

FLORIDA PROGRESS CORPORATION
1991 ANNUAL REPORT


THE POWER OF PROGRESS



This year's annual report — "The Power of Progress" — represents the collective strength of the operating companies that make up Florida Progress Corporation. All told, these companies control more than \$1 billion in assets and, in 1981, they produced revenues of about \$2.1 billion. Formed in 1982, Florida Progress operates as a diversified utility holding company. Its corporate strategy combines the strengths of its growing electric utility with a few select diversified businesses.

In particular, the strategy focuses on providing the resources to further strengthen the company's largest subsidiary, Florida Power Corporation. Serving the electricity needs of more than 4.4 million people, Florida Power stands as a symbol of "The Power of Progress." A symbol of strength, tradition and quality. And, looking ahead, Florida Progress is committed to keeping Florida Power strong. During this decade, the utility will work to maintain its superior customer service, financial strength and efficient operations.

Throughout this report are images that express the power of Florida Progress and its principal operations.



At the top: Pictured on the cover of this year's report is an aerial view of Florida Power's Crystal River Energy Complex. The massive facility sits on a 4,700-acre site in Florida's West Coast, located about 90 miles north of St. Petersburg. Five generating units at the complex produce almost 3-million kilowatts of power, making it the largest power plant site in Florida. The front cover shows the top row of units at the complex, Crystal River Units 4 and 5, both of which burn coal-fired. To the left are the coal units' two large cooling towers.

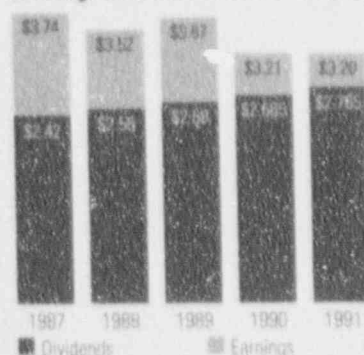
This aerial photograph continues on this page showing Units 1 and 2, both coal-fired, and Unit 3, which is nuclear. The 675,000-horsepower nuclear unit — Florida Power's largest generating unit — appears to the right of the coal units. When combined, these five units at Crystal River provide nearly half of Florida Power's total generating capacity.

INVESTOR HIGHLIGHTS

(Dollars in millions, except per share amounts)

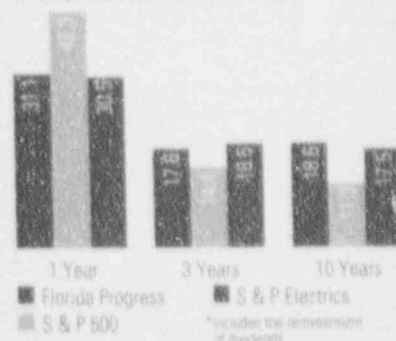
	1990	Annual Growth Rates (in percent)		
		1990	1991	1986-1991
OPERATING RESULTS				
Utility revenues	\$ 1,718.8	\$ 1,709.1	6	2.3
Diversified revenues (continuing)	355.9	301.7	18.0	13.9
Income from continuing operations	174.5	179.8	(2.9)	(7)
Loss from discontinued operations	(2.4)	(15.0)		
Net income	172.1	164.8	4.4	(1.0)
DATA PER SHARE				
Earnings:				
Utility	\$ 3.05	\$ 3.22	(5.3)	(2.0)
Diversified	.19	.28	(32.1)	(10.5)
Continuing operations	3.24	3.50	(7.4)	(2.6)
Discontinued operations	(.04)	(.29)		
Consolidated	3.20	3.21	(.3)	(2.9)
Dividends	2.765	2.665	3.8	3.7
Book value	28.72	27.55	4.2	4.3
Closing stock price	47	38 1/4	22.9	3.5
Stock price range	36 1/2-17 1/4	33 1/2-40 1/2		
FINANCIAL POSITION AT DECEMBER 31				
Assets	\$ 5,024.9	\$ 5,045.9	(.4)	5.4
Total capitalization	3,546.0	3,665.0	(3.2)	5.4
Capitalization structure:				
Short-term capital	4.1%	18.6%		
Long-term debt	44.6	36.2		
Preferred stock	6.5	6.4		
Common stock equity	44.8	38.8		
OTHER STATISTICS				
Return on common equity	11.4%	11.8%		
Dividend yield	6.0%	7.2%		
Average common shares outstanding (in millions)	63.9	51.3	5.1	2.0
Employees	7,350	7,879	(6.7)	(1.8)

Earnings and Dividends Per Share



Average Annual Total Returns*

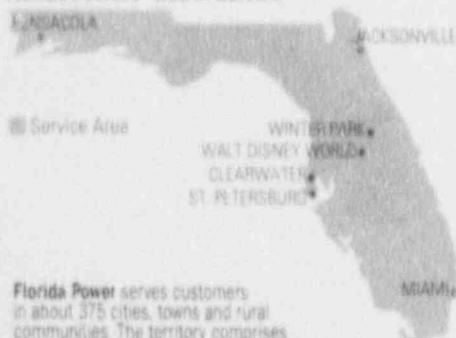
for the periods ended December 31, 1991



Florida Progress Corporation is a diversified utility holding company with assets of \$5 billion. Its principal subsidiary is St. Petersburg-based Florida Power Corporation, the state's second largest electric utility. Florida Power serves a fast-growing area of the country and has a tradition of quality service and low electric rates. The primary corporate focus is maintaining Florida Power's operational and financial strength. The diversification strategy is to invest in businesses whose earnings can grow at a faster rate than the utility so higher total returns can be achieved for shareholders.



Florida Power's Area of Service



Florida Power serves customers in about 375 cities, towns and rural communities. The territory comprises about 20,000 square miles with a population of more than 4.4 million.

Florida Power Corporation

An electric utility serving more than 1.1 million customers in 32 of Florida's 67 counties. Total capacity exceeds 7 million kilowatts with an energy mix of 50 percent coal, 17 percent nuclear, 22 percent oil, 1 percent gas and 10 percent purchased power. Retail kilowatt-hour sales increased an average 4.9 percent during the last five-year period.

Size relative to consolidated company

- Assets \$3.643 billion — 73%
- Revenues \$1.719 billion — 81%
- Earnings \$164.1 million — 95%

Electric Fuels Corporation

A coal mining and transportation services company serving electric utilities and industrial companies. Electric Fuels' major businesses include coal mining, procurement and transportation; bulk commodities transportation; and railcar and marine rep. services. Unregulated business now accounts for about one-half of earnings.

Size relative to consolidated company

- Assets \$280 million — 6%
- Revenues \$197 million — 9%
- Earnings \$5.0 million — 5%

The population in parts of Florida Power's area of service, primarily in the Orlando area, is growing nearly three times the national average. This new subdivision, located northeast of Walt Disney World, is an example of Florida Power's strong residential growth. The subdivision is served by the utility's Winter Garden district.





Talquin Corporation

A real estate company with projects located in Florida. Talquin's principal real estate holdings include Florida Progress' headquarters building, apartment complexes, office buildings, hotels and life-care facilities. Florida Progress decided the cyclical nature of the real estate business does not provide a stream of steady earnings for increasing dividend growth. Talquin will sell its assets as real estate market conditions improve.

Size relative to consolidated company

- Assets \$210 million — 4%
- Revenues \$17 million — 1%
- Losses \$6.6 million — (4)%

Mid-Continent Life Insurance Company

A life insurance company, headquartered in Oklahoma City, serving customers in 37 states through more than 6,000 independent agents. Mid-Continent's principal product is a low-premium death benefit policy. Acquired in 1986, Mid-Continent has increased earnings an average of 24 percent annually. Rated A+ Superior by A.M. Best, a prominent insurance rating agency, for 13 consecutive years.

Size relative to consolidated company

- Assets \$187 million — 4%
- Revenues \$63 million — 3%
- Earnings \$7.5 million — 4%

Progress Credit Corporation

A lending and leasing business with financing activities primarily in commercial aircraft, real estate projects, locomotives and medical equipment. Florida Progress decided the growth of its finance subsidiary requires too much of a capital commitment at a time when the company needs to support Florida Power's construction program. Progress Credit plans to sell its assets in an orderly manner as market conditions improve.

Size relative to consolidated company

- Assets \$669 million — 13%
- Revenues \$75 million — 4%
- Earnings \$8.4 million — 5%

Advanced Separation Technologies Incorporated

A research and development company whose principal product is a patented adsorption technology. Called Ion Separation (ISEP), the product removes dissolved impurities and makes chemical separations in a continuous process. The technology has been marketed and sold to food processors, chemical manufacturers and fertilizer companies.

CONTENTS

- 1 Investor Highlights
- 2 Letter to Shareholders
- 3 Interview with Executives
- 4 Utility Operations
- 5 Diversified Operations
- 6 Management's Discussion and Analysis
- 7 Management's Report
- 8 Reports from Auditors
- 9 Consolidated Financial Statements
- 10 Quarterly Financial Data
- 11 Selected Data of Florida Progress Corporation
- 12 Selected Data of Florida Power Corporation
- 13 Directors and Officers
- 14 Investor Information



LETTER TO SHAREHOLDERS

Dear Fellow Shareholders:

Our corporate strategy emphasizes the steady and long-term growth of our businesses. By maintaining this focus, we will realize the full potential of "The Power of Progress," the theme for our 1991 Annual Report to Shareholders.

I am pleased to report the company's board of directors increased the annual dividend rate on common stock to \$2.84 per share, up 10 cents or 3.6 percent over the previous year. This marks the 39th consecutive year the company has increased dividends paid per share — a track record that ranks in the top 10 of the more than 1,700 companies listed on the New York Stock Exchange. The dividend increase reflects the board's continuing confidence in the future of Florida Progress Corporation.

In 1991, we moved forward with our long-term strategy of investing in our core electric utility business as well as focusing on a few select diversified businesses. We in-

tend to keep Florida Power Corporation strong, operationally and financially. Approximately \$100 million of new equity capital was invested in the utility during 1991.

"The Power of Progress" also represents the collective contributions of our diversified operations. Our corporate strategy includes expanding the energy-related operations of our coal and transportation business and maintaining the steady, profitable growth of our life insurance company. We believe, over the long term, that our diversified operations will increase their contribution to earnings growth. In turn, Florida Progress will be able to offer a more competitive dividend growth rate and higher total returns for shareholders.

We also have taken further steps to streamline and restructure our other diver-

sified operations. In September, we decided to begin an orderly withdrawal from the commercial lending and leasing business.

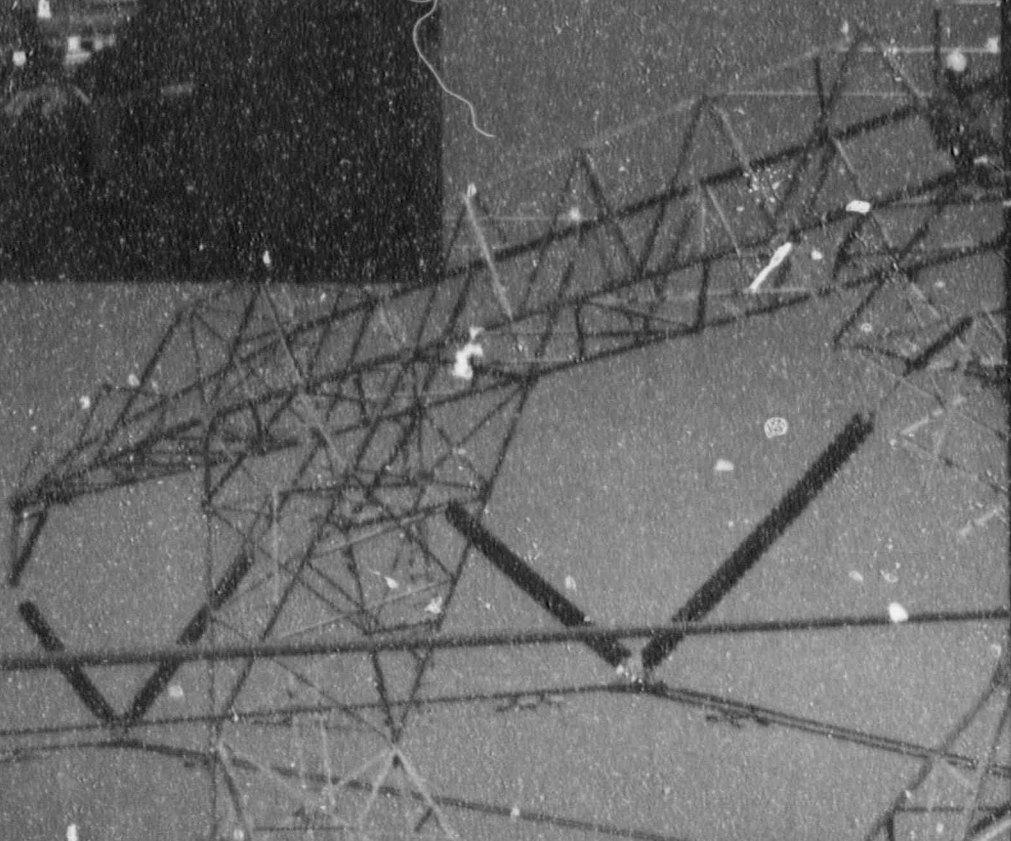
And recently, we accomplished another strategic goal when, in January 1992, we sold the two remaining operations in our building products division. Three other building products operations were sold in 1991. An increase of \$2.4 million to the original after-tax loss reserve was required as a result of the sale of these five operations. These transactions complete our exit from this industry. We continue efforts to sell our real estate holdings.

These strategic changes in our diversified operations ultimately should allow us to redeploy capital to other areas. Moreover, these moves help establish a firm foundation for improving future earnings and long-term profitability.

In 1991, Florida Progress reported earnings from continuing operations of \$174.5 million, 2.9 percent lower than the \$179.8 million earned in 1990.



High above the ground, a Florida Power line crew changes insulators extending from a 100-foot transmission tower near Brooksville, Florida.



Florida Power's earnings were slightly lower largely because of additional annual depreciation expenses and higher operating and maintenance costs.

On a comparative basis, about \$4.3 million of the decline in Florida Progress' continuing diversified earnings was due to the sale of our citrus operations in 1990. A weak coal market in early 1991 and depressed real estate conditions were also principal reasons for the decline.

Stock dilution also contributed to the decline in earnings per share from continuing operations, which dropped from \$3.50 in 1990 to \$3.24 in 1991. Florida Progress issued 2.9 million shares of new common stock in May and the company sold another 680,000 new shares through its dividend reinvestment and stock purchase plan. Net proceeds from the May stock sale were added to the company's general funds and were used primarily to provide equity to Florida Power. The utility will use the equity capital to support expansion and future construction.

Florida Power is taking the necessary steps to improve operating results. In early 1992, the utility filed with state regulators a request to collect \$145.9 million in additional annual revenues. The requested increase in base rates — the utility's first in eight years — is needed to recover higher expenses and costs associated with meeting customer growth and inflation. Future growth in earnings will depend, in large part, on this rate increase.

Our electric utility accomplished several strategic goals in 1991. Florida Power:

- Completed a detailed plan for meeting energy needs of its customers in the next 10 years.
- Selected the site for its next major power plant complex.
- Decided to use clean-burning natural gas along with a combined-cycle technology in the first phase of the new energy complex.
- Took advantage of favorable market conditions to issue debt at low interest rates.

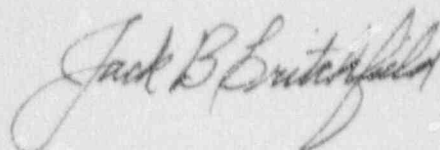
These achievements are expected to strengthen our utility's operations and improve financial results.

Our stock price continues to benefit from an uncertain economy and low interest rates. The company's total return in 1991 was 31.1 percent. During the year, our stock price rose steadily, ending the year at a closing high of \$47 per share.

In November, Florida Progress made a number of key management changes designed to provide a framework for succession in the future. These changes included the appointment of Richard Korpan as president and chief operating officer of Florida Progress. I will remain the company's chairman and chief executive officer. Mr. Korpan, who was previously executive vice president and chief financial officer, will oversee the activities of our various operating groups. Since joining Florida Progress in 1989, he has demonstrated leadership strength and a keen knowledge of our businesses.

Three board members are retiring in April 1992 when their respective terms expire. Leaving the board are Joe H. Scott, Corneal B. Myers and Dr. Robert F. Lanzillotti. A director since 1984, Mr. Scott is a former Florida Progress officer who retired in 1990 after 40 years with the company. Mr. Myers has been a director since 1978 and Dr. Lanzillotti joined the board in 1991. All three individuals provided valuable guidance and insight. Profiles of the company's board members appear on page 48 of this report. Information on nominees to the board is contained in the Proxy Statement for the 1992 Annual Meeting of Shareholders.

To you, our shareholders, I express my deep appreciation for your continued support. We look forward to the future with great confidence. On behalf of the company's board of directors, management and all the employees of the Florida Progress companies, thank you for believing in "The Power of Progress."



Dr. Jack B. Critchfield
Chairman and Chief Executive Officer
February 5, 1992



INTERVIEW WITH EXECUTIVES

This section of the annual report features a question-and-answer discussion with four of the company's executive officers.

Florida Progress Corporation has reported a decline in earnings for the past few years. What are your expectations for improving earnings in 1992 and beyond?

Korpan: We believe the nation's economy will not improve significantly in 1992. And, since many of our operating companies are directly affected by the prevailing economy, we don't anticipate much earnings growth in 1992.

A number of conditions has affected our company's earnings in recent years. FloridaPower customers received a large rate reduction in 1989 and the utility has not had a full rate case since 1984. Higher depreciation expenses have not been recovered through electric rates. And increases in other expenses as well as new investments are not reflected in current rates. In our other operating areas, the lagging economy has slowed our ability to restructure our diversified operations.

However, we see several factors helping to position us for future earnings growth. FloridaPower recently filed with regulators for rate relief in 1992 and 1993. Construction investments for new facilities will be added soon to our utility's rate base. If the economy begins to show signs of improvement, which is expected later this year, it should have a positive impact on our diversified operations.



Richard Korpan, President and Chief Operating Officer, Florida Progress Corporation

In 1990 and 1991, Florida Progress made a number of changes in its diversified operations. What role will diversification play in the future?

Korpan: First of all, we are still committed to diversification. We'll focus on a few select businesses — businesses that can achieve higher returns than if we only operated an electric utility. But our strategy for diversification will be conservative. Our equity investment in diversification will be limited to no more than 20 percent of our total.

A top priority for us is to continue implementing our divestiture decisions. To improve diversified returns, we're selling our real estate assets. And we're reducing the size of our lending and leasing portfolio to strengthen our financial position. In the meantime, we'll continue building our coal mining and transportation operations and our life insurance company — all of which have proven profitable.

Long term, we'll consider entering a new business field that offers high growth potential, possibly in the water technology area. Any new investment must meet our primary goal for diversification, which is to contribute to long-term dividend growth and higher returns for our shareholders.



What do you think are the major challenges facing electric utilities in Florida?

Keesler: Among today's major challenges are: balancing service reliability with the cost of service; completing the necessary requirements for building new power plants; and satisfying tighter environmental regulations.

How is Florida Power preparing to meet these challenges?

Keesler: We take our obligation to serve our customers very seriously. That's why we're adding new, cost-effective capacity to meet future energy needs. This will boost our reserve margin to a more comfortable range. But, we also realize the importance of carefully planning our new capacity needs. It is not reasonable to require our customers to pay the year-round costs of additional generation to meet infrequent winter demand levels.

FloridaPower has started the lengthy process for building more baseload generating capacity. We've developed a plan that is operationally efficient, cost-effective and environmentally sensitive. In fact, we have selected a site in Central Florida that is primarily mined-out phosphate land.



Allen J. Keesler, Jr., President and Chief Executive Officer, Florida Power Corporation



Joseph F. Cronin, Executive Vice President
Florida Progress Corporation

Environmental awareness continues to play a major role in how we run our business. We've already taken important steps to protect our state's environment and preserve its valuable natural resources. For example, several years ago, we began burning low-sulfur coal in our plants which helped reduce sulfur dioxide emissions. And, in the years to come, we plan to meet tighter standards in the Clean Air Act, in large part, by using clean-burning natural gas at our next energy complex.

At Florida Power, one of our strategic goals is to be recognized as an environmental leader. We'll continue working hard to deal effectively with all these challenges — in ways that balance the interests of our shareholders and our customers.



Several years ago, Florida Progress began using strategic management as the process for directing the company and its operating units. What has the company accomplished through this process?

Cronin: Clearly, the process has improved our decision-making by requiring us to think more strategically and to challenge existing plans and past decisions. It pulls together all the disciplines in the organization in order

to set goals and select strategies that will create a long-term competitive advantage.

For example, by focusing on creating a competitive advantage, we have dramatically enhanced our method for investing in diversified businesses. This method will assure that our future industry and acquisition decisions are appropriate for a utility-based holding company. This same approach is used in all major capital investment decisions and was just used in the important generation-planning decision at Florida Power.

Strategic management also has helped us make key decisions in re-focusing our diversified operations.

How have your employees responded to the new management process?

Cronin: The process has been very well received. It has provided employees with an environment for contributing ideas and solutions. More levels of management are now involved in making key strategic decisions. We're tapping into the talents and wisdom of all company experts, not just senior officers.

All employees can benefit from this process because it helps them better understand the issues and why particular strategic decisions were made. Employees can be more productive in achieving goals if they understand and share the company's vision for the future.



Your current dividend payout ratio is 86 percent. How does that impact the company's dividend policy and objective of maintaining an above-average dividend growth rate?

Kuzma: Investors who own high-quality utility stocks expect steady, predictable dividend growth. Therefore, we take a

long-term view when formulating our dividend policy. Over time, it is our goal for the payout to be in the 70- to 75-percent range.

It is acceptable for our payout to be above this range for the short term if we expect improved earnings. Two key factors will determine if we can achieve our dividend growth and payout goals, whether Florida Power receives the needed rate relief in 1992 and 1993, and at what pace we're able to execute our diversification strategies.

The common stock of Florida Progress has been trading in the mid-\$40 range for several months. Under what conditions would your company consider splitting the stock?

Kuzma: If our stock continues to trade in the mid- to upper-\$40 price range, we're likely to recommend some form of stock split to our board of directors. It should be noted that a stock split, in and of itself, does not increase shareholder wealth. Our decision to split the stock would bring our stock into a more popular trading price range and increase the liquidity of our shares in the marketplace.



David R. Kuzma, Senior Vice President and Chief
Financial Officer, Florida Progress Corporation

UTILITY OPERATIONS

Put simply, Florida Power Corporation is "The Power of Progress." The electric utility represents more than 70 percent of Florida Progress Corporation's total assets and will continue to be the company's primary business for many years to come.

"The Power of Progress" also describes Florida Power's commitment to serving the future energy needs of its customers. The utility operates in a state that has a growing population. Florida currently ranks as the nation's fourth most populous state and it continues to attract new people and more businesses. About 450 people move into the state every day. Though the country remains in an economic slump, Florida's economy continues to perform above the national average.

Providing reliable service to Florida's growing population

Florida Power has proudly maintained a 92-year tradition of providing Floridians with reliable power at a reasonable cost. And, the utility has achieved that balance during periods of significant growth. Today, Florida Power is the state's second largest electric utility with more than 1.1 million customers. Since 1986, its customer growth rate has averaged 3.4 percent annually, nearly twice the national average. Some parts of Florida Power's 23,000-square-mile area of service are growing at rates nearly three times the national average.

Recently, however, the utility's customer growth rates have slowed. In 1991, the average number of customers in its system grew by 2.1 percent over the year before. Though this percentage is well above the national industry average of 1.2 percent, it is Florida Power's lowest customer growth percentage since 1976. Weak economic conditions continue to be the primary cause of this decline.



□ An air quality technician collects data from an air monitoring station at the new Polk County site. The data is used to formulate a baseline for measuring the site's air quality.





❑ Several deep wells are installed near the Polk County site to monitor groundwater levels.

▶ Using sonar equipment, a survey crew takes readings that will help record the bottom elevation of a pond at the Polk County site.

✎ In south Polk County, an environmental project manager from Florida Power meets with an environmental consultant to discuss her ideas for planning Florida Power's next major energy complex.



Despite the slower customer growth figures, Florida Power added nearly 24,000 customers to its system in 1991, which helped contribute to higher energy sales. The utility recorded retail sales of 25.2 billion kilowatt-hours in 1991, about 3.1 percent more than in 1990. In addition to higher sales, Florida Power customers reached a new system peak demand of 6,983 megawatts on January 17, 1992.

Customers in the more populous parts of Florida Power's area of service can now call 24 hours a day to ask questions about their accounts. At the end of 1991, nearly 90 percent of the customers Florida Power served were residential accounts. A high residential customer base means the utility's business remains largely constant and stable during a weak economy.

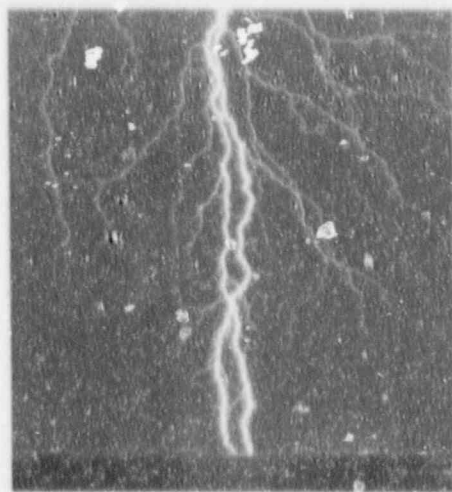
Florida Power estimates its customers will need 50 percent more energy in the next 10 years. Preparing for that growth requires sophisticated planning and sensible solutions. The utility plans to meet tomorrow's load growth by using a balanced mix of several environmentally sensitive and cost-effective resources.

The strategy includes adding new capacity as well as employing a series of energy conservation and load management programs. These energy efficiency programs are part of what the electric utility industry calls demand-side management.

Adding new capacity to meet growing energy demand

Florida Power plans to add more capacity by building new peaking and base-load generating units; purchasing power from neighboring utilities and cogenerators; and building more bulk power transmission line capacity in the state.

In 1991, Florida Power announced plans to build its next major power plant complex on an 8,000-acre site in Central Florida. Located primarily on mined-out phosphate land in Polk County, the site was selected by a citizen advisory



Florida's summer thunderstorms frequently include fierce lightning strikes that can destroy utility equipment. Lightning is one of the primary causes of service interruptions to Florida Power customers.

group because it balanced environmental and economic concerns with Florida Power's engineering requirements. Also, the site is centrally located in the utility's 32-county service territory and is adjacent to existing transmission lines.

Florida Power began the lengthy process of seeking regulatory approval to build the power plant complex. In August, the utility filed an application with the Florida Public Service Commission asking for permission to build new capacity.

Plans for the first phase of the new complex will include constructing combined-cycle units, one of the most efficient and economical designs for power production. Combined-cycle merges the technology of a combustion turbine with conventional steam-cycle production. To increase heat rate efficiency, waste heat from a combustion turbine is used to power a second turbine after it passes through a heat recovery steam generator.

The combined-cycle design was selected as the best option because it has lower costs, greater planning flexibility, greater efficiency and lower emissions than conventional coal units. The units can be easily modified and upgraded as load growth projections and future capacity requirements become more certain.

Each combined-cycle unit will be capable of producing 235 megawatts of power, with the first unit scheduled for completion in 1998. When completed in about 20 years, the new complex in Polk County is expected to produce almost 3,000 megawatts, making it equivalent in capacity to Florida Power's Crystal River Energy Complex — currently the state's largest power plant facility. The utility operates four coal-fired units and one nuclear-powered unit at Crystal River.

Florida Power selects natural gas to fuel new units in Polk County

The new combined-cycle units will be fueled by natural gas because gas represents the most cost-effective fossil fuel available in the foreseeable future. Florida Power will be able to take advantage of being located near existing well fields in Louisiana, Mississippi and the Gulf of Mexico. Natural gas is expected to be the cheapest fossil fuel source when compared to other fuels in terms of plant cost, efficiency, emission control costs and overall cost per kilowatt-hour. And because it burns cleaner than coal or oil, natural gas will help Florida Power meet tighter air quality controls under the Clean Air Act of 1990.

In December, Florida Power signed a letter of intent to negotiate a definitive agreement for natural gas transportation to the new Polk County site. A final agreement will be contingent on obtaining all regulatory approvals, financing and commitments from other customers.

The supply would come from a new natural gas pipeline, which would extend from Florida's panhandle to the central part of the state. Part of the new gas supply would be used at Florida Power's Anclote plant near Tarpov Springs, currently fueled by oil.

Florida Power selected the new pipeline because it will offer operating flexibility and will bring a second major source of natural gas into the state. In addition, the owners of the planned



At Florida Power, telephone center representatives are available 24 hours a day to handle service requests and answer questions, as well as to report outage information so line crews can be dispatched.

pipeline have access to major sources of natural gas in the United States and Canada.

Until new baseload generation is needed later this decade, Florida Power will use a variety of resources in the mid-1990s to meet increasing energy demands. Eight combustion turbine units, capable of producing a total of 728 megawatts of power, are under construction and scheduled to be in service in 1992 and 1993. These new units, commonly called "peaking" units, will help Florida Power serve its customers during periods of high energy use. And, after upgrading the performance of several of its existing combustion turbine units, Florida Power gained more power output — adding about 125 megawatts to its system capacity.

A balanced energy mix includes purchasing low-cost power

New capacity has been added by purchasing 400 megawatts from The Southern Company. The purchase is a firm capacity contract and gives Florida Power a low-cost, reliable source of coal-fired power over the next 18 years.

And negotiations are nearing completion for a new, 500,000-volt transmission line to connect Florida Power with electric utilities in the Southeast. The new line will have the capability of importing 650 megawatts in 1997. With existing tie-lines to the north nearing

capacity, Florida Power needs the line to assure greater service reliability and to provide access to low-cost purchases and emergency power.

Florida Power also is meeting load growth with a number of small purchases from non-utility sources. At the end of 1991, about 178 megawatts of cogenerated power was in service, and Florida Power has committed to increase its purchases to 1,095 megawatts by 1995.

Currently, Florida Power has purchased more non-utility generation than any other investor-owned electric utility in Florida. Florida Power believes too much of this type of generation could weaken operational efficiencies and threaten the utility's high standards for reliability. The utility does not plan to exceed its present level of purchased power under contract. Relying too heavily on purchased power can impact a company's financial strength and could result in lower debt ratings by the nation's credit rating agencies.

Florida Power operates the country's largest load management program

Florida Power has pioneered the development of several programs in demand-side management. Innovative and aggressive are words that describe Florida Power's energy efficiency programs, all of which are designed to help customers use electricity wisely. These programs — offered to customers under the name *Partners in Energy* — strengthen Florida Power's position as a leader in the electric utility industry.

Almost 30 percent of the utility's projected load growth will be met through demand-side management. When Florida Power estimates future energy demand, the utility first considers capacity savings from its demand-side management programs. These savings, expected to be about 2,375 megawatts by the year 2000, are subtracted from system load projections. The difference is then used to determine how much new generating capacity is needed.

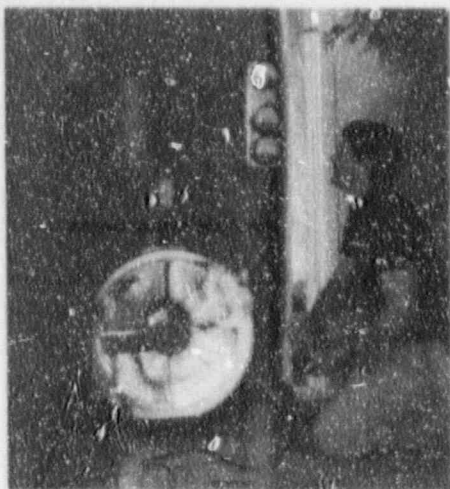


Prompt responses by Florida Power's line crews help the utility maintain high service reliability standards.

Florida Power's nationally recognized load management program celebrated its 10th year in operation in 1991 and is considered one of the nation's best for controlling peak demand. More than 370,000, or about one-third, of the utility's customers are subscribers.

Load management reduces electricity usage during peak-demand periods, which helps the company postpone the need to build new generating capacity. Customers participating in load management allow the utility to install special devices that control major household appliances, including air-conditioning and heating systems, water heaters and pool pumps.

When Florida Power's system reaches high levels of electricity use, radio signals are sent to temporarily interrupt power to the selected appliances. In return for participating, customers receive monthly credits on their electric bills. Florida Power recovers the credits through an energy conservation adjustment in its electric rates. Today, more than 700,000 major appliances are connected to Florida Power's load management program. In the next five years, most of the energy savings in demand-side management are expected to result from the utility's load management program. Florida Power earns a full return on its investment in load management equipment.



A unique type of device, called a "blower door," pressurizes a house so a Florida Power energy specialist can detect air leaks in a home's duct system.

Florida Power also reduces peak demand by controlling load to some of its industrial customers that use large amounts of electricity. These customers receive lower electric rates in return for allowing the utility to interrupt service to their businesses during periods of peak demand.

Florida Power offers 22 energy efficiency programs for its residential and commercial customers. In 1991, the utility began offering a new program that helps identify costly air leaks in central heating and cooling duct systems. After a Florida Power representative performs an energy audit on a house, a technician uses a unique fan device. Called a "blower door," the device is attached to the customer's front door. It pressurizes the house so monitoring equipment can detect air leaks in the home's central ductwork.

Clean Air Act to have minimal impact on Florida Power

Florida Power will not be affected by Phase I of the Clean Air Act of 1990 and the utility can meet the law's Phase II requirements with only minimal capital modifications to its power plants. Part of the new law, which tightens the nation's air pollution control standards, requires electric utilities to reduce emissions of sulfur dioxide and nitrogen oxide, or acquire allowances to meet emission limits.

By 1995, Phase I of the law will limit electric utilities to an annual sulfur dioxide emission level equal to 2.5 lbs. per million BTUs, multiplied by the average fuel consumption from 1985 to 1987. Because Florida Power already burns low-sulfur fuel, Phase I of the law will have no impact on the utility.

Further reductions in emissions, required in Phase II of the law, must be completed by the year 2000. Florida Power selected clean-burning natural gas as the fuel for its planned energy complex in Polk County. In addition to meeting customer growth, the new complex will help Florida Power meet Phase II requirements without any significant capital modifications to its existing generating units. Also, the utility's older power plants will begin burning a cleaner, lower-sulfur fuel later this decade. These changes are not expected to have a major impact on the company's annual fuel expenses, which are recovered through fuel charges on customers' electric bills.

Able to offer low electric rates by controlling costs

Florida Power continues to offer its customers electric rates that are among the lowest in the Southeast. The utility maintains this position because, over the years, it has managed to hold the line on expenses. In every phase of its expanding business, Florida Power works carefully to control costs and develop new operating efficiencies.

Florida Power's operating and maintenance costs per customer have been the lowest of the state's investor-owned electric utilities in four of the last five years. And the utility's balanced mix of several fuels helps control fuel expenses. Using a combination of fuels to produce power means the utility can minimize the impact of dramatic changes in the supply and price of individual fuels.

In 1991, Florida Power's energy mix was 50 percent coal, 22 percent oil, 17 percent nuclear, 10 percent purchased power and 1 percent natural gas. The utility's fuel expenses account for about



After a house is pressurized, a special chemical is sprayed into a home's central ductwork to test for air leaks.

one-third of the average customer's electric bill.

Operating power plants efficiently also lowers fuel costs and cuts operating and maintenance expenses. For eight consecutive years, Florida Power has ranked in the top 10 among the nation's 100 largest investor-owned electric utilities for fossil steam unit efficiency.

Nuclear plant has strong performance in 1991

Florida Power's largest power plant — the Crystal River Nuclear Plant — continues to earn praise from federal regulators for improvements in overall plant operations. In its 1991 review, called Systematic Assessment of Licensee Performance, the U.S. Nuclear Regulatory Commission gave the plant superior performance ratings in four of the seven areas evaluated. Plant operations, emergency preparedness, radiological control and security all received Category 1 ratings — the highest rating.

Engineering and technical support were rated "improving" in Category 2, considered average for the industry. The other two areas — maintenance/surveillance and safety assessment/quality assurance — also received Category 2 ratings. No areas were placed in Category 3, the lowest in the rating scale. In the previous review, the nuclear plant had superior ratings in three of the seven categories.

The 875-megawatt nuclear plant also reported a strong performance for 1991. It generated 5.5 million megawatt-hours, enough power to meet the electricity needs of 1 million homes for more than five months. During the year, the plant operated at 76.1 percent capacity, well above the national average for nuclear plants.

Last fall, plant officials completed a planned maintenance outage intended to increase the nuclear unit's long-term performance and prevent unplanned forced shutdowns. The outage was the first of its kind at the plant and marked the beginning of regular mid-cycle outages, so named because they occur midway between refueling outages every two years. The plant operated at 92 percent capacity until the mid-cycle outage began. The plant's next refueling outage is scheduled in the spring of 1992.

Florida Power seeks rate increase in 1992

In January 1992, Florida Power filed a petition with the Florida Public Service Commission asking for \$145.9 million in additional annual revenues. The petition is the utility's first request for an increase in retail base rates since 1984. Florida Power's last rate decision, in 1987, resulted in a rate reduction of \$121.5 million.

Florida Power needs the additional revenues to cover cost increases and investments associated with customer growth, environmental protection and general inflation. Although annual inflation rates have slowed since the early 1980s, the accumulated effects of inflation have continued to increase the utility's operating expenses above the level provided for in current rates.

The utility is seeking to collect the full amount of the rate increase in phases. The request will include interim rate relief of \$31.6 million, to go into effect in May 1992. Florida Power is asking for a permanent increase of \$108.1 million when the utility completes construction of new generating capacity in



Results from the "smoke door" test are reviewed with customers. Each customer receives a diagram that indicates where air leaks exist and what is needed to correct the problem.

late 1992. Four peaking units, capable of producing 364 megawatts, are expected to be placed in service at that time.

Another phase of permanent rate relief, totaling \$37.8 million, is needed in 1993 when Florida Power is scheduled to complete construction of a \$90-million cooling system at Crystal River. Beginning in 1993, Florida Power needs to fully accrue for retiree health and life benefits in accordance with new accounting standards. Also in 1993, construction of another 364 megawatts of new peaking capacity will be completed and placed in service. A decision on the permanent rate request is expected in September 1992.

Florida Power also anticipates filing a request with the Federal Energy Regulatory Commission for an increase in wholesale rates to coincide with the retail rate increase.

The additional revenues collected through higher rates will help Florida Power maintain its strong financial position. Currently, the utility has received a double A minus rating from all the nation's major credit rating agencies.

Balancing energy needs with concerns for the environment

Demonstrating environmental responsibility and leadership continues to be a top strategic goal for Florida Power.

The entire organization is committed to raising environmental awareness and action to a new level. Through the dedicated efforts of its employees, Florida Power already has earned the reputation of being a responsible leader in its industry.

Over the years, Florida Power has instituted a wide range of programs that preserve natural resources and protect the environment. Since 1983, the utility has burned high-quality, low-sulfur coal in its power plants, which helps reduce sulfur dioxide emissions. And recently when Florida Power announced plans to build its new energy complex in Polk County, the utility decided the new units will be fueled by clean-burning natural gas.

Construction continues on a massive water-cooling system at Crystal River designed to cool salt water flowing from Crystal River Units 1, 2 and 3. The system includes four rectangular-shaped cooling structures — each measuring 500 feet long and 50 feet wide. All four structures occupy an area about the size of eight football fields. The project also involves modifications at Units 1 and 2 to reduce cooling water flow to meet tighter environmental requirements. The water-cooling system is expected to be completed in 1993.


Also at Crystal River, Florida Power recently completed construction of a new marine hatchery. The utility plans to supply the salt waters in the Gulf of Mexico with redfish, spotted sea trout, shrimp and other marine life. The \$5-million facility includes spawning tanks and eight one-acre fish ponds. A two-story building at the facility is equipped with environmentally controlled rooms as well as special viewing areas for visitors and tour groups. These areas assist in educating the public about the importance of protecting the region's natural marine habitat. Thousands of fingerling-size fish are expected to be produced at the hatchery and released into shoreline areas along Florida's West Coast.



■ *Fingerling-size fish, measuring up to about three inches, are released into nearby coastal waters.*

■ *At Crystal River, marine biologists from Florida Power collect fish from one of the hatchery's eight ponds.*





Children are able to see first-hand the many varieties of fish and other marine life at Florida Power's Crystal River Mariculture Center.

Florida Power understands that wetland resources are vital to the state's natural water systems. The utility carefully evaluates wetland resources before constructing new facilities in an effort to minimize the impact to these environmentally sensitive areas.

Florida Power is working to save other valuable natural resources, too. Its award-winning recycling program includes everything from office paper to used streetlights. Florida Power has recycled about 600 tons of paper since 1989 and uses recycled paper products whenever practical. In 1991, the recycling program celebrated saving more than 10,000 trees.

Florida Power received national attention by developing a program that recycles discarded streetlights for reuse in many towns in Mexico. Metal fly ash, copper wire, aluminum conductor, motor oil and laser printer cartridges are among other resources the utility recycles. Recycling these materials helps reduce the amount of solid waste going to Florida's landfills.

Also Florida Power is generating income through another innovative recycling program. It is the first utility in the nation to operate an environmentally safe incinerator for burning paper insulation off the core of discarded transformers. The transformer's copper and aluminum are then recovered and sold for reuse. Florida Power will receive more than \$250,000 annually by using this process.

Prominent environmental leaders were invited to serve on a citizen advisory committee to help select the site for Florida Power's next power plant complex. For its effort of involving environmental organizations, Florida Power received a 1991 leadership award from the Florida Audubon Society. The advisory committee recommended a preferred site in Polk County on what is now mined-out phosphate land.

Employees know that through involvement and teamwork today's actions can save tomorrow's natural resources.



DIVERSIFIED OPERATIONS

Florida Progress continues to restructure and streamline its diversified operations. After making key strategic changes in 1991, Florida Progress plans to focus on a few select diversified operations — primarily its coal mining and transportation business and its life insurance company. When combined, these operations help strengthen "The Power of Progress." They work to achieve higher earnings growth and greater returns for Florida Progress shareholders.

Electric Fuels Corporation

To help accomplish its future diversification goals, Florida Progress will continue investing in and strengthening its coal and transportation operations. Electric Fuels Corporation, a subsidiary since 1976, has demonstrated an ability to capitalize on its investments. It has built profitable operations by expanding into businesses that are related closely to coal mining and transportation.

With operations now in 11 states, Electric Fuels is involved in coal mining, rail and water transportation, railcar and barge repair facilities and transloading services. Electric Fuels represents a good strategic fit for a diversified utility-based holding company, such as Florida Progress.

In the mid-1980s, Electric Fuels embarked on an expansion program that included acquiring groups of energy-related businesses. Since 1985, the company has invested \$81 million in acquisitions and another \$86 million in improving and maintaining its operations. As a result, the company's net income from continuing operations increased from about \$2.6 million in 1985 to \$8 million in 1991.



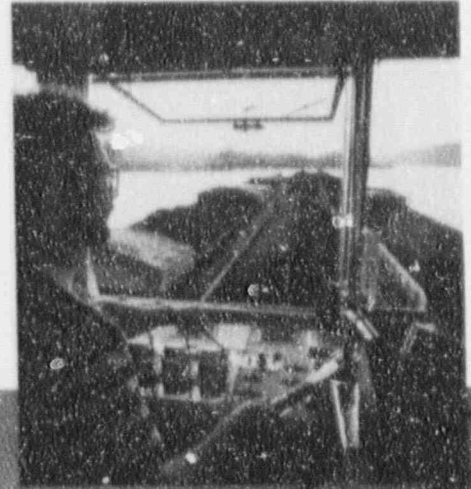
Raw coal is loaded at an Electric Fuels surface mine in eastern Kentucky.

Loaded with tons of coal, an Electric Fuels towboat pushes a full tow of barges down the Ohio River through Cincinnati.





▣ At a river terminal in Maysville, Kentucky, low-sulfur coal is loaded into barges, owned by an Electric Fuels subsidiary.



▣ From the towboat's pilot house, a river captain maneuvers his tow of 15 coal barges down the Ohio River.



Mining and selling coal remain the mainstay of Electric Fuels' business. In 1991, the company sold more than 10 million tons of coal, including 5 million tons to customers other than Florida Power. Among these customers are other electric utilities and large industrial companies.

Serving coal needs of Florida Power and other major companies

General Electric, General Motors and Eastman Kodak are among the industrial companies Electric Fuels serves. Its unregulated business has accounted for more than half of its total earnings since 1989. Though earnings from this portion of its business were lower in 1991 because of weak economic conditions and unfavorable weather, Electric Fuels believes unregulated profits will improve in 1992.

In 1991, the nation's coal market suffered one of its worst years in recent memory. In the next few years, the overall coal market is expected to grow modestly at about two percent annually. But demand for low-sulfur coal — such as the central Appalachian coal owned by Electric Fuels — is estimated to be higher, between three to five percent annually. Declining coal subsidies in Europe are expected to increase export demand for low-sulfur coal from the United States. In addition, U.S. electric utilities anticipate burning more low-sulfur coal to comply with tighter emission standards set by the Clean Air Act of 1990.

Each year, Electric Fuels delivers between 5 to 6 million tons of low-sulfur coal to Florida Power. And since 1984, Electric Fuels has reduced the cost of delivered coal to the utility by 21 percent. That has allowed Florida Power to produce electricity at the lowest cost per kilowatt-hour for coal-fired plants among the state's investor-owned utilities.



At Corbin, Kentucky, a machine operator repairs wheels from railcars.

Coal sales to Florida Power are expected to remain constant in the foreseeable future because of the utility's plan to burn natural gas at its next major power plant. As a result, Electric Fuels has developed a long-range strategy to increase coal sales to its other industrial and electric utility customers.

Acquiring new reserves to meet future coal needs

In January 1992, Electric Fuels purchased in excess of 50 million tons of coal reserves in eastern Kentucky from Inspiration Resources. The new acquisition brings Electric Fuels' total proven reserves to more than 300 million tons of clean, recoverable coal. Most of the high-quality coal owned or controlled by Electric Fuels is located in eastern Kentucky and southwestern Virginia. The company looks to acquire coal reserves that have active mine operations and existing contracts with large industrial or utility customers.

An integral part of Electric Fuels' diversified operation is its transportation network. The water and rail system includes terminal facilities, river barges, oceangoing vessels and railcars. Electric Fuels owns coal transloading terminals in Ohio, Kentucky and West Virginia from which it serves its customers.

South of New Orleans on the Mississippi River, the company also is part owner of a deep-water terminal. The terminal is a large transfer facility for bulk products and it provides valuable access for exporting coal to international markets. In addition to transporting coal, the company's transportation network carries dry bulk cargoes such as grain products, fertilizers, salts and iron ores on the Mississippi and Ohio rivers and the Gulf of Mexico.

Expanding transportation network to improve service

The company's inland marine subsidiary acquired 15 new river barges in 1991, bringing the total number of barges it operates to about 350. Electric Fuels also owns more than 750 railcars that carry coal from the Appalachian mines to Florida Power and other customers.

Company-owned businesses operate other facilities for repairing railcars, railcar parts, towboats, offshore supply vessels and tank barges. Most of the repair work at these facilities is with unaffiliated customers.

Over the years, Electric Fuels has made several strategic decisions to expand into businesses that complement its full-service operations. These acquisitions allow the company to maintain control of the complete delivery process. And the expansions contribute to higher sales and help strengthen the company's earnings potential. Such an integrated operation means coal deliveries can be handled more efficiently and customers can enjoy the convenience and cost savings of dealing with one supplier.

Florida Progress believes the potential for earnings growth at Electric Fuels is strong. The coal and transportation company will continue to capitalize on its existing operations and expand into areas in which it has experience and expertise.



A foreign ship is repaired at an Electric Fuses dry dock and repair facility near New Orleans.

Mid-Continent Life Insurance Company

Florida Progress also is pursuing a growth strategy for its life insurance company. Since being acquired by Florida Progress in 1986, Mid-Continent Life Insurance Company has increased profits every year and continues to provide excellent returns.

In 1991, Mid-Continent produced higher earnings than the year before and showed steady growth in its operations. Earnings have increased an average of 24 percent annually since 1986. The company achieves success by using a consistent approach to underwriting and maintaining a conservative investment portfolio.

Mid-Continent operates profitably at a time when other life insurance companies are struggling. About 10 years ago, the company decided to concentrate on selling a death benefit policy that does not include a significant savings feature. The "extra-life" policy is popular because it provides the maximum amount of protection for the least amount of premium.

Many life insurance companies were forced to invest in riskier securities to provide higher returns on policies with large savings features. Mid-Continent's policies primarily offer a death benefit.

And because of this strategy, the company is able to keep its assets in safe, high-quality securities. More than 95 percent of its financial portfolio is in investment-grade securities.

Founded in 1909, Mid-Continent is headquartered in Oklahoma City and is now licensed in 37 states. Its 6,000 independent agents have underwritten more than \$10 billion worth of life insurance protection. In the last five years, the company's total insurance underwritten for policyholders has increased an average of 19 percent annually — which is well above the industry average.

For 13 consecutive years, the company has held the highest insurance rating of A+ (Superior) from A.M. Best Co., a national rating agency. Fewer than eight percent of the nation's 2,300 life insurance companies have achieved this distinction. Mid-Continent's current statutory ratio of capital and surplus to assets is 26 percent — almost five times better than the industry average.

The future diversification strategy of Florida Progress includes positioning Mid-Continent for conservative, steady growth.

Advanced Separation Technologies

Florida Progress' research and development subsidiary continues to increase sales of its patented adsorption system. In 1991, Advanced Separation Technologies Incorporated sold seven of its Ion Separation (ISEP) machines. Recent orders have been sold to commercial and laboratory facilities located outside the United States, including facilities owned by such major companies as Archer Daniels Midland, Du Pont and Pfizer. ISEP machines have been sold to companies in Canada, South America, Japan, Korea, France, Italy, Holland and Belgium. Negotiations are continuing for orders in Germany, Norway and two more in South America. Twenty-



During 1991, Advanced Separation Technologies sold seven ion Separation (ISEP) machines, including this installation at Great Lakes Sugar near Toledo, Ohio.

three machines have been sold since Advanced Separation developed the unique system six years ago.

Future strategies for Advanced Separation will be directed at becoming a dominant supplier to chemical and food processing companies. The ISEP machine separates chemicals in a continuous process rather than conducting the separation in batches. The machine, which is typically about 20 feet tall and has a diameter of 15 feet, also can be used to remove many types of dissolved impurities.

Other Diversified Operations

Florida Progress during 1991 completed an evaluation of the long-term growth potential of its other diversified operations. As a result, several strategic moves were made that will reshape the future of the company's diversified operations.

In 1991, Florida Progress sold three of its five building products operations and completed the divestiture of the last two operations in January 1992. The original after-tax loss provision was increased \$2.4 million to cover the total losses from the sale of these operations.

The company will not make new investments in real estate and intends to sell its existing holdings when market conditions are favorable. The company's investments in its real estate portfolio, including its exposure through partnership liabilities and debt guarantees, total approximately \$300 million. The majority of this capital is invested in Barnett Tower, Florida Progress' headquarters building, the Carillon office park and partnerships developing upscale apartment complexes and lifecare facilities.

While the opportunities to sell these projects are expected to improve as the real estate market improves, the divestiture of a substantial portion of this portfolio is expected to take about five years.

Florida Progress also reassessed the future role of its lending and leasing operation, Progress Credit Corporation.

In September, Florida Progress announced it would begin an orderly withdrawal from this business. Although Progress Credit has been profitable, its growth would require too much of a capital commitment at a time when new capital is needed to support Florida Power's future construction program.

Florida Progress to sell assets of Progress Credit

A Florida Progress subsidiary since 1983, Progress Credit has been involved in leveraged leasing, equipment financing, senior secured commercial lending and investing in high-quality securities. Its financial portfolio — which totaled \$658 million at the end of 1991 — primarily contains commercial aircraft loans and leases and first mortgage real estate loans. About one-half of the financial portfolio consists of leveraged leases. These include air-



craft leases for equipment operated primarily by stronger airlines, such as Delta and American.

Since the end of 1990, Progress Credit's finance receivables have been affected by weak market conditions in



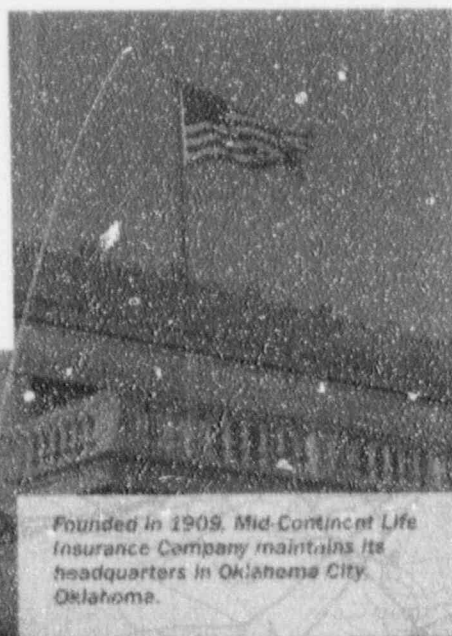
the airline and real estate industries. This has resulted in some delinquencies in lease and loan payments as well as loan principal maturities. Florida Progress has been working to negotiate and restructure these transactions and will, if necessary, exercise legal remedies.

Plans are under way to sell most of the assets of Progress Credit as market conditions improve. In 1991, Progress Credit sold \$137 million of marketable securities and highly leveraged transaction loans for a gain of \$14.5 million.

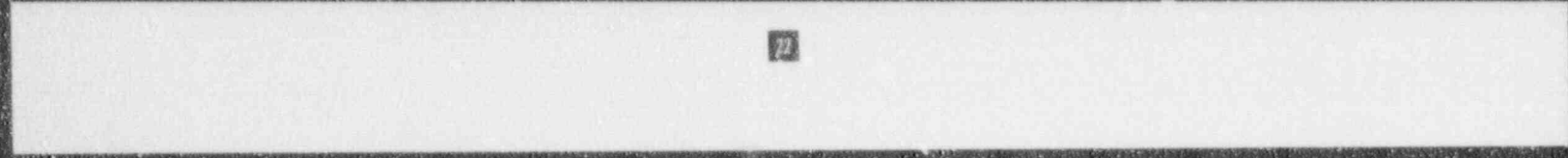
Progress Credit increased its loss reserve by \$16 million during 1991. The reserve balance at the end of 1991 was \$20 million, after recognizing a \$6-million loss on one of its aircraft leases. Assuming no further deteriora-

tion in the airline and real estate industries, this reserve is expected to be adequate to implement the liquidation strategy.

Florida Progress believes recent changes in its diversified operations will improve the performance of its diversified operations and strengthen the company's financial position. These changes are intended to help the company achieve higher long-term earnings growth and increase returns for its shareholders.



Founded in 1909, Mid-Continent Life Insurance Company maintains its headquarters in Oklahoma City, Oklahoma.



FINANCIAL REVIEW



MANAGEMENT'S DISCUSSION AND ANALYSIS

CORPORATE FINANCIAL OBJECTIVES

- Provide a total shareholder return that is competitive with other high-quality electric utility companies
- Develop the company's businesses in a manner that maintains its financial strength
- Maintain a competitive dividend growth rate through diversification

FINANCIAL GOALS — UTILITY

- Maintain a Double A first mortgage bond rating
- Earn a regulatory rate of return on common equity within the allowable range of 12.6% to 13.6%
- Meet dividend requirements without exceeding a payout ratio which is representative of quality companies in the electric utility industry
- Maintain an interest coverage of at least 3.0 times
- Internally generate at least 75% of construction expenditures
- Maintain capital structure such that:
 - Total debt is less than 46%
 - Common equity is greater than 45%
 - Preferred stock is less than 10%

1991 RESULTS

AA — Duff & Phelps
 AA — Fitch Investors Service, Inc.
 Aa3 — Moody's Investors Service
 AA — Standard & Poor's

107%

87%

3.9

90%

Total debt 42.7%
 Common equity 48.6%
 Preferred stock 8.7%

FINANCIAL GOAL — DIVERSIFIED OPERATIONS

- Through Progress Capital Holdings, maintain a Single A rating for medium term notes

1991 RESULTS

A2 — Moody's Investors Service
 A — Standard & Poor's

EARNINGS PER SHARE

	1991	1990	1989
Florida Power Corporation	\$3.05	\$3.22	\$3.28
Electric Fuels Corporation	.15	.19	.18
Mid-Continent Life Insurance Company	.14	.12	.10
Progress Credit Corporation	.16	.13	.13
Talquin Corporation	(.12)	(.04)	(.05)
Corporate & Other	(.14)	(.04)	.01
Diversified	.19	.28	.37
Continuing Operations	\$3.24	\$3.50	\$3.65
Discontinued Operations	(.04)	(.29)	.02
Consolidated	\$3.20	\$3.21	\$3.67

OPERATING RESULTS

Florida Progress Corporation's consolidated earnings per share for 1991 were \$3.20, compared with \$3.21 in 1990 and \$3.67 in 1989. In 1990, the company reduced net income for a loss on disposal of its building products operations by \$14.2 million, or \$.28 per share. In 1991, an additional loss of \$2.4 million, or \$.04 per share, was recognized to complete the divestitures.

Stock dilution accounted for a large part of the decline in earnings per share. Florida Progress issued new shares of common stock through a May 1991 public stock offering and through the company's dividend reinvestment and stock purchase plan.

Utility

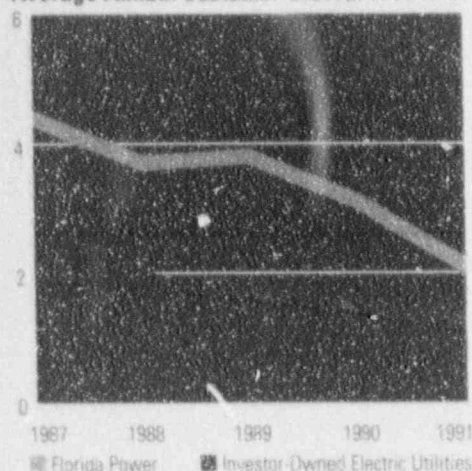
In 1991, Florida Power Corporation earned \$164.1 million, or \$3.05 per share, compared with \$165.5 million, or \$3.22 per share, in 1990. Higher depreciation rates ordered by the Florida Public Service Commission (FPSC) and the continuing impact of inflation on other operating and maintenance expenses lowered Florida Power's earnings.

Florida Power's customer growth and higher energy usage by commercial customers partially offset the impact of higher expenses during the year. Retail kilowatt-hour sales increased 3.1% in 1991 due to residential and commercial customer growth.

Operating revenues for Florida Power were slightly higher in 1991 due to retail sales growth offset by reduced recoverable fuel revenues. In 1990, a retail customer billing credit reduced operating revenues by \$12.5 million and utility earnings by \$7.8 million. The FPSC voted to discontinue the customer billing credit at the end of 1990.

In December 1991, the FPSC ruled in favor of Florida Power by refusing to disallow \$40 million in incremental replacement fuel costs incurred during

Average Annual Customer Growth (in percent)



outages at the Crystal River Nuclear Plant. The decision concluded a lengthy investigation initiated by the Office of Public Counsel, which requested the FPSC to disallow incremental replacement fuel costs for outages during 1988 and 1989.

In June 1991, the FPSC ordered a separate review of two other outages that occurred in late 1989 and 1990. The incremental cost of replacement fuel for these outages is approximately \$17 million. Florida Power has filed testimony with the FPSC supporting the utility's position. A decision is expected in 1992. Management believes that any amount of replacement fuel that may be disallowed would not be material.

In January 1990, the FPSC disallowed recovery of certain affiliated coal costs, which reduced 1990 results by \$.05 per share. This ruling, which resulted from adopting a market-based pricing methodology for recoverable fuel costs for purchases from an affiliated coal supplier, is not expected to have a significant effect on future operating results.

Fuel and purchased power costs decreased by \$60 million in 1991 primarily due to lower fossil fuel costs and increased generation from the nuclear plant. These costs increased in 1990 compared with 1989 due to recovery of previously deferred fuel expenses

and higher oil prices offset by increased nuclear generation. Since Florida Power recovers substantially all fuel costs through a fuel adjustment clause, and defers any adjustments to the following period, these fluctuations have little impact on net income.

Other utility operation expenses rose by \$24.6 million in 1991 mainly due to increased costs associated with recoverable energy conservation programs and higher assessment fees levied industrywide by the U.S. Nuclear Regulatory Commission.

In December 1990, the FPSC ordered Florida Power to increase its annual depreciation expenses, including a provision for fossil plant dismantlement costs, without a corresponding increase in base rates. During 1991, higher depreciation rates lowered Florida Power's net income by \$23.2 million and reduced the utility's earnings per share by \$.43 compared to the prior year. Florida Power expects that additional depreciation expense for fossil plant dismantlement costs will be ordered by the FPSC in connection with the January 1992 rate filing. (See Note 1 to the Consolidated Financial Statements on page 36.)

In January 1992, Florida Power filed a petition with the FPSC requesting a retail rate increase of \$145.9 million in annual revenues. The petition also requested interim relief of \$31.6 million based on the 12-month period ending November 30, 1991. (See page 13 and Note 9 on page 42.)

Florida Power has been notified by the U.S. Environmental Protection Agency that it is a potentially responsible party in the cleanup costs of several waste disposal sites under the Comprehensive Environmental Response Compensation and Liability Act and the Superfund Amendment and Reauthorization Act. The utility believes, based on the status of these matters and the large number of potentially responsible parties involved, that the possibility is

remote that these actions will have a material adverse effect on its future financial position. (See Note 10 on page 44.)

Diversified Operations

During 1991, Florida Progress continued a strategic evaluation of its diversified operations. As a result, the company began implementing changes that will redirect its diversification program.

The company has sold all five of its building products businesses and plans to withdraw from real estate development as market conditions allow. (See pages 19 and 20.)

Florida Progress also has reassessed the future role of its lending and leasing business, Progress Credit Corporation. (See pages 20 and 21.)

The sale of the real estate portfolio and Progress Credit's holdings are expected to result in lower revenues and lower interest expense for the company. The impact on net income will depend on the timing of sales and the relationship between the returns on the assets sold, carrying costs incurred and the interest rates on the associated debt repaid.

While Florida Progress restructures its diversified operations, the company plans to concentrate on expanding its coal and transportation business, Electric Fuels Corporation. The company believes this energy-related business is an excellent strategic fit with its utility company.

Florida Progress will continue its established growth strategy for its life insurance business. Mid-Continent Life Insurance Company has remained profitable, posting steady annual earnings growth, since its acquisition in 1986.

Florida Progress believes these strategies will allow its diversified operations to achieve higher long-term earnings growth and better total returns.

In 1991, earnings from continuing diversified operations were \$10.4 mil-

lion, or \$.19 per share, compared with \$14.3 million, or \$.28 per share, in 1990.

Earnings for Electric Fuels were \$.15 per share in 1991, compared with \$.19 in 1990 and \$.18 in 1989. Earnings from unaffiliated coal sales were lower due to weak market conditions that reduced margins throughout the year. Earnings were also adversely affected in 1991, and will likely be in future years, because Electric Fuels renegotiated a coal contract with an affiliated coal supplier to conform to the market-based pricing methodology adopted by the FPSC. (See Note 9 on page 43.)

Mid-Continent Life's earnings for 1991 increased to \$.14 per share from \$.12 in 1990 and \$.10 in 1989. The continuing expansion and development of the regional office network and growing market share are the principal reasons for the rise in earnings. Since 1986, the insurance company's earnings have increased an average of 24% annually.

In October 1990, Florida Progress announced plans to sell its five building products operations. Anticipating losses from the sale of these operations, the company reduced net income by \$14.2 million in 1990 by establishing a reserve for the disposition costs and potential losses.

Florida Progress has now sold all five of the building products operations. Net income was reduced by \$2.4 million in 1991 to provide for the total losses incurred from these divestitures. The company has reported the net assets and operating results of the building products operations as "discontinued operations" for all years presented. (See Note 11 on page 44.)

In 1991, Talquin Corporation, Florida Progress' development subsidiary, realized losses from continuing operations of \$.12 per share. In 1990 and 1989, the losses per share were \$.04 and \$.05, respectively.

The timing of the earnings on the sale of Talquin's citrus operations is the princi-

pal reason for the difference between 1991 and 1990 results.

In March 1990, Talquin entered into an installment sale of its citrus groves for an after-tax gain of \$7.7 million. The gain recorded at closing in 1990 was \$4.6 million, or \$.09 per share. The balance of \$3.1 million, or \$.06 per share, was recognized in 1991. In addition, Talquin realized approximately \$2.2 million, or \$.04 per share, in earnings from the citrus crop in 1990.

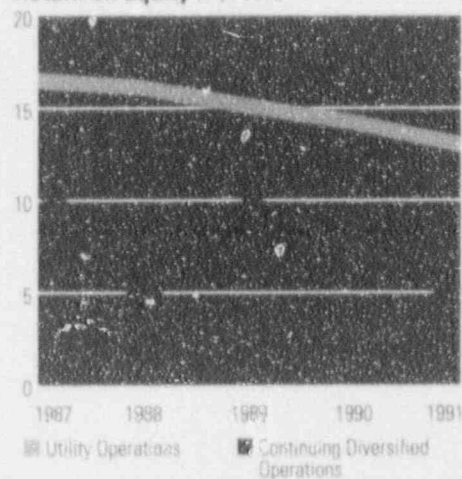
The recession in the national economy and Florida's real estate market has hurt the results at the company's diversified operations for the past three years. At the end of 1990, Florida Progress believed it was prudent to increase its reserves for real estate projects and lending and leasing activities in light of the weak economy. The after-tax effect of these reserves reduced 1990 earnings by \$5.6 million, or \$.11 per share.

Since Talquin's real estate properties are located in growth areas, management believes the market for its projects should begin to recover as the economy improves. The weak real estate market will require Talquin to hold, and absorb carrying costs on, these properties until economic conditions improve.

Earnings for Progress Credit in 1991 were \$.16 per share, compared with \$.13 in both 1990 and 1989. Since announcing its decision to implement an orderly liquidation of the commercial lending and leasing businesses in September 1991, Florida Progress has reduced Progress Credit's financial assets by nearly 25%, or approximately \$200 million. Progress Credit also realized gains of \$14.5 million on the sale of certain assets and provided \$16.4 million for possible loan and lease losses. (See Note 5 on page 40.)

Corporate and other operations includes the unallocated expenses of the holding company, Advanced Separation Technologies Incorporated, Progress Energy Corporation and the results of

Return on Equity (In percent)



other previously owned operations. In 1991, the corporate and other operations resulted in a loss per share of \$.14, compared with \$.12 in 1990 and \$.01 of net earnings in 1989. In 1989, earnings were increased \$.11 per share due to the gain on the sale and operations of Better Business Forms, Inc.

In 1991, diversified revenues, cost of sales and other expenses increased significantly compared with 1990. These increases resulted from new coal operations at Electric Fuels and volume growth at Progress Credit and Mid-Continent Life and increased loan and lease loss provisions at Progress Credit.

The return on equity chart highlights the relationship between utility and continuing diversified operations. The returns on the utility's common equity were 12.9% in 1991, 14.2% in 1990 and 15.1% in 1989. The lower return in 1991 is primarily due to higher depreciation expenses, including fossil plant dismantlement costs, and the increased equity base resulting from a \$100-million equity infusion during the year. The 1990 return was reduced due to a customer credit that lowered revenues.

The returns on equity for continuing diversified operations were 4.8% in 1991, 7.6% in 1990 and 9.8% in 1989. In both 1991 and 1990, diversified returns were depressed mainly due to holding real estate properties without

significant sales activity. The 1991 return was also affected by the lower results at Electric Fuels, which were mainly attributed to the depressed economic climate during the year. The percentage of equity invested in diversified operations is 18% at the end of 1991 and is likely to remain at 20% or less.

Interest Expense and Inflation

Interest expense increased in 1991 due to higher debt levels during the first five months of the year. These additional borrowings, funded during the fourth quarter of 1990, were primarily for investments in leases and loans at Progress Credit. Most of the proceeds from the common stock offering in May 1991 were initially used to retire short-term debt at Florida Power.

Allowance for funds used during construction increased \$5.2 million in 1991, compared with 1990, due to the higher level of construction work in progress at Florida Power during the year.

Even though the inflation rate has been relatively low in recent years, inflation continues to affect Florida Progress by reducing the purchasing power of the dollar and increasing the cost of replacing assets used in the business. This has a negative effect on the company since regulators do not generally consider this economic loss when utility rates are set. However, such losses are partly offset by the economic gains that result from the repayment of long-term debt with inflated dollars.

Income Taxes

The effective income tax rate for 1989 was lower than normal due to a regulatory ruling that resulted in a one-year pass-through of deferred income tax savings to utility customers.

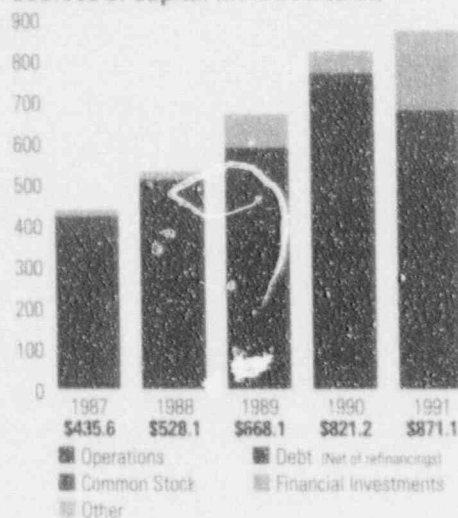
Florida Progress expects to adopt Financial Accounting Standard No. 96, "Accounting for Income Taxes," in 1993. The deadline for implementation has recently been extended and a new exposure draft clarifies and amends cer-

tain sections of the standard. Based on the provisions of the exposure draft, the company has preliminarily determined that the adoption of the standard will have an insignificant impact on earnings in the year of adoption. (See Note 1 on page 36.)

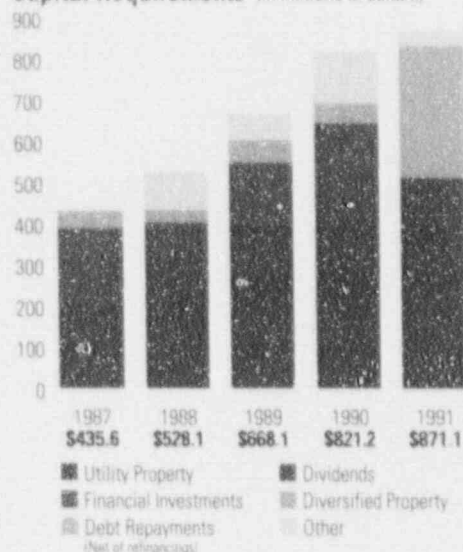
Other

Florida Progress is also required to adopt Financial Accounting Standard No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," starting in 1993. This standard mandates that an employer's obligation for postretirement benefits be fully accrued by the date employees attain full eligibility to receive these benefits. Florida Progress' policy has been to accrue benefits currently payable along with amortization of past service costs for current retirees. The company estimates it will accrue approximately \$15 million to \$20 million in additional annual costs under the new standard, but expects a substantial portion to be recoverable through base rates. Florida Power has included these costs in its retail rate increase petition filed in January 1992. (See Note 7 on page 41.)

Sources of Capital (In millions of dollars)



Capital Requirements (In millions of dollars)



Another Financial Accounting Standard will impact the company's disclosure for financial instruments in 1992. (See Note 1 on page 37.)

LIQUIDITY AND CAPITAL RESOURCES

Financing for utility and diversified operations is coordinated and managed at the holding company.

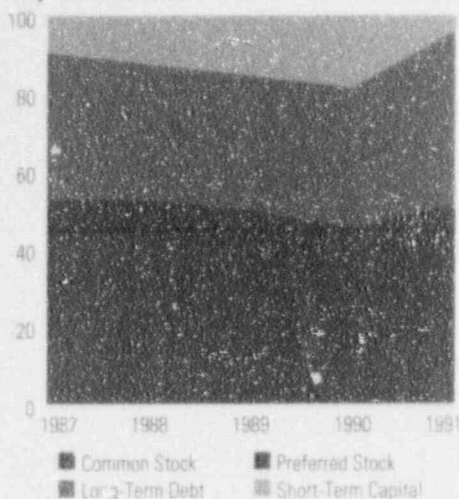
Cash from operations has been the primary source of capital for Florida Progress over the last five years.

In May 1991, the company sold more than 2.9 million common shares through its first underwritten public stock offering since 1983. The net proceeds totaled \$113.2 million. The company also raised equity capital through its dividend reinvestment and stock purchase plan in 1991 and 1990. In 1991, approximately 680,000 shares of common stock were issued through the plan yielding proceeds of \$27.9 million.

Other sources of capital have included proceeds from the sale of the building products operations and real estate development properties. In 1991, \$127.9 million was received from the net reduction of Progress Credit's financial assets.

Florida Progress' common equity, as a percent of total capital, increased to 44.8% in 1991, compared with 38.8%

Capital Structure (In percent)



in 1990. In addition, short-term capital was 4.1% of total capital at year-end 1991, down from 18.6% a year ago. The improvement in the company's capital structure results primarily from selling Florida Progress common stock, Florida Power first mortgage bonds and a part of Progress Credit's financial assets. Debt restructuring at Progress Capital Holdings, Inc. (PCH) also contributed to the improvement.

Florida Progress' primary short- and long-term capital requirements result from utility construction and property additions, dividend payments to common shareholders, debt repayments and diversified property additions. Other capital requirements include business acquisitions and joint venture investments.

Utility

Florida Power's construction expenditures for 1991 totaled \$345.9 million, consisting primarily of distribution and production expenditures. These expenditures were financed primarily with cash from operations. The five-year construction program includes planned expenditures of \$483 million, \$447 million, \$375 million, \$438 million and \$434 million for 1992 through 1996. Florida Power forecasts that an average of 63% of these construction expendi-

tures will be financed with internally generated funds.

In August 1991, the utility filed a need certification petition with the FPSC for approval to construct gas-fired, combined-cycle generating units in Polk County. Construction expenditures of \$81 million are planned for this new energy complex in the 1992-1996 forecast with the bulk of the expenditures in the later years.

As of year-end, the utility has several long-term purchase power commitments as part of its plan to meet future energy demand growth. (See page 11 and Note 10 on page 43 with respect to the present and possible future impact of these commitments.)

The Clean Air Act of 1990 requires electric utility companies to reduce sulfur dioxide emissions in two phases. Florida Power will not be affected by Phase I and can meet Phase II requirements with minimal capital modifications. (See page 12.)

In addition to funding its construction commitments with cash from operations, Florida Power accesses the capital markets through the issuance of medium-term notes, first mortgage bonds and equity from Florida Progress' common stock sales. Florida Power's goal is to maintain a capital structure that will retain its double A minus credit rating.

During 1991, Florida Power repaid \$140 million of long-term debt of which \$125 million were bank borrowings and \$15 million were maturing medium-term notes. These repayments were funded in part through the issuance of \$150 million in first mortgage bonds and \$29.5 million of medium-term notes. Redemptions of high-cost debt and favorable market conditions have helped lower Florida Power's embedded cost of long-term debt to 7.8% at December 31, 1991.

In May 1991, Florida Progress contributed \$100 million in equity capital to Florida Power from the proceeds of

the public stock offering to further strengthen the utility's financial position. The utility initially used these funds to reduce short-term debt.

Florida Power's short-term financing needs are funded primarily through its commercial paper program.

In November 1991, Florida Power established a 364-day and a five-year revolving bank credit facility, both for \$200 million of which \$300 million will be used to backup commercial paper.

Diversified Operations

PCH was formed in 1988 to consolidate the financial strength of the diversified operations. This downstream holding company, having the benefit of a support agreement with Florida Progress, helps to lower the cost of capital to those individual businesses.

PCH funds diversified operations primarily through the issuance of commercial paper and medium-term notes. PCH's commercial paper program is rated A-1 by Standard and Poor's and P-1 by Moody's and its medium-term note program is rated A and A2, respectively.

During 1991, PCH issued \$174 million in medium-term notes from its \$400 million medium-term note program, leaving \$226 million available for future issuance. These notes were issued to better match the expected holding period of assets of diversified subsidiaries including restructured loans at Progress Credit. (See Note 5 on page 40.)

As a result of the issuance of medium-term notes and the sale of a portion of Progress Credit assets, PCH reduced its commercial paper backup lines of credit by \$100 million to \$400 million and terminated a \$150-million facility during 1991. The \$400-million commercial paper backup is composed of a 364-day, \$100-million facility and a five-year, \$300-million facility. By changing the term of the commercial paper backup facility to be primarily long-term and reducing the amount of

short-term debt, PCH has strengthened its short-term liquidity. PCH's short-term debt as a component of total capital decreased to 3.7% at December 31, 1991 from 4.6% at year-end 1990.

In 1991, total diversified capital expenditures were \$37.9 million, primarily for facility construction and equipment replacements at Electric Fuels. In 1991, investments in leases, loans and securities generated net proceeds of \$127.9 million, compared with a net use of funds of \$229.2 million in 1990 and \$154.1 million in 1989, largely because of beginning the sale of Progress Credit assets in late 1991.

In 1992, diversified capital expenditures are forecasted to be \$13 million,

with most of these planned expenditures designated for the non-regulated coal operations of Electric Fuels. These expenditures are to be financed through medium-term notes and internal cash generation.

Progress Credit's portfolio includes more than \$600 million of investments related to the airline and commercial real estate industries. Progress Credit's finance receivables have been affected by conditions in the airline industry and a weak real estate market. As a result, Progress Credit has experienced delinquencies in ongoing lease and loan payments as well as loan principal maturities. Progress Credit has negotiated the restructuring of certain transactions and instituted legal remedies and other

remedial actions, where appropriate. (See Note 5 on page 39.)

Florida Progress has off-balance sheet risk related to debt of unconsolidated partnerships. (See Note 10 on page 43.) Should a partner in any partnership become unable to meet its share of the partnership's obligations, the remaining partners would be liable for all the debts of the partnership.

For a discussion of the challenges facing Florida Progress and its subsidiaries, refer to the Interview with Executives on pages 6 and 7. Company executives outline key strategies for Florida Progress and discuss expectations for the future.



M A N A G E M E N T ' S R E P O R T

To Our Shareholders:

Management is responsible for the integrity and objectivity of the financial and operating information contained in this 1991 Annual Report to Shareholders, including the consolidated financial statements covered by the Reports of the Independent Certified Public Accountants. These statements were prepared in accordance with generally accepted accounting principles and necessarily include amounts that are based on judgments and estimates by management.

Florida Progress Corporation maintains internal control systems and related policies and procedures designed to provide reasonable assurance that assets are safeguarded, that transactions are executed as authorized and are properly recorded and that accounting records may be relied upon for the preparation of consolidated financial statements and other financial information. These policies and procedures include a Code of Conduct program intended to ensure employees adhere to the highest standards of personal and professional integrity. The design, monitoring and revision of internal control systems involve, among other things, manage-

ment's judgment with respect to the relative cost and expected benefits of specific control measures. The company also maintains an internal auditing function that evaluates and formally reports on the adequacy and effectiveness of internal controls, policies and procedures.

In addition, the audit committee of the board of directors, consisting solely of outside directors, meets periodically with management, the internal auditors and the independent auditors to review matters related to internal controls, audit results, financial statements and financial reporting. Annually, the audit committee recommends to the board of directors the selection of independent auditors. Both the independent auditors and the internal auditors periodically meet alone with the audit committee and have free access to the committee at any time.

For Management,

A handwritten signature in cursive script that reads "David R. Kuzma".

David R. Kuzma
Senior Vice President and
Chief Financial Officer

R E P O R T S F R O M A U D I T O R S

Reports of the Independent Certified Public Accountants

To the Shareholders of Florida Progress Corporation:

We have audited the accompanying consolidated balance sheets of Florida Progress Corporation (a Florida corporation) and subsidiaries as of December 31, 1991 and 1990, and the related consolidated statements of income, cash flows, and shareholders' equity for each of the years in the two-year period ended December 31, 1991. These financial statements are the responsibility of Florida Progress Corporation'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 Florida Progress Corporation and subsidiaries as of December 31, 1991 and 1990, and the results of their operations and their cash flows for each of the years in the two-year period ended December 31, 1991, in conformity with generally accepted accounting principles.

Kathy Lee Marwick

St. Petersburg, Florida
January 27, 1992

To the Shareholders of Florida Progress Corporation:

We have audited the accompanying consolidated statements of income, cash flows, and shareholders' equity of Florida Progress Corporation (a Florida corporation) and subsidiaries for the year ended December 31, 1989. These financial statements are the responsibility of Florida Progress Corporation'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 referred to above 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 financial statements referred to above present fairly, in all material respects, the results of Florida Progress Corporation and subsidiaries' operations and their cash flows for the year ended December 31, 1989, in conformity with generally accepted accounting principles.

Arthur Andersen & Co.

Tampa, Florida
January 29, 1990

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF INCOME ■ FLORIDA PROGRESS CORPORATION

FOR THE YEARS ENDED DECEMBER 31, 1991, 1990 and 1989

(In millions, except per share amounts)

	1991	1990	1989
REVENUES:			
Electric utility	\$1,718.8	\$1,709.1	\$1,627.0
Diversified	355.9	301.7	274.3
	2,074.7	2,010.8	1,901.3
EXPENSES:			
Electric utility:			
Fuel and purchased power	606.6	666.6	621.4
Other	282.0	257.4	248.4
Operations	888.6	924.0	869.8
Maintenance	134.8	126.2	131.4
Depreciation	206.3	161.1	155.3
Taxes other than income taxes	129.3	119.9	107.3
	1,359.0	1,331.2	1,263.8
Diversified:			
Cost of sales	238.4	205.8	187.3
Other	61.9	39.7	42.0
	300.3	245.5	229.3
INCOME FROM OPERATIONS	415.4	434.1	408.2
INTEREST EXPENSE AND OTHER:			
Interest expense	146.1	144.4	125.7
Allowance for funds used during construction	(9.4)	(4.2)	(5.2)
Preferred dividend requirements of Florida Power	16.8	16.8	16.8
Other income, net	(4.5)	(5.1)	(7.2)
	149.0	151.9	130.1
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	266.4	282.2	278.1
Income taxes	91.9	102.4	92.0
INCOME FROM CONTINUING OPERATIONS	174.5	179.8	186.1
DISCONTINUED OPERATIONS, net of income taxes:			
Income (loss) from operations	—	(.8)	1.0
Provision for loss on disposal	(2.4)	(14.2)	—
Income (loss) from discontinued operations	(2.4)	(15.0)	1.0
NET INCOME	\$ 172.1	\$ 164.8	\$ 187.1
AVERAGE SHARES OF COMMON STOCK OUTSTANDING	53.9	51.3	51.1
EARNINGS PER AVERAGE COMMON SHARE:			
Continuing operations	\$3.24	\$3.50	\$3.65
Discontinued operations	(.04)	(.29)	.02
	\$3.20	\$3.21	\$3.67

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS FLORIDA PROGRESS CORPORATION

DECEMBER 31, 1991 and 1990

(In millions)

	1991	1990
ASSETS		
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service and held for future use	\$4,544.5	\$4,355.2
Less: Accumulated depreciation	1,657.7	1,503.9
	2,886.8	2,851.3
Construction work in progress	241.5	141.2
Nuclear fuel, net of amortization of \$247.2 in 1991 and \$218.7 in 1990	65.0	84.2
	3,193.3	3,076.7
Net electric utility plant	3,193.3	3,076.7
Other property, net of depreciation of \$98.6 in 1991 and \$80.1 in 1990	348.3	343.7
	3,541.6	3,420.4
 CURRENT ASSETS:		
Cash and equivalents	23.2	13.2
Accounts receivable, net	178.4	183.6
Current portion of leases and loans receivable	62.1	175.3
Inventories, primarily at average cost:		
Fuel	81.5	103.9
Utility materials and supplies	95.3	92.4
Diversified materials and products	8.6	9.9
Underrecovery of fuel cost	—	7.0
Other	37.0	15.0
	486.1	600.3
 NET ASSETS OF DISCONTINUED OPERATIONS		
	44.1	73.8
 OTHER ASSETS:		
Investments:		
Leases and loans receivable, net	560.6	516.9
Marketable securities	98.6	165.5
Joint ventures, partnerships and unregistered stock	101.6	112.5
Nuclear plant decommissioning fund	69.9	55.2
Deferred insurance policy acquisition costs	55.7	45.6
Other	66.7	55.7
	953.1	951.4
	\$5,024.9	\$5,045.9

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

	(In millions)	
	1991	1990
CAPITAL AND LIABILITIES		
COMMON STOCK EQUITY:		
Common stock without par value, 250,000,000 shares authorized, 55,288,612 shares outstanding in 1991 and 51,700,926 in 1990	\$ 811.6	\$ 670.5
Retained earnings	776.1	753.8
	<u>1,587.7</u>	<u>1,424.3</u>
CUMULATIVE PREFERRED STOCK OF FLORIDA POWER:		
Without sinking funds	133.5	133.5
With sinking funds	97.5	100.0
LONG-TERM DEBT	<u>1,581.1</u>	<u>1,326.2</u>
TOTAL CAPITAL	<u>3,399.8</u>	<u>2,984.0</u>
CURRENT LIABILITIES:		
Accounts payable	93.9	75.4
Customers' deposits	66.8	64.9
Income taxes payable	25.2	12.2
Accrued interest	37.9	39.5
Overrecovery of fuel cost	39.4	—
Other	56.5	57.2
	<u>319.7</u>	<u>249.2</u>
Notes payable	78.4	578.1
Current portion of long-term debt and preferred stock	67.8	102.9
	<u>465.9</u>	<u>930.2</u>
DEFERRED CREDITS AND OTHER LIABILITIES:		
Deferred income taxes	829.5	822.6
Unamortized investment tax credits	138.1	147.9
Insurance policy benefit reserves	115.9	98.8
Nuclear refueling outage reserve	13.8	5.8
Other	61.9	56.6
	<u>1,159.2</u>	<u>1,131.7</u>
COMMITMENTS AND CONTINGENCIES (Note 10)		
	<u>\$5,024.9</u>	<u>\$5,045.9</u>

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF CASH FLOWS FLORIDA PROGRESS CORPORATION

FOR THE YEARS ENDED DECEMBER 31, 1991, 1990 and 1989

(In millions)

	1991	1990	1989
OPERATING ACTIVITIES:			
Income from continuing operations	\$174.5	\$179.8	\$106.1
Adjustments for noncash items:			
Depreciation and amortization	266.3	207.4	191.6
Deferred income taxes and investment tax credits, net	(22.6)	5.2	41.6
Changes in working capital, net of effects from acquisition or sale of businesses:			
Accounts receivable	(4.7)	11.6	(50.5)
Inventories	21.5	(29.4)	(22.1)
Overrecovery (underrecovery) of fuel cost	46.4	14.4	(54.7)
Accounts payable	17.8	(27.9)	31.5
Other	13.7	13.7	28.4
Other operating activities	15.6	(1.1)	19.5
Cash provided by continuing operations	528.5	373.7	371.4
Income (loss) from discontinued operations	(2.4)	(15.0)	1.0
Adjustments for noncash items, primarily loss provision in 1990	8.7	23.6	5.5
Cash provided by discontinued operations	6.3	8.6	6.5
	534.8	382.3	377.9
INVESTING ACTIVITIES:			
Property additions (including allowance for borrowed funds used during construction)	(397.6)	(327.4)	(318.3)
Proceeds from sale of properties	31.3	31.1	13.8
Purchase of leases, loans and securities	(121.1)	(364.2)	(187.6)
Proceeds from sale or collection of leases, loans and securities	249.0	135.0	33.5
Acquisition of businesses	(5.7)	(36.2)	(8.4)
Proceeds from sale of businesses	21.0	.1	40.5
Investments in joint ventures, partnerships and unregistered stock	(11.2)	(78.9)	(16.5)
Distributions from joint ventures and partnerships	15.0	2.5	29.4
Other investing activities	(10.6)	(12.8)	(14.8)
	(229.9)	(650.8)	(428.4)
FINANCING ACTIVITIES:			
Issuance of long-term debt	704.1	306.5	284.3
Repayment of long-term debt	(489.1)	(136.1)	(303.6)
Sale of common stock	141.1	23.9	—
Dividends paid on common stock	(149.8)	(136.7)	(131.7)
Increase (decrease) in short-term debt	(500.1)	189.4	225.8
Other financing activities	(1.1)	2.5	(5.2)
	(294.9)	249.5	69.6
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	10.0	(19.0)	19.1
Beginning cash and equivalents	13.2	32.2	13.1
ENDING CASH AND EQUIVALENTS	\$ 23.2	\$ 13.2	\$ 32.2
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest (net of amount capitalized)	\$147.5	\$141.3	\$121.9
Income taxes (net of refunds)	\$101.5	\$ 84.1	\$ 46.5

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

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY ■ FLORIDA PROGRESS CORPORATION

FOR THE YEARS ENDED DECEMBER 31, 1991, 1990 and 1989

(In millions, except share amounts)

	Common Stock	Retained Earnings	Cumulative Preferred Stock of Florida Power	
			Without Sinking Funds	With Sinking Funds
Balance, December 31, 1988	\$646.6	\$670.3	\$133.5	\$100.0
Net income		187.1		
Cash dividends on common stock (\$2.58 per share)		(131.7)		
Balance, December 31, 1989	646.6	725.7	133.5	100.0
Net income		164.8		
Common stock issued — 649,726 shares	23.9			
Cash dividends on common stock (\$2.665 per share)		(136.7)		
Balance, December 31, 1990	670.5	753.8	133.5	100.0
Net income		172.1		
Common stock issued — 3,587,686 shares	141.1			
Cash dividends on common stock (\$2.765 per share)		(149.8)		
Reclassified to current — 25,000 shares				(2.5)
Balance, December 31, 1991	\$811.6	\$776.1	\$133.5	\$ 97.5

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General — Florida Progress Corporation (the Company) is exempt from regulation as a registered holding company under the Public Utility Holding Company Act of 1935. Its largest subsidiary, representing 73% of total assets, is Florida Power Corporation (Florida Power), a public utility engaged in the generation, transmission, distribution and sale of electric energy within Florida.

The consolidated financial statements combine the financial results of the Company and its majority-owned operations. All significant intercompany balances and intercompany transactions have been eliminated.

Investments in 20% to 50% owned joint ventures are accounted for using the equity method.

Certain reclassifications have been made to prior year amounts to conform to the current year's presentation.

Utility Plant — Utility plant is stated at the original cost of construction, which includes payroll and related costs such as taxes, pensions and other fringe benefits, general and administrative costs and an allowance for funds used during construction. Substantially all of the utility plant is pledged as collateral for Florida Power's First Mortgage Bonds.

Utility Revenues, Fuel and Purchased Power Expenses — Florida Power accrues the non-fuel portion of base revenues for services rendered but unbilled.

Revenues include amounts resulting from fuel and conservation adjustment clauses, which are designed to permit full recovery of these costs. The adjustment factors are based on projected costs for a six-month period. Revenues and expenses are adjusted for differences between recoverable fuel, purchased power and conservation costs and amounts included in current rates.

The cumulative fuel cost difference is shown in the balance sheet as over-recovery or underrecovery of fuel costs. Any overrecovery or underrecovery of costs, plus an interest factor, is to be refunded or billed to customers during the subsequent six-month period.

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

Earned Income on Finance Leases — The Company uses the finance method for recognizing earned income from finance leases, which are primarily leveraged leases having terms of three to 22 years. Accordingly, earned income, including any residual values expected to be recognized, and the related deferred investment tax credits are amortized as revenues over the term of

the transaction to provide an approximate level return on the positive net investment.

Income Taxes — Deferred income taxes have been provided on all significant book-tax timing differences, except during periods when applicable regulatory authorities did not permit the recovery of such taxes through rates charged to customers by Florida Power.

The cumulative net amount of income tax timing differences for which deferred taxes have not been provided was approximately \$100 million at December 31, 1991. As allowed under current regulatory practices, deferred taxes not previously provided are collected in customers' rates as such taxes become payable.

Deferred investment tax credits subject to regulatory accounting practices are being amortized to income over the lives of the related properties. Additionally, deferred investment tax credits associated with finance lease transactions are being amortized to revenues as described above.

Financial Accounting Standard No. 96, "Accounting for Income Taxes," was issued in December 1987 and must be adopted by the Company no later than 1993 if not superceded by a pending proposed exposure draft. The objective of this standard is to recognize the amount of current and deferred taxes payable and refundable for all events that have been recognized in the financial statements based on enacted tax laws at the date of the financial statements.

The Company has determined preliminarily that the adoption of the standard will not have a significant impact on earnings in the year of adoption and will result in a reduction in deferred income taxes on the Company's balance sheet. Substantially all of these reductions in deferred income taxes are applicable to Florida Power and result from timing differences for which deferred income taxes have been provided in prior years at higher statutory rates and the tax effect of deferred investment tax credits, partially offset by

timing differences discussed above for which deferred income taxes have not been provided. When Florida Power records these reductions in deferred income taxes, a net regulatory payable for the amount will also be recorded and there will be no effect on net income. Florida Power expects to recognize these tax effects in future consumer rates when such timing differences reverse.

Depreciation and Maintenance — The Company provides for depreciation of the cost of properties over their estimated useful lives primarily on a straight-line basis. Florida Power's annual provision for depreciation, including a provision for nuclear plant decommissioning costs and fossil plant dismantlement costs, expressed as a percentage of the average balances of depreciable utility plant was 4.8% for 1991 and 4.0% for 1990 and 1989.

Effective December 1, 1990, Florida Power was authorized to apply new depreciation rates which resulted in a \$37.2 million increase in annual depreciation expense for 1991. Prior to the authorization, Florida Power had applied interim depreciation rates, which increased depreciation expense by \$14.8 million during the first nine months of 1990. The effect of the interim rates was reversed at the direction of the Florida Public Service Commission (FPSC) in the fourth quarter of 1990. During 1991, the FPSC completed an investigation of all investor-owned electric utilities into the need to provide currently for fossil plant dismantlement costs. In May 1991, the FPSC approved Florida Power's motion to defer the implementation of any additional depreciation expense associated with this matter until Florida Power's next proceeding for review of base rates. Florida Power filed a request for an increase in base rates in January 1992.

Florida Power charges maintenance expense with the cost of repairs and minor renewals of property. The plant accounts are charged with the cost of renewals and replacements of property units. Accumulated depreciation is

charged with the cost, less the net salvage, of property units retired.

Allowance for Funds — The allowance for funds used during construction represents the estimated cost of capital funds (equity and debt) applicable to utility plant under construction. Recognition of this item as a cost of utility plant under construction is appropriate because it constitutes an actual cost of construction and, under established regulatory rate practices, Florida Power is permitted to earn a return on these costs and to recover them in the rates charged for utility services while the plant is in service.

The average rate used in computing the allowance for funds was 8.0% for 1991, 1990 and 1989.

Insurance Premiums, Policy Acquisition Costs and Benefit Reserves — Life insurance premiums are recognized as revenue over the premium-paying period of the policies. The Company defers recoverable costs in its insurance operations that directly relate to the production of new business. These costs are amortized over the expected premium-paying period. Reserves are established out of each premium payment to provide for the present value of future insurance policy benefits using reasonable assumptions for future investment yield, mortality, withdrawals and the risk of adverse deviation.

Profit from Real Estate Sales — Profit from the sale of real estate is recognized only upon the closing of a sale, the transfer of ownership rights to the purchaser and receipt of an adequate cash down payment.

Marketable Securities and Financial Instruments — The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Fixed income securities are carried at amortized cost and other equity securities are stated at the lower aggregate of cost or market value.

At December 31, 1991, the market value of marketable securities exceeded book value by \$3.7 million.

In accordance with its liquidation plan, Progress Credit sold \$118.4 million of marketable securities during the year for a pretax gain of \$14.5 million.

The Financial Accounting Standards Board issued Statement No. 107, "Disclosures about Fair Value of Financial Instruments," in December 1991. This statement requires disclosure of fair values for financial instruments and is effective for the Company in 1992. The Company's major financial instruments include trade accounts receivable and payable, marketable securities, leases and loans receivable, and debt. The Company has not quantified fair values for all of these items.

(2) DEBT

The Company's short-term debt at December 31, 1991 and 1990 consisted of the following:

(In millions)	1991	1990
Commercial paper	\$78.0	\$139.2
Bank borrowings	—	402.9
Other	.4	36.0
	\$78.4	\$578.1

The Company's long-term debt is scheduled to mature as follows:

(In millions)	Interest Rate	1991	1990
Florida Power Corporation:			
First mortgage bonds:			
Maturing through 1996:			
1992	4.25%	\$ 14.4	\$ 14.4
1995	4.74% (a)	34.4	34.4
Maturing 1997 through 2001	7.82% (a)	162.2	162.2
Maturing 2002 through 2006	7.92% (a)	310.0	310.0
Maturing 2021	8.63%	150.0	—
Premiums, net of discount, being amortized over term of bonds		7	2.7
		\$71.7	\$23.7
Guarantee of pollution control revenue bonds:			
Maturing 2000 through 2014	8.64% (a)	132.4	132.6
Annual tender bonds maturing in 2012 and 2013	5.00% (a)	108.6	108.6
Notes maturing:			
1991-1992	8.15%	20.0	35.0
1993-1997	8.43% (a)	139.5	235.0
Progress Capital Holdings:			
Commercial paper, supported by revolver maturing November 30, 1996			
	4.94% (a)	247.1	—
Notes maturing:			
1991-1992	8.50%	10.0	227.0
1993-2001	8.16% (a)	242.3	68.3
Progress Leasing Corporation (all due within 5 years)	9.53% (a)	34.0	46.2
Other subsidiaries, debt maturing through 2007	10.91% (a)	40.8	52.7
		1,646.4	1,429.1
Less: Current portion of long-term debt		\$5.3	102.9
		\$1,581.1	\$1,326.2

(a) Weighted average interest rate at December 31, 1991.

The Company's consolidated subsidiaries have lines of credit totaling \$817 million, of which \$700 million is used to support their commercial paper facilities and \$100 million is a backup for the utility's annual tender bonds. The lines of credit were unused as of December 31, 1991. Interest rate options under line of credit arrangements vary from sub-prime or money market rates to the prime rate. Banks providing lines of credit are compensated through fees. Commitment fees on lines of credit vary between .1 and .225 of 1%.

The lines of credit, which were put into place in November, consist of four revolving bank credit facilities, two each for Florida Power and Progress Capital Holdings, Inc. (PCH). The Florida Power facilities, \$200 million each, are for terms of 364 days and five years. The PCH facilities consist of \$100 million with a 364-day term and \$300 million with a five-year term. These facilities replaced previous

bank commitments. Based on the maturity of the underlying backup line of credit, PCH's commercial paper balance of \$24.1 million at December 31, 1991 was classified as long-term.

The combined aggregate maturities of long-term debt for 1992 through 1996 are \$65.3 million, \$112.6 million, \$75.5 million, \$105.2 million, and \$361.5 million, respectively. In addition, most of Florida Power's First Mortgage Bond issues have an annual 1% sinking fund requirement. These requirements, which total \$5.7 million for 1992, \$5.5 million annually for 1993 through 1995 and \$4.9 million for 1996, are expected to be satisfied with property additions.

Florida Power is in the process of refinancing all of its outstanding annual tender bonds. The new bonds will bear interest at 6.625% and mature in 2027.

During early 1991, PCH established a new, private \$400-million medium-term note program with maturities that may range from nine months to 30 years. At December 31, 1991, up to \$226 million of notes may be issued under this program at either fixed or floating rates.

Florida Progress has a support agreement with PCH that required the parent company to maintain a net worth at PCH of \$150 million as of December 31, 1991. PCH's net worth was \$155 million.

(3) PREFERRED AND PREFERENCE STOCK AND SHAREHOLDER RIGHTS

The Company has 10 million shares of authorized, but unissued, Preferred Stock without par value issuable in series. The first series, designated Junior Participating Preferred Stock, was created in 1991 but remains unissued. The Junior Preferred Stock is entitled to quarterly dividends equal to the greater of \$10.00 per share or 100 times the per share common stock dividend and is entitled to 100 voting rights per share held. Florida Power has 4 million shares of authorized Cumulative Preferred Stock, \$100 par value, of which 2.3 million shares are outstand-

ing. In addition, Florida Power has 1 million shares of authorized but unissued Preference Stock, \$100 par value, and 5 million shares of authorized but unissued Cumulative Preferred Stock, without par value.

Minimum preferred stock redemption requirements during the next five years are \$2.5 million in 1992 and \$12.5 million yearly in 1993 through 1996. A summary of outstanding Cumulative Preferred Stock of Florida Power follows:

Dividend Rate	Current Redemption Price	Shares		Outstanding at December 31	
		Authorized	Outstanding	1991	1990
(In millions)					
Without sinking funds, not subject to mandatory redemption:					
4.00%	\$104.25	40,000	39,980	\$ 4.0	\$ 4.0
4.40%	\$102.00	75,000	75,000	7.5	7.5
4.68%	\$101.00	100,000	99,990	10.0	10.0
4.60%	\$103.25	40,000	39,997	4.0	4.0
4.75%	\$102.00	80,000	80,000	8.0	8.0
7.40%	\$103.22(a)	300,000	300,000	30.0	30.0
7.76%	\$102.98(b)	500,000	500,000	50.0	50.0
8.80%	\$101.00	200,000	200,000	20.0	20.0
				\$133.5	\$133.5
With sinking funds, subject to mandatory redemption:					
7.08%	\$104.72(c)	500,000	500,000	\$ 50.0	\$ 50.0
7.84%	\$107.84(d)	500,000	500,000	50.0	50.0
				100.0	100.0
Less: Current portion				2.5	—
				\$ 97.5	\$100.0

(a) \$102.48 after August 15, 1992

(b) \$102.21 after February 15, 1994

(c) \$102.36 after November 15, 1996, \$100.00 after November 15, 2001

(d) \$103.92 after November 15, 1992, \$101.96 after November 15, 1993, \$160.00 after November 15, 1994

In November 1991, the Company adopted a Shareholder Rights Plan. By adopting this plan, the Company has issued and attached one right to each outstanding share of common stock. Each right entitles the registered holder, upon the occurrence of certain events, to purchase from the Company, at the exercise price of \$130.00, one one-hundredth of a share of the newly created class of Junior Participating Preferred Stock, as described above. In addition, upon certain occurrences, the rights may be exercised to purchase shares of the Company's, or a surviving entity's, common stock. Alternatively, the Board may approve a stock issuance to each holder of rights, with no cash payment by shareholders. The rights have no voting or dividend rights and expire December 2001, unless redeemed earlier by the Company.

(4) NUCLEAR OPERATIONS

Jointly Owned Plant — In 1991, Florida Power exercised its option to purchase the City of Sebring's 45% interest in the Crystal River Nuclear Plant. The purchase price, currently in negotiation, will be approximately \$2 million. Florida Power's 90% ownership in the nuclear unit as of December 31, 1991 amounted to \$575.6 million of utility plant in service, \$63.1 million of construction work in progress,

\$65 million of unamortized nuclear fuel, and \$313.4 million of accumulated depreciation, which includes \$85.2 million of accumulated provisions for decommissioning costs. Each participant provides for its own financing. Florida Power's share of the operating costs is included in the appropriate expense captions in the consolidated statements of income.

Plant Decommissioning Costs —

Florida Power's nuclear plant depreciation rates include a provision for future decommissioning costs that are recoverable through rates charged to customers. Florida Power is placing its collections in a managed trust fund. The recovery from customers, plus interest earned on the trust fund, are intended to be sufficient to cover Florida Power's share of the future dismantlement, removal and land restoration costs. Florida Power has a license to operate the nuclear unit through December 3, 2016, and contemplates decommissioning beginning at that time. Total future decommissioning costs were estimated to be approximately \$211.2 million in 1991 dollars. Decommissioning expense, as authorized by the FPSC and Federal Energy Regulatory Commission (FERC), was \$11.8 million for 1991 and 1990 and \$9.8 million for 1989. A new decommissioning cost study was submitted to the FPSC in September 1991 which estimated total future decommissioning costs to be \$293.1 million in 1991 dollars. If the results of the new cost study are approved by the FPSC and FERC, annual decommissioning expense is expected to be \$16.3 million.

Fuel Disposal Costs — Florida Power has entered into a contract with the U.S. Department of Energy (DOE) for the transportation and disposal of spent nuclear fuel. Disposal costs for nuclear fuel consumed are being collected

from customers through the fuel adjustment clause at a rate of \$.001 per net nuclear generation kilowatt-hour and are paid to the DCE quarterly. Florida Power is currently storing spent nuclear fuel on site and has sufficient storage capacity in place or under construction for fuel burned through the year 2009.

Plant Refueling Outages — Florida Power accrues a reserve for maintenance and refueling expenses anticipated to be incurred during scheduled nuclear plant outages. A planned mid-cycle maintenance outage, which occurred from October 10, 1991 to November 25, 1991, resulted in a cost of \$9.5 million to Florida Power. The next refueling outage, scheduled for eight weeks beginning in April 1992, is presently estimated to cost \$23.9 million.

Insurance — The Price-Anderson Act currently limits the liability of an owner of a nuclear power plant for a single nuclear incident to \$7.8 billion. Florida Power has purchased the maximum available commercial insurance \$200 million with the balance provided by indemnity agreements prescribed by the U.S. Nuclear Regulatory Commission. In the event of a nuclear incident at any U.S. nuclear power plant, Florida Power could be assessed up to \$66 million per incident, with a maximum assessment of \$10 million per year. In addition to this liability insurance, Florida Power carries extra expense insurance with Nuclear Electric Insurance, Ltd. (NEIL) to cover the cost of replacement power during prolonged outages of the nuclear unit. Under this policy, Florida Power is subject to a retroactive premium assessment of up to \$2.8 million in any year in which policy losses exceed accumulated premiums and investment income.

(5) LEASES AND LOANS RECEIVABLE AND CONCENTRATION OF CREDIT RISK

At December 31, 1991 and 1990, investments in leases and loans receivable were as follows:

(In millions)	1991	1990
Finance leases:		
Rentals receivable	\$240.8	\$262.5
Unguaranteed residual values	203.3	209.0
Unearned income	(68.9)	(80.5)
Deferred investment tax credits	(31.3)	(33.3)
Total finance leases	343.9	357.7
Loans receivable:		
Commercial finance business	276.3	318.6
Life insurance business:		
Loans secured by real estate	14.1	16.0
Policy loans	9.9	10.0
Total life insurance loans	24.0	26.0
Total loans receivable	299.3	344.6
Allowance for losses	(20.6)	(10.1)
	622.7	692.2
Less: Current portion	62.1	175.3
Total leases and loans receivable	\$560.6	\$516.9

Rentals receivable from finance leases represent unpaid rentals less principal and interest on non-recourse third party debt participation. Progress Credit Corporation's (PCC) share of rentals receivable is subordinate to the share of the debt participants who also have a security interest in the leased property.

Finance leases primarily consist of leveraged investments in aircraft as described below. The majority of the aircraft leases have terms of 15 to 20 years, with a maximum of 22 years. Net contractual maturities of rentals receivable under these contracts are \$15.1 million, \$12 million, \$14.1 million, \$16.3 million and \$14.7 million for 1992 through 1996, respectively, and \$168.6 million thereafter. Deferred taxes applicable to leveraged leases were \$287.5 million and \$271 million at December 31, 1991 and 1990, respectively.

Net income recognized from leveraged leases (after payments to non-recourse lenders, but before other borrowing costs) were as follows:

(In millions)	1991	1990	1989
Lease income (loss)	\$ (.7)	\$10.1	\$ 9.5
Income tax effect	.8	(3.4)	(3.4)
Amortization of investment tax credits	2.0	2.9	4.4
	\$ 2.1	\$ 9.6	\$10.5

At December 31, 1991 and 1990, PCC's portfolio included investments in the airline and commercial real estate industries as follows:

(In millions)	1991	1990
Airline industry:		
Finance leases	\$252.4	\$258.9
Loans receivable	112.0	160.9
Joint ventures and unregistered stock	48.8	50.5
Equipment on operating lease	10.6	11.4
	\$423.8	\$482.7
Commercial real estate industry:		
Finance leases	\$ 18.0	\$ 19.6
Loans receivable	163.3	137.0
	\$181.3	\$156.6

PCC's commercial finance loans to entities associated with the airline industry are secured by liens on aircraft, aircraft engines or spare parts. These loans are further collateralized, where applicable, by an assignment to PCC of the borrowers' lease agreements with third party users of the secured equipment and, in some cases, third party guaranties.

PCC's loans receivable from borrowers engaged in commercial real estate activities are secured by first mortgage liens on the related commercial real estate, assignment of leases and selected third party guaranties.

In September 1991, the Company announced that PCC would begin an orderly withdrawal from the commercial leasing and lending industry. No new transactions will be initiated, and PCC's portfolio of leases, loans and other investments will be reduced as the portfolio maturities and market opportunities permit.

Due to conditions in the airline industry and a weak real estate market, PCC has experienced delinquencies in ongoing lease and loan payments as well as loan principal maturities. PCC has negotiated the restructuring of certain transactions. PCC will pursue its options for any non-performing assets, including restructuring, remedial actions and remarketing. The Company believes the existing reserve of \$20 million is adequate to cover PCC's planned orderly liquidation, assuming no further deterioration in the airline and real estate industries.

PCC's portfolio at December 31, 1991 includes \$54 million of aircraft leases to Continental Airlines which were restructured in 1991. PCC's portfolio also includes approximately \$86 million of restructured aircraft loans to Pegasus Capital Corporation, a company in which PCC has a 12% minority interest. In addition, PCC has received \$8 million in partial principal payments on a \$35-million restructured real estate loan and anticipates full repayment upon the expected sale of the collateral property in 1992. All restructured assets were performing in accordance

with their new terms at year-end and the restructurings did not materially reduce PCC's future annual revenue.

During 1991, PCC provided \$16.4 million for possible loan and lease losses and had write-offs totaling \$6 million.

Leases and loans are generally placed on non-accrual status when the collectibility of interest or principal is uncertain. The following table summarizes all commercial finance investments of PCC, which as of December 31, 1991 or thereafter were on non-accrual status. The aircraft leases returned to an accrual status in January 1992 when the first payment was received under the restructuring.

	Principal amount or net investment	Potential annual revenue reduction for 1992
Real estate loans	\$17.5	\$2.4
Aircraft leases	17.4	7
Aircraft loans	13.4	1.0
Total	\$48.3	\$4.1

In addition to the above, PCC foreclosed on a \$5.4-million real estate loan during 1991 and is currently marketing the property for resale. PCC has one outstanding loan for \$14.9 million which maintained ongoing interest payments during 1991 but became delinquent as to principal maturity. PCC received full repayment of this loan in January 1992.

(6) INCOME TAXES

(In millions)	1991	1990	1989
Components of income tax expense:			
Payable currently:			
Federal	\$ 99.5	\$ 84.1	\$ 41.1
State	14.3	13.5	6.7
	113.9	97.6	47.8
Deferred, net (see below):			
Federal	(12.9)	7.0	41.8
State	.4	3.0	5.6
	(12.5)	10.0	50.4
Amortization of investment tax credits, net	(9.8)	(7.0)	(9.4)
	91.5	100.6	88.8
Tax benefits related to discontinued operations	.4	1.8	3.2
	\$ 91.9	\$ 102.4	\$ 92.0
Components of deferred income tax:			
Difference between financial and tax accounting for leases	\$ 19.4	\$ 40.1	\$ 44.0
Accelerated over (under) straight-line tax depreciation	(2.4)	7.1	25.7
Underrecovery (overrecovery) of fuel cost	(16.0)	(4.0)	12.3
Non-deductible reserves, net	(7.1)	(5.3)	(1.5)
Overhead expense capitalized for tax purposes	(3.5)	(11.9)	(5.0)
Difference between financial and tax accounting for property sales	1.8	(9.6)	(2.3)
Flow through of deferred income tax savings	—	—	(7.6)
Decrease (increase) in alternative minimum tax carryforward	2.5	4.9	(3.7)
Other	(7.2)	(11.3)	(12.5)
	\$ (12.5)	\$ 10.0	\$ 50.4

The primary differences between the statutory rate and the effective income tax rates are detailed below:

	1991	1990	1989
Federal statutory income tax rate	34.0%	34.0%	34.0%
State income tax, net of federal income tax benefits	3.5	3.9	3.5
Amortization of investment tax credits	(3.5)	(3.8)	(3.2)
Flow through of deferred income tax savings	—	—	(2.6)
Other	(1.1)	1.6	(1.4)
Effective income tax rates	32.9%	35.7%	30.3%

(7) RETIREMENT BENEFIT PLANS

The Company and certain of its subsidiaries have a non-contributory defined benefit pension plan covering substantially all employees. Through December 31, 1991, the benefits were based on length of service, compensation during the highest consecutive 60 of the last 120 months of employment and social security benefits. Effective January 1, 1992, the compensation portion of the benefits formula was changed to the highest consecutive 48 of the last 120 months of employment. The operating companies make annual contributions to the plan based on an actuarial determination and in consideration of tax regulations and funding requirements under federal law.

Based on actuarial calculations and the funded status of the pension plan, the Company was not required to contribute to the plan for 1991, 1990 or 1989. Shown below are the components of the net pension cost (benefit) calculations for those years:

(In millions)	1991	1990	1989
Service cost	\$ 13.9	\$ 15.1	\$ 12.1
Interest cost	22.4	21.1	18.5
Actual losses (earnings) on plan assets	(91.4)	19.2	(64.1)
Net amortization and deferral	58.0	(55.8)	32.0
Net pension cost (benefit)	2.9	(4)	(1.5)
Regulatory adjustment	(2.7)	.4	1.4
Net pension cost (benefit) recognized	\$.2	\$ —	\$ (1)

The following weighted average actuarial assumptions were used in the calculation of pension costs:

	1991	1990	1989
Discount rate	8.50%	7.50%	8.25%
Expected long term rate of return	9.00%	9.00%	9.00%
Rate of compensation increase	6.00%	6.75%	6.75%

The following summarizes the funded status of the pension plan at December 31, 1991 and 1990:

(In millions)	1991	1990
Accumulated benefit obligation:		
Vested	\$224.1	\$156.4
Non-vested	32.8	24.7
	256.9	181.1
Effect of projected compensation increases	94.1	80.3
Projected benefit obligation	351.0	261.4
Plan assets at market value, primarily listed stocks and corporate and government bonds	435.0	354.0
Plan assets in excess of projected benefit obligation	\$ 84.0	\$ 92.6
Consisting of the following components:		
Unrecognized transition asset	\$ 55.2	\$ 60.1
Unrecognized prior service cost	(6.5)	(1.4)
Effect of changes in assumptions and difference between actual and estimated experience	35.3	33.9
	\$ 84.0	\$ 92.6

The following weighted average actuarial assumptions were used in calculating the plan's year-end funded status:

	1991	1990
Discount rate	7.25%	8.50%
Rate of compensation increase	6.00%	6.00%

Financial Accounting Standard No. 106, "Employers Accounting for Post-retirement Benefits Other Than Pensions," was issued in December 1990 and is effective for the Company beginning in 1993. This standard requires that an employer's obligation for post-retirement benefits be fully accrued by the date employees attain full eligibility to receive such benefits. The Company and certain of its subsidiaries provide certain health care and life insurance benefits for retired employees. Employees become eligible for these benefits when they reach normal retirement age while working for the Company. Assuming the plan benefits will remain as amended in January 1992, the Company has estimated that its liability at January 1, 1993 would be between \$120 million and \$150 million. The Company plans to accrue this obligation over a 20-year period. The Company's policy since January 1, 1985 has been to accrue benefits currently payable along with amortization of past service costs of current retirees. The Company has accrued \$21.4 million at December 31, 1991 using this method. The Company forecasts its annual cost for 1993 will increase from approximately \$5 million to between \$20 million and \$25 million under the new standard and expects that a substantial portion would be recoverable from customers through base rates. Florida Power has included these costs in its January 1992 request for rate relief.

(8) BUSINESS SEGMENTS

The Company defines its principal business segments as utility and diversified operations. The utility is engaged in the generation, transmission, distribution and sale of electric energy. The diversified segment includes coal mining, procurement and transportation operations that have significant sales to the utility. Other continuing diversified operations include contract leasing, leveraged leasing, commercial finance, life insurance, real estate and technology.

The Company's business segment information for continuing operations for 1991, 1990 and 1989 is summarized below. No single customer accounted for more than 10% of unaffiliated revenues. Intra-segment sales have been eliminated and the Company's equity in the earnings of partnerships and joint ventures has been included in revenues.

(In millions)	1991	1990	1989
Revenues:			
Utility	\$1,718.8	\$1,709.1	\$1,627.0
Diversified:			
Electric Fuels Corporation:			
Coal sales to electric utility	261.2	285.2	294.3
External customers	197.1	171.5	125.5
Other diversified	161.1	130.6	150.1
	2,339.2	2,296.4	2,196.9
Eliminations	(264.5)	(285.6)	(295.6)
Revenues from external customers	\$2,074.7	\$2,010.8	\$1,901.3
Income from operations:			
Utility	\$ 369.8	\$ 377.9	\$ 363.2
Diversified:			
Electric Fuels Corporation	17.4	17.7	17.7
Other diversified	38.2	38.5	27.3
	415.4	434.1	408.2
Interest and other expense	149.0	151.9	130.1
Income from continuing operations before income taxes	\$ 266.4	\$ 282.2	\$ 278.1
Identifiable assets:			
Utility	\$3,642.9	\$3,515.8	\$3,413.8
Diversified:			
Electric Fuels Corporation	280.4	258.4	211.3
Other diversified	1,101.6	1,371.7	985.3
	\$5,024.9	\$5,045.9	\$4,610.4
Depreciation and amortization:			
Utility	\$ 241.9	\$ 190.4	\$ 177.9
Diversified:			
Electric Fuels Corporation	17.8	12.9	9.0
Other diversified	6.6	4.1	4.7
	\$ 266.3	\$ 207.4	\$ 191.6
Capital additions:			
Utility	\$ 369.7	\$ 276.5	\$ 260.8
Diversified:			
Electric Fuels Corporation	28.9	19.7	16.6
Other diversified	9.0	31.2	40.9
	\$ 397.6	\$ 327.4	\$ 318.3

(9) RATES AND REGULATION

Retail Rates — In December 1989, the FPSC voted to continue a customer billing credit that was scheduled to expire on December 31, 1989. The FPSC took this action in response to Florida Power's regulatory rate of return. The original credit related to the pass-through to customers of a deferred income tax savings from tax rate reductions. In December 1990, the FPSC voted to discontinue the customer billing credit, effective January 1, 1991. Continuance of the billing credit

decreased 1990 retail revenues by \$12.5 million and net income by \$7.8 million.

As indicated in Note 1, the FPSC deferred implementation of higher depreciation of approximately \$6.4 million to provide for additional fossil plant dismantlement costs until Florida Power's next proceeding for review of base rates.

In January 1992, Florida Power filed a petition with the FPSC requesting a retail rate increase of \$145.9 million. The request is based upon a dual-year test period that includes 1992 and 1993. The petition also requested interim relief of \$31.6 million based on the 12-month period ending November 30, 1991. Implementation of the new rates resulting from the higher annualized revenue requirements presented in the petition are timed to coincide with the completion of new peaking facilities in 1992 and 1993. The new rates would recover higher environmental protection costs for a cooling system project, additional other postretirement benefit costs in accordance with new accounting standards and the inflationary impact on operating expenses since the utility's last rate increase. A decision on the permanent rate request is expected in September 1992. Unless granted earlier, the interim rate request, which is subject to refund, automatically becomes effective May 1, 1992, pending final approval by the FPSC.

Wholesale Rates — Florida Power's rate treatment of its wholesale customers was consistent with the rate treatment of its retail customers for both 1990 and 1989. However, in 1991, wholesale customers continued to receive a small customer billing credit that was discontinued for retail customers.

Florida Power plans to file a request with the FERC in April 1992 seeking comparable 1992 rates for its wholesale customers, consistent with its retail rate petition.

Fuel Cost Hearings — In December 1988, the FPSC began hearings to consider contentions of Florida Power's largest industrial customer and others

that certain procurement and transportation activities by Electric Fuels Corporation were imprudent. In August 1989, the FPSC disallowed approximately \$5.4 million, plus interest, in fuel costs. As a result, 1989 net income was reduced by approximately \$5 million. Florida Power refunded the disallowed costs to customers as adjustments to the fuel charge during 1990.

In January 1990, the FPSC disallowed recovery of certain affiliated coal costs, which reduced 1990 results by \$2.5 million. This ruling resulted from adopting a market-based pricing methodology for recoverable fuel costs for purchases from an affiliated coal supplier.

In November 1991, the FPSC ruled in favor of Florida Power by refusing to disallow \$40 million in incremental replacement fuel costs incurred during outages at the Crystal River Nuclear Plant. The decision concluded a lengthy investigation initiated by the Office of Public Counsel seeking to have the FPSC disallow incremental replacement fuel costs for outages during 1988 and 1989.

In June 1991, the FPSC ordered a separate review of two other outages that occurred in late 1989 and 1990. The incremental cost of replacement fuel for these outages is approximately \$17 million. Florida Power has filed testimony with the FPSC supporting its position. A decision is expected in 1992. Management believes that any amount of replacement fuel costs that may be disallowed would not be material.

(10) COMMITMENTS AND CONTINGENCIES

Utility Construction Program — Substantial commitments have been made in connection with Florida Power's construction program, which are presently estimated to result in construction expenditures in 1992 of \$483 million for electric plant and nuclear fuel.

Fuel and Purchased Power Commitments — To supply a portion of the fuel requirements of its generating plants, Florida Power has entered into various long-term commitments to provide fos-

sil and nuclear fuels and to reserve pipeline capacity for natural gas. In most cases, such contracts contain provisions for price escalation, minimum purchase levels and other financial commitments. Additional commitments will be required in the future to supply Florida Power's fuel needs.

Florida Power has entered into long-term contracts with The Southern Company for up to 400 megawatts of purchased power annually through 2010, representing approximately 5% of total current system capability. The power will be supplied by coal-fired generating units which have a combined capacity of approximately 3,500 megawatts. The entire commitment is guaranteed by The Southern Company's total system which is approximately 30,000 megawatts. The long-term contracts obligate Florida Power to pay certain minimum annual amounts representing capacity payments. The estimated annual capacity payments under the contracts are \$22 million, \$39 million, \$48 million and \$63 million for 1992, 1993, 1994 and 1995 through 2010, respectively.

The total cost (energy and capacity) of the power purchased under these contracts was approximately \$42 million and \$47 million during 1991 and 1990, respectively, of which \$22 million and \$19 million represented the fixed capacity payments, respectively.

As of December 31, 1991, Florida Power has entered into long-term contracts with non-utility electricity generators for 1,095 megawatts of capacity. These contracts have terms ranging from 20 to 35 years. In most cases these contracts account for 100% of the generating capacity of each of the facilities. Of the 1,095 megawatts under contract, 178 megawatts are currently on line and the remaining future capacity is a part of the utility's plans for meeting future electricity demand growth. All commitments have been submitted to, and substantially all have been approved by the FPSC. However, Florida Power expects that approximately 25 percent of the future projects

will default and not come on line. If all units were to come on line as contracted over the next 5 years, the utility expects to incur annual capacity payments, based upon such generation being available. The annual capacity payments are \$10 million, \$25 million, \$82 million, \$195 million, \$228 million and \$230 million for 1992, 1993, 1994, 1995, 1996, and 1997 through 2025, respectively.

Florida Power does not plan to exceed the level of purchased power it currently has under contract. The utility believes that its current contracts allow system reliability and should not weaken its overall credit ratings.

Currently, the FPSC allows the cost of purchased power to be recovered through a FPSC ordered fuel adjustment clause.

Off-Balance Sheet Risk — Several of the Company's subsidiaries are general partners in unconsolidated partnerships and joint ventures. The Company or subsidiaries have agreed to support certain loan agreements of the partnerships and joint ventures. The totals of the debt support agreements were \$84 million and \$113.3 million at December 31, 1991 and 1990, of which \$11.2 million and \$14 million were cash deficiency agreements and \$69.1 million and \$92.9 million were guaranties, respectively. As a general partner, those subsidiaries are potentially liable for all the partnerships' obligations. If the other partners failed to perform their obligations and if the partnership assets, consisting primarily of land and buildings, were worthless, those subsidiaries could be liable for an additional \$131.6 million as of December 31, 1991, which represents partnership liabilities exceeding amounts as mentioned above. The Company considers these credit risks to be minimal, based upon the asset values supporting the partnership liabilities.

Retroactive Insurance Premiums — As mentioned under Note 4, "Nuclear Operations," Florida Power is subject to retroactive premium assessments in connection with its nuclear insurance.

In addition, Florida Power currently carries approximately \$1.8 billion in property insurance provided through several different policies. One of these policies, which is also underwritten by NEIL, provides \$1.25 billion of excess coverage. Under this policy, Florida Power is subject to a retroactive premium assessment of up to \$6.7 million in any policy year in which losses exceed funds available to NEIL.

Waste Disposal Site Cleanup — Florida Power has received several notices from the U.S. Environmental Protection Agency (EPA) that it is a "potentially responsible party" under the Comprehensive Environmental Response Compensation and Liability Act and the Superfund Amendment and Reauthorization Act and may be required to share in the cost of cleanup of waste disposal sites identified by the EPA. In each instance,

Florida Power's degree of responsibility, if any, appears to be small in relation to the total for the large number of "potentially responsible parties" involved. Based on the current status of these matters, management believes the likelihood is remote that these actions will result in a material adverse effect on the Company's future financial condition.

(11) DISCONTINUED OPERATIONS

In October 1990, the Company announced its intention to sell its building products operations as part of its strategic planning effort to review the long-term direction of the Company. The Company provided for the disposition costs and future operating losses of the building products segment in 1990 which reduced earnings by \$14.2 million, net of applicable tax benefits of \$1.7 million. The Company sold all the

building products companies by early 1992 and recorded an additional \$2.4 million provision for losses in 1991, net of tax benefits of \$1.4 million, based on the final sales prices for the companies. The Company received cash and notes totaling \$29.2 million in 1991 related to these sales, and is scheduled to receive an additional \$22.4 million in 1992. The Company is also attempting to sell certain real estate holdings totaling \$10.4 million previously used in the building products operations. The accompanying financial statements account for these companies as "Discontinued Operations." Accordingly, the results and balances related to this segment have been segregated from the ongoing operations of the Company in the accompanying financial statements for all years presented.



QUARTERLY FINANCIAL DATA (Unaudited)

(In millions, except per share amounts)

	March 31	June 30	Three Months Ended September 30	December 31
1991				
Revenues	\$456.6	\$528.1	\$589.4	\$500.6
Income from operations	\$7.0	106.1	148.3	74.0
Net income	33.0	43.1	71.5	24.5
Earnings per average common share:				
Continuing operations	.64	.80	1.30	.46
Discontinued operations	—	—	—	(.04)
Net income	.64	.80	1.30	.44
Dividends per common share	.685	.685	.685	.71
Common stock price per share				
High	40%	41%	44%	47%
Low	36%	38%	38%	43
1990				
Revenues	\$448.2	\$489.9	\$591.8	\$480.9
Income from operations	76.4	107.1	152.9	97.7
Net income	29.1	43.7	58.1	33.9
Earnings per average common share:				
Continuing operations	.57	.86	1.41	.66
Discontinued operations	—	(.01)	(.28)	—
Net income	.57	.85	1.13	.66
Dividends per common share	.66	.66	.66	.685
Common stock price per share				
High	40%	38%	37%	39
Low	37	35%	33%	33%

The business of the Company's largest subsidiary, Florida Power, is seasonal in nature and it is management's opinion that comparisons of earnings for the quarters do not give a true indication of overall trends and changes in the Company's operations. As explained in Note 1 to the financial statements, Florida Power reversed \$14.8 million of interim depreciation in the fourth quarter of 1990 previously recorded in the first three quarters of the year. This increased fourth quarter income by \$9.2 million.

Due to the timing of common stock issues and the seasonal nature of the Company's quarterly earnings, the sum of the 1991 quarterly earnings per share do not equal the annual figure.

S E L E C T E D D A T A 1 9 8 7 - 1 9 9 1

FLORIDA PROGRESS CORPORATION

(Dollars in millions, except per share amounts)

	Five-Year Annual Growth (in percent)	1991	1990	1989	1988	1987
Summary of operations:						
Utility revenues	2.3	\$1,718.8	\$1,709.1	\$1,627.0	\$1,468.5	\$1,472.2
Diversified revenues (continuing)	13.9	355.9	301.7	274.3	270.1	245.5
Income from continuing operations	(.7)	174.5	179.8	186.1	178.6	184.1
Income (loss) from discontinued operations		(2.4)	(15.0)	1.0	1.2	3.7
Net income	(1.0)	172.1	164.8	187.1	179.8	187.8
Balance sheet data:						
Total assets	5.4	\$5,024.9	\$5,045.9	\$4,610.4	\$4,272.3	\$4,067.2
Capitalization:						
Short-term capital	10.3	\$ 146.2	\$ 681.0	\$ 498.6	\$ 366.5	\$ 269.0
Long-term debt	5.0	1,581.1	1,326.2	1,125.8	1,048.8	1,093.0
Preferred stock	(.2)	231.0	233.5	233.5	233.5	233.5
Common stock equity	6.5	1,587.7	1,424.3	1,372.3	1,316.9	1,264.7
Total capitalization	5.4	\$3,546.0	\$3,665.0	\$3,230.2	\$2,965.7	\$2,860.2
Capitalization ratios:						
Short-term capital		4.1%	18.6%	15.4%	12.4%	9.4%
Long-term debt		44.6	36.2	34.9	35.4	38.2
Preferred stock		6.5	6.4	7.2	7.8	8.2
Common stock equity		44.8	38.8	42.5	44.4	44.2
Common stock data:						
Average shares outstanding (in millions)	2.0	53.9	51.3	51.1	51.1	50.3
Earnings per share:						
Utility	(2.0)	\$3.05	\$3.22	\$3.28	\$3.31	\$3.30
Diversified	(10.5)	.19	.28	.37	.19	.37
Continuing operations	(2.6)	3.24	3.50	3.65	3.50	3.67
Discontinued operations		(.04)	(.29)	.02	.02	.07
Consolidated	(2.9)	3.20	3.21	3.67	3.52	3.74
Dividends per common share	3.7	2.765	2.665	2.58	2.50	2.42
Dividend payout		86.4%	83.0%	70.3%	71.0%	64.7%
Dividend yield		6.0%	7.2%	6.6%	7.3%	7.6%
Book value per share of common stock	4.3	\$28.72	\$27.55	\$26.83	\$25.80	\$24.77
Return on common equity		11.4%	11.8%	13.9%	13.9%	15.5%
Common stock price per share:						
High		\$47 ¹ / ₄	\$40 ¹ / ₂	\$40 ¹ / ₄	\$37 ¹ / ₄	\$43 ³ / ₄
Low		36 ¹ / ₂	33 ¹ / ₂	33 ¹ / ₄	32	29 ³ / ₄
Close		47	38 ¹ / ₄	40	35	32 ³ / ₄
Price earnings ratio (year-end)		14.7	11.9	10.9	9.9	8.8
Other year-end data:						
Number of employees	(1.8)	7,350	7,879	7,490	7,974	8,116
Number of common shareholders	(2.0)	42,176	41,970	43,005	44,929	46,147

S E L E C T E D D A T A 1 9 8 1 - 1 9 9 1

FLORIDA POWER CORPORATION

	Annual Growth Rates (in percent)		1991	1990	1989
	1986-1991	1981-1991			
Electric sales billed (millions of KWH):					
Residential	5.2	5.0	12,623.9	12,415.5	11,786.9
Commercial	6.1	7.2	7,489.2	7,328.7	6,989.8
Industrial	1.1	—	3,303.0	3,455.7	3,766.1
Other	6.0	5.4	1,763.0	1,678.4	1,580.5
Total retail sales	4.9	4.8	25,179.1	24,878.3	24,123.3
Sales for resale	(8.2)	(6.7)	2,171.1	2,265.4	2,387.2
Total electric sales	3.4	3.1	27,350.2	27,143.7	26,510.5
Residential service (average annual):					
KWH sales per customer	1.7	1.3	12,257	12,319	12,059
Revenue per customer	(0.3)	1.7	\$899	\$896	\$845
Revenue per KWH (in cents)	(2.0)	0.3	7.33	7.27	7.01
Financial data:					
Total capitalization (in millions)	3.4	3.2	\$2,692.2	\$2,633.4	\$2,473.9
Capitalization ratios^(a):					
Short-term capital	83.8	8.3	4.2%	7.4%	4.7%
Long-term debt	(3.9)	(3.0)	38.5	38.7	40.2
Preferred stock	(3.3)	(2.8)	8.7	8.9	9.4
Common stock equity	2.7	3.5	48.6	7.0	45.7
Ratio of earnings to fixed charges (SEC method)	(2.0)	2.0	3.87	3.89	3.79
Embedded cost of long-term debt	(2.2)	(1.6)	7.8%	7.9%	8.1%
Embedded cost of preferred stock	(3.0)	(1.5)	7.2%	7.2%	7.2%
Operating data:					
Net winter generating capability (MW)	2.1	2.3	6,623	6,500	6,309
Net system winter peak load (MW)	0.3	1.8	6,056	5,026	6,817
Net system summer peak load (MW)	5.0	3.1	5,925	5,946	5,832
BTU per KWH of net output	0.3	(0.3)	10,007	10,005	10,076
Construction additions (in millions)	12.7	(0.7)	\$355.3	\$269.5	\$254.8
Percentage of construction expenditures generated internally	(2.1)	7.2	90%	52%	73%
Fuel cost per million BTU	(2.5)	(4.9)	\$1.89	\$2.11	\$2.10
Average number of customers	3.4	3.7	1,159,237	1,135,499	1,101,817
Number of regular employees	1.3	2.3	5,677	5,570	5,553

(a) Capitalization growth rates calculated on total dollar amounts.

1988	1987	1986	1985	1984	1983	1982	1981
11,065.6	10,318.8	9,819.2	9,175.0	8,553.6	8,009.5	7,425.0	7,752.3
6,479.4	6,016.4	5,573.0	5,106.6	4,547.7	4,118.6	3,895.2	3,735.2
3,680.6	3,349.4	3,122.3	3,166.0	2,989.0	2,701.0	2,715.5	3,288.3
1,466.1	1,355.0	1,319.3	1,268.4	1,188.8	1,142.9	1,094.9	1,038.5
22,691.7	21,039.6	19,833.8	18,716.0	17,279.1	15,972.0	15,130.6	15,814.3
3,439.2	3,064.1	3,336.2	2,556.4	3,317.3	5,802.0	4,739.3	4,322.2
26,130.9	24,103.7	23,170.0	21,272.4	20,596.4	21,774.0	19,869.9	20,136.5
11,754	11,356	11,255	10,940	10,638	10,388	9,964	10,758
\$814	\$827	\$914	\$883	\$818	\$783	\$720	\$763
6.93	7.28	8.12	8.07	7.69	7.54	7.23	7.09
\$2,359.5	\$2,341.0	\$2,275.6	\$2,350.2	\$2,328.0	\$2,305.4	\$2,200.3	\$1,971.5
10.3%	6.9%	2%	5.0%	2.0%	2.7%	1.6%	1.9%
34.7	39.7	46.9	45.4	51.4	51.2	53.8	52.0
9.9	10.0	10.3	11.3	11.5	11.9	12.5	11.5
45.1	43.4	42.6	38.3	35.1	34.2	32.1	34.6
3.79	4.08	4.29	3.81	3.07	2.94	2.42	3.19
8.0%	8.1%	8.7%	8.8%	9.2%	9.1%	9.6%	9.2%
7.2%	7.2%	8.4%	9.3%	9.3%	9.3%	9.3%	8.4%
6,086	5,966	5,961	5,989	5,927	5,993	5,899	5,255
6,188	5,087	5,977	5,813	4,858	4,913	5,347	5,088
5,309	5,196	4,644	4,548	4,163	4,610	4,086	4,355
9,985	9,954	9,865	9,928	10,074	10,082	10,383	10,357
\$201.1	\$192.8	\$195.2	\$201.2	\$234.5	\$285.8	\$385.3	\$379.8
100%	96%	100%	100%	99%	66%	39%	45%
\$1.83	\$2.09	\$2.14	\$2.63	\$2.36	\$2.85	\$2.78	\$3.12
1,060,971	1,023,222	980,427	940,976	900,799	861,548	829,810	802,787
5,512	5,395	5,323	5,215	5,070	4,923	4,829	4,533

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

Dr. Jack B. Critchfield, 58, is Chairman of the Board and Chief Executive Officer of Florida Progress Corporation. He served as a Florida Power Corporation director from 1975 to 1978 before joining the utility in 1983. He is a director of Barnett Banks, Inc. in Jacksonville, Florida and Barnett Bank of Pinellas County in St. Petersburg, Florida. A company director since 1988, he is chairman of the Executive Committee and is also a member of the Finance & Budget Committee.

Michael P. Graney, 48, is a Partner in the law firm of Simpson Thacher & Bartlett in Columbus, Ohio. Specializing in utilities law, litigation and antitrust, he is a member of the American, District of Columbia, Ohio and Columbus Bar Associations as well as the Federal Energy Bar Association. A company director since 1991, he is a member of the Compensation Committee.

Richard Korpan, 49, is President and Chief Operating Officer of Florida Progress. He joined the company in 1989 as Executive Vice President and Chief Financial Officer. He previously served as President and Chief Executive Officer of Pacific Diversified Capital Company, a subsidiary of San Diego Gas & Electric Company. A company director since 1989, he is a member of the Executive and the Finance & Budget Committees.

Dr. Robert F. Lanzillotti, 70, is Dean Emeritus of the Graduate School of Business Administration at the University of Florida in Gainesville, Florida. He is a former director of Citizens

and Southern Florida Corporation and Jim Walter Corporation. A company director since 1991, he is a member of the Compensation and Finance & Budget Committees.

Clarence V. McKee, 49, is Chairman and Chief Executive Officer of WTVT Holdings, Inc., which owns WTVT-TV Channel 13 in Tampa, Florida. He is a director of Barnett Bank of Tampa, N.A. and Barnett Banks, Inc. in Jacksonville. A company director since 1989, he is chairman of the Compensation Committee and a member of the Nominating Committee.

Clarence W. McKee, Jr., 67, is a retired Executive Vice President and Chief Financial Officer of Florida Progress. He is Chairman of the Board of Trustees of Bayfront Medical Center in St. Petersburg. A Florida Power director since 1976 and a company director since 1982, he is a member of the Finance & Budget Committee.

Corneal B. Myers, 70, is a Partner and President of the law firm of Peterson, Myers, Craig, Crews, Brandon & Puterbaugh, P.A. in Lake Wales, Florida. A Florida Power director since 1978 and a company director since 1982, he is a member of the Audit, Compensation and Finance & Budget Committees.

Richard A. Nunis, 59, is Chairman of Walt Disney Attractions in Orlando, Florida. He is a director of The Walt Disney Company and Sun Bank, N.A. in Orlando. A company director since 1989, he is chairman of the Finance & Budget and Nominating Committees and a member of the Executive Committee.

Joan D. Ruffin, 52, is a General Partner in Sunshine Cafes, an Orlando-based food and beverage concession business, which has operations at two Florida airports. A certified public accountant, she is a former chairman of the Board of Regents of the State University System of Florida. She is a director of the Jacksonville Branch of the Federal Reserve Bank of Atlanta. A company director since 1990, she is a member of the Audit Committee.

Lee H. Scott, 65, is a retired Vice Chairman of Florida Progress. He also served as President and Chief Executive Officer of Florida Power before his promotion to Florida Progress in 1988. He is a director of Sun Bank of Tampa Bay and has served as a company director since 1984.

Robert T. Stuart, Jr., 59, is a retired Chairman and Chief Executive Officer of Mid-Continent Life Insurance Company in Oklahoma City, which Florida Progress acquired in 1986. A company director since 1986, he is a member of the Executive Committee.

Jean Giles Wittner, 57, is President of Wittner & Company, an insurance consulting and real estate management firm in St. Petersburg. She previously served as President and Chief Executive Officer of a savings association until it was sold in 1986. She is a director of Colony Bank in Clearwater, Florida. A Florida Power director since 1977 and a company director since 1982, she is chairman of the Audit Committee and is a member of the Executive and Nominating Committees.

OFFICERS

Dr. Jack B. Critchfield
Chairman and Chief Executive Officer

Richard Korpan
President and Chief Operating Officer

Joseph F. Cronin
Executive Vice President

David R. Kuzma
Senior Vice President and
Chief Financial Officer

Joseph H. Richardson
Senior Vice President,
Corporate Development and
President and Chief Executive Officer,
Talquin Corporation

Kenneth E. Armstrong
General Counsel

Jeffrey R. Heinicka
Vice President and Treasurer

Dan R. Johnson
Vice President and Controller

Darryl A. LeClair
Vice President, Mergers, Acquisitions
and Divestitures

Stephen D. Purifoy
Secretary

Allen J. Keesler, Jr.
President and Chief Executive Officer,
Florida Power Corporation

Richard D. Keller
President and Chief Executive Officer,
Electric Fuels Corporation

Riley R. Simon
President and Chief Executive Officer,
Mid-Continent Life Insurance Company

Dudley E. Bryant
President and Chief Executive Officer,
Advanced Separation Technologies
Incorporated

Thomas D. Wilson
Acting President,
Progress Credit Corporation



INVESTOR INFORMATION

Investor Services

All dividend checks, shareholder reports, proxy material and tax forms are handled from our St. Petersburg corporate office. All correspondence concerning address changes, dividend checks and related matters should be directed to:

Florida Progress Corporation
Investor Services
P. O. Box 33028
St. Petersburg, Florida 33739-8028
Telephone (813) 824-6418
Toll-free (800) 352-1121

Transfer Agent and Registrar

Inquiries concerning the transfer of common stock certificates of Florida Progress or preferred stock certificates of Florida Power should be directed to: Manufacture-Hanover Trust Company
Stock Transfer Administration
450 West 33rd Street, 15th Floor
New York, New York 10001
Telephone (212) 613-7147

Common Stock Dividends

Record dates are normally on or about the fifth day of March, June, September and December. Quarterly dividends are customarily mailed to reach shareholders on or about the 20th day of March, June, September and December.

Common Stock Listed

New York Stock Exchange
Pacific Stock Exchange
Ticker symbol: FPC
Newspaper listing: FlaPrg

Annual Reports on Form 10-K and Statistical Supplement

A copy of the company's 1991 Form 10-K, without exhibits, will be supplied without charge to shareholders requesting it. A Florida Power Corporation 1991 Form 10-K, without exhibits, and a detailed Ten-Year Statistical Report also are available. Requests should be addressed to Investor Services at the address shown.

Life Insurance Information

Inquiries concerning life insurance policies with Mid-Continent Life Insurance Company should be directed to: Marketing Department
Mid-Continent Life Insurance Company
1400 Classen Drive
Oklahoma City, Oklahoma 73106
Toll-free (800) 735-9701

Auditors

KPMG Peat Marwick
St. Petersburg, Florida

Analysts' Contacts

Richard R. Champion (813) 824-6428
Director, Investor Relations

Mark A. Myers (813) 824-6422
Manager, Investor Communications
Investor Relations Fax (813) 824-6401

Corporate Offices

Barnett Tower
One Progress Plaza
St. Petersburg, Florida 33701
Telephone (813) 824-6400

PROGRESS PLUS STOCK PLAN

Florida Progress Corporation announced its new Progress Plus Stock Plan in February 1992. Progress Plus is an economical, convenient and flexible way to purchase shares of Florida Progress common stock.

Those eligible for the plan are:

- Registered shareholders
- Non-shareholders who are Florida residents
- Employees of the company and its subsidiaries

Once enrolled in the plan, participants may:

- Automatically reinvest all or a portion of their quarterly dividends on common stock.
- Make direct cash purchases of common stock.

A safekeeping service for common stock certificate is also offered to eliminate the risk of lost certificates. Since shares deposited for safekeeping are treated as Progress Plus shares, they may be sold through the plan.

The Progress Plus Stock Plan replaces the company's dividend reinvestment and stock purchase plan. Shareholders in that plan automatically become participants in the new plan. All administrative costs for the plan are paid by the company.

A Progress Plus Stock Plan prospectus and other information can be obtained by returning the reply card in the front of this annual report or by calling Investor Services, toll-free (800) 352-1121.



**FLORIDA
PROGRESS
CORPORATION**

PO BOX 20000 ST. PETERSBURG, FLORIDA 33708



UTILITIES COMMISSION

CITY OF NEW SMYRNA BEACH, FLORIDA



Financial Statements
and
Auditor's Report
September 30, 1991 and 1990

UTILITIES COMMISSION
CITY OF NEW SMYRNA BEACH, FLORIDA

FINANCIAL STATEMENTS

and

INDEPENDENT AUDITORS' REPORT

September 30, 1991 and 1990

OFFICIALS

Jesse L. McKee, Chairman

James U. Martin, Vice-Chairman

G. Fred Heise, 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 & Hall, P.A.

INDEPENDENT AUDITORS

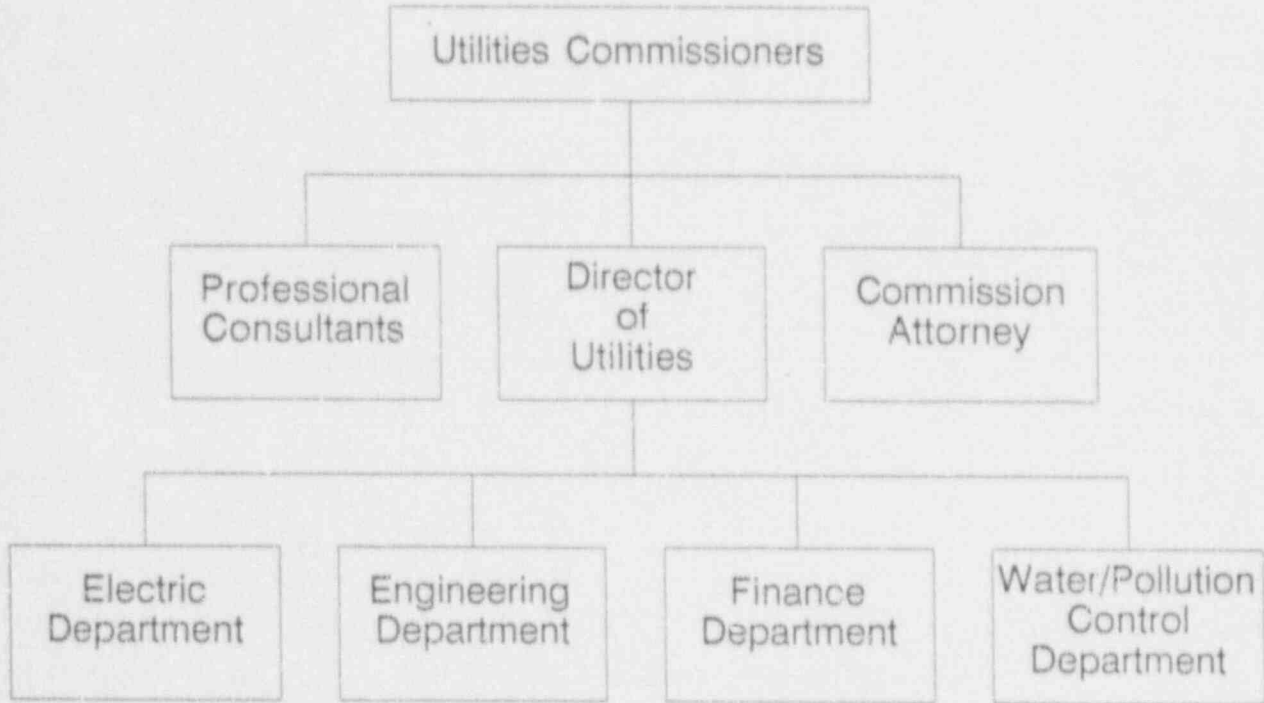
Brent Millikan & Co., P.A.

TABLE OF CONTENTS
COMPONENT UNIT FINANCIAL STATEMENTS
September 30, 1991 and 1990
UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

	Reference	Pages
INTRODUCTORY SECTION		
Title Page		i
Organization Chart.....		iii
Certificate of Achievement.....		iv
Letter of Transmittal.....		v-x
FINANCIAL SECTION		
Component Unit Financial Statements:		
Independent Auditors' Report.....		1
Comparative Balance Sheets	Statement 1	2-3
Statements of Revenues, Expenses and Changes in Retained Earnings.....	Statement 2	4
Statements of Cash Flows.....	Statement 3	5
Notes to the Financial Statements.....		6-15
Supplemental Detail Information of the Electric, Water, and Pollution Control Systems:		
Schedule of Revenues, Expenses and Changes in Retained Earnings.....	Schedule 1	16
Schedule of Revenues, Receipts, Expenses and Disbursements - Budget and Actual - Electric System (Non-GAAP Budgetary Basis).....	Schedule 2	17
Schedule of Revenues, Receipts, Expenses and Disbursements - Budget and Actual - Water System (Non-GAAP Budgetary Basis).....	Schedule 3	18
Schedule of Revenues, Receipts, Expenses and Disbursements - Budget and Actual - Pollution Control System (Non-GAAP Budgetary Basis)	Schedule 4	19
Schedule of Operating Expenses - Electric System.....	Schedule 5	20
Schedule of Operating Expenses - Water System.....	Schedule 6	21
Schedule of Operating Expenses - Pollution Control System	Schedule 7	22
Schedule of Interest Earnings.....	Schedule 8	23
Schedule of Debt Service Requirements To Maturity	Schedule 9	24-25
STATISTICAL SECTION		
Schedule of Expenses by Function - Last Ten Fiscal Years.....	Table I	26-27
Schedule of Revenues by Source - Last Ten Fiscal Years.....	Table II	28-29
Demographic Statistics - Last Ten Fiscal Years	Table III	30
Property Value, Construction and Bank Deposits - Last Ten Fiscal Years.....	Table IV	31
Schedule of Insurance in Force.....	Table V	32
Ten Largest Electric Customers.....	Table VI	33
Ten Largest Water Customers.....	Table VII	34
General Utilities Commission Information.....	Table VIII	35-37
Selected Five-Year Historical Information:		
Comparative Balance Sheets.....	Table IX	38-39
Statements of Revenues, Expenses and Changes in Retained Earnings.....	Table X	40
Statements of Cash Flows.....	Table XI	41
Selected Segment Information	Table XII	42
Schedule of Revenue Certificate Coverage.....	Table XIII	43
Schedule of Selected Financial Ratios.....	Table XIV	44

*ORGANIZATION
CHART*

ORGANIZATION CHART
UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA



**CERTIFICATE
OF
ACHIEVEMENT**

For the Year Ended September 30, 1990

*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, 1990.*

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, which 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, 1990

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.



[Signature]
President

[Signature]
Jeffrey L. Essler
Executive Director

*LETTER
OF
TRANSMITTAL*

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 4, 1991

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, 1991 and 1990, 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 10-550, 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 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 were scheduled to be financed in two phases of \$15 million each. The first phase of this plan is currently being financed from the proceeds of Utilities System Revenue Certificates, Series 1990, issued in January 1990. The second phase of this plan will be financed from the sales of additional Revenue Certificates in 1993. This five year capital improvement plan is in addition to the annual capital requirements for routine extensions of existing utility facilities to serve new customers.

Significant system improvements financed from the Series 1990 Utilities System Revenue Certificates and the future 1993 Revenue Certificates will consist of the following:

- o A new 30 MVA electric substation located in the northern part of the Commission's electric service area and approximately 4 miles of 115 kV transmission line;
- o 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;
- o Expansion of a water treatment plant in conjunction with the scheduled expansion of the Commission's well field areas;
- o Construction of a treated water transmission line;
- o Expansion and upgrading of existing treated water distribution lines;
- o 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
- o 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 upgrades and 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

To the Chairman and Members
of the Utilities Commission
City of New Smyrna Beach, Florida
December 4, 1991
Page 3

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, 1991, the Utilities Commission served 18,835 electric customers, 9,865 water customers and 7,754 sewer customers. Service totals for the last five years are summarized below:

<u>Fiscal Year</u>	<u>Electric Accounts</u>	<u>Water Accounts</u>	<u>Sewer Accounts</u>
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
1991	18,835	9,865	7,754

The current year's operating revenues from the combined utilities systems totaled \$30,113,258, an increase of 7.12% over last year's \$28,112,213. 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:

<u>Operating Revenue Source</u>	<u>Amount (000's)</u>	<u>Percent of Total</u>	<u>Increase (Decrease) Over 1990 (000's)</u>
Electric system	\$24,262	80.57%	\$1,900
Water system	3,414	11.34	109
Pollution control system	2,437	8.09	(8)
TOTALS	\$30,113	100.00%	\$2,001

The current year's operating expenses from the combined utilities system totaled \$27,721,286, an increase of 4.05% over last year's adjusted amount of \$26,642,379. Increases in the levels of expenses for the individual systems over the preceding year are shown in the following tabulation:

To the Chairman and Members
of the Utilities Commission
City of New Smyrna Beach, Florida
December 4, 1991
Page 4

<u>Operating Expenses by Function</u>	<u>Amount</u> <u>(000's)</u>	<u>Percent</u> <u>of Total</u>	<u>Increase</u> <u>Over 1990</u> <u>(000's)</u>
Electric system	\$22,143	79.87%	\$839
Water system	2,854	10.30	103
Pollution control system	2,724	9.83	137
TOTALS	\$27,721	100.00%	\$1,079

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 1.83 times and is summarized in the following tabulation:

Operating revenue	\$30,113,258
Interest and other income	876,320
Connection fees	756,866
Assessment collections	<u>36,239</u>
Revenue per certificate resolution	\$31,782,683
Cost of Operation and Maintenance (net of depreciation and required payments to the City)	<u>23,440,028</u>
Net revenue per certificate resolution	<u>8,342,655</u>
Annual debt service requirement	4,570,972
Coverage ratio	<u>1.83 Times</u>

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, 1991, the Utilities Commission had outstanding \$50,810,000 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.

To the Chairman and Members
of the Utilities Commission
City of New Smyrna Beach, Florida
December 4, 1991
Page 5

In connection with the issuance of the Utility System Revenue Certificates, Series 1990, the Commission received an upgrade of its ratings from Moody's, and Standard & Poor's as follows:

	<u>Moody's</u>	<u>Standard & Poor's</u>
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 \$1,417,994.

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, 1991, 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 of 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, 1990. We are also quite proud of the fact that we have been awarded with this Certificate for the thirteenth consecutive year.

To the Chairman and Members
of the Utilities Commission
City of New Smyrna Beach, Florida
December 4, 1991
Page 6

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.

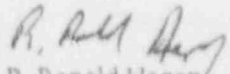
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.


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:

Independent Auditors' Report

Component Unit Financial Statements

Supplemental Information

*INDEPENDENT
AUDITORS'
REPORT*



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

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying balance sheets of Utilities Commission, City of New Smyrna Beach, Florida, as of September 30, 1991 and 1990, 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 Utilities Commission, City of New Smyrna Beach, Florida, 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 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 Utilities Commission, City of New Smyrna Beach, Florida, as of September 30, 1991, and 1990, 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 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.

In connection with our audit, nothing came to our attention that caused us to believe that 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.

New Smyrna Beach, Florida
December 4, 1991

Brent Millikan & Co., P.A.

*COMPONENT
UNIT
FINANCIAL
STATEMENTS*

COMPARATIVE BALANCE SHEETS

September 30, 1991 and 1990

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

ASSETS

	<u>1991</u>	<u>1990</u>
Utility Plant		
Electric plant	\$44,096,918	\$42,448,486
Water plant	16,164,983	15,990,608
Pollution control plant	18,022,914	17,878,551
Gen.	<u>5,703,826</u>	<u>5,029,681</u>
	83,988,711	81,347,326
Less accumulated depreciation and amortization	<u>(29,800,779)</u>	<u>(27,391,733)</u>
	54,187,932	53,955,593
	<u>7,476,459</u>	<u>2,507,473</u>
	<u>61,658,391</u>	<u>56,463,066</u>
Restricted Assets		
Debt	6,973,725	6,793,117
Renewal and Replacement funds	3,951,168	3,922,752
1990 Certificates Construction fund	6,876,848	11,804,801
Customer's deposits	923,181	952,693
CR-3 Decommissioning fund	602,467	480,849
Rate Stabilization fund	<u>45,611</u>	<u>67,505</u>
Total restricted assets	<u>19,373,000</u>	<u>24,021,717</u>
Current assets		
Cash and cash equivalents	626,784	344,113
Accrued interest receivable	77,407	65,327
Accounts receivable (net)	1,198,213	1,549,934
Unbilled accounts receivable	2,221,882	1,972,800
Due from other governments	0	1,007
Inventories	1,615,217	1,423,786
Prepaid expenses and other assets	217,991	159,007
Assessments receivable	<u>97,079</u>	<u>71,402</u>
Total current assets	<u>6,054,573</u>	<u>5,590,276</u>
Deferred Charges and Other Assets		
Unamortized debt expense	751,243	793,544
Deferred charges and other assets	15,078	18,234
Assessments receivable - noncurrent	<u>0</u>	<u>58,917</u>
Total deferred charges and other assets	<u>766,321</u>	<u>870,695</u>
Total assets	<u>\$87,852,285</u>	<u>\$86,945,754</u>

The accompanying notes are an

LIABILITIES AND UTILITY EQUITY

	1991	1990
Utility Equity		
Contributed capital	\$20,460,198	\$19,644,604
Retained Earnings:		
Reserved for debt service	3,565,536	3,632,700
Unreserved	7,583,725	3,177,342
	<u>7,149,361</u>	<u>6,810,042</u>
Total utility equity	<u>27,609,559</u>	<u>26,454,646</u>
Long-Term Debt		
Notes payable (net of current portion)	2,805,000	2,865,000
Revenue certificates payable (net of current portion)	49,185,000	50,265,000
Less: unamortized debt discounts	<u>(796,600)</u>	<u>(846,600)</u>
Total long-term debt	<u>51,923,394</u>	<u>52,283,394</u>
Restricted Fund Liabilities		
Revenue certificates payable (current portion)	1,625,000	1,375,000
Note payable (current portion)	60,000	60,000
Accrued interest payable	1,768,700	1,792,922
Accounts payable	393,999	312,295
Customers' deposits	907,571	912,064
Deferred credits:		
Reserve for decommissioning costs	602,467	480,849
Reserve for arbitrage rebate	<u>191,244</u>	<u>94,223</u>
Total restricted fund liabilities	<u>5,548,981</u>	<u>5,027,353</u>
Current Liabilities		
Accounts payable	1,641,257	1,675,863
Accrued liabilities	800,985	623,669
Due to other governments	<u>410,408</u>	<u>405,353</u>
Total current liabilities	<u>2,852,650</u>	<u>2,704,885</u>
Other Noncurrent Liabilities		
Deferred compensated absences	480,794	474,456
Deferred credits - operating reserves	<u>166,907</u>	<u>1,020</u>
Total other noncurrent liabilities	<u>647,701</u>	<u>475,476</u>
Total liabilities	<u>60,242,726</u>	<u>60,491,108</u>
Total liabilities and utility equity	<u>\$87,852,285</u>	<u>\$86,945,754</u>

integral part of the financial statements.

**STATEMENTS OF REVENUE, EXPENSES AND
CHANGES IN RETAINED EARNINGS**

Statement 2

For the Fiscal Years Ended September 30, 1991 and 1990
UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

	<u>1991</u>	<u>1990</u>
Operating Revenue		
Sales	\$29,815,850	\$27,833,668
Other revenue	<u>297,408</u>	<u>278,545</u>
Total operating revenue	<u>30,113,258</u>	<u>28,112,213</u>
Operating Expenses		
Production expenses	15,718,072	14,971,670
Transmission, distribution and sewage collection and treatment	2,989,865	2,856,957
Customer accounting	753,860	721,935
Administrative and general	3,856,593	3,541,852
Required payments to the City of New Smyrna Beach	1,785,889	1,781,241
State utilities tax	0	321,159
Depreciation and decommissioning	<u>2,616,987</u>	<u>2,417,565</u>
Total operating expenses	<u>27,721,286</u>	<u>26,642,379</u>
Operating income	<u>2,391,972</u>	<u>1,469,834</u>
Nonoperating Revenue		
Interest earnings	696,413	801,086
Other income	178,878	189,772
Gain on disposal of assets	<u>1,029</u>	<u>0</u>
Total nonoperating revenue	<u>876,320</u>	<u>990,858</u>
Total income	<u>3,268,292</u>	<u>2,460,692</u>
Nonoperating Expenses		
Interest and debt expense	2,840,798	2,781,553
Other expenses	5,238	108,507
Loss on disposal of assets	<u>82,937</u>	<u>134,066</u>
Total nonoperating expenses	<u>2,928,973</u>	<u>3,024,126</u>
Net income (loss)	339,319	(563,434)
Retained earnings, beginning of year	<u>6,810,042</u>	<u>7,373,476</u>
Retained earnings, end of year	<u>\$ 7,149,361</u>	<u>\$ 6,810,042</u>

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

STATEMENTS OF CASH FLOWS

For the Fiscal Years Ended September 30, 1991 and 1990
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

Statement 3

	<u>1991</u>	<u>1990</u>
Cash Flows From Operating Activities		
Cash received from customers	\$30,373,425	\$27,764,482
Cash paid to suppliers	(19,569,407)	(19,091,380)
Cash paid to employees	(5,330,617)	(4,908,802)
Net cash provided by operating activities	<u>5,473,401</u>	<u>3,764,300</u>
Cash Flows From Noncapital Financing Activities		
Cash received from nonoperating sources	178,878	189,771
Cash paid for nonoperating expenses	(5,238)	(108,507)
Net cash provided by noncapital financing activities	<u>173,640</u>	<u>81,264</u>
Cash Flows From Capital and Related Financing Activities		
Net proceeds from issuance of long-term debt	0	15,719,090
Debt reduction outlays	(890,000)	(850,000)
Contributed capital	815,594	1,104,404
Proceeds from sale of property and equipment	5,750	363
Acquisition and construction of capital assets	(7,952,956)	(4,686,529)
Interest paid (net of amount capitalized)	(2,772,719)	(2,187,040)
Net cash provided by (used in) capital and related financing activities	<u>(10,794,341)</u>	<u>9,100,288</u>
Cash Flows From Investing Activities		
Purchase of investment securities	(4,017,835)	(6,016,589)
Proceeds from sale and maturities of investment securities	7,673,775	4,325,177
Interest received (net of amount capitalized)	781,254	792,279
Net cash provided by (used in) investing activities	<u>4,437,194</u>	<u>(899,133)</u>
Net increase (decrease) in cash and cash equivalents	(710,106)	12,046,719
Cash and cash equivalents, beginning of year	<u>19,390,090</u>	<u>7,349,371</u>
Cash and cash equivalents, end of year	<u>\$18,685,984</u>	<u>\$19,396,090</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income (loss)	\$ 2,391,972	\$ 1,469,831
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, amortization and decommissioning	2,791,601	2,559,841
Provision for losses on receivables	59,000	61,237
Decrease (increase) in operating assets:		
Accounts receivable	44,646	(510,181)
Assessments receivable	36,240	(10,947)
Inventories	(191,431)	43,677
Prepaid expenses	(58,984)	(37,118)
Deferred charges and other assets	3,156	62,084
Increase (decrease) in operating liabilities:		
Accounts payable	47,098	(152,952)
Due to other governments	5,055	173,398
Customer deposits	(4,493)	62,100
Other liabilities	349,541	43,327
Net cash provided by operating activities	<u>\$ 5,473,401</u>	<u>\$ 3,764,300</u>

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

*NOTES
TO
FINANCIAL
STATEMENTS*

NOTES TO THE FINANCIAL STATEMENTS

September 30 1991 and 1990

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

Note 1: Summary of Significant Accounting Policies

General

The accounting policies of the Utilities Commission, City of New Smyrna Beach, (the "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

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 term 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 1991 and 1990

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

Note 1:
Summary
of
Significant
Accounting
Policies
(Continued)

Receivables

Accounts receivable have been reported net of an allowance for uncollectible accounts which has been provided based upon management's analysis of historical trends. Utility operating revenues are recognized on the basis of cycle billings rendered monthly. Unbilled accounts receivable are accrued at September 30th, to recognize the sales revenue 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 recognize the costs of the materials and supplies in the order in which they were purchased and to assign a balance sheet inventory valuation more nearly at current replacement value. Electric line transformers, electric meters, water meters and replacement 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 discount and issuance costs are deferred and amortized over the term of the respective debt issue 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 bond 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:

	Years
Electric System:	
Production plant:	
Nuclear production	27
Diesel production	20 - 40
Transmission plant	30 - 55
Distribution plant	28 - 45
General plant:	
Structures and improvements	40
Other general plant	5 - 20
Water System:	
Source of supply plant	25 - 50
Pumping plant	35
Water treatment plant	40 - 50
Transmission and distribution plant ..	25 - 50
General plant:	
Structures and improvements	35
Other general plant	10 - 35
Pollution Control System:	
Collection plant	35 - 50
Pumping plant:	
Structures and improvements	50
Pumping equipment	25
Treatment and disposal plant	25 - 40
General plant	10 - 50
Common Plant:	
Structures and improvements	35
Other general plant	5 - 15

Compensated Absences

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

NOTES TO THE FINANCIAL STATEMENTS

September 30, 1991 and 1990

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

Note 1: Summary of Significant Accounting Policies (Continued)

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 and 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 after 1994 pursuant to federal tax legislation.

Contributed Capital

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.

Note 2: Cash Deposits and Investments

Pursuant to the applicable provisions of Chapter 280, Florida Statutes, *The Florida Security for Public Deposits Act* ("the 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, F. S., is monitored by the Department of Insurance.

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, 1991, the carrying amount of the Commission's deposits was \$12,947,121. Of this amount, \$100,000 was insured by federal depository insurance and \$12,847,121 was secured in accordance with the statutory provisions of the Act. Included in the carrying amount of Commission deposits is \$4,450 in petty cash and change funds.

Investments

The Commission's investment policies are governed by state statutes and local resolution. At September 30, 1991, the Commission's investment in allowable investment instruments included: bonds, notes, certificates of indebtedness, and other securities which are guaranteed by the full faith and credit of the United States of America.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 1991 and 1990
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

**Note 2:
 Cash
 Deposits
 and
 Investments**

The Commission's investments are categorized 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, 1991.

The Commission's investments are categorized as follows:

Type of Investment	Category 1	Carrying Value	Market Value
Fidelity Treasury Portfolio II Fund	\$ 5,659,925	\$ 5,659,925	\$ 5,659,925
U.S. Treasury State and Local Government Series (SLGS):			
Notes	740,200	740,200	740,200
Bonds	573,600	573,600	573,600
Totals	<u>\$ 6,973,725</u>	<u>\$ 6,973,725</u>	<u>\$ 6,973,725</u>

Cash and cash equivalents consist of the following at September 30:

	September 30,	
	1991	1990
Operating cash	\$ 626,784	\$ 344,113
Restricted assets:		
Debt service funds	5,659,925	2,273,377
Renewal and replacement funds	3,951,168	3,922,752
1990 Certificates construction fund	6,876,848	11,804,801
Customer deposits	923,181	952,693
CR-3 Decommissioning fund	602,467	30,849
Rate stabilization fund	45,611	67,505
	<u>18,059,200</u>	<u>19,051,977</u>
Total cash and cash equivalents	<u>\$18,685,984</u>	<u>\$19,396,090</u>

**Note 3:
 Accounts
 Receivable**

A summary of net accounts receivable is as follows:

	September 30,	
	1991	1990
Billed customer accounts receivable	\$ 1,252,971	\$ 1,608,113
Less: allowance for doubtful accounts	(54,758)	(58,179)
Totals	<u>\$ 1,198,213</u>	<u>\$ 1,549,934</u>

NOTES TO THE FINANCIAL STATEMENTS

September 30, 1991 and 1990

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

**Note 4:
Restricted
Assets**

A summary of restricted assets is as follows:

	September 30, 1991				September 30, 1990 Total
	Cash	Time Deposits/ Investment	Accrued Interest Receivable	Total	
Debt Service Funds:					
1978 Sinking Fund.....	\$ 1,042,886	\$ 0	\$ 0	\$ 1,042,886	\$ 1,044,293
1978 Reserve Fund	1,473,795	573,600	0	2,047,395	2,047,394
1986 Sinking Fund	324,583	0	0	324,583	317,148
1986 Reserve Fund	547,430	0	0	547,430	547,430
1987 Sinking Fund	368,713	0	0	368,713	368,963
1987 Reserve Fund	0	740,200	0	740,200	740,200
1990 Sinking Fund	687,519	0	0	687,519	522,519
1990 Reserve Fund	1,214,999	0	0	1,214,999	1,205,170
	<u>5,659,925</u>	<u>1,313,800</u>	<u>0</u>	<u>6,973,725</u>	<u>6,793,117</u>
Renewal and Replacement Funds:					
Res. No. 28-78	931,447	0	5,576	937,023	961,509
Water and Pollution Control Connection Fee Fund	3,014,145	0	0	3,014,145	2,961,243
	<u>3,945,592</u>	<u>0</u>	<u>5,576</u>	<u>3,951,168</u>	<u>3,922,752</u>
1990 Certificates Construction Fund	6,865,516	0	11,332	6,876,848	11,804,801
Customer deposits	921,393	0	788	923,181	952,693
CR-3 decommissioning Fund	601,982	0	485	602,467	480,849
Rate Stabilization Fund	45,545	0	66	45,611	67,505
Totals	<u>\$18,040,953</u>	<u>\$ 1,313,800</u>	<u>\$ 18,247</u>	<u>\$19,373,000</u>	<u>\$24,021,717</u>

**Note 5:
Utility
Plant**

A summary of utility plant is as follows:

(000's omitted)

					September 30,	
	Electric	Water	Pollution Control	Common	1991	1990
Land and land rights	\$ 1,228	\$ 98	\$ 220	\$ 7	\$ 1,553	\$ 1,552
Structures and improvements	2,593	2,672	3,853	989	10,107	9,925
Production plant, nuclear fuel and treatment plant	10,056	4,125	4,240	0	18,421	18,317
Transmission, distribution and collection plant	29,812	9,270	9,710	0	48,792	47,026
Other general plant and equipment	408	0	0	4,708	5,116	4,528
	44,097	16,165	18,023	5,704	83,989	81,348
Accumulated depreciation	(16,972)	(4,680)	(5,587)	(2,555)	(29,801)	(27,392)
	27,118	11,485	12,436	3,149	54,188	53,956
Construction in progress	1,178	4,620	274	1,398	7,470	2,507
Utility plant, (net)	<u>\$28,296</u>	<u>\$16,105</u>	<u>\$12,710</u>	<u>\$ 4,547</u>	<u>\$61,658</u>	<u>\$56,463</u>

Capitalized interest on outstanding tax-exempt securities charged (credited) to projects during the construction period was \$408,398 and \$160,777, for 1991 and 1990 respectively (net of interest earned on unexpended long-term debt proceeds totaling \$636,640 and \$671,837, respectively).

NOTES TO THE FINANCIAL STATEMENTS

September 30, 1991 and 1990

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

**Note 6:
Long-Term
Debt**

A summary of long-term debt outstanding is as follows:

	September 30,	
	1991	1990
Revenue Certificates:		
Utilities System Revenue Refunding and Improvement Certificates, Series 1978--6.30% to 7.125% due serially to 1993, with \$9,075,000 and \$11,335,000 term certificates due in 2003 and 2010, respectively	\$21,870,000	\$22,395,000
Utilities System Revenue Improvement Certificates, Series 1986--5.60% to 7.25% due serially to 2001, with \$4,670,000 term bonds due in 2015	6,220,000	6,315,000
Utilities System Refunding Revenue Certificates, Series 1987--5.20% to 7.10% due serially to 2001, with \$2,790,000 and \$2,080,000 term bonds due in 2007 and 2011, respectively	7,720,000	7,930,000
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	15,000,000
	50,810,000	51,640,000
Less: unamortized debt discount	(785,522)	(834,666)
Total revenue certificates outstanding, net of unamortized discount ..	50,024,478	50,805,334
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 6.05%), principal due in installments to 2013	2,865,000	2,925,000
Less: unamortized debt discount	(11,084)	(11,940)
Total note payable, net of unamortized discount	2,853,916	2,913,060
Total outstanding long-term debt	52,878,394	53,718,394
Current Maturities:		
Series 1978 Certificates	850,000	800,000
Series 1986 Certificates	215,000	200,000
Series 1987 Certificates	220,000	210,000
Series 1990 Certificates	340,000	165,000
Note Payable - FMPA	60,000	60,000
Total current maturities	1,685,000	1,435,000
Total long-term debt, net of unamortized discount	\$51,193,394	\$52,283,394

The authorization for the outstanding 1978 Certificates and all subsequent issues (collectively referred to as the "Certificates") provides that the 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 parity conditions provided in the authorizing resolution.

The Certificates are payable from and secured by a first lien upon and pledge of the net revenues derived from the operation of the system. These Certificates do not constitute general indebtedness of the Commission or of 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 4) 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 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

NOTES TO THE FINANCIAL STATEMENTS

September 30, 1991 and 1990

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

**Note 6:
Long-Term
Debt
(Continued)**

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.

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:

Fiscal Year	Revenue Certificates	Note Payable	Combined Total
1992	\$ 4,569,666	\$ 239,172	\$ 4,808,838
1993	\$ 4,563,791	\$ 239,926	\$ 4,803,717
1994	\$ 4,566,896	\$ 240,873	\$ 4,807,769
1995	\$ 4,566,426	\$ 241,507	\$ 4,807,933
1996	\$ 4,564,506	\$ 242,287	\$ 4,806,793

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.

**Note 7:
Prior
Years'
Defeasance
of
Long-Term
Debt**

In prior years, the 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:

	September 30,	
	1991	1990
1978 Refunding:		
Waterworks and Electric:		
Series 1955--3.75% due serially to 1993	\$ 295,000	\$ 436,000
Series 1962 refunding--3.5% due in 1999	35,000	35,000
Series 1962--3.9% to 4.2% due serially to 2000	1,545,000	1,595,000
Series 1965--4.2% and 4.25% due serially to 2004	1,800,000	1,830,000
Sewer:		
Series S-1963--3.9% due serially to 2002 ..	255,000	280,000

	September 3	
	1991	1990
Series T-1963--4.0% due 2003	673,000	713,000
Series B-1965--3.7% to 4.1% due serially to 2003	\$ 390,000	\$ 415,000
Utilities:		
Series 1975--3.75% to 6.2% due serially to 2004	2,030,000	2,140,000
Series 1975A--5.0% to 6.6% due serially to 2005	2,780,000	2,900,000
Water and Sewer Revenue General Obligation Bonds:		
Series 1976--4.5% to 6.2% due serially to 2001	4,060,000	4,340,000
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	6,330,000	6,965,000

NOTES TO THE FINANCIAL STATEMENTS

September 30, 1991 and 1990

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

Note 8: Required Payment to City

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 \$1,785,889 and \$1,781,241 for the years ended September 30, 1991 and 1990, respectively. The balance due to the City at September 30, 1991 and 1990, totaled \$345,967 and \$335,307, respectively.

Note 9: Employee Pension Plan

The 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 participating municipalities in the State of Florida. The payroll for employees covered by the System for the year ended September 30, 1991, was \$5,233,844. Total payroll for the year was \$5,330,617.

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 Commission's contribution to the plan during the year ended September 30, 1991, totaled \$809,429 which was 15.14% of the qualifying employees' gross wages for the period from October 1, 1990 through December 31, 1990, and 16.20% for the period from January 1, 1991

through September 30, 1991.

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 \$31.0 billion for the plan as a whole. The plan's net assets available for benefits on that date (valued at market) were \$20.0 billion, leaving an unfunded pension benefit obligation of \$11.0 billion. The representative amount of the Commission's 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.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 1991 and 1990

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

**Note 10:
Segment
Information**

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

	Electric System	Water System	Pollution Control System	Total
Operating revenue.....	\$24,261,715	\$ 3,414,240	\$ 2,437,303	\$30,113,258
Depreciation and decommissioning	1,573,671	457,665	585,651	2,616,987
Operating income (loss)	2,118,404	560,117	(286,549)	2,391,972
Required payments to City of New Smyrna Beach	1,440,022	201,595	144,272	1,785,889
Net income (loss)	772,158	119,221	(552,060)	339,319
Contribution in aid of construction	418,729	7,119,945	12,921,524	20,460,198
Utility plant acquisitions	2,326,451	360,470	303,059	2,989,980
Utility plant retirements	273,489	17,540	57,565	348,594
Revenue certificates payable	24,046,600	19,810,500	6,952,900	50,810,000
Utility equity	6,808,665	9,883,957	10,916,937	27,609,559
Total assets	40,621,527	28,526,996	18,703,762	87,852,285

**Note 11:
Legal
Matters**

The Commission is engaged in routine litigation incidental to the conduct of its operations affairs. In the opinion of Counsel to the Commission, no legal proceedings are pending against the Com-

mission not covered by insurance which would inhibit the Commission's ability to perform its operations or materially affect its financial condition.

**Note 12:
Commitments**

The Commission, acting through the Florida Municipal Power Agency (FMPA), is a participant in a portion of Florida Power and Light Company's (FPL) St. Lucie Unit No. 2, a nuclear generating unit. FMPA originally acquired 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 Commission's participation provides for a 9.884% entitlement share of FMPA's ownership interest. A reliability exchange agreement provides for FMPA's exchanging 50% of its share of the output from St. Lucie No. 2 for a like amount from FPL's exclusively owned St. Lucie No. 1 to mitigate the potential for economic loss resulting from the extended or permanent outage or early retirement of St. Lucie No. 2. The Commission, as a participant, has also entered into a power sales contract which requires payment on a "take-or-pay" basis for the 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 Commission from the St. Lucie 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 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 Commission would have been re-

quired 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 Commission is obligated to provide payments of approximately \$3.4 million annually.

In 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 modified and upgraded certain existing FPL electric transmission facilities to provide electric energy to the Commission. The cost of the improvements are reimbursed to FPL by the Commission, without interest, in equal monthly installments of \$8,621. As of September 30, 1991, amounts due FPL under the agreement totaled \$68,968.

In 1989, the Commission entered into a construction agreement and a related fifteen year lease agreement with Florida Power Corporation (FPC) which provided for the construction and subsequent leasing of 115 kv transmission facilities connecting FPC's 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

NOTES TO THE FINANCIAL STATEMENTS

September 30, 1991 and 1990

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

Note 12:
Commitments
(Continued)

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, 1991, there have been no modifications to the agreement and FPC has not begun construction of the transmission facilities.

On July 8, 1991, the Commission entered into a construction agreement in the amount of \$560,000 with FPC for modifications to the Smyrna Substation facility to accommodate the extension of a 115 kv transmission line to the Commission's proposed Airport Substation facility. The facilities are expected to be completed and placed in service by May 29, 1992. This contractual commitment will be fulfilled at the same time the tie point between FPC and the Smyrna Substation (outlined above) is completed.

The Commission's anticipated share of decommissioning costs applicable to its participation in FPC Crystal River Unit No. 3, a nuclear generating unit, is expected to be approximately \$6.7 million at its expected date of decommissioning in 2016. An operating reserve has been established to provide advanced funding for these estimated

future costs. Funding of the reserve began in 1985 and, based on currently revised estimates, the Commission is expected to fund the reserve with annual payments of approximately \$85,000. These annual payments, plus the interest earned thereon, are expected to be sufficient to meet the Commission's portion of the estimated future decommissioning costs. The provision for decommissioning expense recognized during the year totaled \$121,618. Amounts funded by the Commission at September 30, 1991, totaled \$602,467.

At September 30, 1991, the Commission had additional unrecognized construction contract commitments of approximately \$7.3 million for utility plant expansion and upgrading.

In 1994, the Commission may be required to remit an arbitrage rebate to the Internal Revenue Service, pursuant to current federal tax regulations. As of September 30, 1991, the Commission has estimated the amount of excess interest earnings or invested tax-exempt debt proceeds to be approximately \$191,244. The Commission has elected to fund this anticipated payment with an internal reserve for arbitrage rebate. As of September 30, 1991, the balance of \$191,244 was included in the restricted cash balance of the 1990 Certificate Construction Fund.

SUPPLEMENTAL INFORMATION

This section is composed of the following:

*Supplemental Detail Financial Information of the
Electric, Water, and Pollution Control Systems*

Statistical Section

*These schedules provide a more detailed view of the *Component Unit Financial Statements* presented in the preceding subsection.*

Resolutions No. 16-75 and No. 28-78 established the electric, water, and pollution control systems as a single enterprise fund. These schedules are presented to provide detailed information on the individual utility systems and to present the budgetary comparisons that are not necessary for a fair presentation in conformity with generally accepted accounting principles.

**SCHEDULE OF REVENUE, EXPENSES AND
CHANGES IN RETAINED EARNINGS**

Schedule 1

For the Fiscal Year Ended September 30, 1991
With Comparative Actual Amounts for the Fiscal Year Ended September 30, 1990
UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

	Electric	Water	Pollution Control	Totals	
				1991	1990
Operating Revenue					
Sales	\$24,065,675	\$ 3,320,850	\$ 2,429,325	\$29,815,850	\$27,833,668
Other revenue	196,040	93,390	7,978	297,408	278,545
Total operating revenue	<u>24,261,715</u>	<u>3,414,240</u>	<u>2,437,303</u>	<u>30,113,258</u>	<u>28,112,213</u>
Operating Expenses					
Production expenses	14,938,235	779,837	0	15,718,072	14,971,670
Transmission, distribution and sewage collection and treatment	1,462,839	378,519	1,148,527	2,989,885	2,856,957
Customer accounting	464,453	179,183	110,224	753,860	721,935
Administrative and general	2,264,091	857,324	735,178	3,856,593	3,541,852
Required payments to the City of New Smyrna Beach	1,440,022	201,595	144,272	1,785,889	1,781,241
State utilities tax	0	0	0	0	321,159
Depreciation and decommissioning	1,573,671	457,665	585,651	2,616,987	2,447,565
Total operating expenses	<u>22,143,311</u>	<u>2,854,123</u>	<u>2,723,852</u>	<u>27,721,286</u>	<u>26,642,379</u>
Operating income (loss)	<u>2,118,404</u>	<u>560,117</u>	<u>(286,549)</u>	<u>2,391,972</u>	<u>1,469,834</u>
Add: Nonoperating Revenue					
Interest earnings	167,498	284,633	244,282	696,413	801,086
Other income	147,314	25,931	5,633	178,878	189,772
Gain on disposal of assets	0	1,029	0	1,029	0
Total nonoperating revenue	<u>314,812</u>	<u>311,593</u>	<u>249,915</u>	<u>876,320</u>	<u>990,858</u>
Total income (loss)	<u>2,433,216</u>	<u>871,710</u>	<u>(36,634)</u>	<u>3,268,292</u>	<u>2,460,692</u>
Less: Nonoperating Expenses					
Interest and debt expense	1,603,012	752,489	485,297	2,840,798	2,781,553
Other expenses	0	0	5,238	5,238	108,507
Loss on disposal of assets	58,046	0	24,891	82,937	134,066
Total nonoperating expenses	<u>1,661,058</u>	<u>752,489</u>	<u>515,426</u>	<u>2,928,973</u>	<u>3,024,126</u>
Net income (loss)	<u>772,158</u>	<u>119,221</u>	<u>(552,060)</u>	<u>339,319</u>	<u>(563,434)</u>
Retained earnings, beginning of year	<u>5,617,778</u>	<u>2,644,791</u>	<u>(1,452,527)</u>	<u>6,810,042</u>	<u>7,373,476</u>
Retained earnings, end of year	<u>\$ 6,389,936</u>	<u>\$ 2,764,012</u>	<u>\$(2,004,587)</u>	<u>\$ 7,149,361</u>	<u>\$ 6,810,042</u>

SCHEDULE OF REVENUE, RECEIPTS, EXPENSES, AND DISBURSEMENTS -
 BUDGET AND ACTUAL - ELECTRIC SYSTEM (NON-GAAP BUDGETARY BASIS)

Schedule 2

For the Fiscal Year Ended September 30, 1991
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue and Receipts			
Direct Sales:			
Electric sales	\$23,804,981	\$24,065,675	\$ 260,694
Other revenues	181,500	196,040	14,540
Nonoperating revenue:			
Interest earnings	196,910	167,498	(29,412)
Other revenues (expenses)	170,000	147,314	(22,686)
Total revenue and receipts	<u>24,353,391</u>	<u>24,576,527</u>	<u>223,136</u>
Operating Expenses			
Power production and fuel	14,675,000	14,938,235	(263,235)
Transmission and distribution	1,412,200	1,462,839	(50,639)
Customer accounting	477,818	464,453	13,365
Administrative and general	2,231,178	2,264,091	(32,913)
Required payments to the City of New Smyrna Beach	1,436,699	1,440,022	(3,323)
Total operating expenses	<u>20,232,895</u>	<u>20,569,640</u>	<u>(336,745)</u>
Net revenue and receipts	<u>4,120,496</u>	<u>4,006,887</u>	<u>(113,609)</u>
Operating Transfers			
Sinking Funds:			
1978 Certificates	1,005,159	1,005,159	0
1986 Certificates	544,165	544,165	0
1987 Certificates	331,954	331,954	0
1990 Certificates	310,980	310,980	0
FMPA Pooled Loan	91,542	91,542	0
Renewal and Replacement Funds:			
Required contribution	1,456,056	1,456,056	0
Total operating transfers	<u>3,739,856</u>	<u>3,739,856</u>	<u>0</u>
Budgeted net cash receipts	<u>\$ 380,640</u>	<u>267,031</u>	<u>\$ (113,609)</u>
Additions (Deductions) Required to Reconcile Net Cash			
Receipts to Net Income (GAAP) Basis			
Principal portion of required Sinking Fund transfers		530,877	
Excess Sinking Fund transfers		203,751	
Net transfers to Renewal and Replacement Fund		1,456,056	
Gain (loss) on disposal of property and equipment		(58,046)	
Depreciation and decommissioning		(1,573,671)	
Amortization of debt expense		(53,840)	
TOTAL ADJUSTMENTS		<u>505,127</u>	
NET INCOME (LOSS)		<u>\$ 772,158</u>	

SCHEDULE OF REVENUE, RECEIPTS, EXPENSES AND DISBURSEMENTS -
 BUDGET AND ACTUAL - WATER SYSTEM (NON-GAAP BUDGETARY BASIS)

Schedule 3

For the Fiscal Year Ended September 30, 1991
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue and Receipts			
Direct Sales:			
Water sales	\$ 3,492,567	\$ 3,320,850	\$ (171,717)
Other revenues	99,000	93,390	(5,610)
Nonoperating revenue:			
Interest earnings	424,460	284,633	(139,827)
Other revenues (expenses)	10,000	25,931	15,931
Connection fees	351,306	359,662	8,356
Meter setting installation charges	100,000	60,704	(39,296)
Total revenue and receipts	<u>4,477,333</u>	<u>4,145,170</u>	<u>(332,163)</u>
Operating Expenses			
Water production	826,526	779,837	46,689
Transmission and distribution	450,094	378,519	71,575
Customer accounting	187,114	179,183	7,931
Administrative and general	929,018	857,324	71,694
Required payments to the City of New Smyrna Beach	214,354	201,595	12,759
Total operating expenses	<u>2,607,106</u>	<u>2,396,458</u>	<u>210,648</u>
Net revenue and receipts	<u>1,870,227</u>	<u>1,748,712</u>	<u>(121,515)</u>
Operating Transfers			
Sinking Funds:			
1978 Certificates	561,663	561,663	0
1987 Certificates	354,084	354,084	0
1990 Certificates	822,825	822,825	0
FMPA Pooled Loan	61,655	61,655	0
Total Sinking Funds	<u>1,800,227</u>	<u>1,800,227</u>	<u>0</u>
Renewal and Replacement Funds:			
Required contribution	211,958	211,958	0
Restricted fund contribution	351,306	359,662	8,356
Total Renewal and Replacement Funds	<u>563,264</u>	<u>571,620</u>	<u>8,356</u>
Restricted fund contribution for operations	537,636	537,636	0
Total operating transfers	<u>1,825,855</u>	<u>1,834,211</u>	<u>8,356</u>
Budgeted net receipts	<u>\$ 44,372</u>	<u>(85,499)</u>	<u>\$ (129,871)</u>
Additions (Deductions) Required to Reconcile Net Cash			
Receipts to Net Income (GAAP) Basis			
Connection fees		(359,662)	
Meter setting installation charges		(60,704)	
Principal portion of required Sinking Fund transfers		378,630	
Excess Sinking Fund transfers		692,574	
Net transfers to Renewal and Replacement Fund		33,984	
Gain (loss) on disposal of property and equipment		1,029	
Depreciation		(457,665)	
Amortization of debt expense		(23,466)	
Total adjustments		<u>204,720</u>	
Net income (loss)		<u>\$ 119,221</u>	

SCHEDULE OF REVENUE, RECEIPTS, EXPENSES AND DISBURSEMENTS -
 BUDGET AND ACTUAL - POLLUTION CONTROL SYSTEM (NON-GAAP BUDGETARY BASIS)

Schedule 4

For the Fiscal Year Ended September 30, 1991
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

	Budg.	Actual	Variance Favorable (Unfavorable)
Revenue and Receipts			
Direct Sales:			
Pollution control charges	\$ 2,580,604	\$ 2,429,325	\$ (151,279)
Other revenues	6,600	7,978	1,378
Nonoperating revenue:			
Interest earnings	248,630	244,282	(4,348)
Other revenues (expenses)	1,000	395	(605)
Connection fees	482,952	336,500	(146,452)
Total revenue and receipts	<u>3,319,786</u>	<u>3,018,480</u>	<u>(301,306)</u>
Operating Expenses			
Collection and treatment system	1,098,740	1,148,527	(49,787)
Customer accounting	114,981	110,224	4,757
Administrative and general	753,863	735,178	18,685
Required payments to the City of New Smyrna Beach	154,836	144,272	10,564
Total operating expenses	<u>2,122,420</u>	<u>2,138,201</u>	<u>(15,781)</u>
Net revenue and receipts	<u>1,197,366</u>	<u>880,279</u>	<u>(317,087)</u>
Operating Transfers			
Sinking Funds:			
1978 Certificates	517,272	517,272	0
1987 Certificates	51,637	51,637	0
1990 Certificates	76,232	76,232	0
FMPA Pooled Loan	55,803	55,803	0
Total	<u>700,944</u>	<u>700,944</u>	<u>0</u>
Renewal and Replacement Funds:			
Required contribution	102,092	102,092	0
Restricted fund contribution	482,952	336,500	(146,452)
Total	<u>585,044</u>	<u>438,592</u>	<u>(146,452)</u>
Sewer Assessments Fund:			
Contribution for operations	88,622	88,622	0
Total operating transfers	<u>1,197,366</u>	<u>1,050,914</u>	<u>(146,452)</u>
Budgeted net cash receipts	<u>\$ 0</u>	<u>(170,635)</u>	<u>\$ (170,635)</u>
Additions (Deductions) Required to Reconcile Net Cash			
Receipts or Net (Loss)(GAAP) Basis			
Connection fees		(336,500)	
Principal portion of required Sinking Fund transfers		175,493	
Excess Sinking Fund transfers		55,148	
Net transfers to Renewal and Replacement Fund		438,592	
Transfer from Sewer Assessment Fund		(88,622)	
Gain (loss) on disposal of property and equipment		(24,891)	
Depreciation		(585,651)	
Amortization of debt expense		(14,994)	
Total adjustments		<u>(381,425)</u>	
Net (loss)		<u>\$ (552,060)</u>	

**SCHEDULE OF OPERATING EXPENSES -
ELECTRIC SYSTEM**

Schedule 5

For the Fiscal Years Ended September 30, 1991 and 1990
UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

	<u>1991</u>	<u>1990</u>
Power Production and Fuel:		
Nuclear Power Generation:		
Fuel	\$ 174,614	\$ 112,277
Operation	495,190	365,752
Maintenance	274,034	331,783
Diesel Power Generation:		
Fuel	529,827	516,534
Operation	473,962	520,163
Maintenance	64,968	225,809
Other Power Supply:		
Purchased power	12,540,062	11,772,768
System control and load dispatching	385,578	346,384
	<u>14,938,235</u>	<u>14,191,470</u>
Transmission and Distribution:		
Operation	1,124,420	1,049,794
Maintenance	338,419	376,913
	<u>1,462,839</u>	<u>1,426,707</u>
Customer Accounting:		
Operation	464,453	437,131
Administrative and General:		
Operation	2,105,855	1,948,781
Maintenance	158,236	123,637
	<u>2,264,091</u>	<u>2,072,418</u>
Required Payments to the City of New Smyrna Beach	1,440,022	1,387,110
State Utilities Taxes	0	321,159
Depreciation and decommissioning	1,573,671	1,468,516
 Total operating expenses	 <u>\$22,143,311</u>	 <u>\$21,304,511</u>

**SCHEDULE OF OPERATING EXPENSES -
WATER SYSTEM**

Schedule 6

For the Fiscal Years Ended September 30, 1991 and 1990
UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

	<u>1991</u>	<u>1990</u>
Water Production:		
Source of Supply:		
Operation	\$ 61,511	\$ 60,026
Maintenance	12,060	22,410
Pumping:		
Operation	148,921	146,349
Maintenance	3,017	4,877
Water Treatment:		
Operation	546,300	535,659
Maintenance	8,028	10,879
	<u>779,837</u>	<u>780,200</u>
Transmission and Distribution:		
Operation	341,170	318,294
Maintenance	37,349	18,212
	<u>378,519</u>	<u>336,506</u>
Customer Accounting:		
Operation	179,163	177,968
Administrative and General:		
Operation	804,899	762,399
Maintenance	52,425	37,880
	<u>857,324</u>	<u>800,279</u>
Required Payments to the City of New Smyrna Beach.....	201,595	228,692
Depreciation	457,665	426,844
 Total operating expenses	 <u>\$ 2,854,123</u>	 <u>\$ 2,750,489</u>

**SCHEDULE OF OPERATING EXPENSES -
 POLLUTION CONTROL SYSTEM**
 For the Fiscal Years Ended September 30, 1991 and 1990
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

Schedule 7

	<u>1991</u>	<u>1990</u>
Collection and Treatment System:		
Collection and Pumping Expenses:		
Operation	\$ 383,756	\$ 364,499
Maintenance	43,160	45,090
Treatment and Disposal Expenses:		
Operation	710,502	659,428
Maintenance	11,109	24,727
	<u>1,148,527</u>	<u>1,093,744</u>
Customer Accounting:		
Operation	<u>110,224</u>	<u>106,836</u>
Administrative and General:		
Operation	702,599	638,691
Maintenance	32,579	30,464
	<u>735,178</u>	<u>669,155</u>
Required Payment to the City of New Smyrna Beach	<u>144,272</u>	<u>165,45</u>
Depreciation	<u>585,651</u>	<u>552,20</u>
Total operating expenses	<u>\$ 2,723,852</u>	<u>\$ 2,587,379</u>

SCHEDULE OF INTEREST EARNINGS

For the Fiscal Years Ended September 30, 1991 and 1990
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

Schedule 8

	<u>1991</u>	<u>1990</u>
Interest Earnings By Source		
From Investments:		
Sinking funds	\$ 294,236	\$ 337,352
Renewal and replacement funds	255,801	291,752
Customers' deposits	39,834	50,677
Other	<u>81,842</u>	<u>90,006</u>
	671,713	769,787
From Assessments	<u>24,700</u>	<u>31,299</u>
Total interest earnings	<u>\$ 696,413</u>	<u>\$ 801,086</u>
Interest Earnings By System		
Electric system	167,498	\$ 191,359
Water system	284,633	330,794
Pollution control system	<u>244,282</u>	<u>278,933</u>
Total interest earnings	<u>\$ 696,413</u>	<u>\$ 801,086</u>

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
 For the Fiscal Year Ended September 30, 1991
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

Schedule 9
 Page 1 of 2

Utilities System Revenue Refunding and Improvement Certificates,
 Series 1978

Utilities System Revenue Improvement Certificates
 Series 1986

Payment Date	Principal	Coupon Rate	Interest	Total Requirements	Principal	Coupon Rate	Interest	Total Requirements
10-1-91	\$ 275,000	6.300%	\$ 767,873	\$ 1,042,873				
04-1-92	285,000	6.350	759,211	1,044,211	\$ 105,000	5.600%	\$ 219,582	\$ 324,582
10-1-92	290,000	6.350	750,162	1,040,162	110,000	5.800	216,642	326,642
04-1-93	300,000	6.400	740,954	1,040,954			213,453	213,453
10-1-93	310,000	6.400	731,354	1,041,354	115,000	6.000	213,452	328,452
04-1-94	320,000	7.000	721,434	1,041,434			210,003	210,003
10-1-94	330,000	7.000	710,234	1,040,234	120,000	6.200	210,002	330,002
04-1-95	345,000	7.000	698,634	1,043,684			206,283	206,283
10-1-95	355,000	7.000	686,609	1,041,609	130,000	6.400	206,282	336,282
04-1-96	370,000	7.000	674,184	1,044,184			202,123	202,123
10-1-96	380,000	7.000	661,234	1,041,234	135,000	6.500	202,122	337,122
04-1-97	395,000	7.000	647,934	1,042,934			197,735	197,735
10-1-97	410,000	7.000	634,109	1,044,109	145,000	6.600	197,735	342,735
04-1-98	425,000	7.000	619,759	1,044,759			192,950	192,950
10-1-98	435,000	7.000	604,884	1,039,884	155,000	6.700	192,950	347,950
04-1-99	455,000	7.000	589,659	1,044,659			187,758	187,758
10-1-99	470,000	7.000	573,734	1,043,734	165,000	6.800	187,757	352,757
04-1-00	485,000	7.000	557,284	1,042,284			182,148	182,148
10-1-00	500,000	7.000	540,309	1,040,309	180,000	6.900	182,147	362,147
04-1-01	520,000	7.000	522,809	1,042,809			175,938	175,938
10-1-01	540,000	7.000	504,609	1,044,609	190,000	7.000	175,937	365,937
04-1-02	555,000	7.000	485,709	1,040,709			169,288	169,288
10-1-02	575,000	7.000	466,285	1,041,285	205,000	7.250	169,287	374,287
04-1-03	595,000	7.000	446,160	1,041,160			161,857	161,857
10-1-03	615,000	7.000	425,335	1,040,335	220,000	7.250	161,856	381,856
04-1-04	640,000	7.125	403,810	1,043,810			153,881	153,881
10-1-04	660,000	7.125	381,010	1,041,010	235,000	7.250	153,881	388,881
04-1-05	685,000	7.125	357,497	1,042,497			145,363	145,363
10-1-05	710,000	7.125	333,094	1,043,094	250,000	7.250	145,362	395,362
04-1-06	735,000	7.125	307,800	1,042,800			136,300	136,300
10-1-06	760,000	7.125	281,616	1,041,616	270,000	7.250	136,300	406,300
04-1-07	790,000	7.125	254,541	1,044,541			126,513	126,513
10-1-07	815,000	7.125	226,397	1,041,397	290,000	7.250	126,512	434,762
04-1-08	845,000	7.125	197,363	1,042,363			116,000	116,000
10-1-08	875,000	7.125	167,259	1,042,259	310,000	7.250	116,000	426,000
04-1-09	905,000	7.125	136,088	1,041,088			104,763	104,763
10-1-09	940,000	7.125	103,847	1,043,847	330,000	7.250	104,763	434,762
04-1-10	970,000	7.125	70,359	1,040,359			92,800	92,800
10-1-10	1,005,000	7.125	35,803	1,040,803	355,000	7.250	92,800	447,800
04-1-11							79,931	79,931
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
	<u>\$21,870,000</u>		<u>\$18,776,996</u>	<u>\$40,646,996</u>	<u>\$ 6,220,000</u>		<u>\$ 7,105,229</u>	<u>\$ 13,325,229</u>

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
 For the Fiscal Year Ended September 30, 1991
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

Schedule 9
 Page 2 of 2

Utilities System Refunding Revenue Certificates,
 Series 1987

Utilities System Revenue Certificates
 Series 1990

Payment Date	Utilities System Refunding Revenue Certificates, Series 1987			Utilities System Revenue Certificates Series 1990				
	Principal	Coupon Rate	Interest	Total Requirements	Principal	Coupon Rate	Interest	Total Requirements
10-1-91	\$		\$ 258,713	\$ 258,713	\$ 165,000	5.900%	\$ 522,519	\$ 687,519
04-1-92	220,000	5.200%	258,712	478,712			517,651	517,651
10-1-92			252,993	252,993	175,000	6.000	517,651	692,651
04-1-93	230,000	5.400	252,992	482,992			512,401	512,401
10-1-93			246,783	246,783	185,000	6.100	512,401	697,401
04-1-94	245,000	5.600	246,782	491,782			506,759	506,759
10-1-94			239,923	239,923	200,000	6.200	506,759	706,759
04-1-95	255,000	5.800	239,922	494,922			500,559	500,559
10-1-95			232,528	232,528	210,000	6.300	500,559	710,559
04-1-96	270,000	6.000	232,527	502,527			493,944	493,944
10-1-96			224,428	224,428	225,000	6.400	493,944	718,944
04-1-97	285,000	6.200	224,427	509,427			486,744	486,744
10-1-97			215,593	215,593	240,000	6.500	486,744	726,744
04-1-98	305,000	6.400	215,592	520,592			478,944	478,944
10-1-98			205,833	205,833	255,000	6.600	478,944	733,944
04-1-99	325,000	6.500	205,832	530,832			470,529	470,529
10-1-99			195,270	195,270	270,000	6.700	470,529	740,529
04-1-00	345,000	6.600	195,270	540,270			461,484	461,484
10-1-00			183,885	183,885	295,000	6.750	461,484	756,484
04-1-01	370,000	6.700	183,885	553,885			451,528	451,528
10-1-01			171,490	171,490	310,000	6.800	451,527	761,527
04-1-02	390,000	6.800	171,490	561,490			440,988	440,988
10-1-02			157,840	157,840	330,000	7.000	440,987	770,987
04-1-03	420,000	7.000	157,840	577,840			429,438	429,438
10-1-03			143,140	143,140	355,000	7.000	429,437	784,437
04-1-04	445,000	7.000	143,140	588,140			417,013	417,013
10-1-04			127,565	127,565	375,000	7.000	417,013	792,013
04-1-05	480,000	7.000	127,565	607,565			403,888	403,888
10-1-05			110,765	110,765	405,000	7.000	403,888	808,888
04-1-06	510,000	7.000	110,765	620,765			389,713	389,713
10-1-06			92,915	92,915	435,000	7.000	389,713	824,713
04-1-07	545,000	7.000	92,915	637,915			374,488	374,488
10-1-07			73,840	73,840	465,000	7.000	374,488	839,488
04-1-08	585,000	7.100	73,840	658,840			358,213	358,213
10-1-08			53,073	53,073	495,000	7.000	358,213	853,213
04-1-09	630,000	7.100	53,072	683,072			340,887	340,887
10-1-09			30,708	30,708	535,000	7.000	340,887	875,887
04-1-10	670,000	7.100	30,707	700,707			322,162	322,162
10-1-10			6,923	6,923	570,000	7.100	322,162	892,162
04-1-11	195,000	7.100	6,922	201,922			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
	<u>\$ 7,720,000</u>		<u>\$ 6,448,405</u>	<u>\$14,168,405</u>	<u>\$15,000,000</u>		<u>\$20,698,426</u>	<u>\$35,695,426</u>

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, economic data and financial trends of the Utilities Commission, City of New Smyrna Beach.

**SCHEDULE OF EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS**

September 30,
UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

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
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	21,452,417	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	721,735	3,541,852	1,781,241
1991	30,650,259	15,718,072	2,989,885	753,447	3,856,593	1,785,889

Table 1

Operating Expenses			Nonoperating Expenses		
State Utilities Tax	Depreciation and Decommissioning	Total Operating Expense	Interest and Debt Expense	Other Nonoperating Expense	Total Nonoperating Expenses
\$84,350	\$1,284,052	\$12,994,506	\$1,927,066	\$0	\$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	2,375,681	64,486	2,441,167
241,052	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
3,293	2,616,987	27,721,286	2,840,798	88,175	2,928,973

**SCHEDULE OF REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

September 30,
UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

Fiscal Year	Total Revenues	Operating Revenues			Total Operating Revenue
		Electric System	Water System	Pollution Control System	
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	15,745,029	2,735,021	1,754,963	20,235,013
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
1991	30,989,578	24,261,715	3,414,240	2,437,303	30,113,258

Table II

<u>Nonoperating Revenues</u>		
<u>Interest Earnings</u>	<u>Other Income</u>	<u>Total Nonoperating Revenue</u>
\$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
696,413	179,907	876,320

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

September 30,
UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

Table III

Fiscal Year	New Smyrna Beach's Estimated Population (1)	Per Capita Income (3)	County Unemployment Rate (4)	School Enrollment (5)	School Percent Attendance (5)
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	15,314	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
1991	16,543 (3)	14,606	7.3	4,663	95

- (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) Obtained from State of Florida, Department of Labor and Employment Security.
- (5) Obtained from 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.
- (6) Obtained from the City of New Smyrna Beach 1990 Comprehensive Land Use Plan.

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS (4)
 LAST TEN FISCAL YEARS

Table IV

September 30,
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

Fiscal Year	Construction (1)		Bank Deposits (2) (000's)	Savings and Loan Deposits (2) (000's)	Property Assessed Value (3)
	Number of Permits	Value of Construction			
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	30,539,766	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
1991	2,333	22,309,940	379,110	300,960	1,026,339,359

- (1) Obtained from the City of New Smyrna Beach, Florida, Building Department
- (2) Obtained from inquiry with officials of banks and savings and loan associations
- (3) Obtained from Volusia County, Florida, Finance Department
- (4) The above data is related exclusively to area within the municipal limits of the City of New Smyrna Beach, Florida

SCHEDULE OF INSURANCE IN FORCE

September 30, 1991

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

Table V

Coverage and Insuring Company	Policy Number	Policy Period	Details of Coverage	Liability Limits
Comprehensive General Liability: Nutmeg Insurance Co.	21GENSQ9265	12-01-90 12-01-91	Combined bodily injury and property damage	\$1,000,000
Business Auto: Twin City Fire Insurance Company	21UENQK0216	12-01-90 12-01-91	Liability Comprehensive Collision Uninsured motorist No fault	\$1,000,000 bodily injury and property combined Actual cash value less \$250 deductible Actual cash value less \$500 deductible \$100,000 Statutory
Business Property: American Guarantee and Liability Insurance Co.	CPP330867005	12-01-90 12-01-91	Buildings and contents Accounts receivable Valuable papers/records Contractors' equipment Computer equipment	\$15,214,924 with \$10,000 deductible and 90% co-insurance \$850,000 with \$500 deductible \$100,000 with \$500 deductible \$455,983 with \$500 deductible \$160,000 with \$500 deductible
Crime: Aetna Casualty and Surety Co.	35EY100539780 BCA	12-01-90 12-01-91	Employee crime Money and securities Counterfeit currency Depositors' forgery	\$100,000 aggregate \$1,000 deductible \$50,000 \$5,000 \$100,000
Boiler and Machinery: Great Northern Insurance Co.	7827-44-32	09-30-91 09-30-92	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.	90147 X90147 & X90015 NF195 & MF91 NS347 & MS65 N-35 & M-35 NW103 & NW62	10-09-90 10-09-91 11-15-90 11-15-91 01-01-91 01-01-92 12-31-90 12-31-91 01-01-91 01-01-92 01-01-91 01-01-92	Primary property Excess property (Excess of \$500 million) Primary liability Suppliers and transporters liability Secondary financial protection Master Workers Torts	\$500 million \$1.125 billion \$200 million \$200 million \$30 million per occurrence \$200 million aggregate
Public Official/Employee Liability: International Surplus Lines Ins. Co.	524-117088-9	07-28-91 07-28-92	Liability	\$500,000 retention \$10,000/loss
Workers' Compensation: Florida Municipal Self-Insurers' Fund	109	10-01-91 10-01-92	Statutory coverage Employers liability	Statutory \$100,000

TEN LARGEST ELECTRIC CUSTOMERS
 September 30, 1991
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

Table VI

	<u>Kilowatt Hour Sales</u>		<u>Revenues Billed</u>	
	<u>(kWh)</u> <u>(000's)</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>
1. Fish Memorial Hospital	4,590	1.72%	\$364,215	1.52%
2. Publix Food Store (#0191)	3,083	1.16%	249,511	1.04%
3. Publix Supermarket (#0335)	2,635	0.99%	210,456	0.88%
4. Utilities Commission	2,501	0.94%	202,859	0.85%
5. Food Lion (#829)	2,145	0.80%	173,623	0.73%
6. K-Mart	2,030	0.76%	168,495	0.70%
7. Board of Public Instruction	1,955	0.73%	188,936	0.79%
8. Winn Dixie Store (#2302)	1,945	0.73%	156,199	0.65%
9. Board of Public Instruction	1,901	0.71%	170,750	0.71%
10. Islander Beach Lodge	<u>1,742</u>	<u>0.65%</u>	<u>146,842</u>	<u>0.61%</u>
TOTALS	<u>24,527</u>	<u>9.19%</u>	<u>\$2,031,886</u>	<u>8.50%</u>

TEN LARGEST WATER CUSTOMERS

September 30, 1991

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

Table VII

	Consumption		Revenue	
	Gallons (000's)	Percent of Total	Amount	Percent of Total
1. IDC (Beachelle Island)	23,075	1.95%	\$40,016	1.22%
2. Seawoods Homeowners Association	17,226	1.45%	23,893	0.73%
3. Board of Public Instruction	12,632	1.07%	24,170	0.74%
4. Rinker Materials	12,133	1.02%	14,423	0.44%
5. Cedar Dunes Homeowners	11,739	0.99%	15,176	0.46%
6. Pelican Association	11,653	0.98%	19,927	0.61%
7. Sugartree Apartments	11,400	0.96%	16,504	0.50%
8. Federal Housing Authority	10,924	0.92%	16,997	0.52%
9. Sandpipers Owners Association	10,893	0.92%	20,115	0.61%
10. Oceanview Nursing Home	<u>10,352</u>	<u>0.87%</u>	<u>13,082</u>	<u>0.40%</u>
TOTALS	<u>132,027</u>	<u>11.14%</u>	<u>\$204,303</u>	<u>6.22%</u>

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 of 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.

Jesse L. McKee, 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.

James U. Martin, Vice Chairman (term expires September, 1994)

Mr. Martin has approximately thirty years experience within the railroad industry. He served in the armed forces from 1941-1946. Mr. Martin has served on numerous boards including the City of New Smyrna Beach Code Enforcement Board, the Beach Advisory Board, and served as Chairman on the City Planning Board for four years. He is currently associated with a local travel agency, CF! Travel, Inc., and is involved with various civic organizations. Mr. Martin was appointed to the Commission in September, 1991, to serve a three year term.

G. Fred Heise, Sec.-Treas. (term expires September, 1994)

Mr. Heise has over thirty years experience in the Real Estate Development field, slanted towards his specialty of major shopping centers. He attended Colorado State University and obtained a Bachelor of Science degree in business management. He has completed numerous courses and seminars regarding advertising, promotion, management, real estate taxation, etc. and has a Florida Real Estate Brokers license. Mr. Heise is currently President of Sunco Advisory & Development Corporation. He held a position with the El Paso Natural Gas Company in their accounting department and has worked very closely with many utility companies during the development of commercial properties. He has served on various boards that oversaw budgets and set policies. Mr. Heise was appointed to the Commission in September, 1991 for a three year term.

Heyward A. Paxton, Jr., Asst. Sec.-Treas. (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. Mr. Pence was appointed to the Commission 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). 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

GENERAL UTILITIES COMMISSION INFORMATION

September 30, 1991

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

Table VIII

Page 2 of 3

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 18,800 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 15% of the Commission's total energy requirements during Fiscal Year 1991.

Purchases from Florida Power and Light Company (FPL), City of Lakeland (LAK), Orlando Utilities Commission (OUC), Florida Municipal Power Agency (FMPPA), Tampa Electric Company (TEC) 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 nineteen 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 (FMPPA). FMPPA 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 FMPPA's entitlement share in the St. Lucie Project. The Commission also has a reliability exchange agreement through the FMPPA 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 system control 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 messaging network. 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 five 23 kV/4 kV and three 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 capacity in excess 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 current 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.

Raw water is treated at the Glencoe Plant, which provides complete water treatment, including aeration, softening, pH adjust-

GENERAL UTILITIES COMMISSION INFORMATION

September 30, 1991

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

Table VIII

Page 3 of 3

ment, filtration, fluoridation and disinfection. This facility was expanded from 6.2 MGD to 9.3 MGD in 1991. 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 6.62 million gallons of storage capacity, three pumping stations, and approximately 110 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 acti-

vated 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, all of which have radio signal activated SCADA units.

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. 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.

Recent construction to provide further treatment required for reuse and land application of wastewater effluent has commenced.

COMPARATIVE BALANCE SHEETS

September 30,
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

ASSETS

	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
Utility Plant					
Electric system	\$44,096,918	\$42,448,486	\$39,229,967	\$38,103,157	\$37,203,666
Water system	16,164,983	15,990,608	14,771,713	14,325,687	13,397,752
Pollution Control system	18,022,914	17,878,551	16,995,713	16,874,018	16,472,673
General Plant	5,703,896	5,029,681	4,762,059	4,482,025	4,331,701
	83,988,711	81,347,326	75,759,462	73,784,887	71,405,792
Less: Allowance for depreciation and amortization	(29,800,779)	(27,391,733)	(25,294,147)	(23,139,496)	(20,949,088)
	54,187,932	53,955,593	50,465,315	50,645,391	50,456,704
Construction work in progress	7,470,459	2,507,473	3,886,761	1,339,507	1,692,246
	61,658,391	56,463,066	54,352,076	51,984,898	52,148,950
Restricted Assets					
Debt Service funds	6,973,725	6,793,117	5,067,859	5,140,544	4,974,756
Renewal and Replacement funds	6,876,848	11,804,801	0	0	0
Customers' deposits	923,181	952,693	907,953	871,457	887,456
CR 3 decommissioning fund	602,467	480,849	362,117	251,605	153,603
Rate stabilization fund	45,611	67,505	90,516	16,024	0
	19,373,000	24,021,717	10,105,745	10,750,474	9,602,590
Current assets					
Cash	626,784	344,113	521,953	395,745	653,260
Accrued interest receivable	77,407	65,227	56,420	53,607	47,334
Accounts receivable (net)	1,198,213	1,549,934	1,553,631	1,223,125	1,209,442
Unbilled accounts receivable	2,221,882	1,972,800	1,490,395	1,598,744	1,969,057
Due from other governments	0	1,007	30,772	70,970	48,893
Inventories	1,615,217	1,423,786	1,467,463	1,438,728	1,297,140
Prepaid expenses and other assets	217,991	159,007	121,889	140,228	150,701
Assessments receivable	97,079	74,402	63,454	89,811	102,639
	6,054,573	5,590,276	5,305,977	5,010,958	5,478,466
Deferred Charges and Other Assets					
Unamortized debt expense	751,243	793,544	550,807	590,875	631,730
Deferred charges and other assets	15,078	18,234	23,543	110,213	25,756
Assessments receivable - noncurrent	0	58,917	115,692	159,085	217,541
	766,321	870,695	690,042	860,173	875,027
Total assets	\$87,852,285	\$86,945,754	\$70,453,840	\$68,606,503	\$68,105,033

Table IX

LIABILITIES AND UTILITY EQUITY

	1991	1990	1989	1988	1987
Utility Equity					
Contributed capital	\$20,460,198	\$19,644,604	\$18,540,201	\$17,672,840	\$16,878,706
Retained Earnings:					
Reserved for debt service	3,565,636	3,632,700	2,675,541	2,728,142	4,821,153
Unreserved	3,583,725	3,177,342	4,697,935	4,582,127	2,906,595
	<u>7,149,361</u>	<u>6,810,042</u>	<u>7,373,476</u>	<u>7,310,269</u>	<u>7,727,748</u>
Total utility equity	<u>27,609,559</u>	<u>26,454,646</u>	<u>25,913,677</u>	<u>24,983,109</u>	<u>24,606,454</u>
Long-Term Debt					
Note payable (net of current portion)	2,805,000	2,865,000	1,726,744	745,561	0
Revenue certificates payable (net of current portion)	49,185,000	50,265,000	36,285,000	37,090,000	37,655,000
Less: Unamortized debt discount	(796,606)	(846,606)	(689,602)	(740,966)	(793,350)
Total long-term debt	<u>51,193,394</u>	<u>52,283,394</u>	<u>47,322,142</u>	<u>37,094,595</u>	<u>37,061,650</u>
Restricted Fund Liabilities					
Revenue certificates payable (current portion)	1,625,000	1,375,000	1,145,000	1,085,000	940,000
Notes payable (current portion)	60,000	60,000	45,000	30,000	0
Accrued interest payable	1,768,700	1,792,922	1,292,834	1,313,426	1,329,808
Accounts payable	393,999	312,295	697,404	65,290	296,236
Customers' deposits	907,571	912,064	849,963	778,677	785,872
Deferred credits:					
Reserve for decommissioning costs	602,467	430,849	362,117	251,605	153,603
Reserve for arbitrage rebate	191,244	94,223	0	0	0
Total restricted fund liabilities	<u>5,548,981</u>	<u>5,027,353</u>	<u>4,392,318</u>	<u>3,523,998</u>	<u>3,505,521</u>
Current Liabilities					
Accounts payable	1,641,257	1,675,863	1,443,706	1,557,946	1,481,512
Accrued liabilities	800,985	623,669	544,468	569,701	689,301
Due to other governments	410,408	403,353	231,956	343,620	524,517
Total current liabilities	<u>2,852,650</u>	<u>2,704,885</u>	<u>2,220,130</u>	<u>2,471,267</u>	<u>2,495,330</u>
Other Noncurrent Liabilities					
Deferred compensated absences	480,794	474,456	490,315	403,186	329,214
Deferred credits - operating reserves	166,907	1,020	115,258	45,303	106,864
Other liabilities	0	0	0	85,045	0
Total other noncurrent liabilities	<u>647,701</u>	<u>475,476</u>	<u>605,573</u>	<u>533,534</u>	<u>436,078</u>
Total liabilities	<u>60,242,726</u>	<u>60,491,108</u>	<u>44,540,163</u>	<u>43,623,394</u>	<u>43,498,579</u>
Total liabilities and utility equity	<u>\$87,852,285</u>	<u>\$86,945,754</u>	<u>\$70,453,840</u>	<u>\$68,606,503</u>	<u>\$68,105,033</u>

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 September 30,
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

Table X

	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
Operating Revenue					
Sales	\$29,815,850	\$27,833,668	\$26,155,534	\$24,180,899	\$22,234,268
Other revenue	297,408	278,545	261,073	261,866	237,666
Total operating revenue	<u>30,113,258</u>	<u>28,112,213</u>	<u>26,416,607</u>	<u>24,442,765</u>	<u>22,471,934</u>
Operating Expenses					
Production expenses	15,718,072	14,971,670	13,903,532	12,780,038	11,962,054
Transmission, distribution and sewage collection and treatment	2,989,885	2,856,957	2,795,429	2,657,153	2,430,767
Customer accounting	750,567	721,935	667,210	647,001	614,138
Administrative and general	3,856,593	3,541,852	3,025,338	2,888,994	2,856,752
Required payments to the City of New Smyrna Beach	1,785,889	1,781,241	1,589,082	1,481,102	1,301,571
State utilities tax	3,293	321,159	308,843	291,187	243,184
Depreciation	2,616,987	2,447,565	2,212,241	2,119,677	1,885,382
Total operating expenses	<u>27,721,286</u>	<u>26,642,379</u>	<u>24,494,675</u>	<u>22,865,150</u>	<u>21,293,848</u>
Operating income	<u>2,391,972</u>	<u>1,469,834</u>	<u>1,921,932</u>	<u>1,577,615</u>	<u>1,178,086</u>
Nonoperating Revenue					
Interest earnings	696,413	801,086	818,148	668,355	665,119
Other income	178,878	189,772	190,580	152,062	148,241
Gain on disposal of fixed assets	1,329	0	6,373	6,421	289,962
Total nonoperating revenue	<u>876,320</u>	<u>990,858</u>	<u>1,015,101</u>	<u>826,838</u>	<u>1,103,322</u>
Total income	<u>3,268,292</u>	<u>2,460,692</u>	<u>2,937,033</u>	<u>2,404,453</u>	<u>2,281,408</u>
Nonoperating Expenses					
Interest and debt expense	2,840,798	2,781,553	2,737,217	2,775,470	2,583,191
Other expenses	5,238	108,507	83,773	37,730	101,482
Loss on disposal of fixed assets	82,937	134,066	52,836	8,732	24,369
Total nonoperating expenses	<u>2,928,973</u>	<u>3,024,126</u>	<u>2,873,826</u>	<u>2,821,932</u>	<u>2,719,042</u>
Net income (loss) before extraordinary items	339,319	(563,434)	63,207	(417,479)	(437,634)
Extraordinary Item					
Loss from defeasance of debt	0	0	0	0	1,385,545
Net income (loss)	<u>339,319</u>	<u>(563,434)</u>	<u>63,207</u>	<u>(417,479)</u>	<u>(1,823,179)</u>
Retained earnings, beginning of year	<u>6,810,042</u>	<u>7,373,476</u>	<u>7,310,269</u>	<u>7,727,248</u>	<u>9,550,927</u>
Retained earnings, end of year	<u>\$ 7,149,361</u>	<u>\$ 6,810,042</u>	<u>\$ 7,373,476</u>	<u>\$ 7,310,269</u>	<u>\$ 7,727,748</u>

STATEMENTS OF CASH FLOWS

Table XI

September 30,
UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

	1991	1990	1989	1988	1987
Cash Flows From Operating Activities					
Cash received from customers	\$30,373,425	\$27,764,482	\$26,420,593	\$24,880,642	\$22,081,844
Cash paid to suppliers	(19,569,407)	(19,091,380)	(17,136,023)	(16,584,464)	1,696,300
Cash paid to employees for services	(5,330,617)	(4,908,802)	(4,488,871)	(4,347,814)	(4,001,121)
Net cash provided by operating activities	5,473,401	3,764,300	4,795,699	3,948,364	3,384,423
Cash Flows From Noncapital Financing Activities					
Cash received from nonoperating sources	178,878	189,771	190,581	152,062	148,241
Cash paid for nonoperating expenses	(5,238)	(108,507)	(83,773)	(37,730)	(101,482)
Net cash provided by noncapital financing activities	173,640	81,264	106,808	114,332	46,759
Cash Flows From Capital and Related Financing Activities					
Net proceeds from issuance of long-term debt	0	15,719,090	1,026,182	775,562	14,329,128
Debt reduction outlays	(890,000)	(850,000)	(775,000)	(620,000)	(8,804,557)
Contributed capital	815,594	1,104,404	867,360	794,134	1,270,785
Proceeds from sale of property and equipment	5,750	363	17,969	9,255	333,985
Acquisition and construction of capital assets	(7,952,966)	(4,686,529)	(4,706,497)	(2,094,748)	(9,773,409)
Interest paid (net of amount capitalized)	(2,772,719)	(2,187,040)	(2,666,377)	(2,698,611)	(2,332,546)
Net cash provided by (used in) capital and related financing activities	(10,794,341)	9,100,288	(6,236,363)	(3,834,408)	(4,976,614)
Cash Flows From Investing Activities					
Purchase of investment securities	(4,017,835)	(6,016,589)	(4,829,867)	(4,154,042)	(1,797,166)
Proceeds from sale of investment securities	7,673,775	4,325,177	4,610,600	3,907,824	1,353,804
Interest received	781,254	792,279	815,335	662,081	665,200
Net cash provided by (used in) investing activities	4,437,194	(899,133)	596,068	415,863	221,838
Net increase (decrease) in cash and cash equivalents	(710,106)	12,046,719	(737,788)	644,151	(1,323,594)
Cash and cash equivalents, beginning of year	19,396,090	7,349,371	8,087,159	7,443,008	8,766,602
Cash and cash equivalents, end of year	\$18,685,984	\$19,396,090	\$ 7,349,371	\$ 8,087,159	\$ 7,443,008
Reconciliation of Operating Income to Net Cash Provided					
By Operating Activities					
Operating income (loss)	\$ 2,391,972	\$ 1,469,834	\$ 1,921,932	\$ 1,577,615	\$ 1,178,086
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation, amortization and decommissioning	2,791,601	2,559,841	2,385,398	2,345,883	2,080,116
Provision for losses on receivables	59,000	61,237	54,541	55,327	41,015
Decrease (increase) in operating assets:					
Accounts receivable	44,646	(510,181)	(262,857)	279,226	(915,539)
Assessments receivable	36,240	(10,947)	26,357	71,284	102,771
Inventories	(191,431)	43,677	(28,735)	(141,587)	(24,662)
Prepaid expenses	(58,984)	(37,118)	18,340	10,472	(41,138)
Deferred charges and other assets	3,156	62,084	156,422	(84,459)	(651)
Increase (decrease) in operating liabilities:					
Accounts payable	47,098	(152,952)	517,874	(154,513)	459,710
Due to other governments	5,055	173,398	(111,665)	19,103	163,084
Customer deposits	(4,493)	62,100	71,286	(7,195)	135,346
Other liabilities	349,541	43,327	46,806	(22,792)	206,285
Net cash provided by operating activities	\$ 5,473,401	\$ 3,764,300	\$ 4,795,699	\$ 3,948,364	\$ 3,384,423

SELECTED SEGMENT INFORMATION

September 30,
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

Table XII

	Electric System	Water System	Pollution Control System	Total
<i>September 30, 1991:</i>				
Operating revenue	\$24,261,715	\$ 3,414,240	\$ 2,437,303	\$30,113,258
Depreciation and decommissioning	1,573,671	457,665	585,651	2,616,987
Operating income (loss)	2,118,404	560,117	(286,549)	2,391,972
Required payments to City of New Smyrna Beach	1,440,022	201,595	144,272	1,785,889
Net income (loss)	772,158	119,221	(552,060)	339,319
Contributions in aid of construction	418,729	7,119,945	12,921,524	20,460,198
Utility plant acquisitions	2,326,451	360,470	303,059	2,989,980
Utility plant retirements	273,489	17,540	57,565	348,594
Revenue Certificates payable	24,046,600	19,810,500	6,952,900	50,810,000
Utility equity	6,808,665	9,883,957	10,916,937	27,609,559
<i>September 30, 1990:</i>				
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
<i>September 30, 1989:</i>				
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
<i>September 30, 1988:</i>				
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	10,209,450	6,421,150	38,175,000
Utility equity	6,481,894	7,677,697	10,823,518	24,983,109
<i>September 30, 1987:</i>				
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

SCHEDULE OF REVENUE CERTIFICATE COVERAGE
September 30,
UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
NEW SMYRNA BEACH, FLORIDA

Table XIII

	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
Gross Revenue Per Certificate Resolution					
Operating revenues	\$30,113,258	\$28,112,213	\$26,416,607	\$24,442,765	\$22,471,934
Interest and other income (excluding construction fund interest earnings)	876,320	990,858	1,008,728	820,417	813,360
Connection fees	756,866	1,001,968	806,571	756,976	1,180,590
Assessment collections	<u>36,239</u>	<u>45,828</u>	<u>69,750</u>	<u>71,284</u>	<u>101,891</u>
Gross revenue per certificate resolution	<u>31,782,683</u>	<u>30,150,867</u>	<u>28,301,656</u>	<u>26,091,442</u>	<u>24,567,775</u>
Expenses Per Certificate Resolution					
Operating expenses	27,721,286	26,642,379	24,494,675	22,865,150	21,293,848
Less: Depreciation expense	(2,495,369)	(2,328,833)	(2,212,241)	(2,119,675)	(1,885,382)
Required payments to the City	<u>(1,785,889)</u>	<u>(1,781,241)</u>	<u>(1,589,082)</u>	<u>(1,481,102)</u>	<u>(1,301,571)</u>
Expenses per certificate resolution	<u>23,440,028</u>	<u>22,532,305</u>	<u>20,693,352</u>	<u>19,264,373</u>	<u>18,106,895</u>
Income available for debt service	<u>8,342,655</u>	<u>7,618,562</u>	<u>7,608,304</u>	<u>6,827,069</u>	<u>6,460,880</u>
Annual Debt Service Requirements					
Principal	1,020,000	805,000	765,000	725,000	515,000
Interest (less accrued interest) (1)	<u>3,550,972</u>	<u>2,553,281</u>	<u>2,597,110</u>	<u>2,637,382</u>	<u>2,660,317</u>
Total annual debt service requirements	<u>\$ 4,570,972</u>	<u>\$ 3,358,281</u>	<u>\$ 3,362,110</u>	<u>\$ 3,362,382</u>	<u>\$ 3,175,317</u>
Coverage ratio (Times)	<u>1.83</u>	<u>2.27</u>	<u>2.26</u>	<u>2.03</u>	<u>2.03</u>

(1) Interest expense for the fiscal years 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.

SCHEDULE OF SELECTED FINANCIAL RATIOS

September 30,
 UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA
 NEW SMYRNA BEACH, FLORIDA

Table XIV

		<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
Current ratio - current assets divided by current liabilities	(Times)	2.12	2.06	2.39	2.00	2.20
Quick ratio - current assets less inventories divided by current liabilities	(Times)	1.56	1.54	1.73	1.43	1.68
Current assets divided by total assets	(Percent)	6.89%	6.43%	7.53%	7.30%	8.04%
Current liabilities divided by total liabilities	(Percent)	4.74%	4.47%	4.98%	5.73%	5.74%
Current liabilities divided by utility equity	(Percent)	10.33%	10.22%	8.57%	10.01%	10.14%
Contributed capital divided by utility equity....	(Percent)	74.11%	74.26%	71.55%	70.74%	68.59%
Total liabilities divided by utility equity	(Times)	2.18	2.29	1.72	1.75	1.77
Long-term debt (net) divided by utility equity	(Times)	1.85	1.98	1.44	1.48	1.51
Current liabilities divided by total assets	(Percent)	3.25%	3.11%	3.15%	3.65%	3.66%
Long-term debt (net) divided by total assets ...	(Percent)	58.27%	60.13%	52.97%	54.07%	54.42%
Total liabilities divided by total assets	(Percent)	68.57%	69.57%	63.22%	63.58%	63.87%
Sales divided by average accounts receivable .	(Times)	22.04	18.22	19.03	20.10	21.12
Average collection period - average billed accounts receivable divided by average daily sales	(Days)	16.33	19.87	18.92	17.91	17.04

CITY OF BUSHNELL, FLORIDA

GENERAL PURPOSE
FINANCIAL STATEMENTS
FOR THE
FISCAL YEAR ENDED
SEPTEMBER 30, 1991

CITY OF BUSHNELL, FLORIDA
CITY COUNCIL AND OFFICIALS
SEPTEMBER 30, 1991

Mayor-Councilman Joe P. Strickland, Jr.
Vice-Mayor R. Jerry Eubanks
Councilman Dale Swain
Councilman Billy Williams
Councilman Emory Guess
City Manager Vicente Ruano
City Clerk Judith C. Muller
City Attorney Brian Eubanks

CITY OF BUSHNELL, FLORIDA
GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1991

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
City Council and Officials	1
Table of Contents	ii-iii
FINANCIAL SECTION	
Independent Auditor's Report	1-2
General Purpose Financial Statements:	
Combined Balance Sheet--All Fund Types and Account Groups	3-4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--All Governmental Fund Types	5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--General and Special Revenue Funds	6
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings--All Proprietary Fund Types	7
Combined Statement of Cash Flows-- All Proprietary Fund Types	8
Notes to Financial Statements	9-23
Combining and Individual Fund Financial Statements:	
<u>General Fund</u>	
Comparative Balance Sheets	24
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	25

TABLE OF CONTENTS (Continued)

Page Number

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual	26-27
Statement of Revenues-- et and Actual	28-29
Statement of Expenditures- Budget and Actual	30-34
<u>Evergreen Cemetery Special Revenue Fund</u>	
Comparative Balance Sheets	35
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances	36
<u>Enterprise Funds</u>	
Combining Balance Sheet	37-39
Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit)	40
Combining Statement of Cash Flows	41-42
<u>Agency Funds</u>	
Combining Balance Sheet	43
SUPPLEMENTARY INFORMATION	
Independent Auditor's Report on Supplementary Informator. - Schedule of State Financial Assistance	44
Schedule of State Financial Assistance	45
Auditor's Report on Compliance Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	46
Report on the Internal Control Structure in Accordance with Government Auditing Standards	47-48
Auditor's Letter to Management	49-50

FINANCIAL SFCTION

DAVID C. LOGAN
Certified Public Accountant

January 15, 1992

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying general purpose financial statements of the City of Bushnell, Florida, as of and for the year ended September 30, 1991, as listed in the Table of Contents. These financial statements are the responsibility of the City of Bushnell's management. My responsibility is to express an opinion on these financial statements based on my audit.

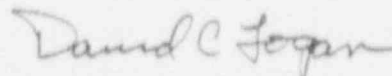
Except as discussed in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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. I believe that my audit provides a reasonable basis for my opinion.

I was unable to examine sufficient evidential matter to determine if property, plant and equipment and the provisions for depreciation recorded in the Electric Utility Fund and the fixed assets recorded in the general fixed assets account group are fairly presented at cost or estimated historical cost, due to insufficient detail within the City's property records.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to determine the propriety of amounts recorded as property, plant and equipment and the provisions for depreciation in the Electric Utility Fund and the propriety of amounts recorded as fixed assets in the general fixed assets account group, the general purpose financial statements referred to above present fairly in all material respects, the financial position of the City of Bushnell, Florida, as of September 30, 1991, and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

Honorable Mayor and Members
of the City Council
January 15, 1992
Page 2

My 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 individual account group financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Bushnell, Florida. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



David C. Logan
Certified Public Accountant

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF ELSHRELL, FLORIDA
 COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS
 SEPTEMBER 30, 1991
 (WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1990)

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS	
	GENERAL	SPECIAL REVENUE	ENTERPRISE	AGENCY FUND	GENERAL	GENERAL	(MEMORANDUM ONLY)	
					FIXED ASSETS	LONG TERM DEBT	1991	1990
<u>ASSETS AND OTHER DEBITS</u>								
Assets:								
Cash	\$ 174,468	\$ 3,505	\$ 470,105	\$ 2,050	\$ -	\$ -	\$ 650,128	\$ 545,367
Receivable (Net of allowance for uncollectibles - \$8,000):								
Interest	-	-	-	-	-	-	-	1,476
Taxes	31,614	-	-	-	-	-	31,614	31,172
Accounts	-	-	200,769	-	-	-	200,769	203,852
Intergovernmental	27,125	-	-	-	-	-	27,126	23,169
Due From Other Funds	-	-	3,899	-	-	-	3,899	1,193
Inventories, at Cost	905	-	74,396	-	-	-	75,301	76,114
Prepaid Expenses	-	-	6,114	-	-	-	6,114	7,740
Restricted Assets:								
Cash and Investments	-	255,256	399,671	-	-	-	654,927	614,039
Property and Equipment, at Cost (Net, where applicable, of accumulated depreciation)	-	-	2,186,679	-	1,040,221	-	3,226,900	2,951,785
Other Assets	-	-	13,919	-	-	-	13,919	7,794
Other Debits:								
Amount to be Provided for Retirement of General Long- Term Debt	-	-	-	-	-	131,328	131,328	137,852
Total Assets and Other Debits	\$ 234,113	\$ 258,761	\$ 3,355,552	\$ 2,050	\$ 1,040,221	\$ 131,328	\$ 5,022,025	\$ 4,601,533

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS
 SEPTEMBER 30, 1991
 (WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1990)

	GOVERNMENTAL		PROPRIETARY	FIDUCIARY	ACCOUNT GROUPS		TOTALS	
	FUND TYPES		FUND TYPES	FUND TYPES	GENERAL	GENERAL	(MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	ENTERPRISE	AGENCY FUND	FIXED ASSETS	LONG TERM DEBT	1991	1990
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>								
Liabilities:								
Accounts Payable	\$ 98,093	\$ -	\$ 118,190	\$ -	\$ -	\$ -	\$ 216,283	\$ 192,500
Accrued Liabilities	6,178	-	4,424	-	-	-	10,602	9,655
Compensated Absences Payable	-	-	18,480	-	-	34,875	53,355	56,129
Due to Other funds	-	-	3,899	-	-	-	3,899	1,197
Deferred Revenue	2,298	-	-	-	-	-	2,298	2,288
Deposits	850	1,200	-	2,050	-	-	4,100	4,424
Payable From Restricted Assets:								
Customer Deposits	-	-	57,256	-	-	-	57,256	52,649
Accrued Interest Payable	-	-	11,133	-	-	-	11,133	11,498
Revenue Bonds Payable	-	-	40,000	-	-	-	40,000	35,000
Long Term Revenue Bonds Payable - Series 1976 (Net)	-	-	257,806	-	-	-	257,806	281,781
Notes Payable	-	-	601,000	-	-	96,453	697,453	450,026
Total Liabilities	107,419	1,200	1,112,188	2,050	-	131,328	1,354,185	1,097,143
Equity and Other Credits:								
Contributed Capital	-	-	1,084,703	-	-	-	1,084,703	1,079,200
Investment in General Fixed Assets	-	-	-	-	221	-	1,040,221	773,657
Retained Earnings:								
Reserved	-	-	272,791	-	-	-	272,791	274,772
Unreserved	-	-	885,870	-	-	-	885,870	850,444
Fund Balances:								
Reserved	1,655	255,256	-	-	-	-	256,911	242,184
Unreserved	125,039	2,305	-	-	-	-	127,344	284,133
Total Equity and Other Credits	126,694	257,561	2,243,364	-	1,040,221	-	3,667,840	3,504,390
Total Liabilities, Equity and Other Credits	\$ 234,113	\$ 256,761	\$ 3,355,552	\$ 2,050	\$ 1,040,221	\$ 131,328	\$ 5,022,025	\$ 4,601,533

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES--ALL GOVERNMENTAL FUND TYPES
 YEARS ENDED SEPTEMBER 30, 1991
 (WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1990)

	GENERAL	SPECIAL REVENUE	TOTALS (MEMORANDUM ONLY)	
			1991	1990
Revenues:				
Taxes	\$ 275,487	\$ -	\$ 275,487	\$ 262,000
Licenses & Permits	24,970	-	24,970	10,883
Intergovernmental	349,412	-	349,412	225,179
Charges for Services	210	3,000	3,210	8,764
Fines & Forfeits	19,450	-	19,450	23,583
Miscellaneous Revenue	27,022	27,114	54,136	50,820
Total Revenues	696,551	30,114	726,665	581,229
Expenditures:				
General Government	210,592	-	210,592	176,245
Public Safety	369,639	-	369,639	310,674
Physical Environment	2,579	13,757	16,336	14,928
Transportation	149,615	-	149,615	112,755
Economic Environment	11,000	-	11,000	10,931
Culture & Recreation	290,801	-	290,801	94,889
Debt Service:				
Principal	21,174	-	21,174	20,190
Interest	5,311	-	5,311	9,557
Total Expenditures	1,060,711	13,757	1,074,468	750,169
Excess (Deficiency) of Revenues Over (Under) Expenditures	(364,160)	16,357	(347,803)	(168,940)
Other Financing Sources:				
Operating Transfers In	193,673	-	193,673	140,000
Loan Proceeds	12,477	-	12,477	11,853
Total Other Financing Sources	206,150	-	206,150	151,853
Excess (Deficiency) of Revenues and Other Financing Sources Over Other Expenditures	(158,010)	16,357	(141,653)	(17,087)
Fund Balances October 1	285,113	241,204	526,317	543,448
Increase (Decrease) in Inventory Reserves	(409)	-	(409)	(44)
Fund Balances September 30	\$ 126,694	\$ 257,561	\$ 384,255	\$ 526,317

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES--BUDGET AND ACTUAL -
 GENERAL AND SPECIAL REVENUE FUNDS
 YEAR ENDED SEPTEMBER 30, 1991

	BUDGETED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Taxes	\$ 259,540	\$ 275,487	\$ 15,947
Licenses and Permits	11,315	24,970	13,655
Intergovernmental	362,573	349,412	(13,161)
Charges for Services	700	3,210	2,510
Fines and Forfeits	19,500	19,450	(50)
Miscellaneous Revenue	15,750	54,136	38,386
Total Revenues	<u>669,378</u>	<u>726,665</u>	<u>57,287</u>
Expenditures:			
General Government	201,689	210,572	(8,903)
Public Safety	367,899	369,639	(1,740)
Physical Environment	3,200	16,336	(13,136)
Transportation	142,369	149,615	(7,246)
Economic Environment	11,000	11,000	-
Culture and Recreation	280,318	290,801	(10,483)
Debt Service:			
Principal	19,529	21,174	(1,645)
Interest	10,382	5,311	5,071
Total Expenditures	<u>1,036,386</u>	<u>1,074,468</u>	<u>(38,082)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(367,008)</u>	<u>(347,803)</u>	<u>19,205</u>
Other Financing Sources:			
Operating Transfers In	203,673	193,673	(10,000)
Loan Proceeds	12,500	12,477	(23)
Total Other Financing Sources	<u>216,173</u>	<u>206,150</u>	<u>(10,023)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>(150,835)</u>	<u>(141,653)</u>	<u>9,182</u>
Fund Balances October 1	526,317	526,317	-
Increase (Decrease) in Inventory	<u>-</u>	<u>(409)</u>	<u>(409)</u>
Fund Balances September 30	<u>\$ 375,482</u>	<u>\$ 384,255</u>	<u>\$ 8,773</u>

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS--ALL PROPRIETARY FUND TYPES
 YEAR ENDED SEPTEMBER 30, 1991
 (WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1990)

	<u>1991</u>	<u>1990</u>
Operating Revenues:		
Charges for Services	\$ <u>1,572,456</u>	\$ <u>1,602,408</u>
Operating Expenses:		
Purchased Power	765,990	752,309
Salaries	185,445	165,759
Employee Benefits	79,103	61,615
Professional Services	43,465	39,259
Operating Supplies	33,242	32,171
Other Current Charges	83,484	68,719
Depreciation	101,311	94,517
Landfill	41,461	34,722
State Utility Tax	-	<u>20,336</u>
Total Operating Expenses	<u>1,333,501</u>	<u>1,269,407</u>
Operating Income	<u>238,955</u>	<u>333,001</u>
Non-Operating Revenue (Expense):		
Interest Earned	35,511	41,090
Gain on Sale of Equipment	-	14,500
Interest Expense and Fiscal Charges	<u>(47,348)</u>	<u>(52,151)</u>
Total Non-Operating Revenues (Expense)	<u>(11,837)</u>	<u>3,439</u>
Income Before Transfers	227,118	336,440
Operating Transfers (Out)	<u>(193,673)</u>	<u>(140,000)</u>
Net Income	33,445	196,440
Retained Earnings, October 1	<u>1,125,216</u>	<u>928,776</u>
Retained Earnings, September 30	\$ <u><u>1,158,661</u></u>	\$ <u><u>1,125,216</u></u>

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>ENTERPRISE</u>
Cash Flows From Operating Activities:	
Cash Received From Customers, including	
Cash Deposits	\$ 1,604,867
Cash Paid to Suppliers	(1,106,964)
Cash Paid to Employees	(175,543)
Cash Deposits Returned to Customers	(25,245)
Net Cash Provided By Operating Activities	<u>297,115</u>
Cash Flows From Noncapital Financing Activities:	
Capital Contributions - Customers	5,503
Operating Transfers Out	(193,673)
Net Cash Used In Noncapital Financing Activities	<u>(188,170)</u>
Cash Flows From Capital and Related Financing Activities:	
Loan Proceeds	263,644
Purchase of Property and Equipment	(109,862)
Principal Payments	(32,852)
Interest Paid	(47,482)
Net Cash Provided By Capital and Related Financing Activities	<u>73,448</u>
Cash Flows From Investing Activities:	
Receipt of Interest	35,511
Net Cash Provided By Investing Activities	<u>35,511</u>
Net Increase In Cash	217,904
Cash, October 1	651,872
Cash, September 30	\$ <u><u>869,776</u></u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:	
Operating Income	\$ <u>238,955</u>
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:	
Depreciation Expense	101,311
Decrease in Accounts Receivable	2,559
Increase in Allowance for Uncollected Accounts	2,000
Decrease in Prepaid Expenses	1,626
Decrease in Inventory	404
(Decrease) in Accounts Payable	(50,543)
Increase in Accrued Expenses	1,162
(Decrease) in Accumulated Compensated Absences	(4,966)
Net Increase in Customer Deposits	4,607
Total Adjustments	<u>58,160</u>
Net Cash Provided by Operating Activities	\$ <u><u>297,115</u></u>

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1991

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bushnell, Florida was incorporated in 1957. The City operates under a council-manager form of government and provides services to its residents in many areas, including public safety (police and fire), highways and streets, utilities, sanitation, culture-recreation, public improvements, and general administrative services.

The financial statements of the City of Bushnell, Florida have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City of Bushnell, Florida's accounting principles are described below:

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic--but not the only--criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial independence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

Included within the reporting entity:

Evergreen Cemetery Fund:

A Board of Trustees is appointed by the City Council to administer the affairs of Evergreen Cemetery. The Board is authorized to sell cemetery lots and to invest proceeds which are legally restricted by ordinance. The principal is not subject to expenditure and the interest can be used only for operations, maintenance and improvement of the cemetery.

B. Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

CITY OF BUSHNELL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1991

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Funds are used to account for all or most of a government's general activities.

Governmental funds of the City are as follows:

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 Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.

Proprietary funds are used to account for activities similar to those found in private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

An account group, unlike a fund, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Account Groups maintained by the City are as follows:

General Fixed Assets - Accounts for property and equipment not used in proprietary fund operations or accounted for in trust funds.

General Long-Term Debt - Accounts for unmatured principal of long-term general obligation indebtedness that is not a specific liability of a Proprietary or Fiduciary Fund.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenses and other financial uses) in net current assets.

CITY OF BUSHNELL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1991

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Billing cycles of the proprietary funds which overlap September 30 are pro-rated based upon meter reading dates.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The following revenues are considered to be susceptible to accrual:

- Cigarette Tax
- State Revenue Sharing Proceeds
- Mobile Home License Tax
- Alcoholic Beverage License Tax
- Half Cent Sales Tax
- Property Taxes
- Franchise Taxes
- Utility Service Taxes
- Interest Revenue

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the provision for depreciation expense is not included in the budget of the proprietary funds. Annual appropriated budgets are adopted for the general fund. Annual appropriations lapse at fiscal year end.

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

CITY OF BUSHNELL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1991

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

F. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" on the balance sheet.

G. Inventory

Inventories held by the Enterprise Funds are stated at cost or market, whichever is lower.

H. Prepaid Items

Payments made to vendors for service that will benefit periods beyond September 30, 1991 are recorded as prepaid items.

I. Property, Plant and Equipment

Property, plant and equipment used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on such property, plant and equipment.

All property, plant and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated property, plant and equipment are valued at their estimated fair value on the date donated.

The City has adopted the accounting policy of not capitalizing "infrastructure" general fixed assets (road, bridges, curbs and gutter, streets and sidewalks, drainage system, lighting systems and similar assets that are immovable and of value only to the City).

Depreciation is provided in the enterprise fund in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

	Useful Life <u>In Years</u>
Electric Utility Fund	
Distribution Plant	25-40 years
Structures and Improvements	32 years
Equipment	6-12 years
Investment in Crystal River #3 Nuclear Plant	28 years
Water Utility Fund	
Distribution Plant	25-101 years
Building	50 years
Equipment	25 years
Sanitation Fund	
Equipment	7 years

CITY OF BUSHNELL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1991

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Bond Discounts/Issuance Costs

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

K. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, accounting for compensated absences, no liability is recorded for nonvesting accumulating rights to receive said pay benefits. However, a liability is recognized for that portion of accumulating said leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Grants - Proprietary Funds

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

N. Water Line Extension Charges

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

CITY OF BUSHNELL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1991

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Equity

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

P. Total Columns -A Combined Statements--Overview

Total columns on the combined statements - overview are captioned Memorandum Only to indicate they are presented only to facilitate financial analysis. Data in these columns are not comparable to a consolidation. Interfund transactions are not eliminated.

Q. Comparative 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.

NOTE 2 LEGAL COMPLIANCE - BUDGETS

Prior to October 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them. After submission of the proposed operating budget, workshops are held and public hearings are conducted to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of a resolution. Any transfers of budgeted amounts between departments within any fund and any revisions that alter the total expenditures of any fund must be approved by the Council.

Budgeted amounts presented agree with the original adopted budget as amended during the year by City Council.

A formal budget is not adopted for the Evergreen Cemetery Fund.

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits - At year end, the carrying amount of the City's deposits was \$1,198,017 and the bank balance was \$1,207,531. All of the bank balance was covered by federal depository insurance or by a state collateral insurance pool held by the Treasurer, State of Florida, in the Public Deposit Security Trust Fund established in accordance with Chapter 290 of the Florida Statutes.

Investments - The City's investments are categorized as either (1) insured or registered or for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the City's name, or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the government's name.

CITY OF BUSHNELL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1991

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

	Categories			Carrying Amount	Market Value
	1	2	3		
U.S. Government Securities	\$ -	\$107,038	\$ -	\$107,038	\$107,635

NOTE 4 RECEIVABLES

Receivables at September 30, 1991 consist of the following:

	General	Enterprise	Total
Receivables:			
Taxes	\$31,614	\$ -	\$ 31,614
Accounts	-	208,769	208,769
Intergovernmental	27,126	-	27,126
Gross Receivables	58,740	208,769	267,509
Less - Allowances for Uncollectibles	-	(8,000)	(8,000)
Net Receivables	<u>\$58,740</u>	<u>\$200,769</u>	<u>\$259,509</u>

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and the County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method state wide. 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, 1991, was 2.85.

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 as follows:

November	4%
December	3%
January	2%
February	1%
March	0%

Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 of the following 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.

CITY OF BUSHNELL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1991

NOTE 4 RECEIVABLES (Continued)

The amount of delinquent or uncollected property taxes at year end was immaterial. The City's Tax Calendar is as follows:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	March 31, Succeeding Year
Lien Date:	April 1, Succeeding Year

NOTE 5 BOND SERVICE REQUIREMENTS/RESTRICTED ASSETS

UTILITIES SYSTEM REVENUE BONDS SERIES 1976

As of September 30, 1991, bond service requirements are current. The following is a summary of the restricted assets related to the Utilities System Revenue Bonds Series 1976.

Revenue Bonds Debt Service - The City deposits cash monthly into a separate account to fund upcoming principal and interest payments in accordance with the bond resolution. Such cash and investments are reported as restricted assets.

Renewal and Replacement - The bond resolution requires a monthly deposit for renewal and replacement (extensions, enlargements or additions to, or the replacement of capital assets of the facilities and emergency repairs thereto or unusual costs of operation and maintenance). The required monthly contribution is computed at 1/12 of 9 percent of the prior year's gross revenue, however, no further deposits are required when the balance on hand equals 10 percent of the outstanding principal balance of the revenue bonds.

CUSTOMER DEPOSITS

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

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

A summary of changes in general fixed assets follows:

	<u>BALANCE</u> <u>10/1/90</u>	<u>ADDITIONS</u>	<u>DISPOSALS</u>	<u>BALANCE</u> <u>9/30/91</u>
Land	\$284,309	\$ -	\$ -	\$ 284,309
Buildings	139,871	26,716	-	166,587
Improvements	30,127	202,274	-	232,401
Machinery and Equipment	<u>319,350</u>	<u>37,574</u>	<u>-</u>	<u>356,924</u>
	<u>\$773,657</u>	<u>\$266,564</u>	<u>\$ -</u>	<u>\$1,040,221</u>

CITY OF BUSHNELL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1991

NOTE 6 PROPERTY, PLANT AND EQUIPMENT (Continued)

A summary of Proprietary Fund Type property and equipment at September 30, 1991 follows:

	<u>ELECTRIC UTILITY FUND</u>	<u>WATER UTILITY FUND</u>	<u>SANITATION FUND</u>	<u>TOTAL</u>
Land	\$ 2,300	\$ 18,090	\$ -	\$ 20,390
Distribution Plant	981,553	593,813	-	1,575,366
Buildings	11,181	134,436	-	145,617
Equipment	178,044	721,291	119,908	1,019,243
Crystal River #3 Investment	<u>279,894</u>	<u>-</u>	<u>-</u>	<u>279,894</u>
	1,452,972	1,467,630	119,908	3,040,510
Accumulated Depreciation	<u>(470,935)</u>	<u>(288,500)</u>	<u>(94,396)</u>	<u>(853,831)</u>
	<u>\$ 982,037</u>	<u>\$1,179,130</u>	<u>\$ 25,512</u>	<u>\$2,184,679</u>

NOTE 7 OPERATING LEASE

The City is committed under a lease for a fire truck. This lease is considered for accounting purposes to be an operating lease. The lease expenditure for the year ended September 30, 1991 totalled \$12,493. Future minimum lease payments for this lease is as follows:

<u>Year Ending</u>	<u>Amount</u>
1992	12,493
1993	12,493
1994	<u>12,493</u>
	<u>\$37,479</u>

NOTE 8 LONG-TERM DEBT

The following is a summary of the bonds payable and general long-term debt:

Proprietary Fund Long-Term Debt

Utilities System Revenue Bonds Series 1976 - \$500,000

The 1976 bonds are coupon bonds in denominations of \$5,000 each and are collateralized by a pledge of the gross revenues of the utilities system.

The bond liability is recorded according to use of the original proceeds as follows - Electric Utility Fund 86 percent; Water Utility Fund 14 percent. Combined bond maturities and interest rates are as follows:

CITY OF BUSHNELL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1991

NOTE 9 LONG-TERM DEBT (Continued)

	<u>MAJORITY APRIL 1</u>	<u>COUPON RATE</u>	<u>TOTAL PRINCIPAL AMOUNT</u>		
Term Bonds	1991	7.3%	\$ 15,000		
	1992	7.3%	25,000		
	1993	7.3%	27,000		
	1994	7.3%	30,000		
	1995	7.3%	35,000		
	1996	7.3%	35,000		
	1997	7.3%	40,000		
	1998	7.3%	45,000	WATER	ELECTRIC
	1999	7.3%	<u>5,000</u>	<u>FUND</u>	<u>FUND</u>
Total Principal Balance Outstanding			\$305,000	\$42,700	\$262,300
Less: Unamortized Discount and Issue Costs			<u>(7,194)</u>	<u>(1,004)</u>	<u>(6,190)</u>
			<u>\$297,806</u>	<u>\$41,696</u>	<u>\$256,110</u>
Total Remaining Interest			<u>\$ 94,900</u>	<u>\$13,286</u>	<u>\$ 81,614</u>

The term bonds due in 1999 are subject to mandatory redemption by lot in the amounts listed above.

The term bonds which were due on April 1, 1991 in the remaining amount of \$15,000 were not presented for payment as of September 30, 1991 and are, therefore, included as outstanding.

Water Fund - Florida Municipal Power Agency - Initial Pooled Loan Project

The City has entered into a financing agreements with the Florida Municipal Power Agency (FMPA). Interest is payable monthly at a variable rate (currently 4.0% plus a 1.25% administration fee) and principal is due as follows:

	<u>July 1</u>	<u>November 1</u>	<u>Total</u>
1991	\$ -	\$ 20,000	\$ 20,000
1992	10,000	20,000	30,000
1993	10,000	20,000	30,000
1994	10,000	25,000	35,000
1995	10,000	25,000	35,000
1996	10,000	30,000	40,000
1997	10,000	30,000	40,000
1998	\$ 10,000	\$ 30,000	\$ 40,000
1999	15,000	35,000	50,000
2000	15,000	35,000	50,000
2001	15,000	-	15,000
2002	15,000	-	15,000
2003	15,000	-	15,000
2004	20,000	-	20,000
2005	20,000	-	20,000
2006	20,000	-	20,000
2007	20,000	-	20,000
2008	25,000	-	25,000
2009	25,000	-	25,000
2010	25,000	-	25,000
2011	<u>26,000</u>	<u>-</u>	<u>26,000</u>
	<u>\$326,000</u>	<u>\$270,000</u>	<u>\$596,000</u>

CITY OF BUSHMELL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1991

NOTE 8 LONG-TERM DEBT (Continued)

Water Fund Mortgage Note Payable - Bennie Harrison

The following is a schedule of the mortgage note payable to Bennie Harrison:

	<u>Principal</u>	<u>Remaining Interest</u>
1992	1,000	325
1993	1,000	260
1994	1,000	195
1995	1,000	130
1996	<u>1,000</u>	<u>65</u>
	<u>\$5,000</u>	<u>\$ 975</u>

Principal and interest (at 6 1/2%) payments are due annually on January 31. The balance is secured by Water Fund land.

GENERAL LONG-TERM DEBT

PRINCIPAL
BALANCE
9/30/91

Mortgage Payable, secured by first mortgage on sports complex real estate, due in monthly payments of \$570, interest at 74.2% of prevailing prime rate	\$ 84,610
Accumulated unpaid vacation & sick pay accrual	34,875
Note Payable, collateralized by 1991 Ford Crown Victoria, due in monthly payments of \$400, including interest at 9.4%	8,803
Note Payable, collateralized by 1989 Ford Crown Victoria, due in monthly payments of \$484, including interest at 10.5%	<u>3,040</u>
	<u>\$131,328</u>

During the year ended September 30, 1991, the following changes occurred in liability reported in the general long-term debt account group:

	<u>BALANCE</u> <u>10/1/90</u>	<u>ADDITIONS</u>	<u>DISPOSALS</u>	<u>BALANCE</u> <u>9/30/91</u>
Mortgage Payable	\$ 91,450	\$ -	\$ 6,840	\$ 84,610
Notes Payable	13,700	12,477	14,334	11,843
Accumulated unpaid vacation and sick pay accrual	<u>32,682</u>	<u>2,193</u>	<u>-</u>	<u>34,875</u>
	<u>\$137,832</u>	<u>\$14,670</u>	<u>\$21,174</u>	<u>\$131,328</u>

CITY OF BUSHNELL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1991

NOTE 9 ACCUMULATED UNPAID VACATION AND SICK PAY BENEFITS

Accumulated unpaid vacation and sick pay benefits are accrued when incurred in proprietary funds. Such amounts are not accrued in governmental funds. At September 30, 1991, governmental fund liabilities included \$34,875 in vacation and sick pay (see Note 8). This amount is included in the General Long Term Debt Group of Accounts.

Accumulated unpaid vacation and sick pay in Enterprise Funds are as follows:

	<u>9/30/91</u>	<u>9/30/90</u>
Electric Utility Fund	\$ 9,483	\$12,964
Water Utility Fund	6,774	9,060
Sanitation Fund	<u>2,223</u>	<u>1,422</u>
	<u>\$18,480</u>	<u>\$23,446</u>

City policy as of September 30, 1991, is to allow up to a maximum accumulation of 1,040 hours of sick leave. Upon voluntary termination 50 percent of the accumulated hours are paid to the employee (75 percent for long-term employees with twenty or more years of full-time service). The City accrues 100 percent of unpaid vacation pay and 50 percent of accumulated unpaid sick pay at the employee's current pay rate.

NOTE 10 ELECTRIC POWER AGREEMENTS

Crystal Power Unit #3 Participation Agreement:

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

Florida Municipal Power Agency:

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

FMPA is a nonprofit, joint action agency. Formed pursuant to Florida Statutes, FMPA has the authority to undertake joint power supply projects and to issue tax-exempt bonds or other obligations to finance or refinance the costs of such projects.

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

The City has elected to participate in the "All Requirements Project", which supplies all the City's power requirements including load regulation. In addition, the City has elected participation in the "Pooled Loan Project" in which FMPA issues debt with members, then loans the money to individual systems to finance utility related projects.

CITY OF BUSHNELL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1991

NOTE 11 PENSION FUND

All full-time employees participate in the State of Florida Retirement System, a multiple employer Public Employee Retirement System (PERS).

The payroll for employees covered by the System for the year ended September 30, 1991 was approximately \$448,884; the City's total payroll was approximately \$478,823.

Regular class employees, which includes all employees except law enforcement officers and firefighters who have attained age 62 completing 10 or more years of service, or regardless of age completing 30 years of service are eligible for retirement benefits. The calculation of monthly benefits is based on average final compensation (AFC) as defined in the plan. Retirement benefits range from 1.60% of AFC per year of service to 1.68% of AFC based upon retirement age or length of service.

Special risk class employees, which includes law enforcement officers and firefighters who have attained age 55 completing 10 years of special risk service, or age 52 with 25 years special risk service, or 25 years continuous special risk service regardless of age, or 30 years of any creditable service regardless of age are eligible for retirement benefits. The calculation of monthly benefits is based on AFC and range from 2.00% per year of service to 3.00% of AFC based upon service period.

Active employees who become disabled and have completed the length of service as defined in the plan receive a minimum benefit of 42% of AFC for in-line-of-duty and 25% of AFC for regular disability.

If an active employee dies in the line-of-duty, a member's spouse will receive a monthly benefit of one-half the member's monthly salary at death for his or her lifetime until remarriage. If the spouse dies without remarrying, the benefit will continue to the member's children until the youngest reaches age 18, or until married, if earlier. If employee is terminated by death other than in-line-of-duty before completion of 10 years of service, the designated beneficiary will receive a refund of any retirement contributions. If the member has 10 or more years of service, the surviving spouse or eligible beneficiary may receive a refund of contributions paid by the member or a lifetime monthly benefit calculated as though the member had retired on the date of death.

Retirement coverage is for employee non-contributory. Employers pay all contributions. Employer contributions for the fiscal year ended September 30, 1991 were 16.20% for regular members and 26.00% for special risk members, and totalled \$84,474.

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 comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation at July 1, 1990 (the date of the latest actuarial valuation) for the System as a whole was \$27.4 billion. The System's net assets available for benefits on that date (valued at market) were \$16.1 billion, leaving an unfunded pension benefit obligation of \$1.13 billion. The City's fiscal year 1990 contribution as a percent of total contributions required of all participating entities has not been determined.

CITY OF BUSHNELL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1991

NOTE 11 PENSION FUND (Continued)

Ten year historical trend information presenting the PERS progress in accumulating sufficient assets to pay benefits when due is presented in the PERS June 30, 1991 Annual Report.

NOTE 12 OTHER DISCLOSURES

Deficit retained earnings of individual funds:

Water Utility Fund \$36,919

Segment Information for Enterprise Funds:

The City maintains three enterprise funds which provide electric, water and sanitation services. Segment information as of September 30, 1991 is as follows:

	<u>ELECTRIC UTILITY FUND</u>	<u>WATER UTILITY FUND</u>	<u>SANITATION FUND</u>	<u>TOTAL</u>
Operating Revenues	\$1,252,491	\$ 186,302	\$133,663	\$1,572,456
Depreciation & Amortization	52,973	41,525	6,813	101,311
Operating Income (Loss)	227,009	(4,154)	16,100	238,955
Operating Transfers In (Out)	(183,673)	-	(10,000)	(193,673)
Net Income (Loss)	45,526	(20,519)	8,438	33,445
Current Year Capital Contributions	-	5,503	-	5,503
Property & Equipment Additions	59,376	49,874	612	109,862
Total Assets	1,808,938	1,438,305	108,309	3,355,552
Net Working Capital	331,485	204,133	73,672	609,290
Bonds Payable Net Payable from Operating Revenues	221,710	36,096	-	257,806
Total Equity	\$1,302,226	\$ 841,954	\$ 99,184	\$2,243,364

<u>FUND</u>	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
General Fund	\$ -	\$ -
Electric Utility Fund	3,899	-
Water Utility Fund	<u>-</u>	<u>3,899</u>
	<u>\$3,899</u>	<u>\$3,899</u>

CITY OF BUSHNELL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1991

NOTE 12 OTHER DISCLOSURES (Continued)

Interfund transfers:	<u>IN</u>	<u>OUT</u>
General Fund	\$193,673	\$ -
Electric Fund	-	183,673
Water Utility Fund	-	-
Sanitation Fund	<u>-</u>	<u>10,000</u>
	<u>\$193,673</u>	<u>\$193,673</u>
Allowances for Doubtful Accounts:		
Electric Utility Fund	\$ 7,000	
Water Utility Fund	500	
Sanitation Fund	<u>500</u>	
	<u>\$ 8,000</u>	

COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS

GENERAL FUND

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

CITY OF BUSHNELL, FLORIDA
 GENERAL FUND
 COMPARATIVE BALANCE SHEETS
 SEPTEMBER 30, 1991 AND 1990

<u>ASSETS</u>	<u>1991</u>	<u>1990</u>
Cash	\$ 174,468	\$ 262,581
Utility Taxes and Franchise Fees Receivable	31,614	31,172
Due From Other Governments	27,126	23,169
Inventories, at Cost	<u>905</u>	<u>1,314</u>
Total Assets	<u>\$ 234,113</u>	<u>\$ 318,236</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts Payable	\$ 98,093	\$ 23,767
Accrued Liabilities	6,178	6,393
Deposits	850	675
Deferred Revenue	<u>2,298</u>	<u>2,288</u>
Total Liabilities	<u>107,419</u>	<u>33,123</u>
Fund Balances:		
Reserve for Petty Cash	750	750
Reserve for Inventories	905	1,314
Fund Balance--Unreserved	<u>125,039</u>	<u>283,049</u>
Total Fund Balances	<u>126,694</u>	<u>285,113</u>
Total Liabilities and Fund Balances	<u>\$ 234,113</u>	<u>\$ 318,236</u>

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEARS ENDED SEPTEMBER 30, 1991 AND 1990

	<u>1991</u>	<u>1990</u>
Revenues:		
Taxes	\$ 275,487	\$ 262,000
Licenses and Permits	24,970	10,883
Intergovernmental	349,412	225,179
Charges for Services	210	714
Fines and Forfeits	19,450	23,583
Miscellaneous Revenue	27,022	23,660
Total Revenues	<u>696,551</u>	<u>546,019</u>
Expenditures:		
General Government	210,592	176,245
Public Safety	369,639	310,674
Physical Environment	2,579	2,701
Transportation	149,615	112,755
Economic Environment	11,000	10,931
Culture and Recreation	290,801	94,899
Debt Service:		
Principal	21,174	20,190
Interest	5,311	9,557
Total Expenditures	<u>1,060,711</u>	<u>737,942</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(364,160)</u>	<u>(191,923)</u>
Other Financing Sources:		
Operating Transfers In:		
Electric Utility Fund	183,673	120,000
Water Utility Fund	-	10,000
Sanitation Fund	10,000	10,000
Loan Proceeds	12,477	11,853
Total Other Financing Sources	<u>206,150</u>	<u>151,853</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(158,010)</u>	<u>(40,070)</u>
Fund Balances October 1	285,113	325,227
Increase (Decrease) in Inventory Reserve	<u>(409)</u>	<u>(44)</u>
Fund Balances September 30	<u>\$ 126,694</u>	<u>\$ 285,113</u>

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES--BUDGET AND ACTUAL
YEARS ENDED SEPTEMBER 30, 1991 AND 1990

	BUDGETED	1991 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGETED	1990 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:						
Taxes	\$ 259,540	\$ 275,487	\$ 15,947	\$ 242,760	\$ 262,000	\$ 19,240
Licenses and Permits	11,315	24,970	13,655	11,827	10,883	(944)
Intergovernmental	362,573	349,412	(13,161)	238,624	225,179	(13,445)
Charges for Services	700	210	(490)	700	714	14
Fines and Forfeits	19,500	19,450	(50)	16,500	23,583	7,083
Miscellaneous Revenue	15,750	27,022	11,272	21,000	23,660	2,660
Total Revenues	<u>669,378</u>	<u>696,551</u>	<u>27,173</u>	<u>531,411</u>	<u>546,019</u>	<u>14,608</u>
Expenditures:						
General Government	201,689	210,592	(8,903)	175,613	176,245	(632)
Public Safety	367,899	369,639	(1,740)	306,090	310,674	(4,584)
Physical Environment	3,200	2,579	621	2,450	2,701	(251)
Transportation	142,369	149,615	(7,246)	115,979	112,755	3,224
Economic Environment	11,000	11,000	-	10,931	10,931	-
Culture and Recreation	280,318	290,801	(10,483)	97,488	94,989	2,599
Debt Service:						
Principal	19,529	21,174	(1,645)	20,000	20,190	(190)
Interest	10,382	5,311	5,071	10,000	9,557	443
Total Expenditures	<u>1,036,386</u>	<u>1,060,711</u>	<u>(24,325)</u>	<u>738,551</u>	<u>737,942</u>	<u>609</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(367,008)</u>	<u>(364,160)</u>	<u>2,848</u>	<u>(207,140)</u>	<u>(191,923)</u>	<u>15,217</u>

(See Accompanying Notes to Financial Statements)

CITY OF BUSHNELL, FLORIDA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES--BUDGET AND ACTUAL
YEARS ENDED SEPTEMBER 30, 1991 AND 1990

	<u>BUDGETED</u>	1991 <u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	<u>BUDGETED</u>	1990 <u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Other Financing Sources:						
Operating Transfers In:						
Electric Utility Fund	\$ 183,673	\$ 183,673	\$ -	\$ 120,000	\$ 120,000	\$ -
Water Utility Fund	10,000	-	(10,000)	10,000	10,000	-
Sanitation Fund	10,000	10,000	-	10,000	10,000	-
Loan Proceeds	12,500	12,477	(23)	15,000	11,853	(3,147)
Proceeds From Sale of Assets	-	-	-	1,000	-	(1,000)
Total Other Financing Sources	<u>216,173</u>	<u>206,150</u>	<u>(10,023)</u>	<u>156,000</u>	<u>151,853</u>	<u>(4,147)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(150,835)	(158,010)	(7,175)	(51,140)	(40,070)	11,070
Fund Balances October 1	285,113	285,113	-	325,227	325,227	-
Increase (Decrease) in Inventory Reserve	-	(409)	(409)	-	(44)	(44)
Fund Balances September 30	<u>\$ 134,278</u>	<u>\$ 126,694</u>	<u>\$ (7,584)</u>	<u>\$ 274,087</u>	<u>\$ 285,113</u>	<u>\$ 11,026</u>

(See Accompanying Notes to Financial Statements)

CITY OF BUSHNELL, FLORIDA
 GENERAL FUND
 STATEMENT OF REVENUES
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 1991
 (WITH COMPARATIVE ACTUAL RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 1990)

<u>REVENUE</u>	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>PRIOR YEAR ACTUAL</u>
<u>Taxes:</u>				
Ad Valorem	\$ 82,680	\$ 86,753	\$ 4,073	\$ 79,999
Local Alternate Fuel Decal User Fee	-	50	50	-
<u>Franchise Fees:</u>				
Telephone	1,200	1,262	62	1,177
Electric	7,000	39,087	2,087	37,519
Cable TV	3,700	4,486	786	3,604
<u>Utility Service Taxes:</u>				
Telephone	10,900	13,389	2,489	11,108
Gas	6,500	7,614	1,114	6,754
Electric	43,250	46,029	2,779	44,059
Fuel Oil	60	1,615	1,535	42
City Utility Tax	69,000	70,218	1,218	72,323
City Utilities Surcharge	5,250	4,984	(266)	5,349
Bankruptcy	-	-	-	66
Total Taxes	<u>259,540</u>	<u>275,487</u>	<u>15,347</u>	<u>262,000</u>
<u>Licenses and Permits:</u>				
Occupational Licenses	4,300	4,153	(147)	4,182
Building Permits	7,000	20,784	13,784	6,683
Other	15	33	18	18
Total Licenses and Permits	<u>11,315</u>	<u>24,970</u>	<u>13,655</u>	<u>10,883</u>
<u>Intergovernmental Revenue:</u>				
Two Cent Cigarette Tax	11,996	12,427	431	12,944
State Revenue Sharing	36,546	40,330	3,784	36,546
Mobile Home Licenses	4,200	4,725	525	3,884
Alcoholic Beverage License	1,400	422	(978)	1,613
Five Cent Sales Tax	31,333	45,228	13,895	30,514
County Fire Fee	42,000	43,077	1,077	41,965
State Grant	127,500	120,000	(7,500)	4,385
Share of County				
Occupational License	2,500	2,274	(226)	1,835
Rebate on Municipal Vehicles	750	609	(141)	805
Sumter County Two Cent Gas Tax	104,348	80,320	(24,028)	90,588
Total Intergovernmental Revenue	<u>\$ 362,573</u>	<u>\$ 349,412</u>	<u>\$ (13,161)</u>	<u>\$ 225,179</u>

See Accompanying Notes to Financial Statements

CITY OF BUSINELL, FLORIDA
 GENERAL FUND
 STATEMENT OF REVENUES
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 1991
 (WITH COMPARATIVE ACTUAL RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 1990)

<u>REVENUE</u>	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>PRIOR YEAR ACTUAL</u>
<u>Charges For Services:</u>				
Mowing Fees	\$ 700	\$ 210	\$ (490)	\$ 714
Total Charges For Services	<u>700</u>	<u>210</u>	<u>(490)</u>	<u>714</u>
<u>Fines and Forfeitures:</u>				
Fines and Forfeitures	19,000	18,910	(90)	22,878
Police Education	<u>500</u>	<u>540</u>	<u>40</u>	<u>705</u>
Total Fines and Forfeitures	<u>19,500</u>	<u>19,450</u>	<u>(50)</u>	<u>23,583</u>
<u>Miscellaneous Revenues:</u>				
Interest Earned	6,000	9,484	3,484	11,968
Rent	3,750	3,900	150	3,125
Miscellaneous	<u>6,000</u>	<u>13,638</u>	<u>7,638</u>	<u>8,567</u>
	<u>15,750</u>	<u>27,022</u>	<u>11,272</u>	<u>23,660</u>
Total Revenue	<u>\$ 669,378</u>	<u>\$ 696,551</u>	<u>\$ 27,173</u>	<u>\$ 546,019</u>

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 GENERAL FUND
 STATEMENT OF EXPENDITURES
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 1991
 (WITH COMPARATIVE ACTUAL RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 1990)

FUNCTION/ACTIVITY/ SUBACTIVITY/OBJECT	BUDGETED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	PRIOR YEAR ACTUAL
<u>General Government Services:</u>				
Legislative:				
Council Fees	\$ 12,600	\$ 12,250	\$ 350	\$ 10,800
General Insurance	3,987	4,379	(392)	3,545
Travel & Per Diem	400	-	400	-
Aid to Private Agency	1,000	700	300	850
Total General Government Services	<u>17,987</u>	<u>17,329</u>	<u>658</u>	<u>15,195</u>
Financial and Administrative:				
Executive Salary	69,821	70,090	(269)	66,557
Regular Salary	16,748	17,037	(289)	15,875
FICA Taxes	6,622	6,665	(43)	6,281
Retirement	14,456	14,794	(328)	12,240
Workmen's Compensation	470	838	(368)	476
Group Insurance	10,225	11,797	(1,572)	7,097
Professionals' Services	16,500	21,592	(5,092)	3,219
Accounting & Auditing	5,500	5,515	(15)	7,414
Contractual Services	5,750	7,730	(1,980)	6,554
Travel & Per Diem	2,800	2,837	(37)	2,756
Communication Services	1,750	2,103	(353)	1,946
Utilities	2,100	2,549	(449)	2,464
General Insurance	3,700	4,469	(769)	3,947
Other Current Charges	3,000	4,696	(1,696)	4,221
Office Supplies	1,500	1,270	230	1,547
Operating Supplies	4,500	3,650	850	4,173
Repair & Maintenance	1,500	72	1,428	192
Books, Publications and Memberships	1,200	768	432	976
Capital Outlay	1,000	-	1,000	1,995
Total Financial and Administrative	<u>169,152</u>	<u>178,472</u>	<u>(9,320)</u>	<u>149,930</u>
Legal Counsel	<u>14,550</u>	<u>14,791</u>	<u>(241)</u>	<u>11,120</u>
Total General Government Services	<u>\$ 201,689</u>	<u>\$ 210,592</u>	<u>\$ (8,903)</u>	<u>\$ 176,245</u>

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 GENERAL FUND
 STATEMENT OF EXPENDITURES
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 1991
 (WITH COMPARATIVE ACTUAL RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 1990)

FUNCTION/ACTIVITY/ SUBACTIVITY/OBJECT	BUDGETED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	PRIOR YEAR ACTUAL
<u>Public Safety:</u>				
Police Department:				
Executive Salaries	\$ 31,447	\$ 31,303	\$ (56)	\$ 29,954
Regular Salaries	104,849	106,052	(1,203)	99,994
Other Salaries	2,000	2,319	(319)	1,188
Holiday Pay	2,682	5,502	(2,820)	168
Incentive Pay	2,400	3,268	(868)	2,280
FICA Taxes	10,968	11,307	(399)	10,072
Retirement Contributions	33,129	34,482	(1,353)	24,141
Group Insurance	26,422	25,178	1,244	16,035
Workmen's Compensation	6,219	6,053	166	4,756
Contractual Services	6,300	3,325	2,975	4,405
Travel & Per Diem	2,800	1,200	1,600	2,337
Communication and Phone	1,500	1,396	104	1,479
Utilities	3,000	3,518	(518)	3,613
Insurance--General	8,378	9,709	(1,331)	7,794
Repair & Maintenance	5,500	6,893	(1,393)	6,357
Other Current Charges	3,150	2,083	1,067	2,465
Office Supplies	500	867	(367)	586
Operating Supplies	18,646	14,014	4,632	14,210
Police Education	2,500	693	1,807	1,580
Books and Memberships	225	801	(576)	154
Aid to Governmental Agencies	-	-	-	1,750
Discretionary Fund	500	500	-	-
Capital Outlay	18,400	15,770	2,630	15,053
Total Police Department	\$ 291,515	\$ 286,493	\$ 5,022	\$ 247,411

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 GENERAL FUND
 STATEMENT OF EXPENDITURES
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 1991
 (WITH COMPARATIVE ACTUAL RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 1990)

FUNCTION/ACTIVITY/ SUBACTIVITY/OBJECT	BUDGETED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	PRIOR YEAR ACTUAL
Fire Department:				
Executive Salaries	\$ 3,780	\$ 3,894	\$ (114)	\$ 2,425
Personal Allowances	12,800	19,001	(6,201)	7,904
FICA Taxes	-	298	(298)	69
Retirement	-	973	(973)	142
Group Insurance	-	413	(413)	36
Workmen's Compensation	1,000	2,094	(1,094)	1,902
Contractual Services	1,240	240	1,000	-
Communication Services	400	403	(3)	400
Rentals	12,493	12,493	-	12,493
Insurance	6,955	8,602	(1,647)	6,863
Repairs & Maintenance	5,000	2,589	2,411	5,997
Other Current Charges	800	431	369	902
Books and Memberships	475	591	(116)	737
Operating Supplies	8,673	7,190	1,483	10,645
Office Supplies	200	36	164	106
Travel & Per Diem	800	245	555	-
School & Training	1,600	1,327	273	421
Capital Outlay	9,208	11,424	(2,216)	1,471
Total Fire Department	<u>65,424</u>	<u>72,244</u>	<u>(6,820)</u>	<u>52,513</u>
Building Inspector:				
Regular Salaries	6,780	6,881	(101)	6,715
FICA Taxes	580	527	53	512
Contracted Fee	800	904	(104)	880
Travel & Per Diem	2,500	2,550	-	2,550
Books & Memberships	250	40	210	93
Total Building Inspector	<u>10,960</u>	<u>10,902</u>	<u>58</u>	<u>10,750</u>
Total Public Safety	\$ <u>367,899</u>	\$ <u>369,639</u>	\$ <u>(1,740)</u>	\$ <u>310,674</u>

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 GENERAL FUND
 STATEMENT OF EXPENDITURES
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 1991
 (WITH COMPARATIVE ACTUAL RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 1990)

FUNCTION/ACTIVITY/ SUBACTIVITY/OBJECT	BUDGETED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	PRIOR YEAR ACTUAL
<u>Physical Environment:</u>				
Cemetery:				
Professional Services	\$ 700	\$ -	\$ 700	\$ -
Utility Service	200	279	(79)	241
Aid to Governmental Agencies	2,000	2,000	-	2,400
Aid to Private Organizations	300	300	-	-
Total Physical Environment	<u>3,200</u>	<u>2,579</u>	<u>621</u>	<u>2,701</u>
<u>Transportation:</u>				
Road & Street Department:				
Executive Salary	13,628	14,741	(1,113)	14,074
Regular Salary	11,736	11,277	459	10,910
Other Salaries	1,500	2,171	(671)	1,293
FICA Taxes	2,055	2,183	(128)	2,002
Retirement Contributions	4,183	4,281	(98)	3,816
Group Insurance	4,953	5,230	(277)	3,653
Workmen's Compensation	1,640	2,157	(517)	1,902
General Insurance	1,716	2,338	(622)	1,597
Professional Services	8,000	8,555	(555)	5,033
Contractual Services	5,000	2,911	2,089	3,072
Repairs & Maintenance	2,200	2,574	(374)	2,420
Other Current Charges	500	1,049	(549)	304
Operating Supplies	4,217	3,470	747	4,676
Street Lights - Electricity	29,541	28,813	728	33,202
Capital Outlay	51,500	57,865	(6,365)	24,801
Total Transportation	<u>142,369</u>	<u>149,615</u>	<u>(7,246)</u>	<u>112,755</u>
<u>Economic Environment:</u>				
Professional Services	-	-	-	2,931
Miscellaneous Contribution Sumter County Industrial Development Authority	11,000	11,000	-	8,000
Total Economic Environment	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ -</u>	<u>\$ 10,931</u>

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 GENERAL FUND
 STATEMENT OF EXPENDITURES
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 1991
 (WITH COMPARATIVE ACTUAL RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 1990)

FUNCTION/ACTIVITY/ SUBACTIVITY/OBJECT	BUDGETED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	PRIOR YEAR ACTUAL
<u>Culture and Recreation:</u>				
Library:				
Aid to Private Organizations	\$ 6,000	\$ 6,000	\$ 0	\$ 6,000
Utility Services	450	487	(37)	354
Total Library	6,450	6,487	(37)	6,354
Parks & Recreation:				
Executive Salary	2,271	2,919	(648)	2,755
Regular Salaries	1,956	941	1,015	1,046
Other Salaries	-	645	(645)	-
FICA Taxes	323	371	(48)	290
Retirement Contributions	658	812	(154)	573
Workmen's Compensation	213	391	(178)	317
Contractual Services	3,000	11,348	(8,348)	29,239
Professional Services	-	-	-	2,083
Group Insurance	825	1,033	(258)	419
Utilities	7,000	9,164	(2,164)	7,679
Rentals	1,300	2,365	(1,065)	1,237
Repairs & Maintenance	2,500	2,102	398	1,400
Other Current Charges	500	270	230	2,461
Operating Supplies	2,637	3,532	(895)	3,405
General Insurance	2,350	2,737	(387)	2,186
Capital Outlay	220,000	229,423	(9,423)	16,845
Land Acquisition	10,000	-	10,000	-
Total Parks and Recreation	255,533	268,103	(12,570)	71,937
Special Events:				
Operating	18,335	16,211	2,124	16,600
Total Culture and Recreation	280,318	290,801	(10,483)	94,889
<u>Debt Service:</u>				
Principal	19,529	21,174	(1,645)	20,190
Interest	10,382	5,311	5,071	9,577
Total Debt Service	29,911	26,485	3,426	29,747
Total Expenditures	\$ 1,036,386	\$ 1,060,711	\$ (24,325)	\$ 737,942

See Accompanying Notes to Financial Statements

SPECIAL REVENUE FUND
FINANCIAL STATEMENTS

Evergreen Cemetery

CITY OF BUSHNELL, FLORIDA
 EVERGREEN CEMETERY SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEETS
 SEPTEMBER 30, 1991 AND 1990

	<u>1991</u>	<u>1990</u>
<u>ASSETS</u>		
Cash	\$ 3,505	\$ 2,134
Restricted Assets:		
Cash and Investments	<u>255,756</u>	<u>240,120</u>
	<u>\$ 258,761</u>	<u>\$ 242,254</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Deposits	<u>\$ 1,200</u>	<u>\$ 1,050</u>
Fund Balances:		
Reserved: Perpetual Care	255,256	240,120
Unreserved	<u>2,305</u>	<u>1,084</u>
	<u>257,561</u>	<u>241,204</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 258,761</u>	 <u>\$ 242,254</u>

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 EVERGREEN CEMETERY SPECIAL REVENUE FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEARS ENDED SEPTEMBER 30, 1991 AND 1990

	<u>1991</u>	<u>1990</u>
Revenues:		
Contributions	\$ 8,676	\$ 8,801
Sale of Cemetery Lots	3,000	8,050
Interest Earned	18,183	17,992
Memorial Gifts and Trust	<u>255</u>	<u>367</u>
Total Revenues	<u>30,114</u>	<u>35,210</u>
Expenditures:		
Operating and Maintenance	13,757	10,114
Capital Outlay	<u>-</u>	<u>2,113</u>
Total Expenditures	<u>13,757</u>	<u>12,227</u>
Excess of Revenues Over Expenditures	16,357	22,983
Fund Balances October 1	<u>241,204</u>	<u>218,221</u>
Fund Balances September 30	\$ <u><u>257,561</u></u>	\$ <u><u>241,204</u></u>

See Accompanying Notes to Financial Statements

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. Certain administrative expenses are paid by the General Fund.

CITY OF BUSHNELL, FLORIDA
 ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 1991
 (WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1990)

<u>ASSETS</u>	ELECTRIC	WATER	SANITATION	TOTALS	
	UTILITY FUND	UTILITY FUND		SEPTEMBER 30	
			FUND	1991	1990
Current Assets:					
Cash and Cash Equivalents	\$ 207,458	\$ 197,215	\$ 65,432	\$ 470,105	\$ 277,953
Customer Accounts Receivable	168,936	21,968	17,865	208,769	211,328
Allowance for Doubtful Accounts	(7,000)	(500)	(500)	(8,000)	(6,000)
Due From Other Funds	3,899	-	-	3,899	1,193
Inventories, at Cost	66,957	7,439	-	74,396	74,800
Prepaid Expenses	6,114	-	-	6,114	7,740
Total Current Assets	446,364	226,122	82,797	755,283	567,014
Restricted Assets, Cash and Investments:					
Nuclear Decommissioning	37,941	-	-	37,941	31,667
Debt Service	87,905	19,134	-	107,039	104,916
Renewal and Replacement	197,435	-	-	197,435	184,687
Customer Deposits	57,256	-	-	57,256	52,649
Total Restricted Assets, Cash and Investments	380,537	19,134	-	399,671	373,919
Property and Equipment, at Cost:					
Utility Plant in Service	1,452,972	1,467,630	119,908	3,040,510	2,930,648
Accumulated Depreciation	(470,935)	(238,500)	(94,396)	(853,831)	(752,520)
Total Property and Equipment (Net of Accumulated Depreciation)	982,037	1,179,130	25,512	2,186,679	2,178,128
Other Assets:					
Loan Cost (Net)	-	13,919	-	13,919	7,794
Total Assets	\$ 1,808,938	\$ 1,438,305	\$ 108,309	\$ 3,355,552	\$ 3,126,855

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 1991
 (WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1990)

	ELECTRIC	WATER	SANITATION	TOTALS	
	UTILITY	UTILITY		SEPTEMBER 30	
	FUND	FUND	FUND	1991	1990
<u>LIABILITIES AND FUND EQUITY</u>					
Current Liabilities:					
Accounts Payable	\$ 103,136	\$ 8,806	\$ 6,248	\$ 118,190	\$ 168,733
Accrued Liabilities	2,250	1,510	654	4,424	3,262
Compensated Absences Payables	9,483	6,774	2,223	18,480	23,446
Due to Other Funds	-	3,899	-	3,899	1,193
Current Portion of Note Payable	-	1,000	-	1,000	3,877
Total Current Liabilities	114,879	21,989	9,125	145,993	200,511
Current Liabilities (Payable From Restricted Assets):					
Customer Deposits	57,256	-	-	57,256	52,649
Accrued Interest Payable	9,574	1,559	-	11,133	11,498
Current Portion of Bonds Payable	34,400	5,600	-	40,000	35,000
Total Current Liabilities (Payable From Restricted Assets)	101,230	7,159	-	108,389	99,147
Long Term Liabilities:					
Revenue Bonds Series 1976 (Net of Current Portion and Discount)	221,710	36,096	-	257,806	281,781
Long Term Portion of Note Payable	-	4,000	-	4,000	5,000
Note Payable - FmPa	68,893	527,107	-	596,000	336,000
Total Long Term Liabilities	290,603	567,203	-	857,806	622,781
Total Liabilities	506,712	596,351	9,125	1,112,188	922,439

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 1991
 (WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1990)

<u>LIABILITIES AND FUND EQUITY</u> (Continued)	<u>ELECTRIC</u> <u>UTILITY</u> <u>FUND</u>	<u>WATER</u> <u>UTILITY</u> <u>FUND</u>	<u>SANITATION</u> <u>FUND</u>	<u>TOTALS</u> <u>SEPTEMBER 30</u>	
				1991	1990
Fund Equity:					
Contributed Capital	\$ 176,381	\$ 878,873	\$ 29,440	\$ 1,084,703	\$ 1,079,200
Retained Earnings(Deficit):					
Reserved	272,791	-	-	272,791	274,772
Unreserved	853,054	(36,919)	69,735	885,870	850,444
Total Retained Earnings	<u>1,125,845</u>	<u>(36,919)</u>	<u>69,735</u>	<u>1,158,661</u>	<u>1,125,216</u>
Total Fund Equity	<u>1,302,226</u>	<u>41,954</u>	<u>99,184</u>	<u>2,243,364</u>	<u>2,204,416</u>
Total Liabilities and Fund Equity	<u>\$ 1,808,938</u>	<u>\$ 1,438,305</u>	<u>\$ 108,309</u>	<u>\$ 3,355,552</u>	<u>\$ 3,126,855</u>

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS (DEFICIT) - ENTERPRISE FUNDS
 YEAR ENDED SEPTEMBER 30, 1991
 (WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1990)

	ELECTRIC UTILITY FUND	WATER UTILITY FUND	SANITATION FUND	TOTALS SEPTEMBER 30	
				1991	1990
Operating Revenues:					
Charge for Services	\$ 1,252,491	\$ 186,302	\$ 133,663	1,572,456	\$ 1,602,408
Operating Expenses:					
Purchased Power	765,990	-	-	765,990	752,309
Salaries	87,996	65,273	32,176	185,445	165,759
Employee Benefits	34,246	26,431	18,426	79,103	61,615
Professional Services	28,082	14,041	1,342	43,465	39,259
Operating Supplies	9,445	7,432	6,365	33,242	32,171
Other Current Charges	46,750	25,754	10,980	83,484	68,719
Depreciation	52,973	41,525	6,813	101,311	94,517
Landfill	-	-	41,461	41,461	34,722
State Gross Receipts Tax	-	-	-	-	20,336
Total Operating Expenses	1,025,482	190,456	117,563	1,333,501	1,269,407
Operating Income (Loss)	227,009	(4,154)	16,100	238,955	333,001
Non-Operating Revenues (Expense):					
Interest Earned	30,559	2,614	2,338	35,511	41,090
Gain on Sale of Equipment	-	-	-	-	14,500
Interest Expense	(28,369)	(18,979)	-	(47,348)	(52,151)
Total Non-Operating Revenues (Expense)	2,190	(16,365)	2,338	(11,837)	3,439
Operating Income (Loss) Before Transfers	229,199	(20,519)	18,438	227,118	336,440
Operating Transfers (Out)	(183,673)	-	(10,000)	(193,673)	(149,000)
Net Income (Loss)	45,526	(20,519)	8,438	33,445	196,440
Retained Earnings October 1	1,080,319	(16,400)	61,297	1,125,216	928,776
Retained Earnings (Deficit) September 30	\$ 1,125,845	\$ (36,919)	\$ 69,735	\$ 1,158,661	\$ 1,125,216

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED SEPTEMBER 30, 1991

	ELECTRIC UTILITY FUND	WATER UTILITY FUND	SANITATION FUND	TOTALS
Cash Flows From Operating Activities:				
Cash Received From Customers, including				
Cash Deposits	\$ 1,292,159	\$ 182,786	\$ 129,922	\$ 1,604,867
Cash Paid to Suppliers	(934,090)	(83,561)	(89,313)	(1,106,964)
Cash Paid to Employees	(90,771)	(67,422)	(17,350)	(175,543)
Cash Deposits Returned to Customers	(25,245)	-	-	(25,245)
Net Cash Provided By Operating Activities	<u>242,053</u>	<u>31,803</u>	<u>23,259</u>	<u>297,115</u>
Cash Flows From Noncapital Financing Activities:				
Capital Contributions - Customers	-	5,503	-	5,503
Received From (Paid To) Other Funds	(4,786)	4,786	-	-
Operating Transfers Out	(183,673)	-	(10,000)	(193,673)
Net Cash Used In Noncapital Financing Activities	<u>(188,459)</u>	<u>10,289</u>	<u>(10,000)</u>	<u>(188,170)</u>
Cash Flows From Capital and Related Financing Activities:				
Loan Proceeds	68,893	194,751	-	263,644
Purchase of Property and Equipment	(59,376)	(49,874)	(612)	(109,862)
Principal Payments	(17,787)	(14,304)	(761)	(32,852)
Interest Paid	(28,683)	(18,799)	-	(47,482)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>(36,953)</u>	<u>111,774</u>	<u>(1,373)</u>	<u>73,448</u>
Cash Flows From Investing Activities:				
Receipt of Interest and Dividends	30,559	2,614	2,338	35,511
Net Cash Provided By Investing Activities	<u>30,559</u>	<u>2,614</u>	<u>2,338</u>	<u>35,511</u>
Net Increase In Cash	47,200	156,480	14,224	217,904
Cash, October 1	540,795	59,869	51,208	651,872
Cash, September 30	<u>\$ 587,995</u>	<u>\$ 216,349</u>	<u>\$ 65,432</u>	<u>\$ 869,776</u>

See Accompanying Notes to Financial Statements

CITY OF BUSHNELL, FLORIDA
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED SEPTEMBER 30, 1991

	ELECTRIC UTILITY FUND	WATER UTILITY FUND	SANITATION FUND	TOTALS
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:				
Operating Income (Loss)	\$ 227,009	\$ (4,154)	\$ 16,100	\$ 238,955
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:				
Depreciation	52,973	41,525	6,813	101,311
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	9,816	(3,516)	(3,741)	2,559
Increase (Decrease) in Allowance For Uncollectible Accounts	1,800	(100)	300	2,000
(Increase) Decrease in Prepaid Expenses	1,626	-	-	1,626
(Increase) Decrease in Inventory	136	(22)	290	404
Increase (Decrease) in Accounts Payable	(53,232)	192	2,497	(50,543)
Increase (Decrease) in Accrued Expenses	799	164	199	1,162
Increase (Decrease) in Accumulated Compensated Absences	(3,481)	(2,286)	801	(4,966)
Net Increase in Customer Deposits	4,607	-	-	4,607
Total Adjustments	15,044	35,957	7,159	58,160
Net Cash Provided by Operating Activities	\$ 242,053	\$ 31,803	\$ 23,259	\$ 297,115

See Accompanying Notes to Financial Statements

AGENCY FUNDS
FINANCIAL STATEMENTS
Bail Bond Fund

CITY OF BUSHNELL, FLORIDA
 AGENCY FUNDS
 BALANCE SHEET
 SEPTEMBER 30, 1991
 (WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1990)

	SEPTEMBER 30	
	1991	1990
<u>ASSETS</u>		
Cash	\$ 2,050	\$ 2,699
Total Assets	\$ <u>2,050</u>	\$ <u>2,699</u>
<u>LIABILITIES</u>		
Liabilities:		
Deposits	\$ 2,050	\$ 2,699
Total Liabilities	\$ <u>2,050</u>	\$ <u>2,699</u>

See Accompanying Notes to Financial Statements

327

SUPPLEMENTARY INFORMATION

DAVID C. LOGAN
Certified Public Accountant

January 15, 1992

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION - SCHEDULE OF
STATE FINANCIAL ASSISTANCE

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

I have audited the general purpose financial statements of the City of Bushnell, Florida for the year ended September 30, 1991, and have issued my report thereon dated January 15, 1992. These general purpose financial statements are the responsibility of the City of Bushnell, Florida management. My responsibility is to express an opinion of these general purpose financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of the City of Bushnell, Florida taken as a whole. The accompanying schedule of state financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

David C. Logan

David C. Logan
Certified Public Accountant

CITY OF BUSHNELL, FLORIDA
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 YEAR ENDED SEPTEMBER 30, 1991

<u>STATE GRANTOR</u>	<u>GRANT IDENTIFICATION NUMBER</u>	<u>PROGRAM AWARD AMOUNT</u>	<u>DUE FROM OTHER GOVT. 10-1-90</u>	<u>CASH RECEIPTS STATE</u>	<u>GRANT EXPENDITURES</u>	<u>DUE FROM OTHER GOVT. 9-30-91</u>
Florida Department of Natural Resources						
Florida Recreation Development Assistance Program	F89-132	<u>\$120,000</u>	\$ -	<u>\$108,000</u>	(1) <u>\$463,942</u>	<u>\$ 12,000</u>

(1) Grant expenditures are reconciled to the project completion report as follows:

Total expenditures per project completion report	\$263,942
Matching contribution (fair market value of real estate) as approved October 22, 1990	<u>200,000</u>
Total Grant Expenditures	<u>\$463,942</u>

DAVID C. LOGAN
Certified Public Accountant

January 15, 1992

AUDITOR'S REPORT ON COMPLIANCE BASED ON AN
AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

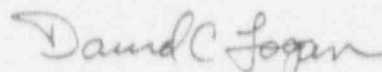
I have audited the general purpose financial statements of the City of Bushnell, Florida, as of and for the year ended September 30, 1991, and have issued my report thereon dated January 15, 1992.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City of Bushnell, Florida, is the responsibility of the management of the City of Bushnell. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatements, I performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions.

The results of my tests indicate that, with respect to the items tested, the City of Bushnell, Florida complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the City had not complied, in all material respects, with those provisions.

This report is intended for the information of the management of the City of Bushnell, Florida and the State of Florida Auditor General. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



David C. Logan
Certified Public Accountant

DAVID C. LOGAN
Certified Public Accountant

January 15, 1992

REPORT ON THE INTERNAL CONTROL STRUCTURE
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

I have audited the general purpose financial statements of the City of Bushnell, Florida for the year ended September 30, 1991, and have issued my report thereon dated January 15, 1992.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing my audit of the general purpose financial statements of the City of Bushnell, Florida, for the year ended September 30, 1991, I considered the internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the City of Bushnell, Florida is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Honorable Mayor and Members
of the City Council
January 15, 1992
Page 2

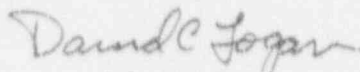
For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories: cash and cash equivalents; revenue, receivables and receipts of governmental funds; service revenue and receivables of proprietary funds; expenditures for goods and services, and accounts payable; payroll and related liabilities; and property, equipment, and capital expenditures.

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

However, I noted matters involving the internal control structure and its operation that I have reported to the management of the City of Bushnell in a separate letter dated January 15, 1992.

This report is intended solely for the use of the management of the City of Bushnell, Florida and the State of Florida Auditor General and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which is a matter of public record.



David C. Logan
Certified Public Accountant

DAVID C. LOGAN
Certified Public Accountant

January 15, 1992

AUDITOR'S LETTER TO MANAGEMENT

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

I have audited the general purpose financial statements of the City of Bushnell, Florida as of and for the year ended September 30, 1991, as listed in the Table of Contents, and have issued my report thereon dated January 15, 1992.

The following comments are pursuant to the Rules of the Auditor General Chapter 10.550:

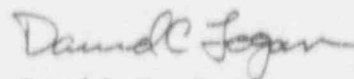
1. Any or all irregularities reported in the preceding annual fiscal audit have been corrected.
2. Recommendations made in the preceding year's annual financial audit have been followed except for: (see asterisk in 3 below)
3. To improve the City's financial management, accounting procedures, and internal control, we recommend:

*A. Service revenue and receivables of proprietary funds

1. A routine should be established to reconcile customer accounts receivable detail records with the general ledger control account monthly.
4. I did not discover any violations of laws, rules, or regulations within the scope of the financial audit.
5. There were no illegal or improper expenditures within the scope of the financial audit.
6. Other matters which have not been mentioned in the preceding sections of this report or the Independent Auditor's Report on Internal Control Structure or the Independent Auditor's Report on Compliance:
 - a. Improper or inadequate accounting procedures - none.

Honorable Mayor and Members
of the City Council
January 15, 1992
Page 2

- b. Failures to properly record financial transactions - only routine audit entries.
 - c. Other inaccuracies, irregularities, shortages, and defalcations discovered by the auditor - none.
7. The financial report filed with the Department of Banking and Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the year ended September 30, 1991.



David C. Logan
Certified Public Accountant

Price Waterhouse



SEMINOLE ELECTRIC COOPERATIVE, INC.
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1991

Pricewaterhouse



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) as December 31, 1991 and 1990, 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 and the financial audit requirements of the government auditing standards issued by the Comptroller General of the United States. These 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, 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.

Pricewaterhouse

Tampa, Florida
February 20, 1992

SEMINOLE ELECTRIC COOPERATIVE, INC.
CONSOLIDATED BALANCE SHEETS

	December 31,	
	1991	1990
<u>ASSETS</u>		
Utility plant:		
Plant in service	\$ 745,592,070	\$ 737,848,757
Construction work in progress	<u>12,353,374</u>	<u>4,802,827</u>
	757,945,444	742,651,584
Less accumulated depreciation and amortization	<u>(172,590,329)</u>	<u>(150,658,271)</u>
Utility plant, net	<u>585,355,115</u>	<u>591,993,313</u>
Investments:		
Investments in associated organizations	11,903,287	12,610,265
Funds held by trustees	<u>16,518,270</u>	<u>16,046,648</u>
Total investments	<u>28,421,557</u>	<u>28,656,913</u>
Current assets:		
Cash and cash equivalents	75,898,774	67,844,570
Receivables, principally for sales of electricity	21,203,917	11,834,394
Inventories, at average cost:		
Materials and supplies	14,569,430	14,994,218
Fuel	25,600,542	25,147,854
Prepayments and other	<u>2,135,978</u>	<u>2,530,341</u>
Total current assets	<u>139,408,641</u>	<u>122,351,377</u>
Deferred charges	<u>39,909,731</u>	<u>45,944,481</u>
	<u>\$ 793,095,044</u>	<u>\$ 788,946,084</u>

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

SEMINOLE ELECTRIC COOPERATIVE, INC.
CONSOLIDATED BALANCE SHEETS

	December 31,	
	1991	1990
<u>EQUITY AND LIABILITIES</u>		
Equity:		
Memberships	\$ 1,100	1,100
Patronage capital	36,766,995	31,508,037
Donated capital	<u>31,615</u>	<u>31,615</u>
Total equity	<u>36,799,710</u>	<u>31,540,752</u>
Long-term liabilities:		
Long-term debt	619,368,241	625,858,981
Obligations under capital leases	32,375,415	33,464,631
Other	<u>1,865,405</u>	<u>3,653,560</u>
Total long-term liabilities	<u>653,609,061</u>	<u>662,977,172</u>
Current liabilities:		
Current portion of:		
Long-term debt	6,479,163	5,801,013
Obligations under capital leases	1,089,217	993,513
Accounts payable and accrued liabilities	50,149,556	40,366,815
Accrued interest and taxes, other than income	<u>1,319,607</u>	<u>1,900,556</u>
Total current liabilities	<u>59,037,543</u>	<u>49,061,897</u>
Deferred gain on sale-leaseback of plant	<u>25,424,849</u>	<u>26,840,618</u>
Other deferred credits	<u>18,223,881</u>	<u>18,525,645</u>
Commitments and Contingencies (Notes 10 and 11)	<u>\$ 793,095,044</u>	<u>\$ 788,946,084</u>

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,	
	<u>1991</u>	<u>1990</u>
Operating revenue	<u>\$ 451,268,182</u>	<u>\$ 437,759,347</u>
Operating expenses:		
Operation:		
Fuel	174,237,366	174,134,117
Other production expenses	32,401,570	32,890,782
Purchased power	80,534,654	64,475,473
Transmission	26,795,725	28,892,813
Administrative and general	16,035,693	15,191,705
Depreciation and amortization	25,706,498	25,454,487
Lease of coal-fired plant	30,851,705	31,629,954
Taxes, primarily property	<u>10,464,229</u>	<u>10,505,014</u>
	<u>397,027,440</u>	<u>383,174,345</u>
Operating margins before interest charges	54,240,742	54,585,002
Interest expense net of amounts capitalized	<u>54,610,600</u>	<u>57,353,900</u>
Operating deficits	(369,858)	(2,768,898)
Patronage capital credits	<u>87,367</u>	<u>74,013</u>
Net operating deficits	(282,491)	(2,694,885)
Nonoperating income:		
Interest income	5,948,790	5,741,167
Other income, net	<u>444,621</u>	<u>361,565</u>
Net margins	6,110,920	3,407,847
Patronage capital, beginning of year	31,508,037	28,982,911
Patronage capital retirements	<u>(851,962)</u>	<u>(882,721)</u>
Patronage capital, end of year	<u>\$ 36,766,995</u>	<u>\$ 31,508,037</u>

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,	
	1991	1990
Cash flows from operating activities:		
Net margins	\$ 6,110,920	\$ 3,407,847
Adjustments to reconcile to cash:		
Depreciation and amortization	27,773,263	27,375,949
Amortization of deferred gain on sale- leaseback of plant	(1,415,769)	(1,415,769)
Lease expense/lease payment difference	(891,439)	(891,439)
Write off of obsolete inventory	871,841	107,312
Other, net	(37,367)	(225,556)
Change in assets and liabilities:		
Receivables	(9,369,523)	43,702,634
Inventories	(899,741)	6,743,834
Prepayments and other	394,363	(313,702)
Deferred charges	1,771,853	(1,312,329)
Other long-term liabilities	(1,768,155)	(1,839,254)
Accounts payable and accrued liabilities	9,782,741	(13,535,122)
Accrued interest and taxes	(580,949)	(11,354,891)
Deferred credits	399,181	(648,458)
Total adjustments	<u>25,960,299</u>	<u>45,693,209</u>
Net cash provided by operating activities	<u>32,071,219</u>	<u>49,101,056</u>
Cash flows from investing activities:		
Utility plant	(16,751,706)	(5,535,757)
Long-term investments	<u>392,755</u>	<u>3,910,567</u>
Net cash used in investing activities	<u>(16,358,951)</u>	<u>(1,625,190)</u>
Cash flows from financing activities:		
Payments of patronage capital credits	(851,962)	(882,721)
Payments of long-term debt	(5,312,590)	(5,212,256)
Capital lease obligations	(993,512)	(1,231,564)
Net cash used in financing activities	<u>(7,658,064)</u>	<u>(7,326,541)</u>
Net increase in cash and cash equivalents	8,054,204	40,149,325
Cash and cash equivalents -- beginning	<u>67,844,570</u>	<u>27,695,245</u>
Cash and cash equivalents -- ending	<u>\$ 75,898,774</u>	<u>\$ 67,844,570</u>

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. (Acuera), a wholly owned taxable subsidiary, was formed for the primary purpose of acquiring a power plant site for future generation use. Acuera completed the purchase of this site during 1991. The site has been leased, subject to certain restrictions, to an Independent Power Producer (IPP).

The consolidated financial statements include the results of operations and financial position of Seminole and Acuera. 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 less than 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, 1991, there was an overrecovery of \$10,328,470 which is recorded as an accrued liability until refunded. An underrecovery of \$2,203,860 at December 31, 1990 is included in receivables.

Included in operating revenue for the years ended December 31, 1991 and 1990, are approximately \$434 million and \$419 million of revenue from members, of which approximately \$17 million and \$8 million are included in receivables at December 31, 1991 and 1990, respectively.

Depreciation and Amortization

Seminole provides for depreciation on owned utility plant using composite rates applied annually on a straight-line basis that will amortize the original cost of depreciable property over its estimated useful life. The rates for 1991 and 1990 were as follows:

	<u>1991</u>	<u>1990</u>
Coal-fired production plant	3.10%	3.10%
Transmission plant	2.75%	2.75%
General plant	7.79%	7.46%
Nuclear production plant	4.54%	3.20%

Amortization of leased assets under capital leases amounted to \$1,004,011 and \$915,948 in 1991 and 1990, respectively.

Amortization of Deferred Gain

Deferred gain on sale-leaseback of plant is being amortized on a straight line basis over the base lease term of 25 years commencing in 1985 and is reflected as a reduction of operating expenses.

Inventories

Materials and supplies inventory is stated at the lower of cost or market, cost being determined based on the weighted average purchase price. Management determined that due to technological improvements and efficiencies in the utilization of certain items, reductions of \$871,841 and \$107,312 were necessary to properly state materials and supplies inventory at December 31, 1991 and 1990, respectively.

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 1991 and 1990, 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 1991 and 1990 were \$542,786 and \$206,085, respectively.

Deferred Charges

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 ranging from five to twenty years.

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, 1991 and 1990 were \$11,027,142 and \$12,405,520, respectively. Such deferrals are being recovered over a ten year period through a rate phase-in plan. Amortization of these deferred charges amounted to \$1,378,378 and \$1,378,391 for 1991 and 1990, respectively, and are included in depreciation and amortization.

Deferred Credits

At December 31, 1991 and 1990, deferred credits primarily included deferred lease expense which represents the difference between cash payments and expense recognized on a straight-line basis related to the operating lease of certain generating facilities, and a reserve for CR3 decommissioning costs.

Cash Equivalents

Seminole considers all short-term highly liquid investments with a maturity of 3 months or less to be cash equivalents.

Reclassification

Certain reclassifications have been made to the 1990 statements to conform to current classifications. There were no changes in net margins as previously reported.

NOTE 3 - UTILITY PLANT:

	<u>December 31</u>	
	<u>1991</u>	<u>1990</u>
Owned property:		
Coal-fired plant	\$ 579,648,198	\$ 574,811,260
Transmission plant	89,338,727	87,130,683
General plant	20,980,498	20,453,714
Nuclear plant, including fuel	<u>16,235,212</u>	<u>16,053,665</u>
	706,202,635	698,459,322
Leased property under capital leases:		
Transportation equipment	<u>39,389,435</u>	<u>39,389,435</u>
	745,592,070	737,848,757
Construction work in progress	<u>12,350,374</u>	<u>4,802,327</u>
	<u>757,945,444</u>	<u>742,651,584</u>
Accumulated depreciation and amortization	(166,536,764)	(145,608,717)
Accumulated amortization of leased assets	(6,053,565)	(5,049,554)
	<u>(172,590,329)</u>	<u>(150,658,271)</u>
	<u>\$ 585,355,115</u>	<u>\$ 591,993,313</u>

NOTE 4 - INVESTMENTS:

	<u>December 31</u>	
	<u>1991</u>	<u>1990</u>
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	9,027,503	9,031,456
Patronage Capital Certificates	1,019,100	1,604,140
National Bank for Cooperatives (CoBank)	313,982	424,502
Other	<u>139,158</u>	<u>146,623</u>
	<u>\$ 11,903,287</u>	<u>\$ 12,610,265</u>
Funds held by trustees:		
Pollution control bond funds	\$ 14,921,898	\$ 14,764,134
Nuclear decommissioning trust fund	<u>1,596,372</u>	<u>1,282,514</u>
	<u>\$ 16,518,270</u>	<u>\$ 16,046,648</u>

NOTE 5 - LONG-TERM LIABILITIES:

Long-Term Debt

	<u>December 31</u>	
	<u>1991</u>	<u>1990</u>
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%	\$ 457,142,289	\$ 461,164,346
First mortgage notes payable to REA, principal due in various installments through 2019, interest at 5%	5,327,337	5,443,023
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 5.00% and 4.70%	155,300,000	156,900,000
First mortgage notes payable to CFC, principal due in various installments through 2019, interest at adjustable rates, currently 6.125% and 9.50%	<u>8,077,778</u>	<u>8,152,625</u>
	625,847,404	631,659,994
Less current portion	<u>(6,479,163)</u>	<u>(5,801,013)</u>
	<u>\$ 619,368,241</u>	<u>\$ 625,858,981</u>

Interest paid, including that on the above debt, totaled \$54,130,944 and \$67,637,391 in 1991 and 1990, respectively.

The estimated maturities and annual sinking fund requirements of all long-term debt for the four years subsequent to December 31, 1992, are presented below:

<u>Year ending</u> <u>December 31,</u>	<u>Annual Maturities</u> <u>and Sinking Fund</u> <u>Requirements</u>
1993	\$ 7,144,000
1994	\$ 7,946,000
1995	\$ 8,808,000
1996	\$ 9,628,000

In December of 1991, Seminole entered into an interest rate swap agreement to manage exposure to changes in interest rates on a portion of its adjustable rate pollution control revenue bonds. This agreement effectively changes Seminole's interest rate exposure on the notional principal amount outstanding of \$80 million to a fixed rate of 4.21% for a two year period, without the exchange of the underlying principal amounts. The differential to be paid or received is accrued as the adjustable interest rate changes and is recognized over the life of the agreement as a component of nonoperating income or expense. In the event of nonperformance of the counterparty, which is an event that Seminole does not anticipate, Seminole would then be exposed to the risk of the current market interest rates for the adjustable rate pollution control revenue bonds.

Obligations Under Capital Leases

At December 31, 1991, 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, 1991:

<u>Year ending</u> <u>December 31,</u>	
1992	\$ 4,204,318
1993	4,204,318
1994	4,204,318
1995	4,527,110
1996	4,644,240
Later years	<u>37,838,739</u>
Total minimum lease payments	59,523,043
Less amount representing interest	<u>(26,158,411)</u>
Present value of minimum lease payments	33,464,632
Less current principal portion	<u>(1,089,217)</u>
	\$ <u>32,375,415</u>

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 \$4,204,318 and \$4,205,791 for 1991 and 1990, respectively. 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 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. Distributions may be made, however, in such amounts as may be approved by REA through waiver of the aforementioned restrictions. Such distributions to members totaled \$851,662 and \$882,721 in 1991 and 1990, respectively.

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 1991 and 1990, Seminole achieved a Times Interest Earned Ratio (as defined) of 1.10 and 1.05, respectively, and a Debt Service Coverage Ratio (as defined) of 1.3 for both years.

NOTE 7 - LINES OF CREDIT:

Seminole had available lines of credit totaling \$93 million of which none were drawn at December 31, 1991. 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 1991 and 1990, there were income tax losses due to timing differences in the recognition of certain income and expenses for tax and financial reporting purposes, primarily sale-leaseback of plant and utilization of member loss carryovers. In 1991 and 1990, no income taxes were paid.

Since Seminole became taxable in 1981, deferred taxes have not been provided for approximately \$220 million of timing differences. Current ratemaking practices provide future recovery of taxes related to timing differences previously flowed through. At December 31, 1991, net operating losses and income tax credits of approximately \$220 million and \$13 million are available to offset future taxable income and tax liabilities, respectively, through 2006 and 2001. In 1991, all remaining member loss carryovers were utilized.

During 1992, the Financial Accounting Standards Board issued Statement No. 109, "Accounting for Income Taxes" which is effective for the fiscal years beginning after December 15, 1992. This statement 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 statement 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 under this plan for 1991 or 1990. 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.

NOTE 10 - OPERATING LEASES:

At December 31, 1991, 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:

<u>Year ending</u> <u>December 31,</u>	
1992	\$ 40,795,758
1993	\$ 40,795,758
1994	\$ 40,795,758
1995	\$ 40,795,758
1996	\$ 40,795,758
Thereafter	\$ 507,010,327

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 \$4,609,100 and \$3,940,595 for 1991 and 1990, respectively. 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 AND CONTINGENCIES:

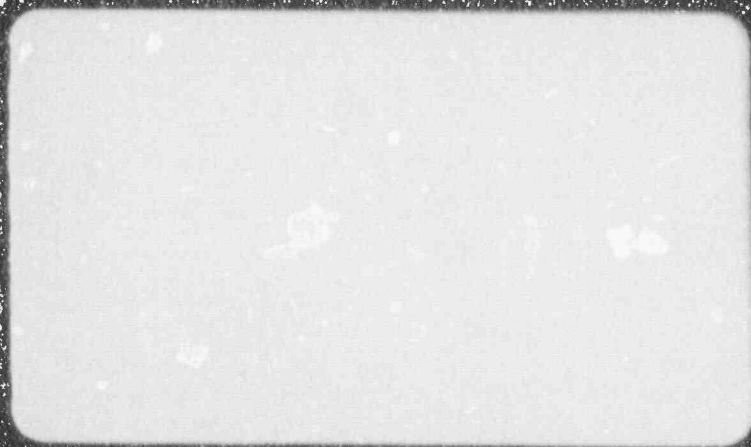
Seminole is purchasing coal for the plant under long-term contracts expiring in 2010. Contract terms specify minimum annual purchase commitments, subject to force majeure conditions, and prices, which are subject to adjustment for changes in costs. In addition, Seminole has long-term contracts for coal 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 \$101 million and \$107 million in 1991 and 1990, respectively.

In May of 1990, Seminole established an external Nuclear Decommissioning Trust Fund (NDTF) in compliance with regulations prescribed by the Nuclear Regulatory Commission. The fund balance of approximately \$1.6 million represents Seminole's cumulative share of the estimated sinking fund reserve required to decommission CR3. Prospectively annual cash deposits will be made to the NDTF representing Seminole's annual share of the projected sinking fund requirements. These amounts will be recovered from members through rates and a provision made in current operations each year. Based upon a study completed in 1986 and updated in 1991, Seminole's total share of the projected cost of decommissioning is approximately \$3.7 million in 1991 dollars, and decommissioning expenditures are expected to occur over a nine year period ending in the year 2023.

During 1989, Seminole entered into a twenty year agreement, commencing in 1993, 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 and, during the initial ten years of the agreement, an additional 145 megawatts of

capacity to be supplied by the IPP from an existing coal fired generating facility. Under the terms of the agreement Seminole will receive this capacity on a first call basis, subject to certain restrictions as to its use. Seminole is obligated to make annual "take or pay" capacity payments of approximately \$36 million over the initial ten years and approximately \$21 million over the final ten years of the agreement.

Management is aware of certain positions taken by the IRS with respect to examinations of other cooperatives, including issues with respect to allocation of income and expense. These matters, if adversely resolved and subsequently applied in an IRS examination of Seminole, could result in a significant tax liability for Seminole. Management believes that its tax returns have been prepared fully in compliance with applicable sections of the Internal Revenue Code and, as such, that no significant amount of liability would result from such an examination. Accordingly, Seminole has not recorded a liability related to these issues.



Purvis
Gray &
Company

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

CITY OF ALACHUA
ALACHUA, FLORIDA

SEPTEMBER 30, 1991

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

**CITY OF ALACHUA
ALACHUA, FLORIDA
SEPTEMBER 30, 1991**

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
General Purpose Financial Statements	
Combined Balance Sheet - All Fund Types and Account Groups	3-4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types	6-7
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	8
Combined Statement of Cash Flows - All Proprietary Fund Types	9-10
Notes to Financial Statements	11-36
Accompanying Information - Combining and Individual Fund Statements	
General Fund	
Balance Sheets	37
Statement of Revenues - Budget and Actual	38
Statement of Expenditures - Budget and Actual	39-40
Special Revenue Fund - Community Development Block Grant III	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	41
Proprietary Funds	
Combining Balance Sheet	42-43
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	44
Combining Statement of Cash Flows	45-46

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

CITY OF ALACHUA
ALACHUA, FLORIDA
SEPTEMBER 30, 1991

CONTENTS
(Concluded)

	<u>Page</u>
Additional Elements of Report Prepared in Accordance With Government Auditing Standards, Issued By the Comptroller General of the United States, the Provisions of the Office of Management and Budget (OMB) Circular A-128 and the Rules of the Auditor General of the State of Florida	
Independent Auditors' Report on Schedule of Federal Financial Assistance	47
Schedule of Federal Financial Assistance	48
Independent Auditors' Report on Compliance With the General Requirements Applicable to Major and Nonmajor Federal Financial Assistance Programs	49-50
Independent Auditors' Report on Compliance With Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions	51
Independent Auditors' Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs	52-54
Independent Auditors' Report on Compliance With Laws and Regulations Based on an Audit of General Purpose Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	55
Independent Auditors' Report on Internal Control Structure Related Matters Noted in a General Purpose Financial Statement Audit Conducted in Accordance With <i>Government Auditing Standards</i> , and Management Letter	56-59

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, 1991 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; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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, 1991 and the results of its operations and the cash flows of its Proprietary Fund Types for the year then ended, in conformity with generally accepted accounting principles.

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
1415 Piedmont Drive, East, Suite 2 • Tallahassee, Florida 32312 • (904) 385-0554

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 15, 1991
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 cash flows 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, 1991
CITY OF ALACHUA, FLORIDA**

	Governmental Fund Types			Proprietary Fund Type Enterprise	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service		General Fixed Assets	General Long-Term Debt	1991	1990
Assets								
Cash and Cash Equivalents	\$ 175,718	\$ 42,171	\$ 31,728	\$ (123,966)		\$ 125,651	\$ 241,772	
Investments	305,500			66,041		371,541	441,064	
Receivables (Net of Allowances For Uncollectibles Parenthetically Indicated):								
Taxes	108,893					108,893	90,563	
Accounts (\$40,200)				457,367		457,367	510,140	
Assessments (\$1,643)				1,069		1,069	1,069	
Accrued Interest and Penalties	1,249					1,249	1,601	
Other Receivables	3,016			15,726		18,742	6,344	
Due From Water Fund						0	250,000	
Due From Other Governments	25,596					25,596	32,923	
Inventory of Utility Supplies				191,734		191,734	214,412	
Prepaid Expenses	52,442			45,455		97,897	41,436	
Unbilled Revenue				115,497		115,497	99,679	
Restricted Assets:								
Cash and Cash Equivalents				1,020,825		1,020,825	756,428	
Investments				4,196,504		4,196,504	4,377,296	
Accrued Interest				111,400		111,400	77,618	
Property, Plant and Equipment - Cost Less Accumulated Depreciation For Proprietary Fund Type; Cost For General Fixed Asset Account Group				7,323,100	\$ 2,718,020	10,041,120	10,095,038	
Unamortized Bond Issue Costs				405,003		405,003	419,945	
Amount Available For Retirement of General Long-Term Debt						\$ 31,728	31,728	
Amount to be Provided For Retirement of General Long-Term Debt						1,369,049	1,382,044	
Total Assets	\$ 672,414	\$ 42,171	\$ 31,728	\$ 13,825,755	\$ 2,718,020	\$ 1,400,777	\$ 18,690,865	\$ 19,075,963

See accompanying notes.

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 1991
CITY OF ALACHUA, FLORIDA
(Continued)

	Governmental Fund Types			Proprietary Fund Type Enterprise	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service		General Fixed Assets	General Long-Term Debt	1991	1990
Liabilities and Fund Equity								
Liabilities								
Accounts Payable	\$ 105,569	\$ 18,959		\$ 184,663			\$ 309,191	\$ 274,807
Other Accrued Expenses	20,912			46,820			67,732	46,837
Payable From Restricted Assets:								
Accrued Interest				415,111			415,111	367,189
Current Portion of Bonds Payable				162,000			162,000	152,000
Customer Deposits				113,232			113,232	108,429
Due to General Fund							0	250,000
Deferred Revenues and Credits	98,615	23,712		349,273			471,100	420,932
Note Payable - Gulf Breeze						\$ 940,000	940,000	955,000
Note Payable - FLGFA						418,914	418,914	425,000
Notes Payable - First National							0	60,193
Chattel Mortgage Payable							0	6,424
Revenue Bonds Payable				11,429,403			11,429,403	11,540,931
Accrued Compensated Absences						41,863	41,863	65,682
Total Liabilities	<u>225,096</u>	<u>42,171</u>	<u>\$ 0</u>	<u>12,700,502</u>	<u>\$ 0</u>	<u>1,400,777</u>	<u>14,368,546</u>	<u>14,673,426</u>
Fund Equity								
Contributed Capital				1,825,485			1,825,485	1,825,485
Investment in General Fixed Assets					2,718,020		2,718,020	2,672,518
Retained Earnings:								
Reserved For Debt Service and Contingencies				1,603,693			1,603,693	1,555,200
Unreserved				(2,303,925)			(2,303,925)	(2,165,582)
Fund Balances:								
Reserved	212,789		31,728				244,517	202,271
Designated	10,963						10,963	7,705
Undesignated	223,566						223,566	304,940
Total Fund Equity	<u>447,318</u>	<u>0</u>	<u>31,728</u>	<u>1,125,253</u>	<u>2,718,020</u>	<u>0</u>	<u>4,322,319</u>	<u>4,402,537</u>
Total Liabilities and Fund Equity	<u>\$ 672,414</u>	<u>\$ 42,171</u>	<u>\$ 31,728</u>	<u>\$ 13,825,755</u>	<u>\$ 2,718,020</u>	<u>\$ 1,400,777</u>	<u>\$ 18,690,865</u>	<u>\$ 19,075,963</u>

See accompanying notes.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1991
CITY OF ALACHUA, FLORIDA**

	Governmental Fund Types			Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	1991	1990
Revenues					
Taxes and Special Assessments	\$ 943,939	\$ 0	\$ 0	\$ 943,939	\$ 767,122
Licenses and Permits	37,616	0	0	37,616	42,987
Intergovernmental	320,350	278,293	0	598,643	893,329
Charges For Services	43,659	0	0	43,659	42,765
Fines and Forfeitures	18,794	0	0	18,794	38,864
Interest and Miscellaneous	70,425	0	0	70,425	106,968
Total Revenues	<u>1,434,783</u>	<u>278,293</u>	<u>0</u>	<u>1,713,076</u>	<u>1,892,035</u>
Expenditures					
Current:					
General Government	315,662	0	0	315,662	280,523
Public Safety	779,154	0	0	779,154	830,094
Physical Environment	65,500	0	0	65,500	445,181
Economic Environment	0	278,293	0	278,293	0
Transportation	206,084	0	0	206,084	315,379
Parks and Recreation	90,574	0	0	90,574	102,066
Capital Projects	0	0	0	0	91,489
Debt Service	2,020	0	117,772	119,792	111,632
(Total Expenditures)	<u>(1,458,994)</u>	<u>(278,293)</u>	<u>(117,772)</u>	<u>(1,855,059)</u>	<u>(2,176,364)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(24,211)</u>	<u>0</u>	<u>(117,772)</u>	<u>(141,983)</u>	<u>(284,329)</u>
Other Financing Sources (Uses)					
Debt Proceeds	0	0	0	0	425,000
(Loan Costs)	0	0	0	0	(15,276)
Transfers In	106,113	0	117,909	219,022	458,687
(Transfers Out)	(112,909)	0	0	(112,909)	(142,855)
Total Other Financing Sources (Uses)	<u>(6,796)</u>	<u>0</u>	<u>117,909</u>	<u>106,113</u>	<u>725,556</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(31,007)</u>	<u>0</u>	<u>(4,863)</u>	<u>(35,870)</u>	<u>441,227</u>
Fund Balances, Beginning of Year	478,325	0	36,591	514,916	73,689
Fund Balances, End of Year	<u>\$ 447,318</u>	<u>\$ 0</u>	<u>\$ 31,728</u>	<u>\$ 479,046</u>	<u>\$ 514,916</u>

See accompanying notes.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1991
CITY OF ALACHUA, FLORIDA**

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes and Special Assessments	\$ 910,289	\$ 943,939	\$ 33,650	\$ 0	\$ 0	\$ 0
Licenses and Permits	39,500	37,616	(1,884)	0	0	0
Intergovernmental	332,592	320,350	(12,242)	97,500	278,293	180,793
Charges For Services	48,100	43,659	(4,441)	0	0	0
Fines and Forfeitures	20,000	18,794	(1,206)	0	0	0
Interest and Miscellaneous	82,000	70,425	(11,575)	0	0	0
Total Revenues	<u>1,432,481</u>	<u>1,434,783</u>	<u>2,302</u>	<u>97,500</u>	<u>278,293</u>	<u>180,793</u>
Expenditures						
Current:						
General Government	316,067	315,662	405	0	0	0
Public Safety	687,552	779,154	(91,602)	0	0	0
Physical Environment	62,724	65,500	(2,776)	0	0	0
Economic Environment	0	0	0	97,500	278,293	(180,793)
Transportation	197,436	206,084	(8,648)	0	0	0
Parks and Recreation	89,555	90,574	(1,019)	0	0	0
Capital Projects	0	0	0	0	0	0
Debt Service	7,346	2,020	5,326	0	0	0
(Total Expenditures)	<u>(1,360,680)</u>	<u>(1,458,994)</u>	<u>(98,314)</u>	<u>(97,500)</u>	<u>(278,293)</u>	<u>793</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>71,801</u>	<u>(24,211)</u>	<u>(96,012)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)						
Debt Proceeds	0	0	0	0	0	0
(Loan Costs)	0	0	0	0	0	0
Transfers In	106,113	106,113	0	0	0	0
(Transfers Out)	(124,213)	(112,909)	11,304	0	0	0
Total Other Financing Sources (Uses)	<u>(18,100)</u>	<u>(6,796)</u>	<u>11,304</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>53,701</u>	<u>(31,007)</u>	<u>(84,708)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances, Beginning of Year		<u>478,325</u>			<u>0</u>	
Fund Balances, End of Year		<u>\$ 447,318</u>			<u>\$ 0</u>	

See accompanying notes.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1991
CITY OF ALACHUA, FLORIDA
(Concluded)**

	Debt Service Fund			Totals (Memorandum Only)	
	Budget	Actual	Variance Favorable (Unfavorable)	1991	1990
Revenues					
Taxes and Special Assessments	\$ 0	\$ 0	\$ 0	\$ 943,939	\$ 767,122
Licenses and Permits	0	0	0	37,616	42,987
Intergovernmental	0	0	0	598,643	893,329
Charges For Services	0	0	0	43,659	42,765
Fines and Forfeitures	0	0	0	18,794	38,864
Interest and Miscellaneous	0	0	0	70,425	106,968
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,713,076</u>	<u>1,892,035</u>
Expenditures					
Current:					
General Government	0	0	0	315,662	280,523
Public Safety	0	0	0	779,154	830,094
Physical Environment:	0	0	0	65,500	445,181
Economic Environment	0	0	0	278,293	0
Transportation	0	0	0	206,084	315,379
Parks and Recreation	0	0	0	90,51	102,066
Capital Projects	0	0	0	0	91,489
Debt Service	124,213	117,772	6,440	119,792	111,632
(Total Expenditures)	<u>(124,213)</u>	<u>(117,772)</u>	<u>6,440</u>	<u>(1,855,059)</u>	<u>(2,176,364)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(124,213)</u>	<u>(117,772)</u>	<u>6,440</u>	<u>(141,983)</u>	<u>(284,329)</u>
Other Financing Sources (Uses)					
Debt Proceeds	0	0	0	0	425,000
(Loan Costs)	0	0	0	0	(15,276)
Transfers In	124,213	112,909	(12,003)	219,022	458,687
(Transfers Out)	0	0	0	(112,909)	(142,855)
Total Other Financing Sources (Uses)	<u>124,213</u>	<u>112,909</u>	<u>(12,003)</u>	<u>106,113</u>	<u>725,556</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	(4,863)	(5,563)	(35,870)	441,227
Fund Balances, Beginning of Year		36,591		514,916	73,669
Fund Balances, End of Year		<u>\$ 31,728</u>		<u>\$ 479,046</u>	<u>\$ 514,916</u>

See accompanying notes.

COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1991
CITY OF ALACHUA, FLORIDA

	Proprietary Fund Type Enterprise	Total (Memorandum Only) 1990
Operating Revenues	\$ 4,436,615	\$ 4,086,052
Operating Expenses		
Power Production Expense	2,406,072	2,296,243
Customer Accounts	131,062	116,046
Depreciation	302,081	287,118
Warehousing	40,332	39,485
Distribution and Collection	301,902	248,653
General and Administrative	250,717	175,847
Taxes	76,656	53,471
Treatment	183,842	159,068
(Total Operating Expenses)	(3,692,664)	(3,375,931)
Operating Income	743,951	710,121
Nonoperating Revenue (Expenses)		
Interest Income	171,252	187,523
(Interest on Long-Term Debt)	(884,874)	(702,985)
(Amortization of Bond Issue Costs)	(14,942)	(7,644)
Miscellaneous Income	876	1,746
Total Nonoperating Revenues (Expenses)	(727,688)	(521,360)
Income Before Operating Expenses	(16,263)	188,761
(Operating Transfers Out)	(106,113)	(315,832)
Net (Loss)	(89,850)	(127,071)
Retained Earnings (Deficit), Beginning of Year	(610,382)	(483,311)
Retained Earnings (Deficit), End of Year	\$ (700,232)	\$ (610,382)

See accompanying notes.

**COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1991
CITY OF ALACHUA, FLORIDA**

	<u>Proprietary Fund Type Enterprise</u>
Cash Flows From Operating Activities	
Operating Income	\$ 743,951
Adjustments to Reconcile Operating Income to Net Cash Provided By Operations:	
Depreciation of Plant	302,081
Amortization of Decommissioning Costs	13,320
Provision For Losses on Accounts Receivable	42,921
Change in Current Assets - (Increase) Decrease:	
Accounts Receivable and Unbilled Revenue	(17,613)
Inventory (Net of Material Salvaged From Retirements of \$9,739)	32,417
Prepaid Power Costs	(21,040)
Other Prepaid Expenses	(385)
Change in Current Liabilities - Increase (Decrease):	
Accounts Payable and Other Accrued Expenses	175,578
Power Costs Recovered in Advance	(10,903)
Customer Deposits	4,498
Net Cash Provided By Operating Activities	<u>1,264,825</u>
Cash Flows From Noncapital Financing Activities	
Miscellaneous Income	876
Operating Transfers Out to Other Funds	(236,113)
Operating Transfers in From Other Funds	130,000
Repayment of Loan From General Fund	(250,000)
Net Cash (Used In) Noncapital Financing Activities	<u>(355,237)</u>
Cash Flows From Capital and Related Financing Activities	
Extension and Replacement of Plant - Net of Contributions Received in Aid of Construction (Excluding Capitalized Interest)	(402,836)
Plant Removal Costs	(5,761)
Principal Payments on Bonds	(152,000)
Principal Payments on Notes	(64,690)
Interest Paid	(793,658)
Operating Transfers Out to Other Funds	(52,360)
Operating Transfers in From Other Funds	52,360
Cash Flows (Used In) Capital and Related Financing Activities	<u>(1,418,945)</u>

See accompanying notes.

COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED SEPTEMBER 30, 1991
 CITY OF ALACHUA, FLORIDA
 (Concluded)

	<u>Proprietary Fund Type Enterprise</u>
Cash Flows From Investing Activities	
Investments Purchased	\$ (2,802,647)
Investments Matured	3,053,750
Interest Income	355,591
Net Cash Provided By Investing Activities	<u>606,694</u>
Net Increase in Cash and Cash Equivalents	97,337
Cash and Cash Equivalents, October 1, 1990	<u>799,522</u>
Cash and Cash Equivalents, September 30, 1991	<u><u>\$ 896,859</u></u>

See accompanying notes.

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

Note 1 - Summary of Significant Accounting Policies

The City of Alachua, Florida (the City) 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 statements 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.

The following fund types and account groups are used in accounting for the financial operations of the City.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Accounting (Concluded)

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.
- **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 and FLGFA loans.

Proprietary Fund Type

- **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.

Measurement Focus

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Governmental Fund Types 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 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus (Concluded)

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.

Basis 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.

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 a resolution, 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Budgeting (Concluded)

- 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. 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, 1991.

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.

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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment and Depreciation (Concluded)

All other property and equipment owned by the City is reflected at cost in the General Fixed Assets Account Group 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 1986 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.

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*. Interest paid during 1991 in the amount of \$7,178 has been capitalized as a cost of construction in the Proprietary Fund Type. In addition, construction-in-progress in the Proprietary Fund Type was offset by \$203,375 of interest income. No other interest paid or payable during 1991 has been capitalized 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 week of 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 10.00 mills. The City's millage rate for the 1991 fiscal year was 5.00 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 \$89,876 at September 30, 1991, including interest, and are offset by deferred revenue of \$89,876.

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

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 cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. The totals from 1990 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 \$631,537 and the bank balance was \$299,734. All deposits of the City are maintained in qualified public depositories. In addition, the City had \$107,275 deposited with a fiscal agent as of September 30, 1991, for the payment of revenue bond interest on October 1.

The Florida Security for Public Deposits Act; Chapter 280 of the Florida Statutes, provides that 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.

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

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, 1991 was as follows:

<u>Type of Investment</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Certificates of Deposit, 5.25% - 9.50% Interest, Varying Maturities Through October 1, 1991	\$ 3,936,736	\$ 3,936,736
State Board of Administration of Florida Local Government Pooled Investment Account Variable Interest Rate (6.23% at September 30, 1991)	407,664	407,664
Florida Municipal Power Agency (FMPA) Crystal River III Pooled Investment Account	69,969	69,969
United States Treasury Bonds, \$575,000 Par Value, 7.625% Interest, Maturing February 15, 2007	561,340	572,305
Total	<u>\$ 4,975,709</u>	<u>\$ 4,986,674</u>

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. The FMPA account is maintained in an investment pool which invests primarily in mid-term U.S. Government obligations.

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, 1991 consists of the following:

Electric Utility Supplies	\$ 108,167
Water/Sewer Supplies	13,117
Nuclear Fuel	53,965
Nuclear Plant Materials Inventory	16,485
Total	<u>\$ 191,734</u>

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

Note 3 - Inventory (Concluded)

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 10/1/90	Additions	Removals and Adjustments	Balance 9/30/91
City Park - Structures and Improvements	\$ 15,385	\$ 4,500		\$ 19,885
City Hall - Building	154,750	2,875		157,625
City Hall - Equipment, Furnishings and Vehicles	66,915	1,590		68,505
Fire Station	72,169			72,169
Police Station	68,212			68,212
Rolling Green - Land and Buildings	639,860			639,860
Rolling Green - Improvements	14,653			14,653
Parking Lots - Land	26,939			26,939
Street Paving and Sidewalks	981,564			981,564
Fire Trucks and Other Equipment	178,865			178,865
Mosquito Spraying Equipment	2,425			2,425
Land - Other	130,491			130,491
Police Department - Cars and Equipment	193,889	37,305	\$ (2,000)	229,194
Streets and Roads Equipment	51,580			51,580
Miscellaneous	11,709			11,709
Parks and Recreation - Equipment	29,788			29,788
Physical Environment - Equipment	33,324	1,232		34,556
Total Property, Plant and Equipment - At Cost	<u>\$ 2,672,518</u>	<u>\$ 47,502</u>	<u>\$ (2,000)</u>	<u>\$ 2,718,020</u>

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

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

Proprietary Fund Types

A summary of property, plant and equipment in the proprietary fund types at September 30, 1991 follows:

Nuclear Generating Plant and Equipment	\$ 507,947
Electric Distribution Plant and Equipment	4,817,079
Water Plant and Equipment	1,900,199
Sewer Plant and Equipment	3,054,860
	<u>10,280,085</u>
(Accumulated Depreciation)	(3,018,855)
Utility Plant in Service - Cost Less Accumulated Depreciation	7,261,230
Construction-in-Progress	<u>61,870</u>
Total Utility Plant - Cost Less Accumulated Depreciation	<u><u>\$ 7,323,100</u></u>

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, 1991:

	Balance 9/30/90	New Debt	(Principal Paid)	Balance 9/30/91
City of Gulf Breeze, Florida, Local Government Loan Program	\$ 955,000	\$ 0	\$ (15,000)	\$ 940,000
Florida Local Government Finance Authority, Government Unit Loan Program	425,000	0	(6,086)	418,914
Chattel Mortgage: Computer Equipment - System 36	1,927	0	(1,927)	0
Compensated Absences	36,708	5,155	0	41,863
Total	<u><u>\$ 1,418,635</u></u>	<u><u>\$ 5,155</u></u>	<u><u>\$ (23,013)</u></u>	<u><u>\$ 1,400,777</u></u>

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

Note 5 - Long-Term Debt (Continued)

General Long-Term Debt (Continued)

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).

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 date.

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.

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

Note 5 - Long-Term Debt (Continued)

General Long-Term Debt (Continued)

City of Gulf Breeze, Florida - Local Government Loan Program (Concluded)

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
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	20,000	66,483	86,483
1997 - 2001	125,000	308,467	433,467
2002 - 2006	180,000	251,125	431,125
2007 - 2011	255,000	167,513	422,513
2012 - 2015	290,000	47,644	337,644
Total	\$ 940,000	\$ 1,119,167	\$ 2,059,167

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.

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

Note 5 - Long-Term Debt (Continued)

General Long-Term Debt (Continued)

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

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 (5.59% at September 30, 1991). The following tabulation summarizes remaining interest and principal payment requirements of the note, assuming an interest rate of 5.59% for the remaining term:

Fiscal Year Ended September 30	Principal	Interest	Total
1992	\$ 8,225	\$ 23,209	\$ 31,434
1993	8,697	22,737	31,434
1994	9,196	22,238	31,434
1995	9,723	21,711	31,434
1996	10,281	21,153	31,434
1997 - 2001	60,955	96,214	157,169
2002 - 2006	80,559	76,610	157,169
2007 - 2011	106,468	50,701	157,169
2012 - 2016	124,810	16,643	141,453
Total	\$ 418,914	\$ 351,216	\$ 770,130

Other General Long-Term Debt

A chattel mortgage secured by the System 36 computer equipment was payable in monthly installments of \$184, which included interest at 9.50%. This obligation was paid in full during the year ended September 30, 1991.

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

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

Note 5 - Long-Term Debt (Continued)

General Long-Term Debt (Concluded)

Other General Long-Term Debt (Concluded)

Fiscal Year Ended September 30	Gulf Breeze	FLGFA	Total Principal
1992	\$ 15,000	\$ 8,225	\$ 23,225
1993	15,000	8,697	23,697
1994	20,000	9,196	29,196
1995	20,000	9,723	29,723
1996	20,000	10,281	30,281
1997 and Later	850,000	372,792	1,222,792
Total	<u>\$ 940,000</u>	<u>\$ 418,914</u>	<u>\$ 1,358,914</u>

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%).

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

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.

	<u>Par</u>	<u>Unamortized Discount</u>	<u>Appreciation</u>	<u>Carrying Value</u>
Current Interest Bonds	\$2,895,000	\$ (28,090)	\$ 0	\$2,866,910
Capital Appreciation Bonds	456,328	0	42,857	499,185
Total	<u>\$3,351,328</u>	<u>\$ (28,090)</u>	<u>\$ 42,857</u>	<u>\$3,366,095</u>

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

<u>Fiscal Year Ended September 30</u>	<u>Principal</u>	<u>Appreciation</u>	<u>Interest</u>	<u>Total</u>
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
2008	185,000		163,125	348,125
2009	200,000		149,712	349,712

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

Note 5 - Long-Term Debt (Continued)

Proprietary Fund Types (Continued)

Utility Revenue Bonds, Series 1990 (Concluded)

<u>Fiscal Year Ended</u> <u>September 30</u>	<u>Principal</u>	<u>Appreciation</u>	<u>Interest</u>	<u>Total</u>
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)	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	<u>\$ 3,351,328</u>	<u>\$ 3,180,776</u>	<u>\$ 4,121,975</u>	<u>\$ 10,654,079</u>

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 financial statements of the City of Alachua, Florida.

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%.

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

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 wastewater 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 revenue bonds may be redeemed prior to their maturity date, at the option of the City, subject to a call premium of 1/2% to 2%.

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

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

Note 5 - Long-Term Debt (Continued)

Proprietary Fund Types (Continued)

Utility Refunding Revenue Bonds of 1986 (Concluded)

Fiscal Year Ended September 30	Principal	Interest	Total
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	24,640	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	<u>\$ 7,625,000</u>	<u>\$ 9,098,056</u>	<u>\$ 16,723,056</u>

Allocated Between Proprietary Funds

	Par	Unamortized Discount	Carrying Value
Electric Fund	\$ 4,144,322	\$ 72,662	\$ 4,071,660
Wastewater Fund	3,480,678	61,030	3,419,648
Total	<u>\$ 7,625,000</u>	<u>\$ 133,692</u>	<u>\$ 7,491,308</u>

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

Note 5 - Long-Term Debt (Continued)

Proprietary Fund Types (Continued)

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 and 1990. 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 - \$96,800 of which has been paid and the remainder which matures as indicated in the following schedule:

Fiscal Year Ended September 30	Principal	Interest	Total
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	15,000	34,000	49,000
1997	16,000	33,200	49,250
1998	17,000	32,450	49,450
1999	18,000	31,600	49,600
2000	18,000	30,700	48,700
2001	19,000	29,800	48,800
2002	21,000	28,850	49,850
2003	21,000	27,800	48,800
2004	23,000	26,750	49,750
2005	24,000	25,600	49,600
2006	25,000	24,400	49,400
2007	26,000	23,150	49,150
2008	27,000	21,850	48,850
2009	29,000	20,500	49,500
2010	30,000	19,050	49,050
2011	32,000	17,550	49,550

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

Note 5 - Long-Term Debt (Concluded)

Proprietary Fund Types (Concluded)

Utility Revenue Bond of 1979 (Concluded)

Fiscal Year Ended September 30	Principal	Interest	Total
2012	\$ 33,000	\$ 15,950	\$ 48,950
2013	35,000	14,300	49,300
2014	37,000	12,550	49,550
2015	18,000	10,700	48,700
2016	40,000	8,800	48,800
2017	43,000	6,800	49,800
2018	45,000	4,650	49,650
2019	48,000	2,400	50,400
Total	<u>\$ 734,000</u>	<u>\$ 646,450</u>	<u>\$ 1,380,450</u>

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

	Principal Required During . . . Year Ended				
	September 30				
	1992	1993	1994	1995	1996
General Long-Term Debt	\$ 23,225	\$ 23,697	\$ 29,196	\$ 29,723	\$ 30,281
Utility Revenue Bonds of 1990	10,000	10,000	10,000	10,000	15,000
Utility Refunding Revenue Bonds of 1986	140,000	150,000	160,000	170,000	180,000
Utilities Revenue Bonds of 1979	12,000	13,000	14,000	15,000	15,000
Total	<u>\$ 185,225</u>	<u>\$ 196,697</u>	<u>\$ 213,196</u>	<u>\$ 224,723</u>	<u>\$ 240,281</u>

Interest

Interest paid (Governmental Fund Types) or accrued (Enterprise Funds) amounted to \$93 in the General Fund, \$96,686 in the Debt Service Fund, and \$884,874 in the Proprietary Fund Types (including amortization of bond discounts and appreciation on capital appreciation bonds) for the fiscal year ended September 30, 1991. Of the total interest in the Proprietary Fund Types, \$7,178 of interest was capitalized as a construction cost and the remainder was charged to interest.

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

Note 6 - Restricted Assets

The carrying values of the restricted asset accounts in the Enterprise Funds at September 30, 1991 are as follows:

	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Revenue Bond Accounts:				
Construction Account	\$ 2,742,776	\$ 0	\$ 0	\$ 2,742,776
Sinking Fund	109,656	27,460	395,555	532,671
Reserve Account	217,995	43,320	731,841	993,156
Bond Amortization Account	0	0	561,340	561,340
Interest Receivable	101,743	0	9,657	111,400
Special Assessment Accounts	123,959	0	0	123,959
Customer Deposits	113,232	0	0	113,232
CR-3 Decommissioning Account	108,274	0	0	108,274
Impact Fee Fund	41,921	0	0	41,921
Total	<u>\$ 3,559,556</u>	<u>\$ 70,780</u>	<u>\$ 1,698,393</u>	<u>\$ 5,328,729</u>

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 1991. The amount is offset by a deferred credit on the balance sheet.

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, 1991. Interfund transactions are normally recorded through a consolidated cash account instead of interfund receivables and payables.

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

Note 7 - Interfund Receivables and Payables (Concluded)

Following is a summary of interfund transfers during 1991:

Transfers Out	Transfers In				Total
	Governmental		Enterprise		
	General	Debt Service	Water	Wastewater	
Governmental					
General		\$ 112,909			\$ 112,909
Enterprise					
Electric:					
Capital Financing		0	\$ 128,566	\$ 127,169	255,735
Noncapital Financing	\$ 106,113	0	70,000	60,000	236,113
Totals	<u>\$ 106,113</u>	<u>\$ 112,909</u>	<u>\$ 198,566</u>	<u>\$ 187,169</u>	<u>\$ 604,757</u>

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	\$ 56,000	
Recreation	1,167	
Fire Service	49,253	
Police Service	927	
Prepaid Expenses	52,442	
Fire Station Improvements	53,000	
Debt Service	0	\$ 31,728
Total Reserved Fund Balances	<u>\$ 212,789</u>	<u>\$ 31,728</u>
Designated		
Police Operations	<u>\$ 10,963</u>	<u>\$ 0</u>

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.

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

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, 1991:

Fund Equity - October 1, 1990	\$1,215,103
Net (Loss) - All Enterprise Funds	(89,850)
Fund Equity - September 30, 1991	<u>\$1,125,253</u>

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	\$ 3,795,288	\$ 237,324	\$ 404,003
Depreciation and Amortization	185,237	61,771	85,037
Operating Income (Loss)	666,277	(35,185)	112,859
Operating Transfers In (Out)	(288,473)	99,369	82,991
Net Income (Loss)	(159,742)	31,199	38,693
Property, Plant and Equipment Additions	162,129	32,152	22,992
Contributions - Current Year	11,634	0	0
Net Working Capital	433,861	46,014	140
Total Assets	8,716,100	1,239,021	3,870,534
Bonds Payable - Long-Term Portion	7,351,665	722,000	3,355,738
Total Equity	498,282	475,685	151,286
Total Retained Earnings (Deficit)	498,282	19,203	(1,217,717)

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

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

Note 12 - Electric Power Agreements (Concluded)

City of Gainesville (Concluded)

is located in such a manner that the City has reasonable access to the transmission lines of both the City of Gainesville and Florida Power Corporation. 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 1991 were \$2,093,220.

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 1991 were \$120,315.

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, 1991 is \$108,274. 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 1991 were \$164,608.

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 on their share (.431%) of the bonds. The par amount of the outstanding bonds at September 30, 1991 was approximately \$300 million.

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

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, 1991 was \$267,000 for special risk employees, \$46,604 for senior management and \$683,287 for all other employees; the City's total payroll was \$996,891.

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 26.00% of special risk, 18.87% of senior management and 16.20% of all other employee earnings during calendar year 1991 (20.38%, 16.52% and 15.14%, respectively for calendar year 1990). The contribution requirement for the year ended September 30, 1991 was \$183,117; \$65,682 for special risk employees, \$8,519 for senior management and \$108,916 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, 1990 for the System as a whole, determined through an actuarial valuation for benefits on that date, was \$31.0 billion. The System's net assets available for benefits on that date (at cost) were \$18.9 billion (market was \$22.8 billion), leaving an unfunded pension benefit obligation of \$12.1 billion. The City's 1991 contribution represented less than 1% of total contributions required of all participating entities.

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 is present in the System's June 30, 1990 annual financial report.

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

Note 14 - Commitments

The City is currently constructing a new 600,000 gallon per day wastewater treatment plant at an estimated total cost of \$1,437,600. In addition, certain water system improvements are being constructed as part of a contract agreement with a major customer and are estimated to cost \$1,339,062. Both projects will be funded from the monies on deposit in the Construction Fund.

Estimated construction costs are for engineering and construction only and do not include capitalized interest or other carrying charges. Listed below are the commitments and capital expenditures to date on the two projects:

	<u>Commitment</u>	<u>Expended at</u> <u>9/30/91</u>
Construction Contract - Wastewater Treatment Plant	\$ 1,322,000	\$ 0
Construction Contract - Water System Improvements	1,223,462	0
Engineering Contract - Both Projects	231,200	189,584
Other	N/A	68,483
Capitalized Interest (Income) - Net	N/A	(196,197)
Total		<u><u>\$ 61,870</u></u>

Note 15 - Subsequent Event

Subsequent to year end, the City Commission established the Public Finance Authority for Affordable Housing (the Authority) whose purpose is to provide permanent financing for affordable housing projects throughout the United States. The Authority plans to issue \$500 million of taxable revenue bonds, initially, the proceeds of which will be used to provide this financing. The City will earn a fee annually on the outstanding balance of the mortgages.

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 when 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, 1991 AND 1990
CITY OF ALACHUA, FLORIDA

	<u>1991</u>	<u>1990</u>
Assets		
Cash in Bank, Including Certificates of Deposit:		
Police Department Trust Fund	\$ 10,709	\$ 7,705
Alachua Meadows Account	105,500	105,500
Special Assessments Account	107,347	99,814
Other	257,662	254,568
Receivables:		
Utility Taxes	19,017	9,042
Tax Certificates	89,876	81,521
Accrued Interest	1,249	1,601
Other	3,016	2,265
Due From Water Fund	0	250,000
Due From Other Governments	25,596	32,923
Prepaid Expenses	<u>52,442</u>	<u>17,406</u>
Total Assets	<u><u>672,414</u></u>	<u><u>862,345</u></u>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	105,569	261,280
Accrued Expenses	20,912	33,435
Occupational Licenses Collected in Advance	8,739	7,784
Deferred Revenues - Taxes	89,876	81,521
Total Liabilities	<u><u>225,096</u></u>	<u><u>384,020</u></u>
Fund Balance		
Reserved For Prepaid Expenses	52,442	17,406
Reserved For Police Education	0	602
Reserved For Special Assessment Expenditures	107,347	99,814
Reserved For Fire Station Improvements	53,000	47,728
Reserved For Community Theater	0	130
Designated For Police Department Operations	10,963	7,705
Undesignated	223,566	304,940
Total Fund Balance	<u><u>447,318</u></u>	<u><u>478,325</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 672,414</u></u>	<u><u>\$ 862,345</u></u>

STATEMENT OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1991, WITH
COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1990
CITY OF ALACHUA, FLORIDA

	1991		Variance Favorable (Unfavorable)	1990
	Budget	Actual		Actual
Revenues				
Taxes				
Property Taxes	\$ 474,532	\$ 468,075	\$ (6,457)	\$ 431,510
Local Option Gas Taxes	104,760	102,209	(2,551)	99,401
Franchise Fees	11,500	20,149	8,649	14,984
Utility Taxes	319,497	353,506	34,009	320,628
Total Taxes	<u>910,289</u>	<u>943,939</u>	<u>33,650</u>	<u>866,523</u>
Licenses and Permits				
Occupational Licenses	17,500	14,668	(2,832)	14,642
Building Permits	22,000	22,948	948	28,345
Total Licenses and Permits	<u>39,500</u>	<u>37,616</u>	<u>(1,884)</u>	<u>42,987</u>
Intergovernmental				
State Grants:				
Planning	0	0	0	3,464
Narcotics	0	0	0	26,050
Solid Waste	7,439	9,638	2,199	14,851
Total State Grants	<u>7,439</u>	<u>9,638</u>	<u>2,199</u>	<u>44,365</u>
State-Shared Revenue:				
Alcoholic Beverage License	8,000	4,613	(3,387)	5,101
Local Governmental Half-Cent Sales Tax	168,701	167,001	(1,700)	150,594
Mobile Home Licenses	6,000	5,765	(235)	6,017
State Revenue Sharing	124,123	117,523	(6,600)	124,264
Cigarette Tax	15,829	13,921	(1,908)	15,087
Rebate on Municipal Vehicles	2,500	1,889	(611)	2,580
Total State-Shared Revenue	<u>325,153</u>	<u>310,712</u>	<u>(14,441)</u>	<u>303,643</u>
Total Intergovernmental	<u>332,592</u>	<u>320,350</u>	<u>(12,242)</u>	<u>348,008</u>
Charges For Services				
Sanitation, Including Penalties	23,100	18,864	(4,236)	18,084
Mosquito Control	23,000	23,659	659	23,132
Zoning Fees and Other	2,000	1,136	(864)	1,549
Total Charges For Services	<u>48,100</u>	<u>43,659</u>	<u>(4,441)</u>	<u>42,765</u>
Fines and Forfeiture				
Court Fines	20,000	15,971	(4,029)	28,763
Confiscated Property	0	2,823	2,823	10,101
Total Fines and Forfeitures	<u>20,000</u>	<u>18,794</u>	<u>(1,206)</u>	<u>38,864</u>
Miscellaneous				
Interest	70,000	53,711	(16,289)	68,225
Proceeds From Asset Sales	0	325	325	24,460
Other Income	12,000	16,389	4,389	14,283
Total Miscellaneous	<u>82,000</u>	<u>70,425</u>	<u>(11,575)</u>	<u>106,968</u>
Total Revenues	<u>\$ 1,432,481</u>	<u>\$ 1,434,783</u>	<u>\$ 2,302</u>	<u>\$ 1,446,115</u>

**STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1991, WITH
COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1990
CITY OF ALACHUA, FLORIDA**

Expenditures	1991		Variance Favorable (Unfavorable)	1990
	Budget	Actual		Actual
General Government				
Legislative:				
Personal Services	\$ 16,861	\$ 19,600	\$ (2,739)	\$ 15,252
Operations	8,972	9,063	(91)	10,691
Total Legislative	<u>25,833</u>	<u>28,663</u>	<u>(2,830)</u>	<u>25,943</u>
Executive:				
Personal Services	37,050	39,793	(2,743)	30,626
Operations	9,174	10,936	(1,752)	9,610
Total Executive	<u>46,224</u>	<u>50,729</u>	<u>(4,505)</u>	<u>40,436</u>
Finance and Administration:				
Personal Services	54,467	52,703	1,764	48,708
Operations	39,890	39,916	(26)	38,913
Capital Outlay	0	3,369	(3,369)	3,611
Total Finance and Administration	<u>94,357</u>	<u>95,988</u>	<u>(1,631)</u>	<u>91,232</u>
Legal and Code Enforcement:				
Personal Services	10,736	8,933	1,803	0
Contract Services	32,000	32,000	0	31,611
Operations	14,500	11,597	2,903	13,320
Capital Outlay	500	500	0	0
Total Legal and Code Enforcement	<u>57,736</u>	<u>53,030</u>	<u>4,706</u>	<u>44,931</u>
Comprehensive Planning:				
Personal Services	43,525	42,211	1,314	29,322
Operations	21,791	17,155	4,636	34,361
Capital Outlay	500	596	(96)	0
Total Comprehensive Planning	<u>65,816</u>	<u>59,962</u>	<u>5,854</u>	<u>63,683</u>
Other General Government:				
Operations	26,101	27,290	(1,189)	11,075
Capital Outlay	0	0	0	3,223
Total Other General Government	<u>26,101</u>	<u>27,290</u>	<u>(1,189)</u>	<u>14,298</u>
Total General Government	<u>316,067</u>	<u>315,662</u>	<u>405</u>	<u>280,523</u>
Public Safety				
Law Enforcement:				
Personal Services	461,553	495,043	(33,490)	599,259
Operations	98,647	116,178	(17,531)	129,250
Capital Outlay	0	37,305	(37,305)	38,025
Total Law Enforcement	<u>560,200</u>	<u>648,526</u>	<u>(88,326)</u>	<u>766,534</u>

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 1991, WITH
 COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1990
 CITY OF ALACHUA, FLORIDA
 (Concluded)

	1991		Variance Favorable (Unfavorable)	1990
	Budget	Actual		Actual
<i>Expenditures (Concluded)</i>				
<i>Public Safety (Concluded)</i>				
<i>Fire Control:</i>				
Operations	\$ 116,306	\$ 115,876	\$ 430	\$ 51,101
Capital Outlay	0	0	0	2,272
Total Fire Control	<u>116,306</u>	<u>115,876</u>	<u>430</u>	<u>53,373</u>
<i>Protective Inspections:</i>				
Operations	6,000	8,942	(2,942)	7,638
<i>Other Public Safety:</i>				
Personal Services	2,226	2,287	(61)	0
Operations	2,820	3,523	(703)	2,549
Total Other Public Safety	<u>5,046</u>	<u>5,810</u>	<u>(764)</u>	<u>2,549</u>
Total Public Safety	<u>687,552</u>	<u>779,114</u>	<u>(91,602)</u>	<u>830,094</u>
<i>Physical Environment</i>				
Personal Services	40,351	45,711	(5,360)	45,289
Operations	20,873	18,557	2,316	14,813
Capital Outlay	1,500	1,232	268	15,144
Total Physical Environment	<u>62,724</u>	<u>65,500</u>	<u>(2,776)</u>	<u>75,246</u>
<i>Transportation</i>				
Personal Services	98,953	100,942	(1,989)	103,207
Operations	98,483	105,142	(6,659)	125,663
Capital Outlay	0	0	0	10,524
Total Transportation	<u>197,436</u>	<u>206,084</u>	<u>(8,648)</u>	<u>239,394</u>
<i>Parks and Recreation</i>				
Personal Services	56,703	49,658	7,045	52,665
Operations	28,352	36,416	(8,064)	34,748
Capital Outlay	4,500	4,500	0	14,653
Total Parks and Recreation	<u>89,555</u>	<u>90,574</u>	<u>(1,019)</u>	<u>102,066</u>
<i>Debt Service</i>				
Principal Retirement	6,950	1,927	5,023	1,920
Interest Paid	396	93	303	284
Total Debt Service	<u>7,346</u>	<u>2,020</u>	<u>5,326</u>	<u>2,204</u>
Total Expenditures	<u>\$ 1,360,680</u>	<u>\$ 1,458,994</u>	<u>\$ (98,314)</u>	<u>\$ 1,529,527</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT BLOCK GRANT III
 FOR THE YEAR ENDED SEPTEMBER 30, 1991
 CITY OF ALACHUA, FLORIDA

	1991		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Intergovernmental	\$ 97,500	\$ 278,293	\$ 180,793
Expenditures			
Economic Environment:			
Temporary Relocation	4,000	3,898	102
Demolition Relocation	48,400	84,146	(35,746)
Rehabilitation	41,100	150,666	(109,566)
Administration	4,000	39,583	(35,583)
(Total Expenditures)	<u>(97,500)</u>	<u>(278,293)</u>	<u>(180,793)</u>
 Excess of Revenues Over Expenditures	 0	 0	 0
 Fund Balance, Beginning of Year	 <u>0</u>	 <u>0</u>	 <u>0</u>
 Fund Balance, End of Year	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

COMBINING BALANCE SHEET
 PROPRIETARY FUNDS
 SEPTEMBER 30, 1991, WITH
 COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1990
 CITY OF ALACHUA, FLORIDA

	Electric	Water	Wastewater	Totals	
				1991	1990
Assets					
Current Assets					
Cash and Cash Equivalents	\$ (174,515)	\$ 43,883	\$ 6,666	\$ (123,956)	\$ 43,094
Investments	66,041			66,041	135,564
Receivables (Net of Allowance For Uncollectibles as Parenthetically Indicated):					
Accounts (\$40,200)	457,367			457,367	510,140
Assessments (\$1,643)			1,069	1,069	1,069
Other Receivables	15,726			15,726	4,079
Inventory, At Cost	178,617	13,117		191,734	214,412
Prepaid Power Costs	33,075			33,075	12,035
Other Prepaid Expenses	12,380			12,380	11,995
Unbilled Revenue	115,497			115,497	99,679
Total Current Assets	<u>704,188</u>	<u>57,000</u>	<u>7,735</u>	<u>768,923</u>	<u>1,032,067</u>
Restricted Assets					
Cash and Cash Equivalents	594,490	30,780	395,555	1,020,825	756,428
Investments	2,863,323	40,000	1,293,181	4,196,504	4,377,296
Accrued Interest	101,743		9,657	111,400	77,618
Total Restricted Assets	<u>3,559,556</u>	<u>70,780</u>	<u>1,698,393</u>	<u>5,328,729</u>	<u>5,211,342</u>
Property, Plant and Equipment					
Utility Plant in Service	5,325,026	1,900,199	3,054,860	10,280,085	10,125,807
(Accumulated Depreciation)	(1,185,845)	(819,134)	(1,013,876)	(3,018,855)	(2,712,796)
	<u>4,139,181</u>	<u>1,081,065</u>	<u>2,040,984</u>	<u>7,261,230</u>	<u>7,413,011</u>
Construction-in-Progress	0	30,176	31,694	61,870	9,509
Total Property, Plant and Equipment - Cost Less Depreciation	<u>4,139,181</u>	<u>1,111,241</u>	<u>2,072,678</u>	<u>7,323,100</u>	<u>7,422,520</u>
Other Assets					
Unamortized Bond Issue Costs	313,175	0	91,828	405,003	419,945
Total Assets	<u>\$ 8,716,100</u>	<u>\$ 1,239,021</u>	<u>\$ 3,870,634</u>	<u>\$ 13,825,755</u>	<u>\$ 14,085,874</u>

**COMBINING BALANCE SHEET
 PROPRIETARY FUNDS
 SEPTEMBER 30, 1991, WITH
 COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1990
 CITY OF ALACHUA, FLORIDA
 (Concluded)**

	Electric	Water	Wastewater	Totals	
				1991	1990
Liabilities and Fund Equity					
Current Liabilities, Payable From Current Assets					
Accounts Payable	\$ 184,663			\$ 184,663	\$ 13,579
Other Accrued Expenses	28,094	\$ 10,331	\$ 7,595	46,820	-2,376
Due to General Fund				0	250,000
Deferred Credits and Developer Deposits	74,464	655		75,119	86,327
Note Payable - First National Bank				0	60,193
Chattel Mortgage Payable				0	4,497
Total Current Liabilities, Payable From Current Assets	288,021	10,986	7,595	306,602	456,922
Current Liabilities, Payable From Restricted Assets					
Accrued Interest	104,656	18,350	292,105	415,111	367,189
Bonds Payable - Current Portion	86,090	12,000	63,910	162,000	152,000
Customer Deposits	113,232			113,232	108,429
Total Current Liabilities, Payable From Restricted Assets	303,978	30,350	356,015	690,343	627,618
Long-Term Liabilities					
Utilities Revenue Bond of 1979, Less Current Portion		722,000		722,000	734,000
Utility Refunding Revenue Bonds of 1986, Less Current Portion	3,995,570		3,355,738	7,351,308	7,478,646
Utility Revenue Bonds of 1990, Less Current Portion	3,356,095			3,356,095	3,328,285
Deferred Credit - CR-3 Decommissioning Costs	108,274			108,274	86,955
Deferred Contributions - Special Assessments	123,959			123,959	116,424
Deferred Contribution - Impact Fee	41,921			41,921	41,921
Total Long-Term Liabilities	7,625,819	722,000	3,355,738	11,703,557	11,786,231
Total Liabilities	8,217,818	763,336	3,719,348	12,700,502	12,870,771
Fund Equity					
Contributions:					
Customers		36,774	884,325	921,099	921,099
Capital Project Fund		37,758		37,758	37,758
EDA and HUD		135,050	304,278	439,328	439,328
Farmers Home Administration		246,900	180,400	427,300	427,300
Total Contributions	0	456,482	1,369,003	1,825,485	1,825,485
Retained Earnings:					
Reserved For Debt Service and Contingencies	217,995	43,320	1,342,378	1,603,693	1,555,200
Unreserved	280,287	(24,117)	(2,560,095)	(2,303,925)	(2,165,582)
Total Retained Earnings (Deficit)	498,282	19,203	(1,217,717)	(700,232)	(610,382)
Total Fund Equity	498,282	475,685	151,286	1,125,253	1,215,103
Total Liabilities and Fund Equity	\$ 8,716,100	\$ 1,239,021	\$ 3,870,634	\$ 13,825,755	\$ 14,085,874

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1991, WITH
COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1990
CITY OF ALACHUA, FLORIDA

	Electric	Water	Wastewater	Totals	
				1991	1990
Operating Revenues					
Utility Billings	\$ 3,770,607	\$ 215,760	\$ 395,643	\$ 4,382,010	\$ 4,026,577
Hookup Charges and Other	24,681	21,564	8,360	54,605	59,475
Total Operating Revenues	<u>3,795,288</u>	<u>237,324</u>	<u>404,003</u>	<u>4,436,615</u>	<u>4,086,052</u>
Operating Expenses					
Electric Power Expenses:					
Nuclear Power Generation and Transmission	131,284	0	0	131,284	142,278
Purchased Power and Other	2,274,788	0	0	2,274,788	2,153,965
Customer Accounts	72,352	29,567	29,143	131,062	116,046
Depreciation	164,801	61,771	75,509	302,081	287,118
Warehousing	25,692	10,288	4,352	40,332	39,485
Distribution and Collection	241,395	34,019	26,488	301,902	248,653
General and Administrative	142,043	57,826	50,848	250,717	175,847
Taxes	76,656	0	0	76,656	53,471
Treatment ¹	0	79,038	104,804	183,842	159,068
(Total Operating Expenses)	<u>(3,129,011)</u>	<u>(272,509)</u>	<u>(291,144)</u>	<u>(3,692,664)</u>	<u>(3,375,931)</u>
Operating Income (Loss)	<u>666,277</u>	<u>(35,185)</u>	<u>112,859</u>	<u>743,951</u>	<u>710,121</u>
Nonoperating Revenues (Expenses)					
Interest Income	42,631	4,077	124,544	171,252	187,523
(Interest and Fiscal Charges)	(569,859)	(37,062)	(277,953)	(884,874)	(702,985)
(Amortization of Bond Issue Costs)	(11,194)	0	(3,748)	(14,942)	(7,644)
Miscellaneous Income	876	0	0	876	1,746
Total Nonoperating Revenues (Expenses)	<u>(537,546)</u>	<u>(32,985)</u>	<u>(157,157)</u>	<u>(727,688)</u>	<u>(521,360)</u>
Income (Loss) Before Operating Transfers	<u>128,731</u>	<u>(68,170)</u>	<u>(44,298)</u>	<u>16,263</u>	<u>188,761</u>
Operating Transfers					
Transfers In	0	99,369	82,991	182,360	9,509
(Transfers Out)	(288,473)	0	0	(288,473)	(325,341)
Total Operating Transfers In (Out)	<u>(288,473)</u>	<u>99,369</u>	<u>82,991</u>	<u>(106,113)</u>	<u>(315,832)</u>
Net Income (Loss)	<u>(159,742)</u>	<u>31,199</u>	<u>38,693</u>	<u>(89,850)</u>	<u>(127,071)</u>
Retained Earnings (Deficit), Beginning of Year	658,024	(11,996)	(1,256,410)	(610,382)	(483,311)
Retained Earnings (Deficit), End of Year	<u>\$ 498,282</u>	<u>\$ 19,203</u>	<u>\$ (1,217,717)</u>	<u>\$ (790,232)</u>	<u>\$ (610,382)</u>

**COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 1991
 CITY OF ALACHUA, FLORIDA**

	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Total 1991</u>
Cash Flows From Operating Activities				
Operating Income	\$ 666,277	\$ (35,185)	\$ 112,859	\$ 743,951
Adjustments to Reconcile Operating Income to Net Cash Provided By Operations:				
Depreciation of Plant	164,801	61,771	75,509	302,081
Amortization of Decommissioning Costs	13,320	0	0	13,320
Provision For Losses on Accounts Receivable	42,921	0	0	42,921
Change in Current Assets - (Increase) Decrease:				
Accounts Receivable and Unbilled Revenue	(17,613)	0	0	(17,613)
Inventory (Net of Material Salvaged From Retirements of \$9,739)	30,928	1,489	0	32,417
Prepaid Power Costs	(21,040)	0	0	(21,040)
Other Prepaid Expenses	(385)	0	0	(385)
Change in Liabilities - Increase (Decrease):				
Accounts Payable and Other Accrued Expenses	173,893	1,696	(11)	175,578
Power Costs Recovered in Advance	(10,903)	0	0	(10,903)
Customer Deposits	4,803	(305)	0	4,498
Net Cash Provided By Operating Activities	<u>1,047,002</u>	<u>29,466</u>	<u>188,357</u>	<u>1,264,825</u>
 Cash Flows From Noncapital Financing Activities				
Miscellaneous Income	876	0	0	876
Operating Transfers:				
Out to Other Funds	(236,113)	0	0	(236,113)
In From Other Funds	0	70,000	60,000	130,000
Repayment of Loan From General Fund	0	(250,000)	0	(250,000)
Net Cash (Used In) Provided By Noncapital Financing Activities	<u>(235,237)</u>	<u>(180,000)</u>	<u>60,000</u>	<u>(355,237)</u>

COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 1991
 CITY OF ALACHUA, FLORIDA
 (Concluded)

	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Total 1991</u>
Cash Flows From Capital and Related Financing Activities				
Extension and Replacement of Plant, net of Contributions Received in Aid of Construction (Excluding Capitalized Interest)	\$ (346,692)	\$ (33,152)	\$ (22,992)	\$ (402,836)
Plant Removal Costs	(5,199)	(562)	0	(5,761)
Principal Payments on Bonds	(82,939)	(12,000)	(57,061)	(152,000)
Principal Payments on Notes	(62,120)	(1,285)	(1,285)	(64,690)
Interest Paid	(480,280)	(37,362)	(276,016)	(793,658)
Operating Transfers:				
Out to Other Funds	(52,360)	0	0	(52,360)
In From Other Funds	0	29,369	22,991	52,360
Net Cash (Used In) Capital and Related Financing Activities	<u>(1,029,590)</u>	<u>(54,992)</u>	<u>(334,363)</u>	<u>(1,418,945)</u>
 Cash Flows From Investing Activities				
Investments Purchased	(2,802,647)	0	0	(2,802,647)
Investments Matured	3,053,750	0	0	3,053,750
Interest Received	208,143	4,077	143,371	355,591
Net Cash Provided By Investing Activities	<u>459,246</u>	<u>4,077</u>	<u>143,371</u>	<u>606,694</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	241,421	(201,449)	57,365	97,337
 Cash and Cash Equivalents, October 1, 1990	<u>178,554</u>	<u>276,112</u>	<u>344,856</u>	<u>799,522</u>
 Cash and Cash Equivalents, September 30, 1991	<u>\$ 419,975</u>	<u>\$ 74,663</u>	<u>\$ 402,221</u>	<u>\$ 896,859</u>

ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED
STATES, THE PROVISIONS OF THE OFFICE OF MANAGEMENT
AND BUDGET (OMB) CIRCULAR A-128 AND THE RULES
OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Honorable Mayor and City Commission
City of Alachua
Alachua, Florida

We have audited the general purpose financial statements of the City of Alachua, Florida, for the year ended September 30, 1991, and have issued our report thereon dated November 15, 1991. These general purpose financial statements are the responsibility of the City of Alachua's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City of Alachua, Florida, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

November 15, 1991
Gainesville, Florida

Purvis, Gray and Company

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
1415 Piedmont Drive, East, Suite 2 • Tallahassee, Florida 32312 • (904) 385-0554

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

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 1991
 CITY OF ALACHUA, FLORIDA

Federal CFDA Number	Pass-Through Grantor's Number	Award Amount	Deferred Revenue 10/01/90	Receipts	Expenditures	Deferred Revenue 09/30/91
U.S. Department of Housing and Urban Development Passed Through State Department of Community Affairs: Community Development Block Grant/Small Cities Program						
14.219	90DB-11-03-11-02-H11	\$ 500,000	\$ 0	\$ 301,505	\$ (178,293)	\$ 23,212
Total Federal Financial Assistance:			<u>\$ 0</u>	<u>\$ 301,505</u>	<u>\$ (178,293)</u>	<u>\$ 23,212</u>

INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH THE GENERAL REQUIREMENTS
APPLICABLE TO MAJOR AND NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Honorable Mayor and City Commission
City of Alachua
Alachua, Florida

We have applied procedures to test the City of Alachua, Florida's, compliance with the following requirements applicable to its nonmajor federal financial assistance program, which is identified in the Schedule of Federal Financial Assistance, for the year ended September 30, 1991 (the City had no major federal financial assistance programs):

- Political Activity
- Civil Rights
- Cash Management
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Drug-Free Workplace Act
- Administrative Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*, revised September 1990. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Alachua, Florida's, compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the first paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Alachua, Florida, had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

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
1415 Piedmont Drive, East, Suite 2 • Tallahassee, Florida 32312 • (904) 385-0554

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.L.C. PRACTICE SECTIONS

Honorable Mayor and City Commission
City of Alachua
Alachua, Florida

INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH THE GENERAL REQUIREMENTS
APPLICABLE TO MAJOR AND NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
(Concluded)

This report is intended for the information of the City Commission, management, the U.S. Department of Housing and Urban Development, the State of Florida Department of Community Affairs, and the Auditor General of the State of Florida. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

November 15, 1991
Gainesville, Florida

Purvis, Gray and Company

INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH SPECIFIC REQUIREMENTS
APPLICABLE TO NONMAJOR FEDERAL
FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

Honorable Mayor and City Commission
City of Alachua
Alachua, Florida

In connection with our audit of the 1991 general purpose financial statements of the City of Alachua, Florida, and with our consideration of the City's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended September 30, 1991.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; request for release of funds; environmental certification; and environmental review that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Alachua, Florida, had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of the City Commission, management, the U.S. Department of Housing and Urban Development, the State of Florida Department of Community Affairs, and the Auditor General of the State of Florida. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

November 15, 1991
Gainesville, Florida

Purvis, Gray and Company

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
1415 Piedmont Drive, East, Suite 2 • Tallahassee, Florida 32312 • (904) 385-0554

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 SECTION

**INDEPENDENT AUDITORS' REPORT ON
THE INTERNAL CONTROL STRUCTURE USED IN
ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Honorable Mayor and City Commission
City of Alachua
Alachua, Florida

We have audited the general purpose financial statements of the City of Alachua, Florida, for the year ended September 30, 1991, and have issued our report thereon dated November 15, 1991.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended September 30, 1991, we considered the City's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the City's general purpose financial statements and not to provide assurance on the internal control structure. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 15, 1991.

The management of the City of Alachua, Florida is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Certified Public Accountants

P.O. Box 23599 • 222 N.E. 1st Street • Gainesville, Florida 32602 • (904) 378-2461
Laurel Ridge Professional Center • 2347 S.E. 47th Street • Ocala, Florida 32671 • (904) 732-3872
1415 Piedmont Drive, East, Suite 2 • Tallahassee, Florida 32312 • (904) 385-0554

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.I.C. PRACTICE SECTIONS

Honorable Mayor and City Commission
City of Alachua
Alachua, Florida

**INDEPENDENT AUDITORS' REPORT ON
THE INTERNAL CONTROL STRUCTURE USED IN
ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS
(Continued)**

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Administrative Controls

General Requirements:

- Political Activity
- Civil Rights
- Cash Management
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Administrative Requirements

Specific Requirements:

- Types of Services
- Reporting Requirements
- Program Income
- Claims For Advances and Reimbursements

Accounting Controls

- Cash Receipts and Revenues
- Cash Disbursements and Expenditures
- General Ledger Maintenance

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended September 30, 1991, the City of Alachua, Florida had no major federal financial assistance programs and expended 100% of its total federal financial assistance under the following nonmajor federal financial assistance program:

U.S. Department of Housing and Urban Development -
Contract Number: 90DB-11-03-11-02-H11

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor program. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Honorable Mayor and City Commission
City of Alachua
Alachua, Florida

INDEPENDENT AUDITORS' REPORT ON
THE INTERNAL CONTROL STRUCTURE USED IN
ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS
(Concluded)

Our consideration of the internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City of Alachua, Florida, in a separate letter dated November 15, 1991.

This report is intended solely for the use of the City Commission, management, the U.S. Department of Housing and Urban Development, the State of Florida Department of Community Affairs, and the Auditor General of the State of Florida, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Alachua, Florida, is a matter of public record.

November 15, 1991
Gainesville, Florida

Dennis Gray and Company

INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN
AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and City Commission
City of Alachua
Alachua, Florida

We have audited the general purpose financial statements of the City of Alachua, Florida, as of and for the year ended September 30, 1991, and have issued our report thereon dated November 15, 1991.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City of Alachua, Florida, is the responsibility of the City's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the City of Alachua, Florida, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City had not complied, in all material respects, with those provisions. Also, we noted no immaterial instances of noncompliance.

This report is intended for the information of the City Commission, management, the U.S. Department of Housing and Urban Development, the State of Florida Department of Community Affairs, and the Auditor General of the State of Florida. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

November 15, 1991
Gainesville, Florida

Purvis, Gray and Company

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
1415 Piedmont Drive, East, Suite 2 • Tallahassee, Florida 32312 • (904) 385-0554

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

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL STRUCTURE RELATED MATTERS
NOTED IN A GENERAL PURPOSE FINANCIAL STATEMENT AUDIT
CONDUCTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS,
AND MANAGEMENT LETTER**

Honorable Mayor and City Commission
City of Alachua
Alachua, Florida

We have audited the general purpose financial statements of the City of Alachua, Florida, for the year ended September 30, 1991, and have issued our report thereon dated November 15, 1991.

We have conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the City of Alachua, Florida, for the year ended September 30, 1991, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the City of Alachua, Florida, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Certified Public Accountants

P.O. Box 23979 • 222 N.E. 1st Street • Gainesville, Florida 32602 • (904) 378-2461
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 3267 • (904) 732-3872
1415 Piedmont Drive, East, Suite 2 • Tallahassee, Florida 32312 • (904) 385-0554

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 ON
INTERNAL CONTROL STRUCTURE RELATED MATTERS
NOTED IN A GENERAL PURPOSE FINANCIAL STATEMENT AUDIT
CONDUCTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS,
AND MANAGEMENT LETTER
(Continued)**

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Cash Receipts, Revenues and Receivables
- Cash Disbursements, Expenses and Payables
- Inventory Control
- Work Order Procedures
- Fixed Asset Record Maintenance
- General Ledger Maintenance
- Bond Covenants, Debt and Debt Service

For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that are not material weaknesses and reportable conditions, and have included these comments and recommendations in the next section of this report.

Management Letter Section

The report on internal control structure has been presented in the previous section of this report. The purpose of this section is for current year recommendations and other matters required by the Rules of the Auditor General, State of Florida.

Honorable Mayor and City Commission
City of Alachua
Alachua, Florida

INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL STRUCTURE RELATED MATTERS
NOTED IN A GENERAL PURPOSE FINANCIAL STATEMENT AUDIT
CONDUCTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
AND MANAGEMENT LETTER
(Continued)

Management Letter Section
(Concluded)

Prior Year Comments

There were no irregularities reported in the preceding audit. The one material weakness reported in the preceding audit continues to be our recommendation, but we do not feel it needs to be repeated. Prior year recommendations have been implemented to our satisfaction with the following additional comments:

- In the preceding audit, we recommended that the City consider reconstructing the detail of its utility plant-in-service. We are happy with the City's progress in this area. During the year, the City reconstructed the detail of its utility general plant, so the only remaining item is a detail of production and distribution plant. Unfortunately, the reconstruction of such detail may require a physical inventory, perhaps at considerable cost to the City and, given the City's current budget constraints, we cannot recommend a large expenditure for this project at this time. Therefore, we are satisfied with the City's current progress on this item.

Current Year Recommendations

- There were no other current year recommendations which we feel are significant enough to include in this letter. Recommendations of less significance have been discussed with management.

Other Comments

- The City's annual financial report filed with the Department of Banking and Finance for the fiscal year ended September 30, 1990, is in agreement with the annual audit report for the same period. We will assist in the preparation of the 1991 report.
- There were no irregularities, illegal expenditures or compliance violations uncovered during the current audit. The new Auditor General rule relating to the disclosure of financial emergencies is not applicable.

Honorable Mayor and City Commission
City of Alachua
Alachua, Florida

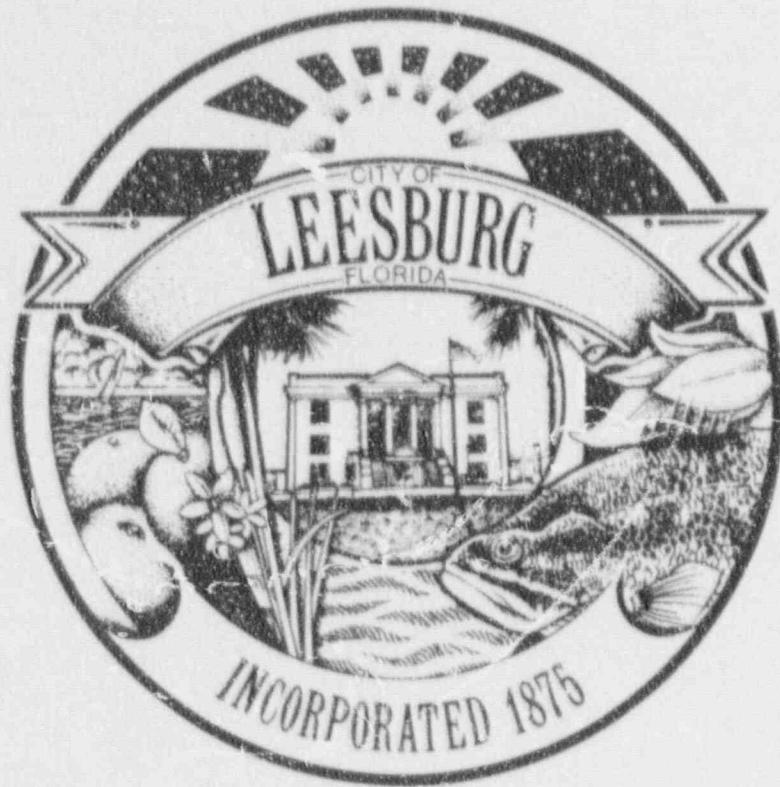
INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL STRUCTURE RELATED MATTERS
NOTED IN A GENERAL PURPOSE FINANCIAL STATEMENT AUDIT
CONDUCTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
AND MANAGEMENT LETTER
(Concluded)

Management and staff were very helpful during the course of our engagement. Mr. Mark Duchon, Ms. Francine Jernigan and their support staff, as usual, provided prompt, courteous and effective assistance in the completion of the audit.

This report is intended for the information of the City Commission, management, the U.S. Department of Housing and Urban Development, the State of Florida Department of Community Affairs, and the Auditor General of the State of Florida. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

November 15, 1991
Gainesville, Florida

Purvis, Gray and Company



CITY OF LEESBURG

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 1991

CITY OF LEESBURG, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 1991

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, 1991

MAYOR

C.J. Knowles

MAYOR PRO-TEM

Sanna Henderson

CITY COMMISSION

C. Robert Lovell
David L. Connelly
Charles C. Strickland

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, 1991

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Principal City Officials	i
Table of Contents	ii - vi
Letter of Transmittal	1 - 6
Organization Chart	7
Certificate of Achievement	9
 FINANCIAL SECTION	
Report of Independent Certified Public Accountants	11
 General Purpose Financial Statements	
Combined Balance Sheet - All Fund Types and Account Groups	14 - 17
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	18 - 19
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Budgeted Governmental Fund Types	20 - 21
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types and Pension Trust Funds	22
Combined Statement of Cash Flows - All Proprietary Fund Types	23
Notes to Financial Statements	24 - 52
 Required Supplementary Information	
Revenues by Source - Expenses by Type - Pension Trust Funds	54 - 55
Pension Benefit Obligation Information - Pension Trust Funds	56

CITY OF LEESBURG, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1991

TABLE OF CONTENTS

	Page
Combining and Individual Fund and Account Group Statements and Schedules	
General Fund	
Balance Sheet	58
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	59
Statement of Revenues - Budget and Actual	60
Statement of Expenditures - Budget and Actual - By Department	61
Special Revenue Funds	
Combining Balance Sheet	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	65
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Housing Assistance Fund	66
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Stormwater Fund	67
Enterprise Funds	
Combining Balance Sheet	70 - 73
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	74 - 75
Combining Statement of Cash Flows	76 - 77
Internal Service Funds	
Combining Balance Sheet	80

CITY OF LEESBURG, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1991

TABLE OF CONTENTS

Combining, Individual Fund and Account Group Statements and Schedules	Page
Internal Service Funds (Continued)	
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	81
Combining Statement of Cash Flows	82
Fiduciary Fund Types	
Combining Balance Sheet	84 - 85
Combining Statement of Revenues, Expenses and Changes in Fund Balances - Pension Trust Funds	86
Statement of Changes in Assets and Liabilities - Agency Fund	87
Account Groups	
Schedule of General Fixed Assets By Source	90
Schedule of General Fixed Assets - By Function and Activity	91
Schedule of Changes in General Fixed Assets - By Function and Activity	92
Schedule of General Long-Term Debt	93

CITY OF LEESBURG, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1991

TABLE OF CONTENTS

STATISTICAL SECTION

TABLE

		Page
1	General Government Expenditures by Function and Other Uses	96 - 97
2	General Revenues by Source and Other	98 - 99
3	Property Tax Levies and Collections	100 - 101
4	Assessed Value of Exempt and Taxable Property	102
5	Property Tax Rates - All Overlapping Governments	103
6	Computation of Direct and Overlapping General Obligation Debt	104
7	Ratio of Annual Debt Service Expenditures for General and Special Revenue Bonded Debt to Total General Expenditures	105
8	Combined Utility Funds - Schedule of Revenue Bond Coverage	106 - 107
9	Demographic Statistics	108
10	Property Value, Construction and Bank Deposits	110 - 111
11	Principal Taxpayers	112
12	Miscellaneous Statistics	113
13	Corporate Limits and Annexations	114

This page intentionally left blank

LETTER OF TRANSMITTAL

This page intentionally left blank

CITY
OF
LEESBURG

The Complete City

February 5, 1992

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, 1991, 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 multi-year basis.

This report includes all funds and account groups of the City of Leesburg. The City provides a full range of services which include police and fire protection; sanitation services; storm water drainage; the construction and maintenance of streets and infrastructure; recreational activities and cultural events. In addition to general government activities, the City provides a full range of utility services, including electric, natural gas, water and wastewater treatment.

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 have been maintained during this fiscal year. Growth in the surrounding unincorporated utility service area has been maintained at a rate of four per cent annually. The largest single new construction permit issued for

To the Citizens of the City of Leesburg, Florida

non-residential construction was issued to Leesburg Regional Medical Center for a Cardiology Center in the amount of \$1.7 million, which is part of a \$17.2 million renovation and expansion program.

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, 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

The City of Leesburg continues expanding existing services and adding new facilities and programs for its current and future residents.

During the year, water and natural gas services were extended five mile south in the utility district. This extension is consistent with an aggressive growth policy for our various utilities.

Improvements to the Municipal Operations Center were also completed during this year. This facility, occupied by the Electric and Purchasing departments, was expanded and renovated at a cost of approximately \$600,000.

As in many communities, environmental issues are drawing more citizen awareness. The City will begin to address these issues during fiscal year 1992 by initiating a city-wide recycling program. This effort will be complemented with a composting program to remove yard waste from the solid waste stream.

A compressed natural gas conversion program for City vehicles is also being explored. This program could provide cleaner running vehicles while also providing a large reduction in the operating costs of the fleet.

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 controls 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. 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 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.

To the Citizens of the City of Leesburg, Florida

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, 1991, and the amount and percentage of increases and decreases in relation to prior year financing sources.

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1990</u>	<u>Percent of Increase (Decrease)</u>
Revenues:				
Taxes	2,502,616	22.39	(132,476)	(5.03)
Licenses and Permits	149,490	1.34	(25,311)	(14.48)
Intergovernmental Revenues:				
Shared revenue	1,478,760	13.23	6,033	.41
Operating grants	535,022	4.79	90,704	20.41
Capital grants	33,486	.30	(395,140)	(92.19)
Charges for services	310,775	2.78	159,155	104.97
Fines and Forfeitures	207,207	1.85	(7,051)	(3.29)
Other revenues	<u>871,579</u>	<u>7.80</u>	<u>9,103</u>	<u>1.06</u>
Total Revenues	<u>6,088,935</u>	<u>54.48</u>	<u>(294,983)</u>	<u>(4.62)</u>
Other Financing Sources:				
Operating transfers	<u>5,086,243</u>	<u>45.52</u>	<u>77,146</u>	<u>1.54</u>
Total other financing sources	<u>5,086,243</u>	<u>45.52</u>	<u>77,146</u>	<u>1.54</u>
Total revenues and other financing sources	<u>11,175,178</u>	<u>100.00</u>	<u>(217,837)</u>	<u>(1.91)</u>

The most significant increase in actual continued revenue sources was derived from charges for services. This was due to the establishment of the Stormwater Fund. This fund was established during mid-year and should show substantial growth during the next fiscal year.

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, 1991 and the percentage of increases and decreases in relation to prior year amounts.

To the Citizens of the City of Leesburg, Florida

Expenditures and Other Financing Use	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1990</u>	<u>Percent of Increase (Decrease)</u>
Expenditures by function				
General Government	679,188	.13	78,957	13.15
Public Safety	3,725,460	34.60	333,271	9.82
Public Works	1,527,978	13.78	103,940	7.30
Community Development	167,808	1.51	37,470	28.75
Economic Environment	750	0.01	(22)	(2.85)
Human Services	530,776	4.79	90,011	20.42
Physical Environment	105,095	0.95	105,095	
Culture and Recreation	1,821,182	16.43	132,761	7.86
Capital projects Fund	768,136	6.93	(484,499)	(38.68)
Debt Service	<u>532,620</u>	<u>4.80</u>	<u>(22,088)</u>	<u>(3.98)</u>
 Total Expenditures by Function	 <u>9,858,993</u>	 <u>38.93</u>	 <u>374,896</u>	 3.95
Other Financing Uses:				
Operating Transfers	<u>1,228,064</u>	<u>11.07</u>	<u>(317,394)</u>	(20.54)
Total Other Financing Uses	<u>1,228,064</u>	<u>11.07</u>	<u>(317,394)</u>	(20.54)
 Total Expenditures and Other Financing Uses	 <u>11,087,057</u>	 <u>100.00</u>	 <u>57,502</u>	 (.52)

The largest significant increase in expenditures occurred within the Public Safety function. This was due primarily to the increased costs of personal services.

General Fund Balance. The fund balance of the general fund decreased by \$114,670 or 3.27 per cent of the fund balance at the beginning of the year. The City had appropriated \$350,100 of fund balance for operations in the fiscal year budget.

Enterprise Operations. The City's enterprise operations 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 rate of our utility service area appears to be double the rate of growth within the City.

The utilities are still experiencing steady growth. Operating revenues increased by 4.70 percent and operating expenses increased by 12.46 percent. Operating income decreased by 14.95 percent. The operating income for the previous fiscal year was exceptional due to reduced operating costs. The operating income for fiscal year 1990 was 28.3 percent of operating revenues. The operating income for the current fiscal year of 23 percent of gross revenues is comparable to the 23.7 percent operating income for fiscal year 1989.

To the Citizens of the City of Leesburg, Florida

Sanitation services experienced a 29.5 percent increase in operating revenues for the year. Operating expenses increased by 44 percent. This resulted in an operating loss of \$84,877. Increased solid waste disposal costs were incurred early in the fiscal year, but the customer rate increase was not implemented concurrently.

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 strong in 1991, with substantial increases in the fair value of investments at year end.

Debt Administration. In 1987, the City issued \$6,145,000 in refunding and capital improvement revenue bonds. Of this amount, \$5,675,000 remained outstanding at September 30, 1991.

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 \$21,205,000 outstanding on the 1989 series and \$1,859,999 on the 1984 series, plus \$671,755 in accrued interest on the 1984 Series Capital Appreciation Bonds.

The City had no general obligation bonds outstanding as of September 30, 1991.

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, excluding pension trust funds, totaled \$1,999,367, which is \$209,521 less than the previous year.

Risk Management. The City maintains two risk management programs for employee health insurance and workers' compensation. These two separate internal service funds are supported by employer contributions. The employee health insurance program is also supported by employee contributions. Third-party coverage is currently maintained for workers compensation claims greater than \$150,000 and for employee health insurance claims greater than \$40,000.

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.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 1990. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principle and applicable legal requirements.

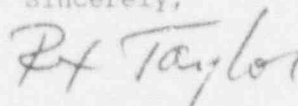
To the Citizens of the City of Leesburg, Florida

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

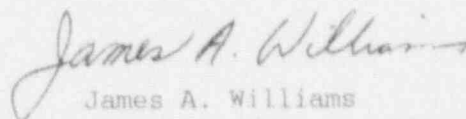
Acknowledgements. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance department. Each member of the department has our sincere appreciation for the contribution made in the preparation of this report.

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

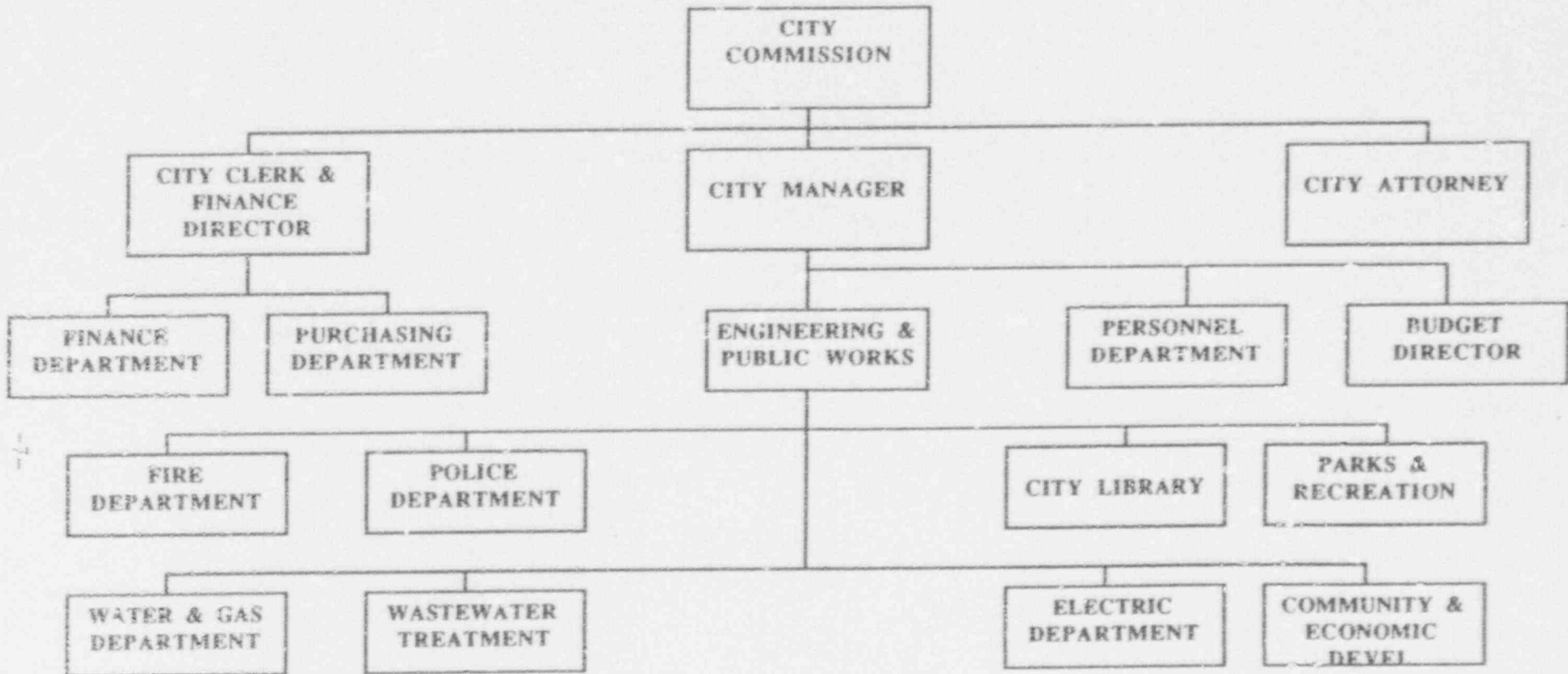


James A. Williams
City Clerk/Finance Director

RL3/br

91LETTER/dw4/3

CITY OF LEESBURG, FLORIDA
ORGANIZATION CHART
SEPTEMBER 30, 1991



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 Leesburg for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 1990. 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 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. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

Certificate of Achievement for Excellence in Financial Reporting

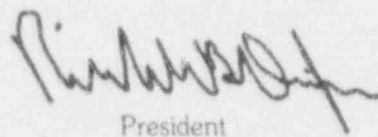
Presented to

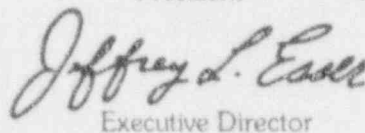
City of Leesburg,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 1990

A Certificate of Achievement for Excellence in Financial Reporting is Presented by the Government Financial 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.




President


Executive Director

This page intentionally left blank

FINANCIAL SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
GENERAL PURPOSE FINANCIAL STATEMENTS
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS
SUPPLEMENTAL SCHEDULES

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable City Commission
City of Leesburg, Florida

We have audited the accompanying general purpose financial statements of the City of Leesburg, Florida, as of and for the year ended September 30, 1991 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 and *Government Accounting Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting 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, as of September 30, 1991, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

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.

Ernst & Young

December 20, 1991

This page intentionally left blank

CITY OF LEESBURG, FLORIDA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 SEPTEMBER 30, 1991

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS				
Equity in pooled cash and cash equivalents	\$ 4,006,752	\$ 126,138	\$ 942,871	\$ 959,362
Cash and investments with trustees	-	-	-	-
Receivables:				
Customer accounts--unbilled	-	16,484	-	-
billed	-	17,562	-	-
allowance for doubtful accounts	-	-	-	-
Accrued interest	75,799	-	-	-
Other	32,154	60,052	-	9,902
Due from other funds	60,517	-	-	-
Due from other governments	76,471	-	-	160,658
Inventory	14,338	-	-	-
Prepaid expenditures/expenses	54,414	-	-	-
Restricted assets:				
Equity in pooled cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Property, plant and equipment	-	-	-	-
General fixed assets	-	-	-	-
Accumulated depreciation	-	-	-	-
Construction in progress	-	-	-	-
Deposit with court	-	-	-	-
Estimated landfill closure cost, net	-	-	-	-
Deferred issue cost, net	-	-	-	-
Rights to purchase power	-	-	-	-
Crystal River decommission investments	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 4,320,445</u>	<u>\$ 220,236</u>	<u>\$ 942,871</u>	<u>\$ 1,129,922</u>

GENERAL PURPOSE FINANCIAL STATEMENTS

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNTS GROUPS		TOTALS (MEMORANDUM ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	1991	1990
\$ 15,430,148	\$ 1,462,667	\$ -	\$ -	\$ -	\$ 22,947,938	\$ 18,167,560
-	-	17,209,689	-	-	17,209,689	14,406,506
1,824,477	-	-	-	-	1,840,961	2,122,783
3,928,756	-	-	-	-	3,946,318	4,297,630
(1,061,397)	-	-	-	-	(1,061,397)	(947,025)
85,541	-	164,182	-	-	325,522	320,767
-	-	-	-	-	102,108	115,179
-	-	-	-	-	60,517	60,517
-	-	-	-	-	237,129	362,438
984,977	14,194	-	-	-	1,013,459	1,106,463
91,436	-	-	-	-	145,652	193,413
5,942,391	-	-	-	-	5,942,391	5,436,569
2,819,802	-	-	-	-	2,819,802	2,317,276
75,541,170	143,367	-	-	-	75,684,537	70,023,609
-	-	-	20,000,416	-	20,000,416	19,648,168
(23,418,777)	(85,665)	-	-	-	(23,504,442)	(21,515,500)
1,066,438	-	-	-	-	1,066,438	4,048,569
1,620,000	-	-	-	-	1,620,000	-
302,000	-	-	-	-	302,000	231,630
365,418	-	-	-	-	365,418	1,73,117
59,776	-	-	-	-	59,776	62,056
578,758	-	-	-	-	578,758	533,758
-	-	-	-	754,931	754,931	714,035
-	-	-	-	5,570,175	5,570,175	5,689,980
<u>\$ 86,160,666</u>	<u>\$ 1,434,563</u>	<u>\$ 17,373,871</u>	<u>\$ 20,000,416</u>	<u>\$ 6,325,106</u>	<u>\$ 138,008,396</u>	<u>\$ 127,715,488</u>

See accompanying notes.

CITY OF LEESBURG, FLORIDA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 SEPTEMBER 30, 1991

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
LIABILITIES				
Accounts payable	\$ 570,507	\$ -	\$ -	\$ 13,400
Accrued expenses	281,914	-	-	-
Customer advances for construction	-	-	-	-
Due to other governments	-	66,759	-	-
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	-	-	187,940	-
Revenue bonds payable--net	-	-	-	-
Compensated absences	-	-	-	-
Unearned revenues	78,387	-	-	39,306
Decommissioning costs	-	-	-	-
TOTAL LIABILITIES	<u>930,808</u>	<u>66,759</u>	<u>187,940</u>	<u>113,223</u>
FUND EQUITY AND OTHER CREDITS				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund balances:				
Reserved	95,574	5,637	680,880	1,016,699
Unreserved	3,294,063	147,840	74,051	-
TOTAL FUND EQUITY AND OTHER CREDITS	<u>3,389,637</u>	<u>153,477</u>	<u>754,931</u>	<u>1,016,699</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u>\$ 4,320,445</u>	<u>\$ 220,236</u>	<u>\$ 942,871</u>	<u>\$ 1,129,922</u>

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNTS GROUPS		TOTALS (MEMORANDUM ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	1991	1990
\$ 1,503,404	\$ -	\$ -	\$ -	\$ -	\$ 2,087,311	\$ 1,962,277
888,095	7,759	-	-	-	1,177,768	1,647,272
55,383	-	-	-	-	55,383	69,976
-	-	-	-	-	66,759	119,020
-	-	910,428	-	-	60,517	60,517
787,717	-	-	-	-	910,428	729,176
-	-	-	-	-	787,717	897,555
1,303,812	-	-	-	-	1,303,812	1,287,416
827,186	-	-	-	-	826,256	831,854
19,250	-	-	-	-	195,000	185,000
-	219,391	-	-	-	219,391	304,332
2,690,669	-	-	-	15,000	2,705,669	23,276
-	-	-	-	-	187,940	191,384
23,295,415	-	-	-	5,675,000	28,970,415	29,160,220
-	-	-	-	635,106	635,106	560,739
-	-	-	-	-	117,693	70,018
578,758	-	-	-	-	578,758	533,758
<u>32,124,509</u>	<u>227,150</u>	<u>910,428</u>	<u>-</u>	<u>6,325,106</u>	<u>40,885,923</u>	<u>38,073,051</u>
14,568,477	15,979	-	-	-	14,584,456	14,374,196
-	-	-	20,000,416	-	20,000,416	19,648,168
5,998,663	1,236,829	-	-	-	7,235,492	6,072,431
33,469,017	54,605	-	-	-	33,523,622	30,468,976
-	-	16,463,443	-	-	18,262,233	15,612,406
-	-	-	-	-	3,515,954	3,466,260
<u>54,036,157</u>	<u>1,307,413</u>	<u>16,463,443</u>	<u>20,000,416</u>	<u>-</u>	<u>97,122,173</u>	<u>89,642,437</u>
\$ <u>86,160,666</u>	\$ <u>1,534,563</u>	\$ <u>17,373,871</u>	\$ <u>20,000,416</u>	\$ <u>6,325,106</u>	\$ <u>138,008,096</u>	\$ <u>127,715,488</u>

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, 1991

	GOVERNMENTAL FUND TYPES	
	GENERAL	SPECIAL REVENUE
REVENUES		
Taxes	\$ 2,502,616	\$ -
Licenses and permits	149,490	-
Intergovernmental	1,478,760	535,022
Charges for services	149,809	160,966
Fines and forfeitures	207,207	-
Miscellaneous	698,389	65,395
TOTAL REVENUES	5,186,271	761,383
EXPENDITURES		
Current:		
General government	679,188	-
Public safety	3,725,460	-
Public works	1,527,978	-
Community development	167,808	-
Economic environment	-	750
Human services	-	530,776
Physical environment	-	105,095
Culture/recreation	1,821,182	-
Capital projects	-	-
Debt service:		
Principal	8,276	-
Interest	1,164	-
TOTAL EXPENDITURES	7,931,056	636,621
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,744,785)	124,762
OTHER FINANCING SOURCES (USES)		
Operating transfers in	3,858,179	-
Operating transfers out	(1,228,064)	-
TOTAL OTHER FINANCING SOURCES	2,630,115	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(114,670)	124,762
FUND BALANCES, BEGINNING OF YEAR	3,504,307	28,715
FUND BALANCES, END OF YEAR	\$ 3,389,637	\$ 153,477

<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>	
		<u>1991</u>	<u>1990</u>
\$ -	\$ -	\$ 2,502,616	\$ 2,635,092
-	-	149,490	174,801
-	33,486	2,047,268	2,345,671
-	-	310,775	151,620
-	-	207,207	214,258
35,896	71,899	871,579	862,476
<u>35,896</u>	<u>105,385</u>	<u>6,088,935</u>	<u>6,383,918</u>
-	-	679,188	600,231
-	-	3,725,460	3,392,189
-	-	1,527,978	1,424,038
-	-	167,808	130,338
-	-	750	772
-	-	530,776	440,765
-	-	105,095	-
-	-	1,821,182	1,688,421
-	768,136	768,136	1,252,635
145,000	-	153,276	168,080
378,180	-	379,344	386,628
<u>523,180</u>	<u>768,136</u>	<u>9,858,993</u>	<u>9,484,977</u>
<u>(487,284)</u>	<u>(662,751)</u>	<u>(3,770,058)</u>	<u>(3,100,179)</u>
528,180	699,884	5,086,243	5,009,096
-	-	(1,228,064)	(1,545,457)
<u>528,180</u>	<u>699,884</u>	<u>3,858,179</u>	<u>3,463,639</u>
40,896	37,133	88,121	363,460
<u>714,035</u>	<u>979,566</u>	<u>5,226,623</u>	<u>4,863,163</u>
\$ <u>754,931</u>	\$ <u>1,016,699</u>	\$ <u>5,314,744</u>	\$ <u>5,226,623</u>

See accompanying notes.

CITY OF JESSEL, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 ALL BUDGETED GOVERNMENTAL TYPES
 FOR THE YEAR ENDED SEPTEMBER 30, 1991

	GENERAL			BUDGETED SPECIAL REVENUE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes	\$ 2,562,100	\$ 2,502,616	\$ (59,484)	\$ -	\$ -	\$ -
Licenses and permits	135,800	149,490	13,690	-	-	-
Intergovernmental	1,435,100	1,470,760	43,660	608,100	533,034	(75,066)
Charges for services	147,400	145,809	(1,591)	144,000	160,966	16,966
Fines and forfeitures	221,600	207,207	(14,393)	-	-	-
Miscellaneous	671,000	698,389	27,389	-	65,395	65,395
TOTAL REVENUES	<u>\$ 5,173,000</u>	<u>\$ 5,186,271</u>	<u>\$ 13,271</u>	<u>\$ 752,100</u>	<u>\$ 759,395</u>	<u>\$ 7,295</u>
EXPENDITURES						
Current						
General government	743,800	679,188	64,612	-	-	-
Public safety	3,718,600	3,725,460	(6,860)	-	-	-
Public works	1,594,000	1,527,978	66,022	-	-	-
Community development	170,800	167,808	2,992	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	608,100	530,776	77,324
Physical environment	-	-	-	144,000	105,095	38,905
Culture/recreation	1,959,200	1,821,182	138,018	-	-	-
Capital projects	-	-	-	-	-	-
Debt service:						
Principal	9,500	9,440	60	-	-	-
Interest	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>8,195,900</u>	<u>7,931,056</u>	<u>264,844</u>	<u>752,100</u>	<u>635,871</u>	<u>116,229</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,022,900)</u>	<u>(2,744,785)</u>	<u>278,115</u>	<u>-</u>	<u>123,524</u>	<u>123,524</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	3,859,100	3,858,179	(921)	-	-	-
Operating transfers out	(1,186,300)	(1,228,064)	(41,764)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,672,800</u>	<u>2,630,115</u>	<u>(42,685)</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(350,100)</u>	<u>(114,670)</u>	<u>235,430</u>	<u>-</u>	<u>123,524</u>	<u>123,524</u>
FUND BALANCES, BEGINNING OF YEAR	<u>3,504,307</u>	<u>3,504,307</u>	<u>-</u>	<u>24,316</u>	<u>24,316</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,154,207</u>	<u>\$ 3,389,637</u>	<u>\$ 235,430</u>	<u>\$ 24,316</u>	<u>\$ 147,840</u>	<u>\$ 123,524</u>

DEBT SERVICE			CAPITAL PROJECTS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	53,500	33,486	(20,014)
-	-	-	-	-	-
-	35,896	35,896	67,000	71,899	4,899
-	35,896	35,896	120,500	105,385	(15,115)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,795,200	768,136	1,027,064
145,000	145,000	-	-	-	-
383,200	378,180	5,020	-	-	-
528,200	523,180	5,020	1,795,200	768,136	1,027,064
(528,200)	(487,284)	40,916	(1,674,700)	(662,751)	1,011,949
528,200	528,180	(20)	695,100	699,884	4,784
-	-	-	-	-	-
528,200	528,180	(20)	695,100	699,884	4,784
-	40,896	40,896	(979,600)	37,133	1,016,733
714,035	714,035	-	979,566	979,566	-
\$ 714,035	\$ 754,931	\$ 40,896	\$ (34)	\$ 1,016,699	\$ 1,016,733

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, 1991

	PROPRIETARY FUND TYPES		FIDUCIARY	TOTALS	
	ENTERPRISE	INTERNAL SERVICE	FUND TYPE	(MEMORANDUM ONLY)	
			PENSION TRUST	1991	1990
OPERATING REVENUES					
Charges for services	\$ 36,791,438	\$ 1,663,368	\$ -	\$ 38,454,806	\$ 36,214,001
Other operating	533,899	-	-	533,899	426,468
Investment income	-	-	1,049,947	1,049,947	1,261,872
Unrealized increase in fair value of investments	-	-	1,102,398	1,102,398	-
Contributions	-	-	964,518	964,518	864,645
TOTAL OPERATING REVENUES	<u>37,345,337</u>	<u>1,663,368</u>	<u>3,116,863</u>	<u>42,125,568</u>	<u>38,766,986</u>
OPERATING EXPENSES					
Unrealized decrease in fair value of investments	-	-	-	-	814,267
Power generation and transmission	1,359,133	-	-	1,359,133	1,278,054
Purchased energy	16,966,012	-	-	16,966,012	15,662,451
Operating and maintenance	5,729,452	425,093	-	6,154,545	5,066,844
General and administrative	2,096,843	125,611	164,264	2,386,718	2,016,938
Depreciation and amortization	2,990,439	11,162	-	3,001,601	2,282,456
Claims expense	-	714,119	-	714,119	792,803
Benefit payments	-	-	341,199	341,199	254,332
TOTAL OPERATING EXPENSES	<u>29,141,879</u>	<u>1,275,985</u>	<u>505,463</u>	<u>30,923,327</u>	<u>28,168,145</u>
OPERATING INCOME	<u>8,203,458</u>	<u>387,383</u>	<u>2,611,400</u>	<u>11,202,241</u>	<u>10,598,841</u>
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	1,452,951	85,375	-	1,538,326	1,794,392
Interest expense	(1,950,257)	-	-	(1,950,257)	(1,835,120)
Loss on disposal of property, plant and equipment	(113,809)	-	-	(113,809)	-
Other income and expenses	10,785	-	-	10,785	101,531
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(600,330)</u>	<u>85,375</u>	<u>-</u>	<u>(514,955)</u>	<u>60,803</u>
INCOME BEFORE OPERATING TRANSFERS	<u>7,603,128</u>	<u>472,758</u>	<u>2,611,400</u>	<u>10,687,286</u>	<u>10,659,644</u>
OPERATING TRANSFERS OUT	<u>(3,751,584)</u>	<u>(106,595)</u>	<u>-</u>	<u>(3,858,179)</u>	<u>(3,463,639)</u>
NET INCOME	<u>3,851,544</u>	<u>366,163</u>	<u>2,611,400</u>	<u>6,829,107</u>	<u>7,196,005</u>
RETAINED EARNINGS/FUND BALANCES, BEGINNING OF YEAR	<u>35,616,136</u>	<u>925,271</u>	<u>13,852,043</u>	<u>50,393,450</u>	<u>43,197,445</u>
RETAINED EARNINGS/FUND BALANCES, END OF YEAR	<u>\$ 39,467,680</u>	<u>\$ 1,291,434</u>	<u>\$ 16,463,443</u>	<u>\$ 57,222,557</u>	<u>\$ 50,393,450</u>

See accompanying notes.

CITY OF LEESBURG, FLORIDA
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED SEPTEMBER 30, 1991

	PROPRIETARY FUND TYPES		TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	1991	1990
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 11,738,573	\$ 325,719	\$ 12,064,292	\$ 11,354,791
CASH FLOWS USED IN NONCAPITAL FINANCING ACTIVITIES				
Nonoperating income	157,936	-	157,936	212,164
Nonoperating expense	(147,151)	-	(147,151)	(110,633)
Operating transfers out to other funds	(3,751,584)	(116,510)	(3,868,094)	(3,463,639)
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	(3,740,799)	(116,510)	(3,857,309)	(3,362,108)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest paid on revenue bonds	(1,847,963)	-	(1,847,962)	(1,721,717)
Acquisition and construction of capital assets	(5,052,033)	(18,263)	(5,070,296)	(8,782,167)
Principal paid on bond maturities	(184,998)	-	(184,998)	(420,000)
Capital contributed	210,260	-	210,260	2,180,332
Proceeds from notes payable	2,690,669	-	2,690,669	-
Proceeds from sale of capital assets	6,351	-	6,351	-
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(4,177,714)	(18,263)	(4,195,977)	(8,753,552)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	(502,526)	-	(502,526)	(469,719)
Interest on investments	1,437,665	95,375	1,523,040	1,856,225
Purchase of Crystal River decommission investments	(45,000)	-	(45,000)	-
NET CASH FLOW FROM INVESTING ACTIVITIES	890,139	85,375	975,514	1,386,506
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,710,199	276,321	4,986,520	625,637
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16,662,340	1,186,346	17,848,686	17,223,049
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 21,372,539	\$ 1,462,667	\$ 22,835,206	\$ 17,848,686
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 8,203,458	\$ 397,298	\$ 8,600,756	\$ 9,680,227
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	2,990,439	11,162	3,001,601	3,132,446
Bad debt expense	114,372	-	114,372	74,613
Increase in customer accounts	667,180	-	667,180	(1,139,424)
(Decrease) increase in inventory	(26,560)	6,283	(20,277)	(160,265)
Decrease in prepaid expenses	13,180	-	13,180	(104,418)
Decrease in receivables	-	-	-	8,373
Decrease in accounts payable	106,112	-	106,112	(67,109)
Decrease in Crystal River decommission funds	-	-	-	777,242
Decrease in estimated landfill closure costs payable	(374,626)	-	(374,626)	(202,862)
Decrease in claims payable	-	(84,941)	(84,941)	41,727
(Decrease) increase in accrued expenses	43,215	(4,083)	39,132	10,762
Decrease in customer advances for construction	(14,593)	-	(14,593)	(8,689)
Increase in customer deposits	16,396	-	16,396	89,410
Decrease in decommissioning costs	-	-	-	(777,242)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 11,738,573	\$ 325,719	\$ 12,064,292	\$ 11,354,791

See accompanying notes.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 the City's reporting entity is the exercise of oversight responsibility over such agencies by the City'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 oversight responsibility 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:

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

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:

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

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).

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Expenses are recorded when incurred.

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, Debt Service, 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.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

for consumption and gasoline held for resale at the municipal airport. General Fund inventories are valued at cost as determined on the first-in, first-out method. 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:

	<u>Useful Life</u>
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

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

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 capitalize public domain fixed assets such as streets, right-of-ways, sidewalks, drainage systems and similar assets. Donated fixed assets are valued at their estimated fair market value at the time of acquisition. Depreciation is not provided on General Fixed Assets.

Compensated Absences:

The City accrues accumulated compensated absences for Governmental and Proprietary Funds. Compensated absences are recorded in the Governmental Fund Types as an expenditure for the amount accrued during the year that would normally be liquidated with expendable available financial resources. The remainder of the liability is reported in the General Long-Term Debt Account Group. The Proprietary Funds accrue compensated absences in the period they are earned. 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 current year expenditures. 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.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (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 with the exception of the Community Development Special Revenue Fund. The following is a reconciliation of the budget and actual results for the Special Revenue Funds:

	<u>SPECIAL REVENUE FUNDS</u>
Excess of Revenues and other sources over expenditures and other uses (actual)	\$124,762
Adjustment for unbudgeted funds:	
Community Development	<u>1,238</u>
Excess of Revenues and other sources over expenditures and other uses (budget)	<u>\$123,524</u>

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

<u>FUNDS</u>	<u>ORIGINALLY ADOPTED</u>	<u>FINAL AMENDED</u>	<u>INCREASE (DECREASE)</u>
General	\$11,197,500	\$9,382,200	\$(1,815,300)
Special Revenue	872,800	752,100	(120,700)
Debt Service	535,700	528,200	(7,500)
Capital Projects	2,959,900	1,795,200	(1,164,700)

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 1990 amounts have been made to enhance comparison to 1991.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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, 1991, the Fund owned investments with a carrying value (at market) of \$263,116 which are not among the authorized investments described above.

Investments of the Municipal Firemen's 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, 1991, the Municipal Firemen's Retirement Trust Fund owned investments with a carrying value (at market) of \$410,114 which are not among the authorized investments described above.

A summary of the carrying amount and market value of all City investments follows:

	<u>CARRYING AMOUNT</u>	<u>MARKET VALUE</u>
Pooled Investments:		
Sun Bank Repurchase Agreement	\$14,575,000	\$14,575,000
State Board of Administration of Florida, Local Government Pooled Investment Account	11,737,096	11,737,096
U.S. Treasury Bills, Notes and Bonds	4,810,844	5,002,481
Funds Held with Trustee	578,758	578,758
Pension Trust and Agency Fund Investments:		
Corporate Stocks	2,645,839	2,645,839
Corporate Bonds	5,314,946	5,314,946
U.S. Treasury Notes and Municipal Bonds	2,277,026	2,277,026
Collective Trust Funds	6,495,085	6,495,085
Mutual Fund Investments - Deferred Compensation	<u>476,793</u>	<u>476,793</u>
TOTAL INVESTMENTS	<u>\$48,911,387</u>	<u>\$49,103,024</u>
Carrying Amount of Deposits	\$ 567,191	
Carrying Amount of Investments (Above)	<u>48,911,387</u>	
TOTAL	<u>\$49,478,578</u>	
Shown in the accompanying combined balance sheets as:		
Equity in Pooled Cash and Investments	\$22,927,938	
Cash and Investments at Market Value	17,209,689	
Restricted Assets:		
Equity in Pooled Cash and Investments	8,762,193	
Crystal River Decommissioning Trust	<u>578,758</u>	
TOTAL	<u>\$49,478,578</u>	

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

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 investments, including U.S. government and U.S. government guaranteed obligations, exceed 5% of the net assets available for pension benefits:

	<u>MARKET</u>	<u>PERCENT OF NET ASSETS AVAILABLE FOR BENEFITS</u>
Police:		
NCNB Employee Benefit Fixed Income Fund	\$1,112,792	37.7%
NCNB Employee Benefit Mortgage Backed Securities Fund	487,525	16.5%
NCNB Public Employee Equity Fund	919,371	31.1%
NCNB Real Estate Fund	263,116	8.9%
Firemen's:		
NCNB Employee Benefit Fixed Income fund	1,083,241	29.6%
NCNB Employee Benefit Mortgage Backed Securities Fund	569,429	15.6%
NCNB Public Employee Equity Fund	1,282,682	35.1%
NCNB Real Estate Fund	410,114	11.2%
General:		
Baxter International, Inc., 9.25%, 9/15/96	527,500	5.4%
Employee Benefit Dreyfus Government Management Fund	806,069	8.2%
United States Treasury Notes, 8.0%, 8/15/99	518,280	5.3%
United States Treasury Notes, 7.875%, 11/15/99	517,750	5.2%

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

NOTE 3 - FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>BALANCE</u> <u>10/1/90</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>09/30/91</u>
Land	\$ 2,260,619	\$ 121,202	\$ 31,426	\$2,350,395
Buildings	7,108,750	248,413	67,094	7,290,069
Improvements Other Than Buildings	4,393,975	208,738	451,608	4,151,105
Equipment and Vehicles	4,275,427	518,842	228,712	4,565,557
Construction in Progress	<u>1,609,397</u>	<u>767,885</u>	<u>733,992</u>	<u>1,643,290</u>
TOTAL	<u>\$19,648,168</u>	<u>\$1,865,080</u>	<u>\$1,512,832</u>	<u>\$20,000,416</u>

A summary of proprietary fund type property, plant and equipment at September 30, 1991, follows:

	<u>ENTERPRISE</u> <u>FUNDS</u>	<u>INTERNAL</u> <u>SERVICE</u> <u>FUNDS</u>
Land	\$ 2,294,361	\$ -
Buildings	4,442,475	27,755
Improvements other than buildings	59,177,880	-
Equipment	9,319,739	115,612
Nuclear fuel	<u>306,715</u>	<u>-</u>
	<u>\$75,541,170</u>	<u>\$143,367</u>

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

NOTE 4 - LONG TERM LIABILITIES

The following is a summary of all long-term liabilities of the Proprietary Funds.

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	671,755
Refunding Utilities Revenue Bonds, Series 1989, Dated December 1, 1988, Issued January 11, 1989	<u>21,205,000</u>
Total Bonds Payable	<u>23,736,754</u>
Less: Unamortized discount	(246,339)
Current maturities	<u>(195,000)</u>
Total Bonds Payable - net	23,295,415
Plus: Initial Pooled Loan Project with Florida Municipal Power Agency	<u>2,690,669</u>
Total Utility Funds Debt	<u>\$25,986,084</u>

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	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service Bonds</u>	<u>Sinking Fund Security Purchases</u>	<u>(Sinking Fund Security Purchases Income)</u>	<u>Total Bond Maturities and Debt Service Requirements</u>
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
1995	955,000	1,487,153	2,442,153	-	(313,913)	2,128,240
Thereafter	<u>25,040,000</u>	<u>11,710,578</u>	<u>36,750,578</u>	<u> </u>	<u>(6,944,130)</u>	<u>29,806,448</u>
TOTAL	<u>\$28,100,000</u>	<u>\$19,679,099</u>	<u>\$47,779,099</u>	<u>\$1,148,498</u>	<u>\$(8,381,900)</u>	<u>\$40,545,697</u>

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

NOTE 4 - LONG-TERM LIABILITIES (Continued)

Total Principal Above	\$28,100,000
Less: Unearned Interest (Discount) on Capital Appreciation Bonds From October 1, 1990 Through October 1, 2005	<u>(4,363,246)</u>
TOTAL	<u>\$23,736,754</u>

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, 1991 is \$1,281,754, which is composed of the maturity value of \$5,645,000 less the unearned discount of \$4,363,246. 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	<u>671,755</u>
TOTAL	<u>\$1,281,754</u>

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.

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

NOTE 4 - LONG-TERM LIABILITIES (Continued)

(2) Restriction 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.

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

NOTE 4 - LONG-TERM LIABILITIES (Continued)

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. The City received \$2,690,669 during fiscal year 1991 for this project. 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. The following is a schedule of principal payments:

Year (Due November)	<u>Principal</u>
1991	\$ 220,000
1992	235,000
1993	255,000
1994	270,000
1995	290,000
Thereafter	<u>1,420,669</u>
	<u>\$2,690,669</u>

General Long-Term Debt:

A summary of all general long-term debt of the City as of September 30, 1991, follows:

Mortgage Notes Payable, Collateralized by Real Estate, Due in Annual Installments of \$1,000 With Interest at 4%	\$ 12,000
Mortgage Note Payable, Collateralized by Real Estate, Due in Annual Installments of \$3,000 With Interest at 10%	3,000
Refunding and Capital Improvement Revenue Bonds Payable, Issued in April, 1987, Interest From 4% to 7%	5,675,000
Employee Compensated Absences Payable	<u>635,106</u>
Total	<u>\$6,325,106</u>

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:

1992		\$ 523,160
1993		521,500
1994		522,280
1995		522,160
1996		521,100
Thereafter		<u>7,575,820</u>
	Total	10,186,020
	Less: interest	<u>(4,496,020)</u>
	Principal	<u>\$ 5,690,000</u>

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

NOTE 4 - LONG-TERM LIABILITIES (Continued)

The following is a summary of changes in general long-term debt for the year ended September 30, 1991:

	Balance October 1, <u>1990</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>1991</u>
Refunding and Capital Improvement Bonds	\$5,820,000	-	\$145,000	\$5,675,000
Mortgages and Notes Payable	23,276	-	8,276	15,000
Employee Compensated Absences Payable	<u>560,739</u>	<u>74,367</u>	<u>-</u>	<u>635,106</u>
Totals	<u>\$6,404,015</u>	<u>\$74,367</u>	<u>\$153,276</u>	<u>\$6,325,106</u>

Refunding and Capital Improvement Bonds:

In 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, 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;

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

NOTE 4 - LONG-TERM LIABILITIES (Continued)

- (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 of 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 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.

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

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, <u>1991</u>
Proprietary Fund Types - Utility Funds:	
Utilities Revenue Certificates, Series 1970	\$ 50,000
Utilities Revenue Certificates, Series 1975	920,000
Utilities Revenue Certificates, Series 1977	12,020,000
Utilities Revenue Certificates, Series 1977A	165,000
Utilities Refunding Revenue Bonds, Series 1984	<u>18,140,000</u>
Total Proprietary Fund Types - Utility Funds	31,295,000
General Long-Term Debt Group of Accounts: Refunding and Capital Improvement Bonds, Series 1984	<u>1,925,000</u>
Total Defeased Debt - All Funds and Account Groups	<u>\$33,220,000</u>

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, 1991.

Estimated Landfill Closure Costs:

The City is currently in the process of closing its present landfill site with an estimated total cost of \$1,874,334. 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, 1992. 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 (Accumulated Amortization)	151,031	151,031
(Costs Paid)	<u>-</u>	<u>(1,086,617)</u>
Balance, September 30, 1991	<u>\$ 302,000</u>	<u>\$ 787,717</u>

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

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. In 2016 when the plant is decommissioned, costs of decommissioning will be paid by the participants. Decommissioning costs have been estimated and the City is depositing \$45,000 each year in a separate account with a trustee to pay its share of such costs.

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 on September 30, 1991 and September 30, 1990 was \$2,777,171 and \$2,552,147, respectively.

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.

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

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, 1991, is as follows:

	Electric Utility Fund	Gas Utility Fund	Water Utility Fund	Sanitation Sewer Wastewater Treatment Fund	Sanitation Services Fund	Totals
Operating Revenues	\$26,884,048	\$4,675,415	\$1,710,323	\$2,270,805	\$1,804,746	\$37,345,337
Depreciation and Amortization	1,818,046	134,739	343,842	384,689	309,123	2,990,439
Operating Income (Loss)	6,489,337	1,021,091	351,677	426,230	(84,877)	8,203,458
Operating Transfers	(2,925,096)	(556,992)	(159,000)	(110,496)	-	(3,751,584)
Net Income	3,071,687	495,878	117,347	162,098	4,534	3,851,544
Contributed Capital	136,375	713	(48,892)	122,064	-	210,260
Cash and Cash Equivalents	10,920,030	2,436,372	3,188,170	3,939,215	822,752	21,372,539
Property and Equipment Additions	3,039,573	700,237	1,041,910	1,278,419	242,086	6,302,225
Net Working Capital	9,701,738	2,171,589	2,506,870	3,334,796	334,098	18,049,091
Long-term Liabilities Payable	14,935,370	1,757,438	4,201,194	5,670,840	-	26,564,842
Total Fund Equity	30,649,595	4,115,961	5,280,409	12,992,245	996,947	54,036,157
Total Assets	49,445,765	6,205,467	9,773,912	18,907,818	1,827,704	86,160,666

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

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, 1991, was \$953,557; the City's total payroll was \$8,793,405. All full-time police officers are eligible to participate in the plan. As of October 1, 1990, the date of the most recent actuarial report, the plan had the following number of participants:

Active Vested	14
Active Nonvested	22
Retired, Disabled, Vested Terminations and Beneficiaries	<u>4</u>
TOTAL NUMBER OF PARTICIPANTS	<u>40</u>

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 a 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.

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

NOTE 7 - PENSION PLANS (Continued)

The actuarially required contribution for the year ended September 30, 1991, consisting entirely of normal cost is \$80,643, which represents 8.46% of covered payroll. Actual contributions to the plan for the year ended September 30, 1991, are as follows:

	<u>AMOUNT</u>	<u>PERCENTAGE OF COVERED PAYROLL</u>
Employee	\$ 72,634	7.6%
State of Florida (Insurance Tax)	<u>87,109</u>	<u>9.1%</u>
TOTAL ACTUAL CONTRIBUTIONS	<u>\$159,743</u>	<u>16.7%</u>

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, 1991, was \$857,211; the City's total payroll was \$8,793,405. 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, 1990, the date of the most recent actuarial report, the plan had the following number of participants:

Active Vested	19
Active Nonvested	10
Retired	9
Vested Terminations	<u>2</u>
TOTAL NUMBER OF PARTICIPANTS	<u>40</u>

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.

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

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, 1991, is as follows:

	<u>AMOUNT</u>	<u>PERCENTAGE OF COVERED PAYROLL</u>
Normal Cost	\$ 96,453	11.2%
Amortization of Prior Service Cost	<u>33,263</u>	<u>3.9%</u>
TOTAL REQUIRED CONTRIBUTION	<u>\$129,716</u>	<u>15.1%</u>

Actual contributions to the plan for the year ended September 30, 1991, are as follows:

	<u>AMOUNT</u>	<u>PERCENTAGE OF COVERED PAYROLL</u>
Employee	\$ 42,735	5.0%
Employer	64,106	7.5%
State of Florida (Insurance Tax)	<u>51,781</u>	<u>6.0%</u>
TOTAL ACTUAL CONTRIBUTIONS	<u>\$158,622</u>	<u>18.5%</u>

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, 1991, was \$6,397,555; the City's total payroll was \$8,793,405. 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 service. As of October 1, 1990, the date of the most recent actuarial report, the plan had the following number of participants:

Active	261
Terminated - Vested Benefits	29
Retirees and beneficiaries	<u>63</u>
TOTAL NUMBER OF PARTICIPANTS	<u>353</u>

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

NOTE 7 - PENSION PLANS (Continued)

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 1.5% 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, 1991, is as follows:

	<u>AMOUNT</u>	<u>PERCENTAGE OF COVERED PAYROLL</u>
Normal Cost	\$133,800	2.1%
Amortization of Prior Service Cost	<u> -</u>	<u> -</u> %
TOTAL REQUIRED CONTRIBUTION	<u>\$133,800</u>	<u>2.1%</u>

Actual contributions to the plan for the year ended September 30, 1991, consisting exclusively of employer contributions is \$646,153. 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 frozen entry age actuarial cost 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 a result of employee service to date. The measure is intended to help financial statement 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.

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

NOTE 7 - PENSION PLANS (Continued)

The pension benefit obligation was computed as part of actuarial valuations performed as of October 1, 1990.

	MUNICIPAL POLICE RETIREMENT TRUST <u>FUND</u>	MUNICIPAL FIREMEN'S TRUST <u>FUND</u>	GENERAL EMPLOYEES' RETIREMENT <u>FUND</u>	<u>TOTAL</u>
Pension Benefit Obligation:				
Retirees and Beneficiaries				
Currently Receiving Benefits and Terminated Employees				
Not Yet Receiving Benefits	\$ 107,360	\$ 873,830	\$1,928,300	\$2,909,490
Current Employees:				
Accumulated Employee Contributions Including Allocated Investment Earnings	324,412	392,183	66,100	782,695
Employer-Financed Vested	960,261	1,434,834	2,009,100	4,404,195
Employer-Financed Nonvested	<u>135,354</u>	<u>90,184</u>	<u>1,992,600</u>	<u>2,218,138</u>
Total Pension Benefit Obligation	1,527,387	2,791,031	5,996,100	10,314,518
Net Assets Available For Benefits, at Market (1)	<u>2,385,186</u>	<u>3,114,712</u>	<u>8,352,145</u>	<u>13,852,043</u>
Assets in Excess of Pension Benefit Obligations (2)	<u>\$ 857,799</u>	<u>\$ 323,681</u>	<u>\$2,356,045</u>	<u>\$ 3,537,525</u>

(1) As a percentage of the pension benefit obligation

	156.2%	111.6%	139.3%
--	--------	--------	--------

(2) As a percentage of covered payroll

	90.0%	37.8%	36.8%
--	-------	-------	-------

Significant Actuarial Assumptions Used:

Rate of Return on Investment of Present and Future Assets	7.0%	8.0%	8.0%
Projected Salary Increases	5.5%	7.0%	5.0%

Ten-year trend information required by GASB Statement No. 5, is included in the Required Supplementary Information.

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

NOTE 7 - PENSION PLANS (Continued)

CHANGES:

Municipal Police Retirement Plan:

There were no changes in actuarial assumptions or plan benefits during the year.

Municipal Firemen's Retirement Plan:

There were no changes in actuarial assumptions or plan benefits during the year.

General Employees' Retirement Fund:

There were changes in the following actuarial assumptions: investment return, salary scale, administration expenses and termination rates. Investment return increased from 6% to 8%, salary scale increased from 4% to 5%, administrative expenses changed from a variable cost increasing by 5.5% annually to a fixed cost of \$20,000 and the valuation of termination rates has remained unchanged, however, the Plan has removed sex-distinct differences in the rates. The above changes in actuarial assumptions resulted in a decrease of \$1,765,200 in the actuarial present value of accumulated plan benefits. There were no revisions in plan benefits from the previous valuation.

NOTE 8 - SELF-INSURANCE FUNDS

A. 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; claims in excess of \$40,000, up to a maximum of \$960,000 per employee per year are paid from a reinsurance policy purchased by the City.

B. 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.

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

NOTE 8 - SELF-INSURANCE FUNDS (Continued)

C. Liabilities for Unpaid Claims:

	<u>Balance</u> <u>10/1/90</u>	<u>Current Year</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claims</u> <u>Paid</u>	<u>Balance</u> <u>9/30/91</u>
Employee Health Insurance Fund	\$161,775	\$669,074	\$669,725	\$161,124
Workers' Compensation Insurance Fund	142,557	45,045	45,045	58,267
Claims Payable Adjustment attributable to insured events of prior years	<u>-</u>	<u>(84,290)</u>	<u>-</u>	<u>-</u>
	<u>\$304,332</u>	<u>\$629,829</u>	<u>\$714,770</u>	<u>\$219,391</u>

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.

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

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. The City of Leesburg continues to be involved in condemnation procedures on a parcel of land for wastewater disposal and future expansion of wastewater facilities. The City has deposited with the Court approximately \$1,620,000 based on an appraisal of the property performed by its own appraiser.

The case is set for trial in the Spring of 1992, and will be referred to mediation before that date. Preliminary discussions have been held with the attorneys for the property owners regarding settlement of the case, however at this time they have not yet completed their appraisal of the property, therefore no estimate can be made of the possible amount the City will have to pay to the owners. However, the amount already deposited with the Court will be credited against any award to the owners.

- 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, 1991, 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.

REQUIRED SUPPLEMENTARY 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 the following pages.

CITY OF LEESBURG, FLORIDA
 REQUIRED SUPPLEMENTAL INFORMATION
 REVENUES BY SOURCE - EXPENSES BY TYPE
 PENSION TRUST FUNDS
 LAST TEN FISCAL YEARS

	REVENUES BY SOURCE			
	<u>EMPLOYER CONTRIBUTIONS</u>	<u>EMPLOYEE CONTRIBUTIONS</u>	<u>STATE CONTRIBUTIONS</u>	<u>INVESTMENT INCOME</u>
MUNICIPAL POLICE RETIREMENT				
1991	-	72,634	87,109	25,540
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
MUNICIPAL FIREMEN'S RETIREMENT				
1991	64,106	42,735	51,781	39,551
1990	58,909	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
GENERAL EMPLOYEES' PENSION				
1991	646,153	-	-	646,682
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	-	-	296,366
1982	321,433	-	-	391,947

BENEFIT PAYMENTS	EXPENSES BY TYPE		EMPLOYER CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL
	REFUNDS	OTHER	
\$ 9,044	\$ -	\$ 43,988	N/A
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
15,400	6,858	3,993	N/A
6,949	7,225	5,227	N/A
6,401	2,462	8,692	N/A
153,472	-	22,086	7.5%
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	7,582	8.7%
28,162	-	7,129	8.7%
1,728	3,796	7,681	8.7%
1,662	2,575	1,300	8.7%
1,118	8,540	17,019	14.0%
178,663	-	98,189	10.1%
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%

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						
1991	\$ 2,385,186	\$ 1,527,387	156.2%	\$ 857,799	\$ 953,557	90.0%
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						
1991	3,114,712	\$ 2,791,031	111.6%	\$ 323,681	\$ 857,211	37.8%
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
1985	2,371,108	2,138,058	110.9%	233,050	645,400	36.1%
GENERAL EMPLOYEES' PENSION						
1991	8,352,145	\$ 5,996,100	139.3%	\$ 2,356,045	\$ 6,397,555	36.8%
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

Looking at the pension benefit obligation, or the unfunded portion (or assets in excess) of the pension benefit obligation, in isolation can be misleading. Expressing net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the extent to which a pension fund is funded. Analysis of this percentage over time indicates whether the pension fund is funded. Analysis of this percentage over time indicates whether the pension fund is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the pension fund.

Expressing the unfunded pension benefit obligation (or assets in excess of the pension benefit obligation) as a percentage of the annual covered payroll approximately adjusts for the effects of inflation and aids analysis of funding progress. Generally, the smaller the unfunded percentage, the stronger the pension fund.

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, 1991

ASSETS		1991	1990
Equity in pooled cash and investments	\$	4,006,752	\$ 3,973,606
Due from other governments		76,471	104,075
Assessments receivable		2,806	2,806
Other accounts receivable (net of allowance for doubtful accounts of \$3,924 for 1991 and 1990)		29,348	41,906
Interest receivable		75,799	75,799
Due from other funds		60,517	60,517
Prepaid insurance		54,414	88,995
Inventories		14,338	8,017
TOTAL ASSETS	\$	4,320,445	\$ 4,355,721
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$	570,507	\$ 551,585
Accrued wages and payroll tax		281,914	229,811
Unearned license revenue		78,387	70,018
TOTAL LIABILITIES		930,808	851,414
FUND BALANCE			
Reserved:			
For police education		9,107	7,408
For police expenditure		23,799	1,044
For fire expenditures		8,254	3,071
For prepaid insurance		54,414	88,995
Unreserved		3,294,063	3,403,789
TOTAL FUND BALANCE		3,389,637	3,504,307
TOTAL LIABILITIES AND FUND BALANCES	\$	4,320,445	\$ 4,355,721

CITY OF LEESBURG, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 1991

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1990 ACTUAL
REVENUES				
Taxes	\$ 2,562,100	\$ 2,502,616	\$ (59,484)	\$ 2,635,092
Licenses and permits	135,800	149,490	13,690	174,801
Intragovernmental	1,435,100	1,478,760	43,660	1,472,727
Charges for services	147,400	149,809	2,409	151,620
Fines and forfeitures	221,600	207,207	(14,393)	214,258
Miscellaneous	671,000	698,389	27,389	679,986
TOTAL REVENUES	<u>5,173,000</u>	<u>5,106,271</u>	<u>13,271</u>	<u>5,328,484</u>
EXPENDITURES				
Current:				
General government	743,800	679,188	64,612	600,231
Public safety	3,718,600	3,725,460	(6,860)	3,392,189
Public works	1,594,000	1,527,978	66,022	1,424,038
Community development	170,800	167,808	2,992	130,338
Culture/recreation	1,959,200	1,821,182	138,018	1,688,421
Debt service	9,500	9,440	60	30,940
TOTAL EXPENDITURES	<u>8,195,000</u>	<u>7,931,056</u>	<u>264,844</u>	<u>7,266,157</u>
DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,022,900)</u>	<u>(2,744,785)</u>	<u>278,115</u>	<u>(1,937,673)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	3,859,100	3,858,179	(921)	3,463,639
Operating transfers out	(1,186,300)	(1,228,064)	(41,764)	(1,545,457)
TOTAL OTHER FINANCING SOURCES	<u>2,672,800</u>	<u>2,630,115</u>	<u>(42,685)</u>	<u>1,918,182</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(350,100)</u>	<u>(114,670)</u>	<u>235,430</u>	<u>(19,491)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>3,504,307</u>	<u>3,504,307</u>	<u>-</u>	<u>3,523,798</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,154,207</u>	<u>\$ 3,389,637</u>	<u>\$ 235,430</u>	<u>\$ 3,504,307</u>

CITY OF LEESBURG, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 1991

REVENUES	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	<u>1990 ACTUAL</u>
Taxes:				
Ad Valorem	\$ 1,796,300	\$ 1,789,828	\$ (6,472)	\$ 1,801,774
Local option sales	675,500	627,371	(48,129)	816,153
Franchise fees	90,300	85,417	(4,883)	17,165
Total taxes	<u>2,562,100</u>	<u>2,502,616</u>	<u>(59,484)</u>	<u>2,635,092</u>
Licenses and permits:				
Licenses	100,500	104,507	4,007	98,195
Building permits	26,500	34,634	8,134	56,753
Other permits	8,800	10,349	1,549	19,853
Total licenses and permits	<u>135,800</u>	<u>149,490</u>	<u>13,690</u>	<u>174,801</u>
Intergovernmental:				
State grants	-	-	-	-
State shared revenues	913,600	916,760	3,160	962,693
County shared revenues	37,500	37,865	365	38,205
Fuel rebate	10,000	16,028	6,028	8,450
Local option taxes	474,000	508,107	34,107	463,379
Total intergovernmental	<u>1,435,100</u>	<u>1,478,760</u>	<u>43,660</u>	<u>1,472,727</u>
Charges for services:				
General government charges	8,600	8,159	(441)	10,450
Other public safety charges	5,700	5,513	(187)	8,971
Other physical environment charges	2,700	3,959	1,259	2,428
Culture and recreation	130,400	132,178	1,778	129,771
Total charges for services	<u>147,400</u>	<u>149,809</u>	<u>2,409</u>	<u>151,620</u>
Fines and forfeitures:				
Court fines	151,000	163,928	12,928	155,629
Library fines	8,000	7,023	(977)	7,853
Other fines and forfeitures	62,600	36,256	(26,344)	50,776
Total fines and forfeitures	<u>221,600</u>	<u>207,207</u>	<u>(14,393)</u>	<u>214,258</u>
Miscellaneous:				
Sales--forfeited property	-	26,605	26,605	-
Interest	365,400	351,148	(14,252)	352,785
Rents and royalties	236,800	236,656	(144)	260,178
Sale of city property and insurance compensation	37,200	36,956	(244)	31,795
Other	21,500	31,959	10,459	33,704
Contributions	10,100	15,065	4,965	1,554
Total miscellaneous revenues	<u>671,000</u>	<u>698,389</u>	<u>27,389</u>	<u>679,986</u>
TOTAL REVENUES	\$ <u>5,173,000</u>	\$ <u>5,186,271</u>	\$ <u>13,271</u>	\$ <u>5,328,484</u>

CITY OF LEESBURG, FLORIDA
 GENERAL FUND
 STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - BY DEPARTMENT
 FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>1990 ACTUAL</u>
EXPENDITURES				
General Government:				
City Commission	\$ 70,100	\$ 62,233	\$ 7,867	\$ 71,817
Executive offices	294,400	291,121	3,279	249,719
Finance department	249,000	201,980	47,020	181,551
Personnel service offices	81,100	79,050	2,050	69,836
Purchasing department	49,200	44,804	4,396	27,358
Total general government	<u>743,800</u>	<u>679,188</u>	<u>64,612</u>	<u>600,231</u>
Public safety:				
Police department	2,416,500	2,440,926	(24,426)	2,196,339
Fire department	1,302,100	1,284,534	17,566	1,195,850
Total public safety	<u>3,718,600</u>	<u>3,725,460</u>	<u>(6,860)</u>	<u>3,392,189</u>
Public works	1,594,000	1,527,978	66,022	1,424,038
Community development	170,800	167,808	2,992	130,338
Culture and recreation:				
Library services	494,700	492,959	1,741	437,457
Recreation	1,464,500	1,328,223	136,277	1,250,964
Total culture and recreation	<u>1,959,200</u>	<u>1,821,182</u>	<u>138,018</u>	<u>1,688,421</u>
Debt service	<u>9,500</u>	<u>9,440</u>	<u>60</u>	<u>30,940</u>
TOTAL EXPENDITURES	<u>\$ 8,195,900</u>	<u>\$ 7,931,056</u>	<u>\$ 264,844</u>	<u>\$ 7,266,157</u>

This page intentionally left blank

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.

Stormwater Fund - To account for revenues and expenditures related to stormwater management (i.e., the collection, storage and dispersal of rainwater). The City established this fund in fiscal year 1991.

CITY OF LEESBURG, FLORIDA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1991

ASSETS

	<u>COMMUNITY DEVELOPMENT</u>	<u>HOUSING ASSISTANCE</u>	<u>STORMWATER</u>	<u>TOTALS</u>	
				1991	1990
Equity in pooled cash and investments	\$ 5,637	\$ 33,281	\$ 87,220	\$ 126,138	\$ 73,137
Housing assistance loans	60,052	-	-	60,052	60,565
Accounts receivable	-	-	34,046	34,046	-
TOTAL ASSETS	<u>\$ 65,689</u>	<u>\$ 33,281</u>	<u>\$ 121,266</u>	<u>\$ 220,236</u>	<u>\$ 133,702</u>

LIABILITIES AND FUND BALANCES

LIABILITIES					
Due to other governments	\$ 60,052	\$ 6,707	-	\$ 66,759	\$ 104,987
TOTAL LIABILITIES	<u>60,052</u>	<u>6,707</u>	<u>-</u>	<u>66,759</u>	<u>104,987</u>
FUND BALANCES					
Reserved:					
For capital improvements	5,637	-	-	5,637	4,399
Unreserved	-	26,574	121,266	147,840	24,316
TOTAL FUND BALANCES	<u>5,637</u>	<u>26,574</u>	<u>121,266</u>	<u>153,477</u>	<u>28,715</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 65,689</u>	<u>\$ 33,281</u>	<u>\$ 121,266</u>	<u>\$ 220,236</u>	<u>\$ 133,702</u>

CITY OF LEESBURG, FLORIDA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 1991

				TOTALS	
	<u>COMMUNITY DEVELOPMENT</u>	<u>HOUSING ASSISTANCE</u>	<u>STORMWATER</u>	<u>1991</u>	<u>1990</u>
REVENUES					
Intergovernmental	\$ 1,988	\$ 533,034	\$ -	\$ 535,022	\$ 444,318
Physical environment	-	-	160,966	160,966	-
Miscellaneous revenues	-	-	65,395	65,395	-
TOTAL REVENUES	<u>1,988</u>	<u>533,034</u>	<u>226,361</u>	<u>761,383</u>	<u>444,318</u>
EXPENDITURES					
Economic environment	750	-	-	750	772
Physical environment	-	-	105,095	105,095	-
Human services	-	530,776	-	530,776	440,765
TOTAL EXPENDITURES	<u>750</u>	<u>530,776</u>	<u>105,095</u>	<u>636,521</u>	<u>441,537</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,238	2,258	121,266	124,762	2,781
FUND BALANCES, BEGINNING OF YEAR	<u>4,399</u>	<u>24,316</u>	<u>-</u>	<u>28,715</u>	<u>25,934</u>
FUND BALANCES, END OF YEAR	<u>\$ 5,637</u>	<u>\$ 26,574</u>	<u>\$ 121,266</u>	<u>\$ 153,477</u>	<u>\$ 28,715</u>

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, 1991

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>1990 ACTUAL</u>
REVENUES				
Intergovernmental revenue:				
HUD contributions	\$ 608,100	\$ 533,034	\$ (75,066)	\$ 441,331
EXPENDITURES				
Human services:				
Welfare:				
Personal services	37,000	41,917	(4,917)	27,383
Operating expenses	563,300	482,042	81,258	407,419
Capital outlay	7,800	6,817	983	5,963
TOTAL EXPENDITURES	<u>608,100</u>	<u>530,776</u>	<u>77,324</u>	<u>440,765</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	2,258	2,258	566
FUND BALANCE, BEGINNING OF YEAR	<u>24,316</u>	<u>24,316</u>	-	<u>23,750</u>
FUND BALANCE, END OF YEAR	<u>\$ 24,316</u>	<u>\$ 26,574</u>	<u>\$ 2,258</u>	<u>\$ 24,316</u>

CITY OF LEESBURG, FLORIDA
 STORMWATER FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 1991

REVENUES	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>1990 ACTUAL</u>
Physical environment revenue:				
Utility fees	\$ 144,000	\$ 160,966	\$ 16,966	\$ -
Miscellaneous revenue	-	65,395	65,395	-
TOTAL REVENUES	<u>144,000</u>	<u>226,361</u>	<u>82,361</u>	<u>-</u>
EXPENDITURES				
Physical environment:				
Stormwater:				
Personal services	27,800	24,943	2,857	-
Operating expenses	36,400	14,757	21,643	-
Capital outlay	79,800	65,395	14,405	-
TOTAL EXPENDITURES	<u>144,000</u>	<u>105,095</u>	<u>38,905</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	121,266	121,266	-
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 121,266</u>	<u>\$ 121,266</u>	<u>\$ -</u>

This page intentionally left blank

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
COMBINING BALANCE SHEET
SEPTEMBER 30, 1991

ASSETS

	ELECTRIC UTILITY	GAS UTILITY	WATER UTILITY
CURRENT ASSETS			
Equity in pooled cash and cash equivalents	\$ 7,457,694	\$ 1,897,977	\$ 2,138,123
Receivables:			
Customer accounts - unbilled	1,380,500	99,594	112,031
billed	2,968,229	313,185	207,948
Allowance for doubtful accounts	(923,681)	(52,737)	(58,835)
Accrued interest	52,719	6,458	15,423
Inventory	771,826	79,456	130,811
Prepaid expense	79,585	10,046	1,607
TOTAL CURRENT ASSETS	<u>11,786,872</u>	<u>2,353,979</u>	<u>2,547,108</u>
RESTRICTED ASSETS			
Equity in pooled cash and cash equivalents:			
Debt service account	989,731	121,128	289,515
Renewal and replacement account	1,326,347	345,644	578,829
Impact fees account	-	-	113,773
Customer deposits account	1,146,258	71,623	67,930
Investments:			
Debt service account	1,737,844	212,895	508,410
TOTAL RESTRICTED ASSETS	<u>5,200,180</u>	<u>751,290</u>	<u>1,558,457</u>
PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipment	43,496,548	4,765,500	9,068,099
Nuclear fuel	306,715	-	-
	<u>43,803,263</u>	<u>4,765,500</u>	<u>9,068,099</u>
Less: Accumulated depreciation and amortization	(12,924,710)	(1,692,435)	(3,519,640)
	<u>30,878,553</u>	<u>3,073,065</u>	<u>5,548,459</u>
Construction in progress	757,838	4,430	67,324
	<u>31,636,391</u>	<u>3,077,495</u>	<u>5,615,783</u>
OTHER ASSETS			
Deposit with court	-	-	-
Estimated landfill closure costs--net	-	-	-
Unamortized bond issue costs	183,788	22,703	52,564
Rights to purchase power	59,76	-	-
Crystal River decommission investments	578,758	-	-
	<u>822,322</u>	<u>22,703</u>	<u>52,564</u>
TOTAL ASSETS	<u>\$ 49,445,765</u>	<u>\$ 6,205,467</u>	<u>\$ 9,773,912</u>

SANITARY SEWER AND WASTEWATER TREATMENT	TOTAL COMBINED UTILITY	OTHER ENTERPRISE FUND SANITATION SERVICES	TOTALS	
			1991	1990
\$ 3,047,643	\$ 14,541,437	\$ 888,711	\$ 15,430,148	\$ 11,225,771
122,134	1,714,259	110,218	1,824,477	2,122,783
273,509	3,762,871	165,885	3,928,756	4,297,630
(26,144)	(1,061,397)	-	(1,061,397)	(947,025)
10,941	85,541	-	85,541	70,255
2,834	984,927	-	984,927	1,077,969
-	91,238	-	91,238	104,418
<u>3,430,017</u>	<u>20,118,876</u>	<u>1,164,814</u>	<u>21,283,690</u>	<u>17,951,801</u>
205,568	1,605,942	-	1,605,942	1,550,976
343,356	2,594,176	-	2,594,176	2,339,889
4,688	438,461	-	438,461	258,288
17,960	1,303,771	41	1,303,812	1,287,416
360,653	2,819,802	-	2,819,802	2,317,776
<u>1,252,225</u>	<u>8,762,152</u>	<u>41</u>	<u>8,762,193</u>	<u>7,753,846</u>
16,794,157	74,124,304	1,110,151	75,234,455	69,559,201
-	306,715	-	306,715	339,304
<u>16,794,157</u>	<u>74,431,019</u>	<u>1,110,151</u>	<u>75,541,170</u>	<u>69,898,505</u>
(4,532,690)	(22,669,475)	(749,302)	(23,418,777)	(21,440,997)
<u>12,261,467</u>	<u>51,761,544</u>	<u>360,849</u>	<u>52,122,393</u>	<u>48,457,508</u>
236,846	1,066,438	-	1,066,438	4,048,569
<u>12,498,313</u>	<u>52,827,982</u>	<u>360,849</u>	<u>53,188,831</u>	<u>52,506,077</u>
1,620,000	1,620,000	-	1,620,000	-
-	-	302,000	302,000	231,650
106,363	365,418	-	365,418	323,117
-	59,776	-	59,776	62,056
-	578,758	-	578,758	533,758
<u>1,726,363</u>	<u>2,623,952</u>	<u>302,000</u>	<u>2,925,952</u>	<u>1,150,581</u>
\$ <u>18,907,818</u>	\$ <u>84,332,962</u>	\$ <u>1,827,704</u>	\$ <u>86,160,666</u>	\$ <u>79,362,304</u>

CITY OF LEESBURG, FLORIDA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1991

LIABILITIES AND FUND EQUITY

	<u>ELECTRIC UTILITY</u>	<u>GAS UTILITY</u>	<u>WATER UTILITY</u>
CURRENT LIABILITIES			
Accounts payable	\$ 1,376,260	\$ 127,144	\$ -
Accrued expenses	662,391	55,246	40,238
Customer advances for construction	46,483	-	-
Estimated landfill closure cost payable	-	-	-
TOTAL CURRENT LIABILITIES	<u>2,085,134</u>	<u>182,390</u>	<u>40,238</u>
CURRENT LIABILITIES (Payable from restricted assets)			
Customer deposits	1,146,258	71,623	67,930
Accrued interest on revenue bonds	509,228	62,342	148,981
Current portion, bonds payable	120,180	14,713	35,160
TOTAL CURRENT LIABILITIES (Payable from restricted assets)	<u>1,775,666</u>	<u>148,678</u>	<u>252,071</u>
LONG-TERM LIABILITIES			
Notes payable	-	-	-
Refunding revenue bonds payable	14,094,966	1,725,535	4,123,653
Accrued interest on capital appreciation revenue bonds	414,030	50,664	121,117
Less: Unamortized discount	(152,384)	(18,761)	(43,576)
Decommissioning costs	578,758	-	-
TOTAL LONG-TERM LIABILITIES	<u>14,935,370</u>	<u>1,757,438</u>	<u>4,201,194</u>
TOTAL LIABILITIES	<u>18,796,170</u>	<u>2,088,506</u>	<u>4,493,503</u>
FUND EQUITY			
Contributed capital:			
Other governments	17,986	6,512	77,284
Customers and developers	1,944,175	56,730	1,352,030
Other funds	-	-	-
Total contributed capital	<u>1,962,161</u>	<u>63,242</u>	<u>1,429,314</u>
Retained earnings:			
Reserved:			
Debt service	2,098,174	256,918	613,793
Renewal and replacement	1,326,347	345,644	578,829
Unreserved	25,262,913	3,451,157	2,658,473
Total retained earnings	<u>28,687,434</u>	<u>4,053,719</u>	<u>3,851,095</u>
TOTAL FUND EQUITY	<u>30,649,595</u>	<u>4,116,961</u>	<u>5,280,409</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 49,445,765</u>	<u>\$ 6,205,467</u>	<u>\$ 9,773,912</u>

SANITARY SEWER AND WASTEWATER TREATMENT	TOTAL COMBINED UTILITY	OTHER ENTERPRISE FUND SANITATION SERVICES	TOTALS	
			1991	1990
\$	\$	\$	\$	\$
	1,503,404		1,503,404	1,311,292
87,221	845,096	42,999	888,095	844,880
8,900	55,383	-	55,383	69,976
	-	787,717	787,717	897,555
<u>96,121</u>	<u>2,403,883</u>	<u>830,716</u>	<u>2,334,599</u>	<u>3,209,703</u>
17,960	1,303,771	41	1,303,812	1,287,416
105,705	26,256	-	826,256	831,854
24,947	195,000	-	195,000	185,000
<u>148,612</u>	<u>2,325,027</u>	<u>41</u>	<u>2,325,068</u>	<u>2,304,270</u>
2,690,669	2,690,669	-	2,690,669	-
2,925,846	22,870,000	-	22,870,000	23,064,998
85,943	671,754	-	671,754	542,959
(31,618)	(246,339)	-	(246,339)	(267,737)
	578,758	-	578,758	533,758
<u>5,670,840</u>	<u>26,564,842</u>	<u>-</u>	<u>26,564,842</u>	<u>23,873,978</u>
<u>5,915,573</u>	<u>31,293,752</u>	<u>830,757</u>	<u>32,124,509</u>	<u>29,387,951</u>
8,011,471	8,113,253	-	8,113,253	8,113,254
2,646,872	5,999,807	-	5,999,807	5,789,546
14,450	14,450	440,967	455,417	455,417
<u>10,672,793</u>	<u>14,127,510</u>	<u>440,967</u>	<u>14,568,477</u>	<u>14,358,217</u>
435,602	3,404,487	-	3,404,487	2,851,398
343,356	2,594,176	-	2,594,176	2,339,889
1,540,494	32,913,037	555,980	33,469,017	30,424,849
<u>2,319,452</u>	<u>38,911,700</u>	<u>555,980</u>	<u>39,467,680</u>	<u>35,616,136</u>
<u>12,992,745</u>	<u>53,039,210</u>	<u>996,947</u>	<u>54,036,157</u>	<u>49,974,353</u>
\$ <u>18,907,818</u>	\$ <u>84,352,962</u>	\$ <u>1,827,704</u>	\$ <u>86,160,666</u>	\$ <u>79,362,304</u>

CITY OF LEESBURG, FLORIDA
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>ELECTRIC UTILITY</u>	<u>GAS UTILITY</u>	<u>WATER UTILITY</u>
OPERATING REVENUES			
User charges	\$ 26,521,991	\$ 4,595,531	\$ 1,665,997
Other operating revenue	362,057	79,884	44,326
TOTAL OPERATING REVENUES	<u>26,884,048</u>	<u>4,675,415</u>	<u>1,710,323</u>
OPERATING EXPENSES			
Power generation and transmission	1,359,133	-	-
Purchased energy	14,138,865	2,827,147	-
Supply and pumping	-	-	100,113
Treatment	-	-	245,469
Distribution and collection	1,509,527	145,842	159,665
Customer accounts	607,904	202,715	182,819
General and administrative	961,236	343,881	326,738
Operating expenses	-	-	-
Depreciation and amortization	1,818,046	134,739	343,842
TOTAL OPERATING EXPENSES	<u>20,394,711</u>	<u>3,654,324</u>	<u>1,358,646</u>
OPERATING INCOME (LOSS)	<u>6,489,337</u>	<u>1,021,091</u>	<u>351,677</u>
NONOPERATING REVENUE (EXPENSE)			
Interest income	737,106	162,691	237,777
Other nonoperating income	75,031	7,673	16,434
Interest expense	(1,127,071)	(138,048)	(329,541)
Loss on disposal of property, plant and equipment	(113,809)	-	-
Other nonoperating expense	(63,811)	(537)	-
TOTAL NONOPERATING REVENUE (EXPENSE)	<u>(492,554)</u>	<u>31,779</u>	<u>(75,330)</u>
INCOME BEFORE OPERATING TRANSFER	5,996,783	1,052,870	276,347
OPERATING TRANSFER			
Transfers out	<u>(2,925,096)</u>	<u>(556,992)</u>	<u>(159,000)</u>
NET INCOME	3,071,687	495,878	117,347
RETAINED EARNINGS BEGINNING OF YEAR	<u>25,615,747</u>	<u>3,557,841</u>	<u>3,733,748</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 28,687,434</u>	<u>\$ 4,053,719</u>	<u>\$ 3,851,095</u>

SANITARY SEWER AND WASTEWATER TREATMENT	TOTAL COMBINED UTILITY	OTHER ENTERPRISE FUND SANITATION SERVICES	TOTALS	
			1991	1990
\$ 2,203,173	\$ 34,986,692	\$ 1,804,746	\$ 36,791,438	\$ 34,913,149
67,632	553,899	-	553,899	426,468
<u>2,270,805</u>	<u>35,540,591</u>	<u>1,804,746</u>	<u>37,345,337</u>	<u>35,339,617</u>
-	1,359,133	-	1,359,133	1,278,054
-	16,966,012	-	16,966,012	15,662,451
159,768	250,881	-	250,881	258,227
560,129	805,598	-	805,598	763,556
96,637	1,911,671	-	1,911,671	1,636,422
187,364	1,180,802	-	1,180,802	1,054,633
164,988	2,096,843	-	2,096,843	1,767,037
-	-	1,580,500	1,580,500	952,870
384,689	2,681,316	309,123	2,990,439	2,273,598
<u>1,844,575</u>	<u>27,252,256</u>	<u>1,889,623</u>	<u>29,141,879</u>	<u>25,646,848</u>
426,230	8,288,335	(84,877)	8,203,458	9,692,769
236,446	1,374,020	78,931	1,452,951	1,675,887
48,318	147,456	10,480	157,936	212,164
(355,597)	(1,950,257)	-	(1,950,257)	(1,835,120)
-	(113,809)	-	(113,809)	-
(82,803)	(147,151)	-	(147,151)	(110,633)
<u>(153,636)</u>	<u>(689,741)</u>	<u>89,411</u>	<u>(600,330)</u>	<u>(57,702)</u>
272,594	7,598,594	4,534	7,603,128	9,635,067
(110,496)	(3,751,584)	-	(3,751,584)	(3,451,584)
162,098	3,847,010	4,534	3,851,544	6,183,483
<u>2,157,354</u>	<u>35,064,690</u>	<u>551,446</u>	<u>35,616,136</u>	<u>29,432,653</u>
\$ <u>2,319,452</u>	\$ <u>38,911,700</u>	\$ <u>555,980</u>	\$ <u>39,467,680</u>	\$ <u>35,616,136</u>

CITY OF LEESBURG, FLORIDA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>ELECTRIC UTILITY</u>	<u>GAS UTILITY</u>	<u>WATER UTILITY</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 8,822,657	\$ 1,265,565	\$ 1,137,180
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES			
Nonoperating income	75,031	7,673	16,434
Nonoperating expense	(63,811)	(537)	-
Operating transfers out to other funds	<u>(2,925,096)</u>	<u>(556,992)</u>	<u>(159,000)</u>
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	<u>(2,913,876)</u>	<u>(549,856)</u>	<u>(142,566)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid on revenue bonds	(1,021,915)	(125,213)	(298,974)
Acquisition and construction of capital assets	(2,868,823)	(301,976)	(603,756)
Principal paid on bond maturities	(114,037)	(13,946)	(33,250)
Capital contributed (refunded)	136,375	713	(48,892)
Proceeds from notes payable	-	-	-
Proceeds from the sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(3,868,400)</u>	<u>(640,422)</u>	<u>(984,972)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	(309,707)	(37,941)	(90,605)
Interest on investments	727,685	161,537	235,021
Purchase of Crystal River decommission investments	<u>(45,000)</u>	<u>-</u>	<u>-</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>372,978</u>	<u>123,596</u>	<u>144,416</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,413,359	398,883	154,058
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>8,506,671</u>	<u>2,037,489</u>	<u>3,034,112</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 10,920,030</u>	<u>\$ 2,436,372</u>	<u>\$ 3,188,170</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 6,489,337	\$ 1,021,091	\$ 351,677
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	1,818,046	134,739	343,842
Bad debt expense	106,992	3,396	1,992
Increase (decrease) in customer accounts	301,541	93,172	437,758
Increase (decrease) in inventory	(31,957)	2,011	3,307
Increase (decrease) in prepaid expenses	15,274	(1,237)	(857)
Increase in Crystal River decommission funds	-	-	-
(Decrease) increase in accounts payable	98,902	7,210	-
Decrease in estimated landfill closure costs payable	-	-	-
(Decrease) increase in accrued expenses	36,148	2,737	(2,781)
(Decrease) increase in customer advances for construction	(16,293)	-	-
Increase in customer deposits	4,667	2,446	2,242
Increase in decommissioning costs	<u>-</u>	<u>-</u>	<u>-</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 8,822,657</u>	<u>\$ 1,265,565</u>	<u>\$ 1,137,180</u>

SANITARY SEWER AND WASTEWATER TREATMENT	TOTAL COMBINED UTILITY	OTHER ENTERPRISE FUND SANITATION SERVICES	TOTALS	
			1991	1990
\$ 799,122	\$ 12,024,524	\$ (285,951)	\$ 11,738,573	\$ 11,315,584
48,318	147,456	10,480	157,936	212,164
(82,803)	(147,151)	-	(147,151)	(110,633)
<u>(110,496)</u>	<u>(3,751,584)</u>	<u>-</u>	<u>(3,751,584)</u>	<u>(3,451,584)</u>
<u>(144,981)</u>	<u>(3,751,279)</u>	<u>10,480</u>	<u>(3,740,799)</u>	<u>(3,350,053)</u>
(401,861)	(1,847,963)	-	(1,847,963)	(1,731,717)
(1,035,392)	(4,809,947)	(242,086)	(5,052,033)	(8,771,940)
(23,665)	(18,398)	-	(184,998)	(420,000)
122,064	210,260	-	210,260	2,180,332
2,690,669	2,690,669	-	2,690,669	-
<u>6,351</u>	<u>6,351</u>	<u>-</u>	<u>6,351</u>	<u>-</u>
<u>1,358,166</u>	<u>(3,935,628)</u>	<u>(242,086)</u>	<u>(4,177,714)</u>	<u>(8,743,325)</u>
(64,273)	(502,526)	-	(502,526)	(469,719)
234,491	1,358,734	78,931	1,437,665	1,737,720
<u>-</u>	<u>(45,000)</u>	<u>-</u>	<u>(45,000)</u>	<u>-</u>
<u>170,218</u>	<u>811,208</u>	<u>78,931</u>	<u>890,139</u>	<u>1,268,001</u>
2,182,525	5,148,825	(438,626)	4,710,199	490,207
<u>1,756,690</u>	<u>15,334,962</u>	<u>1,327,378</u>	<u>16,662,340</u>	<u>16,172,133</u>
\$ <u>3,939,215</u>	\$ <u>20,483,787</u>	\$ <u>888,752</u>	\$ <u>21,372,539</u>	\$ <u>16,662,340</u>
\$ 426,230	\$ 8,288,335	\$ (84,877)	\$ 8,203,458	\$ 9,692,769
384,689	2,681,316	309,123	2,990,439	3,123,588
1,992	114,372	-	114,372	74,613
(24,274)	808,197	(141,017)	667,180	(1,139,424)
79	(26,560)	-	(26,560)	(151,073)
-	13,180	-	13,180	(104,418)
-	-	-	-	777,242
-	106,112	-	106,112	(57,109)
-	-	(374,626)	(374,626)	(202,862)
1,706	37,810	5,405	43,215	8,779
1,700	(14,593)	-	(14,593)	(8,689)
7,000	16,355	41	16,396	89,410
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(777,242)</u>
\$ <u>799,122</u>	\$ <u>12,024,524</u>	\$ <u>(285,951)</u>	\$ <u>11,738,573</u>	\$ <u>11,315,584</u>

This page intentionally left blank

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, 1991

ASSETS

	MOTOR POOL SERVICE	GENERAL EMPLOYEES' HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	TOTALS	
				1991	1990
CURRENT ASSETS					
Equity in pooled cash and cash equivalents	\$ 6,447	\$ 189,046	\$ 1,267,174	\$ 1,462,667	\$ 1,186,346
Inventory	14,194	-	-	14,194	20,477
TOTAL CURRENT ASSETS	20,641	189,046	1,267,174	1,476,861	1,206,823
PROPERTY, PLANT AND EQUIPMENT					
Machinery and equipment	143,367	-	-	143,367	125,104
Less: Accumulated depreciation	(85,665)	-	-	(85,665)	(74,503)
	57,702	-	-	57,702	50,601
TOTAL ASSETS	\$ 78,343	\$ 189,046	\$ 1,267,174	\$ 1,534,563	\$ 1,257,424

LIABILITIES AND FUND EQUITY

LIABILITIES					
Accrued expenses	\$ 7,759	\$ -	\$ -	\$ 7,759	\$ 11,842
Claims payable	-	161,124	58,267	219,391	304,332
TOTAL LIABILITIES	7,759	161,124	58,267	227,150	316,174
FUND EQUITY					
Contributed capital - General Fund	15,979	-	-	15,979	15,979
Retained earnings:					
Reserved for insurance:		27,922	1,208,907	1,236,829	881,144
Unreserved	54,605	-	-	54,605	44,127
TOTAL FUND EQUITY	70,584	27,922	1,208,907	1,307,413	941,250
TOTAL LIABILITIES AND FUND EQUITY	\$ 78,343	\$ 189,046	\$ 1,267,174	\$ 1,534,563	\$ 1,257,424

CITY OF LEESBURG, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED SEPTEMBER 30, 1991

	MOTOR POOL SERVICE	GENERAL EMPLOYEES' HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	TOTALS	
				1991	1990
OPERATING REVENUES					
Charges for services	\$ 275,690	\$ 851,592	\$ 536,086	\$ 1,663,368	\$ 1,300,852
OPERATING EXPENSES					
Personal services	126,495	-	-	126,495	117,223
Other services and charges	21,944	-	-	21,944	24,600
Materials and supplies	105,611	-	-	105,611	125,797
Depreciation	11,162	-	-	11,162	8,858
Claims expense	-	669,074	45,045	714,119	792,803
Administrative expenses	-	43,400	82,211	125,611	110,597
Insurance premiums	-	144,911	26,132	171,043	134,016
TOTAL OPERATING EXPENSES	<u>265,212</u>	<u>857,385</u>	<u>153,388</u>	<u>1,275,985</u>	<u>1,313,394</u>
OPERATING (LOSS) INCOME	<u>10,478</u>	<u>(5,793)</u>	<u>382,698</u>	<u>387,383</u>	<u>(12,542)</u>
NONOPERATING INCOME					
Investment income	<u>-</u>	<u>11,168</u>	<u>74,207</u>	<u>85,375</u>	<u>118,505</u>
INCOME BEFORE OPERATING TRANSFERS	10,478	5,375	456,905	472,758	105,963
OPERATING TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>(106,595)</u>	<u>(106,595)</u>	<u>(12,055)</u>
NET INCOME	10,478	5,375	350,310	366,163	93,908
RETAINED EARNINGS, BEGINNING OF YEAR	<u>44,127</u>	<u>22,547</u>	<u>858,597</u>	<u>925,271</u>	<u>831,363</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 54,605</u>	<u>\$ 27,922</u>	<u>\$ 1,208,907</u>	<u>\$ 1,291,434</u>	<u>\$ 925,271</u>

CITY OF LEESBURG, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 1991

	MOTOR POOL SERVICE	GENERAL EMPLOYEES' HEALTH INSURANCE	WORKMENS' COMPENSATION INSURANCE	TOTALS	
				1991	1990
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 23,840	\$ (6,444)	\$ 298,408	\$ 315,804	\$ 39,207
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(18,263)	-	-	(18,263)	(10,227)
CASH FLOWS USED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Operating transfers to other funds	-	-	(106,595)	(106,595)	(12,055)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	-	11,168	74,207	85,375	118,505
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,577	4,724	266,020	276,321	135,430
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	870	184,322	1,001,154	1,186,346	1,050,916
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 6,447	\$ 189,046	\$ 1,267,174	\$ 1,462,667	\$ 1,186,346
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 10,478	\$ (5,793)	\$ 382,698	\$ 387,383	\$ (12,542)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	11,162	-	-	11,162	8,858
Decrease in inventory	6,283	-	-	6,283	(9,192)
Decrease in insurance claim receivable	-	-	-	-	8,373
Decrease in claims payable	-	(651)	(84,290)	(84,941)	41,727
Increase in accrued expenses	(4,083)	-	-	(4,083)	1,983
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 23,840	\$ (6,444)	\$ 298,408	\$ 315,804	\$ 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, 1991

ASSETS	PENSION TRUST FUNDS		
	MUNICIPAL POLICE RETIREMENT TRUST	MUNICIPAL FIREMEN'S RETIREMENT TRUST	GENERAL EMPLOYEES' PENSION
Cash and investments with trustees	\$ 2,951,829	\$ 3,655,880	\$ 9,691,552
Accrued interest receivable	<u>535</u>	<u>1,064</u>	<u>162,583</u>
TOTAL ASSETS	<u>\$ 2,952,364</u>	<u>\$ 3,656,944</u>	<u>\$ 9,854,135</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Due to participants	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY			
Fund balances reserved for employee benefits	<u>2,952,364</u>	<u>3,656,944</u>	<u>9,854,134</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 2,952,364</u>	<u>\$ 3,656,944</u>	<u>\$ 9,854,135</u>

<u>AGENCY FUND DEFERRED COMPENSATION</u>	<u>TOTALS</u>	
	<u>1991</u>	<u>1990</u>
\$ 910,428	\$ 17,209,689	\$ 14,406,506
	164,132	174,713
<u>\$ 910,428</u>	<u>\$ 17,373,871</u>	<u>\$ 14,581,219</u>
\$ 910,428	\$ 910,428	\$ 729,176
910,428	910,428	729,176
	16,463,443	13,852,043
<u>\$ 910,428</u>	<u>\$ 17,373,871</u>	<u>\$ 14,581,219</u>

CITY OF LEEBURG, FLORIDA
PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 1991

	PENSION TRUST FUNDS			TOTALS	
	MUNICIPAL POLICE RETIREMENT TRUST	MUNICIPAL FIREMEN'S RETIREMENT TRUST	GENERAL EMPLOYEES' PENSION	1991	1990
OPERATING REVENUES					
Investment income:					
Unrealized increase in fair value of investments	\$ 182,624	\$ 460,962	\$ 458,812	\$ 1,102,398	\$ -
Interest and dividend income	25,540	39,531	646,683	711,754	809,571
Gain on sale of investments-net	252,304	58,675	27,214	338,193	452,301
Total investment income	<u>460,468</u>	<u>559,168</u>	<u>1,132,709</u>	<u>2,152,345</u>	<u>1,261,872</u>
Contributions:					
Employer	-	64,106	646,153	710,259	623,816
Employee	72,634	42,735	-	115,369	105,796
State of Florida	87,109	51,781	-	138,890	135,033
Total contributions	<u>159,743</u>	<u>158,622</u>	<u>646,153</u>	<u>964,518</u>	<u>864,645</u>
TOTAL OPERATING REVENUES	<u>620,211</u>	<u>717,790</u>	<u>1,778,862</u>	<u>3,116,863</u>	<u>2,126,517</u>
OPERATING EXPENSES					
Investment expense:					
Unrealized decrease in fair value of investments	-	-	-	-	814,267
Benefit payments	9,044	153,472	178,683	341,199	254,332
Administrative expenses	43,989	22,086	98,189	164,264	139,304
TOTAL OPERATING EXPENSES	<u>53,033</u>	<u>175,558</u>	<u>276,872</u>	<u>505,463</u>	<u>1,207,903</u>
NET INCOME	567,178	542,232	1,501,990	2,611,400	918,614
FUND BALANCES, BEGINNING OF YEAR	<u>2,385,186</u>	<u>3,114,712</u>	<u>8,352,145</u>	<u>13,852,043</u>	<u>12,933,429</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,952,364</u>	<u>\$ 3,656,944</u>	<u>\$ 9,854,135</u>	<u>\$ 16,463,443</u>	<u>\$ 13,852,043</u>

CITY OF LEESBURG, FLORIDA
 FIDUCIARY FUND TYPES
 AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>BALANCE</u> <u>OCTOBER 1, 1990</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>SEPTEMBER 30, 1991</u>
ASSETS				
Investments	\$ 729,176	\$ 191,761	\$ 10,509	\$ 910,428
TOTAL ASSETS	<u>\$ 729,176</u>	<u>\$ 191,761</u>	<u>\$ 10,509</u>	<u>\$ 910,428</u>
LIABILITIES				
Due to participants	\$ 729,176	\$ 191,761	\$ 10,509	\$ 910,428
TOTAL LIABILITIES	<u>\$ 729,176</u>	<u>\$ 191,761</u>	<u>\$ 10,509</u>	<u>\$ 910,428</u>

This page intentionally left blank

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, 1991

	<u>1991</u>	<u>1990</u>
GENERAL FIXED ASSETS		
Land	\$ 2,350,395	\$ 2,260,619
Building	7,290,069	7,108,750
Improvements other than buildings	4,151,105	4,393,975
Equipment and vehicles	4,565,557	4,275,427
Construction work in progress	<u>1,643,290</u>	<u>1,609,397</u>
 TOTAL GENERAL FIXED ASSETS	 \$ <u>20,000,416</u>	 \$ <u>19,648,168</u>
 INVESTMENTS IN GENERAL FIXED ASSETS		
General obligation bonds and revenue certificates	\$ 5,857,688	\$ 6,336,945
Capitalized bond interest	29,331	29,331
Capital projects funds:		
Economic development administration 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	3,570,246	3,563,431
General fund revenues	6,880,308	6,242,254
Special revenue fund revenues	493,067	422,986
Utility revenue fund revenues	69,607	69,607
Gifts and other	<u>433,229</u>	<u>316,674</u>
 TOTAL INVESTMENT IN GENERAL FIXED ASSETS	 \$ <u>20,000,416</u>	 \$ <u>19,648,168</u>

CITY OF LEESBURG, FLORIDA
 SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
 SEPTEMBER 30, 1991

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	182,620	-	-	-	182,620
Financial and administrative	406,048	-	112,932	16,384	276,732
Other general government	2,055,889	65,709	1,648,604	145,367	196,209
TOTAL GENERAL GOVERNMENT	<u>3,433,081</u>	<u>731,040</u>	<u>1,881,854</u>	<u>161,751</u>	<u>658,436</u>
PUBLIC SAFETY					
Law enforcement	1,290,928	53,438	368,617	61,474	807,399
Fire control	1,077,772	5,452	292,767	15,019	764,534
Detention and correction	5,002	-	-	-	5,002
Protective inspection	32,462	-	-	-	32,462
TOTAL PUBLIC SAFETY	<u>2,406,164</u>	<u>58,890</u>	<u>661,384</u>	<u>76,493</u>	<u>1,609,397</u>
PHYSICAL ENVIRONMENT	<u>578,272</u>	<u>-</u>	<u>66,908</u>	<u>105,712</u>	<u>405,652</u>
TRANSPORTATION					
Roads and streets	738,500	103,713	54,169	189,034	391,614
Airport	3,051,450	385,084	49,467	2,602,384	14,515
Parking facilities	36,504	36,504	-	-	-
TOTAL TRANSPORTATION	<u>3,826,454</u>	<u>525,301</u>	<u>103,636</u>	<u>2,791,418</u>	<u>406,129</u>
ECONOMIC ENVIRONMENT	<u>305,523</u>	<u>185,579</u>	<u>-</u>	<u>85,145</u>	<u>34,799</u>
HUMAN SERVICES	<u>2,179,114</u>	<u>31,430</u>	<u>2,147,684</u>	<u>-</u>	<u>-</u>
CULTURE AND RECREATION					
Community building	418,161	-	418,161	-	-
Libraries	1,695,865	51,000	964,853	-	680,012
Parks and recreation	2,318,436	579,346	519,172	549,658	669,760
Cultural services	507,586	110,567	299,645	94,301	3,073
Special recreational facilities	649,611	77,242	226,272	284,115	52,982
Other culture and recreation	47,829	-	-	2,512	45,317
TOTAL CULTURE AND RECREATION	<u>5,628,488</u>	<u>818,155</u>	<u>2,428,603</u>	<u>930,586</u>	<u>1,451,144</u>
TOTAL BY FUNCTION AND ACTIVITY		<u>\$ 2,350,395</u>	<u>\$ 7,290,069</u>	<u>\$ 4,151,105</u>	<u>\$ 4,565,557</u>
CONSTRUCTION WORK IN PROGRESS	<u>1,643,290</u>				
TOTAL GENERAL FIXED ASSETS	<u>\$ 20,000,416</u>				

CITY OF LEESBURG, FLORIDA
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
 FOR THE YEAR ENDED SEPTEMBER 30, 1991

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS 10/1/90	ADDITIONS	DEDUCTIONS	GENERAL FIXED ASSETS 9/30/91
GENERAL GOVERNMENT				
Legislative	\$ 788,524	\$ -	\$ -	\$ 788,524
Executive	195,713	4,558	17,551	182,620
Financial and administrative	376,090	42,966	13,008	406,048
Other general government	2,079,580	43,403	67,094	2,055,889
TOTAL GENERAL GOVERNMENT	<u>3,439,907</u>	<u>90,927</u>	<u>97,753</u>	<u>3,433,081</u>
PUBLIC SAFETY				
Law enforcement	1,114,483	247,444	70,999	1,290,928
Fire control	1,061,990	20,692	4,910	1,077,772
Detention and correction	5,002	-	-	5,002
Protective inspection	29,066	18,965	15,569	32,462
TOTAL PUBLIC SAFETY	<u>2,210,541</u>	<u>287,101</u>	<u>91,478</u>	<u>2,406,164</u>
PHYSICAL ENVIRONMENT	<u>504,812</u>	<u>150,477</u>	<u>77,017</u>	<u>578,272</u>
TRANSPORTATION				
Roads and streets	1,107,122	67,144	435,736	738,530
Airport	3,047,804	3,646	-	3,051,450
Parking facilities	36,504	-	-	36,504
TOTAL TRANSPORTATION	<u>4,191,430</u>	<u>70,790</u>	<u>435,736</u>	<u>3,826,484</u>
ECONOMIC ENVIRONMENT	<u>359,370</u>	<u>6,818</u>	<u>60,665</u>	<u>305,523</u>
HUMAN SERVICES	<u>2,179,114</u>	<u>-</u>	<u>-</u>	<u>2,179,114</u>
CULTURE AND RECREATION				
Community building	418,161	-	-	418,161
Libraries	1,617,185	79,680	1,000	1,695,865
Parks and recreation	2,191,139	142,488	15,191	2,318,436
Cultural services	238,672	268,914	-	507,586
Special recreational facilities	640,611	-	-	640,611
Other culture and recreation	47,829	-	-	47,829
TOTAL CULTURE AND RECREATION	<u>5,153,597</u>	<u>491,082</u>	<u>16,191</u>	<u>5,628,488</u>
CONSTRUCTION WORK IN PROGRESS	<u>1,609,397</u>	<u>767,885</u>	<u>733,992</u>	<u>1,643,290</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 19,648,168</u>	<u>\$ 1,865,080</u>	<u>\$ 1,512,832</u>	<u>\$ 20,000,416</u>

CITY OF LEESBURG, FLORIDA
 SCHEDULE OF GENERAL LONG-TERM DEBT
 SEPTEMBER 30, 1991

	1991	1990
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	\$ 754,931	\$ 714,035
Amount to be provided	4,920,069	5,105,965
	5,675,000	5,820,000
TOTAL SERIAL AND TERM BONDS		
OTHER LONG-TERM LIABILITIES		
Amount to be provided	650,106	584,015
TOTAL AVAILABLE AND TO BE PROVIDED	\$ 6,325,106	\$ 6,404,015
GENERAL LONG-TERM DEBT PAYABLE		
Refunding and capital improvement revenue bonds, Series 1987	\$ 5,675,000	\$ 5,820,000
Employee compensation absences payable	635,106	560,739
Real estate notes payable	15,000	23,276
TOTAL GENERAL LONG-TERM DEBT PAYABLE	\$ 6,325,106	\$ 6,404,015

This page intentionally left blank

STATISTICAL SECTION

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 (1)
 LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>PHYSICAL ENVIRONMENT</u>	<u>TRANSPORTATION</u>	<u>ECONOMIC ENVIRONMENT</u>
1982	\$ 1,262,196	\$ 1,967,448	\$ 254,125	\$ 474,211	\$ 47,620
1983	465,806	2,215,564	226,113	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
1991	679,188	3,725,460	620,201	1,012,572	168,558

- (1) Includes General, Special Revenue and Debt Service Funds.
- (2) In 1982, Ambulance Services and Refuse and Garbage are shown in Enterprise Funds.
- (3) In 1982 and 1983, Insurance, Retirement Benefits, Taxes and Other Miscellaneous expenditures were distributed to the various functions.

TABLE

<u>HUMAN SERVICES</u>	<u>CULTURE AND RECREATION</u>	<u>DEBT SERVICE</u>	<u>MISCELLANEOUS AND OTHER</u>	<u>TOTAL</u>
\$ 149,392	\$ 1,056,506	\$ 53,020	\$ 119,899	\$ 5,384,417
152,282	1,021,193	794,003	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	1,770,221	9,776,919
530,776	1,821,182	532,620	1,228,064	10,318,921

CITY OF LEESBURG, FLORIDA
 GENERAL REVENUES BY SOURCE AND OTHER FINANCING SOURCES (1)
 LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>TAXES</u>	<u>LICENSES AND PERMITS</u>	<u>INTERGOVERNMENT/</u>	<u>CHARGES FOR SERVICES</u>
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	1,917,045	151,620
1991	2,502,616	149,490	2,013,782	310,775

- (1) Includes General, Special Revenue and Debt Service Funds.
- (2) In 1982 through 1985, the Ambulance Services revenues are shown in Enterprise Fund. From 1982 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.

<u>FINES AND FORFEITURES</u>	<u>MISCELLANEOUS AND OTHER</u>	<u>TRANSFERS</u>	<u>TOTAL</u>
\$ 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	3,305,692	8,232,556
166,150	668,054	4,013,674	9,402,617
214,258	717,143	3,994,006	9,803,965
207,207	799,680	4,386,359	10,369,909

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

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>PERCENT OF LEVY COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>
1982	\$ 984,022	\$ 957,309	\$ 97.3%	\$ 926
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
1991	1,889,963	1,776,006	93.9%	13,822

- (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

<u>TOTAL TAX COLLECTIONS</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</u>	<u>OUTSTANDING DELINQUENT TAXES (1)</u>	<u>PERCENT OF DELINQUENT TAXES TO TAX LEVY</u>
\$ 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%	-	-
1,789,828	94.7%	-	-

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
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	651,740	418,333,752	556,185,272
1991	140,970,030	375,988,267	111,621,004	675,318	419,991,884	560,961,914

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 LEEBSBURG, FLORIDA
 PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
 (PER \$1,000 OF ASSESSED VALUE)
 LAST TEN FISCAL YEARS

TABLE 5

<u>FISCAL YEAR</u>	<u>CITY</u>	<u>SCHOOL DISTRICT</u>	<u>COUNTY</u>	<u>AMBULANCE DISTRICT</u>	<u>NORTHWEST HOSPITAL DISTRICT</u>	<u>WATER CONSERVATION AUTHORITY</u>	<u>WATER MANAGEMENT DISTRICT</u>	<u>TOTAL</u>
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	3.200	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
1991	4.500	8.749	4.938	0.223	1.000	0.771	0.358	20.539

CITY OF LEESBURG, FLORIDA
 COMPUTATION OF DIRECT AND OVERLAPPING
 GENERAL OBLIGATION DEBT-1
 SEPTEMBER 30, 1991

TABLE 6

<u>GOVERNMENT UNIT</u>	<u>OUTSTANDING</u>	<u>APPLICABLE TO THE CITY OF LEESBURG</u>	
		<u>PERCENT-2</u>	<u>AMOUNT</u>
Lake County School District	\$ 6,345,000	13.62%	\$ 864,189
Lake County Sales Tax Revenue Bonds	34,245,000	13.62%	4,664,169

- (1) The City of Leesburg did not have any general obligation debt outstanding during the fiscal year ended September 30, 1991.
- (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
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
1991	145,000	378,180	523,180	8,567,677	6.11

(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

<u>FISCAL YEAR</u>	<u>GROSS REVENUES</u>	<u>OPERATION AND MAINTENANCE COSTS-1</u>	<u>NET REVENUE</u>
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
1991	36,692,109	24,570,940	12,121,169

(1) Excludes interest expense and depreciation.

TABLE 8

DEBT SERVICE REQUIREMENTS				
<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>SINKING FUND</u>	<u>TOTAL</u>	<u>COVERAGE</u>
-	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	2,379,841	4.16
185,000	1,663,797	511,029	2,359,826	5.48
195,000	1,652,512	553,176	2,400,688	5.05

CITY OF LEESBURG, FLORIDA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

TABLE 9

<u>FISCAL YEAR</u>	<u>POPULATION-1</u>	<u>PER CAPITA INCOME-2</u>	<u>SCHOOL ENROLLMENT-3</u>	<u>UNEMPLOYMENT RATE-4</u>
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	16,708	N/A	5.60%
1989	14,939	N/A	N/A	6.20%
1990	14,912	N/A	N/A	7.90%
1991	15,174	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.

This page intentionally left blank

CITY OF LEESBURG, FLORIDA
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

FISCAL YEAR	COMMERCIAL CONSTRUCTION-1		RESIDENTIAL CONSTRUCTION-1	
	NUMBER OF PERMITS	VALUE	NUMBER OF UNITS	VALUE
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
1991	6	2,303,000	43	2,490,009

- (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

<u>BANK-2 DEPOSITS</u>	<u>ASSESSED TAXABLE PROPERTY VALUE-3</u>	
	<u>TAXABLE</u>	<u>NON-TAXABLE</u>
\$ 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
N/A	419,991,884	140,970,030

CITY OF LEESBURG, FLORIDA
 PRINCIPAL TAXPAYERS
 SEPTEMBER 30, 1991

TABLE 11

<u>TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
Coca-Cola - Foods Division	Citrus Processing	\$ 43,395,815	10.333%
United Telephone of Florida	Telephone	38,842,870	9.248%
Citizens National Bank	Banking	7,956,637	1.894%
Sun Bank, N.A.	Banking	5,416,053	1.290%
Walling Enterprises	Shopping Center	3,669,299	0.874%
Horne Properties, Inc.	Shopping Center	3,587,806	0.854%
NCNB National Bank	Shopping Center	3,569,572	0.850%
Leesburg Associates	Shopping Center	2,811,809	0.669%
Leesburg/Cula Associates	Shopping Center	2,274,489	0.542%
Southside Associates	Shopping Center	2,225,353	0.530%
Prime Properties Capital	Hotel	2,218,317	0.528%
Mid-Florida Freezer, Inc.	Warehouse	2,202,943	0.525%

CITY OF LEESBURG, FLORIDA
 MISCELLANEOUS STATISTICS
 SEPTEMBER 30, 1991

TABLE 12

Miles of Paved Streets	82.5
Number of Street Lights	1,723
Fire Protection:	
Number of Stations	2
Number of Firemen and Officers	31
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	47
Education (Elementary Only):	
Attendance Centers (Public Schools Only)-1	4
Number of Classrooms	108
Number of Teachers	119
Number of Students	7,356
Municipal Water Department:	
Number of Consumers - Residential	5,908
Average Daily Consumption	322
Miles of Water Mains	321
Municipal Gas Department:	
Number of Consumers - Residential	6,371
Average Daily Consumption	0.719 Therms
Miles of Gas Mains	204
Municipal Electric Department:	
Number of Consumers - Residential	13,377
Average Monthly Consumption	880
Miles of Primary Electric Lines within the City	210
Wastewater and Sanitary Sewers:	
Sanitary Sewers	135 Miles
Storm Sewer	17.5 Miles
Building Permits Issued	456
Recreation and Culture:	
Number of Parks	9 with 225 Acres
Number of Libraries	1
Number of Volumes	135,000
Total Employees for the City Overall:	
Full-time Employees	356
Part-time Employees	23

1-Elementary includes grades 1 through 4.

CITY OF LEESBURG, FLORIDA
CORPORATE LIMITS AND ANNEXATIONS
LAST TEN FISCAL YEARS

TABLE 13

<u>FISCAL YEAR</u>	<u>ANNEXATION ACRES</u>	<u>CORPORATE LIMITS</u>	
		<u>ACRES</u>	<u>SQUARE MILES</u>
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	62.63	7,242.03	11.32
1989	4.70	7,246.73	11.41
1990	310.42	7,557.15	11.89
1991	3,823.00	11,380.15	17.78

SOURCE

City of Leesburg, Department of Planning and Community Development

CITY OF OCALA



Heart of the Past - Key to the Future

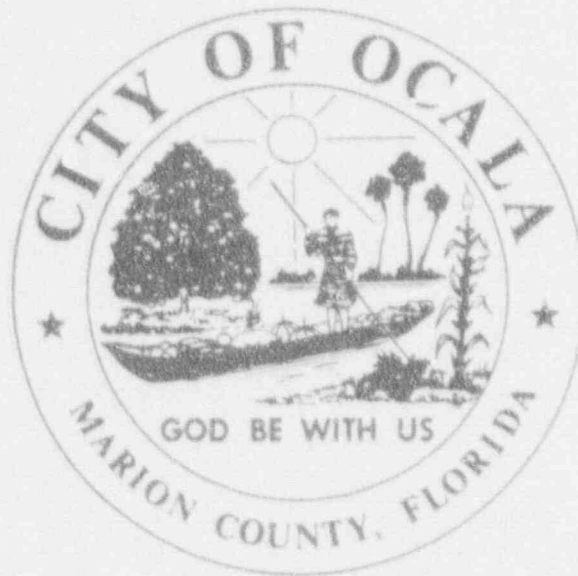
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE CITY OF OCALA, FLORIDA

FOR THE YEAR ENDED SEPTEMBER 30, 1991

CITY OF OCALA

Comprehensive Annual Financial Report



For the Fiscal Year Ended
September 30, 1991

Prepared by: Finance Department



City of Ocala

151 S.E. Osceola Avenue
Ocala, Florida

Comprehensive Annual Financial Report Of the City of Ocala, Florida For the Year Ended September 30, 1991

City Council - 1990 - 1991

Jack Clark, Mayor
Michael A. Finn, President
Michael S. Amsden
Lorenzo S. Edwards
Gerald K. Eryle
Richard A. Kesseiring

City Officials

City Manager	Scotty J. Andrews
Assistant City Manager	Richard K. Lewis
Assistant City Manager	Charles H. Lynn, Jr.
Building Official	Donald C. Noxon
City Attorney	William H. Phelan, Jr.
City Clerk	M. Jane Milam
City Engineer	B. William Ten Broeck
Downtown Development Manager	Teresa L. Thompson
Electric Utility Director	Dean G. Shaw
Acting Finance Director	Diane M. Cangelosi
Fire Chief	William E. Woods
Fleet Management Director	Vernon A. Tucker
Golf Director	Joseph Moses, Jr.
Human Resources Director	Carolyn V. Ingham
Internal Auditor	Eric J. Lewerenz
Library Director	Robert M. Lipscomb
M.I.S. Director	Chester K. Holloway
Planning Director	Paul K. Nugent
Police Chief	A. Lee McGehee
Public Works Director	Charles H. Amerman
Purchasing Director	James W. Crosby
Recreation and Parks Director	David J. Pritchard
Risk Manager	Leonard A. Baker, Jr.
Water and Sewer Director	Henry K. Hicks

INTRODUCTORY SECTION

This Section contains the following Subsections:

Table of Contents

Letter of Transmittal

Certificate of Achievement
for Excellence in Financial Reporting

City of Ocala Organization Charts

CITY OF OCALA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 1991

TABLE OF CONTENTS

	<u>Pages</u>
 <u>I. INTRODUCTORY SECTION</u>	
Letter of Transmittal	vi-xvi
Certificate of Achievement for Excellence in Financial Reporting	xvii
City of Ocala Organization Charts	xviii- xix
 <u>II. FINANCIAL SECTION</u>	
Independent Auditors' Report	1-2
 <u>General Purpose Financial Statements (Combined Statements - Overview)</u>	
o Combined Balance Sheet - All Fund Types and Account Groups	3-6
o Combined Statement of Revenues, Expen- ditures and Changes in Fund Balances - All Governmental and Expendable Trust Fund Types	7
o Combined Statement of Revenues, Expen- ditures and Changes in Fund Balances - Actual and Budget - General, Special Revenue, Capital Project and Expendable Trust Fund Types	8-11
o Combined Statement of Revenues, Expenses and Changes in Fund Equity - All Proprietary Fund Types and Pension Trust Funds	12
o Combined Statement of Cash Flows - All Proprietary Fund Types.....	13-14
o Notes to Financial Statements	15-54
o Required Supplementary Pension Disclosure	
oo Comparative Summary of Revenues by Source and Expenses by Type	55-56
oo Analysis of Funding Progress	57

Individual Fund and Account Group and Combining
Financial Statements and Schedules by Fund Type

Governmental Fund Types

Special Revenue Funds

o Combining Balance Sheet	58-59
o Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget	60-61
o Schedules of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget:	
Occupational License Fund	62
Central Florida Regional Library Fund	63
Off-Street Parking Fund	64
Downtown Development Fund	65
Local Gasoline Tax Fund	66
Stormwater Utility Fund	67

Debt Service Funds

o Combining Balance Sheet	68
o Combining Statement of Revenues, Expenditures and Changes in Fund Balances	69

Capital Project Funds

o Combining Balance Sheet	70
o Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget	71-72

Proprietary Fund Types

Enterprise Funds

o Combining Balance Sheet	73-76
o Combining Statement of Revenues, Expenses and Changes in Fund Equity	77-78
o Combining Statement of Cash Flows	79-80

Internal Service Funds

o Combining Balance Sheet	81
o Combining Statement of Revenues, Expenses and Changes in Fund Equity	82
o Combining Statement of Cash Flows	83-84

Trust and Agency Fund Types

o Combining Balance Sheet ..	85
o Expendable Trust Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget.....	86-87
o Pension Trust Funds Combining Statement of Revenues, Expenses and Changes in Fund Balances	88

General Fixed Asset Account Group

o Schedule of General Fixed Assets by Function and Activity	89
o Schedule of Changes in General Fixed Assets by Function and Activity	90

III. Single Audit Report

o Independent Auditors' Report on the Schedule of Federal Financial Assistance.....	91
o Schedule of Federal Financial Assistance	92-95
o Notes to Schedule of Federal Financial Assistance	96
o Schedule of Findings and Questioned Costs	97-98
o Independent Auditors' Reports on:	
Internal Controls at the General Purpose Financial Statement Level.....	99-100
Compliance at the General Purpose Financial Statement Level.....	101
Internal Accounting and Administrative Controls at the Federal Financial Assistance Program Level....	102-104
Compliance with General Requirements Applicable to Major Federal Financial Assistance Programs.....	105
Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs.....	106-107

IV. STATISTICAL SECTION

o	General Governmental Revenues and Other Financing Sources by Source	108-109
o	General Governmental Expenditures and Other Uses by Function	110-111
o	Property Tax Levies, Tax Collections and Assessed Valuations	112-113
o	Property Tax Rates and Levies - Direct and Overlapping Governments	114
o	Special Assessment Collections	115
o	Computation of Legal Debt Margin	116
o	Schedules of Bond Coverage	
	Electric System and Revenue Refunding Bonds, Series 1977, 1983, 1988, 1989A and 1989B	117-118
	Water and Sewer Revenue and Refunding Revenue Bonds, Series 1968, 1983, 1985A, 1985B, 1986 and 1988 and Anticipation Notes Coverage.....	119-120
	Refunding and Improvement Excise Tax Bonds, Series 1965 and 1972	121
	Street Improvement Revenue Bonds, Series 1966, 1967, 1975 and 1978	122
	Capital Improvement Revenue and Refunding Revenue Bonds, Series 1982 and 1986, and Capital Improvement Revenue and Revenue Refunding Certificates, Series 1986 and 1988	123-124
	Optional Gas Tax Revenue Bonds, Series 1989.....	125
o	Computation of Direct and Overlapping General Obligation Debt	126
o	Miscellaneous Statistical Data	127
o	Demographic Statistics	128
o	List of Ten Largest Taxpayers	129

	<u>Pages</u>
o Schedule of Insurance In Force	130-131
o Property Value, Construction and Bank Deposits	132
o List of Officers' Salaries	133
o Debt Service Requirements to Maturity	
All Bonded Deb	134
Capital Improvement Refunding Revenue Bonds, Series 1986....	135
Capital Improvement Revenue Refunding Certificates, Series 1988	136
Refunding and Improvement Excise Tax Bonds - 1972 Issue....	137
Electric System Revenue and Revenue Refunding Bonds, Series 1989A and Series 1989B	138-139
Water and Sewer Revenue and Refunding Revenue Bonds, Series 1985A, Series 1986 and Series 1988	140-142
Optional Gas Tax Revenue Bonds, Series 1989.....	143
o Analysis of Sewerage System Capital Improvement Fund Established for Florida Department of Environmental Regulation Grant #621080	144

This page was intentionally left blank.



City of Ocala

January 17, 1992

FINANCE DEPARTMENT

P. O. BOX 1270, OCALA, FLORIDA 32678-1270

City Manager and Council
City Hall
Ocala, Florida 32678

Gentlemen:

The comprehensive annual financial report (CAFR) of the City of Ocala, Florida, for the fiscal year ended September 30, 1991, is hereby submitted.

The presentation of the CAFR is controlled by and is the responsibility of the City. We believe that the report accurately and fairly presents the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. The report is structured to be of interest to the public, local government officials, state agencies and the banking and financial community in general.

The CAFR is presented in four sections: introductory, financial, single audit and statistical. The introductory section contains the table of contents, this transmittal letter, the certificate of achievement for excellence in financial reporting for our 1990 CAFR and the City's organizational chart. The financial section includes the general purpose financial statements and the individual fund and account group and combining financial statements and schedules by fund type, as well as the auditors' report on the financial statements and schedules. The single audit section contains the schedule of federal financial assistance, findings and recommendations, and the auditors' reports on the internal control structure and compliance with applicable laws and regulations, as required by the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-128, "Audit of State and Local Governments." The statistical section includes selected financial and demographic information which is designed to enhance the reader's understanding of the City's past and of its future potential.

All funds and account groups of the City of Ocala are included in this report. The City provides a full range of general services including police and fire protection; general government; culture and recreation; construction and maintenance of highways, streets and infrastructure and library services. The Library serves Marion and Levy Counties with the Ocala branch functioning as headquarters.

In order to provide both financial support and a vested higher quality of service to its citizens, the City also owns and operates, for public service, seven enterprise funds as follows: two championship golf courses with a total of 45 holes and clubhouse facilities, a garbage and trash pick up service (both back door and curbside), water and sanitary sewer services, a membership tennis facility, electric service, an airport (Ocala Municipal Airport/Jim Taylor Field), and a municipal trailer park. The financial activities of all municipal boards and commissions except for the Ocala Housing Authority are included in the City's financial statements. The Ocala Housing Authority has not met the established criteria for inclusion in the reporting entity, and accordingly is excluded from this report.

ECONOMIC CONDITION AND OUTLOOK

The City of Ocala is situated in north-central Florida, approximately equidistant from Jacksonville, Daytona, Orlando and Tampa. It is centrally located in Marion County and is the county seat. During the past decade, the City and surrounding areas have grown at a fast pace. Available land, independent water supply, relatively low taxes, moderate climate and proximity to larger cities and to popular tourist attractions continue to be the underlying causes. In the past few years, various reports and studies have shown Ocala to be one of the fastest growing areas in the nation.

Horsebreeding, dominated by thoroughbreds and Arabians, is a major industry in the Ocala area. The tourist industry is also very apparent. Disney World has constructed its first satellite information center in Ocala so that visitors can take care of all their needs before reaching Disney World. Hotels, restaurants and shopping areas have sprung up near the information center. To the immediate east of Ocala is Silver Springs Attraction, renowned for many films such as Tarzan and James Bond movies and the Sea Hunt television series, which is visited by thousands each year. K-Mart has selected Ocala as the location for a new distribution center, which started in operations in 1991. Other industries in the Ocala area include service industries and some light manufacturing.

The growth surge experienced in the 1980's is expected to continue into the 1990's but at a slower pace. The growth potential of the City continues to be virtually limitless. The recession, which has affected the entire country, has also been felt in the State of Florida and in the City of Ocala, especially in the areas of construction and tourism; however, the City has still experienced growth. The growth is challenging to the City since it demands increased services but places a financial strain on the revenues of the City. The recession, which has caused some shrinking revenues, has forced the City to reevaluate the needs and wants of its citizens while at the same time providing consistent levels of service.

MAJOR INITIATIVES

For the Year. In preparing the 1991 budget, the City's focus, at City Council's direction, was to maintain a consistent level of service throughout all departments for the citizens of Ocala, to maintain a low millage rate and to provide quality utility services at competitive rates. Other budget and management objectives for 1991 included the development of a five-year capital improvement plan along with a financing plan for the improvements, the completion of the City's Comprehensive Plan as required by the 1985 Local Government Comprehensive Planning Act and the continuation of the exploration of public and private cooperative efforts to better serve the citizens of Ocala.

In order to accomplish some of the objectives, a total of 30 positions were authorized in the budget. Seven of the authorized positions were for police personnel, including two drug task force investigators, one drug dog patrol officer and four communication technicians. Five of the authorized positions were for engineering staff, including a traffic sign technician, a secretary for the traffic division, and a survey crew. An industrial wastewater monitoring division, established in the General Fund under the Building Department for code enforcement purposes, involves two authorized positions in the General Fund and a related position in the Water and Sewer Fund. Two other positions in the Water and Sewer fund and six positions in the Electric System Revenue Fund were authorized in the 1991 budget to help maintain consistent levels of service in these two growing utility systems.

During fiscal year 1990, the City issued revenue bonds for massive electric system improvements. Those improvements were continued during 1991. The City also continued the water and sewer system expansion and improvements as well as the widening and improvements of various roads. All of these are growth-related. For the past five years, the City has levied an additional mill of ad valorem taxes of which three quarters have been for road improvements and the remaining one quarter has been for fire department capital outlay. For the past few years, the City and Marion County have shared the costs of improvements of some major arterial streets.

The renovation of the City Hall Annex, formerly the old light plant, was completed in early 1991. This building now houses most of the Engineering Department and several small departments which were formerly located in City Hall. Locations of some departments remaining in City Hall were reorganized in order to better serve the public and to provide better workplaces for the employees. An old warehouse was renovated and now houses the entire traffic division of the Engineering Department, enabling improved production and communication.

For the Future. The City will be continuing the electric system, the water and sewer system and the street improvement and expansion programs which have already been started and will strive to provide consistent levels of service for the citizens of Ocala.

The City is also continuing its program of renovating existing City buildings. A master plan of the Municipal Services Complex, which was built in 1984, is addressing the feasibility of additions to the complex. The renovation and expansion or relocation of the Police Department is also being considered.

The most significant and demanding task for the future is the implementation of the Comprehensive Plan of the City of Ocala, which is required by the 1985 Local Government Comprehensive Planning Act. The plan, which was submitted to the State of Florida by the May 1, 1991 deadline, is a tool for growth management and affects virtually all City departments. The plan has twelve required and two optional elements: future land use, traffic circulation, housing, sanitary sewer, solid waste, storm water management, potable water, groundwater recharge, conservation, parks and recreation, capital improvements, intergovernmental coordination, community redevelopment area and historical preservation. Fiscal years 1991 and 1992 are the transition period prior to the implementation of the Capital Improvements Element of the Comprehensive Plan, which covers the five-year period from 1993 through 1997.

Department Focus. The Planning Department, which consists of ten employees, was responsible for the formulation of the City's Comprehensive Plan, which was required by the 1985 Local Government Comprehensive Planning Act, and for the submission of the Plan to the State of Florida by May 1, 1991. Although the process started in late 1988 and involved coordination with virtually all City departments and some boards, the Planning Department staff alone attended over 140 meetings, including public hearings, and spent over 12,000 man-hours in the development of the Comprehensive Plan during fiscal year 1991. It was estimated that over 50,000 pieces of paper were used in the process. The Plan consists of two parts: approximately 140 pages of goals, objectives and policies, which was formally adopted for transmittal to the State by City Council on April 16, 1991, and approximately 800 pages of background data. In August, the City received 80 pages of objections, recommendations and comments on the Plan were received from the Florida Department of Community Affairs and responded to those comments within the allotted time. In early fiscal 1992, City Council adopted the final Comprehensive Plan and a notice of intent to find the Comprehensive Plan in compliance was subsequently received from the State of Florida.

The Planning Department was also instrumental in obtaining the Tree City U.S.A. designation for the City of Ocala for the first time in 1991 for 1990. In order to receive this designation, which is sponsored by the National Arbor Day Foundation in cooperation with the USDA Forest Service, four standards must be met: the community must have a tree board or department; the community must have a tree ordinance; there must be a comprehensive community forestry program and the community must have an Arbor Day observance. The Tree City U.S.A. designation is valid for a period of one year and should be renewed annually. The Planning Department has also applied for and received the Tree City U.S.A. designation for 1991.

FINANCIAL INFORMATION

In developing, maintaining and evaluating the City's accounting system, consideration is given to internal accounting controls designed to ensure that the City's assets 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 conformance 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 judgments by management. The City's chart of accounts substantially complies with the Uniform Accounting System as prescribed by Chapter 3A-61 of the Florida Administrative Code.

Single Audit. As a recipient of federal and state financial assistance, the City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject both to periodic evaluation by the City's management and staff as well as to tests performed by the external auditors as part of the City's single audit. The results of the City's single audit for the fiscal year ended September 30, 1991 are included in this comprehensive annual financial report.

Budgetary Controls. Budgetary control is maintained on an annual allotment basis, based on prior working capital and on revenue projections for the current year. Both expenditures and encumbrances are recorded against budgeted appropriations. At mid-year, City department heads are required to reassess their appropriations for the remainder of the year, from which a full budget revision is prepared and submitted to City Council for approval. The entire budget process is coordinated by a full time budget manager. In addition, two separate reviews are made by the Finance Department for final annual appropriations approval. After the end of the year, unliquidated purchase order balances, as of September 30, are reappropriated in the form of a supplemental appropriation resolution, which is adopted by City Council. This resolution also includes a carryforward for major projects not completed in the previous year which are not covered by purchase orders. All items in this resolution are subject to a working capital availability test. Monthly reports are distributed to the various departments to keep them informed of their year to date expenditures, encumbrances and funds available.

General Governmental Functions. The following schedule presents a summary of general fund, special revenue fund and debt service fund revenues and other financing sources for the fiscal year ended September 30, 1991 and the percentages of

increases and decreases in relation to revenues and other financing sources for the fiscal year ended September 30, 1990.

	Amount	Percent of Total	Increase (Decrease) from 1990	Percent Increase (Decrease)
Revenues:				
Property taxes	\$7,091,592	19.96%	\$585,749	9.00%
Other taxes	825,622	2.32	24,228	3.02
State revenue sharing	1,104,188	3.11	(105,625)	(8.73)
Other intergovernmental revenues	6,385,362	17.97	613,108	10.62
Parking meters and facilities	82,519	.23	(5,796)	(6.56)
Licenses and permits	651,013	1.83	(85,398)	(11.60)
Fines and forfeitures	812,701	2.29	78,569	10.70
Charges for services	1,396,608	3.93	(12,779)	(.92)
Interest	1,394,582	3.93	(150,958)	(9.77)
Gifts and Other	<u>178,115</u>	<u>.50</u>	<u>(82,978)</u>	<u>(31.78)</u>
Total revenues	19,922,302	56.07	858,120	
Other financing source:				
Transfers from other funds	15,609,360	43.93	1,287,853	8.99
Total revenues and other financing source	\$35,531,662	100.00%	\$2,145,973	

The most significant dollar change in revenues was in other intergovernmental revenues, where the 10.62% increase was caused mainly by increased activity in grants and in interlocal agreements with other governments. An increase in the City's millage rate from 5.08 to 5.17 coupled with a 6.8% increase in assessed valuations were responsible for the 9.0% increase in property taxes. The 10.70% increase in fines and forfeitures was the result of an increase in court fines collected. Some of the decreases in revenues, such as state revenue sharing, (8.73)%; interest, (9.77)%; and licenses and permits, mainly in construction-related permits, (11.60)% are indicative of the recession. The 31.78% decrease in gifts and other follows an exceptional year and more closely follows the norm. The 6.56% decrease in parking revenues reflects an entire year of the closing of one parking lot. The 8.99% increase in transfers from other funds was caused primarily by an increase in the transfer from the Electric Fund and by a transfer from the Occupational License Fund.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures and other financing use for the fiscal year ended September 30, 1991 and the percentages of increases and decreases in relation to

expenditures and other financing use for the fiscal year ended September 30, 1990.

	Amount	Percent of Total	Increase (Decrease) from 1990	Percent Increase (Decrease)
Expenditures:				
Current:				
General government and administration	\$ 3,469,028	9.65%	\$ 300,081	9.47%
Public safety	11,677,768	32.50	918,273	8.53
Public works	3,655,998	10.18	189,240	5.46
Culture and recreation	3,508,653	9.77	131,755	3.91
Housing rehabilitation	362,677	1.01	73,529	25.43
Nondepartmental	474,371	1.32	84,383	21.64
Other	377,404	1.05	(91,925)	(19.59)
Capital outlay	4,122,771	11.47	(711,759)	(14.72)
Debt service:				
Principal	1,576,611	4.39	409,222	35.05
Interest and agents' fees	2,372,400	6.60	(80,200)	(3.27)
Intergovernmental	89,031	.25	(23,613)	(20.96)
Total expenditures:	21,686,712	88.19	1,198,986	
Other financing use:				
Transfers to other funds	4,242,111	11.81	477,265	12.68
Total expenditures and other financing use	\$35,928,823	100.00%	\$1,676,251	

General government and administration expenditures increased by 9.47% primarily because of increased general government legal fees, expenditures related to the preparation and submission of the City's comprehensive plan and increases in allocations for Internal Service Fund services. As mentioned earlier, seven new employees were added to the Police Department. The combination of all costs associated with these employees as well as the first complete year of operations after the reorganization of the Police Department and of Fire Station #4 are responsible for the 8.53% increase in public safety expenditures.

The 5.46% increase in public works expenditures is attributable to the establishment of an industrial wastewater monitoring division, the addition of five new engineering employees and of two new stormwater utility employees and the transfer of another position from recreation to public works. Culture and recreation expenditures increased by \$131,755 or 3.91% primarily because of two new grants, one increased interlocal program, major repairs to the City's two public swimming pools and the first complete year of the therapeutic recreation division.

Housing rehabilitation increased by 25.43% over 1990, which represents a return to the norm since 1990 had unusually low

activity. The major cause of the 21.64% increase in nondepartmental expenditures were expenditures related to the clean-up of contaminated sites owned by the City in order to be in compliance with state requirements. Other expenditures decreased by 19.59% because of a decrease in grants and other programs which could not be specifically classified. The 20.96% decrease in intergovernmental expenditures was caused by an increase in the county portions of some planning grants and by the decrease attributable to no additional liability resulting from a 1990 sales tax audit.

The 14.72% decrease in capital outlay was caused primarily by the lack of building new City facilities in the governmental funds and by a decline in the amount of dollars spent on smaller roadway projects. The primary reason for the 35.05% increase in debt service principal payments was the first principal payment of the Optional Gas Tax Revenue Bonds, Series 1989, in October 1990. There was a decrease in interest since there was no new debt and the principal balances have decreased. Transfers to other funds increased by 12.68% primarily because of increased transfers from the general fund to the airport and internal service funds and from the special revenue funds to the general and debt service funds.

General Fund Balance. The fund balance of the general fund at September 30, 1991 is \$5,590,964, a 16.31% decrease from 1990. The decrease was caused primarily by the change of ad valorem taxes collected over the past five years for street improvements and by the first complete year of the reorganization of the police department and of operations of fire station #4. The general fund balance is equivalent to 59 working days of expenditures.

Enterprise Operations. The City of Ocala operates seven distinct enterprise funds: Electric System, Water and Sewer, Sanitation, Municipal Golf Course, Fort King Tennis Court, Municipal Trailer Park and Ocala Municipal Airport. The enterprise funds are well run and continue to be the backbone of financial support of general government operations.

The Electric System Revenue Fund is the combination of the formerly consolidated Electric Revenue and Bulk Power Supply Revenue Funds. During fiscal 1990, Electric System Revenue Bonds, Series 1989A, were issued for the acquisition and construction of improvements to the electric system. The improvements are expected to be completed in fiscal 1994. The electric system continues to be efficiently managed and operated, and had a debt service coverage of 4.88 for the year ended September 30, 1991.

The Water and Sewer Fund, which is the City's second largest enterprise fund, has been burdened with debt service payments and other bond-related restrictions for the past few years. During 1990, the financing related to the Water and Sewer Revenue Bonds, Series 1985A, and to the Water and Sewer Refunding Revenue Bonds, Series 1986, was restructured. For the year ended September 30, 1991, the

Water and Sewer Fund had a debt service coverage ratio of 1.63. During 1990, the City's consulting engineers were working on a master plan, including a rate review, for the water and sewer system. The first step of a rate increase became effective in early fiscal 1991, which has helped this fund.

The Sanitation Fund is responsible for trash and garbage pick-up in the City. During the year, sanitation rates increased approximately 7.75% for residential customers and 17.7% for commercial customers, primarily to meet the increased landfill charges. The fund is financially sound.

The Municipal Golf Course Fund had a small net income for the year ended September 30, 1991 of \$10,010; however, fiscal 1991 was the first full year of operations at both courses after expansion and renovations during the past few years. Fees were increased during 1991. This fund should continue to improve.

The Ocala Municipal Airport Fund had a net loss of \$134,197 in 1991. There are expansion programs under way at the Airport, most of which are substantially funded by federal and state grants. Although the airport is not self-supporting, it is an important part of our community.

The Fort King Tennis Court Fund experienced a net loss of \$8,506 during fiscal 1991, which was anticipated because of debt service payments on an interfund loan and some changes in operations. This fund, although small, is well-run.

The Municipal Trailer Park Fund continues to improve. During 1991 there was a rate increase, and some minor renovations were completed.

Pension Trust Fund Operations. The combined Pension Trust Funds improved during 1991, mainly because of the condition of the market as compared to 1990. The combined funds had a realized gain on the sale of investments of \$2,049,923; and an unrealized gain in the fair market value of investments of \$3,832,450, caused by the restatement of investments to market value as of September 30, 1991.

Debt Administration. At September 30, 1991, the City had \$126,215,000 in outstanding serial and term bonds. Of this amount, \$93,290,000 are associated with enterprise funds and \$32,925,000 are associated with governmental funds. All of the City's issues are insured. Although the City may issue general obligation debt in an amount up to 20% of the assessed valuation of the taxable real and personal property in the City according to article IX, section 9.02, of the City Charter, there is no general obligation debt outstanding.

The City issued no new bonded debt during fiscal 1991.

Cash Management. Cash temporarily idle during the year was invested in the State Board of Administration Fund, which is an investment pool administered by the State of Florida. Although the City is authorized by Florida Statutes to invest in obligations of U. S. agencies and in interest-bearing time

deposits and savings accounts in banks and in savings and loan associations in addition, we have found that the State Board of Administration has historically had higher interest rates and we can withdraw funds on demand. At September 30, 1991, our investments with the State Board of Administration were earning 6.23% with a year to date return of 6.79%.

The City's pension fund investments have been administered by the firm of Manning and Napier of Rochester, New York for several years. In January 1991, because of the size of the combined funds, the pension fund investments were equally split for administration by Manning and Napier and by Barnett Banks Trust Company, N.A. of Jacksonville, Florida. The pension fund investments consist of bonds, debentures, common stocks, U. S. Treasury obligations and short-term investments.

Risk Management. The Risk Management Department was established through an interlocal agreement between the City of Ocala and Marion County for the purpose of the procurement of insurance, either through insurance companies or through self-insurance, and for the purpose of providing safety training programs. Information on the City's insurance coverage can be found in the Statistical Section of this report. The Risk Management Department is doing very well, both in insurance monitoring and procurement and in safety training.

OTHER INFORMATION

Independent Audit. The City Charter and state statutes require an independent audit of the books, financial records and transactions of all administrative departments of the City by a Certified Public Accounting Firm selected by the City Council. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act of 1984 and related OMB Circular A-128. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the Single Audit 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 the City of Ocala, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 1990. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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 CAFR 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 City of Ocala has received a Certificate of Achievement for the last nine consecutive years (fiscal years ended 1982-1990.) We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The City was awarded the Distinguished Budget Presentation Award by the Government Finance Officers Association of the United States and Canada for its annual budgets for the fiscal years beginning October 1, 1987 through 1990. In order to receive this award, which is valid for a period of one year only, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

Acknowledgements. The preparation of this comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. Sincere appreciation is extended to specific individuals who worked diligently throughout the audit: Wayne C. Hodge, Chief Accountant; Prudy Waite, Doris Remus and H. Wilson Wright, Accountants; Jerold Patton, Financial Analyst; and Barbara Edwards Kays, Budget Manager. Appreciation is also extended to Eric Lewerenz, the City's Internal Auditor, and to KPMG Peat Marwick, our external auditors, for their assistance in this effort.

At this time, a welcome is extended to Glen Baker, the City's new Finance Director, who joined the City staff in October, 1991. His background in banking and finance will be an asset to the City in years to come.

In closing, without the leadership and support of the City Manager, Assistant City Managers and City Council, whose continued interest in good fiscal City government is an invaluable asset to our community, preparation of this report would not have been possible.

Respectfully submitted,

Diane M. Cangelosi

Diane M. Cangelosi
Deputy Finance Director

mb

This page was intentionally left blank.

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Ocala,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 1990

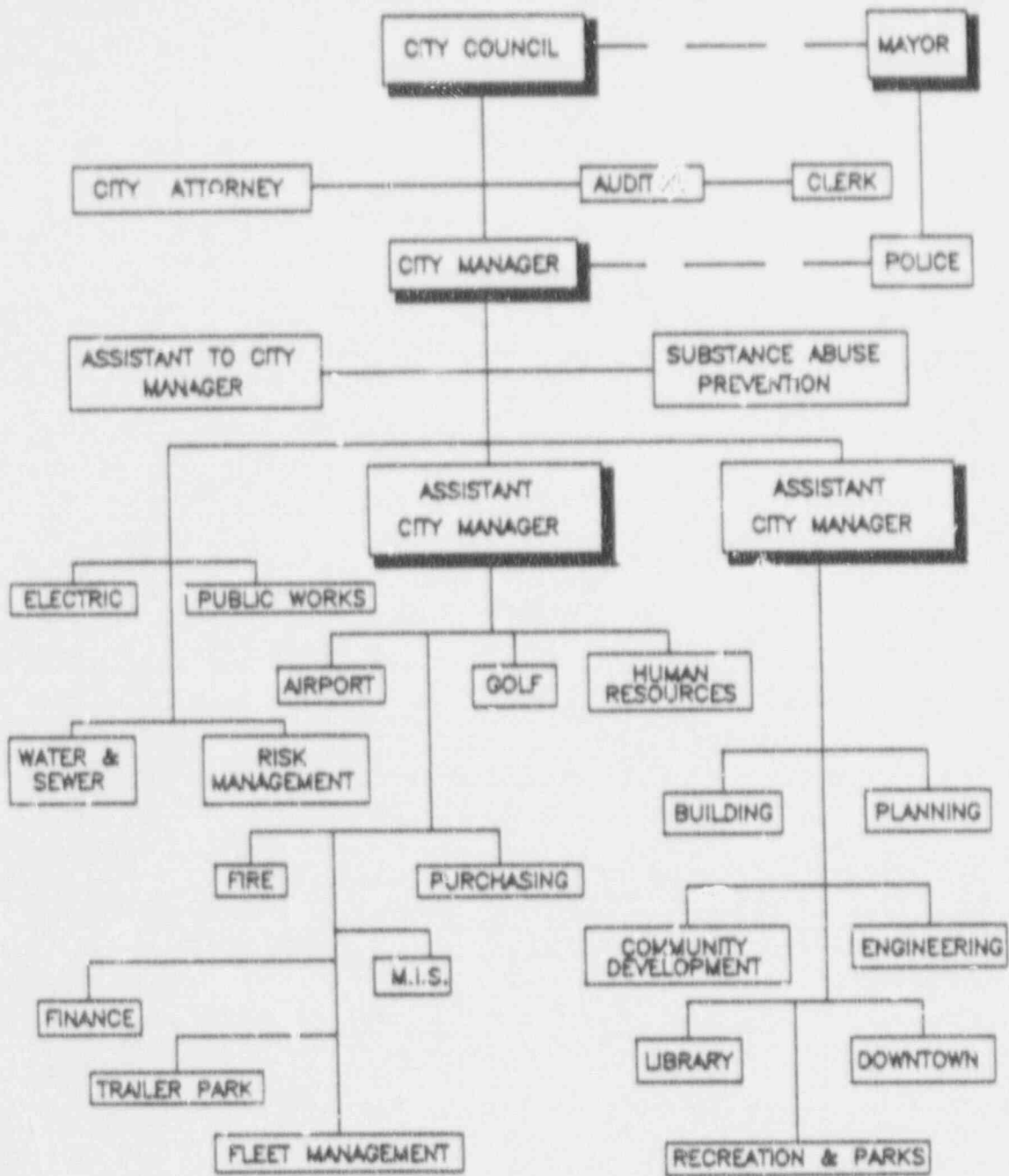
A Certificate of Achievement for Excellence in Financial Reporting is Presented by the Government Financial Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards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



[Signature]
President

[Signature]
Jeffrey L. Esall
Executive Director

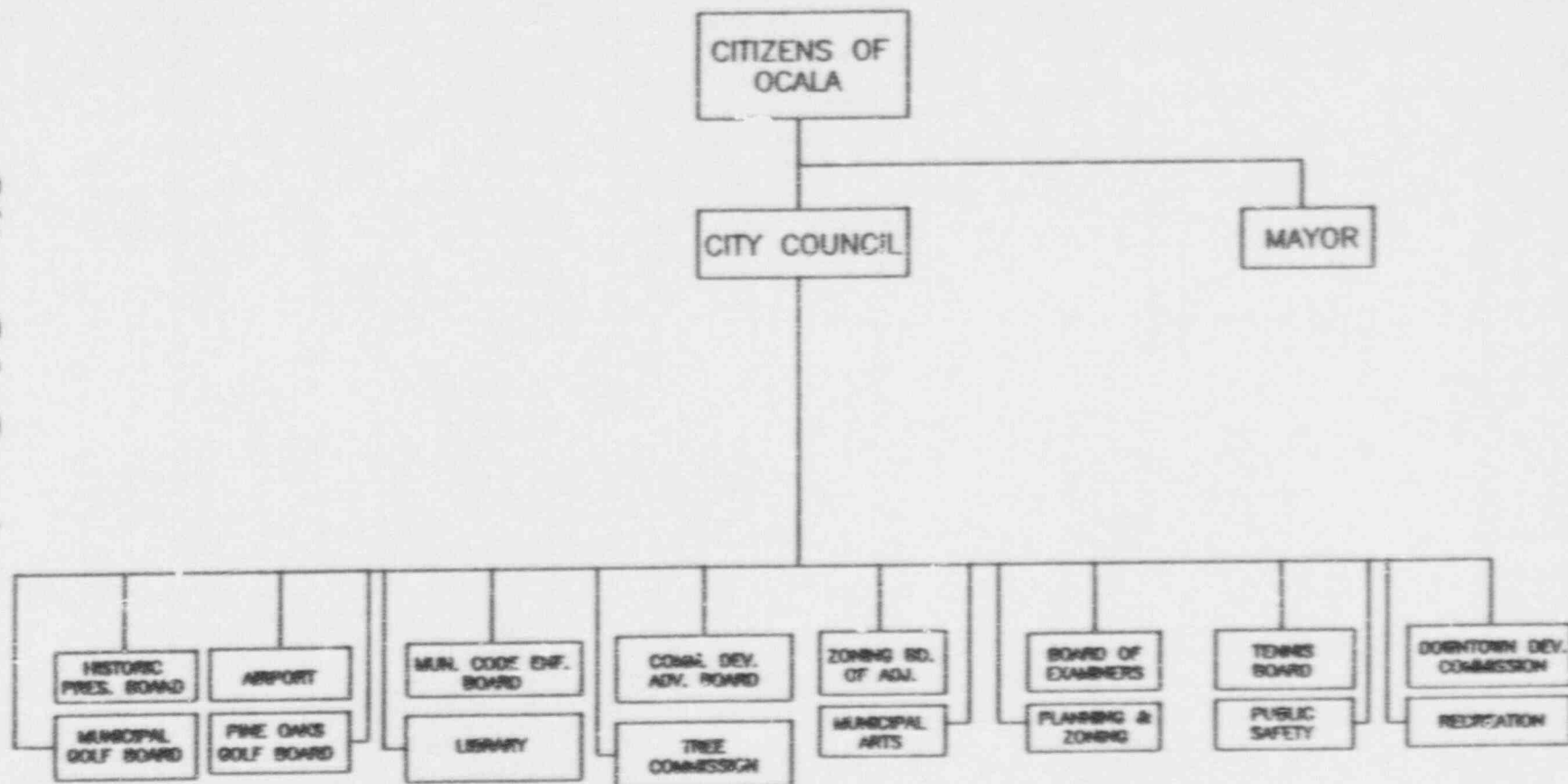
ORGANIZATIONAL CHART



City Of Ocala

OCALA BOARDS AND COMMISSIONS

City Of Ocala



FINANCIAL SECTION

This Section contains the following Subsections:

Report of Certified Public Accountants

General Purpose Financial Statements

Individual Fund and Combining Statements - By Fund Type

Certified Public Accountants

111 North Orange Avenue, Suite 1600
P.O. Box 3031
Orlando, FL 32802

Independent Auditors' Report

The Honorable Members of City Council
City of Ocala, Florida:

We have audited the general purpose financial statements of the City of Ocala, Florida, as of and for the year ended September 30, 1991, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with 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 general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Ocala, Florida, as of September 30, 1991, and the results of its operations, and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

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 financial statements and schedules listed in the accompanying 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 Ocala, Florida. Such information, except for the historical pension information included in the schedules on pages 55 through 57, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



The historical pension information included in the schedules on pages 55 through 57 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures to this information, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

KPMG Peat Marwick

January 17, 1992

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 that are in the following subsections.

This page was intentionally left blank.

CITY OF OCAJA, FLORIDA

COMBINED BALANCE SHEET

ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 1991

<u>Assets</u>	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>
Current assets:				
Cash and investments	\$ 6,977	\$ 286,609	\$ -	\$ -
Equity in pooled cash and investment fund	3,733,285	6,666,721	-	7,969,239
Accounts and notes receivable, net of allowance for doubtful accounts of \$608,767	341,404	11,201	-	995,950
Accrued interest receivable	7,791	-	-	-
Accrued unbilled revenues	-	-	-	-
Due from other funds	219,804	58,497	-	-
Interfund loans receivable	2,268	-	-	-
Inventories	-	-	-	-
Other current assets	1,732	-	-	-
Due from other governments	258,286	323,888	-	124,759
Total current assets	<u>4,571,547</u>	<u>7,346,916</u>	<u>-</u>	<u>9,089,948</u>
Restricted assets:				
Cash and investments	44,557	54,640	500,789	-
Equity in pooled cash and investment fund	2,406,018	-	6,214,864	-
Accrued interest and dividends receivable	-	-	-	-
Other	1,772	-	235	-
Due from other governments	124,042	-	-	-
Total restricted assets	<u>2,576,389</u>	<u>54,640</u>	<u>6,715,888</u>	<u>-</u>
Interfund loans receivable after one year	54,688	-	-	-
Property, plant and equipment, net	-	-	-	-
Issuance costs on long-term debt	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total assets	\$ <u>7,202,624</u>	\$ <u>7,401,556</u>	\$ <u>6,715,888</u>	\$ <u>9,089,948</u>

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	
\$ 12,718	\$ 500	\$ -	\$ -	\$ -	\$ 306,804
3,313,839	5,500,777	-	-	-	27,183,861
5,409,292	1,537	-	-	-	6,759,384
-	-	-	-	-	7,791
4,114,311	-	-	-	-	4,114,311
689,031	-	-	-	-	967,332
109,217	-	-	-	-	111,485
2,228,209	157,604	-	-	-	2,385,813
291,055	195,258	-	-	-	488,045
66,462	24,407	-	-	-	797,802
<u>16,234,134</u>	<u>5,880,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,122,628</u>
2,752,455	-	38,490,220	-	-	41,842,661
69,840,287	-	35,886	-	-	78,497,055
-	-	383,315	-	-	383,315
73,845	-	-	-	-	75,852
707,557	-	-	-	-	831,599
<u>73,374,144</u>	<u>-</u>	<u>38,909,421</u>	<u>-</u>	<u>-</u>	<u>121,630,482</u>
607,008	-	-	-	-	661,696
131,961,727	7,287,903	-	15,699,261	-	154,948,891
1,292,552	-	-	-	-	1,292,552
-	-	-	-	6,715,888	6,715,888
-	-	-	-	26,261,687	26,261,687
<u>\$ 223,469,565</u>	<u>\$ 13,167,986</u>	<u>\$ 38,909,421</u>	<u>\$ 15,699,261</u>	<u>\$ 32,977,575</u>	<u>\$ 354,633,824</u>

(Continued)

CITY OF OCALA, FLORIDA

COMBINED BALANCE SHEET

ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 1991

(Continued)

<u>Liabilities and Equity</u>	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>
Current liabilities:				
Accounts payable	\$ 790,102	\$ 169,579	\$ -	\$ 1,440,785
Compensated absences payable	457,026	17,013	-	-
Bonds and notes payable within one year	-	-	-	-
Accrued interest payable	-	-	-	-
Due to other funds	15	-	-	-
Customer deposits	-	-	-	-
Deferred revenue	109,002	316,643	-	-
Interfund loans payable	-	-	-	-
Total current liabilities	<u>1,356,145</u>	<u>503,235</u>	<u>-</u>	<u>1,440,785</u>
Liabilities payable from restricted assets:				
Accounts payable	210,963	-	-	-
Accrued interest payable	-	-	-	-
Deferred revenue	44,552	-	-	-
Bonds and notes payable within one year	-	-	-	-
Total liabilities payable from restricted assets	<u>255,515</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interfund loans payable after one year	-	-	-	-
Bonds and notes payable after one year	-	-	-	-
Total liabilities	<u>1,611,660</u>	<u>503,235</u>	<u>-</u>	<u>1,440,785</u>
Equity and other credits:				
Investment in general fixed assets	-	-	-	-
Contributed equity	-	-	-	-
Retained earnings:				
Reserved for debt service	-	-	-	-
Reserved for renewal and replacement	-	-	-	-
Total reserved retained earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved	-	-	-	-
Total retained earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Reserved for debt service	-	-	6,715,888	-
Reserved for retirement benefits	-	-	-	-
Reserved for interfund loans receivable after one year	54,688	-	-	-
Reserved for encumbrances	568,445	157,196	-	1,941,656
Reserved for restricted assets	2,265,723	54,640	-	-
Total reserved fund balances	<u>2,888,856</u>	<u>211,836</u>	<u>6,715,888</u>	<u>1,941,656</u>
Unreserved and undesignated fund balances	2,702,108	6,686,485	-	5,707,507
Total fund balances	<u>5,590,964</u>	<u>6,898,321</u>	<u>6,715,888</u>	<u>7,649,163</u>
Total equity and other credits	<u>5,590,964</u>	<u>6,898,321</u>	<u>6,715,888</u>	<u>7,649,163</u>
Total liabilities and equity	\$ <u>7,202,624</u>	\$ <u>7,401,556</u>	\$ <u>6,715,888</u>	\$ <u>9,089,948</u>

See accompanying notes to 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	
\$ 4,781,377	\$ 1,546,924	\$ -	\$ -	\$ -	\$ 8,728,767
308,660	54,062	-	-	-	836,761
-	211,565	-	-	1,656,287	1,867,852
8,246	-	-	-	-	8,246
967,317	-	-	-	-	967,332
2,632,908	-	-	-	-	2,632,908
133,524	-	-	-	-	559,169
111,485	-	-	-	-	111,485
<u>8,943,317</u>	<u>1,812,551</u>	<u>-</u>	<u>-</u>	<u>1,656,287</u>	<u>15,712,520</u>
2,625,128	-	24,715	-	-	860,806
3,323,336	-	-	-	-	3,323,336
213,589	-	-	-	-	258,141
<u>2,605,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,605,000</u>
<u>8,767,053</u>	<u>-</u>	<u>24,715</u>	<u>-</u>	<u>-</u>	<u>9,047,283</u>
661,696	-	-	-	-	661,696
89,596,796	569,963	-	-	31,321,288	121,488,047
<u>107,969,062</u>	<u>2,382,514</u>	<u>24,715</u>	<u>-</u>	<u>32,977,575</u>	<u>146,909,546</u>
-	-	-	15,699,261	-	15,699,261
<u>24,976,758</u>	<u>1,314,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,291,022</u>
1,706,305	-	-	-	-	1,706,305
<u>16,050,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,050,143</u>
17,756,448	-	-	-	-	17,756,448
72,767,297	9,471,208	-	-	-	82,238,505
<u>90,523,745</u>	<u>9,471,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,994,953</u>
-	-	-	-	-	6,715,888
-	-	37,932,978	-	-	37,932,978
-	-	-	-	-	54,688
-	-	-	-	-	2,667,297
-	-	951,728	-	-	3,272,091
-	-	38,884,706	-	-	50,642,942
-	-	-	-	-	15,096,100
-	-	38,884,706	-	-	65,739,042
<u>115,500,503</u>	<u>10,785,472</u>	<u>38,884,706</u>	<u>15,699,261</u>	<u>-</u>	<u>207,724,278</u>
\$ 223,469,565	\$ 13,167,986	\$ 38,909,421	\$ 15,699,261	\$ 32,977,575	\$ 354,633,824

This page was intentionally left blank.

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES

ALL GOVERNMENTAL AND EXPENDABLE TRUST FUND TYPES

FOR THE YEAR ENDED SEPTEMBER 30, 1991

	Governmental Fund Types				Fiduciary	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Project	Expendable Trust	
Revenues:						
Property taxes	\$ 7,043,228	\$ 48,364	\$ -	\$ -	\$ 19,260	\$ 7,110,352
Other taxes	825,622	-	-	-	-	825,622
State revenue sharing	1,104,188	-	-	-	-	1,104,188
Other intergovernmental revenues	3,281,289	3,104,073	-	2,655,827	-	9,041,189
Parking meters and facilities	-	82,519	-	-	-	82,519
Licenses and permits	264,209	386,804	-	-	-	651,013
Fines and forfeitures	758,801	53,900	-	-	-	812,701
Charges for services	295,012	1,101,596	-	-	-	1,396,608
Interest	593,411	436,501	424,670	596,449	47,272	2,038,303
Gifts	21,631	3,688	-	-	-	25,319
Other	136,462	16,334	-	-	444,940	597,736
Total revenues	<u>14,263,853</u>	<u>5,255,779</u>	<u>424,670</u>	<u>3,252,276</u>	<u>511,472</u>	<u>23,686,050</u>
Expenditures:						
Current:						
General government and administration	3,409,812	59,216	-	-	18,558	3,487,586
Public safety	11,677,768	-	-	-	-	11,677,768
Public works	2,922,680	733,318	-	572,437	-	4,228,435
Culture and recreation	2,261,243	1,247,410	-	-	-	3,508,653
Housing rehabilitation	362,677	-	-	-	-	362,677
Nondepartmental appropriations	474,371	-	-	-	-	474,371
Other	303,539	73,865	-	-	-	377,404
Capital outlay	2,918,863	1,203,908	-	6,935,072	-	11,057,843
Debt service:						
Principal payments	36,611	-	1,540,000	-	-	1,576,611
Interest and paying agents' fees	5,811	-	2,365,589	-	-	2,372,400
Intergovernmental	88,960	71	-	-	-	89,031
Total expenditures	<u>24,463,335</u>	<u>3,317,788</u>	<u>3,905,589</u>	<u>7,507,509</u>	<u>18,558</u>	<u>39,212,779</u>
Excess (deficiency) of revenues over expenditures	(10,199,482)	1,915,991	(3,480,919)	(4,255,233)	492,914	(15,526,729)
Other financing sources (uses):						
Transfers from other funds	11,307,715	375,048	3,926,597	-	25,495	15,634,855
Transfers (to) other funds	(2,197,605)	(1,868,506)	(176,000)	-	-	(4,242,111)
Total other sources (uses)	<u>9,110,110</u>	<u>(1,493,458)</u>	<u>3,750,597</u>	<u>-</u>	<u>25,495</u>	<u>11,392,744</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,089,372)	422,533	269,678	(4,255,233)	518,409	(4,132,985)
Fund balances at beginning of year	6,680,336	6,475,786	6,446,210	12,042,296	433,319	32,077,949
Equity transfers (to) other funds	-	-	-	(137,900)	-	(137,900)
Fund balances at end of year	<u>\$ 5,590,964</u>	<u>\$ 6,898,321</u>	<u>\$ 6,715,888</u>	<u>\$ 7,649,163</u>	<u>\$ 951,728</u>	<u>\$ 27,806,064</u>

See accompanying notes to financial statements.

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCES - ACTUAL AND BUDGET

GENERAL, SPECIAL REVENUE, CAPITAL PROJECT AND

EXPENDABLE TRUST FUND TYPES

FOR THE YEAR ENDED SEPTEMBER 30, 1991

	General				
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis	Revised Budget	Favorable (Unfa- vorable) Variance
Revenues:					
Property taxes	\$ 7,043,228	\$ -	\$ 7,043,228	\$ 7,409,689	\$ (366,461)
Other taxes	825,622	-	825,622	803,000	22,622
State revenue sharing	1,104,188	-	1,104,188	1,050,000	54,188
Other intergovernmental revenues	3,281,289	(1,142,142)	2,139,147	2,026,014	113,133
Parking meters and facilities	-	-	-	-	-
Licenses and permits	264,209	-	264,209	241,759	22,450
Fines and forfeitures	758,801	-	758,801	733,000	25,801
Charges for services	295,012	-	295,012	385,743	(90,731)
Interest	533,411	(9,317)	524,094	601,750	(85,656)
Gifts	21,631	(6,769)	14,86	70,510	(55,648)
Other	136,462	(48,086)	88,376	71,381	16,995
Total revenues	<u>14,263,853</u>	<u>(1,206,314)</u>	<u>13,057,539</u>	<u>13,400,846</u>	<u>(343,307)</u>
Expenditures:					
Current:					
General government and administration	3,409,812	(37,939)	3,371,873	3,548,232	176,359
Public safety	11,677,768	24,834	11,702,602	12,061,437	358,835
Public works	2,922,680	10,433	2,933,113	2,970,945	37,832
Culture and recreation	2,261,243	(85,760)	2,175,483	2,395,219	219,736
Housing rehabilitation	362,677	(362,677)	-	-	-
Nondepartmental appropriations	474,371	(761)	473,610	625,957	152,347
Other	303,539	(231,920)	71,619	72,361	742
Capital outlay	2,918,863	113,836	3,032,699	3,178,960	146,261
Debt serv/					
Principals payments	36,611	-	36,611	36,612	1
Interest and paying agents' fees	6,611	-	6,611	6,911	100
Intergovernmental	88,960	(52,369)	36,611	40,584	3,973
Total expenditures	<u>24,462,535</u>	<u>(622,303)</u>	<u>23,841,032</u>	<u>24,937,218</u>	<u>1,095,186</u>
Excess (deficiency) of revenues over expenditures	<u>(10,198,682)</u>	<u>(584,011)</u>	<u>(10,783,493)</u>	<u>(11,536,372)</u>	<u>752,879</u>
Other financing sources (uses):					
Operating transfers from other funds	11,507,715	40,000	11,547,715	10,728,768	618,947
Operating transfers (to) other funds	(2,197,605)	(17,543)	(2,215,148)	(2,224,017)	8,869
Total other sources (uses)	<u>9,310,110</u>	<u>22,457</u>	<u>9,332,567</u>	<u>8,504,751</u>	<u>627,816</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses before fund balance allocation	<u>(1,089,372)</u>	<u>(561,554)</u>	<u>(1,650,926)</u>	<u>(3,031,621)</u>	<u>1,380,695</u>
Fund balance allocation	-	-	-	3,031,621	(3,031,621)
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(1,089,372)</u>	<u>(561,554)</u>	<u>(1,650,926)</u>	<u>-</u>	<u>(1,650,926)</u>
Fund balances at beginning of year	6,680,336	(152,766)	6,527,570	6,527,570	-
Fund balances at end of year	\$ <u>5,590,964</u>	\$ <u>(714,320)</u>	\$ <u>4,876,644</u>	\$ <u>6,527,570</u>	\$ <u>(1,650,926)</u>

See accompanying notes to financial statements.

Special Revenue

Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis	Revised Budget	Favorable (Un/a- vorable) Variance
\$ 48,364	\$ -	\$ 48,364	\$ 45,150	\$ 3,214
-	-	-	-	-
-	-	-	-	-
3,104,073	-	3,104,073	3,088,584	15,489
82,519	-	82,519	82,000	519
386,804	-	386,804	393,800	(6,996)
53,900	-	53,900	54,500	(600)
1,101,596	-	1,101,596	1,087,000	14,596
436,501	(53)	436,468	460,375	(23,907)
3,688	-	3,688	3,000	688
16,334	-	16,334	17,065	(731)
<u>5,233,778</u>	<u>(53)</u>	<u>5,233,746</u>	<u>5,231,474</u>	<u>2,272</u>
59,216	679	59,895	56,516	(3,379)
-	-	-	-	-
733,318	67,783	801,101	990,034	188,933
1,247,410	81,950	1,329,360	1,345,180	15,820
-	-	-	-	-
-	-	-	-	-
73,065	-	73,065	71,916	(1,949)
1,203,908	6,784	1,210,692	3,172,979	1,962,287
-	-	-	-	-
-	-	-	-	-
71	-	71	80	9
<u>3,317,783</u>	<u>157,196</u>	<u>3,474,984</u>	<u>5,636,705</u>	<u>2,161,721</u>
<u>1,915,991</u>	<u>(157,229)</u>	<u>1,758,762</u>	<u>(405,231)</u>	<u>2,163,993</u>
375,048	-	375,048	366,305	8,743
(1,868,506)	-	(1,868,506)	(1,860,323)	(8,183)
<u>(1,493,458)</u>	<u>-</u>	<u>(1,493,458)</u>	<u>(1,494,018)</u>	<u>560</u>
422,533	(157,229)	265,304	(1,899,249)	2,164,553
-	-	-	1,899,249	(1,899,249)
422,533	(157,229)	265,304	-	265,304
<u>6,475,788</u>	<u>(652)</u>	<u>6,475,136</u>	<u>6,475,136</u>	<u>-</u>
\$ <u>6,898,321</u>	\$ <u>(157,881)</u>	\$ <u>6,740,440</u>	\$ <u>6,475,136</u>	\$ <u>265,304</u>


(Continued)

CITY OF OCALA, FLORIDA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
GENERAL, SPECIAL REVENUE, CAPITAL PROJECT AND
EXPENDABLE TRUST FUND TYPES, (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 1991

	Actual	Adjustments to Budgetary Balance	Capital Project		Favorable (Unfa- vorable) Variance
			Actual on a Budgetary Basis	Revised Budget	
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other intergovernmental revenues	2,655,827	(323,920)	2,331,907	4,705,254	(2,373,347)
Interest	596,449	(32,733)	563,716	620,500	(56,784)
Other	-	-	-	-	-
Total revenues	<u>3,252,276</u>	<u>(356,653)</u>	<u>2,895,623</u>	<u>5,325,754</u>	<u>(2,430,131)</u>
Expenditures:					
Current:					
General government and administration	-	-	-	-	-
Public works	572,437	(59,848)	512,589	545,316	33,227
Capital outlay	6,935,072	1,410,877	8,345,949	15,713,524	7,367,575
Total expenditures	<u>7,507,509</u>	<u>1,351,029</u>	<u>8,858,538</u>	<u>16,259,340</u>	<u>7,400,802</u>
Excess (deficiency) of revenues over expenditures	(4,255,233)	(1,707,682)	(5,962,915)	(10,933,586)	4,970,671
Other financing sources:					
Operating transfers from other funds	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures before fund balance allocation	(4,255,233)	(1,707,682)	(5,962,915)	(10,933,586)	4,970,671
Fund balance allocation	-	-	-	<u>10,933,586</u>	<u>(10,933,586)</u>
Excess (deficiency) of revenues and other sources over expenditures	(4,255,233)	(1,707,682)	(5,962,915)	-	(5,962,915)
Fund balances at beginning of year	12,042,296	(865,461)	11,176,836	11,176,835	-
Equity transfers (to) other funds	(137,900)	137,900	-	-	-
Fund balances at end of year	\$ <u>7,649,163</u>	\$ <u>(2,435,263)</u>	\$ <u>5,213,920</u>	\$ <u>11,176,835</u>	\$ <u>(5,962,915)</u>

See accompanying notes to financial statements.

Expendable Trust				
<u>Actual</u>	<u>Adjustments to a Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Revised Budget</u>	<u>Favorable (Unfavorable) Variance</u>
\$ 19,260	\$ -	\$ 19,260	\$ 19,260	\$ -
-	-	-	-	-
17,272	(44,816)	2,456	550	(94)
<u>464,940</u>	<u>(464,940)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>511,472</u>	<u>(489,756)</u>	<u>21,716</u>	<u>21,810</u>	<u>(94)</u>
16,558	-	18,558	19,784	1,226
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>18,558</u>	<u>-</u>	<u>18,558</u>	<u>19,784</u>	<u>1,226</u>
492,914	(489,756)	3,158	2,026	1,132
<u>25,495</u>	<u>-</u>	<u>25,495</u>	<u>25,495</u>	<u>-</u>
518,409	(489,756)	28,653	27,521	1,132
<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,521)</u>	<u>27,521</u>
518,409	(489,756)	28,653	-	28,653
433,319	(426,449)	6,870	6,870	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 951,728</u>	<u>\$(916,205)</u>	<u>\$ 35,523</u>	<u>\$ 6,870</u>	<u>\$ 28,653</u>



This page was intentionally left blank.

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY

ALL PROPRIETARY FUND TYPES AND PENSION TRUST FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>Proprietary Fund Types</u>		<u>Fiduciary</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>Enterprise</u>	<u>Internal</u> <u>Service</u>	<u>Fund Type</u> <u>Pension</u> <u>Trust</u>	
Operating revenues:				
Sale of electricity	\$ 64,276,040	\$ -	\$ -	\$ 64,276,040
Sale of water	3,393,133	-	-	3,393,133
Sewer and sanitation service charges	10,986,563	-	-	10,986,563
Fees and rentals	1,954,099	6,896,329	-	8,850,428
Commissions	77,258	-	-	77,258
City and state contributions	-	2,269,336	1,599,744	3,869,080
Employee contributions	-	871,388	267,972	1,139,360
Income on investments	-	-	1,857,186	1,857,186
Gain on sale of investments	-	-	2,049,923	2,049,923
Net appreciation in fair market value of investments	-	-	3,832,450	3,832,450
Other	3,218,012	182,264	-	3,400,276
Total operating revenues	<u>83,905,105</u>	<u>10,219,317</u>	<u>9,607,275</u>	<u>103,731,697</u>
Operating expenses:				
Purchase of electricity	36,642,122	-	-	36,642,122
Distribution	5,064,862	-	-	5,064,862
Back-up	422,046	-	-	422,046
Transmission	363,862	-	-	363,862
Operation and maintenance	7,562,168	-	-	7,562,168
Water and sewer treatment	1,914,615	-	-	1,914,615
Sewer collection	801,805	-	-	801,805
Fleet management	-	2,331,735	-	2,331,735
Purchasing and warehousing	-	572,354	-	572,354
Management information system, central reproduction and records management	-	635,098	-	635,098
Building maintenance	-	772,407	-	772,407
Pension payments	-	-	1,144,152	1,144,152
Administration	2,993,790	3,417,642	337,525	6,748,957
Depreciation and amortization	5,253,845	482,005	-	5,735,850
Other	1,489,987	-	-	1,489,987
Total operating expenses	<u>62,510,102</u>	<u>8,211,241</u>	<u>1,481,677</u>	<u>72,203,020</u>
Operating income	<u>21,395,003</u>	<u>2,008,076</u>	<u>8,125,598</u>	<u>31,528,677</u>
Nonoperating revenues (expenses):				
Interest income	2,736,185	322,807	-	3,058,992
Interest expense	(1,934,742)	(69,574)	-	(2,004,316)
Operating grants	75,608	-	-	75,608
Total nonoperating revenues (expenses)	<u>877,051</u>	<u>253,233</u>	<u>-</u>	<u>1,130,284</u>
Income before operating transfers	<u>22,272,054</u>	<u>2,261,309</u>	<u>8,125,598</u>	<u>32,658,961</u>
Operating transfers:				
From other funds	979,963	544,830	-	1,524,793
(To) other funds	(11,548,880)	(1,368,657)	-	(12,917,537)
Total operating transfers	<u>(10,568,917)</u>	<u>(823,827)</u>	<u>-</u>	<u>(11,392,744)</u>
Net income (loss)	11,703,137	1,437,482	8,125,598	21,266,217
Fund equity at beginning of year	102,248,659	9,342,902	29,807,380	141,398,941
Equity transfers from other funds	137,900	-	-	137,900
Capital contributions from other sources	1,410,807	5,088	-	1,415,895
Fund equity at end of year	\$ <u>115,500,503</u>	\$ <u>10,785,472</u>	\$ <u>37,932,978</u>	\$ <u>164,218,953</u>

See accompanying notes to financial statements.

CITY OF OCALA, FLORIDA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>Proprietary Fund Types</u>		Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	
Cash flows from operating activities:			
Operating income	\$ 21,395,003	\$ 2,008,076	\$ 23,403,079
Adjustments to reconcile net income to cash provided from operating activities:			
Depreciation and amortization	5,253,845	482,005	5,735,850
Cash provided by (used for) changes in:			
Accounts and notes receivable	288,928	(940)	287,988
Accrued unbilled revenue	(382,785)	-	(382,785)
Due (to) from other funds	(110,075)	-	(110,075)
Inventories	187,950	(16,982)	170,968
Other current assets	(107,881)	(80,135)	(248,016)
Other restricted assets	(26,342)	-	(26,342)
Due from other governments	(148,664)	(6,425)	(155,089)
Accounts payable	378,193	382,523	760,716
Compensated absences payable	19,958	2,347	22,305
Customer deposits	113,688	-	113,688
Deferred revenue	(98,095)	-	(98,095)
Other restricted liabilities	427,267	-	427,267
Net cash provided from operating activities	<u>27,130,990</u>	<u>2,770,469</u>	<u>29,901,459</u>
Cash flows from investing activities:			
Collection of interfund receivable	155,832	-	155,832
Interest received	<u>2,736,185</u>	<u>322,807</u>	<u>3,058,992</u>
Net cash provided by investing activities	<u>2,892,017</u>	<u>322,807</u>	<u>3,214,824</u>
Cash flows from (used in) noncapital financing activities:			
Operating transfers to other funds	(11,548,880)	(1,368,657)	(12,917,537)
Operating transfers from other funds	979,963	544,830	1,524,793
Operating grants	<u>75,608</u>	<u>-</u>	<u>75,608</u>
Net cash (used in) noncapital financing activities	<u>(10,493,309)</u>	<u>(823,827)</u>	<u>(11,317,136)</u>

(Continued)

CITY OF OCALA, FLORIDA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1991

(Continued)

	<u>Proprietary Fund Types</u>		Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	
Cash flows from (used in) capital and related financing activities:			
Payment of principal on debt	\$ (2,591,210)	\$ (198,951)	\$ (2,790,161)
Purchase of property and equipment (net)	(22,479,427)	(757,431)	(23,236,858)
Proceeds from issuance of debt	-	54,605	54,605
Capital contributions	1,410,807	5,088	1,415,895
Transfers from other funds	137,900	-	137,900
Interest paid	<u>(2,011,283)</u>	<u>(69,574)</u>	<u>(2,080,857)</u>
Net cash used in capital and related financing activities	<u>(25,533,213)</u>	<u>(966,263)</u>	<u>(26,499,476)</u>
Net increase (decrease) in cash	(6,003,515)	1,303,186	(4,700,329)
Cash and cash equivalents:			
Beginning of year	<u>81,922,814</u>	<u>4,198,091</u>	<u>86,120,902</u>
End of year	<u>\$ 75,919,299</u>	<u>\$ 5,501,277</u>	<u>\$ 81,420,576</u>

See accompanying notes to financial statements.

This page was intentionally left blank.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 1991

(1) Description of Funds and Reporting Entity

The City of Ocala, Florida (the "City") operates under a council-manager form of government and provides the following services as authorized by its charter: public safety, public works, public utilities, culture, recreation and community development. The financial activities of all municipal boards and commissions that provide services to the citizens of the City, except for the Ocala Housing Authority, are included in the City's financial statements.

The City includes municipal boards and commissions within the City in its financial statements in circumstances where the City selects the governing authority, designates management, has the ability to influence operations, and has accountability for fiscal matters of the municipal boards and commissions. The Ocala Housing Authority (the "Authority"), which provides public housing services in the City, is not included in the reporting entity of the City since the City, although appointing the governing authority, does not influence the Authority's operations and is not accountable for the Authority's fiscal matters.

The accounting records of the City are organized on the basis of funds and account groups. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the accompanying financial statements into seven generic fund types and three broad fund categories: governmental funds, proprietary funds and fiduciary funds.

Homogeneous funds are consolidated for purposes of financial statement presentation. Interfund transactions and balances are eliminated in the consolidation of homogeneous funds. Other funds which are similar by type but not homogeneous are combined. Interfund transactions and balances are not eliminated on funds which are combined rather than consolidated.

Governmental Funds

Governmental funds include the General, Special Revenue, Debt Service and Capital Project funds. The measurement focus of governmental funds is determination of financial position and sources and uses of resources rather than net income determination. The funds are maintained on the modified accrual basis of accounting. Generally, only current assets and current liabilities are included on their balance sheets. Their

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

reported fund balances are considered a measure of available spendable resources. 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 revenues and current, capital outlay, debt service and intergovernmental expenditures not specifically required by law or administrative action to be accounted for in another fund. All general property taxes (except for those levied for the Downtown Development Commission and those required to be deposited to the Community Redevelopment Trust Fund), franchise taxes, licenses, fines and certain intergovernmental revenues are recorded in this fund. Current, capital outlay, debt service and intergovernmental expenditures of the administrative, public safety, public works and numerous other departments are paid for through this fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditure for specific purposes. Special revenue funds used by the City are:

Occupational License

Business license and permit revenues, which are pledged as security for the Refunding and Improvement Excise Tax Bonds dated January 1, 1972, are recorded in this fund. Revenues collected are transferred to the appropriate debt service fund as required.

Central Florida Regional Library

This fund is used to account for Federal, state and county contributions, and General Fund subsidies which are restricted for the operation of the regional library.

Off-Street Parking

This fund accounts for the proceeds from the City's parking system.

Downtown Development

This fund accounts for property taxes levied against downtown property owners.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Local Gasoline Tax

This fund accounts for street related maintenance and improvement projects financed by the City's share of local gasoline taxes. These taxes are required by law to be used to maintain streets.

Stormwater Utility

This fund accounts for resources collected which are to be used for additions to, improvements to and maintenance of the storm drainage system.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for the payment of principal, interest and related costs of the City's general long-term debt. Debt service funds used by the City are:

Excise Tax Bonds

This fund is used for the payment of principal, interest and related costs of the 1972 Refunding and Improvement Excise Tax Bonds.

Improvement Bonds

This fund is used for the payment of principal, interest and related costs of the Capital Improvement Refunding Revenue Bonds, Series 1986.

Improvement Certificates

This fund is used for the payment of principal, interest and related costs of the Capital Improvement Revenue Refunding Certificates, Series 1988.

Optional Gas Tax Bonds

This fund is used for the payment of principal, interest and related costs of the Optional Gas Tax Revenue Bonds, Series 1989.

Capital Project Funds

The capital project funds are used to account for resources earmarked for the acquisition and construction of major capital facilities and other project oriented activities other than those financed by proprietary funds. Capital project funds used by the City are:

(Continued)

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Capital Improvement Construction Fund

The Capital Improvement Construction Fund is used to account for the resources earmarked for the acquisition of right-of-way and the construction of and improvements to N.E. 14th Street, which is a major arterial street project.

Optional Gas Tax Construction Fund

This fund is used to account for resources earmarked for construction of and improvements to several roadways exclusive of the N.E. 14th Street project.

Proprietary Funds

Proprietary funds include enterprise and internal service funds. The measurement focus of proprietary funds is determination of net income, financial position and cash flows. The generally accepted accounting principles for proprietary funds are those applicable to businesses in the private sector and thus these funds are maintained on the accrual basis of accounting. Accordingly, all assets and liabilities associated with their activity are included on their balance sheets. Their reported fund equity is segregated into contributed equity and retained earnings components. Proprietary funds used by the City are as follows:

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private businesses where the intent of the governing body is that the costs (including depreciation) of providing certain goods and services to the general public be financed or recovered primarily through user charges or where the governing body has deemed that periodic determination of net income is appropriate for purposes of monitoring capital maintenance, accountability or other purposes.

Enterprise funds used by the City are as follows:

Electric System Revenue Fund

This fund is used to account for the construction, operation, and maintenance of the City-owned portion of CR-3 and the City-owned electric system as well as sales of electricity and other services to the general public. Electricity rates charged to customers are set by City Council within the rate structure established by the Florida Public Service Commission.

(Continued)

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Water and Sewer Fund

This fund accounts for the construction, operation and maintenance of the City-owned water and sewer system.

Sanitation Fund

This fund accounts for the operation and maintenance of the City's refuse collection system.

Municipal Golf Course Fund

This fund accounts for the construction, operation and maintenance of the City's golf courses.

Fort King Tennis Court Fund

This fund accounts for the operation and maintenance of the Fort King tennis courts.

Municipal Trailer Park Fund

This fund accounts for the operation and maintenance of the City-owned trailer park.

Ocala Municipal Airport (Jim Taylor Field) Fund

This fund accounts for the construction, operation and maintenance of the City's airport.

Internal Service Funds

The internal service funds account for the operation of departments which exist solely to provide services to other City departments. The revenues of the internal service funds are derived from user fees and self insurance premiums charged to other City funds. The internal service funds used by the City are:

Internal Service Fund

This fund accounts for the operation of management information system, central reproduction, building maintenance, records management and purchasing and warehousing departments.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Fleet Management Fund

This fund accounts for the operation of the fleet management department, which is responsible for replacing, specifying, acquiring, maintaining and disposing of approximately 930 units of gas driven equipment.

Self-Insurance Fund

This fund accounts for the operation of the risk management department and for the costs of the City's self-insurance plans.

Trust Funds

The trust funds of the City are pension trust funds and expendable trust funds. The trust funds are used to account for assets held by the City in a trustee capacity. The measurement focus and basis of accounting of the pension trust funds are similar to proprietary funds and they are therefore maintained on the accrual basis of accounting. The pension trust funds are utilized to account for the financial transactions of the City-administered pension plans. The measurement focus and basis of accounting of the expendable trust funds are similar to governmental funds and they are therefore maintained on the modified accrual basis of accounting.

Pension Trust Funds

The Ocala Employees' Retirement Fund

This fund provides regular benefits to all active and inactive participants of the former system.

The Ocala Police Officers' Supplemental Pension Fund

This fund provides supplemental benefits to qualifying police officers.

The Ocala Firefighters' Supplemental Pension Fund

This fund provides supplemental benefits to qualifying firefighters.

Expendable Trust Funds

Community Redevelopment Trust Fund

The Community Redevelopment Trust Fund is used to hold funds collected for improving and redeveloping the downtown area.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Pension Medical Reserve Fund

This fund is used for accumulating funds for future retiree benefits. It is being treated as an expendable trust fund until the start of the related benefits.

Account Groups

Fixed assets and long-term liabilities associated with governmental funds are accounted for in the General Fixed Asset and General Long-Term Debt Account Groups. The two account groups are not funds and are concerned only with the measurement of financial position.

General Fixed Asset Account Group

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Asset Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings such as roads, sidewalks and drainage systems are not, however, capitalized as general fixed assets.

General Long-Term Debt Account Group

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

(2) Summary of Significant Accounting Policies

The accounting principles and reporting practices of the City conform to generally accepted accounting principles applicable to governmental units. The more significant of these policies and principles are summarized below:

(a) Basis of Accounting

Accrual Basis - This basis of accounting is utilized for the proprietary and pension trust funds. Under this basis, revenues are recognized in the period earned and expenses are recognized in the period incurred.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Modified Accrual Basis - This basis of accounting is utilized by the governmental funds. Under this basis, revenues are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the fiscal period. All material revenues of the governmental funds, such as other intergovernmental revenues and other taxes, are accrued or deferred, as appropriate. Property taxes are not accrued since they are substantially collected during the period in which they are due.

Under the modified accrual basis, expenditures are generally recognized when the liability is incurred with the following exceptions:

- . Principal and interest on general long-term debt are recognized as expenditures in the debt service funds when due.
- . Prepaid items are reported as current period expenditures rather than allocating the related expenditures to the periods benefited.
- . Inventory of governmental funds is reported as an expenditure in the period purchased.
- . Interest income on special assessments receivable is not accrued.

(b) Annual Budgets

An annual budget is prepared for all governmental and proprietary funds except for one capital project fund (Capital Improvement Construction Fund), one expendable trust fund (Pension Medical Reserve Fund) and all debt service funds. Some portions of the City's General Fund and special revenue Funds which are related to grants, financially non-measurable trial programs, special assessments and other similar activities are not formally budgeted. These activities are monitored by the appropriate City personnel. The budget amounts presented in the accompanying financial statements for the governmental funds are as originally adopted, or as legally amended, by the City Council during the year ended September 30, 1991.

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any budget amendments that alter the total expenditures of any fund must be approved by the City Council. During 1991, the City Council approved various supplemental budget appropriations to provide for unanticipated requirements of the period. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of each fiscal year. The budget for the governmental funds are adopted on a basis consistent with generally accepted accounting

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

principles (GAAP) except that encumbrances are treated as expenditures. Accordingly, budgetary comparisons presented for the governmental funds in the accompanying financial statements are on this non-GAAP budgetary basis. In addition, certain activities accounted for within the governmental funds are not formally budgeted by the City. Therefore, both revenues and expenditures associated with those activities have also been treated as adjustments to convert actual revenues and expenditures of the governmental funds to a budgetary basis in order that the budgetary comparisons reflect only those activities for which legally adopted budgets are prepared.

(c) Equity in Pooled Cash and Investments

The City maintains a pooled cash and investment fund which allows the various funds of the City to pool monies for investment purposes. The City maintains records to identify the equity of each fund investing in the pool as well as amounts borrowed from the pool. Investment earnings of the pool are recorded as earned and are allocated to the participating funds based on the respective fund's equity in the pool at the end of each month.

(d) Cash Flows

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand (including equity pooled cash), demand deposit accounts and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

(e) Investments

Investments, except those of the Pension Trust Funds, are stated at cost, which together with the accrued interest receivable approximates market. Investments of the Pension Trust Funds consisting of bonds, common stocks, debentures and short-term investments are stated at fair market value based on quoted market prices at the end of the fiscal year.

Income from other investments owned by the individual funds is recorded in the respective funds as earned.

(f) Inventories

Inventories held by the proprietary funds consist of golf retail merchandise, equipment and supplies held for maintenance use or for capital improvements and are stated at the lower of average cost or market. Obsolete and unusable items have been reduced to estimated salvage values.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

(g) Property, Plant and Equipment

Proprietary Funds

Property, plant and equipment of the proprietary funds are carried at historical cost, if known, or estimated historical cost. The City used appraisals and other estimation techniques (indices) to estimate, when necessary, the original historical cost of the units of property, plant and equipment. Since the development of detail property records, all additions to property, plant and equipment of proprietary funds have been recorded at cost with retirements recorded using the established actual or estimated historical cost (net of accumulated depreciation).

Depreciation is provided on all exhaustible assets of proprietary funds on the straight-line method over the following estimated useful lives:

Buildings	30 years
Extensions and improvements other than buildings	30-60 years
Fixtures, vehicles and equipment	5-15 years

An annual depreciation rate of 3.6% is applied to the historical cost of Crystal River Unit No. 3 (CR-3). This annual depreciation rate was approved by the Florida Public Service Commission for use by Florida Power Corporation, the majority owner of the project. The City's share of nuclear fuel, which is included in the CR-3 investment account, is amortized on a unit-of-production method at a rate based on actual BTU's of energy produced.

Additions, improvements and expenditures that significantly extend the useful life of assets held by proprietary funds are capitalized. Other expenditures for repairs and maintenance are charged to operations as incurred.

Interest expense, net of interest income, on assets constructed or otherwise produced for use by proprietary funds is capitalized, as appropriate. For the year ended September 30, 1991, \$2,445,831 in net interest expense incurred by the proprietary funds was capitalized.

(Continued)

CITY OF Ocala, Florida

NOTES TO FINANCIAL STATEMENTS

Governmental Funds

General fixed asset additions are recorded as capital outlay expenditures in the respective governmental fund and are simultaneously capitalized at cost in the General Fixed Asset Account Group, except for infrastructure assets. Donated fixed assets are recorded at their fair market value on the date donated. Unit costs of property and equipment recorded in the General Fixed Asset Account Group were established at historical cost or estimated historical cost in a manner similar to fixed assets of proprietary funds. Depreciation is not provided on general fixed assets.

Capital Leases and Installment Purchase Contracts

Property and equipment and long-term liabilities associated with capital leases and installment purchase contracts of governmental funds are accounted for in the General Fixed Asset and General Long-Term Debt account groups, respectively.

The acquisition or construction of general fixed assets under a capital lease agreement or installment purchase contract is recognized as an expenditure and other financing source and principal and interest expenditures in the governmental funds on lease payments or installment purchase contract are recognized when due.

Property and equipment and liabilities associated with capital leases and installment purchase contracts of proprietary funds are accounted for and reported in the financial statements of the respective proprietary fund.

(h) Accrued Revenue

Revenues of enterprise funds are accrued based on estimated unbilled services provided to the general public at the end of the fiscal year.

(i) Property Taxes

Property taxes levied by the City are billed and collected by Marion County and normally attach as an enforceable lien on property as of January 1. Generally taxes are levied on November 1 and are payable on or before June 1. Substantially all property tax billings are collected during the fiscal period billed. Property taxes receivable at September 30, 1991 are immaterial.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

The City is permitted under its charter to levy taxes up to \$10 per \$1,000 of assessed valuation for general government services other than the payment of principal and interest on general long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. Additional taxes assessed for the payment of general long-term debt issues of the City must be approved by the public. The tax rate assessed by the City for the year ended September 30, 1991 was \$5.170 per \$1,000 of assessed property value.

(j) Interfund Payables and Receivables

Interfund payables and receivables are non-interest bearing and generally are liquidated monthly. Interfund advances are liquidated in accordance with the City Council's resolution and may bear interest (note 5).

(k) Compensated Absences

In governmental funds the amount of compensated absences associated with employee vacations that are recorded as expenditures represent the amounts accrued during the year that would normally be liquidated with available spendable resources. Accordingly, the amount of the compensated absence liability that would normally be liquidated with expendable available resources in the next fiscal year is reflected in the financial statements of governmental funds. The remainder of the compensated absence liability of governmental funds, if any, is reported in the General Long-Term Debt Account Group.

In proprietary funds, the amount of compensated absences associated with employee vacations that are recorded as expenses represent the amounts accrued during the year and the liability for compensated absences of these funds is reflected in the respective financial statements.

(l) Self-Insurance Claims

Liabilities for reported claims and incurred but not reported claims are estimated through a case-by-case review of all claims and potential claims, and application of historical experience to outstanding claims. An actuary was not used in determining the claims liability.

(m) Pension Costs

Pension plan contributions include provision for normal cost plus an amount sufficient to amortize the past service liability over a thirty-year period.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

(n) Reserves of Retained Earnings and Fund Balance

Reserves of retained earnings on the proprietary funds are created by increases in net assets restricted for debt service and renewal and replacement. There is no reservation of retained earnings or assets set aside for construction under bond indentures. Increases in net assets restricted for debt service and renewal and replacement result from earnings on restricted assets included in consolidated net income of the proprietary funds and transfers to the restricted accounts. Increases in restricted assets decrease unreserved retained earnings and increase reserved retained earnings. The use of the restricted assets generates a restoration of unreserved retained earnings as debt payments are made and as renewal and replacement expenditure requirements are met.

Fund balances of governmental funds are reserved for assets which have been legally segregated for specific future uses or which are not available for expenditure. Increases to these reserves are created by transfers to restricted accounts, earnings on restricted assets and gifts designated by the donor for a specific use. In addition, open encumbrances at year-end are reported as reservations of fund balance to reserve that portion of the current year budget appropriation which has not been recognized as an expenditure or a liability.

(o) Capital Grants and Contributions

Program and capital grants received by governmental funds are recorded in the applicable governmental fund as receivables and revenues at the time reimbursable costs are incurred and all significant grant restrictions are satisfied. Grant revenues received in advance of meeting all major grant restrictions are deferred. Capital grants for general fixed asset additions prior to October 1, 1977 are recorded in the general fixed asset account group as investments by the governmental fund which expended the grant monies. Capital grants for general fixed asset additions subsequent to September 30, 1977 are recorded in the general fixed asset account group as contributions from Federal or state grants.

Capital grants received by proprietary funds are also recorded as receivables when reimbursable project costs are incurred or as deferred credits if the grant money is received in advance of project expenditures. Capital grants and other contributions for fixed asset additions to the proprietary funds prior to October 1, 1977 are recorded as additions to retained earnings. Capital grants and other contributions for fixed asset additions to the proprietary funds subsequent to September 30, 1977 are recorded as additions to contributed equity. Depreciation on proprietary fund assets purchased with capital grants or other capital contributions is not closed to contributed capital.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Contributed assets, including property and equipment, are recorded in proprietary funds and in the general fixed asset account group at fair market value at the time received.

(p) 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 as a reduction of the face amount of the related bonds payable and issuance costs are recorded as other assets.

(q) Administrative Fees

Certain administrative expenses are incurred by the City's Electric System Revenue Fund on behalf of the Water and Sewer and Sanitation funds. The Electric System Revenue Fund charges for these services based on the receiving fund's original budgeted appropriations. The reimbursement for these services is recorded as an operating expense of the Water and Sewer and Sanitation funds and as a reduction of administrative expense of the Electric Revenue Fund.

The City's General Fund also incurs certain administrative expenditures on behalf of other funds of the City. The General Fund is reimbursed for these expenditures based on actual cost allocations. The amounts reimbursed are recorded as a reduction of expenditures of the General Fund. The related reimbursements are recorded as either an operating expense of the proprietary funds or as an expenditure of the governmental funds.

(r) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable budget appropriation, is utilized by the governmental funds of the City. Encumbrances outstanding at year-end are reported as reserves of fund balance of governmental funds since they do not constitute expenditures or liabilities. They are recognized as expenditures in the period in which the actual goods or services are received and a liability is incurred.

(s) Total Columns on Combined Statements - Overview

The columns entitled "Total(s) (Memorandum Only)" included in the General Purpose Financial Statements (Combined Statements-Overview) section of this report are presented only to facilitate financial analysis. These total columns are not comparable to consolidated financial information as the basic reporting entity is by fund type which utilize differing bases of accounting. In addition, interfund eliminations have not been made in the aggregation of this data.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

(3) Budgetary Basis Reconciliation

Since the accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, entity and timing differences in the excess of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended September 30, 1991 is presented below:

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Expendable Trust</u>
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	\$(1,650,926)	\$ 265,304	\$(5,962,915)	\$ 28,653
Adjustments:				
Encumbrances	568,445	157,196	1,941,656	-
Encumbrances of non-formally budgeted activities	(4,415)	-	-	-
Non-formally budgeted activities	<u>(2,476)</u>	<u>33</u>	<u>(233,974)</u>	<u>489,756</u>
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	\$(<u>1,089,372</u>)	\$ (<u>422,533</u>)	\$(<u>4,255,233</u>)	\$ (<u>518,409</u>)

(4) Equity in Pooled Cash and Investments, Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds, except the pension trust funds and other funds required to have separate bank accounts. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in pooled cash and investments fund". In addition, investments are held separately by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other City funds.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

(a) Cash

Florida Statutes require that all depositories holding public funds collateralize deposits in excess of FDIC insurance with the State Treasurer. Required collateral must be at least equal to the greater of 50 percent 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 12 calendar months immediately preceding the date of any computation, or 50 percent of the public deposits in excess of any applicable deposit insurance held by the depository as of the date of any computation. The State Treasurer may assess other qualified public depositories for a pro rata share of any loss suffered by a public depositor in excess of its depository's collateral.

At year-end, the carrying amount of the City's deposits was \$3,695,294 and the bank balance was \$3,154,396. Of the bank balance, \$256,682 was covered by federal depository insurance, and the remaining \$2,897,714 was covered by collateral held by the Treasurer of the State of Florida or his designated custodian.

Funds not prohibited by bond covenants have pooled their cash balances in order to maximize investment earnings. The City's banking arrangement provides that the City will pay monthly direct service charges and will earn interest on collected balances at the effective federal funds rate less 50 basis points and adjusted for reserve requirement.

(b) Investments

Florida Statutes authorize the City to invest in the State Board of Administration Fund, obligations of the U.S. Treasury and U.S. agencies, and interest-bearing time deposits and savings accounts in banks and savings and loans provided such deposits are collateralized as described above. Assets of the Ocala Firefighters' Supplemental Plan and the Ocala Police Officers' Supplemental Plan may also be invested, under state statute, in corporate bonds, corporate stocks, commercial paper and life insurance contracts.

The State Board of Administration Fund is an investment pool administered by the State of Florida. Investments held in the State Board of Administration Fund consist of short-term Federal agency obligations, treasury bills, repurchase agreements, and commercial paper. These short-term investments are stated at cost, which approximates market. Investment income is recognized as earned and is allocated to participants of the fund based on their equity participation.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

The City's cash and investments are categorized by type to give an indication of the level of credit risk assumed by the City at year end. 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, with securities held by the counterparty's trust department 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, or by its trust department or agent but not in the City's name.

	<u>Category</u> <u>1</u>	<u>Category</u> <u>2</u>	<u>Category</u> <u>3</u>	<u>Carrying</u> <u>Value</u>	<u>Market</u> <u>Value</u>
U.S. Government securities	\$ -	\$ -	\$ 16,161,341	\$ 16,161,341	\$ 16,161,341
Common stocks and debentures	<u>-</u>	<u>-</u>	<u>22,069,697</u>	<u>22,069,697</u>	<u>22,069,697</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,231,038</u>	38,231,038	38,231,038
Investment in state treasurer's investment pool				105,904,049	105,904,049
Bank deposits				<u>3,695,294</u>	<u>3,695,294</u>
Total cash and investments and equity in pooled cash				\$ <u>147,830,381</u>	\$ <u>147,830,381</u>

The pension trust funds own approximately 98% of the investments in Category 3.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

(5) Due From (To) Other Funds

The following summarizes the interfund receivables and payables of the various funds of the City at September 30, 1991:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Unrestricted Interfund Receivable/Payable:		
General Fund	\$ <u>219,804</u>	\$ <u>15</u>
Special Revenue Funds:		
Occupational License	15	-
Stormwater Utility	<u>58,482</u>	-
	<u>58,497</u>	<u>-</u>
Enterprise Funds:		
Electric System Revenue	-	747,513
Water and Sewer	467,092	-
Sanitation	221,939	-
Ocala Municipal Airport	-	219,804
	<u>689,031</u>	<u>967,317</u>
Total Current Unrestricted Interfund Receivable/Payable	\$ <u>967,332</u>	\$ <u>967,332</u>

(6) Interfund Transactions

On April 14, 1987 the City Council authorized a loan of \$216,525 from the Water and Sewer Fund to the Municipal Golf Course Fund. This interfund loan bears interest at 6.5% and is to be repaid over a five year span. At September 30, 1991, the balance of this loan is current. Interfund interest recognized on the loan in fiscal year 1991 was \$6,388.

On November 10, 1987, the City Council approved a loan from the Electric System Revenue Fund to the Municipal Golf Course Fund for the cost of the Pine Oaks Clubhouse in excess of \$800,000. In September 1988, the actual interfund loan was made for \$555,000. This interfund loan bears interest at a fluctuating rate using the same rate the City receives on its investments with the State Board of Administration of Florida. The loan is to be repaid over a ten-year period. At September 30, 1991, \$333,000 of this loan is long-term. Interfund interest recognized on this loan in fiscal year 1991 was \$31,617.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

On February 14, 1989, the City Council authorized a loan from the Electric System Revenue Fund to the Airport Fund of \$345,000 for the City's portion of the costs of the airport operations center. On March 14, 1989, the amount of this loan, which bears interest at a fluctuating rate based on the State Board of Administration interest rate, was reduced to \$292,000. The loan, which was made in September 1989, is to be repaid over a fifteen year period. At September 30, 1991, \$274,008 of this loan is long-term. Interfund interest recognized on this loan in fiscal year 1991 was \$20,223.

On July 18, 1989, the City Council approved a loan of \$60,000 from the General Fund to the Fort King Tennis Court Fund for the construction of a new clubhouse facility. In April 1990, the actual interfund loan was made. This interfund loan bears interest at a fluctuating rate using the same rate the City receives on its investments with the State Board of Administration of Florida and is to be repaid over a fifteen year period. At September 30, 1991, \$54,688 of this loan is long-term. Interfund interest recognized on this loan in fiscal year 1991 was \$4,141.

The following summarizes the interfund loans receivable and payable of the various funds of the City at September 30, 1991:

<u>Fund</u>	<u>Loans Receivable</u>	<u>Loans Payable</u>
Current unrestricted interfund loans receivable/payable:		
General Fund	\$ 2,268	\$ -
Enterprise Funds:		
Electric System Revenue	62,042	-
Water and Sewer	47,175	-
Municipal Golf Course	-	102,675
Fort King Tennis Court	-	2,268
Ocala Municipal Airport	-	6,542
	<u>109,217</u>	<u>111,485</u>
Total current unrestricted interfund loans receivable/payable	<u>111,485</u>	<u>111,485</u>
Interfund loans receivable/payable after one year:		
General Fund	<u>54,688</u>	-
Enterprise Funds:		
Electric System Revenue	607,008	-
Municipal Golf Course	-	333,000
Fort King Tennis Court	-	54,688
Ocala Municipal Airport	-	274,008
	<u>607,008</u>	<u>661,696</u>
Total interfund loans receivable/payable after one year	<u>661,696</u>	<u>661,696</u>
Total interfund loans receivable/payable	\$ <u>773,181</u>	\$ <u>773,181</u>

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

During the year, the City constructed certain water and sewer improvements which were financed by the Bonds Proceeds recorded in the Capital Projects Fund. These improvements totaling \$137,900 were contributed to the Water and Sewer Enterprise Fund and the transaction was accounted for as a residual equity transfer.

(7) Property, Plant and Equipment

Property, plant and equipment of the proprietary fund types at September 30, 1991 is summarized as follows:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
Buildings	\$ 4,206,785	\$ 5,787,014
Extensions and improvements other than buildings	114,317,883	942,470
Crystal River Unit No. 3	11,985,899	-
Fixtures, vehicles and equipment	<u>7,872,592</u>	<u>2,581,910</u>
	138,383,159	9,311,394
Less accumulated depreciation	<u>45,164,076</u>	<u>2,352,711</u>
	93,219,083	6,958,683
Land	7,703,436	320,943
Construction in progress	<u>31,039,208</u>	<u>8,277</u>
	<u>\$ 131,961,727</u>	<u>\$ 7,287,903</u>

The cost of Crystal River Unit No. 3 (CR-3) represents the City's 1.3333% share of the ownership of a nuclear power generating plant (bulk power supply system) acquired through a participation agreement with Florida Power Corporation (FPC). Under the participation agreement, FPC is acting as agent for the City in the maintenance and operation of the plant. The City is committed to pay its ownership share of the operational costs of the plant as well as capital improvements, nuclear fuel procurements and plant decommissioning costs. For its investment, the City receives the ratio of its percentage ownership in the net energy output of the CR-3 plant.

In 1976, the City Council adopted resolution 76-44 which authorized the construction of the Municipal Service Complex to house the operations of the electric, water and sewer and other public works activities of the City. The cost of the Complex has been partially financed by contributions from various City funds and is being accounted for within the internal service fund since operations of the Complex are funded by user charges to the respective funds utilizing the Complex.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

The following is a summary of the changes in the City's general fixed assets for the year ended September 30, 1991:

	<u>Balance at October 1, 1990</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at September 30, 1991</u>
Property, plant and equipment:				
Land	\$ 3,393,604	16,879	-	3,410,483
Buildings	4,484,009	179,533	-	4,663,542
Equipment, furniture and fixtures	6,937,876	1,179,446	492,086	7,625,236
Construction in progress	<u>168,823</u>	<u>-</u>	<u>168,823</u>	<u>-</u>
	<u>\$ 14,984,312</u>	<u>\$ 1,375,858</u>	<u>\$ 660,909</u>	<u>\$ 15,699,261</u>
Net investment in general fixed assets:				
Investment in property acquired prior to September 30, 1975	\$ 5,599,936	-	-	5,599,936
Investment in property acquired after September 30, 1975:				
Capital project funds	520,140	1,033	-	521,173
General fund	4,541,979	1,235,172	436,666	5,340,485
Special revenue funds	2,038,321	139,653	70,741	2,107,233
Federal and state grants	439,633	-	157,502	286,131
Capital equipment fund	<u>1,844,303</u>	<u>-</u>	<u>-</u>	<u>1,844,303</u>
	<u>\$ 14,984,312</u>	<u>\$ 1,375,858</u>	<u>\$ 660,909</u>	<u>\$ 15,699,261</u>

(8) Pension Plans

The City maintains a single-employer, defined benefit pension plan which covers substantially all of the City's full-time employees (General Plan), a single-employer defined benefit pension plan which covers all of its full-time certified law enforcement officers (Supplemental Police Officers' Plan) and a single-employer defined benefit pension plan which covers all of its full-time certified firefighters (Supplemental Firefighters' Plan).

(a) Plan Descriptions and Provisions

General Plan

The General Plan is a noncontributory defined benefit pension plan covering substantially all full-time employees of the City. The amount of the covered payroll for the year ended September 30, 1991 was \$22,246,649. The City's entire payroll was \$23,191,791.

Employees are eligible to retire at age sixty-five (65) with ten (10) years of credited services or may elect early retirement with twenty-five (25) years of credited service or at age fifty-five (55) with ten (10) years of credited service. Employees become vested after ten (10) years of credited service. Employees hired after the age of fifty-five (55) become vested at the age of sixty-five (65) or older, after having completed five (5) or more years of credited service.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Supplemental Police Officers' Plan

The Supplemental Police Officers' Plan is a contributory defined benefit pension plan covering any person employed full-time in the Ocala Police Department who is certified as a law enforcement officer in compliance with the provisions of Chapter 943.14 of the Florida Statutes. The Plan supplements the General Plan which covers all qualified employees of the City. Florida Statutes Chapter 185 allows contributions to the Plan by the State of Florida. The amount of the covered payroll for the year ended September 30, 1991 was \$3,488,224.

A law enforcement officer is eligible to retire on the first day of the month following their sixtieth (60) birthday or may elect to take early retirement upon the completion of twenty-five (25) years of service or age fifty (50) and at least ten (10) years of service and begin receiving a benefit from the Plan payable until age sixty-five (65). Law enforcement officers become vested in the Plan after ten (10) years of credited service.

Pursuant to Florida Statutes Section 185.08 an excise tax amounting to 1% of the gross amount of receipts of premiums from policyholders on all premiums collected on casualty insurance policies covering property within the corporate limits of the City, is collected by the Insurance Commissioner. Such amounts collected by the Insurance Commissioner, less expenses, are contributed annually to the Plan. The City does not contribute to the Plan. The law enforcement officers contribute 1% of their weekly earnings to the Supplemental Police Officers' Plan.

Supplemental Firefighters' Plan

The Supplemental Firefighters' Plan is a contributory defined benefit pension plan covering any person employed full-time in the Ocala Fire Department who is certified as a firefighter as a condition of employment in accordance with the provisions of Section 633.35 of the Florida Statutes. The Plan supplements the General Plan which covers all qualified employees of the City. Florida Statutes Chapter 175 allows contributions to the Plan by the State of Florida. The amount of the covered payroll for the year ended September 30, 1991 was \$2,785,846.

On either the first day of the month following his fifty-fifth (55) birthday or the first day of the month following his thirtieth (30) year of credited service, a firefighter is eligible to retire and begin receiving a benefit from the Plan payable until age sixty-five (65). Firefighters become vested in the Plan after ten (10) years of credited service.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Pursuant to Florida Statutes Section 175.101 an excise tax amounting to two percent of the gross amount of receipts of premiums from policyholders on all premiums collected on property insurance policies covering property within the corporate limits of the City, is collected by the Insurance Commissioner. Such amounts collected by the Insurance Commissioner, less expenses, are contributed annually to the Plan. The firefighters contribute 8.42% of their weekly earnings to the Supplemental Firefighters' Plan.

Participation

At September 30, 1991, participation in the plans consisted of the following:

	<u>General</u>	<u>Police</u>	<u>Fire</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits not yet receiving them	<u>198</u>	<u>17</u>	<u>16</u>
Current employees:			
Vested	285	39	38
Nonvested	<u>674</u>	<u>83</u>	<u>67</u>
Total	<u>959</u>	<u>122</u>	<u>105</u>

(b) Investments

The three aforementioned plans pool their investments. Interest and dividend income, gains on sale of investments and appreciation in fair market value of investments are allocated among the three plans monthly based upon the fund balances of the respective funds at the beginning of each month.

Investments of the three plans, consisting of bonds, common stocks, debentures and short-term investments are stated at fair market value based on quoted market prices at the end of the fiscal year.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

(c) Funding Status and Progress

The amounts shown below as "pension benefit obligation" are a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the Plans' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among defined benefit pension plans. The measure is independent of the actuarial funding method used to determine contributions to the Plan.

The pension benefit obligation was determined as part of an actuarial valuation at October 1, 1990 for the Police Officers' and Firefighters' Plans and October 1, 1991 for the General Plan. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 8% per year compounded annually (b) projected salary increases of 6% per year compounded annually, attributable to inflation, (c) no postretirement benefit increases and (d) no merit rate increases.

Total assets in excess of the pension benefit obligation of each of the three Plans at October 1, 1991 or October 1, 1990 are summarized as follows:

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

	<u>October 1, 1991</u>	<u>October 1, 1990</u>		
	<u>General</u>	<u>Police</u>	<u>Firefighters'</u>	
	<u>Plan</u>	<u>Plan</u>	<u>Plan</u>	<u>Total</u>
Pension benefit obligation:				
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 8,194,000	\$ 973,200	\$ 1,260,300	\$ 10,427,500
Current employees:				
Accumulated employee contributions including allocated investment earnings and state financed - vested	612,000	2,139,400	1,859,000	4,610,400
Employer financed vested	13,102,000	-	-	13,102,000
Employer financed nonvested	<u>3,687,000</u>	<u>959,600</u>	<u>608,900</u>	<u>5,255,500</u>
Total pension benefit obligation	25,595,000	4,072,200	3,728,200	33,395,400
Net assets available for benefits, at market	<u>29,178,000</u>	<u>4,046,600</u>	<u>2,698,300</u>	<u>35,922,900</u>
Assets in excess of (unfunded) pension benefit obligation	\$ <u>3,583,000</u>	\$ <u>(25,600)</u>	\$ <u>(1,029,900)</u>	\$ <u>2,527,500</u>

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

(d) Contributions Required and Contribution Made

The plan's funding policies provide that annual contributions at actuarially determined rates, expressed as percentages of annual covered payroll, be sufficient to accumulate sufficient assets to pay benefits when due. The contribution rate for normal cost is determined using the aggregate actuarial funding method.

The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute pension benefit obligation as described above.

The contribution requirement for the General Plan for 1991 determined through an actuarial valuation performed as of October 1, 1990 was \$1,516,851 (6.97% of current covered payroll). The pension contribution requirement represents funding for normal cost (\$1,178,512), amortization of the unfunded actuarial accrued liability (\$260,799), and administrative expenses (19,200). Actual employer contributions amounted to \$1,156,826 (5.2% of current covered payroll).

The contribution requirement for the Supplemental Police Officers' Plan for the 1991 fiscal year determined through an actuarial valuation performed as of October 1, 1990 was \$336,179 (10.1% of current covered payroll). The pension contribution requirement represents funding for normal cost (\$327,979) and administrative expenses (\$8,200). Actual employee contributions totaled \$34,822 (1.0% of current covered payroll) and actual state contributions amounted to \$280,200 (8.0% of current covered payroll).

The contribution requirement for the Supplemental Firefighters' Plan for the 1991 fiscal year determined through an actuarial valuation performed as of October 1, 1990 was \$342,727 (13.1% of current covered payroll). The pension contribution requirement represents funding for normal cost (\$334,127) and administrative expenses of (\$8,600). Actual employee contributions totaled \$233,150 (8.4% of current covered payroll) and actual state contributions amounted to \$162,718 (5.8% of current covered payroll).

Because of timing, there is a one-year lapse in the funding of the contribution requirements for each of the three plans. The 1991 contribution for the General Plan was based on the actuarial valuation performed as of October 1, 1989 of a recommended contribution of \$889,749 (4.64% of covered payroll). The 1991 contributions for the Supplemental Police Officers' Plan and for the Supplemental Firefighters' Plan were based on actuarial valuations performed as of October 1, 1987, which recommended contributions of \$190,816 (7.6% of covered payroll) and \$173,069 (9.9% of covered payroll), respectively.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

(e) Trend Information

The required three year trend disclosure is as follows:

	<u>1991</u>	<u>1990</u>	<u>1989</u>
Net assets available for benefits as a percentage of the pension benefit obligation:			
General Plan	114.0%	100.2 %	140.0%
Supplemental Police Officers' Plan	N/A	99.4 %	N/A
Supplemental Firefighters' Plan	N/A	72.4 %	N/A
Employer contributions as a percentage of annual covered payroll, made in accordance with actuarially determined requirements:			
General Plan	5.2%	5.2 %	7.2%
Supplemental Police Officers' Plan	N/A	N/A	N/A
Supplemental Firefighters' Plan	N/A	N/A	N/A
Assets in excess of (unfunded) pension obligation as a percentage of the employer's annual covered payroll:			
General Plan	15.3%	.2 %	40.6%
Supplemental Police Officers' Plan	N/A	(.8)%	N/A
Supplemental Firefighters' Plan	N/A	(39.3)%	N/A

Since these figures are actuarially derived, and since Florida Statutes, Chapters 185 and 175, require actuarial valuations every three years and do not require annual updates for the Supplemental Police Officers' and Firefighters' Plans, the percentages for 1991 and 1989 are not available.

Ten year historical trend information is presented in the supplementary schedules directly following the notes to the financial statements of this report. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

(9) Proprietary Funds - Long-term Debt

Enterprise Funds

Following is a maturity schedule of outstanding debt of the enterprise funds:

<u>Final Year Ended September 30,</u>	<u>Series 1985A</u> Water and Sewer Revenue Bonds	<u>Series 1986</u> Water and Sewer Refunding Revenue Bonds	<u>Series 1988</u> Water and Sewer Refunding Revenue Bonds	<u>Series 1988A</u> Electric System Revenue Bonds	<u>Series 1989B</u> Electric System Revenue Refunding Bonds	<u>Total Principal Due</u>
1992	\$ 435,000	\$ 205,000	\$ -	\$ 770,000	\$ 1,195,000	\$ 2,605,000
1993	465,000	220,000	-	820,000	1,260,000	2,765,000
1994	505,000	230,000	45,000	870,000	1,345,000	2,995,000
1995	-	785,000	245,000	920,000	1,435,000	3,385,000
1996	-	845,000	260,000	980,000	1,530,000	3,615,000
1997-2016	-	<u>37,570,000</u>	<u>11,900,000</u>	<u>23,340,000</u>	<u>5,115,000</u>	<u>77,925,000</u>
Total long-term debt	1,405,000	39,875,000	12,450,000	27,700,000	11,880,000	93,290,000
Less:						
Current portion	435,000	205,000	-	770,000	1,195,000	2,605,000
Unamortized discount	<u>3,785</u>	<u>460,270</u>	<u>156,567</u>	<u>378,594</u>	<u>88,388</u>	<u>1,088,204</u>
Total long-term portion	\$ <u>966,215</u>	\$ <u>39,189,130</u>	\$ <u>12,793,433</u>	\$ <u>26,521,406</u>	\$ <u>10,596,612</u>	\$ <u>89,596,796</u>
Interest rate	<u>7.5 - 8.0%</u>	<u>5.9 - 7.4%</u>	<u>6.15 - 7.875%</u>	<u>6.15 - 7.125%</u>	<u>6.15 - 6.9%</u>	

The electric system revenue and revenue refunding, and water and sewer revenue and refunding revenue bonds are each secured by the net operating revenues of the respective fund. The City is in compliance with all significant limitations and restrictions contained in the various bond indentures.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Following is a schedule of debt service requirements to maturity for all outstanding bonded debt of the City's enterprise funds as of September 30, 1991:

<u>Fiscal Year Ended September 30</u>	<u>Series 1985A Water and Sewer Revenue Bonds</u>	<u>Series 1986 Water and Sewer Refunding Revenue Bonds</u>	<u>Series 1988 Water and Sewer Refunding Revenue Bonds</u>	<u>Series 1989A Electric System Revenue Bonds</u>	<u>Series 1989B Electric System Revenue Refunding Bonds</u>	<u>Total Principal and Interest Due</u>
1992	\$ 527,750	\$ 3,094,774	\$ 948,311	\$ 2,663,470	\$ 1,934,586	\$ 9,168,891
1993	523,419	3,097,016	948,311	2,664,372	1,923,780	9,156,898
1994	525,200	3,093,057	991,927	2,661,547	1,927,352	9,199,083
1995	-	3,615,496	1,182,825	2,654,722	1,929,065	9,382,088
1996	-	3,622,295	1,181,658	2,653,167	1,928,038	9,385,158
1997	-	3,614,204	1,183,828	2,651,065	1,923,325	9,372,422
1998	-	3,615,877	1,179,418	2,648,148	1,924,390	9,367,833
1999	-	3,607,057	1,183,348	2,557,288	1,800,030	9,147,723
2000	-	3,607,211	1,175,583	2,644,888	-	7,427,682
2001	-	3,605,764	1,180,901	2,639,013	-	7,424,678
2002	-	3,602,474	1,173,265	2,639,663	-	7,415,402
2003	-	3,597,209	1,177,574	2,639,138	-	7,413,921
2004	-	3,590,192	1,174,406	2,631,263	-	7,395,861
2005	-	3,590,692	1,173,759	2,630,513	-	7,394,964
2006	-	3,583,162	1,175,253	2,620,174	-	7,378,589
2007	-	3,582,055	1,168,887	2,614,633	-	7,365,575
2008	-	3,576,640	1,169,471	2,613,940	-	7,360,051
2009	-	3,570,340	1,165,812	2,607,380	-	7,343,532
2010	-	3,567,165	1,162,656	2,599,421	-	7,329,242
2011	-	3,557,335	1,160,365	-	-	4,717,700
2012	-	3,550,110	1,158,546	-	-	4,708,656
2013	-	3,549,195	1,156,806	-	-	4,706,001
2014	-	3,533,850	1,154,750	-	-	4,688,600
2015	-	3,528,150	1,147,180	-	-	4,675,330
2016	-	3,520,615	1,148,509	-	-	4,669,124
Total	\$ 1,576,369	\$ 88,071,935	\$ 28,623,349	\$ 50,032,785	\$ 15,290,566	\$ 183,595,004

(Continued)

CITY OF Ocala, Florida
NOTES TO FINANCIAL STATEMENTS

Internal Service Fund

Bonds and notes payable at September 30, 1991 in the Internal Service Fund include installment purchase contracts payable bearing interest at 9% and at 7.62% and a financing agreement bearing interest at 7.94%. These obligations are secured by certain equipment.

Following is a schedule of outstanding debt of the Internal Service Fund:

<u>Fiscal Year Ended September 30,</u>	<u>Total Principal Due</u>
1992	\$ 211,565
1993	228,778
1994	247,401
1995	92,659
1996	<u>1,125</u>
Total	781,528
Less:	
Current portion	<u>211,565</u>
Total long-term portion	\$ <u>569,963</u>

Following is a schedule of debt service requirements to maturity for the outstanding debt of the City's Internal Service Fund as of September 30, 1991:

<u>Fiscal Year Ended September 30,</u>	<u>Total Principal and Interest Due</u>
1992	\$ 265,544
1993	265,544
1994	265,544
1995	94,800
1996	<u>1,134</u>
Total	\$ <u>892,566</u>

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

(10) General Long-term Debt

The following is a summary of changes in the City's general long-term debt for the year ended September 30, 1991:

	Balance at October 1, 1990	General Long-Term Debt Additions	General Long-Term Debt Retired	Debt Service Funds Operations	Balance at September 30, 1991
Amounts available in debt service funds	\$ 6,446,210	\$ -	\$ -	\$ 269,678	\$ 6,715,888
Amount to be provided:					
Term bonds	15,015,000	-	-	-	15,015,000
Serial bonds	7,528,924	-	(1,090,000)	(166,736)	5,272,188
Revenue certificates	5,474,866	-	(450,000)	(102,942)	4,921,924
Notes payable	78,863	-	(26,288)	-	52,575
Installation purchase and capital lease obligations	10,323	-	(10,323)	-	-
	<u>28,107,976</u>	<u>-</u>	<u>(1,576,611)</u>	<u>(269,678)</u>	<u>26,261,687</u>
Total amount available and to be provided	\$ <u>36,554,186</u>	\$ <u>-</u>	\$ <u>(1,576,611)</u>	\$ <u>-</u>	\$ <u>32,977,575</u>
General long-term debt payable:					
Term bonds	\$ 15,015,000	\$ -	\$ -	\$ -	\$ 15,015,000
Serial bonds	12,560,000	-	(1,090,000)	-	11,470,000
Revenue certificates	6,890,000	-	(450,000)	-	6,440,000
Notes payable	78,863	-	(26,288)	-	52,575
Installation purchase and capital lease obligations	10,323	-	(10,323)	-	-
Total general long-term debt payable	\$ <u>36,554,186</u>	\$ <u>-</u>	\$ <u>(1,576,611)</u>	\$ <u>-</u>	\$ <u>32,977,575</u>

General long-term debt matures as follows:

Fiscal Year Ended September 30,	Refunding and Improvement Excise Tax Bonds Dated January 1, 1972	Capital Improvement Refunding Revenue Bonds Series 1986	Capital Improvement Revenue Refunding Certificates Series 1988	Optional Gas Tax Revenue Bonds Series 1989	Note Payable	Total Principal Due
1992	\$ 330,000	\$ 440,000	\$ 490,000	\$ 370,000	\$ 26,287	\$ 1,656,287
1993	190,000	465,000	680,000	395,000	26,288	1,756,288
1994	-	490,000	920,000	420,000	-	1,830,000
1995	-	530,000	980,000	450,000	-	1,960,000
1996	-	565,000	1,050,000	480,000	-	2,095,000
1997 - 2010	-	9,740,000	2,320,000	11,620,000	-	23,680,000
	\$ <u>520,000</u>	\$ <u>12,230,000</u>	\$ <u>6,440,000</u>	\$ <u>13,735,000</u>	\$ <u>52,575</u>	\$ <u>32,977,575</u>
Interest rate	<u>4.0 - 5.1%</u>	<u>5.0 - 7.75%</u>	<u>6.35 - 7.15%</u>	<u>6.3 - 7.6%</u>	<u>8.00%</u>	

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

The City's charter limits the aggregate amount of general obligation bonds outstanding to twenty percent (20%) of the assessed valuation of the taxable real and personal property in the City. At September 30, 1991, there was no general obligation debt outstanding.

Refunding and Improvement
Excise Tax Bonds

The refunding and improvement excise tax bonds were issued to finance various municipal improvements including a public works complex, arterial street improvements and city building renovations. Occupational license taxes and cigarette taxes are pledged to secure this issue. In accordance with bond indentures, the City has established debt service and reserve funds which are consolidated in the accompanying financial statements.

Capital Improvement
Refunding Revenue Bonds

The Capital Improvement Refunding Revenue Bonds, Series 1986, were issued in connection with the advance refunding of the Capital Improvements Revenue Bonds, Series 1982, and to partially finance certain infrastructure projects. Interest is payable semi-annually. The bonds are secured by a senior lien upon and pledge of certain non-ad valorem revenues of the City.

Capital Improvement
Revenue Refunding Certificates

In August 1988, the City Council authorized the issuance of \$7,505,000 Capital Improvement Revenue Refunding Certificates, Series 1988. The Certificates were issued in the authorized amount during August 1988. The proceeds of this issue were used to advance refund the Capital Improvement Revenue Certificates, Series 1986, and to finance certain capital projects of the City. The bonds are secured by a lien upon and pledge of certain non-ad valorem revenues of the City which is junior and subordinate to the Capital Improvement Refunding Revenue Bonds, Series 1986 noted above.

The refunding portion of the proceeds from the sale of the Series 1988 Certificates were used to purchase U.S. government securities, which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Capital Improvement Revenue Certificates, 1986 Series. As a result, the Series 1986 Certificates are considered to be defeased and the liability for those bonds has been removed from the General Long-term Debt Account Group.

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

The City advance refunded the 1986 Series Certificates. The pro rata portion of the debt service payments used to service the debt proceeds for advance refunding were extended over the next ten years. This caused the City to increase its debt service payments over the next ten years by approximately \$3,100,000. However, the City realized an economic gain (difference between the present values of the old and new debt service payments) of approximately \$110,000.

Optional Gas Tax Revenue Bonds

In February 1989, the City Council authorized the issuance of \$14,085,000 Optional Gas Tax Revenue Bonds, Series 1989. The bonds were issued in the authorized amount during February 1989. The proceeds of this issue are being used for financing the cost of acquisition and construction of certain transportation improvements. These bonds are secured by a lien upon and pledge of the proceeds of the six cent optional gas tax.

Note Payable

During the year ended September 30, 1988, the City signed a note payable to a bank for the acquisition of a fire pumper. The note bears interest at 8% and is payable in equal annual payments through October 1992. It is secured by the fire pumper acquired.

Debt service requirements to maturity for all outstanding general long-term debt are as follows:

Fiscal Year Ended September 30,	Improvement Excise Tax Bonds Dated January 1, 1972	Improvement Refunding Revenue Bonds Series 1987	Improvement Revenue Refunding Certificates Series 1988	Optional Gas Tax Revenue Bonds Series 1989	Note Payable	Total Principal and Interest Due
1992	\$ 354,430	\$ 1,271,758	\$ 929,785	\$ 1,341,900	\$ 30,532	\$ 3,928,425
1993	197,600	1,268,574	1,088,670	1,342,605	28,420	3,925,869
1994	-	1,262,640	1,284,470	1,341,315	-	3,888,425
1995	-	1,268,185	1,283,290	1,342,815	-	3,894,290
1996	-	1,264,843	1,286,650	1,341,885	-	3,893,378
1997	-	1,263,005	1,284,200	1,338,465	-	3,885,670
1998	-	1,262,500	1,285,800	1,337,322	-	3,885,622
1999	-	1,262,875	-	1,333,220	-	2,596,095
2000	-	1,258,850	-	1,335,889	-	2,594,739
2001	-	1,254,531	-	1,330,251	-	2,584,782
2002	-	1,249,819	-	1,331,081	-	2,580,900
2003	-	1,250,069	-	1,327,215	-	2,577,284
2004	-	1,244,894	-	1,328,385	-	2,573,279
2005	-	1,239,100	-	1,325,115	-	2,564,215
2006	-	1,233,625	-	1,322,220	-	2,555,845
2007	-	1,230,000	-	1,319,330	-	2,549,330
2008	-	-	-	1,316,075	-	1,316,075
2009	-	-	-	1,312,085	-	1,312,085
2010	-	-	-	1,311,805	-	1,311,805
	\$ <u>552,030</u>	\$ <u>20,085,268</u>	\$ <u>8,442,865</u>	\$ <u>25,228,928</u>	\$ <u>58,952</u>	\$ <u>56,418,113</u>

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

In April 1983, \$2,500,000 Industrial Development Revenue Bonds were issued. The proceeds of the bonds are being used by an independent real estate developer for the construction of a commercial project within an area of the City designated as blighted. The bonds do not represent debt or an obligation of the City and are secured solely from the gross revenues of the completed project. The completed project and all revenues derived therefrom, subsequent to the payment of all debt service requirements, belong exclusively to the developer.

(11) Prior-Year Defeasance of Debt

In prior years, the City defeased certain 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. At September 30, 1991, \$75,310,000 of bonds outstanding are considered defeased, as follows:

Enterprise Funds:	
Electric System Revenue:	
Special Obligation Bonds, Series 1977-A	\$ 15,000
Power Supply Revenue Bonds, Series 1977	9,330,000
Power Supply Refunding Revenue Bonds, Series 1988	11,360,000
Water and Sewer:	
Water and Sewer Refunding Revenue Bonds, Series 1983	8,895,000
Water and Sewer Refunding Revenue Bonds, Series 1985A	34,935,000
Water and Sewer Refunding Revenue Bonds, Series 1985B	<u>10,775,000</u>
	\$ <u>75,310,000</u>

(12) Financial Segment Information
of Enterprise Funds

Each of the City's enterprise operations is accounted for within a separate fund. Over 93% of the combined assets, revenues, and expenses of the enterprise funds are attributable to utility funds used to account for the transactions of the City's electric and bulk power, water and sewer, and sanitation systems. Other enterprise funds are used to account for the operations of golf, tennis, trailer park and airport facilities provided for the benefit of the general public. Following is a summary of significant financial information of the enterprise funds:

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

	<u>Electric System Revenue</u>	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Other</u>	<u>Total</u>
Current assets	\$ 13,732,781	\$ 1,714,230	\$ 460,123	\$ 327,000	\$ 16,234,134
Current liabilities	<u>7,909,752</u>	<u>291,779</u>	<u>199,001</u>	<u>542,985</u>	<u>8,943,517</u>
Working capital	\$ <u>5,823,029</u>	\$ <u>1,422,451</u>	\$ <u>261,122</u>	\$ <u>(215,985)</u>	\$ <u>7,290,617</u>
Property, plant and equipment:					
Additions	\$ <u>7,177,955</u>	\$ <u>13,961,481</u>	\$ <u>449,835</u>	\$ <u>990,741</u>	\$ <u>22,580,012</u>
Deletions	\$ <u>615,915</u>	\$ <u>28,005</u>	\$ <u>101,965</u>	\$ <u>10,850</u>	\$ <u>756,735</u>
Total property, plant and equipment	\$ <u>52,317,975</u>	\$ <u>65,839,955</u>	\$ <u>1,341,549</u>	\$ <u>12,462,247</u>	\$ <u>131,961,727</u>
Restricted assets	\$ <u>43,516,946</u>	\$ <u>29,149,193</u>	\$ <u>-</u>	\$ <u>708,005</u>	\$ <u>73,374,144</u>
Total assets	\$ <u>110,543,727</u>	\$ <u>97,626,914</u>	\$ <u>1,801,672</u>	\$ <u>13,497,252</u>	\$ <u>223,469,565</u>
Liabilities payable from restricted assets	\$ <u>4,566,939</u>	\$ <u>3,613,181</u>	\$ <u>-</u>	\$ <u>588,933</u>	\$ <u>8,767,053</u>
Bonds and other long-term liabilities	\$ <u>37,148,018</u>	\$ <u>52,448,778</u>	\$ <u>-</u>	\$ <u>661,696</u>	\$ <u>90,258,492</u>
Total fund equity	\$ <u>60,921,018</u>	\$ <u>41,273,176</u>	\$ <u>1,602,671</u>	\$ <u>11,703,638</u>	\$ <u>115,500,503</u>
Total operating revenues	\$ 65,723,078	\$ 11,010,549	\$ 4,747,844	\$ 2,423,634	\$ 83,905,105
Operating expenses (less depreciation and amortization)	46,337,715	4,547,731	4,281,517	2,089,294	57,256,257
Depreciation and amortization	<u>2,936,682</u>	<u>1,535,954</u>	<u>259,739</u>	<u>521,470</u>	<u>5,253,845</u>
Operating income (loss)	16,448,681	4,926,864	206,588	(187,130)	21,395,003
Operating transfers from other funds	141,725	184,832	342,235	311,171	979,963
Operating transfers (to) other funds	(10,628,384)	(435,153)	(195,169)	(290,174)	(11,548,880)
Interest income	1,563,462	1,112,211	18,439	42,073	2,736,185
Interest expense	(922,773)	(948,337)	-	(63,632)	(1,934,742)
Operating grants	-	-	1,947	73,661	75,608
Net income (loss)	\$ <u>6,602,711</u>	\$ <u>4,840,417</u>	\$ <u>374,040</u>	\$ <u>(114,031)</u>	\$ <u>11,703,137</u>
Equity transfers from other funds	\$ <u>-</u>	\$ <u>137,900</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>137,900</u>
Capital contributions from other sources	\$ <u>269,807</u>	\$ <u>203,905</u>	\$ <u>64,515</u>	\$ <u>872,580</u>	\$ <u>1,410,807</u>

Interfund loans payable and long-term debt of individual enterprise funds are presented in notes 5, 6 and 9.

(Continued)

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

(13) Reserved Retained Earnings

The following is a reconciliation of the reserved retained earnings to the net restricted assets of enterprise funds as of September 30, 1991:

Total restricted assets	\$ 73,374,144
Less:	
Restricted assets set aside for construction under bond indentures	(48,443,043)
Liabilities payable from restricted assets	(8,767,053)
Add:	
Liabilities payable from restricted assets set aside for construction under bond indentures	<u>1,592,400</u>
Total reserved retained earnings	<u>\$ 17,756,448</u>

(14) Fund Balance Reserved for Restricted Assets

The fund balance reserved for restricted assets in the governmental fund types is a reservation of fund balance relating to assets restricted by law or by their nature for certain purposes. Fund balance reserved for restricted assets at September 30, 1991 is comprised of the following:

General Fund

Reserved for capital equipment purchases	\$ 2,110,826
Special police reserves:	
Law enforcement - confiscations	92,638
Police education and training	10,237
Law enforcement - recovered property	22,726
Special investigations	18,539
School education program	6,382
"Thumbs-Up" for law enforcement program	<u>4,375</u>
Total	<u>\$ 2,265,723</u>

Special Revenue Funds:

Central Florida Regional Library:	
Reserved for book endowment fund	\$ 52,851
Reserved for Hocker and Bitzer contribution	<u>1,789</u>
Total	<u>\$ 54,640</u>

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Expendable Trust Funds:

Community Redevelopment Fund:	
Reserved for downtown redevelopment	\$ 35,523
Pension Medical Reserve:	
Reserved for future retiree benefits	<u>916,205</u>
Total	\$ <u>951,728</u>

(15) Operating Deficits and Fund Deficits

Following is a summary of net losses of individual proprietary funds and deficiencies of revenues and other sources over expenditures and other uses of individual governmental funds for the year ended September 30, 1991 which are included in the accompanying combined financial statements:

<u>Proprietary Funds</u>	<u>Net Loss</u>
Enterprise Funds:	
Fort King Tennis Court	\$ 8,506
Ocala Municipal Airport (Jim Taylor Field)	134,197
<u>Governmental Funds</u>	<u>Deficiency</u>
General Fund	\$ 1,089,372
Special Revenue Funds:	
Occupational License	89,613
Central Florida Regional Library	72
Downtown Development	13,101
Local Gasoline Tax	15,658
Debt Service Fund:	
Excise Tax Bonds	11,078
Capital Project Funds:	
Capital Improvement Construction	233,974
Optional Gas Tax Construction	4,021,259

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

(16) Contributed Capital

During the year ended September 30, 1991, contributed equity increased as follows:

	Contributed Capital October 1, <u>1990</u>	Contributions from				Contributed Capital September 30, <u>1991</u>
		<u>Other Governments</u>	<u>Developers</u>	<u>Customers</u>	<u>Govern- mental Funds</u>	
Enterprise funds:						
Airport	\$ 5,369,889	\$ 872,580	\$ -	\$ -	\$ -	\$ 6,242,469
Golf	3,853,439	-	-	-	-	3,853,439
Sanitation water and Sewer	8,515	64,515	-	-	-	73,030
Electric	10,576,666	-	203,905	-	137,900	10,918,471
	<u>3,619,542</u>	<u>-</u>	<u>-</u>	<u>269,807</u>	<u>-</u>	<u>3,889,349</u>
Total enterprise funds	\$ <u>23,428,051</u>	\$ <u>937,095</u>	\$ <u>203,905</u>	\$ <u>269,807</u>	\$ <u>137,900</u>	\$ <u>24,976,758</u>
Internal service funds:						
Internal Service	\$ 1,288,775	\$ -	\$ -	\$ 5,088	\$ -	\$ 1,293,863
Self- Insur- ance	<u>20,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,401</u>
Total internal service funds	\$ <u>1,309,176</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,088</u>	\$ <u>-</u>	\$ <u>1,314,264</u>

(Continued)

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

(17) Commitments and Contingent Liabilities

Grants

The City receives significant financial assistance from Federal agencies primarily in the form of capital grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Disallowed claims, if any, resulting from such audits may become liabilities of the City. However, in the opinion of management, disallowed claims, if any, will not have a material effect on the City's financial statements.

Other Commitments

Outstanding commitments of governmental funds are presented in the accompanying combined financial statements as reserves of fund balance. The outstanding commitments of the Internal Service and Enterprise Funds for goods or services not received as of September 30, 1991 were \$181,046 and \$5,151,787, respectively. These commitments are evidenced by signed purchase orders and contracts which were entered into prior to September 30, 1991.

Employee Benefits

City employees are entitled to accrue a maximum of 90 days sick leave. If the individual leaves the employ of the City, he or she is not entitled to be paid for the entire accumulated sick leave. Expenditures or expenses for sick leave are recorded at the time benefits are paid. At September 30, 1991, accumulated sick leave for each applicable fund type is as follows:

General	\$ 2,188,608
Special Revenue	100,079
Capital Projects	4,769
Enterprise	1,408,812
Internal Service	<u>273,609</u>
	\$ <u>3,975,877</u>

(Continued)

CITY OF Ocala, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Self-Insurance

The City has established a self-insurance fund (an internal service fund) to account for the City's self-insured programs. This fund is used to account for the City's workers' compensation, general liability, disability income replacement, medical and dental programs. The City uses a combination of self-insurance and private insurance to protect itself against risks which cannot be eliminated.

The City has general liability insurance with a \$100,000 deductible per person and \$200,000 deductible per occurrence with limits of \$1,000,000. The City has workers' compensation insurance with a \$250,000 deductible per person with limits of \$5,000,000. The City carries employee health insurance with a \$50,000 per case deductible. The disability income replacement and dental programs are fully self-insured.

The recorded liabilities for each program at September 30, 1991, which include reserves for reported claims and reserves for claims incurred but not reported, are as follows:

Worker's compensation	\$ 833,939
General liability	29,852
Disability income replacement	78,336
Medical	300,000
Dental	<u>13,000</u>
	\$ <u>1,255,127</u>

This page was intentionally left blank.

CITY OF OCALA, FLORIDA

Supplemental Pension Disclosure

Comparative Summary of Revenues by Source and Expenses by Type

Revenues by Source
(in thousands)

Fiscal Year Ended September 30,	Employee Contributions	City Contributions		State Contributions	Investment Income	Total
		Amount	As a Percentage of Covered Payroll			
General Plan:						
1991	\$ -	\$ 1,157	5.20%	\$ -	\$ 5,979	\$ 7,136
1990	-	1,073	5.20%	-	1,329	2,402
1989	-	1,331	7.20%	-	4,865	6,196
1988	-	1,191	7.20%	-	2,124	3,315
1987	-	1,277	8.20%	-	2,583	3,860
1986	-	1,101	7.84%	-	3,071	4,172
1985	1	1,004	7.90%	-	2,126	3,131
1984	7	850	7.43%	-	330	1,187
1983	-	603	5.82%	189	2,059	2,851
1982	-	549	5.67%	162	1,419	2,130

Supplemental Police Officers' Plan:

1991	\$ 35	\$ -	- %	\$ 280	\$ 1,048	\$ 1,363
1990	33	-	- %	280	226	539
1989	30	-	- %	258	825	1,113
1988	27	-	- %	243	345	615
1987	18	-	- %	222	408	648
1986	-	-	- %	192	505	697
1985	-	-	- %	151	355	506
1984	-	-	- %	133	51	184
1983	N/A	N/A	N/A	N/A	N/A	N/A
1982	N/A	N/A	N/A	N/A	N/A	N/A

Supplemental Firefighters' Plan:

1991	\$ 233	\$ -	- %	\$ 163	\$ 712	\$ 1,108
1990	210	-	- %	141	151	502
1989	175	-	- %	120	542	837
1988	154	5	- %	113	224	496
1987	108	-	- %	106	256	470
1986	-	-	- %	100	306	406
1985	-	-	- %	92	213	305
1984	-	-	- %	83	32	115
1983	N/A	N/A	N/A	N/A	N/A	N/A
1982	N/A	N/A	N/A	N/A	N/A	N/A

Contributions were made in accordance with actuarially determined contribution requirements.

Expenses by Type
(in thousands)

<u>Fiscal Year</u> <u>Ended</u> <u>September 30,</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Other</u> <u>Expenses</u>	<u>Investment</u> <u>Losses</u>	<u>Total</u>
1991	\$ 812	\$ 1	\$ 207	\$ -	\$ 1,020
1990	687	1	239	5,676	6,603
1989	584	6	231	-	821
1988	480	11	203	-	694
1987	397	8	190	-	595
1986	364	15	146	-	525
1985	310	16	103	-	429
1984	252	22	79	-	353
1983	259	38	78	-	375
1982	205	52	38	-	295
1991	\$ 148	\$ 2	\$ 55	\$ -	\$ 205
1990	116	5	45	995	1,161
1989	95	1	40	-	136
1988	78	-	50	-	128
1987	70	-	30	-	100
1986	86	-	39	-	125
1985	41	-	20	-	61
1984	13	-	15	-	28
1983	N/A	N/A	N/A	N/A	N/A
1982	N/A	N/A	N/A	N/A	N/A
1991	\$ 184	\$ 30	\$ 43	\$ -	\$ 257
1990	176	7	33	664	880
1989	114	18	50	-	162
1988	83	2	39	-	124
1987	29	-	19	-	48
1986	29	-	21	-	50
1985	27	-	20	-	47
1984	26	-	10	-	36
1983	N/A	N/A	N/A	N/A	N/A
1982	N/A	N/A	N/A	N/A	N/A

See accompanying auditors' report on page 1

CITY OF OCALA, FLORIDA

Supplemental Pension Disclosure

Analysis of Funding Progress

(in thousands of dollars)

Fiscal Year	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1) / (2)	(4)	(5)	(6)
				Assets in Excess of Pension Benefit Obligation (Unfunded Pension Benefit Obligation) (1) / (2)	Annual Covered Payroll	Assets in Excess of Pension Benefit Obligation (Unfunded Pension Benefit Obligation) as a Percentage of Covered Payroll (4) / (5)
General Plan:						
1991	\$ 29,178	\$ 25,595	114.0%	\$ 3,583	\$ 23,440	15.3 %
1990	23,063	23,011	100.2%	52	21,772	.2 %
1989	27,264	19,473	140.0%	7,791	19,167	40.6 %
1988	21,889	16,013	136.7%	5,876	17,239	34.1 %
1987	19,268	13,740	140.2%	5,528	15,636	35.4 %
1986	16,002	10,658	150.1%	5,344	13,856	38.6 %
1985	12,355	10,905	113.3%	1,450	12,543	11.6 %
1984	9,653	10,294	93.8%	(641)	11,306	(5.7) %
1983	8,831	10,306	84.1%	(1,675)	10,178	(16.5) %
1982	8,750	9,376	93.3%	(626)	9,730	(6.4) %
Supplemental Police Officers' Plan:*						
1990	\$ 4,047	\$ 4,072	99.4%	\$ (25)	\$ 3,329	(.8) %
1987	3,205	2,324	137.9%	881	2,501	35.2 %
1984	1,638	1,222	133.0%	406	1,860	21.8 %
Supplemental Firefighters' Plan:*						
1990	\$ 2,698	\$ 3,728	72.4%	\$(1,030)	\$ 2,620	(39.3) %
1987	2,031	1,869	108.7%	162	1,756	9.2 %
1984	993	1,128	88.0%	(135)	1,435	(9.4) %

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 one indication of Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in unfunded 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 System's progress in accumulating sufficient assets to pay benefits when due. Generally, the larger this percentage, the stronger the system.

*Florida Statutes, Chapters 175 and 185, require actuarial valuation every three years and do not require annual updates for the Supplemental Police Officers' and Firefighters' Plans. Figures prior to 1984 are not available, since the supplemental plans did not exist prior to 1984.

See accompanying auditors' report on page 1

INDIVIDUAL FUND AND COMBINING STATEMENTS — BY FUND TYPE

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

Combining statements are presented when there are more than one fund of a given fund type.

SPECIAL REVENUE FUNDS

CITY OF OCALA, FLORIDA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1991

<u>Assets</u>	<u>Occupational License</u>	<u>Central Florida Regional Library</u>
Current assets:		
Cash and investments	\$ 285,794	\$ 715
Equity in pooled cash and investment fund	-	27,559
Accounts and notes receivable	45	2
Due from other funds	15	-
Due from other governments	344	179,014
Total current assets	<u>286,198</u>	<u>207,290</u>
Restricted assets - cash and investments	<u>-</u>	<u>54,640</u>
Total assets	<u>\$ 286,198</u>	<u>\$ 261,930</u>
 <u>Liabilities and Fund Balances</u>		
Liabilities:		
Accounts payable	\$ -	\$ 37,816
Compensated absences payable	-	10,692
Deferred revenue	143,773	3,000
Total liabilities	<u>143,773</u>	<u>51,508</u>
 Fund balances:		
Reserved for encumbrances	-	81,950
Reserved for restricted assets	-	54,640
Total reserved fund balances	<u>-</u>	<u>136,590</u>
Unreserved and undesignated	142,425	73,832
Total fund balances	<u>142,425</u>	<u>210,422</u>
Total liabilities and fund balances	<u>\$ 286,198</u>	<u>\$ 261,930</u>

<u>Off-Street Parking</u>	<u>Downtown Development</u>	<u>Local Gasoline Tax</u>	<u>Stormwater Utility</u>	<u>Total</u>
\$ 50	\$ 50	\$ -	\$ -	\$ 286,609
63,789	34,601	4,954,969	1,585,803	6,666,721
5	-	11,149	-	11,201
-	-	-	58,482	58,497
-	-	144,530	-	323,888
<u>63,844</u>	<u>34,651</u>	<u>5,110,648</u>	<u>1,644,285</u>	<u>7,346,916</u>
-	-	-	-	54,640
<u>\$ 63,844</u>	<u>\$ 34,651</u>	<u>\$ 5,110,648</u>	<u>\$ 1,644,285</u>	<u>\$ 7,401,556</u>
\$ 2,762	\$ 1,611	\$ 99,549	\$ 27,841	\$ 169,579
1,595	375	-	4,351	17,013
1,850	-	168,020	-	316,643
<u>6,207</u>	<u>1,986</u>	<u>267,569</u>	<u>32,192</u>	<u>503,235</u>
-	6,513	8,220	60,513	157,196
-	-	-	-	54,640
-	6,513	8,220	60,513	211,836
57,637	26,152	4,834,859	1,551,580	6,686,485
<u>57,637</u>	<u>32,665</u>	<u>4,843,079</u>	<u>1,612,093</u>	<u>6,898,321</u>
<u>\$ 63,844</u>	<u>\$ 34,651</u>	<u>\$ 5,110,648</u>	<u>\$ 1,644,285</u>	<u>\$ 7,401,556</u>

CITY OF OCALA, FLORIDA

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCES - ACTUAL AND BUDGET

FOR THE YEAR ENDED SEPTEMBER 30, 1991

	Actual						Total
	Occupational License	Central Florida Regional Library	Off-Street Parking	Downtown Development	Local Gasoline Tax	Stormwater Utility	
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ 48,264	\$ -	\$ -	\$ 48,264
Other intergovernmental revenues	-	951,201	-	-	2,152,872	-	3,104,073
Parking meters and facilities	-	-	82,519	-	-	-	82,519
Licenses and permits	386,804	-	-	-	-	-	386,804
Fines and forfeitures	-	24,589	29,311	-	-	-	53,900
Charges for services	-	-	-	-	-	1,101,596	1,101,596
Interest	-	7,145	4,037	2,835	327,359	93,125	436,501
Gifts	-	3,688	-	-	-	-	3,688
Other	759	15,282	32	261	-	-	16,334
Total revenues	<u>387,563</u>	<u>1,001,905</u>	<u>115,899</u>	<u>51,460</u>	<u>2,480,231</u>	<u>1,194,721</u>	<u>5,233,779</u>
Expenditures:							
Current:							
General government and administration	-	-	-	59,216	-	-	59,216
Public works	-	-	-	-	119,803	613,515	733,318
Culture and recreation	-	1,247,410	-	-	-	-	1,247,410
Other	-	-	73,865	-	-	-	73,865
Capital outlay	-	88,722	8,743	28,647	1,022,247	55,549	1,203,908
Intergovernmental	-	-	-	-	-	71	71
Total expenditures	<u>-</u>	<u>1,336,132</u>	<u>82,608</u>	<u>87,863</u>	<u>1,142,050</u>	<u>669,135</u>	<u>3,317,788</u>
Excess (deficiency) of revenues over expenditures	<u>387,563</u>	<u>(334,227)</u>	<u>33,291</u>	<u>(36,403)</u>	<u>1,338,181</u>	<u>525,586</u>	<u>1,915,991</u>
Other financing sources (uses):							
Transfers from other funds	-	340,000	8,743	26,305	-	-	375,048
Transfers (to) other funds	(477,176)	(5,845)	(26,305)	(3,003)	(1,353,839)	(2,338)	(1,868,506)
Total other sources (uses)	<u>(477,176)</u>	<u>334,155</u>	<u>(17,562)</u>	<u>23,302</u>	<u>(1,353,839)</u>	<u>(2,338)</u>	<u>(1,493,458)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses before fund balance allocation	<u>(89,613)</u>	<u>(72)</u>	<u>15,729</u>	<u>(13,101)</u>	<u>(15,658)</u>	<u>525,248</u>	<u>422,533</u>
Fund balance allocation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(89,613)</u>	<u>(72)</u>	<u>15,729</u>	<u>(13,101)</u>	<u>(15,658)</u>	<u>525,248</u>	<u>422,533</u>
Fund balances (deficit):							
Beginning of year	232,038	210,494	41,908	45,266	4,856,737	1,086,845	6,472,788
End of year	<u>\$ 142,425</u>	<u>\$ 210,422</u>	<u>\$ 57,637</u>	<u>\$ 32,165</u>	<u>\$ 4,841,079</u>	<u>\$ 1,612,093</u>	<u>\$ 6,898,321</u>

Revised Budget

Adjustments to Budgetary Basis	Total Actual on a Budgetary Basis	Occupational License	Central Florida Regional Library	Off-Street Parking	Downtown Development	Local Gasoline Tax	Stormwater Utility	Total	Favorable (Unfavorable) Variance
\$ -	\$ 48,364	\$ -	\$ -	\$ -	\$ 45,150	\$ -	\$ -	\$ 45,150	\$ 3,214
-	3,104,073	-	959,183	-	-	2,129,401	-	3,088,584	15,489
-	82,519	-	-	82,000	-	-	-	82,000	519
-	386,804	393,800	-	-	-	-	-	393,800	(6,996)
-	53,900	-	24,500	30,000	-	-	-	54,500	(600)
-	1,101,596	-	-	-	-	-	1,087,000	1,087,000	14,596
(33)	436,468	-	5,500	4,100	3,575	355,600	91,600	460,375	(23,907)
-	3,688	-	3,000	-	-	-	-	3,000	688
-	16,334	866	16,030	35	134	-	-	17,065	(731)
<u>(33)</u>	<u>5,233,746</u>	<u>394,666</u>	<u>1,008,213</u>	<u>116,135</u>	<u>48,859</u>	<u>2,485,001</u>	<u>1,178,600</u>	<u>5,231,474</u>	<u>2,272</u>
679	59,995	-	-	-	56,516	-	-	56,516	(3,379)
67,783	801,101	-	-	-	-	232,251	757,783	990,034	188,933
81,950	1,329,360	-	1,345,180	-	-	-	-	1,345,180	15,820
-	73,865	-	-	71,916	-	-	-	71,916	(1,949)
6,784	1,210,692	-	89,147	-	42,939	2,012,258	1,028,635	3,172,979	1,962,287
-	71	-	-	-	-	-	80	80	9
<u>157,196</u>	<u>3,474,984</u>	<u>-</u>	<u>1,434,327</u>	<u>71,916</u>	<u>99,455</u>	<u>2,244,509</u>	<u>1,786,498</u>	<u>5,636,703</u>	<u>2,161,721</u>
(157,229)	1,758,762	397,666	(426,114)	44,219	(50,596)	240,492	(607,898)	(405,231)	2,163,993
-	375,048	-	360,000	-	26,305	-	-	366,305	8,743
-	(1,868,506)	(477,176)	-	(26,005)	(3,003)	(1,353,839)	-	(1,860,323)	(8,181)
-	(1,493,458)	(477,176)	360,000	(26,307)	23,302	(1,353,839)	-	(1,494,018)	560
(157,229)	265,304	(82,510)	(86,114)	17,914	(17,294)	(1,113,347)	(607,898)	(1,899,249)	2,164,553
-	-	82,510	86,114	(17,514)	27,254	1,113,347	607,898	1,899,249	(1,899,249)
(157,229)	265,304	-	-	-	-	-	-	-	265,304
(652)	6,475,136	232,038	209,842	41,908	45,766	4,858,737	1,086,845	6,475,136	-
<u>(157,681)</u>	<u>6,740,440</u>	<u>232,038</u>	<u>209,842</u>	<u>41,908</u>	<u>45,766</u>	<u>4,858,737</u>	<u>1,086,845</u>	<u>6,475,136</u>	<u>265,304</u>

CITY OF OCALA, FLORIDA
OCCUPATIONAL LICENSE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 1991

	Actual and Actual on a Budgetary Basis	Revised Budget	Favorable (Unfavorable) Variance
Revenues:			
Licenses and permits	\$ 386,804	\$ 393,800	\$ (6,996)
Other	<u>759</u>	<u>866</u>	<u>(107)</u>
Total revenues	387,563	394,666	(7,103)
Other financing (uses) - transfers (to) other funds	(477,176)	(477,176)	-
Deficiency of revenues over other uses before fund balance allocation	(89,613)	(82,510)	(7,103)
Fund balance allocation	<u>-</u>	<u>82,510</u>	<u>(82,510)</u>
Excess of revenues over other uses	(89,613)	-	(89,613)
Fund balance:			
Beginning of year	<u>232,038</u>	<u>232,038</u>	-
End of year	\$ <u>142,425</u>	\$ <u>232,038</u>	\$ <u>(89,613)</u>

CITY OF OCALA, FLORIDA

CENTRAL FLORIDA REGIONAL LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - ACTUAL AND BUDGET

FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>Actual</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Revised Budget</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:					
Intergovernmental revenues	\$ 1,201	\$ -	\$ 951,201	\$ 959,183	\$ (7,982)
Fines and forfeitures	24,589	-	24,589	24,500	89
Interest	7,145	(33)	7,112	5,500	1,612
Gifts	3,688	-	3,688	3,000	688
Other	15,282	-	15,282	16,030	(748)
Total revenues	<u>1,001,905</u>	<u>(33)</u>	<u>1,001,872</u>	<u>1,008,213</u>	<u>(6,341)</u>
Expenditures:					
Current - culture and recreation	1,247,410	81,950	1,329,360	1,345,180	15,820
Capital outlay	88,722	-	88,722	89,147	425
Total expenditures	<u>1,336,132</u>	<u>81,950</u>	<u>1,418,082</u>	<u>1,434,327</u>	<u>16,245</u>
(Deficiency) of revenues over expenditures	<u>(334,227)</u>	<u>(81,983)</u>	<u>(416,210)</u>	<u>(426,114)</u>	<u>9,904</u>
Other financing sources (uses):					
Transfers from other funds	340,000	-	340,000	340,000	-
Transfers (to) other funds	<u>(5,845)</u>	<u>-</u>	<u>(5,845)</u>	<u>-</u>	<u>(5,845)</u>
Total other financing sources (uses)	<u>334,155</u>	<u>-</u>	<u>334,155</u>	<u>340,000</u>	<u>(5,845)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses before fund balance allocation	(72)	(81,983)	(82,055)	(86,114)	4,059
Fund balance allocation	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,114</u>	<u>(86,114)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(72)	(81,983)	(82,055)	-	(82,055)
Fund balance:					
Beginning of year	<u>210,494</u>	<u>(652)</u>	<u>209,842</u>	<u>209,842</u>	<u>-</u>
End of year	\$ <u>210,422</u>	\$ <u>(82,635)</u>	\$ <u>127,787</u>	\$ <u>209,842</u>	\$ <u>(82,055)</u>

CITY OF OCALA, FLORIDA

OFF-STREET PARKING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - ACTUAL AND BUDGET

FOR THE YEAR ENDED SEPTEMBER 30, 1991

	Actual on a Budgetary Basis	Revised Budget	Favorable (Unfavorable) Variance
Revenues:			
Parking meters and facilities	\$ 82,519	\$ 82,000	\$ 519
Fines and forfeitures	29,311	30,000	(689)
Interest	4,037	4,100	(63)
Other	32	35	(3)
Total revenues	<u>115,899</u>	<u>116,135</u>	<u>(236)</u>
Expenditures:			
Current - other	73,865	71,916	(1,949)
Capital outlay	8,743	-	(8,743)
Total expenditures	<u>82,608</u>	<u>71,916</u>	<u>(10,692)</u>
Excess of revenues over expenditures	<u>33,291</u>	<u>44,219</u>	<u>(10,928)</u>
Other financing sources (uses):			
Transfers from other funds	8,743	-	8,743
Transfers (to) other funds	(26,305)	(26,305)	-
Total other sources (uses)	<u>(17,562)</u>	<u>(26,305)</u>	<u>8,743</u>
Excess (deficiency) of revenues over expenditures and other uses before fund balance allocation	15,729	17,914	(2,185)
Fund balance allocation	<u>-</u>	<u>(17,914)</u>	<u>17,914</u>
Excess of revenues over expenditures and other uses	15,729	-	15,729
Fund balance:			
Beginning of year	<u>41,908</u>	<u>41,908</u>	<u>-</u>
End of year	<u>\$ 57,637</u>	<u>\$ 41,908</u>	<u>\$ 15,729</u>

CITY OF OCALA, FLORIDA

DOWNTOWN DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE (DEFICIT) - ACTUAL AND BUDGET

FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>Actual</u>	Adjustments to Budgetary Basis	Actual on a Budgetary Basis	Revised Budget	Favorable (Unfavorable) Variance
Revenues:					
Property taxes	\$ 48,364	\$ -	\$ 48,364	\$ 45,150	\$ 3,214
Interest	2,835	-	2,835	3,575	(740)
Other	261	-	261	134	127
Total revenues	<u>51,460</u>	<u>-</u>	<u>51,460</u>	<u>48,859</u>	<u>2,601</u>
Expenditures:					
Current - general government and administration	59,216	679	59,895	56,516	(3,379)
Capital outlay	28,647	5,834	34,481	42,939	8,458
Total expenditures	<u>87,863</u>	<u>6,513</u>	<u>94,376</u>	<u>99,455</u>	<u>5,079</u>
Excess (deficiency) of revenues over expenditures	<u>(36,403)</u>	<u>(6,513)</u>	<u>(42,916)</u>	<u>(50,596)</u>	<u>7,680</u>
Other financing sources (uses):					
Transfers from other funds	26,305	-	26,305	26,305	-
Transfers (to) other funds	<u>(3,003)</u>	<u>-</u>	<u>(3,003)</u>	<u>(3,003)</u>	<u>-</u>
Total other sources (uses)	<u>23,302</u>	<u>-</u>	<u>23,302</u>	<u>23,302</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses before fund balance allocation	<u>(13,101)</u>	<u>(6,513)</u>	<u>(19,614)</u>	<u>(27,294)</u>	<u>7,680</u>
Fund balance allocation	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,294</u>	<u>(27,294)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(13,101)</u>	<u>(6,513)</u>	<u>(19,614)</u>	<u>-</u>	<u>(19,614)</u>
Fund balance (deficit):					
Beginning of year	45,766	-	45,766	45,766	-
End of year	\$ <u>32,665</u>	\$ <u>(6,513)</u>	\$ <u>26,152</u>	\$ <u>45,766</u>	\$ <u>(19,614)</u>

CITY OF OCALA, FLORIDA

LOCAL GASOLINE TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - ACTUAL AND BUDGET

FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>Actual</u>	Adjustments to Budgetary Basis	Actual on a Budgetary Basis	Revised Budget	Favorable (Unfavorable) Variance
Revenues:					
Intergovernmental revenues	\$ 2,152,872	\$ -	\$ 2,152,872	\$ 2,129,401	\$ 23,471
Interest	327,359	-	327,359	355,600	(28,241)
Total revenues	<u>2,480,231</u>	<u>-</u>	<u>2,480,231</u>	<u>2,485,001</u>	<u>(4,770)</u>
Expenditures:					
Current - public works	119,803	8,220	128,023	232,251	104,228
Capital outlay	<u>1,022,247</u>	<u>-</u>	<u>1,022,247</u>	<u>2,012,258</u>	<u>990,011</u>
Total expenditures	<u>1,142,050</u>	<u>8,220</u>	<u>1,150,270</u>	<u>2,244,509</u>	<u>1,094,239</u>
Excess (deficiency) of revenues over expenditures	1,338,181	(8,220)	1,329,961	240,492	1,089,469
Other financing (uses) - transfer (to) other funds	<u>(1,353,839)</u>	<u>-</u>	<u>(1,353,839)</u>	<u>(1,353,839)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses before fund balance allocation	(15,658)	(8,220)	(23,878)	(1,113,347)	1,089,469
Fund balance allocation	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,113,347</u>	<u>(1,113,347)</u>
Excess (deficiency) of revenues over expenditures and other uses	(15,658)	(8,220)	(23,878)	-	(23,878)
Fund balance:					
Beginning of year	<u>4,858,737</u>	<u>-</u>	<u>4,858,737</u>	<u>4,858,737</u>	<u>-</u>
End of year	\$ <u>4,843,079</u>	\$ <u>(8,220)</u>	\$ <u>4,834,859</u>	\$ <u>4,858,737</u>	\$ <u>(23,878)</u>

CITY OF OCALA, FLORIDA

STORMWATER UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - ACTUAL AND BUDGET

FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>Actual</u>	Adjustments to Budgetary Basis	Actual on a Budgetary Basis	<u>Revised Budget</u>	Favorable (Unfavorable) Variance
Revenues:					
Charges for services	\$ 1,101,596	\$ -	\$ 1,101,596	\$ 1,087,000	\$ 14,596
Interest	<u>95,125</u>	<u>-</u>	<u>95,125</u>	<u>91,600</u>	<u>3,525</u>
Total revenues	<u>1,196,721</u>	<u>-</u>	<u>1,196,721</u>	<u>1,178,600</u>	<u>18,121</u>
Expenditures:					
Current - public works	613,515	59,563	673,078	757,783	84,705
Capital outlay	55,549	950	56,499	1,028,635	972,136
Intergovernmental	<u>71</u>	<u>-</u>	<u>71</u>	<u>80</u>	<u>9</u>
Total expenditures	<u>669,125</u>	<u>60,513</u>	<u>729,648</u>	<u>1,786,498</u>	<u>1,056,850</u>
Excess (deficiency) of revenues over expenditures	527,586	(60,513)	467,073	(607,898)	1,074,971
Other financing (uses):					
Transfers (to) other funds	<u>(2,338)</u>	<u>-</u>	<u>(2,338)</u>	<u>-</u>	<u>(2,338)</u>
Excess of revenues over expenditures and other uses before fund balance allocation	525,248	(60,513)	464,735	(607,898)	1,072,633
Fund balance allocation	<u>-</u>	<u>-</u>	<u>-</u>	<u>607,898</u>	<u>(607,898)</u>
Excess of revenues over expenditures and other uses	525,248	(60,513)	464,735	-	464,735
Fund balance:					
Beginning of year	<u>1,086,845</u>	<u>-</u>	<u>1,086,845</u>	<u>1,086,845</u>	<u>-</u>
End of year	\$ <u>1,612,093</u>	\$ <u>(60,513)</u>	\$ <u>1,551,580</u>	\$ <u>1,086,845</u>	\$ <u>464,735</u>

This page was intentionally left blank.

DEBT SERVICE FUNDS

CITY OF OCALA, FLORIDA

DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 1991

<u>Assets - Restricted</u>	<u>Excise Tax Bonds</u>	<u>Improve- ment Bonds</u>	<u>Improvement Certificates</u>	<u>Optional Gas Tax Bonds</u>	<u>Total</u>
Cash and investments	\$ 500,789	\$ -	\$ -	\$ -	\$ 500,789
Equity in pooled cash and investment fund	-	2,310,828	1,518,076	2,385,960	6,214,864
Other assets	<u>235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235</u>
Total assets	\$ <u>501,024</u>	\$ <u>2,310,828</u>	\$ <u>1,518,076</u>	\$ <u>2,385,960</u>	\$ <u>6,715,888</u>
 <u>Fund Balances</u>					
Fund balances - reserved for debt service	\$ <u>501,024</u>	\$ <u>2,310,828</u>	\$ <u>1,518,076</u>	\$ <u>2,385,960</u>	\$ <u>6,715,888</u>

CITY OF OCALA, FLORIDA

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 1991

	Excise Tax Bonds	Improve- ment Bonds	Improvement Certificates	Optional Gas Tax Bonds	Total
Revenues - interest	\$ <u>38,855</u>	\$ <u>134,781</u>	\$ <u>98,387</u>	\$ <u>152,647</u>	\$ <u>424,670</u>
Expenditures - debt service:					
Bond principal payments	325,000	415,000	450,000	350,000	1,540,000
Bond interest and paying agents' fees	<u>42,773</u>	<u>858,351</u>	<u>469,185</u>	<u>995,280</u>	<u>2,365,589</u>
Total expenditures	<u>367,773</u>	<u>1,273,351</u>	<u>919,185</u>	<u>1,345,280</u>	<u>3,905,589</u>
(Excess) of expenditures over revenues	<u>(328,918)</u>	<u>(1,138,570)</u>	<u>(820,798)</u>	<u>(1,192,633)</u>	<u>(3,480,919)</u>
Other financing sources (uses):					
Transfers from other funds	363,840	1,285,178	923,740	1,353,839	3,926,597
Transfer (to) other funds	<u>(46,000)</u>	<u>(130,000)</u>	<u>-</u>	<u>-</u>	<u>(176,000)</u>
Total other financing sources (uses)	<u>317,840</u>	<u>1,155,178</u>	<u>923,740</u>	<u>1,353,839</u>	<u>3,750,597</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(11,078)</u>	<u>16,608</u>	<u>102,942</u>	<u>161,206</u>	<u>269,678</u>
Fund balances:					
Beginning of year	<u>512,102</u>	<u>2,294,220</u>	<u>1,415,134</u>	<u>2,224,754</u>	<u>6,446,210</u>
End of year	\$ <u>501,024</u>	\$ <u>2,310,828</u>	\$ <u>1,518,076</u>	\$ <u>2,385,960</u>	\$ <u>6,715,888</u>

This page was intentionally left blank.

CAPITAL PROJECT FUNDS

This page was intentionally left blank.

CITY OF OCALA, FLORIDA
CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1991

<u>Assets</u>	<u>Capital Improvement Construction</u>	<u>Optional Gas Tax Construction</u>	<u>Total</u>
Equity in pooled cash and investment fund	\$ 425,409	\$ 7,543,830	\$ 7,969,239
Accounts and notes receivable	30,625	965,325	995,950
Due from other governments	<u>37,553</u>	<u>87,206</u>	<u>124,759</u>
Total assets	\$ <u>493,587</u>	\$ <u>8,596,361</u>	\$ <u>9,089,948</u>
 <u>Liabilities and Fund Balances</u>			
Current liabilities - accounts payable	\$ <u>-</u>	\$ <u>1,440,785</u>	\$ <u>1,440,785</u>
 Fund balances:			
Reserved for encumbrances	-	1,941,656	1,941,656
Unreserved and undesignated	<u>493,587</u>	<u>5,213,920</u>	<u>5,707,507</u>
Total fund balances	<u>493,587</u>	<u>7,155,576</u>	<u>7,649,163</u>
Total liabilities and fund balances	\$ <u>493,587</u>	\$ <u>8,596,361</u>	\$ <u>9,089,948</u>

CITY OF OCALA, FLORIDA

CAPITAL PROJECT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>Capital</u> <u>Improvement</u> <u>Construction</u>	<u>Optional</u> <u>Gas Tax</u> <u>Construction</u>	<u>Total</u>
Revenues:			
Other intergovernmental revenues	\$ 323,920	\$ 2,331,907	\$ 2,655,827
Interest	<u>32,733</u>	<u>563,716</u>	<u>596,449</u>
Total revenues	<u>356,653</u>	<u>2,895,623</u>	<u>3,252,276</u>
Expenditures:			
Current - public works	87,505	484,932	572,437
Capital outlay	<u>503,122</u>	<u>6,431,950</u>	<u>6,935,072</u>
Total expenditures	<u>590,627</u>	<u>6,916,882</u>	<u>7,507,509</u>
(Deficiency) of revenues over expenditures before fund balance allocation	(233,974)	(4,021,259)	(4,255,233)
Fund balance allocation	<u>-</u>	<u>-</u>	<u>-</u>
(Deficiency) of revenues over expenditures	(233,974)	(4,021,259)	(4,255,233)
Fund balances at beginning of year	865,461	11,176,835	12,042,296
Equity transfers (to) other funds	<u>(137,900)</u>	<u>-</u>	<u>(137,900)</u>
Fund balances at end of year	\$ <u>493,587</u>	\$ <u>7,155,576</u>	\$ <u>7,649,163</u>

Adjustments to a Budgetary Basis	Actual on a Budgetary Basis	Revised Budget	Favorable (Unfavorable) Variance
\$ (223,920)	\$ 2,331,907	\$ 4,705,254	\$ (2,373,347)
<u>(32,733)</u>	<u>563,716</u>	<u>620,500</u>	<u>(56,784)</u>
<u>(356,653)</u>	<u>2,895,623</u>	<u>5,325,754</u>	<u>(2,429,131)</u>
(59,848)	512,589	545,816	33,227
<u>1,410,877</u>	<u>8,345,949</u>	<u>15,713,524</u>	<u>7,367,575</u>
<u>1,351,029</u>	<u>8,858,538</u>	<u>16,259,340</u>	<u>7,400,802</u>
(1,707,682)	(5,962,915)	(10,933,586)	4,970,671
<u>-</u>	<u>-</u>	<u>10,933,586</u>	<u>(10,933,586)</u>
(1,707,682)	(5,962,915)	-	(5,962,915)
(865,461)	11,176,835	11,176,835	-
<u>137,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>(2,435,243)</u>	\$ <u>5,213,920</u>	\$ <u>11,176,835</u>	\$ <u>(5,962,915)</u>

This page was intentionally left blank.

ENTERPRISE FUNDS

CITY OF OCALA, FLORIDA

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 1991

<u>Assets</u>	<u>Electric System Revenue</u>	<u>Water and Sewer</u>	<u>Sanitation</u>
Current assets:			
Cash and investments	\$ 2,125	\$ 450	\$ -
Equity in pooled cash and investment fund	2,001,892	915,054	171,722
Accounts and notes receivable	5,222,255	166,453	-
Accrued unbilled revenues	4,114,311	-	-
Due from other funds	-	467,092	221,939
Interfund loans receivable	62,042	47,175	-
Inventories	2,039,954	118,006	-
Due from other governments	-	-	66,462
Other current assets	290,202	-	-
Total current assets	<u>13,732,781</u>	<u>1,714,230</u>	<u>460,123</u>
Restricted assets:			
Cash and investments	657,384	2,095,071	-
Equity in pooled cash and investment fund	42,859,562	26,980,725	-
Other	-	73,397	-
Due from other governments	-	-	-
Total restricted assets	<u>43,516,946</u>	<u>29,149,193</u>	<u>-</u>
Interfund loans receivable after one year	607,008	-	-
Property, plant and equipment, net	52,317,978	65,839,953	1,341,549
Issuance costs on long-term debt	369,014	923,538	-
Total assets	<u>\$ 110,543,727</u>	<u>\$ 97,626,914</u>	<u>\$ 1,801,672</u>

<u>Municipal Golf Course</u>	<u>Fort King Tennis Court</u>	<u>Municipal Trailer Park</u>	<u>Ocala Municipal Airport</u>	<u>Total</u>
\$ 1,920	\$ 50	\$ 100	\$ 8,073	\$ 12,718
188,162	23,653	13,356	-	3,313,839
2,21	528	54	17,788	5,409,292
-	-	-	-	4,114,311
-	-	-	-	689,031
-	-	-	-	109,217
70,249	-	-	-	2,228,209
-	-	-	-	66,462
853	-	-	-	291,055
<u>263,398</u>	<u>24,231</u>	<u>13,510</u>	<u>15,861</u>	<u>16,234,134</u>
-	-	-	-	2,752,455
-	-	-	-	69,840,287
-	-	-	448	73,845
-	-	-	707,557	707,557
-	-	-	<u>708,005</u>	<u>73,374,144</u>
-	-	-	-	607,008
5,748,604	107,040	40,183	6,566,420	131,961,727
-	-	-	-	<u>1,292,552</u>
\$ <u>6,012,002</u>	\$ <u>131,271</u>	\$ <u>53,693</u>	\$ <u>7,300,286</u>	\$ <u>223,469,565</u>

(Continued)

CITY OF OCALA, FLORIDA

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 1991

(Continued)

<u>Liabilities and Fund Equity</u>	<u>Electric System Revenue</u>	<u>Water and Sewer</u>	<u>Sanitation</u>
Current liabilities:			
Accounts payable	\$ 4,349,997	\$ 176,245	\$ 146,255
Compensated absences payable	171,088	54,351	52,746
Accrued interest payable	8,246	-	-
Due to other funds	747,513	-	-
Customer deposits	2,632,908	-	-
Deferred revenue	-	61,183	-
Interfund loans payable	-	-	-
Total current liabilities	<u>7,909,752</u>	<u>291,779</u>	<u>199,001</u>
Liabilities payable from restricted assets:			
Accounts payable	1,253,199	996,585	-
Accrued interest payable	1,346,740	1,976,596	-
Deferred revenue	-	-	-
Revenue bonds payable within one year	<u>1,965,000</u>	<u>640,000</u>	<u>-</u>
Total liabilities payable from restricted assets	4,564,939	3,613,181	-
Interfund loans payable after one year	-	-	-
Revenue bonds and notes payable after one year	<u>37,148,018</u>	<u>52,448,778</u>	<u>-</u>
Total liabilities	<u>49,622,709</u>	<u>56,353,738</u>	<u>199,001</u>
Contributed equity	<u>3,889,349</u>	<u>10,918,471</u>	<u>73,030</u>
Retained earnings:			
Reserved for debt service	296,248	1,410,057	-
Reserved for renewal and replacement	<u>13,479,125</u>	<u>2,571,018</u>	<u>-</u>
Total reserved retained earnings	13,775,373	3,981,075	-
Unreserved	<u>43,256,296</u>	<u>26,373,630</u>	<u>1,529,641</u>
Total retained earnings	<u>57,031,669</u>	<u>30,354,705</u>	<u>1,529,641</u>
Total fund equity	<u>60,921,018</u>	<u>41,273,176</u>	<u>1,602,671</u>
Total liabilities and fund equity	\$ <u>110,543,727</u>	\$ <u>97,626,914</u>	\$ <u>1,801,672</u>

<u>Municipal Golf Course</u>	<u>Fort King Tennis Court</u>	<u>Municipal Trailer Park</u>	<u>Ocala Municipal Airport</u>	<u>Total</u>
\$ 83,274	\$ 3,615	\$ 1,362	\$ 20,629	\$ 4,781,377
29,635	129	711	-	308,660
-	-	-	-	8,246
-	-	-	219,804	967,317
-	-	-	-	2,632,908
70,953	-	-	1,388	133,524
102,675	2,268	-	6,542	111,485
<u>286,537</u>	<u>6,012</u>	<u>2,073</u>	<u>248,363</u>	<u>8,943,517</u>
-	-	-	375,344	2,625,128
-	-	-	-	3,323,336
-	-	-	213,589	213,589
-	-	-	-	2,605,000
-	-	-	588,933	8,767,053
333,000	54,688	-	274,008	661,696
-	-	-	-	89,596,796
<u>619,537</u>	<u>60,700</u>	<u>2,073</u>	<u>1,111,304</u>	<u>107,969,062</u>
<u>3,853,439</u>	<u>-</u>	<u>-</u>	<u>6,242,469</u>	<u>24,976,758</u>
-	-	-	-	1,706,305
-	-	-	-	16,050,143
-	-	-	-	17,756,448
1,539,026	70,571	51,620	(53,487)	72,767,297
1,539,026	70,571	51,620	(53,487)	90,523,745
<u>5,392,465</u>	<u>70,571</u>	<u>51,620</u>	<u>6,188,982</u>	<u>115,500,503</u>
\$ <u>6,012,002</u>	\$ <u>131,271</u>	\$ <u>53,693</u>	\$ <u>7,300,286</u>	\$ <u>223,469,555</u>

CITY OF OCALA, FLORIDA

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY

FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>Electric System Revenue</u>	<u>Water and Sewer</u>	<u>Sanitation</u>
Operating revenues:			
Sale of electricity	\$ 64,276,040	\$ -	\$ -
Sale of water	-	3,393,133	-
Sewer and sanitation service charges	-	6,245,709	4,740,854
Fees and rentals	-	-	-
Commissions	-	-	-
Other	1,447,038	1,371,707	6,990
Total operating revenues	<u>65,723,078</u>	<u>11,010,549</u>	<u>4,747,844</u>
Operating expenses:			
Purchase of electricity	36,642,122	-	-
Distribution	4,592,788	472,074	-
Back-up	422,046	-	-
Transmission	363,862	-	-
Operation and maintenance	1,695,383	-	4,001,452
Water and sewer treatment	-	1,914,615	-
Sewer collection	-	801,805	-
Administration	1,477,153	1,238,519	278,118
Depreciation and amortization	2,936,682	1,535,954	259,739
Other	1,144,361	120,718	1,947
Total operating expenses	<u>49,274,397</u>	<u>6,083,685</u>	<u>4,541,256</u>
Operating income (loss)	<u>16,448,681</u>	<u>4,926,864</u>	<u>206,588</u>
Nonoperating revenues (expenses):			
Interest income	1,563,462	1,112,211	18,439
Interest expense	(922,773)	(948,337)	-
Operating grants	-	-	1,947
Total nonoperating revenues (expenses)	<u>640,689</u>	<u>163,874</u>	<u>20,386</u>
Income (loss) before operating transfers	<u>17,089,370</u>	<u>5,090,738</u>	<u>226,974</u>
Operating transfers:			
From other funds	141,725	184,832	342,235
(To) other funds	(10,628,384)	(435,153)	(195,169)
Total operating transfers	<u>(10,486,659)</u>	<u>(250,321)</u>	<u>147,066</u>
Net income (loss)	6,602,711	4,840,417	374,040
Fund equity, at beginning of year	54,048,500	36,090,954	1,164,116
Equity transfers from other fund	-	137,900	-
Capital contributions from other sources	269,807	203,905	64,515
Fund equity, at end of year	\$ <u>60,921,018</u>	\$ <u>41,273,176</u>	\$ <u>1,602,671</u>

<u>Municipal Golf Course</u>	<u>Fort King Tennis Court</u>	<u>Municipal Trailer Park</u>	<u>Ocala Municipal Airport</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 64,276,040
-	-	-	-	3,393,133
-	-	-	-	10,986,563
1,685,630	57,526	88,525	122,418	1,954,099
14,760	-	-	62,498	77,258
382,022	49	199	10,007	3,218,012
<u>2,082,412</u>	<u>57,575</u>	<u>88,724</u>	<u>194,923</u>	<u>83,905,105</u>
-	-	-	-	36,642,122
-	-	-	-	5,064,862
-	-	-	-	422,046
-	-	-	-	363,862
1,651,040	59,338	64,773	91,182	7,563,168
-	-	-	-	1,914,615
-	-	-	-	801,805
-	-	-	-	2,993,790
309,134	5,250	1,486	205,600	5,253,845
130,391	-	-	92,570	1,489,987
<u>2,090,565</u>	<u>64,588</u>	<u>66,259</u>	<u>389,370</u>	<u>62,510,102</u>
<u>(8,153)</u>	<u>(7,013)</u>	<u>22,465</u>	<u>(194,429)</u>	<u>21,395,003</u>
19,674	2,648	354	19,397	2,736,185
(39,268)	(4,141)	-	(20,223)	(1,934,742)
-	-	-	73,661	75,608
<u>(19,594)</u>	<u>(1,493)</u>	<u>354</u>	<u>72,835</u>	<u>877,051</u>
<u>(27,747)</u>	<u>(8,506)</u>	<u>22,819</u>	<u>(121,594)</u>	<u>22,272,054</u>
211,171	-	-	100,000	979,963
(173,414)	-	(4,157)	(112,603)	(11,548,880)
<u>37,757</u>	<u>-</u>	<u>(4,157)</u>	<u>(12,603)</u>	<u>(10,568,917)</u>
10,010	(8,506)	18,662	(134,197)	11,703,137
5,382,455	79,077	32,958	5,450,599	102,248,659
-	-	-	-	137,900
-	-	-	872,580	1,410,807
<u>\$ 5,392,465</u>	<u>\$ 70,571</u>	<u>\$ 51,620</u>	<u>\$ 6,188,982</u>	<u>\$ 115,500,503</u>

CITY OF OCALA, FLORIDA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>Electric System Revenue</u>	<u>Water and Sewer</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 16,448,681	\$ 4,926,864
Adjustments to reconcile net income to cash provided from operating activities:		
Depreciation and amortization	2,936,682	1,535,954
Cash provided by (used for) changes in:		
Accounts and notes receivable	250,748	36,922
Accrued unbilled revenue	(382,785)	-
Due (to) from other funds	141,456	(94,894)
Inventories	221,317	(13,415)
Other current assets	(103,473)	-
Other restricted assets	-	(26,343)
Due from other governments	-	-
Accounts payable	317,278	(4,972)
Compensated absences payable	2,633	8,175
Customer deposits	113,688	-
Deferred revenue	-	(77,364)
Other restricted liabilities	(307,079)	429,969
Net cash provided from operating activities	<u>19,639,146</u>	<u>6,720,896</u>
Cash flows from investing activities:		
Collection of interfund receivable	61,482	94,350
Interest received	1,563,462	1,112,211
Net cash used in investing activities	<u>1,624,944</u>	<u>1,206,561</u>
Cash flows from noncapital financing activities:		
Operating transfers to other funds	(10,628,384)	(435,153)
Operating transfers from other funds	141,725	184,832
Operating grants	-	-
Net cash provided by (used in) noncapital financing activities	<u>(10,486,659)</u>	<u>(250,321)</u>
Cash flows from capital and related financing activities:		
Payment of principal on debt	(1,845,000)	(555,000)
Purchase of property and equipment (net)	(7,012,545)	(13,960,618)
Capital contributions	269,807	203,905
Transfers from (to) other funds	-	137,900
Interest paid	(979,244)	(967,042)
Net cash used in capital and related financing activities	<u>(9,566,982)</u>	<u>(15,140,855)</u>
Net increase (decrease) in cash	<u>1,210,449</u>	<u>(7,463,719)</u>
Cash and cash equivalents:		
Beginning of year	44,310,514	37,455,019
End of year	<u>\$ 45,520,963</u>	<u>\$ 29,991,300</u>

<u>Sanitation</u>	<u>Municipal Golf Course</u>	<u>Fort King Tennis Court</u>	<u>Municipal Trailer Park</u>	<u>Ocala Municipal Airport</u>	<u>Total</u>
\$ 206,588	\$ (8,153)	\$ (7,013)	\$ 22,465	\$(194,429)	\$ 21,395,003
259,739	309,134	5,250	1,486	205,600	5,253,845
-	(363)	(528)	-	2,149	288,928
-	-	-	-	-	(382,785)
(36,407)	-	-	(7,052)	(113,178)	(110,075)
-	(19,952)	-	-	-	187,950
(66,462)	2,054	-	-	-	(167,881)
-	-	-	-	1	(26,342)
-	-	-	-	(148,664)	(148,664)
29,203	29,989	2,892	255	3,548	378,193
5,829	4,423	129	249	(1,480)	19,958
-	-	-	-	-	113,688
-	(21,757)	-	-	1,026	(98,095)
-	-	-	-	304,377	427,267
<u>398,490</u>	<u>295,375</u>	<u>730</u>	<u>17,403</u>	<u>58,950</u>	<u>27,130,990</u>
-	-	-	-	-	155,832
18,439	19,674	2,648	354	19,397	2,736,185
<u>18,439</u>	<u>19,674</u>	<u>2,648</u>	<u>354</u>	<u>19,397</u>	<u>2,892,017</u>
(195,169)	(173,414)	-	(4,157)	(112,603)	(11,548,880)
342,235	211,111	-	-	100,000	979,963
1,947	-	-	-	73,661	75,608
<u>149,013</u>	<u>37,757</u>	<u>-</u>	<u>(4,157)</u>	<u>61,058</u>	<u>(10,493,309)</u>
-	(183,153)	(2,075)	-	(5,982)	(2,591,210)
(517,617)	(10,696)	-	(244)	(977,707)	(22,479,427)
64,515	-	-	-	872,580	1,410,807
-	-	-	-	-	137,900
-	(40,633)	(4,141)	-	(20,223)	(2,011,283)
(453,102)	(234,482)	(6,216)	(244)	(131,332)	(25,533,213)
<u>112,840</u>	<u>118,324</u>	<u>(2,838)</u>	<u>13,356</u>	<u>8,073</u>	<u>(6,003,515)</u>
58,882	71,758	26,541	100	-	81,922,814
\$ <u>171,722</u>	\$ <u>190,082</u>	\$ <u>23,703</u>	\$ <u>13,456</u>	\$ <u>8,073</u>	\$ <u>75,919,299</u>

This page was intentionally left blank.

INTERNAL SERVICE FUNDS

CITY OF OCALA, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1991

<u>Assets</u>	<u>Internal Service</u>	<u>Fleet Management</u>	<u>Self- Insurance</u>	<u>Total</u>
Current assets:				
Cash and investments	\$ 150	\$ 200	\$ 150	\$ 500
Equity in pooled cash and investment fund	289,421	3,879,362	1,331,994	5,500,777
Accounts receivable	490	1,047	-	1,537
Inventories	87,147	70,457	-	157,604
Other current assets	63,545	-	131,713	195,258
Due from other governments	-	24,407	-	24,407
Total current assets	<u>440,753</u>	<u>3,975,473</u>	<u>1,463,857</u>	<u>5,880,083</u>
Property, plant and equipment, net	<u>6,903,329</u>	<u>354,788</u>	<u>29,786</u>	<u>7,287,903</u>
Total assets	<u>\$ 7,344,082</u>	<u>\$ 4,330,261</u>	<u>\$ 1,493,643</u>	<u>\$ 13,167,986</u>
 <u>Liabilities and Fund Equity</u>				
Current liabilities:				
Accounts payable	\$ 58,185	\$ 217,141	\$ 1,271,598	\$ 1,546,924
Compensated absences payable	33,399	20,603	-	54,062
Notes payable within one year	<u>211,565</u>	<u>-</u>	<u>-</u>	<u>211,565</u>
Total current liabilities	303,149	237,804	1,271,598	1,812,551
Notes payable after one year	<u>569,963</u>	<u>-</u>	<u>-</u>	<u>569,963</u>
Total liabilities	<u>873,112</u>	<u>237,804</u>	<u>1,271,598</u>	<u>2,382,514</u>
Fund equity:				
Contributed equity	1,200,863	-	20,401	1,314,264
Unreserved retained earnings	5,177,107	4,092,457	201,644	9,471,208
Total fund equity	<u>6,470,970</u>	<u>4,092,457</u>	<u>222,045</u>	<u>10,785,472</u>
Total liabilities and fund equity	<u>\$ 7,344,082</u>	<u>\$ 4,330,261</u>	<u>\$ 1,493,643</u>	<u>\$ 13,167,986</u>

CITY OF OCALA, FLORIDA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN FUND EQUITY

FOR THE YEAR ENDED SEPTEMBER 30, 1991

	Internal Service	Fleet Management	Self- Insurance	Total
Operating revenues:				
Fees and rentals	\$ 2,433,327	\$ 4,064,075	\$ 398,927	\$ 6,896,329
Employer's insurance contributions	-	-	2,269,336	2,269,336
Employees' insurance contributions	-	-	871,388	871,388
Other	80,000	102,264	-	182,264
Total operating revenues	<u>2,513,327</u>	<u>4,166,339</u>	<u>3,539,651</u>	<u>10,219,317</u>
Operating expenses:				
Fleet management	-	2,331,735	-	2,331,735
Purchasing and warehousing	572,354	-	-	572,354
Management information system, central reproduction and records management	635,098	-	-	635,098
Building maintenance	772,407	-	-	772,407
Insurance administration	-	-	3,417,642	3,417,642
Depreciation and amortization	416,352	60,104	5,549	482,005
Total operating expenses	<u>2,396,211</u>	<u>2,391,839</u>	<u>3,423,191</u>	<u>8,211,241</u>
Operating income	<u>117,116</u>	<u>1,774,500</u>	<u>116,460</u>	<u>2,008,076</u>
Nonoperating revenues (expenses):				
Interest income	33,633	224,248	64,926	322,807
Interest expense	(69,574)	-	-	(69,574)
Total nonoperating revenues (expenses)	<u>(35,941)</u>	<u>224,248</u>	<u>64,926</u>	<u>253,233</u>
Income before operating transfers	<u>81,175</u>	<u>1,998,748</u>	<u>181,386</u>	<u>2,261,309</u>
Operating transfers:				
From other funds	544,830	-	-	544,830
(To) other funds	(74,861)	(1,258,796)	(35,000)	(1,368,657)
Total operating transfers	<u>469,969</u>	<u>(1,258,796)</u>	<u>(35,000)</u>	<u>(823,827)</u>
Net income	551,144	739,952	146,386	1,437,482
Fund equity at beginning of year	5,914,738	3,352,505	75,659	9,342,902
Capital contributions	5,088	-	-	5,088
Fund equity at end of year	\$ <u>6,470,970</u>	\$ <u>4,092,457</u>	\$ <u>222,045</u>	\$ <u>10,785,472</u>

CITY OF OCALA, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>Internal Service</u>	<u>Fleet Management</u>	<u>Self- Insurance</u>	<u>Total</u>
Cash flows from operating activities:				
Operating income (loss)	\$ 117,116	\$ 1,774,500	\$ 116,460	\$ 2,008,076
Adjustment to reconcile net income to cash flows from operating activities:				
Depreciation	416,352	60,104	5,549	482,005
Cash provided by (used for) changes in:				
Accounts receivable	(161)	(779)	-	(940)
Inventories	(7,466)	(9,516)	-	(16,982)
Other current assets	19,064	-	(99,199)	(80,135)
Due from other governments	-	(6,425)	-	(6,425)
Accounts payable	(636)	148,975	234,184	382,523
Compensated absences payable	<u>1,374</u>	<u>973</u>	<u>-</u>	<u>2,347</u>
Net cash provided from operating activities	<u>545,643</u>	<u>1,967,832</u>	<u>256,994</u>	<u>2,770,469</u>
Cash flows from investing activities:				
Interest received	<u>33,633</u>	<u>224,248</u>	<u>64,926</u>	<u>322,807</u>
Net cash provided by investing activities	<u>33,633</u>	<u>224,248</u>	<u>64,926</u>	<u>322,807</u>
Cash flows from noncapital financing activities:				
Operating transfers to other funds	(74,861)	(1,258,796)	(35,000)	(1,368,657)
Operating transfers from other funds	<u>544,830</u>	<u>-</u>	<u>-</u>	<u>544,830</u>
Net cash (used in) noncapital financing activities	<u>469,969</u>	<u>(1,258,796)</u>	<u>(35,000)</u>	<u>(823,827)</u>

(Continued)

CITY OF OCALA, FLORIDA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 1991

(Continued)

	<u>Internal Service</u>	<u>Fleet Management</u>	<u>Self- Insurance</u>	<u>Total</u>
Cash flows from capital and related financing activities:				
Proceeds from issuance of long-term debt	\$ 54,605	\$ -	\$ -	\$ 54,605
Principal payment on long-term debt	(198,951)	-	-	(198,951)
Interest paid	(69,574)	-	-	(69,574)
Purchase of property and equipment (net)	(720,448)	(25,683)	(11,300)	(757,431)
Capital contributions	<u>5,088</u>	<u>-</u>	<u>-</u>	<u>5,088</u>
Net cash used in capital and related financing activities	<u>(929,280)</u>	<u>(25,683)</u>	<u>(11,300)</u>	<u>(966,263)</u>
Net increase (decrease) in cash	119,965	907,601	275,620	1,303,186
Cash and cash equivalents at beginning of year	<u>169,606</u>	<u>2,971,961</u>	<u>1,056,524</u>	<u>4,198,091</u>
Cash and cash equivalents at end of year	\$ <u>289,571</u>	\$ <u>3,879,562</u>	\$ <u>1,332,144</u>	\$ <u>5,501,277</u>

This page was intentionally left blank.

TRUST AND AGENCY FUNDS

This page was intentionally left blank.

CITY OF OCALA, FLORIDA
 TRUST AND AGENCY FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 1991

Assets	Expendable Trust		Pension Trust Funds			Total
	Pension Medical Reserve	Community Redevelopment Trust Fund	Employees' Retirement Fund	Firefighters' Supplemental Pension	Police Officers' Supplemental Pension	
Cash and investments	\$ 916,205	\$ -	\$ 28,907,707	\$ 3,513,697	\$ 5,152,611	\$ 38,490,220
Equity in pooled cash and investment fund	-	35,886	-	-	-	35,886
Accrued interest and dividends receivable	-	-	294,905	35,845	52,565	383,315
Total assets	\$ 916,205	\$ 35,886	\$ 29,202,612	\$ 3,549,542	\$ 5,205,176	\$ 38,909,621
Liabilities and Fund Balance						
Liabilities payable from restricted assets:						
Accounts payable	\$ -	\$ 363	\$ 24,352	\$ -	\$ -	\$ 24,715
Fund balances:						
Reserved for retirement benefits	-	-	29,178,260	3,549,542	5,205,176	37,932,978
Reserved for restricted assets	916,205	35,523	-	-	-	951,728
Total equity	916,205	35,523	29,178,260	3,549,542	5,205,176	38,884,706
Total liabilities and fund balance	\$ 916,205	\$ 35,886	\$ 29,202,612	\$ 3,549,542	\$ 5,205,176	\$ 38,909,621

CITY OF OCALA, FLORIDA

EXPENDABLE TRUST FUNDS

COMPARING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCES - ACTUAL AND BUDGET

FOR THE YEAR ENDED SEPTEMBER 30, 1991

	<u>Pension Medical Reserve</u>	<u>Community Redevelop- ment</u>	<u>Total</u>	<u>Adjustments to a Budgetary Basis</u>
Revenues:				
Property taxes	\$ -	\$ 19,260	\$ 19,260	\$ -
Interest	44,816	2,456	47,272	(44,816)
Other	<u>444,940</u>	<u>-</u>	<u>444,940</u>	<u>(444,940)</u>
Total revenues	489,756	21,716	511,472	(489,756)
Expenditures:				
Current - general government and administrative	<u>-</u>	<u>18,358</u>	<u>18,558</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	489,756	3,158	492,914	(489,756)
Other financing sources:				
Transfers from other funds	<u>-</u>	<u>25,495</u>	<u>25,495</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures before fund balances allocation	489,756	28,653	518,409	(489,756)
Fund balance allocation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures	489,756	28,653	518,409	(489,756)
Fund balances at:				
Beginning of year	<u>426,449</u>	<u>6,870</u>	<u>433,319</u>	<u>(426,449)</u>
End of year	\$ <u>916,205</u>	\$ <u>35,523</u>	\$ <u>951,728</u>	\$ <u>(916,205)</u>

<u>Actual on a Budgetary Basis</u>	<u>Revised Budget</u>	<u>Favorable (Unfavorable) Variance</u>
\$ 19,260	\$ 19,260	\$ -
2,456	2,550	(94)
<u>-</u>	<u>-</u>	<u>-</u>
21,716	21,810	(94)
<u>18,558</u>	<u>19,784</u>	<u>1,226</u>
3,158	2,026	1,132
<u>25,495</u>	<u>25,495</u>	<u>-</u>
28,653	27,521	1,132
<u>-</u>	<u>(27,521)</u>	<u>27,521</u>
28,653	-	28,653
<u>6,870</u>	<u>6,870</u>	<u>-</u>
\$ <u>35,523</u>	\$ <u>6,870</u>	\$ <u>28,653</u>

CITY OF OCALA, FLORIDA

PENSION TRUST FUNDS

COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 1991

	Employees' Retire- ment <u>Fund</u>	Fire- fighters' Supple- mental <u>Pension</u>	Police Officers' Supple- mental <u>Pension</u>	<u>Total</u>
Operating revenues:				
City and state contributions	\$ 1,156,826	\$ 162,718	\$ 280,200	\$ 1,599,744
Employee contributions	-	233,150	34,822	267,972
Income on investments	1,439,564	168,815	248,807	1,857,186
Gain on sale of investments	1,590,947	184,935	274,041	2,049,923
Net appreciation in fair market value of investments	<u>2,948,511</u>	<u>358,388</u>	<u>525,551</u>	<u>3,832,450</u>
Total operating revenues	<u>7,135,848</u>	<u>1,108,006</u>	<u>1,363,421</u>	<u>9,607,275</u>
Operating expenses:				
Pension payments	811,838	183,827	148,577	1,144,152
Refunds to employees	1,028	30,017	1,515	32,600
Administration	<u>207,248</u>	<u>42,884</u>	<u>54,793</u>	<u>304,925</u>
Total operating expenses	<u>1,020,114</u>	<u>256,728</u>	<u>204,835</u>	<u>1,481,677</u>
Net income	6,115,734	851,278	1,158,586	8,125,598
Fund balances:				
Beginning of year	<u>23,062,526</u>	<u>2,698,264</u>	<u>4,046,590</u>	<u>29,807,380</u>
End of year	\$ <u>29,178,260</u>	\$ <u>3,549,542</u>	\$ <u>5,205,176</u>	\$ <u>37,932,978</u>

GENERAL FIXED ASSET ACCOUNT GROUP

CITY OF OCALA, FLORIDA

SCHEDULE OF GENERAL FIXED ASSETS BY

FUNCTION AND ACTIVITY

AS OF SEPTEMBER 30, 1991

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>
General government and administration:				
Legislative	\$ 3,311	\$ -	\$ -	\$ 3,311
Executive	153,568	14,782	8,360	130,426
Finance	27,965	-	433	27,532
Purchasing	1,465	-	-	1,465
Personnel and safety	25,203	-	1,233	23,970
Planning	583,390	165,236	321,473	96,681
Building inspection	153,500	-	-	153,500
Total general government	<u>948,402</u>	<u>180,018</u>	<u>331,499</u>	<u>436,385</u>
Public safety:				
Police protection	2,357,810	-	21,309	2,336,501
Fire protection	2,954,428	25,182	799,102	2,130,144
Total public safety	<u>5,312,238</u>	<u>25,182</u>	<u>820,411</u>	<u>4,466,645</u>
Public works:				
Flood control	386,629	1,063	2,000	383,629
Engineering	991,294	458,746	192,619	339,929
Highway and street construction	1,195,334	-	9,100	1,186,234
Total public works	<u>2,573,257</u>	<u>459,809</u>	<u>203,719</u>	<u>1,909,729</u>
Culture and recreation:				
Library	372,809	-	117,055	255,754
Recreation	964,504	774	410,995	552,735
Total culture and recreation	<u>1,337,313</u>	<u>774</u>	<u>528,050</u>	<u>808,489</u>
Nondepartmental	<u>5,528,051</u>	<u>2,744,700</u>	<u>2,779,863</u>	<u>3,488</u>
Total general fixed assets	\$ <u>15,699,261</u>	\$ <u>3,410,483</u>	\$ <u>4,663,542</u>	\$ <u>7,625,236</u>

CITY OF OCALA, FLORIDA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY

FUNCTION AND ACTIVITY

FOR THE YEAR ENDED SEPTEMBER 30, 1991

<u>Function and Activity</u>	General Fixed Assets September 30, <u>1990</u>	<u>Addi-</u> <u>tions</u>	<u>Deduc-</u> <u>tions</u>	General Fixed Assets September 30, <u>1991</u>
General government and admin- istration:				
Legislative	\$ 3,311	\$ -	\$ -	\$ 3,311
Executive	124,252	38,458	9,142	153,568
Finance	25,168	3,675	878	27,965
Purchasing	1,465	-	-	1,465
Personnel and safety	24,379	824	-	25,203
Planning	581,006	6,590	4,206	583,390
Building inspection	111,100	53,322	10,922	153,500
Total general government	<u>870,681</u>	<u>102,869</u>	<u>25,148</u>	<u>948,402</u>
Public safety:				
Police protection	2,180,939	323,952	147,081	2,357,810
Fire protection	2,690,755	309,853	46,180	2,954,428
Total public safety	<u>4,871,694</u>	<u>633,805</u>	<u>193,261</u>	<u>5,312,238</u>
Public works:				
Flood control	352,807	33,822	-	386,269
Engineering	788,240	287,838	84,784	991,294
Highway and street construction	1,178,615	125,246	108,527	1,195,334
Total public works	<u>2,319,662</u>	<u>446,906</u>	<u>193,311</u>	<u>2,573,257</u>
Culture and recreation:				
Library	354,134	88,722	70,047	372,809
Recreation	873,272	94,813	3,581	964,504
Total culture and recreation	<u>1,227,406</u>	<u>183,535</u>	<u>73,628</u>	<u>1,337,313</u>
Nondepartmental	5,526,046	8,743	6,738	5,528,051
Construction in progress	168,823	-	168,823	-
Total general fixed assets	<u>\$ 14,984,312</u>	<u>\$ 1,375,858</u>	<u>\$ 660,909</u>	<u>\$ 15,699,261</u>

This page was intentionally left blank.

SINGLE AUDIT REPORT

This Section contains the following:
Schedule of Federal Financial Assistance
Reports of Certified Public Accountants on:
Schedule of Federal Financial Assistance
Internal Accounting and Administrative Controls
Compliance with Applicable Laws and Regulations

SINGLE AUDIT REPORT

This page was intentionally left blank.

Certified Public Accountants

111 North Orange Avenue, Suite 1600
P.O. Box 3031
Orlando, FL 32802

Independent Auditors' Report

The Honorable Members of City Council
City of Ocala, Florida:

We have audited the general purpose financial statements of the City of Ocala, Florida, as of and for the year ended September 30, 1991, and have issued our report thereon dated January 17, 1992. These general purpose financial statements are the responsibility of the City. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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 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.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the City of Ocala, Florida, taken as a whole. The supplementary information included in the accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that Schedule 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.

KPMG Peat Marwick

January 17, 1992



SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

CITY OF OCALA, FLORIDA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

FOR THE YEAR ENDED SEPTEMBER 30, 1991

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Award</u>
<u>U.S. Department of Housing and Urban Development</u>		
Direct Programs:		
CDBG-Entitlement-B-88-MC-120029	14.218 * \$	572,000
CDBG-Entitlement-B-89-MC-120029	14.218 *	602,000
CDBG-Entitlement-B-90-MC-120029	14.218 *	573,000
CDEC-Rental Rehabilitation-R-87-HG-120242	14.220 *	190,600
CDBG-Rental Rehabilitation-R-90-HG-120242	14.220 *	70,250
<u>U.S. Department of Transportation</u>		
Direct Programs:		
Airport Improvement Program 04-3-12-0055-04	20.106 * \$	45,000
Airport Improvement Program 3-12-0055-05/06/07	20.106 *	1,829,705
Airport Improvement Program 3-12-0055-08	20.106 *	904,296
UMTA-1989/90 FL-08-0257	20.505	20,000
UMTA-1990/91 FL-08-0287	20.505	20,000
Passed through State of Florida Department of Transportation:		
MPO 89/90-BI-5593330-99080-7463	20.205	54,500
MPO 90/91-BPA-5593339-99080-7491	20.205	70,000
MPO 91/92-BPA-5593343-99085-7502	20.205	70,916
Level III, OATS-BI-559-3347-36000-7526	20.205	80,000
Passed through State of Florida Department of Community Affairs (BPSM):		
Traffic Study Equipment-91-RS-58-05-52-02-009	20.600 \$	9,186
State of Florida Department of Transportation:		
Aviation System Plan-5823382 (36000-3853)	-	\$ 6,000
T-Hanger Construction-5823305/5823308	-	100,000
Land Acquisition for Expansion-5823357 (36000-3837)	-	675,000
Limited Master Plan-Update-5823370 (5593345C)	-	20,923
Transportation Disadvantaged-WPI 5895142	-	34,437
D-Funds-WPI 5590083	-	29,521
Regional Airport Economic-5823369/5593344	20.106 \$	300,000
<u>U.S. Department of Education</u>		
Direct Programs:		
Library Literacy Grant-R167A90007	84.167 \$	22,204

Accrued (Deferred) Grant Revenue September 30, 1990				Accrued (Deferred) Grant Revenue September 30, 1991							
Grantor		Local		Revenues Received		Expenditures		Grantor		Local	
Grantor	Local	Grantor	Local	Grantor	Local	Grantor	Local	Grantor	Local	Grantor	Local
\$ -	\$ -	\$ 429,401	\$ -	\$ 429,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37,336	-	392,149	-	27,813	-	-	-	-	-	-	-
-	-	398,855	-	408,719	-	-	-	9,864	-	-	-
12,615	-	12,912	-	297	-	-	-	-	-	-	-
-	-	41,475	-	55,756	-	-	-	14,281	-	-	-
<u>376,951</u>	<u>-</u>	<u>1,274,792</u>	<u>-</u>	<u>921,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,145</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	296	121	296	121	-	-	-	-
82,993	-	82,993	-	-	-	-	-	-	-	-	-
-	-	-	36,213	651,825	72,425	651,825	36,212	1,874	234	1,874	234
1,874	234	-	-	-	-	-	-	11,085	1,386	11,085	1,386
-	-	9,709	3,813	20,794	5,199	20,794	5,199	665,080	37,953	665,080	37,953
<u>84,867</u>	<u>234</u>	<u>92,702</u>	<u>40,026</u>	<u>672,915</u>	<u>77,745</u>	<u>672,915</u>	<u>77,745</u>	<u>665,080</u>	<u>37,953</u>	<u>665,080</u>	<u>37,953</u>
9,200	-	9,200	-	-	-	-	-	-	-	-	-
-	-	53,756	4,747	53,805	4,747	53,805	4,747	49	-	49	-
-	-	-	1,891	21,437	1,891	21,437	1,891	21,437	-	21,437	-
5,200	-	11,200	-	6,000	-	6,000	-	-	-	-	-
<u>14,400</u>	<u>-</u>	<u>74,156</u>	<u>6,638</u>	<u>81,242</u>	<u>6,638</u>	<u>81,242</u>	<u>6,638</u>	<u>21,486</u>	<u>-</u>	<u>21,486</u>	<u>-</u>
-	-	9,127	-	9,127	-	9,127	-	-	-	-	-
-	(6)	-	2,000	-	2,756	-	2,756	-	750	-	750
-	5,975	-	-	-	9,977	-	9,977	-	15,952	-	15,952
-	468,879	-	642,090	-	174,565	-	174,565	-	1,354	-	1,354
-	1,046	-	-	-	-	-	-	-	1,046	-	1,046
-	-	-	-	-	1,720	-	1,720	-	1,720	-	1,720
-	-	-	29,504	-	29,504	-	29,504	-	-	-	-
-	(284,077)	-	19,326	-	89,814	-	89,814	-	(213,589)	-	(213,589)
<u>-</u>	<u>191,817</u>	<u>-</u>	<u>692,920</u>	<u>-</u>	<u>308,336</u>	<u>-</u>	<u>308,336</u>	<u>-</u>	<u>(192,767)</u>	<u>-</u>	<u>(192,767)</u>
3,757	-	4,096	-	339	-	339	-	-	-	-	-

CITY OF OCALA, FLORIDA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

FOR THE YEAR ENDED SEPTEMBER 30, 1991

(Continued)

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Award</u>
<u>U.S. Department of Education, Continued</u>		
Passed through State of Florida Division of Library Services:		
Florida Library Information Network-DLIS 90-III-02-P	84.035	\$ 7,100
Bookmobile-DLIS 90-I-03-D	84.034	60,000
 <u>U.S. Department of Justice</u>		
Direct Programs:		
Drug Impacted Small Jurisdictions-90-DD-CX-0046	16.579	\$ 99,940
 Passed through State of Florida via Marion County:		
Project Challenge-91-CJ-28-05-52-01-091	16.579	\$ 105,226
 <u>U.S. Department of the Interior</u>		
Passed through the State of Florida, Division of Historical Resources:		
Fort King Arch. - Phase II	15.904	\$ 21,500
 <u>U.S. Department of Agriculture</u>		
Passed through the State of Florida, Department of Education:		
Summer Food Program	10.559	\$ 25,000

* Major Program

See accompanying notes to schedule.

Accrued (Deferred) Grant Revenue September 30, 1990		Revenues Received		Expenditures		Accrued (Deferred) Grant Revenue September 30, 1991	
<u>Grantor</u>	<u>Local</u>	<u>Grantor</u>	<u>Local</u>	<u>Grantor</u>	<u>Local</u>	<u>Grantor</u>	<u>Local</u>
\$ -	\$ -	\$ 7,100	\$ -	\$ 7,100	\$ -	\$ -	\$ -
-	-	60,000	-	60,000	-	-	-
<u>-</u>	<u>-</u>	<u>67,100</u>	<u>-</u>	<u>67,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	34,202	-	47,409	-	13,207	-
-	-	41,927	-	61,592	-	19,665	-
<u>8,057</u>	<u>-</u>	<u>-</u>	<u>7,731</u>	<u>12,663</u>	<u>7,731</u>	<u>20,720</u>	<u>-</u>
-	-	8,745	-	18,727	-	9,982	-
\$ <u>488,032</u>	<u>192,051</u>	<u>1,166,847</u>	<u>747,315</u>	<u>1,893,100</u>	<u>400,450</u>	<u>774,285</u>	<u>(154,814)</u>

CITY OF OCALA, FLORIDA

NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

FOR THE YEAR ENDED SEPTEMBER 30, 1991

1. General

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal financial assistance programs of the City of Ocala, Florida. The City of Ocala reporting entity is defined in note 1 to the City's combined financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Federal Financial Assistance is presented using the modified accrual basis of accounting, which is described in note 2 to the City's combined financial statements.

3. Grantor

Grantor is defined as the federal agency or state pass through agency providing the federal financial assistance.

4. Local

Local is defined as the matching contribution provided by the state or the City.

CITY OF OCALA, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 1991

<u>Finding/ Noncompliance</u>	<u>Finding/Noncompliance</u>	<u>Questioned Costs</u>
CDBG Entitlement Grants	The City did not file one of the four quarterly federal cash transaction reports on a timely basis. The reports are required to be submitted 15 days after the end of each quarter. The December 31, 1990 reports were submitted after this deadline.	N/A
CDBG Entitlement Grants	The City did not accurately complete the Federal Cash Transaction reports. The City included the expenditures for the month ended June 30, 1991 in the quarter ended September 30, 1991. However, the City did not request more funds than it was entitled. The City intends to correct the reports and resubmit them to the U.S. Department of Housing and Urban Development.	N/A
Airport Improvement Program	The City did not accurately complete the federal cash transaction report for the period ended September 30, 1991. The amount requested included costs associated with overtime pay considered unallowable by the FAA. The City plans to correct the error in the federal cash transaction report for the quarter ended December 31, 1991.	\$ 1,862.96
CDBG Entitlement Grants	The City did not prepare an accurate Grantee performance report due to travel advance treatment of reimbursable monies. One travel advance at year-end was overstated thereby overstating the Grantee performance report. It was also noted this travel advance had mathematical errors.	\$ 31.20

CITY OF OCALA, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 1991, Continued

<u>Finding/ Noncompliance</u>	<u>Finding/Noncompliance</u>	<u>Questioned Costs</u>
CDBG Entitlement Grants	The City did not maintain adequate control over reimbursements made by City employees to CDBG for funds advanced but not expended by the employee. Discrepancies were noted in two of the travel advances, made considerably prior to year-end, where the monies owed the City were not properly returned to the City thereby overstating the Grantee performance report. It was also noted that one of these two reports contained mathematical errors.	\$ 116.90

Certified Public Accountants

111 North Orange Avenue, Suite 1600
P.O. Box 3031
Orlando, FL 32802

Independent Auditors' Report

The Honorable Members of City Council
City of Ocala, Florida:

We have audited the general purpose financial statements of the City of Ocala, Florida, as of and for the year ended September 30, 1991, and have issued our report thereon dated January 17, 1992.

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.

In planning and performing our audit of the general purpose financial statements of the City of Ocala, Florida, for the year ended September 30, 1991, we considered its internal control structure in order to determine our audit procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the City of Ocala, Florida, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- o Accounting Controls
 - o Treasury
 - o Revenue /Receipts
 - o Purchasing/Disbursements
 - o External Financial Reporting

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City of Ocala, Florida, in a separate letter dated January 17, 1992.

This report is intended for the information of the audit committee, management, and the auditor general. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

KPMG Peat Marwick

January 17, 1992

Certified Public Accountants

111 North Orange Avenue, Suite 1600
P.O. Box 3031
Orlando, FL 32802

Independent Auditors' Report

The Honorable Members of City Council
City of Ocala, Florida:

We have audited the general purpose financial statements of the City of Ocala, Florida, as of and for the year ended September 30, 1991, and have issued our report thereon dated January 17, 1992.

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.

Compliance with laws, regulations, contracts, and grants applicable to the City of Ocala, Florida, is the responsibility of the management of the City of Ocala, Florida. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City of Ocala, Florida's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the City of Ocala, Florida, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Ocala, Florida has not complied, in all material respects, with those provisions.

This report is intended for the information of the audit committee, management, and auditor general. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

KPMG Peat Marwick

January 17, 1992



Independent Auditors' Report

The Honorable Members of City Council
City of Ocala, Florida:

We have audited the general purpose financial statements of the City of Ocala, Florida, as of and for the year ended September 30, 1991, and have issued our report thereon dated January 17, 1992. We have also audited the City of Ocala, Florida's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated January 17, 1992.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the City of Ocala, Florida, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended September 30, 1991, we considered the City's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the City's general purpose financial statements and on its compliance with requirements applicable to major programs and not to provide assurance on the internal control structure. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated January 17, 1992.

The management of the City of Ocala, Florida, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly

to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories.

o Accounting Controls

- o Treasury;
- o Revenue/Receipts;
- o Purchasing/Disbursements;
- o External Financial Reporting;

o Administrative Controls

o General Requirements

- o Political Activity;
- o Davis-Bacon Act;
- o Civil Rights;
- o Cash Management;
- o Relocation Assistance and Real Property Acquisition;
- o Federal Financial Reports;
- o Allowable Costs/Costs Principles;
- o Drug-Free Workplace Act;
- o Administrative Requirements;

o Specific Requirements

- o Types of Services;
- o Eligibility;
- o Matching Level of Efforts;
- o Reporting;
- o Cost Allocation;
- o Special Requirements; and
- o Monitoring Subrecipients

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended September 30, 1991, the City of Ocala, Florida expended 83% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the City's major federal financial assistance programs, which are identified in the schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material in relation to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted other matters involving the internal control structure and its operation that we have reported to the management of the City of Ocala, Florida, in a separate letter dated January 17, 1992.

This report is intended for the information of the audit committee, management, and the auditor general. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

KPMG Peat Marwick

January 17, 1992

Certified Public Accountants

111 North Orange Avenue, Suite 1600
P.O. Box 3031
Orlando, FL 32802

Independent Auditors' Report on Compliance with General Requirements

The Honorable Members of City Council
City of Ocala, Florida:

We have audited the general purpose financial statements of the City of Ocala, Florida, as of and for the year ended September 30, 1991, and have issued our report thereon dated January 17, 1992.

We have also applied procedures to test the City of Ocala, Florida's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended September 30, 1991:

- o Political Activity
- o Davis-Bacon Act
- o Civil Rights
- o Cash Management
- o Relocation Assistance and Real Property Acquisition
- o Federal Financial Reports
- o Drug-Free Workplace Act
- o Administrative Requirements
- o Allowable Costs/Cost Principles

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Ocala, Florida's compliance with the requirements listed in the preceding paragraph. Accordingly we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Ocala, Florida, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the schedule of findings and questioned costs.

This report is intended for the information of management and the cognizant and other federal audit agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

KPMG Peat Marwick

January 17, 1992

Certified Public Accountants

111 North Orange Avenue, Suite 1600
P.O. Box 3031
Orlando, Fl. 32802

Independent Auditors' Report on Compliance with
Specific Major and Nonmajor Program Requirements

The Honorable Members of City Council
City of Ocala, Florida:

We have audited the general purpose financial statements of the City of Ocala, Florida, as of and for the year ended September 30, 1991, and have issued our report thereon dated January 17, 1992.

We have also audited the City of Ocala, Florida's compliance with the requirements governing types of services allowed or unallowed; matching level of effort, or earmarking; reporting; claims for advances and reimbursements; environmental review certification; airport revenue use; eligible construction limitations; subrecipient agreements; and program income that are applicable to each of its major federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended September 30, 1991. The management of the City of Ocala, Florida, is responsible for the City of Ocala, Florida's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City of Ocala, Florida's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the schedule of findings and questioned costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the City of Ocala, Florida, complied, in all material respects, with the requirements governing types of services allowed or unallowed; matching level of effort or earmarking; reporting; claims for advances and reimbursements; and environmental review certification; airport revenue use; eligible construction limitations; subrecipient agreements; and program income that are applicable to each of its major federal financial assistance programs for the year ended September 30, 1991.

In connection with our audit of the 1991 general purpose financial statements of the City of Ocala, Florida, and with our study and evaluation of the City of Ocala, Florida's internal control systems used to administer federal financial assistance programs, as required by OMB Circular A-128, we selected certain transactions applicable to certain nonmajor federal assistance programs for the year ended September 30, 1991.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility, and matching level of effort, or earmarking; that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Ocala, Florida's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Ocala, Florida, had not complied, in all material respects, with those requirements.

KPMG Peat Marwick

January 17, 1992

STATISTICAL SECTION

Statistical schedules differ from financial statements because they usually cover more than one fiscal year and may present nonaccounting data. These schedules reflect social and economic data and financial trends of the government.

STATISTICAL SECTION

CITY OF OCALA, FLORIDA

GENERAL GOVERNMENTAL REVENUES AND OTHER FINANCING SOURCES BY SOURCE (1)

LAST TEN FISCAL YEARS

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Property taxes	\$ 2,029,326	\$ 1,659,194	\$ 2,227,719	\$ 2,258,689
Other taxes	504,200	711,774	675,663	705,331
Intergovernmental revenues	2,021,665	3,832,833	4,574,314	5,215,617
Licenses and permits	395,285	518,026	590,212	628,624
Fines and forfeitures	256,531	342,033	329,289	543,685
Chargus for services and off- street parking	90,525	162,613	187,819	209,569
Transfers from other funds	6,642,731	7,434,175	6,973,813	9,252,428
Bond and note proceeds	-	7,192,325	238,538	-
Interest income	195,242	230,273	405,039	428,183
Miscellaneous	246,296	466,285	908,881	1,001,957
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ <u>12,381,801</u>	\$ <u>22,549,551</u>	\$ <u>17,111,287</u>	\$ <u>20,243,883</u>

(1) This schedule includes revenues and other financing sources of the General Fund, Special Revenue Funds and Debt Service Funds. Interfund revenues have not been eliminated between these funds.

<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
\$ 2,921,415	\$ 4,413,746	\$ 5,073,641	\$ 6,161,242	\$ 6,505,843	\$ 7,091,592
717,980	710,945	763,823	786,021	801,394	825,622
5,868,213	6,342,097	6,829,455	7,041,160	6,982,067	7,489,550
706,762	677,800	673,596	690,456	736,411	651,013
474,764	532,498	710,301	740,603	734,132	812,701
240,735	245,690	223,742	1,348,168	1,497,702	1,479,127
10,203,401	10,928,043	11,532,925	14,277,023	14,321,507	15,609,360
13,041,330	-	7,542,626	-	-	-
522,787	756,439	889,965	1,567,581	1,545,540	1,394,582
<u>1,064,125</u>	<u>1,571,289</u>	<u>1,067,093</u>	<u>112,908</u>	<u>261,093</u>	<u>178,115</u>
\$ <u>35,761,512</u>	\$ <u>26,178,552</u>	\$ <u>35,307,167</u>	\$ <u>32,725,162</u>	\$ <u>33,385,689</u>	\$ <u>35,531,662</u>

CITY OF OCALA, FLORIDA

GENERAL GOVERNMENTAL EXPENDITURES AND OTHER USES BY FUNCTION (1)

LAST TEN FISCAL YEARS

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
General government and administration	\$ 1,433,279	\$ 1,497,736	\$ 1,668,132	\$ 1,750,550
Public safety	4,554,075	4,901,697	5,454,770	6,130,072
Public works	1,809,302	1,862,172	2,115,342	2,289,859
Culture and recreation	,734,942	1,860,400	2,108,338	2,278,015
Nondepartmental	17,236	419,079	672,488	383,597
Debt service	464,510	472,668	1,327,341	1,337,651
Capital outlay	965,973	1,128,128	1,285,902	1,502,593
Transfers to other funds	725,039	8,132,864	1,364,676	2,723,972
Miscellaneous	<u>132,625</u>	<u>263,329</u>	<u>298,085</u>	<u>267,924</u>
Total	\$ <u>11,837,181</u>	\$ <u>20,538,073</u>	\$ <u>16,295,071</u>	\$ <u>19,164,233</u>

- (1) This schedule includes expenditures and other financing uses of the General Fund, Special Revenue Funds and Debt Service Funds. Interfund expenditures have not been eliminated between these funds.

<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
\$ 2,180,146	\$ 2,398,717	\$ 2,462,279	\$ 2,872,897	\$ 3,168,947	\$ 3,469,028
6,836,255	7,529,924	8,030,705	9,519,499	10,759,495	11,677,768
2,470,282	2,690,444	2,707,074	3,435,091	3,466,758	3,655,998
2,420,806	2,806,405	2,728,031	2,998,445	3,376,898	3,508,653
998,914	1,259,245	1,973,860	330,614	389,988	474,371
8,546,374	2,153,331	6,011,761	2,485,187	3,619,989	3,949,011
1,740,251	2,537,305	2,501,826	1,979,521	4,834,530	4,122,771
4,803,525	3,865,642	4,176,731	3,477,913	3,764,846	4,242,111
762,977	329,074	666,543	665,631	871,121	829,112
<u>\$ 30,759,530</u>	<u>\$ 25,570,087</u>	<u>\$ 31,258,810</u>	<u>\$ 27,764,799</u>	<u>\$ 34,252,572</u>	<u>\$ 35,928,823</u>

CITY OF OCALA, FLORIDA
PROPERTY TAX LEVIES, TAX COLLECTIONS AND
ASSESSED VALUATIONS (3)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Assessed Valuation (100% at Market)</u>	<u>Tax rate in Mills (3)</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>
1982	\$ 559,458,934	3.47	\$ 1,950,292	\$ 1,849,490	94.8
1983	632,082,715	2.58	1,632,079	1,586,632	97.2
1984	672,994,062	2.93	1,970,526	1,851,074	93.9
1985	721,342,613	3.15	2,274,596	2,142,364	94.2
1986	807,763,046	3.65	2,962,022	2,758,410	93.1
1987	971,042,837	4.65	4,527,718	4,199,267	92.8
1988	1,096,194,648	4.65	5,112,811	4,765,369	93.2
1989	1,235,655,356	5.08	6,287,092	5,662,203	90.1
1990	1,310,033,579	5.08	6,667,187	5,956,404	89.3
1991	1,399,122,711	5.17	7,244,086	6,592,981	91.0

Source: Marion County Tax Collector and City Finance Department.

- (1) Includes penalties under Section 193.072 of the Florida Statutes.
- (2) Tax collections include current and delinquent taxes, and tax certificates and payments to local governments for homestead exemptions.
- (3) Excludes property tax levies of the Downtown Development Commission.

<u>Total (2) Tax Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>	<u>Uncollected Taxes</u>
\$ 1,991,899	102.1	\$ 100,802
1,623,260	99.5	45,447
1,903,537	96.6	119,452
2,201,312	96.8	132,232
2,881,597	97.3	203,612
4,373,759	96.6	328,451
5,027,371	98.3	347,442
6,114,815	97.3	624,889
6,459,659	96.9	710,783
7,043,228	97.2	651,105

CITY OF OCALA, FLORIDA

PROPERTY TAX RATES AND LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

Millage Rates

<u>Fiscal Year</u>	<u>City</u>	<u>County</u>	<u>School</u>	<u>Water Management Districts</u>	<u>Total</u>
1982	3.47	3.56	8.02	.32	15.37
1983	2.58	2.77	7.19	.27	12.81
1984	2.93	2.63	7.13	.33	13.02
1985	3.15	2.45	7.07	.33	13.00
1986	3.65	3.21	7.10	.32	14.28
1987	4.65	3.59	7.70	.32	16.26
1988	4.65	3.83	7.70	.33	16.51
1989	5.08	4.35	7.88	.36	17.67
1990	5.08	4.98	7.93	.35	18.34
1991	5.17	5.66	9.21	.36	20.40

Tax Levies

<u>Fiscal Year</u>	<u>City(1)</u>	<u>County(2)</u>	<u>School(2)</u>	<u>Water Management Districts(2)</u>	<u>Total</u>
1982	\$ 1,945,798	\$ 1,991,674	\$ 4,486,861	\$ 176,739	\$ 8,601,127
1983	1,628,245	1,750,869	4,546,570	170,662	8,096,346
1984	1,971,873	1,648,835	4,764,798	181,708	8,567,214
1985	2,269,344	1,729,709	4,996,388	230,758	9,226,199
1986	2,950,758	2,592,919	5,735,118	258,484	11,537,279
1987	4,518,262	3,486,044	7,477,030	310,734	15,792,070
1988	5,100,594	4,198,426	8,440,699	361,744	18,101,463
1989	6,277,129	5,375,101	9,736,964	444,836	21,834,030
1990	6,654,971	6,523,967	10,388,566	458,512	24,026,016
1991	7,233,464	7,919,035	12,885,920	503,684	28,542,103

(1) Does not include penalties under Section 193.072 of the Florida Statutes.

(2) The tax levies for overlapping governments reflect each government's millage applied to the total assessed valuation within the City's corporate boundaries.

CITY OF OCALA, FLORIDA
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>New Liens Assessed</u>	<u>Collections and Adjustments</u>	<u>Total Outstanding Assessments (1)</u>
1982	\$ 44,576	\$ 86,719	\$ 425,514
1983	1,379,317	301,723	1,503,108
1984	66,420	312,189	1,257,339
1985	58,191	217,811	1,097,719
1986	21,768	179,648	939,830
1987	12,959	158,409	794,389
1988	20,300	175,308	647,381
1989	6,000	90,243	563,138
1990	106,229	159,966	509,401
1991	-	97,955	411,446

(1) Does not reflect reserves for uncollectible special assessment levies.

CITY OF OCALA, FLORIDA

COMPUTATION OF LEGAL DEBT MARGIN

SEPTEMBER 30, 1991

Assessed Value (100% at market as of January 1, 1991)	\$ <u>1,399,122,711</u>
Debt limit: 20% of Assessed Value Amount of General Obligation Debt Outstanding	\$ 279,824,542 <hr/>
Legal Debt Margin	\$ <u>279,824,711</u>

In accordance with Article IX, Section 9.02, of the City of Ocala Charter, the "aggregate amount of general obligation bonds of the City outstanding at any one time shall not be greater than twenty percent (20%) of the assessed valuation of the taxable real and personal property in the City according to the latest assessment of such real and personal property."

CITY OF OCALA, FLORIDA

SCHEDULE OF ELECTRIC SYSTEM REVENUE AND REVENUE

REFUNDING BONDS, SERIES 1977, 1983, 1988, 1989A AND 1989B COVERAGE

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Net Revenue Available for Debt Service (1)</u>	<u>Debt Service Requirements (2) (3) (4)</u>			<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
1982	\$ 8,571,345	\$ 850,070	\$ 857,404	\$ 1,705,404	5.03
1983	10,526,167	885,000	818,952	1,703,952	6.18
1984	12,460,017	925,000	1,718,543	2,643,543	4.71
1985	12,065,015	965,000	1,863,609	2,828,609	4.27
1986	14,329,773	1,010,000	1,817,677	2,827,677	5.07
1987	14,371,791	1,045,000	1,769,218	2,814,218	5.11
1988	14,891,027	1,105,000	1,160,385	2,265,385	6.57
1989	16,936,544	1,190,000	1,469,607	2,659,607	6.37
1990	20,319,802	1,435,000	1,698,359	3,133,359	6.48
1991	22,421,756	1,845,000	2,748,830	4,593,830	4.88

(1) Represents gross operating revenues and interest income less gross operating expenses, excluding amortization and depreciation, of the electric system.

(2) In August 1977, the City issued the following refunding bonds:

Power Supply Revenue Bonds, Series 1977	\$ 11,180,000
Electric Revenue Bonds, Series 1977	7,850,000
Special Obligation Bonds, Series 1977A	<u>10,990,000</u>
	<u>\$ 30,020,000</u>

The refunding bonds were issued to effect the advance refunding of the following issues:

Electric Revenue Certificates, Series 1959	\$ 240,000
Electric Revenue Certificates, Series 1962	1,145,000
Electric Revenue Certificates, Series 1967	2,140,000
Electric Revenue Certificates, Series 1972	5,725,000
Power Supply Revenue Bonds, Series A1975	<u>10,000,000</u>
	<u>\$ 19,250,000</u>

CITY OF OCALA, FLORIDA

SCHEDULE OF ELECTRIC SYSTEM REVENUE AND REVENUE

REFUNDING BONDS, SERIES 1977, 1983, 1988, 1989A AND 1989B COVERAGE

(Continued)

The proceeds derived from the sale of the refunding bonds were placed in an irrevocable escrow account, which, together with related interest earnings, will provide sufficient amounts to satisfy not only the remaining debt service requirements, in accordance with the original maturity schedules, on the refunded bonds, but the Special Obligation Bonds, Series 1977A as well. Accordingly, the refunded bonds and the Special Obligation Bonds, Series 1977A are not considered outstanding debt of the City in consideration of the escrow account created and, as such, all debt service requirements on the refunded bonds and the Special Obligation Bonds, Series 1977A, have been excluded from the determination of revenue bonds coverage.

- (3) In August 1983, the City issued the \$13,480,000 Power Supply Revenue Bonds, Series 1983. The first principal payment occurred in October 1987. Proceeds of this issue are being used for the acquisition and construction of a new substation, supervised control data acquisition system and for other improvements to the bulk power system.
- (4) In March 1988, the City issued the \$14,350,000 Power Supply Revenue Refunding Bonds, Series 1988, for the purpose of advance refunding the outstanding Power Supply Revenue Bonds, Series 1983. The refunded bonds are no longer considered outstanding debt of the City since an escrow account was created for them; and, therefore, all debt service requirements subsequent to March 1988 for the refunded bonds have been excluded from the determination of debt service coverage. The first principal and interest payments on the Series 1988 bonds occurred in October 1988.
- (5) In October 1989, the City issued Electric System Revenue Bonds, Series 1989A in the amount of \$28,425,000 and Electric System Revenue Refunding Bonds, Series 1989B in the amount of \$13,000,000. The 1989B bonds were issued for the purpose of advance refunding the City's outstanding Power Supply Revenue Bonds, Series 1977 and the City's outstanding Power Supply Revenue Refunding Bonds, Series 1988. The refunding bonds are no longer considered outstanding debt of the City because an escrow account was created for them; and, therefore, all debt service requirements subsequent to October 1989 for the refunded bonds have been excluded from the determination of debt service coverage. The proceeds of the 1989A bonds are being used to fund the cost of the acquisition and construction of additions, extensions and improvements to the electric system and certain infrastructure improvements related thereto. The first interest payments on the Series 1989A and 1989B bonds occurred in April 1990; the first principal payments were made October 1, 1990.

CITY OF OCALA, FLORIDA

SCHEDULE OF WATER AND SEWER REVENUE AND REFUNDING REVENUE BONDS,

SERIES 1968, 1983, 1985A, 1985B, 1986 AND 1988, AND ANTICIPATION NOTES COVERAGE

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Net Revenue Available For Debt Service(1)</u>	<u>Debt Service Requirements</u>		<u>Total</u>	<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>		
1982	\$ 1,377,870	\$ 260,000	\$ 789,196	\$ 1,049,196	1.31
1983	2,800,069	270,000(2)	773,590	1,043,590	2.68
1984	3,302,614	230,000	1,052,623	1,282,623	2.57
1985	4,505,928	240,000	959,002	1,199,002	3.76
1986	6,762,243	- (3)	1,893,489(3)	1,893,489	3.50
1987	5,690,844	245,000(3)	4,129,150(3)	4,374,150	1.30
1988	8,047,236	165,000(4)	4,118,735(4)	4,283,735	1.88
1989	7,738,769	315,000	3,790,133	4,105,133	1.89
1990	6,778,281	425,000	4,004,180	4,429,180	1.53
1991	7,383,205	555,000	3,971,896	4,526,896	1.63

(1) Represents gross operating revenues less gross operating expenses, excluding amortization and depreciation, of the water and sewer system. Additional pledged revenues are the collections, including interest and penalties, on the 11,000 series special assessment levy, which were also pledged to retire the refunded 1974 Pollution Control Bonds, Series C (this pledge does not pertain to the debt issued after 1978); 31,000 series of assessments (1979 and 1979-2 note issues only); unlevied public service tax (all issues); interest earnings on investments and any income realized from such investments of the sinking, sinking reserve, and renewal and replacement funds (1983, 1985A, 1985B, 1986 and 1988 issues); and water and sewer system development charges and interest earnings on development charges (1985A and 1986 issues for years prior to 1990).

(2) The 1979-2 Anticipation Notes matured on July 1, 1983 and the related principal was secured by the \$11,200,000 Water and Sewer Refunding Revenue Bonds, Series 1983, which were issued in June, 1983. Proceeds from the sale of the 1983 bonds were used to advance refund the 1968 Water and Sewer Revenue Bonds (remaining principal after July 1, 1983 maturity is excluded from debt service requirements above) and refund the 1979-2 Anticipation Notes, the principal of which is excluded from debt service requirements above. Remaining proceeds are being used for the acquisition and construction of additions, extensions and improvements to the water and sewer system.

CITY OF OCALA, FLORIDA

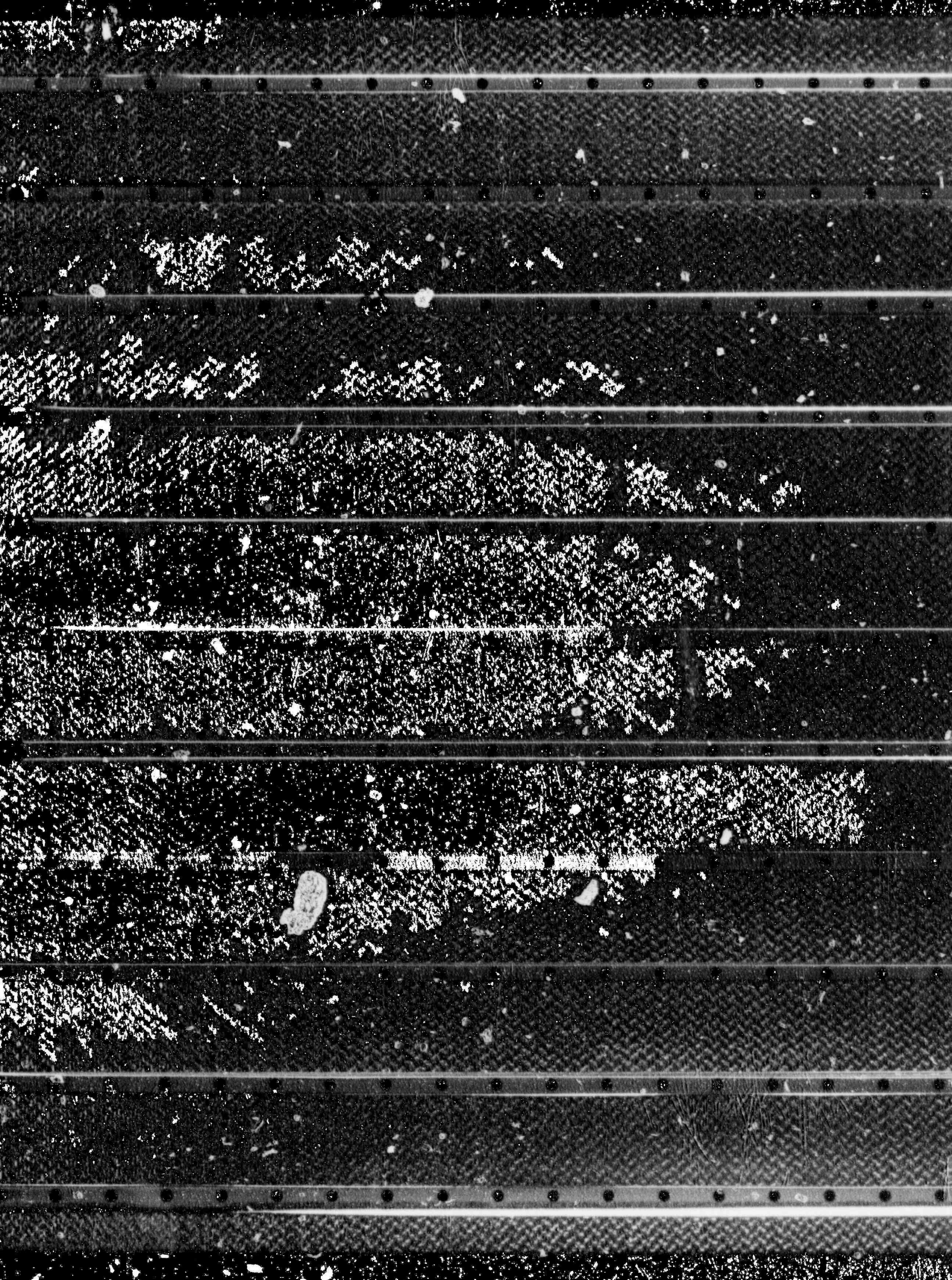
SCHEDULE OF WATER AND SEWER REVENUE AND REFUNDING REVENUE BONDS,

SERIES 1968, 1983, 1985A, 1985B, 1986 AND 1988, AND ANTICIPATION NOTES COVERAGE

LAST TEN FISCAL YEARS

(Continued)

- (3) In October, 1985, the City issued the \$37,080,000 Water and Sewer Revenue Bonds, Series 1985A, for the purpose of financing a portion of the acquisition and construction of certain additions, expansions and improvements to the City's water and sewer system; and the \$10,775,000 Water and Sewer Refunding Revenue Bonds, Series 1985B, for the purpose of advance refunding the outstanding Water and Sewer Refunding Revenue Bonds, Series 1983. In April, 1986, the City issued the \$40,820,000 Water and Sewer Refunding Revenue Bonds, Series 1986, for the purpose of advance refunding the portion of the Water and Sewer Revenue Bonds Series 1985A, stated to mature on and after October 1, 1994. The refunded bonds are no longer considered outstanding debt of the City since escrow accounts were created for them; and, therefore, all debt service requirements for the refunded bonds have been excluded from the determination of debt service coverage. For fiscal 1986, the debt service requirements consist of the interest payments made for the Series 1985A and the Series 1985B bonds (before the advance refunding of the portion of the Series 1985A bonds) net of the accrued interest received at the time of bond closing. For fiscal 1987, the debt service requirements consist of the principal and interest for the 1985A, 1985B and 1986 bonds.
- (4) In July 1988, the City issued the \$12,450,000 Water and Sewer Refunding Revenue Bonds, Series 1988, for the purpose of advance refunding the outstanding Water and Sewer Refunding Revenue Bonds, Series 1985B. The refunded bonds are no longer considered outstanding debt of the City since an escrow account was created for them; and, therefore, all debt service requirements subsequent to 1988 will be excluded from the determination of debt service coverage. The first interest payment on the Series 1988 bonds occurred in October 1988.



CITY OF OCALA, FLORIDA

SCHEDULE OF REFUNDING AND IMPROVEMENT EXCISE

TAX BONDS, SERIES 1965 AND 1972, COVERAGE

LAST TEN FISCAL YEARS

Year	<u>Pledged Revenues</u>			<u>Debt Service Requirements (1)</u>			Cover- age
	<u>Occupational License</u>	<u>Cigarette Tax</u>	<u>Total Revenue Available for Debt Service</u>	<u>Prin- cipal</u>	<u>Interest</u>	<u>Total</u>	
1982	\$ 271,635	\$ 311,719	\$ 585,354	\$ 220,000	\$ 158,420	\$ 378,420	1.55
1983	292,546	335,334	627,880	230,000	148,250	378,250	1.66
1984	300,791	344,839	645,630	240,000	137,723	377,723	1.71
1985	328,964	366,731	695,695	250,000	126,750	376,750	1.85
1986	340,013	406,723	746,736	265,000	115,300	380,300	1.96
1987	362,960	388,381	751,341	275,000	103,150	378,150	1.99
1988	349,663	417,874	767,537	285,000	89,125	374,125	2.05
1989	376,590	419,394	795,984	300,000	74,590	374,590	2.12
1990	386,809	422,576	809,385	315,000	58,990	373,990	2.16
1991	386,804	392,594	779,398	325,000	41,980	366,980	2.12

(1) The final maturity of the Refunding and Improvement Excise Tax Bonds, Series 1965, was in fiscal year 1986.

This page was intentionally left blank.

CITY OF OCALA, FLORIDA

SCHEDULE OF STREET IMPROVEMENT REVENUE BONDS COVERAGE

SERIES 1966, 1967, 1975 AND 1978

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Special Assessment Collections Available for Debt Service(1)</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
1982	\$ 48,354	\$ -	\$ 26,350	\$ 26,350	1.84
1983	53,647	50,000	26,350	76,350	.70
1984	31,543	100,000	23,350	123,350	.26
1985	41,979	-	16,600	16,600	2.53
1986	24,010	-	16,600	16,600	1.45
1987	12,030	200,000	16,600	216,600	.06
1988	7,202	-	3,600	3,600	2.00
1989	27,285	60,000	3,600	63,600	.43
1990	(2)	(2)	(2)	(2)	(2)
1991	(2)	(2)	(2)	(2)	(2)

(1) Includes collections on the special assessment levies pledged to retire these bonds (i.e. - Series 9,000; 10,000; 13,000; 14,000; 15,000; 16,000; 17,000; 24,000; 26,000; and 27,000).

(2) Final payments of principal and interest for this issue were made during fiscal 1989.

CITY OF OCALA, FLORIDA

SCHEDULE OF CAPITAL IMPROVEMENT REVENUE AND REFUNDING REVENUE BONDS,

SERIES 1982 AND 1986, AND CAPITAL IMPROVEMENT REVENUE AND

REVENUE REFUNDING CERTIFICATES, SERIES 1986 AND 1988 COVERAGE

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Pledged Revenues</u>				
	<u>Local Government Half-Cent Sales Tax</u>	<u>Franchise Fees</u>	<u>Occupational License Tax (1)</u>	<u>Guaranteed Entitle- ment (2)</u>	<u>Mobile Home Licenses</u>
1983	\$ 1,046,671	\$ 360,540	\$ 292,546	\$ 643,621	\$ 17,863
1984	1,257,077	311,281	300,791	643,622	25,754
1985	1,346,284	298,084	328,964	643,622	32,116
1986	1,414,157	275,654	340,013	643,622	31,857
1987	1,539,964	292,968	362,960	643,622	28,696
1988	1,833,635	314,227	349,663	643,622	27,015
1989	1,858,812	333,517	376,590	643,622	28,903
1990	1,875,964	344,210	386,809	643,622	26,375
1991	1,735,149	392,588	386,804	643,622	24,768

- (1) Subject to a prior lien on 1965 and 1972 Refunding and Improvement Excise Tax Bonds.
- (2) The minimum amount of state revenue sharing funds to be received by the City in accordance with the provisions of the State of Florida Revenue Sharing Act.
- (3) The Capital Improvement Revenue Bonds, Series 1982, were sold in December, 1982; and the first principal payment occurred in October, 1984. The outstanding portion of this issue was advance refunded in August, 1986 by the Capital Improvement Refunding Revenue Bonds. Since an escrow account was established for the redemption of this issue, the 1982 issue will not be included in the debt service requirements after 1986.
- (4) The Capital Improvement Refunding Revenue Bonds, Series 1986, were sold in August, 1986. The first interest payment for this issue was on October 1, 1986, and the first principal payment was on October 1, 1987. This issue places a senior lien on the pledged revenues.

<u>Court Fines and Forfeitures</u>	<u>Total Revenue Available for Debt Service</u>	<u>Debt Service Requirements (3) (4) (5) (6)</u>			<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
\$ 281,500	\$ 2,642,741	\$ -	\$ -	\$ -	-
288,693	2,827,218	-	913,470	913,470	3.10
428,958	3,078,028	155,000	680,065	835,065	3.69
388,082	3,093,385	160,000	669,430	829,430	3.73
427,981	3,296,191	900,000	851,101	1,751,101	1.88
595,245	3,763,407	1,195,000	1,184,385	2,379,385	1.58
607,365	3,848,809	575,000	1,236,591	1,811,591	2.12
612,535	3,889,515	810,000	1,372,694	2,182,694	1.78
701,281	3,884,212	865,000	1,324,897	2,189,897	1.77

(5) The Capital Improvement Revenue Certificates, Series 1986, were sold in July, 1986. The first interest payment was on October 1, 1986, and the first principal payment was on April 1, 1987. This issue constitutes a junior or subordinate lien on the pledged revenues. The outstanding portion of this issue was advance refunded in August 1988 by the Capital Improvement Revenue Refunding Certificates, Series 1988. Since an escrow account was established for the redemption of this issue, the 1986 certificates will not be included in the debt service requirements after 1988.

(6) The Capital Improvement Revenue Refunding Certificates, Series 1988, were sold in August 1988. The first principal and interest payments were made on April 1, 1989. This issue constitutes a junior or subordinate lien on the pledged revenues.

CITY OF OCALA, FLORIDA
SCHEDULE OF OPTIONAL GAS TAX REVENUE BONDS,
SERIES 1989, COVERAGE
LAST TEN FISCAL YEARS

<u>Year</u>	Pledged Revenue- Six Cent Optional Gas Tax	<u>Debt Service Requirements (1)</u>			<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
1989	\$ 1,790,008	\$ -	\$ 234,560	\$ 234,560	7.63
1990	1,745,142	-	1,005,255	1,005,255	1.74
1991	1,829,804	350,000	994,405	1,344,405	1.36

(1) The Optional Gas Tax Revenue Bonds, Series 1989, were sold in February, 1989. The first interest payment occurred in June, 1989, and the first principal payment occurred in December, 1990.

CITY OF Ocala, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION DEBT (2)
SEPTEMBER 30, 1991

<u>Governmental Unit</u>	<u>Bonds Outstanding</u>	<u>Applicable to City of Ocala</u>	
		<u>Percent (1)</u>	<u>Amount</u>
School District of Marion County General Obligation Bonds, Series 1987	\$ <u>53,770,000</u>	<u>30.55%</u>	\$ <u>1,426,735</u>
Total Overlapping Debt	\$ <u>53,770,000</u>	<u>30.55%</u>	\$ <u>16,426,735</u>

- (1) Represents the fraction of assessed valuation of taxable property in the City of Ocala over the assessed valuation of taxable property in Marion County.
- (2) The City of Ocala did not have any general obligation debt outstanding during the fiscal year ended September 30, 1991.

CITY OF OCALA, FLORIDA

MISCELLANEOUS STATISTICAL DATA

SEPTEMBER 30, 1991

Date of Incorporation	February 4, 1869
City Charter Adopted	January 28, 1885
Form of Government	Council/Manager
Area of City	32.4 square miles
Miles of Streets, Sidewalks and Bikepaths:	
Streets - Paved	225.70 miles
Streets - Unpaved	40.40 miles
Sidewalks (2)	54.90 miles
Bikepaths	16.19 miles
Miles of Sewers:	
Storm	48.37 miles
Sanitary	269.31 miles
Force Main	42.82 miles
Lift Stations	85
Building Permits (October 1990 - September 1991) (1):	
Permits Issued	4,236
Permit Value	\$62,442,248
Fire Protection:	
Stations	4
Employees - Sworn	105
Employees - Civilian	7
Fire and rescue response time (minutes)	3
Police Protection:	
Stations	3
Employees - Sworn	123
Employees - Reserve	17
Employees - Civilian	62
Vehicular Patrol Units - Marked Vehicles	74
- Motorcycles	6
- Other Vehicles	45
Recreation:	
Activity areas	90
Land area (acres)	340
Activity centers	6
Pools	2

(1) Includes plumbing, gas, electrical, sewer, heating, air conditioning, refrigeration, ventilation and building permits, the latter of which is exclusive of moving and sign permits.

(2) Includes 11.66 miles of sidewalks installed by the Florida Department of Transportation but located inside the city limits.

CITY OF OCALA, FLORIDA

DEMOGRAPHIC STATISTICS

<u>YEAR</u>	<u>CITY OF OCALA</u>	<u>MARION COUNTY</u>
1982	38,265	135,100
1983	38,636	141,991
1984	39,094	148,864
1985	41,120	157,853
1986	42,298	166,606
1987	43,267	174,614
1988	44,386	182,329
1989	45,814	190,742
1990	42,045	194,833
1991	45,944	200,000

Sources: 1982 Florida Statistical Abstract (for year 1982). From information on file with the Bureau of Business and Economic Research - University of Florida, Gainesville (for years 1983 through 1990) and from City of Ocala Comprehensive Plan - Planning Department (for year 1991).

POPULATION PROJECTIONS *

<u>YEAR</u>	<u>MARION COUNTY</u>	<u>STATE OF FLORIDA</u>
1995	229,100	14,451,800
2000	258,700	15,728,400
2005	287,000	16,946,400
2010	313,900	18,096,600
2020	364,500	20,260,200

Source: Bureau of Business and Economic Research - University of Florida, Gainesville. Figures for years subsequent to year 2020 are unavailable.

POPULATION BY AGE GROUP*

<u>YEAR</u>	<u>MARION COUNTY</u>	<u>STATE OF FLORIDA</u>
0-14	18.6	18.6
15-44	37.4	43.3
45-64	21.8	19.8
65 +	22.2	18.3

Source: 1990 Florida Estimates of Population, Bureau of Business and Economic Research, University of Florida.

* Figures are not maintained for individual cities within Marion County.

(1) On April 1, 1990, Ocala ranked 40th in population size among Florida cities; Marion County ranked 17th in population among Florida counties; and Marion County ranked 30th in population density among Florida counties.

CITY OF OCALA, FLORIDA

LIST OF TEN LARGEST TAXPAYERS

1990 TAX ROLL

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>	<u>City Tax Bill(1)(2)</u>
1. United Telephone of Florida	Telephone Communications	\$ 52,521,552	3.75%	\$ 271,536
2. Paddock Mall Associates	Regional Shopping Center	24,824,998	1.78	128,345
3. Marion Community Hospital	General Hospital Care	14,918,082	1.07	77,126
4. Clairson International, Corp.	Manufacturing	9,470,725	.68	48,964
5. C.C. Ocala Joint Venture	Local Shopping Center	9,187,881	.66	47,501
6. Atreco-Fla., Inc.	Hilton Hotel	8,575,575	.61	44,336
7. Paddock Park Apartments	Apartment Complex	8,308,768	.59	42,956
8. Ocala Mall Associates	Local Shopping Center	7,807,170	.56	40,363
9. Cotter & Co.	Warehousing and Dist.	7,131,224	.51	36,868
10. Six Gun Plaza	Regional Shopping Center	6,489,843	.46	33,552
		<u>149,235,818</u>	<u>10.67</u>	<u>771,547</u>
Total Assessed Value				
Other Taxpayers		<u>1,249,886,893</u>	<u>89.33</u>	<u>6,461,917</u>
Total Assessed Value		\$ <u>1,399,122,711</u>	<u>100.00%</u>	\$ <u>7,233,464</u>

(1) City of Ocala taxpayers pay City, County, School Board and certain water district levies. The City levy only is shown here.

(2) Excludes property tax levies of the Downtown Development Commission.

CITY OF OCALA, FLORIDA
SCHEDULE OF INSURANCE IN FORCE
SEPTEMBER 30, 1991

<u>Company</u>	<u>Policy #</u>	<u>Type of Coverage</u>	<u>Deductible Self Retention</u>	<u>Limit of Coverage</u>
City of Ocala	Self-insured	Workers' compensation	-	\$ 250,000
Hartford	ETB-102113	Police and fire-fighters accidental death and dismemberment	-	\$ 15,000
Hartford	ETB-102113	Police and fire-fighters intentional death and dismemberment	-	\$ 75,000
American General	G12974	Employee life, AD and D,	-	Various as specified in policy
City of Ocala	Self-insured	Disability income replacement	-	60% of income
Florida Municipal Liability Self-Insurers Fund	FM-494	Workers' Compensation Excess	\$250,000	\$5,000,000
New Providence Corp.	GA186	All risk property	\$10,000 - 100,000 bridges	As specified in policy
American Eagle Ins.	641-GLA-43-33536	Airport liability	\$1,000	\$5,000,000 per occurrence
Florida Municipal Liability Self-Insurers Program	FML 116	General liability	\$100,000 per person \$200,000 per occurrence	\$1,000,000
"	"	Auto liability	\$10,000	\$1,000,000
"	"	Law enforcement officers and public officials liability EMT	\$100,000 per person \$200,000 per occurrence	\$1,000,000
"	"	Fire legal	-	\$ 50,000

(Continued)

CITY OF OCALA, FLORIDA
SCHEDULE OF INSURANCE IN FORCE
SEPTEMBER 30, 1991

(Continued)

<u>Company</u>	<u>Policy #</u>	<u>Type of Coverage</u>	<u>Deductible Self Retention</u>	<u>Limit of Coverage</u>
Florida Municipal Liability Self- Insurers Program	FMP 316	Auto physical damage	\$3,000 per occurrence	As specified in policy
City of Ocala	7660	Employee health coverage	\$50,000/case -	Various as specified in policy
State Auto Mutual Insurance Company	4054	Blanket honesty bond	None	\$ 25,000 per employee
Signature Insurance	PC559-1675	Legal liquor liability	\$2,500.00	\$ 500,000
New Providence Corp.	GA 186	Boiler/machinery (transformers)	\$25,000 or per schedule	\$ 5,000,000
<u>Surety Bonds Required by Ordinance</u>			<u>Amount</u>	
City Manager - Scotty J. Andrews State Automobile Mutual Insurance Company - #78059			\$ 95,000	
Finance Director State Automobile Mutual Insurance Company - #78058			\$ 95,000	

CITY OF OCALA, FLORIDA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

	<u>Commercial Construction(1)</u>		<u>Residencial Construction(1)</u>		<u>Bank Deposits (in thousands)</u>	
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Units</u>	<u>Value</u>	<u>Bank(2)</u>	<u>Savings and Loan Association(3)</u>
1982	67	\$ 4,976,597	90	\$ 3,213,700	\$ 544,451	\$ 408,854
1983	110	12,833,638	278	10,387,336	657,995	496,073
1984	206	29,589,475	373	14,142,930	708,943	515,109
1985	253	27,110,703	210	11,005,595	825,572	557,588
1986	168	25,943,361	484	13,682,001	898,714	569,115
1987	144	20,501,586	207	10,956,790	961,160	698,496
1988	125	22,273,533	199	12,073,501	1,099,243	694,452
1989	148	56,245,634	236	13,646,775	1,220,332	749,632
1990	179	42,657,459	204	11,441,739	1,330,496	768,062
1991	70	30,114,989	83	5,716,862	1,409,328	800,513

(1) Obtained from records maintained by the City of Ocala Building, Zoning and Licensing Department.

(2) Obtained by Citizens First Bank of Ocala for the years 1982 through 1984 and by Barnett Bank of Marion County, N.A. for 1985 and from the Florida Bankers Association for 1986 through 1991. Figures shown are for Marion County and represent total bank deposits at December 31, for years 1982 and 1983, and at September 30, for 1984 through 1991.

(3) Obtained by Citizens First Bank of Ocala for the years 1982 through 1984 and by Mid-State Federal Savings and Loan Association for 1985 and from the Federal Home Loan Bank for 1986 through 1991. Figures shown are for Marion County and represent total savings and loan association deposits at December 31, for years 1982 and 1983, at March 31, for 1984 through 1986, at June 30, for 1987 and 1988, and at September 30, for 1989 through 1991.

CITY OF OCALA, FLORIDA
LIST OF OFFICERS' SALARIES
SEPTEMBER 30, 1991

City Manager	\$ 77,020
Assistant City Manager	66,585
Assistant City Manager	54,541
Building Official	58,519
City Clerk	38,702
City Engineer	61,294
Downtown Development Manager	36,418
Electric Utility Director	65,522
Acting Finance Director	46,918
Fire Chief	49,194
Fleet Management Director	45,650
Golf Director	40,512
Human Resources Director	48,734
Internal Auditor	44,180
Management Information System Director	53,030
Planning Director	48,180
Police Chief	63,683
Public Works Director	49,465
Purchasing Director	49,720
Recreation and Parks Director	42,555
Regional Library Director	45,631
Risk Manager	44,883
Water and Sewer Director	49,641

This page was intentionally left blank.

CITY OF OCALA, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY

ALL BONDED DEBT

1992 - 2016

<u>Fiscal Year</u>	<u>Improvement Refunding Revenue Bonds and Revenue Refunding Certificates</u>	<u>Refunding and Improvement Excise Tax Bonds</u>	<u>Electric System Revenue and Revenue Refunding Bonds</u>	<u>Water and Sewer Revenue and Revenue Refunding Bonds</u>	<u>Optional Gas Tax Revenue Bonds</u>	<u>Total Principal and Interest</u>
1992	\$ 2,201,543	\$ 354,430	\$ 4,598,056	\$ 4,570,835	\$ 1,341,900	\$ 13,066,764
1993	2,357,244	197,600	4,588,152	4,568,746	1,342,605	13,054,347
1994	2,547,110	-	4,588,899	4,610,184	1,341,315	13,087,508
1995	2,551,475	-	4,583,767	4,798,321	1,342,815	13,276,378
1996	2,551,493	-	4,581,205	4,803,953	1,341,885	13,278,536
1997	2,547,205	-	4,574,390	4,798,032	1,338,465	13,258,092
1998	2,548,300	-	4,572,538	4,795,295	1,337,322	13,253,455
1999	1,262,875	-	4,357,318	4,790,405	1,333,220	11,743,818
2000	1,258,850	-	2,644,888	4,782,794	1,335,889	10,022,421
2001	1,254,531	-	2,638,013	4,786,665	1,330,251	10,009,460
2002	1,249,819	-	2,639,663	4,775,739	1,331,081	9,996,302
2003	1,250,069	-	2,639,138	4,774,783	1,327,215	9,991,205
2004	1,244,894	-	2,631,263	4,764,598	1,328,385	9,969,140
2005	1,239,100	-	2,630,513	4,764,451	1,325,115	9,959,179
2006	1,233,625	-	2,620,174	4,758,415	1,322,220	9,934,434
2007	1,230,000	-	2,614,633	4,750,942	1,319,330	9,914,905
2008	-	-	2,613,940	4,746,111	1,316,075	8,676,126
2009	-	-	2,607,380	4,736,152	1,312,085	8,655,617
2010	-	-	2,599,421	4,729,821	1,311,805	8,641,047
2011	-	-	-	4,717,700	-	4,717,700
2012	-	-	-	4,708,656	-	4,708,656
2013	-	-	-	4,706,001	-	4,706,001
2014	-	-	-	4,688,600	-	4,688,600
2015	-	-	-	4,675,330	-	4,675,330
2016	-	-	-	4,669,124	-	4,669,124
Total	\$ 28,528,133	\$ 552,030	\$ 65,323,351	\$ 118,271,653	\$ 25,278,978	\$ 237,954,145

CITY OF OCALA, FLORIDA

CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS, SERIES 1986, SINKING FUND

CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS, SERIES 1986

STATEMENT OF BONDED DEBT AND INTEREST

SEPTEMBER 30, 1991

This issue, which was sold in August, 1986, consists of \$6,625,000 serial bonds maturing on October 1, 1987 through 1999 and of \$7,035,000 term bonds of which \$4,690,000 mature on October 1, 2004 and \$2,345,000 mature on October 1, 2006. As of September 30, 1991, \$1,430,000 of the serial bonds have been retired. The schedule below shows the actual maturities for the outstanding serial bonds and the debt service requirements for the term bonds. The bonds are fully registered and are in denominations of \$5,000 each or any integral multiple thereof. The paying agent and bond registrar is The Citizens and Southern National Bank in Atlanta, Georgia.

Sales tax revenues, franchise fees, occupational license taxes, the guaranteed entitlement portion of state revenue sharing funds, mobile home licenses and court fines and forfeitures are pledged to retire these bonds.

Proceeds of this issue are being used primarily for the advance refunding of the Capital Improvements Revenue Bonds, Series 1982 and for a portion of the costs of paving and four-laning NE 14th Street from Silver Springs Boulevard to Magnolia Avenue.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 10-1</u>	<u>Interest Due 10-1</u>	<u>Interest Due 4-1</u>	<u>Total</u>
1992	6.10	\$ 440,000	\$ 422,589	\$ 409,169	\$ 1,271,758
1993	6.35	465,000	409,169	394,405	1,268,574
1994	6.60	490,000	394,405	378,235	1,262,640
1995	6.90	530,000	378,235	359,950	1,268,185
1996	7.10	565,000	359,950	339,893	1,264,843
1997	7.20	605,000	339,892	318,113	1,263,005
1998	7.30	650,000	318,112	294,388	1,262,500
1999	7.40	700,000	294,387	268,488	1,262,875
2000	7.50	750,000	268,487	240,363	1,258,850
2001	7.75	805,000	240,362	209,169	1,254,531
2002	7.75	865,000	209,169	175,650	1,249,819
2003	7.75	935,000	175,650	139,419	1,250,069
2004	7.75	1,005,000	139,419	100,475	1,244,894
2005	7.75	1,080,000	100,475	58,625	1,239,100
2006	5.00	1,145,000	58,625	30,000	1,233,625
2007	5.00	1,200,000	30,000	-	1,230,000
Total		\$ <u>12,230,000</u>	\$ <u>4,138,916</u>	\$ <u>3,716,342</u>	\$ <u>20,085,268</u>

CITY OF OCALA, FLORIDA

CAPITAL IMPROVEMENT REVENUE REFUNDING CERTIFICATES, SERIES 1988, SINKING

FUND CAPITAL IMPROVEMENT REVENUE REFUNDING CERTIFICATES, SERIES 1988

STATEMENT OF BONDED DEBT AND INTEREST

SEPTEMBER 30, 1991

This issue which was sold in August 1988, consists of \$7,505,000 in fully registered certificates in denominations of \$5,000 and integral multiples thereof. The certificates mature from April 1, 1989 through 1998 and are not subject to redemption prior to their stated maturities. As of September 30, 1991, \$1,065,000 of the certificates have been retired. The outstanding certificates will mature as listed below. The paying agent and certificate registrar is Citizens and Southern Trust Company (Georgia), National Association in Atlanta, Georgia.

Sales tax revenue, franchise fees, occupational license taxes, the guaranteed entitlement portion of state revenue sharing funds, mobile home licenses and court fines and forfeitures are pledged to retire these certificates; however, the lien and pledge for payment of the certificates is junior and subordinate to the lien upon and the pledge of the pledged revenues for the payment of the City's Capital Improvement Refunding Revenue Bonds, Series 1986.

The certificates were issued primarily to advance refund the outstanding portion of the Capital Improvement Revenue Certificates, Series 1986 and to pay the cost of various capital improvement projects of the City.

<u>Fiscal</u> <u>Year</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due 4-1</u>	<u>Interest</u> <u>Due 10-1</u>	<u>Interest</u> <u>Due 4-1</u>	<u>Total</u>
1992	6.35	\$ 490,000	\$ 219,893	\$ 219,892	\$ 929,785
1993	6.50	680,000	204,335	204,335	1,088,670
1994	6.65	920,000	182,235	182,235	1,284,470
1995	6.80	980,000	151,645	151,645	1,283,290
1996	6.90	1,050,000	118,325	118,325	1,286,650
1997	7.00	1,120,000	82,100	82,100	1,284,200
1998	7.15	1,200,000	42,900	42,900	1,285,800
Total		\$ <u>6,440,000</u>	\$ <u>1,001,433</u>	\$ <u>1,001,432</u>	\$ <u>8,442,865</u>

CITY OF OCALA, FLORIDA

EXCISE TAX SINKING FUND

REFUNDING AND IMPROVEMENT EXCISE TAX BONDS - 1972 ISSUE

STATEMENT OF BONDED DEBT AND INTEREST

SEPTEMBER 30, 1991

This issue consists of 500 \$5,000 bonds. Bonds numbered 1 through 396 have been retired. The bonds are retired serially according to the retirement schedule below. The paying agent is Sun First National Bank of Orlando, Florida.

Occupational license and cigarette tax revenues are pledged to retire these bonds.

Proceeds of this issue were used for arterial street improvements, fire head quarters addition, new fire station, City building renovation, water plant number one and an electric operating and warehousing facility.

<u>Fiscal</u> <u>Year</u>	<u>Interest</u> <u>Rate</u>	<u>Bond</u> <u>Numbers</u>	<u>Principal</u> <u>Due 7-1</u>	<u>Interest</u> <u>Due 1-1</u>	<u>Interest</u> <u>Due 7-1</u>	<u>Total</u>
1992	5.1	397-462	\$ 330,000	\$ 12,215	\$ 12,215	\$ 354,430
1993	4.0	463-500	190,000	3,800	3,800	197,600
Total			\$ <u>520,000</u>	\$ <u>16,015</u>	\$ <u>16,015</u>	\$ <u>552,030</u>

CITY OF OCALA, FLORIDA

ELECTRIC SYSTEM REVENUE BONDS, SERIES 1989A

STATEMENT OF BONDED DEBT AND INTEREST

SEPTEMBER 30, 1991

In October 1989, the \$28,425,000 Electric System Revenue Bonds, Series 1989A were sold. This issue consists of \$9,800,000 in serial bonds of which \$8,345,000 mature on October 1, 1990 through 1998 and \$1,455,000 mature on October 1, 2001 and of \$18,625,000 in term bonds of which \$2,625,000 mature October 1, 2000, \$5,010,000 mature October 1, 2004 and \$10,990,000 mature October 1, 2009. As of September 30, 1991, \$725,000 of the serial bonds have been retired. The schedule below shows the actual maturities for the outstanding serial bonds and the debt service requirements for the term bonds. The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. The paying agent and bond registrar is Citizens and Southern Trust Company (Georgia), National Association in Atlanta, Georgia.

The payment of principal and interest on the Series 1989A bonds is secured by a lien on the net revenues derived from the operation of the City's electric system.

The proceeds of this issue are being used to finance the cost of the acquisition and construction of additions, extensions and improvements to the electric system of the City and certain infrastructure improvements related thereto.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 10-1</u>	<u>Interest Due 10-1</u>	<u>Interest Due 4-1</u>	<u>Total</u>
1992	6.150	\$ 770,000	\$ 958,585	\$ 934,885	\$ 2,663,470
1993	6.200	820,000	934,907	909,465	2,664,372
1994	6.300	870,000	909,487	882,060	2,661,547
1995	6.400	920,000	882,082	852,620	2,654,702
1996	6.550	980,000	852,642	820,525	2,653,167
1997	6.700	1,045,000	820,547	785,518	2,651,065
1998	6.800	1,115,000	785,540	747,606	2,648,148
1999	6.900	1,100,000	747,630	709,658	2,557,288
2000	7.000	1,270,000	709,680	665,208	2,644,888
2001	7.000	1,355,000	665,230	617,783	2,638,013
2002	7.000	1,455,000	617,805	566,858	2,639,663
2003	7.000	1,560,000	566,880	512,258	2,639,138
2004	7.000	1,665,000	512,280	453,983	2,631,263
2005	7.000	1,785,000	454,005	391,508	2,630,513
2006	7.125	1,905,000	391,530	323,644	2,620,174
2007	7.125	2,040,000	323,662	250,971	2,614,633
2008	7.125	2,190,000	250,985	172,955	2,613,940
2009	7.125	2,345,000	172,964	89,416	2,607,380
2010	7.125	2,510,000	89,421	-	2,599,421
Total		\$ 27,700,000	\$ 11,645,862	\$ 10,686,923	\$ 50,032,785

CITY OF OCALA, FLORIDA

ELECTRIC SYSTEM REVENUE REFUNDING BONDS, SERIES 1989B

STATEMENT OF BONDED DEBT AND INTEREST

SEPTEMBER 30, 1991

In October 1989, the \$13,000,000 Electric System Revenue Refunding Bonds, Series 1989B were sold. This issue consists of \$13,000,000 in serial bonds which mature on October 1, 1990 through 1998. As of September 30, 1991, \$1,120,000 of these bonds have been retired. The schedule below shows the actual maturities and the debt service requirements for the outstanding serial bonds. The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. The paying agent and bond registrar is Citizens and Southern Trust Company (Georgia), National Association in Atlanta, Georgia.

The payment of principal and interest on the Series 1989B bonds is secured by a lien on the net revenues derived from the operation of the City's electric system.

The proceeds of this issue were used for the purpose of advance refunding the City's outstanding Power System Revenue Bonds, Series 1977, and the City's outstanding Power Supply Revenue Refunding Bonds, Series 1988.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 10-1</u>	<u>Interest Due 10-1</u>	<u>Interest Due 4-1</u>	<u>Total</u>
1992	6.15	\$ 1,195,000	\$ 388,166	\$ 351,420	\$ 1,934,586
1993	6.20	1,260,000	351,420	312,360	1,923,780
1994	6.30	1,345,000	312,360	269,992	1,927,352
1995	6.40	1,435,000	269,992	224,073	1,929,065
1996	6.55	1,530,000	224,073	173,965	1,928,038
1997	6.70	1,630,000	173,965	119,360	1,923,325
1998	6.80	1,745,000	119,360	60,030	1,924,390
1999	6.90	<u>1,740,000</u>	<u>60,030</u>	<u>-</u>	<u>1,800,030</u>
Total		\$ <u>11,880,000</u>	\$ <u>1,899,366</u>	\$ <u>1,511,200</u>	\$ <u>15,290,566</u>

CITY OF OCALA, FLORIDA

WATER AND SEWER REVENUE BONDS SINKING FUND

WATER AND SEWER REVENUE BONDS - SERIES 1985A

STATEMENT OF BONDED DEBT AND INTEREST

SEPTEMBER 30, 1991

In October 1985, the \$37,080,000 Water and Sewer Revenue Bonds, Series 1985A, were sold. This issue consists of \$7,070,000 in serial bonds maturing on October 1, 1988 through 2000, \$9,135,000 in term bonds maturing on October 1, 2007 and \$20,875,000 in term bonds maturing on October 1, 2015. The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. The paying agent and bond registrar is The Citizens and Southern National Bank in Atlanta, Georgia.

In April 1986, the Series 1985A bonds were advance refunded by the Water and Sewer Refunding Revenue Bonds, Series 1986, except for the portion of the Series 1985A bonds maturing through October 1, 1993. As of September 30, 1991, \$780,000 of the bonds have been retired. The remaining maturities of the portion which was not advance refunded will occur in accordance with the retirement schedule below.

The payment of principal and interest on the Series 1985A bonds is secured by a senior lien on the net revenues derived from the operation of the water and sewer system, certain sewer system development charges and certain water system development charges.

Proceeds of this issue are being used primarily to finance in part the initial cost of acquisition and construction of certain additions, expansions and improvements to the City's water and sewer system.

<u>Fiscal</u> <u>year</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due 10-1</u>	<u>Interest</u> <u>Due 10-1</u>	<u>Interest</u> <u>Due 4-1</u>	<u>Total</u>
1992	7.50	\$ 435,000	\$ 54,531	\$ 38,219	\$ 527,750
1993	7.75	465,000	38,219	20,200	523,419
1994	8.00	505,000	20,200	-	525,200
Total		\$ <u>1,405,000</u>	\$ <u>112,950</u>	\$ <u>58,419</u>	\$ <u>1,576,369</u>

CITY OF OCALA, FLORIDA
WATER AND SEWER REVENUE BONDS SINKING FUND
WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 1986
STATEMENT OF BONDED DEBT AND INTEREST
SEPTEMBER 30, 1991

This issue, which was sold in April, 1986, consists of \$8,395,000 serial bonds maturing from October 1, 1986 through 2000 and of \$32,425,000 term bonds of which \$10,985,000 mature on October 1, 2007 and \$21,440,000 mature on October 1, 2015. As of September 30, 1991, \$965,000 of the serial bonds have been retired. The schedule below shows the actual maturities for the outstanding serial bonds and the debt service requirements for the term bonds. The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. The paying agent and bond registrar is The Citizens and Southern National Bank in Atlanta, Georgia.

The payment of principal and interest on the Series 1986 bonds is secured by a senior lien on the net revenues derived from the operation of the water and sewer system, certain sewer system development charges and certain water system development charges.

Proceeds of this issue were used primarily to advance refund the portion of the Water and Sewer Revenue Bonds, Series 1985A which are scheduled to mature on and after October 1, 1994.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 10-1</u>	<u>Interest Due 10-1</u>	<u>Interest Due 4-1</u>	<u>Total</u>
1992	5.90	\$ 205,000	\$ 1,447,909	\$ 1,441,865	\$ 3,094,774
1993	6.10	220,000	1,441,865	1,435,151	3,097,016
1994	6.30	230,000	1,435,151	1,427,906	3,093,057
1995	6.45	785,000	1,427,906	1,402,590	3,615,496
1996	6.60	845,000	1,402,590	1,374,705	3,622,295
1997	6.75	895,000	1,374,705	1,344,499	3,614,204
1998	6.90	960,000	1,344,499	1,311,378	3,615,877
1999	7.00	1,020,000	1,311,379	1,275,678	3,607,057
2000	7.15	1,095,000	1,275,679	1,236,532	3,607,211
2001	7.20	1,175,000	1,236,532	1,194,232	3,605,764
2002	7.30	1,260,000	1,194,232	1,148,242	3,602,474
2003	7.30	1,350	1,148,242	1,098,967	3,597,209
2004	7.30	1,445	1,098,967	1,046,225	3,590,192
2005	7.30	1,551	1,046,225	989,467	3,590,692
2006	7.30	1,665,000	989,467	928,695	3,583,162
2007	7.30	1,790,000	928,695	863,360	3,582,055
2008	7.30	1,920,000	863,360	793,280	3,576,640
2009	7.40	2,060,000	793,280	717,060	3,570,340
2010	7.40	2,215,000	717,060	635,105	3,567,165
2011	7.40	2,375,000	635,105	547,230	3,557,335
2012	7.40	2,550,000	547,230	452,880	3,550,110
2013	7.40	2,745,000	452,880	351,315	3,549,195
2014	7.40	2,940,000	351,315	242,535	3,533,850
2015	7.40	3,160,000	242,535	125,615	3,528,150
2016	7.40	3,395,000	125,615	-	3,520,615
Total		\$ 39,855,000	\$ 24,832,423	\$ 23,384,512	\$ 88,071,935

CITY OF OCALA, FLORIDA

WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 1988, SINKING FUND

WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 1988

STATEMENT OF BONDED DEBT AND INTEREST

SEPTEMBER 30, 1991

This issue, which was sold in July 1988, consists of \$2,145,000 serial bonds maturing from October 1, 1993 through 2000 and of \$10,305,000 term bonds of which \$3,430,000 mature on October 1, 2007 and \$6,875,000 mature on October 1, 2015. The schedule below shows the actual maturities for the serial bonds and the debt service requirements for the term bonds. The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. The paying agent and bond registrar is Citizens and Southern Trust Company (Georgia), National Association in Atlanta, Georgia.

The payment of principal and interest on the Series 1988 bonds is secured by a lien on the net revenues derived from the operation of the water and sewer system; however, the lien on the pledged revenues for the Series 1988 bonds is junior and subordinate to the Series 1985A and Series 1986 bonds.

Proceeds of this issue were used primarily to advance refund the Water and Sewer Refunding Revenue Bonds, Series 1985B.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 10-1</u>	<u>Interest Due 10-1</u>	<u>Interest Due 4-1</u>	<u>Total</u>
1992	-	\$ -	\$ 474,155	\$ 474,156	\$ 948,311
1993	-	-	474,155	474,156	948,311
1994	6.15	45,000	474,155	472,772	991,927
1995	6.30	245,000	472,771	465,054	1,182,825
1996	6.50	260,000	465,054	456,604	1,181,658
1997	6.70	280,000	456,604	447,224	1,183,828
1998	6.80	295,000	447,224	437,194	1,179,418
1999	6.90	320,000	437,194	426,154	1,183,348
2000	7.00	335,000	426,154	414,429	1,175,583
2001	7.10	365,000	414,429	401,472	1,180,901
2002	7.625	385,000	401,471	386,794	1,173,265
2003	7.625	420,000	386,793	370,781	1,177,574
2004	7.625	450,000	370,781	353,625	1,174,406
2005	7.625	485,000	353,625	335,134	1,173,759
2006	7.625	525,000	335,134	315,119	1,175,253
2007	7.625	560,000	315,118	293,769	1,168,887
2008	7.625	605,000	293,768	270,703	1,169,471
2009	7.875	650,000	270,703	245,109	1,165,812
2010	7.875	700,000	245,109	217,547	1,162,656
2011	7.875	755,000	217,546	187,819	1,160,365
2012	7.875	815,000	187,818	155,728	1,158,546
2013	7.875	880,000	155,728	121,078	1,156,806
2014	7.875	950,000	121,078	83,672	1,154,750
2015	7.875	1,020,000	83,671	43,509	1,147,180
2016	7.875	1,105,000	43,509	-	1,148,509
Total		\$ 12,450,000	\$ 8,323,747	\$ 7,849,602	\$ 28,623,349

CITY OF OCALA, FLORIDA

OPTIONAL GAS TAX REVENUE BONDS, SERIES 1989

STATEMENT OF BONDED DEBT AND INTEREST

SEPTEMBER 30, 1991

This issue consists of \$14,085,000 serial bonds maturing from December 1, 1990 through 2010. As of September 30, 1991, \$350,000 of these bonds have been retired. The schedule below shows the actual maturities for the outstanding bonds. The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. The paying agent and bond registrar is Citizens and Southern Trust Company (Georgia), National Association in Atlanta, Georgia.

The payment of principal and interest on the Series 1989 bonds is secured by a lien upon and pledge of the proceeds of the six cent optional gas tax received by the City.

The series 1989 bonds were issue' to provide funds for the purposes of financing the cost of the acquisition and construction of certain transportation improvements within the City.

<u>Fiscal</u> <u>Year</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Due 12-1</u>	<u>Interest</u> <u>Due 12-1</u>	<u>Interest</u> <u>Due 6-1</u>	<u>Total</u>
1992	6.30	\$ 370,000	\$ 491,777	\$ 480,123	\$ 1,341,900
1993	6.40	395,000	480,122	467,483	1,342,605
1994	6.50	420,000	467,482	453,833	1,341,315
1995	6.60	450,000	453,832	438,983	1,342,815
1996	6.70	480,000	438,982	422,903	1,341,885
1997	6.80	510,000	422,902	405,563	1,338,465
1998	6.90	545,000	405,562	386,760	1,337,322
1999	7.00	580,000	386,760	366,460	1,333,220
2000	7.05	625,000	366,460	344,429	1,335,889
2001	7.10	665,000	344,429	320,822	1,330,251
2002	7.15	715,000	320,821	295,260	1,331,081
2003	7.40	765,000	295,260	266,955	1,327,215
2004	7.40	825,000	266,955	236,430	1,328,385
2005	7.40	885,000	236,430	203,685	1,325,115
2006	7.40	950,000	203,685	168,535	1,322,220
2007	7.40	1,020,000	168,535	130,795	1,319,330
2008	7.40	1,095,000	130,795	90,280	1,316,075
2009	7.40	1,175,000	90,280	46,805	1,312,085
2010	7.40	1,265,000	46,805	-	1,311,805
Total		\$ <u>13,735,000</u>	\$ <u>6,017,874</u>	\$ <u>5,526,104</u>	\$ <u>25,278,978</u>

CITY OF OCALA, FLORIDA

ANALYSIS OF SEWERAGE SYSTEM CAPITAL

IMPROVEMENT FUND ESTABLISHED FOR FLORIDA

DEPARTMENT OF ENVIRONMENTAL REGULATION GRANT #621080

The City received grant number 621080 from the State of Florida's Department of Environmental Regulation for a portion of the construction of Sewer Treatment Plant #1. One of the requirements of this grant is that the City provide for a sewerage system capital improvement account to accumulate the equivalent future value of the grant amount adjusted for inflationary cost increases upon completion of the grant-related project. In December 1985, the City adopted ordinance #1810 which addresses this subject in section 5. The amount to be accumulated by the City is \$6,020,462.40. Grant condition number 23 requires annual certification that the sewerage system capital improvement account is maintained in accordance with Section 17-501.610 of the Florida Administrative Code.

The construction of the grant-related project, Sewer Treatment Plant #1, was completed during fiscal year 1988. Since prepayments to the capital improvement fund are allowed, the City started making deposits in fiscal year 1986. The following schedule shows all activity in the sewerage system capital improvement fund since its inception:

<u>Fiscal Year</u>	<u>Deposits</u>	<u>Interest re</u>	<u>Balance September 30</u>
1986	\$ 301,023.12	\$	\$ 301,023.12
1987	301,023.12	18,714.	620,760.24
1988	301,023.12	50,909.96	972,693.32
1989	301,023.12	91,647.90	1,365,364.34
1990	301,023.12	125,170.01	1,791,557.47
1991	301,023.12	142,728.85	2,235,309.44



Made with recycled paper

City of Tallahassee, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For The Fiscal Year Ended September 30, 1991

"Florida's Capital City"—Serving all Florida

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**CITY OF TALLAHASSEE, FLORIDA
FOR THE**

Fiscal Year Ended September 30, 1991



CITY OF TALLAHASSEE

PREPARED BY THE

Department of Finance

CITY OF TALLAHASSEE, FLORIDA

COMMISSION—MANAGER FORM OF GOVERNMENT

CITY COMMISSION

DEBBIE LIGHTSEY, Mayor

BOB HIGHTOWER, Mayor Pro Tem

DOROTHY INMAN-CREWS, Commissioner

JACK L. McLEAN, JR., Commissioner

STEVE MEISBURG, 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, 1991

TABLE OF CONTENTS

Page

I. INTRODUCTORY SECTION

- A-1 Table of Contents
- A-5 Letter of Transmittal
- A-19 Government Finance Officers Association Certificate of Excellence
- A-20 City of Tallahassee Organization Chart
- A-21 Listing of City of Tallahassee Officials

II. FINANCIAL SECTION

- B-1 Independent Auditors' Report - Opinion of Independent Certified Public Accountants

GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW):

- B-4 Combined Balance Sheet - All Fund Types and Account Groups
- B-8 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds
- B-10 Combined Statement of Revenues and Expenditures - Budget and Actual - General Fund Type
- B-11 Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types and Similar Trust Funds
- B-12 Combined Statement of Cash Flows - All Proprietary Fund Types and Similar Trust Funds
- B-13 Notes to Financial Statements

COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP - STATEMENTS AND SCHEDULES:

GOVERNMENTAL FUNDS

GENERAL FUND:

- C-1 Balance Sheet
- C-2 Schedule of Revenue
- C-5 Schedule of Expenditures
- C-12 Schedule of Operating Transfers

SPECIAL REVENUE FUNDS:

- C-13 Combining Balance Sheet
- C-14 Combining Statement of Revenues, Expenditures and Changes in Fund Balances

DEBT SERVICE FUND:

- C-15 Balance Sheet
- C-15 Statement of Revenues, Expenditures and Changes in Fund Balance

CITY OF TALLAHASSEE, FLORIDA

TABLE OF CONTENTS (Continued)

CAPITAL PROJECTS FUNDS:

- C-17 Combining Balance Sheet
- C-18 Combining Statement of Revenues, Expenditures and Changes in Fund Balances

ENTERPRISE FUNDS

- D-2 Combining Balance Sheet
- D-6 Combining Statement of Revenues, Expenses and Changes in Retained Earnings
- D-10 Combining Statement of Cash Flows

ELECTRIC FUND:

- D-14 Balance Sheet
- D-16 Statement of Revenues, Expenses and Changes in Retained Earnings
- D-17 Statement of Cash Flows
- D-18 Schedule of Operating Expense
- D-19 Regulatory Schedule of Operating Expense

GAS FUND:

- D-20 Balance Sheet
- D-22 Statement of Revenues, Expenses, and Changes in Retained Earnings
- D-23 Statement of Cash Flows
- D-24 Schedule of Operating Expense
- D-24 Regulatory Schedule of Operating Expense

SEWER FUND:

- D-25 Balance Sheet
- D-27 Statement of Revenues, Expenses and Changes in Retained Earnings
- D-28 Statement of Cash Flows
- D-29 Schedule of Operating Expense
- D-30 Regulatory Schedule of Operating Expense

WATER FUND:

- D-31 Balance Sheet
- D-33 Statement of Revenues, Expenses and Changes in Retained Earnings
- D-34 Statement of Cash Flows
- D-35 Schedule of Operating Expense
- D-35 Regulatory Schedule of Operating Expense

AIRPORT FUND:

- D-36 Balance Sheet
- D-38 Statement of Revenues, Expenses and Changes in Retained Earnings
- D-39 Statement of Cash Flows
- D-40 Schedule of Operating Expense

TALLAHASSEE TRANSIT FUND:

- D-41 Balance Sheet
- D-42 Statement of Revenues, Expenses and Changes in Retained Earnings

CITY OF TALLAHASSEE, FLORIDA

TABLE OF CONTENTS (Continued)

Page

- D-43 Statement of Cash Flows
- D-44 Schedule of Operating Expense

SOLID WASTE FUND:

- D-45 Balance Sheet
- D-46 Statement of Revenues, Expenses, and Changes in Retained Deficit
- D-47 Statement of Cash Flows
- D-48 Schedule of Operating Expense

GOLF COURSE FUND:

- D-49 Balance Sheet
- D-50 Statement of Revenues, Expenses, and Changes in Retained Earnings
- D-51 Statement of Cash Flows
- D-52 Schedule of Operating Expense

FOREST MEADOWS FUND:

- D-53 Balance Sheet
- D-54 Statement of Revenues, Expenses, and Changes in Retained Earnings
- D-55 Statement of Cash Flows

INTERNAL SERVICE FUNDS

- E-2 Combining Balance Sheet
- E-4 Combining Statement of Revenues, Expenses, and Changes in Retained Earnings
- E-6 Combining Statement of Cash Flows

TRUST AND AGENCY FUNDS

TRUST FUNDS AND AGENCY FUNDS:

- F-2 Combining Balance Sheet

PENSION TRUST AND NONEXPENDABLE TRUST FUNDS:

- F-3 Combining Statement of Revenues, Expenses and Changes in Fund Balance
- F-4 Cemetery Perpetual Care Fund - Statement of Cash Flows

EXPENDABLE TRUST FUNDS:

- F-5 Combining Statement of Revenues, Expenditures and Changes in Fund balance

AGENCY FUND:

- F-6 Deferred Compensation Fund - Statement of Changes in Assets and Liabilities

GENERAL FIXED ASSETS ACCOUNT GROUP

- G-1 Schedule of General Fixed Assets-By Sources
- G-2 Schedule of General Fixed Assets-By Function and Activity
- G-3 Schedule of Changes in General Fixed Assets by Function and Activity

CITY OF TALLAHASSEE, FLORIDA

TABLE OF CONTENTS (Continued)

Page

GENERAL LONG TERM DEBT ACCOUNT GROUP

H-1 Statement of General Long Term Debt

III. STATISTICAL SECTION (Not Covered By Auditors' Report)

I-1	Comments on Statistical Section
I-2	General Government Expenditures by Function and Transfers - Last Ten Fiscal Years
I-2	General Revenues by Source and Transfers - Last Ten Fiscal Years
I-3	Property Tax Levies and Collections - Last Ten Fiscal Years
I-4	Assessed and Estimated Actual Value of Taxable Property
I-5	Assessed Valuations, Millage and Taxes Levied and Collected - Last Ten Fiscal Years
I-6	Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years
I-6	Special Assessment Collections - Last Ten Fiscal Years
I-7	Computation of Direct and Overlapping Debt
I-8	Computation of Legal Debt Margin
I-9	Construction, Bank Deposits and Property Values - Last Ten Fiscal Years
I-10	Summary of Debt Service Requirements - Capital Refunding Bonds, Series 1984
I-11	Summary of Debt Service Requirements - Capital Bonds, Series 1989
I-12	Summary of Debt Service Requirements - Junior Lien Electric Refunding Bonds, Series 1985
I-13	Summary of Debt Service Requirements - Airport Revenue Bonds, Series 1988A
I-14	Summary of Debt Service Requirements - Consolidated Utility Revenue Bonds, Series 1991A
I-15	Summary of Debt Service Requirements - Consolidated Utility Revenue Bonds, Series 1991B
I-16	Principal Taxpayers
I-17	Schedule of Insurance in Force
I-18	Miscellaneous Statistical Data
I-20	Demographic Statistics for the Years Indicated



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

DEBORAH A. LIGHTSEY
Mayor-Commissioner
BOB HIGHTOWER
Mayor Pro Tem-
Commissioner

DOMOTHY INMAN-CREWS
Commissioner
JACK L. MULLAN, JR.
Commissioner
STEVE MESBURG
Commissioner

DANIEL A. KLEMAN
City Manager
ROBERT B. INZER
City Treasurer/Clerk

JAMES P. ENGLISH
City Attorney
RICARDO FERNANDEZ
City Auditor

January 10, 1992

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, 1991, 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, 1991. 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:

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 1990</u>
Taxes	\$30,394,300	35.0	\$ 4,702,400
Licenses & Permits	1,807,200	2.1	381,200
Intergovernmental Revenues	9,232,700	10.6	(434,000)
Charges for Services	7,673,000	8.9	1,166,800
Fines & Forfeits	1,109,300	1.3	(160,600)
Miscellaneous	<u>1,030,400</u>	<u>1.2</u>	<u>(313,400)</u>
SUB-TOTAL	51,246,900	59.1	5,342,400
Transfers in	<u>5,487,300</u>	<u>40.9</u>	<u>1,517,700</u>
TOTAL	<u>\$56,734,200</u>	<u>100.0</u>	<u>\$ 6,860,100</u>

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 year 1991, the City's property tax, all of which is for operating purposes, increased from 2.900 to 3.200 mills. The related property values subject to taxes showed growth of 7.9 percent, representing \$204.8 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 \$1,347,200 over 1990 to \$9,106,000.

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 1991, total revenue from this tax reflected an increase of \$507,800, equivalent to 5.7 percent over 1990. 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 1991, the City collected \$3,113,100, as compared to \$3,271,500 in 1990.

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 1991, the City collected \$7,767,000 as compared to \$4,954,500 in 1990. The increase is due to a full year's collection in 1991 versus eight months in 1990.

Charges for services increased \$1,166,800, or 17.9 percent over 1990. Increased revenue was primarily attributable to a \$600,000 increase in the revenue the general fund charges to proprietary funds through the City's Cost Allocation Plan and a \$350,000 increase in the amount received from Leon County for support of fire and parks and recreation services as provided through the City and County Interlocal Agreement.

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

<u>Financing Use</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase From 1990</u>
Expenditures:			
General Government	\$11,434,000	13.2	\$2,056,800
Public Safety	32,116,600	37.1	3,116,900
Transportation	8,077,500	9.3	38,500
Human Services	1,437,900	1.7	215,000
Economic Environment	548,700	.7	46,500
Physical Environment	2,519,000	2.9	827,700
Culture & Recreation	<u>6,539,600</u>	<u>7.6</u>	<u>1,127,800</u>
SUB-TOTAL	62,673,300	72.5	7,469,200
Transfers Out	<u>23,784,900</u>	<u>27.5</u>	<u>(812,900)</u>
TOTAL USES	<u>\$86,458,200</u>	<u>100.0</u>	<u>\$6,656,300</u>

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 \$2,056,800 or 21.9 percent, public safety expenditures

which increased \$3,116,900 or 10.8 percent, physical environment expenditures which increased \$827,700 or 48.9 percent, and culture and recreation expenditures which increased \$1,127,800 or 20.9 percent. The increases in general government expenditures and physical environment expenditures are primarily attributable to costs associated with implementing the Comprehensive Plan which accounted for approximately \$1.2 million of the increase. The increase in public safety expenditures is due to the filling of positions which had been approved over the past two years. Culture and recreation expenditures increased due to the opening of new parks and expanded citizen participation in recreation activities.

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 \$9,672,400 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 1991, General Fund sources were \$276,000 over General Fund uses. At September 30, 1991, the fund balance of the General Fund consists of \$6,374,300, with \$3,717,900 reserved and \$2,656,400 unreserved.

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 \$7,732,400, and the following represents an analysis of sources and uses in the special revenue funds for 1991:

<u>Fund</u>	<u>Sources</u>	<u>Uses</u>	<u>Change in Fund Balances</u>	<u>Sept. 30, 1991 Fund Balances</u>
Special Projects Fund	\$ 6,849,000	\$4,536,800	\$2,312,200	\$4,529,600
Stormwater Management Fund	3,935,700	2,622,800	1,312,900	2,696,200
Law Enforcement Forfeiture Fund	461,700	196,000	265,700	506,600
TOTAL	<u>\$11,246,400</u>	<u>\$7,355,600</u>	<u>\$3,890,800</u>	<u>\$7,732,400</u>

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 \$1,381,700 to the City during 1991.

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 1991 were \$3,935,700.

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 1991, a net amount of \$7,186,400 of such assets was added to General Fixed Assets. As of September 30, 1991, there were projects with an authorized amount of \$45,295,000, with \$28,893,500 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.

Comparative data follows:

	<u>Operating Revenues</u>		<u>Net Income</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
Electric	\$151,045,700	\$139,396,900	\$17,645,400	\$14,701,800
Gas	9,564,100	9,778,600	679,300	1,440,100
Water	12,591,200	11,457,200	3,539,200	3,254,700
Sewer	16,874,200	15,638,600	4,959,200	4,646,100
Airport	6,702,900	6,339,200	(1,100,700)	247,700
Transit	1,635,000	1,502,700	(280,800)	(342,400)
Solid Waste	11,320,600	9,591,900	202,200	83,400
Golf Course	904,200	931,200	(111,800)	168,000
Forest Meadows	231,100	257,100	5,400	56,100

Financial highlights of the above funds follow:

Electric Fund

Operating revenues increased by \$11.6 million over 1990 due to increased consumption of 120,379 megawatts (6.2 percent) primarily due to increased wholesale sales to other utilities, and the increased cost associated with the new purchase power contract (the change from interruptible service to firm service) which was passed on to customers through the fuel adjustment charge.

Gas Fund

Operating revenues decreased \$214,500 from 1990 to 1991 due to the mild winter which reflected a decrease in consumption of 128 million cubic feet. The consumption decrease was partially offset by a 4.8 percent rate increase.

Water Fund

Although water consumption was down 5.2 percent from fiscal year 1990 due to heavy rain, operating revenues increased \$1,134,000 or 9.9 percent, due to a 14.26 percent rate increase.

Sewer Fund

Sewer fund operating revenues increased \$1,235,600 or 7.9 percent, due primarily to a 7.63 percent rate increase.

Airport Fund

Under the terms of the Airline Use 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 1991, the Airport Fund generated \$1,074,400 of excess funds. Activity at the Airport, as demonstrated by enplanements, decreased from 456,607 in 1990 to 437,644 in 1991, or 18,963 (4.2 percent). The decrease in enplanements was due to the discontinuance of service by Eastern Airlines. The net loss for 1991 was due to the additional depreciation expense recognized this year on the new terminal.

Transit Fund

The 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 \$2,971,300 in 1990 to \$4,199,400 in 1991, or \$1,228,100. The increase in the loss before operating transfer was due to the first year funding of a vehicle replacement reserve and increased operating and maintenance costs.

Solid Waste Fund

Income before operating transfers increased from \$(1,900) in 1990 to \$444,000 in 1991 primarily due to rate increases in both the residential and commercial areas. The Solid Waste Fund generated a profit which resulted in no General Fund subsidy.

Golf Course Fund

The loss before operating transfers increased from \$296,100 in 1990 to \$555,300 in 1991, or \$259,200. The General Fund subsidized the Golf Course Fund in the amount of \$444,300 resulting in a net loss of \$111,800. The net loss was caused by a reduction in golf rounds from 82,747 in 1990 to 81,064 in 1991, or 1,683, due to heavy rain. The heavy rain also caused an increase in expenses in order to maintain the golf courses.

Forest Meadows Fund

The Forest Meadows (tennis and athletic facility) Fund had an operating loss of \$237,100 in 1991 compared to \$122,500 in 1990. The General Fund subsidized Forest Meadows in the amount of \$411,700, resulting in a net income of \$5,400. As authorized by the City Commission, effective October 1, 1991, the Forest Meadows facility will be accounted for within the General Fund.

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 1991. 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, 1991, the City's pension plan had total assets of \$233,112,000. 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 \$21,219,200 at September 30, 1991.

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 \$4,222,500 at September 30, 1991.

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 \$5,903,100 at September 30, 1991.

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 \$90,320,600 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

At September 30, 1991, the City had outstanding \$40,800,000 of Capital Revenue Bonds, payable from specific general fund revenue sources other than ad valorem taxes; \$96,485,900 of Electric Revenue Bonds, payable from revenues of the Municipal Electric System; \$51,385,000 of Consolidated Utility System Revenue Bonds, payable from revenue of the Consolidated Utility System which consists of the Gas, Water, Sewer, and Stormwater operations; and \$12,350,000 of Airport Revenue Bonds, payable from revenues of the Airport. The City has no general obligation debt (debt secured by ad valorem taxes) outstanding. In addition to fixed capital debt outstanding, the City had outstanding loans from the Sunshine State Governmental Financing Commission (SSGFC) in the amount of \$21,699,700; these loans are non-revenue specific with a covenant to budget and appropriate non ad valorem revenues.

During the fiscal year ended September 30, 1991, the City issued \$4,490,000 and \$47,785,000 in Consolidated System Utility Revenue Bonds, Series 1991 A and 1991 B, respectively. The proceeds from the 1991 A issue and a portion of the proceeds from the 1991 B issue was used to refund the City's outstanding Municipal Utility Revenue Bonds, Series 1970, 1970 A, 1979, and 1982; the remaining proceeds of the 1991 B issue were used to construct improvements to the system. In addition, during the fiscal year ended September 30, 1991, the City received loans from SSGFC in the amount of \$4,700,000 to finance certain improvements.

Useful indicators for evaluating the City's debt position are the actual debt service coverage as compared to required debt service coverage and ratings assigned to the City's bonds by independent nationally recognized agencies, as follows:

Debt Service Coverage

Debt service coverage demonstrates the City's ability to generate revenues sufficient to provide for the payment of debt service; as seen below, the City is generally well above the amounts required.

	<u>Actual</u>	<u>Required</u>
Capital Revenue Bonds	3.01	1.25
Electric Revenue Bonds	5.59	1.40
Consolidated Utility System		
Revenue Bonds	7.56	1.15
Airport System Revenue Bonds	1.33	1.25

All requirements mandated by bond covenants have been met.

Ratings

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 the bonds are sold. Such ratings for the City's debt have been consistently judged to be of good investment quality. Current ratings by the two major rating agencies shown below for each series of outstanding long-term bonded debt continue to demonstrate the good investment quality of the City's bonds.

	<u>Moody's</u>	<u>Standard & Poor's</u>
Capital Revenue Bonds	A1	A+
Capital Refunding Bonds	A1	AAA
Electric Junior Lien Refunding Revenue Bonds	A1	AA
Consolidated Utility System Revenue Bonds, Series 1991 A	Aaa	AAA
Consolidated Utility System Revenue Bonds, Series 1991 B	Aa	AA-
Airport System Revenue Bonds	Aaa	AAA

Cash Management Program

The City Charter relative to investment of City idle funds provides for the adoption of an investment policy. In conformance 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 cash management 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 8.16 percent effective yield during fiscal year 1991.

Risk Management

All insurance except health is administered through the Risk Management Program. The Program is designed to provide financial protection for unforeseen accident losses through the combination of commercial and self-insurance. 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. In order to limit the City's exposure, the City has purchased "excess coverage" for workers' compensation. For other coverages where frequency is low and potential losses are great (e.g., property and airport liability), the City transfers these risks through the purchase of insurance. 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, 4.0 percent were unemployed in 1991 as compared to the State's unemployment rate of 7.2 percent. The percentage of employees employed by government has leveled off at approximately 43 percent of the work force. While this employment mix stabilizes the local economy, the State's projected revenue shortfall may have an impact on Tallahassee depending upon how the State government reacts. As previously indicated, Tallahassee's unemployment rate is low compared to Florida's; however, new job creation has been low and building activity has declined during the past two years.

In order to provide a boost to the local economy, the City Commission has taken the following actions: funding economic incentives geared toward job creation; fast-tracking capital projects to bolster the construction industry; authorizing industrial revenue bonds; maintaining a small business loan program; and, recently contracting with the Chamber of Commerce for a Project 2010 plan which will investigate ways to better utilize institutions in the community in job creation and development.

An aggressive economic development effort by the City is underway. Several projects are in process to encourage economic development in downtown Tallahassee. The City, in 1991, established a downtown development office to manage and provide community liaison for the following projects:

- The City is pursuing a public/private venture to develop a mixed use project (government facility, hotel, public parking garage, and other commercial ventures.) The current emphasis on the project is to develop, at a minimum, a parking facility, a museum, office buildings, a public plaza, and downtown retail stores. Other potential project elements, such as a hotel and City Hall annex, are to be explored at a later date. A phased in approach is anticipated, with the first phase consisting of, at a minimum, a parking garage at an estimated cost of \$19.1 million. The total project if brought completely to fruition could exceed \$100 million.
- The City has committed to the development of a visual arts museum, a science center, and a performing arts center in cooperation with the State and various community groups. The total anticipated costs for these projects is \$41.1 million with funding to be provided by the City, State, and private sources.
- The final drafting and adoption of an Urban Action Plan for downtown Tallahassee to serve as a blueprint for future growth and redevelopment activities through 2010 is anticipated to occur during fiscal year 1992.

The economic pressure from increased Federal and State mandates, reduced Federal contributions, and reduced reliance on electric 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 addition, the City has implemented various measures and is evaluating other measures to be implemented in the future to enhance the financial stability of the government as a whole. Some of these measures, by operation, follow below.

Certain events that occurred during 1991, or will occur, that affect the City's operation are, 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 of from the pipeline (FGT). It is estimated that the Electric Department saved \$9.5 million in the cost of natural gas for the City's power plants during fiscal year 1991. 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 City-wide basis for the Electric and Gas Utilities were developed in fiscal year 1991. 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 energy cost 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 was notified in 1991 that FSU has dropped the cogeneration project from further consideration.

- 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 circularized fluidized-bed (CFB) 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 Phase I-A was authorized. This phase involves preliminary design and permitting activities. As a result of multiple power supply studies and deliberation by the City Commission, on July 8, 1991, the City, subject to certain conditions, decided to proceed with the next phase of the CFB Project. The subject conditions were (i) a reevaluation of the CFB Project using an updated fuel price forecast and (ii) the results of a solicitation of proposed projects to provide comparable risks and benefits as the CFB Project. Project economics were re-analyzed using the new fuel price forecast provided to the City in August 1991. This revised study concluded that the power supply plan including the CFB project no longer represented the least cost power supply alternative. Therefore, work on the CFB project has been halted as of September 9, 1991, and the City will pursue a long range power supply strategy based on conservation, alternative energy sources (e.g., solar power), enhanced demand side management, and gas fueled combined cycle units in the near term and deferring any proposed CFB unit as long as possible.
- The City was also involved as the host utility in another DOE Clean Coal Technology project. The project, proposed by CRSS Capital, Inc. and TECO Power Services, involves an integrated gasifier combined cycle plant which could be located at the City's Hopkins generation station. CRSS Capital, Inc. withdrew their proposal to the City in 1991.
- The City currently has Interchange Service Contracts with approximately twenty municipally-owned authorities and investor-owned utilities as of fiscal year 1991, as compared to nine for fiscal year 1990. These contracts include service schedules for the purchases and sales of emergency, short term firm, economy, long term firm, backup, and extended economy service.
- With the deletion of the CFB project, the Capital Financing Program will be focusing on bulk power projects. It is anticipated that the City will issue approximately \$30 to \$50 million of new money bonds during fiscal year 1992. In addition, the City is evaluating the financial impact of refunding the outstanding 1985 Junior Lien Electric Bond.

For the Water and Sewer operations, efforts are underway to meet the capital needs of the Comprehensive Plan and the Water and Sewer Master Plans. For water, new wells are under construction and a retrofit effort is underway to control and eliminate water contamination through the establishment of granular activated carbon treatment capabilities. For sewer, work is proceeding on the expansion of the TPS treatment plant and the construction of the Capital Circle Force Main, the major projects in the master plan. During fiscal year 1992, it is anticipated that approximately \$1.2 million for water projects and \$2.5 million for sewer projects will be financed through the issuance of debt.

For the Gas operation, the capital program, when combined with customer incentive programs, continues an aggressive expansion effort program to meet citizen demand for both firm and interruptible gas service. Proposed projects will make gas available in every major new development in the urban service area. During fiscal year 1992, it is anticipated that approximately \$1.5 million of projects will be financed through the issuance of debt.

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 1990, a voluntary single family residential recycling program was implemented; during fiscal year 1991, a voluntary multifamily residential program was implemented. Other measures to reduce the City's waste stream focusing on commercial recycling will be implemented in future years.

In 1985 the State Legislature passed the Growth Management Act which required state and local governments to develop five year comprehensive plans addressing growth and related issues. The State requires each unit of local government's plan to ensure that adequate attention is placed on the infrastructure needs of the State. The City's plan was approved by the State during fiscal year 1985. The plan is a legally binding document that has a high level of specificity and identifies the City's goals, objectives, and policies. It identifies needs, facilities, levels of service, and amounts and sources of revenue needed to meet the adopted levels of service. Once in place, all development decisions and approvals must be consistent with the plan. In order to manage new growth and redevelopment in the community consistent with the plan, the City has created a Growth Management Department. This department serves as a nucleus of the City's efforts to comply with the Growth Management Act, the Comprehensive Plan, and the City's Environmental Management Ordinance.

Stormwater management continues to be a concern for the City. In order to address this concern, the City previously implemented a stormwater fee as a means of financing stormwater operations and improvements. During fiscal year 1991, a Stormwater Management Division was established in the Public Works Department. The Division is responsible for coordinating the development of major stormwater projects; inventorying and mapping of the City-wide stormwater system; commencing efforts to better manage and monitor City-owned surface bodies; and coordinating the development of federally required stormwater permits. During 1991, the City received from the Northwest Florida Water Management District a draft comprehensive Stormwater Management Plan which had been commissioned jointly by the City and Leon County. It is anticipated that the Plan will be finalized during fiscal year 1992.

During fiscal year 1991, the City Commission authorized enhanced emphasis on "Human Resource Development" and "Housing Provisions and Affordability". Over the next three fiscal years, the Community Improvement Department will be addressing the achievement of the following objectives:

Human Resource Development

- Develop and implement an effective, coordinated human services plan that contains the following components:
 - statement of fundamental problems to be addressed
 - identification of programs to be implemented and schedule of implementation
 - evaluation criteria for programs to be implemented
 - a process for interagency coordination
 - funding sources.
- Promote neighborhood stability by supporting neighborhood self help activities and enhanced community facilities.
- In coordination with appropriate agencies, provide expanded educational and employment opportunities.
- Increase community safety by improving cooperation between neighborhoods and the Police Department.

Housing Provisions and Affordability

- Coordinate City housing services with other agencies to reduce duplication of effort and maximize the use of limited resources.
- Protect existing housing stock to ensure the supply of the convenient, affordable housing.
- Develop a program of financial and regulatory incentives to promote the creation of mixed income housing developments, affordable housing, and the revitalization of existing neighborhoods.
- Develop and implement a plan to address the problem of homelessness in Tallahassee.

Under the Florida Constitution, the State Legislature is the body responsible for determining the taxing authority that units of local government may have. 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, 1990.

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, 1990. 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.

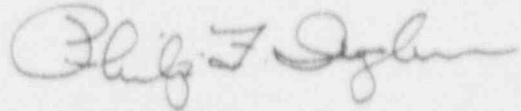
In 1989, the City received the GFOA's Award for Excellence in Financial Management for Portfolio Management: Policy, Performance and Evaluation. The award is presented to those organizations whose financial management systems and procedures are judged the winners in international competition in a specific financial discipline (cash management). This award is not given every year in a discipline if no submission is judged worthy of recognition.

Acknowledgments

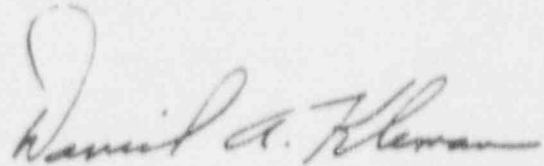
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department, in particular the members of the Accounting Division who actually compiled the report. We would also like to thank the

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,



Phillip F. Inglese, C.P.A.
Director of Finance



Daniel A. Klemen
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, 1990

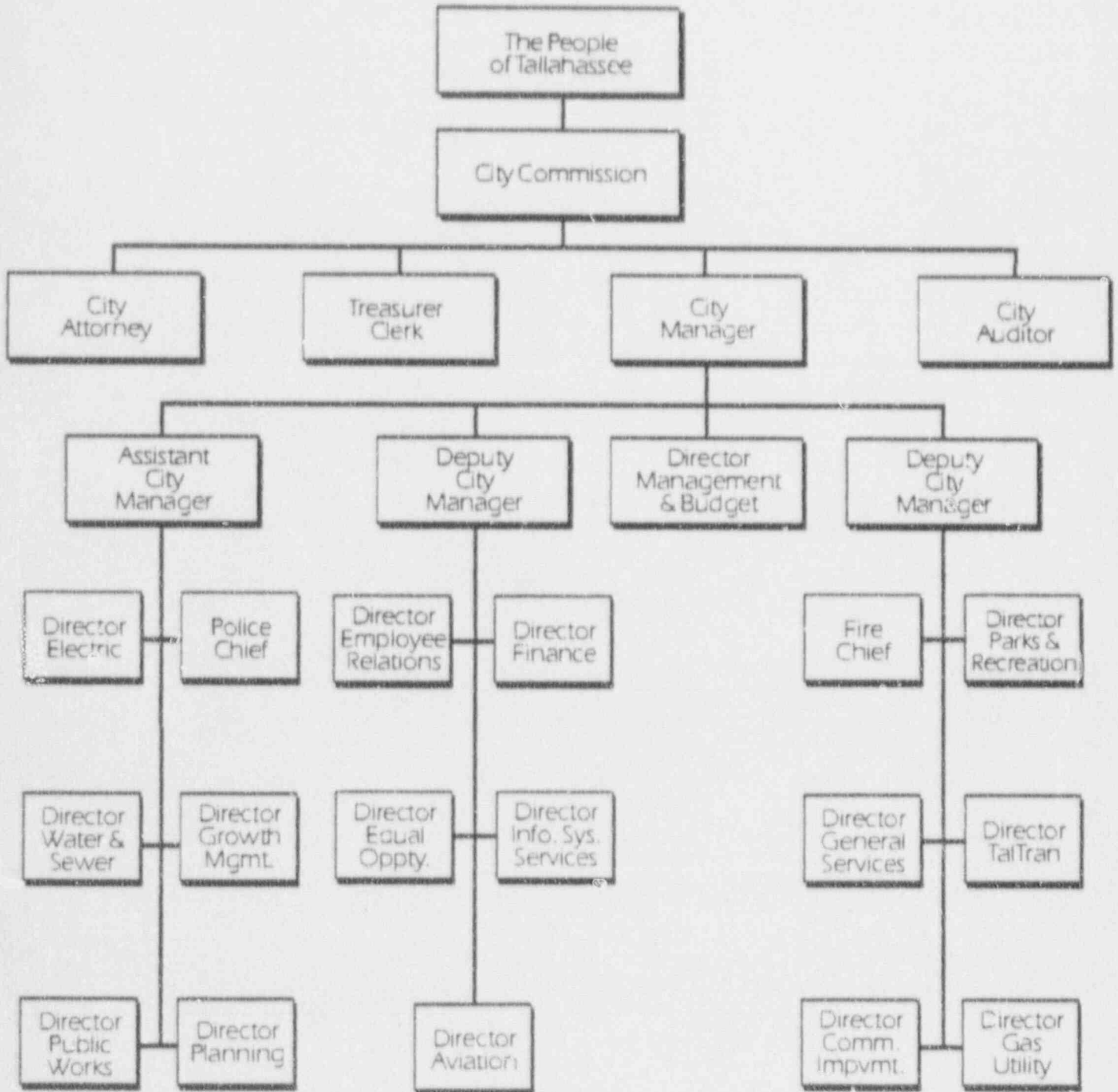
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards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



Richard W. Smith
President

Jeffrey L. Esall
Executive Director

ORGANIZATION CHART



CITY OF TALLAHASSEE, FLORIDA

LISTING OF CITY OFFICIALS

ELECTED OFFICIALS

Mayor-Commissioner Debbie Lightsey
Mayor Pro Tem Commissioner Bob Hightower
Commissioner Dorothy Inman-Crews
Commissioner Jack L. McLean, Jr.
Commissioner Steve Malsburg

APPOINTED OFFICIALS

City Manager Daniel A. Klemen
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. Soaly
Community Improvement Diane Dunson
Information System Services Michael R. DiPaolo
Electric Benjamin Walt, III
Employee Relations Gloria Hall-McNeil
Equal Opportunity Sharon Ofuani
Finance Phillip F. Inglese
Fire Thomas C. Quillin
Gas Utility Samuel Davis, Jr.
General Services Kenneth M. Austin
Growth Management Henry L. Holshouser, Jr.
Management and Budget Donald A. Corley
Parks and Recreation Randy Trousdell
Planning Mark Gumua
Police Melvin L. Tucker
Public Works Rhett A. Miller
TallTran (Tallahassee Transit) John L. Carter
Water and Sewer James H. Peters

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

This section contains the following subsections:

Auditors' Report

General Purpose Financial Statements

Combining and Individual Fund and Account Group—
Statements and Schedules

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, 1991, 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.

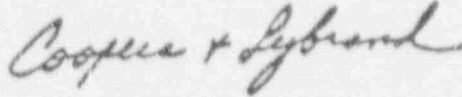
We conducted our audit in accordance with generally accepted auditing standards and Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements 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 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, 1991, and the results of its operations and the cash flows 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 those enterprise funds of the City of Tallahassee, Florida, at September 30, 1991, and the results of operations of such funds and the cash flows 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.

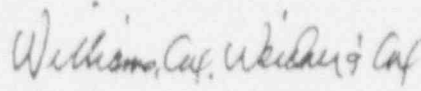
Certain 1990 data included in the general purpose financial statements and the combining and individual fund financial statements of the City's enterprise funds and the accompanying supplemental information were contained in the City's comprehensive annual financial report for the year ended September 30, 1990, 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

January 10, 1992
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.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF TALLAHASSEE, FLORIDA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1991

(Continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets:				
Cash and Cash Equivalents	\$ 4,536,800	\$ 6,146,600	\$ 3,715,000	\$ 48,111,600
Investments	--	1,160,100	11,077,500	18,087,700
Receivables:				
Special Assessments - Current	--	--	--	322,100
Special Assessments - Deferred	--	--	--	115,700
Accrued Interest	--	--	267,800	96,300
Notes	15,000	271,000	--	--
Customers	597,600	--	--	--
Accounts	687,200	451,500	--	44,900
Less: Allowance for Doubtful				
Accounts	(117,900)	--	--	--
Due from Other Governments	--	--	--	808,300
Due from Other Funds	47,200	--	--	1,500
Advance to Other Funds	1,938,300	--	--	--
Deposits	--	--	50,000	--
Inventory	5,600	--	--	--
Restricted Assets:				
Cash and Cash Equivalents	--	--	--	--
Investments	--	--	--	--
Accounts Receivable	--	--	--	--
Notes Receivable	--	--	--	--
Due from Other Governments	--	--	--	--
Loans to Other Funds	--	--	--	--
Fixed Assets (Net of Accumulated				
Depreciation)	--	--	--	--
Unamortized Bond Issue Costs	--	--	--	--
Unamortized Loan Issue Costs	--	--	--	--
Other Debits:				
Amount Available in Debt Service				
Funds	--	--	--	--
Amount to be provided for Retirement of				
General Long-Term Debt:				
Bonds, Notes, and Other Payables	--	--	--	--
Total Assets and Other Debits	<u>\$ 7,809,800</u>	<u>\$ 8,029,200</u>	<u>\$15,121,100</u>	<u>\$ 67,547,800</u>

CITY OF TALLAHASSEE, FLORIDA

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, 1991	September 30, 1990
\$ 18,177,800	\$10,571,700	\$ 23,888,400	\$ --	\$ --	\$ 115,147,900	\$ 106,888,600
--	--	237,824,800	--	--	268,149,700	238,935,100
--	--	--	--	--	322,100	227,900
--	--	--	--	--	115,700	195,500
--	--	--	--	--	324,100	386,700
--	--	--	--	--	286,000	205,900
15,213,300	--	--	--	--	15,810,900	16,698,500
2,068,700	123,300	71,000	--	--	3,446,600	5,834,600
(2,415,900)	--	--	--	--	(2,433,800)	(2,016,300)
--	--	--	--	--	808,300	77,800
52,600	359,600	--	--	--	461,000	1,153,700
--	--	2,672,400	--	--	4,610,700	4,786,200
--	6,500	--	--	--	67,300	6,500
7,396,100	4,281,000	--	--	--	11,682,700	11,171,000
145,301,400	20,479,900	--	--	--	165,781,300	119,036,900
16,379,900	--	--	--	--	16,379,900	29,228,000
604,500	--	--	--	--	604,500	905,800
5,773,000	--	--	--	--	5,773,000	4,864,900
752,700	--	--	--	--	752,700	1,757,700
--	21,471,800	--	--	--	21,471,800	--
405,449,900	16,870,600	--	90,320,600	--	512,641,100	476,606,500
1,179,900	--	--	--	--	1,179,900	883,500
--	--	--	--	--	--	154,400
--	--	--	--	15,121,100	15,121,100	13,547,700
--	--	--	--	36,227,000	36,227,000	33,448,800
<u>\$615,933,900</u>	<u>\$ 74,164,400</u>	<u>\$264,456,600</u>	<u>\$ 90,320,600</u>	<u>\$ 51,348,100</u>	<u>\$1,194,731,500</u>	<u>\$1,065,047,300</u>

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, 1991

(Continued)

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities:				
Accounts Payable	\$ 1,337,700	\$ 296,800	\$ --	\$ 2,102,200
Claims Payable	--	--	--	--
Lease Payable	--	--	--	--
Accrued Leave	--	--	--	--
Contracts Payable	--	--	--	--
Retainage Payable	--	--	--	247,200
Due to Other Funds	97,800	--	--	--
Advance from Other Funds	--	--	--	--
Customer Advances	--	--	--	--
Utility Deposits Payable	--	--	--	--
Payable from Restricted Assets:				
Accrued Interest and Commissions Payable	--	--	--	--
Retainage and Accounts Payable . .	--	--	--	--
Deferred Revenue	--	--	--	--
Deferred Compensation Payable	--	--	--	--
Deferred Revenue	--	--	--	215,500
Revenue Bonds Payable	--	--	--	--
Unamortized Bond Discount	--	--	--	--
Loans from Other Funds	--	--	--	--
Notes and Loans Payable	--	--	--	--
Arbitrage Rebate Payable	--	--	--	--
Prepaid Fee Credit Payable	--	--	--	--
Total Liabilities	<u>1,435,500</u>	<u>296,800</u>	<u>--</u>	<u>2,564,900</u>
Equity and Other Credits:				
Contributed Capital	--	--	--	--
Investment in General Fixed Assets . .	--	--	--	--
Retained Earnings:				
Reserved	--	--	--	--
Unreserved	--	--	--	--
Fund Balances:				
Reserved	3,717,900	5,918,800	15,121,100	48,766,100
Unreserved:				
Designated	--	--	--	--
Undesignated	2,656,400	1,813,600	--	16,216,800
Total Equity and Other Credits	<u>6,374,300</u>	<u>7,732,400</u>	<u>15,121,100</u>	<u>64,982,900</u>
Total Liabilities, Equity and Other Credits	<u>\$ 7,809,800</u>	<u>\$8,029,200</u>	<u>\$15,121,100</u>	<u>\$67,547,300</u>

CITY OF TALLAHASSEE, FLORIDA

Proprietary Fund Types		Fiduciary Fund Type Trust and Agency	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service		General Fixed Assets	General Long-term Debt	September 30, 1991	September 30, 1990
\$ 8,531,900	\$ 836,700	\$ 3,500	\$ --	\$ --	\$ 13,108,800	\$ 16,067,300
--	5,131,700	--	--	--	5,131,700	2,861,700
--	857,700	--	--	--	857,700	1,591,900
4,919,000	1,481,300	--	--	6,324,100	12,724,400	7,469,600
4,876,300	--	--	--	--	4,876,300	4,929,500
--	--	--	--	--	247,200	223,100
51,100	312,100	--	--	--	461,000	1,153,700
3,521,000	--	5,200	--	1,084,500	4,610,700	4,786,200
235,100	--	--	--	--	235,100	184,000
6,195,500	--	--	--	--	6,195,500	8,210,400
--	--	--	--	--	--	91,900
3,898,100	--	--	--	--	3,898,100	2,698,200
351,200	--	--	--	--	351,200	351,200
--	--	5,903,100	--	--	5,903,100	4,649,000
--	--	827,200	--	--	1,042,700	1,105,800
160,220,900	--	--	--	40,800,000	201,020,900	173,365,300
(3,075,900)	--	--	--	--	(3,075,900)	(2,067,900)
16,771,800	2,400,000	--	--	2,300,000	21,471,800	--
--	21,699,700	--	--	373,500	22,073,200	17,810,300
69,100	--	--	--	466,000	535,100	696,000
788,900	--	--	--	--	788,900	862,300
<u>207,354,000</u>	<u>32,719,200</u>	<u>6,739,000</u>	<u>--</u>	<u>51,348,100</u>	<u>302,457,500</u>	<u>246,999,500</u>
66,082,600	6,606,300	--	--	--	72,688,900	71,873,300
--	--	--	90,320,600	--	90,320,600	83,643,700
164,528,300	21,541,100	--	--	--	196,069,400	153,550,800
177,969,000	13,297,800	--	--	--	191,266,800	192,733,300
--	--	234,954,700	--	--	308,478,630	278,861,100
--	--	953,500	--	--	953,500	953,500
--	--	21,809,400	--	--	42,496,200	36,432,100
<u>408,579,900</u>	<u>41,445,200</u>	<u>257,717,600</u>	<u>90,320,600</u>	<u>--</u>	<u>892,274,000</u>	<u>818,047,800</u>
<u>\$615,933,900</u>	<u>\$74,164,400</u>	<u>\$264,456,600</u>	<u>\$ 90,320,600</u>	<u>\$ 51,348,100</u>	<u>\$1,194,731,500</u>	<u>\$ 1,065,047,300</u>

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, 1991

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Revenues:			
Special Assessment Revenues	\$ --	\$ --	\$ --
Taxes	30,394,300	--	--
Licenses and Permits	1,807,200	--	--
Intergovernmental Revenues	9,232,700	3,549,200	--
Charges for Services	7,673,000	3,663,100	--
Fines and Forfeits	1,109,300	427,300	--
Interest Earned	522,900	286,500	676,300
Miscellaneous Revenues	507,500	182,300	--
Total Revenues	51,246,900	8,108,400	676,300
Expenditures:			
Current:			
General Government	11,434,000	384,900	--
Public Safety	32,116,600	61,400	--
Transportation	8,077,500	313,800	--
Human Services	1,437,900	508,300	--
Economic Development	548,700	1,388,600	--
Physical Environment	2,519,000	2,777,600	--
Culture and Recreation	6,539,600	587,500	--
Capital Outlay	--	1,029,900	--
Debt Service:			
Principal Retired	--	--	562,500
Interest and Fiscal Charges	--	--	3,618,500
Total Expenditures	62,673,300	7,052,000	4,181,000
Excess of Revenues Over (Under) Expenditures	(11,426,400)	1,056,400	(3,504,700)
Other Financing Sources (Uses):			
Proceeds from Advanced Funds	--	--	--
Debt Proceeds	--	--	--
Reduction in Loan Proceeds	--	--	--
Operating Transfers In	35,487,300	3,138,000	5,116,100
Operating Transfers Out	(23,784,900)	(303,600)	(38,000)
Total Other Financing Sources (Uses)	11,702,400	2,834,400	5,078,100
Excess of Revenues and Other Sources Over Expenditures and Other Uses	276,000	3,890,800	1,573,400
Fund Balances - October 1	6,098,300	3,841,600	13,547,700
Fund Balances - September 30	\$ 6,374,300	\$ 7,732,400	\$ 15,121,100

CITY OF TALLAHASSEE, FLORIDA

Capital Projects	Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
		September	September
		30, 1991	30, 1990
\$ 115,700	\$ --	\$ 115,700	\$ 143,400
--	80,900	30,475,200	25,767,200
--	--	1,807,200	1,426,000
400	--	12,782,300	11,905,200
1,028,800	--	12,364,900	9,574,600
--	--	1,536,600	1,381,500
4,846,900	1,395,600	7,728,200	7,491,500
84,200	11,900	785,900	1,286,800
<u>6,076,000</u>	<u>1,488,400</u>	<u>67,596,000</u>	<u>58,979,200</u>
617,000	--	12,435,900	10,199,700
270,700	--	32,448,700	29,362,800
9,142,000	--	17,533,300	16,413,400
1,000	--	1,947,200	1,749,500
115,000	--	2,052,300	1,431,700
35,100	--	5,331,700	4,350,200
204,200	95,900	7,427,200	6,087,300
5,047,500	--	6,077,400	3,615,600
--	--	562,500	579,800
--	--	<u>3,618,500</u>	<u>3,683,800</u>
<u>15,432,500</u>	<u>95,900</u>	<u>89,434,700</u>	<u>77,473,800</u>
<u>(9,356,500)</u>	<u>1,392,500</u>	<u>(21,938,700)</u>	<u>(10,494,600)</u>
2,280,200	--	2,280,200	1,084,500
--	--	--	436,200
--	--	--	(1,937,400)
12,307,700	2,574,700	58,623,800	61,982,100
<u>(2,480,600)</u>	<u>(1,327,400)</u>	<u>(27,934,500)</u>	<u>(33,067,600)</u>
<u>12,107,300</u>	<u>1,247,300</u>	<u>32,969,500</u>	<u>28,490,800</u>
2,750,800	2,639,800	11,130,800	10,003,200
62,232,100	18,573,200	104,292,900	94,289,700
<u>\$64,982,900</u>	<u>\$21,213,000</u>	<u>\$ 115,423,700</u>	<u>\$ 104,292,900</u>

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

CITY OF TALLAHASSEE, FLORIDA

COMBINED STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

For the Fiscal Year Ended September 30, 1991

	1991			1990	
	Budget	Actual On Budgetary Basis	Variance- Favorable (Unfavorable)	Actual	Actual
Revenues:					
Taxes	\$28,763,800	\$30,394,300	\$ 1,630,500	\$30,394,300	\$25,691,900
Licenses and Permits	2,011,200	1,807,200	(204,000)	1,807,200	1,426,000
Intergovernmental Revenues	9,933,500	9,232,700	(700,800)	9,232,700	9,666,700
Charges for Services	7,700,800	7,673,000	(27,800)	7,673,000	6,506,200
Fines and Forfeits	1,193,400	1,109,300	(84,100)	1,109,300	1,269,900
Interest Earned	566,800	522,900	(43,900)	522,900	589,300
Miscellaneous Revenues	490,800	590,800	100,000	507,500	754,500
Total Revenues	<u>50,660,300</u>	<u>51,530,200</u>	<u>869,900</u>	<u>51,246,900</u>	<u>45,904,500</u>
Expenditures:					
Current:					
General Government	12,205,900	11,359,000	846,900	11,434,000	9,377,200
Public Safety	34,202,600	32,470,600	1,732,000	32,116,600	28,999,700
Transportation	8,354,800	8,169,300	185,500	8,077,500	7,999,000
Human Services	1,467,700	1,444,000	23,700	1,437,900	1,222,900
Economic Environment	608,800	548,900	59,900	548,700	502,200
Physical Environment	2,705,600	2,521,100	184,500	2,519,000	1,691,300
Culture and Recreation	6,348,400	6,489,300	(140,900)	6,539,600	5,411,800
Total Expenditures	<u>65,893,800</u>	<u>63,002,200</u>	<u>2,891,600</u>	<u>62,673,500</u>	<u>55,204,100</u>
Excess of Revenues Over (Under) Expenditures	(15,233,500)	(11,672,000)	3,561,500	(11,426,400)	(9,299,600)
Other Financing Sources (Uses):					
Operating Transfers In	35,434,500	35,487,300	52,800	35,487,300	33,969,600
Operating Transfers Out	(20,201,000)	(23,784,900)	(3,583,900)	(23,784,900)	(24,597,800)
Total Other Financing Sources (Uses)	<u>15,233,500</u>	<u>11,702,400</u>	<u>(3,531,100)</u>	<u>11,702,400</u>	<u>9,371,800</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ --</u>	<u>\$ 30,400</u>	<u>\$ 30,400</u>	<u>\$ 276,000</u>	<u>\$ 72,200</u>

CITY OF TALLAHASSEE, FLORIDA

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, 1991

	Proprietary Fund Types				Totals (Memorandum Only)	
	Enterprise	Internal	Fiduciary Fund Types		September 30, 1991	September 30, 1990
		Service	Pension Trust	Nonexpendable Trust		
Operating Revenues:						
Charges for Services	\$210,869,000	\$42,443,300	\$ --	\$ --	\$ 253,312,300	\$ 228,693,700
Investment Revenue	--	--	14,430,700	239,200	14,669,900	11,492,200
Investment Gains-Net	--	--	616,600	--	616,600	10,480,500
Contributions	--	--	16,443,100	--	16,443,100	15,975,300
Miscellaneous	--	--	22,000	19,900	41,900	177,300
Total Operating Revenues	210,869,000	42,443,300	31,512,400	259,100	285,083,800	266,818,000
Operating Expenses:						
Personal Services	31,961,600	11,186,300	--	--	43,147,900	36,867,700
Fossil Fuel	34,123,100	--	--	--	34,123,100	37,562,400
Power Purchased	31,518,300	--	--	--	31,518,300	16,825,800
Gas Purchased	4,489,500	--	--	--	4,489,500	4,688,100
Materials and Supplies	3,575,300	1,035,300	--	--	4,610,600	3,724,700
Contractual Services	32,723,500	18,291,700	--	--	51,015,200	41,204,000
Other Expenses	7,233,700	7,343,600	--	--	14,577,300	11,205,500
Less: Applied Equipment Charges	(1,278,800)	--	--	--	(1,278,800)	(738,300)
Depreciation	14,606,200	3,459,900	--	--	18,066,100	16,376,200
Amortization	111,200	--	--	--	111,200	215,500
Benefit Payments	--	--	6,626,600	--	6,626,600	4,750,000
Refunds	--	--	933,900	--	933,900	768,300
Insurance	--	--	22,300	--	22,300	12,300
Administration	--	--	832,000	--	832,000	771,700
Total Operating Expenses	158,863,600	40,516,800	6,414,800	--	207,795,200	174,051,900
Operating Income	52,005,400	1,926,500	25,097,600	259,100	77,288,600	92,767,100
Non-operating Revenues(Expenses):						
Interest Revenue	14,048,900	1,828,200	--	--	15,877,100	14,550,700
Gain on Sale - Surplus Property	2,700	--	--	--	2,700	40,700
Grant Revenue	935,600	--	--	--	935,600	907,500
Other Revenues	7,402,000	--	--	--	7,402,000	3,166,100
Interest Expense	(11,192,800)	(174,100)	--	--	(11,366,900)	(11,128,800)
Other Expenses	(6,434,900)	--	--	--	(6,434,900)	(8,807,000)
Total Non-operating Revenues (Expenses)	4,761,500	1,654,100	--	--	6,415,600	(1,270,800)
Income Before Operating Transfers and Extraordinary Items	56,766,900	3,580,600	25,097,600	259,100	83,704,200	91,496,300
Operating Transfers In	5,052,900	1,363,700	--	1,194,100	7,610,700	7,692,900
Operating Transfers Out	(36,662,500)	(1,637,500)	--	--	(38,300,000)	(36,607,400)
Income Before Extraordinary Items	25,157,300	3,306,800	25,097,600	1,453,200	53,014,900	62,581,800
Extraordinary Items:						
Gain on Refunded Bonds	380,100	--	--	--	380,100	--
Net Income	25,537,400	3,306,800	25,097,600	1,453,200	53,395,000	62,581,800
Disposition of Net Income:						
Increase in Contributed Capital	(285,700)	--	--	--	(285,700)	(140,900)
Depreciation on Contributed Assets	2,594,600	--	--	--	2,594,600	1,779,600
Contribution to Other Funds	(101,000)	--	--	--	(101,000)	--
Net Increase in Retained Earnings/ Fund Balances	27,745,300	3,306,800	25,097,600	1,453,200	55,602,900	64,520,700
Retained Earnings/ Fund Balances - October 1	314,752,000	51,532,100	209,184,700	2,769,100	558,237,900	493,917,200
Retained Earnings/ Fund Balances - September 30	\$342,497,300	\$34,838,900	\$232,282,300	\$ 4,222,300	\$ 613,840,500	\$ 558,237,900

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

CITY OF TALLAHASSEE, FLORIDA

Combined Statement of Cash Flows All Proprietary Fund Types and Similar Trust Funds For the Fiscal Year Ended September 30, 1991

	Proprietary Fund Types			Totals	
	Fiduciary			(Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust	September 30, 1991	September 30, 1990
Increase (Decrease) in Cash and Cash Equivalents:					
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 200,003,000	\$ 440,500	\$ 19,900	\$200,463,500	\$189,502,800
Cash Received from Other Funds	4,950,300	42,839,900	--	47,800,200	35,941,800
Receipts of Interest on Investments	--	--	239,200	239,200	196,300
Cash Payments to Suppliers for Goods and Services	(93,531,700)	(22,333,800)	--	(115,865,500)	(96,693,700)
Cash Payments to Employees for Services	(29,866,200)	(10,678,700)	--	(40,544,900)	(35,951,200)
Payments and Loans to Other Funds	(19,393,400)	(4,701,000)	--	(24,094,400)	(12,423,000)
Net Cash Provided by Operating Activities	<u>62,172,000</u>	<u>5,568,000</u>	<u>259,100</u>	<u>67,999,100</u>	<u>80,533,000</u>
Cash Flows from Noncapital Financing Activities:					
Operating Transfers In from Other Funds	4,761,200	1,363,700	1,194,100	7,320,000	6,209,400
Proceeds from Loans	--	5,025,900	--	5,025,900	--
Operating Grants Received	900,900	--	--	900,900	1,354,400
Other	921,300	--	--	921,300	73,675,000
Interest Paid	--	(132,600)	--	(132,600)	--
Operating Transfers Out to Other Funds	(36,662,900)	(1,631,500)	--	(38,300,700)	(31,184,600)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(30,073,100)</u>	<u>4,619,500</u>	<u>1,194,100</u>	<u>(24,259,500)</u>	<u>(33,277,500)</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Loan	--	--	--	--	1,791,400
Receipts from Energy Loan Program	4,761,6	--	--	4,761,600	6,504,600
Proceeds from Sale of Bonds	52,275,000	--	--	52,275,000	--
Advances from Other Funds	355,000	--	--	355,000	--
Capital Grants Received	3,869,300	--	--	3,869,300	1,767,800
Capital Contributions	285,700	--	--	285,700	4,163,700
Proceeds from the Sale of Property	2,500	--	--	2,500	64,900
Contributions from Other Funds	--	101,000	--	101,000	--
Acquisition and Construction of Capital Assets	(42,069,300)	(2,262,100)	--	(44,331,400)	(40,706,600)
Principal Repayments	(25,686,100)	--	--	(25,686,100)	(3,254,200)
Repayment of Advance from Other Funds	(478,100)	--	--	(478,100)	(1,618,800)
Contribution to Other Funds	(101,000)	--	--	(101,000)	43,800
Funding of Energy Loan Program	(5,492,600)	--	--	(5,492,600)	(7,292,400)
Interest Paid	(11,571,000)	(41,300)	--	(11,612,500)	(10,535,700)
Payments on Capital Lease	--	(734,200)	--	(734,200)	(492,400)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(23,849,000)</u>	<u>(2,936,800)</u>	<u>--</u>	<u>(26,785,800)</u>	<u>(44,559,900)</u>
Cash Flows from Investing Activities:					
Proceeds from Sale and Maturities of Investment Securities	35,392,200	--	--	35,392,200	33,702,900
Receipts of Interest on Investments	14,063,700	1,828,200	--	15,891,900	14,551,200
Purchase of Investment Securities	(22,344,100)	--	--	(22,344,100)	(49,800,600)
Net Cash Provided by (Used for) Investing Activities	<u>26,911,800</u>	<u>1,828,200</u>	<u>--</u>	<u>28,740,000</u>	<u>(1,546,500)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>35,161,700</u>	<u>9,078,900</u>	<u>1,453,200</u>	<u>45,695,800</u>	<u>14,047,300</u>
Cash and Cash Equivalents at Beginning of Year	<u>178,317,500</u>	<u>21,972,700</u>	<u>2,769,100</u>	<u>203,059,300</u>	<u>187,115,100</u>
Cash and Cash Equivalents at End of Year	<u>\$ 163,479,200</u>	<u>\$ 31,051,600</u>	<u>\$ 4,222,300</u>	<u>\$198,753,100</u>	<u>\$193,065,800</u>
Classified As:					
Unrestricted Assets	\$ 18,177,800	\$ 10,571,700	\$ 1,222,300	\$ 30,971,800	\$ 34,029,900
Restricted Assets	145,301,400	20,479,900	--	165,781,300	159,036,900
	<u>\$ 163,479,200</u>	<u>\$ 31,051,600</u>	<u>\$ 4,222,300</u>	<u>\$198,753,100</u>	<u>\$193,065,800</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income	\$ 32,095,400	\$ 1,928,500	\$ 259,100	\$ 34,283,000	\$ 81,266,000
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	14,506,200	2,459,900	--	16,966,100	16,376,200
Amortization	111,200	--	--	111,200	213,900
Provision for Uncollectible Accounts	1,014,300	--	--	1,014,300	922,300
Change in Assets and Liabilities:					
Increase/Decrease in Accounts Receivable	104,700	102,700	--	207,400	(1,552,600)
Increase/Decrease in Other Accounts Receivable	679,100	734,300	--	1,413,600	(934,100)
Increase/Decrease in Due from Other Funds	7,700	--	--	7,700	(59,600)
Increase/Decrease in Inventory	(763,800)	248,700	--	(515,100)	(457,300)
Increase in Loans to Other Funds	--	(4,700,000)	--	(4,700,000)	--
Increase (Decrease) in Accounts Payable	(5,239,800)	4,288,100	--	(951,700)	(396,500)
Increase (Decrease) in Arbitrage Rebate Payable	(15,300)	--	--	(15,300)	84,100
Increase (Decrease) in Customer Contracts Payable	(234,900)	--	--	(234,900)	835,100
Increase (Decrease) in Utility Deposits Payable	(2,014,900)	--	--	(2,014,900)	794,500
Increase (Decrease) in Deferred Revenue	(63,100)	--	--	(63,100)	4,800
Increase (Decrease) in Customer Advances	50,900	--	--	50,900	(146,700)
Increase in Accrued Lease	1,987,200	907,600	--	2,894,800	566,400
Increase (Decrease) in Prepaid Fee Credit	(73,400)	--	--	(73,400)	860,300
Total Adjustments	<u>10,165,600</u>	<u>3,941,500</u>	<u>--</u>	<u>13,908,100</u>	<u>19,067,000</u>
Net Cash Provided by Operating Activities	<u>\$ 62,172,000</u>	<u>\$ 5,568,000</u>	<u>\$ 259,100</u>	<u>\$ 67,999,100</u>	<u>\$ 80,533,000</u>
Noncash Operating, Noncapital and Capital Financing Activities:					
During 1991, the City established the Internal Loan Fund resulting in the recording of loans to other funds and a loan payable in the amount of \$17,404,300.					
During 1991, land, with a fair market value of \$265,000, was donated to Forest Meadows.					

NOTES TO FINANCIAL STATEMENTS

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE 1 - 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 75 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.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

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 cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Intertfund 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, 1990 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 cash flows. 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.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE 1 - (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 the 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, etc. 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.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE 1 - (Continued)

2. **ENCUMBRANCES** - Encumbrance accounting, under which requisitions, 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. **CASH AND CASH EQUIVALENTS** - The City considers cash on hand, cash with fiscal agents, demand deposits and bank repurchase agreements as cash and cash equivalents. In addition, each fund's equity in the City's investment pool has been treated as a cash equivalent since cash may be withdrawn from the pool at any time without prior notice or penalty.

2. **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.

3. **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 weighted 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. Perpetual inventory records are maintained for all significant inventories.

4. **ADVANCE TO/FROM OTHER FUNDS** - Non-current 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".

5. **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.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE 1 - (Continued)

Fixed Assets used in the Enterprise and Internal Service Funds are accounted for in the respective 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 sheet. 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.

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 years 1991 and 1990, capitalized interest in the proprietary funds amounted to \$1,169,700 and \$1,305,900, respectively.

6. 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.

7. LOAN ISSUANCE COSTS - Loan issuance costs are deferred and amortized over the term of the loan using the straight line method.

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 ensure consistent property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 1991 was 3.200.

All property is assessed by the county 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.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE 1 - (Continued)

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.

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:

<u>Executive</u>		<u>Senior Manager</u>		<u>General</u>	
Years of Service	Total Days Per Year	Years of Service	Total Days Per Year	Years of Service	Total Days Per Year
Up to 1	15	Up to 1	15	Up to 5	15
1 to 5	21	1 to 5	18	5 to 10	18
5 to 10	24	5 to 10	21	10 to 20	21
Over 10	27	10 to 20	24	Over 20	24
		Over 20	27		

A maximum of 43 days vacation leave time may be carried over from one fiscal year to the next for executive employees and a maximum of 33 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 four hours for each month of service with no maximum limit on the number of hours which may be accumulated. Effective May 1, 1991, employees who have 24 months continuous service and who experience an absence in excess of 48 consecutive work hours for a medically certified illness or disability are also eligible for Catastrophic Illness Leave up to a lifetime maximum of 1200 hours. An employee who terminates from the City for any reason other than termination for cause will be paid one-half of the total amount of sick leave (without regard to catastrophic illness leave) accumulated by him or her on the effective date of termination. If the employee dies, the sick leave amount will be paid to the employee's beneficiary or estate. Retiring employees can elect the option of using the accumulated sick leave amount to purchase single coverage health insurance in lieu of receiving payment.

Accumulated current and long term vacation and sick pay amounts are accrued when vested in Proprietary Funds. For Governmental Funds, the long term portion of the liability is recorded in the General Long-term Debt Account Group, and the short-term portion in the respective fund (disclosed in Note III B.6).

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE 1 - (Continued)

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, 1991 are as follows:

General	\$ 7,818,200
Electric	6,140,600
Gas	708,700
Sewer	2,423,600
Water	2,558,700
Airport	392,000
Tallahassee Transit	495,500
Solid Waste	2,025,800
Golf Course	128,100
Forest Meadows	37,700
Storm Water	307,000
	<u>\$25,035,700</u>

5. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS - The following schedule reconciles the "Excess of Revenues and Other Sources Over Expenditures and Other Uses - Budgetary Basis" to the "Excess of Revenues and Other Sources Over Expenditures and Other Uses - GAAP Basis" for the General Fund for the year ended September 30, 1991:

Excess of Revenues and Other Sources Over Expenditures and Other Uses - Budgetary Basis	\$ 30,400
Adjustments:	
Cancellation of Prior Year Encumbrances	(83,500)
Recognition of Current Year Encumbrances	<u>328,900</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses - GAAP Basis	<u>\$ 276,000</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE 4 - (Continued)

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's 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.

<u>Departments</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Variance</u>
City Commission	\$ 340,400	\$ 340,100	\$ 300
Legal	1,111,200	1,180,100	(68,900)
Treasurer/Clerk	5,685,000	5,550,100	134,900
Auditing	398,200	351,100	47,100
Executive	1,510,800	1,389,400	121,400
Management and Budget	12,319,800	11,911,300	608,500
Fire	12,176,000	11,790,700	385,300
Police	21,809,800	20,470,800	1,339,000
Public Works	26,538,000	25,253,800	1,284,200
Parks and Recreation	8,484,000	8,568,800	(84,800)
General Services	1,450,600	1,406,700	23,900
Planning	1,749,000	1,744,600	4,400
Community Improvement	2,207,700	2,184,600	23,100
Aviation	6,937,400	6,785,600	151,800
Traffic	6,141,200	6,206,000	(64,800)
Electric	129,800,800	127,716,200	2,084,600
Water and Sewer	29,012,800	28,877,700	135,100
Gas	9,827,800	8,884,700	943,100
Growth Management	2,642,900	2,551,700	91,200
	<u>\$ 280,523,400</u>	<u>\$ 273,164,000</u>	<u>\$ 7,159,400</u>

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 twenty-five years and require, in some cases, that leasehold improvements 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, 1991:

Years ending September 30,	
1992.....	\$ 1,578,700
1993.....	1,692,700
1994.....	1,702,000
1995.....	727,500
1996.....	517,100
Later years.....	<u>5,456,100</u>
	<u>\$11,674,100</u>

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, 1991 amounted to \$171,800.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE 1 - (Continued)

In October 1989, the City entered into a 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 Fee Credit to be credited against the subsequent year's rates for rentals, fee and charges. Remaining funds are to be designated to Prepaid Fee Credit as follows: 60% for the first five fiscal years, and 50% in subsequent fiscal years. The allocation of the Prepaid Fees Credit is 85% toward terminal rentals and 15% toward landing fees.

The Prepaid Fees Credit is recorded as a current liability in the amount of \$788,900 and \$862,300 for the 1991 and 1990 fiscal years, respectively.

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 signatory 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.

During fiscal year 1991 the City Commission authorized the privatization of the fixed base operations at the City's airport through a non-exclusive lease agreement effective October 1, 1991. The initial lease period is for twenty-five years with two five year options. The lease agreement provides for minimum guaranteed annual lease payments of \$215,000 for the first two years of the agreement. Thereafter, the guaranteed annual lease payment is adjusted annually based on the amount of space leased and fuel sales from the preceding year. To the extent the actual lease space payment and the actual fuel sales flowage fees exceed the guaranteed minimum lease payment, the lessee is required to pay the higher amount to the City.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE 11 - 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 (\$154,500) and (\$255,700) at September 30, 1991 and 1990, respectively.

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS AND DEPARTMENTS

During the fiscal year, expenditures in two funds (Sewer and Tallahassee Transit) and three departments (Legal, Parks and Recreation, and Tallahassee Transit) exceeded appropriations. These excesses were disclosed to the City Commission and absorbed through the respective fund's unreserved fund balance or retained earnings.

D. ESTABLISHMENT OF NEW FUNDS

1. **INTERNAL LOAN FUND** - During 1991, the City created the Internal Loan Fund to provide interim and long-term financing to other funds. The financing for the fund's loan activities was provided through non-revenue specific and non-project specific loans from the Sunshine State Governmental Financing Commission. Loans between the Internal Loan Fund and the various recipient funds are approved and authorized by the City Commission. The Treasurer-Clerk's Office administers the loan program which includes establishing use of proceeds, principal amortization, if appropriate, and source(s) for repayment.

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.

E. TERMINATION OF FUNDS

During 1991, the City decided to account for the Forest Meadows' operation in the General Fund effective October 1, 1991. During fiscal year 1990 and 1991 the Forest Meadows' operation has been reported in Forest Meadows Fund, an enterprise fund.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE 111 - DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS

A. ASSETS

1. CASH AND CASH EQUIVALENTS 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 reported in "Cash and Cash Equivalents." 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 (\$1,907,600) and the bank balance was \$2,618,100. 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 agreement's balance at September 30, 1991 is \$6,500,000. 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. The investment 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.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE III - (Continued)

Authorized Investment Instruments for General Operating and the Sinking Fund pools are as follows:

	<u>General Operating</u>	<u>Sinking Fund</u>
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

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.

In addition to authorizing investment instruments, the City's policies also identify various portfolio parameters addressing issuer diversification, term to maturity and liquidity, and requirement of "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, 1991:

	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Repurchase Agreements . . . \$	--	\$ 6,500,000	\$ --	\$ 6,500,000	\$ 6,500,000
U. S. Government					
Securities	163,466,900	--	--	163,466,900	167,272,200
U. S. Government Agencies	24,993,300	--	--	24,993,300	25,728,100
Certificate of Deposit	1,707,600	--	--	1,707,600	1,707,600
Equity Real Estate	19,150,400	--	--	19,150,400	18,027,700
Corporate Fixed Income					
Securities	34,546,900	-	--	34,546,900	35,138,700
	<u>\$243,865,100</u>	<u>\$ 6,500,000</u>	<u>\$ --</u>	250,365,100	254,374,300

Investment in Florida State Board of Administration					
Local Governments Surplus Funds Investment Pool				58,897,400	58,897,400
Investment in mutual funds				113,959,500	126,171,800
Investment in Corporate Equity Securities				49,716,000	55,679,300
Investment in guaranteed investment contract				91,031,000	91,031,000
Accrued interest				3,995,800	3,995,800
Total Investments				<u>\$567,984,800</u>	<u>\$590,149,600</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 1991

NOTE 111 - (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 counter party, or by its trust department agency but not in the name of the City.

2. FIXED ASSETS

During the fiscal year ended September 30, 1991, the following changes occurred in the general fixed assets account group:

	Balance October 1, 1990	Additions	Deletions	Balance September 30, 1991
Land	\$14,981,300	\$ 2,129,600	\$ 2,709,100	\$ 14,401,800
Buildings	27,926,200	2,081,500	--	30,007,700
Improvements Other Than Buildings	4,105,600	--	36,400	4,069,200
Equipment	12,618,800	610,900	281,300	12,948,400
Construction in Progress	24,011,600	5,277,400	395,700	28,893,500
	<u>\$83,643,700</u>	<u>\$10,099,400</u>	<u>\$ 3,422,500</u>	<u>\$ 90,320,600</u>

General fixed assets construction in progress consisted of the following at September 30, 1991:

	Project Authorized	Expended	Committed	Required Future Funding
Municipal Garage Expansion	\$ 3,845,000	\$ 3,508,100	\$ 356,900	None
Downtown Mixed Use Project	10,027,600	9,724,700	302,900	None
Economic Development	3,797,700	3,104,500	693,200	None
Land Acquisition	4,750,000	3,071,300	1,678,700	None
Parks & Recreation Facilities	5,466,200	4,010,500	1,458,700	None
Miscellaneous Projects	17,408,500	5,474,400	11,934,100	None
	<u>\$ 45,295,000</u>	<u>\$ 28,893,500</u>	<u>\$16,401,500</u>	

Proprietary fund type fixed assets consisted of the following at September 30, 1991:

	Enterprise	Internal Service
Land	\$ 23,994,300	\$ 44,400
Structures and Improvements	72,643,400	650,700
Equipment	389,509,400	7,848,200
Vehicles	9,096,000	20,736,200
Construction in Progress	97,418,800	--
Total	<u>592,661,900</u>	<u>29,279,500</u>
Less: Accumulated Depreciation	<u>187,212,000</u>	<u>12,408,900</u>
Net	<u>\$405,449,900</u>	<u>\$ 16,870,600</u>

The amount reported for equipment in the Internal Service Fund as of September 30, 1991 includes capitalized lease equipment of \$3,586,800. Accumulated depreciation on the leased equipment totaled \$1,074,600. See Note 111 B.7 for schedule of minimum lease payments.

CITY OF TALLAHASSEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
 September 30, 1991

NOTE III - (Continued)

Fixed Assets for each Enterprise Fund and Internal Service Fund consisted of the following at September 30, 1991:

	Land	Structures and Improvements	Equipment	Vehicles	Construction In Progress	Total	Less Accumulated Depreciation	Net
Electric	\$ 3,048,400	\$ 22,538,500	\$ 244,587,100	\$ 3,843,100	\$ 61,217,600	\$ 335,034,700	\$ 128,406,200	\$ 206,628,500
Gas	61,600	447,500	12,252,800	--	1,511,400	17,273,300	4,748,800	12,524,500
Sewer	871,600	4,015,200	86,709,800	45,400	15,742,600	107,375,800	24,085,200	83,290,600
Water	156,400	2,801,900	42,465,200	2,600	9,153,800	54,579,900	13,304,800	41,275,100
Airport	17,316,600	36,506,400	498,300	284,400	2,411,500	57,017,200	9,909,100	47,108,100
Tallahassee Transit	1,850,300	3,762,700	987,000	4,845,400	4,370,800	15,816,200	4,756,000	11,060,200
Solid Waste	280,000	--	1,813,200	6,800	--	2,100,000	1,596,400	503,600
Golf Course	144,200	1,352,700	201,200	68,300	--	1,766,400	368,000	1,398,400
Forest Meadows	265,000	1,418,500	3,800	--	11,100	1,698,400	37,500	1,660,900
Internal Services	44,400	650,700	7,848,200	20,736,200	--	29,279,500	12,408,900	16,870,600
Total	\$ 24,038,700	\$ 73,294,100	\$ 397,357,600	\$ 29,832,200	\$ 418,800	\$ 621,941,400	\$ 199,620,900	\$ 422,320,500

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30,

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 125 which was repealed effective October 1, 1989. The provisions of the pension plans are "qualified" under the Internal Revenue Service Code, which makes employee contributions tax deferred.

a. **Defined Benefit Provision** - Established through Parts A, B, and C in Articles II, III, and IV. Parts A and B are closed to further participation while part C provides coverage to all new employees. 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 post retirement cost-of-living adjustments (COLA) and health care supplements.

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, 1991 the mandatory employee contribution of 1% was eliminated and the City contributes 4% to the general employee's MAP account. 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. 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 employees contributions were eliminated. All employees (general, firefighters and police officers) may elect to contribute up to 5%. Employees may change the amounts of their additional contribution but may do so no more than two times in any one fiscal year. 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 (including the City's 4% contribution to each general employees MAP account) 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.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 1991

NOTE III - (Continued)

c. **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 modest rate 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, the most recent actuarial report date, were as follows:

Pension Benefit Obligation

a. Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving benefits	\$ 63,025,300
b. Current employees:	
Accumulated employee contributions	32,833,000
Employer-financed vested	27,246,100
Employer-financed nonvested	<u>41,026,900</u>
Total Pension Benefit Obligation	164,131,300
c. Net assets available for benefits, at amortized cost	<u>177,683,600</u>
d. Assets in excess of Pension Benefit Obligation	<u>\$ 13,552,300</u>

The market value of net assets available for benefits was \$192,417,600.

Pension Plan Information:

1991 Membership Statistical Information

A. Retirees and beneficiaries of deceased retirees currently receiving benefits	431
B. Terminated employees entitled to benefits but not yet receiving benefits	26
C. Active employees:	
Fully vested	1,421
Non-vested	1,147
D. Total current year's payroll	\$75,507,000
E. Current year payroll for employees covered by the Plan	\$66,538,000

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE III - (Continued)

d. **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 contribution is funded using the entry age actuarial cost method with amortization period of fifteen years.

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.

Total contributions to the Defined Benefit Plan in 1991 amounted to \$11,613,900 of which \$6,859,200 and \$4,754,700 were made by the City of Tallahassee and its employees, respectively. In addition, there is a State Contribution for the Police and Fire plans of \$466,000 and \$288,300, respectively. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of September 30, 1989. The pension contributions represent funding for normal cost (\$11,465,300) and the amortization of the unfunded liability amortization, term life cost, expenses (\$902,900). Contributions made by the City of Tallahassee and its employees are detailed in the tables noted below.

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 contributions as a percentage of payroll for each Article for three years is as follows:

1991	Article II - General	Article III - Police	Article IV - Fire
Normal Cost	15.36%	24.25%	22.81%
Unfunded Accrued Liability	0.09	(1.75)	1.98
Term Life Cost	0.84	0.58	1.11
Expenses	0.50	0.50	0.50
Sub-total	<u>16.79</u>	<u>23.58</u>	<u>26.40</u>
Member	(7.00)	(7.00)	(9.00)
Chapter 175/185	0.00	(5.23)	(4.56)
City	<u>9.79%</u>	<u>11.35%</u>	<u>12.84%</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE III - (Continued)

1990	Article II - General	Article III - Police	Article IV - Fire
Normal Cost	15.36\$	24.25\$	22.81\$
Unfunded Accrued Liability	0.09	(1.75)	1.98
Term Life Cost	0.84	0.58	1.11
Expenses	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>
Sub-total	16.79	23.58	26.40
Member	(7.00)	(7.00)	(9.00)
Chapter 175/185	<u>0.00</u>	<u>(5.61)</u>	<u>(5.45)</u>
City	<u>9.79\$</u>	<u>10.97\$</u>	<u>11.95\$</u>

1989	Article II - General	Article III - Police	Article IV - Fire
Normal Cost	11.24\$	13.04\$	22.57\$
Unfunded Accrued Liability	0.59	0.00	4.16
Term Life Cost	0.96	0.71	0.97
Expenses	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>
Sub-total	13.29	14.25	28.20
Member	(7.00)	(7.00)	(9.00)
Chapter 175/185	<u>0.00</u>	<u>0.00</u>	<u>(5.45)</u>
City	<u>6.29\$</u>	<u>7.25\$</u>	<u>13.75\$</u>

A separate Article V MAP employer contribution is also payable for general employees, police officers 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 1991, 1990 and 1989 respectively. The Article V MAP employer contribution for police officers was 2.26\$ through June 1, 1990.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 1991

NOTE III - (Continued)

a. **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)

	(1)	(2)	(3)	(4)	(5)	(6)
			*			**
	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded (1) / (2)	Assets in Excess of Pension Benefit Obligation (1) - (2)	Annual Covered Payroll	Assets in Excess of PBO as % of Covered Payroll (4) / (5)
Fiscal Year Ended						
9/30/87	\$ 128.8	\$ 125.4	103%	\$ 3.4	\$ 44.3	8%
9/30/88	\$ 153.6	\$ 142.1	108%	\$ 11.5	\$ 49.5	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 over time 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.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 1991

NOTE III - (Continued)

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 or the Prudential Asset Management Company, Inc. They will invest and reinvest the money and credit each account with earnings from its investments.

3. POST-EMPLOYEE BENEFITS - Retirees under one of the City's Pension Plans may participate in the health insurance plans offered by the City. The employee is required to pay the full cost of the insurance. The City provides a health care supplement equivalent to \$3 per month for each year of service (maximum not to exceed \$90 per month per employee). This post-employment benefit is funded through the City's contribution to the pension plans, and is based on a level funding approach using the entry age actuarial cost method.

4. OUTSTANDING CONTRACTS - The City has outstanding commitments on various contracts for construction and other projects. These commitments, as of September 30, 1991, in the respective funds are as follows:

Special Revenue Funds	\$ 306,000
Capital Project Funds	812,700
Internal Service Funds	90,000
Enterprise Funds	
Electric	905,200
Sewer	1,536,600
Water	642,400
Airport	215,300
Gas	36,200
Tallahassee Transit	46,700
Solid Waste	27,000
Total	<u>\$ 4,618,800</u>

5. 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, 1991:

	Balance	Additions	Reductions	Balance
	October 1			September 30
General Revenue Bonds . . .	\$ 41,330,000	\$ --	\$ 530,000	\$ 40,800,000
Accrued Leave	3,564,100	2,760,000	--	6,324,100
Note Payable	406,000	--	32,500	373,500
Advances	1,084,500	--	--	1,084,500
Loans from Other Funds . . .	--	2,300,000	--	2,300,000
Arbitrage Rebate Payable . .	611,900	--	145,900	466,000
	<u>\$ 46,996,500</u>	<u>\$ 5,060,000</u>	<u>\$ 708,400</u>	<u>\$ 51,348,100</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE III - (Continued)

b. Summarized below are the City's individual bond issues which were outstanding at September 30, 1991:

General revenue bonds:

\$20,605,000 Capital Refunding Bonds - Series 1987, due in annual installment of \$540,000 to \$1,050,000 from October 1, 1994 to October 1, 2006 with a term payment of \$15,765,000 due October 2007, interest at 11.05%. In addition, the City is required to make semi-annual sinking fund investment purchases of \$1,725,100 to \$1,780,200 from October 1, 1991 to October 1, 1995, 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 \$565,000 to \$1,960,000 from October 1, 1991 to October 1, 2009, interest at 7.52%. 20,195,000
\$ 40,800,000

Proprietary revenue bonds:

\$93,290,100 Junior Lien Electric Refunding Revenue Bonds - Series 1985, due in annual installments of \$4,815,000 to \$8,130,000, October 1, 1992 through October 1, 2007, at an effective average interest of 9.34%. Bonds stated at face amount plus accretion of \$7,785,800. \$ 96,485,900

\$4,490,000 Consolidated Utility Systems Revenue Bonds - Series 1991A, due in annual installments of \$150,000 to \$275,000 from October 1, 1992, to October 1, 2009, interest at 5.1%. 4,490,000

\$47,785,000 Consolidated Utility Systems Revenue Bonds - Series 1991B, due in annual installments of \$890,000 to \$2,120,000 from October 1, 1992 to October 1, 2014, interest at 6.5%. 46,895,000

\$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
\$160,220,900

On May 29, 1991 and August 7, 1991 the City issued \$4,490,000 and \$47,785,000 in Consolidated Utility System Revenue Bonds, Series 1991A and 1991B. The proceeds from the 1991A issue and a portion of the proceeds from the 1991B issue were used to refund the City's outstanding Municipal Utility Revenue Bonds, Series 1970, 1970A, 1979 and 1982. There is a \$10,020,900 difference between the cash flow required to service the new and old bonds which represents an economic gain on the transaction of \$ 120,000. The enterprise funds recorded an extraordinary gain of \$360,100 in connection with this refunding transaction.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

C. Schedule of Principal Requirements

Year Ending September 30	General Revenue	Proprietary Revenue				Notes and Loan Payable	Total
		Electric	Gas	Sewer	Airport		
1992	\$ 565,000	\$ 4,935,000	\$ 63,900	\$ 820,200	\$ 200,900	\$ 65,000	\$ 6,875,000
1993	605,000	5,315,000	67,300	862,300	210,400	25,000	7,345,000
1994	1,190,000	5,735,000	70,700	907,300	222,000	65,000	8,445,000
1995	1,290,000	6,200,000	74,400	936,300	234,300	65,000	9,093,000
1996	1,400,000	6,715,000	78,500	1,009,200	247,300	65,000	9,805,000
1997	1,515,000	5,795,000	63,300	1,069,800	261,900	16,000	9,051,000
1998	1,650,000	4,815,000	88,100	1,130,500	276,400	--	8,290,000
1999	1,790,000	5,245,000	93,500	1,199,000	292,300	--	8,975,000
2000	1,178,000	5,715,000	99,000	1,270,500	310,500	--	8,953,000
2001	1,236,100	6,235,000	105,200	1,349,700	330,100	--	9,666,100
2002	1,305,400	6,815,000	111,700	1,432,900	350,400	--	10,455,400
2003	1,376,600	7,445,000	119,200	1,527,800	373,000	--	11,311,600
2004	1,463,900	8,130,000	127,400	1,630,600	397,000	--	12,258,900
2005	2,395,000	5,247,000	135,600	1,736,300	423,100	--	10,487,400
2006	2,615,000	5,776,300	144,800	1,853,700	451,300	--	11,431,300
2007	15,450,000	6,367,200	154,700	1,979,000	481,300	--	25,067,200
2008-2016	5,775,000	--	1,565,600	18,585,900	3,800,300	21,699,300	55,334,700
	\$40,800,000	\$ 96,445,900	\$5,202,900	\$59,319,000	\$ 8,863,100	\$22,040,700	\$273,061,600

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

d. Schedule of Debt Service Requirements, including Principal and Interest

Year Ending September 30	General Revenue	Proprietary Revenue				Water	Airport	Note and Loan Payable	Total
		Electric	Gas	Sewer	Airport				
1992	\$ 4,091,400	\$ 11,857,400	\$ 275,400	\$ 5,380,500	\$ 772,800	\$ 1,164,000	\$ 5,320,000	\$ 24,860,000	
1993	4,092,400	11,857,400	275,700	5,382,900	772,600	1,156,200	5,320,000	24,865,200	
1994	4,635,700	11,857,500	275,600	5,382,800	773,200	1,156,200	5,320,000	25,409,600	
1995	4,639,600	11,859,000	273,500	5,382,100	773,400	1,164,600	5,320,000	25,411,700	
1996	4,644,700	11,858,400	275,300	5,380,700	773,500	1,166,700	5,320,000	25,417,100	
1997	4,644,500	11,855,800	273,600	5,383,100	773,600	1,166,800	5,271,000	25,566,400	
1998	4,652,900	11,855,900	273,400	5,380,900	772,900	1,165,100	5,255,000	25,556,100	
1999	4,655,800	11,857,400	273,600	5,381,800	772,500	1,166,400	5,255,000	25,560,500	
2000	4,663,400	11,855,500	273,500	5,380,400	772,900	1,165,400	5,255,000	25,565,700	
2001	4,668,700	11,855,200	273,400	5,381,200	773,400	1,167,300	5,255,000	25,574,200	
2002	4,675,400	11,858,500	275,200	5,379,600	773,100	1,166,600	5,255,000	25,581,400	
2003	4,677,800	11,856,100	273,500	5,381,900	773,200	1,163,100	5,255,000	25,582,600	
2004	4,676,000	11,854,500	273,800	5,384,500	773,000	1,167,200	5,255,000	25,583,800	
2005	4,688,200	11,229,200	273,600	5,382,500	773,000	1,167,600	5,255,000	24,769,100	
2006	4,701,900	12,361,000	273,700	5,384,000	773,300	1,165,000	5,255,000	25,913,900	
2007	17,311,100	15,625,600	273,800	5,383,800	772,800	1,164,300	5,255,000	39,786,400	
2008 - 2016	4,193,700	--	2,060,800	24,062,600	4,878,600	8,158,800	50,994,700	94,549,200	
	\$ 90,511,200	\$ 191,553,200	\$ 6,437,200	\$ 78,174,900	\$ 17,247,600	\$ 26,812,000	\$ 103,415,700	\$ 513,751,800	

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE III - (Continued)

e. Refunded Issues - The City defeased certain general revenue, municipal utility revenue, 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, 1991:

Type	Series	Outstanding as of September 30, 1991
General Revenue	1973	\$ 14,100,000
	1978	38,800,000
	1981	21,750,000
Municipal Hospital	1967	510,000
Municipal Electric	1964	600,000
	1969	2,400,000
	1972	9,950,000
	1977	75,295,000
	1982	18,200,000
Municipal Utility Revenue	1970	3,300,000
	1970A	1,200,000
	1979	9,615,000
	1982	4,875,000
		\$ 200,595,000

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. During 1991, the City obtained additional loans totaling \$4,700,000 from the Sunshine State Governmental Financing Commission, the proceeds to be used to fund the purchase of data processing equipment and to fund the construction of a road project. 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, 1991 was 4.81%. The debt service schedule on B-36 was prepared utilizing a fifteen percent (15%) interest rate, which is the maximum rate on the loan. The outstanding balance at September 30, 1991 is \$21,699,700.

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-avalorem revenues exists).

The first loan was 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); sewer fund (\$8,694,300, with the primary source of debt service being sewer operating revenues). The second loan was allocated as follows: data services fund (\$2,400,000, with the primary source of debt service being data services revenues generated by user fee charges); and general long term debt (\$2,300,000, with the primary source of debt service being revenues generated from special assessments and General Fund revenues).

The loans are due to be repaid at July 1, 2016; however, earlier repayment is allowed under the terms of the loan.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE 111 - (Continued)

6. ACCRUED LEAVE

The current and Long-Term portions of accrued leave by fund consists of the following at September 30, 1991:

	<u>Accrued Vacation</u>	<u>Accrued Sick Leave</u>	<u>Total</u>	<u>Accrued Leave Short-Term Portion</u>
Enterprise Funds:				
Electric	\$ 898,700	\$ 1,525,600	\$ 2,424,300	\$ 709,600
Gas	100,100	121,300	221,400	74,500
Sewer	330,900	411,200	742,100	263,800
Water	102,100	198,300	300,400	89,300
Airport	106,900	217,800	324,700	85,200
Tallahassee Transit . .	158,900	135,800	294,700	125,600
Solid Waste	201,500	336,000	537,500	150,800
Golf Course	36,300	31,600	67,900	25,300
Forest Meadows	3,200	2,800	6,000	2,900
Internal Service Funds .	652,300	829,000	1,481,300	502,700
General Long-Term Debt .	2,396,500	3,927,600	6,324,100	1,867,800
Total	<u>\$ 4,987,400</u>	<u>\$ 7,737,000</u>	<u>\$12,724,400</u>	<u>\$ 3,897,500</u>

*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.

7. LEASE COMMITMENTS

The City leases a significant amount of equipment from various corporations. The leases are for 1 to 5 years expiring in 1991 through 1995, and may be renewed annually thereafter. The leases are classified as either operating leases or capital leases which are capitalized to fixed assets, and the payments are charged to expenditures when paid. At the expiration of the capital lease term, the City has the option of purchasing the leased equipment at significantly reduced prices. Total remaining operating lease payments and future minimum lease payments and capitalized leases follows:

	September 30, 1991	
	<u>Operating</u>	<u>Capital</u>
1992	\$ 462,700	\$ 709,400
1993	453,700	543,700
1994	452,000	66,300
1995	201,800	--
Total Minimum Lease Payments	<u>\$ 1,570,200</u>	<u>1,319,400</u>
Less: Amount Representing Interest		(461,700)
Present Value of Net Minimum Lease Payments		857,700
Current Portions		(648,800)
Long-Term Obligation at September 30, 1991		<u>\$ 208,900</u>

8. SELF-INSURANCE PROGRAM

The Self-Insurance Program provides coverage against workers' compensation claims (up to the first \$300,000 per occurrence), general liability and automobile liability. An insurance carrier is responsible for all workers' compensation claims exceeding \$300,000. 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, 1991, the City recorded a liability of \$4,900,000 for claims.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

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 or 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 through a company which provides coverage for losses in excess of \$70,000 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 on a quarterly basis. The City accounts for its self-insurance program through the Employee Healthcare Fund which is classified as an Internal Service fund. At September 30, 1991, the City recorded a liability of \$231,700 reflecting an amount for reported and unreported claims incurred.

9. 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.

10. 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 was available to all electric customers of the prior twelve (12) months, based on their proportional electric consumption. On September 4, 1991, the City modified this policy to provide for the retention of all electric system year end surplus within the electric Operating Reserve.

C. INTERFUND RECEIVABLES AND PAYABLES

At September 30, 1991, Interfund Receivables and Payables are as follows:

Fund	Interfund Receivables	Interfund Payables
General	\$ 47,200	\$ 97,800
Airport	51,700	48,200
Electric	700	--
Forest Meadows	200	--
Capital Projects	1,600	--
Tallahassee Transit	--	2,900
Reading, Billing and Collection . .	47,500	--
Data Processing	312,100	--
Central Stores	--	277,100
Garage	--	35,000
	\$ 461,000	\$ 461,000

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 1991

NOTE 111 - (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, 1991:

	Electric	Sewer	Airport	Tallahassee Transit	Others	Total
Beginning Balance as of						
October 1, 1990	\$ 2,126,000	\$20,583,000	\$29,285,700	\$11,176,900	\$ 2,280,300	\$65,454,900
Additions:						
Grant Revenue	--	--	1,359,000	1,112,700	--	2,531,700
Donated Property	--	--	--	--	267,000	267,000
Transfer from Other Funds	--	--	140,000	285,700	--	425,700
Total Additions	--	--	1,499,000	1,458,400	267,000	3,222,400
Deductions:						
Depreciation on						
Contributed Assets	--	(699,500)	(1,389,500)	(503,700)	--	(2,594,700)
Total Deductions	--	(699,500)	(1,389,500)	(503,700)	--	(2,594,700)
Ending Balance as of						
September 30, 1991	\$ 2,126,000	\$19,883,500	\$29,395,200	\$12,132,600	\$ 2,545,300	\$66,082,600

2) Internal Service Funds - The following changes occurred in contributed capital of the Internal Service Funds during the year ended September 30, 1991:

	Garage	Risk Management	Communication	Total
Beginning Balance as of				
October 1, 1989	\$ 5,395,100	\$ 893,500	\$ 129,900	\$ 6,418,400
Additions:				
Total Additions	187,900	--	--	187,900
Deductions:				
Total Deductions	--	--	--	--
Ending Balance as of				
September 30, 1991	\$ 5,583,000	\$ 893,500	\$ 129,800	\$ 6,506,300

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

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, 1991, the Reserved Retained Earnings for the Tallahassee Transit Fund, Airport Fund, Solid Waste Fund, Golf Fund, and Forest Meadows Fund was \$50,700, \$4,079,500, \$9,600, \$145,700, and \$10,700, respectively. The following changes occurred in reserved retained earnings of the enterprise funds during the year ended September 30, 1991:

	Electric	Gas	Sewer	Water	Others	Total Enterprise Funds
Reserved Retained Earnings:						
Revenue Bond Reserve	\$14,804,500	\$ --	\$ 1,883,200	\$ 638,600	\$ 1,174,100	\$ 18,497,400
Sunshine State Construction	--	1,359,700	6,034,300	3,878,800	--	11,272,500
Revenue Bonds Renewal and Replacement	42,725,100	3,392,900	7,151,300	2,552,400	2,226,800	58,048,500
Revenue Bonds Construction	16,006,000	75,500	2,982,200	3,410,500	1,094,300	23,568,500
System Charges	--	--	5,849,800	3,194,100	--	9,043,900
Loan Debt Service	--	--	190,600	159,600	--	350,200
Other	16,280,800	127,200	956,900	208,400	680,800	18,254,100
Total - October 1, 1990	<u>89,815,400</u>	<u>4,955,300</u>	<u>25,028,300</u>	<u>14,039,400</u>	<u>5,176,000</u>	<u>139,015,400</u>
Add						
Income Earned on Restricted						
Assets	2,385,000	363,400	2,049,900	998,700	1,959,300	7,756,300
Debt Service Funding	11,856,700	106,500	1,350,300	530,000	939,700	14,783,200
Renewal and Replacement Funding	16,100,000	1,744,700	1,530,200	2,259,500	228,200	21,862,600
Increase in Other Reserve	10,847,900	251,100	3,898,300	2,746,100	172,800	17,915,800
Bond Proceeds	--	3,124,000	26,078,800	3,549,400	--	32,753,000
Other	--	101,400	2,523,700	984,400	23,000	3,632,500
Deduct						
Payment of Bond Principal	(4,590,000)	--	(695,100)	(1,035,200)	--	(6,320,300)
Transfer to Other Funds	(1,754,100)	(271,900)	(3,257,500)	(2,885,600)	--	(8,169,200)
Interest and Fiscal Charges	(8,552,500)	(8,800)	(2,926,000)	(69,400)	(939,700)	(12,496,400)
Transfer of Fixed Assets and Expenses	<u>(22,889,300)</u>	<u>(4,493,400)</u>	<u>(8,928,000)</u>	<u>(6,630,800)</u>	<u>(3,263,100)</u>	<u>(46,204,600)</u>
Net Increase/(Decrease) in Reserved Retained Earnings	<u>3,403,200</u>	<u>917,800</u>	<u>21,624,600</u>	<u>447,100</u>	<u>(879,800)</u>	<u>25,512,900</u>
	<u>\$93,219,600</u>	<u>\$ 5,873,100</u>	<u>\$46,652,900</u>	<u>\$14,486,500</u>	<u>\$ 4,296,200</u>	<u>\$164,528,300</u>
Reserved Retained Earnings:						
Revenue Bond Reserve	\$11,858,500	\$ 303,900	\$ 3,736,400	\$ 843,200	\$ 1,257,800	\$ 17,999,800
Sunshine State Construction	--	925,700	5,081,400	3,677,300	--	9,684,400
Revenue Bonds Renewal and Replacement	40,305,400	3,091,200	6,722,800	2,204,100	1,564,700	53,988,200
Revenue Bonds Construction	13,605,000	1,500,100	23,799,500	2,838,900	500,500	42,244,000
System Charges	--	--	6,508,400	4,521,500	--	11,029,900
Revenue Bonds Debt Service	--	--	--	--	23,400	23,400
Other	27,450,700	52,200	804,400	401,500	849,800	29,558,600
Total - September 30, 1991	<u>\$93,219,600</u>	<u>\$ 5,873,100</u>	<u>\$46,652,900</u>	<u>\$14,486,500</u>	<u>\$ 4,296,200</u>	<u>\$164,528,300</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

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.

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.

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.

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.

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.

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.

Other:

Other reserves have been established by Commission action for specified purposes.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 1991

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	
	1991	1990
General Fund - Reserved for:		
Inventory	\$ 5,600	\$ 5,600
Advances to Other Funds	1,938,300	2,070,300
Law Enforcement	37,700	54,400
Note Receivable	15,000	15,000
Encumbrances	<u>1,721,300</u>	<u>1,475,700</u>
Total General Fund	<u>3,717,900</u>	<u>3,621,000</u>
Special Revenue Funds - Reserved for:		
Projects	5,647,800	3,410,200
Notes Receivable	271,000	179,900
Community and Rehabilitative Trust	--	16,500
Total Special Revenue Funds	<u>5,918,800</u>	<u>3,606,600</u>
Debt Service Fund - Reserved for:		
Current Debt Service	714,000	787,500
Future Debt Service	<u>14,37,100</u>	<u>12,760,200</u>
Total Debt Service Fund	<u>15,121,100</u>	<u>13,547,700</u>
Capital Projects Funds - Reserved for:		
Encumbrances	4,799,500	5,309,300
Projects	43,500,700	40,264,000
Other	<u>465,900</u>	<u>611,900</u>
Total Capital Projects Funds	<u>48,766,100</u>	<u>46,185,200</u>
Expendable Trust Funds - Reserved for:		
Advance to Other Funds	<u>2,672,400</u>	<u>3,715,900</u>
Total Expendable Trust Funds	<u>2,672,400</u>	<u>2,715,900</u>
Total	<u>\$76,196,300</u>	<u>\$69,676,400</u>

2) Internal Service Funds - Reserved retained earnings are restricted to indicate funds obligated as follows:

Reserved for:		
Fleet Management	\$17,323,100	\$13,227,000
Projects	2,160,900	1,938,400
Debt Service	485,700	--
Insurance	<u>1,571,400</u>	<u>--</u>
Total	<u>\$21,541,100</u>	<u>\$15,165,400</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE 111 - (Continued)

3) Pension Trust Fund - Fund Balance is reserved through Chapter 17 of the City Code of Ordinance and requires fund equity to be restricted for future benefits to members of the pension plans as follows:

	<u>1991</u>	<u>1990</u>
General Employees - Article II	\$148,885,800	\$136,303,300
Police Officers - Article III V)	34,794,400	51,703,100
Firefighters - Article IV.	31,717,400	29,206,400
General Defined Contribution - Article V	16,884,700	11,971,900
Total	<u>\$232,282,300</u>	<u>\$209,184,700</u>

4. DESIGNED 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.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 1991

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, 1991 was as follows:

	Electric Fund	Gas Fund	Sewer Fund	Water Fund	Airport Fund	Tallahassee Transit Fund	Solid Waste Fund	Forest Hedges and Golf Course Fund	Total Enterprise Funds
Operating Revenues	\$ 151,045,700	\$ 9,564,100	\$ 16,874,200	\$ 12,591,200	\$ 6,702,900	\$ 1,635,000	\$ 11,320,600	\$ 1,155,300	\$ 210,869,000
Depreciation and Amortization Expenses	\$ 8,942,200	\$ 257,400	\$ 2,751,800	\$ 1,078,500	\$ 1,541,700	\$ 570,100	\$ 15,900	\$ 62,000	\$ 14,717,400
Operating Income or (Loss)	\$ 50,084,500	\$ 2,700,400	\$ 999,900	\$ 4,161,400	\$ (506,100)	\$ (4,990,500)	\$ 443,800	\$ (888,000)	\$ 52,005,400
Operating Transfers:									
In	\$ --	\$ --	\$ 266,900	\$ --	\$ --	\$ 3,930,000	\$ --	\$ 856,000	\$ 5,052,900
Outs	\$ (31,389,600)	\$ (1,623,500)	\$ (655,400)	\$ (2,559,400)	\$ (76,900)	\$ (11,400)	\$ (241,800)	\$ (104,700)	\$ (35,662,500)
Income (Loss) Before Extraordinary Item	\$ 17,645,400	\$ 601,800	\$ 4,652,100	\$ 3,543,700	\$ (1,100,700)	\$ (280,800)	\$ 202,200	\$ (106,400)	\$ 25,157,300
Extraordinary Gain (Loss)	\$ --	\$ 77,500	\$ 307,100	\$ (4,500)	\$ --	\$ --	\$ --	\$ --	\$ 380,100
Net Income (Loss)	\$ 17,645,400	\$ 679,300	\$ 4,959,200	\$ 3,539,200	\$ (1,100,700)	\$ (280,800)	\$ 202,200	\$ (106,400)	\$ 25,537,400
Contribution to Other Funds	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ (101,000)	\$ --	\$ (101,000)
Current Capital Contributions . .	\$ --	\$ --	\$ --	\$ --	\$ 1,359,000	\$ 1,172,700	\$ --	\$ 265,000	\$ 2,796,700
Restricted Assets	\$ 94,878,500	\$ 5,985,900	\$ 48,276,300	\$ 15,144,800	\$ 4,360,000	\$ --	\$ 9,600	\$ 156,400	\$ 168,811,500
Fixed Assets:									
Additions	\$ 20,113,300	\$ 3,080,400	\$ 8,407,400	\$ 6,729,500	\$ 2,470,100	\$ 1,024,700	\$ 240,100	\$ 5,800	\$ 42,069,300
Deletions	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Net Working Capital	\$ 15,676,200	\$ 656,900	\$ 1,623,900	\$ 1,155,600	\$ 738,400	\$ 1,361,800	\$ 507,300	\$ 110,100	\$ 21,830,200
Total Assets	\$ 330,869,200	\$ 19,924,100	\$ 134,417,200	\$ 58,655,300	\$ 94,030,900	\$ 12,950,300	\$ 1,697,200	\$ 3,389,700	\$ 615,933,900
Bonds and Other Long-Term Liabilities Payable from Operating Revenues	\$ 96,485,900	\$ 3,202,900	\$ 39,519,000	\$ 8,663,100	\$ 12,350,000	\$ --	\$ --	\$ --	\$ 160,220,900
Total Fund Equity	\$ 219,345,600	\$ 14,074,000	\$ 82,470,400	\$ 59,637,900	\$ 58,295,000	\$ 12,252,900	\$ 633,400	\$ 1,872,300	\$ 408,179,600

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

NOTE V - RELATED PARTIES

A. JOINTLY OWNED ELECTRIC UTILITY PLANT

In November 1975, the cities of Tallahassee (1.3333%), Alachua (0.0779%), Bushnell (0.0388%), Gainesville (1.4079%), Kissimmee (0.6754%), Leesburg (0.8244%), Ocala (1.3333%), and Utilities Commissions from New Smyrna Beach (0.5608%), Orlando (1.6015%), Sebring (0.4473%), and Seminole Electric Corporation (1.6994%), through a participation agreement with Florida Power Corporation, a corporation organized and existing under the laws of the State of Florida, purchased a 10% undivided ownership interest, as tenants in common, in the Crystal River Unit 3 (CR3) nuclear power plant operated and managed 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, however, the City has no legal authority over the operations of the plant. 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, 1991, 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 III.B.5.f). Condensed financial information relating to the Commission as of September 30, 1990, the most recent financial report date, were 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	- \$ --

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

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, 1991 is as follows:

Total Assets	- \$2,650,000	Total Liabilities	- \$	--
Total Fund Equity	- \$2,650,000	Total Operating Revenue	- \$	--
Total Operating Expense	- \$	Depreciation Expense	- \$	70,000
Non-Operating Income	- \$	Net Loss	- \$	70,000

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1991

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 and State Grants

The City participates in a number of federal and state assisted programs, principal of which are the Urban Mass Transportation Authority, Community Development Block Grant, Department of Energy, Federal Aviation Authority, and certain Florida Department of Transportation 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, 1991 will be issued under separate reports. 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 issues. Accordingly, the City only reflects the amounts drawn down from the bond issue in the financial statements. At September 30, 1991, the City has not borrowed any such funds.

D. Resolution Authorizing the Issuance of Electric Revenue Bonds

On November 26, 1991, the City adopted resolution number 91-R-0057, authorizing the issuance of Electric System Mini-bonds not to exceed \$3,000,000. These bonds will be used to acquire and construct certain improvements for the expansion of the electric system of the City. The bonds when issued, will be payable solely from the Pledged Revenues of the electric 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.

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

1991

1990

ASSETS

Cash and Cash Equivalents.	\$4,436,800	\$2,033,300
Receivables:		
Customers	597,600	764,200
Accounts.	687,200	2,161,000
Note.	15,000	15,000
Less: Allowance for Doubtful Accounts.	(117,900)	(117,900)
Due from Other Funds	47,200	—
Advances to Other Funds	1,938,300	2,070,300
Inventory.	5,600	5,600
Total Assets.	<u>\$7,809,800</u>	<u>\$7,031,500</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts Payable.	\$1,337,700	\$ 889,600
Due to Other Funds.	97,800	43,600
Total Liabilities	<u>1,435,500</u>	<u>933,200</u>
Fund Balance:		
Reserved for:		
Inventory	5,600	5,600
Advances to Other Funds	1,938,300	2,070,300
Law Enforcement	37,700	54,400
Not Receivable	15,000	15,000
Encumbrances.	1,721,300	1,475,700
Total Reserved.	3,717,900	3,621,000
Unreserved/Undesignated.	2,656,400	2,477,300
Total Fund Balance.	<u>6,374,300</u>	<u>6,098,300</u>
Total Liabilities and Fund Balance.	<u>\$7,809,800</u>	<u>\$7,031,500</u>

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND SCHEDULE OF REVENUE

	Fiscal Year Ended September 30			
	1991			1990
	Budget	Actual on Budgetary Basis	Variance- Favorable (Unfavorable)	Actual on Budgetary Basis
Taxes:				
Ad Valorem	\$ 8,927,200	\$ 9,106,000	\$ 178,800	\$ 7,758,800
General Sales and Use Taxes:				
Local Option Gas Tax	3,200,000	3,113,100	(86,900)	3,271,500
Local Option Sales Tax	6,914,900	7,767,000	852,100	4,954,500
Local Alternative Fuel User Fee	--	1,800	1,800	--
Public Service Taxes:				
Electricity	6,150,000	6,227,200	77,200	6,191,400
Telephone	1,068,000	1,534,300	466,300	1,072,700
Water	760,000	816,500	56,500	733,700
Gas	550,700	502,800	(47,900)	512,800
Propane	279,400	223,700	(55,700)	297,000
Fuel Oil	46,700	48,100	1,400	37,200
Franchise Fees:				
Telephone	499,700	666,200	166,500	488,500
Cable Television	367,200	387,600	20,400	373,800
Total Taxes	<u>28,763,800</u>	<u>30,394,300</u>	<u>1,630,500</u>	<u>25,691,900</u>
Licenses and Permits:				
Occupational	675,000	811,800	136,800	685,300
Building Permits	815,000	665,700	(149,300)	608,000
Other	521,200	329,700	(191,500)	52,700
Total Licenses and Permits	<u>2,011,200</u>	<u>1,807,200</u>	<u>(204,000)</u>	<u>1,426,000</u>
Intergovernmental Revenue:				
Federal Grants:				
Economic Environm	390,400	360,800	(29,600)	492,800
Transportation	134,600	95,700	(38,900)	91,500
State:				
Shared Revenues:				
Local Government 1/2 Cent				
Sales Tax	4,740,000	4,719,100	(20,900)	4,706,800
Two-Cent Cigarette Tax	330,800	283,200	(47,600)	308,600
Revenue Sharing	4,054,800	3,492,000	(562,800)	3,824,400
Mobile Home Licenses	50,900	57,700	6,800	46,200
Alcoholic Beverage License	95,000	86,100	(8,900)	78,300
Public Safety:				
Firefighters' Supplemental Compensation	26,300	21,300	(5,000)	20,000
County:				
City Share of County Occu- pational Licenses	102,900	111,400	8,500	96,900
Payments-in-Lieu-of-Taxes	7,800	5,400	(2,400)	1,200
Total Intergovernmental Revenue	<u>9,933,500</u>	<u>9,232,700</u>	<u>(700,800)</u>	<u>9,666,700</u>

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF REVENUE
(Continued)

	Fiscal Year Ended September 30			
	1991		1990	
	Budget	Actual on Budgetary Basis	Variance-Favorable (Unfavorable)	Actual on Budgetary Basis
Charges for Services:				
General Government Charges:				
Zoning Fees	\$ 40,700	\$ 43,700	\$ 3,000	\$ 46,100
County for Planning Dept.	78,200	768,400	18,200	721,000
Cost Allocation	2,519,500	2,519,500	--	1,966,200
Sale of City Code Books	2,500	9,000	6,500	9,900
Public Safety Charges:				
Police Services	45,100	56,300	(8,800)	40,500
County for Fire Protection	1,975,600	1,975,600	--	1,888,600
Physical Environment Charges:				
Lot Mowing and Clearing	5,700	14,600	8,900	5,400
Environmental Analysis	--	4,900	4,900	--
Environmental Code	34,900	--	(34,900)	--
Transportation Charges:				
Parking Facility	602,600	615,400	12,800	503,900
Traffic Signal Maintenance	12,500	39,700	27,200	14,900
Parking Meter Receipts	211,700	263,700	52,000	226,200
Right-of-Way Maintenance	160,000	69,700	(90,300)	--
Human Services Charges:				
Animal Shelter Fees	80,000	76,400	(3,600)	127,800
Parks and Recreation:				
Program Activity Fees	456,900	445,600	(11,300)	411,100
Swimming Pools	78,000	79,100	1,100	79,600
Other	24,900	11,400	(13,500)	15,000
County for Parks and Recreation	700,000	700,000	--	450,000
Total Charges for Services	<u>7,700,800</u>	<u>7,673,030</u>	<u>(27,800)</u>	<u>6,506,200</u>
Fines and Forfeitures:				
Traffic Fines	547,400	548,600	1,200	629,300
Parking Violations	610,000	538,500	(71,500)	615,300
Police Education \$2.00	36,000	22,200	(13,800)	25,300
Total Fines and Forfeitures	<u>1,193,400</u>	<u>1,109,300</u>	<u>(84,100)</u>	<u>1,269,900</u>

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF REVENUE
(Continued)

	Fiscal Year Ended September 30			
	1991		1990	
	Budget	Actual on Budgetary Basis	Variance- Favorable (Unfavorable)	Actual on Budgetary Basis
Miscellaneous Revenues:				
Interest	\$ 566,800	\$ 522,900	\$ (43,900)	\$ 589,300
Rents and Royalties	259,600	219,300	(40,300)	194,400
Sales:				
Cemetery Lots	128,300	127,400	(900)	124,500
Surplus Traffic Materials	--	7,300	7,300	13,300
Other	102,900	236,800	133,900	902,600
Total Miscellaneous Revenue	1,057,600	1,113,700	56,100	1,824,100
Total Revenue	<u>\$ 50,660,300</u>	<u>\$ 51,330,200</u>	<u>\$ 669,900</u>	<u>\$46,384,800</u>

CITY OF TALLAHASSEE, FLORIDA

**GENERAL FUND
SCHEDULE OF EXPENDITURES**

	Fiscal Year Ended September 30				
	1991		Variance- Favorable (Unfavorable)	1990	
	Budget	Budgetary Basis		Actual	Actual
General Government:					
Legislative					
City Commission					
Personal Services	\$ 263,700	\$ 274,200	\$ (10,500)	\$ 274,200	\$ 247,400
Other Operating	76,700	65,900	10,800	65,400	53,100
Total Legislative	<u>340,400</u>	<u>340,100</u>	<u>300</u>	<u>339,600</u>	<u>300,500</u>
Executive					
City Manager					
Personal Services	669,200	653,900	15,300	653,900	586,500
Other Operating	157,400	135,100	22,300	134,100	121,700
Capital Outlay	5,500	5,500	--	13,600	5,300
Total Executive	<u>832,100</u>	<u>794,500</u>	<u>37,600</u>	<u>801,600</u>	<u>713,500</u>
Financial and Administrative					
Treasurer-Clerk					
Personal Services	404,900	409,600	(4,700)	409,600	370,000
Other Operating	283,800	280,900	2,900	250,600	219,200
Capital Outlay	4,500	400	4,100	--	14,600
	<u>693,200</u>	<u>690,900</u>	<u>2,300</u>	<u>660,200</u>	<u>603,800</u>
Management and Budget					
Personal Services	551,300	493,800	57,500	493,800	431,400
Other Operating	319,400	294,000	25,400	296,100	166,300
Capital Outlay	12,000	2,900	9,100	1,000	4,300
	<u>882,700</u>	<u>790,700</u>	<u>92,000</u>	<u>790,900</u>	<u>602,000</u>
Records Management					
Personal Services	307,000	290,600	16,400	290,600	169,600
Other Operating	180,700	118,700	62,000	97,400	102,900
Capital Outlay	6,500	6,100	400	5,100	800
	<u>494,200</u>	<u>415,400</u>	<u>78,800</u>	<u>393,100</u>	<u>273,300</u>
Real Estate Control					
Personal Services	294,700	220,500	74,200	220,500	138,600
Other Operating	20,400	19,100	1,300	19,100	18,000
Capital Outlay	--	--	--	500	--
	<u>315,100</u>	<u>239,600</u>	<u>75,500</u>	<u>240,100</u>	<u>156,600</u>

CITY OF TALLAHASSEE, FLORIDA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
(Continued)**

	Fiscal Year Ended September 30				
	1991		Variance- Favorable (Unfavorable)	1990	
	Budget	Budgetary Basis		Actual	Actual
General Services					
Personal Services	\$ 153,900	\$ 153,400	\$ 500	\$ 153,400	\$ 140,500
Other Operating	127,700	122,100	5,600	122,100	148,500
	<u>281,600</u>	<u>275,500</u>	<u>6,100</u>	<u>275,500</u>	<u>289,000</u>
Internal Audit					
Personal Services	310,100	265,500	44,600	265,500	204,500
Other Operating	38,100	35,600	2,500	35,100	38,300
Capital Outlay	18,400	18,400	--	46,700	3,200
	<u>366,600</u>	<u>319,500</u>	<u>47,100</u>	<u>347,300</u>	<u>246,000</u>
Archives					
Personal Services	--	--	--	--	77,300
Other Operating	--	--	--	--	15,800
Capital Outlay	--	--	--	--	900
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>94,000</u>
Total Financial and Administrative	<u>3,033,400</u>	<u>2,731,600</u>	<u>301,800</u>	<u>2,707,100</u>	<u>2,264,700</u>
Legal					
Personal Services	194,500	175,400	19,100	175,400	151,000
Other Operating	916,700	1,004,700	(88,000)	1,004,600	729,600
Total Legal	<u>1,111,200</u>	<u>1,180,100</u>	<u>(68,900)</u>	<u>1,180,000</u>	<u>880,600</u>
Planning					
Comprehensive Planning					
Personal Services	1,341,200	1,370,100	(28,900)	1,370,100	1,294,700
Other Operating	33,800	374,500	9,300	383,100	303,500
Capital Outlay	600	--	24,600	10,300	27,200
	<u>1,345,600</u>	<u>1,744,600</u>	<u>4,400</u>	<u>1,763,500</u>	<u>1,625,400</u>
Growth Management/Adminis- tration/Concurrency					
Personal Services	320,700	293,300	27,400	293,300	108,600
Other Operating	132,600	158,300	(25,700)	204,500	39,000
Capital Outlay	6,800	4,700	2,100	175,900	32,000
	<u>460,100</u>	<u>456,300</u>	<u>3,800</u>	<u>673,700</u>	<u>180,100</u>
Total Planning	<u>2,209,100</u>	<u>2,700,900</u>	<u>8,200</u>	<u>2,437,200</u>	<u>1,805,500</u>

CITY OF TALLAHASSEE, FLORIDA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
(Continued)**

	Fiscal Year Ended September 30				
	1991		Variance- Favorable (Unfavorable)	1990	
	Budget	Budgetary Basis		Actual	Actual
Other General Government					
Liason Office					
Personal Services	\$ 143,800	\$ 114,400	\$ 29,400	\$ 113,400	\$ 119,700
Other Operating	143,900	140,900	3,000	78,500	44,900
Capital Outlay	5,000	5,000	--	--	500
	<u>292,700</u>	<u>260,300</u>	<u>32,400</u>	<u>191,900</u>	<u>165,100</u>
Public Works Administration					
Personal Services	297,800	301,600	(3,800)	301,600	275,800
Other Operating	878,200	877,300	900	856,800	787,700
	<u>1,176,000</u>	<u>1,178,900</u>	<u>(2,900)</u>	<u>1,158,400</u>	<u>1,063,500</u>
Non-Departmental					
Other Operating	1,977,100	1,469,500	507,600	1,400,600	1,181,300
	<u>1,977,100</u>	<u>1,469,500</u>	<u>507,600</u>	<u>1,400,600</u>	<u>1,181,300</u>
Code Enforcement Board					
Personal Services	52,400	46,200	6,200	46,200	30,800
Other Operating	20,200	11,900	8,300	11,900	10,500
Capital Outlay	6,900	3,900	3,000	3,900	--
	<u>79,500</u>	<u>62,000</u>	<u>17,500</u>	<u>62,000</u>	<u>41,300</u>
City Hall Maintenance					
Personal Services	282,600	286,800	(4,200)	286,700	256,000
Other Operating	658,600	645,900	12,700	639,100	597,600
Capital Outlay	9,100	9,000	100	20,000	5,500
	<u>950,300</u>	<u>941,700</u>	<u>8,600</u>	<u>945,800</u>	<u>859,100</u>
Cable Communications					
Personal Services	59,800	67,900	(8,100)	67,900	20,700
Other Operating	6,500	6,300	200	8,800	8,500
Capital Outlay	--	--	--	--	4,900
	<u>66,300</u>	<u>74,200</u>	<u>(7,900)</u>	<u>76,700</u>	<u>34,100</u>
Intergovernmental Relations					
Personal Services	72,100	69,300	2,800	69,300	31,400
Other Operating	65,700	55,900	9,800	56,800	37,800
Capital Outlay	--	--	--	7,000	800
	<u>137,800</u>	<u>125,200</u>	<u>12,600</u>	<u>133,100</u>	<u>70,000</u>
Total, Other General					
Government*	<u>4,679,700</u>	<u>4,111,800</u>	<u>567,900</u>	<u>3,968,500</u>	<u>3,412,400</u>
Total General Government	<u>12,205,900</u>	<u>11,359,000</u>	<u>846,900</u>	<u>11,434,000</u>	<u>9,377,200</u>

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				
	1991		1990		
	Budget	Budgetary Basis	Variance-Favorable (Unfavorable)	Actual	Actual
Public Safety:					
Law Enforcement					
Personal Services	\$16,120,900	\$15,159,700	\$ 961,200	\$15,159,700	\$14,341,100
Other Operating	4,797,300	4,384,900	412,400	4,381,400	3,564,900
Capital Outlay	209,200	213,000	(3,800)	203,200	168,800
Total Law Enforcement . . .	<u>21,127,400</u>	<u>19,757,600</u>	<u>1,369,800</u>	<u>19,744,300</u>	<u>18,074,800</u>
Fire Control					
Personal Services	7,982,400	7,712,600	269,800	7,712,600	7,076,900
Other Operating	3,349,800	3,271,700	78,100	3,160,800	2,623,300
Capital Outlay	301,100	283,900	17,200	55,500	18,200
Total Fire Control	<u>11,633,300</u>	<u>11,268,200</u>	<u>365,100</u>	<u>10,928,900</u>	<u>9,718,400</u>
Protective Inspection					
Building Inspection					
Personal Services	926,400	939,900	(13,500)	939,900	818,700
Other Operating	121,000	110,100	10,900	109,000	107,100
Capital Outlay	50,100	37,800	12,300	35,500	1,400
Total Building Inspection . .	<u>1,097,500</u>	<u>1,087,800</u>	<u>9,700</u>	<u>1,084,400</u>	<u>927,200</u>
Code Enforcement					
Personal Services	308,800	324,000	(15,200)	324,000	243,900
Other Operating	35,600	33,000	2,600	33,800	35,000
Capital Outlay	--	--	--	1,200	400
Total Code Enforcement . . .	<u>344,400</u>	<u>357,000</u>	<u>(12,600)</u>	<u>359,000</u>	<u>279,300</u>
Total Protective Inspection . .	<u>1,441,900</u>	<u>1,444,800</u>	<u>(2,900)</u>	<u>1,443,400</u>	<u>1,206,500</u>
Total Public Safety	<u>34,202,600</u>	<u>32,470,600</u>	<u>1,732,000</u>	<u>32,116,600</u>	<u>28,999,700</u>
Transportation:					
Road and Street Facilities					
Street Lighting					
Personal Services	49,500	50,900	(11,400)	60,900	48,500
Other Operating	930,600	753,700	176,900	753,700	1,105,500
Total Street Lighting	<u>980,100</u>	<u>814,600</u>	<u>165,500</u>	<u>814,600</u>	<u>1,154,000</u>
Right-Of-Ways					
Personal Services	1,375,500	1,305,200	70,300	1,305,200	1,351,500
Other Operating	502,100	453,300	48,800	452,000	390,000
Capital Outlay	159,100	148,000	11,100	62,000	60,100
Total Right-Of-Ways	<u>2,036,700</u>	<u>1,906,500</u>	<u>130,200</u>	<u>1,819,200</u>	<u>1,801,600</u>

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF EXPENDITURES
(Continued)

	Fiscal Year Ended September 30				
	1991		Variance- Favorable (Unfavorable)	1990	
	Budget	Budgetary Basis		Actual	Actual
Streets					
Personal Services	\$1,633,700	\$1,869,100	\$ (235,400)	\$1,849,100	\$1,629,800
Other Operating	1,501,500	1,370,300	131,200	1,575,800	1,210,100
Capital Outlay	31,000	27,800	3,200	27,200	231,300
	<u>3,166,200</u>	<u>3,267,200</u>	<u>(101,000)</u>	<u>3,442,100</u>	<u>3,074,200</u>
Traffic Engineering					
Personal Services	1,241,400	1,219,500	21,900	1,219,500	1,118,900
Other Operating	660,600	684,700	(24,100)	667,800	627,000
Capital Outlay	12,800	12,700	100	20,200	79,000
	<u>1,914,800</u>	<u>1,916,900</u>	<u>(2,100)</u>	<u>1,907,500</u>	<u>1,824,900</u>
Total Road and Street Facilities	8,097,800	7,905,200	192,600	7,813,400	7,854,700
Parking Facilities					
Other Operating	257,000	264,100	(7,100)	264,100	144,300
Total Transportation	<u>8,354,800</u>	<u>8,169,300</u>	<u>185,500</u>	<u>8,077,500</u>	<u>7,999,000</u>
Human Services:					
Smith-Williams Center					
Personal Services	103,300	101,700	1,600	101,700	87,700
Other Operating	46,200	42,300	3,900	40,100	37,000
	<u>149,500</u>	<u>144,000</u>	<u>5,500</u>	<u>141,800</u>	<u>124,700</u>
Senior Citizen Center					
Personal Services	182,300	178,200	4,100	178,200	154,500
Other Operating	81,700	74,300	7,400	79,800	70,900
Capital Outlay	1,500	1,500	--	1,500	1,200
	<u>265,500</u>	<u>254,000</u>	<u>11,500</u>	<u>259,500</u>	<u>226,600</u>
Lincoln Center					
Personal Services	117,200	118,100	(900)	118,100	107,700
Other Operating	86,100	69,100	17,000	68,100	61,800
	<u>203,300</u>	<u>187,200</u>	<u>16,100</u>	<u>186,200</u>	<u>169,500</u>

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				
	1991		Variance- Favorable (Unfavorable)	1990	
	Budget	Budgetary Basis		Actual	Actual
Administration					
Personal Services	\$ 205,300	\$ 211,600	\$ (6,300)	\$ 211,600	\$ 165,900
Other Operating	634,600	642,400	(7,800)	633,900	636,200
Capital Outlay	9,500	4,800	4,700	4,900	--
	<u>849,400</u>	<u>858,800</u>	<u>(9,400)</u>	<u>850,400</u>	<u>702,100</u>
Total Human Services . . .	<u>1,467,700</u>	<u>1,444,000</u>	<u>23,700</u>	<u>1,437,900</u>	<u>1,222,900</u>
Economic Environment:					
Industry Development					
Minority Business Office					
Personal Services	102,900	90,000	12,900	90,000	91,500
Other Operating	19,600	17,100	2,500	17,100	12,900
Capital Outlay	--	--	--	--	2,000
	<u>122,500</u>	<u>107,100</u>	<u>15,400</u>	<u>107,100</u>	<u>106,400</u>
Downtown Development Office					
Personal Services	29,200	22,100	7,100	22,100	--
Other Operating	20,600	4,700	15,900	4,700	--
	<u>49,800</u>	<u>26,800</u>	<u>23,000</u>	<u>26,800</u>	<u>--</u>
Total Industry Development	<u>172,300</u>	<u>133,900</u>	<u>38,400</u>	<u>133,900</u>	<u>106,400</u>
Housing and Urban Development					
Personal Services	275,400	270,200	5,200	270,200	248,600
Other Operating	161,100	144,800	16,300	144,600	147,200
	<u>436,500</u>	<u>415,000</u>	<u>21,500</u>	<u>414,800</u>	<u>395,800</u>
Total Economic Environment	<u>608,800</u>	<u>548,900</u>	<u>59,900</u>	<u>548,700</u>	<u>502,200</u>
Physical Environment:					
Environmental Services					
Personal Services	744,600	732,500	12,100	732,500	214,000
Other Operating	251,300	194,600	56,700	142,800	61,900
Capital Outlay	75,600	66,700	8,900	155,300	25,500
	<u>1,071,500</u>	<u>993,800</u>	<u>77,700</u>	<u>1,030,600</u>	<u>301,400</u>
Cemeteries					
Personal Services	51,600	56,200	(4,600)	56,200	37,200
Other Operating	212,200	203,300	8,900	188,200	189,600
	<u>263,800</u>	<u>259,500</u>	<u>4,300</u>	<u>244,400</u>	<u>226,800</u>

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF EXPENDITURES
(Continued)

	Fiscal Year Ended September 30				
	1991		1990		
	Budget	Budgetary Basis	Variance-Favorable (Unfavorable)	Actual	Actual
Engineering					
Personal Services	\$ 1,141,900	\$ 1,047,800	\$ 94,100	\$ 1,047,800	\$ 1,020,000
Other Operating	153,100	146,500	6,600	149,000	127,700
Capital Outlay	75,300	73,500	1,800	47,200	15,400
	<u>1,370,300</u>	<u>1,267,800</u>	<u>102,500</u>	<u>1,244,000</u>	<u>1,163,100</u>
Total Physical Environment	<u>2,705,600</u>	<u>2,521,100</u>	<u>184,500</u>	<u>2,519,000</u>	<u>1,691,300</u>
Culture and Recreation:					
Administration					
Personal Services	544,400	546,700	(2,300)	546,700	517,200
Other Operating	600,700	600,400	300	607,500	448,700
Capital Outlay	--	--	--	--	1,700
	<u>1,145,100</u>	<u>1,147,100</u>	<u>(2,000)</u>	<u>1,154,200</u>	<u>967,600</u>
Grounds and Facilities					
Personal Service	1,604,000	1,602,900	1,100	1,603,000	1,379,100
Other Operating	704,900	816,100	(111,200)	807,700	699,900
Capital Outlay	106,600	101,900	4,700	163,900	24,400
	<u>2,415,500</u>	<u>2,520,900</u>	<u>(105,400)</u>	<u>2,574,600</u>	<u>2,103,400</u>
Recreation					
Personal Services	1,275,800	1,304,200	(28,400)	1,304,200	1,144,900
Other Operating	534,000	512,300	21,700	507,600	411,300
Capital Outlay	75,600	69,700	5,900	65,000	4,300
	<u>1,885,400</u>	<u>1,886,200</u>	<u>(800)</u>	<u>1,876,800</u>	<u>1,560,500</u>
Athletics					
Personal Services	614,500	646,800	(32,300)	646,800	529,600
Other Operating	265,400	267,100	(1,700)	276,200	250,100
Capital Outlay	22,500	21,200	1,300	11,000	600
	<u>902,400</u>	<u>935,100</u>	<u>(32,700)</u>	<u>934,000</u>	<u>780,300</u>
Total Culture and Recreation	<u>6,348,400</u>	<u>6,489,300</u>	<u>(140,900)</u>	<u>6,539,600</u>	<u>5,411,800</u>
Total Expenditures	<u>\$65,693,800</u>	<u>\$63,002,200</u>	<u>\$ 2,891,600</u>	<u>\$62,673,300</u>	<u>\$55,204,100</u>

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND
SCHEDULE OF OPERATING TRANSFERS

	Fiscal Year Ended September 30			
	1991		Variance	1990
	Budget	Actual	Favorable (Unfavorable)	Actual
Operating Transfers In:				
Capital Improvement Fund	\$ --	\$ 1,000	\$ 1,000	\$ --
Electric Fund	31,139,500	31,139,500	--	30,640,800
Water Fund	2,034,900	2,034,900	--	1,751,700
Gas Fund	1,513,600	1,513,600	--	1,227,600
Human Resources Fund	--	--	--	109,000
Sewer Fund	426,100	216,600	(209,500)	--
Stormwater Management Fund	279,500	279,500	--	240,500
Special Projects Fund	--	4,800	4,800	--
Law Enforcement	15,900	15,900	--	--
Deficiencies and Emergencies Fund	25,000	25,000	--	--
Debt Service Fund	--	19,000	19,000	--
Solid Waste Fund	--	237,500	237,500	--
Total Operating Transfers In	<u>\$ 35,434,500</u>	<u>\$ 35,487,300</u>	<u>\$ 52,800</u>	<u>\$ 33,969,600</u>
Operating Transfers Out:				
Special Capital Projects Fund	\$ --	\$ 1,194,100	\$ (1,194,100)	\$ 508,500
Capital Improvement Fund	1,641,900	1,538,500	103,400	5,602,700
Tallahassee Transit Fund	4,062,900	3,644,300	418,600	2,587,900
Deficiencies and Emergencies Fund	--	1,194,100	(1,194,100)	508,500
Golf Course Fund	496,800	444,300	52,500	464,100
Debt Service Fund	4,624,100	4,703,800	(79,700)	4,687,000
Stormwater Management Fund	118,500	100,000	18,500	323,500
Human Resources Fund	--	--	--	19,900
Data Processing Fund	--	--	--	31,900
Cemetery Perpetual Care Trust Fund	--	1,194,200	(1,194,200)	508,500
Special Projects Fund	620,400	1,225,400	(605,000)	288,700
Solid Waste Fund	148,700	--	148,700	85,300
Sewer Fund	--	--	--	270,100
Sales Tax Construction Fund	6,883,900	6,883,900	--	6,164,800
Gas Tax Construction Fund	1,250,000	1,250,000	--	2,100,000
Warehouse Fund	--	--	--	100,000
Fores+ Meadows Fund	353,800	411,700	(57,900)	286,100
Downtown Improvement Authority	--	600	(600)	--
Total Operating Transfers Out	<u>\$ 20,201,000</u>	<u>\$ 23,784,900</u>	<u>\$ (3,583,900)</u>	<u>\$ 24,597,800</u>

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 Statutes

CITY OF TALLAHASSEE, FLORIDA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

September 30, 1991

	Special Projects	Stormwater Management	Law Enforcement Forfeiture	Totals	
				September 30, 1991	September 30, 1990
ASSETS					
Cash and Cash Equivalents . . .	\$3,093,500	\$2,540,800	\$ 512,300	\$ 6,146,600	\$2,187,500
Investments	1,160,100	--	--	1,160,100	1,097,700
Notes Receivable	271,000	--	--	271,000	190,900
Accounts Receivable	108,400	343,100	--	451,500	541,700
Total Assets	<u>\$4,633,000</u>	<u>\$2,883,900</u>	<u>\$ 512,300</u>	<u>\$ 8,029,200</u>	<u>\$4,017,800</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 103,400	\$ 187,700	\$ 5,700	\$ 296,800	\$ 176,200
Total Liabilities	<u>103,400</u>	<u>187,700</u>	<u>5,700</u>	<u>296,800</u>	<u>176,200</u>
Fund Balances:					
Reserved for:					
Projects	4,258,600	1,253,700	135,500	5,647,800	3,410,200
Notes Receivable	271,000	--	--	271,000	179,900
Community and Rehabilitative Trust	--	--	--	--	16,500
Total Reserved	<u>4,529,600</u>	<u>1,253,700</u>	<u>135,500</u>	<u>5,918,800</u>	<u>3,606,600</u>
Unreserved/Undesignated . . .	--	1,442,500	371,100	1,813,600	235,000
Total Fund Balances	<u>4,529,600</u>	<u>2,696,200</u>	<u>506,600</u>	<u>7,732,400</u>	<u>3,841,600</u>
Total Liabilities and Fund Balances	<u>\$4,633,000</u>	<u>\$ 2,883,900</u>	<u>\$ 512,300</u>	<u>\$ 8,029,200</u>	<u>\$4,017,800</u>

CITY OF TALLAHASSEE, FLORIDA

SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES For the Fiscal Year Ended September 30, 1991

	Special Projects	Stormwater Management	Law Enforcement Forfeiture	Totals	
				September 30, 1991	September 30, 1990
Revenues:					
Intergovernmental Revenues	\$3,549,200	\$ --	\$ --	\$3,549,200	\$ 1,758,800
Charges for Services	--	3,663,100	--	3,663,100	2,013,300
Fines and Forfeitures	--	--	427,300	427,300	1,116,000
Interest Earned	79,800	172,300	34,400	286,500	178,500
Miscellaneous Revenues	182,000	300	--	182,300	53,400
Total Revenues	3,811,000	3,835,700	461,700	8,108,400	4,305,600
Expenditures:					
Current:					
General Government	384,900	--	--	384,900	412,100
Public Safety	49,000	--	12,400	61,400	37,900
Transportation	313,800	--	--	313,800	210,600
Human Services	460,400	--	47,900	508,300	526,600
Economic Environment	1,388,500	--	--	1,388,600	708,400
Physical Environment	437,700	2,339,900	--	2,777,600	2,583,200
Cultural and Recreation	587,500	--	--	587,500	139,300
Capital Outlay	910,100	--	119,800	1,029,900	44,800
Total Expenditures	4,132,100	2,339,900	180,100	7,052,000	4,912,900
Excess of Revenues Over (Under) Expenditures	(321,100)	1,495,800	281,600	1,056,400	(607,300)
Other Financing Sources (Uses):					
Operating Transfers In	3,038,000	100,000	--	3,138,000	1,216,800
Operating Transfers Out	(4,800)	(1282,900)	(15,900)	(1303,600)	(299,900)
Total Other Financing Sources (Uses)	3,033,200	(182,900)	(15,900)	2,834,400	916,900
Excess of Revenues and Other Sources Over Expenditures and Other Uses	2,122,200	1,312,900	265,700	3,890,800	309,600
Fund Balances - October 1	2,217,400	1,383,300	240,900	3,841,600	3,606,800
Residual Equity Transfer	--	--	--	--	(74,600)
Fund Balances - September 30	\$4,529,600	\$2,696,200	\$ 506,600	\$7,732,400	\$ 3,841,600

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

ASSETS	<u>1991</u>	<u>1990</u>
Cash and Cash Equivalents	\$ 3,715,000	\$ 3,948,500
Investments	11,077,500	9,320,600
Accrued Interest Receivable	267,800	219,400
Deposits	<u>60,800</u>	<u>59,200</u>
 Total Assets	 <u>\$ 15,121,100</u>	 <u>\$ 13,547,700</u>

FUND BALANCES		
Fund Balance:		
Reserved for:		
Current Debt Service	\$ 714,000	\$ 787,500
Future Debt Service	<u>14,407,100</u>	<u>12,760,200</u>
Total Reserved	<u>15,121,100</u>	<u>13,547,700</u>
Total Fund Balance	<u>\$ 15,121,100</u>	<u>\$ 13,547,700</u>

**DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

	<u>Fiscal Year Ended September 30</u>	
	<u>1991</u>	<u>1990</u>
Revenue:		
Interest Earned	<u>\$ 676,300</u>	<u>\$ 568,700</u>
Expenditures:		
Debt Service:		
Principal Retirement	562,500	579,800
Interest and Fiscal Charges	<u>3,618,500</u>	<u>3,683,800</u>
Total Expenditures	<u>4,181,000</u>	<u>4,263,600</u>
Excess of Revenues (Under) Expenditures	<u>(3,504,700)</u>	<u>(3,694,900)</u>
Other Financing Sources (Uses):		
Debt Proceeds	--	436,200
Operating Transfers In	5,116,100	5,173,500
Operating Transfers Out	<u>(38,000)</u>	<u>--</u>
Total Other Financing Sources	<u>5,078,100</u>	<u>5,609,700</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	1,573,400	1,914,800
Fund Balance - October 1	<u>13,547,700</u>	<u>11,632,900</u>
Fund Balance - September 30	<u>\$ 15,121,100</u>	<u>\$ 13,547,700</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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, 1991

	Capital Improvement	Capital		Transportation		Sales Tax Construction	Gas Tax Construction	Totals	
		Bonds Construction	Impact Fee	September 30, 1991	September 30, 1990				
Cash and Cash Equivalents	\$28,700,600	\$ 5,241,800	\$ 2,907,500	\$ 12,090,200	\$ 1,171,700	\$48,111,600	\$42,155,300		
Accounts Receivable	44,900	--	--	--	--	44,900	23,600		
Accrued Interest Receivable	56,500	--	--	--	--	56,500	167,300		
Investments	845,700	16,556,600	--	885,000	--	18,087,300	20,609,200		
Special Assessment Receivable									
Current	322,100	--	--	--	--	322,100	227,900		
Deferred	115,700	--	--	--	--	115,700	195,500		
Due from Other Funds	1,600	--	--	--	--	1,600	--		
Due from Other Governments	6,100	--	802,200	--	--	808,300	77,600		
Total Assets	\$30,095,000	\$ 19,598,400	\$ 3,709,500	\$ 12,975,200	\$ 1,171,700	\$67,547,800	\$63,456,600		
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$ 435,800	\$ 140,000	\$ 1,510,700	\$ 15,700	\$ --	\$2,102,200	\$ 785,900		
Retainage Payable	135,200	112,000	--	--	--	247,200	223,100		
Deferred Revenue	215,500	--	--	--	--	215,500	215,500		
Total Liabilities	786,500	252,000	1,510,700	15,700	--	2,564,900	1,224,500		
Fund Balances:									
Reserved for:									
Encumbrances	3,604,500	605,700	347,500	282,100	559,900	4,799,500	5,309,300		
Projects	16,287,800	14,591,500	--	12,250,700	390,700	43,500,700	40,264,000		
Other	--	465,900	--	--	--	465,900	611,900		
Total Reserved	19,292,300	15,663,100	347,500	12,512,800	950,600	48,766,100	46,185,200		
Unreserved/Undesignated	10,014,200	3,685,300	1,851,500	446,700	221,100	16,216,800	16,046,900		
Total Fund Balances	29,306,500	19,348,400	2,198,600	12,959,500	1,171,700	64,982,900	62,232,100		
Total Liabilities and Fund Balances	\$30,095,000	\$ 19,598,400	\$ 3,709,500	\$ 12,975,200	\$ 1,171,700	\$67,547,800	\$63,456,600		

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, 1991

	Capital Improvement	Capital Bonds Construction	Transportation Impact Fee	Sales Tax Construction	Gas Tax Construction	Totals	
						September 30, 1991	September 30, 1990
Revenues:							
Special Assessment Revenue	\$ 115,700	--	--	\$ --	--	\$ 115,700	\$ 146,400
Intergovernmental Revenue	--	400	--	--	--	400	479,700
Charges For Services	--	--	1,028,800	--	--	1,028,800	865,100
Interest Earned	2,398,000	1,446,000	159,100	706,100	137,700	4,846,900	4,897,200
Miscellaneous	84,200	--	--	--	--	84,200	470,800
Total Revenues	2,597,900	1,446,400	1,187,900	706,100	137,700	6,076,000	6,959,200
Expenditures:							
Current:							
General Government	617,000	--	--	--	--	617,000	408,400
Public Safety	270,700	--	--	--	--	270,700	325,200
Transportation	2,252,900	3,897,600	28,000	1,236,600	1,726,900	9,142,000	8,203,800
Human Services	1,000	--	--	--	--	1,000	--
Economic Environment	115,000	--	--	--	--	115,000	221,100
Physical Environment	35,100	--	--	--	--	35,100	75,700
Culture and Recreation	204,200	--	--	--	--	204,200	197,000
Capital Outlay	4,177,100	762,400	--	108,000	--	5,047,500	3,570,800
Total Expenditures	7,613,000	4,660,000	28,000	1,344,600	1,726,900	15,432,500	13,002,000
Excess of Revenues Over (Under) Expenditures	(5,015,100)	(3,213,600)	1,159,900	(638,500)	(1,589,200)	(9,356,500)	(6,142,800)
Other Financing Sources (Uses):							
Proceeds from Advanced Funds	2,280,200	--	--	--	--	2,280,200	1,084,500
Reduction in Loan Proceeds	--	--	--	--	--	--	(1,937,400)
Operating Transfers In	3,481,700	--	--	7,269,000	1,557,000	12,307,700	20,605,200
Operating Transfers Out	(2,061,000)	(43,800)	--	--	(375,800)	(2,480,600)	(2,679,200)
Total Other Financing Sources (Uses)	3,700,900	(43,800)	--	7,269,000	1,181,200	12,107,300	17,073,100
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(1,314,200)	(3,257,400)	1,159,900	6,630,500	(408,000)	2,750,800	10,930,300
Fund Balances-October 1	30,680,700	22,603,800	1,038,900	6,329,000	1,579,700	62,232,100	51,227,200
Residual Equity Transfer	--	--	--	--	--	--	74,600
Fund Balances-September 30	\$29,366,500	\$19,346,400	\$2,198,800	\$12,959,500	\$1,171,700	\$64,962,900	\$62,232,100

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.

Forest Meadows Fund—to account for the assets, operation and maintenance of the City's Tennis and Health Club operation.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
September 30, 1991

ASSETS	Electric	Gas	Sewer	Water
Current Assets:				
Cash and Cash Equivalents	\$ 11,893,000	\$ 847,000	\$ 1,398,500	\$ 1,132,400
Receivables:				
Customers	10,708,000	557,700	1,332,300	1,114,000
Accounts	1,362,300	--	19,500	5,500
Less: Allowance for Doubtful Accounts	(1,958,800)	(94,400)	(198,600)	(99,200)
Due from Other Funds	700	--	--	--
Inventory	6,948,600	81,900	--	--
Total Current Assets	<u>28,953,800</u>	<u>1,392,200</u>	<u>2,551,700</u>	<u>2,152,700</u>
Restricted Assets:				
Cash and Cash Equivalents	88,888,700	4,757,500	38,882,100	10,257,600
Investments	38,000	1,228,400	8,968,500	4,887,200
Accounts Receivable	392,600	--	211,900	--
Notes Receivable	5,559,200	--	213,800	--
Due from Other Governments	--	--	--	--
Total Restricted Assets	<u>94,878,500</u>	<u>5,985,900</u>	<u>48,276,300</u>	<u>15,144,800</u>
Other Assets:				
Unamortized Bond Issue Cost	408,400	21,500	298,600	82,700
Unamortized Loan Issue Cost	--	--	--	--
Total Other Assets	<u>408,400</u>	<u>21,500</u>	<u>298,600</u>	<u>82,700</u>
Fixed Assets:				
Fixed Assets - Cost	273,817,100	12,761,900	91,633,200	45,426,100
Less: Accumulated Depreciation	(128,406,200)	(4,748,800)	(24,085,200)	(13,304,800)
Construction in Progress	61,217,600	4,511,400	15,742,600	9,153,800
Fixed Assets - Net	<u>206,628,500</u>	<u>12,524,500</u>	<u>83,290,600</u>	<u>41,275,100</u>
Total Assets	<u>\$330,869,200</u>	<u>\$ 19,924,600</u>	<u>\$134,417,200</u>	<u>\$ 58,655,300</u>

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
September 30, 1991
(Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Forest Meadows	Totals	
					September 30, 1991	September 30, 1990
\$ 1,599,000	\$ 855,900	\$ 332,100	\$ 78,800	\$ 41,500	\$ 18,177,800	\$ 22,507,600
558,900	112,500	828,200	--	1,700	15,213,300	15,934,400
--	625,200	56,200	--	--	2,068,700	2,794,600
(32,400)	--	(32,500)	--	--	(2,415,900)	(1,998,400)
51,700	--	--	--	200	52,600	59,600
16,900	296,900	--	46,700	5,100	7,396,100	6,637,800
<u>2,194,100</u>	<u>1,890,100</u>	<u>1,184,000</u>	<u>125,500</u>	<u>48,500</u>	<u>40,492,600</u>	<u>45,935,600</u>
2,349,500	--	9,600	145,700	10,700	145,301,400	105,809,900
1,257,800	--	--	--	--	16,379,900	29,228,000
--	--	--	--	--	604,500	905,800
--	--	--	--	--	5,773,000	5,864,900
752,700	--	--	--	--	752,700	1,757,700
<u>4,360,000</u>	<u>--</u>	<u>9,600</u>	<u>145,700</u>	<u>10,700</u>	<u>168,811,500</u>	<u>142,566,300</u>
368,700	--	--	--	--	1,179,900	883,500
--	--	--	--	--	--	154,400
<u>368,700</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,179,900</u>	<u>1,037,900</u>
54,605,700	11,445,400	2,100,000	1,766,400	1,687,300	495,243,100	465,115,500
(9,909,100)	(4,756,000)	(1,596,400)	(368,000)	(37,500)	(187,212,000)	(172,583,800)
2,411,500	4,370,800	--	--	11,100	97,418,800	83,448,600
47,108,100	11,060,200	503,600	1,398,400	1,660,900	405,449,900	375,981,300
<u>\$54,030,900</u>	<u>\$12,950,500</u>	<u>\$ 1,697,200</u>	<u>\$ 1,669,600</u>	<u>\$ 1,720,100</u>	<u>\$615,933,900</u>	<u>\$565,521,100</u>

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

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
September 30, 1991
(Continued)

LIABILITIES AND FUND EQUITY	Electric	Gas	Sewer	Water
Current Liabilities:				
Accounts Payable	\$ 6,187,800	\$ 580,200	\$ 206,100	\$ 132,100
Accrued Leave	709,600	74,500	263,800	89,300
Arbitrage Rebate Payable	--	--	--	--
Customer Contracts Payable	680,600	--	457,900	358,300
Customer Advances	--	2,100	--	--
Due to Other Funds	--	--	--	--
Utility Deposits Payable	5,699,600	78,500	--	417,400
Prepaid Fee Credit Payable	--	--	--	--
Total Current Liabilities	13,277,600	735,300	927,800	997,100
Payable from Restricted Assets:				
Accrued Interest and Commissions Payable	--	--	--	--
Retainage and Accounts Payable	1,307,700	28,200	1,623,400	658,300
Customer Advances	--	84,600	--	--
Deferred Revenue	351,200	--	--	--
Total Payable from Restricted Assets	1,658,900	112,800	1,623,400	658,300
Other Liabilities:				
Loans from Other Funds	--	1,720,600	8,052,500	6,998,700
Advance from Other Funds	--	--	500,000	--
Deferred Revenue	--	--	--	--
Customer Contracts Payable	50,500	--	1,880,200	1,468,800
Customer Advances	115,300	--	16,300	16,800
Accrued Leave	1,714,700	146,900	478,300	211,100
Loan Payable	--	--	--	--
Bonds and Notes Payable	96,485,900	3,202,900	39,319,000	8,863,100
Less: Bond Discount	(1,759,300)	(68,400)	(850,700)	(196,500)
Total Other Liabilities	96,587,100	5,002,000	49,395,600	17,362,000
Total Liabilities	111,523,600	5,850,100	51,946,800	19,017,400
Fund Equity:				
Contributed Capital	2,126,000	--	19,883,500	--
Retained Earnings:				
Reserved	93,219,600	5,873,100	46,652,900	14,486,500
Unreserved	124,000,000	8,200,900	15,934,000	25,151,400
Total Fund Equity	219,345,600	14,074,000	82,470,400	39,637,900
Total Liabilities and Fund Equity	\$330,869,200	\$ 19,924,100	\$134,417,200	\$ 58,655,300

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
September 30, 1991
(Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Forest Meadows	Totals	
					September 30, 1991	September 30, 1990
\$ 464,300	\$ 399,800	\$ 525,900	\$ 24,400	\$ 11,300	\$ 8,531,900	\$ 13,880,800
85,200	125,600	150,800	25,300	2,900	1,527,000	1,565,300
69,100	--	--	--	--	69,100	84,100
--	--	--	--	--	1,496,800	1,783,600
--	--	--	--	--	2,100	29,300
48,200	2,900	--	--	--	51,100	3,900
--	--	--	--	--	4,195,500	8,210,400
788,900	--	--	--	--	788,900	862,300
<u>1,455,700</u>	<u>528,300</u>	<u>676,700</u>	<u>49,700</u>	<u>14,2</u>	<u>18,662,400</u>	<u>26,420,200</u>
--	--	--	--	--	--	,900
280,500	--	--	--	--	3,898,100	2,658,200
--	--	--	--	--	84,600	--
--	--	--	--	--	351,200	351,200
<u>280,500</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,533,900</u>	<u>3,101,300</u>
--	--	--	--	--	16,771,800	--
1,613,200	--	--	--	1,407,800	3,521,000	3,691,300
--	--	--	--	--	--	63,100
--	--	--	--	--	3,379,500	3,145,900
--	--	--	--	--	148,400	154,700
239,500	169,100	386,700	42,600	3,100	3,392,000	1,366,000
--	--	--	--	--	--	17,404,300
12,350,000	--	--	--	--	160,220,900	132,035,300
(201,000)	--	--	--	--	(3,075,900)	(2,067,900)
<u>14,001,700</u>	<u>169,100</u>	<u>386,700</u>	<u>42,600</u>	<u>1,410,400</u>	<u>184,357,700</u>	<u>155,792,700</u>
<u>15,737,900</u>	<u>697,400</u>	<u>1,063,400</u>	<u>92,300</u>	<u>1,425,100</u>	<u>207,354,000</u>	<u>185,314,200</u>
29,395,200	12,132,600	788,300	1,492,000	265,000	66,082,600	65,454,900
4,079,500	50,700	9,600	145,700	10,700	164,528,300	138,385,400
4,818,300	69,600	(164,100)	(60,400)	19,300	177,969,000	176,356,600
<u>38,293,000</u>	<u>12,252,900</u>	<u>633,800</u>	<u>1,577,300</u>	<u>295,000</u>	<u>408,579,900</u>	<u>380,206,900</u>
<u>\$54,030,900</u>	<u>\$12,950,300</u>	<u>\$ 1,697,200</u>	<u>\$ 1,669,600</u>	<u>\$ 1,720,100</u>	<u>\$615,933,900</u>	<u>\$565,521,100</u>

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS For the Fiscal Year Ended September 30, 1991

	Electric	Gas	Sewer	Water
Operating Revenue:				
Charges for Services:				
Residential Sales	\$ 59,792,300	\$ 2,653,600	\$ 8,391,100	\$ 6,520,000
Recyclables Sales	--	--	--	--
Commercial and Industrial Sales	73,611,900	6,739,300	7,776,300	4,330,400
Public Street and Highway Lighting	1,006,200	--	--	--
Sales for Resale	8,865,200	--	--	--
Sales to Other Funds	4,493,200	82,700	126,900	257,500
Surcharge	1,031,600	3,500	279,800	717,200
Tapping Fees	--	4,100	126,700	327,700
Sales of Gas and Oil	--	--	--	--
Landing and Tie Down Fees	--	--	--	--
Late Fees	344,300	34,300	--	51,400
Initiating Service	1,171,700	45,600	--	330,900
Rentals	295,300	--	--	52,500
Cur-ins and cut-fees	19,100	400	--	--
Recreation Fees	--	--	--	--
Transportation Fees	--	--	--	--
Other	414,900	600	173,400	3,600
Total Operating Revenues	151,045,700	9,564,100	16,874,200	12,591,200
Operating Expenses:				
Personal Services	12,918,400	1,198,100	5,646,000	2,375,200
Fossil Fuel	34,123,100	--	--	--
Power Purchased	31,318,300	--	--	--
Gas Purchased	--	4,489,500	--	--
Materials and Supplies	938,400	97,700	584,500	270,700
Contractual Services	10,443,300	996,900	5,426,000	3,587,600
Other Expenses	2,339,600	203,600	2,123,000	1,798,200
Less: Applied Equipment Charges	(62,100)	(379,500)	(157,000)	(680,200)
Depreciation	8,874,400	257,400	2,238,000	1,070,900
Amortization	67,800	--	13,800	7,400
Total Operating Expenses	100,961,200	6,863,700	15,874,300	8,429,800
Operating Income (Loss)	50,084,500	2,700,400	999,900	4,161,400

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS
 For the Fiscal Year Ended September 30, 1991
 (Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Forest Meadows	Totals	
					September 30, 1991	September 30, 1990
\$ --	\$ --	\$ 5,293,500	\$ --	\$ --	\$ 83,650,500	\$ 79,071,700
--	--	186,500	--	--	186,500	118,600
--	--	4,840,600	--	--	97,298,500	89,830,900
--	--	--	--	--	1,006,200	894,500
--	--	--	--	--	8,865,200	5,633,400
--	--	--	--	--	4,960,300	4,553,200
--	--	--	--	--	2,032,100	1,942,800
--	--	--	--	--	458,500	504,300
2,118,800	--	--	--	--	2,118,800	2,181,200
796,600	--	--	--	--	796,600	706,200
--	--	--	--	--	430,000	412,900
--	--	--	--	--	1,548,200	1,279,900
3,580,500	--	--	--	--	3,928,300	3,466,900
--	--	--	--	--	19,500	16,200
--	--	--	904,200	231,100	1,135,300	1,188,300
--	1,635,000	--	--	--	1,635,000	1,502,700
207,000	--	--	--	--	799,500	1,589,700
<u>6,702,900</u>	<u>1,635,000</u>	<u>11,320,600</u>	<u>904,200</u>	<u>231,100</u>	<u>210,869,000</u>	<u>194,893,400</u>
2,208,700	3,657,200	3,102,100	653,300	202,600	31,961,600	26,695,800
--	--	--	--	--	34,123,100	37,582,400
--	--	--	--	--	31,318,300	16,825,800
--	--	--	--	--	4,489,500	4,688,100
189,400	944,400	170,400	308,900	70,900	3,575,300	3,170,100
3,183,000	1,145,000	7,520,300	258,200	163,200	32,723,500	27,374,200
86,200	308,800	70,100	221,400	82,800	7,233,700	7,244,700
--	--	--	--	--	(1,278,800)	(738,300)
1,519,500	570,100	13,900	53,300	8,700	14,606,200	13,927,800
22,200	--	--	--	--	111,200	213,500
<u>7,209,000</u>	<u>6,625,500</u>	<u>10,876,800</u>	<u>1,495,100</u>	<u>528,200</u>	<u>158,863,600</u>	<u>136,988,100</u>
(506,100)	(4,990,500)	443,800	(590,900)	(297,100)	52,005,400	57,905,300

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

For the Fiscal Year Ended September 30, 1991

(Continued)

	Electric	Gas	Sewer	Water
Non-operating Revenues (Expenses):				
Interest Revenue	\$ 9,594,300	\$ 489,400	\$ 2,296,100	\$ 1,276,500
Gain on Sale of Surplus Property	2,200	--	300	200
Grant Revenue	--	--	--	--
Other Revenue	2,061,400	416,400	3,066,000	1,531,900
Interest Expense	(8,522,500)	(106,500)	(968,400)	(600,900)
Other Expenses	(4,184,900)	(1,274,600)	(353,300)	(366,000)
Total Non-operating Revenues (Expenses)	(1,049,500)	(475,300)	4,040,700	1,941,700
Income (Loss) Before Operating Transfers and Extraordinary Item	49,035,000	2,225,100	5,040,600	6,103,100
Operating Transfers In (Out):				
Operating Transfers In	--	--	266,900	--
Operating Transfers (Out)	(31,389,600)	(1,623,300)	(655,400)	(2,559,400)
Income (Loss) Before Extraordinary Item	17,645,400	601,800	4,652,100	3,543,700
Extraordinary Item:				
Gain (Loss) on Refunded Bonds	--	77,500	307,100	(4,500)
Net Income (Loss)	17,645,400	679,300	4,959,200	3,539,200
Disposition of Net Income (Loss):				
Increase in Contributed Capital	--	--	--	--
Depreciation on Contributed Assets	--	--	699,500	--
Contribution to Other Funds	--	--	--	--
Net Increase (Decrease) in Retained Earnings	17,645,400	679,300	5,658,700	3,539,200
Retained Earnings (Deficit) - October 1	199,574,200	13,394,700	56,928,200	36,098,700
Retained Earnings (Deficit) - September 30	<u>\$217,219,600</u>	<u>\$ 14,074,000</u>	<u>\$ 62,586,900</u>	<u>\$ 39,637,900</u>

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS
 For the Fiscal Year Ended September 30, 1991
 (Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Forest Meadows	Totals	
					September 30, 1991	September 30, 1990
\$ 390,800	\$ --	\$ --	\$ --	\$ 1,800	\$ 14,048,900	\$ 13,508,300
--	--	--	--	--	2,700	39,700
--	935,600	--	--	--	935,600	907,500
153,500	36,900	300	35,600	--	7,402,000	3,166,100
(994,500)	--	--	--	--	(11,192,800)	(11,048,100)
(67,500)	(181,400)	(100)	--	(7,100)	(6,434,900)	(8,807,000)
(517,700)	791,100	200	35,600	(5,300)	4,761,500	(2,433,500)
(1,023,800)	(4,199,400)	444,000	(555,300)	(502,400)	56,766,900	55,471,800
--	3,930,000	--	444,300	411,700	5,052,900	3,858,500
(76,900)	(11,400)	(241,800)	(800)	(103,900)	(36,662,500)	(35,074,800)
(1,100,700)	(280,600)	202,200	(111,800)	5,400	25,157,300	24,255,500
--	--	--	--	--	380,100	--
(1,100,700)	(280,600)	202,200	(111,800)	5,400	25,537,400	24,255,500
--	(285,700)	--	--	--	(285,700)	(40,900)
1,389,500	505,600	--	--	--	2,594,600	1,779,800
--	--	(101,000)	--	--	(101,000)	--
288,800	(60,900)	101,200	(111,800)	5,400	27,745,300	25,994,400
8,609,000	181,200	(255,700)	197,100	24,600	314,752,000	288,757,600
<u>\$ 8,897,800</u>	<u>\$ 120,300</u>	<u>\$ (154,500)</u>	<u>\$ 5,300</u>	<u>\$ 30,000</u>	<u>\$342,497,300</u>	<u>\$314,752,000</u>

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

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 1991

	Electric	Gas	Sewer	Water
Increase (Decrease) in Cash and Cash Equivalents:				
Cash Flows from Operating Activities:				
Cash Received from Customers	\$140,677,700	\$ 9,469,700	\$ 16,655,000	\$ 12,511,600
Cash Received from Other Funds	4,493,200	82,700	126,900	257,300
Cash Payments to Suppliers for Goods and Services	(73,121,800)	(4,496,600)	(4,666,900)	(2,118,300)
Cash Payments to Employees for Services	(11,832,000)	(1,108,900)	(5,347,400)	(2,251,000)
Payments to Other Funds	(6,726,100)	(935,300)	(3,221,400)	(3,052,100)
Net Cash Provided by (Used for) Operating Activities	<u>53,491,000</u>	<u>3,011,600</u>	<u>3,546,200</u>	<u>5,347,700</u>
Cash Flows from Noncapital Financing Activities:				
Operating Transfers in from Other Funds	--	--	266,900	--
Operating Grants Received	--	--	--	--
Other	(2,123,500)	(858,200)	2,712,700	1,260,900
Operating Transfers out to Other Funds	(31,389,600)	(1,623,300)	(655,400)	(2,559,400)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(33,513,100)</u>	<u>(2,481,500)</u>	<u>2,324,200</u>	<u>(1,298,500)</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Loans	--	--	--	--
Receipts from Energy Loan Program	4,761,600	--	--	--
Proceeds from Sale of Bonds	--	3,263,700	40,014,100	8,997,200
Advances from Other Funds	--	--	--	--
Capital Grants Received	--	--	--	--
Capital Contributions	--	--	--	--
Proceeds from the Sale of Property	2,200	--	300	--
Acquisition and Construction of Capital Assets	(20,113,300)	(3,080,400)	(9,407,400)	(5,729,500)
Principal and Refunding Payments	(2,979,400)	(227,000)	(16,053,000)	(6,426,700)
Repayment of Advance from Other Funds	--	--	--	--
Contribution to Other Funds	--	--	--	--
Funding of Energy Loan Program	(5,492,600)	--	--	--
Interest Paid	(8,877,300)	(129,900)	(965,400)	(600,900)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(32,698,800)</u>	<u>(173,600)</u>	<u>14,585,600</u>	<u>(4,759,900)</u>
Cash Flows from Investing Activities:				
Proceeds from Sale and Maturities of Investment Securities	28,274,400	3,268,800	1,425,200	2,403,800
Receipts of Interest on Investments	9,594,300	489,400	2,296,100	1,276,500
Purchase of Investment Securities	(11,854,500)	(3,094,600)	(4,305,600)	(3,208,400)
Net Cash Provided by (Used for) Investing Activities	<u>26,014,200</u>	<u>683,600</u>	<u>(584,300)</u>	<u>471,900</u>

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 1991

(Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Forest Meadows	Totals	
					September 30, 1991	September 30, 1990
\$ 6,684,800	\$ 1,638,600	\$11,231,300	\$ 904,300	\$ 230,000	\$200,003,000	\$188,903,900
--	--	--	--	--	4,960,300	2,287,000
(2,345,200)	(1,207,400)	(4,916,900)	(472,800)	(185,800)	(93,531,700)	(77,908,800)
(2,087,100)	(3,546,200)	(2,865,900)	(626,900)	(200,800)	(29,866,200)	(26,116,100)
(723,800)	(1,138,200)	(3,168,600)	(309,800)	(118,100)	(19,393,400)	(12,423,000)
<u>1,528,700</u>	<u>(4,253,200)</u>	<u>279,900</u>	<u>(505,200)</u>	<u>(274,700)</u>	<u>62,172,000</u>	<u>74,743,000</u>
--	3,644,300	--	444,300	411,700	4,767,200	3,711,400
--	900,900	--	--	--	900,900	1,354,400
86,000	(152,300)	(100)	2,900	(7,100)	921,300	(5,676,500)
<u>(76,900)</u>	<u>(11,400)</u>	<u>(241,800)</u>	<u>(800)</u>	<u>(103,900)</u>	<u>(36,662,500)</u>	<u>(34,968,600)</u>
<u>9,100</u>	<u>4,381,500</u>	<u>(241,900)</u>	<u>446,400</u>	<u>300,700</u>	<u>(30,073,100)</u>	<u>(35,579,300)</u>
--	--	--	--	--	--	1,797,400
--	--	--	--	--	4,761,600	6,504,600
--	--	--	--	--	52,275,000	--
--	--	355,000	--	--	355,000	--
2,591,000	1,278,300	--	--	--	3,869,300	1,767,800
--	285,700	--	--	--	285,700	4,165,700
--	--	--	--	--	2,500	63,900
(2,470,100)	(1,024,700)	(240,100)	--	(3,800)	(42,069,300)	(37,246,700)
--	--	--	--	--	(25,686,100)	(3,254,200)
(85,900)	--	(355,000)	--	(37,200)	(478,100)	(1,618,800)
--	--	(101,000)	--	--	(101,000)	43,800
--	--	--	--	--	(5,492,600)	(7,292,400)
<u>(994,500)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(11,571,000)</u>	<u>(10,444,000)</u>
<u>(959,500)</u>	<u>539,300</u>	<u>(341,100)</u>	<u>--</u>	<u>(41,000)</u>	<u>(23,849,000)</u>	<u>(45,523,900)</u>
--	--	--	--	--	35,392,200	33,702,500
390,800	--	300	14,500	1,800	14,063,700	13,308,800
<u>(31,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(22,544,100)</u>	<u>(49,800,600)</u>
<u>309,800</u>	<u>--</u>	<u>300</u>	<u>14,500</u>	<u>1,800</u>	<u>26,911,800</u>	<u>(2,789,300)</u>

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

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For the Fiscal Year Ended September 30, 1991
 (Continued)

	Electric	Gas	Sewer	Water
Net Increase (Decrease) in Cash and Cash Equivalents	13,293,300	1,040,100	19,871,700	(238,800)
Cash and Cash Equivalents at Beginning of Year	87,488,400	4,564,400	20,408,900	11,628,800
Cash and Cash Equivalents at End of Year	<u>\$100,781,700</u>	<u>\$ 5,604,500</u>	<u>\$40,280,600</u>	<u>\$ 11,390,000</u>
Classified As:				
Unrestricted Assets	\$ 11,893,000	\$ 847,000	\$ 1,398,500	\$ 1,132,400
Restricted Assets	88,888,700	4,757,500	38,882,100	10,257,600
	<u>\$100,781,700</u>	<u>\$ 5,604,500</u>	<u>\$40,280,600</u>	<u>\$ 11,390,000</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	<u>\$ 50,284,500</u>	<u>\$ 2,700,400</u>	<u>\$ 999,900</u>	<u>\$ 4,161,400</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	6,874,400	257,400	2,238,000	1,070,900
Amortization	67,800	--	13,800	7,400
Provision for Uncollectible Accounts	839,100	71,600	11,800	(12,200)
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	261,800	(125,000)	(82,300)	183,400
(Increase) Decrease in Other Accounts Receivable	689,100	--	(10,000)	--
(Increase) Decrease in Due from Other Funds	--	--	--	--
(Increase) Decrease in Inventory	(906,600)	--	--	(5,500)
Increase (Decrease) in Accounts Payable	(5,329,900)	(23,500)	76,400	19,000
Increase (Decrease) in Arbitrage Rebate Payable	--	--	--	--
Decrease in Customer Contracts Payable	(234,900)	--	--	--
Decrease in Utility Deposits Payable	(1,779,700)	(34,300)	--	(200,900)
Decrease in Deferred Revenue	(5,100)	--	--	--
Increase (Decrease) in Customer Advances	(6,300)	78,900	--	--
Increase in Accrued Leave	994,800	86,100	298,600	124,200
Increase (Decrease) in Prepaid Fee Credits	--	--	--	--
Total Adjustments	<u>3,406,500</u>	<u>311,200</u>	<u>2,546,300</u>	<u>1,186,300</u>
Net Cash Provided by Operating Activities	<u>\$ 53,491,000</u>	<u>\$ 3,011,600</u>	<u>\$ 3,546,200</u>	<u>\$ 5,347,700</u>

Noncash Capital Financing Activities:

During 91, land, with a fair market value of \$265,000, was donated to Forest Meadows.

CITY OF TALLAHASSEE, FLORIDA

ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For the Fiscal Year Ended September 30, 1991
 (Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Forest Meadows	Totals	
					September 30, 1991	September 30, 1990
888,100	667,600	(132,800)	(44,300)	(13,200)	35,161,700	(9,149,500)
3,050,400	187,900	644,500	268,800	65,400	128,317,500	137,467,000
<u>\$ 3,948,500</u>	<u>\$ 855,500</u>	<u>\$ 341,700</u>	<u>\$ 224,500</u>	<u>\$ 52,200</u>	<u>\$163,479,200</u>	<u>\$128,317,500</u>
\$ 1,599,000	\$ 855,500	\$ 332,100	\$ 78,800	\$ 41,500	\$ 18,177,800	\$ 22,507,600
2,349,500	--	9,600	145,700	10,700	145,301,400	105,809,900
<u>\$ 3,948,500</u>	<u>\$ 855,500</u>	<u>\$ 341,700</u>	<u>\$ 224,500</u>	<u>\$ 52,200</u>	<u>\$163,479,200</u>	<u>\$128,317,500</u>
<u>\$ (506,100)</u>	<u>\$(4,990,500)</u>	<u>\$ 443,800</u>	<u>\$ (590,900)</u>	<u>\$ (297,100)</u>	<u>\$ 52,005,400</u>	<u>\$ 57,905,300</u>
1,519,500	570,100	13,900	53,300	8,700	14,606,200	13,927,800
22,200	--	--	--	--	111,200	213,500
39,600	--	64,600	--	--	1,014,500	922,300
18,100	3,600	(153,900)	100	(1,100)	104,700	(1,363,200)
--	--	--	--	--	679,100	(1,211,300)
7,900	--	--	--	(200)	7,700	(59,600)
91,500	49,100	--	1,200	5,500	(763,800)	1,470,500
314,500	13,700	(321,400)	4,700	8,700	(5,239,800)	76,000
(15,000)	--	--	--	--	(15,000)	84,100
--	--	--	--	--	(234,900)	835,100
--	--	--	--	--	(2,014,900)	794,500
--	--	--	--	--	(63,100)	4,800
(11,700)	--	--	--	--	60,900	(152,500)
121,000	100,800	232,900	26,400	1,800	1,987,200	433,600
(73,400)	--	--	--	--	(73,400)	862,300
<u>2,034,800</u>	<u>737,300</u>	<u>(163,900)</u>	<u>85,700</u>	<u>22,400</u>	<u>10,166,600</u>	<u>1,357,700</u>
<u>\$ 1,528,700</u>	<u>\$(4,253,200)</u>	<u>\$ 279,900</u>	<u>\$ (505,200)</u>	<u>\$ (274,700)</u>	<u>\$ 62,172,000</u>	<u>\$ 74,743,000</u>

CITY OF TALLAHASSEE, FLORIDA

ELECTRIC FUND
BALANCE SHEET

	September 30	
	<u>1991</u>	<u>1990</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 11,893,000	\$ 17,541,300
Accounts Receivable:		
Customers	10,708,000	11,295,300
Other	1,362,300	2,052,100
Less: Allowance for Doubtful Accounts	(1,958,800)	(1,445,200)
Due From Other Funds	700	--
Inventory:		
Fossil Fuel	4,634,500	5,609,800
Nuclear Fuel	5,578,400	5,258,400
Accumulated Amortization of Nuclear Fuel	(3,264,300)	(2,826,200)
Total Current Assets	<u>28,953,800</u>	<u>35,485,500</u>
Restricted Assets:		
Cash and Cash Equivalents:		
Revenue Bonds Reserve	11,858,500	14,804,500
Revenue Bonds Construction	14,090,200	--
Revenue Bonds R R & I	40,949,500	43,438,400
Other	21,990,500	11,704,200
	<u>88,888,700</u>	<u>69,947,100</u>
Investments:		
Revenue Bonds Construction	--	16,417,700
Other	38,000	40,200
	<u>38,000</u>	<u>16,457,900</u>
Accounts Receivable:		
Revenue Bonds Construction	--	195,700
Revenue Bonds R R & I	392,600	363,600
	<u>392,600</u>	<u>559,300</u>
Notes Receivable:		
Other	5,559,200	4,661,500
	<u>5,559,200</u>	<u>4,661,500</u>
Total Restricted Assets	<u>94,878,500</u>	<u>91,625,800</u>
Other Assets:		
Unamortized Bond Issue Cost	408,400	433,900
Total Other Assets	<u>408,400</u>	<u>433,900</u>
Fixed Assets:		
Fixed Assets - Cost	273,817,100	254,450,600
Less: Accumulated Depreciation	(128,406,200)	(119,487,700)
Construction in Progress	61,217,600	60,422,000
Total Fixed Assets	<u>206,628,500</u>	<u>195,384,900</u>
Total Assets	<u>\$330,869,200</u>	<u>\$322,930,000</u>

CITY OF TALLAHASSEE, FLORIDA

ELECTRIC FUND
BALANCE SHEET
(Continued)

	September 30	
	<u>1991</u>	<u>1990</u>
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable,	\$ 8,187,800	\$ 11,717,200
Accrued Leave	709,600	738,500
Customer Contract Payable	680,600	855,100
Utility Deposits Payable,	<u>5,699,600</u>	<u>7,479,300</u>
Total Current Liabilities	<u>13,277,600</u>	<u>20,770,200</u>
Payable from Restricted Assets:		
Retainage and Accounts Payable,	1,307,700	1,458,200
Deferred Revenue,	<u>351,200</u>	<u>351,200</u>
Total Payable from Restricted Assets,	<u>1,658,900</u>	<u>1,809,400</u>
Other Liabilities:		
Customer Contracts Payable,	30,500	110,900
Deferred Revenue,	--	63,100
Customer Advances	115,300	121,600
Accrued Leave	1,714,700	690,900
Bonds and Notes Payable	96,485,900	99,465,300
Less: Bond Discount,	<u>(1,759,300)</u>	<u>(1,801,600)</u>
Total Other Liabilities	<u>96,587,100</u>	<u>98,650,200</u>
Total Liabilities	<u>111,523,600</u>	<u>121,229,800</u>
Fund Equity:		
Contributed Capital	<u>2,126,000</u>	<u>2,126,000</u>
Retained Earnings:		
Reserved for:		
Revenue Bonds,	11,858,500	14,804,500
Revenue Bonds Construction	13,605,000	16,100,900
Revenue Bonds RR & I	40,305,400	42,725,100
Other Reserves	<u>27,450,700</u>	<u>16,280,800</u>
Total Reserved,	93,219,600	89,886,400
Unreserved,	<u>124,000,000</u>	<u>110,387,800</u>
Total Fund Equity	<u>219,345,600</u>	<u>201,700,200</u>
Total Liabilities and Fund Equity	<u>\$330,869,200</u>	<u>\$322,930,000</u>

CITY OF TALLAHASSEE, FLORIDA

ELECTRIC FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

	Fiscal Year Ended September 30	
	1991	1990
Operating Revenue:		
Charges for Services:		
Residential Sales	\$ 59,792,300	\$ 57,004,200
Commercial and Industrial Sales	73,611,900	68,350,800
Public Street and Highway Lighting	1,006,200	894,500
Sales for Resale	8,865,200	5,633,400
Sales to Other Funds	4,493,200	4,118,400
Surcharge	1,031,600	1,031,800
Late Fees	344,300	321,600
Initiating Service	1,171,700	846,700
Rentals	295,500	221,000
Cut-ins and Cut-fees	19,100	15,900
Other	414,900	978,600
Total Operating Revenues	151,045,700	139,396,900
Operating Expenses:		
Personal Services	12,918,400	10,633,700
Fossil Fuel	34,123,100	37,582,400
Power Purchased	31,318,300	16,825,800
Materials and Supplies	958,400	817,700
Contractual Services	10,443,300	8,760,300
Other Expenses	2,359,600	3,590,700
Less: Applied Equipment Charges	(62,100)	(34,600)
Depreciation	8,874,400	8,980,800
Amortization	67,800	170,000
Total Operating Expenses	100,961,200	87,326,800
Operating Income	50,084,500	52,070,100
Nonoperating Revenues (Expenses):		
Interest Revenue	9,594,300	8,922,600
Gain on Sale of Surplus Property	2,200	39,300
Other Revenue	2,000,400	555,300
Interest Expense	(8,522,500)	(8,409,000)
Other Expenses	(4,184,900)	(6,955,000)
Total Nonoperating Revenues (Expenses)	(1,049,500)	(5,846,800)
Income Before Operating Transfers	49,035,000	46,223,300
Operating Transfers Out:		
Operating Transfers Out	(31,389,500)	(31,521,500)
Net Income	17,645,400	14,701,800
Retained Earnings - October 1	199,574,200	184,872,400
Retained Earnings - September 30	\$217,219,600	\$199,574,200

CITY OF TALLAHASSEE, FLORIDA

ELECTRIC FUND
STATEMENT OF CASH FLOWS

	Fiscal Year Ended September	
	1991	1990
Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$140,677,700	\$131,764,100
Cash Received from Other Funds	4,493,200	4,118,400
Cash Payments to Suppliers for Goods and Services	(73,121,800)	(59,097,600)
Cash Payments to Employees for Services	(11,852,000)	(10,328,300)
Payments to Other Funds	16,726,100	(5,618,800)
Net Cash Provided by Operating Activities	<u>53,491,000</u>	<u>60,837,800</u>
Cash Flows from Noncapital Financing Activities:		
Operating Transfers Out to Other Funds	(31,389,600)	(31,521,500)
Other	(2,123,500)	(6,399,700)
Net Cash Used for Noncapital Financing Activities	<u>(33,513,100)</u>	<u>(37,921,200)</u>
Cash Flows from Capital and Related Financing Activities:		
Receipts from Energy Loan Program	4,761,600	6,504,600
Proceeds From the Sale of Property	2,200	39,300
Acquisition and Construction of Capital Assets	(70,113,300)	(74,196,500)
Funding Energy Loan Program	192,600	(7,292,400)
Principal Repayments	(2,479,400)	(1,874,900)
Interest Paid	(8,877,300)	(7,824,700)
Net Cash Used for Capital and Related Financing Activities	<u>(32,698,500)</u>	<u>(24,604,600)</u>
Cash Flows from Investing Activities:		
Proceeds From Sale and Maturities of Investment Securities	28,274,400	27,078,100
Receipts of Interest on Investments	9,594,300	8,922,600
Purchase of Investment Securities	(11,854,500)	(43,536,000)
Net Cash Provided by (Used for) Investing Activities	<u>26,014,200</u>	<u>(7,535,300)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	13,293,300	(9,223,300)
Cash and Cash Equivalents at Beginning of Year	87,488,400	96,711,700
Cash and Cash Equivalents at End of Year	<u>\$100,781,700</u>	<u>\$ 87,488,400</u>
Classified As:		
Unrestricted Assets	\$ 11,893,000	\$ 17,541,300
Restricted Assets	88,888,700	69,947,100
	<u>\$100,781,700</u>	<u>\$ 87,488,400</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$ 50,084,500	\$ 52,070,100
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	8,874,400	8,980,800
Amortization	67,800	170,000
Provision for Uncollectible Accounts	839,100	743,600
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	261,800	(2,538,700)
(Increase) Decrease in Other Accounts Receivable	689,100	(1,237,600)
(Increase) Decrease in Inventory	(906,600)	1,568,200
Decrease in Accounts Payable	(5,329,900)	(478,000)
Increase (Decrease) in Customer Contracts Payable	(234,900)	835,100
Increase (Decrease) in Utility Deposits Payable	(1,779,700)	677,300
Increase (Decrease) in Deferred Revenue	(63,100)	4,800
Decrease in Customer Advances	(6,300)	(158,400)
Increase in Accrued Leave	994,800	200,600
Total Adjustments	<u>3,406,500</u>	<u>8,767,700</u>
Net Cash Provided by Operating Activities	<u>\$ 53,491,000</u>	<u>\$ 60,837,800</u>

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	
	1991	1990
Administrative and General:		
Personal Services	\$ 1,682,900	\$ 1,615,000
Contractual Services	5,727,900	4,994,000
Materials and Supplies	47,600	54,600
Other	<u>2,105,400</u>	<u>3,414,800</u>
	<u>9,563,800</u>	<u>10,080,400</u>
Distribution:		
Personal Services	4,407,100	3,342,600
Contractual Services	1,867,400	1,422,700
Materials and Supplies	295,000	248,100
Other	<u>18,900</u>	<u>24,200</u>
	<u>6,588,400</u>	<u>5,037,600</u>
Transmission:		
Personal Services	61,600	111,700
Contractual Services	359,500	209,400
Materials and Supplies	2,400	1,500
Other	<u>94,900</u>	<u>26,900</u>
	<u>518,400</u>	<u>349,600</u>
Engineering:		
Personal Services	1,099,500	669,200
Contractual Services	72,900	54,600
Materials and Supplies	22,500	17,800
Other	<u>42,800</u>	<u>45,900</u>
	<u>1,237,800</u>	<u>787,400</u>
Generation:		
Personal Services	5,627,200	4,895,300
Fossil Fuel	24,123,100	37,582,400
Contractual Services	2,415,600	2,079,600
Power Purchased	31,318,300	16,825,800
Materials and Supplies	570,900	515,600
Other	<u>77,600</u>	<u>48,900</u>
	<u>74,132,700</u>	<u>61,947,600</u>
Other:		
Less: Applied Equipment Charges	(62,100)	(34,600)
Depreciation	8,874,400	8,980,800
Amortization	<u>67,800</u>	<u>170,000</u>
	<u>8,880,100</u>	<u>9,116,200</u>
Total Operating Expense	<u><u>\$100,961,200</u></u>	<u><u>\$ 87,526,800</u></u>

CITY OF TALLAHASSEE, FLORIDA

ELECTRIC FUND
REGULATORY SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30	
	1991	1990
Fossil Fuel	\$ 34,123,100	\$ 37,582,400
Nuclear	1,751,500	1,414,600
Purchase of Power	31,316,300	16,825,800
Production:		
Operating	4,280,200	3,759,000
Maintenance	1,481,500	1,341,900
Transmission:		
Operating	403,900	272,800
Maintenance	173,900	328,400
Distribution:		
Operating	3,504,600	2,770,000
Maintenance	1,613,500	1,228,300
Administrative	5,186,400	6,213,500
Automotive Equipment Expense	924,800	620,900
Less: Applied Equipment Charges	(62,100)	(34,600)
Depreciation	8,874,400	8,980,800
Amortization	67,800	170,000
Customer Accounts Expense	5,251,700	5,317,300
Other	1,067,700	535,700
Total Operating Expense	<u>\$100,961,200</u>	<u>\$ 87,326,800</u>

The above schedule is presented in accordance with the Uniform Chart of Accounts as promulgated by the Federal Energy Regulatory Commission.

CITY OF TALLAHASSEE, FLORIDA

GAS FUND
BALANCE SHEET

	September 30	
	<u>1991</u>	<u>1990</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 847,000	\$ 960,500
Accounts Receivable:		
Customers	557,700	598,600
Less: Allowance for Doubtful Accounts	(94,400)	(188,700)
Inventory:		
Fossil Fuel	81,900	81,900
Total Current Assets	<u>1,392,200</u>	<u>1,452,300</u>
Restricted Assets:		
Cash and Cash Equivalents:		
Revenue Bonds Reserve	--	75,500
Revenue Bonds Construction	1,507,300	--
Revenue Bonds Renewal and Replacement	3,196,900	3,401,200
Other	53,300	127,200
	<u>4,757,500</u>	<u>3,603,900</u>
Investments:		
Sunshine State Construction	924,500	1,422,600
Revenue Bonds	303,900	--
	<u>1,228,400</u>	<u>1,422,600</u>
Total Restricted Assets	<u>5,985,900</u>	<u>5,026,500</u>
Other Assets:		
Unamortized Bond Issue Costs	21,500	--
Total Other Assets	<u>21,500</u>	<u>--</u>
Fixed Assets:		
Fixed Assets - Cost	12,761,900	10,435,000
Less: Accumulated Depreciation	(4,748,800)	(1,491,400)
Construction In Progress	4,511,400	3,777,500
Fixed Assets - Net	<u>12,524,500</u>	<u>9,721,100</u>
Total Assets	<u>\$ 19,924,100</u>	<u>\$ 16,199,900</u>

CITY OF TALLAHASSEE, FLORIDA

GAS FUND
BALANCE SHEET
(Continued)

September 30

1991

1990

LIABILITIES AND FUND EQUITY

Current Liabilities:

Accounts Payable	\$ 580,200	\$ 603,700
Accrued Leave	74,500	79,700
Customer Advances	2,100	7,800
Utility Deposits Payable	78,500	112,800
Total Current Liabilities	<u>735,300</u>	<u>804,000</u>

Payable from Restricted Assets:

Accrued Interest and Commissions Payable	--	8,800
Retainage and Accounts Payable	28,200	62,400
Customer Advances	84,600	--
Total Payable from Restricted Assets	<u>112,800</u>	<u>71,200</u>

Other Liabilities:

Accrued Leave	146,900	55,600
Loan Payable	--	1,797,400
Loans from Other Funds	1,720,600	--
Bonds and Notes Payable	3,202,900	77,000
Less Bond Discounts	(68,400)	--
Total Other Liabilities	<u>5,002,000</u>	<u>1,930,000</u>
Total Liabilities	<u>5,850,100</u>	<u>2,805,200</u>

Fund Equity:

Retained Earnings:

Reserved for:

Revenue Bonds	303,900	75,500
Revenue Bonds Renewal and Replacement	3,091,200	3,392,900
Sunshine State Construction	925,700	1,399,700
Revenue Bond Construction	1,500,100	--
Other	52,200	127,200
Total Reserved	<u>5,873,100</u>	<u>4,995,300</u>

Unreserved	8,200,900	8,439,400
Total Fund Equity	<u>14,074,000</u>	<u>13,394,700</u>
Total Liabilities and Fund Equity	<u>\$ 19,924,100</u>	<u>\$ 16,199,900</u>

CITY OF TALLAHASSEE, FLORIDA

GAS FUND

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS**

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Operating Revenue:		
Charges for Services:		
Residential Sales	\$ 2,653,600	\$ 2,774,500
Commercial and Industrial Sales	6,739,300	6,828,700
Sales to Other Funds	82,700	81,300
Tapping Fees	4,100	9,900
Late Fees	34,700	36,500
Initiating Service	45,600	35,000
Cut-ins and Cut-fees	400	300
Surcharge	3,500	3,400
Other	600	9,000
Total Operating Revenues	<u>9,564,100</u>	<u>9,778,500</u>
Operating Expenses:		
Personal Services	1,198,100	1,012,900
Gas Purchased	4,489,500	4,688,100
Materials and Supplies	97,700	83,900
Contractual Services	996,900	810,200
Other Expenses	203,600	405,700
Less: Applied Equipment Charges	(379,500)	(273,900)
Depreciation	257,400	253,800
Total Operating Expenses	<u>6,853,700</u>	<u>6,980,700</u>
Operating Income	<u>2,700,400</u>	<u>2,797,900</u>
Nonoperating Revenues (Expenses):		
Interest Revenue	489,400	462,000
Other Revenue	416,400	54,900
Interest Expense	(106,500)	(69,500)
Other Expenses	(1,274,600)	(624,000)
Total Nonoperating Revenues (Expenses)	<u>(475,300)</u>	<u>(176,600)</u>
Income Before Operating Transfers and Extraordinary Item	2,225,100	2,621,300
Operating Transfers in (Out):		
Operating Transfers In	--	96,400
Operating Transfers (Out)	<u>(1,623,300)</u>	<u>(1,277,600)</u>
Income Before Extraordinary Item	601,800	1,440,100
Extraordinary Item:		
Gain on Refunded Bonds	77,500	--
Net Income	679,300	1,440,100
Retained Earnings - October 1	<u>13,394,700</u>	<u>11,954,600</u>
Retained Earnings - September 30	<u>\$ 14,074,000</u>	<u>\$ 13,394,700</u>

CITY OF TALLAHASSEE, FLORIDA

GAS FUND STATEMENT OF CASH FLOWS

	Fiscal Year Ended September 30	
	1991	1990
Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 9,469,700	\$ 10,176,000
Cash Received from Other Funds	82,700	81,300
Cash Payments to Suppliers for Goods and Services, . .	(4,496,600)	(4,856,400)
Cash Payments to Employees for Services,	(1,108,900)	(959,200)
Payments to Other Funds,	(935,300)	(804,200)
Net Cash Provided by Operating Activities	<u>3,011,600</u>	<u>3,627,500</u>
Cash Flows from Noncapital Financing Activities:		
Operating Transfers In from Other Funds,	--	96,400
Operating Transfers Out to Other Funds	(1,623,300)	(1,277,600)
Other,	(858,200)	(569,100)
Net Cash Used for Noncapital Financing Activities . .	<u>(2,481,500)</u>	<u>(1,750,300)</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Loan	--	1,797,400
Proceeds from Sale of Bonds,	3,263,700	--
Acquisition and Construction of Capital Assets, . .	(3,080,400)	(2,151,000)
Principal and Refunding Payments	(227,000)	(10,000)
Interest Paid,	(129,900)	(60,200)
Net Cash Used for Capital and Related Financing Activities	<u>(173,600)</u>	<u>(424,300)</u>
Cash Flows from Investing Activities:		
Proceeds from Sale and Maturities of Investment Securities	3,288,800	2,369,100
Receipts of Interest on Investments,	489,400	462,000
Purchase of Investment Securities,	(3,094,600)	(3,791,700)
Net Cash Provided by (Used for) Investing Activities	<u>683,600</u>	<u>(960,600)</u>
Net Increase in Cash and Cash Equivalents	1,040,100	492,300
Cash and Cash Equivalents at Beginning of Year, . . .	4,564,400	4,072,100
Cash and Cash Equivalents at End of Year,	<u>\$ 5,604,500</u>	<u>\$ 4,564,400</u>
 Classified As:		
Unrestricted Assets,	\$ 847,000	\$ 960,500
Restricted Assets,	4,757,500	3,603,900
	<u>\$ 5,604,500</u>	<u>\$ 4,564,400</u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income,	\$ 2,700,400	\$ 2,797,900
Adjustment to Reconcile Operating Income to Net Cash Provided By Operating Activities:		
Depreciation,	297,400	253,800
Provision for Uncollectible Accounts,	71,600	69,700
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable, . . .	(125,000)	466,000
Increase in Inventory	--	(77,800)
Increase (Decrease) in Accounts Payable	(23,500)	93,000
Increase in Customer Advances	78,900	--
Decrease in Utility Deposits Payable,	(34,300)	(5,800)
Increase in Accrued Lease	86,100	30,700
Total Adjustments,	<u>311,200</u>	<u>829,600</u>
Net Cash Provided by Operating Activities	<u>\$ 3,011,600</u>	<u>\$ 3,627,500</u>

CITY OF TALLAHASSEE, FLORIDA

GAS FUND
SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Administrative and General:		
Personal Services	\$ 428,300	\$ 276,000
Contractual Services	636,900	488,700
Materials and Supplies	14,700	9,600
Other Expenses	<u>176,300</u>	<u>391,600</u>
	1,256,200	1,165,900
Peak Shaving:		
Personal Services	5,400	18,300
Contractual Services	2,400	1,800
Materials and Supplies	<u>1,400</u>	<u>1,000</u>
	9,200	21,100
Transmission and Distribution:		
Personal Services	764,400	718,600
Gas Purchased	4,409,500	4,688,100
Contractual Services	357,600	319,700
Materials and Supplies	81,600	73,300
Other Expenses	<u>27,300</u>	<u>14,100</u>
	5,720,400	5,813,800
Less Applied Equipment Charges	(379,500)	(273,900)
Depreciation	<u>257,400</u>	<u>253,800</u>
Total Operating Expense	<u>\$ 6,863,700</u>	<u>\$ 6,980,700</u>

GAS FUND
REGULATORY SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Purchase of Gas	\$ 4,489,500	\$ 4,688,100
Distribution:		
Operating	579,600	503,100
Maintenance	215,700	288,300
Administrative	713,400	652,300
Automotive Equipment Expense	352,100	290,400
Less: Applied Equipment Charges	(379,500)	(273,900)
Depreciation	257,400	253,800
Customer Accounts Expense	575,800	513,700
Other	<u>59,700</u>	<u>64,900</u>
Total Operating Expense	<u>\$ 6,863,700</u>	<u>\$ 6,980,700</u>

The above schedule is presented in accordance with the Uniform Chart of Accounts as promulgated by the Federal Energy Regulatory Commission.

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND
BALANCE SHEET

	September 30	
ASSETS	1991	1990
Current Assets:		
Cash and Cash Equivalents	\$ 1,398,500	\$ 1,219,000
Accounts Receivable:		
Customers	1,332,300	1,250,000
Other	19,500	9,500
Less: Allowance for Doubtful Accounts	<u>(188,600)</u>	<u>(186,800)</u>
Total Current Assets	<u>2,551,700</u>	<u>2,291,700</u>
Restricted Assets:		
Cash and Cash Equivalents:		
Loan Debt Service	--	235,300
Revenue Bonds Reserve	700	1,883,200
Revenue Bonds Construction	24,041,300	2,988,500
Revenue Bonds Renewal and Replacement	8,867,700	7,244,800
Sewer System Charges	7,381,000	5,590,300
Sunshine State Construction	800	14,300
Other	<u>590,600</u>	<u>1,233,500</u>
	<u>38,882,100</u>	<u>19,189,900</u>
Investments:		
Sunshine State Construction	5,232,800	6,088,100
Revenue Bonds	<u>3,735,700</u>	<u>--</u>
	<u>8,968,500</u>	<u>6,088,100</u>
Receivables:		
Sewer System Charges	211,900	259,500
Other	<u>213,800</u>	<u>203,400</u>
	<u>425,700</u>	<u>462,900</u>
Total Restricted Assets	<u>48,276,300</u>	<u>25,740,900</u>
Other Assets:		
Unamortized Bond Issue Cost	298,600	48,700
Unamortized Loan Issue Cost	--	83,300
Total Other Assets	<u>298,600</u>	<u>132,000</u>
Fixed Assets:		
Fixed Assets - Cost	91,635,200	88,994,200
Less: Accumulated Depreciation	<u>(24,085,200)</u>	<u>(21,863,600)</u>
Construction in Progress	<u>15,742,600</u>	<u>8,283,600</u>
Fixed Assets - Net	<u>83,292,600</u>	<u>75,414,200</u>
Total Assets	<u>\$134,417,200</u>	<u>\$103,578,800</u>

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND
BALANCE SHEET
(Continued)

LIABILITIES AND FUND EQUITY	September 30	
	1991	1990
Current Liabilities:		
Accounts Payable	\$ 206,100	\$ 129,700
Customer Contracts Payable	457,900	517,400
Accrued Leave	263,800	220,000
Total Current Liabilities	<u>927,800</u>	<u>867,100</u>
Payable from Restricted Assets:		
Accrued Interest and Commissions Payable	--	44,700
Retainage and Accounts Payable	1,623,400	167,800
Total Payable from Restricted Assets	<u>1,623,400</u>	<u>212,500</u>
Other Liabilities:		
Loan from Other Funds	8,052,500	--
Advance from Other Funds	500,000	500,000
Customer Contracts Payable	1,880,200	1,606,500
Customer Advances	16,300	16,300
Accrued Leave	478,300	223,500
Loan Payable	--	8,353,600
Bonds Payable	39,319,000	14,325,100
Less: Bond Discount	(850,700)	(37,000)
Total Other Liabilities	<u>49,395,600</u>	<u>24,988,000</u>
Total Liabilities	<u>51,946,800</u>	<u>26,067,600</u>
Fund Equity:		
Contributed Capital	19,883,500	20,583,000
Retained Earnings:		
Reserved for:		
Loan Debt Service	--	190,600
Revenue Bonds	3,736,400	1,083,200
Revenue Bonds Construction	23,799,500	2,982,200
Other	804,400	936,900
Revenue Bonds Renewal and Replacement	6,722,800	7,151,300
Sewer System Charges	6,508,400	5,849,800
Sunshine State Construction	5,081,400	6,034,300
Total Reserved	<u>46,652,900</u>	<u>25,028,300</u>
Unreserved	15,934,000	31,899,900
Total Fund Equity	<u>82,470,400</u>	<u>77,511,200</u>
Total Liabilities and Fund Equity	<u>\$134,417,200</u>	<u>\$103,578,800</u>

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Operating Revenue:		
Charges for Services:		
Residential Sales	\$ 8,391,100	\$ 7,605,100
Commercial and Industrial Sales	7,776,300	7,265,200
Sales to Other Funds	126,900	100,500
Surcharge	279,800	246,800
Tapping Fees	126,700	134,400
Other	<u>173,400</u>	<u>286,600</u>
Total Operating Revenues	<u>16,874,200</u>	<u>15,638,600</u>
Operating Expenses:		
Personal Services	5,646,000	4,757,100
Materials and Supplies	584,500	566,400
Contractual Services	5,426,000	4,771,200
Other Expenses	2,123,000	740,800
Less: Applied Equipment Charges	(157,000)	(81,200)
Depreciation	2,238,000	2,247,400
Amortization	<u>13,800</u>	<u>14,000</u>
Total Operating Expenses	<u>15,874,300</u>	<u>13,015,700</u>
Operating Income	<u>999,900</u>	<u>2,622,900</u>
Nonoperating Revenues (Expenses):		
Interest Revenue	2,296,100	2,142,800
Gain on Sale of Surplus	300	--
Other Revenue	3,066,000	1,467,600
Interest and Commission Expenses	(968,400)	(917,000)
Other Expenses	(353,300)	(654,000)
Total Nonoperating Revenues (Expenses)	<u>4,040,700</u>	<u>2,039,400</u>
Income Before Operating Transfers and Extraordinary Items	<u>5,040,600</u>	<u>4,662,300</u>
Operating Transfers in (Out):		
Operating Transfers In	266,900	270,100
Operating Transfers (Out)	(655,400)	(286,300)
Income Before Extraordinary Items	<u>4,652,100</u>	<u>4,646,100</u>
Extraordinary Items:		
Gain on Refunding of Bonds	307,100	--
Net Income	<u>4,959,200</u>	<u>4,646,100</u>
Disposition of Net Income:		
Depreciation on Contributed Assets	699,500	699,500
Net Increase in Retained Earnings	<u>5,658,700</u>	<u>5,345,600</u>
Retained Earnings - October 1	<u>56,928,200</u>	<u>51,582,600</u>
Retained Earnings - September 30	<u>\$ 62,586,900</u>	<u>\$ 56,928,200</u>

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

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND STATEMENT OF CASH FLOWS

	Fiscal Year Ended September 30	
	1991	1990
Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 16,655,000	\$ 16,199,300
Cash Received from Other Funds	126,900	100,500
Cash Payments to Suppliers for Goods and Services	(4,666,900)	(3,344,800)
Cash Payments to Employees for Services	(5,347,400)	(4,690,800)
Payments to Other Funds	(3,221,400)	(2,591,800)
Net Cash Provided by Operating Activities	3,546,200	5,672,400
Cash Flows from Noncapital Financing Activities:		
Operating Transfers In from Other Funds	266,900	270,100
Other	2,712,700	788,100
Operating Transfers Out to Other Funds	(655,400)	(286,300)
Net Cash Provided by Noncapital Financing Activities	2,324,200	771,900
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Sale of Bonds	40,014,100	--
Proceeds from the Sale of Property	300	24,600
Acquisition and Construction of Capital Assets	(8,407,400)	(4,312,600)
Principal and Refunding Payments	(16,053,000)	(976,600)
Repayments of Advance from Other Funds	--	(1,546,000)
Interest Paid	(968,400)	(917,000)
Net Cash Provided by (Used for) Capital and Related Financing Activities	14,585,600	(7,727,600)
Cash Flows from Investing Activities:		
Proceeds from Sale and Maturities of Investment Securities	1,425,200	1,481,500
Receipts of Interest on Investments	2,296,100	2,142,800
Purchase of Investment Securities	(4,305,600)	(714,000)
Net Cash Provided by (Used for) Investing Activities	(584,300)	2,910,300
Net Increase in Cash and Cash Equivalents	19,871,700	1,627,000
Cash and Cash Equivalents at Beginning of Year	20,408,900	18,781,900
Cash and Cash Equivalents at End of Year	\$ 40,280,600	\$ 20,408,900
Classified As:		
Unrestricted Assets	\$ 1,398,500	\$ 1,219,000
Restricted Assets	38,882,100	19,189,900
	\$ 40,280,600	\$ 20,408,900
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$ 999,900	\$ 2,622,900
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	2,258,000	2,247,400
Amortization	13,800	14,000
Provision of Uncollectible Accounts	11,800	47,200
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(82,300)	540,800
(Increase) Decrease in Other Accounts Receivable	(10,000)	20,400
Increase in Accounts Payable	76,400	13,400
Increase in Accrued Leave	298,600	66,300
Total Adjustments	2,546,500	3,049,900
Net Cash Provided by Operating Activities	\$ 3,546,200	\$ 5,672,400

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND
SCHEDULE OF OPERATING EXPENSE

	Fiscal Year Ended September 30	
	1991	1990
Administrative and General:		
Personal Services	\$ 1,018,600	\$ 813,600
Contractual Services	2,029,700	1,644,100
Materials and Supplies	9,100	
Other	2,050,100	689,400
	<u>5,107,500</u>	<u>3,147,100</u>
Treatment Plants:		
Personal Services	2,247,600	2,084,200
Contractual Services	2,107,500	1,906,000
Materials and Supplies	274,700	287,000
Other	17,300	16,900
	<u>4,647,100</u>	<u>4,294,100</u>
Water Quality Lab:		
Personal Services	546,300	376,400
Contractual Services	17,300	12,300
Materials and Supplies	65,500	62,000
Other	11,800	14,900
	<u>640,900</u>	<u>465,600</u>
Sewer Collection:		
Personal Services	1,282,300	1,051,100
Contractual Services	665,400	691,900
Materials and Supplies	132,000	130,100
Other	7,800	18,300
	<u>2,087,500</u>	<u>1,890,400</u>
TV Inspection:		
Personal Services	166,800	154,500
Contractual Services	37,100	62,400
Materials and Supplies	15,400	16,800
Other	17,600	900
	<u>236,900</u>	<u>234,500</u>
Pumping Stations:		
Personal Services	384,400	277,300
Contractual Services	569,000	455,600
Materials and Supplies	87,800	70,500
Other	18,400	300
	<u>1,059,600</u>	<u>803,700</u>
Applied Equipment Expense	(157,000)	(81,200)
Depreciation	2,238,000	2,247,400
Amortization	13,800	14,000
Total Operating Expense	<u>\$ 15,874,300</u>	<u>\$ 13,015,700</u>

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND
REGULATORY SCHEDULE OF OPERATING EXPENSE

	Fiscal Year ended September 30	
	1991	1990
Production:		
Operating	\$ 3,273,000	\$ 2,121,100
Maintenance	719,800	548,200
Transmission:		
Operating	251,000	200,100
Maintenance	155,000	102,300
Distribution:		
Operating	2,907,900	2,668,700
Maintenance	157,500	134,800
Administrative	2,071,700	2,025,100
Automotive Equipment Expense	1,116,500	974,300
Less: Applied Equipment Charges	(157,000)	(191,200)
Depreciation	2,238,000	2,247,400
Amortization	13,800	14,000
Customer Accounts Expense	1,987,800	1,527,700
Other	1,139,300	432,800
Total Operating Expense	<u>\$ 15,874,300</u>	<u>\$ 13,015,700</u>

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

WATER FUND
BALANCE SHEET

September 30

1991

1990

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 1,132,400	\$ 1,394,700
Accounts Receivable:		
Customers	1,114,000	1,297,400
Other	5,500	--
Less: Allowance for Doubtful Accounts.	(99,200)	(111,400)
Total Current Assets.	<u>2,152,700</u>	<u>2,580,700</u>

Restricted Assets:

Cash and Cash Equivalents:		
Loan Debt Service	--	198,000
Revenue Bond Reserve.	--	135,600
Revenue Bond Construction	2,975,000	3,435,100
Revenue Bond Renewal and Replacement.	2,359,600	2,562,900
Water System Charge	4,521,500	3,194,100
Other	401,500	208,400
	<u>10,257,600</u>	<u>10,234,100</u>

Investments:

Sunshine State Construction	4,044,000	4,082,600
Revenue Bonds	843,200	--
	<u>4,887,200</u>	<u>4,082,600</u>

Total Restricted Assets 15,144,800 14,316,700

Others Assets:

Unamortized Bond Issue Cost	82,700	14,700
Unamortized Loan Issue Cost	--	71,100
Total Other Assets.	<u>82,700</u>	<u>85,800</u>

Fixed Assets:

Fixed Assets - Cost	45,426,100	41,334,600
Less: Accumulated Depreciation	(13,304,800)	(12,239,100)
Construction in Progress.	9,153,800	6,128,900
Fixed Assets - Net.	<u>41,275,100</u>	<u>35,224,400</u>
Total Assets.	<u>\$58,655,300</u>	<u>\$52,207,600</u>

CITY OF TALLAHASSEE, FLORIDA

WATER FUND
BALANCE SHEET
(Continued)

	September 30	
	<u>1991</u>	<u>1990</u>
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	\$ 132,100	\$ 113,100
Customer Contracts Payable	358,300	431,100
Utility Deposits Payable	417,400	618,500
Accrued Leave	<u>89,300</u>	<u>78,000</u>
Total Current Liabilities	<u>997,100</u>	<u>1,240,500</u>
Payable from Restricted Assets:		
Accrued Interest and Commissions Payable	--	38,400
Retainage and Accounts Payable	<u>658,300</u>	<u>238,900</u>
Total Payable from Restricted Assets	<u>658,300</u>	<u>277,300</u>
Other Liabilities:		
Loan from Other Funds	6,998,700	--
Customer Contracts Payable	1,468,800	1,428,500
Customer Advances	16,000	16,800
Accrued Leave	211,100	98,200
Loan Payable	--	7,253,300
Bonds and Notes Payable	8,863,100	5,817,900
Less: Bond Discount	<u>(196,500)</u>	<u>(23,600)</u>
Total Other Liabilities	<u>17,362,000</u>	<u>14,591,100</u>
Total Liabilities	<u>19,017,400</u>	<u>16,108,900</u>
Fund Equity:		
Retained Earnings:		
Reserved for:		
Loan Debt Service	--	159,600
Revenue Bonds	843,200	655,600
Revenue Bonds Construction	2,838,900	4,410,500
Revenue Bonds Renewal and Replacement	2,204,100	2,552,400
Water Line Systems Charge	4,521,500	3,194,100
Sunshine State Construction	3,677,300	3,878,800
Other	<u>401,500</u>	<u>208,400</u>
Total Reserved	14,486,500	14,039,400
Unreserved	<u>25,151,400</u>	<u>22,059,300</u>
Total Fund Equity	<u>39,637,900</u>	<u>36,098,700</u>
Total Liabilities and Fund Equity	<u>\$ 58,655,300</u>	<u>\$ 52,207,600</u>

CITY OF TALLAHASSEE, FLORIDA

WATER FUND

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Operating Revenue:		
Charges for Services:		
Residential Sales	\$ 6,520,000	\$ 5,923,600
Commercial and Industrial Sales	4,330,400	3,697,200
Sales to Other Funds	257,500	253,000
Surcharge	717,200	660,800
Tapping Fees	327,700	360,000
Late Fees	51,400	54,800
Initiating Service	330,900	398,200
Rentals	52,500	52,500
Other	<u>3,600</u>	<u>57,100</u>
Total Operating Revenues	<u>12,591,200</u>	<u>11,457,200</u>
Operating Expenses:		
Personal Services	2,375,200	1,872,100
Materials and Supplies	270,700	372,200
Contractual Services	3,587,600	3,386,400
Other Expenses	1,798,200	1,241,900
Less: Applied Equipment Charges	(680,200)	(348,600)
Depreciation	1,070,900	1,065,000
Amortization	<u>7,400</u>	<u>7,600</u>
Total Operating Expenses	<u>8,429,800</u>	<u>7,596,600</u>
Operating Income	<u>4,161,400</u>	<u>3,860,600</u>
Nonoperating Revenues (Expenses):		
Interest Revenue	1,276,500	1,475,900
Gain on Sale of Surplus Property	200	400
Other Revenue	1,631,900	1,020,500
Interest Expenses	(600,900)	(864,900)
Other Expenses	<u>(366,000)</u>	<u>(463,700)</u>
Total Nonoperating Revenues (Expenses)	<u>1,941,700</u>	<u>1,168,200</u>
Income Before Operating Transfers and Extraordinary Item	6,103,100	5,028,800
Operating Transfers In (Out):		
Operating Transfers In	--	27,600
Operating Transfers (Out)	<u>(2,559,400)</u>	<u>(1,801,700)</u>
Income Before Extraordinary Item	3,543,700	3,254,700
Extraordinary Item:		
Loss on Refunding of Bonds	<u>(4,500)</u>	--
Net Income	3,539,200	3,254,700
Retained Earnings - October 1	<u>36,098,700</u>	<u>32,844,000</u>
Retained Earnings - September 30	<u>\$ 39,637,900</u>	<u>\$36,098,700</u>

CITY OF TALLAHASSEE, FLORIDA

**WATER FUND
STATEMENT OF CASH FLOWS**

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 12,511,600	\$ 11,264,100
Cash Received from Other Funds	257,500	253,000
Cash Payments to Suppliers for Goods and Services.	(2,118,300)	(2,044,600)
Cash Payments to Employees for Services.	(2,251,000)	(1,847,700)
Payments to Other Funds.	<u>(3,052,100)</u>	<u>(2,419,700)</u>
Net Cash Provided by Operating Activities	<u>5,347,700</u>	<u>5,205,100</u>
Cash Flows from Noncapital Financing Activities:		
Other.	1,260,900	555,600
Operating Transfers Out to Other Funds	<u>(2,559,400)</u>	<u>(1,774,100)</u>
Net Cash Used for Noncapital Financing Activities	<u>(1,298,500)</u>	<u>(1,218,500)</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Sale of Bonds.	8,997,200	--
Acquisition and Construction of Capital Assets	<u>(6,729,500)</u>	<u>(5,660,000)</u>
Principal and Refunding Payments	<u>(6,420,700)</u>	<u>(432,700)</u>
Interest Paid.	<u>(600,900)</u>	<u>(864,900)</u>
Net Cash Used for Capital and Related Financing Activities.	<u>(4,759,900)</u>	<u>(6,957,600)</u>
Cash Flow from Investing Activities:		
Proceeds from the Sale and Maturities of Investment Securities	2,403,800	2,773,800
Receipt of Interest Income on Investment	1,276,500	1,475,900
Purchase of Investment Securities.	<u>(3,208,400)</u>	<u>(583,700)</u>
Net Cash Provided by Investing Activities	<u>471,900</u>	<u>3,666,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents.	(238,800)	695,000
Cash and Cash Equivalents at Beginning of Year.	<u>11,628,800</u>	<u>10,933,800</u>
Cash and Cash Equivalents at End of Year.	<u>\$ 11,390,000</u>	<u>\$ 11,628,800</u>
Classified As:		
Unrestricted Assets.	\$ 1,132,400	\$ 1,394,700
Restricted Assets.	<u>10,257,600</u>	<u>10,234,100</u>
	<u>\$ 11,390,000</u>	<u>\$ 11,628,800</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:		
Operating Income.	\$ 4,161,400	\$ 3,860,600
Adjustment to Reconcile Operating Income to Net Cash Provided By Operating Activities:		
Depreciation.	1,070,900	1,065,000
Amortization.	7,400	7,600
Provision for Uncollectible Accounts.	(12,200)	13,900
Changes in Assets and Liabilities:		
Decrease in Accounts Receivable	183,400	54,000
(Increase) Decrease in Inventory	(5,500)	5,900
Increase in Accounts Payable	19,000	56,700
Increase (Decrease) in Utility Deposits Payable.	(200,900)	117,000
Increase in Accrued Leave.	<u>124,200</u>	<u>24,400</u>
Total Adjustments.	<u>1,186,300</u>	<u>1,344,500</u>
Net Cash Provided by Operating Activities	<u>\$ 5,347,700</u>	<u>\$ 5,205,100</u>

CITY OF TALLAHASSEE, FLORIDA

**WATER FUND
SCHEDULE OF OPERATING EXPENSE**

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Administrative and General:		
Personal Services	\$ 343,500	\$ 301,100
Contractual Services	1,756,000	1,501,800
Materials and Supplies	5,100	--
Other Expenses	<u>1,491,500</u>	<u>925,700</u>
	<u>3,596,100</u>	<u>2,734,600</u>
Supply:		
Personal Services	330,700	250,800
Contractual Services	1,288,800	1,398,000
Materials and Supplies	40,600	55,300
Other Expenses	<u>1,300</u>	<u>23,600</u>
	<u>1,661,400</u>	<u>1,727,700</u>
Transmission and Distribution:		
Personal Services	1,701,000	1,314,200
Contractual Services	542,800	486,600
Materials and Supplies	225,000	316,900
Other Expenses	<u>305,400</u>	<u>292,600</u>
	<u>2,774,200</u>	<u>2,410,300</u>
Less: Applied Equipment Charges	(680,200)	(348,600)
Depreciation Expense	1,070,900	1,065,000
Amortization Expense	7,400	7,600
Total Operating Expense	<u>\$ 4,429,800</u>	<u>\$ 7,596,600</u>

**WATER FUND
REGULATORY SCHEDULE OF OPERATING EXPENSE**

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Production:		
Operating	\$ 1,291,400	\$ 1,672,600
Maintenance	2,300	--
Distribution:		
Operating	582,900	546,200
Maintenance	801,900	798,000
Administrative	1,141,500	801,300
Automotive Equipment Expense	832,200	762,600
Less: Applied Equipment Charges	(680,200)	(348,600)
Depreciation	1,070,900	1,065,000
Amortization	7,400	7,600
Customer Accounts Expense	2,143,300	1,625,100
Other	<u>936,200</u>	<u>666,800</u>
Total Operating Expense	<u>\$ 8,429,800</u>	<u>\$ 7,596,600</u>

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

	September 30	
ASSETS	1991	1990
Current Assets:		
Cash and Cash Equivalents	\$ 1,599,000	\$ 462,400
Accounts Receivable:		
Customers	558,900	618,000
Less: Allowance for Doubtful Accounts	(32,400)	(33,800)
Due from Other Funds	51,700	59,600
Inventory:		
Fossil Fuel	16,900	108,400
Total Current Assets	<u>2,194,100</u>	<u>1,214,600</u>
Restricted Assets:		
Cash and Cash Equivalents:		
Construction	281,900	--
Renewal and Replacement	1,664,900	2,077,900
Revenue Bonds Debt Service	23,400	22,900
Other	379,500	497,200
	<u>2,349,500</u>	<u>2,598,000</u>
Investments:		
Revenue Bonds Reserve	1,257,800	1,174,100
Revenue Bonds Debt Service	--	2,700
	<u>1,257,800</u>	<u>1,176,800</u>
Accounts Receivable:		
Construction	--	87,000
Due from Other Governments:		
Construction	362,700	1,633,200
Renewal and Replacement	31,400	17,100
Other	358,600	107,400
	<u>752,700</u>	<u>1,757,700</u>
Total Restricted Assets	<u>4,360,000</u>	<u>5,619,500</u>
Other Assets:		
Unamortized Bond Issue Cost	368,700	386,200
Total Other Assets	<u>368,700</u>	<u>386,200</u>
Fixed Assets:		
Fixed Asset - Cost	54,605,700	53,567,000
Less: Accumulated Depreciation	(9,209,100)	(8,389,600)
Construction in Progress	2,411,500	1,430,500
Total Fixed Assets	<u>47,808,100</u>	<u>46,607,900</u>
Total Assets	<u>\$54,030,200</u>	<u>\$53,828,200</u>

CITY OF TALLAHASSEE, FLORIDA

AIRPORT FUND
BALANCE SHEET
(Continued)

	September 30	
	<u>1991</u>	<u>1990</u>
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	\$ 464,300	\$ 149,800
Accrued Leave	85,200	96,500
Arbitrage Rebate Payable	69,100	84,100
Customer Advances	--	11,700
Prepaid Fee Credit	768,900	362,300
Due to Other Funds	48,200	1,000
Total Current Liabilities	<u>1,455,700</u>	<u>1,205,400</u>
Payable From Restricted Assets:		
Retainage and Accounts Payable	280,500	730,900
Total Payable from Restricted Assets	<u>280,500</u>	<u>730,900</u>
Other Liabilities:		
Accrued Leave	239,500	106,600
Bonds Payable	12,350,000	12,350,000
Less: Bond Discount	(201,000)	(205,700)
Advance from Other Funds	1,613,200	1,746,300
Total Other Liabilities	<u>14,001,700</u>	<u>13,997,200</u>
Total Liabilities	<u>15,737,900</u>	<u>15,933,500</u>
Fund Equity:		
Contributed Capital	29,395,200	29,285,700
Retained Earnings:		
Reserved for:		
Revenue Bonds Debt Service	23,400	25,500
Revenue Bonds Reserve	1,257,800	1,174,100
Construction	500,500	1,094,300
Revenue Bond Renewal and Replacement	1,664,700	1,989,900
Other Reserves	633,100	604,600
Total Reserved	<u>4,079,500</u>	<u>4,888,400</u>
Unreserved	4,818,300	3,720,600
Total Fund Equity	<u>38,293,000</u>	<u>37,894,700</u>
Total Liabilities and Fund Equity	<u>\$54,030,900</u>	<u>\$53,828,200</u>

CITY OF TALLAHASSEE, FLORIDA

AIRPORT FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Operating Revenue:		
Charges for Services:		
Sales of Gas and Oil	\$ 2,118,800	\$ 2,181,200
Landing and Tie Down Fees	796,600	706,200
Rentals	3,580,500	3,193,400
Other Services	207,000	258,400
Total Operating Revenues	<u>6,702,900</u>	<u>6,339,200</u>
Operating Expenses:		
Personal Services	2,208,700	1,819,000
Materials and Supplies	189,400	135,900
Contractual Services	3,183,000	2,396,700
Other Expenses	86,200	395,400
Depreciation	1,519,500	707,500
Amortization	22,200	21,900
Total Operating Expenses	<u>7,209,000</u>	<u>5,476,400</u>
Total Operating Income (Loss)	<u>(506,100)</u>	<u>862,800</u>
Nonoperating Revenues (Expenses):		
Interest Revenue	390,800	303,400
Other Revenue	153,500	20,900
Interest Expense	(994,500)	(787,700)
Other Expenses	(67,500)	(73,100)
Total Nonoperating Revenues (Expenses)	<u>(517,700)</u>	<u>(536,500)</u>
Income (Loss) Before Operating Transfers	(1,023,800)	326,300
Operating Transfers Out:		
Operating Transfers Out	(76,900)	(78,600)
Net Income (Loss)	<u>(1,100,700)</u>	<u>247,700</u>
Disposition of Net Income (Loss):		
Depreciation on Contributed Assets	1,389,500	574,100
Net Increase in Retained Earnings	288,800	821,800
Retained Earnings - October 1	<u>8,609,000</u>	<u>7,787,200</u>
Retained Earnings - September 30	<u>\$ 8,897,800</u>	<u>\$ 8,609,000</u>

CITY OF TALLAHASSEE, FLORIDA

AIRPORT FUND STATEMENT OF CASH FLOWS

Fiscal Year Ended September 30
1991 1990

	1991	1990
Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 6,684,800	\$ 7,097,500
Cash Payments to Suppliers for Goods and Services,	(2,345,200)	(2,580,300)
Cash Payments to Employees for Services,	(2,087,100)	(1,781,000)
Payments to Other Funds,	(723,800)	(289,200)
Net Cash Provided by Operating Activities	1,528,700	2,447,000
Cash Flows from Noncapital Financing Activities:		
Other,	86,000	(57,800)
Operating Transfers Out to Other Funds	(76,900)	(78,600)
Net Cash Provided by (Used for) Noncapital Financing Activities,	9,100	(136,400)
Cash Flows from Capital and Related Financing Activities:		
Capital Grants Received,	2,591,000	4,124,800
Advance from Other Funds	--	43,800
Acquisition and Construction of Capital Assets	(2,470,100)	(8,982,500)
Repayment of Advancement	(85,900)	(38,300)
Interest Paid,	(994,500)	(787,700)
Net Cash Used for Capital and Related Financing Activities,	(959,500)	(5,239,800)
Cash Flows from Investing Activities:		
Receipts of Interest on Investments,	390,800	303,400
Purchase of Investment Securities,	(81,000)	(1,175,200)
Net Cash Provided by (Used for) Investing Activities,	309,800	(871,800)
Net Increase (Decrease) in Cash and Cash Equivalents,	888,100	(3,801,000)
Cash and Cash Equivalents at Beginning of Year,	3,060,400	6,861,400
Cash and Cash Equivalents at End of Year,	\$ 3,948,500	\$ 3,060,400
Classified As:		
Unrestricted Assets	\$ 1,599,000	\$ 462,400
Restricted Assets	2,349,500	2,598,000
	\$ 3,948,500	\$ 3,060,400
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ (506,100)	\$ 862,800
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation,	1,519,500	707,500
Amortization,	22,200	21,900
Provision for Uncollectible Accounts,	39,600	7,000
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Rec	18,100	(63,200)
(Increase) Decrease in Due from (To) Funds	7,900	(59,600)
(Increase) Decrease in Inventory,	91,500	(30,700)
Increase in Accounts Payable,	314,500	5,200
Increase in Accrued Leave	121,600	38,000
Increase (Decrease) in Arbitrage Rebate Payable	(15,000)	84,100
Increase (Decrease) in Prepaid Fee Credit	(73,400)	862,300
Increase (Decrease) in Customer Advances,	(11,700)	11,700
Total Adjustments	2,034,800	1,584,200
Net Cash Provided by Operating Activities	\$ 1,528,700	\$ 2,447,000

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	
	1991	1990
Administrative and General:		
Personal Services	\$ 244,300	\$ 221,400
Contractual Services	609,800	241,200
Materials and Supplies	7,600	7,500
Other Expenses	73,900	390,000
	<u>935,600</u>	<u>860,100</u>
Public Safety - Fire:		
Personal Services	404,900	355,300
Contractual Services	101,100	101,400
Materials and Supplies	4,700	1,100
Other Expenses	4,200	---
	<u>514,900</u>	<u>437,800</u>
Airport Patrol:		
Personal Services	372,300	282,400
Contractual Services	13,400	12,800
Materials and Supplies	2,900	200
	<u>388,600</u>	<u>295,400</u>
Flightline:		
Personal Services	500,300	458,600
Contractual Services	1,581,900	1,506,300
Materials and Supplies	22,900	16,100
Other Expenses	7,800	4,300
	<u>2,112,900</u>	<u>1,985,300</u>
Building Maintenance:		
Personal Services	351,800	287,100
Contractual Services	575,800	422,200
Materials and Supplies	60,900	52,900
	<u>988,500</u>	<u>755,200</u>
Base Maintenance:		
Personal Services	335,200	241,200
Contractual Services	301,200	112,800
Materials and Supplies	90,400	59,200
	<u>726,800</u>	<u>413,200</u>
Other:		
Depreciation	1,519,500	707,500
Amortization	22,200	21,900
	<u>1,541,700</u>	<u>729,400</u>
Total Operating Expense	<u>\$7,209,000</u>	<u>\$5,476,400</u>

CITY OF TALLAHASSEE, FLORIDA

TALLAHASSEE TRANSIT FUND
BALANCE SHEET

	September 30	
	<u>1991</u>	<u>1990</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 854,200	\$ 187,000
Accounts Receivable (Net of Allowance for Uncollectibles):		
Customers	112,500	116,000
Other	625,200	695,900
Inventory:		
Fossil Fuel	20,800	22,800
Other	276,100	323,200
Total Current Assets	<u>1,890,100</u>	<u>1,346,200</u>
Fixed Assets:		
Fixed Assets - Cost	11,445,400	11,308,500
Less: Accumulated Depreciation	(4,756,000)	(4,186,300)
Construction in Progress	4,370,800	3,395,200
Fixed Assets - Net	<u>11,060,200</u>	<u>10,517,200</u>
Total Assets	<u>\$12,950,300</u>	<u>\$11,863,400</u>
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	\$ 399,800	\$ 295,700
Accrued Leave	125,600	99,900
Customer Advances	--	9,800
Due to Other Funds	2,900	2,900
Total Current Liabilities	<u>528,300</u>	<u>408,300</u>
Other Liabilities:		
Accrued Leave	169,100	94,000
Total Other Liabilities	<u>169,100</u>	<u>94,000</u>
Total Liabilities	<u>697,400</u>	<u>502,300</u>
Fund Equity:		
Contributed Capital	12,132,600	11,179,900
Retained Earnings:		
Reserved for Projects	50,700	50,700
Unreserved	69,600	130,300
Total Fund Equity	<u>12,252,900</u>	<u>11,361,100</u>
Total Liabilities and Fund Equity	<u>\$12,950,300</u>	<u>\$11,863,400</u>

CITY OF TALLAHASSEE, FLORIDA

TALLAHASSEE TRANSIT FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

	Fiscal Year Ended September 30	
	1991	1990
Operating Revenues:		
Transportation Fees	\$ 1,635,000	\$ 1,502,700
Total Operating Revenues	<u>1,635,000</u>	<u>1,502,700</u>
Operating Expenses:		
Personal Services	3,657,200	3,199,300
Materials and Supplies	944,400	880,200
Contractual Services	1,145,000	493,100
Other Expenses	308,800	244,400
Depreciation	570,100	571,100
Total Operating Expenses	<u>6,625,500</u>	<u>5,388,100</u>
Operating Loss	<u>(4,990,500)</u>	<u>(3,885,400)</u>
Nonoperating Revenues (Expenses):		
Grant Revenue	935,600	907,500
Other Revenue	36,900	43,800
Other Expenses	(181,400)	(37,200)
Total Nonoperating Revenues (Expenses)	<u>791,100</u>	<u>914,100</u>
Loss Before Operating Transfers	<u>(4,199,400)</u>	<u>(2,971,300)</u>
Operating Transfers:		
Operating Transfers In	3,930,000	2,628,900
Operating Transfers Out	(11,400)	--
Net Loss	<u>(280,800)</u>	<u>(342,400)</u>
Disposition of Net Loss:		
Increase in Contributed Capital	(285,700)	(40,900)
Depreciation on Contributed Assets	505,600	506,200
Net Increase (Decrease) in Retained Earnings	<u>(60,900)</u>	<u>122,900</u>
Retained Earnings - October 1	<u>181,200</u>	<u>58,300</u>
Retained Earnings - September 30	<u>\$ 120,300</u>	<u>\$ 181,200</u>

CITY OF TALLAHASSEE, FLORIDA

TALLAHASSEE TRANSIT FUND
STATEMENT OF CASH FLOWS

Fiscal Year Ended September 30
1991 1990

Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 1,538,600	\$ 1,480,600
Cash Payments to Suppliers for Goods and Services	(1,207,400)	(1,161,700)
Cash Payments to Employees for Services	(3,546,200)	(3,157,000)
Payments to Other Funds	(1,138,200)	(441,700)
Net Cash Used in Operating Activities	<u>(4,253,200)</u>	<u>(3,279,800)</u>
Cash Flows from Noncapital Financing Activities:		
Operating Grants Received	900,900	1,354,400
Operating Transfers in from Other Funds	3,644,300	2,588,000
Operating Transfers Out to Other Funds	(111,400)	--
Other	(152,500)	3,800
Net Cash Provided by Noncapital Financing Activities	<u>4,381,500</u>	<u>3,946,200</u>
Cash Flows from Capital and Related Financing Activities:		
Capital Grants Received	1,278,300	1,767,800
Capital Contributions	285,700	40,900
Acquisition and Construction of Capital Assets	(1,024,700)	(2,290,100)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>539,300</u>	<u>(481,400)</u>
Net Increase in Cash and Cash Equivalents	\$ 667,600	\$ 185,000
Cash and Cash Equivalents at Beginning of Year	187,900	2,900
Cash and Cash Equivalents at End of Year	<u>\$ 855,500</u>	<u>\$ 187,900</u>
Classified As:		
Unrestricted Assets	<u>\$ 855,500</u>	<u>\$ 187,900</u>
Reconciliation of Operating Loss to Net Cash Used For Operating Activities:		
Operating Loss	\$ (4,990,500)	\$ (3,885,400)
Adjustments to Reconcile Operating Loss to Net Cash Used For Operating Activities:		
Depreciation	570,100	571,100
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	3,600	(23,300)
Decrease in Inventory	49,100	13,600
Increase in Accounts Payable	13,700	20,000
Increase in Accrued Leave	100,800	24,200
Total Adjustments	<u>737,300</u>	<u>605,600</u>
Net Cash Used For Operating Activities	<u>\$ (4,253,200)</u>	<u>\$ (3,279,800)</u>

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	
	1991	1990
Administrative and General:		
Personal Services	\$ 392,100	\$ 341,000
Contractual Services	455,500	343,300
Materials and Supplies	21,800	14,300
Other	300,800	235,700
	<u>1,170,200</u>	<u>934,300</u>
Operations:		
Personal Services	2,645,900	2,344,000
Contractual Services	681,600	138,600
Materials and Supplies	519,900	496,800
Other	6,200	6,900
	<u>3,853,600</u>	<u>2,986,500</u>
Maintenance:		
Personal Services	619,200	314,300
Contractual Services	7,900	11,000
Materials and Supplies	402,700	369,100
Other	1,800	1,800
	<u>1,031,600</u>	<u>896,200</u>
Depreciation	<u>570,100</u>	<u>571,100</u>
Total Operating Expense	<u>\$ 6,625,500</u>	<u>\$ 5,388,100</u>

CITY OF TALLAHASSEE, FLORIDA

SOLID WASTE FUND
BALANCE SHEET

September 30

1991

1990

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 332,100	\$ 637,100
Accounts Receivable:		
Customers	828,700	758,700
Other	56,200	36,400
Less: Allowance for Doubtful Accounts	(32,500)	(32,500)
Total Current Assets	<u>1,184,000</u>	<u>1,399,700</u>

Restricted Assets:

Cash and Cash Equivalents:		
Renewal, Replacement and Improvement Fund	9,600	7,400
Total Restricted Assets	<u>9,600</u>	<u>7,400</u>

Fixed Assets:

Fixed Assets - Cost	2,100,000	1,859,900
Less: Accumulated Depreciation	(1,596,400)	(1,582,500)
Fixed Assets - Net	<u>503,600</u>	<u>277,400</u>
Total Assets	<u>\$ 1,697,200</u>	<u>\$ 1,684,500</u>

LIABILITIES AND FUND EQUITY

Current Liabilities:

Accounts Payable	\$ 525,900	\$ 847,300
Accrued Leave	150,800	123,700
Total Current Liabilities	<u>676,700</u>	<u>971,000</u>

Other Liabilities:

Accrued Leave	386,700	180,900
Total Other Liabilities	<u>386,700</u>	<u>180,900</u>
Total Liabilities	<u>1,063,400</u>	<u>1,151,900</u>

Fund Equity:

Contributed Capital	788,300	788,300
Retained Earnings (Deficit):		
Reserved	9,600	7,400
Unreserved	(164,100)	(263,100)
Total Fund Equity	<u>633,800</u>	<u>532,600</u>
Total Liabilities and Fund Equity	<u>\$ 1,697,200</u>	<u>\$ 1,684,500</u>

CITY OF TALLAHASSEE, FLORIDA

SOLID WASTE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED DEFICIT

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Operating Revenue:		
Charges for Services:		
Residential Collection	\$ 6,293,500	\$ 5,764,300
Commercial Collection	4,840,600	3,709,000
Sale of Recyclables	186,500	118,600
Total Operating Revenues	<u>11,320,600</u>	<u>9,591,900</u>
Operating Expenses:		
Personal Services	3,102,100	2,704,900
Materials and Supplies	170,400	79,400
Contractual Services	7,520,300	6,409,500
Other Expenses	70,100	388,100
Depreciation	13,900	14,500
Total Operating Expenses	<u>10,876,800</u>	<u>9,596,400</u>
Operating Income (Loss)	<u>443,800</u>	<u>(4,500)</u>
Non-operating Revenues (Expense)		
Other Revenues	300	2,600
Other Expenses	(100)	--
Total Non-operating Revenue (Expenses)	<u>200</u>	<u>2,600</u>
Income (Loss) Before Operating Transfers	<u>444,000</u>	<u>(1,900)</u>
Operating Transfers In (Out):		
Operating Transfers In	--	85,300
Operating Transfers Out	(241,800)	--
Total Operating Transfers In (Out)	<u>(241,800)</u>	<u>85,300</u>
Net Income	202,200	83,400
Disposition of Net Income:		
Contribution to Other Funds	(101,000)	--
Net Increase in Retained Earnings	101,200	83,400
Retained Deficit - October 1	<u>(255,700)</u>	<u>(339,100)</u>
Retained Deficit - September 30	<u>\$ (154,500)</u>	<u>\$ (255,700)</u>

CITY OF TALLAHASSEE, FLORIDA

SOLID WASTE FUND STATEMENT OF CASH FLOWS

Fiscal Year Ended September 30
1991 1990

Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 11,231,300	\$ 9,734,600
Cash Payments to Suppliers for Goods and Services	(4,916,900)	(4,271,800)
Cash Payments to Employees for Services	(2,865,900)	(2,652,000)
Payments to Other Funds	<u>(3,158,600)</u>	<u>(1,266,200)</u>
Net Cash Provided by Operating Activities	<u>279,900</u>	<u>544,600</u>
Cash Flow from Noncapital Financing Activities:		
Operating Transfers In from Other Funds	--	85,300
Operating Transfers Out to Other Funds	(241,800)	--
Other	<u>(100)</u>	<u>2,600</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(241,900)</u>	<u>87,900</u>
Cash Flows from Capital and Related Financing Activities:		
Advances from Other Funds	353,000	--
Acquisition and Construction of Capital Assets	(140,100)	--
Contribution to Other Funds	(101,000)	--
Repayment of Advances to Other Funds	<u>(355,000)</u>	<u>--</u>
Net Cash Used for Capital and Related Financing Activities	<u>(341,100)</u>	<u>--</u>
Cash Flows from Investing Activities:		
Receipts of Interest on Investments	300	--
Net Cash Flows Provided by Investing Activities	<u>300</u>	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(302,800)	632,500
Cash and Cash Equivalents at Beginning of Year	644,500	12,000
Cash and Cash Equivalents at End of Year	<u>\$ 341,700</u>	<u>\$ 644,500</u>
Classified As:		
Unrestricted Assets	\$ 332,100	\$ 637,100
Restricted Assets	<u>9,600</u>	<u>7,400</u>
	<u>\$ 341,700</u>	<u>\$ 644,500</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ 443,800	\$ (4,300)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	13,900	14,500
Provision for Uncollectible Accounts	64,600	40,900
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(153,900)	101,800
Increase (Decrease) in Accounts Payable	(321,400)	353,200
Increase in Accrued Leave	<u>232,900</u>	<u>38,700</u>
Total Adjustments	<u>(163,900)</u>	<u>549,100</u>
Net Cash Provided by Operating Activities	<u>\$ 279,900</u>	<u>\$ 544,600</u>

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	
	1991	1990
Administrative and General:		
Personal Services	\$ 718,900	\$ 559,000
Contractual Services	3,286,200	2,720,400
Materials and Supplies	54,000	44,400
Other	70,100	388,100
Total Administrative and General	<u>4,129,200</u>	<u>3,711,900</u>
Residential Collection:		
Personal Services	1,345,500	1,248,400
Contractual Services	1,506,500	1,355,800
Materials and Supplies	66,300	35,000
Total Residential Collection	<u>2,918,300</u>	<u>2,639,200</u>
Commercial Collection:		
Personal Services	1,037,700	897,500
Contractual Services	2,727,600	2,333,300
Material and Supplies	50,100	--
Total Commercial Collection	<u>3,815,400</u>	<u>3,230,800</u>
Depreciation	<u>13,900</u>	<u>14,500</u>
Total Operating Expense	<u>\$ 10,876,800</u>	<u>\$ 9,596,400</u>

CITY OF TALLAHASSEE, FLORIDA

GOLF COURSE FUND
BALANCE SHEET

September 30

1991

1990

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 78,800	\$ 71,800
Accounts Receivable:		
Other	--	100
Inventory	46,700	47,900
Total Current Assets	<u>125,500</u>	<u>119,800</u>

Restricted Assets:

Cash and Cash Equivalents:		
Renewal, Replacement and Improvement	145,700	197,000
Total Restricted Asset	<u>145,700</u>	<u>197,000</u>

Fixed Assets:

Fixed Assets - Cost	1,766,400	1,748,200
Less: Accumulated Depreciation	(368,000)	(314,700)
Fixed Assets - Net	1,398,400	1,433,500
Total Assets	<u>\$ 1,669,600</u>	<u>\$ 1,750,300</u>

LIABILITIES AND FUND EQUITY

Current Liabilities:

Accounts Payable	\$ 24,400	\$ 19,700
Accrued Leave	25,300	19,300
Total Current Liabilities	<u>49,700</u>	<u>39,000</u>

Other Liabilities:

Accrued Leave	42,600	22,200
Total Other Liabilities	<u>42,600</u>	<u>22,200</u>
Total Liabilities	<u>92,300</u>	<u>61,200</u>

Fund Equity:

Contributed Capital	1,492,000	1,492,000
Retained Earnings (Deficit):		
Reserved	145,700	197,000
Unreserved	(60,400)	100
Total Fund Equity	<u>1,577,300</u>	<u>1,689,100</u>
Total Liabilities and Fund Equity	<u>\$ 1,669,600</u>	<u>\$ 1,750,300</u>

CITY OF TALLAHASSEE, FLORIDA

GOLF COURSE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Operating Revenue:		
Charges for Services:		
Greens Fees	\$ 442,500	\$ 452,500
Golf Cart Fees	233,400	244,600
Pro Shop Sales	82,400	100,500
Annual Golf Fees	50,600	55,300
Driving Range Fees	22,700	26,400
Concessions	24,300	25,200
Other	48,300	26,700
Total Operating Revenues	<u>904,200</u>	<u>931,200</u>
Operating Expenses:		
Personal Services	653,300	563,200
Materials and Supplies	308,900	193,100
Contractual Services	258,200	221,600
Other Expenses	221,400	191,000
Depreciation	53,300	58,900
Total Operating Expenses	<u>1,495,100</u>	<u>1,227,800</u>
Operating Loss	<u>(590,900)</u>	<u>(296,600)</u>
Non-operating Revenues:		
Other Revenue	35,600	500
Total Non-operating Revenues	<u>35,600</u>	<u>500</u>
Loss Before Operating Transfers	(555,300)	(296,100)
Operating Transfers In (Out):		
Operating Transfers In	444,300	464,100
Operating Transfers (Out)	(800)	---
Total Operating Transfers In (Out)	<u>443,500</u>	<u>464,100</u>
Net Income (Loss)	(111,800)	168,000
Retained Earnings - October 1	<u>197,100</u>	<u>29,100</u>
Retained Earnings - September 30	<u>\$ 85,300</u>	<u>\$ 197,100</u>

CITY OF TALLAHASSEE, FLORIDA

GOLF COURSE FUND
STATEMENT OF CASH FLOWS

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 904,300	\$ 931,200
Cash Payments to Suppliers for Goods and Services	(472,800)	(374,900)
Cash Payments to Employees for Services	(626,900)	(556,700)
Payments to Other Funds	(309,800)	(235,100)
Net Cash Used for Operating Activities	<u>(505,200)</u>	<u>(235,500)</u>
Cash Flow from Noncapital Financing Activities:		
Operating Transfers in from Other Funds	444,300	464,100
Other	2,900	--
Operating Transfers Out to Other Funds	(800)	--
Net Cash Provided by Noncapital Financing Activities	<u>446,400</u>	<u>464,100</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	--	(46,900)
Net Cash Used For Capital and Related Financing Activities	<u>--</u>	<u>(46,900)</u>
Cash Flows from Investing Activities:		
Receipt of Interest on Investments	14,500	500
Net Cash Provided by Investing Activities	<u>14,500</u>	<u>500</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(44,300)	182,200
Cash and Cash Equivalents at Beginning of Year	268,800	86,600
Cash and Cash Equivalents at End of Year	<u>\$ 224,500</u>	<u>\$ 268,800</u>
Classified As:		
Unrestricted Assets	\$ 78,800	\$ 71,800
Restricted Assets	145,700	197,000
	<u>\$ 224,500</u>	<u>\$ 268,800</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating Loss	\$ (590,900)	\$ (296,600)
Adjustments to Reconcile Operating Loss to Net Cash Used for operating Activities:		
Depreciation	53,300	58,900
Change in Assets and Liabilities:		
Decrease in Accounts Receivable	100	--
(Increase) Decrease in Inventory	1,200	(13,000)
Increase in Accounts Payable	4,700	8,700
Increase in Accrued Leave	25,400	6,900
Total Adjustments	<u>85,700</u>	<u>61,100</u>
Net Cash Used for Operating Activities	<u>\$ (505,200)</u>	<u>\$ (235,500)</u>

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	
	1991	1990
Administrative and General:		
Personal Services	\$ 59,500	\$ 54,500
Contractual Services	100,800	73,200
Other	184,300	146,100
	<u>344,600</u>	<u>273,800</u>
Hilaman:		
Personal Services	409,200	349,600
Contractual Services	136,600	135,500
Materials and Supplies	270,700	159,600
Other	28,000	34,000
	<u>844,500</u>	<u>679,600</u>
Gaither:		
Personal Services	184,600	159,000
Contractual Services	20,800	12,900
Materials and Supplies	38,200	33,600
Other	9,100	10,000
	<u>252,700</u>	<u>215,500</u>
Depreciation	<u>53,300</u>	<u>58,900</u>
Total Operating Expense	<u>\$ 1,495,100</u>	<u>\$ 1,227,800</u>

CITY OF TALLAHASSEE, FLORIDA

FOREST MEADOWS FUND
BALANCE SHEET

	September 30	
	<u>1991</u>	<u>1990</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 41,500	\$ 32,900
Accounts Receivable	1,700	600
Due from Other Funds	200	--
Inventory	<u>5,100</u>	<u>11,600</u>
Total Current Assets	<u>48,500</u>	<u>45,100</u>
Restricted Assets:		
Cash and Cash Equivalents:		
Renewal, Replacement and Improvement	<u>10,700</u>	<u>32,500</u>
Total Restricted Assets	<u>10,700</u>	<u>32,500</u>
Fixed Assets:		
Fixed Assets - Cost	1,687,300	1,418,500
Less : Accumulated Depreciation	(37,500)	(28,800)
Construction in Progress	<u>11,100</u>	<u>11,100</u>
Fixed Assets - Net	<u>1,660,900</u>	<u>1,400,800</u>
Total Assets	<u>\$ 1,720,100</u>	<u>\$ 1,478,400</u>
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	\$ 11,300	\$ 4,600
Accrued Leave	<u>2,900</u>	<u>2,700</u>
Total Current Liabilities	<u>14,200</u>	<u>7,300</u>
Other Liabilities:		
Accrued Leave	3,100	1,500
Advances From Other Funds	<u>1,407,800</u>	<u>1,445,000</u>
Total Other Liabilities	<u>1,410,900</u>	<u>1,446,500</u>
Total Liabilities	<u>1,425,100</u>	<u>1,453,800</u>
Fund Equity:		
Contributed Capital	265,000	--
Retained Earnings (Deficit):		
Reserved	10,700	32,500
Unreserved	<u>19,300</u>	<u>(7,900)</u>
Total Fund Equity	<u>295,000</u>	<u>24,600</u>
Total Liabilities and Fund Equity	<u>\$ 1,720,100</u>	<u>\$ 1,478,400</u>

CITY OF TALLAHASSEE, FLORIDA

FOREST MEADOWS FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Operating Revenue:		
Charges for Services:		
Initiation Fees	\$ -	\$ 2,400
Annual Fees	5,000	9,700
Monthly Fees	81,200	117,200
Daily Fees	63,800	51,500
Special Programs	12,300	13,600
Contracts	64,000	66,900
Other	<u>4,800</u>	<u>5,800</u>
Total Operating Revenues	<u>231,100</u>	<u>257,100</u>
Operating Expenses:		
Personal Services	202,600	137,600
Contractual Services	92,000	125,200
Fuel and Utilities	33,500	22,900
Material and Supplies	70,900	41,300
Other Expenses	82,800	1,300
Allocated Amounts	37,700	72,500
Depreciation	<u>8,700</u>	<u>28,800</u>
Total Operating Expenses	<u>528,200</u>	<u>379,600</u>
Operating Loss	<u>(297,100)</u>	<u>(122,500)</u>
Nonoperating Revenues (Expenses):		
Interest Revenue	1,800	1,600
Other Expenses	<u>(7,100)</u>	<u>--</u>
Total Nonoperating Revenues (Expenses)	<u>(5,300)</u>	<u>1,600</u>
Loss Before Operating Transfers	<u>(302,400)</u>	<u>(120,900)</u>
Operating Transfers In (Out):		
Operating Transfers In	411,700	286,100
Operating Transfers Out	<u>(103,900)</u>	<u>(109,100)</u>
Net Income	5,400	56,100
Retained Earnings (Deficit) October 1	<u>24,600</u>	<u>(31,500)</u>
Retained Earnings September 30	<u>\$ 30,000</u>	<u>\$ 24,600</u>

CITY OF TALLAHASSEE, FLORIDA

FOREST MEADOWS FUND STATEMENT OF CASH FLOWS

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 230,000	\$ 256,500
Cash Payments to Suppliers for Goods and Services,	(185,800)	(176,700)
Cash Payments to Employees for Services,	(200,800)	(133,400)
Cash Payments to Other Funds	(118,100)	(22,500)
Net Cash Used for Operating Activities,	<u>(274,700)</u>	<u>(176,100)</u>
Cash Flow from Noncapital Financing Activities:		
Operating Transfers In from Other Funds,	411,700	286,100
Operating Transfers Out to Other Funds	(103,900)	(109,100)
Other,	<u>(7,100)</u>	<u>--</u>
Net Cash Provided by Noncapital Financing Activities	<u>300,700</u>	<u>177,000</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(3,800)	(7,100)
Repayment of Advance from Other Funds,	<u>(37,200)</u>	<u>(34,600)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(41,000)</u>	<u>(41,700)</u>
Cash Flows from Investing Activities:		
Receipts of Interest on Investments,	<u>1,800</u>	<u>1,600</u>
Net Cash Provided by Investing Activities	<u>1,800</u>	<u>1,600</u>
Net Increase(Decrease) Provided by Cash and Cash Equivalents,	(13,200)	60,800
Cash and Cash Equivalents at Beginning of Year,	<u>65,400</u>	<u>4,600</u>
Cash and Cash Equivalents at End of Year,	<u>\$ 52,200</u>	<u>\$ 65,400</u>
Classified As:		
Unrestricted Assets,	\$ 41,500	\$ 32,900
Restricted Assets,	<u>10,700</u>	<u>32,500</u>
	<u>\$ 52,200</u>	<u>\$ 65,400</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating Loss	\$(297,100)	\$(122,500)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:		
Depreciation	3,700	28,800
Changes in Assets and Liabilities:		
Increase in Accounts Receivable,	(1,100)	(600)
Increase in Due from Other Funds	(200)	--
Decrease in Inventory,	6,500	10,200
Increase in Accounts Payable	6,700	3,800
Increase in Accrued Leave,	<u>1,800</u>	<u>4,200</u>
Total Adjustment	<u>22,400</u>	<u>46,400</u>
Net Cash Used for Operating Activities,	<u>\$(274,700)</u>	<u>\$ (176,100)</u>

Noncash Capital Financing Activities:

During 1991, land with a fair market value of \$265,000, was donated to Forest Meadows.

THIS PAGE INTENTIONALLY LEFT BLANK

INTERNAL SERVICE FUNDS

Reading, Billing and Collection Fund—to account for the cost of reading, billing and collecting services.

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 maintaining and operating the City's fleet management operation.

Human Resources Fund—to account for the costs of the City's employee relations 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.

Internal Loan Fund—to account for loans received from the Sunshine State Governmental Financing Commission which in turn are loaned to other funds to provide financing for capital projects.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF TALLAHASSEE, FLORIDA

**INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 1991**

	Reading Billing and Collection	Data Processing	Accounting	Central Stores	Purchasing	Garage
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 710,100	\$ 741,300	\$ 576,700	\$ --	\$ 110,400	\$ --
Accounts Receivable	--	--	1,200	200	100	11,900
Due from other Funds	47,500	312,100	--	--	--	--
Deposits	6,500	--	--	--	--	--
Inventory	--	--	--	3,839,700	42,700	398,600
Total Current Assets	<u>764,100</u>	<u>1,053,400</u>	<u>577,900</u>	<u>3,839,900</u>	<u>153,200</u>	<u>410,500</u>
Restricted Assets:						
Cash and Cash Equivalents	--	1,545,200	--	--	--	17,323,100
Loans to Other Funds	--	--	--	--	--	--
Total Restricted Assets	<u>--</u>	<u>1,545,200</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>17,323,100</u>
Fixed Assets	234,600	5,446,700	140,400	326,000	94,000	22,540,100
Less Accumulated Depreciation	(145,500)	(1,305,100)	(52,100)	(128,500)	(46,500)	(10,380,400)
Net Fixed Assets	<u>89,100</u>	<u>4,141,600</u>	<u>88,300</u>	<u>197,500</u>	<u>47,500</u>	<u>12,159,700</u>
Total Assets	<u>\$ 853,200</u>	<u>\$6,740,200</u>	<u>\$ 666,200</u>	<u>\$ 4,037,400</u>	<u>\$ 200,700</u>	<u>\$29,893,300</u>
LIABILITIES AND FUND EQUITY						
Current Liabilities:						
Accounts Payable	\$ 76,600	\$ 276,200	\$ 59,500	\$ 163,000	\$ 26,700	\$ 47,600
Accrued Leave	141,900	82,200	77,600	7,800	22,400	84,700
Lease Payable - Current	--	648,800	--	--	--	--
Claims Payable - Current	--	--	--	--	--	--
Due to Other Funds	--	--	--	277,100	--	35,000
Total Current Liabilities	<u>218,500</u>	<u>1,007,200</u>	<u>137,100</u>	<u>447,900</u>	<u>49,100</u>	<u>167,300</u>
Other Liabilities:						
Loan Payable	--	--	--	--	--	--
Loan from Other Funds	--	2,400,000	--	--	--	--
Lease Payable	--	208,900	--	--	--	--
Accrued Leave	252,600	200,200	133,200	12,000	31,700	187,200
Total Liabilities	<u>471,100</u>	<u>3,816,300</u>	<u>270,300</u>	<u>459,900</u>	<u>80,800</u>	<u>354,500</u>
Fund Equity:						
Contributed Capital	--	--	--	--	--	5,583,000
Retained Earnings:						
Reserved for:						
Debt Service	--	--	--	--	--	--
Fleet Management	--	--	--	--	--	17,323,100
Projects	263,300	1,545,200	352,400	--	--	--
Insurance	--	--	--	--	--	--
Unreserved	118,800	1,378,700	43,500	3,577,500	119,900	6,632,700
Total Fund Equity	<u>382,100</u>	<u>2,923,900</u>	<u>395,900</u>	<u>3,577,500</u>	<u>119,900</u>	<u>29,538,800</u>
Total Liabilities and Fund Equity	<u>\$ 853,200</u>	<u>\$6,740,200</u>	<u>\$ 666,200</u>	<u>\$ 4,037,400</u>	<u>\$ 200,700</u>	<u>\$29,893,300</u>

CITY OF TALLAHASSEE, FLORIDA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS For the Fiscal Year Ending September 30, 1991

	Reading Billing and Collection	Data Processing	Accounting	Central Stores	Purchasing	Garage
Operating Revenues:						
Charges for Service	\$ 7,250,600	\$5,350,000	\$2,988,700	\$4,686,200	\$1,032,900	\$12,961,400
Miscellaneous	--	--	--	--	--	--
Total Operating Revenues . . .	<u>7,250,600</u>	<u>5,350,000</u>	<u>2,988,700</u>	<u>4,686,200</u>	<u>1,032,900</u>	<u>12,961,400</u>
Operating Expenses:						
Personal Services	3,210,900	1,779,500	1,705,200	187,500	534,600	1,955,800
Contractual Services	3,593,700	1,320,400	1,218,200	4,301,100	293,100	6,474,000
Materials and Supplies	435,700	285,600	15,000	8,100	56,900	81,200
Other	34,500	1,222,000	27,300	126,800	97,100	605,100
Depreciation	14,500	406,600	7,100	7,500	2,900	1,996,300
Total Operating Expenses . . .	<u>7,289,300</u>	<u>5,014,100</u>	<u>2,972,800</u>	<u>4,631,000</u>	<u>984,600</u>	<u>11,112,400</u>
Operating Income (Loss)	<u>(38,700)</u>	<u>335,900</u>	<u>15,900</u>	<u>\$2,200</u>	<u>48,300</u>	<u>1,849,000</u>
Non-operating Revenues (Expense):						
Interest Revenue	--	71,600	--	--	--	1,214,800
Gain on Sale of Property	--	--	--	--	--	--
Interest Expense	--	(41,500)	--	--	--	--
Total Non-operating Revenues (Expense)	<u>--</u>	<u>30,100</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,214,800</u>
Income (Loss) Before Operating Transfers						
	(38,700)	366,000	15,900	55,200	48,300	3,063,800
Operating Transfers In	--	863,700	--	--	--	--
Operating Transfers (Out)	<u>(200,000)</u>	<u>(1,097,700)</u>	<u>(32,000)</u>	<u>--</u>	<u>(75,000)</u>	<u>--</u>
Net Income (Loss)	<u>(238,700)</u>	<u>131,900</u>	<u>(16,100)</u>	<u>55,200</u>	<u>(26,700)</u>	<u>3,063,800</u>
Retained Earnings - October 1 . .	<u>620,800</u>	<u>2,792,000</u>	<u>412,000</u>	<u>3,522,300</u>	<u>146,600</u>	<u>20,892,000</u>
Retained Earnings - September 30	<u>\$ 382,100</u>	<u>\$2,923,900</u>	<u>\$ 395,900</u>	<u>\$3,577,500</u>	<u>\$ 119,900</u>	<u>\$23,955,800</u>

CITY OF TALLAHASSEE, FLORIDA

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS
 For the Fiscal Year Ending September 30, 1991
 (Continued)

Human Resources	Pension Admin- istration	Risk Manage- ment	Employee Healthcare	Communi- cation	Internal Loan	Totals	
						September 30, 1991	September 30, 1990
\$2,638,100	\$ 197,800	\$ 3,093,400	\$ 834,900	\$1,276,700	\$ 132,600	\$42,443,300	\$33,800,300
--	--	--	--	--	--	--	145,200
<u>2,638,100</u>	<u>197,800</u>	<u>3,093,400</u>	<u>834,900</u>	<u>1,276,700</u>	<u>132,600</u>	<u>42,443,300</u>	<u>33,945,500</u>
1,042,300	144,500	128,200	--	497,800	--	11,186,300	9,967,900
265,000	69,300	140,000	72,400	544,500	--	18,291,700	13,829,800
29,900	2,800	5,200	--	116,900	--	1,035,300	554,600
28,600	2,000	4,601,800	773,900	10,200	14,300	7,543,600	3,960,800
4,900	800	500	--	18,800	--	2,459,900	2,448,400
<u>1,370,700</u>	<u>219,400</u>	<u>4,873,700</u>	<u>846,300</u>	<u>1,188,200</u>	<u>14,300</u>	<u>40,516,800</u>	<u>30,761,500</u>
<u>1,267,400</u>	<u>(21,600)</u>	<u>(1,780,300)</u>	<u>(11,400)</u>	<u>88,500</u>	<u>118,300</u>	<u>1,926,500</u>	<u>3,184,000</u>
--	--	538,500	3,300	--	--	1,828,200	1,242,400
--	--	--	--	--	--	--	1,000
--	--	--	--	--	(132,600)	(174,100)	(80,700)
--	--	<u>538,500</u>	<u>3,300</u>	--	<u>(132,600)</u>	<u>1,654,100</u>	<u>1,162,700</u>
1,267,400	(21,600)	(1,241,800)	(8,100)	88,500	(14,300)	3,580,600	4,346,700
--	--	--	--	--	500,000	1,363,700	1,989,500
<u>(224,400)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(8,300)</u>	<u>--</u>	<u>(1,637,500)</u>	<u>(196,200)</u>
1,043,000	(21,600)	(1,241,800)	(8,100)	80,200	485,700	3,306,800	6,140,000
<u>318,600</u>	<u>24,900</u>	<u>2,643,600</u>	<u>11,900</u>	<u>150,400</u>	<u>--</u>	<u>31,532,100</u>	<u>25,392,100</u>
<u>\$1,361,600</u>	<u>\$ 5,300</u>	<u>\$ 1,398,800</u>	<u>\$ 3,800</u>	<u>\$ 230,600</u>	<u>\$ 485,700</u>	<u>\$34,838,900</u>	<u>\$31,532,100</u>

CITY OF TALLAHASSEE, FLORIDA

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For the Fiscal Year Ending September 30, 1991

	Reading Billing and Collection	Data Processing	Accounting	Central Stores	Purchasing	Garage
Increase (Decrease) in Cash and Cash Equivalents:						
Cash Flows from Operating Activities:						
Cash Received from Customers	\$ --	\$ --	\$ --	\$ 94,800	\$ --	\$ --
Cash Received from Other Funds	7,250,600	5,037,900	2,988,700	4,591,400	1,032,900	12,959,500
Cash Payments to Suppliers for Goods and Services	(4,059,100)	(187,600)	(1,258,400)	(4,501,300)	(427,500)	(7,480,300)
Cash Payments to Employees for Services	(3,087,400)	(1,664,800)	(1,632,500)	(182,300)	(512,100)	(1,867,000)
Loans to Other Funds	--	--	--	--	--	--
Net Cash Provided by (Used for) Operating Activities	104,100	3,185,500	97,800	2,600	93,300	3,612,200
Cash Flows from Noncapital Financing Activities:						
Operating Transfers In from Other Funds	--	863,700	--	--	--	--
Proceeds from Loans	--	--	--	--	--	--
Interest Paid	--	--	--	--	--	--
Operating Transfers Out to Other Funds	(200,000)	(1,097,800)	(32,000)	--	(75,000)	--
Net Cash Flows Provided by (Used for) Non-capital Financing Activities	(200,000)	(234,100)	(32,000)	--	(75,000)	--
Cash Flows from Capital and Related Financing Activities:						
Capital Contributions from Other Funds	--	--	--	--	--	101,000
Proceeds from Sale of Property Acquisition and Construction of Capital Assets	(25,400)	(1,323,600)	(62,100)	(2,600)	(3,300)	(831,900)
Payments on Capital Lease	--	(734,200)	--	--	--	--
Interest Paid	--	(41,500)	--	--	--	--
Net Cash Used For Capital and Related Financing Activities	(25,400)	(2,099,300)	(62,100)	(2,600)	(3,300)	(730,900)
Cash Flows from Investing Activities:						
Receipt of Interest on Investments	--	71,600	--	--	--	1,214,800
Net Cash Provided by Investing Activities	--	71,600	--	--	--	1,214,800
Net Increase (Decrease) in Cash and Cash Equivalents	(121,300)	923,700	3,700	--	15,000	4,096,100
Cash and Cash Equivalents at Beginning of Year	831,400	1,362,800	573,000	--	95,400	13,227,000
Cash and Cash Equivalents at End of Year	\$ 710,100	\$ 2,286,500	\$ 576,700	\$ --	\$ 110,400	\$ 17,323,100

CITY OF TALLAHASSEE, FLORIDA

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For the Fiscal Year Ending September 30, 1991
 (Continued)

Human Resources	Pension Administration	Risk Management	Employee Health Care	Communication	Internal Loan	Totals	
						September 30, 1991	September 30, 1990
\$ --	\$ --	\$ --	\$ 345,800	\$ --	\$ --	\$ 440,600	\$ 378,500
2,639,700	197,800	4,133,000	599,100	1,276,700	132,600	42,839,900	33,654,800
(318,200)	(78,300)	(2,553,500)	(785,000)	(670,300)	(14,300)	(22,333,800)	(18,784,900)
(997,700)	(137,700)	(127,300)	--	(469,000)	--	(10,678,700)	(9,835,100)
--	--	--	--	--	(4,700,000)	(4,700,000)	--
<u>1,323,800</u>	<u>(18,200)</u>	<u>1,452,200</u>	<u>159,900</u>	<u>136,500</u>	<u>(4,581,700)</u>	<u>5,568,000</u>	<u>5,413,300</u>
--	--	--	--	--	500,000	1,363,700	1,989,500
--	--	--	--	--	5,025,900	5,025,900	--
--	--	--	--	--	(132,600)	(132,600)	--
<u>(224,400)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(8,300)</u>	<u>--</u>	<u>(1,637,500)</u>	<u>(196,200)</u>
<u>(224,400)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(8,300)</u>	<u>5,393,300</u>	<u>4,619,500</u>	<u>1,793,300</u>
--	--	--	--	--	--	101,000	--
--	--	--	--	--	--	--	1,000
(1,800)	--	--	--	(11,400)	--	(2,262,100)	(3,459,900)
--	--	--	--	--	--	(734,200)	(492,400)
--	--	--	--	--	--	(41,500)	(80,700)
<u>(1,800)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(11,400)</u>	<u>--</u>	<u>(2,936,800)</u>	<u>(4,032,000)</u>
--	--	538,500	3,300	--	--	1,828,200	1,242,400
--	--	538,500	3,300	--	--	1,828,200	1,242,400
1,097,600	(18,200)	1,990,700	163,200	116,800	811,600	9,078,900	4,417,000
<u>412,500</u>	<u>45,500</u>	<u>3,225,000</u>	<u>--</u>	<u>200,100</u>	<u>--</u>	<u>21,972,700</u>	<u>17,555,700</u>
<u>\$ 1,510,100</u>	<u>\$ 27,300</u>	<u>\$ 7,215,700</u>	<u>\$ 163,200</u>	<u>\$ 316,900</u>	<u>\$ 811,600</u>	<u>\$31,051,600</u>	<u>\$21,972,700</u>

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

CITY OF TALLAHASSEE, FLORIDA

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For the Fiscal Year Ending September 30, 1991
 (Continued)

	Reading Billing and Collection	Data Processing	Accounting	Central Stores	Purchasing	Garage
Classified As:						
Unrestricted Assets	\$ 710,100	\$ 741,300	\$ 576,700	\$ --	\$ 110,400	\$ --
Restricted Assets	--	1,545,200	--	--	--	17,323,100
	<u>\$ 710,100</u>	<u>\$2,286,500</u>	<u>\$ 576,700</u>	<u>\$ --</u>	<u>\$ 110,400</u>	<u>\$ 17,323,100</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Operating Income (Loss)	<u>\$ (38,700)</u>	<u>\$ 355,900</u>	<u>\$ 15,900</u>	<u>\$ 55,200</u>	<u>\$ 48,300</u>	<u>\$ 1,849,000</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	14,500	406,600	7,100	7,500	2,900	1,996,300
Change In Assets and Liabilities:						
Decrease In Accounts						
Receivable	--	--	--	--	--	(1,900)
(Increase) Decrease In Other Accounts Receivable	--	(312,100)	--	--	--	--
Increase In Loans to Other						
Funds	--	--	--	--	--	--
(Increase) Decrease In						
Inventory	--	--	--	342,800	2,700	(96,800)
Increase (Decrease) In						
Accounts Payable	4,800	2,640,400	2,100	(408,100)	16,900	(223,200)
Increase In Accrued Leave . . .	<u>123,500</u>	<u>114,700</u>	<u>72,700</u>	<u>5,200</u>	<u>22,500</u>	<u>88,800</u>
Total Adjustments	<u>142,800</u>	<u>2,849,600</u>	<u>81,900</u>	<u>(52,600)</u>	<u>45,000</u>	<u>1,763,200</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 104,100</u>	<u>\$3,185,500</u>	<u>\$ 97,800</u>	<u>\$ 2,600</u>	<u>\$ 93,300</u>	<u>\$ 3,612,200</u>

Noncash Operating and Noncapital Financing Activities:
 During 1991, the City established the Internal Loan Fund resulting in the recording of loans to other funds and a loan payable in the amount of \$17,404,300.

CITY OF TALLAHASSEE, FLORIDA

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For the Fiscal Year Ending September 30, 1991
 (Continued)

Human Resources	Pension Admin- istration	Risk Manage- ment	Employee Health Care	Communi- cation	Internal Loan	Totals	
						September 30, 1991	September 30, 1990
\$ 710,100	\$ 27,300	\$7,215,700	\$ 163,200	\$ 316,900	\$ --	\$10,571,700	\$ 8,745,700
800,000	--	--	--	--	811,600	20,479,900	13,227,000
<u>\$ 1,510,100</u>	<u>\$ 27,300</u>	<u>\$7,215,700</u>	<u>\$ 163,200</u>	<u>\$ 316,900</u>	<u>\$ 811,600</u>	<u>\$31,051,600</u>	<u>\$21,972,700</u>
<u>\$ 1,267,400</u>	<u>\$ (21,600)</u>	<u>\$ 1,780,300</u>	<u>\$ (11,400)</u>	<u>\$ 88,500</u>	<u>\$ 118,300</u>	<u>\$ 1,926,500</u>	<u>\$ 3,184,000</u>
4,900	800	500	--	18,400	--	2,459,900	2,448,400
1,600	--	(7,000)	110,000	--	--	102,700	(189,400)
--	--	1,046,600	--	--	--	734,900	277,200
--	--	--	--	--	(4,700,000)	(4,700,000)	--
--	--	--	--	--	--	248,700	(13,200)
5,300	(4,200)	2,191,500	61,300	1,300	--	4,288,100	(426,000)
44,600	6,800	900	--	27,900	--	507,600	132,800
<u>56,400</u>	<u>3,400</u>	<u>3,232,500</u>	<u>171,300</u>	<u>48,000</u>	<u>(4,700,000)</u>	<u>3,641,500</u>	<u>2,229,300</u>
<u>\$ 1,323,800</u>	<u>\$ (18,200)</u>	<u>\$ 1,452,200</u>	<u>\$ 159,900</u>	<u>\$ 136,500</u>	<u>\$ (4,581,700)</u>	<u>\$ 5,568,000</u>	<u>\$ 5,413,300</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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 unforeseen 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.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF TALLAHASSEE, FLORIDA

TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 1991

	Expendable Trust Funds		Nonexpendable Trust Fund		Agency Fund		Totals	
	Pension Trust Fund	Special Capital Projects	Deficiencies and Emergencies	Downtown Improvement Authority	Cemetery Perpetual Care	Deferred Compensation	September 30, 1991	September 30, 1990
ASSETS								
Cash and Cash Equivalent	\$ 5,573,900	\$ 2,652,100	\$ 13,240,500	\$ 199,800	\$ 4,222,500	\$ --	\$ 23,888,400	\$ 25,510,700
Investments	229,480,500	--	2,441,400	--	--	--	231,921,900	207,907,600
Accounts Receivable	57,800	--	13,200	--	--	5,903,100	71,000	87,700
Due from Other Government	--	--	--	--	--	--	--	--
Advance to Other Funds	--	2,068,900	603,500	--	--	--	2,672,400	2,715,900
Total Assets	\$235,112,000	\$ 4,721,000	\$ 16,298,400	\$ 199,800	\$ 4,222,500	\$ 5,903,100	\$264,456,600	\$276,021,900
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 2,500	--	\$ --	\$ 1,000	--	\$ --	\$ 1,000	\$ 8,500
Advance from Other Funds	--	--	--	5,200	--	--	5,200	10,400
Deferred Revenue	827,200	--	--	--	--	--	827,200	827,200
Deferred Compensation Payable	--	--	--	--	--	5,903,100	5,903,100	4,649,000
Total Liabilities	829,700	--	--	6,200	--	5,903,100	6,739,000	5,494,900
Fund Balances:								
Reserved for:								
Employee Retirement Plans	232,282,500	--	--	--	--	--	232,282,500	209,184,700
Advance to Other Funds	--	2,068,900	603,500	--	--	--	2,672,400	2,715,900
Total Reserved	232,282,500	2,068,900	603,500	--	--	--	234,954,900	211,900,600
Unreserved:								
Designated for:								
Annexation	--	--	953,500	--	--	--	953,500	953,500
Total Designated	--	--	953,500	--	--	--	953,500	953,500
Undesignated	--	2,652,100	14,741,400	193,600	4,222,500	--	21,809,600	17,672,900
Total Fund Balances	232,282,500	4,721,000	16,298,400	193,600	4,222,500	--	237,717,600	230,527,000
Total Liabilities and Fund Balances	\$235,112,000	\$ 4,721,000	\$ 16,298,400	\$ 199,800	\$ 4,222,500	\$ 5,903,100	\$264,456,600	\$276,021,900

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, 1991

	Pension Trust Fund		Nonexpendable Trust Fund	
	City Employee Pension Plan		Cemetery Perpetual Care	
			Totals	
			September 30, 1991	September 30, 1990
Operating Revenues:				
Investment Income	\$ 14,430,700	\$ 239,200	\$ 14,669,900	\$ 11,492,200
Investment - Gains Net	616,600	--	616,600	10,480,500
City Contribution	8,897,600	--	8,897,600	8,760,400
Employee Contribution	6,791,200	--	6,791,200	6,428,300
State Contribution	754,300	--	754,300	786,600
Miscellaneous	22,000	19,900	41,900	32,100
Total Operating Revenues	<u>31,512,400</u>	<u>259,100</u>	<u>31,771,500</u>	<u>30,980,100</u>
Operating Expenses:				
Benefit Payments	6,626,600	--	6,626,600	4,750,000
Refunds	933,900	--	933,900	768,300
Insurance	22,300	--	22,300	12,300
Administrative	832,000	--	832,000	771,700
Total Operating Expenses	<u>8,414,800</u>	<u>--</u>	<u>8,414,800</u>	<u>6,302,300</u>
Income Before Operating Transfers	23,097,600	259,100	23,356,700	31,677,800
Operating Transfers In	--	1,194,100	1,194,100	508,500
Net Income	<u>23,097,600</u>	<u>1,453,200</u>	<u>24,550,800</u>	<u>32,186,300</u>
Fund Balances -				
October 1	209,184,700	2,769,100	211,953,800	179,767,500
Fund Balances -				
September 30	<u>\$232,282,300</u>	<u>\$ 4,222,300</u>	<u>\$236,504,600</u>	<u>\$211,953,800</u>

CITY OF TALLAHASSEE, FLORIDA

CEMETERY PERPETUAL CARE FUND

STATEMENT OF CASH FLOWS

	Fiscal Year Ended September 30	
	<u>1991</u>	<u>1990</u>
Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 19,900	\$ 20,400
Receipts of Interest on Investments	<u>239,200</u>	<u>156,300</u>
Net Cash Provided by Operating Activities	<u>259,100</u>	<u>176,700</u>
Cash Flows from Noncapital Financing Activities:		
Operating Transfers In from Other Funds	<u>1,194,100</u>	<u>508,500</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,194,100</u>	<u>508,500</u>
Net Increase in Cash and Cash Equivalents	1,453,200	685,200
Cash and Cash Equivalents at Beginning of Year	<u>2,769,100</u>	<u>2,083,900</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,222,300</u>	<u>\$ 2,769,100</u>
Classified As:		
Unrestricted Assets	<u>4,222,300</u>	<u>2,769,100</u>
	<u>\$ 4,222,300</u>	<u>\$ 2,769,100</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	<u>\$ 259,100</u>	<u>\$ 176,700</u>
Net Cash Provided by Operating Activities	<u>\$ 259,100</u>	<u>\$ 176,700</u>

CITY OF TALLAHASSEE, FLORIDA

EXPENDABLE TRUST FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 For the Fiscal Year Ended September 30, 1991

	Special Capital Projects	Deficiencies and Emergencies	Downtown Improvement Authority	Totals	
				September 30, 1991	September 30, 1990
Revenues:					
Taxes	\$ --	\$ --	\$ 80,900	\$ 80,900	\$ 75,300
Interest	157,300	1,219,300	19,000	1,395,600	1,257,800
Miscellaneous	--	--	11,900	11,900	8,100
Total Revenues	<u>157,300</u>	<u>1,219,300</u>	<u>111,800</u>	<u>1,488,400</u>	<u>1,341,200</u>
Expenditures:					
Current:					
General Government	--	--	--	--	2,000
Culture and Recreation	--	--	95,900	95,900	89,200
Total Expenditures	<u>--</u>	<u>--</u>	<u>95,900</u>	<u>95,900</u>	<u>91,200</u>
Excess Revenues Over Expenditures	<u>157,300</u>	<u>1,219,300</u>	<u>15,900</u>	<u>1,392,500</u>	<u>1,250,000</u>
Other Financing Sources(Uses):					
Operating Transfers In	1,271,500	1,302,600	600	2,574,700	1,317,000
Operating Transfers (Out)	--	(1,275,000)	(52,400)	(1,327,400)	(5,490,700)
Total Other Financing Sources (Uses)	<u>1,271,500</u>	<u>27,600</u>	<u>(51,800)</u>	<u>1,247,300</u>	<u>(4,473,700)</u>
Excess of Revenues and Other Sources (Uses) Over (Under) Expenditures	<u>1,428,800</u>	<u>1,246,900</u>	<u>(35,900)</u>	<u>2,639,800</u>	<u>(3,223,700)</u>
Fund Balances - October 1	<u>3,292,200</u>	<u>15,051,500</u>	<u>229,500</u>	<u>18,573,200</u>	<u>21,796,900</u>
Fund Balances - September 30	<u>\$ 4,721,000</u>	<u>\$16,298,400</u>	<u>\$ 193,600</u>	<u>\$21,213,000</u>	<u>\$18,573,200</u>

CITY OF TALLAHASSEE, FLORIDA

DEFERRED COMPENSATION FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For Fiscal Year Ended September 30, 1991

	Balance <u>October 1, 1990</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>September 30, 1991</u>
ASSETS				
Investments	\$ 4,649,000	\$ 1,438,900	\$ 184,800	\$ 5,903,100
Total Assets	<u>\$ 4,649,000</u>	<u>\$ 1,438,900</u>	<u>\$ 184,800</u>	<u>\$ 5,903,100</u>
LIABILITIES				
Deferred Compensation Payable	\$ 4,649,000	\$ 1,438,900	\$ 184,800	\$ 5,903,100
Total Liabilities	<u>\$ 4,649,000</u>	<u>\$ 1,438,900</u>	<u>\$ 184,800</u>	<u>\$ 5,903,100</u>

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	
	1991	1990
General Fixed Assets:		
Land	\$ 14,401,800	\$14,981,300
Buildings	30,007,700	27,926,200
Improvements other than Buildings	4,069,200	4,105,600
Equipment	12,948,400	12,618,800
Construction in Progress	26,893,500	24,011,800
Total General Fixed Assets	<u>\$ 90,320,600</u>	<u>\$83,643,700</u>
Investment in General Fixed Assets from:		
General Revenue Bonds	\$ 26,850,700	\$25,812,700
General Fund Revenues	20,621,000	20,653,200
Grants	7,170,800	5,803,800
Capital Improvement Fund	34,885,500	30,810,000
Gifts	610,100	516,300
Stormwater Management Fund	60,800	37,800
Sales Tax Construction Fund	121,700	9,900
Total investment in General Fixed Assets	<u>\$ 90,320,600</u>	<u>\$83,643,700</u>

CITY OF TALLAHASSEE, FLORIDA

SCHEDULE OF GENERAL FIXED ASSETS -
BY FUNCTION AND ACTIVITY
September 30, 1991

	Total	Land	Buildings	Improvements Other Than Buildings	Equipment
General Government:					
Control:					
City Commission	\$ 17,600	\$ --	\$ --	\$ --	\$ 17,600
City Manager	68,000	--	--	--	68,000
City Treasurer-Clerk	224,500	--	--	72,300	152,200
City Auditor	41,100	--	--	--	41,100
Total Control	<u>351,200</u>	<u>--</u>	<u>--</u>	<u>72,300</u>	<u>278,900</u>
Staff Agencies:					
Management and Budget	28,500	--	--	--	28,500
Minority Business	11,200	--	--	--	11,200
Grants Management	8,000	--	--	--	8,000
Community Liaison Office	7,700	--	--	--	7,700
Engineering	477,900	--	243,900	--	234,000
Public Information	33,700	--	--	--	33,700
Code Enforcement	18,900	--	--	--	18,900
General Government					
Building	29,164,900	4,266,500	18,218,500	2,659,500	4,010,300
Community Development	3,386,300	251,600	2,926,400	7,000	201,300
Growth Management	14,200	--	--	--	14,200
Environmental Services	24,200	--	--	--	24,200
Total Staff Agencies	<u>35,175,500</u>	<u>4,518,100</u>	<u>21,388,800</u>	<u>2,676,600</u>	<u>4,592,000</u>
Total General Government	<u>33,526,700</u>	<u>4,518,100</u>	<u>21,388,800</u>	<u>2,748,900</u>	<u>4,870,900</u>
Public Safety:					
Fire Protection	6,460,200	411,800	2,805,400	27,900	3,215,100
Police Protection	5,655,100	500,000	2,543,700	71,000	2,540,400
Building Inspection	64,500	--	--	--	64,500
Total Public Safety	<u>12,179,800</u>	<u>911,800</u>	<u>5,349,100</u>	<u>98,900</u>	<u>5,820,000</u>
Other:					
Highways and Streets	7,294,100	5,983,400	1,700	149,100	1,159,900
Sanitation	8,900	--	--	--	8,900
Recreation	8,328,000	2,988,500	3,248,200	1,012,200	1,079,100
Cemeteries	89,500	--	19,900	60,100	9,600
Total Other	<u>15,720,600</u>	<u>8,971,900</u>	<u>3,269,800</u>	<u>1,221,400</u>	<u>2,257,500</u>
Total General Fixed Assets Allocated to Functions	<u>61,427,100</u>	<u>\$14,401,800</u>	<u>\$30,007,700</u>	<u>\$4,069,200</u>	<u>\$12,948,400</u>
Construction in Process	<u>28,893,500</u>				
Total General Fixed Assets	<u>\$90,320,600</u>				

CITY OF TALLAHASSEE, FLORIDA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY For the Year Ended September 30, 1991

	General Fixed Assets October 1, 1990	Additions And Transfers In	Deductions And Transfers Out	General Fixed Assets September 30, 1991
General Government:				
Control:				
City Commission	\$ 17,600	\$ --	\$ --	\$ 17,600
City Manager	58,600	9,400	--	68,000
City Treasurer-Clerk	224,100	400	--	224,500
City Auditor	13,300	27,800	--	41,100
Total Control	<u>313,600</u>	<u>37,600</u>	<u>--</u>	<u>351,200</u>
Staff Agencies:				
Management and Budget	28,000	500	--	28,500
Minority Business	11,200	--	--	11,200
Grants Management	8,000	--	--	8,000
Community Liaison Office	7,700	--	--	7,700
Engineering	193,300	284,600	--	477,900
Public Information	33,700	--	--	33,700
Code Enforcement	17,900	1,000	--	18,900
General Government Building	29,073,300	100,000	8,400	29,164,900
Community Development	3,171,800	214,500	--	3,386,300
Growth Management	12,100	2,100	--	14,200
Environmental Services	5,200	19,000	--	24,200
Total Staff Agencies	<u>32,562,200</u>	<u>621,700</u>	<u>8,400</u>	<u>33,175,500</u>
Public Safety:				
Fire Protection	5,648,400	811,800	--	6,460,200
Police Protection	4,940,600	939,600	225,100	5,655,100
Building Inspection	61,000	3,500	--	64,500
Total Public Safety	<u>10,650,000</u>	<u>1,754,900</u>	<u>225,100</u>	<u>12,179,500</u>
Other:				
Highways and Streets	7,758,800	2,244,400	2,709,100	7,294,100
Sanitation	8,900	--	--	8,900
Recreation	8,248,800	163,400	84,200	8,328,000
Cemeteries	89,600	--	--	89,600
Total Other	<u>16,106,100</u>	<u>2,407,800</u>	<u>2,793,300</u>	<u>15,720,600</u>
Construction in Progress	24,011,800	5,277,400	395,700	28,893,500
Total General Fixed Assets	<u>\$ 83,643,700</u>	<u>\$ 10,099,400</u>	<u>\$ 3,422,500</u>	<u>\$ 90,320,600</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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	
	<u>1991</u>	<u>1990</u>
Amount Available and To Be Provided For the Payment of General Long-Term Debt:		
Amount Available in Debt Service Fund.	<u>\$15,121,100</u>	<u>\$13,547,700</u>
Amount To Be Provided:		
Arbitrage Rebate.	466,000	611,900
Advance from Special Capital Projects	1,084,500	1,084,500
Loans from Other Funds.	2,300,000	--
Accrued Leave	6,324,100	3,564,100
Capital Refunding Bonds, Series 1984.	7,960,500	9,566,400
Capital Bonds, Series 1989.	<u>18,091,900</u>	<u>19,621,900</u>
Total To Be Provided.	<u>36,227,000</u>	<u>33,448,800</u>
Total Available and To Be Provided.	<u>\$51,348,100</u>	<u>\$46,996,500</u>
General Long-Term Debt Payable:		
Note Payable.	\$ 373,500	\$ 406,000
Accrued Leave	6,324,100	3,564,100
Capital Refunding Bonds, Series 1984.	20,605,000	20,605,000
Capital Bonds, Series 1989.	20,195,000	20,725,000
Arbitrage Rebate.	466,000	611,900
Advance from Special Capital Projects	1,084,500	1,084,500
Loans from Other Funds.	<u>2,300,000</u>	<u>--</u>
Total General Long-Term Debt Payable.	<u>\$51,348,100</u>	<u>\$46,996,500</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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.

C. TY OF TALLAHASSEE, FLORIDA

COMMENTS ON THE STATISTICAL SECTION

September 30, 1991

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 service coverage schedules for enterprise revenue bonds have not been prepared because the City has had several bond refundings during the last ten year period. Thus, inclusion of such schedules would only 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	Cultur (2) and		Transfers Out	Total (1)
							Recreation			
1982	\$ 5,122,800	\$ 9,890,700	\$ 3,366,000	\$ 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	850,000	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	18,115,100	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	
1991	11,434,000	32,116,600	8,077,500	1,437,900	548,700	2,519,000	6,539,600	23,784,900	86,458,200	

GENERAL REVENUES BY SOURCE AND TRANSFERS
Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Fines and Forfeits	Charges (2) for		Intergov- ernmental Revenues	Miscellaneous Revenues	Transfers In	Total (1) Revenue
				Services	Interest				
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	8,298,900	129,900	21,754,800	45,094,000
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	826,400	25,399,700	59,177,700
1988	17,877,000	1,367,400	753,300	3,186,100	296,200	8,810,500	837,300	26,455,200	59,583,500
1989	19,020,600	1,409,800	987,000	6,187,900	436,900	8,971,800	825,200	30,246,600	68,085,800
1990	25,691,900	1,426,000	1,269,900	6,506,200	589,300	9,666,700	754,500	33,969,600	79,874,100
1991	30,394,300	1,807,200	1,109,300	7,673,000	522,900	9,232,700	507,500	35,487,300	86,734,200

(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)
1982	\$2,673,105,800	\$1,356,618,200	\$3,550,100	\$3,458,200	97
1983	2,782,858,100	1,418,980,200	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
1991	6,361,162,100	2,942,911,200	9,459,900	9,106,000	96

(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

Fiscal Year	Real Property		Personal Property		Centrally Assessed		Totals		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1982	2,208,658,800	2,598,398,600	463,208,800	544,951,500	1,258,200	1,480,200	2,673,105,800	3,144,830,400	85%
1983	2,380,150,500	2,800,176,800	401,769,800	472,670,400	938,000	1,103,500	2,782,856,100	3,273,956,700	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	459,105,500	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	4,689,803,500	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%
1991	5,322,948,000	6,262,291,800	1,036,486,500	1,219,595,900	1,727,600	2,032,500	6,361,162,100	7,483,120,100	85%

Source: Leon County Property Appraiser

CITY OF TALLAHASSEE, FLORIDA

ASSESSED VALUATIONS, MILLAGE AND TAXES
LEVIED AND COLLECTED
Last Four Fiscal Years

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
TOTAL VALUATIONS	\$2,675,105,900	\$2,767,898,100	\$3,281,661,000	\$3,478,952,500	\$3,530,822,400	\$3,834,870,400	\$5,266,046,400	\$5,819,328,400	\$6,119,341,000	\$6,361,162,100
REAL ESTATE EXEMPTIONS										
Agricultural Adjustments	1,327,500	2,792,100	3,676,500	5,006,200	6,025,500	9,597,100	10,666,500	8,479,200	8,187,000	12,008,000
Government Exemption	487,684,500	539,481,500	546,679,500	591,456,500	616,124,100	632,281,500	2,328,416,400	2,269,404,500	2,620,076,000	2,632,449,900
Institutional Exemptions	509,079,900	515,811,200	529,156,700	449,661,800	461,980,400	472,877,600	265,411,900	262,484,000	263,288,600	266,777,800
Individual or Business Exemptions	242,145,700	302,146,300	384,515,500	410,778,800	419,864,700	435,642,800	469,804,100	466,344,000	484,068,000	502,191,500
Other Charitable Exemptions	2,916,100	3,046,900	4,990,300	5,096,800	5,179,100	5,687,800	5,499,400	5,770,200	5,611,000	5,622,500
PERSONAL PROPERTY ADJUSTMENT Difference Between Inventory at Average Rate and 25% of Value	71,833,900									
TOTAL EXEMPTION AND ADJUSTMENTS	1,514,987,400	1,365,877,800	1,408,948,500	1,461,981,800	1,509,273,800	1,575,895,800	2,879,805,100	3,352,882,500	3,381,230,600	3,418,250,900
TAXABLE VALUATION	\$1,160,118,500	\$1,402,020,300	\$1,872,712,500	\$1,976,970,700	\$2,021,548,600	\$2,258,974,600	\$2,386,241,300	\$2,466,445,900	\$2,738,110,400	\$2,942,911,200
MILLAGE LEVIED	2.614	2.612	2.578	2.488	2.488	2.488	2.900	2.900	2.900	3.200
TOTAL TAXES LEVIED	\$3,032,400	\$3,706,400	\$4,782,500	\$4,918,700	\$5,028,400	\$5,670,200	\$6,978,100	\$7,356,600	\$7,975,200	\$9,459,900
Less: Adjustments & Discount	80,200	108,800	137,700	153,800	142,100	174,400	219,300	319,600	230,800	272,600
Net Taxes Levied	\$2,952,200	\$3,597,600	\$4,644,800	\$4,764,900	\$4,886,300	\$5,495,800	\$6,758,800	\$7,037,000	\$7,744,400	\$9,187,300
NET COLLECTED (1) (2)	\$2,952,200	\$3,597,600	\$4,459,500	\$4,799,500	\$5,140,700	\$5,700,000	\$6,744,400	\$7,107,200	\$7,758,800	\$9,105,800

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 - DIRECT AND OVERLAPPING GOVERNMENTS (Per \$1000) Last Ten Fiscal Years

Fiscal Year	City of Tallahassee	County School Board		Leon County	N.W. Water Management District	Total
	Operating	Operating	Debt Service	Operating		
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	7,536	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	8,090	0,050	21,555
1991	3,200	8,856	1,967	8,090	0,488	22,601

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
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
1991	423,400	--	115,200	308,200

CITY OF TALLAHASSEE, FLORIDA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT September 30, 1991

DIRECT DEBT

Non-Self-Supporting Revenue Debt:		
Capital Refunding Bonds, Series 1984,	\$ 20,605,000	
Capital Bonds, Series 1989,	20,195,000	
Less: Debt Service and Reserve Funds	<u>(15,121,100)</u>	
 Total Direct Debt		 \$ 25,678,900

OVERLAPPING DEBT

Leon County School Board		
Tax Supported Ad Valorem Debt:		
General Obligation Bond Issue		
1988 A & B Series	38,630,000	
Less: Debt Service and Reserve Funds	<u>(4,122,300)</u>	\$ 34,507,700
 1989 A & B Series	41,765,000	
Less: Debt Service and Reserve Funds	<u>(4,160,700)</u>	37,604,300
 State Board of Education,	4,485,000	
Less: Debt Service and Reserve Funds	<u>(1,017,500)</u>	3,467,500
 Race Track School Portion Revenues,	1,915,000	
Less: Debt Service and Reserve Funds	<u>(232,300)</u>	1,682,700
 Leon County		
Non-Self-Supporting Revenue Debt		
Refunding Bonds 1991 Series		
Courthouse,	33,945,000	
Less: Debt Service and Reserve Funds	<u>(3,525,500)</u>	30,419,500
 Refund Revenue Bonds 1988 Series,	10,146,000	
Less: Debt Service and Reserve Funds	<u>(1,798,900)</u>	9,347,100
 Library Construction Revenue,	7,410,000	
Less: Debt Service and Reserve Funds	<u>(140,500)</u>	7,005,500
		<u>124,034,300</u>
 CITY SHARE OF NET OVERLAPPING DEBT (1),		 <u>86,824,000</u>
 TOTAL CITY DIRECT AND OVERLAPPING DEBT,		 <u>\$112,502,900</u>

SELF-SUPPORTING REVENUE DEBT:

Electric Revenue Bonds,	\$ 96,485,900	
Less: Debt Service and Reserve Bonds	<u>(11,858,500)</u>	\$ 84,627,400
CUS Revenue Bonds	51,385,000	
Less: Debt Service and Reserve Bonds	<u>(4,883,500)</u>	46,501,500
Airport Revenue Bond,	12,390,000	
Less: Debt Service and Reserve Bonds	<u>(1,281,200)</u>	11,068,800
Sunshine State Loan	21,699,700	
Less: Debt Service and Reserve Bonds	<u>(485,700)</u>	21,214,000
 TOTAL SELF-SUPPORTING REVENUE DEBT		 <u>\$163,411,700</u>

(1) City's share calculated based on 1990 County Taxable value of \$4,263,937,400 and City Taxable Value of \$2,942,911,200 percent overlapping 70 percent.

CITY OF TALLAHASSEE, FLORIDA

COMPUTATION OF LEGAL DEBT MARGIN
September 30, 1991

TAXABLE ASSESSED VALUE	<u>\$2,942,911,200</u>
Debt Limit: 20 Percent of Assessed Value	<u>\$ 588,582,200</u>

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 (3)		Property Value (4)			
	Number of Units	Value	Number of Units	Value	Commercial Banks (2)	Savings and Loan Assn. (3)	Commercial	Residential	Agricultural	Non-feasible
1982	43	12,120,500	1,168	23,874,900	531,371,000	362,353,000	606,596,200	1,914,405,700	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	2,176,608,600	283,924,200	1,123,750,300
1984	135	44,368,000	1,603	51,962,100	727,167,000	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	763,354,000	509,709,000	782,546,600	2,493,904,900	37,633,400	1,066,997,600
1986	142	42,275,100	840	33,155,600	937,867,000	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	2,731,256,700	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	2,304,407,700
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	388,896,800	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	3,368,255,100	401,025,700	2,462,394,600
1991	38	16,906,900	727	41,433,100	1,305,279,000	481,108,000	1,216,844,200	3,319,398,300	404,344,100	2,425,544,900

(1) Source: Tallahassee-Leon County Planning Department

(2) Source: Florida Bankers Association; includes deposits for entire Leon County; amount for 1991 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, 1991

Fiscal Year Ending	Principal	Interest	Invested Sinking Fund Purchases	Invested Sinking Fund Earnings	Net Payment Due
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	<u>13,765,000</u>	<u>1,462,500</u>	<u>--</u>	<u>995,800</u>	<u>14,231,700</u>
Totals	<u>\$20,605,000</u>	<u>\$32,856,000</u>	<u>\$3,505,300</u>	<u>\$15,474,600</u>	<u>\$41,387,700</u>

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

October 1, 1994 to September 30, 1995

October 1, 1995 to September 30, 1996

October 1, 1996 to September 30, 1997

October 1, 1997 to September 30, 1998

October 1, 1998 and thereafter

Call Premium

Two Percent

One and One Half Percent

One Percent

One Half Percent

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 AAA

CITY OF TALLAHASSEE, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS
CAPITAL BONDS - SERIES 1989
September 30, 1991

Fiscal Year Ending	Principal	Interest	Total
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	<u>\$20,195,000</u>	<u>\$16,655,200</u>	<u>\$36,850,200</u>

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 A1, Standard and Poor's A+

CITY OF TALLAHASSEE, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS
 JUNIOR LIEN ELECTRIC REFUNDING BONDS
 SERIES 1985
 September 30, 1991

Fiscal Year Ending	Principal	Interest	Total
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	5,247,400	5,981,800	11,229,200
2006	5,776,300	6,584,700	12,361,000
2007	6,367,200	7,258,400	13,625,600
Totals	<u>\$96,485,900</u>	<u>\$ 94,867,300</u>	<u>\$191,353,200</u>

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 AIRPORT REVENUE BONDS SERIES 1988A September 30, 1991

Fiscal Year Ending	Principal	Interest	Total
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	237,750	1,167,750
2013	1,000,000	164,320	1,164,320
2014	<u>1,080,000</u>	<u>85,320</u>	<u>1,165,320</u>
Totals	<u>\$12,350,000</u>	<u>\$14,462,032</u>	<u>\$ 26,812,032</u>

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

October 1, 1995 to September 30, 1996
October 1, 1996 to September 30, 1997
October 1, 1997 to September 30, 1998
October 1, 1998 and thereafter

Redemption Price

One Hundred Three Percent
One Hundred Two Percent
One Hundred One Percent
One Hundred Percent

CITY OF TALLAHASSEE, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS CONSOLIDATED UTILITY REVENUE BONDS SERIES 1991A September 30, 1991

Fiscal Year Ending	Principal	Interest	Total
1992	\$ 150,000	\$ 273,965	\$ 423,965
1993	155,000	266,615	421,615
1994	165,000	250,710	423,710
1995	175,000	249,965	424,965
1996	185,000	240,515	425,515
1997	195,000	230,155	425,155
1998	205,000	219,040	424,040
1999	215,000	207,150	422,150
2000	230,000	194,465	424,465
2001	245,000	180,665	425,665
2002	260,000	165,720	425,720
2003	275,000	149,600	424,600
2004	290,000	32,275	422,275
2005	310,000	113,425	423,425
2006	330,000	93,275	423,275
2007	350,000	71,825	421,825
2008	375,000	49,075	424,075
2009	<u>380,000</u>	<u>24,700</u>	<u>404,700</u>
Totals	<u>\$ 4,490,000</u>	<u>\$ 3,121,140</u>	<u>\$ 7,611,140</u>

Bonds Dated: May 1, 1991

Original Issue Amount: \$ 4,490,000

Principal Due: October 1, beginning 1992

Interest Due: April 1 and October 1 of each year, beginning 1991

Optional Redemption for A Bonds maturing on or After October 1, 2002

October 1, 1999 to September 30, 2000	One Hundred and Two Percent
October 1, 2000 to September 30, 2001	One Hundred and One Percent
October 1, 2001 and thereafter	One Hundred Percent

Security: The Series 1991A Bonds are payable from and secured by a lien on and pledge of (i) money in certain of the funds and accounts established under Resolution No. 90-R-0052 of the City, as amended and supplemented (the "Resolution"), (ii) the Net Revenues of the City's Utility System, (iii) the Gross Revenues of the City's Stormwater Drainage system and (iv) certain other amounts.

Bond Ratings: Moody's Aaa, standard and Poor's AAA

CITY OF TALLAHASSEE, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS
 CONSOLIDATED UTILITY REVENUE BONDS
 SERIES 1991B
 September 30, 1991

Fiscal Year Ending	Principal	Interest	Total
1992	\$ 935,000	\$ 3,067,478	\$ 4,002,478
1993	985,000	3,022,598	4,007,598
1994	1,035,000	2,970,885	4,005,885
1995	1,090,000	2,913,960	4,003,960
1996	1,150,000	2,851,830	4,001,830
1997	1,220,000	2,785,130	4,005,130
1998	1,290,000	2,713,150	4,003,150
1999	1,370,000	2,635,750	4,005,750
2000	1,450,000	2,552,180	4,002,180
2001	1,540,000	2,462,280	4,002,280
2002	1,635,000	2,365,260	4,000,260
2003	1,745,000	2,258,985	4,003,985
2004	1,865,000	2,143,815	4,008,815
2005	1,985,000	2,020,725	4,005,725
2006	2,120,000	1,887,730	4,007,730
2007	2,265,000	1,743,570	4,008,570
2008	2,415,000	1,591,815	4,006,815
2009	2,595,000	1,430,010	4,025,010
2010	3,170,000	1,256,145	4,426,145
2011	3,390,000	1,037,415	4,427,415
2012	3,625,000	803,505	4,428,505
2013	3,875,000	553,380	4,428,380
2014	4,145,000	286,005	4,431,005
Totals	<u>\$46,895,000</u>	<u>\$47,353,601</u>	<u>\$94,248,601</u>

Bonds Dated: July 1, 1991

Original Issue Amount: \$47,785,000

Principal Due: October 1, beginning 1991

Interest Due: April 1 and October 1 of each year, beginning 1991

Optional Redemption for B Bonds maturing on or After October 1, 2001

October 1, 1999 to September 30, 2000	One Hundred and Two Percent
October 1, 2000 to September 30, 2001	One Hundred and One Percent
October 1, 2001 and thereafter	One Hundred Percent

Security: The Series 1991B Bonds are payable from and secured by a lien on and pledge of (i) money in certain of the funds and accounts established under Resolution No. 90-R-0052 of the City, as amended and supplemented (the "Resolution"), (ii) the Net Revenues of the City's Utility System, (iii) the Gross Revenues of the City's Stormwater Drainage system and (iv) certain other amounts (the "Pledged Revenues," as defined herein) all as more fully defined and described herein under the heading "THE SERIES 1991B BONDS." The lien of the Series 1991B Bonds on the Pledged Revenues is on a parity with the lien thereon of the City's Consolidated Utility Systems Revenue Bonds, Series 1991A, currently outstanding in the amount of \$4,490,000.

Bond Ratings: Moody's Aa, Standard and Poor's AA-

CITY OF TALLAHASSEE, FLORIDA

PRINCIPAL TAXPAYERS September 30, 1991

Taxpayer	Assessed Valuation			Percentage of Total Assessed valuation
	Real Property	Tangible Personal Property	Total	
Central Telephone	\$ 7,405,000	\$103,275,200	\$110,680,200	1.7
Talquin Electric.	1,456,100	39,068,100	40,524,200	.6
Governor's Square Mall.	30,313,700	--	30,313,700	.4
Tallahassee Mall.	22,764,600	--	22,764,600	.4
Koger Properties.	19,844,600	9,300	19,853,900	.3
Tallahassee Community Hospital.	9,289,700	6,586,600	15,876,300	.3
Northwood Mall.	15,691,300	--	15,691,300	.2
Precision Engine Products	--	12,565,900	12,565,900	.2
Winwood Office Park.	11,783,100	--	11,783,100	.2
General Dynamics.	--	11,126,300	11,126,300	.2
TOTAL	<u>\$118,548,100</u>	<u>\$172,631,400</u>	<u>\$291,179,500</u>	<u>4.5</u>

Source: Leon County Property Appraiser

CITY OF TALLAHASSEE, FLORIDA

SCHEDULE OF INSURANCE IN FORCE

September 30, 1991

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	N/A	Fund Trust
Lloyd	AMB900764	9-30-92	Airport Liability	\$100,000,000	\$32,500
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	AT942998400	9-30-92	Boiler and Machinery	All Risk Comprehensive	\$477,034
HEALTHCARE:					
Self-Insured	N/A	N/A	Employee Health Insurance	\$ 70,000	Fund Reserves
Standard Insurance Company	LF 58054801	10-31-92	Specific Stop-Loss	\$1,000,000	377
ACCIDENTAL DEATH:					
Commercial Insurance	GTA-10349	9-30-92	Statutory and Accidental Death (Firemen and Policemen)	\$50,000 or \$75,000	\$29,026
WORKERS' COMPENSATION:					
Florida League of Cities Self Insurance Trust Fund	EM 495	9-30-92	Excess Workers' Compensation	\$10,000,000	\$37,960
Self Insured	N/A	N/A	Primary Workers' Compensation	\$300,000	Fund Reserves
PUBLIC OFFICIALS BOND:					
Hartford	PEB K05312 and RN4618176	9-30-92	Surety Bond	\$1,000,000/\$100,000	\$5,774

CITY OF TALLAHASSEE, FLORIDA

MISCELLANEOUS STATISTICAL DATA

September 30, 1991

Date of Incorporation	1825	Terms of Office:
Date First Charter Adopted.	1825	Mayor - One Year (Elected by the Commission)
Date Present Charter Adopted.	1919	Commissioners - Four Years
		Manager - Appointed by Commission
Form of Government: Commission-Manager		Average Annual Temperature 67.2 Degrees
Commission Composed of: Mayor and Four Commissioners		Average Annual Rainfall. 64.59 Inches
		Area 75 Square Miles

MUNICIPAL UTILITIES and SERVICES

Electric System:		Water System:	
Generating Plants	3	Miles of Water Mains	700.2
Generating Capacity (KW).	490,000	Daily Average Consumption (MGD).	22.74
Net System Energy Generated (KWH)	1,598,265,675	Plant Capacity (MGD)	52.2
Average Number Residential Customers.	64,597	Number of Service Connections.	53,430
Average Residential Monthly Bill.	\$74.93	Deep Wells	24
Miles of Transmission Lines	179.5		
Primary Distribution Sub-System Capacity (KVA).	645,000	Sewage System:	
Square Miles of Service Area.	219	Miles of Sanitary Sewers	538.86
Number of Street Lights	12,503	Number of Lift Stations.	77
		Daily Average Treatment (MGD).	15.41
Gas System:		Maximum Capacity of Treatment Plants (MGD)	24.56
Miles of Gas Lines	354	Number of Disposal Plants.	2
Daily Average Consumption (MCF).	3,861	Number of Service Connections.	44,177
Plant Capacity (MCF)	4,000		
Number of Service Connections.	9,839	Parks and Recreation:	
		Community Centers	8
Police Protection:		Summer Playgrounds and Camps.	12
Number of Employees.	444	Athletic Fields	89
Number of Vehicular Patrol Units	255	Golf Courses.	2
Number of Law Violations:		Swimming Pools.	7
Physical Arrests	11,589	Parkland Acreage.	1,195
Traffic Violations	16,185	Parcours Trails	4
Parking Violations	76,549	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 1,854

Number of Public School Students 28,432

Number of Vocational-Technical Schools 1

Number of Community Colleges 1

Number of Universities 2

Number of College-level Instructors 1,572

Number of College-level Students 37,827

Major Annual Events:

Springtime Tallahassee Festival

Tallahassee Open Golf Tournament

Fourth of July "Celebrate America"

North Florida Fair

Junior Museum Market Days

Winter Festival

CITY OF TALLAHASSEE, FLORIDA

DEMOGRAPHIC STATISTICS
For the Years Indicated

Year	(1) Estimated Population	Airline Passengers	Electric	Water Consumed	Gas Used	(2) Housing Units	Leon County School Enrollment	(2)(3) Retail Sales (000's)
			KWH Used (000's)	(Gals) (Millions)	(Cu. Ft.) (Millions)			
1982	95,497	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	1,293,602	47,256	22,823	891,837
1986	113,746	354,098	1,419,245	7,983.5	1,285,008	48,944	23,911	958,817
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	1,335,603
1991	127,100	437,444	2,049,242	8,298.6	1,409,379	56,276	28,452	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	62,837	59,817	3,020	4.8 percent
1991	65,378	62,271	3,087	4.7 percent

Source: Florida Department of Labor and Employment Security