

Comprehensive Annual Financial Report

For the year ended
September 30, 1996

Welcome to
DOWNTOWN
OCALA
The
Friendly City

Ocala-Mosler County An All-American City Community

Just Can't Hide
Our Pride!
Ocala - The Fifth Best Place To Live In America

City of Ocala, Florida

9705070116 970430
PDR ADOCK 05000302
I PDR

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CITY OF OCALA, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

September 30, 1996

**Prepared by:
Department of Finance**

CITY OF OCALA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 1996

City Council

E. L. Foster, Mayor
Michael A. Finn, President
Michael S. Amsden
Gerald K. Ergle
Richard A. Kesselring
Mary S. Rich

City Officials

City Manager	Scotty J. Andrews
Deputy City Manager	Richard K. Lewis
Assistant City Manager	Janet Y. Tutt
Assistant City Manager	Oel G. Wingo
Building Official	Donald C. Noxon
City Attorney	Patrick G. Gilligan
City Clerk	M. Jane Milam
City Engineer	B. William Ten Broeck
Electric Utility Director	Dean G. Shaw
Finance Director	Glen L. Baker
Fire Chief	William E. Woods
Fleet Management Director	Glenn A. Stephens
Golf Director	Joseph Moses, Jr.
Human Resources Director	Carolyn V. Ingham
Internal Auditor	Eric J. Lewerenz
Library Director	Julia H. Sieg
M.I.S. Director	Chester K. Holloway
Planning Director	Paul K. Nugent
Police Chief	Morrell Deen
Acting Public Works Director	Daryl J. Poole
Purchasing Director	James W. Crosby
Recreation and Parks Director	David J. Pritchard
Risk Manager	Leonard A. Baker, Jr.
Water and Sewer Director	Henry K. Hicks

INTRODUCTORY SECTION

This Section contains the following Subsections:

Table of Contents

Letter of Transmittal

Certificate of Achievement
for Excellence in Financial Reporting

City of Ocala Organization Charts

CITY OF OCALA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 1996

CONTENTS

Page

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	i
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	xiii
CITY OF OCALA ORGANIZATION CHARTS	xv

FINANCIAL SECTION

REPORT OF INDEPENDENT ACCOUNTANTS	1
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined Balance Sheet - All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental and Expendable Trust Fund Types	8
Combined Statement of Revenues and Expenditures - Budget and Actual - General, Special Revenue, Capital Project and Expendable Trust Fund Types	10
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	18
Combined Statement of Changes of Plan Net Assets - All Pension Trust Funds	19
Combined Statement of Cash Flows - All Proprietary Fund Types	20
Notes to Financial Statements	23

FINANCIAL SECTION - CONTINUED

INDIVIDUAL FUND AND COMBINING STATEMENTS - BY FUND TYPE

Special Revenue Funds:

Combining Balance Sheet	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	66
Combining Schedule of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual	68
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Occupational License Fund	73
Central Florida Regional Library Fund	74
Parking/Parks Enforcement Fund	76
Downtown Development Fund	77
Local Gasoline Tax Fund	78
Stormwater Utility Fund	80
SHIP Local Housing Assistance Fund	82

Debt Service Funds:

Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	85

Capital Project Funds:

Combining Balance Sheet	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	90
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	92
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Capital Improvement Construction Fund	95
Optional Gas Tax Construction Fund	96
Capital Improvement Fund	98
1995 Capital Improvement Fund	100

Enterprise Funds:

Combining Balance Sheet	104
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	108
Combining Statement of Cash Flows	110

Internal Service Funds:

Combining Balance Sheet	116
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	117
Combining Statement of Cash Flows	118

Trust and Agency Funds:

Combining Balance Sheet	122
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Expendable Trust Funds	125
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - -Expendable Trust Funds	126
Combining Statement of Plan Net Assets - Pension Trust Funds	128
Combining Statement of Changes in Plan Net Assets - Pension Trust Funds	129
Statement of Changes in Assets and Liabilities - Agency Fund	130

FINANCIAL SECTION - CONTINUED

General Fixed Asset Account Group:

Schedule of General Fixed Assets by Source	132
Schedule of General Fixed Assets by Function and Activity	133
Schedule of Changes in General Fixed Assets by Function and Activity	134

STATISTICAL SECTION

Required Supplementary Information:

Historical Trend Information for Pension Trust Funds - Schedule of Funding Progress	136
Historical Trend Information for Pension Trust Funds - Schedule of Contributions from Employer and Other Contributing Entities	137
General Governmental Revenues and Other Financing Sources By Source - Last Ten Fiscal Years	138
General Governmental Expenditures and Other Uses By Function - Last Ten Fiscal Years	140
Property Tax Levies, Tax Collections and Assessed Valuations - Last Ten Fiscal Years	142
Property Tax Rates and Levies - Direct and Overlapping Governments - Last Ten Fiscal Years	143
Special Assessment Collections - Last Ten Fiscal Years	144
Computation of Legal Debt Margin	145
Schedules of Bond Coverage:	
Schedule of Electric System Revenue and Revenue Refunding Bonds, Series 1977, 1983, 1988, 1989A and 1989B Coverage - Last Ten Fiscal Years	146
Schedule of Water and Sewer Revenue and Refunding Revenue Bonds, Series 1968, 1983, 1985A, 1985B, 1986, 1988, 1995 and 1996, and Anticipation Notes Coverage - Last Ten Fiscal Years	148
Schedule of Utility Systems Subordinate Refunding Revenue Bonds, Series 1992A and 1992B, Coverage - Last Ten Fiscal Years	150
Schedule of Refunding and Improvement Excise Tax Bonds, Series 1965 and 1972, Coverage - Last Ten Fiscal Years	151
Schedule of Capital Improvement Revenue and Refunding Revenue Bonds, Series 1982 and 1986, and Capital Improvement Revenue, Revenue Refunding and Refunding Revenue Certificates, Series 1986, 1988, 1993 and 1995 Coverage - Last Ten Fiscal Years	152
Schedule of Optional Gas Tax Revenue Bonds, Series 1989, and Optional Gas Tax Refunding Revenue Bonds, Series 1992 Coverage - Last Ten Fiscal Years	154
Computation of Direct and Overlapping General Obligation Debt	155
Miscellaneous Statistical Data	156
Demographic Statistics	157

STATISTICAL SECTION - CONTINUED

List of Ten Largest Taxpayers - 1995 Tax Roll	158
Schedule of Insurance in Force	159
Property Value, Construction and Bank Deposits - Last Ten Fiscal Years	161
List of Officers' Salaries	162
Summary of Debt Service Requirements to Maturity - All Bonded Debt	163
Statement of Bonded Debt and Interest:	
Capital Improvement Revenue Refunding Certificates, Series 1988	164
Capital Improvement Refunding Revenue Certificates, Series 1993	165
Capital Improvement Revenue Certificates, Series 1995	166
Electric System Revenue Refunding Bonds, Series 1989B	167
Optional Gas Tax Refunding Revenue Bonds, Series 1992	168
Utility Systems Subordinate Refunding Revenue Bonds, Series 1992A	169
Utility Systems Subordinate Refunding Revenue Bonds, Series 1992B	170
Water and Sewer Revenue Bonds, Series 1995	171
Water and Sewer Refunding Revenue Bonds, Series 1996	172
Analysis of Sewerage System Capital Improvement Fund Established for	
Florida Department of Environmental Regulation Grant #621080	173

City of Ocala



Ocala-Marion County



FINANCE DEPARTMENT

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January 24, 1997

City Manager and Council
City Hall
Ocala, Florida 34478

Ladies and Gentlemen:

The comprehensive annual financial report (CAFR) of the City of Ocala, Florida, for the fiscal year ended September 30, 1996, is hereby submitted.

The presentation of the CAFR is controlled by and is the responsibility of the City. We believe that the report accurately and fairly presents the financial position, results of operations of all fund types and cash flows of proprietary fund types of the City in conformity with generally accepted accounting principles. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. The report is structured to be of interest to the public, local government officials, state agencies and the banking and financial community in general.

The CAFR is presented in three sections: introductory, financial and statistical. The introductory section contains the table of contents, this transmittal letter, the certificate of achievement for excellence in financial reporting for the 1995 CAFR and the City's organizational charts. The financial section includes the general purpose financial statements, combining, individual fund and account group financial statements and schedules by fund type, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information which is designed to enhance the reader's understanding of the City's past and of its future potential.

All funds and account groups of the City of Ocala are included in this report. The City provides a full range of general services, including police and fire protection; general government; culture and recreation; construction and maintenance of highways, streets and infrastructure and library services. The Library serves Marion and Levy Counties, with the Ocala branch functioning as headquarters.

In order to provide both financial support and a vested higher quality of service to its citizens, the City also owns and operates, for public service, eleven enterprise funds as follows: two championship golf courses with a total of 45 holes and clubhouse facilities, garbage and trash pick-up service (both back door and curbside), water and sanitary sewer services, a membership tennis facility, electric utility service, an airport (Ocala Regional Airport/Jim Taylor Field), an emergency training facility, an adult athletic complex, a foreign trade zone, a broadband communications network and a municipal trailer park. The financial activities of all municipal boards and commissions are included in the City's financial statements. The Ocala Housing Authority has not met the established criteria for inclusion in the reporting entity, and accordingly, is excluded from this report. The Community Redevelopment Agency is included because of City Council's ability to significantly influence their operations.

ECONOMIC CONDITION AND OUTLOOK

The City of Ocala is situated in north-central Florida, approximately equidistant from Jacksonville, Daytona, Orlando and Tampa. It is centrally located in Marion County and is the county seat. During the past decade, the City and surrounding areas have grown at a fast pace. Available land, independent water supply, relatively low taxes, moderate climate and proximity to larger cities and to popular tourist attractions continue to be the underlying causes of the growth. In the past few years, various reports and studies have shown Ocala to be one of the fastest growing areas in the nation.

Horse-breeding, dominated by thoroughbreds and Arabians, is a major industry in the Ocala area. The tourist industry is also very apparent. Disney World has constructed its first satellite information center in Ocala so that visitors can take care of all their needs before reaching Disney World. Hotels, restaurants and shopping areas have sprung up near the information center. To the immediate east of Ocala is the Silver Springs Attraction which is visited by thousands each year and is renowned for many films such as Tarzan and James Bond movies and the Sea Hunt television series. K-Mart has selected Ocala as the location for a distribution center, which started its operations in 1991. Other industries in the Ocala area include service industries and some light manufacturing.

The growth surge experienced in the 1980's has continued into the 1990's but at a slower pace. The growth potential of the City continues to be virtually limitless. The recession, which has affected the entire country, has also been felt in the City of Ocala, especially in the areas of construction and tourism; however, the City has still experienced growth. The growth is challenging to the City since it demands increased services, but places a financial strain on the revenues of the City. The recession, which

has caused some shrinking revenues, has forced the City to reevaluate the needs and wants of its citizens, while at the same time providing consistent levels of service.

MAJOR INITIATIVES

For the Year. In preparing the 1996 budget, the City's focus, at City Council's direction, was to maintain the lowest millage rate while continuing to provide quality service to the citizens of Ocala, to provide quality utility services at competitive rates and to provide a competitive benefit package to employees. Other budget and management objectives for 1996 included the promotion and support of downtown revitalization measures and activities, the support of employee involvement in community activities, the continuation of the Public Information Program to provide citizens with working knowledge of local governments, the development of mechanisms and procedures to ensure that departmental goals and objectives are met and the continuation of the exploration of public and private cooperative efforts to better service the citizens of Ocala.

In order to accomplish some of the objectives, a wage study was approved and conducted during 1995 and implemented during fiscal year 1996. Four new positions were authorized in the budget: a criminal analyst in the Police Department and an equipment operator in the Recreation Department of the City's General Fund, a substation shop equipment worker in the Electric System Revenue Fund, and a PC specialist in the M.I.S. Department of the Internal Service Fund.

During fiscal year 1995, five-year master plans for road projects and for water and sewer projects were completed. Ongoing improvement projects have continued in the electric and water and sewer systems. For the past ten years, the City has levied an additional mill of ad valorem taxes of which three quarters have been for road improvements and the remaining one quarter has been for public safety capital outlay. For the past few years, the City and Marion County have shared the costs of improvements of some major arterial streets.

For the Future. The City will be continuing the electric system, the water and sewer system and the street improvement and expansion programs which have already been started and will strive to provide consistent levels of service for the citizens of Ocala.

The City is also continuing its program of renovating existing City buildings. A master plan of the Municipal Services Complex, which was built in 1984, addressed additions to the complex. The renovation and expansion or relocation of the Police Department is also being considered. The most significant and demanding task for the future is the implementation of the Comprehensive Plan of the City of Ocala, which is required by the 1985 Local Government Comprehensive

Planning Act. The plan, which was submitted to the State of Florida by the May 1, 1991 deadline, is a tool for growth management and affects virtually all City departments.

The plan has twelve required and two optional elements: future land use, traffic circulation, housing, sanitary sewer, solid waste, storm water management, potable water, groundwater recharge, conservation, parks and recreation, capital improvements, inter-governmental coordination, community redevelopment area and historical preservation. Fiscal year 1996 was the fourth year of the implementation of the Capital Improvements Element of the Comprehensive Plan, which covers the five-year period from 1993 through 1997.

Department Focus. The Building, Zoning and Licensing Department, which has a budgeted staff of 23 full-time employees, is charged with enforcing and establishing codes and ordinances in the City, related to building, zoning, occupational licensing, contractor certification, signs, health and safety, minimum housing standards and many other related responsibilities. The responsibilities of this department are becoming increasingly more complex as new rules and regulations are implemented by local, state and national governments. Asbestos abatement, radon gas control and hazardous waste control are a few areas that require additional and mandatory job training.

Enforcement activities are typically an unpopular segment of government. The City's Building Department practices a philosophy of helping citizens or contractors through the maze of regulations and has created a "one-step permitting" process. A citizen in need of building permits comes to one location where the zoning approval is obtained, plan reviews are performed, permits are written, inspection reports are available, certificates of occupancy are processed and occupational licenses are sold. Some of these items can take place concurrently, thereby greatly streamlining the tedious business of building departments.

Other activities performed by the Building Department for citizens include change of occupancy inspections, which are completed by electrical inspectors who are also licensed fire inspectors. These inspections occur whenever buildings change hands either with new tenants or owners or when the type of business changes. Other types of inspections done include inspections for compliance of zoning requirements and sub-standard housing inspections, whereby older or deteriorated housing is brought up to minimum standards.

Three years ago the Insurance Service Organization (ISO) began rating building departments on their performance. This is based on quality of personnel, training, and our policies and procedures. It is apparent our efforts are appropriate, as we received the highest rating possible. These ratings are important from a building "Life Safety" standpoint, but as well as keeping insurance premiums at a minimum for the citizens of Ocala through the proper enforcement of building codes.

The Building, Zoning and Licensing Department is usually not recognized for the good work that it does and should be commended for helping the public through a tedious process and also for the quality and professionalism which has helped to minimize insurance premiums.

FINANCIAL INFORMATION

In developing, maintaining and evaluating the City's accounting system, consideration is given to internal accounting controls designed to ensure that the City's assets are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. The City's chart of accounts substantially complies with the Uniform Accounting System as prescribed by Chapter 3A-61 of the Florida Administrative Code.

Budgetary Controls. Budgetary control is maintained on an annual allotment basis, based upon prior working capital and on revenue projections for the current year. Both expenditures and encumbrances are recorded against budgeted appropriations. At mid-year, City department heads are required to reassess their appropriations for the remainder of the year, from which a full budget revision is prepared and submitted to City Council for approval. The entire budget process is coordinated by a full time budget manager. After the end of the year, unliquidated purchase order balances, as of September 30, are reappropriated in the form of a supplemental appropriation resolution, which is adopted by City Council. This resolution also includes a carry-forward for major projects not completed in the previous year which are not covered by purchase orders. All items in this resolution are subject to a working capital availability test. Monthly reports are distributed to the various departments to keep them informed of their year to date expenditures, encumbrances and funds available.

General Governmental Functions. The following schedule presents a summary of general fund, special revenue fund and debt service fund revenues and other financing sources for the fiscal year ended September 30, 1996 and the percentages of increases and decreases in relation to revenues and other financing sources for the fiscal year ended September 30, 1995.

	Amount	% of Total	Increase (Decrease) from 1995	Percent Increase (Decrease)
Revenues:				
Property taxes	\$ 7,819,975	17.07%	\$ 181,761	2.38%
Utility service tax	4,791,403	10.46	4,791,403	100.00
Other taxes	1,673,396	3.65	164,630	10.91
State revenue sharing	976,879	2.13	6,059	.62
Other intergovernmental revenues	9,518,146	20.78	1,366,583	16.76
Parking meters and facilities	57,052	.13	4,177	7.90
Licenses and permits	800,587	1.75	28,551	3.70
Fines and forfeitures	580,973	1.27	(471,885)	(44.82)
Charges for services	2,405,949	5.25	78,775	3.39
Interest	1,632,089	3.56	164,825	11.23
Gifts and other	297,975	.65	143,469	92.86
Total revenues	30,554,424	66.70	6,458,348	
Other financing sources:				
Operating transfers from other funds	15,256,416	33.30	(1,744,141)	(10.26)
Total revenues and other financing sources	45,810,840	100.00%	4,714,207	

The utility service tax, \$4,791,403, is a new revenue in fiscal year 1996. On September 5, 1995 the City Council adopted Ordinance #2551, enacting a 10% tax on the purchase of electricity within the City effective October 1, 1995. The \$164,630 (10.91%) increase in other taxes is attributable primarily to larger taxable revenue bases related to franchise fees and to the telecommunications tax. The \$181,761 (2.38%) increase in property taxes is the result of a slightly higher tax rate combined with an increased assessed valuation.

The \$1,366,583 (16.76%) increase in other intergovernmental revenues was caused by increased grant activity as well as by an increased contribution from Marion County for funding the Central Florida Regional Library. The \$471,885 (44.82%) decrease in fines and forfeitures is the evidence of a drop in the crime rate which resulted in substantially lower court fine and confiscation revenues during fiscal year 1996.

Gifts and other increased by \$143,469 (92.86%), primarily because of surplus land sales and increased donations during 1996. The \$164,825 (11.23%) increase in interest income is attributable to the continuation of a short-term investment program intended to maximize earnings on investments. The \$1,744,141 (10.26%) decrease in operating transfers from other funds was caused by a decrease in the transfer from the Electric Fund as a result of the utility service

tax and by a transfer from the General Fund to the Local Gasoline Tax Fund for street projects.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures and other financing uses for the fiscal year ended September 30, 1996 and the percentages of increases and decreases in relation to expenditures and other financing uses for the fiscal year ended September 30, 1995.

	<u>Amount</u>	<u>% of Total</u>	<u>Increase (Decrease) from 1995</u>	<u>Percent Increase (Decrease)</u>
Expenditures:				
Current:				
General government and administration	\$ 4,141,798	9.52%	\$ 390,943	10.42%
Public safety	15,621,375	35.90	809,104	5.46
Public works	4,732,747	10.88	200,856	4.43
Culture and recreation	4,259,453	9.79	320,378	8.13
Housing rehabilitation	375,194	.86	76,491	25.61
Nondepartmental	143,264	.33	55,332	62.93
Other	490,795	1.13	(64,084)	(11.55)
Intergovernmental	159,835	.37	18,017	12.70
Capital outlay	3,497,923	8.04	337,750	10.69
Debt service:				
Principal	1,665,000	3.83	90,000	5.71
Interest and agents' fees	<u>1,962,857</u>	<u>4.51</u>	<u>35,922</u>	1.86
Total expenditures	37,050,241	85.16	2,270,709	
Other financing uses:				
Operating transfer to other funds	<u>6,455,475</u>	<u>14.84</u>	<u>1,677,622</u>	35.11
Total expenditures and other financing uses	<u>\$43,505,716</u>	<u>100.00%</u>	<u>\$ 3,948,331</u>	

General government and administration expenditures increased by \$390,943 (10.42%), which is attributable partly to the implementation of the wage study and cost of living increases and partly to increased legal costs and to increased grant activities classified as general government. The \$809,104 (5.46%) increase in public safety expenditures is a direct result of the wage study and cost of living increases. The City has also added new police officers toward the end of the year through the COPS grant.

The primary reason for the \$200,856 (4.43%) increase in public works expenditures was the effect wage study and cost of living increases which was offset by a reduction in operating costs. Culture and recreation expenditures increased by \$320,378 (8.13%), caused partly by the wage study and cost of living increases and partly by

increased purchases of library books and by expenditures related to a new branch library.

The \$76,491 (25.61%) increase in housing rehabilitation was the result of 11 structures being fully rehabilitated and 25 partially rehabilitated during 1996 as compared to 14 full and 9 partial rehabilitations during 1995. Nondepartmental expenditures increased by \$55,332 (62.93%), which was caused by the clean-up of identified contaminated sites. The \$64,084 (11.55%) decrease in other expenditures is the result of fewer grant activities being classified in this category. The \$18,017 (12.70%) increase in intergovernmental expenditures is also related to grant activity.

Capital outlay expenditures increased by \$337,750 (10.69%), primarily because of the purchase of police vehicles related to the COPS grant. The \$90,000 (5.71%) increase in principal payments is attributable to scheduled debt service payments. The \$1,677,622 (35.11%) increase in operating transfers to other funds was caused primarily by a transfer from the General Fund to the Local Gasoline Tax Fund for street projects.

General Fund Balance. The fund balance of the general fund at September 30, 1996 is \$8,242,979, a 0.19% decrease from 1995. The decrease was caused primarily by the effect of the implementation of the wage study. The general fund balance is equivalent of 77 working days of expenditures.

Enterprise Operations. The City of Ocala operates eleven distinct enterprise funds: Electric System, Water and Sewer, Sanitation, Municipal Golf Course, Fort King Tennis Court, Municipal Trailer Park, Ocala Regional Airport, Florida Emergency Training Facility, Adult Athletic Complex, Foreign Trade Zone and Communications. The Enterprise funds are well run and continue to be the backbone of financial support of general government operations.

The Electric System Revenue Fund is the combination of the formerly consolidated Electric Revenue and Bulk Power Supply Revenue Funds. During fiscal 1990, Electric System Revenue Bonds, Series 1989A, were issued for the acquisition and construction of improvements to the electric system. The improvements are expected to be completed in fiscal 1997. The electric system continues to be efficiently managed and operated, and had a debt service coverage of 9.87 for the year ended September 30, 1996.

The Water and Sewer Fund, is the City's second largest enterprise fund. For the year ended September 30, 1996, the Water and Sewer Fund had a debt service coverage ratio of 6.89. Gradual rate increases starting in early fiscal 1991 have helped this fund.

The Sanitation Fund is responsible for trash and garbage pick-up in the City. During the year, sanitation rates had to be increased since there were increased operating costs. The fund is financially sound and had a net income of \$170,720 during fiscal 1996.

The Municipal Golf Course Fund had a net loss for the year ended September 30, 1996 of \$189,261; however, this fund should improve in the future.

The Ocala Regional Airport Fund had a net loss of \$334,166 in 1996. There are expansion programs under way at the Airport, most of which are substantially funded by federal and state grants. Although the airport is not presently self-supporting, it is an important part of our community and should improve in the future.

The Fort King Tennis Court Fund experienced a net loss of \$356 during fiscal 1996. This fund, although small, is well-run and should continue to improve in the future.

The Municipal Trailer Park Fund continues to improve. During 1996 it had a net income of \$19,753.

The Florida Emergency Training Facility Fund, which involves the construction, future operation and maintenance of an emergency facility adjacent to the City's airport, was started in fiscal 1993. During 1996, this fund had a net income of \$172,706.

The Adult Athletic Complex Fund includes the construction, operations and maintenance of the Ocala Regional Sportsplex. The first phase of this complex was completed in June 1995. During 1996, this fund had a net income of \$9,432.

Two new enterprise funds were started during fiscal year 1996: the Foreign Trade Zone Fund, which had a net loss of \$16,737, and the Communications Fund, which had a net income of \$4,403. Both funds should grow and improve in the future.

Pension Trust Fund Operations. The combined Pension Trust Funds improved during 1996. The combined funds had a net appreciation in the fair value of investments of \$5,117,351 caused by the valuation of investments to market value as of September 30, 1996 as well as by realized gains and losses during the year.

Debt Administration. At September 30, 1996, the City had \$124,340,000 in outstanding serial and term bonds and certificates. Of this amount, \$86,145,000 are associated with enterprise funds and \$38,195,000 are associated with governmental funds. All of the City's issues are insured. Although the City may issue general obligation debt in an amount up to 20% of the assessed valuation of the taxable real and personal property in the City according to article IX, section 9.02, of the City Charter, there is no general obligation debt outstanding.

During the year, the City issued \$5,000,000 Capital Improvement Revenue Certificates, Series 1995, to finance certain capital projects of the City. The certificates are fully insured and are secured by certain non-ad valorem revenues. The City also issued \$5,000,000 Water and Sewer Revenue Bonds, Series 1995, for the

acquisition and construction of additions, improvements and extensions to the City's water and sewer system, and \$12,170,000 Water and Sewer Refunding Revenue Bonds, Series 1996, for the forward refunding of the City's outstanding Water and Sewer Refunding Revenue Bonds, Series 1988. Both of these issues are fully insured and are secured by the net revenues of the water and sewer system. The City defeased the \$11,900,000 of the refunded bonds by depositing sufficient funds with an escrow agent for the purpose of the current refunding on October 1, 1996 at a redemption price of 102% plus accrued interest to the redemption date. The defeasance resulted in a present value savings of \$1,345,623, even though there was a \$849,985 extraordinary loss for accounting purposes which has been deferred over the life of the old bonds.

Cash Management. Cash temporarily idle during the year was invested in the State Board of Administration Local Government Surplus Trust Fund, which is an investment pool administered by the State of Florida. Although the City is authorized by Florida Statutes to invest in obligations of U. S. agencies and in interest-bearing time deposits and savings accounts in banks and in savings and loan associations, we have found that the State Board of Administration has historically had competitive rates and we can withdraw funds on demand. At September 30, 1996, our investments with the State Board of Administration were earning 5.39%. During fiscal 1993, the City hired Barnett Banks Trust Company, N.A. as its short-term investment manager in order to maximize investment earnings.

The City's pension fund investments have been administered by the firm of Manning and Napier of Rochester, New York for several years. In January 1991, because of the size of the combined funds, the pension fund investments were equally split for administration by Manning and Napier and by Barnett Banks Trust Company, N.A. of Jacksonville, Florida. In April 1994, the investments of the Ocala Employees' Retirement Fund were separated from those of the Firefighters' and Police Officers' Supplemental Pension Plans; and Templeton Global Equity Management was added as the international fund equity manager in July 1994 for the General Plan. The pension fund investments consist of bonds, debentures, common stocks, U.S. Treasury obligations, mutual funds and short-term investments.

Risk Management. The Risk Management Department was established through an interlocal agreement between the City of Ocala and Marion County for the purpose of the procurement of insurance, either through insurance companies or through self-insurance, and for the purpose of providing safety training programs. Information on the City's insurance coverage can be found in the Statistical Section of this report. The Risk Management Department is doing very well, both in insurance monitoring and procurement and in safety training.

OTHER INFORMATION

Independent Audit. The City Charter and Florida Statutes require an independent audit of the books, financial records and transactions of all administrative departments of the City by a Certified Public Accounting Firm selected by the City Council. The auditors' report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ocala, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 1995. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Ocala has received a Certificate of Achievement for the last fourteen consecutive years (fiscal years ended 1982-1995.) We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The City was awarded the Distinguished Budget Presentation Award by the Government Finance Officers Association of the United States and Canada for its annual budgets for the fiscal years beginning October 1, 1987 through 1995. In order to receive this award, which is valid for a period of one year only, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

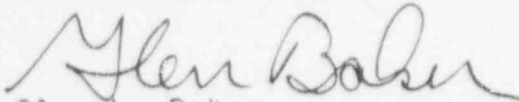
During 1995, the City received the All-America City designation from the National Civic League. The award program annually recognizes ten communities for grass-roots activism and collaborative problem solving by the public, private and nonprofit sectors. A total of 145 communities from 39 states applied for the designation. The applications were narrowed to 30, and representatives from those communities participated in an awards competition in Cleveland in June. Ten award recipients were selected based on that competition.

In addition to being named an All-America City, Ocala also was named fifth best place in the country to live by Money Magazine in 1995.

Acknowledgements. The preparation of this comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. Sincere appreciation is extended to specific individuals who worked diligently throughout the audit: Diane M. McDonald, Deputy Finance Director; Wayne C. Hodge, Chief Accountant; Prudy L. Waite, Accountant and Robert D. Naugler, Financial Analyst/Grant Supervisor. Appreciation is also extended to Eric Lewerenz, the City's Internal Auditor; to Barbara Edwards Kays, Budget Manager and to Coopers & Lybrand L.L.P., our external auditors, for their assistance in this effort.

In closing, without the leadership and support of the City Manager, Deputy City Manager, Assistant City Managers and City Council, whose continued interest in good fiscal City government is an invaluable asset to our community, preparation of this report would not have been possible.

Respectfully submitted,



Glen L. Baker
Finance Director

/clk

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ocala,
Florida

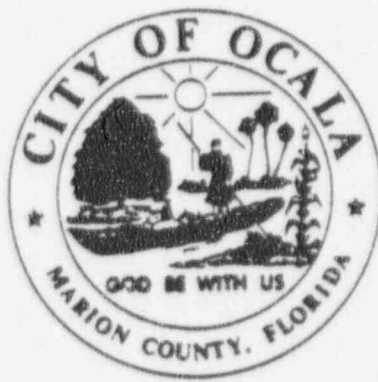
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 1995

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



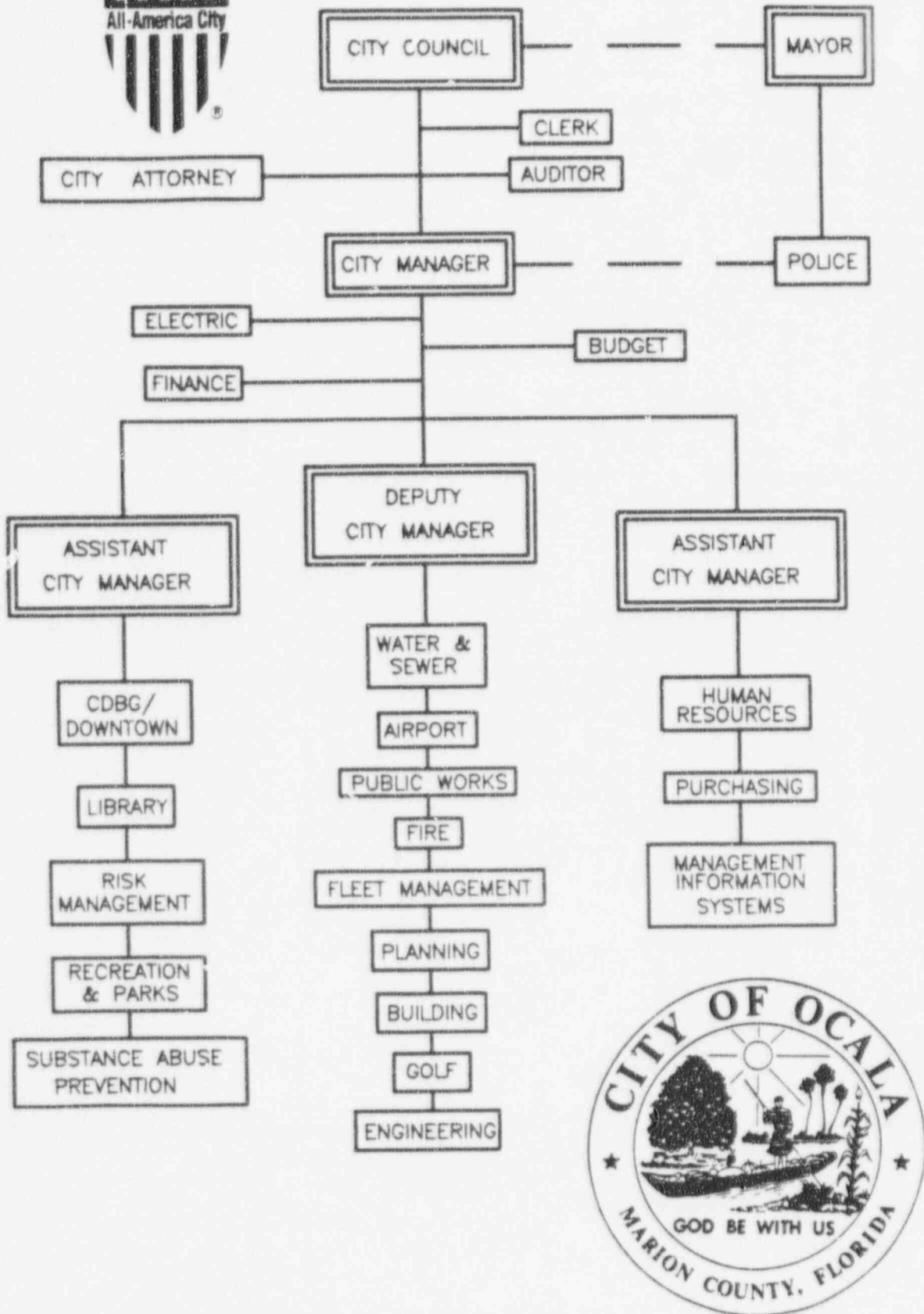
Arthur R. Lynch
President

Jeffrey L. Essler
Executive Director

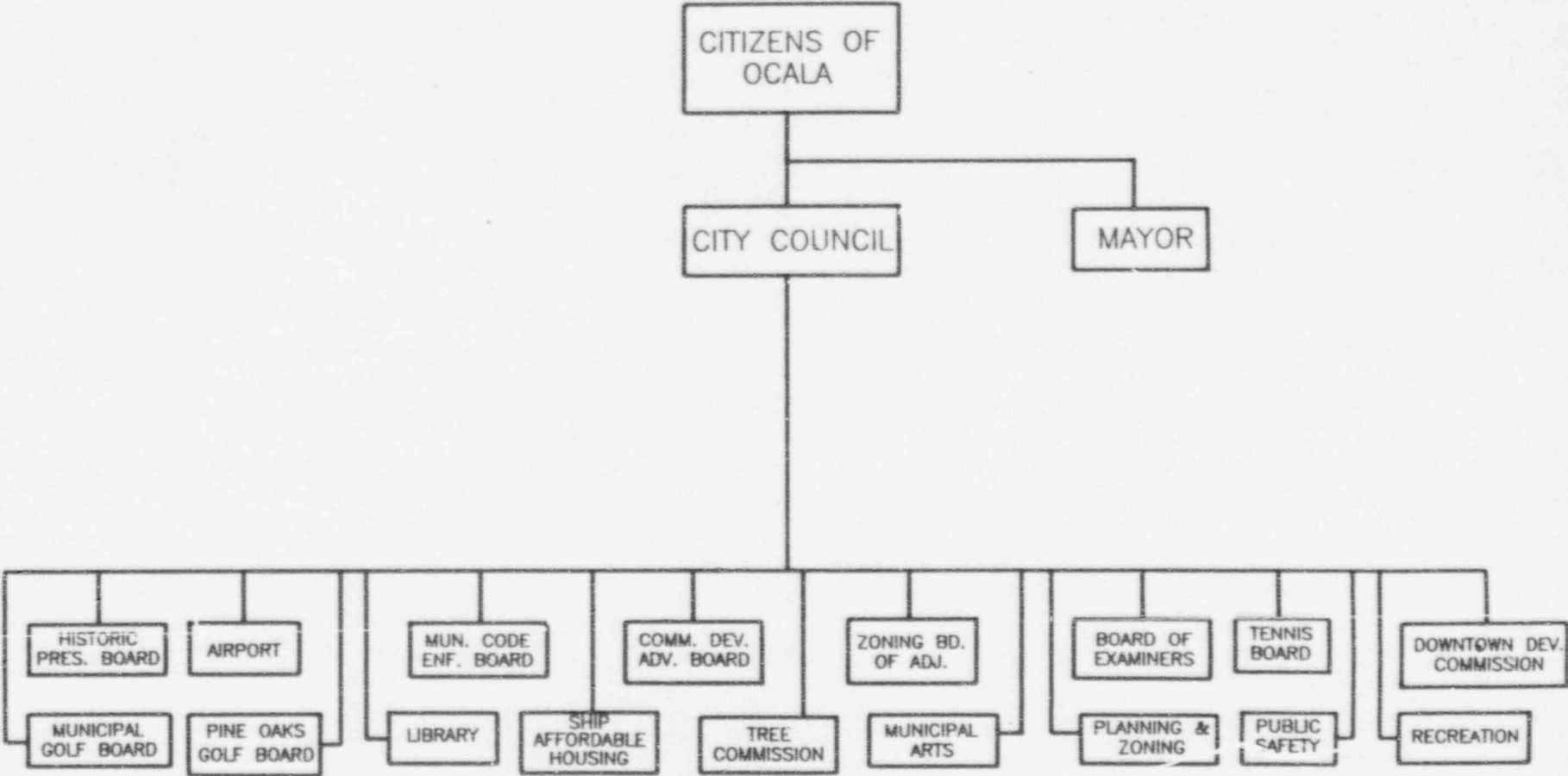


ORGANIZATIONAL STRUCTURE

Ocala-Marion County



OCALA BOARDS AND COMMISSIONS



City Of Ocala

FINANCIAL SECTION

This Section contains the following Subsections:

Report of Certified Public Accountants

General Purpose Financial Statements

Individual Fund and Combining Statements - By Fund Type

Report of Independent Accountants

The Honorable Members of City Council
City of Ocala, Florida

We have audited the accompanying general-purpose financial statements of the City of Ocala, Florida, as of and for the year ended September 30, 1996. These general-purpose financial statements are the responsibility of the City of Ocala, Florida, management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 Ocala, Florida, as of September 30, 1996, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 24, 1997 on our consideration of the City of Ocala's internal control structure and a report dated January 24, 1997 on its compliance with laws and regulations.

As described in Note 3 to the general-purpose financial statements, the City of Ocala, Florida, adopted Governmental Accounting Standards Board Statements No. 25 and No. 27, and changed its method of accounting and reporting its pension trust funds.

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

The information presented in the Statistical Section is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.

Carpenter & Lyford L.L.P.

Orlando, Florida
January 24, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS

(Combined Statements - Overview)

These basic financial statements provide a summary overview of the financial position of all funds and account groups as well as the operating results of all funds. They also serve as an introduction to the more detailed statements that are in the following subsections.

GENERAL-PURPOSE FINANCIAL STATEMENTS
(Combined Statements - Overview)

CITY OF OCALA, FLORIDA

COMBINED BALANCE SHEET

ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1996

Assets and Other Debits	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Project
Current Assets:				
Cash and investments	\$ 3,933	\$ 537,915	\$ -	\$ 20,254
Equity in pooled cash and investment fund	7,377,789	13,676,365	-	3,485,112
Accrued interest receivable	80,760	134,797	-	30,563
Accounts and notes receivable, net of allowance for doubtful accounts of \$609,433	689,584	111,888	-	-
Accrued unbilled revenues	-	-	-	-
Due from other funds	1,235,091	97,831	-	-
Interfund loans receivable	3,993	-	-	-
Inventories	-	-	-	-
Due from other governments	789,331	884,920	-	285,182
Other	12,379	460	-	-
Total current assets	<u>10,192,860</u>	<u>15,444,176</u>	<u>-</u>	<u>3,821,111</u>
Restricted Assets:				
Cash and investments	-	-	661,400	-
Equity in pooled cash and investment fund	-	-	5,025,009	-
Accrued interest and dividends receivable	-	-	47,729	-
Due from other governments	-	-	-	-
Other	-	-	-	-
Total restricted assets	<u>-</u>	<u>-</u>	<u>5,734,138</u>	<u>-</u>
Other Assets:				
Interfund loans receivable after one year	51,782	-	-	-
Property, plant and equipment, net	-	-	-	-
Issuance costs on long-term debt	-	-	-	-
Total other assets	<u>51,782</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Debits:				
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total other debits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Other Debits	<u>\$ 10,244,642</u>	<u>\$ 15,444,176</u>	<u>\$ 5,734,138</u>	<u>\$ 3,821,111</u>

See accompanying notes to financial statements.

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	
\$ 5,698	\$ 600	\$ -	\$ -	\$ -	\$ 568,400
12,322,559	11,581,098	-	-	-	48,442,923
110,665	106,243	-	-	-	463,028
6,765,676	41,675	-	-	-	7,608,823
5,145,208	-	-	-	-	5,145,208
901,395	-	-	-	-	2,234,317
149,846	-	-	-	-	153,839
2,458,750	144,459	-	-	-	2,603,209
58,459	164,351	-	-	-	2,182,243
347,134	52,986	-	-	-	412,959
<u>28,265,390</u>	<u>12,091,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,814,949</u>
29,618,771	-	76,583,679	-	-	106,863,850
27,405,317	-	108,833	-	-	32,539,159
689,965	-	532,452	-	-	1,270,146
2,111,976	-	-	-	-	2,111,976
1,492,544	-	-	-	-	1,492,544
<u>61,318,573</u>	<u>-</u>	<u>77,224,964</u>	<u>-</u>	<u>-</u>	<u>144,277,675</u>
1,111,150	-	-	-	-	1,162,932
183,942,143	16,363,191	-	20,668,240	-	220,973,574
778,198	-	-	-	-	778,198
<u>185,831,491</u>	<u>16,363,191</u>	<u>-</u>	<u>20,668,240</u>	<u>-</u>	<u>222,914,704</u>
-	-	-	-	5,734,138	5,734,138
-	-	-	-	32,909,481	32,909,481
-	-	-	-	38,643,619	38,643,619
<u>\$ 275,415,454</u>	<u>\$ 28,454,603</u>	<u>\$ 77,224,964</u>	<u>\$ 20,668,240</u>	<u>\$ 38,643,619</u>	<u>\$ 475,650,947</u>

Continued

CITY OF OCALA, FLORIDA

COMBINED BALANCE SHEET - CONTINUED

ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1996

Liabilities, Equity and Other Credits	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Project
Current Liabilities:				
Accounts payable	\$ 1,108,559	\$ 325,172	\$ -	\$ 260,034
Claims payable	-	-	-	-
Compensated absences payable	735,625	37,897	-	-
Bonds and capital lease payable within one year	-	-	-	-
Accrued interest payable	-	-	-	-
Due to other funds	8,865	-	-	-
Customer deposits	-	-	-	-
Deferred revenue	103,614	632,385	-	-
Interfund loans payable	6,075	10,028	-	-
Total current liabilities	<u>1,962,738</u>	<u>1,005,482</u>	<u>-</u>	<u>260,034</u>
Liabilities Payable from Restricted Assets:				
Accounts payable	-	-	-	-
Accrued interest payable	-	-	-	-
Deferred revenue	-	-	-	-
Bonds and capital lease payable within one year	-	-	-	-
Decommissioning costs	-	-	-	-
Deferred compensation	-	-	-	-
Total liabilities payable from restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interfund Loans Payable After One Year	38,925	68,171	-	-
Compensated Absences Payable	-	-	-	-
Bonds and Capital Lease Payable After One Year	-	-	-	-
Total liabilities	<u>2,001,663</u>	<u>1,073,653</u>	<u>-</u>	<u>260,034</u>
Equity and Other Credits:				
Investment in general fixed assets	-	-	-	-
Contributed equity	-	-	-	-
Net assets held in trust for pension benefits	-	-	-	-
Retained earnings:				
Reserved for debt service	-	-	-	-
Reserved for renewal and replacement	-	-	-	-
Total reserved retained earnings	-	-	-	-
Unreserved	-	-	-	-
Total retained earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Reserved for debt service	-	-	5,734,138	-
Reserved for retirement benefits	-	-	-	-
Reserved for interfund loans receivable after one year	51,782	-	-	-
Reserved for encumbrances	395,773	1,035,357	-	359,234
Reserved for specified projects	264,974	13,362,453	-	-
Reserved for capital projects	721	-	-	-
Total reserved fund balances	<u>713,250</u>	<u>14,397,810</u>	<u>5,734,138</u>	<u>359,234</u>
Unreserved and undesignated fund balances (deficit)	7,529,729	(27,287)	-	3,201,843
Total fund balances	<u>8,242,979</u>	<u>14,370,523</u>	<u>5,734,138</u>	<u>3,561,077</u>
Total equity and other credits	<u>8,242,979</u>	<u>14,370,523</u>	<u>5,734,138</u>	<u>3,561,077</u>
Total Liabilities, Equity and Other Credits	<u>\$ 10,244,642</u>	<u>\$ 15,444,176</u>	<u>\$ 5,734,138</u>	<u>\$ 3,821,111</u>

See accompanying notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	
\$ 5,845,537	\$ 331,022	\$ -	\$ -	\$ -	\$ 7,870,324
-	3,238,642	-	-	-	3,238,642
772,406	155,707	-	-	-	1,701,635
-	12,020	-	-	1,755,000	1,767,020
2,484	-	-	-	-	2,484
2,225,452	-	-	-	-	2,234,317
3,440,822	-	-	-	-	3,440,822
83,905	-	-	-	-	819,904
137,736	-	-	-	-	153,839
<u>12,508,342</u>	<u>3,737,391</u>	<u>-</u>	<u>-</u>	<u>1,755,000</u>	<u>21,228,987</u>
1,322,461	-	74,837	-	-	1,397,298
2,415,334	-	-	-	-	2,415,334
58,912	-	-	-	-	58,912
5,205,000	-	-	-	-	5,205,000
1,770,234	-	-	-	-	1,770,234
-	-	5,934,159	-	-	5,934,159
<u>10,771,941</u>	<u>-</u>	<u>6,008,996</u>	<u>-</u>	<u>-</u>	<u>16,780,937</u>
1,055,836	-	-	-	-	1,162,932
-	-	-	-	448,619	448,619
77,980,761	34,361	-	-	36,440,000	114,455,122
<u>102,316,880</u>	<u>3,771,752</u>	<u>6,008,996</u>	<u>-</u>	<u>38,643,619</u>	<u>154,076,597</u>
-	-	-	20,668,240	-	20,668,240
<u>44,666,618</u>	<u>7,258,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,924,796</u>
-	-	69,551,206	-	-	69,551,206
8,805,340	-	-	-	-	8,805,340
22,763,067	-	-	-	-	22,763,067
31,568,407	-	-	-	-	31,568,407
96,863,549	17,424,673	-	-	-	114,288,222
<u>128,431,956</u>	<u>17,424,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,856,629</u>
-	-	-	-	-	5,734,138
-	-	1,560,310	-	-	1,560,310
-	-	-	-	-	51,782
-	-	-	-	-	1,790,364
-	-	104,452	-	-	13,731,879
-	-	-	-	-	721
-	-	1,664,762	-	-	22,869,194
-	-	-	-	-	10,704,285
-	-	1,664,762	-	-	33,573,479
<u>173,098,574</u>	<u>24,682,851</u>	<u>71,215,968</u>	<u>20,668,240</u>	<u>-</u>	<u>321,574,350</u>
<u>\$ 275,415,454</u>	<u>\$ 28,454,603</u>	<u>\$ 77,224,964</u>	<u>\$ 20,668,240</u>	<u>\$ 38,643,619</u>	<u>\$ 475,650,947</u>

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

ALL GOVERNMENTAL AND EXPENDABLE TRUST FUND TYPES

Year Ended September 30, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Project
Revenues:				
Property taxes	\$ 7,781,671	\$ 38,304	\$ -	\$ -
Utility service tax	4,791,403	-	-	-
Other taxes	1,673,396	-	-	-
State revenue sharing	976,879	-	-	-
Other intergovernmental revenues	4,298,199	5,219,947	-	1,387,912
Parking meters and facilities	-	57,052	-	-
Licenses and permits	363,941	436,646	-	-
Fines and forfeitures	529,119	51,854	-	-
Charges for services	563,040	1,842,909	-	-
Interest	603,134	740,654	288,301	356,274
Gifts	35,589	16,639	-	-
Other	225,844	19,903	-	-
Total revenues	<u>21,842,215</u>	<u>8,423,908</u>	<u>288,301</u>	<u>1,744,186</u>
Expenditures:				
Current:				
General government and administration	3,315,124	226,674	-	-
Public safety	15,621,375	-	-	2,310
Public works	3,371,574	1,361,173	-	163,521
Culture and recreation	2,488,297	1,771,156	-	-
Housing rehabilitation	375,194	-	-	-
Nondepartmental appropriations	143,264	-	-	93,302
Other	418,878	71,917	-	-
Capital outlay	1,203,941	2,293,982	-	4,286,633
Intergovernmental	151,956	7,879	-	-
Debt service:				
Principal payments	-	-	1,665,000	-
Interest and paying agents' fees	800	4,918	1,957,139	-
Total expenditures	<u>27,690,403</u>	<u>5,737,699</u>	<u>3,622,139</u>	<u>4,545,766</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,848,188)</u>	<u>2,686,209</u>	<u>(3,333,838)</u>	<u>(2,801,580)</u>
Other Financing Sources (Uses):				
Operating transfers from other funds	9,089,995	2,127,798	4,038,623	1,372,373
Operating transfers to other funds	(3,139,946)	(3,031,322)	(284,207)	(665,015)
Proceeds from long-term borrowing	-	-	-	4,766,190
Total other financing sources (uses)	<u>5,950,049</u>	<u>(903,524)</u>	<u>3,754,416</u>	<u>5,473,548</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>101,861</u>	<u>1,782,685</u>	<u>420,578</u>	<u>2,671,968</u>
Fund Balance at Beginning of Year	8,259,053	12,184,262	5,313,560	3,717,974
Equity Transfers from (to) Other Funds	(117,945)	403,576	-	(2,828,865)
Fund Balance at End of Year	<u>\$ 8,242,979</u>	<u>\$ 14,370,523</u>	<u>\$ 5,734,138</u>	<u>\$ 3,561,077</u>

See accompanying notes to financial statements.

<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Expendable Trust</u>	
\$ -	\$ 7,819,975
-	4,791,403
-	1,673,396
-	976,879
-	10,906,058
-	57,052
-	800,587
-	580,973
-	2,405,949
86,102	2,074,465
-	52,228
81,852	327,599
<u>167,954</u>	<u>32,466,564</u>
5,378	4,147,176
-	15,623,685
-	4,896,268
-	4,259,453
-	375,194
-	236,566
-	490,795
-	7,784,556
-	159,835
-	1,665,000
-	1,962,857
<u>5,378</u>	<u>41,601,385</u>
<u>162,576</u>	<u>(9,134,821)</u>
-	16,628,789
-	(7,120,490)
-	4,766,190
<u>-</u>	<u>14,274,489</u>
162,576	5,139,668
1,502,186	30,977,045
-	(2,543,234)
<u>\$ 1,664,762</u>	<u>\$ 33,573,479</u>

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL, SPECIAL REVENUE, CAPITAL PROJECT AND EXPENDABLE TRUST FUND TYPES

Year Ended September 30, 1996

	Actual	Adjustments to Budgetary Basis	GENERAL Actual on a Budgetary Basis
Revenues:			
Property taxes	\$ 7,781,671	\$ -	\$ 7,781,671
Utility service tax	4,791,403	-	4,791,403
Other taxes	1,673,396	-	1,673,396
State revenue sharing	976,879	-	976,879
Other intergovernmental revenues	4,298,199	(1,729,431)	2,568,768
Parking meters and facilities	-	-	-
Licenses and permits	363,541	-	363,941
Fines and forfeitures	529,119	-	529,119
Charges for services	563,040	-	563,040
Interest	603,134	(2,510)	600,624
Gifts	35,589	(16,444)	19,145
Other	225,844	(41,449)	184,395
Total revenues	<u>21,842,215</u>	<u>(1,789,834)</u>	<u>20,052,381</u>
Expenditures:			
Current:			
General government and administration	3,915,124	(149,296)	3,765,828
Public safety	15,621,375	(466,867)	15,154,508
Public works	3,371,574	25,334	3,396,908
Culture and recreation	2,488,297	(58,175)	2,430,122
Housing rehabilitation	375,194	(375,194)	-
Nondepartmental appropriations	143,264	(10,417)	132,847
Other	418,878	(332,135)	86,743
Capital outlay	1,203,941	(35,871)	1,168,070
Intergovernmental	151,956	(103,762)	48,194
Debt service:			
Principal payments	-	-	-
Interest and paying agents' fees	800	-	800
Total expenditures	<u>27,690,403</u>	<u>(1,506,383)</u>	<u>26,184,020</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,848,188)</u>	<u>(283,451)</u>	<u>(5,131,639)</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	9,089,995	-	9,089,995
Operating transfers to other funds	(3,139,946)	(6,225)	(3,146,171)
Proceeds from long-term borrowing	-	-	-
Total other financing sources (uses)	<u>5,950,049</u>	<u>(6,225)</u>	<u>5,943,824</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	101,861	(289,676)	(187,815)
Fund Balance Allocation	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 101,861</u>	<u>\$ (289,676)</u>	<u>\$ (187,815)</u>

See accompanying notes to financial statements.

Final Budget	Variance Favorable (Unfavorable)
\$ 7,960,234	\$ (178,563)
4,361,269	430,134
1,588,000	85,396
980,000	(3,121)
2,682,013	(113,245)
-	-
372,500	(8,559)
732,000	(202,881)
640,450	(77,410)
700,100	(99,476)
9,943	9,202
186,650	(2,255)
<u>20,213,159</u>	<u>(160,778)</u>
3,888,251	122,423
16,041,920	887,412
3,402,335	5,427
2,751,079	320,957
-	-
200,906	68,059
87,489	746
3,015,018	1,846,948
77,581	29,387
2,000	2,000
800	-
<u>29,467,379</u>	<u>3,283,359</u>
<u>(9,254,220)</u>	<u>3,122,581</u>
8,963,215	126,780
(3,371,483)	225,312
-	-
<u>5,591,732</u>	<u>352,092</u>
(3,662,488)	3,474,673
<u>3,662,488</u>	<u>(3,662,488)</u>
<u>\$ -</u>	<u>\$ (187,815)</u>

Continued

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

GENERAL, SPECIAL REVENUE, CAPITAL PROJECT AND EXPENDABLE TRUST FUND TYPES

Year Ended September 30, 1996

	Actual	Adjustments to Budgetary Basis	SPECIAL Actual on a Budgetary Basis
Revenues:			
Property taxes	\$ 38,304	\$ -	\$ 38,304
Utility service tax	-	-	-
Other taxes	-	-	-
State revenue sharing	-	-	-
Other intergovernmental revenues	5,219,947	(174,466)	5,045,481
Parking meters and facilities	57,052	-	57,052
Licenses and permits	436,646	-	436,646
Fines and forfeitures	51,854	-	51,854
Charges for services	1,842,909	-	1,842,909
Interest	740,654	(2,193)	738,461
Gifts	16,639	-	16,639
Other	19,903	-	19,903
Total revenues	<u>8,423,908</u>	<u>(176,659)</u>	<u>8,247,249</u>
Expenditures:			
Current:			
General government and administration	226,674	(176,554)	50,120
Public safety	-	-	-
Public works	1,361,173	708,376	2,069,549
Culture and recreation	1,771,156	216,213	1,987,369
Housing rehabilitation	-	-	-
Nondepartmental appropriations	-	-	-
Other	71,917	-	71,917
Capital outlay	2,293,982	107,722	2,401,704
Intergovernmental	7,879	-	7,879
Debt service:			
Principal payments	-	-	-
Interest and paying agents' fees	4,918	-	4,918
Total expenditures	<u>5,737,699</u>	<u>855,757</u>	<u>6,593,456</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,686,209</u>	<u>(1,032,416)</u>	<u>1,653,793</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	2,127,798	-	2,127,798
Operating transfers to other funds	(3,031,322)	-	(3,031,322)
Proceeds from long-term borrowing	-	-	-
Total other financing sources (uses)	<u>(903,524)</u>	<u>-</u>	<u>(903,524)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	<u>1,782,685</u>	<u>(1,032,416)</u>	<u>750,269</u>
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 1,782,685</u>	<u>\$ (1,032,416)</u>	<u>\$ 750,269</u>

See accompanying notes to financial statements.

REVENUE

Final Budget	Variance Favorable (Unfavorable)
\$ 40,052	\$ (1,748)
-	-
-	-
6,456,435	(1,410,954)
50,000	7,052
413,500	23,146
46,800	5,054
1,689,000	153,909
767,600	(29,139)
85,927	(69,288)
19,241	662
<u>9,568,555</u>	<u>(1,321,306)</u>
57,317	7,197
-	-
2,349,448	279,899
2,187,560	200,191
-	-
-	-
80,289	8,372
7,053,903	4,652,199
7,879	-
9,620	9,620
4,918	-
<u>11,750,934</u>	<u>5,157,478</u>
<u>(2,182,379)</u>	<u>3,836,172</u>
2,123,284	4,514
(3,447,051)	415,729
-	-
<u>(1,323,767)</u>	<u>420,243</u>
(3,506,146)	4,256,415
<u>3,506,146</u>	<u>(3,506,146)</u>
<u>\$ -</u>	<u>\$ 750,269</u>

Continued

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

GENERAL, SPECIAL REVENUE, CAPITAL PROJECT AND EXPENDABLE TRUST FUND TYPES

Year Ended September 30, 1996

	Actual	Adjustments to Budgetary Basis	CAPITAL Actual on a Budgetary Basis
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Utility service tax	-	-	-
Other taxes	-	-	-
State revenue sharing	-	-	-
Other intragovernmental revenues	1,387,912	-	1,387,912
Parking meters and facilities	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest	356,274	(20,138)	336,136
Gifts	-	-	-
Other	-	-	-
Total revenues	<u>1,744,186</u>	<u>(20,138)</u>	<u>1,724,048</u>
Expenditures:			
Current:			
General government and administration	-	-	-
Public safety	2,310	-	2,310
Public works	163,521	1,867	165,388
Culture and recreation	-	-	-
Housing rehabilitation	-	-	-
Nondepartmental appropriations	93,302	(91,002)	2,300
Other	-	-	-
Capital outlay	4,286,633	357,367	4,644,000
Intergovernmental	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and paying agents' fees	-	-	-
Total expenditures	<u>4,545,766</u>	<u>268,232</u>	<u>4,813,998</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,801,580)</u>	<u>(288,370)</u>	<u>(3,089,950)</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	1,372,373	-	1,372,373
Operating transfers to other funds	(665,015)	282,248	(382,767)
Proceeds from long-term borrowing	4,766,190	(4,766,190)	-
Total other financing sources (uses)	<u>5,473,548</u>	<u>(4,483,942)</u>	<u>989,606</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	2,671,968	(4,772,312)	(2,100,344)
Fund Balance Allocation	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 2,671,968</u>	<u>\$ (4,772,312)</u>	<u>\$ (2,100,344)</u>

See accompanying notes to financial statements.

PROJECT

Final Budget	Variance Favorable (Unfavorable)
\$ -	\$ -
-	-
-	-
-	-
2,033,000	(645,088)
-	-
-	-
-	-
400,800	(64,664)
-	-
-	-
<u>2,433,800</u>	<u>(709,752)</u>
-	-
15,000	12,690
206,405	41,017
-	-
-	-
2,300	-
-	-
7,858,915	3,214,915
-	-
-	-
<u>8,082,620</u>	<u>3,268,622</u>
<u>(5,648,820)</u>	<u>2,558,870</u>
1,798,196	(425,823)
(382,774)	7
-	-
<u>1,415,422</u>	<u>(425,816)</u>
(4,233,398)	2,133,054
<u>4,233,398</u>	<u>(4,233,398)</u>
<u>\$ -</u>	<u>\$ (2,100,344)</u>

Continued

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

GENERAL, SPECIAL REVENUE, CAPITAL PROJECT AND EXPENDABLE TRUST FUND TYPES

Year Ended September 30, 1996

	Actual	Adjustments to Budgetary Basis	EXPENDABLE Actual on a Budgetary Basis
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Utility service tax	-	-	-
Other taxes	-	-	-
State revenue sharing	-	-	-
Other intergovernmental revenues	-	-	-
Parking meters and facilities	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest	86,102	(80,118)	5,984
Gifts	-	-	-
Other	81,852	(81,852)	-
Total revenues	<u>167,954</u>	<u>(161,970)</u>	<u>5,984</u>
Expenditures:			
Current:			
General government and administration	5,378	-	5,378
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Housing rehabilitation	-	-	-
Nondepartmental appropriations	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Intergovernmental	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and paying agents' fees	-	-	-
Total expenditures	<u>5,378</u>	<u>-</u>	<u>5,378</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>162,576</u>	<u>(161,970)</u>	<u>606</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	-	-	-
Operating transfers to other funds	-	-	-
Proceeds from long-term borrowing	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	<u>162,576</u>	<u>(161,970)</u>	<u>606</u>
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 162,576</u>	<u>\$ (161,970)</u>	<u>\$ 606</u>

See accompanying notes to financial statements.

TRUST

Final Budget	Variance Favorable (Unfavorable)
\$ -	\$ -
-	-
-	-
-	-
-	-
-	-
-	-
7,400	(1,416)
-	-
-	-
<u>7,400</u>	<u>(1,416)</u>
7,500	2,122
-	-
-	-
-	-
-	-
-	-
95,610	95,610
-	-
-	-
-	-
<u>103,110</u>	<u>97,732</u>
<u>(95,710)</u>	<u>96,316</u>
-	-
-	-
-	-
-	-
(95,710)	96,316
<u>95,710</u>	<u>(95,710)</u>
<u>\$ -</u>	<u>\$ 606</u>

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

ALL PROPRIETARY FUND TYPES

Year Ended September 30, 1996

	Enterprise	Internal Service	Totals (Memorandum Only)
Operating Revenues:			
Sale of electricity	\$ 76,301,304	\$ -	\$ 76,301,304
Sale of water	3,809,846	-	3,809,846
Sewer and sanitation service charges	14,895,093	-	14,895,093
Fees and rentals	2,083,864	8,311,869	10,395,733
Commissions	71,471	-	71,471
City and state contributions	-	3,351,559	3,351,559
Employee contributions	-	1,207,172	1,207,172
Other	2,694,308	314,523	3,008,831
Total operating revenues	<u>99,855,886</u>	<u>13,185,123</u>	<u>113,041,009</u>
Operating Expenses:			
Purchase of electricity	47,208,962	-	47,208,962
Distribution	7,244,946	-	7,244,946
Operation and maintenance	9,814,048	-	9,814,048
Water and sewer treatment	2,583,693	-	2,583,693
Sewer collection	897,146	-	897,146
Fleet management	-	2,741,731	2,741,731
Purchasing and warehousing	-	705,318	705,318
Management information system and central services	-	948,036	948,036
Building maintenance	-	830,337	830,337
Insurance, administration and other	3,821,806	5,555,719	9,377,525
Depreciation and amortization	7,207,159	1,052,382	8,259,541
Economic improvement incentives	822,455	-	822,455
Other	2,366,408	177,264	2,543,672
Total operating expenses	<u>81,966,643</u>	<u>12,010,787</u>	<u>93,977,430</u>
Operating Income	<u>17,889,243</u>	<u>1,174,336</u>	<u>19,063,579</u>
Non-Operating Revenues (Expenses):			
Interest income	3,449,196	638,137	4,087,333
Interest expense	(4,139,563)	(3,994)	(4,143,557)
Other non-operating revenue	115,365	-	115,365
Total non-operating revenues (expenses)	<u>(575,002)</u>	<u>634,143</u>	<u>59,141</u>
Income Before Operating Transfers	<u>17,314,241</u>	<u>1,808,479</u>	<u>19,122,720</u>
Operating Transfers:			
From other funds	975,062	13,400	988,541
To other funds	(10,286,211)	(210,629)	(10,496,840)
Total operating transfers	<u>(9,311,149)</u>	<u>(197,150)</u>	<u>(9,508,299)</u>
Net Income	8,003,092	1,611,329	9,614,421
Retained Earnings at Beginning of Year	120,437,852	15,997,399	136,435,251
Equity Transfers to Other Funds	(8,988)	(184,055)	(193,043)
Retained Earnings at End of Year	<u>\$ 128,431,956</u>	<u>\$ 17,424,673</u>	<u>\$ 145,856,629</u>

See accompanying notes to financial statements.

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS

ALL PENSION TRUST FUNDS

Year Ended September 30, 1996

Additions:

Contributions:

Employer	\$ 1,691,615
State	543,057
Employee	386,222
Total contributions	<u>2,620,894</u>

Investment income:

Net appreciation in fair value of investments	5,117,351
Interest income	1,949,085
Dividend income	870,149
Total income on investments	<u>7,936,585</u>
Less: Investment management fees	<u>(285,581)</u>
Net investment income	<u>7,651,004</u>
Total additions	<u>10,271,898</u>

Deductions:

Pension payments	2,038,619
Refunds to employees	67,244
Administration	91,712
Total deductions	<u>2,197,575</u>

Net Increase 8,074,323

Net Assets Held in Trust for Pension Benefits:

Beginning of year	<u>61,476,883</u>
End of year	<u><u>\$ 69,551,206</u></u>

See accompanying notes to financial statements.

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUND TYPES

Year Ended September 30, 1996

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
Increase in Cash and Cash Equivalents:			
Cash Flows from Operating Activities:			
Cash received from customers	\$ 99,334,240	\$ -	\$ 99,334,240
Cash received from employees	-	1,207,172	1,207,172
Cash paid to suppliers for goods and services	(63,964,778)	(6,626,455)	(70,591,233)
Cash paid to employees for services	(9,508,417)	(2,720,699)	(12,229,116)
Cash received from other funds	-	11,787,285	11,787,285
Cash paid for insurance claims	-	(1,661,490)	(1,661,490)
Net cash provided by operating activities	<u>5,861,045</u>	<u>1,985,813</u>	<u>27,846,858</u>
Cash Flows from Non-Capital Financing Activities:			
Operating transfers in	975,062	13,479	988,541
Operating transfers out	(10,286,211)	(210,629)	(10,496,840)
Operating grants	98,482	-	98,482
Principal received on loans to other funds	73,638	28,198	101,836
Interest received on loans to other funds	31,751	847	32,598
Principal paid on loans from other funds	(139,586)	-	(139,586)
Interest paid on loans from other funds	(29,328)	-	(29,328)
Loans to other funds	(651,640)	-	(651,640)
Net cash used in non-capital financing activities	<u>(9,927,832)</u>	<u>(168,105)</u>	<u>(10,095,937)</u>
Cash Flows from Capital and Related Financing Activities:			
Net proceeds on issuance of bonds	4,668,500	-	4,668,500
Deposit to escrow agent	(529,056)	-	(529,056)
Principal paid on bonds, notes and capital lease payable	(5,205,000)	(11,142)	(5,216,142)
Interest paid on bonds, notes and capital lease payable	(5,432,894)	(3,994)	(5,436,888)
Bond issuance costs	(135,283)	-	(135,283)
Proceeds of loans from other funds	670,415	-	670,415
Acquisition and construction of capital assets	(13,292,333)	(2,060,105)	(15,352,438)
Contributions received from other governments, developers and customers	5,382,104	-	5,382,104
Net cash used in capital and related financing activities	<u>(13,873,547)</u>	<u>(2,075,241)</u>	<u>(15,948,788)</u>
Cash Flows from Investing Activities:			
Purchase of investments	(4,053,621)	-	(4,053,621)
Proceeds from sales and maturities of investments	9,537,995	-	9,537,995
Interest received	3,645,720	617,948	4,263,668
Net cash provided by investing activities	<u>9,130,094</u>	<u>617,948</u>	<u>9,748,042</u>
Net Increase in Cash and Cash Equivalents	11,189,760	360,415	11,550,175
Cash and Cash Equivalents, beginning of year	<u>45,139,019</u>	<u>11,221,283</u>	<u>56,360,302</u>
Cash and Cash Equivalents, end of year	<u>\$ 56,328,779</u>	<u>\$ 11,581,698</u>	<u>\$ 67,910,477</u>

See accompanying notes to financial statements.

Continued

CITY OF OCALA, FLORIDA

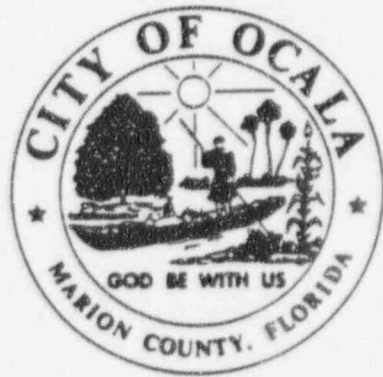
COMBINED STATEMENT OF CASH FLOWS - CONTINUED

ALL PROPRIETARY FUND TYPES

Year Ended September 30, 1996

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
Reconciliation of Cash and Cash Equivalents to Balance Sheet:			
Total unrestricted cash and investments per the balance sheet	\$ 12,328,257	\$ 11,581,698	\$ 23,909,955
Total restricted cash and investments per the balance sheet	57,024,088	-	57,024,088
Total cash and investments	69,352,345	11,581,698	80,934,043
Less: Investments not meeting the definition of cash equivalents	(13,023,566)	-	(13,023,566)
Cash and Cash Equivalents, end of year	<u>\$ 56,328,779</u>	<u>\$ 11,581,698</u>	<u>\$ 67,910,477</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 17,889,243	\$ 1,174,336	\$ 19,063,579
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	7,013,073	1,052,382	8,065,455
Amortization	194,086	-	194,086
(Gain) loss on fixed asset disposals	274,276	(10,194)	264,082
(Increase) decrease in assets:			
Accounts and notes receivable	171,115	(32,178)	138,937
Accrued unbilled revenue	(545,789)	-	(545,789)
Due from other funds	(66,607)	-	(66,607)
Inventories	(248,098)	(387)	(248,485)
Due from other governments	-	(148,227)	(148,227)
Other current assets	(139,160)	(9,295)	(148,455)
Increase (decrease) in liabilities:			
Accounts payable	200,707	(58,001)	142,706
Claims payable	-	(2,396)	(2,396)
Compensated absences payable	116,370	19,773	136,143
Due to other funds	479,489	-	479,489
Customer deposits	188,049	-	188,049
Deferred revenue	(2,177)	-	(2,177)
Decommissioning costs	336,468	-	336,468
Net Cash Provided by Operating Activities	<u>\$ 25,861,045</u>	<u>\$ 1,985,813</u>	<u>\$ 27,846,858</u>
Noncash Capital and Related Financing Activities:			
Escrow deposit for defeasance of debt deducted from bond proceeds	\$ (12,059,948)	\$ -	\$ (12,059,948)
Bond issuance costs deducted from bond proceeds	(92,044)	-	(92,044)
Acquisition and construction of capital assets included in accounts payable	(1,005,205)	-	(1,005,205)
Plant and equipment contributed from other funds	120,329	3,598,134	3,718,463
Plant and equipment contributed to other funds	(8,988)	(184,055)	(193,043)
Total noncash capital and related financing activities	<u>\$ (13,045,856)</u>	<u>\$ 3,414,079</u>	<u>\$ (9,631,777)</u>

See accompanying notes to financial statements.



CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 1996

1. Reporting Entity and Description of Funds:

A. Reporting Entity

The City of Ocala, Florida (the "City") operates under a council-manager form of government, including a six-member City Council comprised of a Mayor (elected at large) and five district Councilmen and provides the following services as authorized by its charter: public safety, public works, public utilities, culture, recreation and community development.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable and, as such, be includable within the City's financial statements. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, the City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Management determined that the Community Redevelopment Agency is the only organization that should be included in the City's financial statements as a component unit.

1. Blended Component Unit:

Community Redevelopment Agency (CRA) - The Community Redevelopment Agency was created pursuant to Chapter 163.356, Florida Statutes, City Ordinance 2009 and City Resolutions 88-37, 88-52 and 89-44. The City Council serves as the CRA Board. Although legally separate, the CRA is appropriately blended as a governmental fund type component unit into the primary government. Separate financial statements for the CRA are not presently developed.

The City includes advisory boards and commissions within the City in its financial statements in circumstances where the City selects the governing authority, designates management, has the ability to influence operations, and has accountability for fiscal matters of the advisory boards and commissions.

2. Related Organization:

The City is responsible for appointing the Ocala Housing Authority's board. However, the City's accountability for this organization does not extend beyond making these appointments.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

1. Reporting Entity and Description of Funds - Continued:

B. Description of Funds

The accounting records of the City are organized on the basis of funds and account groups. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the accompanying financial statements into seven generic fund types and three broad fund categories: governmental funds, proprietary funds and fiduciary funds.

Homogeneous funds are consolidated for purposes of financial statement presentation. Interfund transactions and balances are eliminated in the consolidation of homogeneous funds. Other funds which are similar by type but not homogeneous are combined. Interfund transactions and balances are not eliminated on funds which are combined rather than consolidated.

Governmental Funds - Governmental funds include the General, Special Revenue, Debt Service and Capital Project funds. The measurement focus of governmental funds is determination of financial position and sources and uses of resources rather than net income determination. The funds are maintained on the modified accrual basis of accounting. Generally, only current assets and current liabilities are included on their balance sheets. Their reported fund balances are considered a measure of available spendable resources. The following is a description of the governmental funds of the City:

General Fund - The General Fund is the general operating fund of the City. It is used to account for revenues and current, capital outlay, debt service and intergovernmental expenditures not specifically required by law or administrative action to be accounted for in another fund. All general property taxes (except for those levied for the Downtown Development Commission and those required to be deposited to the Community Redevelopment Trust Fund), franchise taxes, licenses, fines and certain intergovernmental revenues are recorded in this fund. Current, capital outlay, debt service and intergovernmental expenditures of the administrative, public safety, public works and numerous other departments are paid for through this fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditure for specific purposes.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for the payment of principal, interest and related costs of the City's general long-term debt.

Capital Project Funds - The capital projects funds are used to account for resources earmarked for the acquisition and construction of major capital facilities and other project oriented activities other than those financed by proprietary funds.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

1. Reporting Entity and Description of Funds - Continued:

B. Description of Funds - Continued

Proprietary Funds - Proprietary funds include enterprise and internal service funds. The measurement focus of proprietary funds is determination of net income, financial position and cash flows. The generally accepted accounting principles for proprietary funds are similar to those applicable to businesses in the private sector and thus, these funds are maintained on the accrual basis of accounting. Accordingly, all assets and liabilities associated with their activity are included on their balance sheets. Their reported fund equity is segregated into contributed equity and retained earnings components. Proprietary funds used by the City are as follows:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private businesses where the intent of the governing body is that the costs (including depreciation) of providing certain goods and services to the general public be financed or recovered primarily through user charges or where the governing body has deemed that periodic determination of net income is appropriate for purposes of monitoring capital maintenance, accountability or other purposes.

Internal Service Funds - The internal service funds account for the operation of departments which exist solely to provide services to other City departments. The revenues of the internal service funds are derived from user fees and self insurance premiums charged to other City funds.

Trust and Agency Funds - The trust and agency funds of the City are pension trust funds, expendable trust funds and the deferred compensation fund. The trust funds are used to account for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, other governments and/or funds. The measurement focus and basis of accounting of the pension trust funds are similar to proprietary funds and they are therefore maintained on the accrual basis of accounting. The pension trust funds are utilized to account for the financial transactions of the City-administered pension plans. The measurement focus and basis of accounting of the expendable trust funds are similar to governmental funds and they are therefore maintained on the modified accrual basis of accounting. The agency fund does not measure results of operations, but assets and liabilities are measured on the modified accrual basis of accounting.

Account Groups - Fixed assets and long-term liabilities associated with governmental funds are accounted for in the General Fixed Asset and General Long-Term Debt Account Groups. The two account groups are not funds and are concerned only with the measurement of financial position.

General Fixed Asset Account Group - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Asset Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings such as roads, sidewalks and drainage systems are not, however, capitalized as general fixed assets.

General Long-Term Debt Account Group - Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

1. Reporting Entity and Description of Funds - Continued:

C. GASB Statement No. 20 Election

Pursuant to the election option made available by GASB Statement No. 20, pronouncements of the Financial Accounting Standards Board (FASB), issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund types.

2. Summary of Significant Accounting Policies:

The accounting principles and reporting practices of the City conform to generally accepted accounting principles applicable to governmental units. The more significant of these policies and principles are summarized below:

A. Basis of Accounting

Accrual Basis - This basis of accounting is utilized for the proprietary and pension trust funds. Under this basis, revenues are recognized in the period earned and expenses are recognized in the period incurred.

Modified Accrual Basis - This basis of accounting is utilized by the governmental funds. Under this basis, revenues are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the fiscal period. All material revenues of the governmental funds, such as other intergovernmental revenues and other taxes, are accrued or deferred, as appropriate. Property taxes are not accrued since they are substantially collected during the period in which they are due.

Under the modified accrual basis, expenditures are generally recognized when the liability is incurred, with the following exceptions:

- Principal and interest on general long-term debt are recognized as expenditures in the debt service funds when due.
- Prepaid items are reported as current period expenditures rather than allocating the related expenditures to the periods benefited.
- Inventory of governmental funds is reported as an expenditure in the period purchased.
- Interest income on special assessments receivable is not accrued.

B. Annual Budgets

An annual budget is prepared for all governmental and proprietary funds except for one special revenue fund (SHIP Local Housing Assistance), one capital project fund (Capital Improvement Construction Fund), one expendable trust fund (Pension Medical Reserve Fund), the agency fund, and all debt service funds. Some portions of the City's General Fund and special revenue funds which are related to grants, financially non-measurable trial programs, special assessments and other similar activities are not formally budgeted. These activities are monitored by the appropriate City personnel. The budget amounts presented in the accompanying financial statements for the governmental funds are as originally adopted, or as legally amended, by the City Council during the year ended September 30, 1996

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

2. Summary of Significant Accounting Policies - Continued:

B. Annual Budgets - Continued

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any budget amendments that alter the total expenditures of any fund must be approved by the City Council. During 1996 the City Council approved various supplemental budget appropriations to provide for unanticipated requirements of the period. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of each fiscal year. The budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as expenditures. Accordingly, budgetary comparisons presented for the governmental funds in the accompanying financial statements are on this non-GAAP budgetary basis. In addition, certain activities accounted for within the governmental funds are not formally budgeted by the City. Therefore, both revenues and expenditures associated with those activities have also been treated as adjustments to convert actual revenues and expenditures of the governmental funds to a budgetary basis in order that the budgetary comparisons reflect only those activities for which legally adopted budgets are prepared.

C. Equity in Pooled Cash and Investments

The City maintains a pooled cash and investment fund which allows the various funds of the City to pool monies for investment purposes. The City maintains records to identify the equity of each fund investing in the pool as well as amounts borrowed from the pool. Investment earnings of the pool are recorded as earned and are allocated to the participating funds based on the respective fund's equity in the pool at the end of each month.

D. Cash Flows

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand (including equity pooled cash), demand deposit accounts and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

E. Investments

Investments, except those of the Pension Trust Funds, are stated at cost, which together with the accrued interest receivable approximates market. Investments of the Pension Trust and Agency Funds consisting of bonds, common stocks, debentures and short-term investments are stated at fair market value based on quoted market prices at the end of the fiscal year.

Income from other investments owned by the individual funds is recorded in the respective funds as earned.

F. Inventories

Inventories held by the proprietary funds consist of golf retail merchandise, equipment and supplies held for maintenance use or for capital improvements and are stated at the lower of average cost or market. Obsolete and unusable items have been reduced to estimated salvage values.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

2. Summary of Significant Accounting Policies - Continued:

G. Property, Plant and Equipment

Governmental Funds - General fixed asset additions are recorded as capital outlay expenditures in the respective governmental fund and are simultaneously capitalized at cost in the General Fixed Asset Account Group, except for infrastructure assets which are immovable and of value only to the City. Donated fixed assets are recorded at their fair market value on the date donated. Unit costs of property and equipment recorded in the General Fixed Asset Account Group were established at historical cost or estimated historical cost in a manner similar to fixed assets of proprietary funds. Depreciation is not provided on general fixed assets.

Proprietary Funds - Property, plant and equipment of the proprietary funds acquired subsequent to 1977 are carried at historical cost. Those acquired in 1977 and prior years are recorded at estimated historical cost if historical cost is not available. Contributed assets are recorded at their estimated fair market value on the date donated. The City used appraisals and other estimation techniques (indices) to estimate, when necessary, the original historical cost of the units of property, plant and equipment. Since the development of detail property records, all additions to property, plant and equipment of proprietary funds have been recorded at cost with retirements recorded using the established actual or estimated historical cost (net of accumulated depreciation).

Depreciation is provided on all exhaustible assets of proprietary funds on the straight-line method over the following estimated useful lives:

Buildings	30 years
Extensions and improvements other than buildings	30-60 years
Fixtures, vehicles and equipment	5-15 years

An annual depreciation rate of 3.6% is applied to the historical cost of Crystal River Unit No. 3 (CR-3). This annual depreciation rate was approved by the Florida Public Service Commission for use by Florida Power Corporation, the majority owner of the project. The City's share of nuclear fuel, which is included in the CR-3 investment account, is amortized on a unit-of-production method at a rate based on actual BTU's of energy produced.

Expenditures for maintenance and repairs which do not add to the value of the assets or extend their useful lives are charged to operating expenses as incurred. However, expenditures for repairs and improvements which add to the value or extend the useful life of an asset are capitalized.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

2. Summary of Significant Accounting Policies - Continued:

G. Property, Plant and Equipment - Continued

Capitalization of Interest - In accordance with FASB Statement No. 62, the Electric System and Water and Sewer System enterprise funds capitalize net interest costs on funds borrowed to finance the construction of fixed assets. For the year ended September 30, 1996 capitalization of net interest costs was as follows:

	Electric System	Water and Sewer System
Interest expense	\$ 507,050	\$ 568,317
Amortization of bond issuance costs	47,982	15,979
Interest income	<u>(121,420)</u>	<u>(274,770)</u>
Increase in construction in progress	<u>\$ 433,612</u>	<u>\$ 309,526</u>

Capital Leases and Installment Purchase Contracts - Property and equipment and long-term liabilities associated with capital leases and installment purchase contracts of governmental funds are accounted for in the General Fixed Asset and General Long-Term Debt account groups, respectively.

The acquisition or construction of general fixed assets under a capital lease agreement or installment purchase contract is recognized as an expenditure and other financing source and principal and interest expenditures in the governmental funds.

Property and equipment and liabilities associated with capital leases and installment purchase contracts of proprietary funds are accounted for and reported in the financial statements of the respective proprietary fund.

H. Accrued Revenue

Revenues of enterprise funds are accrued based on estimated unbilled services provided to customers at the end of the fiscal year.

I. Property Taxes

Property taxes levied by the City are billed and collected by Marion County and normally attach as an enforceable lien on property as of January 1. Generally taxes are levied on November 1 and are payable on or before June 1. Substantially all property tax billings are collected during the fiscal period billed.

The City is permitted under its charter to levy taxes up to \$10 per \$1,000 of assessed valuation for general government services other than the payment of principal and interest on general long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. Additional taxes assessed for the payment of general long-term debt issues of the City must be approved by the public. The tax rate assessed by the City for the year ended September 30, 1996 was \$5.0881 per \$1,000 of assessed property value.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

2. Summary of Significant Accounting Policies - Continued:

J. Interfund Payables and Receivables

Interfund payables and receivables are non-interest bearing and generally are liquidated monthly (Note 6). Interfund advances are liquidated in accordance with the City Council's resolution and may bear interest (Note 7).

K. Compensated Absences

In governmental funds the amount of compensated absences associated with employee vacations that are recorded as expenditures represent the amounts accrued during the year that would normally be liquidated with available spendable resources. The amount of compensated absences associated with employee sick leave is based on the historical annual trend of adjusted sick leave payments made at retirement. Accordingly, the amount of the compensated absence liability that would normally be liquidated with expendable available resources in the next fiscal year is reflected in the financial statements of governmental funds. The remainder of the compensated absence liability of governmental funds is reported in the General Long-Term Debt Account Group.

In proprietary funds, the amount of compensated absences associated with employee vacations that are recorded as expenses represent the amounts accrued during the year and the amount of compensated absences associated with employee sick leave is based on the historical annual trend of adjusted sick leave payments made at retirement. The liability for compensated absences of these funds is reflected in the respective financial statements.

The above accounting conforms to GASB Statement No. 16.

L. Self-Insurance Claims

Liabilities for reported claims and incurred but not reported claims are estimated based on an actuarial review of claims pending and historical experience.

M. Pension Costs

Pension plan contributions include provision for normal cost plus an amount sufficient to amortize the past service liability over a thirty-year period.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

2. Summary of Significant Accounting Policies - Continued:

N. Reserves of Retained Earnings and Fund Balance

Reserves of retained earnings on the proprietary funds are created by increases in net assets restricted for debt service and renewal and replacement. There is no reservation of retained earnings for assets set aside for construction under bond indentures.

Fund balances of governmental funds are reserved for assets which have been legally segregated for specific future uses or which are not available for expenditure. Open encumbrances at year end are reported as reservations of fund balance to reserve that portion of the current year budget appropriation which has not been recognized as an expenditure or a liability.

O. Grants and Contributions

Program and capital grants received by governmental funds are recorded in the applicable governmental fund as receivables and revenues at the time reimbursable costs are incurred and all significant grant restrictions are satisfied. Grant revenues received in advance of meeting all major grant restrictions are deferred. Capital grants for general fixed asset additions prior to October 1, 1977 are recorded in the general fixed asset account group as investments by the governmental fund which expended the grant monies. Capital grants for general fixed asset additions subsequent to September 30, 1977 are recorded in the general fixed asset account group as contributions from federal or state grants.

Capital grants received by proprietary funds are also recorded as receivables when reimbursable project costs are incurred or as deferred credits if the grant money is received in advance of project expenditures. Capital grants and other contributions for fixed asset additions to the proprietary funds prior to October 1, 1977 are recorded as additions to retained earnings. Capital grants and other contributions for fixed asset additions to the proprietary funds subsequent to September 30, 1977 are recorded as additions to contributed equity. Depreciation on proprietary fund assets purchased with capital grants or other capital contributions is not closed to contributed capital.

Contributed assets, including property and equipment, are recorded in proprietary funds and in the general fixed asset account group at fair market value at the time received.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

2. Summary of Significant Accounting Policies - Continued:

P. Bond Discounts and Issuance Costs

Bond discounts and issuance costs are deferred and amortized over the term of the bonds using the effective interest method.

Bond discounts are presented as a reduction of the face amount of the related bonds payable and issuance costs are recorded as other assets.

Q. Deferred Loss on Defeasance of Debt

In proprietary fund types, the difference between the reacquisition price (new debt) and the net carrying value of the old debt in a debt refinancing is deferred and amortized as a component of interest expense over the shorter remaining life of the old or new debt. The deferred loss on defeasance of debt is presented as a reduction of the face amount of the new bonds payable.

R. Administrative Fees

Certain administrative expenses are incurred by the City's Electric System Revenue Fund on behalf of the Water and Sewer and Sanitation funds. The Electric System Revenue Fund charges for these services based on the receiving fund's original budgeted appropriations. The reimbursement for these services is recorded as an operating expense of the Water and Sewer and Sanitation funds and as a reduction of administrative expense of the Electric Revenue Fund.

The City's General Fund also incurs certain administrative expenditures on behalf of other funds of the City. The General Fund is reimbursed for these expenditures based on actual cost allocations. The amounts reimbursed are recorded as a reduction of expenditures of the General Fund. The related reimbursements are recorded as either an operating expense of the proprietary funds or as an expenditure of the governmental funds.

S. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable budget appropriation, is utilized by the governmental funds of the City. Encumbrances outstanding at year end are reported as reserves of fund balance of governmental funds since they do not constitute expenditures or liabilities. They are recognized as expenditures in the period in which the actual goods or services are received and a liability is incurred.

T. Total Columns on Combined Statements - Overview

The columns entitled "Total(s) (Memorandum Only)" included in the General-Purpose Financial Statements (Combined Statements - Overview) section of this report are presented only to facilitate financial analysis. These total columns are not comparable to consolidated financial information as the basic reporting entity is by fund types which utilize differing bases of accounting. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. In addition, interfund eliminations have not been made in the aggregation of this data.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

3. Adoption of New Accounting Pronouncements:

Adoption of GASB Statements Nos. 25 and 27

On October 1, 1995, the City adopted the provisions of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The implementation of GASB Statements Nos. 25 and 27 had no material effect on the net assets held in trust for pension benefits or disclosures of pension information in connection with the City's three pension plans.

4. Budget Reconciliation:

A. Budgetary Basis Reconciliation

Since the accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, entity and timing differences in the excess of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended September 30, 1996 is presented below:

	Governmental Fund Types			Expendable Trust
	General	Special Revenue	Capital Project	
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	\$ (187,815)	\$ 750,269	\$ (2,100,344)	\$ 606
Adjustments:				
Encumbrances	395,773	1,035,357	359,234	-
Encumbrances of non-formally budgeted activities	(119,555)	(3,046)	-	-
Non-formally budgeted activities	13,458	105	4,413,078	161,970
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	<u>\$ 101,861</u>	<u>\$ 1,782,685</u>	<u>\$ 2,671,968</u>	<u>\$ 162,576</u>

B. Excess of Expenditures Over Appropriations

For the year ended September 30, 1996, no expenditures exceeded the budget at the fund level.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

5. **Cash and Investments and Equity in Pooled Cash and Investments:**

The City maintains a cash and investment pool that is available for use by all funds, except the pension trust funds and certain other funds required to have separate bank accounts. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in pooled cash and investment fund". In addition, investments are held separately by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other City funds.

A. Cash

At September 30, 1996, the carrying amount of the City's deposits was \$8,308,353. These deposits, consisting of interest bearing and non-interest bearing demand accounts and certificates of deposit, were entirely insured by federal depository insurance or by collateral held by the City's agent pursuant to the Public Depository Security Act of the State of Florida. This Act requires that the City maintain deposits only in "qualified public depositories". All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss caused by the default or insolvency of other qualified public depositories of the same type. Should a default or insolvency occur, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City.

Funds not prohibited by bond covenants have pooled their cash balances in order to maximize investment earnings. The City's banking arrangement provides that the City will pay monthly direct service charges and will earn interest on collected balances at the effective federal funds rate less 50 basis points and adjusted for reserve requirement.

B. Investments

Florida Statutes authorize the City to invest in the Local Government Surplus Funds Trust Fund, obligations of the U.S. Government, U.S. Government Instrumentalities, interest-bearing time deposits and savings accounts in banks and savings and loans provided such deposits are collateralized as described above, mutual funds investing in U.S. Government securities and repurchase agreements fully collateralized by U.S. Government obligations. Effective October 1, 1995, the City adopted its own investment policy which conforms to the provisions of Section 218.415, Florida Statutes. This investment policy also authorizes the City to invest in corporate bonds, bankers acceptances, prime commercial paper, repurchase agreements, collateralized mortgage obligations, yankee securities and eurodollar securities. Assets of the Ocala Firefighters' Supplemental Plan and the Ocala Police Officers' Supplemental Plan may also be invested, under state statute, in corporate bonds, corporate stocks, commercial paper and life insurance contracts.

Cash Management Funds are mutual funds administered by Barnett Banks Trust Company. Investments held in these funds consist of U.S. Government and other short-term obligations. These short-term investments are stated at cost, which approximates market. Investment income is recognized as earned and is allocated to participants of the funds based on their equity participation.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

5. Cash and Investments and Equity in Pooled Cash and Investments - Continued:

B. Investments - Continued

The Local Government Surplus Funds Trust Fund is an investment pool administered by the Florida State Board of Administration. Investments held in the Fund consist of short-term federal agency obligations, treasury bills, repurchase agreements, and commercial paper. These short-term investments are stated at cost, which approximates market. Investment income is recognized as earned and is allocated to participants of the fund based on their equity participation.

Collateralized mortgage obligations (CMO's) are investments used by the City to maximize yields. The City's CMO's, consisting of planned amortization classes (PAC's) and adjustable rate mortgage pools (ARM's), are based on cash flows from principal and interest payments on underlying mortgages. The PAC's have fixed interest rates; therefore, as interest rates rise, they will decline in value. The ARM's have an adjustable interest rate based on an underlying index; therefore, they will normally retain their value as interest rates change. Although there is market risk in connection with fluctuating interest rates, the City feels that the risk for these types of CMO's is minimal.

The City's investments are categorized by type to give an indication of the level of credit risk assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments, with securities held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

	Category 1	Category 2	Category 3	Carrying Value	Market Value
U.S. Government securities	\$ -	\$ 7,452,138	\$ 55,302,479	\$ 62,754,617	\$ 62,655,014
Common stocks and debentures	-	-	70,335,004	70,335,004	70,256,605
Repurchase agreement	-	-	1,551,992	1,551,992	1,551,992
	<u>\$ -</u>	<u>\$ 7,452,138</u>	<u>\$ 127,189,475</u>	134,641,613	134,463,611
Cash Management Funds				14,752,980	14,752,980
Local Government Surplus Funds Trust Fund				24,777,227	24,777,227
Deferred Compensation Investments				<u>5,934,159</u>	<u>5,934,159</u>
Total Investments				<u>\$ 180,105,979</u>	<u>\$ 179,927,977</u>

The pension trust funds hold approximately 48% of the investments in Category 3.

The types of investments and their levels of risk exposure as of September 30, 1996 were typical of those items held during the fiscal year then ended.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

6. Due From (To) Other Funds:

The following summarizes the interfund receivables and payables of the various funds of the City at September 30, 1996:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Unrestricted Interfund Receivable/Payable:		
General Fund	\$ 1,235,091	\$ 8,865
Special Revenue Funds:		
Occupational License	8,865	-
Stormwater Utility	88,966	-
	<u>97,831</u>	<u>-</u>
Enterprise Funds:		
Electric System Revenue	-	1,237,190
Water and Sewer	600,108	-
Sanitation	301,287	-
Ocala Regional Airport	-	141,954
Florida Emergency Training Facility	-	801,351
Adult Athletic Complex	-	44,957
	<u>901,395</u>	<u>2,225,452</u>
Total Interfund Receivable/Payable	<u>\$ 2,234,317</u>	<u>\$ 2,234,317</u>

7. Interfund Transactions:

On November 10, 1987, the City Council approved a loan from the Electric System Revenue Fund to the Municipal Golf Course Fund for the cost of the Pine Oaks Clubhouse in excess of \$800,000. In September, 1988, the actual interfund loan was made for \$555,000. This interfund loan bears interest at a fluctuating rate using the same rate the City receives on its investments with the State Board of Administration of Florida. The loan is to be repaid over a ten-year period. At September 30, 1996, \$111,000 of the balance is outstanding, with \$55,500 classified as long-term. Interfund interest recognized on this loan in fiscal year 1996 was \$9,043.

On February 14, 1989, the City Council authorized a loan from the Electric System Revenue Fund to the Airport Fund of \$345,000 for the City's portion of the costs of the airport operations center. On March 14, 1989, the amount of this loan, which bears interest at a fluctuating rate based on the State Board of Administration interest rate, was reduced to \$292,000. The loan, which was made in September, 1989, is to be repaid over a fifteen-year period. At September 30, 1996, \$241,098 of the loan balance is outstanding, with \$230,855 classified as long-term. Interfund interest recognized on this loan in fiscal year 1996 was \$13,378.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

7. Interfund Transactions - Continued:

On July 18, 1989, the City Council approved a loan of \$60,000 from the General Fund to the Fort King Tennis Court Fund for the construction of a new clubhouse facility. In April, 1990, the actual interfund loan was made. This interfund loan bears interest at a fluctuating rate using the same rate the City receives on its investments with the State Board of Administration of Florida and is to be repaid over a fifteen-year period. During 1996, this loan was refinanced by a loan approved by City Council on August 13, 1996. Interfund interest recognized on this loan in fiscal year 1996 was \$2,449.

On April 20, 1993, the City Council approved a loan of \$79,775 from the Fleet Management Fund to the Municipal Golf Course Fund for the purchase of new gas golf carts. This interfund loan, which was actually made in September, 1993, bears interest at a variable interest rate set by the City's Finance Director and is to be repaid over a three-year period beginning in fiscal year 1994. The final principal payment of this loan was made during fiscal year 1996. Interfund interest recognized on this loan in fiscal year 1996 was \$847.

On June 29, 1993, the City Council approved a loan from the Electric System Revenue Fund to the Airport Fund to cover the Airport's portion of the debt service payments through 1998 for various improvements. The first portion of the loan was made in fiscal year 1994 in the amount of \$15,000. This interfund loan bears interest at a fluctuating rate using the same rate the City receives on its investments with the State Board of Administration and is to be repaid during fiscal years 1999 through 2007. At September 30, 1996, \$92,060 of the loan is outstanding and is classified as long-term. Interfund interest recognized on this loan in fiscal year 1996 was \$3,794.

On September 27, 1994, the City Council approved a loan of \$82,838 from the Electric System Revenue Fund to the Parking/Parks Enforcement Fund for the purchase of an additional parking lot. This loan, which bears interest at 6%, is to be repaid over a ten-year period. At September 30, 1996, \$69,983 of the loan balance is outstanding, with \$62,955 classified as long-term. Interfund interest recognized on this loan in fiscal year 1996 was \$4,416.

On October 18, 1994, the City Council approved a loan of \$9,000 from the Electric System Revenue Fund to the Parking/Parks Enforcement Fund for improvements to the leased First Presbyterian Church parking lot. This loan, which bears interest at 6%, is to be repaid in a minimum of 3 years, depending on the sufficiency of the revenues from the parking lot. At September 30, 1996, \$8,216 of the loan is outstanding, with \$5,216 classified as long-term. Interfund interest recognized on this loan in fiscal year 1996 was \$502.

On February 28, 1995, the City Council approved a loan of \$75,000 from the Electric System Revenue Fund to the Airport Fund for the City's match for the upgrading and reconstruction of an existing hangar at the Airport. This loan, which bears interest at 7%, will be payable over ten years commencing after the project is completed. The first portion of the loan, \$12,605, was made in September, 1995. At September 30, 1996, \$57,910 of this loan is outstanding and is classified as long-term. Interfund interest recognized on this loan in fiscal year 1996 was \$1,231.

On June 20, 1995, the City Council approved a loan of \$250,000 from the Electric System Revenue Fund to the Airport Fund for the City's portion of the construction of 28 T-hangars. This loan, which bears interest at 8%, will be payable over 15 years commencing after the project is completed. The first portion of this loan, \$14,866, was made in September, 1995. At September 30, 1996, \$128,017 of this loan is outstanding and is classified as long-term. Interfund interest recognized on this loan in fiscal year 1996 was \$2,380.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

7. Interfund Transactions - Continued:

On June 20, 1995, the City Council approved a loan of \$18,777 from the Electric System Revenue Fund to the Airport Fund for the remainder of the City's portion for the reconstruction of a hangar at the Airport. This loan, which bears interest at 8%, will be payable over five years commencing after the project is completed. At September 30, 1996, no portion of this loan had been drawn, and there was no interfund interest recognized in fiscal year 1996.

On June 27, 1995, the City Council approved a loan from the Electric System Revenue Fund to the Airport Fund to cover the Airport's portion of the debt service payments through 1998 related to the land acquisition in 1993. The first portion of the loan was made in September, 1995 in the amount of \$81,210. This interfund loan bears interest at a fluctuating rate using the same rate the City receives on its investments with the State Board of Administration and is to be repaid during fiscal years 1999 through 2007. At September 30, 1996, \$167,712 of the loan is outstanding and is classified as long-term. Interfund interest recognized on this loan in fiscal year 1996 was \$6,548.

On July 27, 1995, the City Council approved a loan of \$10,000 from the Electric System Revenue Fund to the General Fund for the replacement of lights at the Brick City Park football field. This loan, which bears interest at 8%, is to be repaid over a five-year period beginning in fiscal year 1996. At September 30, 1996, \$8,000 of the loan is outstanding, with \$6,000 classified as long-term. Interfund interest recognized on this loan in fiscal year 1996 was \$800.

On December 5, 1995, the City Council approved a loan of \$15,000 from the Electric System Revenue Fund to the Foreign Trade Zone Fund for the cost of the pre-activation phase of the Foreign Trade Zone project. This loan, which bears no interest, is to be repaid over five years. At September 30, 1996, \$15,000 of the loan is outstanding, with \$12,000 classified as long-term.

On May 28, 1996, the City Council approved a loan of \$10,000 from the Electric System Revenue Fund to the General Fund for the purchase of computer equipment for the Recreation and Parks Department's senior citizen computer program. This loan, which bears interest at 7%, is to be repaid over a three-year period beginning in fiscal year 1997. At September 30, 1996, \$10,000 of this loan is outstanding, with \$6,896 classified as long-term. There was no interfund interest recognized on this loan in fiscal year 1996.

On June 11, 1996, the City Council approved a loan of \$27,000 from the Electric System Revenue Fund to the General Fund for the purchase of a modular home at Cohadjoe Park. This loan, which bears interest at 8%, is to be repaid over fifteen years beginning in fiscal year 1997. At September 30, 1996, \$27,000 of this loan is outstanding, with \$26,029 classified as long-term. There was no interfund interest recognized on this loan in fiscal year 1996.

On August 13, 1996, the City Council approved a loan of \$55,775 from the General Fund to the Fort King Tennis Court Fund for the refinancing of the \$43,275 balance at September 30, 1996 of the interfund loan approved by City Council on July 18, 1989 and \$12,500 for resurfacing and lighting the hard courts at the tennis center. This loan, which bears interest at 7%, is to be repaid over ten years beginning in fiscal year 1997. At September 30, 1996, \$55,775 of this loan is outstanding, with \$51,782 classified as long-term. There was no interfund interest recognized on this loan in fiscal year 1996.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

7. Interfund Transactions - Continued:

On September 24, 1996, the City Council approved a loan of \$325,000 from the Electric System Revenue Fund to the Water and Sewer Fund for specific water and sewer extensions. This loan, which bears no interest, is to be repaid over five years beginning in fiscal year 1997. At September 30, 1996, \$325,000 of this loan is outstanding, with \$260,000 classified as long-term.

The following summarizes the interfund loans receivable and payable of the various funds of the City at September 30, 1996:

<u>Fund</u>	<u>Loans Receivable</u>	<u>Loans Payable</u>
Current Unrestricted Interfund Loans		
Receivable/Payable:		
General Fund	\$ 3,993	\$ 6,075
Special Revenue Funds:		
Parking/Parks Enforcement	-	10,028
Enterprise Funds:		
Electric System Revenue	149,846	-
Water and Sewer	-	65,000
Municipal Golf Course	-	55,500
Fort King Tennis Court	-	3,993
Ocala Regional Airport	-	10,243
Foreign Trade Zone	-	3,000
	<u>149,846</u>	<u>137,736</u>
Total current unrestricted interfund loans receivable/payable	<u>153,839</u>	<u>153,839</u>
Interfund Loans Receivable/Payable After One Year:		
General Fund	51,782	38,925
Special Revenue Funds:		
Parking/Parks Enforcement	-	68,171
Enterprise Funds:		
Electric System Revenue	1,111,150	-
Water and Sewer	-	260,000
Municipal Golf Course	-	55,500
Fort King Tennis Court	-	51,782
Ocala Regional Airport	-	676,554
Foreign Trade Zone	-	12,000
	<u>1,111,150</u>	<u>1,055,836</u>
Total interfund loans receivable/payable after one year	<u>1,162,932</u>	<u>1,162,932</u>
Total Interfund Loans Receivable/Payable	<u>\$ 1,316,771</u>	<u>\$ 1,316,771</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

8. Property, Plant and Equipment:

Property, plant and equipment of the proprietary fund types at September 30, 1996 is summarized as follows:

	Enterprise Funds	Internal Service Funds
Buildings	\$ 5,726,436	\$ 11,283,562
Extensions and improvements other than buildings	183,868,570	1,508,134
Crystal River Unit No. 3	13,772,751	-
Fixtures, vehicles and equipment	9,086,433	8,469,508
	<u>212,454,190</u>	<u>21,261,204</u>
Less accumulated depreciation	<u>(70,625,055)</u>	<u>(5,670,059)</u>
	141,829,135	15,591,145
Land	15,205,310	666,645
Construction in progress	<u>26,907,698</u>	<u>105,401</u>
	<u>\$ 183,942,143</u>	<u>\$ 16,363,191</u>

The cost of Crystal River Unit No. 3 (CR-3) represents the City's 1.3333% share of the ownership of a nuclear power generating plant (bulk power supply system) acquired through a participation agreement with Florida Power Corporation (FPC). Under the participation agreement, FPC is acting as agent for the City in the maintenance and operation of the plant. The City is committed to pay its ownership share of the operational costs of the plant as well as capital improvements, nuclear fuel procurements and plant decommissioning costs. For its investment, the City receives the ratio of its percentage ownership in the net energy output of the CR-3 plant.

In 1976, the City Council adopted resolution 76-44 which authorized the construction of the Municipal Service Complex to house the operations of the electric, water and sewer and other public works activities of the City. The cost of the Complex has been partially financed by contributions from various City funds and is being accounted for within the internal service fund since operations of the Complex are funded by user charges to the respective funds utilizing the Complex.

During the fiscal year ended September 30, 1996, the following changes in general fixed assets occurred:

	Balance September 30, 1995	Additions	Retirements & Other Deletions	Balance September 30, 1996
Land	\$ 3,528,822	\$ 587,959	\$ -	\$ 4,116,781
Buildings	5,826,211	801,826	-	6,628,037
Equipment	8,893,249	2,149,739	1,128,568	9,914,420
Construction in Progress	<u>1,649,363</u>	<u>9,002</u>	<u>1,649,363</u>	<u>9,002</u>
Total	<u>\$ 19,897,645</u>	<u>\$ 3,548,526</u>	<u>\$ 2,777,931</u>	<u>\$ 20,668,240</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

9. Pension Plans:

The City maintains a single-employer, defined benefit pension plan which covers substantially all of the City's full-time employees (General Plan), a single-employer defined benefit pension plan which covers all of its full-time certified law enforcement officers (Supplemental Police Officers' Plan) and a single-employer defined benefit pension plan which covers all of its full-time certified firefighters (Supplemental Firefighters' Plan).

A. Plan Descriptions and Provisions

General Plan - The General Plan is a noncontributory defined benefit pension plan covering substantially all full-time employees of the City. The amount of the covered payroll for the year ended September 30, 1996 was \$27,284,106. The City's entire payroll was \$28,551,354.

Employees are eligible to retire at age sixty-five (65) with ten (10) years of credited service or may elect early retirement with twenty-five (25) years of credited service or at age fifty-five (55) with ten (10) years of credited service. Employees become vested after ten (10) years of credited service. Employees hired after the age of fifty-five (55) become vested at the later of attainment of the age of sixty-five (65) or completion of five (5) or more years of credited service.

Supplemental Police Officers' Plan - The Supplemental Police Officers' Plan is a contributory defined benefit pension plan covering any person employed full-time in the Ocala Police Department who is certified as a law enforcement officer in compliance with the provisions of Chapter 943.14 of the Florida Statutes. The Plan supplements the General Plan which covers all qualified employees of the City. Florida Statutes Chapter 185 allows contributions to the Plan by the State of Florida. The amount of the covered payroll for the year ended September 30, 1996 was \$4,538,721.

A law enforcement officer is eligible to retire on the first day of the month following their sixtieth (60) birthday or may elect to take early retirement upon the completion of twenty-five (25) years of service or at age fifty (50) and at least ten (10) years of service and begin receiving a benefit from the Plan payable until age sixty-five (65). Law enforcement officers become vested in the Plan after ten (10) years of credited service.

Pursuant to Florida Statutes Section 185.08, an excise tax amounting to 1% of the gross amount of receipts of premiums from policyholders on all premiums collected on casualty insurance policies covering property within the corporate limits of the City is collected by the Insurance Commissioner. Such amounts collected by the Insurance Commissioner, less expenses, are contributed annually to the Plan. The City does not contribute to the Plan. The law enforcement officers contribute 2% of their salaries or wages to the Supplemental Police Officers' Plan.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

9. Pension Plans - Continued:

A. Plan Descriptions and Provisions - Continued

Supplemental Firefighters' Plan - The Supplemental Firefighters' Plan is a contributory defined benefit pension plan covering any person employed full-time in the Ocala Fire Department who is certified as a firefighter as a condition of employment in accordance with the provisions of Section 633.35 of the Florida Statutes. The Plan supplements the General Plan which covers all qualified employees of the City. Florida Statutes Chapter 175 allows contributions to the Plan by the State of Florida. The amount of the covered payroll for the year ended September 30, 1996 was \$3,508,880.

On either the first day of the month following his fifty-fifth (55) birthday or the first day of the month following his thirtieth (30) year of credited service, a firefighter is eligible to retire and begin receiving a benefit from the Plan payable until age sixty-five (65). Firefighters become vested in the Plan after ten (10) years of credited service.

Pursuant to Florida Statutes Section 175.101, an excise tax amounting to 2% of the gross amount of receipts of premiums from policyholders on all premiums collected on casualty insurance policies covering property within the corporate limits of the City is collected by the Insurance Commissioner. Such amounts collected by the Insurance Commissioner, less expenses, are contributed annually to the Plan. The City does not contribute to the Plan. The firefighters contribute 8.42% of their salaries or wages to the Supplemental Firefighters' Plan.

Participation - At September 30, 1996, participation in the plans consisted of the following:

	<u>General</u>	<u>Police</u>	<u>Fire</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits not yet receiving them	<u>288</u>	<u>26</u>	<u>24</u>
Current employees:			
Vested	373	71	56
Nonvested	<u>595</u>	<u>62</u>	<u>44</u>
Total	<u>968</u>	<u>133</u>	<u>100</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

9. Pension Plans - Continued:

B. Investments

The investments of the two Supplemental Plans are pooled. Interest and dividend income, gains and losses on sale of investments and appreciation or depreciation in fair market value of investments are allocated to the two Supplemental Plans monthly based upon the investment balances of the respective funds at the beginning of each month.

Investments of the three plans, consisting of bonds, common stocks, debentures and mutual funds, are stated at fair market value based on quoted market prices at the end of the fiscal year.

C. Contributions Required and Contribution Made

The plans' funding policies provide that annual contributions at actuarially determined rates, expressed as percentages of annual covered payroll, be sufficient to accumulate sufficient assets to pay benefits when due. The contribution rate for the General Plan is determined using the frozen entry age actuarial funding method. Based upon the October 1, 1996 actuarial valuation, the unfunded frozen actuarial accrued liability for the General Plan is \$3,104,394. The funding period for the unfunded actuarial accrued liability is 30 to 40 years. For the Police Officers' Plan and Firefighters' Plan, the contribution rate for normal cost is determined using the aggregate actuarial funding method which does not produce a past service liability that is amortized over a fixed number of years. Instead, the value of all projected benefits in excess of current assets is paid off over the future working years of the covered employees. Therefore, this method automatically funds the remaining value of benefits while there are still active members.

The most recent actuarial valuation on the General Plan was performed as of October 1, 1996. The most recent actuarial valuations of the two Supplemental Plans were performed as of October 1, 1995. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 8% per year compounded annually, (b) projected salary increases of 6% per year compounded annually, attributable to seniority increases and inflation, (c) no postretirement benefit increases, and (d) no merit rate increases. The asset valuation method used was the 5-year weighted index.

The contribution requirement for the General Plan for the 1996 fiscal year, determined through an actuarial valuation performed as of October 1, 1995, was \$1,605,229 (6.09% of current covered payroll). The pension contribution requirement represents funding for normal cost \$1,233,217 (4.7% of covered payroll), amortization of the unfunded actuarial accrued liability \$335,903 (1.3% of covered payroll), and administrative expenses \$36,109. Actual employer contributions amounted to \$1,691,615 (6.2% of current covered payroll). Because of timing, there is a one-year lapse in the funding of the contribution requirements for the General Plan.

The contribution requirement for the Supplemental Police Officers' Plan for the 1996 fiscal year, determined through an actuarial valuation performed as of October 1, 1995, was \$336,179 (10.1% of current covered payroll). The pension contribution requirement represents funding for normal cost \$327,979 (9.9% of covered payroll), and administrative expenses \$8,200. Actual employee contributions totalled \$90,775 (2.0% of current covered payroll) and actual state contributions amounted to \$334,734 (7.4% of current covered payroll).

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

9. Pension Plans - Continued:

C. Contributions Required and Contribution Made - Continued:

The contribution requirement for the Supplemental Firefighters' Plan for the 1996 fiscal year, determined through an actuarial valuation performed as of October 1, 1995, was \$342,727 (13.08% of current covered payroll). The pension contribution requirement represents funding for normal cost \$334,127 (12.75% of covered payroll), and administrative expenses \$8,600. Actual employee contributions totalled \$295,447 (8.42% of current covered payroll) and actual state contributions amounted to \$208,323 (5.9% of current covered payroll).

D. Historical Trend Information:

Historical trend information is presented to help users assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employee retirement systems. Historical trend information is presented as required supplementary information in the Statistical Section of the Comprehensive Annual Financial Report.

10. Proprietary Funds - Long-Term Debt:

Enterprise Funds - Following is a maturity schedule of outstanding debt of the enterprise funds:

Fiscal Year Ended September 30,	Series 1989B Electric System Revenue Refunding Bonds	Series 1992A Utility Systems Subordinate Refunding Revenue Bonds	Series 1992B Utility Systems Subordinate Refunding Revenue Bonds	Series 1995 Water and Sewer Revenue Bonds	Series 1996 Water and Sewer Refunding Revenue Bonds	Total Principal Due
1997	\$ 1,630,000	\$ 1,305,000	\$ 2,270,000	\$ -	\$ -	\$ 5,205,000
1998	1,745,000	1,375,000	2,385,000	5,000	380,000	5,890,000
1999	1,740,000	1,440,000	1,365,000	10,000	395,000	4,950,000
2000	-	1,525,000	-	10,000	410,000	1,945,000
2001	-	1,610,000	-	10,000	435,000	2,055,000
2002-2021	-	40,350,000	10,235,000	4,965,000	10,550,000	66,100,000
Total long-term debt	5,115,000	47,605,000	16,255,000	5,000,000	12,170,000	86,145,000
Less:						
Current portion	1,630,000	1,305,000	2,270,000	-	-	5,205,000
Unamortized bond discount	5,980	1,313,054	426,393	188,297	180,639	2,114,363
Unamortized deferred loss on defeasance of debt	-	-	-	-	844,876	844,876
Total long-term portion	\$ 3,479,020	\$ 44,986,946	\$ 13,558,607	\$ 4,811,703	\$ 11,144,485	\$ 77,980,761
Interest rate	6.70 - 6.90%	5.00 - 6.50%	5.00 - 6.25%	3.75 - 5.50%	4.65 - 6.00%	

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

10. Proprietary Funds - Long-Term Debt - Continued:

Electric System Revenue Refunding Bonds, Series 1989B - The Electric System Revenue Refunding Bonds, Series 1989B, were issued in October, 1989, and consisted of \$13,000,000 serial bonds maturing from October 1, 1990 through 1998. The proceeds of this issue were used to advance refund the Power System Revenue Bonds, Series 1977, and the Power Supply Revenue Refunding Bonds, Series 1988.

Major Debt Provisions - The major provisions of the resolution authorizing the issuance of the Electric System Revenue Refunding Bonds, Series 1989B, are as followed:

- 1) The debt obligation and related interest are collateralized by a pledge of the net revenues of the Electric system.
- 2) The City will establish and maintain rates which will provide pledged revenues in each fiscal year equal to 100% of the costs of operation and maintenance of the Electric System, the required reserve amounts, debt service on all outstanding obligations which are junior and subordinate to the bonds, and 125% of the debt service requirement on the bonds and parity debt service components.
- 3) The City will deposit into the Operation and Maintenance Fund, on or before the 25th day of each month, amounts necessary for the cost of operation and maintenance for the next ensuing month.
- 4) The City shall deposit into the Sinking Fund, on or before the 25th day of each month, an amount equal to one-sixth of the next semi-annual interest payment and one-twelfth of the next annual principal amount.
- 5) The City will deposit into the Electric Renewal and Replacement Fund, on or before the 25th day of each month, one-twelfth of an amount not less than five percent of the gross revenues of the system for the preceding fiscal year.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

10. Proprietary Funds - Long-Term Debt - Continued:

Utility Systems Subordinate Refunding Revenue Bonds, Series 1992A and 1992B - The Utility Systems Subordinate Refunding Revenue Bonds, Series 1992A and 1992B, were issued in March, 1992. The Series 1992A issue consisted of \$23,415,000 in serial bonds maturing from October 1, 1992 through 2006 and of \$28,465,000 in term bonds maturing from October 1, 2010 through 2015. The Series 1992B issue consisted of \$28,435,000 in serial bonds maturing from October 1, 1992 through 2006. The proceeds of these issues were used to advance refund the Water and Sewer Revenue Bonds, Series 1985A, the Water and Sewer Refunding Revenue Bonds, Series 1986, and the Electric System Revenue Bonds, Series 1989A.

Major Debt Provisions - The major debt provisions of the resolution authorizing issuance of the Utility Systems Subordinate Refunding Revenue Bonds, Series 1992A and 1992B, are as follows:

- 1) The debt obligation and related interest are collateralized by a pledge of the Water and Sewer Surplus Revenues and the Electric Surplus Revenues.
- 2) The City shall establish and maintain rates which will provide pledged revenues in each fiscal year sufficient to pay 125% of the maximum debt service requirement on the Series 1992 bonds and 100% of all other reserves and payments required.
- 3) The City will deposit into the Sinking Fund, on or before the 25th day of each month, an amount equal to one-sixth of the next semi-annual interest payment and one-sixth or one-twelfth, as applicable, of the next principal payment.

Water and Sewer Revenue Bonds, Series 1995 - The Water and Sewer Revenue Bonds, Series 1995, were issued in October, 1995, and consisted of \$155,000 serial bonds maturing from October 1, 1997 through 2011 and \$4,845,000 term bonds maturing on October 1, 2020. The proceeds of this issue are being used primarily to finance the cost of acquisition and construction of additions, improvements and extensions to the City's water and sewer system.

Major Debt Provisions - The major provisions of the resolution authorizing the issuance of the Water and Sewer Revenue Bonds, Series 1995, are as follows:

- 1) The debt obligation and related interest are collateralized by a pledge of the net revenues of the Water and Sewer system.
- 2) The City will establish and maintain rates which will provide net revenues in each bond year sufficient to pay 100% of the debt service requirement and 100% of all reserve or other payments, including the cost of operation and maintenance of the system.
- 3) The City will deposit into the Operation and Maintenance Fund, on or before the 25th day of each month, an amount necessary to make the balance equal to one-fourth of the budgeted cost of operation and maintenance expenses for the current fiscal year.
- 4) The City shall deposit into the Sinking Fund, on or before the 25th day of each month, an amount equal to one-sixth of the next semi-annual interest payment and one-twelfth of the next annual principal amount.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

10. Proprietary Funds - Long-Term Debt - Continued:

Enterprise Funds - Continued -

- 5) The City will deposit into the Water renewal and replacement fund, on or before the 25th day of each month, one-twelfth of an amount not less than five percent of the gross revenues of the system for the preceding fiscal year.
- 6) The City will allocate to the Sewer renewal and replacement fund on a monthly basis, an amount sufficient to pay at least one-twelfth of the annual amount required by the Florida Administrative Code Section 17.50-17(2) to be on deposit.

Water and Sewer Refunding Revenue Bonds, Series 1996 - The Water and Sewer Refunding Revenue Bonds, Series 1996, were issued in July, 1996, and consisted of \$1,620,000 serial bonds maturing on October 1, 1997 and 1998 and \$10,550,000 term bonds maturing on October 1, 2005, 2010 and 2015. The proceeds of this issue were used primarily for the forward refunding of the City's outstanding Water and Sewer Refunding Revenue Bonds, Series 1988.

The City defeased the \$11,900,000 of the 1988 bonds by depositing sufficient funds with an escrow agent for the purpose of the current refunding on October 1, 1996 of the refundable bonds at a redemption price of 102% of the principal amount plus accrued interest to the redemption date. The defeasance resulted in an extraordinary loss of \$849,985 which has been deferred and will be amortized over the life of the old bonds.

The defeasance resulted in the following:

Annual average savings	\$ 123,023
Aggregate future value savings	2,337,436
Present value savings *	1,345,623

* discounted using average interest cost of 5.95%

Major Debt Provisions - The major provisions of the resolution authorizing the issuance of the Water and Sewer Refunding Revenue Bonds, Series 1996, are as follows:

- 1) The debt obligation and related interest are collateralized by a pledge of the net revenues of the Water and Sewer system.
- 2) The City will establish and maintain rates which will provide net revenues in each bond year sufficient to pay 100% of the debt service requirement and 100% of all reserve or other payments, including the cost of operation and maintenance of the system.
- 3) The City will deposit into the Operation and Maintenance Fund, on or before the 25th day of each month, an amount necessary to make the balance equal to one-fourth of the budgeted cost of operation and maintenance expenses for the current fiscal year.
- 4) The City shall deposit into the Sinking Fund, on or before the 25th day of each month, an amount equal to one-sixth of the next semi-annual interest payment and one-twelfth of the next annual principal amount.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

10. Proprietary Funds - Long-Term Debt - Continued:

Enterprise Funds - Continued -

- 5) The City will deposit into the Water renewal and replacement fund, on or before the 25th day of each month, one-twelfth of an amount not less than five percent of the gross revenues of the system for the preceding fiscal year.
- 6) The City will allocate to the Sewer renewal and replacement fund on a monthly basis, an amount sufficient to pay at least one-twelfth of the annual amount required by the Florida Administrative Code Section 17.50-17(2) to be on deposit.

Following is a schedule of debt service requirements to maturity for all outstanding bonded debt of the City's enterprise funds as of September 30, 1996:

Fiscal Year Ended September 30,	Series 1989B	Series 1992A	Series 1992B	Series 1995	Series 1996	Total Principal and Interest Due
	Electric System Revenue Refunding Bonds	Utility Systems Subordinate Refunding Revenue Bonds	Utility Systems Subordinate Refunding Revenue Bonds	Water and Sewer Revenue Bonds	Water and Sewer Refunding Revenue Bonds	
1997	\$ 1,923,325	\$ 4,203,865	\$ 3,154,200	\$ 273,688	\$ 512,567	\$ 10,067,645
1998	1,924,390	4,205,490	3,150,440	278,594	1,059,688	10,618,602
1999	1,800,030	4,195,860	2,031,576	283,300	1,056,471	9,367,237
2000	-	4,199,280	629,720	282,900	1,052,045	6,163,945
2001	-	4,194,890	629,720	282,488	1,056,125	6,163,223
2002	-	4,192,903	629,720	282,062	1,046,750	6,151,435
2003	-	4,188,455	2,390,270	281,630	1,053,700	7,914,055
2004	-	4,176,202	2,382,260	281,185	1,048,850	7,888,497
2005	-	4,180,931	2,381,225	280,730	1,047,350	7,890,236
2006	-	4,168,888	2,376,094	280,265	1,053,750	7,878,997
2007	-	4,167,450	2,366,719	279,790	1,048,050	7,862,009
2008	-	4,161,750	-	279,305	1,045,400	5,486,455
2009	-	4,153,437	-	278,810	1,045,500	5,477,747
2010	-	4,154,400	-	278,305	1,043,200	5,475,905
2011	-	4,143,988	-	282,660	1,043,350	5,469,998
2012	-	4,140,625	-	281,873	1,042,838	5,465,336
2013	-	4,138,750	-	281,062	1,041,775	5,461,587
2014	-	4,124,375	-	280,238	1,043,100	5,447,713
2015	-	4,121,719	-	279,412	1,036,812	5,437,943
2016	-	4,114,687	-	278,588	1,037,775	5,431,050
2017	-	-	-	1,099,525	-	1,099,525
2018	-	-	-	1,095,987	-	1,095,987
2019	-	-	-	1,094,838	-	1,094,838
2020	-	-	-	1,090,937	-	1,090,937
2021	-	-	-	1,089,150	-	1,089,150
Total	<u>\$ 5,647,745</u>	<u>\$ 83,327,945</u>	<u>\$ 22,121,944</u>	<u>\$ 11,077,322</u>	<u>\$ 20,415,096</u>	<u>\$ 142,590,052</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

10. Proprietary Funds - Long-Term Debt - Continued:

Internal Service Fund Capital Lease - The City has entered into a lease-purchase agreement to purchase a copier. Information relative to the capital lease is as follows:

Asset capitalized	\$ 89,053
Less accumulated amortization	<u>(28,200)</u>
Net book value of asset	<u><u>\$ 60,853</u></u>

Amortization of assets under capital leases for the year amounted to \$17,811 and is included in depreciation expense.

The following is a schedule by years of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of September 30, 1996:

<u>Year Ending</u> <u>September 30,</u>	
1997	\$ 15,136
1998	15,137
1999	15,136
2000	<u>7,568</u>
Total minimum lease payments	52,977
Less amount representing interest	<u>(6,596)</u>
Present value of net minimum lease payments	46,381
Less: Current portion	<u>(12,020)</u>
Total long-term portion	<u><u>\$ 34,361</u></u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

11. General Long-Term Debt:

The following is a summary of changes in the City's general long-term debt for the year ended September 30, 1996:

	Balance at October 1, 1995	General Long-Term Debt Additions	General Long-Term Debt Retired	Debt Service Funds Operations	Balance at September 30, 1996
Amounts Available in Debt Service Funds	\$ 5,313,560	\$ -	\$ -	\$ 420,578	\$ 5,734,138
Amount to be Provided:					
Term bonds	2,425,000	-	-	-	2,425,000
Serial bonds	8,627,284	-	(615,000)	(9,287)	8,002,997
Term certificates	12,320,000	3,665,000	-	-	15,985,000
Serial certificates	6,174,156	1,335,000	(1,050,000)	(411,291)	6,047,865
Compensated absences payable	397,905	50,714	-	-	448,619
	<u>29,944,345</u>	<u>5,050,714</u>	<u>(1,665,000)</u>	<u>(420,578)</u>	<u>32,909,481</u>
Total Amount Available and to be Provided	<u>\$ 35,257,905</u>	<u>\$ 5,050,714</u>	<u>\$ (1,665,000)</u>	<u>\$ -</u>	<u>\$ 38,643,619</u>
General Long-Term Debt Payable:					
Term bonds	\$ 2,425,000	\$ -	\$ -	\$ -	\$ 2,425,000
Serial bonds	10,700,000	-	(615,000)	-	10,085,000
Term certificates	12,320,000	3,665,000	-	-	15,985,000
Serial certificates	9,415,000	1,335,000	(1,050,000)	-	9,700,000
Compensated absences payable	397,805	50,714	-	-	448,519
Total General Long-Term Debt Payable	<u>\$ 35,257,805</u>	<u>\$ 5,050,714</u>	<u>\$ (1,665,000)</u>	<u>\$ -</u>	<u>\$ 38,643,519</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

11. General Long-Term Debt - Continued:

General long-term debt matures as follows:

Fiscal Year Ended September 30,	Capital Improvement Revenue Refunding Certificates Series 1988	Optional Gas Tax Refunding Revenue Bonds Series 1992	Capital Improvement Refunding Revenue Certificates Series 1993	Capital Improvement Revenue Certificates Series 1995	Total Principal Due
1997	\$ 1,120,000	\$ 635,000	\$ -	\$ -	\$ 1,755,000
1998	1,200,000	660,000	-	-	1,860,000
1999	-	690,000	-	-	690,000
2000	-	725,000	440,000	80,000	1,245,000
2001	-	755,000	460,000	80,000	1,295,000
2002-2023	-	9,045,000	17,465,000	4,840,000	31,350,000
	<u>\$ 2,320,000</u>	<u>\$ 12,510,000</u>	<u>\$ 18,365,000</u>	<u>\$ 5,000,000</u>	<u>\$ 38,195,000</u>
Interest rate	<u>6.90-7.15%</u>	<u>3.60-6.00%</u>	<u>3.90-5.25%</u>	<u>4.00 - 5.375%</u>	

The City's charter limits the aggregate amount of general obligation bonds outstanding to twenty percent (20%) of the assessed valuation of the taxable real and personal property in the City. At September 30, 1996, there was no general obligation debt outstanding.

Capital Improvement Revenue Refunding Certificates - In August, 1988, the City Council authorized the issuance of \$7,505,000 Capital Improvement Revenue Refunding Certificates, Series 1988. The Certificates were issued in the authorized amount during August, 1988. The proceeds of this issue were used to advance refund the Capital Improvement Revenue Certificates, Series 1986, and to finance certain capital projects of the City. The bonds are collateralized by a lien upon and pledge of certain non-ad valorem revenues of the City.

Optional Gas Tax Refunding Revenue Bonds - In December, 1992, the City Council authorized the issuance of not exceeding \$17,500,000 Optional Gas Tax Refunding Revenue Bonds, Series 1992. The bonds were issued in the amount of \$14,340,000 during December, 1992. The proceeds of this issue were used to refund the City's Optional Gas Tax Revenue Bonds, Series 1989. These bonds are collateralized by a lien upon and a pledge of the proceeds of the six cent optional gas tax.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

11. General Long-Term Debt - Continued:

Capital Improvement Refunding Revenue Certificates - In December, 1993, the City Council authorized the issuance of not exceeding \$18,500,000 Capital Improvement Refunding Revenue Certificates, Series 1993. The certificates were issued in the amount of \$18,365,000 during December, 1993. The proceeds of this issue were used to refund the \$10,835,000 outstanding balance of the Capital Improvement Refunding Revenue Bonds, Series 1986, and to finance certain capital improvements in the City. These certificates are collateralized by a lien upon and a pledge of certain non-ad valorem revenues of the City.

Capital Improvement Revenue Certificates - In September, 1995, the City Council authorized the issuance of \$5,000,000 Capital Improvement Revenue Certificates, Series 1995. The certificates were issued in the amount of \$5,000,000 during October, 1995. The proceeds of this issue are being used to finance certain capital projects of the City. The bonds are collateralized by a lien upon and pledge of certain non-ad valorem revenues of the City.

Debt service requirements to maturity for all outstanding general long-term debt are as follows:

Fiscal Year Ended September 30,	Capital Improvement Revenue Refunding Certificates Series 1988	Optional Gas Tax Refunding Revenue Bonds Series 1992	Capital Improvement Refunding Revenue Certificates Series 1993	Capital Improvement Revenue Certificates Series 1995	Total Principal and Interest Due
1997	\$ 1,284,200	\$ 1,305,489	\$ 898,062	\$ 260,536	\$ 3,748,287
1998	1,285,800	1,302,953	898,062	260,536	3,747,351
1999	-	1,302,476	898,062	260,536	2,461,074
2000	-	1,303,395	1,329,482	338,936	2,971,813
2001	-	1,296,018	1,331,702	335,636	2,963,356
2002	-	1,300,565	1,327,765	337,130	2,965,460
2003	-	1,296,265	1,332,528	333,454	2,962,247
2004	-	1,298,245	1,330,848	334,559	2,963,652
2005	-	1,296,887	1,327,518	335,349	2,959,754
2006	-	1,291,988	1,332,258	335,814	2,960,060
2007	-	1,292,812	1,325,283	335,944	2,954,039
2008	-	1,288,800	1,326,538	335,729	2,951,067
2009	-	1,285,250	1,325,733	335,159	2,946,142
2010	-	1,287,500	1,323,148	339,096	2,949,744
2011	-	-	1,322,719	337,528	1,660,247
2012	-	-	1,324,131	335,571	1,659,702
2013	-	-	1,844,400	196,994	2,041,394
2014	-	-	1,837,869	196,994	2,034,863
2015	-	-	1,839,500	196,994	2,036,494
2016	-	-	1,839,125	196,994	2,036,119
2017	-	-	1,835,000	196,994	2,031,994
2018	-	-	1,832,000	196,994	2,028,994
2019	-	-	1,834,750	196,994	2,031,744
2020	-	-	-	1,019,284	1,019,284
2021	-	-	-	1,017,656	1,017,656
2022	-	-	-	1,018,475	1,018,475
2023	-	-	-	1,016,606	1,016,606
	<u>\$ 2,570,000</u>	<u>\$ 18,148,643</u>	<u>\$ 32,816,483</u>	<u>\$ 10,602,492</u>	<u>\$ 64,137,618</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

11. General Long-Term Debt - Continued:

In April, 1983, \$2,500,000 Industrial Development Revenue Bonds were issued. The proceeds of the bonds are being used by an independent real estate developer for the construction of a commercial project within an area of the City designated as blighted. The bonds, which mature in 1999, do not represent debt or an obligation of the City and are collateralized solely from the gross revenues of the completed project. The completed project and all revenues derived therefrom, subsequent to the payment of all debt service requirements, belong exclusively to the developer.

In January, 1994, \$3,500,000 Student Housing Revenue Bonds were issued. The proceeds of the bonds are being used by the Central Florida Community College Foundation to acquire real property and to construct student housing facilities. The bonds, which mature in 2014, do not represent debt or an obligation of the City and are collateralized solely from the gross revenues of the completed project. The completed project and all revenues derived therefrom, subsequent to the payment of all debt service requirements, belong exclusively to the Foundation.

In December, 1994, \$1,920,000 Health Care Facilities Revenue Bonds were issued. The proceeds of the bonds are being used by the Hospice of Marion County, Inc. to build an administrative office complex. The bonds, which mature in 2009, do not represent debt or an obligation of the City and are collateralized solely from the gross operating revenues. The completed project and all revenues derived therefrom, subsequent to the payment of all debt service requirements, belong exclusively to Hospice.

12. Prior Year Defeasance of Debt:

The City has defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 1996, \$156,800,000 of bonds outstanding are considered defeased, as follows:

Governmental Funds:	
Capital Improvement Refunding Revenue	
Bonds, Series 1986	\$ 9,740,000
Optional Gas Tax Revenue Bonds, Series 1989	11,620,000
	<u>21,360,000</u>
Enterprise Funds:	
Electric System Revenue:	
Power Supply Revenue Bonds, Series 1977	7,020,000
Power Supply Refunding Revenue Bonds, Series 1988	4,800,000
Electric System Revenue Bonds, Series 1989A	23,340,000
Water and Sewer:	
Water and Sewer Refunding Revenue Bonds, Series 1983	6,575,000
Water and Sewer Refunding Revenue Bonds, Series 1985A	33,805,000
Water and Sewer Refunding Revenue Bonds, Series 1985B	10,430,000
Water and Sewer Refunding Revenue Bonds, Series 1986	37,570,000
Water and Sewer Refunding Revenue Bonds, Series 1988	11,900,000
	<u>135,440,000</u>
	<u>\$ 156,800,000</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

13. Financial Segment Information of Enterprise Funds:

Each of the City's enterprise operations is accounted for within a separate fund. Over 90% of the combined assets, revenues, and expenses of the enterprise funds are attributable to utility funds used to account for the transactions of the City's electric and bulk power, water and sewer, and sanitation systems. Other enterprise funds are used to account for the operations of golf, tennis, trailer park, airport facilities, a sports complex, foreign trade and a fiber optics network provided for the benefit of the general public. Following is a summary of significant financial information of the enterprise funds:

	Electric System Revenue	Water and Sewer	Sanitation	Other	Total
Current Assets	\$ 20,228,641	\$ 6,494,818	\$ 875,879	\$ 666,052	\$ 28,265,390
Current Liabilities	10,436,262	371,622	394,370	1,306,088	12,508,342
Working Capital	<u>\$ 9,792,379</u>	<u>\$ 6,123,196</u>	<u>\$ 481,509</u>	<u>\$ (640,036)</u>	<u>\$ 15,757,048</u>
Property, Plant and Equipment:					
Additions	<u>\$ 5,627,716</u>	<u>\$ 4,605,615</u>	<u>\$ 131,859</u>	<u>\$ 5,865,363</u>	<u>\$ 16,230,553</u>
Deletions	<u>\$ 1,543,147</u>	<u>\$ 300,715</u>	<u>\$ 181,940</u>	<u>\$ 68,186</u>	<u>\$ 2,093,988</u>
Total Property, Plant and Equipment, net	<u>\$ 74,195,150</u>	<u>\$ 86,185,618</u>	<u>\$ 895,174</u>	<u>\$ 22,666,201</u>	<u>\$ 183,942,143</u>
Restricted Assets	<u>\$ 25,916,231</u>	<u>\$ 33,443,263</u>	<u>\$ -</u>	<u>\$ 1,959,079</u>	<u>\$ 61,318,573</u>
Total Assets	<u>\$ 121,628,566</u>	<u>\$ 126,724,503</u>	<u>\$ 1,771,053</u>	<u>\$ 25,291,332</u>	<u>\$ 275,415,454</u>
Liabilities Payable from Restricted Assets	<u>\$ 6,358,229</u>	<u>\$ 3,346,399</u>	<u>\$ -</u>	<u>\$ 1,067,313</u>	<u>\$ 10,771,941</u>
Bonds and Other Long-Term Liabilities	<u>\$ 17,037,627</u>	<u>\$ 61,203,134</u>	<u>\$ -</u>	<u>\$ 795,836</u>	<u>\$ 79,036,597</u>
Total Fund Equity	<u>\$ 87,796,448</u>	<u>\$ 61,803,348</u>	<u>\$ 1,376,683</u>	<u>\$ 22,122,095</u>	<u>\$ 173,098,574</u>
Total Operating Revenues	\$ 78,245,851	\$ 12,852,887	\$ 6,425,127	\$ 2,332,021	\$ 99,855,886
Operating Expenses (less depreciation and amortization)	60,798,992	5,766,441	5,888,123	2,305,928	74,759,484
Depreciation and amortization	<u>3,561,675</u>	<u>2,779,035</u>	<u>235,504</u>	<u>630,945</u>	<u>7,207,159</u>
Operating Income (Loss)	13,885,184	4,307,411	301,500	(604,852)	17,889,243
Operating Transfers From Other Funds	286,045	13,636	17,241	658,140	975,062
Operating Transfers To Other Funds	(9,263,264)	(348,066)	(227,810)	(447,071)	(10,286,211)
Interest Income	1,457,294	1,928,251	27,675	35,976	3,449,196
Interest Expense	(839,856)	(3,260,037)	-	(39,670)	(4,139,563)
Other Non-Operating Revenue	-	-	52,114	63,251	115,365
Net Income (Loss)	<u>\$ 5,525,403</u>	<u>\$ 2,641,195</u>	<u>\$ 170,720</u>	<u>\$ (334,226)</u>	<u>\$ 8,003,092</u>
Equity Transfers to Other Funds	<u>\$ (8,988)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,988)</u>
Capital Contributions	<u>\$ 358,432</u>	<u>\$ 1,742,004</u>	<u>\$ -</u>	<u>\$ 5,181,837</u>	<u>\$ 7,282,273</u>

Interfund loans payable and long-term debt of individual enterprise funds are presented in Notes 7 and 10.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

14. Reserved Retained Earnings:

The following is a reconciliation of the reserved retained earnings to the net restricted assets of enterprise funds as of September 30, 1996:

Total Restricted Assets	\$ 61,318,573
Less:	
Restricted assets set aside for construction under bond indentures	(19,253,731)
Liabilities payable from restricted assets	(10,771,941)
Add:	
Liabilities payable from restricted assets set aside for construction under bond indenture	<u>275,506</u>
Total reserved retained earnings	<u><u>\$ 31,568,407</u></u>

15. Operating Deficits and Fund Deficits:

A. Following is a summary of net losses of individual proprietary funds and deficiencies of revenues and other sources over expenditures and other uses of individual governmental funds for the year ended September 30, 1996 which are included in the accompanying combined financial statements:

<u>Proprietary Funds</u>	<u>Net Loss</u>
Enterprise Funds:	
Municipal Golf Course	\$ 189,261
Fort King Tennis Court	356
Ocala Regional Airport	334,166
Foreign Trade Zone	16,737
Internal Service Funds:	
Internal Service	147,846
Self-Insurance	213,262
<u>Governmental Funds</u>	<u>Deficiency</u>
Special Revenue Funds:	
Downtown Development	\$ 8,851
Stormwater Utility	110,485
Debt Service Funds:	
1988 Improvement Certificates	1,225
Capital Project Funds:	
Optional Gas Tax Construction	222,901
Capital Improvement Fund	332,334

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

15. Operating Deficits and Fund Deficits - Continued:

B. Following is a summary of accumulated deficits of individual proprietary funds and deficit fund balance of individual governmental funds as of September 30, 1996 which are included in the accompanying combined financial statements:

	<u>Accumulated Deficit/ Deficit Fund Balance</u>
<u>Proprietary Funds</u>	
Ocala Regional Airport	\$ 182,494

The deficit in the Ocala Regional Airport Fund was caused primarily by the construction of capital improvements to the Airport. Revenues derived from some of the projects will commence in fiscal year 1997.

Foreign Trade Zone	\$ 16,737
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The deficit in the Foreign Trade Zone Fund was caused by expenses of a new fund being funded by an interfund loan. Future revenues will pay the debt service requirements as well as increase the retained earnings of this fund.

Self-Insurance	\$ 95,779
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The deficit in the Self-Insurance Fund is the result of obtaining actuarially determined estimates for the claims loss reserves for self-insurance as of September 30, 1996 that met the criteria for accrual as a liability combined with increased health insurance premium costs. The City has initiated a funding plan that will increase the charges to the various funds and should provide sufficient monies to eliminate the fund deficit.

<u>Governmental Fund</u>	
Parking/Parks Enforcement	\$ 24,241

The deficit in the Parking/Parks Enforcement Fund is the result of obtaining an additional parking lot funded by an interfund loan. Future revenues from this lot will pay the debt service requirements as well as increase the fund balance of this fund.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

16. Contributed Capital:

During the year ended September 30, 1996, contributed equity increased as follows:

	Contributed Capital October 1, 1995	Other Governments	Developers	Customers	Other Funds	Contributed Capital September 30, 1996
Enterprise Funds:						
Airport	\$ 9,451,514	\$ 439,992	\$ -	\$ -	\$ 2,384	\$ 9,893,890
Golf	3,853,439	-	-	-	-	3,853,439
Sanitation	8,515	-	-	-	-	8,515
Water and Sewer	16,789,411	114,274	1,627,730	-	-	18,531,415
Electric	5,753,331	-	-	358,432	-	6,111,763
Florida Emergency Training Facility	1,528,135	4,621,516	-	-	-	6,149,651
Adult Athletic Complex	-	-	-	-	117,945	117,945
Total Enterprise Funds	<u>\$ 37,384,345</u>	<u>\$ 5,175,782</u>	<u>\$ 1,627,730</u>	<u>\$ 358,432</u>	<u>\$ 120,329</u>	<u>\$ 44,666,618</u>
Internal Service Funds:						
Internal Service	\$ 3,639,643	\$ -	\$ -	\$ -	\$ 3,598,134	\$ 7,237,777
Self Insurance	20,401	-	-	-	-	20,401
Total Internal Service Funds	<u>\$ 3,660,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,598,134</u>	<u>\$ 7,258,178</u>

17. Equity Transfers:

The following is a summary of equity transfers made during the fiscal year ended September 30, 1996:

	Equity Transfers	
	To/(From) Other Funds	Increase in Contributions
General Fund	\$ 117,945	\$ -
Special Revenue Fund: Local Gasoline Tax	(403,576)	-
Capital Projects Funds:		
Capital Improvement Construction	403,576	-
Capital Improvement	2,425,289	-
Enterprise Funds:		
Electric System Revenue	8,988	-
Ocala Regional Airport	-	2,384
Adult Athletic Complex	-	117,945
Internal Service Funds:		
Internal Service	-	3,598,134
Fleet Management	184,055	-
General Fixed Asset Account Group	982,186	-
	<u>\$ 3,718,463</u>	<u>\$ 3,718,463</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

17. Equity Transfers - Continued:

These equity transfers resulted primarily from additions made to the Municipal Services Complex, the City's radio communication system and the Adult Athletic Complex being paid for by other funds, as authorized by City Council, and from the transfer of the residual balance in a capital project construction fund for a specific street project to a special revenue fund.

18. Deferred Compensation Plan:

The City has a deferred compensation plan, created in accordance with Internal Revenue Code Section 457, in which all employees are eligible to participate. Deferred compensation amounts withheld from participating employees' pay are not taxable as current income until withdrawn from the plan. Annual contributions by a participant may not exceed the lesser of \$7,500 or 33 1/3% of includable compensation.

As required under Internal Revenue Code Section 457, all amounts of compensation deferred, all property or rights to property purchased with amounts deferred, and any income earned or gains on property remain assets of the City subject to the claims of its general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant. The City has the duty of due care that would be required of an ordinary prudent investor.

At September 30, 1996, the market and carrying value of the deferred compensation investments in the City's Agency Fund was \$5,934,159.

19. Risk Management:

The City has established a self-insurance fund (an internal service fund) to account for the City's self-insured programs. This fund is used to account for the City's workers' compensation, general liability, automobile liability, disability income replacement, medical and dental programs. The City uses a combination of self-insurance and private insurance to protect itself against risks which cannot be eliminated.

The City has general liability insurance with a \$100,000 retention per claimant and \$200,000 retention per occurrence with limits of \$1,000,000. The City has workers' compensation insurance with a \$250,000 deductible per occurrence with limits of \$5,000,000. The disability income replacement, dental programs and auto liability programs are fully self-insured. The City's employee health insurance program was fully self-insured through February, 1994, after which it is fully insured except for the prescription program which is fully self-insured. The City had no significant reductions in insurance coverage during the fiscal year ended September 30, 1996.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

19. Risk Management - Continued:

All departments of the City participate in the program. Payments are made by various funds to the Self Insurance Fund based on past experience of the amounts needed to pay current year claims. For the year ended September 30, 1996, the City obtained actuarially determined estimates of the total claims loss reserves for all self-insurance risks. The claims liability of \$3,238,642 reported in the Fund at September 30, 1996 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued when insured events occur. In addition, there have been no settlements which exceeded the City's insurance coverage in any of the past three fiscal years. Changes in the Fund's claim liability amount during the past five fiscal years is as follows:

	Beginning-of- Fiscal-Year-Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
1990-1991	\$ 1,006,663	\$ 2,585,632	\$ 2,337,168	\$ 1,255,127
1991-1992	1,255,127	4,228,590	2,678,431	2,805,286
1992-1993	2,805,286	3,229,012	3,279,465	2,754,833
1993-1994	2,754,833	1,998,808	2,373,987	2,379,654
1994-1995	2,379,654	2,218,527	1,357,143	3,241,038
1995-1996	3,241,038	1,659,094	1,661,490	3,238,642

20. Commitments and Contingent Liabilities:

Economic Improvement Incentives - The City has designated a portion of the savings resulting from the decision to purchase power through the Florida Municipal Power Agency to be set aside for economic improvement incentives. The funds are utilized to encourage local businesses to remain in Ocala and to attract existing businesses to relocate to Ocala to create new employment opportunities and, thereby, increasing City revenues through electric utility usage and an expanded tax base.

During the year ended September 30, 1995, the City entered into an agreement with a large manufacturer which provides for certain payments to be made on their behalf as a result of creation of new jobs. Furthermore, the City has agreed to pay \$500,000 per year for the next three succeeding years on behalf of this large manufacturer provided that these new jobs are maintained in accordance with the agreement. Payments under this agreement, as well as other economic incentive payments, amounted to \$822,455 for the year ended September 30, 1996.

Grants - The City receive significant financial assistance from federal agencies primarily in the form of capital grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Disallowed claims, if any, resulting from such audits may become liabilities of the City. However, in the opinion of management, disallowed claims, if any, will not have a material effect on the City's financial statements.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1996

20. Commitments and Contingencies - Continued:

Litigation - Various suits and claims arising in the ordinary course of City operations are pending against the City of Ocala. While the ultimate effect of such litigation cannot be ascertained at this time, the City does not expect any of these routine items to have a material impact on the financial condition of the City.

Other Commitments - Outstanding commitments of governmental funds are presented in the accompanying combined financial statements as reserves of fund balance. The outstanding commitments of the Internal Service and Enterprise Funds as of September 30, 1996 were \$203,497 and \$5,841,184, respectively. These commitments, which are not recorded in the financial statements, are evidenced by signed purchase orders and contracts which were entered into prior to September 30, 1996.

Purchased Power Contract - The City presently purchases power exclusively from Florida Municipal Power Agency (FMPA) through the 230 kv State-wide bulk power system. Additionally, since 1977, the City has become the owner of an undivided 1.333% or 11 MW share of the 825 MW Crystal River Nuclear Plant No. 3 (CR-3)

The City has an All Requirements Power Supply Project Contract ("Requirements Contract") with FMPA which requires FMPA to sell and deliver to the City and the City to purchase from FMPA all electric power that the City requires in excess of the amount the City receives from its percentage ownership interest in CR-3. The Requirements Contract expires in 2025, but automatically extends for additional five-year terms unless either party notifies the other of its decision not to extend the Requirements Contract. The City pays for electric power under the Requirements Contract at the rates set forth in the applicable rate schedule of FMPA, which FMPA may revise from time to time.

INDIVIDUAL FUND AND COMBINING STATEMENTS — BY FUND TYPE

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

Combining statements are presented when there are more than one fund of a given fund type.

**INDIVIDUAL FUND AND COMBINING STATEMENTS
BY FUND TYPE**



CITY OF OCALA, FLORIDA

SPECIAL REVENUE FUNDS

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditure for specific purposes. Special revenue funds used by the City are:

Occupational License Fund - Business license and permit revenues are recorded in this fund.

Central Florida Regional Library Fund - This fund is used to account for federal, state and county contributions, and General Fund subsidies which are restricted for the operation of the regional library.

Parking/Parks Enforcement Fund - This fund accounts for the proceeds from the City's parking system and for the enforcement of the City's parks ordinance for the implementation of fines.

Downtown Development Fund - This fund accounts for property taxes levied against downtown property owners.

Local Gasoline Tax Fund - This fund accounts for street related maintenance and improvement projects financed by the City's share of local gasoline taxes. These taxes are required by law to be used to maintain streets.

Stormwater Utility Fund - This fund accounts for resources collected which are to be used for additions to, improvements to and maintenance of the storm drainage system.

SHIP Local Housing Assistance Fund - This fund accounts for the receipt and uses of funds received from the Florida "local housing assistance trust fund" for the State Housing Initiative Partnership (low income housing).

CITY OF OCALA, FLORIDA
COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS

September 30, 1996

Assets	Occu- pational License	Central Florida Regional Library
Cash and investments	\$ 449,757	\$ 88,108
Equity in pooled cash and investment fund	-	831,207
Accrued interest receivable	-	6,074
Accounts and notes receivable	115	-
Due from other funds	8,865	-
Due from other governments	-	-
Other current assets	-	376
	\$ 458,737	\$ 925,765
Total Assets	\$ 458,737	\$ 925,765
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ -	\$ 36,335
Compensated absences payable	-	23,110
Deferred revenue	271,101	-
Interfund loans payable within one year	-	-
Interfund loans payable after one year	-	-
Total liabilities	271,101	59,445
Fund Balance:		
Reserved for encumbrances	-	221,286
Reserved for specified projects	187,636	645,034
Total reserved fund balance	187,636	866,320
Unreserved and undesignated (deficit)	-	-
Total fund balance (deficit)	187,636	866,320
Total Liabilities and Fund Balances	\$ 458,737	\$ 925,765

<u>Parking/ Parks Enforcement</u>	<u>Downtown Development</u>	<u>Local Gasoline Tax</u>	<u>Stormwater Utility</u>	<u>SHIP Local Housing Assistance</u>	<u>Total</u>
\$ -	\$ 50	\$ -	\$ -	\$ -	\$ 537,915
56,428	50,878	8,306,233	4,360,909	70,710	13,676,365
498	501	87,086	40,087	551	134,797
-	-	-	111,773	-	111,888
-	-	-	88,966	-	97,831
-	-	880,684	4,236	-	884,920
-	-	-	84	-	460
<u>\$ 56,926</u>	<u>\$ 51,429</u>	<u>\$ 9,274,003</u>	<u>\$ 4,606,055</u>	<u>\$ 71,261</u>	<u>\$ 15,444,176</u>

\$ 1,569	\$ 6,817	\$ 74,275	\$ 206,114	\$ 62	\$ 325,172
1,399	-	-	13,388	-	37,897
-	-	290,085	-	71,199	632,385
10,028	-	-	-	-	10,028
68,171	-	-	-	-	68,171
<u>81,167</u>	<u>6,817</u>	<u>364,360</u>	<u>219,502</u>	<u>71,261</u>	<u>1,073,653</u>
-	-	679,453	131,572	3,046	1,035,357
-	44,612	8,230,190	4,254,981	-	13,362,453
-	44,612	8,909,643	4,386,553	3,046	14,397,810
(24,241)	-	-	-	(3,046)	(27,287)
<u>(24,241)</u>	<u>44,612</u>	<u>8,909,643</u>	<u>4,386,553</u>	<u>-</u>	<u>14,370,523</u>
<u>\$ 56,926</u>	<u>\$ 51,429</u>	<u>\$ 9,274,003</u>	<u>\$ 4,606,055</u>	<u>\$ 71,261</u>	<u>\$ 15,444,176</u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

Year Ended September 30, 1996

	<u>Occupational License</u>	<u>Central Florida Regional Library</u>
Revenues:		
Property taxes	\$ -	\$ -
Other intergovernmental revenues	-	1,776,694
Parking meters and facilities	-	-
Licenses and permits	436,646	-
Fines and forfeitures	-	43,309
Charges for services	-	-
Interest	17,562	20,055
Gifts	-	4,312
Other	700	9,517
Total revenues	<u>454,908</u>	<u>1,853,887</u>
Expenditures:		
Current:		
General government and administration	-	-
Public works	-	-
Culture and recreation	-	1,771,156
Other	-	-
Capital outlay	-	46,902
Intergovernmental	-	7,704
Debt service:		
Principal payments	-	-
Interest	-	-
Total expenditures	<u>-</u>	<u>1,825,762</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>454,908</u>	<u>28,125</u>
Other Financing Sources (Uses):		
Operating transfers from other funds	-	400,000
Operating transfers to other funds	(350,000)	-
Total other financing sources (uses)	<u>(350,000)</u>	<u>400,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	104,908	428,125
Fund Balance Allocation	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	104,908	428,125
Fund Balance (Deficit) at Beginning of Year	82,728	438,195
Equity Transfers from Other Funds	<u>-</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 187,636</u>	<u>\$ 866,320</u>

<u>Parking/ Parks Enforcement</u>	<u>Downtown Development</u>	<u>Local Gasoline Tax</u>	<u>Stormwater Utility</u>	<u>SHIP Local Housing Assistance</u>	<u>Total</u>
\$ -	\$ 38,304	\$ -	\$ -	\$ -	\$ 38,304
-	-	3,096,885	171,902	174,466	5,219,947
57,052	-	-	-	-	57,052
-	-	-	-	-	436,646
8,545	-	-	-	-	51,854
-	-	-	1,842,909	-	1,842,909
2,381	3,236	448,521	246,811	2,088	740,654
-	-	-	12,327	-	16,639
8,030	284	1,212	160	-	19,903
<u>76,008</u>	<u>41,824</u>	<u>3,546,618</u>	<u>2,274,109</u>	<u>176,554</u>	<u>8,423,908</u>
-	50,120	-	-	176,554	226,674
-	-	393,853	967,320	-	1,361,173
-	-	-	-	-	1,771,156
71,917	-	-	-	-	71,917
-	380	829,426	1,417,274	-	2,293,982
-	175	-	-	-	7,879
-	-	-	-	-	-
4,918	-	-	-	-	4,918
<u>76,835</u>	<u>50,675</u>	<u>1,223,279</u>	<u>2,384,594</u>	<u>176,554</u>	<u>5,737,699</u>
<u>(827)</u>	<u>(8,851)</u>	<u>2,323,339</u>	<u>(110,485)</u>	<u>-</u>	<u>2,686,209</u>
28,000	-	1,699,798	-	-	2,127,798
-	-	(2,681,322)	-	-	(3,031,322)
<u>28,000</u>	<u>-</u>	<u>(981,524)</u>	<u>-</u>	<u>-</u>	<u>(903,524)</u>
27,173	(8,851)	1,341,815	(110,485)	-	1,782,685
-	-	-	-	-	-
27,173	(8,851)	1,341,815	(110,485)	-	1,782,685
(51,414)	53,463	7,164,252	4,497,038	-	12,184,262
-	-	403,576	-	-	403,576
<u>\$ (24,241)</u>	<u>\$ 44,612</u>	<u>\$ 8,909,643</u>	<u>\$ 4,386,553</u>	<u>\$ -</u>	<u>\$ 14,370,523</u>

CITY OF OCALA, FLORIDA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

SPECIAL REVENUE FUNDS

Year Ended September 30, 1996

	Occu- pational License	Central Florida Regional Library	Parking/ Parks Enforcement
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Other intergovernmental revenues	-	1,776,694	-
Parking meters and facilities	-	-	57,052
Licenses and permits	436,646	-	-
Fines and forfeitures	-	43,309	8,545
Charges for services	-	-	-
Interest	17,562	20,055	2,381
Gifts	-	4,312	-
Other	700	9,517	8,030
Total revenues	<u>454,908</u>	<u>1,853,887</u>	<u>76,008</u>
Expenditures:			
Current:			
General government and administration	-	-	-
Public works	-	-	-
Culture and recreation	-	1,771,156	-
Other	-	-	71,917
Capital outlay	-	46,902	-
Intergovernmental	-	7,704	-
Debt service:			
Principal payments	-	-	-
Interest	-	-	4,918
Total expenditures	<u>-</u>	<u>1,825,762</u>	<u>76,835</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>454,908</u>	<u>28,125</u>	<u>(827)</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	-	400,000	28,000
Operating transfers to other funds	(350,000)	-	-
Total other financing sources (uses)	<u>(350,000)</u>	<u>400,000</u>	<u>28,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	104,908	428,125	27,173
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	104,908	428,125	27,173
Fund Balance (Deficit) at Beginning of Year	82,728	438,195	(51,414)
Equity Transfers from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 187,636</u>	<u>\$ 866,320</u>	<u>\$ (24,241)</u>

<u>Actual</u>						
<u>Downtown Development</u>	<u>Local Gasoline Tax</u>	<u>Stormwater Utility</u>	<u>SHIP Local Housing Assistance</u>	<u>Total</u>	<u>Adjustments to a Budgetary Basis</u>	<u>Total Actual on a Budgetary Basis</u>
\$ 38,304	\$ -	\$ -	\$ -	\$ 38,304	\$ -	\$ 38,304
-	3,096,885	171,902	174,466	5,219,947	(174,466)	5,045,481
-	-	-	-	57,052	-	57,052
-	-	-	-	436,646	-	436,646
-	-	-	-	51,854	-	51,854
-	-	1,842,909	-	1,842,909	-	1,842,909
3,236	448,521	246,811	2,088	740,654	(2,193)	738,461
-	-	12,327	-	16,639	-	16,639
284	1,212	160	-	19,903	-	19,903
<u>41,824</u>	<u>3,546,618</u>	<u>2,274,109</u>	<u>176,554</u>	<u>8,423,908</u>	<u>(176,659)</u>	<u>8,247,249</u>
50,120	-	-	176,554	226,674	(176,554)	50,120
-	393,853	967,320	-	1,361,173	708,376	2,069,549
-	-	-	-	1,771,156	216,213	1,987,369
-	-	-	-	71,917	-	71,917
380	829,426	1,417,274	-	2,293,982	107,722	2,401,704
175	-	-	-	7,879	-	7,879
-	-	-	-	-	-	-
-	-	-	-	4,918	-	4,918
<u>50,875</u>	<u>1,223,279</u>	<u>2,384,594</u>	<u>176,554</u>	<u>5,737,699</u>	<u>855,757</u>	<u>6,593,456</u>
<u>(8,851)</u>	<u>2,323,339</u>	<u>(110,485)</u>	<u>-</u>	<u>2,686,209</u>	<u>(1,032,416)</u>	<u>1,653,793</u>
-	1,699,798	-	-	2,127,798	-	2,127,798
-	(2,681,322)	-	-	(3,031,322)	-	(3,031,322)
-	(981,524)	-	-	(903,524)	-	(903,524)
<u>(8,851)</u>	<u>1,341,815</u>	<u>(110,485)</u>	<u>-</u>	<u>1,782,685</u>	<u>(1,032,416)</u>	<u>750,269</u>
-	-	-	-	-	-	-
<u>(8,851)</u>	<u>1,341,815</u>	<u>(110,485)</u>	<u>-</u>	<u>1,782,685</u>	<u>\$ (1,032,416)</u>	<u>\$ 750,269</u>
53,463	7,164,252	4,497,038	-	12,184,262		
-	403,576	-	-	403,576		
<u>\$ 44,612</u>	<u>\$ 8,909,643</u>	<u>\$ 4,386,553</u>	<u>\$ -</u>	<u>\$ 14,370,523</u>		

Continued

CITY OF OCALA, FLORIDA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - CONTINUED

SPECIAL REVENUE FUNDS

Year Ended September 30, 1996

	Total Actual on a Budgetary Basis	Occu- pational License	Final Central Florida Regional Library
Revenues:			
Property taxes	\$ 38,304	\$ -	\$ -
Other intergovernmental revenues	5,045,481	-	1,776,694
Parking meters and facilities	57,052	-	-
Licenses and permits	436,646	413,500	-
Fines and forfeitures	51,854	-	38,000
Charges for services	1,842,909	-	-
Interest	738,461	19,000	9,000
Gifts	16,639	-	73,600
Other	19,903	800	11,716
Total revenues	8,247,249	433,300	1,909,010
Expenditures:			
Current:			
General government and administration	50,120	-	-
Public works	2,069,549	-	-
Culture and recreation	1,987,369	-	2,187,560
Other	71,917	-	-
Capital outlay	2,401,704	-	303,951
Intergovernmental	7,879	-	7,704
Debt service:			
Principal payments	-	-	-
Interest	4,918	-	-
Total expenditures	6,593,456	-	2,499,215
Excess (Deficiency) of Revenues Over Expenditures	1,653,793	433,300	(590,205)
Other Financing Sources (Uses):			
Operating transfers from other funds	2,127,798	-	400,000
Operating transfers to other funds	(3,031,322)	(350,000)	-
Total other financing sources (uses)	(903,524)	(350,000)	400,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	750,269	83,300	(190,205)
Fund Balance Allocation	-	(83,300)	190,205
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 750,269	\$ -	\$ -

Budget

<u>Parking/ Parks Enforcement</u>	<u>Downtown Development</u>	<u>Local Gasoline Tax</u>	<u>Stormwater Utility</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ 40,052	\$ -	\$ -	\$ 40,052	\$ (1,748)
-	-	4,507,839	171,902	6,456,435	(1,410,954)
50,000	-	-	-	50,000	7,052
-	-	-	-	413,500	23,146
8,800	-	-	-	46,800	5,054
-	-	-	1,689,000	1,689,000	153,909
1,800	3,800	462,000	272,000	767,600	(29,139)
-	-	-	12,327	85,927	(69,288)
6,425	300	-	-	19,241	662
<u>67,025</u>	<u>44,152</u>	<u>4,969,839</u>	<u>2,145,229</u>	<u>9,568,555</u>	<u>(1,321,306)</u>
-	57,317	-	-	57,317	7,197
-	-	1,299,911	1,049,537	2,349,448	279,899
-	-	-	-	2,187,560	200,191
80,289	-	-	-	80,289	8,372
-	386	4,997,658	1,751,908	7,053,903	4,652,199
-	175	-	-	7,879	-
9,620	-	-	-	9,620	9,620
4,918	-	-	-	4,918	-
<u>94,827</u>	<u>57,878</u>	<u>6,297,569</u>	<u>2,801,445</u>	<u>11,750,934</u>	<u>5,157,478</u>
<u>(27,802)</u>	<u>(13,726)</u>	<u>(1,327,730)</u>	<u>(656,216)</u>	<u>(2,182,379)</u>	<u>3,836,172</u>
28,000	-	1,695,284	-	2,123,284	4,514
-	-	(3,097,051)	-	(3,447,051)	415,729
<u>28,000</u>	<u>-</u>	<u>(1,401,767)</u>	<u>-</u>	<u>(1,323,767)</u>	<u>420,243</u>
198	(13,726)	(2,729,497)	(656,216)	(3,506,146)	4,256,415
<u>(198)</u>	<u>13,726</u>	<u>2,729,497</u>	<u>656,216</u>	<u>3,506,146</u>	<u>(3,506,146)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750,269</u>



CITY OF OCALA, FLORIDA

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

SPECIAL REVENUE FUNDS

Year Ended September 30, 1996

	<u>OCCUPATIONAL LICENSE FUND</u>		
	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Licenses and permits	\$ 436,646	\$ 413,500	\$ 23,146
Interest	17,562	19,000	(1,438)
Other	700	800	(100)
Total revenues	<u>454,908</u>	<u>433,300</u>	<u>21,608</u>
Other Financing Uses:			
Operating transfers to other funds	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Other Uses Before Fund Balance Allocation	104,908	83,300	21,608
Fund Balance Allocation	<u>-</u>	<u>(83,300)</u>	<u>83,300</u>
Excess of Revenues Over Other Uses	104,908	<u>\$ -</u>	<u>\$ 104,908</u>
Fund Balance:			
Beginning of year	<u>82,728</u>		
End of year	<u>\$ 187,636</u>		

Continued

CITY OF OCALA, FLORIDA

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED

SPECIAL REVENUE FUNDS

Year Ended September 30, 1996

	CENTRAL FLORIDA REGIONAL		
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis
Revenues:			
Intergovernmental revenues	\$ 1,776,694	\$ -	\$ 1,776,694
Fines and forfeitures	43,309	-	43,309
Interest	20,055	(105)	19,950
Gifts	4,312	-	4,312
Other	9,517	-	9,517
Total revenues	<u>1,853,887</u>	<u>(105)</u>	<u>1,853,782</u>
Expenditures:			
Current - Culture and recreation	1,771,156	216,213	1,987,369
Capital outlay	46,902	5,073	51,975
Intergovernmental	7,704	-	7,704
Total expenditures	<u>1,825,762</u>	<u>221,286</u>	<u>2,047,048</u>
Excess (Deficiency) of Revenues Over Expenditures	28,125	(221,391)	(193,266)
Other Financing Sources:			
Operating transfers from other funds	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures Before Fund Balance Allocation	428,125	(221,391)	206,734
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	428,125	<u>\$ (221,391)</u>	<u>\$ 206,734</u>
Fund Balance:			
Beginning of year	<u>438,195</u>		
End of year	<u>\$ 866,320</u>		

LIBRARY FUND

<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 1,776,694	\$ -
38,000	5,309
9,000	10,950
73,600	(69,288)
11,716	(2,199)
<u>1,909,010</u>	<u>(55,228)</u>
2,187,560	200,191
303,951	251,976
7,704	-
<u>2,499,215</u>	<u>452,167</u>
(590,205)	396,939
<u>400,000</u>	<u>-</u>
(190,205)	396,939
<u>190,205</u>	<u>(190,205)</u>
<u>\$ -</u>	<u>\$ 206,734</u>

Continued

CITY OF OCALA, FLORIDA

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED

SPECIAL REVENUE FUNDS

Year Ended September 30, 1996

	<u>PARKING/PARKS ENFORCEMENT FUND</u>		
	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Parking meters and facilities	\$ 57,052	\$ 50,000	\$ 7,052
Fines and forfeitures	8,545	8,800	(255)
Interest	2,381	1,800	581
Other	8,030	6,425	1,605
Total revenues	<u>76,008</u>	<u>67,025</u>	<u>8,983</u>
Expenditures:			
Current - other	71,917	80,289	8,372
Debt service:			
Principal	-	9,620	9,620
Interest	4,918	4,918	-
Total expenditures	<u>76,835</u>	<u>94,827</u>	<u>17,992</u>
Excess (Deficiency) of Revenues Over Expenditures	(827)	(27,802)	26,975
Other Financing Sources:			
Operating transfers from other funds	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Excess of Revenues and Other Sources Over Expenditures Before Fund Balance Allocation	27,173	198	26,975
Fund Balance Allocation	<u>-</u>	<u>(198)</u>	<u>198</u>
Excess of Revenues and Other Sources Over Expenditures	27,173	<u>\$ -</u>	<u>\$ 27,173</u>
Fund Balance (Deficit):			
Beginning of year	<u>(51,414)</u>		
End of year	<u>\$ (24,241)</u>		

Continued

CITY OF OCALA, FLORIDA

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED

SPECIAL REVENUE FUNDS

Year Ended September 30, 1996

	<u>DOWNTOWN DEVELOPMENT FUND</u>		
	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Property taxes	\$ 38,304	\$ 40,052	\$ (1,748)
Interest	3,236	3,800	(564)
Other	284	300	(16)
Total revenues	<u>41,824</u>	<u>44,152</u>	<u>(2,328)</u>
Expenditures:			
Current - General government and administration	50,120	57,317	7,197
Intergovernmental	175	175	-
Capital outlay	380	386	6
Total expenditures	<u>50,675</u>	<u>57,878</u>	<u>7,203</u>
Excess (Deficiency) of Revenues Over Expenditures Before Fund Balance Allocation	(8,851)	(13,726)	4,875
Fund Balance Allocation	<u>-</u>	<u>13,726</u>	<u>(13,726)</u>
Deficiency of Revenues Over Expenditures	(8,851)	<u>\$ -</u>	<u>\$ (8,851)</u>
Fund Balance:			
Beginning of year	<u>53,463</u>		
End of year	<u>\$ 44,612</u>		

CITY OF OCALA, FLORIDA

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED

SPECIAL REVENUE FUNDS

Year Ended September 30, 1996

	LOCAL GASOLINE TAX		
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis
Revenues:			
Intergovernmental revenues	\$ 3,096,885	\$ -	\$ 3,096,885
Interest	448,521	-	448,521
Other	1,212	-	1,212
Total revenues	<u>3,546,618</u>	<u>-</u>	<u>3,546,618</u>
Expenditures:			
Current - Public works	393,853	679,453	1,073,306
Capital outlay	829,426	-	829,426
Total expenditures	<u>1,223,279</u>	<u>679,453</u>	<u>1,902,732</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,323,339</u>	<u>(679,453)</u>	<u>1,643,886</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	1,699,798	-	1,699,798
Operating transfers to other funds	(2,681,322)	-	(2,681,322)
Total other financing sources (uses)	<u>(981,524)</u>	<u>-</u>	<u>(981,524)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	<u>1,341,815</u>	<u>(679,453)</u>	<u>662,362</u>
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>1,341,815</u>	<u>\$ (679,453)</u>	<u>\$ 662,362</u>
Fund Balance at Beginning of Year	7,164,252		
Equity Transfers from Other Funds	<u>403,576</u>		
Fund Balance at End of Year	<u>\$ 8,909,643</u>		

FUND

<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 4,507,839	\$ (1,410,954)
462,000	(13,479)
-	1,212
<u>4,969,839</u>	<u>(1,423,221)</u>
1,299,911	226,605
<u>4,997,658</u>	<u>4,168,232</u>
<u>6,297,569</u>	<u>4,394,837</u>
<u>(1,327,730)</u>	<u>2,971,616</u>
1,695,284	4,514
<u>(3,097,051)</u>	<u>415,729</u>
<u>(1,401,767)</u>	<u>420,243</u>
(2,729,497)	3,391,859
<u>2,729,497</u>	<u>(2,729,497)</u>
<u>\$ -</u>	<u>\$ 662,362</u>

Continued

CITY OF OCALA, FLORIDA

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED

SPECIAL REVENUE FUNDS

Year Ended September 30, 1996

	STORMWATER UTILITY		
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis
Revenues:			
Intergovernmental revenues	\$ 171,902	\$ -	\$ 171,902
Charges for services	1,842,909	-	1,842,909
Interest	246,811	-	246,811
Gifts	12,327	-	12,327
Other	160	-	160
Total revenues	<u>2,274,109</u>	<u>-</u>	<u>2,274,109</u>
Expenditures:			
Current - Public works	967,320	28,923	996,243
Capital outlay	1,417,274	102,649	1,519,923
Total expenditures	<u>2,384,594</u>	<u>131,572</u>	<u>2,516,166</u>
Excess (Deficiency) of Revenues Over Expenditures Before Fund Balance Allocation	(110,485)	(131,572)	(242,057)
Fund Balance Allocation	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	(110,485)	<u>\$ (131,572)</u>	<u>\$ (242,057)</u>
Fund Balance:			
Beginning of year	<u>4,497,038</u>		
End of year	<u>\$ 4,386,553</u>		

FUND

<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 171,902	\$ -
1,689,000	153,909
272,000	(25,189)
12,327	-
-	160
<u>2,145,229</u>	<u>128,880</u>
1,049,537	53,294
1,751,908	231,985
<u>2,801,445</u>	<u>285,279</u>
(656,216)	414,159
<u>656,216</u>	<u>(656,216)</u>
<u>\$ -</u>	<u>\$ (242,057)</u>

Continued

CITY OF OCALA, FLORIDA

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED

SPECIAL REVENUE FUNDS

Year Ended September 30, 1996

	<u>SHIP LOCAL HOUSING ASSISTANCE FUND</u>		
	<u>Actual</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>
Revenues:			
Intergovernmental revenues	\$ 174,466	\$ (174,466)	\$ -
Interest	2,088	(2,088)	-
Total revenues	<u>176,554</u>	<u>(176,554)</u>	<u>-</u>
Expenditures:			
Current - General government and administration	176,554	(176,554)	-
Total expenditures	<u>176,554</u>	<u>(176,554)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:			
Beginning of year	<u>-</u>		
End of year	<u>\$ -</u>		

CITY OF OCALA, FLORIDA

DEBT SERVICE FUNDS

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for the payment of principal, interest and related costs of the City's general long-term debt. Debt service funds used by the City are:

1988 Improvement Certificates Fund - This fund is used for the payment of principal, interest and related costs of the Capital Improvement Revenue Refunding Certificates, Series 1988.

1993 Improvement Certificates Fund - This fund is used for the payment of principal, interest and related costs of the Capital Improvement Refunding Revenue Certificates, Series 1993.

1995 Improvement Certificates Fund - This fund is used for the payment of principal, interest and related costs of the Capital Improvement Revenue Certificates, Series 1995.

Optional Gas Tax Bonds Fund - This fund is used for the payment of principal, interest and related costs of the Optional Gas Tax Revenue Bonds, Series 1989, and of the Optional Gas Tax Refunding Revenue Bonds, Series 1992.

CITY OF OCALA, FLORIDA
COMBINING BALANCE SHEET

DEBT SERVICE FUNDS

September 30, 1996

Assets	<u>1988 Improvement Certificates</u>	<u>1993 Improvement Certificates</u>	<u>1995 Improvement Certificates</u>	<u>Optional Gas Tax Bonds</u>	<u>Total</u>
Restricted cash and investments	\$ 82,100	\$ 449,032	\$ 130,268	\$ -	\$ 661,400
Restricted equity in pooled cash and investment fund	1,298,967	1,383,056	279,046	2,033,940	5,025,009
Restricted accrued interest receivable	<u>11,533</u>	<u>14,931</u>	<u>3,202</u>	<u>18,063</u>	<u>47,729</u>
Total Restricted Assets	<u>\$ 1,392,600</u>	<u>\$ 1,847,019</u>	<u>\$ 412,516</u>	<u>\$ 2,082,003</u>	<u>\$ 5,734,138</u>
Fund Balances					
Fund Balance:					
Reserved for debt service	<u>\$ 1,392,600</u>	<u>\$ 1,847,019</u>	<u>\$ 412,516</u>	<u>\$ 2,082,003</u>	<u>\$ 5,734,138</u>
Total Fund Balances	<u>\$ 1,392,600</u>	<u>\$ 1,847,019</u>	<u>\$ 412,516</u>	<u>\$ 2,082,003</u>	<u>\$ 5,734,138</u>

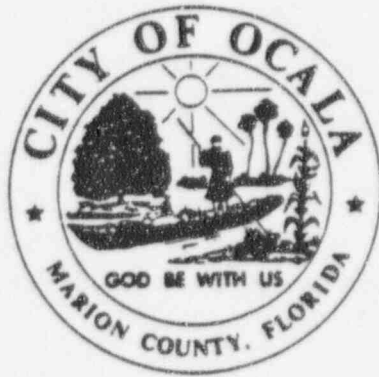
CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

DEBT SERVICE FUNDS

Year Ended September 30, 1996

	1988 Improvement Certificates	1993 Improvement Certificates	1995 Improvement Certificates	Optional Gas Tax Bonds	Total
Revenues:					
Interest	\$ 78,639	\$ 91,509	\$ 19,665	\$ 98,488	\$ 288,301
Expenditures:					
Debt Service:					
Bond principal payments	1,050,000	-	-	615,000	1,665,000
Bond interest and paying agents' fees	237,184	899,148	124,255	696,552	1,957,139
Total expenditures	1,287,184	899,148	124,255	1,311,552	3,622,139
Deficiency of Revenues Over Expenditures	(1,208,545)	(807,639)	(104,590)	(1,213,064)	(3,333,838)
Other Financing Sources (Uses):					
Operating transfers from other funds	1,285,425	898,062	536,271	1,318,865	4,038,623
Operating transfers to other funds	(78,105)	(90,423)	(19,165)	(96,514)	(284,207)
Total other financing sources (uses)	1,207,320	807,639	517,106	1,222,351	3,754,416
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(1,225)	-	412,516	9,287	420,578
Fund Balance:					
Beginning of year	1,393,825	1,847,019	-	2,072,716	5,313,560
End of year	\$ 1,392,600	\$ 1,847,019	\$ 412,516	\$ 2,082,003	\$ 5,734,138



CITY OF OCALA, FLORIDA

CAPITAL PROJECT FUNDS

Capital Project Funds - The Capital Projects Funds are used to account for resources earmarked for the acquisition and construction of major capital facilities and other project oriented activities other than those financed by proprietary funds. Capital project funds used by the City are:

Capital Improvement Construction Fund - The Capital Improvement Construction Fund is used to account for the resources earmarked for the acquisition of right-of-way and the construction of and improvements to N.E. 14th Street, which is a major arterial street project.

Optional Gas Tax Construction Fund - This fund is used to account for resources earmarked for construction of and improvements to several roadways exclusive of the N.E. 14th Street project.

Capital Improvement Fund - This fund is used to account for the resources earmarked for the acquisition and construction of certain capital improvements funded by the new money portion of the Capital Improvement Refunding Revenue Certificates, Series 1993.

1995 Capital Improvement Fund - This fund is used to account for the resources earmarked for the acquisition and construction of certain capital improvements funded by the Capital Improvement Revenue Certificates, Series 1995.

CITY OF OCALA, FLORIDA
COMBINING BALANCE SHEET
 CAPITAL PROJECT FUNDS
 September 30, 1996

Assets	<u>Capital Improvement Construction</u>	<u>Optional Gas Tax Construction</u>
Cash and investments	\$ -	\$ -
Equity in pooled cash and investment fund	-	-
Accrued interest receivable	-	-
Due from other governments	-	285,182
Total Assets	<u>\$ -</u>	<u>\$ 285,182</u>
Liabilities and Fund Balances		
Current Liabilities:		
Accounts payable	\$ -	\$ 213,621
Total liabilities	<u>-</u>	<u>213,621</u>
Fund Balance:		
Reserved for encumbrance	-	347,864
Unreserved and undesignated (deficit)	-	(276,303)
Total fund balance	<u>-</u>	<u>71,561</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 285,182</u>

<u>Capital Improvement</u>	<u>1995 Capital Improvement</u>	<u>Total</u>
\$ 20,254	\$ -	\$ 20,254
306,337	3,178,775	3,485,112
1,442	29,121	30,563
-	-	285,182
<u>\$ 328,033</u>	<u>\$ 3,207,896</u>	<u>\$ 3,821,111</u>

<u>\$ 45,582</u>	<u>\$ 831</u>	<u>\$ 260,034</u>
45,582	831	260,034

11,370	-	359,234
<u>271,081</u>	<u>3,207,065</u>	<u>3,201,843</u>
<u>282,451</u>	<u>3,207,065</u>	<u>3,561,077</u>

<u>\$ 328,033</u>	<u>\$ 3,207,896</u>	<u>\$ 3,821,111</u>
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CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

CAPITAL PROJECTS FUNDS

Year Ended September 30, 1996

	<u>Capital Improvement Construction</u>	<u>Optional Gas Tax Construction</u>	<u>Capital Improvement</u>
Revenues:			
Other intergovernmental revenues	\$ -	\$ 1,387,912	\$ -
Interest	20,138	-	106,244
Total revenues	<u>20,138</u>	<u>1,387,912</u>	<u>106,244</u>
Expenditures:			
Current:			
Public safety	-	-	-
Public works	-	163,521	-
Nondepartmental appropriations	-	-	2,300
Capital outlay	-	2,809,750	177,266
Total expenditures	<u>-</u>	<u>2,973,271</u>	<u>179,566</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>20,138</u>	<u>(1,585,359)</u>	<u>(73,322)</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	-	1,362,458	-
Operating transfers to other funds	-	-	(259,012)
Proceeds from long-term borrowing	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,362,458</u>	<u>(259,012)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	<u>20,138</u>	<u>(222,901)</u>	<u>(332,334)</u>
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>20,138</u>	<u>(222,901)</u>	<u>(332,334)</u>
Fund Balance at Beginning of Year	383,438	294,462	3,040,074
Equity Transfers to Other Funds	<u>(403,576)</u>	<u>-</u>	<u>(2,425,289)</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 71,561</u>	<u>\$ 282,451</u>

<u>1995 Capital Improvement</u>	<u>Total</u>
\$ -	\$ 1,387,912
229,892	356,274
<u>229,892</u>	<u>1,744,186</u>
2,310	2,310
-	163,521
91,002	93,302
1,299,617	4,286,633
<u>1,392,929</u>	<u>4,545,766</u>
<u>(1,163,037)</u>	<u>(2,801,580)</u>
9,915	1,372,373
(406,003)	(665,015)
4,766,190	4,766,190
<u>4,370,102</u>	<u>5,473,548</u>
3,207,065	2,671,968
<u>-</u>	<u>-</u>
3,207,065	2,671,968
-	3,717,974
<u>-</u>	<u>(2,828,865)</u>
<u>\$ 3,207,065</u>	<u>\$ 3,561,077</u>

CITY OF OCALA, FLORIDA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

CAPITAL PROJECT FUNDS

Year Ended September 30, 1996

	<u>Capital Improvement Construction</u>	<u>Optional Gas Tax Construction</u>	<u>Capital Improvement</u>
Revenues:			
Other intergovernmental revenues	\$ -	\$ 1,387,912	\$ -
Interest	20,138	-	106,244
Total revenues	<u>20,138</u>	<u>1,387,912</u>	<u>106,244</u>
Expenditures:			
Current:			
Public safety	-	-	-
Public works	-	163,521	-
Nondepartmental appropriations	-	-	2,300
Capital outlay	-	2,809,750	177,266
Total expenditures	<u>-</u>	<u>2,973,271</u>	<u>179,566</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>20,138</u>	<u>(1,585,359)</u>	<u>(73,322)</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	-	1,362,458	-
Operating transfers to other funds	-	-	(259,012)
Proceeds from long-term borrowing	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,362,458</u>	<u>(259,012)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	<u>20,138</u>	<u>(222,901)</u>	<u>(332,334)</u>
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>20,138</u>	<u>(222,901)</u>	<u>(332,334)</u>
Fund Balance at Beginning of Year	383,438	294,462	3,040,074
Equity Transfers to Other Funds	<u>(403,576)</u>	<u>-</u>	<u>(2,425,289)</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 71,561</u>	<u>\$ 282,451</u>

<u>ACTUAL</u>		Adjustments to a Budgetary Basis	Actual on a Budgetary Basis	Final Budget	Variance Favorable (Unfavorable)
1995 Capital Improvement	Total				
\$ -	\$ 1,387,912	\$ -	\$ 1,387,912	\$ 2,033,000	\$ (645,088)
229,892	356,274	(20,138)	336,136	400,800	(64,664)
<u>229,892</u>	<u>1,744,186</u>	<u>(20,138)</u>	<u>1,724,048</u>	<u>2,433,800</u>	<u>(709,752)</u>
2,310	2,310	-	2,310	15,000	12,690
-	163,521	1,867	165,388	206,405	41,017
91,002	93,302	(91,002)	2,300	2,300	-
1,299,617	4,286,633	357,367	4,644,000	7,858,915	3,214,915
<u>1,392,929</u>	<u>4,545,766</u>	<u>268,232</u>	<u>4,813,998</u>	<u>8,082,620</u>	<u>3,268,622</u>
<u>(1,163,037)</u>	<u>(2,801,580)</u>	<u>(288,370)</u>	<u>(3,089,950)</u>	<u>(5,648,820)</u>	<u>2,558,870</u>
9,915	1,372,373	-	1,372,373	1,798,196	(425,823)
(406,003)	(665,015)	282,248	(382,767)	(382,774)	7
4,766,190	4,766,190	(4,766,190)	-	-	-
<u>4,370,102</u>	<u>5,473,548</u>	<u>(4,483,942)</u>	<u>989,606</u>	<u>1,415,422</u>	<u>(425,816)</u>
3,207,065	2,671,968	(4,772,312)	(2,100,344)	(4,233,398)	2,133,054
-	-	-	-	4,233,398	(4,233,398)
3,207,065	2,671,968	<u>\$ (4,772,312)</u>	<u>\$ (2,100,344)</u>	<u>\$ -</u>	<u>\$ (2,100,344)</u>
-	3,717,974				
-	(2,828,865)				
<u>\$ 3,207,065</u>	<u>\$ 3,561,077</u>				



CITY OF OCALA, FLORIDA

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

CAPITAL PROJECT FUNDS

Year Ended September 30, 1996

	<u>CAPITAL IMPROVEMENT CONSTRUCTION FUND</u>		
	<u>Actual</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>
Revenues:			
Interest	\$ 20,138	\$ (20,138)	\$ -
Total revenues	<u>20,138</u>	<u>(20,138)</u>	<u>-</u>
Excess of Revenues	20,138	<u>\$ (20,138)</u>	<u>\$ -</u>
Fund Balance at Beginning of Year:	383,438		
Equity Transfers to Other Funds	<u>(403,576)</u>		
Fund Balance at End of Year	<u>\$ -</u>		

Continued

CITY OF OCALA, FLORIDA

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED

CAPITAL PROJECT FUNDS

Year Ended September 30, 1996

	<u>OPTIONAL GAS TAX CONSTRUCTION</u>		
	<u>Actual</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>
Revenues:			
Other intergovernmental revenues	\$ 1,387,912	\$ -	\$ 1,387,912
Total revenues	<u>1,387,912</u>	<u>-</u>	<u>1,387,912</u>
Expenditures:			
Current - Public works	163,521	1,867	165,388
Capital outlay	2,809,750	345,997	3,155,747
Total expenditures	<u>2,973,271</u>	<u>347,864</u>	<u>3,321,135</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,585,359)	(347,864)	(1,933,223)
Other Financing Sources:			
Operating transfers from other funds	<u>1,362,458</u>	<u>-</u>	<u>1,362,458</u>
Deficiency of Revenues and Other Sources Over Expenditures Before Fund Balance Allocation	(222,901)	(347,864)	(570,765)
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Deficiency of Revenues and Other Sources Over Expenditures	(222,901)	<u>\$ (347,864)</u>	<u>\$ (570,765)</u>
Fund Balance:			
Beginning of year	<u>294,462</u>		
End of year	<u>\$ 71,561</u>		

FUND

<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 2,033,000	\$ (645,088)
<u>2,033,000</u>	<u>(645,088)</u>
206,405	41,017
<u>3,894,907</u>	<u>739,160</u>
<u>4,101,312</u>	<u>780,177</u>
(2,068,312)	135,089
<u>1,778,196</u>	<u>(415,738)</u>
(290,116)	(280,649)
<u>290,116</u>	<u>(290,116)</u>
<u>\$ -</u>	<u>\$ (570,765)</u>

Continued

CITY OF OCALA, FLORIDA

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED

CAPITAL PROJECT FUNDS

Year Ended September 30, 1996

	CAPITAL IMPROVEMENT		
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis
Revenues:			
Interest	\$ 106,244	\$ -	\$ 106,244
Total revenues	<u>106,244</u>	<u>-</u>	<u>106,244</u>
Expenditures:			
Current:			
Nondepartmental appropriations	2,300	-	2,300
Capital outlay	<u>177,266</u>	<u>11,370</u>	<u>188,636</u>
Total expenditures	<u>179,566</u>	<u>11,370</u>	<u>190,936</u>
Excess (Deficiency) of Revenues Over Expenditures	(73,322)	(11,370)	(84,692)
Other Financing Uses:			
Operating transfers to other funds	<u>(259,012)</u>	<u>-</u>	<u>(259,012)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses Before Fund Balance Allocation	(332,334)	(11,370)	(343,704)
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Deficiency of Revenues Over Expenditures and Other Uses	(332,334)	<u>\$ (11,370)</u>	<u>\$ (343,704)</u>
Fund Balance at Beginning of Year	3,040,074		
Equity Transfers to Other Funds	<u>(2,425,289)</u>		
Fund Balance at End of Year	<u>\$ 282,451</u>		

FUND

<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 130,800	\$ (24,556)
<u>130,800</u>	<u>(24,556)</u>
2,300	-
2,643,008	2,454,372
<u>2,645,308</u>	<u>2,454,372</u>
(2,514,508)	2,429,816
<u>(259,012)</u>	<u>-</u>
(2,773,520)	2,429,816
<u>2,773,520</u>	<u>(2,773,520)</u>
<u>\$ -</u>	<u>\$ (343,704)</u>

Continued

CITY OF OCALA, FLORIDA

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED

CAPITAL PROJECT FUNDS

Year Ended September 30, 1996

	1995 CAPITAL IMPROVEMENT		
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis
Revenues:			
Interest	\$ 229,892	\$ -	\$ 229,892
Total revenues	<u>229,892</u>	<u>-</u>	<u>229,892</u>
Expenditures:			
Current:			
Public safety	2,310	-	2,310
Nondepartmental appropriations	91,002	(91,002)	-
Capital outlay	1,299,617	-	1,299,617
Total expenditures	<u>1,392,929</u>	<u>(91,002)</u>	<u>1,301,927</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,163,037)</u>	<u>91,002</u>	<u>(1,072,035)</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	9,915	-	9,915
Operating transfers to other funds	(406,003)	282,248	(123,755)
Proceeds from long-term borrowing	4,766,190	(4,766,190)	-
Total other financing sources (uses)	<u>4,370,102</u>	<u>(4,483,942)</u>	<u>(113,840)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	<u>3,207,065</u>	<u>(4,392,940)</u>	<u>(1,185,875)</u>
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>3,207,065</u>	<u>\$ (4,392,940)</u>	<u>\$ (1,185,875)</u>
Fund Balance at Beginning of Year	<u>-</u>		
Fund Balance at End of Year	<u>\$ 3,207,065</u>		

FUND

<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 270,000	\$ (40,108)
<u>270,000</u>	<u>(40,108)</u>
15,000	12,690
-	-
<u>1,321,000</u>	<u>21,383</u>
<u>1,336,000</u>	<u>34,073</u>
<u>(1,066,000)</u>	<u>(6,035)</u>
20,000	(10,085)
(123,762)	7
-	-
<u>(103,762)</u>	<u>(10,078)</u>
(1,169,762)	(16,113)
<u>1,169,762</u>	<u>(1,169,762)</u>
<u>\$ -</u>	<u>\$ (1,185,875)</u>



CITY OF OCALA, FLORIDA

ENTERPRISE FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private businesses where the intent of the governing body is that the costs (including depreciation) of providing certain goods and services to the general public be financed or recovered primarily through user charges or where the governing body has deemed that periodic determination of net income is appropriate for purposes of monitoring capital maintenance, accountability or other purposes.

Electric System Revenue Fund - This fund is used to account for the construction, operation and maintenance of the City-owned portion of CR-3 and the City-owned electric system as well as sales of electricity and other services to the general public. Electricity rates charged to customers are set by City Council within the rate structure established by the Florida Public Service Commission.

Water and Sewer Fund - This fund accounts for the construction, operation and maintenance of the City-owned water and sewer system.

Sanitation Fund - This fund accounts for the operation and maintenance of the City's refuse collection system.

Municipal Golf Course Fund - This fund accounts for the construction, operation and maintenance of the City's golf courses.

Fort King Tennis Court Fund - This fund accounts for the operation and maintenance of the Fort King tennis courts.

Municipal Trailer Park Fund - This fund accounts for the operation and maintenance of the City-owned trailer park.

Ocala Regional Airport (Jim Taylor Field) Fund - This fund accounts for the construction, operation and maintenance of the City's airport.

Florida Emergency Training Facility Fund - This fund accounts for the construction, operations and maintenance of an emergency training facility adjacent to the City airport.

Adult Athletic Complex Fund - This fund accounts for the construction, operations and maintenance of the Ocala Regional Sportsplex. The first phase of this complex opened in June, 1995.

Foreign Trade Zone Fund - This fund accounts for the activation and operation of Foreign Trade Zone #217. The grant of authority was approved by the Foreign Trade Zones Board in Washington, D.C. on August 7, 1996.

Communications Fund - This fund accounts for the construction, operations and maintenance of the City's broadband communications (fiber optics) network. Phase I of this system was started in fiscal year 1996.

CITY OF OCALA, FLORIDA
COMBINING BALANCE SHEET

ENTERPRISE FUNDS

September 30, 1996

Assets	Electric System Revenue	Water and Sewer	Sanitation	Municipal Golf Course
Current Assets:				
Cash and investments	\$ 2,300	\$ 450	\$ -	\$ 2,798
Equity in pooled cash and investment fund	5,599,890	5,655,771	510,439	397,846
Accrued interest receivable	50,775	48,249	5,523	4,348
Accounts and notes receivable	6,639,488	102,283	-	171
Accrued unbilled revenues	5,145,208	-	-	-
Due from other funds	-	600,108	301,287	-
Interfund loans receivable	149,846	-	-	-
Inventories	2,296,022	67,143	-	75,585
Due from other governments	-	-	58,459	-
Other current assets	345,112	814	171	994
Total current assets	<u>20,228,641</u>	<u>6,494,818</u>	<u>875,879</u>	<u>481,742</u>
Restricted Assets:				
Cash and investments	10,208,157	19,410,614	-	-
Equity in pooled cash and investment fund	14,279,907	13,125,410	-	-
Accrued interest receivable	184,993	504,972	-	-
Due from other governments	-	152,897	-	-
Other	1,243,174	249,370	-	-
Total restricted assets	<u>25,916,231</u>	<u>33,443,263</u>	<u>-</u>	<u>-</u>
Interfund Loans Receivable After One Year	1,111,150	-	-	-
Property, Plant and Equipment, net	74,195,150	86,185,618	895,174	4,851,270
Issuance Costs on Long-Term Debt	177,394	600,804	-	-
Total Assets	<u><u>\$ 121,628,566</u></u>	<u><u>\$ 126,724,503</u></u>	<u><u>\$ 1,771,053</u></u>	<u><u>\$ 5,333,012</u></u>

<u>Fort King Tennis Court</u>	<u>Municipal Trailer Park</u>	<u>Ocala Regional Airport</u>	<u>Florida Emergency Training Facility</u>	<u>Adult Athletic Complex</u>	<u>Foreign Trade Zone</u>	<u>Communi- cations</u>	<u>Total</u>
\$ 50	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,698
22,864	102,835	-	-	-	1,492	31,422	12,322,559
93	931	746	-	-	-	-	110,665
66	-	23,668	-	-	-	-	6,765,676
-	-	-	-	-	-	-	5,145,208
-	-	-	-	-	-	-	901,395
-	-	-	-	-	-	-	149,846
-	-	-	-	-	-	-	2,456,750
-	-	-	-	-	-	-	58,459
22	21	-	-	-	-	-	347,134
<u>23,095</u>	<u>103,887</u>	<u>24,414</u>	<u>-</u>	<u>-</u>	<u>1,492</u>	<u>31,422</u>	<u>28,265,390</u>
-	-	-	-	-	-	-	29,618,771
-	-	-	-	-	-	-	27,405,317
-	-	-	-	-	-	-	689,965
-	-	235,725	1,723,354	-	-	-	2,111,976
-	-	-	-	-	-	-	1,492,544
-	-	<u>235,725</u>	<u>1,723,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,318,573</u>
-	-	-	-	-	-	-	1,111,150
84,848	47,827	10,404,919	6,625,429	647,387	-	4,521	183,942,143
-	-	-	-	-	-	-	778,198
<u>\$ 107,943</u>	<u>\$ 151,714</u>	<u>\$ 10,665,058</u>	<u>\$ 8,348,783</u>	<u>\$ 647,387</u>	<u>\$ 1,492</u>	<u>\$ 35,943</u>	<u>\$ 275,415,454</u>

Continued

CITY OF OCALA, FLORIDA

COMBINING BALANCE SHEET - CONTINUED

ENTERPRISE FUNDS

September 30, 1996

Liabilities and Fund Equity	Electric System Revenue	Water and Sewer	Sanitation	Municipal Golf Course
Current Liabilities:				
Accounts payable	\$ 5,343,265	\$ 132,560	\$ 259,934	\$ 51,077
Compensated absences payable	410,725	165,302	134,436	51,772
Accrued interest payable	2,484	-	-	-
Due to other funds	1,237,190	-	-	-
Customer deposits	3,440,822	-	-	-
Deferred revenue	1,776	8,760	-	67,605
Interfund loans payable	-	65,000	-	55,500
Total current liabilities	<u>10,436,262</u>	<u>371,622</u>	<u>394,370</u>	<u>225,954</u>
Liabilities Payable from Restricted Assets:				
Accounts payable	43,555	212,578	-	-
Accrued interest payable	644,440	1,770,894	-	-
Deferred revenue	-	57,927	-	-
Revenue bonds payable within one year	3,900,000	1,305,000	-	-
Decommissioning costs	1,770,234	-	-	-
Total liabilities payable from restricted assets	<u>6,358,229</u>	<u>3,346,399</u>	<u>-</u>	<u>-</u>
Interfund Loans Payable After One Year	-	260,000	-	55,500
Revenue Bonds and Notes Payable After One Year	17,037,627	60,943,134	-	-
Total liabilities	<u>33,832,118</u>	<u>64,921,155</u>	<u>394,370</u>	<u>281,454</u>
Fund Equity:				
Contributed equity	6,111,763	18,531,415	8,515	3,853,439
Retained earnings:				
Reserved for debt service	-	8,805,340	-	-
Reserved for renewal and replacement	16,512,289	6,250,778	-	-
Total reserved retained earnings	<u>16,512,289</u>	<u>15,056,118</u>	<u>-</u>	<u>-</u>
Unreserved (accumulated deficit)	65,172,396	28,215,815	1,368,168	1,198,119
Total retained earnings (accumulated deficit)	<u>81,684,685</u>	<u>43,271,933</u>	<u>1,368,168</u>	<u>1,198,119</u>
Total fund equity (accumulated deficit)	<u>87,796,448</u>	<u>61,803,348</u>	<u>1,376,683</u>	<u>5,051,558</u>
Total Liabilities and Fund Equity	<u><u>\$ 121,628,566</u></u>	<u><u>\$ 126,724,503</u></u>	<u><u>\$ 1,771,053</u></u>	<u><u>\$ 5,333,012</u></u>

<u>Fort King Tennis Court</u>	<u>Municipal Trailer Park</u>	<u>Ocala Regional Airport</u>	<u>Florida Emergency Training Facility</u>	<u>Adult Athletic Complex</u>	<u>Foreign Trade Zone</u>	<u>Communi- cations</u>	<u>Total</u>
\$ 1,076	\$ 2,203	\$ 15,258	\$ 654	\$ 4,741	\$ 3,229	\$ 31,540	\$ 5,845,537
818	1,506	2,262	3,507	2,078	-	-	772,408
-	-	-	-	-	-	-	2,484
-	-	141,954	801,351	44,957	-	-	2,225,452
-	-	-	-	-	-	-	3,440,822
-	-	5,558	-	206	-	-	83,905
3,993	-	10,243	-	-	3,000	-	137,736
<u>5,887</u>	<u>3,709</u>	<u>175,275</u>	<u>805,512</u>	<u>51,982</u>	<u>6,229</u>	<u>31,540</u>	<u>12,508,342</u>
-	-	100,848	965,480	-	-	-	1,322,461
-	-	-	-	-	-	-	2,415,334
-	-	985	-	-	-	-	58,912
-	-	-	-	-	-	-	5,205,000
-	-	-	-	-	-	-	1,770,234
-	-	101,833	965,480	-	-	-	10,771,941
51,782	-	676,554	-	-	12,000	-	1,055,836
-	-	-	-	-	-	-	77,980,761
<u>57,669</u>	<u>3,709</u>	<u>953,662</u>	<u>1,770,992</u>	<u>51,982</u>	<u>18,229</u>	<u>31,540</u>	<u>102,316,880</u>
-	-	9,893,890	6,149,651	117,945	-	-	44,666,618
-	-	-	-	-	-	-	8,805,340
-	-	-	-	-	-	-	22,763,067
-	-	-	-	-	-	-	31,568,407
<u>50,274</u>	<u>148,005</u>	<u>(182,494)</u>	<u>428,140</u>	<u>477,460</u>	<u>(16,737)</u>	<u>4,403</u>	<u>96,863,549</u>
50,274	148,005	(182,494)	428,140	477,460	(16,737)	4,403	128,431,956
<u>50,274</u>	<u>148,005</u>	<u>9,711,396</u>	<u>6,577,791</u>	<u>595,405</u>	<u>(16,737)</u>	<u>4,403</u>	<u>173,098,574</u>
<u>\$ 107,943</u>	<u>\$ 151,714</u>	<u>\$ 10,665,058</u>	<u>\$ 8,348,783</u>	<u>\$ 647,387</u>	<u>\$ 1,492</u>	<u>\$ 35,943</u>	<u>\$ 275,415,454</u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

ENTERPRISE FUNDS

Year Ended September 30, 1996

	<u>Electric System Revenue</u>	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Municipal Golf Course</u>
Operating Revenues:				
Sale of electricity	\$ 76,301,304	\$ -	\$ -	\$ -
Sale of water	-	3,809,846	-	-
Sewer and sanitation service charges	-	8,548,062	6,347,031	-
Fees and rentals	-	9,380	-	1,660,624
Commissions	-	-	-	16,444
Other	1,944,547	485,599	78,096	178,191
Total operating revenues	<u>78,245,851</u>	<u>12,852,887</u>	<u>6,425,127</u>	<u>1,855,259</u>
Operating Expenses:				
Purchase of electricity	47,208,982	-	-	-
Distribution	6,685,528	559,418	-	-
Operation and maintenance	2,216,645	-	5,530,658	1,632,691
Water and sewer treatment	-	2,583,693	-	-
Sewer collection	-	897,146	-	-
Administration	2,113,546	1,272,789	305,351	89,217
Depreciation and amortization	3,561,675	2,779,035	235,504	254,754
Economic improvement incentives	822,455	-	-	-
Other	1,751,836	453,395	52,114	109,063
Total operating expenses	<u>64,360,667</u>	<u>8,545,476</u>	<u>6,123,627</u>	<u>2,085,725</u>
Operating Income (Loss)	<u>13,885,184</u>	<u>4,307,411</u>	<u>301,500</u>	<u>(230,466)</u>
Non-Operating Revenues (Expenses):				
Interest income	1,457,294	1,928,251	27,675	26,760
Interest expense	(839,856)	(3,260,037)	-	(9,890)
Other non-operating revenue	-	-	52,114	-
Total non-operating revenues (expenses)	<u>617,438</u>	<u>(1,331,786)</u>	<u>79,789</u>	<u>16,870</u>
Income (Loss) Before Operating Transfers	<u>14,502,622</u>	<u>2,975,625</u>	<u>381,289</u>	<u>(213,596)</u>
Operating Transfers:				
From other funds	286,045	13,636	17,241	211,364
To other funds	(9,263,264)	(348,066)	(227,810)	(187,029)
Total operating transfers	<u>(8,977,219)</u>	<u>(334,430)</u>	<u>(210,569)</u>	<u>24,335</u>
Net Income (Loss)	5,525,403	2,641,195	170,720	(189,261)
Retained Earnings, beginning of year	76,168,270	40,630,738	1,197,448	1,387,380
Equity Transfers to Other Funds	(8,988)	-	-	-
Retained Earnings (Accumulated Deficit), end of year	<u>\$ 81,684,685</u>	<u>\$ 43,271,933</u>	<u>\$ 1,368,168</u>	<u>\$ 1,198,119</u>

Fort King Tennis Court	Municipal Trailer Park	Ocala Regional Airport	Florida Emergency Training Facility	Adult Athletic Complex	Foreign Trade Zone	Communi- cations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,301,304
-	-	-	-	-	-	-	3,809,846
-	-	-	-	-	-	-	14,895,093
60,711	88,078	157,955	25,333	81,783	-	-	2,083,864
-	-	55,027	-	-	-	-	71,471
1	234	7,177	-	463	-	-	2,694,308
<u>60,712</u>	<u>88,312</u>	<u>220,159</u>	<u>25,333</u>	<u>82,246</u>	<u>-</u>	<u>-</u>	<u>99,855,886</u>
-	-	-	-	-	-	-	47,208,982
-	-	-	-	-	-	-	7,244,946
54,460	67,580	152,938	-	96,039	16,737	46,300	9,814,048
-	-	-	-	-	-	-	2,583,693
-	-	-	-	-	-	-	897,146
-	-	-	40,903	-	-	-	3,821,806
5,062	2,259	300,099	53,053	15,643	-	75	7,207,159
-	-	-	-	-	-	-	822,455
-	-	-	-	-	-	-	2,366,408
<u>59,522</u>	<u>69,839</u>	<u>453,037</u>	<u>93,956</u>	<u>111,682</u>	<u>16,737</u>	<u>46,375</u>	<u>81,966,643</u>
<u>1,190</u>	<u>18,473</u>	<u>(232,878)</u>	<u>(68,623)</u>	<u>(29,436)</u>	<u>(16,737)</u>	<u>(46,375)</u>	<u>17,889,243</u>
903	5,144	3,169	-	-	-	-	3,449,196
(2,449)	-	(27,331)	-	-	-	-	(4,139,563)
-	-	63,251	-	-	-	-	115,365
<u>(1,546)</u>	<u>5,144</u>	<u>39,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(575,002)</u>
<u>(356)</u>	<u>23,617</u>	<u>(193,789)</u>	<u>(68,623)</u>	<u>(29,436)</u>	<u>(16,737)</u>	<u>(46,375)</u>	<u>17,314,241</u>
-	250	115,551	241,329	38,868	-	50,778	975,062
-	(4,114)	(255,928)	-	-	-	-	(10,286,211)
-	<u>(3,864)</u>	<u>(140,377)</u>	<u>241,329</u>	<u>38,868</u>	<u>-</u>	<u>50,778</u>	<u>(9,311,149)</u>
(356)	19,753	(334,166)	172,706	9,432	(16,737)	4,403	8,003,092
50,630	128,252	151,672	255,434	468,028	-	-	120,437,852
-	-	-	-	-	-	-	(8,988)
<u>\$ 50,274</u>	<u>\$ 148,005</u>	<u>\$ (182,494)</u>	<u>\$ 428,140</u>	<u>\$ 477,460</u>	<u>\$ (16,737)</u>	<u>\$ 4,403</u>	<u>\$ 128,431,956</u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF CASH FLOWS

ENTERPRISE FUNDS

Year Ended September 30, 1996

	<u>Electric System Revenue</u>	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Municipal Golf Course</u>
Cash Flows from Operating Activities:				
Cash received from customers	\$ 77,658,661	\$ 12,801,821	\$ 6,410,333	\$ 1,852,928
Cash paid to suppliers for goods and services	(55,741,592)	(3,162,500)	(3,934,583)	(887,836)
Cash paid to employees for services	(4,095,775)	(2,409,368)	(1,877,760)	(945,046)
Net cash provided by (used in) operating activities	<u>17,821,294</u>	<u>7,229,953</u>	<u>597,990</u>	<u>20,046</u>
Cash Flows from Non-Capital Financing Activities:				
Operating transfers in	286,045	13,636	17,241	211,364
Operating transfers out	(9,263,264)	(348,066)	(227,810)	(187,029)
Operating grants	-	-	35,231	-
Principal received on loans to other funds	73,638	-	-	-
Interest received on loans to other funds	31,751	-	-	-
Principal paid on loans from other funds	-	-	-	(83,698)
Interest paid on loans from other funds	-	-	-	(9,890)
Loans to other funds	(651,640)	-	-	-
Net cash provided by (used in) non-capital financing activities	<u>(9,523,470)</u>	<u>(334,430)</u>	<u>(175,338)</u>	<u>(69,253)</u>
Cash Flows from Capital and Related Financing Activities:				
Net proceeds on issuance of bonds	-	4,668,500	-	-
Deposit to escrow agent	-	(529,056)	-	-
Principal paid on bonds	(3,690,000)	(1,515,000)	-	-
Interest paid on bonds	(1,390,288)	(4,042,606)	-	-
Bond issuance costs	-	(135,283)	-	-
Proceeds of loans from other funds	-	325,000	-	-
Acquisition and construction of capital assets	(4,641,776)	(4,419,659)	(129,929)	(44,648)
Contributions received from other governments and developers	358,432	1,644,485	-	-
Net cash provided by (used in) capital and related financing activities	<u>(9,363,632)</u>	<u>(4,003,619)</u>	<u>(129,929)</u>	<u>(44,648)</u>
Cash Flows from Investing Activities:				
Purchase of investments	(217,000)	(3,836,621)	-	-
Proceeds from sales and maturities of investments	5,544,032	3,993,963	-	-
Interest received	1,504,184	2,082,407	23,950	27,005
Net cash provided by investing activities	<u>6,831,216</u>	<u>2,239,749</u>	<u>23,950</u>	<u>27,005</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,765,408	5,131,653	316,673	(66,850)
Cash and Cash Equivalents, beginning of year	<u>21,553,056</u>	<u>22,808,816</u>	<u>193,766</u>	<u>467,494</u>
Cash and Cash Equivalents, end of year	<u>\$ 27,318,464</u>	<u>\$ 27,940,469</u>	<u>\$ 510,439</u>	<u>\$ 400,644</u>

<u>Fort King Tennis Court</u>	<u>Municipal Trailer Park</u>	<u>Ocala Regional Airport</u>	<u>Florida Emergency Training Facility</u>	<u>Adult Athletic Complex</u>	<u>Foreign Trade Zone</u>	<u>Communi- cations</u>	<u>Total</u>
\$ 60,646	\$ 88,312	\$ 353,754	\$ 25,333	\$ 82,452	\$ -	\$ -	\$ 99,334,240
(18,664)	(34,564)	(104,475)	(2,771)	(53,953)	(13,508)	(10,332)	(63,964,778)
(36,591)	(32,118)	(48,479)	(36,503)	(22,349)	-	(4,428)	(9,508,417)
<u>5,391</u>	<u>21,630</u>	<u>200,800</u>	<u>(13,941)</u>	<u>6,150</u>	<u>(13,508)</u>	<u>(14,760)</u>	<u>25,861,045</u>
-	250	115,551	241,329	38,868	-	50,778	975,062
-	(4,114)	(255,928)	-	-	-	-	(10,286,211)
-	-	63,251	-	-	-	-	98,482
-	-	-	-	-	-	-	73,638
-	-	-	-	-	-	-	31,751
(46,523)	-	(9,365)	-	-	-	-	(139,586)
(2,449)	-	(16,989)	-	-	-	-	(29,328)
-	-	-	-	-	-	-	(651,640)
<u>(48,972)</u>	<u>(3,864)</u>	<u>(103,480)</u>	<u>241,329</u>	<u>38,868</u>	<u>-</u>	<u>50,778</u>	<u>(9,927,832)</u>
-	-	-	-	-	-	-	4,668,500
-	-	-	-	-	-	-	(529,056)
-	-	-	-	-	-	-	(5,205,000)
-	-	-	-	-	-	-	(5,432,894)
-	-	-	-	-	-	-	(135,283)
55,775	-	274,640	-	-	15,000	-	670,415
-	(2,314)	(665,812)	(3,338,581)	(45,018)	-	(4,596)	(13,292,333)
-	-	267,994	3,111,193	-	-	-	5,382,104
<u>55,775</u>	<u>(2,314)</u>	<u>(123,178)</u>	<u>(227,388)</u>	<u>(45,018)</u>	<u>15,000</u>	<u>(4,596)</u>	<u>(13,873,547)</u>
-	-	-	-	-	-	-	(4,053,621)
-	-	-	-	-	-	-	9,537,995
864	4,887	2,423	-	-	-	-	3,645,720
<u>864</u>	<u>4,887</u>	<u>2,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,130,094</u>
13,058	20,339	(23,435)	-	-	1,492	31,422	11,189,760
<u>9,856</u>	<u>82,596</u>	<u>23,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,139,019</u>
<u>\$ 22,914</u>	<u>\$ 102,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,492</u>	<u>\$ 31,422</u>	<u>\$ 56,328,779</u>

Continued

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF CASH FLOWS - CONTINUED

ENTERPRISE FUNDS

Year Ended September 30, 1996

	<u>Electric System Revenue</u>	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Municipal Golf Course</u>
Reconciliation of Cash and Cash Equivalents to Balance Sheet:				
Total unrestricted cash and investments per the balance sheet	\$ 5,602,190	\$ 5,656,221	\$ 510,439	\$ 400,644
Total restricted cash and investments per the balance sheet	24,488,064	32,536,024	-	-
Total cash and investments	30,090,254	38,192,245	510,439	400,644
Less: Investments not meeting the definition of cash equivalents	(2,771,790)	(10,251,776)	-	-
Cash and Cash Equivalents, end of year	<u>\$ 27,318,464</u>	<u>\$ 27,940,469</u>	<u>\$ 510,439</u>	<u>\$ 400,644</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 13,885,184	\$ 4,307,411	\$ 301,500	\$ (230,466)
Adjustments to reconcile operating income (loss) to cash provided by operating activities:				
Depreciation	3,456,636	2,689,988	235,504	254,754
Amortization	105,039	89,047	-	-
(Gain) loss on fixed asset disposal	181,538	45,028	47,497	213
(Increase) decrease in assets:				
Accounts and notes receivable	176,965	5,124	-	109
Accrued unbilled revenue	(545,789)	-	-	-
Due from other funds	-	(51,813)	(14,794)	-
Inventories	(223,548)	(13,997)	-	(10,553)
Other current assets	(295,707)	154,723	(171)	1,774
Increase (decrease) in liabilities:				
Accounts payable	160,381	(14,052)	19,560	(2,032)
Compensated absences payable	74,317	22,871	8,894	8,687
Due to other funds	319,985	-	-	-
Customer deposits	188,049	-	-	-
Deferred revenue	1,776	(4,377)	-	(2,440)
Decommissioning costs	336,468	-	-	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 17,821,294</u>	<u>\$ 7,229,953</u>	<u>\$ 597,990</u>	<u>\$ 20,046</u>
Noncash Capital and Related Financing Activities:				
Escrow deposit for defeasance of debt deducted from bond proceeds	\$ -	\$ (12,059,948)	\$ -	\$ -
Bond issuance costs deducted from bond proceeds	-	(92,044)	-	-
Acquisition and construction of capital assets included in accounts payable	-	-	-	-
Plant and equipment contributed from other funds	-	-	-	-
Plant and equipment contributed to other funds	(8,988)	-	-	-
Total noncash capital and related financing activities	<u>\$ (8,988)</u>	<u>\$ (12,151,992)</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Fort King Tennis Court</u>	<u>Municipal Trailer Park</u>	<u>Ocala Regional Airport</u>	<u>Florida Emergency Training Facility</u>	<u>Adult Athletic Complex</u>	<u>Foreign Trade Zone</u>	<u>Communi- cations</u>	<u>Total</u>
\$ 22,914	\$ 102,935	\$ -	\$ -	\$ -	\$ 1,492	\$ 31,422	\$ 12,328,257
-	-	-	-	-	-	-	57,024,088
<u>22,914</u>	<u>102,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,492</u>	<u>31,422</u>	<u>69,352,345</u>
-	-	-	-	-	-	-	(13,023,566)
<u>\$ 22,914</u>	<u>\$ 102,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,492</u>	<u>\$ 31,422</u>	<u>\$ 56,328,779</u>

\$ 1,190	\$ 18,473	\$ (232,878)	\$ (68,623)	\$ (29,436)	\$ (16,737)	\$ (46,375)	\$ 17,889,243
5,062	2,259	300,099	53,053	15,643	-	75	7,013,073
-	-	-	-	-	-	-	194,086
-	-	-	-	-	-	-	274,276
(66)	-	(11,017)	-	-	-	-	171,115
-	-	-	-	-	-	-	(545,789)
-	-	-	-	-	-	-	(66,607)
-	-	-	-	-	-	-	(248,098)
(22)	243	-	-	-	-	-	(139,160)
(781)	314	211	208	2,129	3,229	31,540	200,707
8	341	(227)	1,421	58	-	-	116,370
-	-	141,954	-	17,550	-	-	479,489
-	-	-	-	-	-	-	188,049
-	-	2,658	-	206	-	-	(2,177)
-	-	-	-	-	-	-	336,468
<u>\$ 5,391</u>	<u>\$ 21,630</u>	<u>\$ 200,800</u>	<u>\$ (13,941)</u>	<u>\$ 6,150</u>	<u>\$ (13,508)</u>	<u>\$ (14,760)</u>	<u>\$ 25,861,045</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,059,948)
-	-	-	-	-	-	-	(92,044)
-	-	(100,848)	(904,357)	-	-	-	(1,005,205)
-	-	2,384	-	117,945	-	-	120,329
-	-	-	-	-	-	-	(8,988)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (98,464)</u>	<u>\$ (904,357)</u>	<u>\$ 117,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,045,856)</u>



CITY OF OCALA, FLORIDA

INTERNAL SERVICE FUNDS

Internal Service Funds - The Internal Service Funds account for the operation of departments which exist solely to provide services to other City departments. The revenues of the Internal Service Funds are derived from user fees and self insurance premiums charged to other City funds. The Internal Service Funds used by the City are:

Internal Service Fund - This fund accounts for the operation of the management information system, central services, building maintenance, clinic and purchasing and warehousing departments.

Fleet Management Fund - This fund accounts for the operation of the fleet management department, which is responsible for replacing, specifying, acquiring, maintaining and disposing of approximately 930 units of gas driven equipment.

Self-Insurance Fund - This fund accounts for the operation of the risk management department and for the costs of the City's self-insurance plans.

CITY OF OCALA, FLORIDA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS

September 30, 1996

Assets	<u>Internal Service</u>	<u>Fleet Management</u>	<u>Self- Insurance</u>	<u>Total</u>
Current Assets:				
Cash and investments	\$ 150	\$ 300	\$ 150	\$ 600
Equity in pooled cash and investment fund	1,174,286	7,275,816	3,130,996	11,581,098
Accrued interest receivable	11,726	61,306	33,211	106,243
Accounts receivable	11,511	239	29,925	41,675
Inventories	76,052	68,407	-	144,459
Due from other governments	1,861	162,490	-	164,351
Other current assets	1,233	909	50,844	52,986
Total current assets	<u>1,276,819</u>	<u>7,569,467</u>	<u>3,245,126</u>	<u>12,091,412</u>
Property, Plant and Equipment, net	<u>12,311,665</u>	<u>4,014,815</u>	<u>36,711</u>	<u>16,363,191</u>
Total Assets	<u>\$ 13,588,484</u>	<u>\$ 11,584,282</u>	<u>\$ 3,281,837</u>	<u>\$ 28,454,603</u>
Liabilities and Fund Equity				
Current Liabilities:				
Accounts payable	\$ 87,022	\$ 125,427	\$ 118,573	\$ 331,022
Claims payable	-	-	3,238,642	3,238,642
Compensated absences payable	102,578	53,129	-	155,707
Capital lease payable within one year	12,020	-	-	12,020
Total current liabilities	<u>201,620</u>	<u>178,556</u>	<u>3,357,215</u>	<u>3,737,391</u>
Capital Lease Payable After One Year	34,361	-	-	34,361
Total liabilities	<u>235,981</u>	<u>178,556</u>	<u>3,357,215</u>	<u>3,771,752</u>
Fund Equity:				
Contributed equity	7,237,777	-	20,401	7,258,178
Unreserved retained earnings (accumulated deficit)	<u>6,114,726</u>	<u>11,405,726</u>	<u>(95,779)</u>	<u>17,424,673</u>
Total fund equity (accumulated deficit)	<u>13,352,503</u>	<u>11,405,726</u>	<u>(75,378)</u>	<u>24,682,851</u>
Total Liabilities and Fund Equity	<u>\$ 13,588,484</u>	<u>\$ 11,534,282</u>	<u>\$ 3,281,837</u>	<u>\$ 28,454,603</u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

INTERNAL SERVICE FUNDS

Year Ended September 30, 1996

	Internal Service	Fleet Management	Self- Insurance	Total
Operating Revenues:				
Fees and rentals	\$ 3,179,360	\$ 4,541,231	\$ 591,278	\$ 8,311,869
Employer insurance contributions	-	-	3,351,559	3,351,559
Employee insurance contributions	-	-	1,207,172	1,207,172
Other	64,364	250,159	-	314,523
Total operating revenues	<u>3,243,724</u>	<u>4,791,390</u>	<u>5,150,009</u>	<u>13,185,123</u>
Operating Expenses:				
Fleet management	-	2,741,731	-	2,741,731
Purchasing and warehousing	705,318	-	-	705,318
Management information system and central services	948,036	-	-	948,036
Building maintenance	830,337	-	-	830,337
Insurance, administration and other	-	-	5,555,719	5,555,719
Depreciation	597,090	448,032	7,260	1,052,382
Other	177,264	-	-	177,264
Total operating expenses	<u>3,258,045</u>	<u>3,189,763</u>	<u>5,562,979</u>	<u>12,010,787</u>
Operating Income (Loss)	<u>(14,321)</u>	<u>1,601,627</u>	<u>(412,970)</u>	<u>1,174,336</u>
Non-Operating Revenues (Expenses):				
Interest income	63,152	375,277	199,708	638,137
Interest expense	(3,994)	-	-	(3,994)
Total non-operating revenues (expenses)	<u>59,158</u>	<u>375,277</u>	<u>199,708</u>	<u>634,143</u>
Income (Loss) Before Operating Transfers	<u>44,837</u>	<u>1,976,904</u>	<u>(213,262)</u>	<u>1,808,479</u>
Operating Transfers:				
From other funds	13,190	289	-	13,479
To other funds	(205,873)	(4,756)	-	(210,629)
Total operating transfers	<u>(192,683)</u>	<u>(4,467)</u>	<u>-</u>	<u>(197,150)</u>
Net Income (Loss)	<u>(147,846)</u>	<u>1,972,437</u>	<u>(213,262)</u>	<u>1,611,329</u>
Retained Earnings, beginning of year	6,262,572	9,617,344	117,483	15,997,399
Equity Transfers to Other Funds	-	(184,055)	-	(184,055)
Retained Earnings (Accumulated Deficit), end of year	<u>\$ 6,114,726</u>	<u>\$ 11,405,726</u>	<u>\$ (95,779)</u>	<u>\$ 17,424,673</u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Year Ended September 30, 1996

	Internal Service	Fleet Management	Self- Insurance	Total
Cash Flows from Operating Activities:				
Cash received from employees	\$ -	\$ -	\$ 1,207,172	\$ 1,207,172
Cash paid to suppliers for goods and services	(1,203,932)	(1,733,842)	(3,688,681)	(6,626,455)
Cash paid to employees for services	(1,452,479)	(961,190)	(307,030)	(2,720,699)
Cash received from other funds	3,230,575	4,644,003	3,912,707	11,787,285
Cash paid for insurance claims	-	-	(1,661,490)	(1,661,490)
Net cash provided by (used in) operating activities	<u>574,164</u>	<u>1,948,971</u>	<u>(537,322)</u>	<u>1,985,813</u>
Cash Flows from Non-Capital Financing Activities:				
Operating transfers in	13,190	289	-	13,479
Operating transfers out	(205,873)	(4,756)	-	(210,629)
Principal received on loans to other funds	-	28,198	-	28,198
Interest received on loans to other funds	-	847	-	847
Net cash provided by (used in) non-capital financing activities	<u>(192,683)</u>	<u>24,578</u>	<u>-</u>	<u>(168,105)</u>
Cash Flows from Capital and Related Financing Activities:				
Principal paid on capital lease payable	(11,142)	-	-	(11,142)
Interest paid on capital lease payable	(3,994)	-	-	(3,994)
Acquisition and construction of capital assets	(194,518)	(1,865,587)	-	(2,060,105)
Net cash used in capital and related financing activities	<u>(209,654)</u>	<u>(1,865,587)</u>	<u>-</u>	<u>(2,075,241)</u>
Cash Flows from Investing Activities:				
Interest received	61,123	364,828	191,997	617,948
Net cash provided by investing activities	<u>61,123</u>	<u>364,828</u>	<u>191,997</u>	<u>617,948</u>
Net Increase (Decrease) in Cash and Cash Equivalents	232,950	472,790	(345,325)	360,415
Cash and Cash Equivalents, beginning of year	<u>941,486</u>	<u>6,803,326</u>	<u>3,476,471</u>	<u>11,221,283</u>
Cash and Cash Equivalents, end of year	<u>\$ 1,174,436</u>	<u>\$ 7,276,116</u>	<u>\$ 3,131,146</u>	<u>\$ 11,581,698</u>

Continued

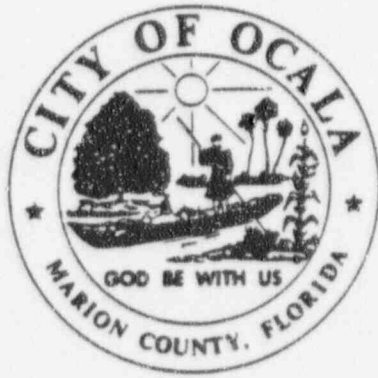
CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF CASH FLOWS - CONTINUED

INTERNAL SERVICE FUNDS

Year Ended September 30, 1996

	<u>Internal Service</u>	<u>Fleet Management</u>	<u>Self- Insurance</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (14,321)	\$ 1,601,627	\$ (412,970)	\$ 1,174,336
Adjustment to reconcile operating income to cash flows provided by operating activities:				
Depreciation	597,090	448,032	7,260	1,052,382
(Gain) loss on disposal of property, plant and equipment	(9,721)	67	(540)	(10,194)
(Increase) decrease in assets:				
Accounts receivable	(3,428)	840	(23,590)	(32,178)
Inventories	(3,269)	2,882	-	(387)
Due from other governments	-	(148,227)	-	(148,227)
Other current assets	(1,078)	586	(8,803)	(9,295)
Increase (decrease) in liabilities:				
Accounts payable	(4,275)	36,557	(90,283)	(58,001)
Claims payable	-	-	(2,396)	(2,396)
Compensated absences payable	13,166	6,607	-	19,773
Net Cash Provided by (Used in) Operating Activities	<u>\$ 574,164</u>	<u>\$ 1,948,971</u>	<u>\$ (537,322)</u>	<u>\$ 1,985,813</u>
Noncash Capital and Related Financing Activities:				
Plant and equipment contributed from other funds	<u>\$ 3,598,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,598,134</u>
Plant and equipment contributed to other funds	<u>\$ -</u>	<u>\$ (184,055)</u>	<u>\$ -</u>	<u>\$ (184,055)</u>



CITY OF OCALA, FLORIDA

TRUST AND AGENCY FUNDS

Trust Funds - The Trust Funds of the City are Pension Trust Funds and Expendable Trust Funds. The Trust Funds are used to account for assets held by the City in a trustee capacity. The measurement focus and basis of accounting of the Pension Trust Funds are similar to Proprietary Funds and they are therefore maintained on the accrual basis of accounting. The Pension Trust Funds are utilized to account for the financial transactions of the City-administered pension plans. The measurement focus and basis of accounting of the Expendable Trust Funds are similar to governmental funds and they are therefore maintained on the modified accrual basis of accounting.

Expendable Trust Funds

Pension Medical Reserve Fund - This fund is used to accumulate funds for future retiree benefits. It is being treated as an expendable trust fund until the start of the related benefits.

Community Redevelopment Trust Fund - The Community Redevelopment Trust Fund is used to account for receipts and transfers of the tax increment fees collected for improving and redeveloping the downtown area.

Pension Trust Funds

The Ocala Employees' Retirement Fund - This fund provides regular benefits to all active and inactive participants of the former system.

The Ocala Firefighters' Supplemental Pension Fund - This fund provides supplemental benefits to qualifying firefighters.

The Ocala Police Officers' Supplemental Pension Fund - This fund provides supplemental benefits to qualifying police officers.

Agency Fund

Employees' Deferred Compensation Fund - Accounts for an IRC Section 457 deferred compensation program open to all City employees and officials.

CITY OF OCALA, FLORIDA
COMBINING BALANCE SHEET
 TRUST AND AGENCY FUNDS
 September 30, 1996

	Expendable Trust Funds	
Assets	Pension Medical Reserve	Community Redevelopment Trust
Restricted Assets:		
Cash and investments	\$ 1,560,310	\$ -
Equity in pooled cash and investment fund	-	108,833
Accrued interest and dividends receivable	-	997
Total Restricted Assets	\$ 1,560,310	\$ 109,830
Liabilities and Fund Equity		
Liabilities Payable from Restricted Assets:		
Accounts payable	\$ -	\$ 5,378
Deferred compensation	-	-
Total liabilities	-	5,378
Fund Equity:		
Net assets held in trust for pension benefits	-	-
Reserved fund balance for retirement benefits	1,560,310	-
Reserved fund balance for specified projects	-	104,452
Total fund equity	1,560,310	104,452
Total Liabilities and Fund Equity	\$ 1,560,310	\$ 109,830

<u>Pension Trust Funds</u>			<u>Agency Fund</u>	
<u>Employees' Retirement</u>	<u>Firefighters' Supplemental Pension</u>	<u>Police Officers' Supplemental Pension</u>	<u>Deferred Compensation</u>	<u>Total</u>
\$ 52,113,558	\$ 6,717,379	\$ 10,258,273	\$ 5,934,159	\$ 76,583,679
-	-	-	-	108,833
<u>375,270</u>	<u>61,803</u>	<u>94,382</u>	<u>-</u>	<u>532,452</u>
<u>\$ 52,488,828</u>	<u>\$ 6,779,182</u>	<u>\$ 10,352,655</u>	<u>\$ 5,934,159</u>	<u>\$ 77,224,964</u>
\$ 47,807	\$ 11,339	\$ 10,313	\$ -	\$ 74,837
-	-	-	5,934,159	5,934,159
<u>47,807</u>	<u>11,339</u>	<u>10,313</u>	<u>5,934,159</u>	<u>6,008,996</u>
52,441,021	6,767,843	10,342,342	-	69,551,206
-	-	-	-	1,560,310
-	-	-	-	104,452
<u>52,441,021</u>	<u>6,767,843</u>	<u>10,342,342</u>	<u>-</u>	<u>71,215,968</u>
<u>\$ 52,488,828</u>	<u>\$ 6,779,182</u>	<u>\$ 10,352,655</u>	<u>\$ 5,934,159</u>	<u>\$ 77,224,964</u>



CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

EXPENDABLE TRUST FUNDS

Year Ended September 30, 1996

	<u>Pension Medical Reserve</u>	<u>Community Redevelopment Trust</u>	<u>Total</u>
Revenues:			
Interest	\$ 80,118	\$ 5,984	\$ 86,102
Other	81,852	-	81,852
Total revenues	<u>161,970</u>	<u>5,984</u>	<u>167,954</u>
Expenditures:			
Current:			
General government and administrative	-	5,378	5,378
Total expenditures	<u>-</u>	<u>5,378</u>	<u>5,378</u>
Excess of Revenues Over Expenditures Before Fund Balance Allocation	161,970	606	162,576
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	161,970	606	162,576
Fund Balance, beginning of year	<u>1,398,340</u>	<u>103,846</u>	<u>1,502,186</u>
Fund Balance, end of year	<u>\$ 1,560,310</u>	<u>\$ 104,452</u>	<u>\$ 1,664,762</u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

EXPENDABLE TRUST FUNDS

Year Ended September 30, 1996

	<u>Pension Medical Reserve</u>	<u>Community Redevelopment Trust</u>
Revenues:		
Interest	\$ 80,118	\$ 5,984
Other	81,852	-
Total revenues	<u>161,970</u>	<u>5,984</u>
Expenditures:		
Current:		
General government and administrative	-	5,378
Capital outlay	-	-
Total expenditures	<u>-</u>	<u>5,378</u>
Excess (Deficiency) of Revenues Over Expenditures Before Fund Balance Allocation	161,970	606
Fund Balance Allocation	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	161,970	606
Fund Balance, beginning of year	<u>1,398,340</u>	<u>103,846</u>
Fund Balance, end of year	<u>\$ 1,560,310</u>	<u>\$ 104,452</u>

<u>Total Actual</u>	<u>Adjustments to a Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 86,102	\$ (80,118)	\$ 5,984	\$ 7,400	\$ (1,416)
81,852	(81,852)	-	-	-
<u>167,954</u>	<u>(161,970)</u>	<u>5,984</u>	<u>7,400</u>	<u>(1,416)</u>
5,378	-	5,378	7,500	2,122
-	-	-	95,610	95,610
<u>5,378</u>	<u>-</u>	<u>5,378</u>	<u>103,110</u>	<u>97,732</u>
162,576	(161,970)	606	(95,710)	96,316
-	-	-	95,710	(95,710)
162,576	<u>\$ (161,970)</u>	<u>\$ 606</u>	<u>\$ -</u>	<u>\$ 606</u>
<u>1,502,186</u>				
<u>\$ 64,762</u>				

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF PLAN NET ASSETS

PENSION TRUST FUNDS

Year Ended September 30, 1996

Assets	Employees' Retirement	Firefighters' Supplemental Pension	Police Officers' Supplemental Pension	Total
Cash and Cash Equivalents	\$ 2,675,244	\$ 279,749	\$ 427,212	\$ 3,382,205
Receivables:				
Interest and dividends receivable	375,270	61,803	94,382	531,455
Investments, at fair value:				
Mutual funds	1,495,492	306,067	467,402	2,268,961
Common stock	24,776,718	3,166,275	4,835,296	32,778,289
Government obligations	16,552,685	2,673,499	4,082,765	23,308,949
International stock	4,997,741	-	-	4,997,741
Non-government obligations	1,615,678	291,789	445,598	2,353,065
Total investments	<u>49,438,314</u>	<u>6,437,630</u>	<u>9,831,061</u>	<u>65,707,005</u>
Total Assets	52,488,828	6,779,182	10,352,655	69,620,665
Liabilities				
Accounts Payable	47,807	11,339	10,313	69,459
Net Assets Held in Trust for Pension Benefits	<u>\$ 52,441,021</u>	<u>\$ 6,767,843</u>	<u>\$ 10,342,342</u>	<u>\$ 69,551,206</u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS

PENSION TRUST FUNDS

Year Ended September 30, 1996

	<u>Employees'</u> <u>Retirement</u>	<u>Firefighters'</u> <u>Supplemental</u> <u>Pension</u>	<u>Police</u> <u>Officers'</u> <u>Supplemental</u> <u>Pension</u>	<u>Total</u>
Additions:				
Contributions:				
Employer	\$ 1,691,615	\$ -	\$ -	\$ 1,691,615
State	-	208,323	334,734	543,057
Employee	-	295,447	90,775	386,222
Total contributions	<u>1,691,615</u>	<u>503,770</u>	<u>425,509</u>	<u>2,620,894</u>
Investment income:				
Net appreciation in fair value of investments	3,807,127	518,696	791,528	5,117,351
Interest income	1,386,212	224,048	338,825	1,949,085
Dividend income	761,734	43,259	65,156	870,149
Total income on investments	<u>5,955,073</u>	<u>786,003</u>	<u>1,195,509</u>	<u>7,936,585</u>
Less: Investment management fees	<u>(204,691)</u>	<u>(32,311)</u>	<u>(48,579)</u>	<u>(285,581)</u>
Net investment income	<u>5,750,382</u>	<u>753,692</u>	<u>1,146,930</u>	<u>7,651,004</u>
Total additions	<u>7,441,997</u>	<u>1,257,462</u>	<u>1,572,439</u>	<u>10,271,898</u>
Deductions:				
Pension payments	1,419,708	426,903	192,008	2,038,619
Refunds to employees	-	62,154	5,090	67,244
Administration	47,361	24,960	19,391	91,712
Total deductions	<u>1,467,069</u>	<u>514,017</u>	<u>216,489</u>	<u>2,197,575</u>
Net Increase	5,974,928	743,445	1,355,950	8,074,323
Net Assets Held in Trust for Pension				
Benefits:				
Beginning of year	<u>46,466,093</u>	<u>6,024,398</u>	<u>8,986,392</u>	<u>61,476,883</u>
End of year	<u>\$ 52,441,021</u>	<u>\$ 6,767,843</u>	<u>\$ 10,342,342</u>	<u>\$ 69,551,206</u>

CITY OF OCALA, FLORIDA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended September 30, 1996

Deferred Compensation Fund

Investments	<u>\$ 5,934,159</u>
Deferred Compensation Payable, beginning of year	\$ 4,798,661
Add: Employee contributions	831,528
Income on investments	573,445
Less: Withdrawals and terminations	(261,837)
Administration fees	<u>(7,639)</u>
Total Deferred Compensation Payable, end of year	<u>\$ 5,934,159</u>

GENERAL FIXED ASSET ACCOUNT GROUP

CITY OF OCALA, FLORIDA

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

September 30, 1996

General Fixed Assets:	
Land	\$ 4,116,781
Buildings	6,628,037
Machinery and equipment	9,914,420
Construction in progress	<u>9,002</u>
Total general fixed assets	<u>\$ 20,668,240</u>
Investment in General Fixed Assets by Source:	
Bond proceeds	\$ 1,744,689
Federal and state grants	1,559,337
General fund	14,011,733
Special revenue funds	1,539,192
Capital projects funds	1,696,951
Contributions	115,343
Other	<u>995</u>
Total investment in general fixed assets	<u>\$ 20,668,240</u>

CITY OF OCALA, FLORIDA

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

September 30, 1996

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>
General Government and Administration:				
Legislative	\$ 3,311	\$ -	\$ -	\$ 3,311
Executive	139,425	16,025	8,000	115,040
Finance	37,027	-	433	36,594
Purchasing	1,465	-	-	1,465
Personnel and safety	32,303	-	1,233	31,070
Planning	656,816	165,236	321,473	170,107
Building inspection	172,906	-	-	172,906
Total general government and administration	<u>1,043,253</u>	<u>181,261</u>	<u>331,499</u>	<u>530,493</u>
Public Safety:				
Police protection	4,941,492	584,828	818,541	3,538,123
Fire protection	3,541,805	32,290	1,201,383	2,308,132
Other public safety	16,869	-	-	16,869
Total public safety	<u>8,500,166</u>	<u>617,118</u>	<u>2,019,924</u>	<u>5,863,124</u>
Public Works:				
Flood control	679,537	1,063	2,000	676,474
Engineering	1,072,999	458,746	197,604	416,649
Highway and street construction	1,116,269	-	9,100	1,107,169
Total public works	<u>2,868,805</u>	<u>459,809</u>	<u>208,704</u>	<u>2,200,292</u>
Culture and Recreation:				
Library	649,509	-	148,782	500,727
Recreation	1,919,456	3,905	1,139,265	776,286
Total culture and recreation	<u>2,568,965</u>	<u>3,905</u>	<u>1,288,047</u>	<u>1,277,013</u>
Nondepartmental	<u>5,678,049</u>	<u>2,854,688</u>	<u>2,779,863</u>	<u>43,498</u>
Total General Fixed Assets Allocated to Functions	20,659,238	<u>\$ 4,116,781</u>	<u>\$ 6,628,037</u>	<u>\$ 9,914,420</u>
Construction in Progress	<u>9,002</u>			
Total General Fixed Assets	<u>\$ 20,668,240</u>			

CITY OF OCALA, FLORIDA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

Year Ended September 30, 1996

<u>Function and Activity</u>	<u>General Fixed Assets September 30, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets September 30, 1996</u>
General Government and Administration:				
Legislative	\$ 3,311	\$ -	\$ -	\$ 3,311
Executive	123,821	17,548	1,944	139,425
Finance	27,051	15,542	5,566	37,027
Purchasing	1,465	-	-	1,465
Personnel and safety	32,303	-	-	32,303
Planning	659,248	1,345	3,777	656,816
Building inspection	171,988	41,551	40,633	172,906
Total general government and administration	<u>1,019,187</u>	<u>75,986</u>	<u>51,920</u>	<u>1,043,253</u>
Public Safety:				
Police protection	2,818,555	2,763,639	640,702	4,941,492
Fire protection	3,512,427	253,311	223,933	3,541,805
Other public safety	13,627	3,242	-	16,869
Total public safety	<u>6,344,609</u>	<u>3,020,192</u>	<u>864,635</u>	<u>8,500,166</u>
Public Works:				
Flood control	608,623	91,816	20,902	679,537
Engineering	1,031,001	78,294	36,296	1,072,999
Highway and street construction	1,162,735	30,927	77,393	1,116,269
Total public works	<u>2,802,359</u>	<u>201,037</u>	<u>134,591</u>	<u>2,868,805</u>
Culture and Recreation:				
Library	606,167	43,342	-	649,509
Recreation	1,833,995	162,241	76,780	1,919,456
Total culture and recreation	<u>2,440,162</u>	<u>205,583</u>	<u>76,780</u>	<u>2,568,965</u>
Nondepartmental	<u>5,641,965</u>	<u>36,726</u>	<u>642</u>	<u>5,678,049</u>
Construction in Progress	<u>1,649,363</u>	<u>9,002</u>	<u>1,649,363</u>	<u>9,002</u>
Total General Fixed Assets	<u>\$ 19,897,645</u>	<u>\$ 3,548,526</u>	<u>\$ 2,777,931</u>	<u>\$ 20,668,240</u>

STATISTICAL SECTION

Statistical schedules differ from financial statements because they usually cover more than one fiscal year and may present nonaccounting data. These schedules reflect social and economic data and financial trends of the government.

STATISTICAL SECTION

CITY OF OCALA, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
HISTORICAL TREND INFORMATION FOR PENSION TRUST FUNDS

SCHEDULE OF FUNDING PROGRESS (1)

Fiscal Year	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Frozen Entry Age* (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a) / c]
<u>General Plan:</u>						
1996	\$ 49,420,418	\$ 52,524,812	\$ 3,104,394	94.09 %	\$ 27,595,962	11.25 %
1995 **	43,877,931	47,088,273	3,210,342	93.18	26,378,138	12.17
1994	38,705,966	42,014,408	3,308,442	92.13	25,855,900	12.80
1993	35,879,550	39,278,825	3,399,275	91.35	24,393,777	13.94
1992	32,381,066	35,678,042	3,296,976	90.76	24,550,973	13.43
1991	28,755,174	31,894,188	3,139,014	90.16	23,440,198	13.39

* The frozen entry age actuarial cost method does not have a defined AAL after the initial year. The AAL was created by adding the UAAL (which is defined under the frozen entry age method) to the actuarial value of assets.

** The asset information reported for the October 1, 1995 Actuarial Report was subsequently revised.

Supplemental Firefighters' and Police Officers' Plan:

The aggregate actuarial cost method is used in determining the funding requirements and does not identify or separately amortize unfunded actuarial liabilities. These liabilities are amortized through the normal cost.

(1) Actuarial information as of the latest actuarial valuation is as follows:

Valuation date:	
General plan	October 1, 1996
Supplemental plans	October 1, 1995
Actuarial cost method:	
General plan	Frozen entry age
Supplemental plans	Aggregate
Amortization method:	
General plan	Level percent open
Supplemental plans	N/A
Remaining amortization period:	
General plan	16 years (weighted)
Supplemental plans	N/A
Asset valuation method (all plans)	5-year weighted index
Actual assumptions (all plans):	
Net investment rate of return*	8.0%
Projected salary increases*	6.0%
* Includes inflation at	4.0%
Cost-of-living adjustments	0.0%

CITY OF OCALA, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
HISTORICAL TREND INFORMATION FOR PENSION TRUST FUNDS

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES

<u>Fiscal Year</u>	<u>Annual Required Contribution (City)</u>	<u>Percentage Contributed</u>
<u>General Plan:</u>		
1996	\$ 1,605,229	100.00 %
1995	1,569,609	100.00
1994	1,457,067	100.00
1993	1,628,421	100.00
1992	1,630,744	100.00
1991	1,458,511	100.00

<u>Fiscal Year</u>	<u>Annual Required Contribution (Employees)</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution (State)</u>	<u>Percentage Contributed</u>
<u>Supplemental Firefighters' Plan:</u>				
1996	\$ 295,447	100.00 %	\$ 227,726	100.00 %
1995	272,757	100.00	166,829	100.00
1994	262,246	100.00	160,400	100.00
1993	256,329	100.00	141,864	100.00
1992	256,131	100.00	141,754	100.00
1991	233,150	100.00	129,036	100.00

<u>Fiscal Year</u>	<u>Annual Required Contribution (Employees)</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution (State)</u>	<u>Percentage Contributed</u>
<u>Supplemental Police Officers' Plan:</u>				
1996	\$ 90,774	100.00 %	\$ 315,335	100.00 %
1995	91,226	100.00	327,957	100.00
1994	78,052	100.00	280,987	100.00
1993	76,281	100.00	286,054	100.00
1992	72,641	100.00	370,851	100.00
1991	34,822	100.00	316,880	100.00

CITY OF OCALA, FLORIDA

GENERAL GOVERNMENTAL REVENUES AND OTHER FINANCING SOURCES BY SOURCE (1)

LAST TEN FISCAL YEARS

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Property taxes	\$ 4,413,746	\$ 5,073,641	\$ 6,161,242	\$ 6,505,843
Utility service tax	-	-	-	-
Other taxes	710,945	763,823	786,021	801,394
Intergovernmental revenues	6,342,097	6,829,455	7,041,160	6,982,067
Licenses and permits	677,805	673,596	690,456	736,411
Fines and forfeitures	532,498	710,301	740,603	734,132
Charges for services and off-street parking	245,690	223,742	1,348,168	1,497,702
Operating transfers from other funds	10,928,043	11,532,925	14,277,023	14,321,507
Bond and note proceeds	-	7,542,626	-	-
Interest income	756,439	889,965	1,567,581	1,545,540
Miscellaneous	1,571,289	1,067,093	112,908	261,093
	<u>\$ 26,178,552</u>	<u>\$ 35,307,167</u>	<u>\$ 32,725,162</u>	<u>\$ 33,385,689</u>
Total				

- (1) This schedule includes revenues and other financing sources of the General Fund, Special Revenue Funds and Debt Service Funds. Interfund revenues have not been eliminated between these funds.

<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
\$ 7,091,592	\$ 7,149,471	\$ 7,270,662	\$ 7,575,276	\$ 7,638,214	\$ 7,819,975
-	-	-	-	-	4,791,403
825,622	884,258	1,409,034	1,502,077	1,508,766	1,673,396
7,489,550	6,989,818	7,360,769	9,214,202	9,122,383	10,495,025
651,013	631,461	604,787	763,066	772,036	800,587
812,701	967,438	873,112	891,455	1,052,858	580,973
1,479,127	1,897,707	2,025,300	2,246,292	2,380,049	2,463,001
15,609,360	16,694,506	17,411,663	17,944,570	17,000,557	15,256,416
-	42,922	14,143,855	11,749,269	-	-
1,394,582	1,048,948	780,108	1,130,987	1,467,264	1,632,089
178,115	286,064	277,420	271,518	154,506	297,975
<u>\$ 35,531,662</u>	<u>\$ 36,592,593</u>	<u>\$ 52,156,710</u>	<u>\$ 53,288,712</u>	<u>\$ 41,096,633</u>	<u>\$ 45,810,840</u>

CITY OF OCALA, FLORIDA

GENERAL GOVERNMENTAL EXPENDITURES AND OTHER USES BY FUNCTION (1)

LAST TEN FISCAL YEARS

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
General government and administration	\$ 2,398,717	\$ 2,462,279	\$ 2,872,897	\$ 3,168,947
Public safety	7,529,924	8,030,705	9,519,499	10,759,495
Public works	2,690,444	2,707,074	3,435,091	3,466,758
Culture and recreation	2,806,405	2,728,031	2,998,445	3,376,898
Nondepartmental	1,259,245	1,973,860	330,614	389,988
Debt service	2,153,331	6,011,761	2,485,187	3,619,989
Capital outlay	2,537,305	2,501,826	1,979,521	4,834,530
Operating transfers to other funds	3,865,642	4,176,731	3,477,913	3,764,846
Miscellaneous	329,074	666,543	665,631	871,121
	<u>\$ 25,570,087</u>	<u>\$ 31,258,810</u>	<u>\$ 27,764,798</u>	<u>\$ 34,252,572</u>

- (1) This schedule includes expenditures and other financing uses of the General Fund, Special Revenue Funds and Debt Service Funds. Interfund expenditures have not been eliminated between these funds.

<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
\$ 3,469,028	\$ 3,339,215	\$ 3,388,158	\$ 3,570,694	\$ 3,750,855	\$ 4,141,798
11,677,768	12,438,951	12,621,517	13,296,158	14,812,271	15,621,375
3,655,998	3,915,990	3,933,610	4,242,507	4,531,891	4,732,747
3,508,653	3,740,232	3,771,641	3,826,126	3,939,075	4,259,453
474,371	381,785	428,063	151,883	87,932	143,264
3,949,011	3,941,987	16,791,576	15,843,482	3,501,935	3,627,857
4,122,771	4,174,687	2,262,339	1,939,122	3,160,173	3,497,923
4,242,111	4,900,835	5,015,385	4,923,349	4,777,853	6,455,475
829,112	805,283	2,250,678	1,130,298	995,400	1,025,824
<u>\$ 35,928,823</u>	<u>\$ 37,638,965</u>	<u>\$ 50,462,967</u>	<u>\$ 48,923,619</u>	<u>\$ 39,557,385</u>	<u>\$ 43,505,716</u>

CITY OF OCALA, FLORIDA

PROPERTY TAX LEVIES, TAX COLLECTIONS AND ASSESSED VALUATIONS (3)

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Assessed Valuation (100% at Market)</u>	<u>Tax Rate in Mills (3)</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Total (2) Tax Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>	<u>Uncollected Taxes</u>
1987	\$ 971,042,837	4.65	\$ 4,527,718	\$ 4,199,267	\$ 4,373,759	96.6	\$ 328,451
1988	1,096,194,648	4.65	5,112,811	4,765,369	5,027,371	98.3	347,442
1989	1,235,655,356	5.08	6,287,092	5,662,203	6,114,815	97.3	624,889
1990	1,310,033,579	5.08	6,667,187	5,956,404	6,459,659	96.9	710,783
1991	1,399,122,711	5.17	7,244,086	6,592,981	7,043,228	97.2	651,105
1992	1,426,577,239	5.14	7,340,847	6,677,841	7,101,641	96.7	663,006
1993	1,501,855,447	4.92	7,402,331	6,837,706	7,223,752	97.6	564,625
1994	1,514,377,939	5.03	7,623,382	7,136,533	7,529,041	98.8	486,849
1995	1,556,395,804	5.03	7,836,849	7,289,707	7,595,038	96.9	547,142
1996	1,574,831,300	5.09	8,041,653	7,474,513	7,781,671	96.8	567,140

Source: Marion County Tax Collector and City Finance Department

- (1) Includes penalties under Section 193.072 of the Florida Statutes.
- (2) Tax collections include current and delinquent taxes, and tax certificates and payments to local governments for homestead exemptions.
- (3) Excludes property tax levies of the Downtown Development Commission.

CITY OF OCALA, FLORIDA

PROPERTY TAX RATES AND LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

Millage Rates

<u>Fiscal Year</u>	<u>City</u>	<u>County</u>	<u>School</u>	<u>Water Management Districts</u>	<u>Total</u>
1987	4.65	3.59	7.70	0.32	16.26
1988	4.65	3.83	7.70	0.33	16.51
1989	5.08	4.35	7.88	0.36	17.67
1990	5.08	4.98	7.93	0.35	18.34
1991	5.17	5.66	9.21	0.36	20.40
1992	5.14	6.04	9.29	0.36	20.83
1993	4.92	6.05	9.41	0.36	20.74
1994	5.03	6.10	9.58	0.47	21.18
1995	5.03	5.74	9.88	0.48	21.13
1996	5.09	5.40	9.75	0.48	20.72

Tax Levies

<u>Fiscal Year</u>	<u>City (1)</u>	<u>County (2)</u>	<u>School (2)</u>	<u>Districts (2)</u>	<u>Total</u>
1987	\$ 4,518,262	\$ 3,486,044	\$ 7,477,030	\$ 310,734	\$ 15,792,070
1988	5,100,594	4,198,426	8,440,699	361,744	18,101,463
1989	6,277,129	5,375,101	9,736,964	444,836	21,834,030
1990	6,654,971	6,523,967	10,388,566	458,512	24,026,016
1991	7,233,464	7,919,035	12,885,920	503,684	28,542,103
1992	7,328,327	8,616,527	13,250,505	510,715	29,706,074
1993	7,389,129	9,086,225	14,132,460	540,668	31,148,482
1994	7,611,869	9,237,705	14,507,741	711,758	32,069,073
1995	7,823,068	8,933,712	15,377,191	747,070	32,881,041
1996	8,027,264	8,504,089	15,354,605	755,919	32,641,877

(1) Does not include penalties under Section 193.072 of the Florida Statutes.

(2) The tax levies for overlapping governments reflect each government's millage applied to the total assessed valuation within the City's corporate boundaries.

CITY OF OCALA, FLORIDA
SPECIAL ASSESSMENT COLLECTIONS
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>New Liens Assessed</u>	<u>Collections and Adjustments</u>	<u>Total Outstanding Assessments (1)</u>
1987	\$ 12,959	\$ 158,409	\$ 794,389
1988	28,300	175,308	647,381
1989	6,000	90,243	563,138
1990	106,229	159,966	509,401
1991	-	97,955	411,446
1992	-	164,554	246,902
1993	13,679	68,822	191,759
1994	-	59,140	132,619
1995	-	16,916	115,703
1996	-	7,336	108,367

(1) Does not reflect reserves for uncollectible special assessment levies.

CITY OF OCALA, FLORIDA
COMPUTATION OF LEGAL DEBT MARGIN

September 30, 1996

Assessed Value (100% at market as of January 1, 1996)	<u>\$ 1,574,831,300</u>
Debt Limit: 20% of Assessed Value	\$ 314,966,260
Amount of General Obligation Debt Outstanding	<u>-</u>
Legal Debt Margin	<u>\$ 314,966,260</u>

In accordance with Article IX, Section 9.02, of the City of Ocala Charter, the "aggregate amount of general obligation bonds of the City outstanding at any one time shall not be greater than twenty percent (20%) of the assessed valuation of the taxable real and personal property in the City according to the latest assessment of such real and personal property".

CITY OF OCALA, FLORIDA

SCHEDULE OF ELECTRIC SYSTEM REVENUE AND REVENUE REFUNDING BONDS,
SERIES 1977, 1983, 1988, 1989A AND 1989B COVERAGE

LAST TEN FISCAL YEARS

Year	Net Revenue Available for Debt Service (1)	Debt Service Requirements (2) (3) (4) (5) (6)			Coverage
		Principal	Interest	Total	
1987	\$ 14,371,791	\$ 1,045,000	\$ 1,769,218	\$ 2,814,218	5.11
1988	14,891,027	1,105,000	1,160,385	2,265,385	6.57
1989	16,936,544	1,190,000	1,469,607	2,659,607	6.37
1990	20,319,802	1,435,000	1,698,359	3,133,359	6.48
1991	22,421,756	1,845,000	2,748,830	4,593,830	4.88
1992	21,664,962	1,965,000	2,633,056	4,598,056	4.71
1993	21,524,640	1,260,000	663,780	1,923,780	11.19
1994	23,081,766	1,345,000	582,353	1,927,353	11.98
1995	22,733,287	1,435,000	494,065	1,929,065	11.78
1996	19,025,573	1,530,000	396,038	1,928,038	9.87

(1) Represents gross operating revenues and interest income less gross operating expenses, excluding amortization and depreciation, of the electric system.

(2) In August, 1977, the City issued the following refunding bonds:

Power Supply Revenue Bonds, Series 1977	\$ 11,180,000
Electric Revenue Bonds, Series 1977	7,850,000
Special Obligation Bonds, Series 1977A	<u>10,990,000</u>
	<u>\$ 30,020,000</u>

The refunding bonds were issued to effect the advance refunding of the following issues:

Electric Revenue Certificates, Series 1959	\$ 240,000
Electric Revenue Certificates, Series 1962	1,145,000
Electric Revenue Certificates, Series 1967	2,140,000
Electric Revenue Certificates, Series 1972	5,725,000
Power Supply Revenue Bonds, Series A1975	<u>10,000,000</u>
	<u>\$ 19,250,000</u>

The proceeds derived from the sale of the refunding bonds were placed in an irrevocable escrow account which, together with related interest earnings, will provide sufficient amounts to satisfy not only the remaining debt service requirements, in accordance with the original maturity schedules, on the refunded bonds, but the Special Obligation Bonds, Series 1977A as well. Accordingly, the refunded bonds and the Special Obligation Bonds, Series 1977A are not considered outstanding debt of the City in consideration of the escrow account created and, as such, all debt service requirements on the refunded bonds and the Special Obligation Bonds, Series 1977A have been excluded from the determination of revenue bonds coverage.

Continued

CITY OF OCALA, FLORIDA

SCHEDULE OF ELECTRIC SYSTEM REVENUE AND REVENUE REFUNDING BONDS,
SERIES 1977, 1983, 1988, 1989A AND 1989B COVERAGE - CONTINUED

- (3) In August, 1983, the City issued the \$13,480,000 Power Supply Revenue Bonds, Series 1983. The first principal payment occurred in October, 1987. Proceeds from this issue are being used for the acquisition and construction of a new substation, supervised control data acquisition system and for other improvements to the bulk power system.
- (4) In March, 1988, the City issued the \$14,350,000 Power Supply Revenue Refunding Bonds, Series 1988 for the purpose of advance refunding the outstanding Power Supply Revenue Bonds, Series 1983. The refunded bonds are no longer considered outstanding debt of the City since an escrow account was created for them; and, therefore, all debt service requirements subsequent to March, 1988 for the refunded bonds have been excluded from the determination of debt service coverage. The first principal and interest payments on the Series 1988 Bonds occurred in October, 1988.
- (5) In October, 1989, the City issued Electric System Revenue Bonds, Series 1989A in the amount of \$28,425,000 and Electric System Revenue Refunding Bonds, Series 1989B in the amount of \$13,000,000. The 1989B Bonds were issued for the purpose of advance refunding the City's outstanding Power Supply Revenue Bonds, Series 1977 and the City's outstanding Power Supply Revenue Refunding Bonds, Series 1988. The refunding bonds are no longer considered outstanding debt of the City because an escrow account was created for them; and, therefore, all debt service requirements subsequent to October, 1989 for the refunded bonds have been excluded from the determination of debt service coverage. The proceeds of the 1989A Bonds are being used to fund the cost of the acquisition system and certain infrastructure improvements related thereto. The first interest payments on the Series 1989A and 1989B Bonds occurred in April, 1990; the first principal payments were made October 1, 1990.
- (6) In March, 1992, the City issued the \$28,435,000 Utility Systems Subordinate Refunding Revenue Bonds, Series 1992B, for the purpose of refunding the outstanding Electric System Revenue Bonds, Series 1989A. The refunded bonds are no longer considered outstanding debt of the City since an escrow account was created for them; and, therefore, all debt service requirements subsequent to 1992 will be excluded from the determination of debt service coverage. Since the Series 1992B Bonds, as well as the Utility Systems Subordinate Refunding Revenue Bonds, Series 1992A, are payable from a lien upon the surplus revenues of the City's Water and Sewer System and the City's Electric System, the debt service coverage for those two issues is shown in a separate schedule for 1993 and subsequent years.

CITY OF OCALA, FLORIDA

SCHEDULE OF WATER AND SEWER REVENUE AND REFUNDING REVENUE BONDS, SERIES 1968,
1983, 1985A, 1985B, 1986, 1988, 1995 AND 1996, AND ANTICIPATION NOTES COVERAGE

LAST TEN FISCAL YEARS

Year	Net Revenue Available for Debt Service (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
1987	\$ 5,690,844	\$ 245,000 (3)	\$ 4,129,150 (3)	\$ 4,374,150	1.30
1988	8,047,236	165,000 (4)	4,118,735 (4)	4,283,735	1.88
1989	7,738,769	315,000	3,790,133	4,105,133	1.89
1990	6,778,281	425,000	4,004,180	4,429,180	1.53
1991	7,383,205	555,000	3,971,896	4,526,896	1.63
1992	8,076,099	640,000	3,930,831	4,570,831	1.77
1993	8,426,555	- (5)	948,311 (5)	948,311	8.89
1994	8,177,122	45,000	946,928	991,928	8.24
1995	8,592,135	245,000	937,825	1,182,825	7.26
1996	9,041,538	260,000 (6)(7)	1,051,660 (6)(7)	1,311,660	6.89

- (1) Represents gross operating revenues less gross operating expenses, excluding amortization and depreciation, of the water and sewer system. Additional pledge revenues are the collections, including interest and penalties, on the 11,000 series special assessment levy, which were also pledged to retire the refunded 1974 Pollution Control Bonds, Series C (this pledge does not pertain to the debt issued after 1978); 31,000 series of assessments (1979 and 1979-2 note issues only); unlevied public service tax (all issues); interest earnings on investments and any income realized from such investments of the sinking, sinking reserve, and renewal and replacement funds (1983, 1985A, 1985B, 1986 and 1988 issues); and water and sewer system development charges and interest earnings on development charges (1985A and 1986 issues for years prior to 1990).
- (2) The 1979-2 Anticipation Notes matured on July 1, 1983 and the related principal was secured by the \$11,200,000 Water and Sewer Refunding Revenue Bonds, Series 1983, which were issued in June, 1983. Proceeds from the sale of the 1983 Bonds were used to advance refund the 1968 Water and Sewer Revenue Bonds (remaining principal after July 1, 1983 maturity is excluded from debt service requirement above) and refund the 1979-2 Anticipation Notes, the principal of which is excluded from debt service requirements above. Remaining proceeds are being used for the acquisition and construction of additions, extensions and improvements to the water and sewer system.

Continued

CITY OF OCALA, FLORIDA

SCHEDULE OF WATER AND SEWER REVENUE AND REFUNDING REVENUE BONDS, SERIES 1968, 1983, 1985A, 1985B, 1986, 1988, 1995 AND 1996, AND ANTICIPATION NOTES COVERAGE - CONTINUED

LAST TEN FISCAL YEARS

- (3) In October, 1985, the City issued the \$37,080,000 Water and Sewer Revenue Bonds, Series 1985A for the purpose of financing a portion of the acquisition and construction of certain additions, expansions and improvements to the City's water and sewer system; and the \$10,775,000 Water and Sewer Refunding Revenue Bonds, Series 1985B for the purpose of advance refunding the outstanding Water and Sewer Refunding Revenue Bonds, Series 1983. In April, 1986, the City issued the \$40,820,000 Water and Sewer Refunding Revenue Bonds, Series 1986 for the purpose of advance refunding the portion of the Water and Sewer Revenue Bonds, Series 1985A, stated to mature on and after October 1, 1994. The refunded bonds are no longer considered outstanding debt of the City since escrow accounts were created for them; and, therefore, all debt service requirements for the refunded bonds have been excluded from the determination of debt service coverage. For fiscal 1986, the debt service requirements consist of the interest payments made for the Series 1985A and the Series 1985B Bonds (before the advance refunding of the portion of the Series 1985A Bonds), net of the accrued interest received at the time of bond closing. For fiscal 1987, the debt service requirements consist of the principal and interest for the 1985A, 1985B and 1986 Bonds.
- (4) In July, 1988, the City issued the \$12,450,000 Water and Sewer Refunding Revenue Bonds, Series 1988 for the purpose of advance refunding the outstanding Water and Sewer Refunding Revenue Bonds, Series 1985B. The refunded bonds are no longer considered outstanding debt of the City since an escrow account was created for them; and, therefore, all debt service requirements subsequent to 1988 will be excluded from the determination of debt service coverage. The first interest payment on the Series 1988 Bonds occurred in October, 1988 and the first principal payment occurred in October, 1993.
- (5) In March, 1992, the City issued the \$51,880,000 Utility Systems Subordinate Refunding Revenue Bonds, Series 1992A, primarily for the purpose of refunding the outstanding Water and Sewer Revenue Bonds, Series 1985A and Water and Sewer Refunding Revenue Bonds, Series 1986. The refunded bonds are no longer considered outstanding debt of the City since an escrow account was created for them; and, therefore, all debt service requirements subsequent to 1992 will be excluded from the determination of debt service coverage. Since the Series 1992A Bonds, as well as the Utility Systems Subordinate Refunding Revenue Bonds, Series 1992B, are payable from a lien upon the surplus revenues of the City's Water and Sewer System and the City's Electric System, the debt service coverage for these two issues is shown in a separate schedule for 1993 and subsequent years.
- (6) In October, 1995, the City issued the \$5,000,000 Water and Sewer Revenue Bonds, Series 1995, primarily for the purpose of financing the cost of acquisition and construction of additions, improvements and extensions to the City's water and sewer system. The first interest payment on the Series 1995 Bonds occurred in April, 1996 and the first principal payment will occur in October, 1997.
- (7) In July, 1996, the City issued the \$12,170,000 Water and Sewer Refunding Revenue Bonds, Series 1996, primarily for the purpose of forward refunding the outstanding Water and Sewer Refunding Revenue Bonds, Series 1988. The refunded bonds are no longer considered outstanding debt of the City since an escrow account was created for them; and, therefore, all debt service requirements subsequent to 1996 will be excluded from the determination of debt service charge. The first interest payment on the Series 1996 Bonds will occur in October, 1996 and the first principal payment will occur in October, 1997.

CITY OF OCALA, FLORIDA
SCHEDULE OF UTILITY SYSTEMS SUBORDINATE REFUNDING REVENUE BONDS,
SERIES 1992A AND 1992B, COVERAGE

LAST TEN FISCAL YEARS

Year	Net Revenue Available for Debt Service (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
1993	\$ 27,079,104	\$ 1,785,000	\$ 4,814,527	\$ 6,599,527	4.10
1994	28,339,607	3,140,000	4,520,538	7,660,538	3.70
1995	28,213,532	3,255,000	4,107,890	7,362,890	3.83
1996	24,827,413	3,415,000	3,953,546	7,368,546	3.37

(1) Represents the surplus revenues of the City's Electric System and of the City's Water and Sewer System available after the payment of the debt service requirements on the senior lien bonds.

CITY OF OCALA, FLORIDA

SCHEDULE OF REFUNDING AND IMPROVEMENT EXCISE TAX BONDS,
SERIES 1965 AND 1972, COVERAGE

LAST TEN FISCAL YEARS

Year	Occupational License	Cigarette Tax	Total Revenue Available for Debt Service	Principal	Interest	Total	Coverage
1987	\$ 362,960	\$ 388,381	\$ 751,341	\$ 275,000	\$ 103,150	\$ 378,150	1.99
1988	349,663	417,874	767,537	285,000	89,125	374,125	2.05
1989	376,590	419,394	795,984	300,000	74,590	374,590	2.12
1990	386,809	422,576	809,385	315,000	58,990	373,990	2.16
1991	386,804	392,594	779,398	325,000	41,980	366,980	2.12
1992	380,567	383,621	764,188	330,000	24,430	354,430	2.16
1993	365,591	409,788	775,379	190,000	7,600	197,600	3.92
1994	-	-	-	-	-	-	-
1995	-	-	-	-	-	-	-
1996	-	-	-	-	-	-	-

- (1) The final maturity of the Refunding and Improvement Excise Tax Bonds, Series 1965 was in fiscal year 1986.
- (2) The final maturity of the Refunding and Improvement Excise Tax Bonds, Series 1972 was in fiscal year 1993.

CITY OF OCALA, FLORIDA

SCHEDULE OF CAPITAL IMPROVEMENT REVENUE AND REFUNDING REVENUE BONDS,
SERIES 1982 AND 1986, AND CAPITAL IMPROVEMENT REVENUE, REVENUE REFUNDING
AND REFUNDING REVENUE CERTIFICATES, SERIES 1986, 1988, 1993 AND 1995 COVERAGE

LAST TEN FISCAL YEARS

Year	Pledged Revenues						Total Revenue Available for Debt Service
	Local Government Half-Cent Sales Tax	Franchise Fees	Occupational License Tax (1)	Guaranteed Entitlement (2)	Mobile Home Licenses	Court Fines and Forfeitures	
1987	\$ 1,539,964	\$ 292,968	\$ 362,960	\$ 643,622	\$ 28,696	\$ 427,981	\$ 3,296,191
1988	1,833,635	314,227	349,663	643,622	27,015	595,245	3,763,407
1989	1,858,812	333,517	376,590	643,622	28,903	607,365	3,848,809
1990	1,875,964	344,210	386,809	643,622	26,375	612,535	3,889,515
1991	1,735,149	392,588	386,804	643,622	24,768	701,281	3,884,212
1992	1,662,566	458,619	380,567	643,622	25,231	787,389	3,957,994
1993	1,764,593	488,574	365,591	643,622	16,025	732,964	4,011,369
1994	1,997,084	542,026	367,467	643,622	15,457	735,266	4,300,922
1995	2,106,763	497,871	378,545	643,622	16,913	660,082	4,303,796
1996	2,196,321	573,247	436,646	643,622	21,030	507,069	4,377,935

- (1) Subject to a prior lien on 1965 and 1972 Refunding and Improvement Excise Tax Bonds through fiscal year 1993.
- (2) The minimum amount of state revenue sharing funds to be received by the City in accordance with the provisions of the State of Florida Revenue Sharing Act.
- (3) The Capital Improvement Revenue Bonds, Series 1982 were sold in December 1982; and the first principal payment occurred in October, 1984. The outstanding portion of this issue was advance refunded in August, 1986 by the Capital Improvement Refunding Revenue Bonds. Since an escrow account was established for the redemption of this issue, the 1982 issue will not be included in the debt service requirements after 1986.
- (4) The Capital Improvement Refunding Revenue Bonds, Series 1986 were sold in August, 1986. The first interest payment for this issue was on October 1, 1986, and the first principal payment was on October 1, 1987. This issue places a senior lien on the pledged revenues. The outstanding portion of this issue was refunded in December, 1993 by the Capital Improvement Refunding Revenue Certificates, Series 1993. Since an escrow account was established for the redemption of this issue, the 1986 bonds will not be included in the debt service requirements for 1994.

Debt Service Requirements (3) (4) (5) (6) (7) (8)

<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
\$ 900,000	\$ 851,101	\$ 1,751,101	1.88
1,195,000	1,184,385	2,379,385	1.58
575,000	1,236,591	1,811,591	2.12
810,000	1,372,694	2,182,694	1.78
865,000	1,324,897	2,189,897	1.77
930,000	1,271,543	2,201,543	1.80
1,145,000	1,212,244	2,357,244	1.70
1,410,000	1,058,229	2,468,229	1.74
980,000	1,201,352	2,181,352	1.97
1,050,000	1,258,467	2,308,467	1.90

- (5) The Capital Improvement Revenue Certificates, Series 1986 were sold in July, 1986. The first interest payment was on October 1, 1986, and the first principal payment was on April 1, 1987. This issue constitutes a junior or subordinate lien on the pledged revenues. The outstanding portion of this issue was advance refunded in August, 1988 by the Capital Improvement Revenue Refunding Certificates, Series 1988. Since an escrow account was established for the redemption of this issue, the 1986 certificates will not be included in the debt service requirements after 1988.
- (6) The Capital Improvement Revenue Refunding Certificates, Series 1988 were sold in August, 1988. The first principal and interest payments were made on April 1, 1989. This issue constitutes a junior or subordinate lien on the pledged revenues until the senior debt, the Capital Improvement Refunding Revenue Bonds, Series 1986, was refunded in December, 1993.
- (7) The Capital Improvement Refunding Revenue Certificates, Series 1993 were sold in December, 1993. The first interest payment was made on April 1, 1994, and the first principal payment will be made on October 1, 1999. This issue is on a parity with the Capital Improvement Revenue Refunding Certificates, Series 1988.
- (8) The Capital Improvement Revenue Certificates, Series 1995 were sold in October, 1995. The first interest payment was made on April 1, 1996, and the first principal payment will be made on October 1, 1999. This issue is on a parity with the Capital Improvement Revenue Refunding Certificates, Series 1988 and with the Capital Improvement Refunding Revenue Certificates, Series 1993.

CITY OF OCALA, FLORIDA

SCHEDULE OF OPTIONAL GAS TAX REVENUE BONDS, SERIES 1989, AND
OPTIONAL GAS TAX REFUNDING REVENUE BONDS, SERIES 1992 COVERAGE

LAST TEN FISCAL YEARS

Year	Pledged Revenue - Six-Cent Optional Gas Tax	Debt Service Requirements (1) (2)			Coverage
		Principal	Interest	Total	
1990	\$ 1,745,142	\$ -	\$ 1,005,255	\$ 1,005,255	1.74
1991	1,829,804	350,000	994,405	1,344,405	1.36
1992	1,945,252	370,000	971,900	1,341,900	1.45
1993	2,060,097	395,000	851,586	1,246,586	1.65
1994	2,065,100	620,000	734,403	1,354,403	1.52
1995	2,077,200	595,000	715,763	1,310,763	1.58
1996	2,156,374	615,000	694,578	1,309,578	1.65

- (1) The Optional Gas Tax Revenue Bonds, Series 1989 were sold in February, 1989. The first interest payment occurred in June, 1989, and the first principal payment occurred in December, 1990. The outstanding portion of this issue was advance refunded in December, 1992 by the Optional Gas Tax Refunding Revenue Bonds, Series 1992. Since an escrow account was established for the redemption of this issue, the 1989 bonds will not be included in the debt service requirements after 1993.
- (2) The Optional Gas Tax Refunding Revenue Bonds, Series 1992 were sold in December, 1992. The first interest payment occurred in June, 1993, and the first principal payment occurred in December, 1993.

CITY OF OCALA, FLORIDA

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT (2)

September 30, 1996

<u>Governmental Unit</u>	<u>Bonds Outstanding</u>	<u>Applicable to City of Ocala</u>	
		<u>Percent (1)</u>	<u>Amount</u>
Marion County			
Limited Ad Valorem Refunding Tax Bonds, Series 1994	<u>\$ 9,830,000</u>	28.97 %	<u>\$ 2,847,751</u>
School District of Marion County			
General Obligation Bonds, Series 1990	7,930,000		
General Obligation Refunding Bonds, Series 1992	17,745,000		
General Obligation Partial Refunding Bonds, Series 1993	<u>14,325,000</u>		
	<u>40,000,000</u>	<u>28.97</u>	<u>11,588,000</u>
Total Overlapping Debt	<u>\$ 49,830,000</u>	<u>28.97 %</u>	<u>\$ 14,435,751</u>

- (1) Represents the fraction of assessed valuation of taxable property in the City of Ocala over the assessed valuation of taxable property in Marion County.
- (2) The City of Ocala did not have any general obligation debt outstanding during the fiscal year ended September 30, 1996.

CITY OF OCALA, FLORIDA

MISCELLANEOUS STATISTICAL DATA

September 30, 1996

Date of Incorporation	February 4, 1869
City Charter Adopted	January 28, 1885
Form of Government	Council/Manager
Area of City	36.17 square miles
Miles of Streets, Sidewalks and Bikepaths:	
Streets - Paved	279.46 miles
Streets - Unpaved	40.40 miles
Sidewalks (2)	72.77 miles
Bikepaths	22.35 miles
Miles of Sewers:	
Storm	64.04 miles
Sanitary	283.68 miles
Force Main	62.81 miles
Lift Stations	92
Building Permits (October 1995 - September 1996) (1):	
Permits Issued	5,799
Permit Value	\$88,511,032
Fire Protection:	
Stations	5
Employees - Sworn	106
Employees - Civilian	9
Fire and rescue response time (minutes)	4
Police Protection:	
Stations	3
Employees - Sworn	147
Employees - Reserve	13
Employees - Civilian	67
Vehicular Patrol Units - Marked Vehicles	89
- Motorcycles	6
- Other Vehicles	53
Recreation:	
Activity areas	92
Land area (acres)	468
Activity centers	7
Pools	2

(1) Includes plumbing, gas, electrical, water, heating, air conditioning, refrigeration, ventilation and building permits, the latter of which is exclusive of moving and sign permits.

(2) Includes 11.66 miles of sidewalks installed by the Florida Department of Transportation but located inside the City limits.

CITY OF OCALA, FLORIDA

DEMOGRAPHIC STATISTICS

POPULATION (1)

<u>Year</u>	<u>City of Ocala</u>	<u>Marion County</u>
1987	42,742	176,102
1988	43,538	186,605
1989	44,334	196,749
1990	42,045	194,833
1991	41,198	200,314
1992	41,863	206,642
1993	42,400	213,328
1994	42,920	217,862
1995	43,207	224,612
1996	43,332	229,260

Sources: The Bureau of Business and Economic Research - University of Florida, Gainesville (years 1987 through 1990) and the City of Ocala Comprehensive Plan - Planning Department (years 1991 through 1996).

POPULATION PROJECTIONS *

<u>Year</u>	<u>Marion County</u>	<u>State of Florida</u>
2000	253,900	15,414,900
2005	282,600	16,630,300
2010	311,100	17,825,000
2015	340,200	19,036,600
2020	369,500	20,254,800

Source: Bureau of Business and Economic Research - University of Florida, Gainesville. Figures for years subsequent to year 2020 are unavailable.

% POPULATION BY AGE GROUP *

<u>Year</u>	<u>Marion County</u>	<u>State of Florida</u>
0-14	18.5	19.3
15-44	34.6	41.2
45-64	22.3	20.8
65 +	24.6	18.7

Source: 1995 Florida Statistical Abstract, Bureau of Business and Economic Research, University of Florida.

* Figures are not maintained for individual cities within Marion County.

(1) On April 1, 1995, Ocala ranked 41st in population size among Florida cities; Marion County ranked 17th in population among Florida counties; and Marion County ranked 30th in population density among Florida counties.

CITY OF OCALA, FLORIDA

LIST OF TEN LARGEST TAXPAYERS

1995 TAX ROLL

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>	<u>City Tax Bill (1) (2)</u>
1.	United Telephone of Florida	Telephone Communications	\$ 47,361,168	3.01 %	\$ 241,000
2.	K-Mart Corporation	Distribution Center	46,893,553	2.98	238,600
3.	Paddock Mall Associates	Regional Shopping Center	24,161,295	1.54	122,900
4.	Columbia Ocala Regional Medical Center	General Hospital Care	23,362,105	1.48	118,900
5.	Paddock Park Apartments	Apartment Complex	13,216,043	0.84	67,200
6.	C.C. Ocala Joint Venture	Local Shopping Center	10,055,493	0.64	51,200
7.	Wal-Mart	Department Store	8,202,761	0.52	41,700
8.	L C Realty (Lowe's)	Home Improvement Store	8,165,304	0.52	41,500
9.	Sears, Roebuck & Co.	Department Store	7,425,391	0.47	37,800
10.	MJ Ocala Hotel Assoc. (Hilton)	Hotel	6,548,086	0.41	33,300
	Total Adjusted Value		<u>195,391,199</u>	<u>12.41</u>	<u>994,100</u>
	Other Taxpayers		<u>1,379,440,101</u>	<u>87.59</u>	<u>7,033,164</u>
	Total Assessed Value		<u>\$ 1,574,831,300</u>	<u>100.00 %</u>	<u>\$ 8,027,264</u>

(1) City of Ocala taxpayers pay City, County, School Board and certain water district levies. The City levy only is shown here.

(2) Excludes property tax levies of the Downtown Development Commission.

CITY OF OCALA, FLORIDA

SCHEDULE OF INSURANCE IN FORCE

September 30, 1996

<u>Company</u>	<u>Policy #</u>	<u>Type of Coverage</u>	<u>Deductible Self Retention</u>	<u>Limit of Coverage</u>
City of Ocala	Self-Insured	Workers' Compensation	-	Statutory
ITT Hartford	ETB-102113	Police and Firefighters accidental death and dismemberment	-	\$ 25,000
ITT Hartford	ETB-102113	Fresh Pursuit	-	\$ 25,000
ITT Hartford	ETB-102113	Police and Firefighters intentional death and dismemberment	-	\$ 75,000
Shenandoah Life	07-0009629	Employee Life, AD and D	-	Various as specified in policy
City of Ocala	Self-Insured	Disability Income Replacement	-	60% of income
Commerce & Industry	6058013	All risk property	\$ 10,000	As specified in policy
American Eagle Group	47984-02	Airport Liability	-	\$5,000,000 per occurrence
Florida League	FMT 425	General Liability	\$100,000 per person \$200,000 per occurrence	\$1,000,000 per occurrence
Florida League	FMT 425	Public Officials, EMT, Employer Practices Liability	\$100,000 per person \$200,000 per occurrence	\$1,000,000 per occurrence
Florida League	FMT 425	Fire legal	\$100,000 per occurrence	\$1,000,000
Florida League	FMT 425	Law Enforcement Liability	\$100,000 per claim	\$1,100,000 per person \$1,200,000 per occurrence
City of Ocala	Self-Insured	Auto Liability	-	-

Continued

CITY OF OCALA, FLORIDA

SCHEDULE OF INSURANCE IN FORCE - CONTINUED

September 30, 1996

<u>Company</u>	<u>Policy #</u>	<u>Type of Coverage</u>	<u>Deductible Self Retention</u>	<u>Limit of Coverage</u>
City of Ocala	Self-Insured	Auto Physical Damage	-	Actual cash value
Florida Municipal Liability Self-Insurers Policy	FMIT 425	Auto Physical Damage, High Cost Vehicles	\$ 3,000	Replacement cost of vehicle
NorthBrook	CA0493402	Leased Autos	\$ 500	\$100/300/50
Blue Cross/Blue Shield of Florida	15920	Employee Health Coverage	Fully insured	Various as specified in policy
City of Ocala	Self-Insured	Prescription Program	Fully self-insured	-
City of Ocala	Self-Insured	Dental	Fully self-insured	\$1,000 per person
City of Ocala	Self-Insured	Blanket Honesty Bond	Fully self-insured	-
Interstate Fire & Casualty	LQA1000178	Legal Liquor Liability	-	\$300,000
Peerless Insurance	#SM64908	Bond, Over-weight charge (landfill)	-	\$10,000

Surety Bonds Required by Ordinance

Amount

City Manager - Scotty J. Andrews
State Automobile Mutual Insurance
Company - #78059

\$95,000

Finance Director - Glen L. Baker
State Automobile Mutual Insurance
Company - #78058

\$95,000

CITY OF OCALA, FLORIDA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

	<u>Commercial Construction (1)</u>		<u>Residential Construction (1)</u>		<u>Bank Deposits (in thousands)</u>	
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Units</u>	<u>Value</u>	<u>Bank (2) (4)</u>	<u>Savings and Loan Association (3) (4)</u>
1987	144	\$ 20,501,586	207	\$ 10,956,790	\$ 961,160	\$ 698,496
1988	125	22,273,533	199	12,073,501	1,099,243	694,452
1989	148	56,245,634	236	13,646,775	1,220,332	749,632
1990	179	42,657,459	204	11,441,739	1,330,496	768,062
1991	70	30,114,989	83	5,716,862	1,409,328	800,513
1992	65	24,020,610	68	5,366,231	1,418,489	723,894
1993	35	9,475,119	96	8,105,884	1,422,021	711,342
1994	70	38,309,231	112	10,159,393	2,074,371	85,726
1995	72	32,579,580	119	8,439,036	2,134,528	119,237
1996	51	14,222,885	122	9,314,269	2,332,913	-

- (1) Obtained from records maintained by the City of Ocala Building, Zoning and Licensing Department.
- (2) Obtained by the Florida Bankers Association for 1987 through 1992, and Barnett Bank for 1993 through 1996. Figures shown are for Marion County and represent total bank deposits at September 30 for the years 1987 through 1996.
- (3) Obtained by the Federal Home Loan Bank for the years 1987 through 1991, the U.S. Savings and Loan League for 1992, and Barnett Bank for 1993 through 1996. Figures shown are for Marion County and represent total savings and loan association deposits at June 30 for 1987, 1988 and 1992, and at September 30 for 1989 through 1991, and 1993 through 1996.
- (4) The swing in deposits from savings and loan associations to banks represents the purchase/merger of Mid-State Federal Savings and Loan Association by AmSouth Bank and of California Federal Savings and Loan Association by NationsBank during fiscal year 1994, and purchase/merger of Citizens Savings and Loan Association by NationsBank during fiscal year 1996.

CITY OF OCALA, FLORIDA
LIST OF OFFICERS' SALARIES

September 30, 1996

City Manager	\$ 89,843
Deputy City Manager	78,587
Assistant City Manager	57,222
Assistant City Manager	54,100
Building Official	64,686
City Clerk	41,535
City Engineer	67,580
Electric Utility Director	78,003
Finance Director	59,995
Fire Chief	58,205
Fleet Management Director	45,041
Golf Director	46,392
Human Resource Director	53,245
Internal Auditor	47,912
Management Information System Director	60,010
Planning Director	52,565
Police Chief	70,647
Acting Public Works Director	46,193
Purchasing Director	53,868
Recreation and Parks Director	51,020
Regional Library Director	40,976
Risk Manager	53,571
Water and Sewer Director	56,673

CITY OF OCALA, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY

ALL BONDED DEBT

1997-2023

Fiscal Year	Capital Improvement Revenue, Refunding Revenue and Revenue Refunding Certificates	Electric System Revenue Refunding Bonds	Water and Sewer Revenue and Refunding Revenue Bonds	Utility Systems Subordinate Refunding Revenue Bonds Series 1992A	Utility Systems Subordinate Refunding Revenue Bonds Series 1992B	Optional Gas Tax Refunding Revenue Bonds	Total Principal and Interest Due
1997	\$ 2,442,798	\$ 1,923,325	\$ 786,255	\$ 4,203,865	\$ 3,154,200	\$ 1,305,489	\$ 13,815,932
1998	2,444,398	1,924,390	1,338,282	4,205,490	3,150,440	1,302,953	14,365,953
1999	1,158,598	1,800,030	1,339,771	4,195,860	2,031,576	1,302,476	11,828,311
2000	1,668,418	-	1,334,945	4,199,280	629,720	1,303,395	9,135,758
2001	1,667,338	-	1,338,613	4,194,890	629,720	1,296,018	9,126,579
2002	1,664,895	-	1,328,812	4,192,903	629,720	1,300,565	9,116,895
2003	1,665,982	-	1,335,330	4,188,455	2,390,270	1,296,265	10,876,302
2004	1,665,407	-	1,330,035	4,176,202	2,382,260	1,298,245	10,852,149
2005	1,662,867	-	1,328,080	4,180,931	2,381,225	1,296,887	10,849,990
2006	1,668,072	-	1,334,015	4,168,888	2,376,094	1,291,988	10,839,057
2007	1,661,227	-	1,327,840	4,167,450	2,366,719	1,292,812	10,816,048
2008	1,662,267	-	1,324,705	4,161,750	-	1,288,800	8,437,522
2009	1,660,892	-	1,324,310	4,153,437	-	1,285,250	8,423,889
2010	1,662,244	-	1,321,505	4,154,400	-	1,287,500	8,425,649
2011	1,660,247	-	1,326,010	4,143,988	-	-	7,130,245
2012	1,659,702	-	1,324,711	4,140,625	-	-	7,125,038
2013	2,041,394	-	1,322,837	4,138,750	-	-	7,502,981
2014	2,034,863	-	1,323,338	4,124,375	-	-	7,482,576
2015	2,036,494	-	1,316,224	4,121,719	-	-	7,474,437
2016	2,036,119	-	1,316,363	4,114,687	-	-	7,467,169
2017	2,031,994	-	1,099,525	-	-	-	3,131,519
2018	2,028,994	-	1,095,987	-	-	-	3,124,981
2019	2,031,744	-	1,094,838	-	-	-	3,126,582
2020	1,019,284	-	1,090,937	-	-	-	2,110,221
2021	1,017,656	-	1,089,150	-	-	-	2,106,806
2022	1,018,475	-	-	-	-	-	1,018,475
2023	1,016,606	-	-	-	-	-	1,016,606
Total	\$ 45,988,975	\$ 5,647,745	\$ 31,492,418	\$ 83,327,945	\$ 22,121,944	\$ 18,148,643	\$ 206,727,670

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST

CAPITAL IMPROVEMENT REVENUE REFUNDING CERTIFICATES, SERIES 1988

September 30, 1996

This issue, which was sold in August, 1988, consists of \$7,505,000 in fully registered certificates in denominations of \$5,000 and integral multiples thereof. The certificates mature from April 1, 1989 through 1998 and are not subject to redemption prior to their stated maturities. As of September 30, 1996, \$5,185,000 of the certificates have been retired. The outstanding certificates will mature as listed below. The paying agent and certificate registrar is The Bank of New York, as successor to Citizens and Southern Trust Company (Georgia), National Association in Atlanta, Georgia.

Sales tax revenues, franchise fees, occupational license taxes, the guaranteed entitlement portion of state revenue sharing funds, mobile home licenses and court fines and forfeitures are pledged to retire these certificates; however, the lien and pledge for payment of the certificates is junior and subordinate to the lien upon and the pledge of the pledged revenues for the payment of the City's Capital Improvement Refunding Revenue Bonds, Series 1986.

The certificates were issued primarily to advance refund the outstanding portion of the Capital Improvement Revenue Certificates, Series 1986 and to pay the cost of various capital improvement projects of the City.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 4-1</u>	<u>Interest Due 10-1</u>	<u>Interest Due 4-1</u>	<u>Total</u>
1997	7.00 %	\$ 1,120,000	\$ 82,100	\$ 82,100	\$ 1,284,200
1998	7.15	1,200,000	42,900	42,900	1,285,800
Total		<u>\$ 2,320,000</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 2,570,000</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

CAPITAL IMPROVEMENT REFUNDING REVENUE CERTIFICATES, SERIES 1993

September 30, 1996

The Capital Improvement Refunding Revenue Certificates, Series 1993, dated December 14, 1993, bear interest at 3.90-5.25%, payable semi-annually on April 1 and October 1. The certificates, which are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof, consist of \$6,045,000 of serial certificates and \$12,320,000 of term certificates. The principal of and premium, if any, are payable upon presentation and surrender to the paying agent, The Bank of New York, as successor to NationsBank of Georgia, National Association, Atlanta, Georgia.

The Series 1993 Certificates and the interest thereon are payable solely from and secured by a lien upon and pledge of sales tax revenues, franchise fees, occupational license taxes, the guaranteed entitlement portion of state revenue sharing funds, mobile home licenses and court fines and forfeitures. The Series 1993 Certificates are payable on a parity with the City's outstanding Capital Improvement Revenue Refunding Certificates, Series 1988.

Proceeds received from the sale of the Series 1993 Certificates, were used primarily to refund the City's Capital Improvement Refunding Revenue Bonds, Series 1986, and to finance the costs of acquisition and construction of certain capital improvements in the City.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 10-1</u>	<u>Interest Due 10-1</u>	<u>Interest Due 4-1</u>	<u>Total</u>
1997	-	\$ -	\$ 449,031	\$ 449,031	\$ 898,062
1998	-	-	449,031	449,031	898,062
1999	-	-	449,031	449,031	898,062
2000	3.90 %	440,000	449,031	440,451	1,329,482
2001	4.00	460,000	440,451	431,251	1,331,702
2002	4.10	475,000	431,251	421,514	1,327,765
2003	4.20	500,000	421,514	411,014	1,332,528
2004	4.30	520,000	411,014	399,834	1,330,848
2005	4.50	540,000	399,834	387,684	1,327,518
2006	4.60	570,000	387,684	374,574	1,332,258
2007	4.70	590,000	374,574	360,709	1,325,283
2008	4.80	620,000	360,709	345,829	1,326,538
2009	4.90	650,000	345,829	329,904	1,325,733
2010	4.90	680,000	329,904	313,244	1,323,148
2011	5.25	715,000	313,244	294,475	1,322,719
2012	5.25	755,000	294,475	274,656	1,324,131
2013	5.25	1,330,000	274,656	239,744	1,844,400
2014	5.25	1,395,000	239,744	203,125	1,837,869
2015	5.00	1,470,000	203,125	166,375	1,839,500
2016	5.00	1,545,000	166,375	127,750	1,839,125
2017	5.00	1,620,000	127,750	87,250	1,835,000
2018	5.00	1,700,000	87,250	44,750	1,832,000
2019	5.00	1,790,000	44,750	-	1,834,750
Total		<u>\$ 18,365,000</u>	<u>\$ 7,450,257</u>	<u>\$ 7,001,226</u>	<u>\$ 32,816,483</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

CAPITAL IMPROVEMENT REVENUE CERTIFICATES, SERIES 1995

September 30, 1996

In October, 1995, the \$5,000,000 Capital Improvement Revenue Certificates, Series 1995 were sold. This issue consists of \$1,335,000 in serial certificates maturing on October 1, 1999 through 2011 and of \$3,665,000 in term certificates maturing on October 1, 2022. The schedule below shows the actual maturities for the serial certificates and the debt service requirements for the term certificates. The certificates are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. The paying agent and registrar is The Bank of New York.

The Series 1995 Certificates and the interest thereon are payable solely from and secured by a lien upon and pledge of sales tax revenues, franchise fees, occupational license taxes, the guaranteed entitlement portion of state revenue sharing funds, mobile home licenses and court fines and forfeitures. The Series 1995 Certificates are payable on a parity with the City's outstanding Capital Improvement Revenue Refunding Certificates, Series 1988, and Capital Improvement Refunding Revenue Certificates, Series 1993.

Proceeds received from the sale of the Series 1995 Certificates are being used primarily to finance the costs of acquisition and construction of certain capital improvements in the City.

Fiscal Year	Interest Rate	Principal Due 10-1	Interest Due 10-1	Interest Due 4-1	Total
1997	- %	\$ -	\$ 130,268	\$ 130,268	\$ 260,536
1998	-	-	130,268	130,268	260,536
1999	-	-	130,268	130,268	260,536
2000	4.000	80,000	130,268	128,668	338,936
2001	4.250	80,000	128,668	126,968	335,636
2002	4.250	85,000	126,968	125,162	337,130
2003	4.400	85,000	125,162	123,292	333,454
2004	4.500	90,000	123,292	121,267	334,559
2005	4.600	95,000	121,267	119,082	325,349
2006	4.700	100,000	119,082	116,732	335,814
2007	4.800	105,000	116,732	114,212	335,944
2008	4.900	110,000	114,212	111,517	335,729
2009	5.000	115,000	111,517	108,642	335,159
2010	5.100	125,000	108,642	105,454	339,096
2011	5.200	130,000	105,454	102,074	337,528
2012	5.300	135,000	102,074	98,497	335,571
2013	-	-	98,497	98,497	196,994
2014	-	-	98,497	98,497	196,994
2015	-	-	98,497	98,497	196,994
2016	-	-	98,497	98,497	196,994
2017	-	-	98,497	98,497	196,994
2018	-	-	98,497	98,497	196,994
2019	-	-	98,497	98,497	196,994
2020	5.375	845,000	98,497	75,787	1,019,284
2021	5.375	890,000	75,787	51,869	1,017,656
2022	5.375	940,000	51,869	26,606	1,018,475
2023	5.375	990,000	26,606	-	1,016,606
Total		<u>\$ 5,000,000</u>	<u>\$ 2,866,380</u>	<u>\$ 2,736,112</u>	<u>\$ 10,602,492</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

ELECTRIC SYSTEM REVENUE REFUNDING BONDS, SERIES 1989B

September 30, 1996

In October, 1989, the \$13,000,000 Electric System Revenue Refunding Bonds, Series 1989B were sold. This issue consists of \$13,000,000 in serial bonds which mature on October 1, 1990 through 1998. As of September 30, 1995, \$7,885,000 of these bonds have been retired. The schedule below shows the actual maturities and the debt service requirements for the outstanding serial bonds. The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. The paying agent and bond registrar is The Bank of New York, as successor to Citizens and Southern Trust Company (Georgia), National Association in Atlanta, Georgia.

The payment of principal and interest on the Series 1989B bonds is secured by a lien on the net revenues derived from the operation of the City's electric system.

The proceeds of this issue were used for the purpose of advance refunding the City's outstanding Power System Revenue Bonds, Series 1977, and the City's outstanding Power Supply Revenue Refunding Bonds, Series 1988.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 10-1</u>	<u>Interest Due 10-1</u>	<u>Interest Due 4-1</u>	<u>Total</u>
1997	6.70 %	\$ 1,630,000	\$ 173,965	\$ 119,360	\$ 1,923,325
1998	6.80	1,745,000	119,360	60,030	1,924,390
1999	6.90	1,740,000	60,030	-	1,800,030
Total		<u>\$ 5,115,000</u>	<u>\$ 353,355</u>	<u>\$ 179,390</u>	<u>\$ 5,647,745</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

OPTIONAL GAS TAX REFUNDING REVENUE BONDS, SERIES 1992

September 30, 1996

The Optional Gas Tax Refunding Revenue Bonds, Series 1992, dated December 10, 1992, bear interest at 2.75-6.0%, payable semi-annually on June 1 and December 1. The bonds, which are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof, consists of \$11,915,000 of serial bonds and \$2,425,000 of term bonds. As of September 30, 1996, \$1,830,000 of these bonds have been retired. The principal of and premium, if any, are payable upon presentation and surrender to the paying agent, The Bank of New York, as successor to NationsBank of Georgia, National Association, Atlanta, Georgia.

The Series 1992 Bonds and the interest thereon are payable solely from and secured by a lien and pledge of the proceeds of the six cent optional gas tax received by the City.

Proceeds received from the sale of the Series 1992 Bonds were used primarily to refund the City's Optional Gas Tax Revenue Bonds, Series 1989.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 12-1</u>	<u>Interest Due 12-1</u>	<u>Interest Due 6-1</u>	<u>Total</u>
1997	4.100 %	\$ 635,000	\$ 341,753	\$ 328,736	\$ 1,305,489
1998	4.400	660,000	328,736	314,217	1,302,953
1999	4.625	690,000	314,216	298,260	1,302,476
2000	5.000	725,000	298,260	280,135	1,303,395
2001	5.100	755,000	280,135	260,883	1,296,018
2002	5.300	800,000	260,882	239,683	1,300,565
2003	5.500	840,000	239,682	216,583	1,296,265
2004	5.600	890,000	216,582	191,663	1,298,245
2005	5.625	940,000	191,662	165,225	1,296,887
2006	5.750	990,000	165,225	136,763	1,291,988
2007	5.850	1,050,000	136,762	106,050	1,292,812
2008	6.000	1,110,000	106,050	72,750	1,288,800
2009	6.000	1,175,000	72,750	37,500	1,285,250
2010	6.000	1,250,000	37,500	-	1,287,500
Total		<u>\$ 12,510,000</u>	<u>\$ 2,990,195</u>	<u>\$ 2,648,448</u>	<u>\$ 18,148,643</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

UTILITY SYSTEMS SUBORDINATE REFUNDING REVENUE BONDS, SERIES 1992A

September 30, 1996

The Utility Systems Subordinate Refunding Revenue Bonds, Series 1992A, dated March 15, 1992, bear interest at 3.25-6.50%, payable semi-annually on April 1 and October 1. The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. As of September 30, 1996, \$4,275,000 of the total issue of \$51,880,000 have been retired. The principal of and premium, if any, are payable upon presentation and surrender to the paying agent, The Bank of New York, as successor to Nations Bank of Georgia, National Association, Atlanta, Georgia.

The Series 1992A Bonds and the interest are payable solely from and secured by a lien on the surplus revenues of the City's Water and Sewer System and Electric System.

The proceeds received from the sale of the Series 1992A Bonds were used primarily to refund the City's Water and Sewer Revenue Bonds, Series 1985A and the Water and Sewer Refunding Revenue Bonds, Series 1986.

Fiscal Year	Interest Rate	Principal Due 10-1	Interest Due 10-1	Interest Due 4-1	Total
1997	5.000 %	\$ 1,305,000	\$ 1,465,745	\$ 1,433,120	\$ 4,203,865
1998	5.200	1,375,000	1,433,120	1,397,370	4,205,490
1999	5.400	1,440,000	1,397,370	1,358,490	4,195,860
2000	5.600	1,525,000	1,358,490	1,315,790	4,199,280
2001	5.800	1,610,000	1,315,790	1,269,100	4,194,390
2002	5.900	1,705,000	1,269,100	1,218,803	4,192,903
2003	6.000	1,805,000	1,218,802	1,164,653	4,188,455
2004	6.100	1,905,000	1,164,652	1,106,550	4,176,202
2005	6.125	2,030,000	1,106,550	1,044,381	4,180,931
2006	6.500	2,150,000	1,044,382	974,506	4,168,888
2007	6.250	2,290,000	974,506	902,944	4,167,450
2008	6.500	2,435,000	902,944	823,806	4,161,750
2009	6.500	2,590,000	823,806	739,631	4,153,437
2010	6.500	2,765,000	739,631	649,769	4,154,400
2011	6.500	2,940,000	649,769	554,219	4,143,988
2012	6.250	3,130,000	554,219	456,406	4,140,625
2013	6.250	3,330,000	456,406	352,344	4,138,750
2014	6.250	3,530,000	352,344	242,031	4,124,375
2015	6.250	3,755,000	242,032	124,687	4,121,719
2016	6.250	3,990,000	124,687	-	4,114,687
Total		<u>\$ 47,605,000</u>	<u>\$ 18,594,345</u>	<u>\$ 17,128,600</u>	<u>\$ 83,327,945</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

UTILITY SYSTEMS SUBORDINATE REFUNDING REVENUE BONDS, SERIES 1992B

September 30, 1996

The Utility Systems Subordinate Refunding Revenue Bonds, Series 1992B, dated March 15, 1992, bear interest at 3.25-6.25%, payable semi-annually on April 1 and October 1. The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. As of September 30, 1996, \$12,180,000 of the total issue of \$28,435,000 have been retired. The principal of and premium, if any, are payable upon presentation and surrender to the paying agent, The Bank of New York, as successor to Nations Bank of Georgia, National Association, Atlanta, Georgia.

The Series 1992B Bonds and the interest are payable solely from and secured by a lien on the surplus revenues of the City's Water and Sewer System and Electric System.

Proceeds received from the sale of the Series 1992B Bonds were used primarily to refund the City's Electric System Revenue Bonds, Series 1989A.

Fiscal Year	Interest Rate	Principal Due 10-1	Interest Due 10-1	Interest Due 4-1	Total
1997	5.000 %	\$ 2,270,000	\$ 470,475	\$ 413,725	\$ 3,154,200
1998	5.200	2,385,000	413,725	351,715	3,150,440
1999	5.400	1,365,000	351,716	314,860	2,031,576
2000	-	-	314,860	314,860	629,720
2001	-	-	314,860	314,860	629,720
2002	-	-	314,860	314,860	629,720
2003	6.000	1,815,000	314,860	260,410	2,390,270
2004	6.100	1,920,000	260,410	201,850	2,382,260
2005	6.125	2,040,000	201,850	139,375	2,381,225
2006	6.250	2,165,000	139,375	71,719	2,376,094
2007	6.250	2,295,000	71,719	-	2,366,719
Total		<u>\$ 16,255,000</u>	<u>\$ 3,168,710</u>	<u>\$ 2,698,234</u>	<u>\$ 22,121,944</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

WATER AND SEWER REVENUE BONDS, SERIES 1995

September 30, 1996

In October, 1995, the \$5,000,000 Water and Sewer Revenue Bonds, Series 1995 were sold. This issue consists of \$155,000 in serial bonds maturing on October 1, 1997 through 2011 and of \$4,845,000 in term bonds maturing on October 1, 2020. The schedule below shows the actual maturities for the serial bonds and the debt service requirements for the term bonds. The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. The paying agent and registrar is The Bank of New York.

The Series 1995 Bonds and the interest thereon are payable solely from and secured by a lien upon the net revenues derived from the operation of the water and sewer system on a parity with the Water and Sewer Refunding Revenue Bonds, Series 1996.

The proceeds of this issue are being used primarily to finance the cost of acquisition and construction of additions, improvements and extensions to the City's water and sewer system.

Fiscal Year	Interest Rate	Principal Due 10-1	Interest Due 10-1	Interest Due 4-1	Total
1997	- %	\$ -	\$ 136,844	\$ 136,844	\$ 273,688
1998	3.75	5,000	136,844	136,750	278,594
1999	4.00	10,000	136,750	136,550	283,300
2000	4.00	10,000	136,550	136,350	282,900
2001	4.25	10,000	136,350	136,138	282,488
2002	4.25	10,000	136,137	135,925	282,062
2003	4.40	10,000	135,925	135,705	281,630
2004	4.50	10,000	135,705	135,480	281,185
2005	4.60	10,000	135,480	135,250	280,730
2006	4.70	10,000	135,250	135,015	280,265
2007	4.80	10,000	135,015	134,775	279,790
2008	4.90	10,000	134,775	134,530	279,305
2009	5.00	10,000	134,530	134,280	278,810
2010	5.10	10,000	134,280	134,025	278,305
2011	5.20	15,000	134,025	133,635	282,660
2012	5.30	15,000	133,635	133,238	281,873
2013	5.50	15,000	133,237	132,825	281,062
2014	5.50	15,000	132,825	132,413	280,238
2015	5.50	15,000	132,412	132,000	279,412
2016	5.50	15,000	132,000	131,588	278,588
2017	5.50	860,000	131,587	107,938	1,099,525
2018	5.50	905,000	107,937	83,050	1,095,987
2019	5.50	955,000	83,050	56,788	1,094,838
2020	5.50	1,005,000	56,787	29,150	1,090,937
2021	5.50	1,060,000	29,150	-	1,089,150
Total		<u>\$ 5,000,000</u>	<u>\$ 3,107,080</u>	<u>\$ 2,970,242</u>	<u>\$ 11,077,322</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 1996

September 30, 1996

In July, 1996, the \$12,170,000 Water and Sewer Refunding Revenue Bonds, Series 1996 were sold. This issue consists of \$1,620,000 in serial bonds maturing on October 1, 1997 through 2000 and of \$10,550,000 in term bonds maturing on October 1, 2005, 2010 and 2015. The schedule below shows the actual maturities for the serial bonds and the debt service requirements for the term bonds. *The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. The paying agent and registrar is The Bank of New York.

The Series 1996 Bonds and the interest thereon are payable solely from and secured by a lien upon the net revenues derived from the operation of the water and sewer system on a parity with the Water and Sewer Revenue Bonds, Series 1995.

The proceeds of this issue are being used primarily for the forward refunding of the City's outstanding Water and Sewer Refunding Revenue Bonds, Series 1988.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 10-1</u>	<u>Interest Due 10-1</u>	<u>Interest Due 4-1</u>	<u>Total</u>
1997	- %	\$ -	\$ 168,306	\$ 344,261	\$ 512,567
1998	4.65	380,000	344,261	335,427	1,059,688
1999	4.75	395,000	335,426	326,045	1,056,471
2000	4.90	410,000	326,045	316,000	1,052,045
2001	5.00	435,000	316,000	305,125	1,056,125
2002	6.00	450,000	305,125	291,625	1,046,750
2003	6.00	485,000	291,625	277,075	1,053,700
2004	6.00	510,000	277,075	261,775	1,048,850
2005	6.00	540,000	261,775	245,575	1,047,350
2006	6.00	580,000	245,575	228,175	1,053,750
2007	6.00	610,000	228,175	209,875	1,048,050
2008	6.00	645,000	209,875	190,525	1,045,400
2009	6.00	685,000	190,525	169,975	1,045,500
2010	6.00	725,000	169,975	148,225	1,043,200
2011	6.00	770,000	148,225	125,125	1,043,350
2012	5.50	815,000	125,125	102,713	1,042,838
2013	5.50	860,000	102,712	79,063	1,041,775
2014	5.50	910,000	79,062	54,038	1,043,100
2015	5.50	955,000	54,037	27,775	1,036,812
2016	5.50	1,010,000	27,775	-	1,037,775
Total		<u>\$ 12,170,000</u>	<u>\$ 4,206,699</u>	<u>\$ 4,038,397</u>	<u>\$ 20,415,096</u>

CITY OF OCALA, FLORIDA

ANALYSIS OF SEWERAGE SYSTEM CAPITAL IMPROVEMENT FUND
ESTABLISHED FOR FLORIDA DEPARTMENT OF ENVIRONMENTAL
REGULATION GRANT #621080

The City received grant number 621080 from the State of Florida Department of Environmental Regulation for a portion of the construction of Sewer Treatment Plant #1. One of the requirements of this grant is that the City provide for a sewerage system capital improvement account to accumulate the equivalent future value of the grant amount adjusted for inflationary cost increases upon completion of the grant-related project. In December, 1985, the City adopted ordinance #1810 which addresses this subject in section 5. The amount to be accumulated by the City is \$6,020,462.40. Grant condition number 23 requires annual certification that the sewerage system capital improvement account is maintained in accordance with Section 17-501.610 of the Florida Administrative Code.

The construction of the grant-related project, Sewer Treatment Plant #1, was completed during fiscal year 1988. Since prepayments to the capital improvement fund are allowed, the City started making deposits in fiscal year 1986. The following schedule shows all activity in the sewerage system capital improvement fund since its inception:

<u>Fiscal</u> <u>Year</u>	<u>Deposits</u>	<u>Interest</u> <u>Income</u>	<u>Balance</u> <u>September 30,</u>
1987	\$ 301,023.12	\$ 18,714.00	\$ 620,760.24
1988	301,023.12	50,909.96	972,693.32
1989	301,023.12	91,647.90	1,365,364.34
1990	301,023.12	125,170.01	1,791,557.47
1991	301,023.12	42,728.85	2,235,309.44
1992	301,023.12	111,185.27	2,647,517.83
1993	301,023.00	116,575.01	3,065,115.84
1994	301,023.00	133,077.65	3,499,216.49
1995	301,023.00	178,917.78	3,979,157.27
1996	301,023.00	232,147.37	4,512,327.64