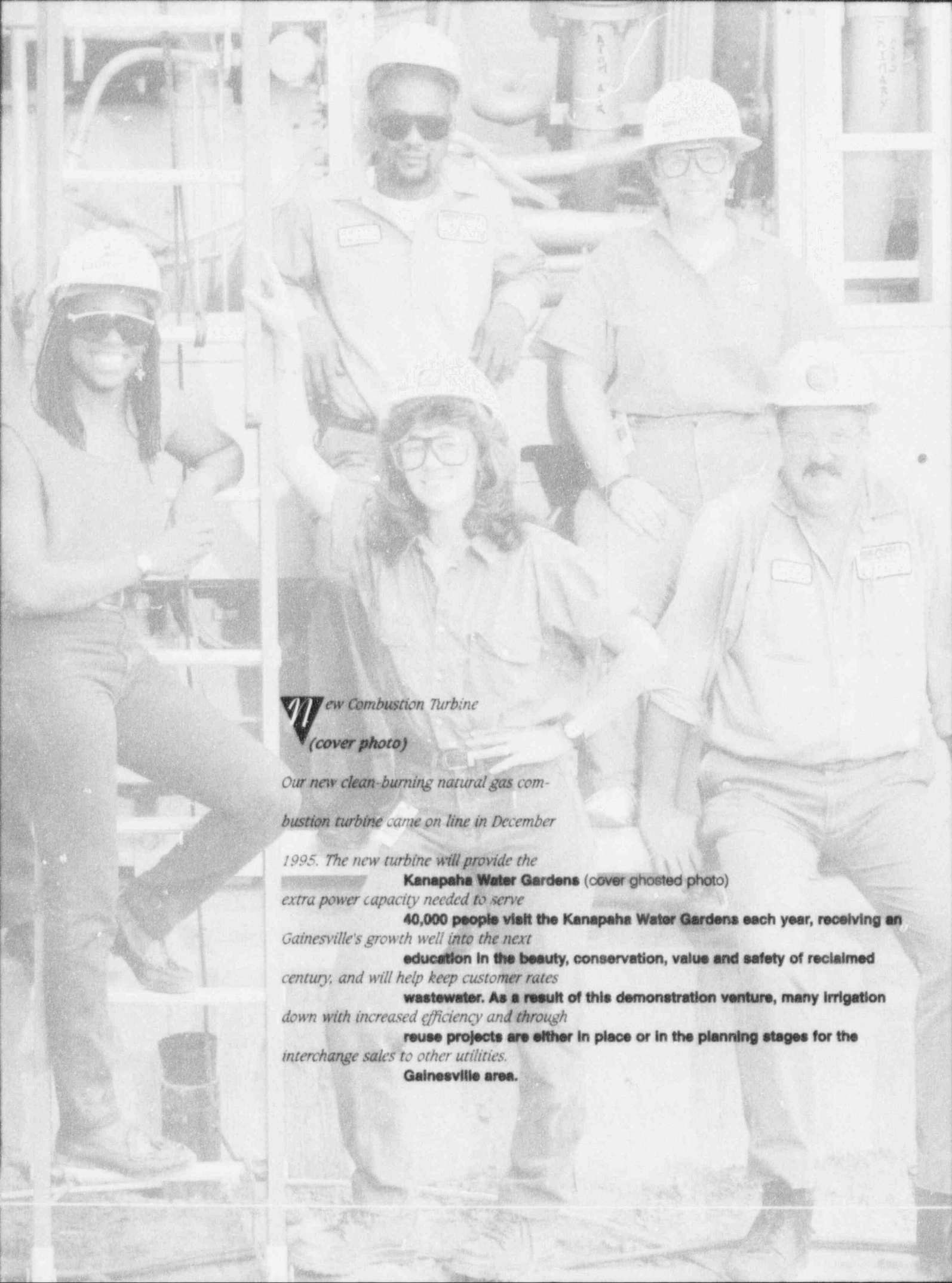


THE *future*
BEGAN YESTERDAY

the **Utility** of
choice
1995 ANNUAL REPORT

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I PDR



Wew Combustion Turbine
(cover photo)

Our new clean-burning natural gas combustion turbine came on line in December

*1995. The new turbine will provide the **Kanapaha Water Gardens** (cover ghosted photo) extra power capacity needed to serve*


*Gainesville's growth well into the next century, and will help keep customer rates down with increased efficiency and through **40,000 people visit the Kanapaha Water Gardens each year, receiving an education in the beauty, conservation, value and safety of reclaimed wastewater. As a result of this demonstration venture, many irrigation reuse projects are either in place or in the planning stages for the Gainesville area.***

we will be **GOOD** stewards
of the **Resources** entrusted to us



ur Administration

*Building offers one-stop
convenience for
customers using our four
utility services. A tour of
this attractive building
demonstrates innovative
and efficient lighting designs,
and other important
conservation features.*

 RU members of The Employee Action Motivators, or "TEAM." This is a City of Gainesville employee group designed to promote better internal communications and support employee initiated charitable activities. The Fitness is important to good work practices and a positive attitude. Our Wellness Center is offered free of charge to all employees, and trainers are available to teach aerobics and proper equipment usage.

(inset photo) General Manager Mike Kurtz (left) and Gainesville Mayor Jim Painter in front of our new Springhills Service Center. The new facility improves natural gas and electric service in Gainesville, the number one most livable city in the United States.

Superior *value to* the **com-** **munity** *for its* **Investm**

Gainesville Regional Utilities provides superior electric, water, wastewater and natural gas services at highly competitive rates. They are diversified services, and yet they are one service: customer service.

GRU serves the number one most livable city in the United States, as selected by Money Magazine, and as long known by the citizens of Gainesville. GRU has played a part in that

livability, supporting the quality of life through safe, reliable and affordable utility services, with customer satisfaction as our focus.

We treasure our city. It's home to Florida's largest and most prestigious institution of higher learning, the University of Florida, as well as one of the largest and best medical communities in the southeastern United States. And there is much, much more. We like it here, and we plan to be Gainesville's provider of utility services for a long time to come.

We are well aware that the electric utility industry is becoming far more competitive, and understand better than most

that satisfied customers will ensure our success.

When customers begin to choose, we will be the utility of choice.

Our confidence is based in the dedication of our employees, and in the knowledge that they routinely go that extra mile for a customer in need. They don't think of it as above and beyond, they think of it as the job. They know that satisfied customers make the future happen.



ent

The future began yesterday at GRU. We planned years ago to avoid the pain of industry downsizing by setting a cap on the size of our staff. We have shifted positions to their best use through attrition, not layoffs. While other utilities and their employees have suffered terribly through this transition, we have not. And neither have our customers.

Our employees have stayed on the leading edge of technology. They have


moved us far ahead of regulatory requirements. They have taken us well into the next century in meeting projected future demands. We encourage creative input from our employees, and we get it. They know and understand our customers. After all, they are customers too. Our organization and our employees will be here tomorrow, better and brighter than ever. They started planning for it yesterday.



... to make

certain we will always be the right choice

The vision of Gainesville Regional Utilities is to be the *Utility of Choice*. That would be our vision whether open access were on the horizon or not. We are a public utility, and our only reason to

 environmental engineers and plant personnel keep a close eye on power

plant air emissions. State-of-the-art emissions control systems have been installed at both generating stations, keeping us well ahead of all federal regulations.

Our gas department will introduce at least six natural gas-powered vehicles into its fleet in the coming year. The promotion of environmentally friendly natural gas as an alternative fuel for motor vehicles will help keep Gainesville's air clean.

exist is to serve our public and the community in which they live.

We work hard every day to provide the type of personal, individualized service that will make our customers happy to be with us.

As long ago as 1929, the citizens of Gainesville were already so happy with public utility service that they voted by a better than two to one margin never to allow the city to sell its public utilities. We've never stopped working to keep and improve that level of customer satisfaction.

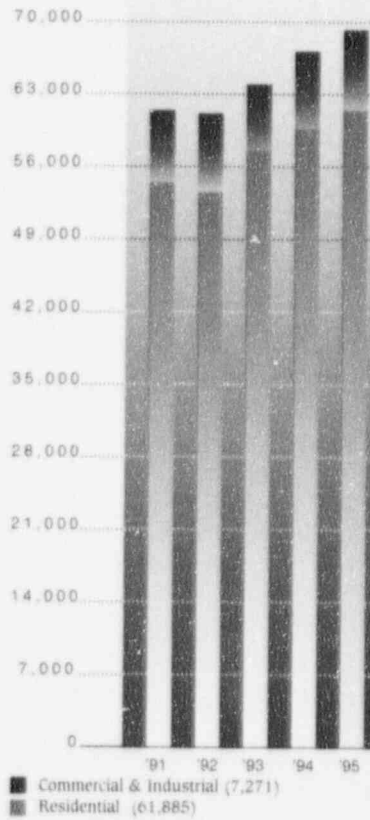
Four utility services working together can provide that satisfaction better than individual utilities. For example, our analysts visit customers' homes and advise them whether gas or electric would best serve a particular need.

Service, reliability, rates, conservation, environmental protection, safety precautions and education are all areas in which we please our customers. But the reason we will be the utility of choice is this: We know how to listen to our customers, and respond to their needs and expectations.

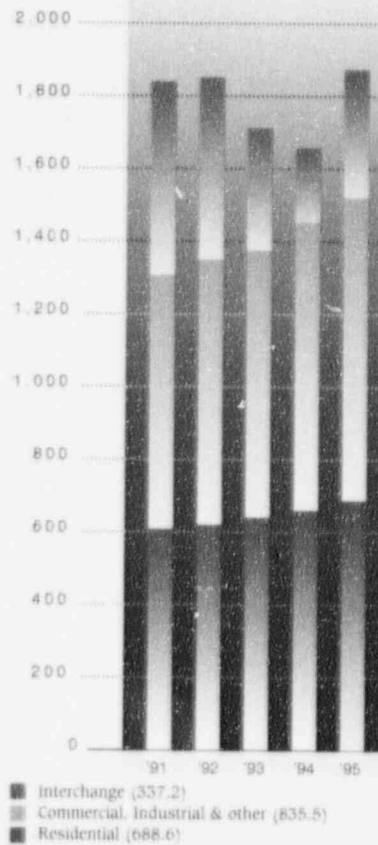
In the following pages you'll see some of the things we did yesterday and some we'll be doing tomorrow... to make certain we will always be the right choice.



**Electric System
Number of Retail Customers**
(Annual Average)



**Electric System
Energy Sales**
(Gigawatt Hours)



safe,
reliable
competitively



GRU's mission is threefold.

We will provide safe, reliable and competitively priced utility services which consistently meet our customers' needs and expectations.

We had no rate increases in any of our four services this year, and implemented a rate decrease for our water customers. All of our rates are consistently competitive, as GRU offers the lowest four-utility rate package of any major

organization in Florida.

GRU works ceaselessly to maintain and improve an excellent record in safety and reliability. Aerial cable has reduced outages in forested neighborhoods. Gas mains are frequently inspected. Water and wastewater mains are continually replaced to increase reliability and provide better pressure.

We care about the way things look too. Compact overhead construction, streetscaping, landscaping around



GRU's annual General Fund Transfer

We contributed the fill dirt for the construction of a showcase community soccer field last year. The dirt was recycled in a newly created water and wastewater program, designed to contribute to the community while reducing construction-generated waste flow to the landfill.

priced

utility services

facilities, and electric undergrounding projects have improved community aesthetics. We're even conducting a visual preference survey on how our customers want electric facilities to look.

We also know time is comfort. GRU's Automatic Trouble Call System has been storm-proven to help organize restoration efforts, and our Springhills Service Center has improved service response time for both gas and electric.

The people of Gainesville love their tree canopy, one of the finest in the nation. However, sometimes trees must be removed to ensure service reliability. So we have a trade-a-tree program to give a free tree to a customer who has to lose one. And we have a tree giveaway every year open to all customers. We advise customers how to plant "the right tree in the right place" to avoid problems. We do this to keep our city looking green, and our customers happy.

We will deliver our services through a team of innovative, self-motivated, and caring employees of the highest integrity.

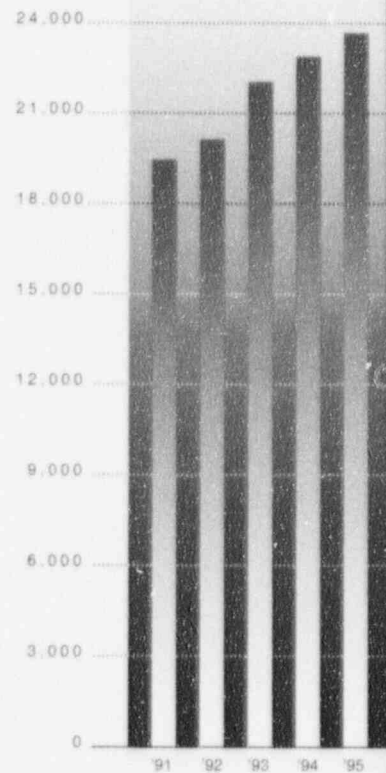
Among the many innovative projects generated by our employees are the beau-

tiful Kanapaha Water Gardens, a public water reuse demonstration project. Flyash from Deerhaven Generating Station is now being recycled into cement instead of the landfill. Soon, a photovoltaic array will be producing power from the sun for our electric control center. These projects and many more are the results of employees thinking like customers.

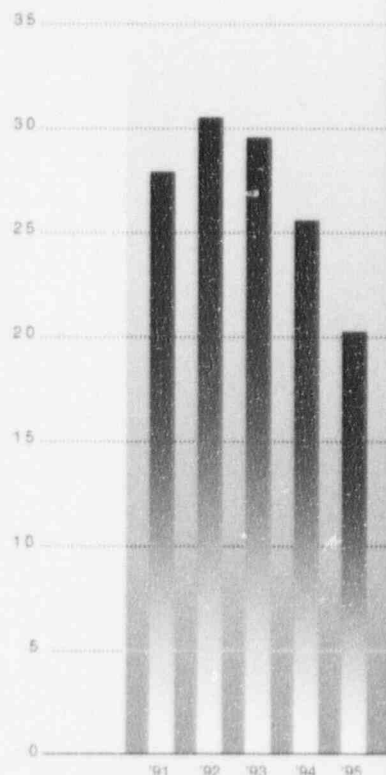
We will ensure the financial vitality of the utility and return superior value to the community for its investment.

GRU has maintained "Double A" bond ratings from Moody's as well as Standard and Poor's for many years. This elite rating, held by only a few other municipal utilities nationwide, is evidence of fiscal responsibility at the highest level. It results in lower interest debt borrowing, and therefore lower rates. We are expanding our outside power marketing, which keeps rates down for our local customers and prepares us for the competitive future. Our profits go to the city's general fund by formula, sending our customers' investment back into the community in which they live... the same community in which we live.

**Natural Gas System
Number of Customers**
(Annual Average)



Natural Gas Sales
(Million Therms)



The Satisfaction of our Customers defines our success.

There is nothing of greater importance to GRU than our relationship with our customers. *The satisfaction of our customers defines our success. We will respond to our customers promptly, with empathy, and with respect for their unique circumstances.*

Having four important utilities under one roof provides convenient, one-stop service. GRU has a devoted team of customer service representatives, and we have recently increased their numbers to provide faster, more efficient service.

We are always looking for ways to better serve our customers. We have recently instituted an Electronic Funds Transfer system that allows customers automatic bill payment from their banks. In addition to our speedy regular drive-thru teller service, an even faster drive-thru is now available for customers who need no assistance.

During our busiest season, when the University of Florida starts its year, we offer a remote customer service location in conjunction with other utilities to make the students' lives a little easier. We are studying the possibility of a permanent remote satellite location for customer service. We already work with local banks to allow our customers to pay their bills while banking.

GRU found out that customers wanted to use their credit cards for

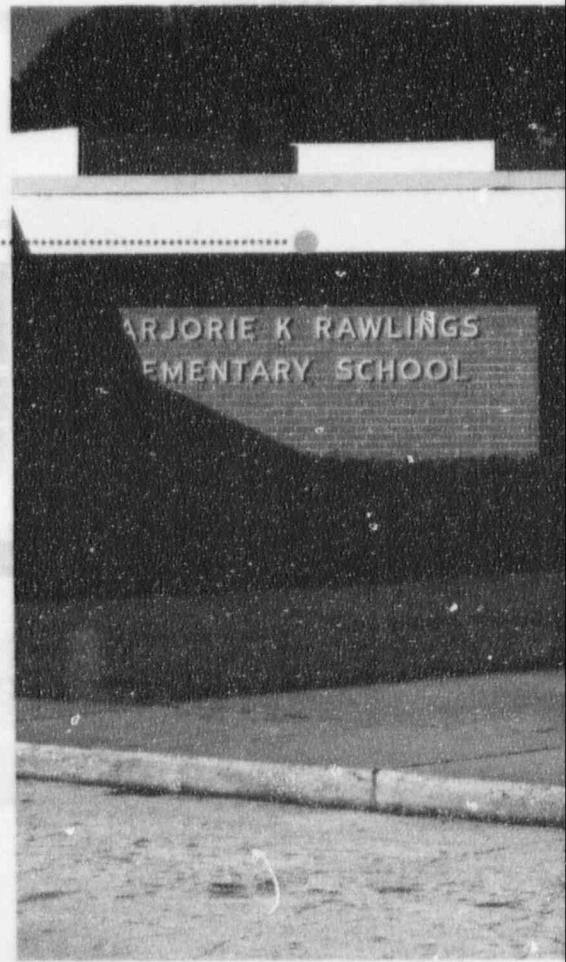
payment, to be able to fax applications, and to have access to a statewide toll-free number. Those services are now in place.

Renters can call us and find out the past utility costs for apartments they are considering. Levelized fuel cost billing means less fluctuation in the monthly statements for all customers.

But not all service is at the window or through the mail. Connections and disconnections are provided with one day

This past year our water and wastewater engineers joined with school and health officials and nationally recognized Cryptosporidium experts to decontaminate a local elementary school. The protozoan had infected summer campers through a water problem not related to GRU. The team identified and destroyed it, and our backflow prevention devices averted potential contamination of the community's water supply.

Last year we kept a Gainesville area shopping center from losing business when a private vehicle destroyed the customer owned low voltage connection box. Our employees replaced it within hours, even though it was not GRU's responsibility. Building customer confidence is an important part of our attitude.



Customers

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Success

service, even during our busiest season. If a problem arises with our service, we find the cause and provide the cure promptly. Even if the problem is not GRU's, our employees will assist the customer in finding the proper solution.

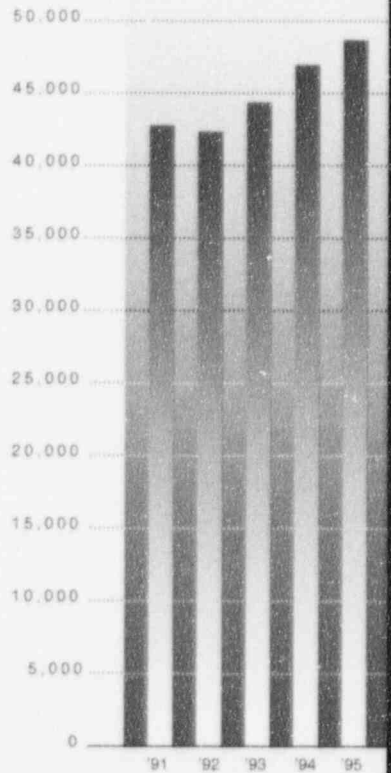
Information is a vital customer service. We provide it through newsletters, customer guides, brochures, a speakers bureau, television spots, newspaper inserts, educational videos, and even on

the World Wide Web.

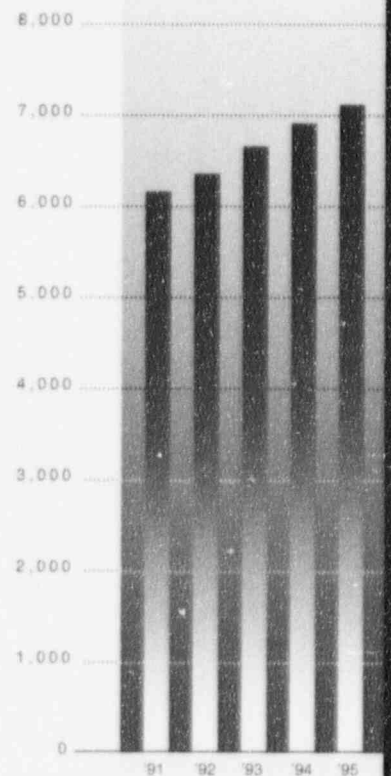
Conservation information and services are more important than ever. Our conservation analysts visit our customers' homes and businesses and provide them with advice on saving money, energy and resources. They also recommend what type of energy is best applied under which circumstances.

We take care of our customers. We want to always be their Utility of Choice.

**Water System
Number of Customers**
(Annual Average)



Water System Sales
(Million Gallons)



Employees from strategic planning, electric operations, power systems, water and wastewater, and natural gas engineering departments add to the expertise necessary to plan the activities and future of four major utilities. With knowledge from four utility services to draw from, **Our employees win awards for superior performance cooperation helps create at the local, state and national levels on a regular basis. We are developing new recognition programs to make certain this outstanding and innovative work ethic is fully appreciated internally.**

Technology is essential to the utility industry, and we keep on top of every new development in all four services. But technology is not what keeps customers loyal. Employees do that. They do it by making customers comfortable

and secure with the services they receive. *Together we will promote an environment that fosters innovation, self motivation and caring. Together we will promote an environment that encourages each of us to strive to reach our maximum potential.*



An Environment of *innovation*
SELF-MOTIVATION
and caring
employee

EMPLOYEE VALUES

How do you end up with the type of employee who can deliver customer satisfaction? You start by hiring individuals who are highly skilled and thinking self-starters who have a customer service mentality. Then you aid their growth through training, support, encouragement, trust



and recognition.

GRU offers a free curriculum of internally developed courses, seminars and training sessions to enhance the knowledge and skills of our employees. We also offer tuition assistance to employees who choose to pursue a higher education. We even offer a computer purchase plan at no interest, because computer skills developed at home improve performance at work. A loan program for personal fitness equipment is also available.

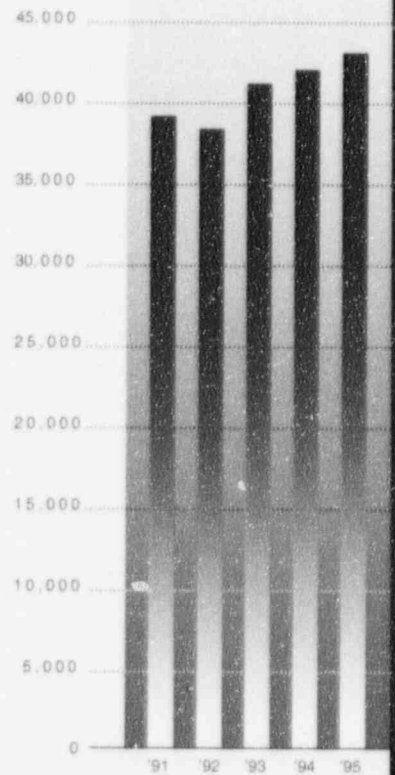
GRU hasn't stopped there. In the past year our general manager met with virtually every employee, in small groups, to personally convey GRU's intention to become an even more innovative customer service organization. He asked everyone to think about ways we could better ourselves, and to deliver those ideas to him. They responded with creativity, and they have been taken seriously. The entire executive staff has studied these ideas at length, and are using them to help plot GRU's course into the future.

Employees have been asked to continue sending new ideas to management. Those ideas and direct responses from the executive staff are a creative dialogue being published biweekly in our employee newsletter.

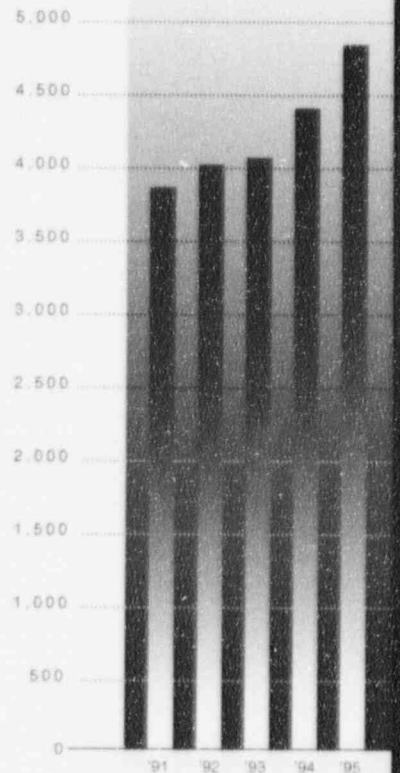
These ideas are being transformed into concepts and actions such as self-directed work teams. Groups of employees from varied disciplines are brainstorming to create solutions and break new ground. New incentive and recognition programs are being developed, new service ideas are evolving, and most of all, new lines of communication are being opened.

The power of our employees is being unleashed in a new and better way, and the potential is unlimited. The end product will be better customer service, and our customers, our employees and our community will all be winners.

Wastewater System
Number of Customers
(Annual Average)



Wastewater System
(Million Gallons)



ovative,
ED
g
es

Our financial assets are the investments of our customers and our bondholders.

We will conduct our business with the highest level of honesty and integrity; anything less is unacceptable. We will be good stewards of the resources entrusted to us. We will pursue continuous improvement and innovation to create a competitive advantage.

By managing our money well, we return a profit to our community that supports police and fire protection, as well as streets, parks, recreation, and many other essentials of community life. We are proud of that contribution, and manage it carefully. Our "Double A" bond ratings speak for the protection we afford the investments of our bondholders.

Innovation and positive change translate into growth and financial stability. It's how we do business.

An important part of the way we do business is the way we relate to other businesses. We know a vigorous business community is important to the vitality of our city.

We have developed "Business Partners" as a proactive program to create a personal relationship with local businesses. We want them to know we are ready to help them any way we can. A part of this is "Key Accounts," a program for the largest businesses in our community, designed to assist them with the special utility concerns posed by a very large operation.

Commercial conservation programs are at the core of our services to the business community. Highly trained commercial analysts visit customers to advise them on ways to conserve energy and water, and thereby increase profitability. Our commercial lighting service has saved local businesses thousands of dollars with guidance in efficient lighting techniques. Our Trade Alliance Program is proactive in educating builders and homeowners in how to build energy efficient homes and businesses.

... the **highest level**
of **honesty**

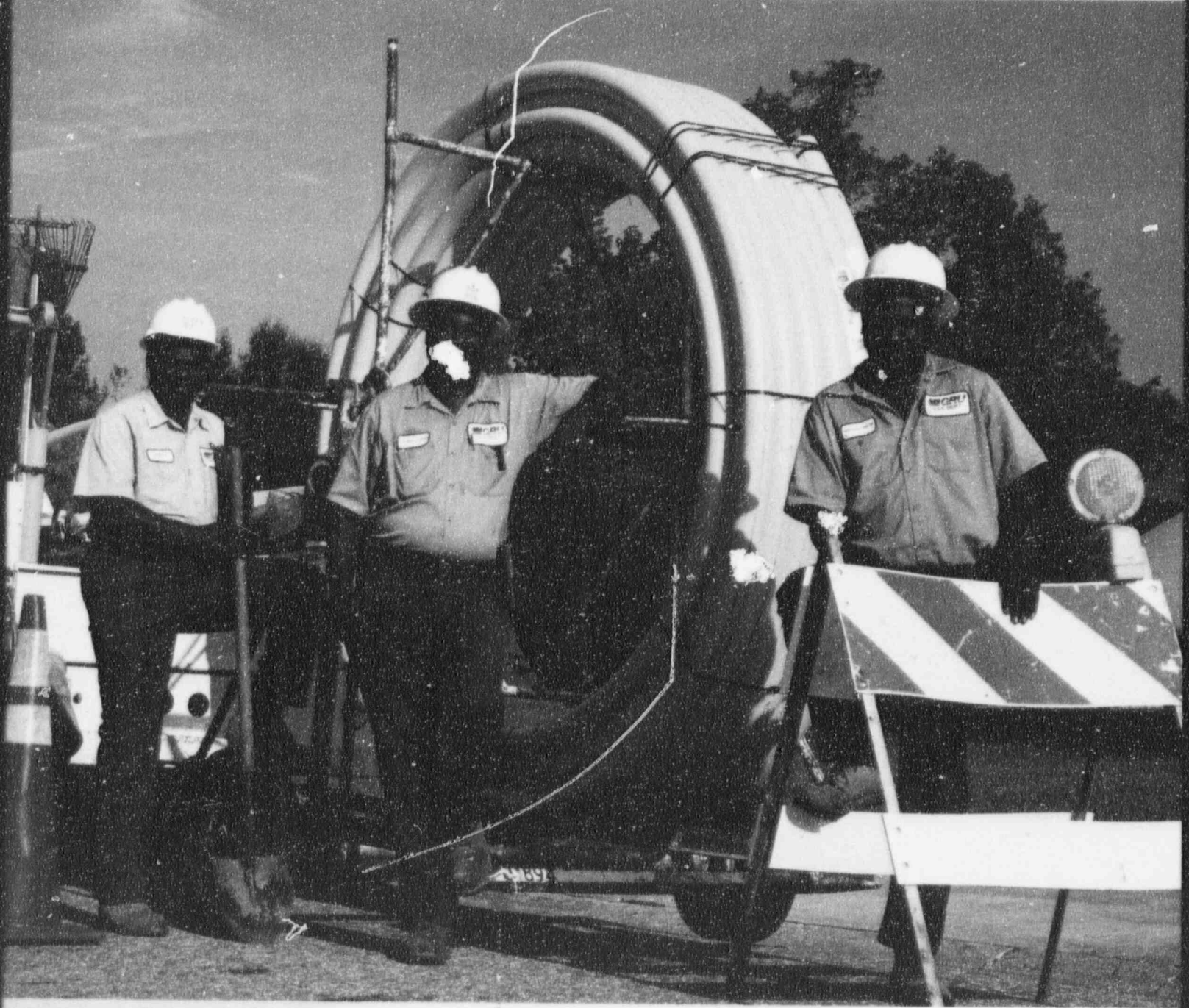


and inte

Other commercial advantages offered by GRU include our New Services Department, helping builders plan for all four service facilities at one place and at one time. The "Masterbill" allows commercial concerns with multiple accounts to consolidate bills. Our commercial backflow prevention program protects customers from accidentally polluting their water supply.

Beyond the support offered to established businesses, GRU contributes \$100,000 a year to the Council for Economic Outreach, an organization dedicated to attracting new businesses to Gainesville.

GRU knows business, and knows how to help business. Commercial loyalty must also be earned. We do it every day.



grity



Working with federal block grants as well as our own funds, the natural gas department is extending gas mains into neighborhoods that could not otherwise afford them. Another effort helping to make the entire community a better place to live.

city of Gainesville, rushing utility data communications at the speed of light. A new department, GRUCom, has been established to offer the use of this state-of-the-art service to other area businesses and government entities.

... a history of **superior**
financial

Fiscal Year 1995 Highlights

Financial	1995	1994	Percent Change
Net revenues	67,188,372	61,727,973	8.8%
Aggregate debt service	26,131,343	26,176,858	-.2%
Aggregate bond coverage ratio	2.57	2.36	8.9%
Total debt service coverage ratio	1.42	1.45	-2.1%
Long-term debt	393,658,020	419,933,267	-6.3%
Net utility plant	501,286,862	485,874,337	3.2%
Cash and Investments:			
Rate stabilization fund and revenue fund	57,193,631	46,137,567	24.0%
Customer (12 months average):			
Residential electric	61,885	60,488	2.3%
Non-residential electric	7,721	7,061	3.0%
Total electric	69,156	67,549	2.4%
Water	48,496	46,777	3.7%
Wastewater	43,690	42,196	3.5%
Natural gas	23,997	23,386	2.6%
Sales of energy (gigawatt-hours)			
Residential	688.6	650.5	5.9%
General service/large power	720.0	684.7	5.2%
Lighting	18.3	17.6	3.8%
Sales for resale	97.2	91.2	6.6%
Sub-total	1,524.1	1,444.0	5.5%
Interchange	337.2	222.5	51.6%
Total	1,861.3	1,666.5	11.7%
Sales of water (million gallons):	7,140.0	6,971.9	2.4%
Wastewater billed (million gallons):	4,818.8	4,438.5	8.6%
Natural gas (million therms):	20.1	25.6	-21.5%

We have long been ranked among the top municipal utilities in the United States. The reasons: a history of superior financial performance, quality operations and excellent service. Our financial record for fiscal year 1995 continues to reflect these qualities.

Net Revenues for the year were more than \$67 million, which provided Aggregate and Total Bond Coverage ratios of 2.57 and 1.42 respectively, both well over the minimum required by our Bond Resolutions.

Our performance is for our customers, and all customer classes are steadily growing. Excess power sales in the wholesale and interchange market help keep rates low for local customers. In fiscal year 1995, wholesale sales generated gross revenues of \$5.1 million, with a net revenue through interchange sales of \$3.4 million. Most of these sales occur under contractual arrangements.

Our Rate Stabilization Fund had a balance of more than \$38 million at year's end. We transferred \$7.7 million into this Fund for the year. The current competitive rates for all four services are projected to continue well into the future.

We work to control operational costs to achieve lower rates for our customers. Our personnel attrition program, which has kept the number of employees constant for six straight years, is an example of the many ideas we have turned into money saving realities for our customers.

We've kept tight control of our debt

performance



management costs, and that keeps our borrowing costs low for our customers and provides security for our debtholders. Our senior lien bonds are rated "Aa" and "AA" and our Tax Exempt Commercial Paper (TECP) program is rated P1/A1+ by Moody's Investor Services and Standard and Poor's Corporation, respectively. The TECP program is supported by a Credit Agreement dated October 1, 1992 with Bank of America National Trust and Savings Association, and SunBank National Association, with Bank of America National Trust and Savings Association, as agent.

Based on a formula, we return our customers' investment to their community. During fiscal year 1995, we transferred approximately \$19.2 million to the city's General Fund.

Strong financial performance, steady growth and firm cost control have given us great vitality. They helped us serve our customers yesterday, and they will help us serve them well into the future.

Statistics

Power Systems

Deerhaven Generating Station	Net Capability 405 MegaWatts (MW)
John R. Kelly Generating Station	Net Capability 106 MW
Share ownership of Crystal River 3	Net Capability 11 MW
Combined System	Net Capability 522 MW

Electric System Operations

Service Area	150 sq. miles
Transmission	116.5 miles of 138 Kilovolts (kV) 2.5 miles of 230 kV 119.0 total circuit miles
Distribution	643.3 Overhead (OH) circuit miles at 12 kV 440.9 Underground (UG) circuit miles at 12 kV 1,084.2 total circuit miles
Distribution Substations	6 (138 kV/12 kV)

Natural Gas System

Service Area88 sq. miles
Distribution Mains484 miles
Delivery Points	4

Water System

Walter E. Murphree Water Treatment Plant	
Treatment Capacity34 Million Gallons per Day (MGD), peak day
Storage Capacity	17.5 Million Gallons (MG)
Supply Wells	11
Service Area	118 sq. miles
Distribution Mains851 miles

Wastewater System

Kanapaha Water Reclamation Facility	
Treatment Capacity10 MGD, Average Annual Daily Flow (AADF)
Main Street Wastewater Treatment Plant	
Treatment Capacity75 MGD, AADF
Combined Treatment Capacity	17.5 MGD, AADF
Collection Service Area	115 sq. miles
Gravity Mains	468 miles
Force Mains	116 miles
Lift Stations	131

Vision, Mission and Values

OUR VISION

The Utility of Choice.

OUR MISSION

We will provide safe, reliable and competitively priced utility services which consistently meet our customers' needs and expectations.

We will deliver our services through a team of innovative, self-motivated, and caring employees of the highest integrity.

We will ensure the financial vitality of the utility and return superior value to the community for its investment.

CUSTOMER VALUES

The satisfaction of our customers defines our success.

We will respond to our customers promptly, with empathy, and with respect for their unique circumstances.

EMPLOYEE VALUES

Together we will promote an environment that fosters innovation, self-motivation and caring.

Together we will promote an environment that encourages each of us to strive to reach our maximum potential.

BUSINESS CULTURE

We will conduct our business with the highest level of honesty and integrity; anything less is unacceptable.

We will be good stewards of the resources entrusted to us.

We will pursue continuous improvement and innovation to create a competitive advantage.

The Combined Utility Funds of the City of Gainesville, Florida
Report on Audit of Financial Statements and Supplementary Data

September 30, 1995 and 1994

Independent Auditors' Report

The Honorable Mayor and Members
of the City Commission
City of Gainesville:

We have audited the accompanying balance sheets of Gainesville Regional Utilities (the Combined Utility Funds of the City of Gainesville, Florida) as of September 30, 1995 and 1994, and the related statements of revenue and expense and retained earnings, and cash flows for the years then ended. 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 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 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.

As discussed in Note 1, the financial statements present only Gainesville Regional Utilities (the Combined Utility Funds of the City of Gainesville, Florida) and are not intended to present fairly the financial position of the City of Gainesville, Florida, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds, in conformity with generally accepted accounting principles.

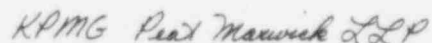
In our opinion, the 1995 and 1994 financial statements referred to above present fairly, in all material respects, the financial position of Gainesville Regional Utilities as of September 30, 1995 and 1994, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements of Gainesville Regional Utilities taken as a whole. The supplementary information included in the accompanying schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information for 1995, 1994 and 1993 has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information included in the accompanying schedules as of September 30, 1992 and 1991 has been subjected to the auditing procedures applied by other auditors whose report thereon, dated December 3, 1992, expressed an unqualified opinion on that supplementary information in relation to the basic financial statements taken as a whole.



Davis, Monk & Company
Gainesville, Florida

November 22, 1995



KPMG Peat Marwick LLP
St. Petersburg, Florida

Balance Sheets

September 30, 1995 and 1994

ASSETS	<u>1995</u>	<u>1994</u>
Utility plant:		
Utility plant in service	\$683,540,961	\$666,044,962
Construction in progress	<u>53,420,686</u>	<u>41,717,260</u>
	736,961,647	707,762,222
Less accumulated depreciation and amortization	<u>(235,674,785)</u>	<u>(221,887,885)</u>
<i>Net utility plant</i>	<u>501,286,862</u>	<u>485,874,337</u>
Current assets:		
Cash and short-term investments	18,894,940	14,947,313
Accounts receivable, net of allowance for uncollectible accounts of \$1,090,000 in 1995 and \$597,000 in 1994	21,181,554	20,427,090
Inventories:		
Fuel	5,295,098	5,890,406
Materials and supplies	<u>5,886,906</u>	<u>5,972,797</u>
<i>Total current assets</i>	<u>51,258,498</u>	<u>47,237,606</u>
Restricted assets - Cash and investments:		
Utility deposits	4,979,332	3,664,041
Debt service fund	54,862,172	59,997,732
Rate stabilization fund	38,298,691	31,190,254
Construction fund	28,286,380	57,324,696
Utility plant improvement fund	58,304	58,304
Decommissioning reserve	<u>1,756,600</u>	<u>1,538,372</u>
<i>Total restricted assets</i>	<u>128,241,479</u>	<u>153,773,399</u>
Deferred charges	<u>57,729,635</u>	<u>64,395,148</u>
<i>Total assets</i>	<u>\$738,516,474</u>	<u>\$751,280,490</u>

See accompanying notes to financial statements.

Balance Sheets

September 30, 1995 and 1994

LIABILITIES AND FUND EQUITY

	<u>1995</u>	<u>1994</u>
Long-term debt and fund equity:		
Long-term debt:		
Utilities system revenue bonds	\$335,565,000	\$360,605,000
Utilities system commercial paper notes	<u>64,657,000</u>	<u>66,265,000</u>
	400,222,000	426,870,000
Less unamortized bond discount	<u>(6,563,980)</u>	<u>(6,936,733)</u>
<i>Total long-term debt</i>	<u>393,658,020</u>	<u>419,933,267</u>
Fund equity:		
Contributions in aid of construction	83,466,569	82,015,651
Retained earnings	<u>197,543,894</u>	<u>189,276,738</u>
<i>Total fund equity</i>	<u>281,010,463</u>	<u>271,292,389</u>
<i>Total long-term debt and fund equity</i>	<u>674,668,483</u>	<u>691,225,656</u>
Current liabilities:		
Fuel payable	2,525,637	1,870,575
Accounts payable and accrued liabilities	3,138,275	4,776,900
Due to other funds	<u>1,970,356</u>	<u>1,578,698</u>
<i>Total current liabilities</i>	<u>7,634,268</u>	<u>8,226,173</u>
Payable from restricted assets:		
Utility deposits	5,104,330	3,793,648
Long-term debt payable-current	25,040,000	25,330,000
Accrued interest payable	10,609,121	11,175,626
Construction fund:		
Accounts payable and accrued liabilities	<u>1,723,054</u>	<u>1,671,041</u>
<i>Total payable from restricted funds</i>	<u>42,476,505</u>	<u>41,970,315</u>
Other liabilities and deferred credits	<u>13,737,218</u>	<u>9,858,346</u>
<i>Total liabilities and fund equity</i>	<u>\$738,516,474</u>	<u>\$751,280,490</u>

See accompanying notes to financial statements.

Statements of Revenue and Expense and Retained Earnings*Years ended September 30, 1995 and 1994*

	<u>1995</u>	<u>1994</u>
Operating revenue:		
Sales and service charges	\$152,514,073	\$149,506,834
Other operating revenue	<u>1,802,389</u>	<u>1,618,513</u>
<i>Total operating revenue</i>	<u>154,316,462</u>	<u>151,125,347</u>
Operating expenses:		
Operation and maintenance	70,550,010	72,137,367
Administrative and general	18,281,952	17,136,503
Depreciation and amortization	<u>22,633,816</u>	<u>17,955,407</u>
<i>Total operating expenses</i>	<u>111,465,778</u>	<u>107,229,277</u>
Operating income	<u>42,850,684</u>	<u>43,896,070</u>
Non-operating income (expense):		
Interest income	9,535,170	8,541,086
Interest expense, net of AFUDC	<u>(24,870,372)</u>	<u>(25,022,851)</u>
<i>Total non-operating expense</i>	<u>(15,335,202)</u>	<u>(16,481,765)</u>
Net income	27,515,482	27,414,305
Retained earnings, beginning of year	189,276,738	180,691,699
Operating transfer to City of Gainesville general fund	<u>(19,248,326)</u>	<u>(18,829,266)</u>
Retained earnings, end of year	<u>\$197,543,894</u>	<u>\$189,276,738</u>

See accompanying notes to financial statements.

Statements of Cash Flows

Years ended September 30, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Cash flows from operating activities:		
Cash received from customers	\$153,070,292	\$150,257,154
Cash payments to suppliers for goods and services	(57,372,580)	(63,897,160)
Cash payments to employees for services	(22,263,929)	(22,181,595)
Cash payments for operating transactions with other funds	(3,706,475)	(5,347,298)
Other operating receipts	<u>1,802,389</u>	<u>1,618,514</u>
<i>Net cash provided by operating activities</i>	<u>71,529,697</u>	<u>60,449,615</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(19,248,326)</u>	<u>(18,829,266)</u>
<i>Net cash used in noncapital financing activities</i>	<u>(19,248,326)</u>	<u>(18,829,266)</u>
Cash flows from capital and related financing activities:		
Principal repayments on long-term debt	(26,938,000)	(16,396,000)
Proceeds from sale of equipment	478,104	196,684
Interest paid on long-term debt	(25,064,124)	(24,476,657)
Capital grants	-	68,265
Acquisition and construction of fixed assets (including allowance for funds used during construction)	(34,151,154)	(41,757,156)
Cash received for connection charges	<u>2,274,339</u>	<u>3,012,527</u>
<i>Net cash used in capital and related financing activities</i>	<u>(83,400,835)</u>	<u>(79,352,337)</u>
Cash flows from investing activities:		
Interest received	4,730,936	5,688,651
Purchase of investments	(401,409,947)	(483,669,087)
Proceeds from investment maturities	<u>435,720,837</u>	<u>515,001,999</u>
<i>Net cash provided by investing activities</i>	<u>39,041,826</u>	<u>37,021,563</u>
Net increase (decrease) in cash and cash equivalents	7,922,362	(710,425)
Cash and cash equivalents, beginning of year	<u>6,404,906</u>	<u>7,115,331</u>
Cash and cash equivalents, end of year	<u>\$ 14,327,268</u>	<u>\$ 6,404,906</u>

(Continued)

Statements of Cash Flows, continued

Years ended September 30, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 42,850,684	\$ 43,896,070
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	22,633,816	17,955,407
Receivables	(754,464)	882,146
Prepaid expenses	-	28,906
Inventories	681,199	(1,192,112)
Deferred charges	1,468,800	3,487,840
Accounts payable and accrued liabilities	(931,550)	(4,676,145)
Due to other funds	391,658	157,825
Utility deposits	1,310,682	(131,826)
Other liabilities and deferred credits	<u>3,878,872</u>	<u>41,504</u>
<i>Net cash provided by operating activities</i>	<u>\$ 71,529,697</u>	<u>\$ 60,449,615</u>

Noncash, Investing, Capital and Financing Activities:

Utility plant contributed by developers in aid of construction was \$1,701,000 and \$4,031,000 in 1995 and 1994, respectively.

See accompanying notes to financial statements.

Notes to Financial Statements

September 30, 1995 and 1994

(1) Summary of Significant Accounting Policies**(a) Organization**

Gainesville Regional Utilities (GRU) is a combined municipal utility system operating electric, natural gas, water and wastewater utilities. GRU consists of the combined Utility Funds of the City of Gainesville, Florida (City). GRU is a unit of the City and, accordingly, the financial statements of GRU are included in the annual financial reports of the City.

(b) Basis of Accounting

The financial statements are presented on the accrual basis of accounting. Under this basis, revenues are recognized in the period earned and expenses are recognized in the period incurred. GRU applies all applicable FASB pronouncements issued on or before November 30, 1989, in accounting and reporting for its operations. In accordance with government accounting standards, GRU has elected not to apply FASB pronouncements issued after that date. In accordance with the Utilities System Revenue Bond Resolution (Bond Resolution), rates are designed to cover debt service and other revenue requirements, which exclude depreciation expense and other noncash expense items. This method of rate setting results in costs being included in the determination of rates in different periods than when these costs are recognized for financial statement purposes. The effect of these differences are recognized in the determination of net income in the period that they occur in accordance with GRU's accounting policies. GRU has adopted the uniform system of accounts prescribed by the Federal Energy Regulatory Commission (FERC) and the National Association of Regulatory Utility Commissioners. Rates are approved annually by the City Commission.

(c) Investments

Investments are stated at amortized cost. Premium or discount is amortized over the investment's maturity based on the straight-line method which approximates the effective interest method.

(d) Inventories

Inventories are stated at cost using the weighted average unit cost method for materials, and the last-in, first-out (LIFO) method for fuel. Obsolete and unusable items are reduced to estimated salvage values. The cost of fuel used for electric generation is charged to expense as consumed.

(e) Utility Plant

Property and equipment are recorded at cost. Maintenance and repairs are charged to operating expense as incurred. The average cost of depreciable plant retired is eliminated from the plant accounts, and such costs, plus removal costs less salvage, are charged to accumulated depreciation.

(f) Depreciation and Nuclear Generating Plant Decommissioning

Depreciation of utility plant is computed using the straight-line method over estimated service lives ranging from 6 to 50 years. Depreciation was equivalent to 2.85% and 2.81% of average depreciable property for 1995 and 1994, respectively. Depreciation expense includes a provision for decommissioning costs related to the jointly-owned nuclear power plant (see note 4).

(g) Amortization of Nuclear Fuel

The cost of nuclear fuel, including estimated disposal cost, 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. These costs are charged to customers through the fuel adjustment clause.

(h) Revenue Recognition

Revenue is recorded as earned. GRU accrues for services rendered but unbilled which amounted to approximately \$7,808,000 and \$8,103,000 for 1995 and 1994, respectively. Fuel adjustment revenue is recognized based on the actual fuel costs. Amounts charged to customers are based on estimated costs, which are adjusted for any differences between the actual and estimated costs once actual costs are known.

(i) Interfund Transactions

Interfund balances between electric, gas, water and wastewater funds are offset for the combined utility funds. Interfund revenues and expenses are not eliminated in the combined utility funds. Additionally, there are interfund transactions between GRU and general government operations of the City, which do not bear interest.

(Continued)

Notes to Financial Statements

September 30, 1995 and 1994

(j) Funds in Accordance With Bond Resolutions

Certain restricted funds of GRU are administered in accordance with bond resolutions. These funds are as follows:

- Debt Service Fund
- Subordinated Indebtedness Fund
- Rate Stabilization Fund
- Construction Fund
- Utility Plant Improvement Fund

The Debt Service Fund accounts for funds accumulated to provide payment of principal and interest on or redeem outstanding debt.

The Subordinated Indebtedness Fund, grouped in the Debt Service Fund for financial reporting purposes, accounts for funds accumulated to pay principal and interest on subordinated indebtedness.

The Rate Stabilization Fund accounts for funds accumulated to stabilize rates over future periods through the transfer of funds to and from operations as necessary.

The Construction Fund accounts for funds accumulated for the cost of acquisition and construction of the system.

The Utility Plant Improvement Fund accounts for funds used to pay for certain capital projects or debt service, the purchase or redemption of bonds, or otherwise provide for the repayment of bonds.

(k) Allowance for Funds Used During Construction (AFUDC)

An allowance for interest on borrowed funds used during construction of \$1,236,000 and \$1,243,000 in 1994

is included in construction in progress and as a reduction of interest expense. These amounts are computed by applying the effective interest rate on the funds borrowed to finance the projects to the monthly balance of projects under construction. The effective interest rates were approximately 4.9% and 5.5% for 1995 and 1994, respectively.

(l) Deferred Charges

Deferred charges represent costs incurred that are to be recovered from future revenue through the rate-making process over a period usually ranging from seven to thirty years.

(m) Contributions in Aid of Construction

Utility plant in service for the water and wastewater funds includes assets received from contributions in aid of construction (CIAC). Contributions in aid of construction are amortized on a straight-line method over the life of the related asset. The amount of amortization expense included in the statement of revenue and expense and retained earnings relating to the contributed assets is credited to depreciation and amortization expense and amounted to \$2,525,000 and \$2,493,000 in 1995 and 1994, respectively.

(n) Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, bank demand accounts, and overnight repurchase agreements.

(o) Reclassification

Amounts in the 1994 financial statements have been reclassified to conform with the 1995 presentation.

(Continued)

Notes to Financial Statements

September 30, 1995 and 1994

(2) Long-Term Debt

Long-term portion of debt outstanding at September 30, 1995 and 1994 consisted of the following:

	<u>1995</u>	<u>1994</u>
Utilities System Revenue Bonds:		
Series 1983 (1983 Bonds) - interest payable semi-annually to October 1, 2014 at a rate of 6.0%	\$ 18,860,000	\$ 18,860,000
1987 Series A (1987 Bonds) - interest payable semi-annually to October 1, 2002 at various rates between 6.6% and 6.8%	3,495,000	5,085,000
1992 Series A (1992 A Bonds) - interest payable semi-annually to October 1, 2022 at various rates between 5.0% and 6.5%	73,000,000	73,000,000
1992 Series B (1992 B Bonds) - interest payable semi-annually to October 1, 2017 at various rates between 6.0% and 7.5%	61,920,000	61,920,000
1993 Series A (1993 A Bonds) - interest payable semi-annually to October 1, 2006 at various rates between 4.25% and 5.30%	35,180,000	35,180,000
1993 Series B (1993 B Bonds) - interest payable semi-annually to October 1, 2013 at various rates between 4.0% and 5.5%	128,795,000	128,795,000
1993 Series C (1993 C Bonds) - interest payable semi-annually to October 1, 1996 at a rate of 5%	5,680,000	12,400,000
Subordinated Utilities System Revenue Bonds:		
1993 Series (1993 Subordinated Bonds) - interest payable semi-annually to April 1, 1997 at rates of 4.875% and 5.25%	8,635,000	25,365,000
Utilities System Commercial Paper Notes, Series C		
(C Notes) - interest at various market rates	<u>64,657,000</u>	<u>66,265,000</u>
	400,222,000	426,870,000
Less unamortized bond discount	<u>(6,563,980)</u>	<u>(6,936,733)</u>
Total long-term debt	<u>\$393,658,020</u>	<u>\$419,933,267</u>

(Continued)

Notes to Financial Statements

September 30, 1995 and 1994

GRU is required to make monthly deposits into separate accounts for an amount equal to the required share of principal and interest becoming payable for the revenue bonds on the payment dates of April 1 and October 1.

The following table lists the Debt Service requirements (principal and interest) on the Long-Term Debt outstanding at September 30, 1995:

Period ending October 1	Utilities System Revenue Bonds	Subordinated Utilities System Revenue Bonds	Total net debt service requirements
1996	\$ 28,991,735	\$ 17,591,131	\$ 46,582,866
1997	26,212,745	8,861,669	35,074,414
1998	26,212,940	-	26,212,940
1999	26,207,360	-	26,207,360
2000	25,755,160	-	25,755,160
2001	26,068,833	-	26,068,833
2002	26,062,173	-	26,062,173
2003	26,069,187	-	26,069,187
2004	25,495,837	-	25,495,837
2005	24,337,776	-	24,337,776
2006	24,329,841	-	24,329,841
2007	28,522,645	-	28,522,645
2008	30,936,400	-	30,936,400
2009	30,941,550	-	30,941,550
2010	30,934,000	-	30,934,000
2011	30,935,025	-	30,935,025
2012	30,930,525	-	30,930,525
2013	30,941,725	-	30,941,725
2014	32,218,225	-	32,218,225
2015	12,227,125	-	12,227,125
2016	12,225,350	-	12,225,350
2017	12,229,450	-	12,229,450
2018	5,781,950	-	5,781,950
2019	5,782,650	-	5,782,650
2020	5,780,475	-	5,780,475
2021	5,784,450	-	5,784,450
2022	5,782,950	-	5,782,950
	<u>\$597,698,082</u>	<u>\$ 26,452,800</u>	<u>\$624,150,882</u>

(Continued)

Notes to Financial Statements*September 30, 1995 and 1994*

Under the terms of the Bond Resolution relating to the sale of the Utilities System Revenue Bonds, payment of the principal and interest is secured by an irrevocable lien on GRU's net revenues (exclusive of any funds which may be established pursuant to the Bond Resolution for decommissioning and certain other specified purposes), including the investments and income, if any, thereof.

The Bond Resolution contains certain restrictions and commitments, including GRU's covenant to establish and maintain rates and other charges to produce revenues sufficient to pay operation and maintenance expenses, amounts required for deposit in the debt service fund, and amounts required for deposit into the utility plant improvement fund.

The 1983 Bonds mature on October 1, 2014. Those Bonds are subject to redemption at the option of the City on and after October 1, 1993, as a whole at any time or in part on any interest payment date, at a redemption price of 100% plus accrued interest to the date of redemption.

The 1987 Bonds and the 1993 C Bonds are not subject to redemption at the option of the City.

The 1992 A Bonds mature on various dates from 1996 to 2022. Those Bonds maturing on or after October 1, 2003, amounting to \$63,730,000, are subject to redemption at the option of the City on and after October 1, 2002, as a whole at any time or in part on any interest payment date, at a redemption price of 102% in 2002, 101% in 2003 and 100% thereafter.

The 1992 B Bonds mature at various dates from 2001 to 2017. Those Bonds maturing on or after October 1, 2003 through October 1, 2007, amounting to \$14,310,000, are subject to redemption at the option of the City on and after October 1, 2002, as a whole at any time or in part on any interest payment date, at a redemption price of 102% in 2002, 101% in 2004 and 100% thereafter. The 1992 B Bonds maturing on October 1, 2017, amounting to \$22,335,000, are subject to redemption at the option of the City on and after October 1, 2002, as a whole at any time or in part on any interest payment date, at a redemption price of 100%.

The 1993 A and B Bonds mature at various dates from 1997 to 2013. Those Bonds maturing on or after October 1, 2004, amounting to \$113,925,000, are subject to redemption at the option of the City on and after October 1, 2003, as a whole at any time or in part on any interest payment date, at a redemption price of 102% in 2003, 101% in 2004 and 100% thereafter.

The 1993 Subordinated Bonds are not subject to redemption at the option of the City. They are direct and special obligations of the City secured as to the payment of the principal or sinking fund redemption price and interest thereon, in accordance with their terms and the provisions of the Subordinated Resolution, by the Subordinated Indebtedness Fund, the Subordinated Debt Service Reserve Account and the Subordinated Bond Payment Account which are included in the Debt Service Fund. The 1993 Subordinated Bonds are subordinated in all respects to bonds issued as first lien bonds ("Senior Lien Bonds") under the Bond Resolution.

Utilities System Commercial Paper Notes, Series C Notes in a principal amount not to exceed \$65,000,000 may continue to be issued to refinance maturing Series C Notes. Liquidity support for the Series C Notes is provided under a long-term credit agreement dated as of October 1, 1992 with Bank of America National Trust and Savings Association (Bank of America) and SunBank, National Association with Bank of America as Agent. Each bank's obligation is for \$32,500,000 and is a several but not joint obligation. The obligation of a bank may be substituted by another bank which meets certain credit standards and which is approved by GRU and the Agent. Under the terms of the agreement, GRU may borrow up to \$65,000,000 with same day availability ending on the termination date, as defined in the agreement. Series C Notes of \$1,608,000 were redeemed during 1995.

(3) Deposits and Investments

Deposits are held in a qualified public depository institution insured by the Federal Depository Insurance Corporation and as required by the Bond Resolution in a bank, savings and loan association or trust company of the United States or a national banking association having capital stock, surplus and undivided earnings aggregating at least \$10,000,000.

In accordance with state laws and the Bond Resolution, GRU is authorized to invest in obligations which are unconditionally guaranteed by the United States of America or its agencies or instrumentalities, repurchase agreement obligations unconditionally guaranteed by the United States of America or its agencies, corporate indebtedness, direct and general obligations of any state of the United States of America (provided such obligations are rated by a nationally recognized bond rating agency in either of its two highest rating categories), public housing bonds, and certain certificates of deposit. Investments in corporate indebtedness must be rated in the highest rating category of a nationally recognized rating agency and in one of the two highest rating categories of at least one other nationally recognized rating agency.

(Continued)

Notes to Financial Statements

September 30, 1995 and 1994

Investments are categorized in the following table in accordance with Governmental Accounting Standards Board Statement No. 3. All of GRU's investments fall under category 1 which includes investments that are insured or registered or held by the Utility or its agent in GRU's name. GRU generally intends and has the ability to hold its investments to maturity and does not expect to realize any potential losses from temporary fluctuations in the market value of the corporate commercial paper at September 30, 1995.

	Carrying value	Market value
September 30, 1995		
U.S. Government securities	\$ 60,466,943	\$ 60,783,067
U.S. Government bonds	19,901,457	22,656,640
Corporate commercial paper	<u>50,741,604</u>	<u>50,829,327</u>
<i>Total</i>	<u>\$131,110,004</u>	<u>\$134,269,034</u>

	Carrying value	Market value
September 30, 1994		
U.S. Government securities	\$ 46,435,896	\$ 47,640,592
U.S. Government bonds	19,916,945	21,510,831
Corporate commercial paper	<u>94,629,531</u>	<u>93,238,054</u>
<i>Total</i>	<u>\$160,982,372</u>	<u>\$162,389,477</u>

Cash and investments are contained in the following balance sheet accounts:

	1995	1994
Restricted assets:		
Utility deposits	\$ 4,979,332	\$ 3,664,041
Debt service fund	54,862,172	59,997,732
Rate stabilization fund	38,298,691	31,190,254
Construction fund	28,286,380	57,324,696
Utility plant improvement fund	58,304	58,304
Decommissioning reserve	1,756,600	1,875,725
Current assets:		
Cash and short-term investments	<u>18,894,940</u>	<u>14,609,960</u>
Total cash and investments	147,136,419	168,720,712
Less cash and cash equivalents	14,327,268	6,404,906
Less accrued interest receivable	<u>1,699,147</u>	<u>1,333,434</u>
<i>Total investments</i>	<u>\$131,110,004</u>	<u>\$160,982,372</u>

(4) Jointly-Owned Electric Plant

GRU-owned resources for supplying electric power and energy requirements include its 1.4079% undivided ownership interest in

the Crystal River Unit 3 (CR3) nuclear power plant operated by Florida Power Corporation. GRU's net investment in CR3 at September 30, 1995 and 1994 is approximately \$7,556,000 and \$7,769,000, respectively. CR3 operation and maintenance costs, which represent GRU's part of expenses attributable to operation of CR3, are recorded in accordance with the instructions as set forth in the FERC uniform system of accounts. Payments are made to Florida Power Corporation in accordance with the CR3 participation agreement.

GRU, as a part of this participation agreement, is responsible for its share of future decommissioning costs. Decommissioning costs are funded and expensed annually and are recovered through rates charged to customers. The most recent decommissioning cost estimates provided by Florida Power Corporation in November 1995, estimated GRU's share of total future decommissioning costs to be \$5.7 million in 1995 dollars.

(5) Contributions in Aid of Construction

Contributions in aid of construction are as follows:

	1995	1994
Contributions in aid of construction:		
Utility plant, property and equipment contributed by municipality	\$ 3,982,276	\$ 3,982,276
Federal and state grants in aid of construction	22,663,741	22,663,741
Contributions from customers and developers:		
Plant contributed by developers	42,255,473	40,564,306
Connection charges	<u>46,083,208</u>	<u>43,808,871</u>
Accumulated amortization	114,994,698	111,019,194
<i>Contributions in aid of construction</i>	<u>(31,528,129)</u>	<u>(29,003,543)</u>
	<u>\$ 83,466,569</u>	<u>\$ 82,015,651</u>

(6) Retained Earnings

Retained earnings reserved for debt service and unappropriated are as follows:

	1995	1994
Reserved for debt service	\$ 35,943,053	\$ 38,787,106
Unappropriated	<u>161,600,841</u>	<u>150,489,632</u>
<i>Total retained earnings</i>	<u>\$197,543,894</u>	<u>\$189,276,738</u>

(Continued)

Notes to Financial Statements

September 30, 1995 and 1994

Retained earnings balances at September 30, 1995 and 1994 reserved in debt service fund accounts are as follows:

	1995	1994
Reserve account	\$ 35,561,817	\$ 37,166,530
Debt service account	18,880,710	22,349,023
Subordinated indebtedness fund account	381,065	457,000
Commercial paper note payment account	<u>38,581</u>	<u>25,179</u>
	\$ 54,862,173	\$ 59,997,732
Less amounts appropriated for current interest and principal payable	<u>18,919,120</u>	<u>21,210,626</u>
	<u>\$ 35,943,053</u>	<u>\$ 38,787,106</u>

The reserve account is funded by initial deposits from the bond proceeds. Bond principal payments of \$16,730,000 and \$15,295,000 due April 1, 1996 and 1995, respectively, are not required to begin funding until the previous October and therefore, are not reserved in the debt service fund accounts at September 30, 1995 and 1994, respectively.

(7) Retirement Plans

The City sponsors and administers one defined benefit pension plan and two defined contribution plans (collectively, the Plans) that includes GRU and other City employees. The Plans do not make separate measurements of assets and pension benefit obligations for individual units of the City. Such information is presented in the City of Gainesville, Florida, September 30, 1995 Comprehensive Annual Financial Report.

The General Employees Pension Plan (Employees Plan), a contributory defined benefit pension plan, covers all employees of GRU, except certain personnel who elect to participate only in a Defined Contribution Plan.

The City accounts for and funds the costs of the Employees Plan as they accrue. Such costs are based on contribution rates determined by the most recent actuarial valuation. The total contributions by GRU, including amortization of prior service costs, for the years ended September 30, 1995 and 1994 were \$1,092,000 and \$1,045,000, respectively.

Certain employees are eligible to participate in defined contribution plans managed by the International City Management Association as fiscal agent for the City. Under these plans, the City contributes 6% of an employee's annual salary and employees may contribute either a specified percentage or dollar amount. Total deferred compensation and defined contribution cost for GRU for the years

ended September 30, 1995 and 1994 was \$239,000 and \$240,000, respectively.

(8) Transfers to General Fund

GRU makes transfers to the City's general government based on a formula that ties the transfer directly to the profitability of the system. The transfer to the general fund may be made only to the extent such monies are not necessary to pay debt service on the outstanding bonds and subordinated debt or to make other necessary transfers under the Bond Resolution. The formula-based fund transfer to the general fund for the years ended September 30, 1995 and 1994 was \$19,248,000 and \$18,829,000, respectively.

(9) Deferred Charges

Included in deferred charges at September 30, 1995 and 1994 is the unamortized balance of \$11,672,000 and \$16,412,000, respectively, remaining of the original payment of \$27,375,000, in full settlement in connection with the City's cancellation of a contract for supply of coal to the Deerhaven II generating plant. The settlement payment is being recovered through future utility fuel adjustment revenue through the year 2003.

The remaining balance in deferred charges at September 30, 1995 and 1994 is comprised of unamortized bond issuance costs of approximately \$35,000,000 and \$37,700,000, respectively, environmental costs of \$5,075,000 in both years (see note 10), and other miscellaneous items, all of which are being amortized over periods from 7 to 30 years.

(10) Environmental Liabilities

The System is subject to numerous Federal, state, and local environmental regulations. Under the Comprehensive Environmental Response Compensation and Liability Act, commonly known as "Superfund," the System has been named as a potentially responsible party at two hazardous waste sites. In addition, in January 1990, the System purchased the natural gas distribution assets of a company and pursuant to the related purchase agreement, assumed responsibility for the investigation and remediation of environmental impacts related to the operation of the former manufactured gas plant. Based upon the System's analysis of the cost to clean-up these sites and other identified environmental contingencies, the System has accrued a liability of \$5,075,000. Because the System anticipates recovering the costs of environmental clean-up through future customer rates, a related asset of equal amount has been reflected as a deferred charge in the accompanying balance sheet. Although uncertainties associated with environmental assessment and remediation activities remain, GRU believes that the current provision for such costs is adequate and additional costs, if any, will not have a material adverse effect on the System's financial position.

Schedules of Combined Net Revenues in Accordance with Bond Resolution

Years ended September 30, 1995, 1994, 1993, 1992 and 1991

	1995	1994	1993	1992	1991
Revenues:					
Electric fund:					
Sales of electricity	\$118,091,955	\$112,976,560	\$114,512,609	\$111,038,685	\$114,589,417
Other electric revenues	1,664,914	1,569,151	1,419,514	1,392,162	1,283,458
Transfers from (to) rate stabilization	(2,782,560)	(2,549,839)	(1,332,746)	814,841	(1,390,968)
Interest income	4,571,431	3,942,488	3,574,721	4,144,601	4,419,127
Total electric fund revenues	121,545,740	115,938,360	118,174,098	117,390,289	118,901,034
Gas fund:					
Gas sales	10,758,387	13,683,900	14,001,918	13,699,974	11,987,296
Other gas revenues (expenses)	117,522	(6,644)	48,708	82,809	144,808
Transfers from (to) rate stabilization	(240,377)	(597,624)	273,659	(855,531)	664,530
Interest income	360,591	220,300	132,321	216,390	335,312
Total gas fund revenues	10,996,123	13,299,932	14,456,606	13,143,642	13,131,946
Water fund:					
Sales of water	10,223,855	9,949,831	9,614,673	8,760,162	7,943,974
Other water revenues	1,066,593	1,321,323	992,009	824,400	977,061
Transfers from (to) rate stabilization	(2,149,333)	(2,911,488)	(1,074,067)	312,477	259,722
Interest income	837,589	605,163	515,456	631,586	942,243
Total water fund revenues	9,978,704	8,964,829	10,048,071	10,528,625	10,123,000
Wastewater fund:					
Wastewater billings	13,439,876	12,896,542	12,071,696	11,391,098	10,542,730
Other wastewater revenues	1,227,638	1,766,141	1,390,513	1,028,291	1,352,155
Transfers from (to) rate stabilization	(2,537,345)	(2,738,750)	(53,896)	35,922	285,713
Interest income	1,369,598	874,789	746,908	1,029,095	1,620,348
Total wastewater fund revenues	13,499,767	12,798,722	14,155,221	13,484,406	13,800,946
Total revenues	156,020,334	151,001,843	156,833,996	154,546,962	155,956,926
Operation and maintenance:					
Electric fund:					
Fuel expense	37,960,173	36,619,277	39,538,397	39,243,116	41,119,401
Operation and maintenance	18,738,547	19,313,999	16,985,123	17,969,180	17,420,206
Administrative and general	12,354,722	11,630,670	11,661,891	10,805,109	10,869,786
Total electric fund expense	69,053,442	67,563,946	68,185,411	68,017,405	69,409,393
Gas fund:					
Fuel expense	4,763,599	7,216,655	8,661,062	7,537,660	7,202,885
Operation and maintenance	1,043,594	1,024,702	997,135	940,888	880,649
Administrative and general	1,830,024	1,838,425	1,647,212	1,676,115	2,097,519
Total gas fund expense	7,637,217	10,079,782	11,305,409	10,154,663	10,181,053
Water fund:					
Operation and maintenance	3,414,065	3,460,273	3,159,941	3,365,799	3,067,570
Administrative and general	1,922,686	1,737,575	1,703,141	1,903,304	1,677,080
Total water fund expense	5,336,751	5,197,848	4,863,082	5,269,103	4,744,650
Wastewater fund:					
Operation and maintenance	4,630,032	4,502,461	4,229,044	4,567,768	4,354,509
Administrative and general	2,174,520	1,929,833	2,224,168	2,492,048	2,379,496
Total wastewater fund expense	6,804,552	6,432,294	6,453,212	7,059,816	6,734,005
Total operation and maintenance	88,831,962	89,273,870	90,807,114	90,500,987	91,069,101
Net revenues in accordance with bond resolution:					
Electric	52,492,298	48,374,414	49,988,687	49,372,884	49,491,641
Gas	3,358,906	3,220,150	3,151,197	2,988,979	2,950,893
Water	4,641,953	3,766,981	5,184,989	5,259,522	5,378,350
Wastewater	6,695,215	6,366,428	7,702,009	6,424,590	7,066,941
Net revenues before interest income from sinking fund	67,188,372	61,727,973	66,026,882	64,045,975	64,887,825
Interest income from sinking fund	-	-	-	414,071	833,956
Total net revenues in accordance with bond resolution ..	\$ 67,188,372	\$ 61,727,973	\$ 66,026,882	\$ 64,460,046	\$ 65,721,781
Aggregate bond debt service	\$ 26,131,343	\$ 26,176,858	\$ 27,510,976	\$ 26,131,184	\$ 26,756,070
Aggregate debt service coverage ratio	2.57	2.36	2.40	2.47	2.46
Total debt service	\$ 47,234,795	\$ 42,622,279	\$ 33,679,868	\$ 33,865,283	\$ 35,641,221
Total debt service coverage ratio	1.42	1.45	1.96	1.90	1.84

See note on page 35.

Schedules of Net Revenues in Accordance with Bond Resolution Electric Utility Fund

Years ended September 30, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Revenue:		
Sales of electricity:		
Residential sales	\$ 52,262,423	\$ 49,211,341
General service and large power	49,228,381	46,959,475
Fuel adjustment	(2,640,641)	888,353
Street and traffic lighting	2,414,485	2,255,586
Utility surcharge	2,635,177	2,456,560
Sales for resale	5,087,395	4,860,763
Interchange sales	9,104,735	6,344,482
<i>Total sales of electricity</i>	<u>118,091,955</u>	<u>112,976,560</u>
Other revenue:		
Service charges	1,292,535	1,259,870
Pole rentals	136,398	136,500
Miscellaneous	235,981	172,781
<i>Total other revenue</i>	<u>1,664,914</u>	<u>1,569,151</u>
Transfers to rate stabilization	(2,782,560)	(2,549,839)
Interest income	4,571,431	3,942,488
<i>Total revenue</i>	<u>121,545,740</u>	<u>115,938,360</u>
Operation and maintenance expense:		
Operation and maintenance:		
Fuel expense:		
Retail and purchased power	32,215,782	32,578,183
Interchange	5,744,391	4,041,094
<i>Total fuel expense</i>	<u>37,960,173</u>	<u>36,619,277</u>
Power production	12,435,730	12,503,522
Transmission	655,173	664,871
Distribution	5,647,644	6,145,606
<i>Total operation and maintenance</i>	<u>56,698,720</u>	<u>55,933,276</u>
Administrative and general:		
Customer accounts	2,729,959	2,359,744
Administrative and general	9,624,763	9,270,926
<i>Total administrative and general</i>	<u>12,354,722</u>	<u>11,630,670</u>
<i>Total operation and maintenance expense</i>	<u>69,053,442</u>	<u>67,563,946</u>
Net revenue in accordance with bond resolution:		
Retail	49,131,954	46,071,026
Interchange	3,360,344	2,303,388
<i>Total net revenue in accordance with bond resolution</i>	<u>\$ 52,492,298</u>	<u>\$ 48,374,414</u>

See note on page 35.

Schedules of Net Revenues in Accordance with Bond Resolution Gas Utility Fund

Years ended September 30, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Revenue:		
Sales of gas:		
Residential	\$ 5,740,415	\$ 6,508,452
Interruptible/commercial	4,462,383	6,840,580
Other sales	<u>555,589</u>	<u>334,868</u>
<i>Total sales of gas</i>	<u>10,758,387</u>	<u>13,683,900</u>
Other revenues (expenses)	117,522	(6,644)
Transfers to rate stabilization	(240,377)	(597,624)
Interest income	<u>360,591</u>	<u>220,300</u>
<i>Total revenue</i>	<u>10,996,123</u>	<u>13,299,932</u>
Operation and maintenance expense:		
Operation and maintenance:		
Fuel expense	4,763,599	7,216,655
Operation and maintenance	<u>1,043,594</u>	<u>1,024,702</u>
<i>Total operation and maintenance</i>	<u>5,807,193</u>	<u>8,241,357</u>
Administrative and general:		
Customer accounts	733,729	763,240
Administrative and general	<u>1,096,295</u>	<u>1,075,185</u>
<i>Total administrative and general</i>	<u>1,830,024</u>	<u>1,838,425</u>
<i>Total operation and maintenance expense</i>	<u>7,637,217</u>	<u>10,079,782</u>
<i>Total net revenue in accordance with bond resolution</i>	<u>\$ 3,358,906</u>	<u>\$ 3,220,150</u>

See note on page 35.

Schedules of Net Revenues in Accordance with Bond Resolution Water Utility Fund

Years ended September 30, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Revenue:		
Sales of water:		
General customers	\$ 7,928,163	\$ 7,626,315
University of Florida	639,354	702,180
Fire protection	871,495	867,303
Generating stations	60,519	57,347
Utility surcharge	724,324	696,686
<i>Total sales of water</i>	<u>10,223,855</u>	<u>9,949,831</u>
Other revenue:		
Connection charges	1,055,589	1,280,687
Miscellaneous	11,004	40,636
<i>Total other revenue</i>	<u>1,066,593</u>	<u>1,321,323</u>
Transfers to rate stabilization	(2,149,333)	(2,911,488)
Interest income	837,589	605,163
<i>Total revenue</i>	<u>9,978,704</u>	<u>8,964,829</u>
Operation and maintenance expense:		
Operation and maintenance:		
Source of supply	4,473	28,394
Pumping	841,143	913,044
Water treatment	1,659,666	1,612,200
Transmission and distribution	908,783	906,635
<i>Total operation and maintenance</i>	<u>3,414,065</u>	<u>3,460,273</u>
Administrative and general:		
Customer accounts	558,622	446,046
Administrative and general	1,364,064	1,291,529
<i>Total administrative and general</i>	<u>1,922,686</u>	<u>1,737,575</u>
<i>Total operation and maintenance expense</i>	<u>5,336,751</u>	<u>5,197,848</u>
Total net revenue in accordance with bond resolution	<u>\$ 4,641,953</u>	<u>\$ 3,766,981</u>

See note on page 35.

Schedules of Net Revenues in Accordance with Bond Resolution Wastewater Utility Fund

Years ended September 30, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Revenue:		
Wastewater billings:		
Billings	\$ 12,464,105	\$ 11,954,407
Utility surcharge	975,771	942,135
<i>Total wastewater billings</i>	<u>13,439,876</u>	<u>12,896,542</u>
Other revenue:		
Connection charges	1,218,688	1,750,771
Miscellaneous	8,950	15,370
<i>Total other revenue</i>	<u>1,227,638</u>	<u>1,766,141</u>
Transfers to rate stabilization	(2,537,345)	(2,738,750)
Interest income	1,369,598	874,789
<i>Total revenue</i>	<u>13,499,767</u>	<u>12,798,722</u>
Operation and maintenance expense:		
Operation and maintenance:		
Collection	915,643	918,898
Treatment and pumping	3,714,389	3,583,563
<i>Total operation and maintenance</i>	<u>4,630,032</u>	<u>4,502,461</u>
Administrative and general:		
Customer accounts	384,848	243,345
Administrative and general	1,789,672	1,686,488
<i>Total administrative and general</i>	<u>2,174,520</u>	<u>1,929,833</u>
<i>Total operation and maintenance expense</i>	<u>6,804,552</u>	<u>6,432,294</u>
<i>Total net revenue in accordance with bond resolution</i>	<u>\$ 6,695,215</u>	<u>\$ 6,366,428</u>

Notes to Schedules of Net Revenues in Accordance with Bond Resolution

Years ended September 30, 1995 and 1994

"Net revenues in accordance with bond resolution" differs from "Net income" which is determined in accordance with generally accepted accounting principles. Following are the more significant differences:

- Interest income does not include interest earned on construction funds.
- Operation and maintenance expenses do not include depreciation, amortization, or interest expense.
- Other water and wastewater revenues include fees for connection, installation, front footage, and backflow prevention.
- Transfers to the general fund are excluded.
- Other revenues include transfers (to) from the rate stabilization fund.

Schedule of Combining Balance Sheet

September 30, 1995

ASSETS	Electric	Gas	Water	Wastewater	Combined
Utility plant:					
Utility plant in service	\$438,196,890	\$ 25,917,036	\$ 91,456,928	\$127,970,107	\$683,540,961
Construction in progress.....	41,382,286	478,863	5,135,730	6,423,807	53,420,686
	479,579,176	26,395,899	96,592,658	134,393,914	736,961,647
Less accumulated depreciation and amortization	(157,661,878)	(10,843,988)	(28,909,234)	(38,259,685)	(235,674,785)
<i>Net utility plant</i>	<u>321,917,298</u>	<u>15,551,911</u>	<u>67,683,424</u>	<u>96,134,229</u>	<u>501,286,862</u>
Current assets:					
Cash and short-term investments.....	16,793,721	904,821	369,745	826,653	18,894,940
Accounts receivable, net.....	18,435,390	853,484	840,488	1,052,192	21,181,554
Inventories:					
Fuel	5,295,098	-	-	-	5,295,098
Materials and supplies.....	4,744,001	245,385	897,520	-	5,886,906
<i>Total current assets</i>	<u>45,268,210</u>	<u>2,003,690</u>	<u>2,107,753</u>	<u>1,878,845</u>	<u>51,258,498</u>
Restricted assets:					
Utility deposits -					
Cash and investments	4,979,332	-	-	-	4,979,332
Debt service fund -					
Cash and investments	41,045,593	3,096,381	4,702,642	6,017,556	54,862,172
Rate stabilization fund -					
Cash and investments	12,924,826	2,470,014	7,119,014	15,784,837	38,298,691
Construction fund -					
Cash and investments	20,807,011	412,096	5,238,510	1,828,763	28,286,380
Utility plant improvement fund -					
Cash and investments	58,304	-	-	-	58,304
Decommissioning reserve -					
Cash and investments	1,756,600	-	-	-	1,756,600
<i>Total restricted assets</i>	<u>81,571,666</u>	<u>5,978,491</u>	<u>17,060,166</u>	<u>23,631,156</u>	<u>128,241,479</u>
Deferred charges	<u>43,128,003</u>	<u>6,256,598</u>	<u>3,867,333</u>	<u>4,477,701</u>	<u>57,729,635</u>
<i>Total assets</i>	<u>\$491,885,177</u>	<u>\$ 29,790,690</u>	<u>\$ 90,718,676</u>	<u>\$126,121,931</u>	<u>\$738,516,474</u>

Schedule of Combining Balance Sheet

September 30, 1995

LIABILITIES AND FUND EQUITY	Electric	Gas	Water	Wastewater	Combined
Long-term debt and fund equity:					
Long-term debt:					
Utilities system revenue bonds	\$221,522,060	\$ 21,540,420	\$ 41,716,257	\$ 50,786,263	\$335,565,000
Utilities system commercial paper notes	48,409,286	-	5,660,440	10,587,274	64,657,000
Less unamortized bond discount	(4,234,445)	(442,425)	(877,307)	(1,009,803)	(6,563,980)
<i>Total long-term debt</i>	<u>265,696,901</u>	<u>21,097,995</u>	<u>46,499,390</u>	<u>60,363,734</u>	<u>393,658,020</u>
Fund equity:					
Contribution in aid of construction	-	-	29,948,182	53,518,387	83,466,569
Retained earnings	177,406,101	623,140	11,036,791	8,477,862	197,543,894
<i>Total fund equity</i>	<u>177,406,101</u>	<u>623,140</u>	<u>40,984,973</u>	<u>61,996,249</u>	<u>281,010,463</u>
<i>Total long-term debt and fund equity</i>	<u>443,103,002</u>	<u>21,721,135</u>	<u>87,484,363</u>	<u>122,359,983</u>	<u>674,668,483</u>
Current liabilities:					
Fuels payable	2,250,374	275,263	-	-	2,525,637
Accounts payable and accrued liabilities	2,342,095	194,684	272,997	328,499	3,138,275
Due to other funds	151,183	604,814	700,337	514,022	1,970,356
<i>Total current liabilities</i>	<u>4,743,652</u>	<u>1,074,761</u>	<u>973,334</u>	<u>842,521</u>	<u>7,634,268</u>
Payable from restricted assets:					
Utility deposits	5,104,330	-	-	-	5,104,330
Long-term debt payable, current	23,877,233	399,885	240,885	521,997	25,040,000
Accrued interest payable	7,081,586	693,229	1,267,309	1,566,997	10,609,121
Construction fund - Accounts payable and accrued liabilities	1,300,841	50,379	213,623	158,211	1,723,054
<i>Total payable from restricted assets</i>	<u>37,363,990</u>	<u>1,143,493</u>	<u>1,721,817</u>	<u>2,247,205</u>	<u>42,476,505</u>
Other liabilities and deferred credits	<u>6,674,533</u>	<u>5,851,301</u>	<u>539,162</u>	<u>672,222</u>	<u>13,737,218</u>
<i>Total liabilities and fund equity</i>	<u>\$491,885,177</u>	<u>\$ 29,790,690</u>	<u>\$ 90,718,676</u>	<u>\$126,121,931</u>	<u>\$738,516,474</u>

Schedule of Combining Statement of Revenue and Expense and Retained Earnings

Year ended September 30, 1995

	<u>Electric</u>	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Combined</u>
Operating revenue:					
Sales and service charges	\$118,091,955	\$ 10,758,387	\$ 10,223,855	\$ 13,439,876	\$152,514,073
Other operating revenue	<u>1,664,912</u>	<u>117,522</u>	<u>11,005</u>	<u>8,950</u>	<u>1,802,389</u>
<i>Total operating revenue</i>	<u>119,756,867</u>	<u>10,875,909</u>	<u>10,234,860</u>	<u>13,448,826</u>	<u>154,316,462</u>
Operating expenses:					
Operations and maintenance	56,698,720	5,807,193	3,414,065	4,630,032	70,550,010
Administrative and general	12,354,722	1,830,024	1,922,686	2,174,520	18,281,952
Depreciation and amortization	<u>18,594,361</u>	<u>964,766</u>	<u>1,431,164</u>	<u>1,643,525</u>	<u>22,633,816</u>
<i>Total operating expenses</i>	<u>87,647,803</u>	<u>8,601,983</u>	<u>6,767,915</u>	<u>8,448,077</u>	<u>111,465,778</u>
Operating income	<u>32,109,064</u>	<u>2,273,926</u>	<u>3,466,945</u>	<u>5,000,749</u>	<u>42,850,684</u>
Non-operating income (expense):					
Interest income	6,350,486	424,872	1,215,519	1,544,293	9,535,170
Interest expense, net of AFUDC	<u>(17,076,068)</u>	<u>(1,451,329)</u>	<u>(2,753,804)</u>	<u>(3,589,171)</u>	<u>(24,870,372)</u>
<i>Total non-operating expense</i>	<u>(10,725,582)</u>	<u>(1,026,457)</u>	<u>(1,538,285)</u>	<u>(2,044,878)</u>	<u>(15,335,202)</u>
Net income	21,383,482	1,247,469	1,928,660	2,955,871	27,515,482
Retained earnings, beginning of year	169,494,384	224,128	11,114,520	8,443,706	189,276,738
General fund transfer	<u>(13,462,882)</u>	<u>(849,047)</u>	<u>(2,010,536)</u>	<u>(2,925,861)</u>	<u>(19,248,326)</u>
Residual equity transfers	<u>(8,883)</u>	<u>590</u>	<u>4,147</u>	<u>4,146</u>	<u>-</u>
Retained earnings, ending of year	<u>\$177,406,101</u>	<u>\$ 623,140</u>	<u>\$ 11,036,791</u>	<u>\$ 8,477,862</u>	<u>\$197,543,894</u>

Schedule of Utility Plant Properties Combined Utility Fund

September 30, 1995

	Utility Plant Properties			
	Balance September 30, 1994	Additions	Sales, retirements and transfers	Balance September 30, 1995
<i>Plant in Service</i>				
Electric utility fund:				
Production plant	\$247,754,950	\$ 3,003,055	\$ 758,066	\$249,999,939
Nuclear fuel	5,290,241	100,648	-	5,390,889
Transmission and distribution plant	140,465,613	11,231,458	2,381,334	149,315,737
General and common plant	33,181,630	974,385	665,690	33,490,325
<i>Total electric utility fund</i>	<u>426,692,434</u>	<u>15,309,546</u>	<u>3,805,090</u>	<u>438,196,890</u>
Gas utility fund:				
Distribution plant	18,882,133	1,401,561	226,893	20,056,801
General plant	1,053,987	204,954	49,341	1,209,600
Plant acquisition adjustment	4,650,635	-	-	4,650,635
<i>Total gas utility fund</i>	<u>24,586,755</u>	<u>1,606,515</u>	<u>276,234</u>	<u>25,917,036</u>
Water utility fund:				
Supply, pumping and treatment plant	15,202,374	148,758	53,290	15,297,842
Transmission and distribution plant	70,512,896	3,139,862	678,291	72,974,467
General plant	2,986,216	236,423	38,020	3,184,619
<i>Total water utility fund</i>	<u>88,701,486</u>	<u>3,525,043</u>	<u>769,601</u>	<u>91,456,928</u>
Wastewater utility fund:				
Pumping and treatment plant	54,275,084	122,930	142,785	54,255,229
Collection plant	66,110,111	1,996,395	398,707	67,707,799
Reclaimed water plant	1,324,185	41,792	-	1,365,977
General plant	4,354,907	373,692	87,497	4,641,102
<i>Total wastewater utility fund</i>	<u>126,064,287</u>	<u>2,534,809</u>	<u>628,989</u>	<u>127,970,107</u>
<i>Total plant in service</i>	<u>\$666,044,962</u>	<u>\$ 22,975,913</u>	<u>\$ 5,479,914</u>	<u>\$683,540,961</u>
Construction in Progress				
Electric utility fund	\$ 34,035,056	\$ 23,747,472	\$ 16,400,242	\$ 41,382,286
Gas utility fund	232,910	1,855,767	1,609,814	478,863
Water utility fund	3,911,909	4,748,865	3,525,044	5,135,730
Wastewater utility fund	3,537,385	5,435,535	2,549,113	6,423,807
<i>Total construction in progress</i>	<u>\$ 41,717,260</u>	<u>\$ 35,787,639</u>	<u>\$ 24,084,213</u>	<u>\$ 53,420,686</u>

Schedule of Accumulated Depreciation and Amortization Combined Utility Fund

September 30, 1995

	Balance September 30, 1994	Additions	Sales and retirements	Balance September 30, 1995
Electric utility fund:				
Production plant	\$101,073,020	\$ 7,299,871	\$ 766,590	\$107,606,301
Nuclear plant	4,420,818	374,185	-	4,795,003
Transmission and distribution plant	34,852,226	4,251,196	3,549,958	35,553,464
General and common plant	8,629,045	1,743,755	665,690	9,707,110
<i>Total electric utility fund</i>	<u>148,975,109</u>	<u>13,669,007</u>	<u>4,982,238</u>	<u>157,661,878</u>
Gas utility fund:				
Operating fund	8,705,100	720,521	276,236	9,149,385
Plant acquisition adjustment	1,394,229	300,374	-	1,694,603
<i>Total gas utility fund</i>	<u>10,099,329</u>	<u>1,020,895</u>	<u>276,236</u>	<u>10,843,988</u>
Water utility fund:				
Supply, pumping and treatment plant	5,094,390	435,401	53,290	5,476,501
Transmission and distribution plant	19,889,004	1,567,251	678,291	20,777,964
General plant	2,422,150	270,639	38,020	2,654,769
<i>Total water utility fund</i>	<u>27,405,544</u>	<u>2,273,291</u>	<u>769,601</u>	<u>28,909,234</u>
Wastewater utility fund:				
Pumping and treatment plant	13,468,172	1,697,114	142,785	15,022,501
Collection plant	18,246,201	1,317,185	398,707	19,164,679
Reclaimed water plant	-	26,588	-	26,588
General plant	3,693,530	439,884	87,497	4,045,917
<i>Total wastewater utility fund</i>	<u>35,407,903</u>	<u>3,480,771</u>	<u>628,989</u>	<u>38,259,685</u>
<i>Total</i>	<u>\$221,887,885</u>	<u>\$ 20,443,964</u>	<u>\$ 6,657,064</u>	<u>\$235,674,785</u>

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Raymond O. Monasco Jr.
Utilities Attorney
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Investor Information

Certified Public Accountants
KPMG Peat Marwick and
Davis Monk & Company

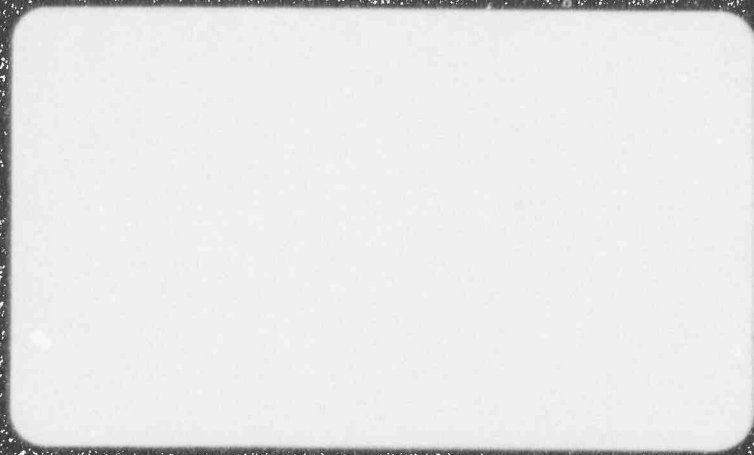
Revenue Bonds
Trustee/Registrar/Paying Agent
First Trust National Association
New York, NY

Tax Exempt Commercial
Paper Dealer
Goldman, Sachs and Company
New York, NY

Tax Exempt Commercial Paper
Paying Agent
Bankers Trust
New York, NY

1935 C Subordination Bonds
Registrar/Paying Agent
First Trust National Association
New York, NY

GRU
GAINESVILLE REGIONAL UTILITIES



Jurvis
Clay &
Company

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

CITY OF BUSHNELL, FLORIDA

SEPTEMBER 30, 1995

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**CITY OF BUSHNELL, FLORIDA
SEPTEMBER 30, 1995**

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**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**CITY OF BUSHNELL, FLORIDA
SEPTEMBER 30, 1995**

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CITY COUNCIL AND OFFICIALS

CITY OF BUSHNELL, FLORIDA

SEPTEMBER 30, 1995

Mayor-Councilman Joseph P. Strickland, Jr.
Vice-Mayor-Councilwoman Margaret Theis
Councilman Dale Swain
Councilman Billy Williams
Councilman James Holt
City Manager Vicente Ruano
City Clerk Joy Coleman
City Attorney James E. Wade, III

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

We have audited the accompanying general purpose financial statements of the City of Bushnell, Florida, as of and for the year ended September 30, 1995, 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.

Our audit was made 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 general purpose 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 Bushnell, Florida at September 30, 1995, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 5, 1996, on our consideration of the City of Bushnell, Florida's internal control structure and a report dated January 5, 1996, on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund statements and schedules listed as accompanying information in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

January 5, 1996
Ocala, Florida

Purvis, Gray and Company

Certified Public Accountants

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Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872
1415 Piedmont Drive, East, Suite 2 • Tallahassee, Florida 32312 • (904) 385-0554 • FAX (904) 385-9801

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

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 1995
CITY OF BUSHNELL, FLORIDA**

	Governmental Fund Types		Proprietary	Fiduciary	Account Groups		Totals	
	General	Special	Fund Type	Fund Type	General	General	(Memorandum Only)	
		Revenue	Enterprise	Agency	Fixed Assets	Long-Term Debt	1995	1994
Assets								
Cash and Cash Equivalents	\$ 539,349	\$ 3,529	\$ 469,097	\$ 2,169			\$ 1,014,144	\$ 841,530
Investments		315,000		40,059			355,059	25,027
Receivables:								
Accounts (Net of Allowance For Uncollectibles of \$2,000) and Unbilled Revenue	40,662		271,652				312,314	295,791
Due From Other Funds			10,238				10,238	39,148
Due From Other Governments	12,937						12,937	0
Inventories, at Cost			114,058				114,058	77,452
Restricted Assets:								
Cash and Cash Equivalents			452,805				452,805	736,362
Property, Plant and Equipment - Cost Less Accumulated Depreciation For Proprietary Fund Types; Cost For General Fixed Assets Account Group			2,674,838		\$ 1,587,164		4,262,002	4,022,589
Other Assets			11,360				11,360	11,602
Amount to be Provided For Retirement of General Long-Term Debt						\$ 279,782	279,782	300,219
Total Assets	<u>\$ 592,948</u>	<u>\$ 318,529</u>	<u>\$ 4,004,048</u>	<u>\$ 42,228</u>	<u>\$ 1,587,164</u>	<u>\$ 279,782</u>	<u>\$ 6,824,699</u>	<u>\$ 6,349,720</u>

See accompanying notes.

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 1995
CITY OF BUSHNELL, FLORIDA
(Concluded)

	Governmental Fund Types		Proprietary	Fiduciary	Account Groups		Totals	
	General	Special	Fund Type	Fund Type	General	General	(Memorandum Only)	
		Revenue	Enterprise	Agency	Fixed	Long-Term	1995	1994
					Assets	Debt		
Liabilities and Fund Equity								
Liabilities								
Accounts Payable	\$ 38,962		\$ 123,889				\$ 162,851	\$ 161,513
Other Accrued Expenses	11,418		9,608				21,026	24,369
Due to Other Funds			10,238				10,238	17,476
Deferred Revenue/Deferred Credits	593		22,096				22,689	1,743
Deposits	1,200	\$ 1,950		\$ 2,169			5,319	4,544
Payable From Restricted Assets:								
Customer Deposits			63,847				63,847	66,435
Accrued Interest Payable			6,205				6,205	7,483
Revenue Bonds Payable			35,000				35,000	35,000
Revenue Bonds Payable - Series 1976 (Net of Discount and Portion Payable From Restricted Assets)			131,704				131,704	165,880
Notes Payable			640,285			\$ 136,066	776,351	685,133
Compensated Absences Payable			36,881			48,575	85,456	74,381
Deferred Compensation				40,059			40,059	25,027
Obligations Under Capital Lease						95,141	95,141	105,281
Total Liabilities	<u>52,173</u>	<u>1,950</u>	<u>1,079,753</u>	<u>42,228</u>	<u>\$ 0</u>	<u>279,782</u>	<u>1,455,886</u>	<u>1,374,259</u>
Fund Equity								
Contributed Capital			1,190,970				1,190,970	1,132,137
Investment in General Fixed Assets					1,587,164		1,587,164	1,499,794
Retained Earnings:								
Reserved			347,753				347,753	330,444
Unreserved			1,385,572				1,385,572	1,289,875
Fund Balances:								
Reserved	14,428	313,050					327,478	315,063
Unreserved	526,347	3,529					529,876	408,148
Total Fund Equity	<u>540,775</u>	<u>316,579</u>	<u>2,924,295</u>	<u>0</u>	<u>1,587,164</u>	<u>0</u>	<u>5,368,813</u>	<u>4,975,461</u>
Total Liabilities and Fund Equity	<u>\$ 592,948</u>	<u>\$ 318,529</u>	<u>\$ 4,004,048</u>	<u>\$ 42,228</u>	<u>\$ 1,587,164</u>	<u>\$ 279,782</u>	<u>\$ 6,824,699</u>	<u>\$ 6,349,720</u>

See accompanying notes.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1995
CITY OF BUSHNELL, FLORIDA**

	Governmental Fund Types		Totals (Memorandum Only)	
	General	Special Revenue	1995	1994
Revenues				
Taxes	\$ 504,851	\$ 0	\$ 504,851	\$ 469,928
Licenses and Permits	18,748	0	18,748	23,748
Intergovernmental	381,085	0	381,085	364,562
Charges For Services	1,787	0	1,787	1,752
Fines and Forfeitures	19,134	0	19,134	44,038
Interest and Miscellaneous	48,288	31,612	79,900	75,812
Total Revenues	<u>973,893</u>	<u>31,612</u>	<u>1,005,505</u>	<u>979,840</u>
Expenditures				
General Government	280,284	0	280,284	284,711
Public Safety	425,897	0	425,897	458,547
Physical Environment	7,219	13,315	20,534	24,199
Transportation	214,868	0	214,868	279,891
Economic Environment	12,000	0	12,000	13,000
Culture and Recreation	134,779	0	134,779	217,257
(Total Expenditures)	<u>(1,075,047)</u>	<u>(13,315)</u>	<u>(1,088,362)</u>	<u>(1,287,605)</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(101,154)</u>	<u>18,297</u>	<u>(82,857)</u>	<u>(307,765)</u>
Other Financing Sources				
Operating Transfers In	217,000	0	217,000	217,000
Loan Proceeds	0	0	0	150,000
Total Other Financing Sources	<u>217,000</u>	<u>0</u>	<u>217,000</u>	<u>367,000</u>
Excess of Revenues and Other Financing Sources Over Expenditures	115,846	18,297	134,143	59,235
Fund Balances, Beginning of Year	<u>424,929</u>	<u>298,282</u>	<u>723,211</u>	<u>663,976</u>
Fund Balances, End of Year	<u>\$ 540,775</u>	<u>\$ 316,579</u>	<u>\$ 857,354</u>	<u>\$ 723,211</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, 1995
CITY OF BUSHNELL, FLORIDA**

	General Fund			Special Revenue Funds			Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Taxes	\$ 464,372	\$ 504,851	\$ 40,479	\$ 0	\$ 0	\$ 0	\$ 464,372	\$ 504,851	\$ 40,479
Licenses and Permits	19,151	18,748	(403)	0	0	0	19,151	18,748	(403)
Intergovernmental	361,961	381,085	19,124	0	0	0	361,961	381,085	19,124
Charges For Services	1,600	1,787	187	0	0	0	1,600	1,787	187
Fines and Forfeitures	18,100	19,134	1,034	0	0	0	18,100	19,134	1,034
Interest and Miscellaneous	24,000	48,288	24,288	27,600	31,612	4,012	51,600	79,900	28,300
Total Revenues	<u>889,184</u>	<u>973,893</u>	<u>84,709</u>	<u>27,600</u>	<u>31,612</u>	<u>4,012</u>	<u>916,784</u>	<u>1,005,505</u>	<u>88,721</u>
Expenditures									
General Government	298,709	280,284	18,425	0	0	0	298,709	280,284	18,425
Public Safety	487,172	425,897	61,275	0	0	0	487,172	425,897	61,275
Physical Environment	9,800	7,219	2,581	15,000	13,315	1,685	24,800	20,534	4,266
Transportation	219,624	214,868	4,756	0	0	0	219,624	214,868	4,756
Economic Environment	12,000	12,000	0	0	0	0	12,000	12,000	0
Culture and Recreation	148,662	134,779	13,883	0	0	0	148,662	134,779	13,883
(Total Expenditures)	<u>(1,175,967)</u>	<u>(1,075,047)</u>	<u>100,920</u>	<u>(15,000)</u>	<u>(13,315)</u>	<u>1,685</u>	<u>(1,190,967)</u>	<u>(1,088,362)</u>	<u>102,605</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	(286,783)	(101,154)	185,629	12,600	18,297	5,697	(274,183)	(82,857)	191,326
Other Financing Sources									
Operating Transfers In	267,000	217,000	(50,000)	0	0	0	267,000	217,000	(50,000)
(Deficiency) Excess of Revenues and Other Financing Sources (Under) Over Expenditures	<u>\$ (19,783)</u>	<u>115,846</u>	<u>\$ 135,629</u>	<u>\$ 12,600</u>	<u>18,297</u>	<u>\$ 5,697</u>	<u>\$ (7,183)</u>	<u>134,143</u>	<u>\$ 141,326</u>
Fund Balances, Beginning of Year		424,929			298,282			723,211	
Fund Balances, End of Year		<u>\$ 540,775</u>			<u>\$ 316,579</u>			<u>\$ 857,354</u>	

See accompanying notes.

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1995
CITY OF BUSHNELL, FLORIDA**

	<u>1995</u>	<u>Total (Memorandum Only) 1994</u>
Operating Revenues		
Charges For Services	\$ 1,996,405	\$ 1,937,996
Operating Expenses		
Purchased Power	867,996	807,403
Salaries	205,115	194,008
Employee Benefits	92,175	91,921
Professional Services	57,823	48,592
Operating Supplies	82,760	31,187
Other Current Charges	83,877	84,031
Depreciation	166,119	140,842
Landfill	101,111	91,347
(Total Operating Expenses)	<u>(1,656,976)</u>	<u>(1,489,331)</u>
Operating Income	<u>339,429</u>	<u>448,665</u>
Nonoperating Revenues (Expenses)		
Interest Income	33,239	24,167
Interest Expense	(42,662)	(39,847)
Total Nonoperating Revenues (Expenses)	<u>(9,423)</u>	<u>(15,680)</u>
Net Income Before Transfers	330,006	432,985
Other Financing (Uses)		
Operating Transfers Out	<u>(217,000)</u>	<u>(217,000)</u>
Net Income	113,006	215,985
Retained Earnings, Beginning of Year	<u>1,620,319</u>	<u>1,404,334</u>
Retained Earnings, End of Year	<u>\$ 1,733,325</u>	<u>\$ 1,620,319</u>

See accompanying notes.

**COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 1995
 CITY OF BUSHNELL, FLORIDA**

	<u>1995</u>	<u>Total (Memorandum Only) 1994</u>
Cash Flows From Operating Activities		
Operating Income	\$ 339,429	\$ 448,665
Adjustments to Reconcile Operating Income to Net Cash Provided By Operations:		
Depreciation of Plant	166,119	140,842
Change in Current Assets - (Increase) Decrease:		
Accounts Receivable and Unbilled Revenue	(7,973)	(21,446)
Due From Other Funds	7,232	0
Other Assets	242	0
Inventory	(37,154)	(9,184)
Change in Current Liabilities - Increase (Decrease):		
Accounts Payable and Other Accrued Expenses	19,345	(42,568)
Other Accrued Expenses	(2,401)	3,852
Due to Other Funds	(7,232)	0
Accrued Compensated Absences	9,343	5,736
Deferred Credit	22,096	0
Customer Deposits	(2,588)	5,314
Net Cash Provided By Operating Activities	<u>506,458</u>	<u>531,211</u>
Cash Flows From Noncapital Financing Activities		
Operating Transfers Out to Other Funds	(217,000)	(217,000)
Cash Flows From Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	(318,162)	(166,529)
Principal Payments and Bonds	(80,929)	(67,852)
Proceeds From Note	150,000	0
Interest Paid	(43,940)	(40,942)
Contributed Capital	58,833	2,026
Net Cash (Used In) Capital and Related Financing Activities	<u>(234,198)</u>	<u>(273,297)</u>
Cash Flows From Investing Activities		
Interest Received	33,239	24,168
Net Increase in Cash and Cash Equivalents	88,499	65,082
Cash and Cash Equivalents, Beginning of Year	833,403	768,321
Cash and Cash Equivalents, End of Year	<u>\$ 921,902</u>	<u>\$ 833,403</u>
Presented in the Accompanying Financial Statements as:		
Unrestricted Cash	\$ 469,097	\$ 394,041
Restricted Cash	452,805	439,362
Total Cash	<u>\$ 921,902</u>	<u>\$ 833,403</u>

See accompanying notes.

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

Note 1 - Summary of Significant Accounting Policies

The City of Bushnell, Florida (the City) 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 and recreation, public improvements, and general administrative services.

The financial statements of the City 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's accounting principles are described below:

Reporting Entity

In evaluating how to define the City 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 GASB Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the concept of financial accountability. The City is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for governmental organizations that are fiscally dependent upon the City. Based upon the application for these criteria, the Evergreen Cemetery was considered a component unit of the City.

■ **Evergreen Cemetery Fund**

A Board of Trustees was created by City ordinance and is appointed by the City Council to administer the affairs of Evergreen Cemetery. One member of the City Council must be on the Board of Trustees. The Board of Trustees 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. The Evergreen Cemetery is a blended component unit and is included in the City's reporting entity as a special revenue fund.

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.

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."

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Accounting (Concluded)

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. The City operates only one special revenue fund (the Evergreen Cemetery fund).

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds of the City are as follows:

- **Enterprise Funds** - The enterprise funds are used to account for activities that are operated in a manner similar to private businesses where the cost of providing goods and services are primarily recorded through user charges. The City operates electric, water and sanitation enterprise 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** - The agency funds generally are used to account for assets that the government holds on behalf of others as their agent. The City operates bail bond and deferred compensation agency funds.

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** - Account for property and equipment not used in proprietary fund type 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 type.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 financing uses) in net current assets.

All proprietary fund types 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 prorated 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. Pursuant to GASB Statement No. 20, the City has elected not to apply all Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989 for proprietary fund type activities.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Concluded)

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.

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.

Cash and Cash Equivalents

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 City.

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.

Inventory

Inventories held by the enterprise funds are stated at cost or market, whichever is lower.

Prepaid Items

Payments made to vendors for service that will benefit periods beyond September 30, 1995 are recorded as prepaid items.

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.

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

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

Property, Plant and Equipment *(Concluded)*

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 funds 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 Lives In Years
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

Bond Discounts and Issuance Costs

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

Compensated Absences

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 provision of Statement of Financial Accounting Standards (SFAS) No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

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

Note 1 - Summary of Significant Accounting Policies (Concluded)

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.

Grants - Proprietary Funds

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

Water Line Extension Charges

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

Fund Equity

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

Total Columns on 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.

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 City'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.

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

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 City Council.

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

Note 3 - Deposits and Investments

Deposits

At year end, the carrying amount of the City's cash deposits was \$1,466,949 and the bank balance was \$1,529,819. All cash deposits were held in qualified public depositories and were covered by federal depository insurance or by a state collateral insurance pool in accordance with Chapter 280, Florida Statutes. All cash deposits were classified as category one credit risk, which means they were insured or collateralized.

Investments

The City's investments are categorized as either (1) insured or registered for which the securities are held by the City or its agent in the City's name; (2) uninsured and unregistered for which the securities are held by the 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 City's name.

	Category			Carrying Amount	Market Value
	1	2	3		
Certificates of Deposit	\$ 315,000	\$ 0	\$ 0	\$ 315,000	\$ 315,000
Investment in Deferred Compensation Plan				40,059	40,059
Total Investments				\$ 355,059	

Investments in the deferred compensation plan are not classified as no credit risk because they are held in mutual funds.

Note 4 - Property Taxes

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

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

Note 4 - Property Taxes (Concluded)

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, 1995 was 2.70.

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

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.

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

Nuclear Decommissioning

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

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

Note 5 - Bond Service Requirements/Restricted Assets (Concluded)

Utilities System Revenue Bonds, Series 1976

As of September 30, 1995, 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 one-twelfth of 9% of the prior year's gross revenue; however, no further deposits are required when the balance on hand equals 10% 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:

	Balance 10/1/94	Additions	(Disposals)	Balance 9/30/95
Land	\$ 439,913	\$ 0	\$ (3,500)	\$ 436,413
Buildings	173,247	0	0	173,247
Improvements	295,408	22,139	(1,375)	316,172
Machinery and Equipment	591,226	70,106	0	661,332
Total	\$ 1,499,794	\$ 92,245	\$ (4,875)	\$ 1,587,164

A summary of proprietary fund type property and equipment at September 30, 1995 follows:

	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Total
Land	\$ 2,300	\$ 18,090	\$ 0	\$ 20,390
Distribution Plant	1,111,996	939,764	0	2,051,760
Buildings	214,487	134,436	0	348,923
Equipment	228,657	773,973	198,315	1,200,945
Crystal River III Investment	321,752	0	0	321,752
	1,879,192	1,866,263	198,315	3,943,770
(Accumulated Depreciation)	(666,002)	(483,897)	(119,033)	(1,268,932)
Total	\$ 1,213,190	\$ 1,382,366	\$ 79,282	\$ 2,674,838

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

Note 7 - Long-Term Debt

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

Proprietary Fund Long-Term Debt

■ **Utility 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%
Water Utility Fund	14%

Combined bond maturities and interest rates are as follows:

	Maturity April 1	Coupon Rate	Electric Utility Fund	Water Utility Fund	Total Principal Amount
Term Bonds	1996	7.3%	\$ 30,100	\$ 4,900	\$ 35,000
	1997	7.3%	34,400	5,600	40,000
	1998	7.3%	38,700	6,300	45,000
	1999	7.3%	43,000	7,000	50,000
Total Principal Balance Outstanding			146,200	23,800	170,000
(Unamortized Discount and Issue Costs)			(2,837)	(459)	(3,296)
Total			\$ 143,363	\$ 23,341	\$ 166,704
Total Remaining Interest			\$ 41,121	\$ 6,694	\$ 47,815

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

■ **Water Fund - Florida Municipal Power Agency (FMPA) - Initial Pooled Loan Project**

The City has entered into a financing agreement with the FMPA. Interest is payable monthly at a variable rate (currently 4.0% plus a 1.15% administration fee) and principal is due as follows:

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

Note 7 - Long-Term Debt (Continued)

Proprietary Fund Long-Term Debt (Continued)

■ **Water Fund - Florida Municipal Power Agency (FMPA) - Initial Pooled Loan Project (Concluded)**

Year Ending 9/30	Electric Utility Fund	Water Utility Fund	Total Principal
1996	\$ 21,838	\$ 13,162	\$ 35,000
1997	26,205	13,795	40,000
1998	26,205	13,795	40,000
1999	26,205	18,795	45,000
2000	30,573	19,427	50,000
2001	30,573	19,427	50,000
2002	153	14,847	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		26,000	26,000
Total	<u>\$ 161,752</u>	<u>\$ 309,248</u>	<u>\$ 471,000</u>

■ **Water Fund Mortgage Note Payable - Bennie Harrison**

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

	Principal	Remaining Interest
1996	<u>\$ 1,000</u>	<u>\$ 65</u>

Principal and interest (at 6½%) are due annually on January 31. The balance is collateralized by water fund land.

■ **Water Fund Note Payable - AmSouth Bank of Florida**

During the 1994-95 fiscal year, the City borrowed \$150,000 from AmSouth Bank of Florida to finance construction of 5,800 feet of water main extension along State Road 48. This note is uncollateralized with monthly payments of principal and interest beginning on July 2, 1995 and ending on June 2, 2005 (120 payments). The interest rate on the note is fixed at 5.98% per annum, with total monthly payments being \$1,663.82. Annual requirements for the note are as follows:

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

Note 7 - Long-Term Debt (Continued)

Proprietary Fund Long-Term Debt (Concluded)

■ Water Fund Note Payable - AmSouth Bank of Florida (Concluded)

	Principal	Interest	Total
1996	\$ 10,594	\$ 7,760	\$ 18,354
1997	12,177	7,789	19,966
1998	12,926	7,040	19,966
1999	13,720	6,246	19,966
2000	14,564	5,402	19,966
2001	15,459	4,507	19,966
2002	16,409	3,557	19,966
2003	17,418	2,548	19,966
2004	18,488	1,478	19,966
2005	14,604	369	14,973
Total	<u>\$ 146,359</u>	<u>\$ 46,696</u>	<u>\$ 193,055</u>

■ Sanitation Fund Loan - First Union National Bank

During the 1993-94 fiscal year, the City borrowed \$40,000 from First Union National Bank to purchase a garbage truck. This loan is collateralized by the garbage truck and has a fixed interest rate of 4.83% per annum. Monthly payments of \$751.74 began on May 8, 1993 and end on April 8, 1998 (60 payments). Annual requirements for the loan are as follows:

	Principal	Interest	Total
1996	\$ 8,143	\$ 877	\$ 9,020
1997	8,546	474	9,020
1998	5,240	84	5,324
Total	<u>\$ 21,929</u>	<u>\$ 1,435</u>	<u>\$ 23,364</u>

General Long-Term Debt

	Principal Balance 9/30/95
Note Payable - Bank, Unsecured, Due in Monthly Payments of \$1,597, Including Interest at 5%	\$ 136,066
Accumulated Unpaid Vacation and Sick Pay Accrual	48,575
Capital Lease Obligation, Collateralized By a Fire Truck (With a Cost Carrying Value of \$123,000), Due in Semiannual Installments of \$8,771, Which Includes Interest at 7.2%	95,141
Total General Long-Term Debt	<u>\$ 279,782</u>

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

Note 7 - Long-Term Debt (Concluded)

General Long-Term Debt (Concluded)

During the year ended September 30, 1995, the following changes occurred in the liability reported in the general long-term debt account group:

Note	Balance 10/1/94	Additions	(Reductions)	Balance 9/30/95
Note	\$ 148,095	\$ 0	\$ (12,029)	\$ 136,066
Accumulated Unpaid Vacation and Sick Pay Accrual	46,843	1,732	0	48,575
Capitalized Lease Obligations	105,281	0	(10,140)	95,141
Total	<u>\$ 300,219</u>	<u>\$ 1,732</u>	<u>\$ (22,169)</u>	<u>\$ 279,782</u>

The following is a schedule of the maturity of the note payable - bank:

Year Ending 9/30	Principal	Interest	Total Payments
1996	\$ 12,644	\$ 6,514	\$ 19,158
1997	13,291	5,867	19,158
1998	13,971	5,187	19,158
1999	14,686	4,472	19,158
2000	15,437	3,721	19,158
2001	16,227	2,931	19,158
2002	17,057	2,101	19,158
2003	17,930	1,228	19,158
2004	14,823	325	15,148
Total	<u>\$ 136,066</u>	<u>\$ 32,346</u>	<u>\$ 168,412</u>

The following is a schedule of maturity of capital leases entered into by the City:

Year Ending 9/30	Principal	Interest	Total Payments
1996	\$ 10,884	\$ 6,657	\$ 17,541
1997	11,681	5,860	17,541
1998	12,538	5,003	17,541
1999	13,456	4,085	17,541
2000	14,443	3,098	17,541
2001	15,501	2,040	17,541
2002	16,638	903	17,541
Total	<u>\$ 95,141</u>	<u>\$ 27,646</u>	<u>\$ 122,787</u>

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

Note 8 - Compensated Absences

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, 1995, the general long-term debt group of accounts included \$48,575 vacation and sick pay.

Accumulated unpaid vacation and sick pay in enterprise funds are as follows at September 30:

	1995	1994
Electric Utility Fund	\$ 19,652	\$ 14,413
Water Utility Fund	14,229	10,365
Sanitation Fund	3,000	2,759
Total	\$ 36,881	\$ 27,537

City policy as of September 30, 1995, is to vest up to a maximum accumulation of 1,040 hours of sick leave. Upon voluntary termination, 50% of the accumulated hours are paid to the employee (75% for long-term employees with twenty or more years of full-time service). The City accrues 100% of unpaid vacation pay and 50% of accumulated unpaid sick pay at the employee's current pay rate.

Note 9 - Electric Power Agreements

Crystal River Power Unit #3 Participation Agreement

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

Florida Municipal Power Agency (FMPA)

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

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

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

The City has elected to participate in the "All Requirements Project," which supplies all the City's power requirements. In addition, the City has elected participation in the "Pooled Loan

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

Note 9 - Electric Power Agreements (Concluded)

Florida Municipal Power Agency (FMPA) (Concluded)

Project" in which FMPA issues debt, then loans the money to individual systems to finance utility related projects.

Note 10 - Pension Fund

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

The System provides retirement, disability, or death benefits to numerous retirees statewide and has many members. The summary plan description of the System should be referred to for a complete plan description.

The payroll for employees covered by the System for the year ended September 30, 1995, was approximately \$557,807; the City's total payroll was approximately \$590,794.

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-the-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/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.

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

Note 10 - Pension Fund (Concluded)

Retirement coverage is employee noncontributory. Employers pay all contributions. Employer contributions, effective January 1, 1995, were 17.57% for regular members, 24.54% for senior management, and 27.49% for special risk members, and totalled \$116,914 for the fiscal year ended September 30, 1995.

The "pension benefit obligation" is 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 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, 1993 (the date of the latest actuarial valuation) for the System as a whole was \$39.7 billion. The System's net assets available for benefits on that date (valued at market) were \$29.1 billion, leaving an unfunded pension benefit obligation of 10.6 billion. The City's fiscal year 1995 contribution as a percent of total contributions required of all participating entities has not been determined.

Ten-year historical trend information presenting progress in accumulating sufficient assets to pay benefits when due is presented in the PERS' June 30, 1994 annual report.

Note 11 - Other Disclosures

Segment Information For Enterprise Funds

The City maintains three enterprise funds which provide electric, water and sanitation services. Segment information as of September 30, 1995 is as follows:

	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Total
Operating Revenues	\$ 1,494,100	\$ 285,767	\$ 216,538	\$ 1,996,405
Depreciation	\$ 97,463	\$ 53,704	\$ 14,952	\$ 166,119
Operating Income	\$ 244,146	\$ 65,399	\$ 29,884	\$ 339,429
Operating Transfers (Out)	\$ (187,000)	\$ (20,000)	\$ (10,000)	\$ (217,000)
Net Income	\$ 66,226	\$ 26,787	\$ 19,993	\$ 113,006
Current Year Capital Contributions	\$ 0	\$ 58,833	\$ 0	\$ 58,833
Total Assets	\$ 2,203,211	\$ 1,607,205	\$ 181,095	\$ 3,991,511
Net Working Capital	\$ 364,425	\$ 176,087	\$ 79,624	\$ 620,136
Bonds Payable - Long-Term Portion	\$ 113,263	\$ 18,441	\$ 0	\$ 131,704
Notes Payable - Long-Term	\$ 139,914	\$ 431,851	\$ 13,786	\$ 585,551
Total Equity	\$ 1,669,877	\$ 1,109,298	\$ 145,120	\$ 2,924,295
Total Retained Earnings	\$ 1,493,496	\$ 124,158	\$ 115,671	\$ 1,733,325

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

Note 11 - Other Disclosures (Concluded)

Interfund Receivables and Payables

Interfund receivables and payables at September 30, 1995 are as follows:

	Interfund Receivables	Interfund Payables
Water Utility Fund	\$ 10,238	\$ 0
Electric Utility Fund	0	10,238
Total Interfund Receivables and Payables	\$ 10,238	\$ 10,238

Interfund Transfers In (Out)

Interfund transfers in (out) at September 30, 1995 are as follows:

	Interfund Transfers In	Interfund Transfers (Out)
General Fund	\$ 217,000	\$ 0
Electric Utility Fund	0	(187,000)
Water Utility Fund	0	(20,000)
Sanitation Fund	0	(10,000)
Total Interfund Transfers In (Out)	\$ 217,000	\$ (217,000)

Allowances For Doubtful Accounts

Allowances for doubtful accounts at September 30, 1995 are as follows:

Electric Utility Fund	\$ 1,000
Water Utility Fund	500
Sanitation Fund	500
Total Allowances For Doubtful Accounts	\$ 2,000

Excess of Operating Expenses Over Budgeted Operating Expenses in Individual Funds

Excess of operating expenses over appropriations in individual funds are as follows at September 30, 1995:

	Budget	Actual	Operating Expenses in Excess of Budgeted Operating Expenses
Electric Utility Fund	\$ 1,046,762	\$ 1,249,954	\$ (203,192)
Water Utility Fund	\$ 165,859	\$ 220,368	\$ (54,509)
Sanitation Fund	\$ 179,571	\$ 186,654	\$ (7,083)

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

Note 12 - Risk Management

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

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

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

ACCOMPANYING INFORMATION

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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's general fund directly services general long-term debt.

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 1995,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA**

	<u>1995</u>	<u>1994</u>
Assets		
Cash	\$ 539,349	\$ 442,538
Utility Taxes and Franchise Fees Receivable	40,662	32,112
Due From Other Governments	12,937	21,678
Inventories, at Cost	0	548
Total Assets	<u>592,948</u>	<u>496,876</u>
 Liabilities and Fund Balance		
Liabilities		
Accounts Payable	38,962	56,969
Other Accrued Expenses	11,418	12,360
Deposits	1,200	875
Deferred Revenue	593	1,743
Total Liabilities	<u>52,173</u>	<u>71,947</u>
 Fund Balance		
Reserve For Petty Cash	700	650
Reserve For Inventories	0	548
Reserve For Drug Interdiction	13,728	18,365
Fund Balance:		
Unreserved	526,347	405,366
Total Fund Balance	<u>540,775</u>	<u>424,929</u>
 Total Liabilities and Fund Balance	<u>\$ 592,948</u>	<u>\$ 496,876</u>

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1995,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA**

	<u>1995</u>	<u>1994</u>
Revenues		
Taxes	\$ 504,851	\$ 469,928
Licenses and Permits	18,748	23,748
Intergovernmental	381,085	364,562
Charges For Services	1,787	1,752
Fines and Forfeitures	19,134	44,038
Interest and Miscellaneous	48,288	45,032
Total Revenues	<u>973,893</u>	<u>949,060</u>
Expenditures		
General Government	280,284	294,712
Public Safety	425,897	458,547
Physical Environment	7,219	8,474
Transportation	214,868	279,889
Economic Environment	12,000	13,000
Culture and Recreation	134,779	217,258
(Total Expenditures)	<u>(1,075,047)</u>	<u>(1,271,880)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(101,154)</u>	<u>(322,820)</u>
Other Financing Sources		
Operating Transfer: In:		
Electric Utility Fund	187,000	187,000
Water Utility Fund	20,000	20,000
Sanitation Fund	10,000	10,000
Loan Proceeds	0	150,000
Total Other Financing Sources	<u>217,000</u>	<u>367,000</u>
Excess of Revenues and Other Financing Sources Over Expenditures	115,846	44,180
Fund Balance, October 1	<u>424,929</u>	<u>380,749</u>
Fund Balance, September 30	<u>\$ 540,775</u>	<u>\$ 424,929</u>

**STATEMENT OF REVENUES, EXPENDITURES
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1995,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA**

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
Revenues				
Taxes	\$ 464,372	\$ 504,851	\$ 40,479	\$ 469,928
Licenses and Permits	19,151	18,748	(403)	23,748
Intergovernmental	361,961	381,335	19,124	364,562
Charges For Services	1,600	1,787	187	1,752
Fines and Forfeitures	18,100	19,134	1,034	44,038
Interest and Miscellaneous	24,000	48,288	24,288	45,032
Total Revenues	<u>889,184</u>	<u>973,893</u>	<u>84,709</u>	<u>949,060</u>
Expenditures				
General Government	298,709	280,284	18,425	294,712
Public Safety	487,172	425,897	61,275	458,547
Physical Environment	9,800	7,219	2,581	8,474
Transportation	219,624	214,868	4,756	279,889
Economic Environment	12,000	12,000	0	13,000
Culture and Recreation	148,662	134,779	13,883	217,258
(Total Expenditures)	<u>(1,175,967)</u>	<u>(1,075,047)</u>	<u>100,920</u>	<u>(1,271,880)</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(286,783)</u>	<u>(101,154)</u>	<u>185,629</u>	<u>(322,820)</u>
Other Financing Sources				
Operating Transfers In:				
Electric Utility Fund	187,000	187,000	0	187,000
Water Utility Fund	20,000	20,000	0	20,000
Sanitation Fund	10,000	10,000	0	10,000
Loan Proceeds	50,000	0	(50,000)	150,000
Total Other Financing Sources	<u>267,000</u>	<u>217,000</u>	<u>(50,000)</u>	<u>367,000</u>
(Deficiency) Excess of Revenues and Other Financing Sources (Under) Over Expenditures	<u>(19,783)</u>	<u>115,846</u>	<u>135,629</u>	<u>44,180</u>
Fund Balance, October 1	<u>424,929</u>	<u>424,929</u>	<u>0</u>	<u>380,749</u>
Fund Balance, September 30	<u>\$ 405,146</u>	<u>\$ 540,775</u>	<u>\$ 135,629</u>	<u>\$ 424,929</u>

**STATEMENT OF REVENUES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1995,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA**

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
Revenues				
Taxes				
Ad Valorem	\$ 91,700	\$ 92,993	\$ 1,293	\$ 90,213
Sales Use and Gas Taxes	124,238	131,076	6,838	117,845
Franchise Fees:				
Telephone	1,850	1,786	(64)	1,634
Electric	48,734	48,616	(118)	48,292
Cable TV	6,250	5,394	(856)	5,924
Utility Service Taxes:				
Telephone	39,000	51,018	12,018	43,838
Gas	13,000	13,449	449	13,308
Electric	54,000	55,590	1,590	57,073
City Utility Tax	80,000	99,484	19,484	86,089
City Utilities Surcharge	5,600	5,445	(155)	5,712
Total Taxes	464,372	504,851	40,479	469,928
Licenses and Permits				
Occupational Licenses	4,100	5,926	1,826	5,422
Building Permits	15,000	12,822	(2,178)	18,263
Other	51	0	(51)	63
Total Licenses and Permits	19,151	18,748	(403)	23,748
Intergovernmental Revenue				
Two-Cent Cigarette Tax	16,359	18,874	2,515	16,826
State Revenue Sharing	53,326	56,246	2,920	54,847
Mobile Home Licenses	5,000	5,382	382	5,679
Alcoholic Beverage License	800	528	(272)	528
Seven-Cent Sales Tax	57,715	67,879	10,164	53,976
County Fire Fee	46,000	47,249	1,249	48,333
Share of County Occupational License	2,600	2,677	77	2,778
Rebate on Municipal Vehicles	900	328	(572)	1,119
Sumter County Two-Cent Gas Tax	179,261	181,922	2,661	180,476
Total Intergovernmental Revenue	361,961	381,085	19,124	364,562
Charges For Services				
Mowing Fees	1,600	1,787	187	1,752

STATEMENT OF REVENUES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1995,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA
(Concluded)

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
Revenues (Concluded)				
Fines and Forfeitures				
Fines and Forfeitures	\$ 17,500	\$ 18,504	\$ 1,004	\$ 24,359
Police Education	600	630	30	690
Drug Interdiction	0	0	0	18,989
Total Fines and Forfeitures	<u>18,100</u>	<u>19,134</u>	<u>1,034</u>	<u>44,038</u>
Interest and Miscellaneous				
Interest Earned	8,000	13,075	5,075	9,008
Rent	4,100	5,935	1,835	3,956
Miscellaneous	11,900	25,808	13,908	18,800
Sale of Assets	0	3,470	3,470	13,268
Total Interest and Miscellaneous	<u>24,000</u>	<u>48,288</u>	<u>24,288</u>	<u>45,032</u>
Total Revenues	<u>\$ 889,184</u>	<u>\$ 973,893</u>	<u>\$ 84,709</u>	<u>\$ 949,060</u>

**STATEMENT OF EXPENDITURES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1995,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA**

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
Expenditures				
General Government				
Legislative:				
Personnel Expenses	\$ 14,400	\$ 14,475	\$ (75)	\$ 13,050
Operating Expenses	2,400	3,739	(1,339)	2,000
Grants and Aids	1,150	1,500	(350)	900
Total Legislative	<u>17,950</u>	<u>19,714</u>	<u>(1,764)</u>	<u>15,950</u>
Financial and Administrative:				
Personnel Expenses	146,694	148,231	(1,537)	145,700
Operating Expenses	40,953	44,457	(3,504)	42,861
Capital Outlay	60,000	0	60,000	67,628
Debt Service	11,456	11,456	0	3,193
Total Financial and Administrative	<u>259,103</u>	<u>204,144</u>	<u>54,959</u>	<u>259,382</u>
Legal Counsel:				
Operating Expense	21,656	56,426	(34,770)	19,380
Total General Government	<u>298,709</u>	<u>280,284</u>	<u>18,425</u>	<u>294,712</u>
Public Safety				
Police Department:				
Personnel Expenses	278,562	261,574	16,988	266,980
Operating Expenses	70,106	53,180	16,926	62,932
Capital Outlay	24,200	20,196	4,004	49,463
Debt Service	0	0	0	2,044
Total Police Department	<u>372,868</u>	<u>334,950</u>	<u>37,918</u>	<u>381,419</u>
Fire Department:				
Personnel Expenses	19,966	8,227	11,739	15,995
Operating Expenses	25,542	21,609	3,933	14,717
Capital Outlay	13,819	12,878	941	5,990
Debt Service	17,542	17,541	1	21,264
Total Fire Department	<u>76,869</u>	<u>60,255</u>	<u>16,614</u>	<u>57,966</u>
Building Inspector:				
Personnel Expenses	31,025	26,952	4,073	15,490
Operating Expenses	6,410	2,076	4,334	3,672
Debt Service	0	1,664	(1,664)	0
Total Building Inspector	<u>37,435</u>	<u>30,692</u>	<u>6,743</u>	<u>19,162</u>
Total Public Safety	<u>487,172</u>	<u>425,897</u>	<u>61,275</u>	<u>458,547</u>

**STATEMENT OF EXPENDITURES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1995,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA
(Concluded)**

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
Expenditures (Concluded)				
Physical Environment				
Cemetery:				
Operating Expenses	\$ 7,500	\$ 4,919	\$ 2,581	\$ 6,174
Grants and Aid	2,300	2,300	0	2,300
Total Physical Environment	<u>9,800</u>	<u>7,219</u>	<u>2,581</u>	<u>8,474</u>
Transportation				
Road and Street Department:				
Personnel Expenses	62,210	62,259	(49)	55,500
Operating Expenses	70,653	73,715	(3,062)	88,926
Capital Outlay	86,761	78,894	7,867	135,463
Total Transportation	<u>219,624</u>	<u>214,868</u>	<u>4,756</u>	<u>279,889</u>
Economic Environment				
Grants and Aid	12,000	12,000	0	13,000
Culture and Recreation				
Library:				
Operating Expenses	475	620	(145)	495
Grants and Aid	6,000	6,000	0	5,500
Total Library	<u>6,475</u>	<u>6,620</u>	<u>(145)</u>	<u>5,995</u>
Parks and Recreation:				
Personnel Expenses	25,629	29,704	(4,075)	29,886
Operating Expenses	37,058	42,392	(5,334)	35,749
Capital Outlay	50,000	30,074	19,926	54,752
Debt Service	8,910	7,702	1,208	73,567
Total Parks and Recreation	<u>121,597</u>	<u>109,872</u>	<u>11,725</u>	<u>193,954</u>
Special Events:				
Operating Expenses	20,590	18,287	2,303	17,309
Total Culture and Recreation	<u>148,662</u>	<u>134,779</u>	<u>13,883</u>	<u>217,258</u>
Total Expenditures	<u>\$ 1,175,967</u>	<u>\$ 1,075,047</u>	<u>\$ 100,920</u>	<u>\$ 1,271,880</u>

SPECIAL REVENUE FUND

BALANCE SHEET
SPECIAL REVENUE FUND - EVERGREEN CEMETERY
SEPTEMBER 30, 1995,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA

	<u>1995</u>	<u>1994</u>
Assets		
Cash	\$ 3,529	\$ 2,782
Investments	<u>315,000</u>	<u>297,000</u>
Total Assets	<u><u>318,529</u></u>	<u><u>299,782</u></u>
 Liabilities and Fund Balance		
Liabilities		
Deposits	<u>1,950</u>	<u>1,500</u>
Fund Balance		
Reserved:		
Perpetual Care	313,050	295,500
Unreserved	<u>3,529</u>	<u>2,782</u>
Total Fund Balance	<u><u>316,579</u></u>	<u><u>298,282</u></u>
 Total Liabilities and Fund Balance	 <u><u>\$ 318,529</u></u>	 <u><u>\$ 299,782</u></u>

**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 SPECIAL REVENUE FUND - EVERGREEN CEMETERY
 FOR THE YEAR ENDED SEPTEMBER 30, 1995,
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1994
 CITY OF BUSHNELL, FLORIDA**

	<u>1995</u>	<u>1994</u>
Revenues		
Contributions	\$ 8,213	\$ 9,342
Sale of Cemetery Lots	6,800	6,300
Interest	16,129	14,343
Memorial Gifts and Trust	470	795
Total Revenues	<u>31,612</u>	<u>30,780</u>
Expenditures		
Operating and Maintenance	<u>(13,315)</u>	<u>(15,725)</u>
Excess of Revenues Over Expenditures	18,297	15,055
Fund Balance, October 1	<u>298,282</u>	<u>283,227</u>
Fund Balance, September 30	<u>\$ 316,579</u>	<u>\$ 298,282</u>

**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - EVERGREEN CEMETERY
 FOR THE YEAR ENDED SEPTEMBER 30, 1995,
 WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 1994
 CITY OF BUSHNELL, FLORIDA**

	1995			1994
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Contributions	\$ 8,000	\$ 8,213	\$ 213	\$ 9,342
Sale of Cemetery Lots	4,400	6,800	2,400	6,300
Interest	15,000	16,129	1,129	14,343
Memorial Gifts and Trust	200	470	270	795
Total Revenues	<u>27,600</u>	<u>31,612</u>	<u>4,012</u>	<u>30,780</u>
Expenditures				
Operating and Maintenance	(15,000)	(13,315)	1,685	(15,725)
Excess of Revenues Over Expenditures	<u>\$ 12,600</u>	18,297	<u>\$ 5,697</u>	15,055
Fund Balance, October 1		<u>298,282</u>		<u>283,227</u>
Fund Balance, September 30		<u>\$ 316,579</u>		<u>\$ 298,282</u>

ENTERPRISE FUNDS

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

**COMBINING BALANCE SHEET
ENTERPRISE FUNDS
SEPTEMBER 30, 1995,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA**

	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Totals	
				1995	1994
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 236,134	\$ 152,795	\$ 80,168	\$ 469,097	\$ 394,041
Customer Accounts Receivable	215,900	35,607	22,145	273,652	265,679
Allowance For Doubtful Accounts	(1,000)	(500)	(500)	(2,000)	(2,000)
Due From Other Funds		10,238		10,238	17,470
Inventories, at Cost	94,265	19,793		114,058	76,904
Total Current Assets	<u>545,299</u>	<u>217,933</u>	<u>101,813</u>	<u>865,045</u>	<u>752,094</u>
Restricted Assets					
Cash and Cash Equivalents:					
Nuclear Decommissioning	60,743			60,743	54,557
Debt Service	80,788	13,152		93,940	91,156
Renewal and Replacement	234,275			234,275	221,922
Customer Deposits	63,847			63,847	71,727
Total Restricted Assets	<u>439,653</u>	<u>13,152</u>	<u>0</u>	<u>452,805</u>	<u>439,362</u>
Property and Equipment					
Utility Plant in Service	1,879,192	1,866,263	198,315	3,943,770	3,716,795
(Accumulated Depreciation)	(666,002)	(483,897)	(119,033)	(1,268,932)	(1,194,000)
Total Property and Equipment - Cost Less Accumulated Depreciation	<u>1,213,190</u>	<u>1,382,366</u>	<u>79,282</u>	<u>2,674,838</u>	<u>2,522,795</u>
Other Assets					
Loan Cost (Net)	5,069	6,291	0	11,360	11,602
Total Assets	<u>\$ 2,203,211</u>	<u>\$ 1,619,742</u>	<u>\$ 181,095</u>	<u>\$ 4,004,048</u>	<u>\$ 3,725,853</u>

**COMBINING BALANCE SHEET
ENTERPRISE FUNDS
SEPTEMBER 30, 1995,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA
(Concluded)**

Liabilities and Fund Equity	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Totals	
				1995	1994
Current Liabilities					
Accounts Payable	\$ 101,077	\$ 12,537	\$ 10,275	\$ 123,889	\$ 104,544
Other Accrued Expenses	5,973	2,864	771	9,608	12,009
Due to Other Funds	10,238			10,238	17,470
Deferred Credit	22,096			22,096	0
Current Portion of Note Payable	21,838	24,753	8,143	54,734	43,761
Compensated Absences Payable	19,652	14,229	3,000	36,881	27,538
Total Current Liabilities	<u>180,874</u>	<u>54,383</u>	<u>22,189</u>	<u>257,446</u>	<u>205,322</u>
Current Liabilities (Payable From Restricted Assets)					
Customer Deposits	63,847			63,847	66,435
Accrued Interest Payable	5,336	869		6,205	7,483
Current Portion of Bonds Payable	30,100	4,900		35,000	35,000
Total Current Liabilities (Payable From Restricted Assets)	<u>99,283</u>	<u>5,769</u>	<u>0</u>	<u>105,052</u>	<u>108,918</u>
Long-Term Liabilities					
Revenue Bonds, Series 1976 (Net of Current Portion and Discount)	113,263	18,441		131,704	165,880
Long-Term Portion of Note Payable		135,765	13,786	149,551	22,278
Note Payable - Florida Municipal Power Agency	139,914	296,086		436,000	470,999
Total Long-Term Liabilities	<u>253,177</u>	<u>450,292</u>	<u>13,786</u>	<u>717,255</u>	<u>659,157</u>
Total Liabilities	<u>533,334</u>	<u>510,444</u>	<u>35,975</u>	<u>1,079,753</u>	<u>973,397</u>
Fund Equity					
Contributed Capital	176,381	985,140	29,449	1,190,970	1,132,137
Retained Earnings:					
Reserved	340,370	7,383		347,753	330,444
Unreserved	1,153,126	116,775	115,671	1,385,572	1,289,875
Total Retained Earnings	<u>1,493,496</u>	<u>124,158</u>	<u>115,671</u>	<u>1,733,325</u>	<u>1,620,319</u>
Total Fund Equity	<u>1,669,877</u>	<u>1,109,298</u>	<u>145,120</u>	<u>2,924,295</u>	<u>2,752,456</u>
Total Liabilities and Fund Equity	<u>\$ 2,203,211</u>	<u>\$ 1,619,742</u>	<u>\$ 181,095</u>	<u>\$ 4,004,048</u>	<u>\$ 3,725,853</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1995,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA**

	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Totals	
				1995	1994
Operating Revenues					
Charge For Services	\$ 1,494,100	\$ 285,767	\$ 216,538	\$ 1,996,405	\$ 1,937,996
Operating Expenses					
Purchased Power	867,996	0	0	867,996	807,403
Salaries	101,711	74,995	28,409	205,115	194,008
Employee Benefits	42,661	31,526	17,988	92,175	91,921
Professional Services	31,893	20,184	5,746	57,823	48,592
Operating Supplies	67,302	9,154	6,304	82,760	31,187
Other Current Charges	40,928	30,805	12,144	83,877	84,031
Depreciation	97,463	53,704	14,952	166,119	140,842
Landfill	0	0	101,111	101,111	91,347
(Total Operating Expenses)	(1,249,954)	(220,368)	(186,654)	(1,656,976)	(1,489,331)
Operating Income	244,146	65,399	29,884	339,429	448,665
Nonoperating Revenues (Expenses)					
Interest Income	29,737	2,334	1,168	33,239	24,167
Interest Expense	(20,657)	(20,946)	(1,059)	(42,662)	(39,847)
Total Nonoperating Revenues (Expenses)	9,080	(18,612)	109	(9,423)	(15,680)
Net Income Before Transfers	253,226	46,787	29,993	330,006	432,985
Operating Transfers (Out)	(187,000)	(20,000)	(10,000)	(217,000)	(217,000)
Net Income	66,226	26,787	19,993	113,006	215,985
Retained Earnings, October 1	1,427,270	97,371	95,678	1,620,319	1,404,334
Retained Earnings (Deficit) September 30	\$ 1,493,496	\$ 124,158	\$ 115,671	\$ 1,733,325	\$ 1,620,319

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
ELECTRIC UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1995,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA**

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
Operating Revenues				
Charge For Services	\$ 1,422,204	\$ 1,494,100	\$ 71,896	\$ 1,443,086
Operating Expenses				
Purchased Power	821,935	867,996	(46,061)	807,403
Salaries	91,644	101,711	(10,067)	95,475
Employee Benefits	41,306	42,661	(1,355)	39,930
Professional Services	32,640	31,893	747	27,439
Operating Supplies	11,500	67,302	(55,802)	11,045
Other Current Charges	47,737	40,928	6,809	37,183
Depreciation	0	97,463	(97,463)	72,912
(Total Operating Expenses)	<u>(1,046,762)</u>	<u>(1,249,954)</u>	<u>(203,192)</u>	<u>(1,091,387)</u>
Operating Income	<u>375,442</u>	<u>244,146</u>	<u>(131,296)</u>	<u>351,699</u>
Nonoperating Revenues (Expenses)				
Interest Income	16,600	29,737	13,137	21,065
Interest Expense	(22,342)	(20,657)	1,685	(23,154)
Total Nonoperating Revenues (Expenses)	<u>(5,742)</u>	<u>9,080</u>	<u>14,822</u>	<u>(2,089)</u>
Net Income Before Transfers	369,700	253,226	(116,474)	349,610
Operating Transfers (Out)	<u>(187,000)</u>	<u>(187,000)</u>	<u>0</u>	<u>(187,000)</u>
Net Income	<u>\$ 182,700</u>	<u>66,226</u>	<u>\$ (116,474)</u>	<u>162,610</u>
Retained Earnings, October 1		<u>1,427,270</u>		<u>1,264,660</u>
Retained Earnings, September 30		<u>\$ 1,493,496</u>		<u>\$ 1,427,270</u>

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
WATER UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1995,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA**

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
Operating Revenues				
Charge For Services	\$ 278,886	\$ 285,767	\$ 6,881	\$ 280,391
Operating Expenses				
Salaries	70,538	74,995	(4,457)	64,061
Employee Benefits	32,081	31,526	555	29,196
Professional Services	22,640	20,184	2,456	17,67
Operating Supplies	12,500	9,154	3,346	9,756
Other Current Charges	28,100	30,805	(2,705)	26,644
Depreciation	0	52,704	(52,704)	51,690
(Total Operating Expenses)	<u>(165,859)</u>	<u>(220,368)</u>	<u>(54,509)</u>	<u>(199,304)</u>
Operating Income	<u>113,027</u>	<u>65,399</u>	<u>(47,628)</u>	<u>81,087</u>
Nonoperating Revenues (Expenses)				
Interest Income	0	2,334	2,334	2,182
Interest Expense	(20,906)	(20,946)	(40)	(15,663)
Total Nonoperating Revenues (Expenses)	<u>(20,906)</u>	<u>(18,612)</u>	<u>2,294</u>	<u>(13,481)</u>
Net Income Before Transfers	92,121	46,787	(45,334)	67,606
Operating Transfers (Out)	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>	<u>(20,000)</u>
Net Income	<u>\$ 72,121</u>	<u>26,787</u>	<u>\$ (45,334)</u>	<u>47,606</u>
Retained Earnings, October 1		<u>97,371</u>		<u>49,765</u>
Retained Earnings, September 30		<u>\$ 124,158</u>		<u>\$ 97,371</u>

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
SANITATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1995,
WITH COMPARATIVE ACTUAL AMOUNTS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA**

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
Operating Revenues				
Charge For Services	\$ 215,520	\$ 216,538	\$ 1,018	\$ 214,519
Operating Expenses				
Salaries	34,730	28,409	6,321	33,872
Employee Benefits	22,372	17,988	4,384	22,705
Professional Services	4,150	5,746	(1,596)	3,886
Operating Supplies	9,000	6,304	2,696	10,386
Other Current Charges	16,319	12,144	4,175	20,204
Depreciation	0	14,952	(14,952)	16,240
Landfill	93,000	101,111	(8,111)	91,347
(Total Operating Expenses)	<u>(179,571)</u>	<u>(186,654)</u>	<u>(7,083)</u>	<u>(198,640)</u>
Operating Income	<u>35,949</u>	<u>29,884</u>	<u>(6,065)</u>	<u>15,879</u>
Nonoperating Revenues (Expenses)				
Interest Income	1,400	1,168	(232)	920
Interest Expense	(1,542)	(1,059)	483	(1,030)
Total Nonoperating Revenues (Expenses)	<u>(142)</u>	<u>109</u>	<u>251</u>	<u>(110)</u>
Net Income Before Transfers	35,807	29,993	(5,814)	15,769
Operating Transfers (Out)	<u>(10,000)</u>	<u>(10,000)</u>	<u>0</u>	<u>(10,000)</u>
Net Income	<u>\$ 25,807</u>	19,993	<u>\$ (5,814)</u>	5,769
Retained Earnings, October 1		<u>95,678</u>		<u>89,909</u>
Retained Earnings, September 30		<u>\$ 115,671</u>		<u>\$ 95,678</u>

AGENCY FUNDS

COMBINING BALANCE SHEET
AGENCY FUNDS
SEPTEMBER 30, 1995,
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1994
CITY OF BUSHNELL, FLORIDA

	<u>Bail</u> <u>Bond</u>	<u>Deferred</u> <u>Compensation</u>	<u>Totals</u>	
			<u>1995</u>	<u>1994</u>
Assets				
Cash	\$ 2,169		\$ 2,169	\$ 2,169
Investments		\$ 40,059	40,059	25,027
Total Assets	<u>2,169</u>	<u>40,059</u>	<u>42,228</u>	<u>27,196</u>
Liabilities				
Deposits	2,169		2,169	2,169
Deferred Compensation Payable		40,059	40,059	25,027
Total Liabilities	<u>\$ 2,169</u>	<u>\$ 40,059</u>	<u>\$ 42,228</u>	<u>\$ 27,196</u>

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 SEPTEMBER 30, 1995
 CITY OF BUSHNELL, FLORIDA

	<u>Balance October 1, 1994</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance September 30, 1995</u>
Deferred Compensation Fund:				
Assets				
Investments	\$ 25,027	\$ 18,196	\$ (3,164)	\$ 40,059
Liabilities				
Deferred Compensation Payable	\$ 25,027	\$ 18,196	\$ (3,164)	\$ 40,059
 Bail Bond Fund:				
Assets				
Cash	\$ 2,169	\$ 0	\$ 0	\$ 2,169
Liabilities				
Deposits	\$ 2,169	\$ 0	\$ 0	\$ 2,169