1	58,300	(57,200)
Retained Earnings - September 30	$ 181,200	$ 58,300

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

TALLAHASSEE TRANSIT FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION

	Fiscal Year Ended September 30 1990	1989
Sources of Working Capital:		
Operations:		
Net Loss	$ (342,400)	$ (203,300)
Items Not Requiring Working Capital:		
Depreciation	571,100	530,700
Accrued Leave	24,200	17,500
Working Capital Provided by Operations	252,900	344,900
Contributions	2,036,800	248,000
Total Sources of Working Capital	2,289,700	592,900
Uses of Working Capital:		
Acquisition of Plant in Service	2,468,500	488,000
Decrease in Deferred Revenue	--	7,300
Total Uses of Working Capital	2,468,500	495,300
Net Increase (Decrease) in Working Capital	$ (178,800)	$ 97,600
Elements of Net Increase (Decrease) in Working Capital:		
Equity in Pooled Cash	$ 185,000	$ (792,500)
Accounts Receivable	(154,700)	860,400
Inventory	(13,600)	72,600
Accounts Payable	(195,500)	(52,900)
Customer Advances	--	10,000
Net Increase (Decrease) in Working Capital	$ (178,800)	$ 97,600

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

TALLAHASSEE TRANSIT FUND
SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30 1990	1989
Administrative and General:		
Personal Services	$ 341,000	$ 300,000
Contractual Services	343,300	301,000
Materials and Supplies	14,300	14,800
Other	235,700	225,800
	934,300	841,600
Operations:		
Personal Services	2,344,000	2,135,800
Contractual Services	138,800	114,700
Materials and Supplies	496,800	406,100
Other	6,900	22,500
	2,986,500	2,679,100
Maintenance:		
Personal Services	514,300	472,300
Contractual Services	11,000	13,000
Materials and Supplies	369,100	365,100
Other	1,800	700
	896,200	851,100
Depreciation	571,100	530,700
Total Operating Expense	$ 5,388,100	$ 4,902,500

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

SOLID WASTE FUND
BALANCE SHEET

	September 30 1990	1989
ASSETS		
Current Assets:		
Equity in Pooled Cash	$ 637,100	$ 12,000
Accounts Receivable:		
Customers	758,700	882,000
Other	36,400	83,500
Less: Allowance for Doubtful Accounts	(32,500)	(60,200)
Total Current Assets	1,399,700	917,300
Restricted Assets:		
Renewal, Replacement and Improvement:		
Equity in Pooled Cash	7,400	--
Total Restricted Assets	7,400	--
Fixed Assets:		
Fixed Assets - Cost	1,859,900	1,859,900
Less: Accumulated Depreciation	(1,582,500)	(1,568,000)
Fixed Assets - Net	277,400	291,900
Total Assets	$ 1,684,500	$ 1,209,200
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	$ 847,300	$ 494,100
Total Current Liabilities	847,300	494,100
Other Liabilities:		
Accrued Leave	304,600	265,900
Total Other Liabilities	304,600	265,900
Total Liabilities	1,151,900	760,000
Fund Equity:		
Contributed Capital	788,300	788,300
Retained Earnings (Deficit):		
Reserved	7,400	--
Unreserved	(263,100)	(339,100)
Total Fund Equity	532,600	449,200
Total Liabilities and Fund Equity	$ 1,684,500	$ 1,209,200

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

SOLID WASTE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED DEFICIT

	Fiscal Year Ended September 30 1990	1989
Operating Revenue:		
Charges for Services:		
Residential Collection	$ 5,764,300	$ 4,157,500
Commercial Collection	3,709,000	3,423,900
Sale of Recyclables	118,600	--
Total Operating Revenues	9,591,900	7,581,400
Operating Expenses:		
Personal Services	2,704,900	2,533,200
Materials and Supplies	79,400	66,900
Contractual Services	6,409,500	5,015,600
Other Expenses	388,100	588,700
Depreciation	14,500	188,700
Total Operating Expenses	9,596,400	8,393,100
Operating Loss	(4,500)	(811,700)
Non-operating Revenues (Expense)		
Other Revenues	2,600	--
Other Expenses	--	(5,300)
Total Non-operating Revenue (Expenses)	2,600	(5,300)
Loss Before Operating Transfers	(1,900)	(817,000)
Operating Transfers In (Out):		
Operating Transfers In	85,300	661,200
Operating Transfers Out	--	(500)
Total Operating Transfers In (Out)	85,300	660,700
Net Income (Loss)	83,400	156,300
Retained Deficit - October 1	(339,100)	(182,800)
Retained Deficit - September 30	$ (255,700)	$ (339,100)

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

SOLID WASTE FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION

	Fiscal Year Ended September 30 1990	1989
Sources of Working Capital:		
Operations:		
Net Income (Loss)	$ 83,400	$ (156,300)
Items Not Requiring Working Capital:		
Depreciation	14,500	188,700
Accrued Leave	38,700	18,600
Working Capital Provided by Operations	136,600	51,000
Total Sources of Working Capital	136,600	51,000
Uses of Working Capital:		
Acquisition of Fixed Assets	--	8,000
Increase in Restricted Assets	7,400	--
Total Uses of Working Capital	7,400	8,000
Net Increase in Working Capital	$ 129,200	$ 43,000
Elements of Net Increase in Working Capital:		
Equity In Pooled Cash	$ 625,100	$ (42,500)
Accounts Receivable	(142,700)	381,000
Accounts Payable	(353,200)	(295,500)
Net Increase Working Capital	$ 129,200	$ 43,000

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

SOLID WASTE FUND
SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30 1990	1989
Administrative and General:		
Personal Services	$ 559,000	$ 507,200
Contractual Services	2,720,400	2,152,400
Materials and Supplies	44,400	35,100
Other	388,100	588,700
Total Administrative and General	3,711,900	3,283,400
Residential Collection:		
Personal Services	1,248,400	1,236,100
Contractual Services	1,355,800	1,170,400
Materials and Supplies	35,000	31,500
Total Residential Collection	2,639,200	2,438,000
Commercial Collection:		
Personal Services	897,500	789,900
Contractual Services	2,333,300	1,692,800
Material and Supplies	—	300
Total Commercial Collection	3,230,800	2,483,000
Depreciation	14,500	188,700
Total Operating Expense	$ 9,596,400	$ 8,393,100

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GOLF COURSE FUND
BALANCE SHEET

	September 30 1990	1989
ASSETS		
Current Assets:		
Equity in Pooled Cash	$ 71,800	$ 39,600
Accounts Receivable:		
Other	100	100
Inventory	47,900	34,900
Total Current Assets	119,800	74,600
Restricted Assets:		
Renewal, Replacement and Improvement:		
Equity Pool Cash	197,000	47,000
Total Restricted Asset	197,000	47,000
Fixed Assets:		
Fixed Assets - Cost	1,748,200	1,673,300
Less: Accumulated Depreciation	(314,700)	(255,800)
Construction in Progress	--	28,000
Fixed Assets - Net	1,433,500	1,445,500
Total Assets	$ 1,750,300	$ 1,567,100
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	$ 19,700	$ 11,000
Total Current Liabilities	19,700	11,000
Other Liabilities:		
Accrued Leave	41,500	35,000
Total Other Liabilities	41,500	35,000
Total Liabilities	61,200	46,000
Fund Equity:		
Contributed Capital	1,492,000	1,492,000
Retained Earnings (Deficit):		
Reserved	197,000	47,000
Unreserved	100	(17,900)
Total Fund Equity	1,689,100	1,521,100
Total Liabilities and Fund Equity	$ 1,750,300	$ 1,567,100

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GOLF COURSE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)

	Fiscal Year Ended September 30 1990	1989
Operating Revenue:		
Charges for Services:		
Greens Fees	$ 452,500	$ 355,400
Golf Cart Fees	244,600	182,400
Pro Shop Sales	100,500	76,500
Annual Golf Fees	55,300	59,000
Driving Range Fees	26,400	23,800
Concessions	25,200	22,300
Other	26,700	41,300
Total Operating Revenues	931,200	760,700
Operating Expenses:		
Personal Services	563,200	497,200
Materials and Supplies	193,100	159,800
Contractual Services	221,600	217,000
Other Expenses	191,000	10,100
Depreciation	58,900	51,000
Total Operating Expenses	1,227,800	935,100
Operating Loss	(296,600)	(174,400)
Nonoperating Revenues (Expenses):		
Other Revenue	500	110,500
Other Expenses	—	(223,600)
Total Nonoperating Revenues (Expenses)	500	(113,100)
Loss Before Operating Transfers	(296,100)	(287,500)
Operating Transfers In (Out):		
Operating Transfers In	464,100	408,100
Operating Transfers (Out)	—	(38,600)
Net Income	168,000	82,000
Retained Earnings (Deficit) - October 1	29,100	(52,900)
Retained Earnings - September 30	$ 197,100	$ 29,100

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GOLF COURSE FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION

	Fiscal Year Ended September 30	
	1990	1989
Sources of Working Capital:		
Operations:		
Net Income	$ 168,000	$ 82,000
Items Not Requiring Working Capital:		
Depreciation	58,900	51,000
Accrued Leave	6,500	10,200
Working Capital Provided by Operations	233,400	143,200
Total Sources of Working Capital	233,400	143,200
Uses of Working Capital:		
Acquisition of Fixed Assets	46,900	76,700
Increase in Restricted Assets	150,000	47,000
Total Uses of Working Capital	196,900	123,700
Net Increase in Working Capital	$ 36,500	$ 19,500
Elements of Net Increase in Working Capital:		
Equity in Pooled Cash	$ 32,200	$ 30,200
Inventory	13,000	(1,000)
Accounts Payable	(8,700)	(9,700)
Net Increase in Working Capital	$ 36,500	$ 19,500

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

GOLF COURSE FUND
SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30 1990	1989
Administrative and General:		
Personal Services	$ 54,500	$ 51,400
Contractual Services	73,200	51,200
Other	146,100	8,500
	273,800	111,100
Hillaman:		
Personal Services	349,600	309,900
Contractual Services	135,500	144,900
Materials and Supplies	159,600	134,800
Other	34,900	700
	679,600	590,300
Gaither:		
Personal Services	159,000	135,900
Contractual Services	12,900	20,900
Materials and Supplies	33,600	25,000
Other	10,000	900
	215,500	182,700
Depreciation	58,900	51,000
Total Operating Expense	$ 1,227,800	$ 935,100

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

FOREST MEADOWS FUND
BALANCE SHEET

	September 30 1990	1989
ASSETS		
Current Assets:		
Equity in Pooled Cash	$ 32,900	$ 4,600
Accounts Receivable	600	--
Inventory	11,600	21,800
Total Current Assets	45,100	26,400
Restricted Assets:		
Renewal, Replacement and Improvement:		
Equity Pool Cash	32,500	--
Total Restricted Assets	32,500	--
Fixed Assets:		
Fixed Assets - Cost	1,418,500	1,418,500
Less : Accumulated Depreciation	(28,800)	--
Construction in Progress	11,100	4,000
Fixed Assets - Net	1,400,800	1,422,500
Total Assets	$ 1,478,400	$ 1,448,900
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	$ 4,600	$ 800
Total Current Liabilities	4,600	800
Other Liabilities:		
Accrued Leave	4,200	--
Advances From Other Funds	1,445,000	1,479,600
Total Other Liabilities	1,449,200	1,479,600
Total Liabilities	1,453,800	1,480,400
Fund Equity:		
Retained Earnings (Deficit):		
Reserved	32,500	--
Unreserved	(7,900)	(31,500)
Total Fund Equity (Deficit)	24,600	(31,500)
Total Liabilities and Fund Equity	$ 1,478,400	$ 1,448,900

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

FOREST MEADOWS FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)

	Fiscal Year Ended September 30 1990	1989
Operating Revenue:		
Charges for Services:		
Initiation Fees	$ 2,400	$ 4,100
Annual Fees	9,700	7,500
Monthly Fees	107,200	82,100
Daily Fees	51,500	27,500
Special Programs	13,600	13,500
Contracts	66,900	49,900
Other	,800	2,800
Total Operating Revenues	257,100	187,400
Operating Expenses:		
Personal Services	137,600	--
Contractual Services	125,200	241,600
Fuel and Utilities	22,900	--
Material and Supplies	41,300	--
Other Expenses	1,300	--
Allocated Amounts	22,500	--
Depreciation	28,800	--
Total Operating Expenses	379,600	241,600
Operating Loss	(122,500)	(54,200)
Nonoperating Revenues:		
Interest Revenue	1,600	9,300
Total Nonoperating Revenues	1,600	9,300
Income (Loss) Revenue Operating Transfers	(120,900)	(44,900)
Operating Transfers In (Out):		
Operating Transfers In	286,100	13,400
Operating Transfers Out	(109,100)	--
Net Income (Loss)	56,100	(31,500)
Retained Deficit - October 1	(31,500)	--
Retained Earnings (Deficit) - September 30	$ 24,600	$ (31,500)

 The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

FOREST MEADOWS FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION

	Fiscal Year Ended September 30 1990	1989
Sources of Working Capital:		
Operations:		
Net Income (Loss)	$ 56,100	$ (31,500)
Items Not Requiring Working Capital:		
Advance From Other Funds	--	1,479,600
Depreciation	28,800	--
Accrued Leave	4,200	--
Total Sources of Working Capital	89,100	1,448,100
Uses of Working Capital:		
Payment on Advance From Other Funds	34,600	--
Increase in Restricted Assets	32,500	--
Acquisition of Fixed Assets	7,100	1,422,500
Total Uses of Working Capital	74,200	1,422,500
Net Increase in Working Capital	$ 14,900	$ 25,600
Elements of Net Increase in Working Capital:		
Equity in Pooled Cash	$ 28,300	$ 4,600
Accounts Receivable	600	--
Inventory	(10,200)	21,800
Accounts Payable	(3,800)	(800)
Net Increase in Working Capital	$ 14,900	$ 25,600

The accompanying notes are an integral part of these financial statements.

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INTERNAL SERVICE FUNDS

Reading, Billing and Collection Fund—to account for the cost of reading, billing and collecting services provided to the various enterprise funds.

Data Processing Fund—to account for the costs of the City's data processing operation.

Accounting Fund—to account for the costs of the City's accounting operation.

Central Stores Fund—to account for the costs of the City's central stores operation.

Purchasing Fund—to account for the costs of the City's centralized purchasing operation.

Garage Fund—to account for the costs of the City's fleet management operation.

Human Resources Fund—to account for the costs of the City's self-insured healthcare operation.

Pension Administration Fund—to account for the costs of the City's pension plan administrative operation.

Risk Management Fund—to account for the costs of the City's risk management operation.

Employee Healthcare Fund—to account for the cost of the City's self-insured healthcare operation.

Communications Fund—to account for the costs of the City's radio and telecommunications operation.

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CITY OF TALLAHASSEE, FLORIDA

INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 1990

	Reading Billing and Collection	Data Processing	Accounting	Central Stores	Purchasing
ASSETS					
Current Assets:					
Cash	$ 17,500	$ --	$ --	$ --	$ --
Equity in Pooled Cash	813,900	1,362,800	573,000	--	95,400
Accounts Receivable	--	--	1,200	200	100
Due from Other Funds	47,500	--	--	--	--
Deposits	6,500	--	--	--	--
Inventory	--	--	--	4,182,500	45,400
Total Current Assets	885,400	1,362,800	574,200	4,182,700	140,900
Restricted Assets:					
Equity in Pooled Cash	--	--	--	--	--
Total Restricted Assets	--	--	--	--	--
Fixed Assets	210,900	4,123,100	78,300	323,400	90,700
Less Accumulated Depreciation	(132,700)	(898,500)	(45,000)	(121,000)	(43,600)
Net Fixed Assets	78,200	3,224,600	33,300	202,400	47,100
Total Assets	$ 963,600	$4,587,400	$ 607,500	$ 4,385,100	$ 188,000
LIABILITIES AND FUND EQUITY					
Current Liabilities:					
Accounts Payable	$ 71,800	$ 35,800	$ 57,400	$ 16,200	$ 9,800
Lease Payable - Current	--	395,100	--	--	--
Claims Payable - Current	--	--	--	--	--
Due to Other Funds	--	--	--	832,000	--
Total Current Liabilities	71,800	430,900	57,400	848,200	9,800
Other Liabilities:					
Lease Payable	--	1,196,800	--	--	--
Accrued Leave	271,000	167,700	138,100	14,600	31,600
Total Liabilities	342,800	1,795,400	195,500	862,800	41,400
Fund Equity:					
Contributed Capital	--	--	--	--	--
Retained Earnings:					
Reserved for:					
Fleet Management	--	--	--	--	--
Projects	263,300	1,322,700	352,400	--	--
Unreserved	357,500	1,469,300	59,600	3,522,300	146,600
Total Fund Equity	620,800	2,792,000	412,000	3,522,300	146,600
Total Liabilities and Fund Equity	$ 963,600	$4,587,400	$ 607,500	$ 4,385,100	$ 188,000

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 1990
(Continued)

Garage	Human Resources	Pension Administration	Risk Management	Employee Healthcare	Communication	Totals September 30, 1990	Totals September 30, 1989
$ --	$ --	$ --	$ --	$ --	$ --	$ 17,500	$ 14,400
--	412,900	45,500	5,225,000	--	200,100	8,728,200	6,965,800
10,000	1,600	--	30,600	182,300	--	226,000	36,600
--	--	--	1,046,600	--	--	1,094,100	1,371,300
--	--	--	--	--	--	6,500	6,500
301,800	--	--	--	--	--	4,529,700	4,516,500
311,800	414,100	45,500	6,302,200	182,300	200,100	14,602,000	12,911,100
13,227,000	--	--	--	--	--	13,227,000	10,575,500
13,227,000	--	--	--	--	--	13,227,000	10,575,500
22,534,000	63,600	7,800	5,300	--	407,800	27,844,900	24,820,100
(9,296,800)	(40,100)	(4,700)	(3,000)	--	(278,000)	(10,863,400)	(9,793,400)
13,237,200	23,500	3,100	2,300	--	129,800	16,981,500	15,026,700
$26,776,000	$ 437,600	$ 48,600	$ 6,304,500	$ 182,300	$ 329,900	$ 44,810,500	$ 38,513,300
$ 85,900	$ 17,300	$ 11,000	$ 13,200	$ --	$ 8,100	$ 326,500	$ 582,600
--	--	--	--	--	--	395,100	654,000
--	--	--	2,745,600	116,100	--	2,861,700	2,553,300
219,900	--	--	--	54,300	--	1,106,200	1,326,100
305,800	17,300	11,000	2,758,800	170,400	8,100	4,689,500	5,116,000
--	--	--	--	--	--	1,196,800	1,689,200
183,100	101,700	12,700	11,600	--	41,600	973,700	840,900
488,900	119,000	23,700	2,770,400	170,400	49,700	6,860,000	7,646,100
5,395,100	--	--	893,500	--	129,800	6,418,400	5,475,100
13,227,000	--	--	--	--	--	13,227,000	10,575,500
--	--	--	--	--	--	1,938,400	1,117,700
7,665,000	318,600	24,900	2,640,600	11,900	150,400	16,366,700	13,698,900
26,287,100	318,600	24,900	3,534,100	11,900	280,200	37,950,500	30,867,200
$26,776,000	$ 437,600	$ 48,600	$ 6,304,500	$ 182,300	$ 329,900	$ 44,810,500	$ 38,513,300

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ending September 30, 1990

	Reading Billing and Collection	Data Processing	Accounting	Central Stores	Purchasing
Operating Revenues:					
Charges for Service	$ 5,929,600	$3,659,200	$2,314,500	$4,944,700	$ 900,300
Miscellaneous	--	400	3,100	--	100
Total Operating Revenues	5,929,600	3,659,600	2,317,600	4,944,700	900,400
Operating Expenses:					
Personal Services	3,080,300	1,496,900	1,356,800	178,400	471,000
Contractual Services	2,459,600	748,400	908,800	4,804,900	200,100
Materials and Supplies	341,500	29,600	9,400	7,200	50,300
Other	71,500	863,000	31,700	2,800	89,100
Depreciation	15,100	395,800	7,600	7,600	3,000
Total Operating Expenses	5,967,800	3,533,700	2,316,300	5,000,900	813,500
Operating Income (Loss)	(38,200)	125,900	1,300	(56,200)	86,900
Non-operating Revenues (Expense):					
Interest Revenue	--	--	--	--	--
Gain on Sale of Property	100	--	--	900	--
Interest Expense	--	--	--	(80,700)	--
Total Non-operating Revenues (Expense)	100	--	--	(79,800)	--
Income (Loss) Before Operating Transfers	(38,100)	125,900	1,300	(136,000)	86,900
Operating Transfers In	--	920,400	--	1,000,000	29,200
Operating Transfers (Out)	--	--	--	--	(37,500)
Net Income (Loss)	(38,100)	1,046,300	1,300	864,000	78,600
Retained Earnings - October 1	658,900	1,745,700	410,700	2,658,300	68,000
Retained Earnings - September 30	$ 620,800	$2,792,000	$ 412,000	$3,522,300	$ 146,600

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ending September 30, 1990
(Continued)

Garage	Human Resources	Pension Admin-istration	Risk Manage-ment	Employee Healthcare	Communi-cation	Totals September 30, 1990	Totals September 30, 1989
$10,158,100	$1,570,700	$ 183,700	$2,664,500	$ 548,600	$ 926,400	$33,800,300	$29,721,400
139,200	100	--	--	--	2,300	145,200	9,700
10,297,300	1,570,800	183,700	2,664,500	548,600	928,700	33,945,500	29,731,100
1,718,700	1,002,100	118,300	121,000	--	422,400	9,967,900	8,924,000
3,889,100	299,400	42,800	70,000	135,200	271,500	13,829,800	12,189,100
38,700	20,000	2,700	1,700	--	53,500	594,600	758,500
296,500	25,400	5,000	2,131,500	421,600	22,900	3,960,800	4,398,200
1,993,400	5,300	800	300	--	19,500	2,448,400	2,104,500
7,936,400	1,352,200	169,600	2,324,500	556,800	789,800	30,761,500	28,374,300
2,360,900	218,600	14,100	340,000	(8,200)	138,900	3,184,000	1,356,800
959,600	--	--	282,700	100	--	1,242,400	1,028,700
--	--	--	--	--	--	1,000	228,800
--	--	--	--	--	--	(80,700)	(211,000)
959,600	--	--	282,700	100	--	1,162,700	1,046,500
3,320,500	218,600	14,100	622,700	(8,100)	138,900	4,346,700	2,403,300
--	19,900	--	--	20,000	--	1,989,500	215,900
(23,700)	(135,000)	--	--	--	--	(196,200)	(317,600)
3,296,800	103,500	14,100	622,700	11,900	138,900	6,140,000	2,301,600
17,595,200	215,100	10,800	2,017,900	--	11,500	25,392,100	23,090,500
$20,892,000	$ 318,600	$ 24,900	$2,640,600	$ 11,900	$ 150,400	$31,532,100	$25,392,100

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Fiscal Year Ending September 30, 1990

	Reading Billing and Collection	Data Processing	Accounting	Central Stores	Purchasing
Sources of Working Capital:					
Operations:					
Net Income (Loss).	$ (38,100)	$1,046,300	$ 1,300	$ 864,000	$ 78,600
Items not Requiring Working Capital:					
Depreciation	15,100	395,800	7,600	7,600	3,000
Accrued Leave.	34,400	--	27,500	--	2,400
Working Capital Provided (Used) by Operations.	11,400	1,442,100	36,400	871,600	84,000
Contributions.	--	--	--	--	--
Lease Payable - Non-current. .	--	--	--	--	--
Retirement of Fixed Assets . . .	--	--	700	--	--
Total Sources of Working Capital.	11,400	1,44 ,100	37,100	871,600	84,000
Uses of Working Capital:					
Acquisition of Fixed Assets. .	5,000	171,800	--	--	3,300
Decrease in Accrued Leave. . . .	--	9,100	--	5,300	--
Reduction in Lease Payable . . .	--	492,400	--	--	--
Reduction in Claims Payable. . .	--	--	--	--	--
Increase in Restricted Assets.	--	--	--	--	--
Total Uses of Working Capital	5,000	673,300	--	5,300	3,300
Net Increase (Decrease) in Working Capital.	$ 6,400	$ 768,800	$ 37,100	$ 866,300	$ 80,700
Elements of Net Increase (Decrease) in Working Capital:					
Cash.	$ 3,100	$ --	$ --	$ --	$ --
Equity in Pooled Cash	10,900	516,200	65,400	--	68,200
Accounts Receivable	(300)	--	--	--	100
Due From Other Funds.	2,300	--	--	--	--
Inventory	--	--	--	23,800	12,700
Accounts Payable.	(9,600)	(6,300)	(28,300)	348,400	(300)
Lease Payable - Current . . .	--	258,900	--	--	--
Claims Payable - Current. . .	--	--	--	--	--
Due To Other Funds.	--	--	--	494,100	--
Net Increase (Decrease) in Working Capital.	$ 6,400	$ 768,800	$ 37,100	$ 866,300	$ 80,700

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Fiscal Year Ending September 30, 1990
(Continued)

Garage	Human Resources	Pension Admin-istration	Risk Manage-ment	Employee Health Care	Communi-cation	Totals September 30, 1990	Totals September 30, 1989
$ 3,296,800	$ 103,500	$ 14,100	$ 622,700	$ 11,900	$ 138,900	$ 6,140,000	$ 2,301,800
1,993,400	5,300	800	300	--	19,500	2,448,400	2,10[illegible],500
41,100	26,800	4,800	2,700	--	7,600	147,300	10[illegible],000
5,331,300	135,600	19,700	625,700	11,900	166,000	8,735,700	4,510,300
943,300	--	--	--	--	--	943,300	1,014,200
--	--	--	--	--	--	--	88,000
--	--	--	--	--	--	700	1,000
6,274,600	135,600	19,700	625,700	11,900	166,000	9,679,700	5,613,500
4,194,900	2,600	500	--	--	25,800	4,403,900	4,310,800
--	--	--	--	--	--	14,400	--
--	--	--	--	--	--	492,400	--
--	--	--	--	--	--	--	100
2,651,500	--	--	--	--	--	2,65[illegible],500	3,016,700
6,846,400	2,600	500	--	--	25,800	7,562,200	7,327,600
$ (571,800)	$ 133,000	$ 19,200	$ 625,700	$ 11,900	$ 140,200	$ 2,117,500	$(1,714,100)
$ --	$ --	$ --	$ --	$ --	$ --	$ 3,100	$ 3,200
(287,300)	144,200	22,400	1,103,300	--	119,100	1,762,400	(2,219,300)
100	1,600	--	5,600	182,300	--	189,400	11,600
(59,600)	--	--	(279,500)	--	--	(336,800)	1,326,100
(23,300)	--	--	--	--	--	13,200	2,187,800
(41,400)	(12,800)	(3,200)	(11,400)	--	21,100	256,200	(448,800)
--	--	--	--	--	--	258,900	(217,800)
--	--	--	(192,300)	(116,100)	--	(308,400)	(1,030,800)
(160,300)	--	--	--	(54,300)	--	279,500	(1,326,100)
$ (571,800)	$ 133,000	$ 19,200	$ 625,700	$ 11,900	$ 140,200	$ 2,117,500	$(1,714,100)

The accompanying notes are an integral part of these financial statements.

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TRUST AND AGENCY FUNDS

Pension Trust Fund

Defined Benefit and Contribution Plan—The City Employees' Pension Plan is used to account for the accumulation of resources to be used for retirement annuity payments for City employees.

Expendable Trust Funds

Special Capital Projects Fund—to provide a means of financing long-term Capital Projects while minimizing impact on the Operating Budget.

Deficiencies and Emergencies Fund—to provide for unforseen expenditures of an emergency nature.

Downtown Improvement Authority Fund—to account for the monies appropriated to Downtown Improvement Authority, an agency created by the Florida Legislature to regulate downtown growth.

Nonexpendable Trust Fund

Cemetery Perpetual Care Fund—to accumulate resources for the perpetual maintenance of the City's cemeteries.

Agency Fund

Deferred Compensation Fund—to account for assets held by the City as agent for City employees.

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CITY OF TALLAHASSEE, FLORIDA

TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 1990

ASSETS	Pension Trust Fund	Expendable Trust Funds			Nonexpendable Trust Fund	Agency Fund	Totals	
	City Employees' Pension	Special Capital Projects	Deficiencies and Emergencies	Downtown Improvement Authority	Cemetery Perpetual Care	Deferred Compensation	September 30, 1990	September 30, 1989
Equity In Pooled Cash.	$ 9,178,800	$ 1,179,800	$ 11,942,300	$ 240,700	$ 2,769,100	$ --	$ 25,310,700	$ 47,436,100
Investments.	200,770,600	--	2,488,000	--	--	4,649,000	207,907,600	153,496,300
Accounts Receivable.	70,000	--	17,700	--	--	--	87,700	172,200
Due from Other Government.	--	--	--	--	--	--	--	1,336,400
Advance to Other Funds	--	2,112,400	603,500	--	--	--	2,715,900	3,133,500
Total Assets	$210,019,400	$ 3,292,200	$ 15,051,500	$ 240,700	$ 2,769,100	$ 4,649,000	$236,021,900	$205,574,500
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	$ 7,500	$ --	$ --	$ 800	$ --	$ --	$ 8,300	$ 11,200
Advance from Other Funds	--	--	--	10,400	--	--	10,400	15,600
Due to Other Governments	--	--	--	--	--	--	--	73,900
Deferred Revenue	827,200	--	--	--	--	--	827,200	--
Deferred Compensation Payable. .	--	--	--	--	--	4,649,000	4,649,000	3,909,400
Total Liabilities.	834,700	--	--	11,200	--	4,649,000	5,494,900	4,010,100
Fund Balances:								
Reserved for:								
Employee Retirement Plans . . .	209,184,700	--	--	--	--	--	209,184,700	177,683,600
Advance to Other Funds.	--	2,112,400	603,500	--	--	--	2,715,900	1,027,900
Total Reserved	209,184,700	2,112,400	603,500	--	--	--	211,900,600	178,711,500
Unreserved:								
Designated for:								
Sanitation	--	--	--	--	--	--	--	1,750,200
Annexation	--	--	953,500	--	--	--	953,500	993,800
Housing Development Corp	--	--	--	--	--	--	--	70,500
Total Designated	--	--	953,500	--	--	--	953,500	2,814,500
Undesignated.	--	1,179,800	13,494,500	229,500	2,769,100	--	17,672,900	20,038,400
Total Fund Balances.	209,184,700	3,292,200	15,051,500	229,500	2,769,100	--	230,527,000	201,564,400
Total Liabilities and Fund Balances	$210,019,400	$ 3,292,200	$ 15,051,500	$ 240,700	$ 2,769,100	$ 4,649,000	$236,021,900	$205,574,500

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

PENSION TRUST AND NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 1990

	Pension Trust Funds		Nonexpendable Trust Fund	Totals	
	City Employees' Pension Plan	Police Officers' Share Plan	Cemetery Perpetual Care	September 30, 1990	September 30, 1989
Operating Revenues:					
Investment Income	$ 11,335,900	$ --	$ 156,300	$ 11,492,200	$ 9,094,800
Investment - Gains Net	10,480,500	--	--	10,480,500	4,798,900
City Contribution	8,760,400	--	--	8,760,400	8,639,600
Employee Contribution	6,428,300	--	--	6,428,300	5,399,500
State Contribution	786,600	--	--	786,600	752,000
Miscellaneous	11,700	--	20,400	32,100	25,600
Total Operating Revenues	37,803,400	--	176,700	37,980,100	28,710,400
Operating Expenses:					
Benefit Payments	4,750,000	--	--	4,750,000	4,267,000
Refunds	768,300	--	--	768,300	878,300
Insurance	12,300	--	--	12,300	17,300
Administrative	771,700	--	--	771,700	727,000
Total Operating Expenses	6,302,300	--	--	6,302,300	5,889,600
Income Before Operating Transfers	31,501,100	--	176,700	31,677,800	22,820,800
Operating Transfers In	--	--	508,500	508,500	1,382,400
Net Income	31,501,100	--	685,200	32,186,300	24,203,200
Fund Balances - October 1	176,347,200	1,336,400	2,083,900	179,767,500	155,564,300
Residual Equity Transfer	1,336,400	(1,336,400)	--	--	--
Fund Balances - September 30	$209,184,700	$ --	$ 2,769,100	$211,953,800	$179,767,500

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

PENSION TRUST AND NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Fiscal Year Ended September 30, 1990

	Pension Trust Funds		Nonexpendable Trust Fund	Totals	
	City Employees' Pension Plan	Police Officers' Share Plan	Cemetery Perpetual Care	September 30, 1990	September 30, 1989
Sources of Working Capital:					
Operations:					
Net Income.	$ 31,501,100	$ --	$ 685,200	$ 32,186,300	$24,203,200
Contribution-Residual Equity Transfer .	1,336,400	--	--	1,336,400	--
Total Sources of Working Capital. . .	32,837,500	--	685,200	33,522,700	24,203,200
Uses of Working Capital:					
Contribution-Residual Equity Transfer .	--	1,336,400	--	1,336,400	--
Total Uses of Working Capital	--	1,336,400	--	1,336,400	--
Net Increase in Working Capital	$ 32,837,500	$(1,336,400)	$ 685,200	$ 32,186,300	$24,203,200
Elements of Net Increase in Working Capital:					
Equity in Pooled Cash	$(17,454,000)	$ --	$ 685,200	$(16,768,800)	$10,633,100
Investments at Cost	51,183,800	--	--	51,183,800	13,665,200
Accrued Interest Receivable	(65,300)	--	--	(65,300)	(55,700)
Deferred Revenue.	(827,200)	--	--	(827,200)	--
Due from Other Government	--	(1,336,400)	--	(1,336,400)	(33,900)
Accounts Payable.	200	--	--	200	(5,500)
Net Increase in Working Capital	$ 32,837,500	$(1,336,400)	$ 685,200	$ 32,186,300	$24,203,200

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 1990

	Special Capital Projects	Deficiencies and Emergencies	Downtown Improvement Authority	Totals September 30, 1990	Totals September 30, 1989
Revenues:					
Taxes	$ --	$ --	$ 75,300	$ 75,300	$ 76,600
Charges for Services	--	--	--	--	38,000
Interest	144,600	1,092,500	20,700	1,257,800	1,795,800
Miscellaneous	--	--	8,100	8,100	45,300
Total Revenues	144,600	1,092,500	104,100	1,341,200	1,955,700
Expenditures:					
Current:					
General Government	--	2,000	--	2,000	85,700
Culture and Recreation	--	--	89,200	89,200	110,300
Total Expenditures	--	2,000	89,200	91,200	196,000
Excess Revenues Over (Under) Expenditures	144,600	1,090,500	14,900	1,250,000	1,759,700
Other Financing Sources(Uses):					
Operating Transfers In	508,500	508,500	--	1,017,000	2,764,800
Operating Transfers (Out)	(5,000,000)	(485,700)	(5,000)	(5,490,700)	(8,635,600)
Total Other Financing Sources (Uses)	(4,491,500)	22,800	(5,000)	(4,473,700)	(5,870,800)
Excess of Revenues and Other Sources (Uses) Over(Under) Expenditures	(4,346,900)	1,113,300	9,900	(3,223,700)	(4,111,100)
Fund Balances - October 1	7,639,100	13,938,200	219,600	21,796,900	25,908,000
Fund Balances - September 30	$ 3,292,200	$15,051,500	$ 229,500	$18,573,200	$21,796,900

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

DEFERRED COMPENSATION FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For Fiscal Year Ended September 30, 1990

	Balance October 1, 1989	Additions	Deductions	Balance September 30, 1990
ASSETS				
Investments	$ 3,909,400	$ 886,000	$ 146,400	$ 4,649,000
Total Assets.	$ 3,909,400	$ 886,000	$ 146,400	$ 4,649,000
LIABILITIES				
Deferred Compensation Payable	$ 3,909,400	$ 886,000	$ 146,400	$ 4,649,000
Total Liabilities	$ 3,909,400	$ 886,000	$ 146,400	$ 4,649,000

The accompanying notes are an integral part of these financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in Proprietary Fund operations or accounted for in Trust Funds.

CITY OF TALLAHASSEE, FLORIDA

SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCES

	September 30	
	1990	1989
General Fixed Assets:		
Land	$14,981,300	$11,113,700
Buildings	27,926,200	20,747,700
Improvements other than Buildings	4,105,600	4,045,200
Equipment	12,618,800	12,010,600
Construction in Progress	24,011,800	32,337,300
Total General Fixed Assets	$83,643,700	$80,254,500
Investment in General Fixed Assets from:		
General Revenue Bonds	$25,812,700	$25,595,200
General Fund Revenues	20,653,200	20,433,800
Grants	5,803,800	5,905,200
Capital Improvement Fund	30,810,000	27,839,100
Gifts	516,300	453,100
Stormwater Management Fund	37,800	28,100
Sales Tax Construction Fund	9,900	--
Total Investment in General Fixed Assets	$83,643,700	$80,254,500

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY

For the Fiscal Year Ended September 30, 1990

	Total	Land	Buildings	Improvements Other Than Buildings	Equipment
General Government:					
Control:					
City Commission	$ 17,600	$ --	$ --	$ --	$ 17,600
City Manager	58,700	--	--	--	58,700
City Treasurer-Clerk	224,000	--	--	72,300	151,700
City Auditor	13,300	--	--	--	13,300
Total Control	313,600	--	--	72,300	241,300
Staff Agencies:					
Management and Budget	28,000	--	--	--	28,000
Minority Business	11,200	--	--	--	11,200
Grants Management	4,015,700	--	4,007,700	--	8,000
Community Liaison Office	7,700	--	--	--	7,700
Engineering	193,300	--	--	--	193,300
Public Information	33,700	--	--	--	33,700
Code Enforcement	17,900	--	--	--	17,900
General Government Building	25,065,600	4,266,500	14,117,900	2,669,600	4,011,600
Community Development	3,191,800	251,600	2,713,100	7,000	200,100
Growth Management	12,100	--	--	--	12,100
Environmental Services	5,200	--	--	--	5,200
Total Staff Agencies	32,562,200	4,518,100	20,838,700	2,676,600	4,528,800
Total General Government	32,875,800	4,518,100	20,838,700	2,748,900	4,770,100
Public Safety:					
Fire Protection	5,648,400	411,800	2,006,500	27,900	3,202,200
Police Protection	4,940,600	500,000	1,811,000	71,000	2,558,600
Building Inspection	61,000	--	--	--	61,000
Total Public Safety	10,650,000	911,800	3,817,500	98,900	5,821,800
Other:					
Highways and Streets	7,758,800	6,562,900	1,700	144,200	1,050,000
Sanitation	8,900	--	--	--	8,900
Recreation	8,248,800	2,988,500	3,248,400	1,053,500	958,400
Cemeteries	89,600	--	19,900	60,100	9,600
Total Other	16,106,100	9,551,400	3,270,000	1,257,800	2,026,900
Total General Fixed Assets Allocated to Functions	59,631,900	$14,981,300	$27,926,200	$4,105,600	$12,618,800
Construction in Process	24,011,800				
Total General Fixed Assets	$83,643,700				

The accompanying notes are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For the Year Ended September 30, 1990

	General Fixed Assets October 1, 1989	Additions And Transfers In	Deductions And Transfers Out	General Fixed Assets September 30, 1990
General Government:				
Control:				
City Commission	$ 17,600	$ --	$ --	$ 17,600
City Manager	52,000	6,900	200	58,700
City Treasurer-Clerk	213,700	14,500	4,200	224,000
City Auditor	10,300	3,200	200	13,300
Total Control	293,600	24,600	4,600	313,600
Staff Agencies:				
Management and Budget	27,500	500	--	28,000
Minority Business	9,200	2,000	--	11,200
Grants Management	8,000	4,007,700	--	4,015,700
Community Liaison Office	7,100	600	--	7,700
Engineering	179,400	15,400	1,500	193,300
Public Information	33,700	--	--	33,700
Code Enforcement	17,900	--	--	17,900
General Government Building	22,534,400	2,603,400	72,200	25,065,600
Community Development	3,037,400	148,500	14,100	3,171,800
Growth Management	--	12,100	--	12,100
Environmental Services	--	5,200	--	5,200
Total Staff Agencies	25,854,600	6,795,400	87,800	32,562,200
Public Safety:				
Fire Protection	5,647,600	20,000	19,200	5,648,400
Police Protection	3,949,800	1,016,800	26,000	4,940,600
Building Inspection	61,000	--	--	61,000
Total Public Safety	9,658,400	1,036,800	45,200	10,650,000
Other:				
Highways and Streets	3,845,800	3,957,000	44,000	7,758,800
Sanitation	8,900	--	--	8,900
Recreation	8,125,000	129,700	5,900	8,248,800
Cemeteries	130,900	--	41,300	89,600
Total Other	12,110,600	4,086,700	91,200	16,106,100
Construction In Progress	32,337,300	3,615,600	11,941,100	24,011,800
Total General Fixed Assets	$ 80,254,500	$ 15,559,100	$ 12,169,900	$ 83,643,700

The accompanying notes are an integral part of these financial statements.

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GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for general long-term liabilities not accounted for in proprietary funds and trust funds.

CITY OF TALLAHASSEE, FLORIDA

STATEMENT OF GENERAL LONG-TERM DEBT

	September 30 1990	1989
Amount Available and To Be Provided For the Payment of General Long-Term Debt:		
Amount Available In Debt Service Fund.	$13,547,700	$11,632,900
Amount To Be Provided:		
Arbitrage Rebate.	611,900	--
Advance from Special Capital Projects	1,084,500	--
Loan Payable	--	1,985,300
Accrued Leave	3,564,100	3,229,000
Certificates Payable.	--	7,000
Capital Refunding Bonds, Series 1984.	9,566,400	11,075,200
Capital Bonds, Series 1989.	18,621,900	19,116,900
Total To Be Provided.	33,448,800	35,413,400
Total Available and To Be Provided.	$46,996,500	$47,046,300
General Long-Term Debt Payable:		
Note Payable.	406,000	--
Loan Payable.	--	1,985,300
Accrued Leave	3,564,100	3,229,000
Certificates Payable.	--	7,000
Capital Refunding Bonds, Series 1984.	20,605,000	20,605,000
Capital Bonds, Series 1989.	20,725,000	20,220,000
Arbitrage Rebate.	611,900	--
Advance from Special Capital Projects	1,084,500	--
Total General Long-Term Debt Payable.	$46,996,500	$47,046,300

The accompanying notes are an integral part of these financial statements

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STATISTICAL SECTION

Statistical schedules differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These schedules reflect social and economic data, and financial trends of the government.

COMMENTS ON THE STATISTICAL SECTION
September 30, 1990

The following statistical tables recommended by the National Council on Governmental Accounting are not included for the reasons stated below:

a) Tables which concern general obligation debt are omitted because the City has no general obligation debt. The City does have general revenue bonds which are not general obligation debt and these corresponding tables are included.

b) Ten year debt services coverage schedules for enterprise revenue bonds have not been prepared. Due to refundings of the majority of outstanding City bonds in 1977 and the amount of additional bonds issued since that year, they would be confusing to the reader. The City enjoys high bond ratings, and its coverage has been adequate to sustain these ratings. In several cases, its ratings have increased.

Additional schedules which are felt to be useful to various users, principally investors, underwriters, and rating agencies, have been included in this section.

CITY OF TALLAHASSEE, FLORIDA

GENERAL GOVERNMENT EXPENDITURES BY FUNCTION AND TRANSFERS
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Transportation	Human Services	Economic Environment	Physical (2) Environment	Culture (2) and Recreation	Transfers Out	Total (1)
1981	$9,564,900	$ 8,882,300	$2,678,200	$ 272,000	$306,400	$4,224,900	$2,465,600	$ 6,731,800	$35,126,100
1982	5,122,800	9,890,700	3,086,000	286,000	250,800	4,869,000	3,205,200	9,741,700	36,452,200
1983	4,743,000	11,603,000	4,326,200	577,900	165,800	4,864,300	3,686,700	14,812,300	44,779,200
1984	5,346,300	13,794,800	5,602,800	812,300	243,900	5,481,900	4,006,500	13,055,100	48,343,600
1985	5,508,700	15,954,700	6,241,700	830,000	244,000	5,723,600	4,170,600	11,768,900	50,442,200
1986	6,165,000	16,346,800	5,998,200	914,100	256,700	5,578,200	4,570,800	17,833,800	57,663,600
1987	6,660,900	18,113,100	7,053,700	989,100	264,700	7,516,700	4,719,900	14,151,600	59,469,700
1988	6,890,000	21,143,600	6,978,700	1,007,000	273,500	955,800	4,404,000	16,634,800	58,287,400
1989	8,035,500	27,416,200	6,711,100	1,108,900	434,400	1,283,400	4,808,900	19,359,000	69,157,400
1990	9,377,200	28,999,700	7,999,000	1,222,900	502,200	1,691,300	5,411,800	24,597,800	79,801,900

GENERAL REVENUES BY SOURCE AND TRANSFERS
Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Fines and Forfeits	Charges (2) for Services	Interest	Intergovernmental Revenues	Miscellaneous Revenues	Transfers In	Total (1) Revenue
1981	$ 7,325,000	$ 981,100	$ 249,600	$2,826,100	$843,50$	$ 6,031,800	$ 147,300	16,500,000	34,904,400
1982	8,210,400	1,050,300	274,200	2,919,000	517,400	5,947,100	106,500	17,563,300	36,588,200
1983	8,595,100	1,719,800	389,500	3,540,200	665,800	8,288,900	129,900	21,754,800	45,084,000
1984	10,434,300	1,256,900	454,300	3,625,300	663,700	10,039,600	501,900	22,476,500	49,452,500
1985	10,973,100	850,400	485,200	4,143,900	434,000	10,136,500	266,500	22,733,700	50,023,300
1986	13,443,700	1,102,500	591,600	6,610,100	503,200	7,501,000	870,200	28,591,500	59,213,800
1987	14,380,100	997,400	751,900	8,809,400	298,400	7,710,200	820,800	25,399,700	59,167,900
1988	17,877,000	1,367,400	753,300	3,186,100	296,200	8,810,500	837,300	26,455,200	59,583,000
1989	19,020,600	1,409,800	987,000	6,187,900	436,900	8,971,800	608,800	30,246,600	67,815,400
1990	25,691,900	1,426,000	1,269,900	6,506,200	589,300	9,666,700	1,234,800	33,969,600	80,354,400

(1) Includes General Fund only.

(2) Solid Waste, Golf Course, and Stormwater activities have been set up as separate funds.

CITY OF TALLAHASSEE, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Total Assessed Valuation	Taxable Assessed Valuation	Levy	Collection	Percent (1)
1981	$2,234,694,600	$1,133,300,400	$3,168,700	$3,061,400	96
1982	2,673,105,800	1,358,118,400	3,550,100	3,458,200	97
1983	2,782,858,100	1,418,980,300	3,706,400	3,597,900	97
1984	3,281,661,000	1,812,714,500	4,582,500	4,459,500	98
1985	3,438,932,300	1,976,951,300	4,918,700	4,799,500	98
1986	3,630,822,400	2,121,548,700	5,278,400	5,140,700	97
1987	3,834,850,400	2,278,953,600	5,670,100	5,500,000	97
1988	5,266,046,400	2,406,246,300	6,978,100	6,744,400	97
1989	5,870,328,400	2,537,446,100	7,358,400	7,107,300	97
1990	6,119,396,400	2,738,110,200	7,975,200	7,758,800	97

(1) Florida Statutes provide for a discount of up to four percent for early payment of ad valorem taxes. All unpaid taxes become delinquent on April 1, and are sold at auction on June 1 of each year as tax certificates. The City, after all tax certificates are sold, has fully collected all ad valorem tax revenues.

CITY OF TALLAHASSEE, FLORIDA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

	Real Property		Personal Property		Centrally Assessed		Totals		Ratio of Total Assessed to Total Estimated
Fiscal Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Actual Value
1981	1,871,964,200	2,127,232,000	361,506,000	410,802,300	1,224,400	1,391,400	2,234,694,600	2,539,425,700	88%
1982	2,208,638,800	2,598,398,600	463,208,800	544,951,500	1,258,200	1,480,200	2,673,105,800	3,144,830,300	85%
1983	2,380,150,300	2,800,176,800	401,769,800	472,670,400	938,000	1,103,500	2,782,858,100	3,273,950,700	85%
1984	2,870,509,100	3,301,085,500	410,125,400	471,644,200	1,026,500	1,180,500	3,281,661,000	3,773,910,200	87%
1985	3,011,116,200	3,542,489,600	426,460,200	501,717,900	1,355,900	1,595,200	3,438,932,300	4,045,802,700	85%
1986	3,191,139,500	3,754,281,800	438,363,200	515,721,400	1,319,700	1,552,600	3,630,822,400	4,271,555,800	85%
1987	3,373,832,400	3,969,214,600	459,105,300	540,123,900	1,912,800	2,250,300	3,834,850,500	4,511,588,800	85%
1988	4,770,490,100	5,612,341,300	493,616,400	580,725,200	1,939,900	2,282,200	5,266,046,400	6,195,348,700	85%
1989	4,889,803,500	5,752,709,900	978,850,400	1,151,588,700	1,674,500	1,970,000	5,870,328,400	6,906,268,600	85%
1990	5,119,777,800	6,023,268,000	997,936,300	1,174,042,700	1,682,300	1,979,200	6,119,396,400	7,199,289,900	85%

Source: Leon County Property Appraiser

CITY OF TALLAHASSEE, FLORIDA

ASSESSED VALUATIONS, MILLAGE AND TAXES LEVIED AND COLLECTED
Last Ten Fiscal Years

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
TOTAL VALUATIONS	$2,234,694,600	$2,675,105,600	$2,782,858,100	$3,281,661,600	$3,438,932,500	$3,630,822,400	$3,854,850,800	$5,266,046,400	$5,870,526,400	$6,119,541,000
REAL ESTATE EXEMPTIONS										
Agricultural Adjustment. . .	255,700	1,527,300	2,792,100	3,676,500	5,056,500	6,025,500	9,597,100	10,668,500	8,479,200	8,187,000
Government Exemption	372,485,000	487,684,500	539,481,500	546,629,500	591,436,500	646,124,100	652,281,500	2,128,416,400	2,589,404,500	2,620,076,000
Institutional Exemption. . .	497,469,200	509,079,900	515,811,200	529,136,700	449,661,600	461,980,400	472,877,600	265,411,900	262,484,600	265,288,600
Individual or Homestead Exemptions	168,271,600	242,145,700	302,146,300	384,513,500	410,779,800	419,964,700	455,642,800	449,804,100	406,744,600	484,068,000
Other Charitable Exemptions.	2,406,300	2,916,100	5,646,900	4,990,300	7,096,800	5,179,100	5,697,800	5,499,400	5,770,200	5,611,000
PERSONAL PROPERTY ADJUSTMENT										
Difference Between Inventory at Average Rate and 25% of Value (10% for 1979-1981) .	60,550,300	71,833,900	—	—	—	—	—	—	—	—
TOTAL EXEMPTION AND ADJUSTMENTS	1,101,594,100	1,314,987,400	1,365,877,800	1,468,946,500	1,461,981,000	1,509,273,800	1,555,898,800	2,859,800,100	3,332,882,500	3,381,250,800
TAXABLE VALUATION	$1,133,500,500	$1,358,118,400	$1,418,980,300	$1,812,714,500	$1,976,951,500	$2,121,548,600	$2,278,953,600	$2,406,246,300	$2,537,446,100	$2,738,110,200
MILLAGE LEVIED	2.796	2.614	2.612	2.528	2.488	2.488	2.488	2.900	2.900	2.900
TOTAL TAXES LEVIED	$ 3,168,700	$ 3,550,100	$ 3,706,400	$ 4,582,500	$ 4,918,700	5,278,400	5,670,000	$ 6,978,100	$ 7,358,600	$ 7,975,200
Less: Adjustments & Discount	86,100	80,200	108,800	137,700	135,800	142,100	174,400	215,300	519,400	230,800
Net Taxes Levied	$ 3,082,600	$ 3,469,900	$ 3,597,600	$ 4,444,800	$ 4,784,900	$ 5,136,300	$ 5,495,600	$ 6,762,800	$ 7,039,200	$ 7,744,400
NET COLLECTED (1) (2)	$ 3,061,400	$ 3,458,200	$ 3,576,900	$ 4,459,500	$ 4,799,500	$ 5,140,700	$ 5,500,000	$ 6,744,400	$ 7,307,500	$ 7,756,800

Source: Leon County Property Appraiser

(1) Florida Statutes provide for a discount of up to four percent for early payment of ad valorem taxes. All unpaid taxes become delinquent on April 1 and are sold at auction on June 1 of each year as tax certificates. The City, after all tax certificates are sold, has fully collected all ad valorem tax revenues.

(2) Net collected includes penalties or late payments.

CITY OF TALLAHASSEE, FLORIDA

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
(Per $1000)
Last Ten Fiscal Years

Fiscal Year	City of Tallahassee	County School Board		Leon County	N.W. Water Management	
	Operating	Operating	Debt Service	Operating	District	Total
1981	2.796	6.159	0.551	4.846	0.050	14.402
1982	2.614	8.112	0.386	5.359	0.050	16.521
1983	2.612	7.473	0.393	5.167	0.050	15.695
1984	2.528	7.303	0.370	5.167	0.050	15.418
1985	2.488	7.134	0.249	5.167	0.050	15.088
1986	2.488	7.107	0.214	5.450	0.050	15.309
1987	2.488	7.558	0.203	5.800	0.050	16.099
1988	2.900	7.336	0.161	6.200	0.050	16.647
1989	2.900	7.650	1.238	6.790	0.050	18.628
1990	2.900	8.526	1.989	8.020	0.050	21.555

Source: Leon County Tax Collector

SPECIAL ASSESSMENT COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Assessments Due October 1	Assessments Levied	Assessments Collected	Assessments Due September 30
1981	$1,014,000	$160,700	$117,000	$1,057,700
1982	1,057,700	---	150,800	906,900
1983	906,900	---	143,000	763,900
1984	763,900	250,000	217,200	796,700
1985	796,700	68,500	236,600	628,600
1986	628,600	343,000	110,700	860,900
1987	860,900	308,600	240,600	928,900
1988	928,900	---	227,500	701,400
1989	701,400	---	132,100	569,300
1990	569,300	---	145,900	423,400

CITY OF TALLAHASSEE, FLORIDA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
September 30, 1990

DIRECT DEBT			
Non-Self-Supporting Revenue Debt:			
Capital Refunding Bonds, Series 1984	$ 20,605,000		
Capital Bonds, Series 1989	20,725,000		
Less: Sinking and Reserve Funds	(13,547,700)		
Total Direct Debt			$ 27,782,300
OVERLAPPING DEBT			
Tax Supported Ad Valorem Debt:			
General Obligation Bond Issue			
1988 A & B Series	40,935,000		
Less: Sinking and Reserve Funds	(3,679,300)	$ 37,255,700	
1989 A & B Series	44,130,000		
Less: Sinking and Reserve Funds	(2,821,300)	41,308,700	
State Board of Education	4,905,000		
Less: Sinking and Reserve Funds	(1,032,500)	3,872,500	
Race Track School Portion Revenues	1,940,000		
Less: Sinking and Reserve Funds	(292,800)	1,647,200	
Non-Self-Supporting Revenue Debt			
Leon County Capital Improvement Bonds 1986 Series			
Courthouse	31,210,000		
Less: Debt Service and Reserve Fund	(3,601,000)	27,609,000	
Road Bonds 1964 Series	250,000		
Less: Debt Service and Reserve Funds	(250,000)	--	
Refund Revenue Bonds 1988 Series	9,984,600		
	(678,000)	9,306,600	
Library Construction Revenue	8,170,000		
	(312,800)	7,857,200	
		128,856,900	
CITY SHARE OF NET OVERLAPPING DEBT (1)			90,199,800
TOTAL CITY DIRECT AND OVERLAPPING DEBT			$117,982,100
SELF-SUPPORTING REVENUE DEBT:			
Electric Revenue Bonds	$ 99,465,300		
Less: Sinking and Reserve Funds	(14,804,500)	$ 84,660,800	
Municipal Utility Revenue Bonds	20,220,000		
Less: Sinking and Reserve Funds	(2,594,400)	17,625,600	
Airport Revenue Bond	12,350,000		
Less: Sinking and Reserve Funds	(1,193,200)	11,156,800	
Sunshine State Loan	17,425,200		
Less: Sinking and Reserve Funds	(538,600)	16,886,600	
TOTAL SELF-SUPPORTING REVENUE DEBT			$130,329,800

(1) City's share calculated based on 1987 County Taxable Value of $3,935,972,700 and City Taxable Value of $2,738,110,200 percent overlapping 70 percent.

CITY OF TALLAHASSEE, FLORIDA

COMPUTATION OF LEGAL DEBT MARGIN
September 30, 1990

TAXABLE ASSESSED VALUE	$2,738,110,200
Debt Limit 20 Percent of Assessed Value	$ 547,666,000

The City of Tallahassee has no general obligation debt outstanding; the amount of general obligation debt the City can issue is limited by City Charter.

CITY OF TALLAHASSEE, FLORIDA

CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES

Last Ten Fiscal Years

Fiscal Year	Commercial Construction (1)		Residential Construction (1)		Bank Deposits		Property Value (4)			
	Number of Units	Value	Number of Units	Value	Commercial Banks (2)	Savings and Loan Assn.(3)	Commercial	Residential	Agricultural	Non-taxable
1981	83	13,685,100	1,129	27,005,800	481,563,000	346,995,000	593,608,200	1,787,860,500	268,831,300	1,047,267,200
1982	43	12,120,500	1,168	23,874,900	531,371,000	362,353,000	606,596,200	1,914,485,700	280,142,500	1,101,656,700
1983	93	16,075,000	1,909	57,474,300	648,603,000	411,446,000	686,475,500	2,176,698,600	283,924,200	1,123,750,300
1984	135	44,388,000	1,603	51,962,100	720,167,000	523,810,000	724,305,700	2,319,211,700	311,709,500	1,060,997,800
1985	124	33,821,000	938	35,480,300	863,354,000	509,709,000	782,546,600	2,493,994,900	317,633,400	1,066,997,600
1986	142	42,275,100	840	33,155,600	957,867,000	514,802,000	866,704,500	2,623,318,000	335,644,600	1,064,954,700
1987	139	39,044,300	1,203	46,671,400	975,909,000	496,238,000	955,929,700	2,731,296,700	344,888,500	2,396,377,400
1988	157	63,205,500	1,808	61,681,100	1,170,709,000	465,877,000	1,031,763,900	2,884,666,500	346,221,300	2,394,407,700
1989	151	49,577,900	2,250	86,374,600	1,331,064,000	451,102,000	1,132,533,900	3,116,990,100	388,806,800	2,428,351,200
1990	89	49,498,200	1,071	68,715,500	1,279,945,000	460,247,000	1,198,182,200	3,388,255,100	401,025,700	2,462,394,600

(1) Source: Tallahassee-Leon County Planning Department

(2) Source: Florida Bankers Association; Includes deposits for entire Leon County; amount for 1990 based upon June 30, all others at December 31

(3) Source: Florida League of Financial Institutions; Includes deposits for entire Leon County

(4) Source: Leon County Property Appraiser for entire Leon County

CITY OF TALLAHASSEE, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS
CAPITAL REFUNDING BONDS - SERIES 1984
September 30, 1990

Fiscal Year Ending	Principal	Interest	Invested Sinking Fund Purchases	Invested Sinking Fund Earnings	Net Payment Due
1991	$ --	$ 2,080,600	$ 1,606,500	$ 616,800	$ 3,070,300
1992	--	2,080,600	1,725,100	748,100	3,057,600
1993	--	2,080,600	1,780,200	889,300	2,971,500
1994	540,000	2,080,600	--	995,800	1,624,800
1995	590,000	2,029,300	--	995,800	1,623,500
1996	650,000	1,972,700	--	995,800	1,626,900
1997	710,000	1,909,300	--	995,800	1,623,500
1998	785,000	1,839,000	--	995,800	1,628,200
1999	860,000	1,760,500	--	995,800	1,624,700
2000	173,000	2,447,300	--	995,800	1,624,500
2001	156,100	2,465,600	--	995,800	1,625,900
2002	140,400	2,479,800	--	995,800	1,624,400
2003	126,600	2,494,000	--	995,800	1,624,800
2004	113,900	2,505,600	--	995,800	1,623,700
2005	945,000	1,674,500	--	995,800	1,623,700
2006	1,050,000	1,574,100	--	995,800	1,628,300
2007	13,765,000	1,462,500	--	995,800	14,231,700
Totals	$20,605,000	$34,936,600	$5,111,800	$16,195,400	$44,458,000

Bonds Dated: May 1, 1984
Original Issue Amount: $20,605,000
Principal Due: October 1 of each year, beginning October 1, 1994
Interest Due: April 1 and October 1 of each year, beginning October 1, 1984
Paying Agent: Chemical Bank of New York

Bonds Maturing	Call Premium
October 1, 1994 to September 30, 1995	Two Percent
October 1, 1995 to September 30, 1996	One and One Half Percent
October 1, 1996 to September 30, 1997	One Percent
October 1, 1997 to September 30, 1998	One Half Percent
October 1, 1998 and thereafter	Par

Security: The Bonds are payable solely from and secured by a first lien and pledge of the Public Service Tax, Local Government Half-cent Sales Tax and Guaranteed Entitlement Revenues.

Bond Ratings: Moody's A1, Standard and Poor's A+

CITY OF TALLAHASSEE, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS
CAPITAL BONDS - SERIES 1989
September 30, 1990

Fiscal Year Ending	Principal	Interest	Total
1991	$ 530,000	$ 1,482,400	$ 2,012,400
1992	565,000	1,445,800	2,010,800
1993	605,000	1,406,800	2,011,800
1994	650,000	1,365,100	2,015,100
1995	700,000	1,320,300	2,020,300
1996	750,000	1,272,000	2,022,000
1997	805,000	1,220,200	2,025,200
1998	865,000	1,163,900	2,028,900
1999	930,000	1,103,300	2,033,300
2000	1,005,000	1,038,200	2,043,200
2001	1,080,000	966,900	2,046,900
2002	1,165,000	890,200	2,055,200
2003	1,250,000	807,200	2,057,200
2004	1,350,000	706,500	2,056,500
2005	1,450,000	618,700	2,068,700
2006	1,565,000	512,800	2,077,800
2007	1,685,000	398,600	2,083,600
2008	1,815,000	275,600	2,090,600
2009	1,960,000	143,100	2,103,100
Totals	$20,725,000	$18,137,600	$38,862,600

Bonds Dated: April 1, 1989
Original Issue Amount: $21,220,000
Principal Due: October 1 of each year, beginning October 1, 1990
Interest Due: April 1 and October 1 of each year, beginning October 1, 1989
Paying Agent: Chemical Bank of New York

Bonds Maturing	Call Premium
October 1, 1996 to September 30, 1997	Two Percent
October 1, 1997 to September 30, 1998	One Percent
October 1, 1998 and thereafter	Par

Security: The Bonds are, on parity with the outstanding Capital Refunding Bonds, Series 1984, payable solely from and secured by a first lien and pledge of the Public Service Tax, Local Government Half-cent Sales Tax and Guaranteed Entitlement Revenues.

Bond Ratings: Moody's AAA, Standard and Poor's A+

CITY OF TALLAHASSEE, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS
JUNIOR LIEN ELECTRIC REFUNDING BONDS
SERIES 1985
September 30, 1990

Fiscal Year Ending	Principal	Interest	Total
1991	$ 4,590,000	$ 7,266,700	$ 11,856,700
1992	4,935,000	6,922,400	11,857,400
1993	5,315,000	6,542,400	11,857,400
1994	5,735,000	6,122,500	11,857,500
1995	6,200,000	5,658,000	11,858,000
1996	6,715,000	5,143,400	11,858,400
1997	5,795,000	6,058,800	11,853,800
1998	4,815,000	7,040,900	11,855,900
1999	5,245,000	6,612,400	11,857,400
2000	5,715,000	6,140,300	11,855,300
2001	6,235,000	5,620,200	11,855,200
2002	6,815,000	5,043,500	11,858,500
2003	7,445,000	4,413,100	11,858,100
2004	8,130,000	3,724,500	11,854,500
2005	4,761,400	7,537,100	12,298,500
2006	5,240,600	7,099,500	12,340,100
2007	5,778,300	6,617,900	12,396,200
Totals	$99,465,300	$103,563,600	$203,028,900

Bonds Dated: October 15, 1985 Original Issue Amount: $93,290,100
Principal Due: October 1, beginning 1991
Interest Due: April 1 and October 1 of each year, beginning April 1, 1986
Paying Agent: Florida National Bank, Jacksonville, Florida
Security: The bonds are subordinate as to lien on and security for payment to the Senior Lien Electric Revenue bonds from the net revenues of the Municipal Electric System.
Bond Ratings: Moody's A1, Standard and Poor's AA

Mandatory Redemption

Terms Bonds Maturing October 1, 2004 subject to following redemption schedule by lot @ 100% of principal

2001	$6,235,000	2003	$7,445,000
2002	$6,815,000	2004	$8,130,000

Optional Redemption

Serial Bonds Maturing:

October 1, 1993 to September 30, 1994	Three Percent
October 1, 1994 to September 30, 1995	Two Percent
October 1, 1995 to September 30, 1996	One Percent
October 1, 1996 and thereafter	Par

Gains Redemptions

April 1, 2000 to March 31, 2001	Three Percent
April 1, 2001 to March 31, 2002	Two Percent
April 1, 2002 to March 31, 2003	One Percent
April 1, 2003 and thereafter	Par

CITY OF TALLAHASSEE, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS
MUNICIPAL UTILITY REVENUE BONDS
SERIES 1970
September 30, 1990

Fiscal Year Ending	Principal	Interest	Total	Coupon Rate(%)
1991	$ 550,000	$ 217,425	$ 767,425	5.95
1992	600,000	184,700	784,700	6.00
1993	650,000	148,700	798,700	6.00
1994	650,000	109,700	759,700	6.00
1995	700,000	70,700	770,700	6.00
1996	700,000	28,700	728,700	4.10
Totals	$3,850,000	$ 759,925	$4,609,925	

Bond Dated: October 1, 1970
Original Issue Amount: $7,300,000
Principal Due: October 1, beginning 1972
Interest Due: April 1 and October 1 of each year, beginning October 1, 1972
Paying Agent: Chemical Bank of New York

Bonds Maturing	Call Premium
October 1, 1986 to September 30, 1989	Three Percent
October 1, 1989 to September 30, 1992	Two Percent
October 1, 1992 and thereafter prior to maturity	One Percent

Security: The Bonds are secured and payable, on a parity with the outstanding Municipal Utility Revenue Bonds, Series 1970-A, 1979 and 1982, from the net revenues of the Municipal Gas, Water, and Sewerage Systems.

Bond Ratings: Moody's A1, Standard and Poor's A+

CITY OF TALLAHASSEE, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS
MUNICIPAL UTILITY REVENUE BONDS
SERIES 1970-A
September 30, 1990

Fiscal Year Ending	Principal	Interest	Total	Coupon Rate(%)
1991	$ 200,000	$ 79,875	$ 279,875	5.5
1992	200,000	68,875	268,875	5.6
1993	200,000	57,675	257,675	5.7
1994	250,000	46,275	296,275	5.75
1995	250,000	31,900	281,900	5.8
1996	300,000	17,400	317,400	5.8
Totals	$1,400,000	$302,000	$1,702,000	

Bond Dated: October 1, 1970
Original Issue Amount: $3,150,000
Principal Due: October 1, beginning 1977
Interest Due: April 1 and October 1 of each year, beginning April 1, 1977
Paying Agent: Chemical Bank of New York

Bonds Maturing	Call Premium
October 1, 1986 to April 1, 1989	Three Percent
October 1, 1989 to April 1, 1992	Two Percent
October 1, 1992 and thereafter prior to maturity	One Percent

Security: The Bonds are secured and payable, on a parity with the outstanding Municipal Utility Revenue Bonds, Series 1970, 1979 and 1982, from the net revenues of the Municipal Gas, Water and Sewerage Systems.

Bond Ratings: Moody's A1 and Standard and Poor's A+

CITY OF TALLAHASSEE, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS
MUNICIPAL UTILITY REVENUE BONDS
SERIES 1979
September 30, 1990

Fiscal Year Ending	Principal	Interest	Total	Coupon Rate(%)
1991	$ 280,000	$ 583,715	$ 863,715	5.50
1992	295,000	568,315	863,315	5.60
1993	315,000	551,795	866,795	5.60
1994	335,000	534,155	869,155	6.20
1995	355,000	513,385	868,385	5.75
1996	375,000	492,972	867,972	5.80
1997	1,405,000	471,223	1,876,223	5.85
1998	1,490,000	389,030	1,879,030	5.90
1999	1,580,000	301,120	1,881,120	5.90
2000	1,680,000	207,900	1,887,900	6.00
2001	1,785,000	107,100	1,892,100	6.00
Totals	$9,895,000	$4,720,710	$14,615,710	

Bond Dated: April 1, 1979
Original Issue Amount: $12,000,000
Principal Due: October 1, beginning 1981
Interest Due: April 1 and October 1 of each year, beginning April 1, 1980
Paying Agent: Chemical Bank of New York

Bonds Maturing	Call Premium
October 1, 1989 to September 30, 1991	Three Percent
October 1, 1991 to September 30, 1994	Two Percent
October 1, 1994 to September 30, 1998	One Percent
October 1, 1998 and thereafter	Par

Security: The Bonds are secured and payable, on a parity with the outstanding Municipal Utility Revenue Bonds, Series 1970, 1970-A and 1982, from the net revenues of the Municipal Gas, Water, and Sewerage Systems.

Bond Ratings: Moody's A1, Standard and Poor's A+

CITY OF TALLAHASSEE, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS
MUNICIPAL UTILITY REVENUE BONDS
SERIES 1982
September 30, 1990

Fiscal Year Ending	Principal	Interest	Total	Coupon Rate(%)
1991	$ 200,000	$ 424,532	$ 624,532	7.800
1992	200,000	408,932	608,932	8.000
1993	250,000	392,932	642,932	8.200
1994	250,000	372,432	622,432	8.400
1995	300,000	351,432	651,432	8.500
1996	325,000	325,932	650,932	8.600
1997	350,000	297,982	647,982	8.700
1998	400,000	267,532	667,532	8.800
1999	450,000	232,332	682,332	8.800
2000	500,000	192,732	692,732	8.900
2001	550,000	148,232	698,232	8.900
2002	625,000	99,282	724,282	9.000
2003	675,000	43,032	718,032	6.375
Totals	$5,075,000	$3,557,316	$8,632,316	

Bond Dated: October 1, 1982
Original Issue Amount: $6,000,000
Principal Due: October 1, beginning 1984
Interest Due: April 1 and October 1 of each year, beginning April 1, 1983
Paying Agent: Chemical Bank of New York

Bonds Maturing	Call Premium
October 1, 1992 to September 30, 1993	Three Percent
October 1, 1993 to September 30, 1994	Two and One Half Percent
October 1, 1994 to September 30, 1995	Two Percent
October 1, 1995 to September 30, 1996	One and One Half Percent
October 1, 1996 to September 30, 1997	One Percent
October 1, 1997 to September 30, 1998	One Half of One Percent
October 1, 1998 and thereafter	Par

Security: The Bonds are secured and payable, on a parity with the outstanding Municipal Utility Revenue Bonds, Series 1970, 1970-A and 1979, from the net revenues of the Municipal Gas, Water, and Sewerage Systems.

Bond Ratings: Moody's A1, Standard and Poor's A+

CITY OF TALLAHASSEE, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS
AIRPORT REVENUE BONDS
SERIES 1988A
September 30, 1990

Fiscal Year Ending	Principal	Interest	Total
1991	$ --	$ 939,705	$ 939,705
1992	225,000	939,705	1,164,705
1993	240,000	926,205	1,166,205
1994	255,000	911,205	1,166,205
1995	270,000	894,630	1,164,630
1996	290,000	876,675	1,166,675
1997	310,000	856,810	1,166,810
1998	330,000	835,110	1,165,110
1999	355,000	811,350	1,166,350
2000	380,000	785,435	1,165,435
2001	410,000	757,315	1,167,315
2002	440,000	726,565	1,166,565
2003	470,000	693,125	1,163,125
2004	510,000	657,170	1,167,170
2005	550,000	617,645	1,167,645
2006	590,000	575,020	1,165,020
2007	635,000	529,295	1,164,295
2008	685,000	480,082	1,165,082
2009	740,000	426,995	1,166,995
2010	795,000	368,535	1,163,535
2011	860,000	305,730	1,165,730
2012	930,000	237,790	1,167,790
2013	1,000,000	164,320	1,164,320
2014	1,080,000	85,320	1,165,320
Totals	$12,350,000	$15,401,737	$ 27,751,737

Bonds Dated: February 1, 1988 Original Issue Amount: $12,350,000
Principal Due: October 1, beginning 1992
Interest Due: April 1 and October 1 of each year, beginning October 1, 1988
Paying Agent: First Florida Bank, Tampa, Florida
Security: The bonds are secured and payable from the net revenues of the Airport System.
Bond Ratings: Moody's AAA, Standard and Poor's Aaa

Mandatory Redemption

Term Bonds Due October 1, 2008

Year	Amount
2004	$510,000
2005	550,000
2006	590,000
2007	635,000
2008	685,000

Term Bonds Due October 1, 2014

Year	Amount
2009	$ 740,000
2010	795,000
2011	860,000
2012	930,000
2013	1,000,000
2014	1,080,000

Optional Redemption	Redemption Price
October 1, 1995 to September 30, 1996	One Hundred Three Percent
October 1, 1996 to September 30, 1997	One Hundred Two Percent
October 1, 1997 to September 30, 1998	One Hundred One Percent
October 1, 1998 and thereafter	One Hundred Percent

CITY OF TALLAHASSEE, FLORIDA

PRINCIPAL TAXPAYERS
September 30, 1990

Taxpayer	Assessed Valuation			Percentage of Total Assessed Valuation
	Real Property	Tangible Personal Property	Total	
Central Telephone	$ 8,208,700	$ 95,101,200	$103,309,900	1.7
Governor's Square Mall	30,313,700	--	30,313,700	.5
Talquin Electric	1,456,100	33,006,800	34,462,900	.6
Tallahassee Mall	22,562,400	--	22,562,400	.4
Tallahassee Community Hospital	9,534,600	4,493,900	14,028,500	.2
Koger Properties	13,220,600	9,400	13,230,000	.2
Comcast Cable	75,000	11,013,500	11,088,500	.2
First Florida Bank Building	10,243,300	5,800	10,249,100	.2
Tallahassee Associates	9,452,100	123,300	9,575,400	.2
Northwood Mall	8,809,500	--	8,809,500	.1
TOTAL	$113,876,000	$143,753,900	$257,629,900	4.3

Source: Leon County Property Appraiser

CITY OF TALLAHASSEE, FLORIDA

SCHEDULE OF INSURANCE IN FORCE
September 30, 1990

Type of Coverage and Insurance Company	Policy Number	Policy Expiration	Details of Coverage	Limits	Estimated Annual Premium
LIABILITY:					
Self-Insured	N/A	N/A	Excess Auto/General Liability	$3,000,000	Fund Trust
Lloyd	AM8900764	9-30-91	Airport Liability	$100,000,000	$29,714
Self-Insured.	N/A	N/A	Primary Auto/General Liability	$100,000/200,000	Fund Reserves
Self-Insured.	N/A	N/A	Police Professional	$100,000/200,000	Fund Reserves
FIRE AND EXTENDED COVERAGE:					
Hartford.	AI942998400	9-30-91	Boiler and Machinery	All Risk Comprehensive	$448,886
HEALTHCARE:					
American Life Insurance Company	LF S8054801	10-31-91	Specific Stop-Loss	$1,000,000	$35,530
ACCIDENTAL DEATH:					
Commercial Insurance.	GTA-10349	9-30-92	Statutory and Accidental Death	$50,000 or $75,000	$29,026
WORKERS' COMPENSATION:					
Florida League of Cities Self Insurance Trust Fund	FM 495	9-30-91	Excess Workers' Compensation	$10,000,000	$43,028
Self Insured	N/A	N/A	Primary Workers' Compensation	$300,000	Fund Reserves
PUBLIC OFFICIALS BOND:					
Hartford.	PEB KQ5312 and RN4618176	9-30-91	Surety Bond	$1,000,000/$100,000	$5,774

CITY OF TALLAHASSEE, FLORIDA

MISCELLANEOUS STATISTICAL DATA
September 30, 1990

Date of Incorporation	1825
Date First Charter Adopted	1825
Date Present Charter Adopted	1919

Form of Government: Commission-Manager
Commission Composed of: Mayor and Four Commissioners

Terms of Office:
- Mayor - One Year (Elected by the Commission)
- Commissioners - Four Years
- Manager - Appointed by Commission

Average Annual Temperature	67.2 Degrees
Average Annual Rainfall	64.59 Inches
Area	67 Square Miles

MUNICIPAL UTILITIES and SERVICES

Electric System:	
Generating Plants	3
Generating Capacity (KW)	461,000
Net System Energy Generated (KWH)	1,448,266,740
Average Number Residential Customers	63,077
Average Residential Monthly Bill	$76.53
Miles of Transmission Lines	179.5
Primary Distribution Sub-System Capacity (KVA)	645,000
Square Miles of Service Area	218
Number of Street Lights	12,126
Gas System:	
Miles of Gas Lines	318
Daily Average Consumption (MCF)	3,947
Plant Capacity (MCF)	4,000
Number of Service Connections	9,378
Police Protection:	
Number of Employees	436
Number of Vehicular Patrol Units	223
Number of Law Violations:	
Physical Arrests	8,486
Traffic Violations	13,023
Parking Violations	78,417

Water System:	
Miles of Water Mains	677.5
Daily Average Consumption (MGD)	24.16
Plant Capacity (MGD)	52.2
Number of Service Connections	51,592
Deep Wells	24
Sewage System:	
Miles of Sanitary Sewers	519.3
Number of Lift Stations	77
Daily Average Treatment (MGD)	16.2
Maximum Capacity of Treatment Plants (MGD)	24.56
Number of Disposal Plants	2
Number of Service Connections	42,414
Parks and Recreation:	
Community Centers	8
Summer Playgrounds and Camps	12
Athletic Fields	89
Golf Courses	2
Swimming Pools	7
Parkland Acreage	1,155
Parcours Trails	4
Tennis/Racquetball Courts	70
Gymnasiums	6

CITY OF TALLAHASSEE, FLORIDA

MISCELLANEOUS STATISTICAL DATA
(Continued)

Community Facilities

Transportation:
Airline, Bus Line, and Railroad Freight Services

Communications:
Newspapers, Radio Stations, Television Stations;
Cable Television and Telephone Service

Culture, Recreation, and Health:

Conference Center, Civic Center, and Theaters Seating Capacity	23,142
Museums	3
Major Libraries	8
Skating Rinks	2
Golf Courses	6
Hospital Beds	951

Education:

Number of Public Schools	35
Number of Public School Instructors	1,856
Number of Public School Students	27,241
Number of Vocational-Technical Schools	1
Number of Community Colleges	1
Number of Universities	2
Number of College-level Instructors	1,910
Number of College-level Students	46,361

Major Annual Events:
Springtime Tallahassee Festival
Tallahassee Open Golf Tournament
North Florida Fair
Junior Museum Market Days
Fourth of July "Celebrate America"

CITY OF TALLAHASSEE, FLORIDA

DEMOGRAPHIC STATISTICS
For the Years Indicated

Year	(1) Estimated Population	Airline Passengers	Electric KWH Used (000's)	Water Consumed (Gals) (Millions)	Gas Used (Cu. Ft.) (Millions)	(2) Housing Units	Leon County School Enrollment	(2)(3) Retail Sales (000's)
1981	84,196	288,681	1,169,832	5,484.2	1,276,483	35,023	21,646	538,885
1982	93,497	266,583	1,339,339	5,830.7	1,251,515	39,153	21,650	649,048
1983	101,657	284,052	1,295,058	5,846.7	1,151,650	42,857	22,433	710,253
1984	108,341	311,739	1,296,268	6,209.9	1,330,499	45,985	22,279	827,446
1985	110,579	284,899	1,336,212	6,124.9	1,293,902	47,256	22,823	891,837
1986	113,746	354,098	1,419,245	7,983.5	1,285,008	48,944	23,911	938,817
1987	116,287	413,242	1,556,543	7,031.3	1,385,865	50,384	24,508	1,035,261
1988	118,367	430,045	1,676,050	7,641.2	1,447,084	51,643	24,917	1,157,884
1989	122,333	434,859	1,756,912	6,635.1	1,311,770	53,749	26,404	1,237,572
1990	124,773	456,607	1,921,683	8,495.7	1,440,811	55,455	27,241	N/A

Source: City Records

(1) U. S. Census Bureau and Tallahassee-Leon County Planning Department
(2) Sales, Marketing and Management, calendar year figures
(3) Leon County Statistics

N/A - Not Available

Year	Number of Labor Force	Number of Employed	Number of Unemployed	Unemployment Rate
1983	45,561	42,702	2,859	6.3 percent
1984	46,361	43,924	2,437	5.3 percent
1985	47,484	45,068	2,416	5.1 percent
1986	53,856	51,442	2,414	4.5 percent
1987	56,938	54,524	2,414	4.2 percent
1988	58,342	56,117	2,225	3.8 percent
1989	60,640	57,636	3,004	5.0 percent
1990	N/A	N/A	N/A	N/A

Source: Florida Department of Labor and Employment Security



CITY OF LEESBURG

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 1990

CITY OF LEESBURG, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

September 30, 1990

Prepared by:

James A. Williams, CPA
Finance Director

INTRODUCTORY SECTION

CITY OF LEESBURG, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1990

MAYOR

Charles C. Strickland

MAYOR PRO-TEM

C.J. Knowles

CITY COMMISSION

Sanna Henderson
C. Robert Lovell
David L. Connelly

CITY MANAGER

Rex Taylor

FINANCE DIRECTOR

James A. Williams, CPA

CITY ATTORNEY

R. Dewey Burnsed

CITY AUDITORS

Ernst & Young

CITY OF LEESBURG, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1990

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CITY OF LEESBURG, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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CITY OF LEESBURG, FLORIDA
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CITY OF LEESBURG, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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LETTER OF TRANSMITTAL

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CITY
OF
LEESBURG

The Complete City

January 25, 1991

To the Citizens of the CITY OF LEESBURG:

The comprehensive annual financial report of the CITY OF LEESBURG for the fiscal year ended September 30, 1990, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the city. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the city. All disclosures necessary to enable the reader to gain an understanding of the city's financial activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

ECONOMIC CONDITION AND OUTLOOK

The City of Leesburg is located in the central part of the state, which ranks as one of the top growth areas in the country. The economic condition and outlook of the City have remained relatively stable for the year. Although new construction is down from previous years, overall property values increased by approximately 10 per cent during this fiscal year. This is consistent with the trend for the last five years.

The growth that the City has enjoyed for the past several years has had a positive effect on employment and the City's tax base. However, this growth also presents significant challenges. If the present high level of services is to be maintained, the City will need to explore additional methods of obtaining financial resources.

MAJOR INITIATIVES

In preparing the 1990 budget, the City identified several major programs needed to meet the increased citizens' needs for services. These programs included expansion of the Police department, continued improvements at the municipal airport, expansion of the wastewater treatment facilities, expansion and renovation of recreational facilities, new parking facilities, improvement of stormwater drainage capabilities, and automation at the library.

During the year the City acquired and renovated new facilities for the criminal investigation division of the Police department. This was a necessary improvement as the existing structures were no longer capable of serving the expanded police force.

Additional improvements were made to the airport runways. This is an ongoing project with most of the financial resources being provided by the Federal Aviation Administration.

The City has purchased 635 acres of land as part of the expansion of the wastewater treatment sprayfield. The City will purchase an additional 712 acres to complete this sprayfield expansion. The City has experienced increased demand for this service due to the tremendous growth within the City and the surrounding areas.

The Library has purchased new computer equipment to automate their system. They expect to have the installation and training completed in the next fiscal year.

FINANCIAL INFORMATION

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

Budgeting controls. In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. The level of budgetary control is established by function and activity within an individual fund. The resolution adopting the annual budget sets forth control of appropriations on a fund total level and prescribes methods for budget amendment.

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

General Government Functions. The following schedule presents a summary of general fund, special revenue funds, debt service fund and capital project fund financing sources for the fiscal year ended September 30, 1990, and the amount and percentage of increases and decreases in relation to prior year financing sources.

Financing Sources	Amount	Percent of Total	Increase (Decrease) from 1989	Percent of Increase (Decrease)
Revenues:				
Taxes	2,635,092	23.13	503,158	23.60
Licenses and Permits	174,801	1.53	(6,146)	(3.40)
Intergovernmental Revenues:				
Shared revenue	1,472,727	12.93	(118,602)	(7.45)
Operating grants	444,318	3.90	(48,803)	(9.90)
Capital grants	428,626	3.76	(99,270)	(18.80)
Charges for services	151,620	1.33	(5,788)	(3.69)
Fines and Forfeitures	214,258	1.88	48,108	28.95
Other revenues	862,476	7.57	108,521	14.39
Total Revenues	6,383,918	56.03	381,178	23.71
Other Financing Sources:				
Operating transfers	5,009,097	43.97	335,440	7.18
Total other financing sources	5,009,097	43.97	335,440	7.18
Total revenues and other financing sources	11,393,015	100.00	716,618	

The most significant increase in actual continued revenue sources was derived from taxes. Tax revenues are a combination of property tax, local option sales tax and franchise tax. A large portion of the tax revenue increase was the result of an increase in the property tax rate of $.533 per $1,000 of taxable property value. This increase, the first since 1984, is estimated to have generated an additional $213,410 in property tax revenue. The City's 4.50 millage rate remains well within the 10 mill rate limit established by the State.

The following schedule presents a summary of general fund, special revenue funds, debt service fund and capital project fund expenditures and other financing uses for the fiscal ended September 30, 1990 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures and Other Financing Use	Amount	Percent of Total	Increase (Decrease) from 1989	Percent of Increase (Decrease)
Expenditures by function				
General Government	600,231	5.43	39,755	7.09
Public Safety	3,392,189	30.76	496,869	17.16
Public Works	1,424,038	12.91	25,120	1.80
Community Development	130,338	1.18	982	0.76
Economic Environment	772	0.01	(84,045)	(99.09)
Human Services	440,765	4.00	38,145	9.47
Culture and Recreation	1,688,421	15.31	150,783	9.81
Capital projects Fund	1,252,635	11.36	(579,496)	(31.86)
Debt Service	554,708	5.03	(2,666)	(0.48)
Total Expenditures by Function	9,484,097	85.99	85,447	0.91
Other Financing Uses:				
Operating Transfers	1,545,458	14.01	323,401	26.46
Total Other Financing Uses	1,545,458	14.01	323,401	26.46
Total Expenditures and Other Financing Uses	11,029,555	100.00	409,848	

The largest significant increase in expenditures occurred within the Police department as a direct result of the creation of seven new positions. This represents a thirteen percent increase in manpower.

General Fund Balance. The fund balance of the general fund remained relatively unchanged in 1990. The $19,491 decrease is less than one percent of the fund balance at the beginning of the year.

Enterprise Operations. The City's enterprise operation are comprised of five separate and distinct activities: Electric utility, Gas utility, Water utility, Sanitary Sewer and Wastewater Treatment utility, and Sanitation Services. The population growth in this area appears to be double the rate of growth within the City.

The utilities are experiencing steady and substantial growth. Overall, operating revenues increased by 6.66 percent while operating expenses increased only .2 percent. Operating income increased by 27.4 percent.

Sanitation services experienced a slight decline in operating revenues for the year. The City's landfill operations were closed prior to the end of the fiscal year.

Pension Trust Funds Operations. The City operates three defined benefit pension plans: the General Employees' Pension Fund, the Municipal Police Retirement Trust Fund and the Municipal Firemen's Retirement Trust Fund. All investments are managed by outside fund managers. The operations of the three pension plans remained relatively stable in 1990, except for the unrealized decrease in the fair value of investments at year end.

To the Citizens of the City of Leesburg, Florida

Debt Administration. In 1987, the City issued $6,145,000 in refunding and capital improvement revenue bonds. Of this amount, $5,820,000 remained outstanding at September 30, 1990.

In 1989, the City issued $21,810,000 of Refunding Utilities Revenue Bonds, Series 1989 to refund $18,140,000 of the $19,999,999 Refunding Utilities Revenue Bonds, Series 1984. At year end, there was $21,390,000 outstanding on the 1989 series and $1,859,999 on the 1984 series, plus $542,959 in accrued interest on the 1984 Series Capital Appreciation Bonds.

The City had no general obligation bonds outstanding as of September 30, 1990.

Cash Management. Cash temporarily idle during the year was invested in obligations of the U.S. Treasury, the State Board of Administration Local Government Investment Pool and repurchase agreements. Interest earned by the City this year totaled $2,208,888, which is $167,508 more than the previous year.

Independent Audit. The City charter and State statutes require an annual audit by independent certified public accountants. The firm of Ernst & Young was selected by the City Commission. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Acknowledgements. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance department. Each member of the department has our sincere appreciation for the contribution made in the preparation of this report.

Also without the interest and support of the members of the City Commission, preparation of this report would not have been possible.

Sincerely,

Rex Taylor
City Manager

James A. Williams
City Clerk/Finance Director

RLB/br

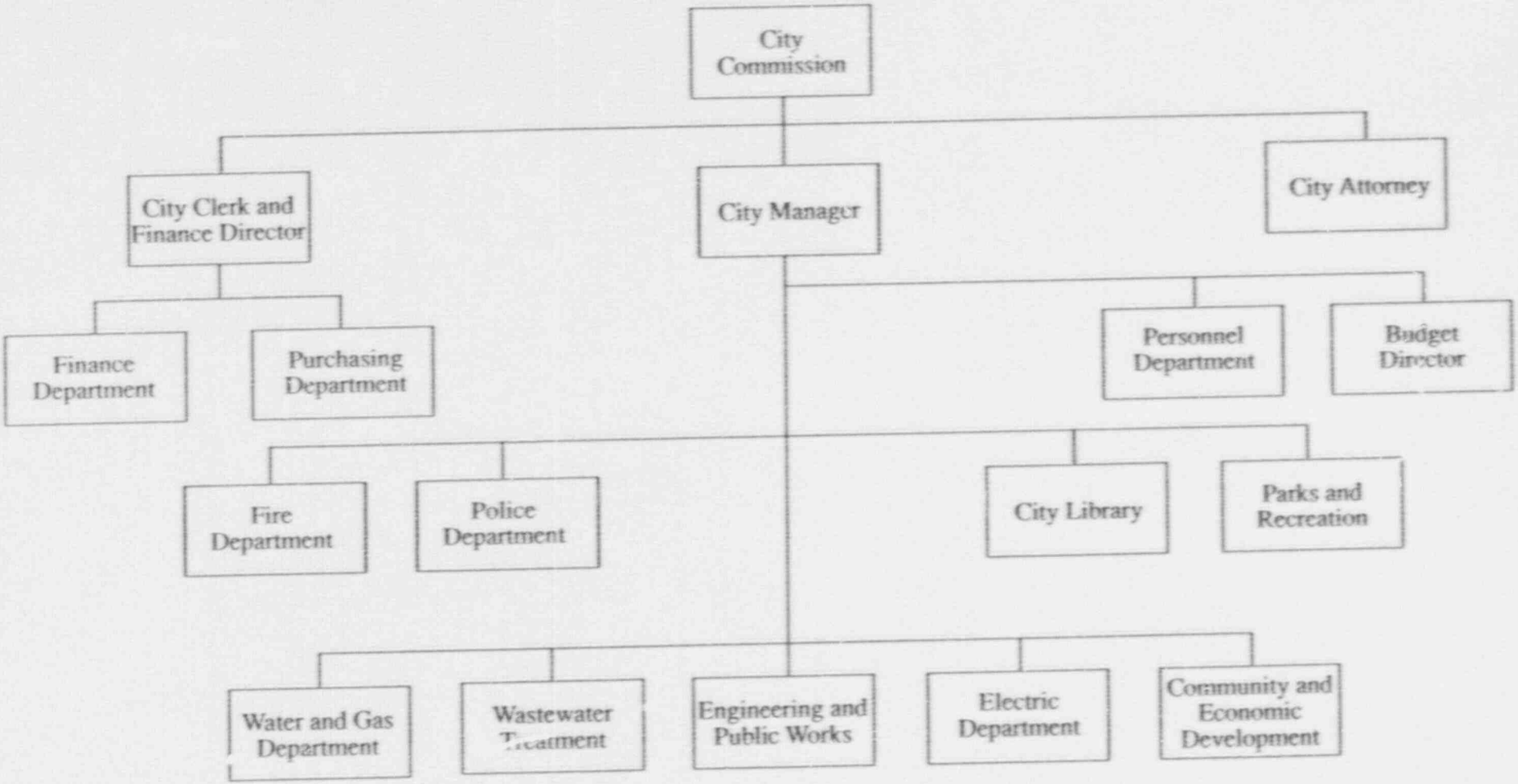
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ORGANIZATION CHART

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City of Leesburg, Florida
Organization Chart
September 30, 1990



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FINANCIAL SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
GENERAL PURPOSE FINANCIAL STATEMENTS
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS
SUPPLEMENTAL SCHEDULES

FINANCIAL SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
GENERAL PURPOSE FINANCIAL STATEMENTS
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SUPPLEMENTAL SCHEDULES

ERNST & YOUNG

The First F.A. Building
Suite 1700
One duPont Centre
Orlando, Florida 32801

Phone: 407 872 6600

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable City Commission
City of Leesburg

We have audited the accompanying general purpose financial statements of the City of Leesburg, Florida, as of and for the year ended September 30, 1990 as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was made in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly the financial position of the City of Leesburg, Florida, at September 30, 1990, and the results of its operations and the changes in cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group statements, and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Leesburg, Florida. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole. Information in the statistical section has not been audited and we express no opinion on it.

As discussed in Note 8 to the financial statements, in 1990 the City changed its method of accounting for self-insurance funds.

Ernst & Young

December 14, 1990

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GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF LEESBURG, FLORIDA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30,1990

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS				
Equity in pooled cash and cash equivalents	$ 3,973,606	$ 73,137	$ 905,419	$ 799,281
Cash and investments with trustees	-	-	-	-
Receivables:				
Customer accounts--unbilled	-	-	-	-
billed	-	-	-	-
allowance for doubtful accounts	-	-	-	-
Accrued interest	75,799			
Other	44,712	60,565		9,902
Due from other funds	60,517	-	-	-
Due from other governments	104,075	-	-	258,333
Inventory	8,017	-	-	-
Prepaid expenditures/expenses	88,995	-	-	-
Restricted assets:				
Equity in pooled cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Property, plant and equipment	-	-	-	-
General fixed assets	-	-	-	-
Accumulated depreciation	-	-	-	-
Construction in progress	-	-	-	-
Estimated landfill closure cost, net	-	-	-	-
Deferred issue cost, net	-	-	-	-
Rights to purchase power	-	-	-	-
Crystal River decommission cash	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	$ 4,355,721	$ 133,702	$ 905,419	$ 1,067,516

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNTS GROUPS		TOTALS (MEMORANDUM ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	1990	1989
$ 11,225,771	$ 1,186,346	$ -	$ -	$ -	$ 18,163,560	$ 18,490,326
-	-	14,406,506	-	-	14,406,506	13,444,185
2,122,783	-	-	-	-	2,122,783	1,775,294
4,297,630	-	-	-	-	4,297,630	3,505,695
(947,025)	-	-	-	-	(947,025)	(872,412)
70,255	-	174,713	-	-	320,767	289,713
-	-	-	-	-	115,179	173,396
-	-	-	-	-	60,517	-
-	-	-	-		362,408	363,698
1,077,969	20,477	-	-	-	1,106,463	953,262
104,418	-	-	-	-	193,413	-
5,436,569	-	-	-	-	5,436,569	5,260,029
2,317,276	-	-	-	-	2,317,276	1,847,557
69,898,505	125,104	-	-	-	70,023,609	66,815,153
-	-	-	19,648,168	-	19,648,168	18,028,498
(21,440,997)	(74,503)	-	-	-	(21,515,500)	(20,791,325)
4,048,569	-	-	-	-	4,048,569	552,628
231,650	-	-	-	-	231,650	-
323,117	-	-	-	-	323,117	353,624
62,056	-	-	-	-	62,056	64,346
533,758	-	-	-	-	533,758	-
-	-	-	-	714,035	714,035	670,580
-	-	-	-	5,689,980	5,689,980	5,807,613
$ 79,362,304	$ 1,257,424	$ 14,581,219	$ 19,648,168	$ 6,404,015	$ 127,715,488	$ 117,230,810

See accompanying notes.

CITY OF LEESBURG, FLORIDA
CO' 'BINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30,1990

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
LIABILITIES				
Accounts payable	$ 551,585	$ -	$ -	$ 13,400
Accrued expenses	229,811	-	-	-
Customer advances for construction	-	-	-	-
Due to other governments	-	104,987	-	14,033
Due to other funds	-	-	-	60,517
Due to participants	-	-	-	-
Current portion--long-term liabilities	-	-	-	-
Payable from restricted assets:				
Customer deposits	-	-	-	-
Accrued interest on revenue bonds	-	-	-	-
Current portion--revenue bonds	-	-	-	-
Claims payable	-	-	-	-
Notes payable	-	-	-	-
Matured interest payable	-	-	191,384	-
Estimated landfill closure costs payable	-	-	-	-
Revenue bonds payable--net	-	-	-	-
Compensated absences	-	-	-	-
Unearned revenues	70,018	-	-	-
Decommissioning costs	-	-	-	-
TOTAL LIABILITIES	851,414	104,987	191,384	87,950
FUND EQUITY AND OTHER CREDITS				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund balances:				
Reserved	11,523	4,399	675,880	979,566
Unreserved	3,492,784	24,316	38,155	-
TOTAL FUND EQUITY AND OTHER CREDITS	3,504,307	28,715	714,035	979,566
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	$ 4,355,721	$ 133,702	$ 905,419	$ 1,067,516

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNTS GROUPS		TOTALS (MEMORANDUM ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	1990	1989
$ 1,397,292	$ -	$ -	$ -	$ -	$ 1,962,277	$ 1,782,393
844,880	11,842	-	-	-	1,647,272	1,036,915
69,976	-	-	-	-	69,976	78,665
-	-	-	-	-	119,020	51,953
-	-	-	-	-	60,517	-
-	-	729,176	-	-	729,176	668,381
897,555	-	-	-	-	897,555	400,000
1,287,416	-	-	-	-	1,287,416	1,198,006
831,854	-	-	-	-	831,854	844,288
185,000	-	-	-	-	185,000	262,605
-	304,332	-	-	-	304,332	420,000
-	-	-	-	23,276	23,276	51,356
-	-	-	-	-	191,384	194,534
-	-	-	-	-	-	700,417
23,340,220	-	-	-	5,820,000	29,160,220	29,344,318
-	-	-	-	560,739	560,739	466,837
-	-	-	-	-	70,018	90,514
533,758	-	-	-	-	533,758	1,311,000
29,387,351	316,174	729,176	-	6,404,015	38,073,051	38,949,222
14,358,217	15,979	-	-	-	14,374,196	12,193,864
-	-	-	19,648,168	-	19,648,168	18,028,498
5,191,287	881,144	-	-	-	6,072,431	5,046,662
30,424,849	44,127	-	-	-	30,468,976	25,215,972
-	-	13,852,043	-	-	15,523,411	14,262,846
-	-	-	-	-	3,555,255	3,533,746
49,974,353	941,250	13,852,043	19,648,168	-	89,642,437	78,281,588
$ 79,362,304	$ 1,257,424	$ 14,581,219	$ 19,648,168	$ 6,404,015	$ 127,715,488	$ 117,230,810

See accompanying notes.

CITY OF LEESBURG, FLORIDA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30,1990

	GOVERNMENTAL FUND TYPES	
	GENERAL	SPECIAL REVENUE
REVENUES		
Taxes	$ 2,635,092	$ -
Licenses and permits	174,801	-
Intergovernmental	1,472,727	444,318
Charges for services	151,620	-
Fines and forfeitures	214,258	-
Miscellaneous	679,986	-
TOTAL REVENUES	5,328,484	444,318
EXPENDITURES		
Current:		
General government	600,231	-
Public safety	3,392,189	-
Public works	1,424,038	-
Community development	130,338	-
Economic environment	-	772
Human services	-	440,765
Culture/recreation	1,688,421	-
Capital projects	-	-
Debt service:		
Principal	28,080	-
Interest	2,860	-
TOTAL EXPENDITURES	7,266,157	441,537
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,937,673)	2,781
OTHER FINANCING SOURCES (USES)		
Operating transfers in	3,463,639	-
Operating transfers out	(1,545,457)	-
TOTAL OTHER FINANCING SOURCES	1,918,182	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(19,491)	2,781
FUND BALANCES, BEGINNING OF YEAR	3,523,798	25,934
FUND BALANCES, END OF YEAR	$ 3,504,307	$ 28,715

DEBT SERVICE	CAPITAL PROJECTS	TOTALS (MEMORANDUM ONLY) 1990	1989
$ -	$ -	$ 2,635,092	$ 2,131,934
-	-	174,801	180,947
-	428,626	2,313,671	2,612,346
-	-	151,620	157,408
-	-	214,258	166,150
37,156	145,334	862,476	753,955
37,156	573,960	6,383,918	6,002,740
-	-	600,231	560,474
-	-	3,392,189	2,895,320
-	-	1,424,038	1,398,918
-	-	130,338	129,356
-	-	772	84,817
-	-	440,765	402,620
-	-	1,688,421	1,537,640
-	1,252,635	1,252,635	1,832,131
140,000	-	168,080	159,459
383,768	-	386,628	397,915
523,768	1,252,635	9,484,097	9,398,650
(486,612)	(678,675)	(3,100,179)	(3,395,910)
530,067	1,015,390	5,009,096	4,673,657
-	-	(1,545,457)	(1,222,057)
530,067	1,015,390	3,463,639	3,451,600
43,455	336,715	363,460	55,690
670,580	642,851	4,863,163	4,807,473
$ 714,035	$ 979,566	$ 5,213,623	$ 4,863,163

See accompanying notes.

CITY OF LEESBURG, FLORIDA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL, SPECIAL REVENUE AND CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30,1990

	GENERAL			SPECIAL REVENUE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes	$ 2,621,800	$ 2,635,092	$ 13,292	$ -	$ -	$ -
Licenses and permits	175,200	174,801	(399)	-	-	-
Intergovernmental	1,547,800	1,472,727	(75,073)	525,800	444,318	(81,482)
Charges for services	153,900	151,620	(2,280)	-	-	-
Fines and forfeitures	180,300	214,258	33,958	-	-	-
Miscellaneous	809,500	679,986	(129,514)	-	-	-
TOTAL REVENUES	5,488,500	5,328,484	(160,016)	525,800	444,318	(81,482)
EXPENDITURES						
Current:						
General government	828,800	600,231	228,569	-	-	-
Public safety	3,374,700	3,392,189	(17,489)	-	-	-
Public works	1,528,100	1,424,038	104,062	-	-	-
Community development	144,500	130,338	14,162	-	-	-
Economic environment	-	-		800	772	28
Human services	-	-		525,000	440,765	84,235
Culture/recreation	1,818,400	1,688,421	129,979	-	-	-
Capital project	-	-	-	-	-	-
Debt service						
Principal	28,080	28,080	-	-	-	-
Interest	3,953	2,860	1,093	-	-	-
TOTAL EXPENDITURES	7,726,533	7,266,157	460,376	525,800	441,537	84,263
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,238,033)	(1,937,673)	300,360	-	2,781	2,781
OTHER FINANCING SOURCES (USES)						
Operating transfers in	3,469,100	3,463,640	(5,460)	-	-	-
Operating transfers out	(1,564,967)	(1,545,458)	19,509	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,904,133	1,918,182	14,049	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(333,900)	(19,491)	314,409	-	2,781	2,781
FUND BALANCES, BEGINNING OF YEAR	3,523,798	3,523,798	-	25,934	25,934	-
FUND BALANCES, END OF YEAR	$ 3,189,898	$ 3,504,307	$ 314,409	$ 25,934	$ 28,715	$ 2,781

DEBT SERVICE			CAPITAL PROJECTS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	617,800	428,626	(189,174)
-	-	-	-	-	-
-	-	-	-	-	-
-	37,156	37,156	50,000	145,334	95,334
-	37,156	37,156	667,800	573,960	(93,840)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,820,000	1,252,635	567,365
140,000	140,000	-	-	-	-
421,100	383,768	37,332	-	-	-
561,100	523,768	37,332	1,820,000	1,252,635	567,365
(561,100)	(486,612)	74,488	(1,152,200)	(678,675)	473,525
561,100	530,067	(31,033)	1,070,900	1,015,390	(55,510)
-	-	-	-	-	-
561,100	530,067	(31,033)	1,070,900	1,015,390	(55,510)
-	43,455	43,455	(81,300)	336,715	418,015
670,580	670,580	-	642,851	642,851	-
$ 670,580	$ 714,035	$ 43,455	$ 561,551	$ 979,566	$ 418,015

See accompanying notes

CITY OF LEESBURG, FLORIDA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30,1990

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	1990	1989
OPERATING REVENUES					
Charges for services	$ 34,913,149	$ 1,300,852	$ -	$ 36,214,001	$ 33,038,249
Other operating	426,468	-	-	426,468	428,170
Investment income	-	-	1,261,872	1,261,872	1,552,575
Contributions	-	-	864,645	864,645	1,731,401
TOTAL OPERATING REVENUES	35,339,617	1,300,852	2,126,517	38,766,986	36,750,395
OPERATING EXPENSES					
Unrealized decrease in fair value of investments	-	-	814,267	814,267	
Power generation and transmission	1,278,054	-	-	1,278,054	1,286,617
Purchased energy	15,662,451	-	-	15,662,451	15,472,304
Operating and maintenance	4,665,708	401,136	-	5,066,844	4,521,623
General and administrative	1,767,037	110,597	139,304	2,016,938	2,071,796
Depreciation and amortization	2,273,598	8,858	-	2,282,456	2,709,946
Claims expense	-	792,803	-	792,803	648,456
Benefit payments	-	-	254,332	254,332	220,942
TOTAL OPERATING EXPENSES	25,646,848	1,313,394	1,207,903	28,168,145	26,931,684
OPERATING INCOME (LOSS)	9,692,769	(12,542)	918,614	10,598,841	9,818,711
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	1,675,887	118,505	-	1,794,392	1,549,099
Interest expense	(1,835,120)	-	-	(1,835,120)	(1,895,691)
Other income and expenses	101,531	-	-	101,531	107,526
TOTAL NONOPERATING REVENUES (EXPENSES)	(57,702)	118,505	-	60,803	(239,066)
INCOME BEFORE OPERATING TRANSFERS	9,635,067	105,963	918,614	10,659,644	9,579,645
OPERATING TRANSFERS OUT	(3,451,584)	(12,055)	-	(3,463,639)	(3,451,600)
INCOME BEFORE EXTRAORDINARY ITEM	6,183,483	93,908	918,614	7,196,005	6,128,045
EXTRAORDINARY ITEM					
Loss from early extinguishment of debt	-	-	-	-	(2,739,684)
NET INCOME	6,183,483	93,908	918,614	7,196,005	3,388,361
RETAINED EARNINGS/FUND BALANCES, AS PREVIOUSLY REPORTED BEGINNING OF YEAR	29,432,653	1,092,586	12,933,429	43,458,668	39,986,709
PRIOR PERIOD ADJUSTMENT	-	(261,223)	-	(261,223)	(177,625)
AS RESTATED	29,432,653	831,363	12,933,429	43,197,445	39,809,084
RETAINED EARNINGS/FUND BALANCES, END OF YEAR	$ 35,616,136	$ 925,271	$ 13,852,043	$ 50,393,450	$ 43,197,445

See accompanying notes.

CITY OF LEESBURG, FLORIDA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30,1990

	PROPRIETARY FUND TYPES		TOTAL (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	1990
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 11,315,584	$ 39,207	$ 11,354,791
CASH FLOWS USED IN NONCAPITAL FINANCING ACTIVITIES			
Nonoperating income	212,164	-	212,164
Nonoperating expense	(110,633)	-	(110,633)
Operating transfers out to other funds	(3,451,584)	(12,055)	(3,463,639)
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	(3,350,053)	(12,055)	(3,362,108)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid on revenue bonds	(1,731,717)	-	(1,731,717)
Acquisition and construction of capital assets	(8,771,940)	(10,227)	(8,782,167)
Principal paid on bond maturities	(420,000)	-	(420,000)
Capital contributed	2,180,332	-	2,180,332
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(8,743,325)	(10,227)	(8,753,552)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	(469,719)	-	(469,719)
Interest on investments	1,737,720	118,505	1,856,225
NET CASH FLOW FROM INVESTING ACTIVITIES	1,268,001	118,505	1,386,506
NET INCREASE IN CASH AND CASH EQUIVALENTS	490,207	135,430	625,637
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16,172,133	1,050,916	17,223,049
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 16,662,340	$ 1,186,346	$ 17,848,686
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	$ 9,692,769	$ (12,542)	$ 9,680,227
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	3,123,588	8,858	3,132,446
Bad debt expense	74,613	-	74,613
Increase in customer accounts	(1,139,424)	-	(1,139,424)
Increase in inventory	(151,073)	(9,192)	(160,265)
Increase in prepaid expenses	(104,418)	-	(104,418)
Decrease in receivables	-	8,373	8,373
Decrease in accounts payable	(67,109)	-	(67,109)
Decrease in Crystal River decommission funds	777,242	-	777,242
Decrease in estimated landfill closure costs payable	(202,862)	-	(202,862)
Increase in claims payable	-	41,727	41,727
Increase in accrued expenses	8,779	1,983	10,762
Decrease in customer advances for construction	(8,689)	-	(8,689)
Increase in customer deposits	89,410	-	89,410
Decrease in decommissioning costs	(777,242)	-	(777,242)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 11,315,584	$ 39,207	$ 11,354,791

See accompanying notes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Leesburg is a Florida municipality governed by an elected five-member City Commission. The City provides services to its citizens including fire and police protection, electric, gas, water, wastewater, sanitation, parks and recreation, streets and other general governmental activities. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Commission appointed City Manager.

The accounting policies of the City of Leesburg, Florida, conform to generally accepted accounting principles for governmental entities. The following is a summary of significant accounting policies.

Reporting Entity:
The basic criterion for including an agency, institution, authority, or other organization in a governmental unit's reporting entity is the exercise of oversight responsibility over such agencies by the governmental unit's elected officials. Oversight responsibility is defined to include, but is not limited to: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; accountability for fiscal matters and other factors including special financing relationships. There are no entities over which the City exerts any type of influence and, accordingly, the accompanying general purpose financial statements include only the fund types and account group of the City itself.

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

Fund and Account Group Categories:
The categories of funds and account groups of the City are summarized as follows:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund and Account Group Categories (Continued)

General Fund - to account for all financial resources which are not required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund - to account for the accumulation of resources for, and the payment of, principal and interest for general long-term debt.

Capital Projects Funds - to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

(2) Proprietary Fund Types are used to account for the City's ongoing activities which are similar to those found in the private sector.

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

Internal Service Funds - to account for the financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

(3) Fiduciary Fund Types are used to account for assets held in a trustee capacity for others.

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

Agency Fund - to account for assets held for the benefit of third parties.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fixed Assets - to account for property and equipment not used in Proprietary Fund operations.

General Long-Term Debt - to account for unmatured principal of long-term special obligation indebtedness, notes payable and compensated absences that is not a specific liability of a Proprietary Fund.

Measurement Focus

Governmental Fund Types - General, Special Revenue, Debt Service and Capital Projects Funds are accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets. Reported fund balance (net current assets) is considered a measure of "available, spendable, or appropriable resources." Governmental Fund Type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

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

The Pension Trust Funds are accounted for like proprietary funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve a measurement of results of operations.

Basis of Accounting:

Governmental Fund Types revenues and expenditures are recognized on the modified accrual basis. This method recognizes revenues in the accounting period in which they become available and measurable. Expenditures are recognized in the period in which the fund liability is incurred (except unmatured interest on general long-term debt which is recognized when due).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Type revenues that are susceptible to accrual include property taxes, franchise fees, Federal and State revenue sharing revenues, and reimbursements from grants for authorized expenditures through September 30.

Proprietary Fund revenues and expenses are recognized on the accrual basis. Revenues of the enterprise funds are recognized on the basis of services rendered. Billing cycles of the Utility Funds and Sanitation Services Fund which overlap September 30 are prorated based upon meter reading dates.

Fiduciary Funds of the City consist of Pension Trust Funds which are accounted for on the accrual basis and a Deferred Compensation Agency Fund which is accounted for on the modified accrual basis.

Transfers:
Transfers are recognized in the accounting period in which the interfund receivable and payable arise. Transfers are made from the utility funds to finance operations of the General Fund, and the General Fund makes transfers to the Special Revenue Fund, Debt Service Fund, and Capital Projects Funds.

Grants-Proprietary Funds:
Unrestricted grants, entitlements or shared revenues received are reported as nonoperating revenues. Such resources externally restricted for capital acquisitions or construction are reported as contributed capital.

Cash Equivalents:
For purposes of the statements of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments:
In all funds, except the Pension Trust Funds and the Deferred Compensation Agency Fund, investments are stated at amortized cost. The investments of the Pension Trust Funds and the Deferred Compensation Agency Fund are stated at market value.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories:
Inventories held by the Utility, Sanitation Services and Motor Pool Funds are priced by the weighted average cost method at the lower of cost or market. Inventory shown in the General Fund consists of expendable supplies and Police Department gasoline held for consumption and gasoline held for resale at the municipal airport. General Fund inventories are valued at cost. Inventory is accounted for by use of the consumption method.

Amortization:
Bond issue costs and discounts are amortized over the life of the bonds using the effective interest method.

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

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

	Useful Life
Utility Funds:	
Buildings	10 to 50 Years
Improvements Other Than Buildings	20 to 50 Years
Machinery, Equipment and Vehicles	4 to 20 Years
Nuclear Fuel	5 Years
Sanitation Services Fund:	
Equipment	5 to 10 Years
Vehicles	5 to 7 Years
Motor Pool Service Fund:	
Equipment	3 to 10 Years
Vehicle	6 Years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fixed Assets:
General fixed assets purchased are recorded as expenditures in the Governmental Fund Types at the time of purchase. Such assets are capitalized at cost in the General Fixed Assets group of accounts. The City's policy is not to report public domain fixed assets such as streets, right-of-ways, sidewalks, drainage systems and similar assets. Donated fixed assets are valued at their estimated fair market value at the time of acquisition. General Fixed Assets include the City's cost of assets of Leesburg Regional Medical Center. Depreciation is not provided on General Fixed Assets.

Compensated Absences:
The City accrues accumulated compensated absences for Governmental and Proprietary Funds. Compensated absences are recorded in the Governmental Fund Types as an expenditure for the amount accrued during the year that would normally be liquidated with expendable available financial resources. The remainder of the liability is reported in the General Long-Term Debt Account Group. The Proprietary Fund Type accrues compensated absences in the period they are earned. Personnel policies allow employees to accumulate a maximum of 90 days vacation leave and 90 days sick leave. Upon termination, employees are paid for their accrued vacation leave and 25% of their accrued sick leave balance.

Encumbrances:
Encumbrances represent contractual commitments in the form of purchase orders and contracts. Such encumbrances are not recorded as expenditures, but rather as reservations of fund balance in the Governmental Fund Types. They will become expenditures upon vendor performance and will be charged against the ensuing year's budget. Encumbrances outstanding at year end are deemed cancelled and amounts sufficient to re-establish the commitment are included in the appropriations for the subsequent year.

Reserves:
Fund balances are reserved within the General Fund for police expenditures and fire expenditures; within the Special Revenue Funds for capital improvements; within the Debt Service Fund for retirement of debt; and within the Capital Projects Fund for construction.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(1) The City Manager is responsible for preparing a proposed operating budget for the upcoming year prior to September 30, that includes estimated revenues, proposed expenditures, and other financing sources and uses.

(2) Public hearings are held to obtain taxpayer comments and suggestions. The budget is enacted through passage of a resolution.

(3) The City Manager is authorized to transfer budgeted amounts within any fund, but may not revise total fund expenditures without the approval of the City Commission. The budgetary data presented is in agreement with the originally adopted budget as amended by the City Commission.

(4) Formal budgetary integration is employed as a management control device during the year for substantially all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. Total budgeted appropriations within a governmental fund type may not be exceeded legally. Appropriations lapse at the end of the year. Budget data, when presented in the financial statements, is prepared on the same basis of accounting as that prescribed for the fund.

Budgets were legally adopted for the general, special revenue, debt service and capital projects funds.

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

FUNDS	ORIGINALLY ADOPTED	FINAL AMENDED	INCREASE (DECREASE)
General	$9,870,600	$9,291,500	$(579,100)
Special Revenue	520,400	525,800	5,400
Debt Service	561,100	561,100	-
Capital Projects	2,445,700	2,274,900	(170,800)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Combined Statements "Memorandum Only" Total Columns:
Total columns on the Combined Statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Minor reclassifications of 1989 amounts have been made to enhance comparison to 1990.

Reclassifications:
Certain September 30, 1989 account balances have been reclassified in this report to conform with the financial statement presentation used in 1990.

Property Taxes:
Under Florida law, the assessment of all properties and the collection of all county, municipal and school board Property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills.

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

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

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

On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits:
All of the City's deposits are maintained in banks and financial institutions which are covered by the Florida Security for Public Deposits Act (the Act); Chapter 280 of the Florida Statutes. The Act established a multiple financial institution collateral pool with the ability to assess member institutions to satisfy the claims of governmental entities if any member financial institution fails. This ability to assess provides protection which is similar to depository insurance.

Investments:
Florida Statutes, the City Charter and investment policies authorize the investment of funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the United States Government and certain instruments guaranteed by the United States Government. Investments may also include repurchase agreements and deposits with the State Board of Administration pool. Revenue bond covenants also restrict the type and maturities of investments in bond-related funds.

Investments of the Municipal Police Officers' Retirement Trust Fund may be held in bonds, stocks, or other evidence of indebtedness issued or guaranteed by a corporation under the laws of the United States provided the corporation meets certain rating and profitability criteria. During the year and at September 30, 1990, the Fund owned investments with a carrying value (at market) of $303,730 which are not among the authorized investments described above.

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments of the Municipal Firemens' Retirement Trust Fund and the General Employees' Pension Fund may be invested in accordance with Florida Statutes as previously described. During the year and at September 30, 1990, the Municipal Firemens' Retirement Trust Fund owned investments with a carrying value (at market) of $473,415 which are not among the authorized investments described above.

A summary of the carrying amount and market value of all City investments follows:

	CARRYING AMOUNT	MARKET VALUE
Pooled Investments:		
Sun Bank Repurchase Agreement	$10,828,000	$10,828,000
State Board of Administration of Florida, Local Government Pooled Investment Account	10,925,707	10,925,707
U.S. Treasury Bills, Notes and Bonds	4,302,805	4,227,750
Pension Trust and Agency Fund Investments:		
Corporate Stocks	1,341,707	1,341,707
Corporate Bonds	5,932,606	5,932,606
U.S. Treasury Notes and Municipal Bonds	2,081,126	2,081,126
Collective Trust Funds	4,626,755	4,626,755
TOTAL INVESTMENTS	$40,038,706	$39,963,651
Carrying Amount of Deposits	$ 818,963	
Carrying Amount of Investments (Above)	40,038,706	
TOTAL	$40,857,669	
Shown in the accompanying combined balance sheets as:		
Equity in Pooled Cash and Investments	$18,163,560	
Cash and Investments at Market Value	14,406,506	
Restricted Assets:		
Equity in Pooled Cash and Investments	7,753,845	
Crystal River Decommissioning Cash	533,758	
TOTAL	$40,857,669	

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

All the above investments are uninsured, unregistered, and held by the City's agent in the agent's name. The State Board of Administration deposits in Tallahassee are maintained in an investment pool which invests primarily in commercial paper, repurchase agreements, bankers acceptance notes and U.S. Government obligations.

The following pension investment including U.S. government and U.S. government guaranteed obligations exceed 5% of the net assets available for pension benefits:

	MARKET	PERCENT OF NET ASSETS AVAILABLE FOR BENEFITS
Police:		
Consolidated Investment Fund Income	$ 431,011	18.1%
Consolidated Investment Fund Equity	712,640	29.9%
NCNB Employee Benefit Mortgage Backed Securities	249,207	10.4%
NCNB Real Estate Fund	303,729	12.7%
Employee Benefit Daily, Inc.	348,073	14.6%
Firemen's:		
Stable Capital Fund	255,400	8.2%
Consolidated Investment Fund Income	326,634	10.5%
Consolidated Investment Fund Equity	926,387	29.7%
NCNB Employee Benefit Mortgage Backed Securities	252,115	8.1%
NCNB Real Estate Fund	473,415	15.2%
NCNB Employee Benefit Daily Inc. Fund	264,085	8.5%
General:		
Baxter International, Inc. 9.25% 9/15/96	486,875	5.8%
Employee Benefit Dreyfus Government Management Fund	1,397,813	16.7%

NOTE 3 - FIXED ASSETS

A summary of changes in general fixed assets follows:

	BALANCE 10/1/89	ADDITIONS	DELETIONS	BALANCE 09/30/90
Land	$ 2,260,619	$ -	$ -	$ 2,260,619
Buildings	6,957,621	151,129	-	7,108,750
Improvements Other Than Buildings	3,530,932	863,043	-	4,393,975
Equipment and Vehicles	3,741,499	625,739	91,811	4,275,427
Construction in Progress	1,537,827	1,140,068	1,068,498	1,609,397
TOTAL	$18,028,498	$2,779,979	$1,160,309	$19,648,168

A summary of proprietary fund type property, plant and equipment at September 30, 1990, follows:

	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
Land	$ 1,422,594	$ -
Buildings	3,602,053	27,755
Improvements other than buildings	56,218,223	
Equipment	8,316,331	97,349
Nuclear fuel	339,304	-
	69,898,505	125,104

NOTE 4 - LONG-TERM LIABILITIES

The following is a summary of all long-term liabilities of the City.

Utility Funds:

Refunding Utilities Revenue Bonds, Series 1984, Dated September 1, 1984, Issued September 27, 1984	$ 1,859,999
Accrued Interest Through September 30, 1989 on Series 1984 Capital Appreciation Bonds	542,958
Refunding Utilities Revenue Bonds, Series 1989, Dated December 1, 1988, Issued January 11, 1989	21,390,000
Total	23,792,957
Less: Unamortized discount	(267,737)
Current maturities	(185,000)
	$23,340,220

The 1984 and 1989 bonds are fully registered bonds in denominations of $5,000 and are collateralized by a pledge of the net revenues of the utilities system. Bond maturity dates and debt service requirements for the combined 1984 and 1989 issues are as follows:

Due 10/1	Principal	Interest	Total Debt Service Bonds	Sinking Fund Security Purchases	(Sinking Fund Security Purchases Income)	Total Bond Maturities and Debt Service Requirements
1990	$ 185,000	$ 1,663,797	$ 1,848,797	$ 511,029	$ (185,831)	$ 2,173,995
1991	195,000	1,652,512	1,847,512	553,176	(226,256)	2,174,432
1992	205,000	1,640,422	1,845,422	595,322	(269,775)	2,170,969
1993	820,000	1,627,507	2,447,507	-	(313,913)	2,133,594
1994	885,000	1,560,927	2,445,927	-	(313,913)	2,132,014
Thereafter	25,995,000	13,197,726	39,192,726	-	(7,258,043)	31,934,683
TOTAL	$28,285,000	$21,342,891	$49,627,891	$1,659,527	$(8,567,731)	$42,719,687

NOTE 4 - LONG-TERM LIABILITIES (Continued)

Total Principal Above	$28,285,000
Less: Unearned Interest (Discount) on Capital Appreciation Bonds From October 1, 1990 Through October 1, 2005	(4,492,042)
TOTAL	$23,792,958

Capital Appreciation Bonds:
The 1984 bond issue contains $609,999 of capital appreciation bonds will mature on October 1, 2005 at $5,645,000. The carrying value of the capital appreciation bonds as of September 30, 1990, is $1,152,958, which is composed of the maturity value of $5,645,000 less the unearned discount of $4,492,042. This is displayed in the accompanying general purpose financial statements as follows:

Bonds Payable (Part of 1984 Series)	$ 609,999
Accrued Interest on Capital Appreciation Bonds	542,959
TOTAL	$1,152,958

The Refunding Utilities Revenue Bonds, Series 1984 and 1989, resolutions provide for:

(1) Establishment and maintenance of various accounts within the Utilities Enterprise Fund -

(a) Construction Account records the cost of the project financed by the bonds;

(b) General Revenue Account records all income or earnings derived from the system;

(c) Operation and Maintenance Account records the cost of operation and maintenance;

(d) Debt Service Account and 2005 Term Bonds Debt Service Subaccount record all the debt service requirements of the issues, which includes the principal, interest and reserve requirements;

(e) Reserve Account records the amounts needed to cure deficiencies in the Debt Service Account; and

(f) Renewal and Replacement Account records the cost of extensions, improvements or additions to, or the replacement of capital assets.

NOTE 4 - LONG-TERM LIABILITIES (Continued)

(2) Restrictions on the use of cash from operations in order of priority -

(a) Deposits are made to the Operations and Maintenance Account monthly and equal one-twelfth (1/12) of the annual amount budgeted for the payment of such cost of operation and maintenance.

(b) Deposits to the Debt Service Account and the 2005 Term Bonds Debt Service Sub-accounts are to be made monthly and equal to one-sixth (1/6) of the interest coming due on the next semiannual interest payment date, one-twelfth (1/12) or one-sixth (1/6) of the principal coming due on the next principal payment date for those bonds maturing annually or semi-annually, respectively, one-twelfth (1/12) of the amortization installments and the unamortized principal balances of the Term Bonds coming due during the current bond year, one-sixth (1/6) of the Sinking Fund Deposit due on the next purchase date under the Securities Purchase Agreement.

(c) Deposits to the Reserve Account are required each month until an amount equal to the maximum bond service requirement is accumulated.

(d) Deposits to the Renewal and Replacement Account are required in each month equal to one-twelfth (1/12) of 5% of the gross revenues for the preceding fiscal year except that, for the electric and gas funds, energy supply costs may be deducted from gross revenues before the deposit requirement is calculated.

(3) Early Redemption -

The bond resolutions provide for early redemption of outstanding bonds at call rates varying from 100% to 105% of the instruments' face value, dependent upon the call date.

(4) Investment Restrictions -

(a) Funds are required to be continuously secured in the same manner as state and municipal deposits of funds are required to be secured by the Laws of the State of Florida; and

(b) All monies deposited shall be continuously invested in direct obligations of, or obligations which are guaranteed by, the United States of America, obligations of its several agencies, the Local Government Surplus Funds Trust Fund, obligations guaranteed by the Government National Mortgage Association, or time deposits in banks, trust companies or savings and loan associations represented by Certificates of Deposit.

NOTE 4 - LONG-TERM LIABILITIES (Continued)

General Long-Term Debt:
A summary of all general long-term debt of the City as of September 30, 1990, follows:

Note Payable, Uncollateralized, Due in Monthly Installments of $2,123 Including Interest at 8% (Final in 10/90)	$ 4,27€
Mortgage Notes Payable, Collateralized by Real Estate, Due in Annual Installments of $1,000 With Interest at 4%	13,000
Mortgage Note Payable, Collateralized by Real Estate, Due in Annual Installments of $3,000 With Interest at 10%	6,000
Refunding and Capital Improvement Revenue Bonds Payable, Issued in April, 1987, Interest From 4% to 7%	5,820,000
Employee Compensated Absences Payable	560,739
Total	$6,404,015

Maturities of General Long-Term Debt:
Debt service requirements for general long-term debt other than compensated absences for years ending September 30, are as follows:

1991		$ 530,305
1992		523,160
1993		521,500
1994		522,280
1995		522,160
Thereafter		8,096,920
	Total	10,716,325
	Less: interest	(4,873,049)
	Principal	$ 5,843,276

The following is a summary of changes in general long-term debt for the year ended September 30, 1990:

	Balance October 1, 1989	Additions	Deductions	Balance September 30, 1990
Refunding and Capital Improvement Bonds	$5,960,000	$ -	$140,000	$5,820,000
Mortgages and Notes Payable	51,356	-	28,080	23,276
Employee Compensated Absences Payable	466,837	93,902	-	560,739
Totals	$6,478,193	$93,902	$168,080	$6,404,015

NOTE 4 - LONG-TERM LIABILITIES (Continued)

Refunding and Capital Improvement Bonds:
During April 1987, the City issued $6,145,000 of Refunding and Capital Improvement Revenue Bonds to provide funds for certain Improvement Projects, and the refunding and payment of the City's Refunding and Capital Improvement Revenue Bonds, Series 1984.

The 1987 Bonds are fully registered bonds without coupons in denominations of $5,000 each and are collateralized by a pledge of Local Government Half-Cent Sales Tax Revenue and income of certain investments.

In a related but separate transaction, the City also defeased the $85,000 remaining balance of the 1960 Public Revenue Certificates, with an $88,021 payment from existing City funds to the bond escrow agent.

The Refunding and Capital Improvement Revenue Bonds, Series 1987 resolution provides for:

(1) Establishment and maintenance of various accounts within the Refunding and Capital Improvement Revenue Bonds Improvement Fund -

(a) Construction Account records the cost of the project financed by the bonds;

(b) Revenue Account records all income or earnings derived from the local government half-cent sales tax;

(c) Sinking Fund Account records all debt service requirements which include the interest account and principal account;

(d) Reserve Account records the amounts needed to cure deficiencies, if any, in the Sinking Fund Account; and

(e) Guaranteed Entitlement Account records all income or earnings derived from guaranteed state revenue sharing and the amounts needed to cure deficiencies, if any, in the Sinking Fund Account.

(2) Restrictions on the use of cash from operations in order or priority -

(a) Deposits to the Sinking Fund Account are to be made monthly and equal one-sixth (1/6) of the interest coming due on the next semiannual interest payment date, one-twelfth (1/12) or one-sixth (1/6) of the principal coming due on the next principal payment date for those bonds maturing annually or

NOTE 4 - LONG-TERM LIABILITIES (Continued)

semi-annually, respectively, one-twelfth (1/12) of the Sinking Fund Deposit and redemption premiums of one-sixth (1/6) of the amount sufficient to pay the next fees of the paying agents, registrar and trustee attributable to the bonds.

(b) Deposits to the Reserve Account are required each month until an amount equal to the maximum bond service requirement has been accumulated.

(c) Thereafter, funds in the Revenue Account may be paid to the City and used for any lawful purpose. The proceeds of the Guaranteed Entitlement shall be deposited in the Guaranteed Entitlement Account and used as provided for in the resolution.

(3) Early Redemption -

The bond resolutions provide for early redemption of outstanding bonds at call rates varying from 100% to 102% of the instruments' face value, dependent upon the call date.

(4) Investment Restrictions -

(a) Funds are required to be continuously secured in the same manner as state and municipal deposits of funds are required to be secured by the Laws of the State of Florida; and

(b) All monies shall be continuously invested in direct obligations of, or obligations which are guaranteed by, the United States of America, obligations of certain of its agencies, time deposits in banks, trust companies or savings and loan associations represented by Certificates of Deposit, or commercial paper, money market funds, bankers acceptance of commercial banks and investment agreements meeting certain rating criteria.

NOTE 4 - LONG-TERM LIABILITIES (Continued)

A summary of all long-term debt previously defeased and no longer a liability of the City follows:

	BALANCE SEPTEMBER 30, 1990
Proprietary Fund Types - Utility Funds:	
Utilities Revenue Certificates, Series 1962	$ 70,000
Utilities Revenue Certificates, Series 1965	35,000
Utilities Revenue Certificates, Series 1970	100,000
Utilities Revenue Certificates, Series 1975	1,070,000
Utilities Revenue Certificates, Series 1977	12,020,000
Utilities Revenue Certificates, Series 1977A	205,000
Utilities Refunding Revenue Bonds, Series 1984	18,140,000
Total Proprietary Fund Types - Utility Funds	31,640,000
General Long-Term Debt Group of Accounts:	
Refunding and Capital Improvement Bonds, Series 1984	2,000,000
Total Defeased Debt - All Funds and Account Groups	$33,640,000

The City has a line of credit agreement with a financial institution for $3,000,000. The City did not activate the letter of credit during the year ended September 30, 1990.

Estimated Landfill Closure Costs:
The City will be closing its present landfill site around 1990-1991 at an estimated total cost of $1,572,334. An asset and related liability have been recorded in the balance sheet of the City's Sanitation Fund to reflect this cost and related liability. The cost of the closure will be financed by user fees. The closure cost is being amortized over the period (six years) that rates are increased to pay off future long-term debt and other associated costs. Substantially all closure costs are expected to be incurred by September 30, 1991. A summary of the carrying value of the closure cost asset and liability follows:

	Closure Cost	
	Asset	Liability
Original Estimated Cost, September 30, 1985	$1,723,303	$1,723,303
(Adjustment of Original Estimate)	(150,969)	(150,969)
(Accumulated Amortization)	(1,340,684)	-
(Costs Paid)	-	(674,779)
Balance, September 30, 1990	$ 231,650	$ 897,555

NOTE 5 - ELECTRIC POWER AGREEMENTS

Crystal River Unit #3 Participation Agreement:
The City is a participant in an agreement with Florida Power Corporation. Under terms of the agreement, the City acquired a 0.8244% ownership interest and generation entitlement share in the nuclear steam electric generating unit. Participants are entitled to energy output of the unit based upon their respective generation entitlement share.

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

The participation agreement provides for reversion of the ownership interest of the unit to Florida Power Corporation upon retirement from service. The book value of the investment included in Utility Plant in Service amounts to $2,552,147 at September 30, 1990.

Florida Municipal Power Agency:
The City of Leesburg is a member of the Florida Municipal Power Agency (FMPA). FMPA was created pursuant to Chapter 163, Parts I and II ("The Interlocal Act" and "The Joint Power Act") to, among other things, provide a means for the Florida Municipal corporations to cooperate with each other to provide for their present and projected energy needs. The City of Leesburg has limited oversight authority over the operation of FMPA. This oversight is manifested in the appointment of one member to the 28-member Board of Directors of FMPA. Furthermore, the City, by agreement, has no equity interest in any of the assets owned by the agency. The City of Leesburg participates in the following FMPA projects:

St. Lucie No. 2 Power Purchase Agreement:
The City, through FMPA, has negotiated an agreement with Florida Power and Light Corporation guaranteeing the City the right to purchase up to 2.326 megawatts of generating capacity from the St. Lucie No. 2 nuclear generating plant. The plant became operational in 1984. The cost of this agreement has been capitalized and will be amortized over the plant's expected useful life.

NOTE 5 - ELECTRIC POWER AGREEMENTS (Continued)

All-Requirements Power Supply Agreement
The City has an agreement with FMPA whereby the City will purchase its electric power from FMPA on an all-requirements basis. The agreement will remain in effect until October 1, 2020, with two optional successive ten year renewal periods. Power rates charged to the City by FMPA are subject to a majority vote of the Board of Directors of FMPA.

NOTE 6 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City operates five enterprise funds. Segment information as of September 30, 1990, is as follows:

	Electric Utility Fund	Gas Utility Fund	Water Utility Fund	Sanitation Sewer Wastewater Treatment Fund	Sanitation Services Fund	Totals
Operating Revenues	$25,532,881	$4,248,324	$1,977,174	$2,187,999	$1,393,239	$35,339,617
Depreciation and Amortization	1,091,726	119,924	321,197	381,721	359,030	2,273,598
Operating Income	7,289,743	1,165,827	714,794	441,066	81,339	9,692,769
Operating Transfers	2,625,096	556,992	159,000	110,496		3,451,584
Net Income	4,434,601	653,417	537,624	377,981	179,860	6,183,483
Contributed Capital Increases	293,273	36,432	517,643	1,332,984	-	2,180,332
Cash and Cash Equivalents	8,506,671	2,037,489	3,034,112	1,756,690	1,327,378	16,662,340
Property and Equipment Additions	4,129,552	636,190	637,365	3,367,213	1,620	8,771,940
Net Working Capital	7,897,002	1,989,640	2,977,997	1,350,144	527,315	14,742,098
Long-term Liabilities Payable	14,917,935	1,760,813	4,209,344	2,985,886	-	23,873,978
Total Fund Equity	27,441,533	3,620,370	5,211,954	12,708,083	992,413	49,974,353
Total Assets	46,094,125	5,699,566	9,713,345	15,927,706	1,927,562	79,362,304

NOTE 7 - PENSION PLANS

By ordinance, the City has established three single-employer defined benefit pension plans for City employees. The following is a brief description of the plans:

Municipal Police Retirement Plan:
Total payroll for employees covered by the plan for the year ended September 30, 1990, was $874,858; the City's total payroll was $8,074,858. All full-time police officers are eligible to participate in the plan. As of October,1 1987, the date of the most recent actuarial report, the plan had the following number of participants:

Active Vested	13
Active Nonvested	17
Retired, Disabled, Vested Terminations and Beneficiaries	4
TOTAL NUMBER OF PARTICIPANTS	34

Participants who have completed 10 years of credited service are 100% vested in their plan benefits at age 45 or later, reduced 5% per year before normal retirement date. Participants whose service is terminated prior to completing 10 years of credited service are entitled to the return of their employee contributions without interest. Normal retirement benefits are payable to participants who have reached the earlier of age 50 and 25 years of credited service, or age 60 and 10 years of credited service. Such benefits are payable at a rate of 2.75% of average final compensation times the number of years of credited service. The benefits under this plan provide an offset for benefits paid by the general employee retirement plan, under which the police officers are also covered. The plan also provides for early retirement, disability retirement and death benefits at rates defined in the plan document.

Funding of the Police Pension Fund is provided from policemen contributions (7.65% of their annual compensation) and 1% excise tax. The excise tax is levied on gross premiums collected on casualty insurance policies covering property within the corporate limits of the City. The State collects and contributes the tax to the fund under Florida Statute 185. The City does not contribute to the fund since employee contributions and excise tax monies are sufficient to fund the plan.

NOTE 7 - PENSION PLANS (Continued)

The actuarially required contribution for the year ended September 30, 1990, consisting entirely of normal cost is $49,122, which represents 3.6% of covered payroll. Actual contributions to the plan for the year ended September 30, 1990, are as follows:

	AMOUNT	PERCENTAGE OF COVERED PAYROLL
Employee	$ 66,467	7.6%
State of Florida (Insurance Tax)	86,717	9.9%
TOTAL ACTUAL CONTRIBUTIONS	$153,184	17.5%

The significant actuarial assumptions used to compute funding requirements are essentially the same as those used to compute the pension benefit obligation. The actuarial cost method used to compute the funding requirement is the aggregate actuarial cost method.

Municipal Firemen's Retirement Plan:
Total payroll for employees covered by the plan for the year ended September 30, 1990, was $789,573; the City's total payroll was $8,074,858. All firemen who have attained age eighteen and completed one year of credited service are eligible to participate in the plan. As of October 1, 1987, the date of the most recent actuarial report, the plan had the following number of participants:

Active Vested	19
Retired	10
Vested ,Terminations	2
TOTAL NUMBER OF PARTICIPANTS	31

Participants who have completed 10 years of credited service are 100% vested in their accrued retirement benefits. Participants whose service is terminated prior to completing 10 years of credited service are entitled to the return of their employee contributions plus interest at the rate of 5% compounded annually. Normal retirement benefits are payable to participants who have attained age 55 years and completed 10 years of credited service. Such benefits are payable at a rate of 2% of average final monthly compensation times the number of years of credited service up to a maximum of 35 years. The plan also provides for early retirement, deferred retirement, disability retirement and death benefits at rates defined in the plan document.

NOTE 7 - PENSION PLANS (Continued)

Firemen contribute 5% of their annual compensation to the plan. A 1% excise tax on fire insurance premiums sold within the corporate limits is remitted to the fund by the State of Florida. The City accrues and contributes an additional amount, as determined by an actuary, to fund annual normal cost and prior service cost amortized over forty years. The required City contribution for the year ended September 30, 1990, is as follows:

	AMOUNT	% OF COVERED PAYROLL
Normal Cost	$ 82,090	10.4%
Amortization of Prior Service Cost	28,274	3.5%
TOTAL REQUIRED CONTRIBUTION	$110,364	13.9%

Actual contributions to the plan for the year ended September 30, 1990, are as follows:

	AMOUNT	PERCENTAGE OF COVERED PAYROLL
Employer	$ 58,999	7.5%
Employee	39,329	5.0%
State of Florida (Insurance Tax)	48,316	6.1%
TOTAL ACTUAL CONTRIBUTIONS	$146,644	18.6%

The significant actuarial assumptions used to compute the actual contribution requirements are essentially the same as those used to compute the pension benefit obligation. The actuarial cost method used to compute the funding requirement is the frozen entry age actuarial cost method.

General Employees' Retirement Fund:
Total payroll for employees covered by the plan for the year ended September 30, 1990, was $5,592,248; the City's total payroll was $8,074,858. All employees of the City, excluding commissioners and firemen covered in another plan, are eligible to participate in the plan after reaching age eighteen and completing one year of credited

NOTE 7 - PENSION PLANS (Continued)

service. As of October 1, 1989, the date of the most recent actuarial report, the plan had the following number of participants.

Active	252
Terminated - Vested Benefits	29
Retired	65
TOTAL NUMBER OF PARTICIPANTS	346

Participants who have completed 5 years of credited service are 25% vested in their plan benefits with 5% increases per year until year 10 and then 10% increases per year until 15 years of service have been reached whereby the participant will be 100% vested. Normal retirement benefits are paid to participants who have reached age 65. Such benefits are payable at a rate of 1.50% of final monthly compensation times the number of years of credited service. The plan also provides for early retirement, late retirement disability retirement and death benefits at rates defined in the plan document.

The General Employees' Plan is noncontributory. The City accrues and contributes an amount, as determined by an actuary, to fund annual normal cost and prior service cost amortized over forty years. The required City contribution for the year ended September 30, 1990, is as follows:

	AMOUNT	PERCENTAGE OF COVERED PAYROLL
Normal Cost	$443,912	7.9%
Amortization of Prior Service Cost	77,756	1.4%
TOTAL REQUIRED CONTRIBUTION	$521,668	9.3%

Actual contributions to the plan for the year ended September 30, 1990, consisting exclusively of employer contributions is $564,817. This represents 10.1% of covered payroll.

The significant actuarial assumptions used to compute the actual contribution requirements are essentially the same as those used to compute the pension benefit obligation. The actuarial cost method used to compute the required funding is the entry age normal with frozen initial liability method.

Pension Benefit Obligation:
The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as

NOTE 7 - PENSION PLANS (Continued)

a result of employee service to date. The measure is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

The pension benefit obligation was computed as part of actuarial valuations performed as of October 1, 1989.

	MUNICIPAL POLICE RETIREMENT TRUST FUND	MUNICIPAL FIREMEN'S TRUST FUND	GENERAL EMPLOYEES' RETIREMENT FUND	TOTAL
Pension Benefit Obligation:				
Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Not Yet Receiving Benefits	$ 89,773	$ 883,064	$1,709,412	$2,682,249
Current Employees:				
Accumulated Employee Contributions Including Allocated Investment Earnings	264,078	338,201	59,727	662,006
Employer-Financed Vested	821,973	1,309,824	3,180,033	5,311,830
Employer-Financed Nonvested	127,431	77,553	1,639,448	1,844,432
Total Pension Benefit Obligation	1,303,255	2,608,642	$6,588,620	10,500,517
Net Assets Available For Benefits, at Market (1)	2,229,886	3,039,367	7,664,176	12,933,429
Assets in Excess of Pension Benefit Obligations (2)	$ 926,631	$ 430,725	$1,075,556	$ 2,432,912
(1) As a percentage of the pension benefit obligation	171.1%	116.5%	116.3%	
(2) As a percentage of covered payroll	105.9%	54.6%	19.2%	

NOTE 7 - PENSION PLANS (Continued)

	MUNICIPAL POLICE RETIREMENT TRUST FUND	MUNICIPAL FIREMEN'S TRUST FUND	GENERAL EMPLOYEES' RETIREMENT FUND
Significant Actuarial Assumptions Used:			
Rate of Return on Investment of Present and Future Assets	7.0%	8.0%	6.0%
Projected Salary Increases	5.5%	7.0%	4.0%

Ten-year trend information required by GASB Statement No. 5, is included in the Required Supplementary Information.

NOTE 8 - SELF-INSURANCE FUNDS

A. Accounting Changes:
The City has changed its fund classification for self-insurance funds from nonexpendable trust funds to internal service funds as recommended by Statement No. 10 of the Governmental Accounting Standards Board. The effect of this change, which has also been reflected in the prior year totals columns, was to decrease fund balance of trust and agency funds and increase fund balance of internal service funds by $1,038,451 as of September 30, 1989. Additionally, the City has implemented the requirements of Statement No. 5, *Accounting for Contingencies*, and Interpretation No. 14, *Reasonable Estimation of the Amount of a Loss*, of the Financial Accounting Standards Board. As a result, liabilities for claims incurred but not reported have been recorded and the amount of such liability as of September 30, 1989, $261,223, has been recorded as an adjustment to beginning retained earnings of internal service funds for the year ended September 30, 1990.

B. Employee Health Insurance Fund:
The City maintains a self-insurance program for the payment of employee health and medical claims. The program provides for the payment of City and employee contributions into a self-insurance fund, which is managed by the City and its administrative agent. Employee claims up to $40,000 per person are paid from the assets of the self-insurance fund, with amounts in excess of $40,000 up to a maximum of $960,000 per year being paid from a reinsurance policy purchased by the City.

NOTE 8 - SELF-INSURANCE FUNDS (Continued)

C. Workers' Compensation Insurance Fund:
The City maintains a self insurance program for the payment of employee Workmen's Compensation claims. The program provides for City contributions into a self-insurance fund which is managed by the City and its administrative agent.

Employee claims up to $150,000 per occurrence are paid from the assets of the self-insurance fund with amounts in excess of $150,000 per occurrence being paid from a reinsurance policy purchased by the City.

D. Liabilities for Unpaid Claims:

	BALANCE 10/1/89	CLAIMS INCURRED	CLAIMS PAID	BALANCE 9/30/90
Employee Health Insurance Fund	$151,528	$693,224	$682,977	$161,775
Workers' Compensation Insurance Fund	111,077	99,579	68,099	142,557
	$262,605	$792,803	$751,076	$304,332

NOTE 9 - DEFERRED COMPENSATION FUND

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provision of benefits under the plan), subject only to the claims of the City's general creditors. Participant's rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred amount for each participant.

It is the opinion of the City that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 10 - CONTINGENCIES AND COMMITMENTS

a. The City of Leesburg has been identified by the Environmental Protection Agency as a potentially responsible party at two hazardous waste sites. It appears that the City will have some responsibility to the EPA for clean-up efforts at the sites in amounts which will be immaterial to the City's financial statements.

b. At September 30, 1990 the City had begun condemnation procedures on a parcel of land for wastewater disposal and future expansion of wastewater facilities. The purchase price of this land is currently estimated at approximately $775,000.

c. The City participates in a number of State and Federal grant programs, including the following:

- HUD-DCA Community Development Block Grants
- HUD Section 8 - Housing Assistance Payments Program
- FAA-FDOT Airport Improvements Grants

These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 1990, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the City's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the City expects such amounts, if any, to be immaterial.

NOTE 11 - SUBSEQUENT EVENT

In November, 1990 the City entered into a loan agreement with Florida Municipal Power Agency as agent for the Initial Pooled Loan Project to borrow $3,075,000 to purchase land for wastewater disposal and future expansion of wastewater facilities. Principal is to be repaid annually commencing on November 1, 1991 with the last installment due November 1, 2000. Interest is variable and is payable to FMPA on a monthly basis.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LEESBURG, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
REVENUES BY SOURCE - EXPENSES BY TYPE
PENSION TRUST FUNDS
LAST TEN FISCAL YEARS

	REVENUES BY SOURCE			
	EMPLOYER CONTRIBUTIONS	EMPLOYEE CONTRIBUTIONS	STATE CONTRIBUTIONS	INVESTMENT INCOME
MUNICIPAL POLICE RETIREMENT				
1990	$ -	$ 66,467	$ 86,717	$ 51,166
1989	-	46,200	86,931	295,077
1988	-	39,497	77,482	162,000
1987	-	35,115	72,349	52,835
1986	-	38,247	62,525	211,724
1985	-	39,426	49,108	146,635
1984	-	25,180	43,541	82,214
1983	-	24,827	39,494	89,508
1982	-	23,630	34,720	123,121
1981	-	22,199	32,407	44,377
1980	-	18,764	31,479	23,869
MUNICIPAL FIREMEN'S RETIREMENT				
1990	$ 58,999	39,329	48,316	33,283
1989	53,119	35,156	47,891	341,354
1988	49,356	32,270	44,249	233,128
1987	67,178	31,629	39,637	84,152
1986	63,270	29,846	36,073	307,965
1985	60,302	28,323	33,850	239,710
1984	61,371	29,117	31,274	121,955
1983	50,626	29,601	31,612	138,860
1982	95,163	29,380	29,408	196,487
1981	74,122	28,886	27,790	18,963
1980	64,958	25,947	23,485	12,789
GENERAL EMPLOYEES' PENSION				
1990	564,817	-	-	363,156
1989	529,103	-	-	835,632
1988	583,204	-	-	253,182
1987	512,365	-	-	498,502
1986	476,608	-	-	758,895
1985	430,587	-	-	518,135
1984	447,565	-	-	171,776
1983	388,026	-	-	296,368
1982	321,433	-	-	391,947
1981	261,618	-	-	43,999
1980	241,082	-	-	41,563

EXPENSES BY TYPE			EMPLOYER CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL
BENEFIT PAYMENTS	REFUNDS	OTHER	
$ 13,656	$ -	$	N/A
16,029	-	25,067	N/A
20,094	-	9,704	N/A
19,069	-	4,235	N/A
11,086	25,667	2,850	N/A
25,486	-	3,041	N/A
15,490	6,858	3,993	N/A
6,949	7,225	5,227	N/A
6,401	2,462	8,692	N/A
6,401	2,541	8,165	N/A
6,401	8,889	2,065	N/A
82,571	-	22,011	7.5%
74,509	-	20,183	7.5%
61,566	-	12,006	7.5%
44,969	-	5,921	7.5%
43,199	1,407	7,382	8.7%
28,162		7,129	8.7%
1,728	3,796	7,681	8.7%
1,662	2,575	9,366	8.7%
1,118	8,540	10,019	14.0%
836	1,238	8,175	13.3%
657	1,877	2,749	13.1%
158,105	-	81,899	10.1%
130,404	-	71,784	10.1%
116,032	-	63,596	12.3%
99,156	-	49,089	12.3%
86,036	-	44,716	12.3%
92,622	-	41,549	12.4%
69,287	-	25,769	12.3%
142,343	-	38,823	12.0%
23,012	-	44,306	11.6%
66,257	-	23,441	9.9%
32,663	-	8,086	10.3%

CITY OF LEESBURG, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
PENSION BENEFIT OBLIGATION INFORMATION
PENSION TRUST FUNDS
ALL AVAILABLE YEARS

	NET ASSETS AVAILABLE FOR BENEFITS (1)	PENSION BENEFIT OBLIGATION (PBO) (2)	(1) AS A PERCENTAGE OF (2)	ASSETS IN EXCESS OF (UNFUNDED) PBO (3)	COVERED PAYROLL (4)	(3) AS A PERCENTAGE OF (4)
MUNICIPAL POLICE RETIREMENT						
1990	$ 2,229,886	$ 1,303,255	171.1%	$ 926,631	$ 874,858	105.9%
1989	1,842,774	N/A	N/A	N/A	924,000	N/A
1988	1,585,113	1,012,615	156.5%	572,498	789,940	72.5%
MUNICIPAL FIREMEN'S RETIREMENT						
1990	3,039,367	2,608,642	116.5%	430,725	789,573	54.6%
1989	2,656,539	N/A	N/A	N/A	703,120	N/A
1988	2,371,108	2,138,058	110.9%	233,050	645,400	36.1%
GENERAL EMPLOYEES' PENSION						
1990	7,664,176	6,588,620	116.3%	1,075,556	5,592,248	19.2%
1989	6,541,806	N/A	N/A	N/A	5,238,644	N/A
1988	5,885,048	4,478,402	131.4%	1,406,646	4,741,496	29.7%

N/A = Not Available

GENERAL FUND

The General Fund accounts for all revenues and expenditures of the City which are not required to be accounted for in other funds. It receives a greater variety and number of taxes and other general revenues than any other fund.

CITY OF LEESBURG, FLORIDA
GENERAL FUND
BALANCE SHEET
SEPTEMBER 30, 1990

ASSETS

	1990	1989
Equity in pooled cash and investments	$ 3,973,606	$ 3,815,096
Due from other governments	104,075	198,360
Assessments receivable	2,806	2,906
Other accounts receivable (net of allowance for doubtful accounts of $3,924 for 1990 and 1989)	41,906	89,413
Interest receivable	75,799	-
Due from other funds	60,517	-
Prepaid insurance	88,995	-
Inventories	8,017	9,742
TOTAL ASSETS	$ 4,355,721	$ 4,115,517

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	$ 551,585	$ 310,210
Accrued wages and payroll tax	229,811	190,995
Unearned license revenue	70,018	90,514
TOTAL LIABILITIES	851,414	591,719

FUND BALANCE

Reserved:		
For police education	7,408	4,566
For police expenditure	1,044	2,391
For fire expenditures	3,071	6,845
Unreserved	3,492,784	3,509,996
TOTAL FUND BALANCE	3,504,307	3,523,798
TOTAL LIABILITIES AND FUND BALANCES	$ 4,355,721	$ 4,115,517

CITY OF LEESBURG, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 1990

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1989 ACTUAL
REVENUES				
Taxes	$ 2,621,800	$ 2,635,092	$ 13,292	$ 2,131,934
Licenses and permits	175,200	174,801	(399)	180,947
Intergovernmental	1,547,800	1,472,727	(75,073)	1,591,329
Charges for services	153,900	151,620	(2,280)	157,408
Fines and forfeitures	180,300	214,258	33,958	166,150
Miscellaneous	809,500	679,986	(129,514)	668,054
TOTAL REVENUES	5,488,500	5,328,484	(160,016)	4,895,822
EXPENDITURES				
Current:				
General government	828,800	600,231	228,569	560,476
Public safety	3,374,700	3,392,189	(17,489)	2,895,320
Public works	1,528,100	1,424,038	104,062	1,398,918
Community development	144,500	130,338	14,162	129,356
Culture/recreation	1,818,400	1,688,421	129,979	1,537,638
Debt service	32,033	30,940	1,093	-
TOTAL EXPENDITURES	7,726,533	7,266,157	460,376	6,521,708
DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	(2,238,033)	(1,937,673)	300,360	(1,625,886)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	3,469,100	3,463,639	(5,461)	3,451,600
Operating transfers out	(1,564,967)	(1,545,457)	19,510	(1,222,057)
TOTAL OTHER FINANCING SOURCES	1,904,133	1,918,182	14,049	2,229,543
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(333,900)	(19,491)	314,409	603,657
FUND BALANCE, BEGINNING OF YEAR	3,523,798	3,523,798	-	2,920,141
FUND BALANCE, END OF YEAR	$ 3,189,898	$ 3,504,307	$ 314,409	$ 3,523,798

CITY OF LEESBURG, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 1990

REVENUES	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1989 ACTUAL
Taxes:				
Ad Valorem	$ 1,818,300	$ 1,801,774	$ (16,526)	$ 1,464,161
Local option sales	750,000	816,153	66,153	618,192
Franchise fees	53,500	17,165	(36,335)	49,581
Total taxes	2,621,800	2,635,092	13,292	2,131,934
Licenses and permits:				
Licenses	100,000	98,195	(1,805)	93,595
Building permits	60,000	56,753	(3,247)	57,925
Other permits	15,200	19,853	4,653	29,427
Total licenses and permits	175,200	174,801	(399)	180,947
Intergovernmental:				
State grants	7,100	-	(7,100)	20,103
State shared revenues	1,002,300	962,693	(39,607)	990,802
County shared revenues	40,500	38,205	(2,295)	40,060
Fuel rebate	10,000	8,450	(1,550)	7,109
Local option taxes	487,900	463,379	(24,521)	533,255
Total intergovernmental	1,547,800	1,472,727	(75,073)	1,591,329
Charges for services:				
General government charges	10,100	10,450	350	11,822
Other public safety charges	8,600	8,971	371	22,826
Other physical environment charges	3,000	2,428	(572)	4,343
Culture and recreation	132,200	129,771	(2,429)	118,417
Total charges for services	153,900	151,620	(2,280)	157,408
Fines and forfeitures:				
Court fines	129,700	155,629	25,929	126,035
Library fines	8,000	7,853	(147)	7,334
Other fines and forfeitures	42,600	50,776	8,176	32,781
Total fines and forfeitures	180,300	214,258	33,958	166,150
Miscellaneous:				
Sales-forfeited property	-	-	-	14,186
Interest	342,700	352,785	10,085	406,380
Rents and royalties	279,300	260,148	(19,152)	211,590
Sale of city property and insurance compensation	38,700	31,795	(6,905)	20,875
Other	46,400	33,704	(12,696)	9,173
Contributions	102,400	1,554	(100,846)	5,850
Total miscellaneous revenues	809,500	679,986	(129,514)	668,054
TOTAL REVENUES	$ 5,488,500	$ 5,328,484	$ (160,016)	$ 4,895,822

CITY OF LEESBURG, FLORIDA
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - BY DEPARTMENT
FOR THE YEAR ENDED SEPTEMBER 30, 1990

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1989 ACTUAL
EXPENDITURES				
General Government:				
City Commission	$ 66,400	$ 71,817	$ (5,417)	$ 60,270
Executive offices	406,500	249,719	156,781	268,431
Finance department	237,800	181,551	56,249	127,056
Personnel service offices	73,500	69,836	3,664	65,888
Purchasing department	44,600	27,308	17,292	38,831
Total general government	828,800	600,231	228,569	560,476
Public safety:				
Police department	2,170,400	2,196,339	(25,939)	1,770,773
Fire department	1,204,300	1,195,850	8,450	1,124,547
Total public safety	3,374,700	3,392,189	(17,489)	2,895,320
Public works	1,528,100	1,424,038	104,062	1,398,918
Community development	144,500	130,338	14,162	129,356
Culture and recreation:				
Library services	444,800	437,457	7,343	377,130
Recreation	1,373,600	1,250,964	122,636	1,160,508
Total culture and recreation	1,818,400	1,688,421	129,979	1,537,638
Debt service	32,033	30,940	1,093	-
TOTAL EXPENDITURES	$ 7,726,533	$ 7,266,157	$ 460,376	$ 6,521,708

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SPECIAL REVENUE FUNDS

Community Development Fund - To account for the collection of housing assistance loans previously made. Proceeds accumulated from such collections may be reloaned to new program participants in the future.

Housing Assistance Fund - To account for federal monies designated for housing cost assistance to low and moderate income families and the related administrative costs of the program.

CITY OF LEESBURG, FLORIDA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1990

ASSETS

	COMMUNITY DEVELOPMENT	HOUSING ASSISTANCE	TOTALS 1990	1989
Equity in pooled cash and investments	$ 4,399	$ 68,738	$ 73,137	$ 55,885
Housing assistance loans	60,565	-	60,565	62,002
TOTAL ASSETS	$ 64,964	$ 68,738	$ 133,702	$ 117,887

LIABILITIES AND FUND BALANCES

LIABILITIES				
Due to other governments	$ 60,565	$ 44,422	$ 104,987	$ 91,953
TOTAL LIABILITIES	60,565	44,422	104,987	91,953
FUND BALANCES				
Reserved:				
For capital improvements	4,399	-	4,399	2,184
Unreserved	-	24,316	24,316	23,750
TOTAL FUND BALANCES	4,399	24,316	28,715	25,934
TOTAL LIABILITIES AND FUND BALANCES	$ 64,964	$ 68,738	$ 133,702	$ 117,887

CITY OF LEESBURG, FLORIDA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 1990

	COMMUNITY DEVELOPMENT	HOUSING ASSISTANCE	TOTALS 1990	TOTALS 1989
REVENUES				
Intergovernmental	$ 2,987	$ 441,331	$ 444,318	$ 493,121
EXPENDITURES				
Economic environment	772	-	772	84,817
Human services	-	440,765	440,765	402,620
TOTAL EXPENDITURES	772	440,765	441,537	487,437
EXCESS OF REVENUES OVER EXPENDITURES	2,215	566	2,781	5,684
FUND BALANCES, BEGINNNING OF YEAR	2,184	23,750	25,934	20,250
FUND BALANCES, END OF YEAR	$ 4,399	$ 24,316	$ 28,715	$ 25,934

CITY OF LEESBURG, FLORIDA
COMMUNITY DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 1990

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1989 ACTUAL
REVENUES				
Intergovernmental revenue:				
HUD revenues	$ -	$ -	$ -	$ 78,407
Community development block grant revenue	800	2,987	2,187	3,820
TOTAL REVENUES	800	2,987	2,187	82,227
EXPENDITURES				
Economic environment:				
Housing and urban development:				
Operating expenditures	800	772	28	1,977
Capital outlay	-	-	-	82,840
TOTAL EXPENDITURES	800	772	28	84,817
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	2,215	2,215	(2,590)
FUND BALANCE, BEGINNING OF YEAR	2,184	2,184	-	4,774
FUND BALANCE, END OF YEAR	$ 2,184	$ 4,399	$ 2,215	$ 2,184

CITY OF LEESBURG, FLORIDA
HOUSING ASSISTANCE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 1990

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1989 ACTUAL
REVENUES				
Intergovernmental revenue:				
HUD contributions	$ 525,000	$ 441,331	$ (83,669)	$ 410,894
EXPENDITURES				
Human services:				
Welfare:				
Personal services	28,000	27,383	617	25,783
Operating expenses	491,000	407,419	83,581	372,042
Capital outlay	6,000	5,963	37	4,795
TOTAL EXPENDITURES	525,000	440,765	84,235	402,620
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	566	566	8,274
FUND BALANCE, BEGINNING OF YEAR	23,750	23,750	-	15,476
FUND BALANCE, END OF YEAR	$ 23,750	$ 24,316	$ 566	$ 23,750

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ENTERPRISE FUNDS

Utility Funds - The Electric, Gas, Water and Sanitary Sewer and Wastewater Treatment Funds account for the provision of these utility services to customers within the City's service area. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Sanitation Services Fund - To account for the collection, transport and disposal of solid waste for residential and commercial customers in the City.

CITY OF LEESBURG, FLORIDA
ENTERPRISE FUNDS
CO'BINING BALANCE SHEET
SEPTEMBER 30, 1990

ASSETS

	ELECTRIC UTILITY	GAS UTILITY	WATER UTILITY
CURRENT ASSETS			
Equity in pooled cash and cash equivalents	$ 5,032,170	$ 1,609,893	$ 2,172,587
Receivables:			
Customer accounts - unbilled	1,541,492	118,968	254,253
billed	3,108,778	386,983	503,484
Allowance for doubtful accounts	(816,689)	(49,341)	(56,843)
Accrued interest	43,298	5,304	12,667
Inventory	859,471	81,467	134,118
Prepaid expense	94,859	8,809	750
TOTAL CURRENT ASSETS	9,863,379	2,162,083	3,021,016
RESTRICTED ASSETS			
Equity in pooled cash and cash equivalents:			
Debt service account	955,869	116,893	279,619
Renewal and replacement account	1,377,041	241,526	464,322
Impact fees account	-	-	51,896
Construction account	-	-	-
Customer deposits account	1,141,591	69,177	65,688
Investments:			
Debt service account	1,428,137	174,954	417,805
TOTAL RESTRICTED ASSETS	4,902,638	602,550	1,279,330
PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipment	40,964,227	4,085,703	8,024,748
Nuclear fuel	339,304	-	-
	41,303,531	4,085,703	8,024,748
Less: Accumulated depreciation and amortization	(11,810,076)	(1,578,136)	(3,175,798)
	29,493,455	2,507,567	4,848,950
Construction in progress	1,039,086	402,691	506,919
	30,532,541	2,910,258	5,355,869
OTHER ASSETS			
Estimated landfill closure costs net			
Unamortized bond issue costs	199,753	24,675	57,130
Rights to purchase power	62,056	-	-
Crystal River decommission cash	533,758	-	-
	795,567	24,675	57,130
TOTAL ASSETS	$ 46,094,125	$ 5,699,566	$ 9,713,345

SANITARY SEWER AND WASTEWATER TREATMENT	TOTAL COMBINED UTILITY	OTHER ENTERPRISE FUND SANITATION SERVICES	TOTALS 1990	TOTALS 1989
$ 1,083,743	$ 9,898,393	$ 1,327,378	$ 11,225,771	$ 10,912,104
126,148	2,040,861	81,922	2,122,783	1,775,294
245,221	4,244,466	53,164	4,297,630	3,505,695
(24,152)	(947,025)	-	(947,025)	(872,412)
8,986	70,255	-	70,255	132,088
2,913	1,077,969	-	1,077,969	932,235
-	104,418	-	104,418	-
1,442,859	16,489,337	1,462,464	17,951,801	16,385,004
198,595	1,550,976	-	1,550,976	1,757,017
257,000	2,339,889	-	2,339,889	1,880,447
206,392	258,288	-	258,288	50,086
-	-	-	-	374,473
10,960	1,287,416	-	1,287,416	1,198,006
296,380	2,317,276	-	2,317,276	1,847,557
969,327	7,753,845	-	7,753,845	7,107,586
15,532,334	68,607,012	952,189	69,559,201	65,508,327
-	339,304	-	339,304	489,310
15,532,334	68,946,316	952,189	69,898,505	65,997,637
(4,158,246)	(20,722,256)	(718,741)	(21,440,997)	(20,023,041)
11,374,088	48,224,060	233,448	48,457,508	45,974,596
2,099,873	4,048,569	-	4,048,569	552,628
13,473,961	52,272,629	233,448	52,506,077	46,527,224
			231,650	498,950
41,559	323,117	231,650	323,117	353,624
-	62,056	-	62,056	64,346
-	533,758	-	533,758	1,311,000
41,559	918,931	231,650	1,150,581	2,227,920
$ 15,927,706	$ 77,434,742	$ 1,927,562	$ 79,362,304	$ 72,247,734

CITY OF LEESBURG, FLORIDA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1990

LIABILITIES AND FUND EQUITY

	ELECTRIC UTILITY	GAS UTILITY	WATER UTILITY
CURRENT LIABILITIES			
Accounts payable	$ 1,277,358	$ 119,934	$ -
Accrued expenses	626,243	52,509	43,019
Customer advances for construction	62,776	-	-
Current portion - long-term liabilities	-	-	-
TOTAL CURRENT LIABILITIES	1,966,377	172,443	43,019
CURRENT LIABILITIES (Payable from restricted assets)			
Customer deposits	1,141,591	69,177	65,688
Accrued interest on revenue bonds	512,672	62,805	149,983
Current portion, bonds payable	114,017	13,958	33,357
TOTAL CURRENT LIABILITIES (Payable from restricted assets)	1,768,280	145,940	249,028
LONG-TERM LIABILITIES			
Estimated landfill closure costs payable	-	-	-
Refunding revenue bonds payable	14,215,166	1,740,236	4,158,806
Accrued interest on capital appreciation revenue bonds	334,630	40,967	97,900
Less: Unamortized discount	(165,619)	(20,390)	(47,362)
Decommissioning costs	533,758	-	-
TOTAL LONG-TERM LIABILITIES	14,917,935	1,760,813	4,209,344
TOTAL LIABILITIES	18,652,592	2,079,196	4,501,391
FUND EQUITY			
Contributed capital:			
Other governments	17,987	6,512	77,284
Customers and developers	1,807,799	56,017	1,400,922
Other funds	-	-	-
Total contributed capital	1,825,786	62,529	1,478,206
Retained earnings:			
Reserved:			
Debt service	1,757,317	215,084	514,084
Renewal and replacement	1,377,041	241,526	464,322
Unreserved	22,481,389	3,101,231	2,755,342
Total retained earnings	25,615,747	3,557,841	3,733,748
TOTAL FUND EQUITY	27,441,533	3,620,370	5,211,954
TOTAL LIABILITIES AND FUND EQUITY	$ 46,094,125	$ 5,699,566	$ 9,713,345

SANITARY SEWER AND WASTEWATER TREATMENT	TOTAL COMBINED UTILITY	OTHER ENTERPRISE FUND SANITATION SERVICES	TOTALS 1990	TOTALS 1989
$ -	$ 1,397,292	$ -	$ 1,397,292	$ 1,464,401
85,515	807,286	37,594	844,880	836,101
7,200	69,976	-	69,976	78,665
-	-	897,555	897,555	400,000
92,715	2,274,554	935,149	3,209,703	2,779,167
10,960	1,287,416	-	1,287,416	1,198,006
106,394	831,854	-	831,854	844,288
23,668	185,000	-	185,000	420,000
141,022	2,304,270	-	2,304,270	2,462,294
-	-	-	-	700,417
2,950,790	23,064,998	-	23,064,998	23,249,999
69,462	542,959	-	542,959	427,122
(34,366)	(267,737)	-	(267,737)	
-	533,758	-	533,758	1,311,000
2,985,886	23,873,978	-	23,873,978	25,395,735
3,219,623	28,452,802	935,149	29,387,951	30,637,196
8,011,471	8,113,254	-	8,113,254	8,113,253
2,524,808	5,789,546	-	5,789,546	3,609,215
14,450	14,450	440,967	455,417	455,417
10,550,729	13,917,250	440,967	14,358,217	12,177,885
364,913	2,851,398	-	2,851,398	2,340,283
257,000	2,339,889	-	2,339,889	1,880,447
1,535,441	29,873,403	551,446	30,424,849	25,211,923
2,157,354	35,064,690	551,446	35,616,136	29,432,653
12,708,083	48,981,940	992,413	49,974,353	41,610,538
$ 15,927,706	$ 77,434,742	$ 1,927,562	$ 79,362,304	$ 72,247,734

CITY OF LEESBURG, FLORIDA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 1990

	ELECTRIC UTILITY	GAS UTILITY	WATER UTILITY
OPERATING REVENUES			
User charges	$ 25,231,483	$ 4,203,787	$ 1,957,061
Other operating revenue	301,398	44,537	20,113
TOTAL OPERATING REVENUES	25,532,881	4,248,324	1,977,174
OPERATING EXPENSES			
Power generation and transmission	1,278,054	-	-
Purchased energy	13,313,364	2,349,087	-
Supply and pumping	-	-	100,034
Treatment	-	-	249,142
Distribution and collection	1,270,764	130,233	134,160
Customer accounts	517,508	189,641	174,192
General and administrative	771,722	293,612	283,655
Operating expenses	-	-	-
Depreciation and amortization	1,091,726	119,924	321,197
TOTAL OPERATING EXPENSES	18,243,138	3,082,497	1,262,380
OPERATING INCOME	7,289,743	1,165,827	714,794
NONOPERATING REVENUE (EXPENSE)			
Interest income	827,432	179,055	298,521
Other nonoperating income	107,414	4,061	14,435
Interest expense	(1,130,729)	(138,534)	(331,126)
Other nonoperating expense	(34,163)	-	-
TOTAL NONOPERATING REVENUE (EXPENSE)	(230,046)	44,582	(18,170)
INCOME BEFORE OPERATING TRANSFER	7,059,697	1,210,409	696,624
OPERATING TRANSFER			
Transfers out	(2,625,096)	(556,992)	(159,000)
NET INCOME BEFORE EXTRAORDINARY ITEM	4,434,601	653,417	537,624
EXTRAORDINARY (LOSS) ON ADVANCE BOND REFUNDING	-	-	-
NET INCOME	4,434,601	653,417	537,624
RETAINED EARNINGS BEGINNING OF YEAR	21,181,146	2,904,424	3,196,124
RETAINED EARNINGS, END OF YEAR	$ 25,615,747	$ 3,557,841	$ 3,733,748

SANITARY SEWER AND WASTEWATER TREATMENT	TOTAL COMBINED UTILITY	OTHER ENTERPRISE FUND SANITATION SERVICES	TOTALS 1990	TOTALS 1989
$ 2,127,579	$ 33,519,910	$ 1,393,239	$ 34,913,149	$ 32,797,944
60,420	426,468	-	426,468	428,170
2,187,999	33,946,378	1,393,239	35,339,617	33,226,114
-	1,278,054	-	1,278,054	1,286,617
-	15,662,451	-	15,662,451	15,472,304
158,193	258,227	-	258,227	232,586
514,414	763,556	-	763,556	720,776
101,265	1,636,422	-	1,636,422	1,388,444
173,292	1,054,633	-	1,054,633	1,038,739
418,048	1,767,037	-	1,767,037	1,773,086
-	-	952,870	952,870	883,321
381,721	1,914,568	359,030	2,273,598	2,703,768
1,746,933	24,334,948	1,311,900	25,646,848	25,499,641
441,066	9,611,430	81,339	9,692,769	7,726,473
272,358	1,577,366	98,521	1,675,887	1,649,099
86,254	212,164	-	212,164	224,638
(234,731)	(1,835,120)	-	(1,835,120)	(1,895,691)
(76,470)	(110,633)	-	(110,633)	(117,112)
47,411	(156,223)	98,521	(57,702)	(239,066)
488,477	9,455,207	179,860	9,635,067	7,487,407
(110,496)	(3,451,584)	-	(3,451,584)	(3,451,600)
377,981	6,003,623	179,860	6,183,483	4,035,807
-	-	-	-	(2,739,684)
377,981	6,003,623	179,860	6,183,483	1,296,123
1,779,373	29,061,067	371,586	29,432,653	28,136,530
$ 2,157,354	$ 35,064,690	$ 551,446	$ 35,616,136	$ 29,432,653

CITY OF LEESBURG, FLORIDA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 1990

	ELECTRIC UTILITY	GAS UTILITY	WATER UTILITY
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 8,590,247	$ 1,144,760	$ 523,155
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES			
Nonoperating income	107,414	4,061	14,435
Nonoperating expense	(34,163)	-	-
Operating transfers out to other funds	(2,625,096)	(556,992)	(159,000)
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	(2,551,845)	(552,931)	(144,565)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid on revenue bonds	(1,067,032)	(130,664)	(312,484)
Acquisition and construction of capital assets	(4,129,552)	(636,190)	(637,365)
Principal paid on bond maturities	(258,824)	(31,731)	(75,731)
Capital contributed	293,273	36,432	517,643
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(5,162,135)	(762,153)	(507,937)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	(289,488)	(35,464)	(84,690)
Interest on investments	869,268	177,990	321,388
NET CASH FLOWS FROM INVESTING ACTIVITIS	579,780	142,526	236,698
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,456,047	(27,798)	107,351
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,050,624	2,065,287	2,926,761
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 8,506,671	$ 2,037,489	$ 3,034,112
RECONCILIATION OF NET INCOME BEFORE TRANSFERS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	$ 7,289,743	$ 1,165,827	$ 714,794
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	1,920,138	124,101	331,470
Bad debt expense	62,400	3,300	1,992
Increase in customer accounts	(392,737)	(170,107)	(536,095)
Increase in inventory	(148,374)	(1,006)	(1,654)
Increase in prepaid expenses	(94,859)	(8,809)	(750)
Decrease in receivables	-		
Decrease in Crystal River decommission funds	777,242		
(Decrease) increase in accounts payable	(85,206)	18,097	-
Decrease in estimated landfill closure costs payable	-	-	-
(Decrease) increase in accrued expenses	(15,267)	5,102	6,301
Decrease in customer advances for construction	(8,689)	-	-
Increase in customer deposits	63,098	8,255	7,097
Increase in decommissioning costs	(777,242)	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 8,590,247	$ 1,144,760	$ 523,155

SANITARY SEWER AND WASTEWATER TREATMENT	TOTAL COMBINED UTILITY	OTHER ENTERPRISE FUND SANITATION SERVICES	TOTALS
$ 833,684	$ 11,091,846	$ 223,738	$ 11,315,584
86,254	212,164	-	212,164
(76,470)	(110,633)	-	(110,633)
(110,496)	(3,451,584)	-	(3,451,584)
(100,712)	(3,350,053)	-	(3,350,053)
(221,537)	(1,731,717)	-	(1,731,717)
(3,367,213)	(8,770,320)	(1,620)	(8,771,940)
(53,714)	(420,000)	-	(420,000)
1,332,984	2,180,332	-	2,180,332
(2,309,480)	(8,741,705)	(1,620)	(8,743,325)
(60,077)	(469,719)	-	(469,719)
270,553	1,639,199	98,521	1,737,720
210,476	1,169,480	98,521	1,268,001
(1,366,032)	169,568	320,639	490,207
3,122,722	15,165,394	1,006,739	16,172,133
$ 1,756,690	$ 15,334,962	$ 1,327,378	$ 16,662,340
$ 441,066	$ 9,611,430	$ 81,339	$ 9,692,769
388,849	2,764,558	359,030	3,123,588
6,921	74,613	-	74,613
(26,285)	(1,125,224)	(14,200)	(1,139,424)
(39)	(151,073)	-	(151,073)
-	(104,418)	-	(104,418)
-	-		
	777,242	-	777,242
	(67,109)	-	(67,109)
-	-	(202,862)	(202,862)
12,212	8,348	431	8,779
-	(8,689)	-	(8,689)
10,960	89,410	-	89,410
-	(777,242)	-	(777,242)
$ 833,684	$ 11,091,846	$ 223,738	$ 11,315,584

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INTERNAL SERVICE FUNDS

Motor Pool Service Fund - to account for the costs of operating a maintenance facility for automotive equipment used by other City departments.

General Employees' Health Insurance Fund - to account for the costs of providing health insurance to all covered City employees.

Workers' Compensation Insurance Fund - to account for the costs of providing workers' compensation insurance to all covered City employees.

CITY OF LEESBURG, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1990

ASSETS

	MOTOR POOL SERVICE	GENERAL EMPLOYEES' HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	TOTALS 1990	TOTALS 1989
CURRENT ASSETS					
Equity in pooled cash and cash equivalents	$ 870	$ 184,322	$ 1,001,154	$ 1,186,346	$ 1,050,916
Inventory	20,477	-	-	20,477	11,285
Insurance claim receivable	-	-	-	-	8,373
TOTAL CURRENT ASSETS	21,347	184,322	1,001,154	1,206,823	1,070,574
PROPERTY, PLANT AND EQUIPMENT					
Machinery and equipment	125,104	-	-	125,104	114,877
Less: Accumulated depreciation	(74,503)	-	-	(74,503)	(65,645)
	50,601	-	-	50,601	49,232
TOTAL ASSETS	$ 71,948	$ 184,322	$ 1,001,154	$ 1,257,424	$ 1,119,806

LIABILITIES AND FUND EQUITY

LIABILITIES					
Accrued expenses	$ 11,842	$ -	$ -	$ 11,842	$ 9,859
Claims payable	-	161,775	142,557	304,332	262,605
TOTAL LIABILITIES	11,842	161,775	142,557	316,174	272,464
FUND EQUITY					
Contributed capital - general fund	15,979	-	-	15,979	15,979
Retained earnings:					
Reserved for insurance	-	22,547	858,597	881,144	777,228
Unreserved	44,127	-	-	44,127	54,135
TOTAL FUND EQUITY	60,106	22,547	858,597	941,250	847,342
TOTAL LIABILITIES AND FUND EQUITY	$ 71,948	$ 184,322	$ 1,001,154	$ 1,257,424	$ 1,119,806

CITY OF LEESBURG, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 1990

	MOTOR POOL SERVICE	GENERAL EMPLOYEES' HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	TOTALS 1990	TOTALS 1989
OPERATING REVENUES					
Charges for services	$ 265,970	$ 681,192	$ 353,690	$ 1,300,852	$ 1,173,306
OPERATING EXPENSES					
Personal services	117,223	-	-	117,223	107,909
Other services and charges	24,600	-	-	24,600	23,658
Materials and supplies	125,297	-	-	125,297	126,190
Depreciation	8,858	-	-	8,858	6,178
Claims expense	-	693,224	99,579	792,803	648,456
Administrative expenses	-	40,966	69,631	110,597	35,144
Insurance premiums	-	118,195	15,821	134,016	145,532
TOTAL OPERATING EXPENSES	275,978	852,385	185,031	1,313,394	1,094,067
OPERATING (LOSS) INCOME	(10,008)	(171,193)	168,659	(12,542)	79,239
NONOPERATING INCOME					
Investment income	-	49,698	68,807	118,505	80,512
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(10,008)	(121,495)	237,466	105,963	159,751
OPERATING TRANSFERS OUT	-	-	(12,055)	(12,055)	-
NET (LOSS) INCOME	(10,008)	(121,495)	225,411	93,908	159,751
RETAINED EARNINGS, AS PREVIOUSLY REPORTED, BEGINNING OF YEAR	54,135	295,570	742,881	1,092,586	849,237
PRIOR PERIOD ADJUSTMENT	-	(151,528)	(109,695)	(261,223)	(177,625)
AS RESTATED	54,135	144,042	633,186	831,363	671,612
RETAINED EARNINGS, END OF YEAR	$ 44,127	$ 22,547	$ 858,597	$ 925,271	$ 831,363

CITY OF LEESBURG, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 1990

	MOTOR POOL SERVICE	GENERAL EMPLOYEES' HEALTH INSURANCE	WORKMENS' COMPENSATION INSURANCE	TOTALS
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ (8,359)	$ (152,573)	$ 200,139	$ 39,207
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(10,227)	-	-	(10,227)
CASH FLOWS USED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Operating transfers to other funds	-	-	(12,055)	(12,055)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	-	49,698	68,807	118,505
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(18,586)	(102,875)	256,891	135,430
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	19,456	287,197	744,263	1,050,916
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 870	$ 184,322	$ 1,001,154	$ 1,186,346
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	$ (10,008)	$ (171,193)	$ 168,659	$ (12,542)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	8,858	-	-	8,858
Increase in inventory	(9,192)	-	-	(9,192)
Decrease in insurance claim receivable	-	8,373	-	8,373
Increase in claims payable	-	10,247	31,480	41,727
Increase in accrued expenses	1,983		-	1,983
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (8,359)	$ (152,573)	$ 200,139	$ 39,207

FIDUCIARY FUND TYPES

Pension Trust Funds - to account for the accumulation of resources to be used for retirement payments to employees. Resources are contributed by the City, participating employees and the State.

Agency Fund - to account for the assets and liabilities of the Deferred Compensation Plan. Assets represent amounts earned by employees who have elected to defer a portion of their compensation to a later date.

CITY OF LEESBURG, FLORIDA
FIDUCIARY FUND TYPES
COMBINING BALANCE SHEET
SEPTEMBER 30, 1990

ASSETS

	PENSION TRUST FUNDS		
	MUNICIPAL POLICE RETIREMENT TRUST	MUNICIPAL FIREMEN'S RETIREMENT TRUST	GENERAL EMPLOYEES' PENSION
Cash and investments with trustees	$ 2,377,507	$ 3,099,708	$ 8,200,115
Accrued interest receivable	7,679	15,004	152,030
TOTAL ASSETS	$ 2,385,186	$ 3,114,712	$ 8,352,145

LIABILITIES AND FUND EQUITY

LIABILITIES			
Due to participants	$ -	$ -	$ -
TOTAL LIABILITIES	-	-	-
FUND EQUITY			
Fund balances reserved for employee benefits	2,385,186	3,114,712	8,352,145
TOTAL LIABILITIES AND FUND EQUITY	$ 2,385,186	$ 3,114,712	$ 8,352,145

AGENCY FUND DEFERRED COMPENSATION	TOTALS 1990	1989
$ 729,176	$ 14,406,506	$ 13,444,185
-	174,713	157,625
$ 729,176	$ 14,581,219	$ 13,601,810
$ 729,176	$ 729,176	$ 668,381
729,176	729,176	668,381
-	13,852,043	12,933,429
$ 729,176	$ 14,581,219	$ 13,601,810

CITY OF LEESBURG, FLORIDA
PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 1990

	PENSION TRUST FUNDS			TOTALS	
	MUNICIPAL POLICE RETIREMENT TRUST	MUNICIPAL FIREMEN'S RETIREMENT TRUST	GENERAL EMPLOYEES' PENSION	1990	1989
OPERATING REVENUES					
Investment income:					
Unrealized increase in fair value of investments	$ -	$ -	$ -	$ -	$ 666,272
Interest and dividend income	64,308	109,889	635,374	809,571	775,784
Gain on sale of investments-net	109,493	214,051	128,757	452,301	30,007
Total investment income	173,801	323,940	764,131	1,261,872	1,472,063
Contributions:					
Employer	-	58,999	564,817	623,816	582,272
Employee	66,467	39,329	-	105,796	81,356
State of Florida	86,717	48,316	-	135,033	134,822
Total contributions	153,184	146,644	564,817	864,645	798,400
TOTAL OPERATING REVENUES	326,985	470,584	1,328,948	2,126,517	2,270,463
OPERATING EXPENSES					
Investment expense:					
Unrealized decrease in fair value of investments	122,635	290,657	400,975	814,267	-
Benefit payments	13,656	82,571	158,105	254,332	220,942
Administrative expenses	35,394	22,011	81,899	139,304	117,034
TOTAL OPERATING EXPENSES	171,685	395,239	640,979	1,207,903	337,976
NET INCOME	155,300	75,345	687,969	918,614	1,932,487
FUND BALANCES, BEGINNING OF YEAR	2,229,886	3,039,367	7,664,176	12,933,429	11,000,942
FUND BALANCES, END OF YEAR	$ 2,385,186	$ 3,114,712	$ 8,352,145	$ 13,852,043	$ 12,933,429

CITY OF LEESBURG, FLORIDA
FIDUCIARY FUND TYPES
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 1990

	BALANCE OCTOBER 1, 1989	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1990
ASSETS				
Investments	$ 668,381	$ 63,415	$ 2,620	$ 729,176
TOTAL ASSETS	$ 668,381	$ 63,415	$ 2,620	$ 729,176
LIABILITIES				
Due to participants	$ 668,381	$ 63,415	$ 2,620	$ 729,176
TOTAL LIABILITIES	$ 668,381	$ 63,415	$ 2,620	$ 729,176

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ACCOUNT GROUPS

Account Groups are used to establish accounting control and accountability for the City's general fixed assets and the unmatured principal of its general long-term debt. These account groups are not funds; they do not reflect available financial resources and related liabilities.

CITY OF LEESBURG, FLORIDA
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
SEPTEMBER 30, 1990

	1990	1989
GENERAL FIXED ASSETS		
Land	$ 2,260,619	$ 2,260,619
Building	7,108,750	6,957,621
Improvements other than buildings	4,393,975	3,530,932
Equipment and vehicles	4,275,427	3,741,499
Construction work in progress	1,609,397	1,537,827
TOTAL GENERAL FIXED ASSETS	$ 19,648,168	$ 18,028,498
INVESTMENTS IN GENERAL FIXED ASSETS		
General obligation bonds and revenue certificates	$ 6,336,945	$ 6,336,945
Capitalized bond interest	29,331	29,331
Capital projects funds:		
Economic development adminstration grants	430,079	430,079
Special improvement fund	62,657	62,657
Hospital construction fund	2,174,204	2,174,204
Federal, state and local grants	3,563,431	2,934,989
General fund revenues	6,242,254	5,318,119
Special revenue fund revenues	422,986	422,986
Utility revenue fund revenues	69,607	69,607
Gifts and other	316,674	249,581
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	$ 19,648,168	$ 18,028,498

CITY OF LEESBURG, FLORIDA
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 1990

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	EQUIPMENT AND VEHICLES
GENERAL GOVERNMENT					
Legislative	$ 788,524	$ 665,331	$ 120,318	$ -	$ 2,875
Executive	195,713	-	-	-	195,713
Financial and administrative	376,090	-	112,932	6,389	256,769
Other general government	2,079,580	65,709	1,703,227	145,367	165,277
TOTAL GENERAL GOVERNMENT	3,439,907	731,040	1,936,477	151,756	620,634
PUBLIC SAFETY					
Law enforcement	1,114,483	42,803	265,947	51,766	753,967
Fire control	1,061,990	5,452	292,768	15,019	748,751
Detention and correction	5,002	-	-	-	5,002
Protective inspection	29,066	-	-	-	29,066
TOTAL PUBLIC SAFETY	2,210,541	48,255	558,715	66,785	1,536,786
PHYSICAL ENVIRONMENT	504,812	-	66,908	36,447	401,457
TRANSPORTATION					
Roads and streets	1,107,123	103,713	54,159	598,283	350,958
Airport	3,047,803	385,084	49,467	2,602,384	10,868
Parking facilities	36,504	36,504	-	-	-
TOTAL TRANSPORTATION	4,191,430	525,301	103,626	3,200,667	361,826
ECONOMIC ENVIRONMENT	359,370	217,005	-	114,383	-
HUMAN SERVICES	2,179,114	31,430	2,147,684	-	-
CULTURE AND RECREATION					
Community building	418,161	-	418,161	-	-
Libraries	1,617,185	51,000	964,853	-	601,332
Parks and recreation	2,191,139	579,346	453,493	534,262	624,038
Cultural services	238,672	-	232,551	3,048	3,073
Special recreational facilities	640,611	77,242	226,272	284,115	52,982
Other culture and recreation	47,829	-	-	2,512	45,317
TOTAL CULTURE AND RECREATION	5,153,597	707,588	2,295,330	823,937	1,326,742
TOTAL BY FUNCTION AND ACTIVITY	18,038,771	$ 2,260,619	$ 7,108,750	$ 4,393,975	$ 4,275,427
CONSTRUCTION WORK IN PROGRESS	1,609,397				
TOTAL GENERAL FIXED ASSETS	$ 19,648,168				

CITY OF LEESBURG, FLORIDA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 1990

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS 10/1/89	ADDITIONS	DEDUCTIONS	GENERAL FIXED ASSETS 9/30/90
GENERAL GOVERNMENT				
Legislative	$ 788,524	$ -	$ -	$ 788,524
Executive	178,979	16,734	-	195,713
Financial and administrative	343,994	65,817	33,721	376,090
Other general government	1,997,935	81,645	-	2,079,580
TOTAL GENERAL GOVERNMENT	3,309,432	164,196	33,721	3,439,907
PUBLIC SAFETY				
Law enforcement	942,678	208,697	36,892	1,114,483
Fire control	962,812	100,772	1,594	1,061,990
Detention and correction	5,002	-	-	5,002
Protective inspection	28,822	244	-	29,066
TOTAL PUBLIC SAFETY	1,939,314	309,713	38,486	2,210,541
PHYSICAL ENVIRONMENT	437,917	66,895	-	504,812
TRANSPORTATION				
Roads and streets	864,080	252,468	9,426	1,107,122
Airport	2,390,703	657,101	-	3,047,804
Parking facilities	36,504	-	-	36,504
TOTAL TRANSPORTATION	3,291,287	909,569	9,426	4,191,430
ECONOMIC ENVIRONMENT	353,407	5,963	-	-
HUMAN SERVICES	2,179,114	-	-	2,179,114
CULTURE AND RECREATION				
Community building	425,158	-	-	418,161
Libraries	1,550,785	66,400	-	1,617,185
Parks and recreation	2,084,142	117,175	10,178	2,191,139
Cultural services	238,672	-	-	238,672
Special recreational facilities	652,262	-	-	640,611
Other culture and recreation	29,181	-	-	47,829
TOTAL CULTURE AND RECREATION	4,980,200	183,575	10,178	5,153,597
CONSTRUCTION WORK IN PROGRESS	1,537,827	1,140,068	1,068,498	1,609,397
TOTAL GENERAL FIXED ASSETS	$ 18,028,498	$ 2,779,979	$ 1,160,309	$ 19,648,168

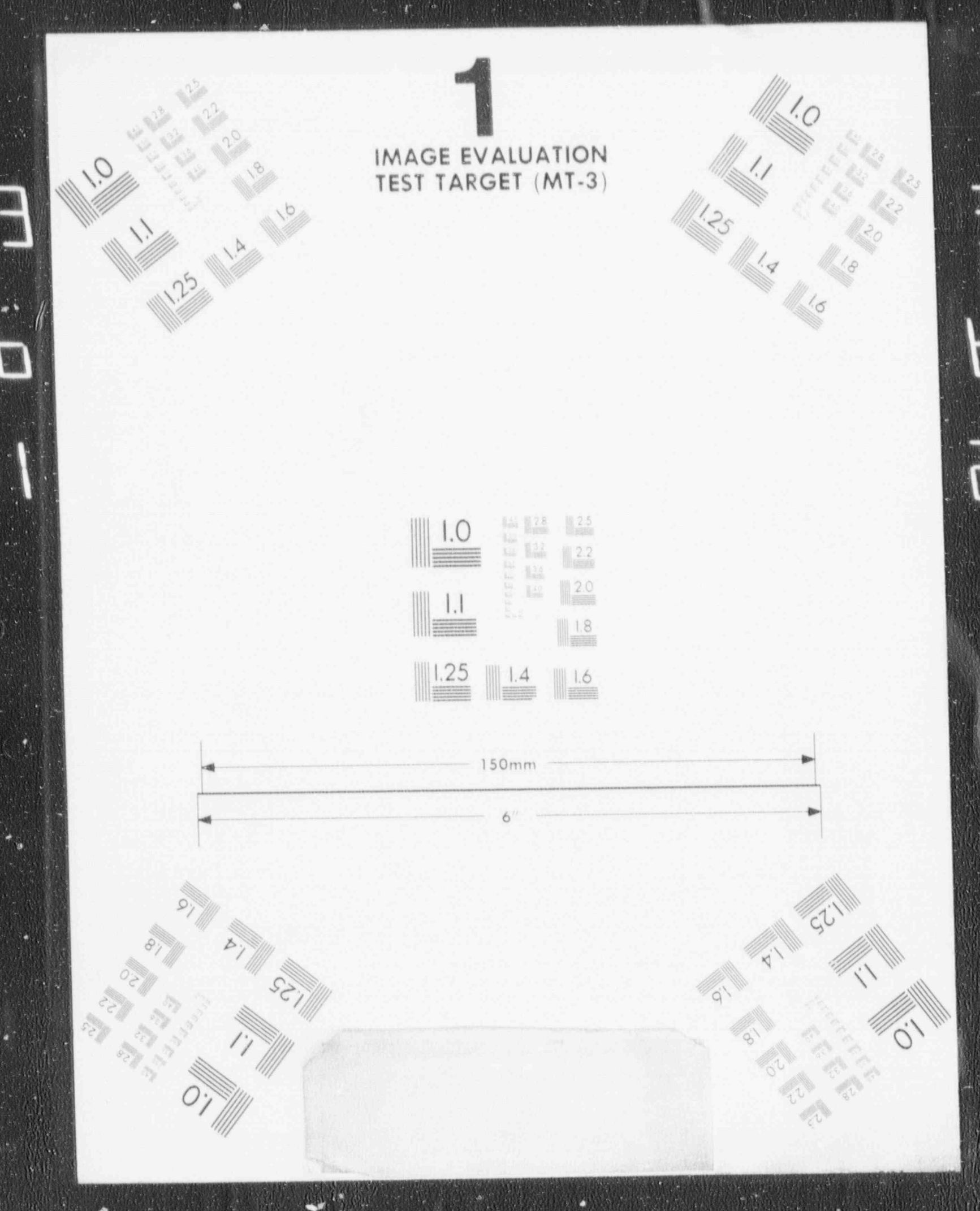
CITY OF LEESBURG, FLORIDA
SCHEDULE OF GENERAL LONG-TERM DEBT
SEPTEMBER 30, 1990

	1990	1989
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT		
SERIAL AND TERM BONDS - Public improvement revenue bonds and certificates:		
Amount available in debt service fund	$ 714,035	$ 670,580
Amount to be provided	5,105,965	5,289,420
	5,820,000	5,960,000
TOTAL SERIAL AND TERM BONDS		
OTHER LONG-TERM LIABILITIES		
Amount to be provided	584,015	518,193
TOTAL AVAILABLE AND TO BE PROVIDED	$ 6,404,015	$ 6,478,193
GENERAL LONG-TERM DEBT PAYABLE		
Refunding and capital improvement revenue bonds, Series 1987	$ 5,820,000	$ 5,960,000
Employee compensation absences payable	560,739	466,837
Real estate notes payable	23,276	51,356
TOTAL GENERAL LONG-TERM DEBT PAYABLE	$ 6,404,015	$ 6,478,193

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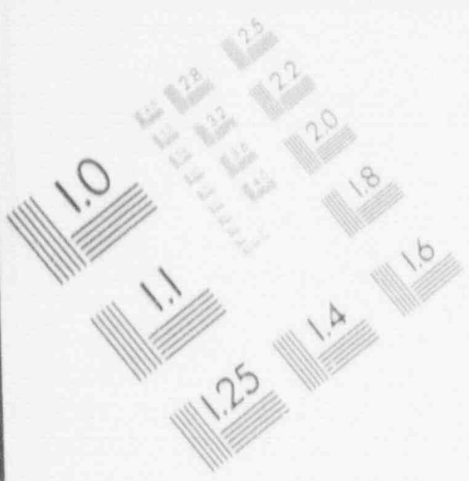
STATISTICAL SECTION

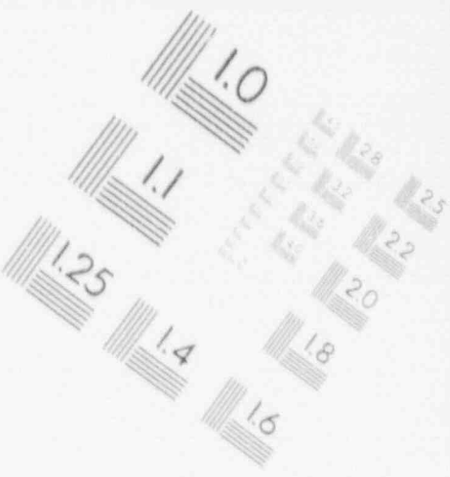
STATISTICAL SECTION


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IMAGE EVALUATION
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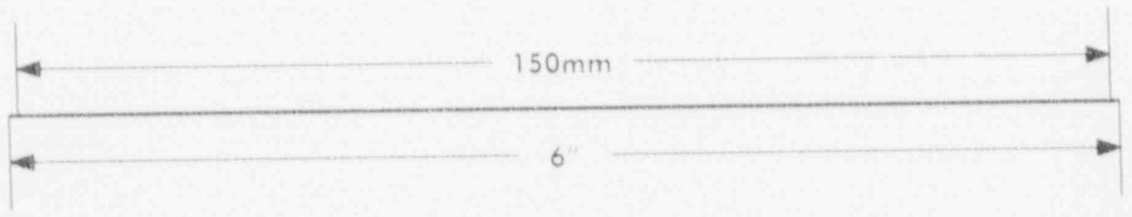
1

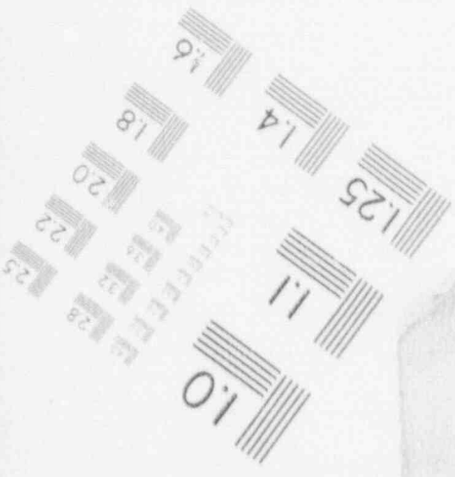
IMAGE EVALUATION TEST TARGET (MT-3)

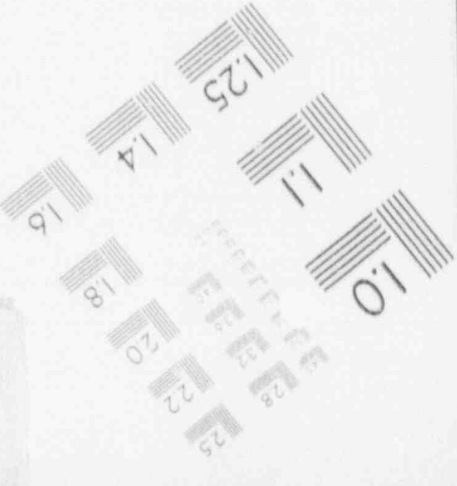


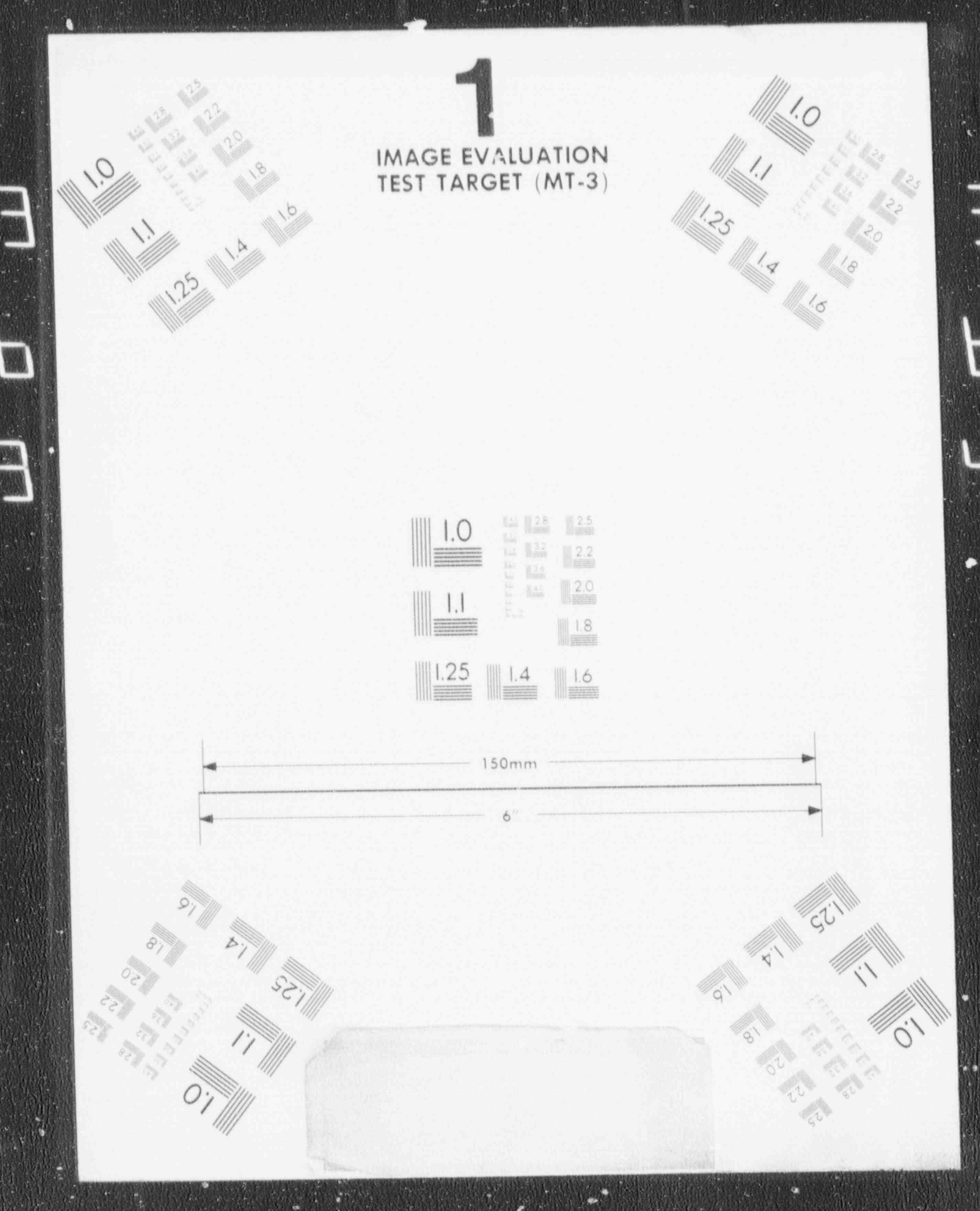


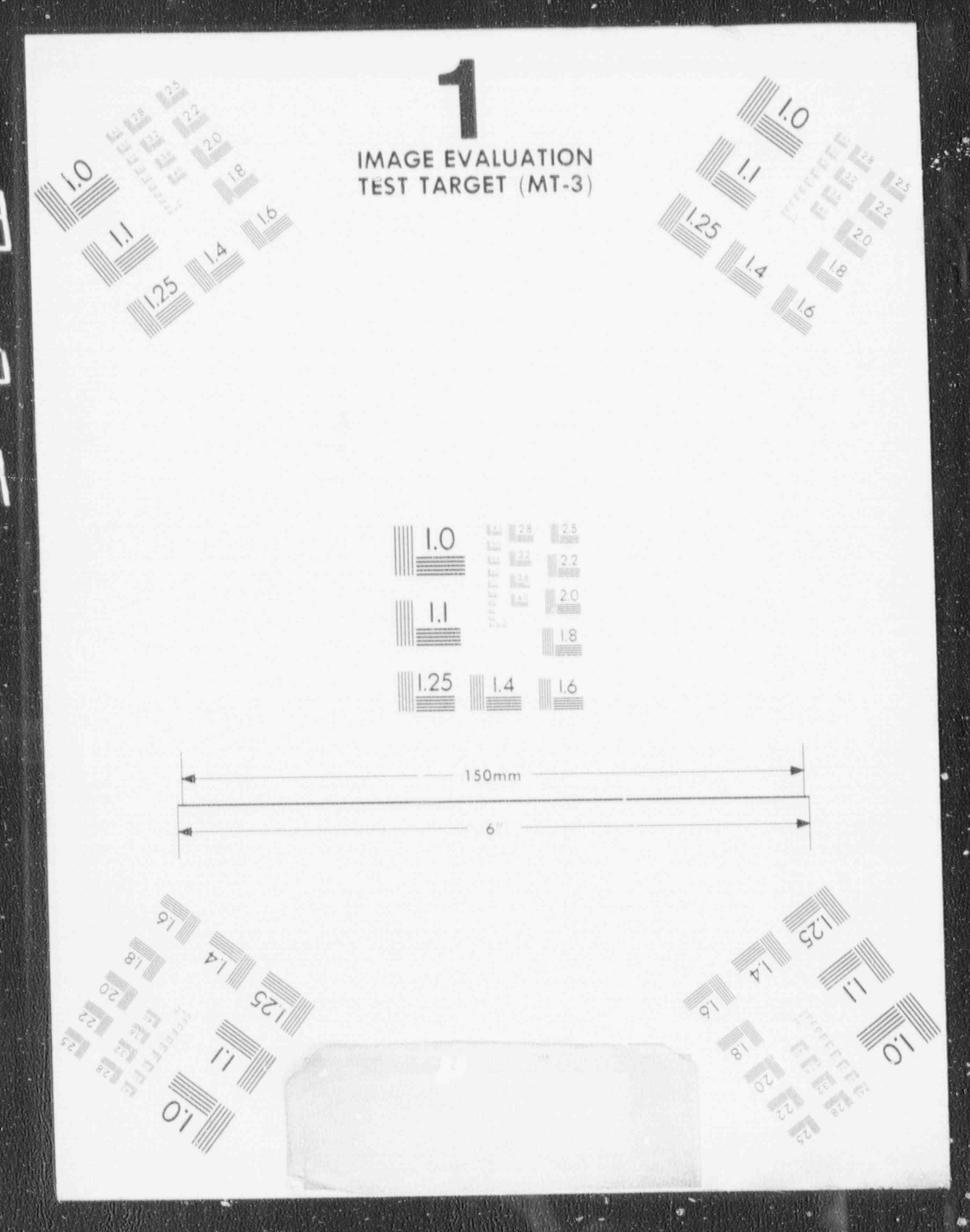









1
IMAGE EVALUATION
TEST TARGET (MT-3)
1.0
1.1
1.25
1.4
1.6
1.8
2.0
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4.0
150mm
6"


1
IMAGE EVALUATION
TEST TARGET (MT-3)
1.0
1.1
1.25
1.4
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2.2
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2.8
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3.6
4.0
150mm
6"

STATISTICAL DATA

Statistical data are presented to provide greater detailed information than reported in the preceding financial statements. This information in many cases has been spread throughout the report and is brought together here for greater clarity. Statistical data are not necessary for fair presentation in conformity with generally accepted accounting principles.

The City has had no general obligation debt outstanding during the past ten years.

CITY OF LEESBURG, FLORIDA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION AND OTHER USES
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL GOVERNMENT	PUBLIC SAFETY	PHYSICAL ENVIRONMENT	TRANSPORTATION	ECONOMIC ENVIRONMENT
1981	$ 1,146,425	$ 1,708,637	$ 245,367	$ 326,815	$ 281,282
1982	1,262,196	1,967,448	254,125	474,211	47,620
1983	465,806	2,215,564	226,112	613,419	68,397
1984	517,567	2,190,947	250,424	584,567	112,726
1985	592,568	2,257,055	250,850	795,043	20,723
1986	640,588	2,491,471	336,076	709,576	56,379
1987	680,647	2,616,413	279,504	660,875	322,708
1988	923,257	2,793,549	321,833	731,121	27,679
1989	805,871	2,932,098	303,352	917,851	84,817
1990	600,231	3,392,189	537,195	886,843	131,110

(1) Includes General, Special Revenue and Debt Service Funds.

(2) In 1981 through 1982, Ambulance Services and Refuse and Garbage are shown in Enterprise Funds.

(3) In 1981 through 1983, Insurance, Retirement Benefits, Taxes and Other Miscellaneous expenditures were distributed to the various functions.

TABLE 1

HUMAN SERVICES	CULTURE AND RECREATION	DEBT SERVICE	MISCELLANEOUS AND OTHER	TOTAL
$ 161,159	$ 1,017,084	$ 43,621	$ 105,264	$ 5,035,654
149,392	1,056,506	53,020	119,899	5,384,417
152,282	1,021,193	794,308	699,926	6,257,007
135,498	1,109,239	154,719	954,773	6,010,460
166,630	1,356,032	1,915,896	305,026	7,659,823
222,629	1,299,759	315,702	346,090	6,418,270
258,447	1,389,890	776,137	385,334	7,369,955
332,269	1,383,337	447,423	924,108	7,914,576
427,516	1,537,640	557,374	1,222,057	8,788,576
440,765	1,688,421	523,768	224,764	8,231,462

CITY OF LEESBURG, FLORIDA
GENERAL REVENUES BY SOURCE AND OTHER FINANCING SOURCES - 1
LAST TEN FISCAL YEARS

FISCAL YEAR	TAXES	LICENSES AND PERMITS	INTERGOVERNMENTAL	CHARGES FOR SERVICES
1981	$ 655,651	$ 80,496	$ 1,056,259	$ 137,949
1982	986,279	66,228	815,269	191,688
1983	950,283	76,565	1,115,229	191,522
1984	965,947	113,216	1,239,299	119,118
1985	1,052,868	127,475	1,369,018	158,588
1986	1,176,222	126,752	1,572,122	141,830
1987	1,309,008	127,984	1,972,808	157,710
1988	1,937,253	133,624	1,892,615	141,168
1989	2,131,934	180,947	1,591,329	157,408
1990	2,635,092	174,801	1,472,727	151,620

(1) Includes General, Special Revenue and Debt Service Funds.

(2) In 1981 through 1985, the Ambulance Services revenues are shown in Enterprise Fund. From 1981 through 1985, the Refuse and Garbage revenues are shown in Enterprise Fund.

(3) Effective in Fiscal 1983 accounting, billing, meter reading and data processing, formerly shown as General Fund expenditures with offsetting reimbursement revenue from the Utilities Fund, are charged directly to the Utility Fund.

(4) Includes transfers from Special Revenue and Enterprise Funds.

TABLE 2

FINES AND FORFEITURES	MISCELLANEOUS AND OTHER	TRANSFERS	TOTAL
$ 104,341	$ 923,902	$ 2,528,621	$ 5,487,219
114,252	1,196,195	2,194,639	5,564,550
105,473	841,256	3,269,444	6,549,772
117,993	1,102,971	3,201,008	6,859,552
143,904	2,318,230	2,653,755	7,823,838
156,810	378,725	3,163,990	6,716,451
159,672	408,305	2,917,288	7,052,775
158,356	603,848	3,365,692	8,232,556
166,150	668,054	4,013,674	9,402,617
214,258	679,987	3,463,639	8,792,124

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

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS
1981	$ 639,396	$ 622,864	$ 97.4%	$ 2,043
1982	984,022	957,309	97.3%	92[illegible]
1983	950,141	915,181	96.3%	523
1984	970,938	935,650	96.4%	2,244
1985	1,049,791	1,016,944	99.8%	5,521
1986	1,183,069	1,141,626	96.5%	2,104
1987	1,318,426	1,268,239	96.2%	4,310
1988	1,453,242	1,402,361	96.5%	3,264
1989	1,513,513	1,461,306	96.6%	2,855
1990	1,882,502	1,801,711	95.7%	63

(1) Property tax assessments and collections are performed for the City by Lake County. This information was not available from Lake County.

(2) Section 197.012, Florida Statutes, allows a discount for early payment of 4% in November, 3% in December, 2% in January and 1% in February.

TABLE 3

TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
$ 624,907	$ 97.7%	$ -	$ -
958,235	97.4%	-	-
915,704	96.4%	-	-
937,894	96.6%	-	-
1,022,465	100.3%	-	-
1,143,730	96.7%	-	-
1,272,549	96.5%	-	-
1,405,625	96.7%	-	-
1,464,161	96.7%	-	-
1,801,774	95.7%	-	-

CITY OF LEESBURG, FLORIDA
ASSESSED VALUE OF EXEMPT AND TAXABLE PROPERTY
LAST TEN FISCAL YEARS

TABLE 4

FISCAL YEAR	EXEMPT ASSESSED VALUATION	REAL	PERSONAL	CENTRALLY ASSESSED	TOTAL	ASSESSED VALUATION
1981	$ 99,776,130	$ 146,367,880	$ 53,282,610	$ 664,594	$ 200,315,084	$ 300,091,214
1982	81,909,004	164,693,026	59,735,848	696,273	225,125,147	307,034,151
1983	96,371,174	179,778,838	62,670,290	553,754	243,002,882	339,374,056
1984	107,899,539	190,860,863	69,075,019	578,684	260,514,566	368,414,105
1985	114,585,702	195,710,612	68,170,948	749,518	264,631,078	379,216,780
1986	118,760,818	224,234,145	73,561,036	432,492	298,227,673	416,988,491
1987	118,420,557	247,100,719	84,595,132	652,534	332,348,385	450,768,942
1988	121,597,952	271,482,185	94,174,313	715,486	366,332,684	487,969,936
1989	124,249,427	282,164,197	98,959,095	408,146	381,531,438	505,780,865
1990	137,851,519	301,843,540	115,838,467	651,746	418,333,753	556,185,272

NOTES

(1) Chapter 193, Florida Statutes, requires that all property shall be assessed at just or fair market value as of January 1 of each year. All taxes are due and payable on November 1 and become delinquent on April 1 of the subsequent year. Discounts are allowed at the rate of 4% in the month of November, 3% in December, 2% in January and 1% in February.

Chapter 193, Florida Statutes, provides that all items of inventory (in personal property) shall be assessed at 10% of just valuation, except goods-in-process and raw materials, which shall be assessed at 1%. Furthermore, agricultural properties are assessed at agricultural value as opposed to fair market value for non-agricultural property.

(2) Estimated actual value is not available. According to a report by the State of Florida Department of Revenue, the assessed value of property in Lake County is approximately 95% of fair market value as of Fiscal Year 1982, (tax year 1981).

CITY OF LEESBURG, FLORIDA
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
(PER $1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

TABLE 5

FISCAL YEAR	CITY	SCHOOL DISTRICT	COUNTY	AMBULANCE DISTRICT	NORTHWEST HOSPITAL DISTRICT	WATER CONSERVATION AUTHORITY	WATER MANAGEMENT DISTRICT	TOTAL
1981	3.192	6.005	3.580	0.537	-	0.398	0.234	13.946
1982	4.371	6.060	3.318	0.439	1.000	0.090	0.316	15.594
1983	3.910	5.478	2.732	0.421	0.960	0.046	0.224	13.771
1984	3.727	7.073	23.000	0.422	0.934	0.049	0.281	15.759
1985	3.967	5.606	3.272	0.412	0.966	0.047	0.281	14.551
1986	3.967	6.415	3.492	0.226	0.706	0.040	0.318	15.164
1987	3.967	6.608	3.400	0.190	1.000	0.300	0.319	15.784
1988	3.967	7.477	3.400	0.188	1.000	0.350	0.517	16.899
1989	3.967	7.742	3.800	0.223	0.964	0.838	0.281	17.815
1990	4.500	8.451	4.938	0.223	0.887	0.621	0.346	19.966

CITY OF LEESBURG, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION DEBT-1
SEPTEMBER 30, 1990

TABLE 6

GOVERNMENT UNIT	OUTSTANDING	APPLICABLE TO THE CITY OF LEESBURG	
		PERCENT-2	AMOUNT
Lake County School District	$ 6,610,000	12.97%	$ 857,317

(1) The City of Leesburg did not have any general obligation debt outstanding during the fiscal year ended September 30, 1990.

(2) Represents the fraction of assessed valuation of taxable property in the City of Leesburg over assessed valuation of taxable property in Lake County.

CITY OF LEESBURG, FLORIDA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL AND SPECIAL REVENUE BONDED DEBT TO
TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

TABLE 7

FISCAL YEAR	PRINCIPAL-1	INTEREST-1	TOTAL DEBT SERVICE-1	TOTAL GENERAL EXPENDITURES-2	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES
1981	$ 30,000	$ 13,621	$ 43,621	$ 4,930,390	0.88
1982	35,000	18,020	53,020	5,264,518	1.01
1983	35,000	10,739	45,739	5,557,081	0.82
1984	35,000	9,304	44,304	5,055,687	0.88
1985	40,000	268,737	308,737	5,130,164	6.02
1986	86,622	229,080	315,702	5,756,478	4.92
1987	476,411	299,725	776,136	6,208,484	12.50
1988	74,670	402,753	477,423	6,513,045	7.33
1989	159,459	397,915	557,374	7,009,145	7.95
1990	140,000	383,768	523,768	7,707,694	6.80

(1) Includes Refunding and Capital Improvement Revenue Bonds, Series 1987, which are Special Obligation Bonds.

(2) Excludes Operating Transfers Out.

CITY OF LEESBURG, FLORIDA
COMBINED UTILITY FUNDS
SCHEDULE OF REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

FISCAL YEAR	GROSS REVENUES	OPERATION AND MAINTENANCE COSTS-1	NET REVENUE
1981	$ 22,696,527	$ 17,662,529	$ 5,033,998
1982	22,770,000	18,820,674	3,949,326
1983	25,321,236	21,071,010	4,250,226
1984	25,072,853	19,833,257	5,239,596
1985	28,403,187	22,111,542	6,291,645
1986	28,959,677	21,104,997	7,854,680
1987	28,429,160	21,218,634	7,210,526
1988	31,676,515	20,711,823	10,964,692
1989	33,523,356	21,912,552	11,610,804
1990	35,341,108	22,420,380	12,920,728

(1) Excludes interest expense and depreciation.

TABLE 8

DEBT SERVICE REQUIREMENTS				
PRINCIPAL	INTEREST	SINKING FUND	TOTAL	COVERAGE
$ -	$ 770,023	$ 247,611	$ 1,017,634	4.9⅗
-	1,455,240	273,952	1,729,192	2.28
-	1,386,473	295,025	1,681,498	2.52
-	1,392,457	316,099	1,708,556	3.07
-	2,115,601	317,484	2,433,085	2.59
-	1,952,863	327,138	2,280,001	3.45
-	1,952,863	323,573	2,276,436	3.17
-	1,952,863	317,740	2,270,603	4.83
-	1,895,691	474,150	2,789,841	4.16
185,000	1,663,797	511,029	2,359,826	5.48

CITY OF LEESBURG, FLORIDA
DEMOGRAPHIC STATISTICS
LAST TEN FIS CAL YEARS

TABLE 9

FISCAL YEAR	POPULATION-1	PER CAPITA INCOME-2	SCHOOL ENROLLMENT-3	UNEMPLOYMENT RATE-4
1981	13,260	10,405	5,192	15.10
1982	13,476	10,729	5,237	13.10
1983	13,538	12,212	5,177	12.30
1984	13,646	12,793	5,260	11.70
1985	14,063	13,910	4,896	10.80
1986	14,457	14,597	N/A	7.70
1987	14,659	15,580	N/A	6.40
1988	14,743	N/A	N/A	5.60
1989	14,939	N/A	N/A	6.20
1990	14,912	N/A	N/A	N/A

N/A - Not Available.

DATA SOURCES

(1) U.S. Census Bureau, Bureau of Business and Economic Research, and City Planning Office based on active residential electric meter count.

(2) Data for Lake County was obtained from the U.S. Department of Commerce, Economic Analysis as published in the Florida Statistical Abstract.

(3) Annual school census by Board of Education. Figures represent elementary and secondary, public and private schools. Students in community colleges are not included.

(4) U.S. Department of Labor - These estimated figures are based on the County as a whole. No individual figures are available for the City of Leesburg.

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CITY OF LEESBURG, FLORIDA
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

FISCAL YEAR	COMMERCIAL CONSTRUCTION-1 NUMBER OF PERMITS	COMMERCIAL CONSTRUCTION-1 VALUE	RESIDENTIAL CONSTRUCTION-1 NUMBER OF UNITS	RESIDENTIAL CONSTRUCTION-1 VALUE
1981	17	$ 1,898,000	225	$ 5,140,488
1982	12	1,623,000	74	1,836,600
1983	17	1,482,798	220	3,554,180
1984	24	5,474,755	276	8,050,314
1985	25	7,187,690	230	6,145,655
1986	25	4,376,439	135	4,357,381
1987	34	11,742,049	119	4,830,948
1988	20	6,874,563	144	5,166,423
1989	22	13,566,396	420	15,751,307
1990	8	3,461,210	65	2,324,238

(1) Based on building permits issued by City Department of Building and Zoning Codes. Property values are estimated construction costs. Commercial construction includes all non-residential construction.

(2) Data provided by Florida Bankers Association. Balances for 1982 provided by individual banks. Balances for 1983 not available.

(3) Lake County Property Appraiser's Office.

TABLE 10

BANK-2 DEPOSITS	ASSESSED TAXABLE PROPERTY VALUE-3 TAXABLE	NON-TAXABLE
$ 409,163,000	$ 200,312,084	$ 99,776,130
460,518,000	225,125,147	81,909,004
N/A	243,002,882	96,371,174
N/A	260,514,566	107,899,539
N/A	264,631,078	114,585,702
N/A	298,227,673	118,760,818
N/A	332,348,385	118,420,557
N/A	366,332,684	121,597,952
N/A	381,531,438	124,249,427
N/A	418,333,753	137,851,519

CITY OF LEESBURG, FLORIDA
PRINCIPAL TAXPAYERS
SEPTEMBER 30, 1990

TAB' E.11

TAXPAYERS	TYPE OF BUSINESS	ASSESSED VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION
United Telephone of Florida	Telephone	$ 44,158,731	$ 11.574%
Coca-Cola - Foods Division	Citrus Processing	24,003,648	6.291%
Sun Bank, N.A.	Banking	5,118,421	1.342%
Citizens National Bank	Banking	4,285,140	1.123%
Horne Properties, Inc.	Shopping Center	3,870,948	1.015%
Huber Investment Company	Shopping Center	3,499,892	0.917%
Walling Enterprises	Shopping Center	3,182,578	0.834%
Leesburg Associates	Shopping Center	2,718,769	0.713%
Mid-Florida Freezer, Inc.	Warehouse	2,581,756	0.677%
Wal-Mart Stores	Shopping Center	2,304,627	0.604%
Leesburg/Cula Associates	Shopping Center	2,195,223	0.575%
Southside Associates	Shopping Center	2,151,886	0.564%
Floriwan, Inc.	Hotel	2,139,118	0.561%
Public Housing Assistance Association	Housing Complex	2,049,606	0.537%

CITY OF LEESBURG, FLORIDA
MISCELLANEOUS STATISTICS
SEPTEMBER 30, 1990

TABLE 12

Miles of Paved Streets	77.8
Number of Street Lights	1,629
Fire Protection:	
Number of Stations	2
Number of Firemen and Officers	31
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	46
Education (Elementary Only):	
Attendance Centers (Public Schools Only)-1	4
Number of Classrooms	102
Number of Teachers	112
Number of Students	7,021
Municipal Water Department:	
Number of Consumers - Residential	5,740
Average Daily Consumption	334
Miles of Water Mains	318
Municipal Gas Department:	
Number of Consumers - Residential	6,513
Average Daily Consumption	.780 Therms
Miles of Gas Mains	202
Municipal Electric Department:	
Number of Consumers - Residential	13,524
Average Monthly Consumtpion	913 kwh
Miles of Primary Electric Lines within the City	200
Wastewater and Sanitary Sewers:	
Sanitary Sewers	132 Miles
Storm Sewer	17.5 Miles
Building Permits Issued	517
Recreation and Culture:	
Number of Parks	9 with 225 Acres
Number of Libraries	1
Number of Volumes	133,429
Total Employees for the City Overall:	
Full-time Employees	349
Part-time Employees	43

1-Elementary includes grades 1 through 4.

CITY OF LEESBURG, FLORIDA
CORPORATE LIMITS AND ANNEXATIONS
LAST TEN FISCAL YEARS

TABLE 13

FISCAL YEAR	ANNEXATION ACRES	CORPORATE LIMITS ACRES	CORPORATE LIMITS SQUARE MILES
1981	124.83	6,419.30	9.93
1982	6.35	6,425.65	10.12
1983	32.70	6,458.35	10.17
1984	109.98	6,568.33	10.35
1985	93.02	6,661.35	10.49
1986	288.43	6,949.78	10.94
1987	230.25	7,180.03	11.30
1988	62.00	7,242.03	11.32
1989	4.70	7,246.73	11.41
1990	310.42	7,557.15	11.89

SOURCE
City of Leesburg; Department of Planning and Community Development

SEMINOLE ELECTRIC COOPERATIVE, INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1990

Price Waterhouse



Suite 2800
400 North Ashley Street
P.O. Box 2640
Tampa, FL 33601-2640

Telephone 813 223 7577

Suite 220
100 Carillon Parkway
St. Petersburg, FL 33716-1209

Telephone 813 821 8694

Price Waterhouse

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees
Seminole Electric Cooperative, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of revenue and expenses and patronage capital and of cash flows present fairly, in all material respects, the financial position of Seminole Electric Cooperative, Inc. and its subsidiary (the Cooperative) at December 31, 1990 and 1989, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Cooperative's management; our responsibility is to express an opinion on these financial statements based upon our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse

Tampa, Florida
February 20, 1991

SEMINOLE ELECTRIC COOPERATIVE, INC.

CONSOLIDATED BALANCE SHEETS

	December 31, 1990	December 31, 1989
ASSETS		
Utility plant:		
Plant in service	$737,848,757	$734,216,001
Construction work in progress	4,802,827	2,070,859
	742,651,584	736,286,860
Less accumulated depreciation and amortization	(150,658,271)	(129,203,492)
Utility plant, net	591,993,313	607,083,368
Investments, at cost:		
Investments in associated organizations	12,610,265	13,136,409
Funds held by trustees	16,046,648	19,287,026
Total investments	28,656,913	32,423,435
Current assets:		
Cash and cash equivalents	67,844,570	27,695,245
Receivables, principally for sales of electricity	11,834,394	55,548,759
Inventories, at average cost:		
Materials and supplies	14,994,218	14,577,824
Fuel	25,147,854	33,912,128
Prepayments and other	2,530,341	2,216,639
Total current assets	122,351,377	133,950,595
Deferred charges	45,944,481	48,934,255
	$788,946,084	$822,391,653

The accompanying notes are an integral part of these financial statements.

SEMINOLE ELECTRIC COOPERATIVE, INC.

CONSOLIDATED BALANCE SHEETS

	December 31, 1990	December 31, 1989
EQUITY AND LIABILITIES		
Equity:		
Memberships	$ 1,100	$ 1,100
Patronage capital	31,508,037	28,982,911
Donated capital	31,615	31,615
Total equity	31,540,752	29,015,626
Long-term liabilities:		
Long-term debt	625,858,981	632,620,598
Obligations under capital leases	33,464,631	34,812,460
Other	3,653,560	5,492,814
Total long-term liabilities	662,977,172	672,925,872
Current liabilities:		
Current portion of long-term debt	5,801,013	4,251,652
Obligations under capital leases	993,513	877,248
Accounts payable and accrued liabilities	40,366,815	53,901,937
Accrued interest and taxes, other than income	1,900,556	13,255,447
Total current liabilities	49,061,897	72,286,284
Deferred gain on sale-leaseback of plant	26,840,618	28,256,387
Other deferred credits	18,525,645	19,907,484
Commitments (Notes 10 and 11)		
	$788,946,084	$822,391,653

The accompanying notes are an integral part of these financial statements.

SEMINOLE ELECTRIC COOPERATIVE, INC.

CONSOLIDATED STATEMENTS OF REVENUE AND EXPENSES AND PATRONAGE CAPITAL

	For the years ended December 31,	
	1990	1989
Operating revenue	$437,759,347	$425,889,781
Operating expenses:		
Operation:		
Fuel	174,134,117	151,775,751
Other production expenses	32,890,782	27,060,017
Purchased power	64,475,473	86,727,160
Transmission	28,892,813	28,755,943
Administrative and general	15,191,705	14,483,039
Depreciation and amortization	25,454,487	24,792,219
Lease of coal-fired plant	31,629,954	31,883,757
Taxes, primarily property	10,505,014	9,536,589
	383,174,345	375,014,475
Operating margins before interest charges	54,585,002	50,975,306
Interest charges net of amounts capitalized	57,353,900	58,857,838
Operating deficits	(2,768,898)	(7,982,532)
Patronage capital credits	74,013	60,979
Net operating deficits	(2,694,885)	(7,921,553)
Nonoperating income:		
Interest income	5,741,167	4,795,201
Other income, net	361,565	6,665,636
Net margins	3,407,847	3,539,284
Patronage capital, beginning of year	28,982,911	25,443,627
Patronage capital retirements	(882,721)	(-)
Patronage capital, end of year	$ 31,508,037	$ 28,982,911

The accompanying notes are an integral part of these financial statements.

SEMINOLE ELECTRIC COOPERATIVE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended December 31, 1990	1989
Cash flows from operating activities:		
Net margins	$ 3,407,847	$ 3,539,284
Adjustments to reconcile to cash:		
Depreciation and amortization	27,375,949	26,534,021
Lease expense/lease payment difference	(891,439)	3,383,109
Amortization of deferred gain on sale-leaseback of plant	(1,415,769)	(1,413,264)
Gain on sale of debt service reserve investments	-	(4,897,405)
Reduction of deferred credit related to generating facilities costs	(151,543)	(4,233,073)
Patronage capital credits	(74,013)	(60,979)
Change in assets and liabilities:		
Receivables	43,702,634	(14,229,867)
Inventories	6,151,146	(2,969,462)
Deferred charges	(1,312,329)	(9,577,654)
Other long-term liabilities	(1,839,254)	4,036,989
Accounts payable and accrued liabilities	(13,535,122)	632,217
Accrued interest and taxes	(11,354,891)	(196,871)
Other, net	(962,160)	60,426
Total adjustments	45,693,209	(3,031,813)
Net cash provided by operations	49,101,056	507,471
Cash flows from investing activities:		
Utility plant	(5,535,757)	(6,124,786)
Proceeds from sale of debt service reserve	-	20,103,070
Long term investments	3,910,567	(18,787,505)
Net cash used in investing activities	(1,625,190)	(4,809,221)
Cash flows from financing activities:		
Payments of patronage capital credits	(882,721)	-
Payments of long-term debt	(5,212,256)	(2,719,055)
Capital lease obligations	(1,231,564)	(529,331)
Net cash used in financing activities	(7,326,541)	(3,248,386)
Net increase/(decrease) in cash and cash equivalents	40,149,325	(7,550,136)
Cash and cash equivalents at beginning of year	27,695,245	35,245,381
Cash and cash equivalents at end of year	$67,844,570	$27,695,245

The accompanying notes are an integral part of these financial statements.

SEMINOLE ELECTRIC COOPERATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - THE COOPERATIVE:

Seminole Electric Cooperative, Inc. (Seminole) is a generation and transmission cooperative. It is responsible for meeting the electric power and energy needs of its eleven distribution cooperative members operating within the State of Florida. Seminole's rates are established by its Board of Trustees, which is composed of representatives from each member cooperative.

Seminole constructed and operates two coal-fired generating facilities (Seminole Unit No. 1 and Unit No. 2) near Palatka, Florida with approximately 600 megawatts of net output per unit. These units are connected to the Florida bulk power supply grid through Seminole's 230 kV transmission lines and associated facilities. Both units commenced commercial operation in 1984.

Seminole holds a 1.6994% undivided ownership interest in the Crystal River Unit No. 3 (CR3) nuclear power plant operated by Florida Power Corporation. Seminole also owns various transmission facilities connecting individual members to the Florida bulk power grid.

In 1989, Acuera Corp., a wholly owned taxable subsidiary, was formed for the primary purpose of acquiring a power plant site for future generation use. During 1990, Acuera Corp. purchased a major portion of this site and holds an option for the purchase of the remainder. The site has been leased to an Independent Power Producer (IPP).

The consolidated financial statements include the results of operations and financial position of Seminole and Acuera Corp.. All intercompany transactions have been eliminated.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Seminole complies with the Uniform System of Accounts as prescribed by the Rural Electrification Administration (REA). In conformance with generally accepted accounting principles, the accounting policies and practices applied by Seminole in the determination of rates are also employed for financial reporting purposes.

Utility Plant

Utility plant owned by Seminole is stated at original cost. Such cost includes applicable supervisory and overhead cost, plus net interest charged during construction. The cost of maintenance and repairs including renewals of minor items of property, is charged to operating expense. The cost of replacement of depreciable

property units, as distinguished from minor items, is charged to utility plant. The cost of units replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation. Certain leased transportation equipment is valued at the total net present value of minimum lease payments.

Operating Revenue

Seminole has wholesale power contracts with each of its members, whereby the members must purchase all electric power and energy which the member shall require for its system within the State of Florida from Seminole to the extent that Seminole shall have such power, energy and facilities available. The only exception relates to contracts between several members and the Southeastern Power Administration, which provides approximately 2% of the total energy required by all members.

Operating revenue consists primarily of sales of electric power and energy by Seminole and a facilities use charge for Seminole's transmission lines serving a single member cooperative. Member revenues include amounts resulting from a fuel and purchased power adjustment clause which provides for billings to reflect increases or decreases in fuel and fuel related purchased power costs. The adjustment factor is based on costs projected by Seminole for a twelve-month period. Any overrecovery or underrecovery of costs plus an interest factor are to be refunded or billed to the members semi-annually. At December 31, 1990, there was an underrecovery of $2,203,860 which is included in receivables. An overrecovery of $2,868,694 at December 31, 1989 was recorded as an accrued liability until refunded.

Included in operating revenue for the years ended December 31, 1990 and 1989, are approximately $419 and $413 million of revenue from members, of which approximately $8 and $47 million are included in receivables at December 31, 1990 and 1989.

Depreciation and Amortization

Seminole provides for depreciation on owned utility plant using the straight-line method at annual composite rates that will amortize the original cost of depreciable property over its estimated useful life. The rates for 1990 and 1989 were as follows:

	1990	1989
Coal-fired production plant	3.10%	3.10%
Nuclear production plant	3.20%	3.20%
Transmission plant	2.75%	2.75%
General plant	7.46%	7.18%

Amortization of leased assets under capital leases amounted to $915,948 and $836,126 in 1990 and 1989, respectively.

Amortization of Deferred Gain

Deferred gain on sale-leaseback of plant is being amortized over the base lease term of 25 years commencing in 1985 and is reflected as a reduction of operating expenses.

Nonoperating Income

For 1989, other income, net included two material nonrecurring items. These were a gain on the sale of debt service reserve investments in the amount of $4,897,405, and an expense of $2,200,000 which represented the estimated uninsured portion of costs incurred in 1989 related to the May 1988 fire at the Palatka generating station. Additionally, during 1990 and 1989 respectively, a deferred credit related to certain generating facilities costs was reduced by $151,543 and $4,333,073.

Capitalization of Interest

In accordance with procedures permitted under the Uniform System of Accounts prescribed by the REA, a portion of interest on borrowed funds, at average rates of approximately 8% for both 1990 and 1989 is capitalized as a component of the cost of construction work in progress, and is reflected as a reduction of interest expense. The amounts of interest capitalized during 1990 and 1989 were $206,085 and $99,880, respectively.

Deferred Charges

At December 31, 1990 and 1989, deferred charges consisted of unamortized debt expense and related prepayment penalties, certain nuclear fuel disposal costs related to energy purchased by Seminole from Florida Power & Light Company subsequent to December 1, 1972, costs associated with a load management incentive fee program and other miscellaneous deferred debits. These costs will be recovered primarily through rates over various amortization periods.

Deferred charges also included depreciation and interest expense on certain transmission lines and production common facilities incurred prior to commercial operation of Seminole Unit No. 2. The unamortized amounts at December 31, 1990 and 1989 were $12,405,520 and $13,783,911, respectively. Such deferrals are being recovered over a ten year period through a rate phase-in plan. Amortization of these deferred charges amounted to $1,378,391 for 1990 and $488,306 for 1989 and are included in depreciation and amortization.

Deferred Credits

At December 31, 1990 and 1989, deferred credits included a deferral for costs related to certain generating facilities, deferred lease expense and a reserve for CR3 decommissioning costs.

Cash Equivalents

Generally, for purposes of the statements of cash flows, all short-term highly liquid investments with a maturity of 3 months or less are considered to be cash equivalents.

Reclassification

Certain reclassifications have been made to the 1989 statements to conform to current classifications. There were no changes in net margins as previously reported.

NOTE 3 - UTILITY PLANT:

	December 31	
	1990	1989
Owned property:		
Coal-fired plant	$574,811,260	$573,036,650
Transmission plant	87,112,108	87,078,837
General plant	20,463,714	19,046,088
Nuclear plant, including fuel	15,514,338	15,079,994
Acquisition adjustment	557,902	557,902
	698,459,322	694,799,471
Leased property under capital leases:		
Transportation equipment	39,389,435	39,416,530
	737,848,757	734,216,001
Construction work in progress	4,802,827	2,070,859
	742,651,584	736,286,860
Accumulated depreciation	(141,881,942)	(121,662,509)
Accumulated amortization	(8,776,329)	(7,540,983)
	(150,658,271)	(129,203,492)
	$591,993,313	$607,083,368

NOTE 4 - INVESTMENTS:

	December 31	
	1990	1989
Investments in associated organizations:		
National Rural Utilities Cooperative Finance Corporation (CFC):		
Membership	$ 1,000	$ 1,000
Capital Term Certificates	1,402,544	1,402,544
Subordinated Term Certificates	9,031,456	9,031,456
Patronage Capital Certificates	1,604,140	2,019,050
National Bank for Cooperatives (CoBank)	424,502	533,677
Other	146,623	148,682
	$12,610,265	$13,136,409
Funds held by trustees:		
Pollution control bond funds	$14,764,134	$19,287,026
Nuclear decommissioning trust fund	1,282,514	-
	$16,046,648	$19,287,026

NOTE 5 - LONG-TERM LIABILITIES:

Long-Term Debt

	December 31	
	1990	1989
First mortgage notes payable to Federal Financing Bank (FFB), guaranteed by REA, principal due in various installments through 2020, interest at 7.221% to 10.983%	$461,164,346	$464,698,099
First mortgage notes payable to REA, principal due in various installments through 2019, interest at 5%	5,443,023	5,553,089
Pollution control revenue bonds, payable to the Putnam County Development Authority, guaranteed by CFC, principal due in various installments through 2014, interest at adjustable rates, currently 7.80% and 6.10%	156,900,000	158,400,000
First mortgage notes payable to CFC, principal due in various installments through 2019, interest at adjustable rates, currently 8.875% and 9.50%	8,152,625	8,221,062
	631,659,994	636,872,250
Less current portion	(5,801,013)	(4,251,652)
	$625,858,981	$632,620,598

Interest paid, including that on the above debt, totaled $67,637,391 and $57,801,036 in 1990 and 1989, respectively.

The estimated maturities and annual sinking fund requirements of all long-term debt for the four years subsequent to December 31, 1991, are presented below:

Year Ending December 31,	Annual Maturities and Sinking Fund Requirements
1992	$6,483,000
1993	$7,148,000
1994	$7,950,000
1995	$8,183,000

Obligations Under Capital Leases

At December 31, 1990, Seminole was obligated under certain capital leases of transportation equipment for which base lease terms expire on various dates through 2005. The following is a schedule of future lease payments under these leases together with the present value of the net minimum lease payments as of December 31, 1990:

Year ending December 31,

1991	$4,204,318
1992	4,204,318
1993	4,204,318
1994	4,204,318
1995	4,527,110
Later years	42,482,978
Total minimum lease payments	63,827,360
Less amount representing interest	(29,369,216)
Present value of minimum lease payments	34,458,144
Less current principal portion	(993,513)
	$33,464,631

These transportation equipment leases provide for renewals and options to purchase at fair market value at various dates or upon expiration.

Rental payments for these transportation equipment leases totaled $4,205,791 for 1990 and $4,207,263 for 1989. These payments were included as a cost of fuel inventory and expensed based on the tons of coal burned throughout the year.

Substantially all owned assets and leasehold interests are pledged as collateral for the above mentioned debt to the United States of America (REA and FFB), CFC and CoBank.

NOTE 6 - NET MARGINS AND EQUITY RESTRICTIONS:

Under provisions of the REA mortgage, until the total of equities and margins equals or exceeds forty percent of total assets, the distribution of capital contributed by members is limited generally to twenty-five percent of patronage capital and margins of the next preceding year where, after giving effect to such distribution, the total equity will equal or exceed twenty percent of total assets. Distribution may be made, however, in such amounts as may be approved by REA through waiver of the aforementioned restrictions. Such distributions to members totaled $882,721 in 1990.

The REA mortgage requires Seminole to design its wholesale rates with a view towards maintaining, on a calendar year basis, a Times Interest Earned Ratio (as defined) of not less than 1.0 and a Debt Service Coverage Ratio (as defined) of not less than 1.0. An REA stipulation arising from the sale of tax benefits requires Seminole to design its wholesale rates to provide an annual Times Interest Earned Ratio (as defined) of not less than 1.05.

In both 1990 and 1989, Seminole achieved a Times Interest Earned Ratio (as defined) of 1.05 and a Debt Service Coverage Ratio (as defined) of 1.3.

NOTE 7 - LINES OF CREDIT:

Seminole had available lines of credit totaling $92 million of which none were drawn at December 31, 1990. REA policy governs use of these funds.

NOTE 8 - INCOME TAXES:

Seminole is a non-exempt cooperative subject to federal and state income taxes and files a consolidated return. As a cooperative, Seminole is entitled to exclude from taxable income those margins assigned to members as patronage credits.

Seminole's ratemaking methods provide that income taxes are recognized as expense and are recovered through rates when currently payable. In addition, income tax credits are accounted for as a reduction of taxes currently payable in the period utilized. In 1990 and 1989, there were income tax losses due to timing differences in the recognition of certain income and expenses for tax and financial reporting purposes, primarily depreciation and sale-leaseback of plant. In 1990 and 1989, no income taxes were paid.

Since Seminole became taxable in 1981, deferred taxes have not been provided on approximately $228 million of timing differences. Current ratemaking practices provide future recovery of taxes related to timing differences previously flowed through. At December 31, 1990, net operating losses and income tax credits of approximately $205 million and $13 million are available to offset future taxable income and tax liabilities, respectively, through 2005 and 2001. Member related loss carryovers of approximately $23 million, which do not expire, are available to offset future member related income.

In 1987, the Financial Accounting Standards Board issued Statement No. 96, "Accounting for Income Taxes", which Seminole is required to adopt by 1992. This standard will require certain changes in

the way Seminole accounts for income taxes, including a requirement to record an asset related to timing differences previously flowed through and the establishment of the related income tax liability. Adoption of this standard is not expected to have a material effect on the financial statements.

NOTE 9 - RETIREMENT PLAN:

Substantially all Seminole employees participate in the National Rural Electric Cooperative Association (NRECA) Retirement and Security Program (the Program), a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. Seminole had made annual contributions to the Program equal to the amounts accrued for pension expense until July 1, 1987, when a moratorium on contributions came into effect due to reaching full funding limitation. Accordingly, there was no pension expense for 1990 or 1989. In this multiemployer plan, which is available to all member cooperatives of NRECA, the accumulated benefits and plan assets are not determined or allocated separately by individual employer. Seminole presently has no post retirement benefits other than these pension arrangements for which a future liability exists.

NOTE 10 - OPERATING LEASES:

At December 31, 1990, Seminole was obligated under certain leases of generating facilities and transportation equipment for which base lease terms expire on various dates through 2009. The lease of the generating facilities contains a variable interest rate component that could affect future lease payments. Base rental obligations under these leases are payable as follows:

Year ending December 31,	
1991	$ 40,795,758
1992	40,795,758
1993	40,795,758
1994	40,795,758
1995	40,795,758
Thereafter	$547,806,084

These leases provide for renewals and options to purchase at fair market value at various dates or upon expiration.

Rental payments for these transportation equipment leases totaled $3,940,595 for 1990 and $3,829,412 for 1989. These payments were included as a cost of fuel inventory and expensed based on the tons of coal burned throughout the year.

NOTE 11 - COMMITMENTS:

Seminole is purchasing coal for the plant under long-term contracts expiring in 2010. Contract terms specify minimum annual purchase commitments, subject to force majeure conditions, and prices, which are subject to adjustment for changes in costs. In addition, Seminole has long-term contracts for coal transportation. Contract terms include a minimum cost as determined by a base quantity of tons shipped and prices, which are subject to adjustment for changes in costs. Total charges under these agreements were approximately $107 million in 1990 and $100 million in 1989.

In May of 1990, Seminole established an external Nuclear Decommissioning Trust Fund (NDTF) in compliance with regulations prescribed by the Nuclear Regulatory Commission. The initial deposit to the fund of approximately $1.2 million represents Seminole's cumulative share of the estimated sinking fund reserve required to decommission CR3. These amounts have been previously recovered from members through rates and a provision made in current operations of prior years. Prospectively, annual cash deposits will be made to the NDTF representing Seminole's annual share of the projected sinking fund requirements. Based upon a study completed in 1986, Seminole's total share of the projected cost of decommissioning is approximately $3.7 million in 1990 dollars and decommissioning expenditures are expected to occur over a nine year period ending in the year 2023.

During 1989, Seminole entered into an agreement with an IPP for the purchase of 295 megawatts of capacity by Seminole from a generating station to be constructed and operated by the IPP on a site leased from Acuera Corp. and 145 megawatts of capacity from an existing coal fired generating facility. Under the terms of the agreement, Seminole will receive 440 megawatts of capacity, subject to certain restrictions as to its use, and will be obligated to make annual "take or pay" capacity payments of approximately $36 million over the twenty year term of the agreement commencing in 1993. At December 31, 1990, this agreement was subject to approval by REA.