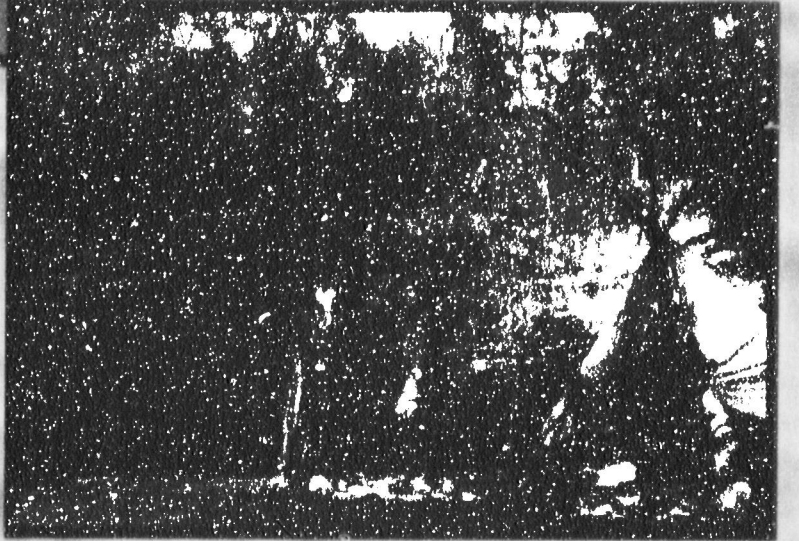
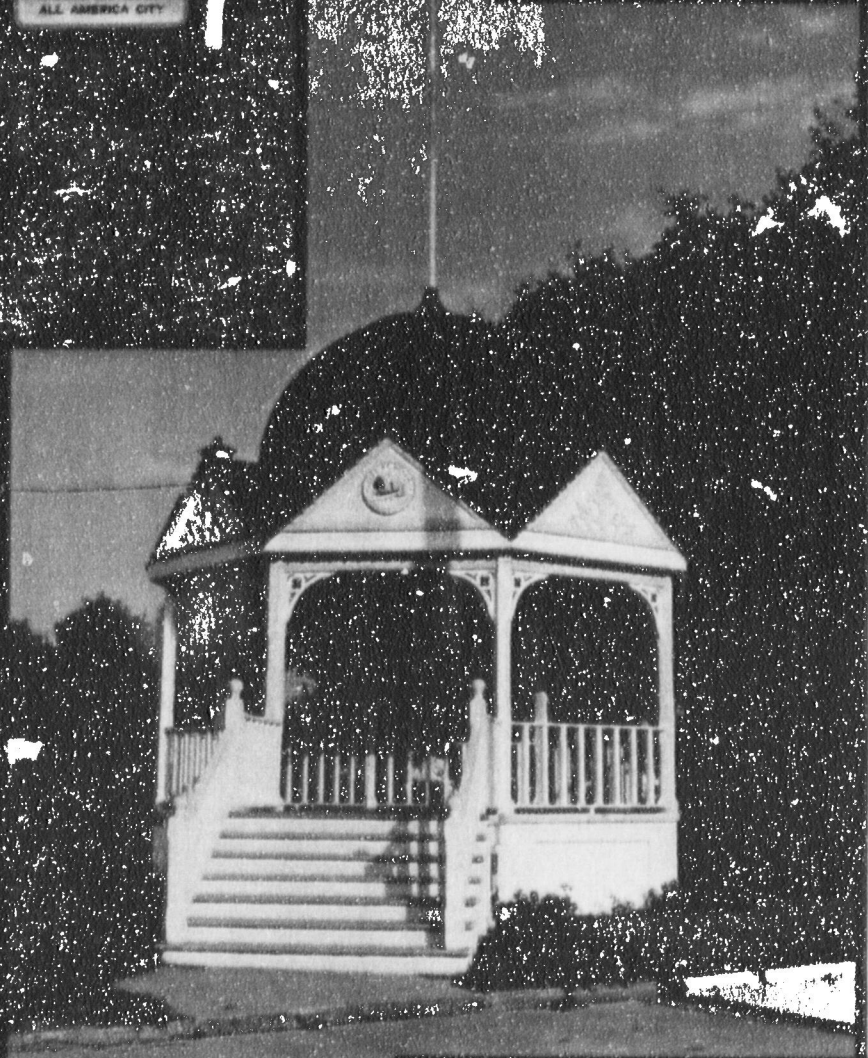


*Comprehensive Annual Financial Report  
for the year ended September 30, 1998*

**City of Ocala**

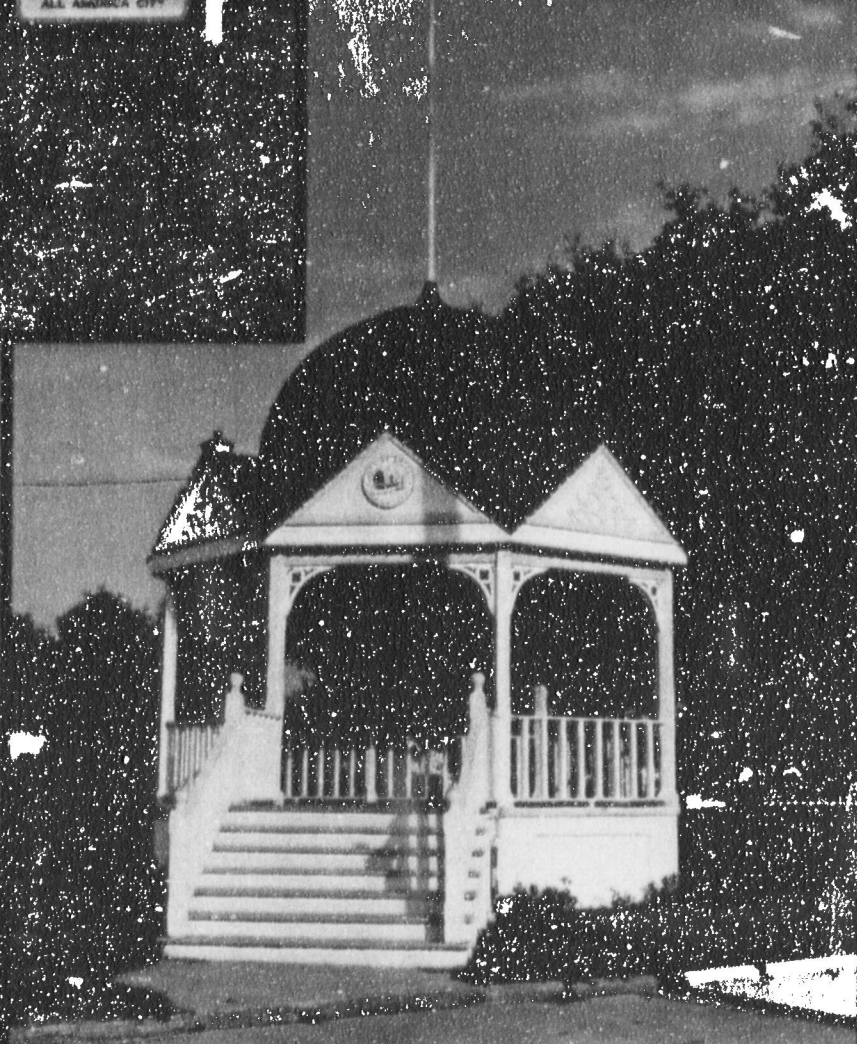
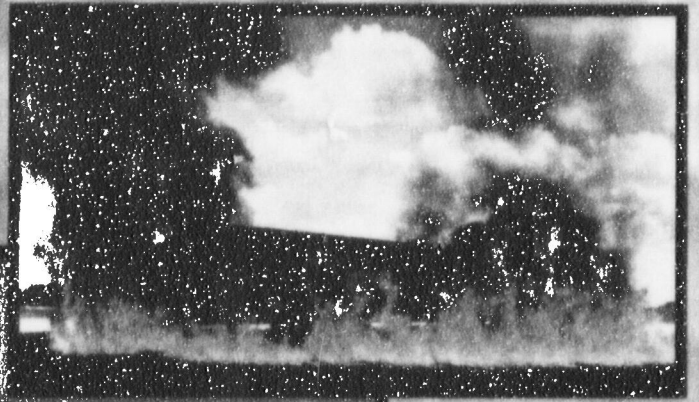


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Comprehensive Annual Financial Report  
for the year ended September 30, 1998

City of Ocala



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CITY OF OCALA, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

September 30, 1998

Prepared by:  
Department of Finance



CITY OF OCALA, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Year Ended September 30, 1998

**City Council**

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

**City Officials**

City Manager	Scotty J. Andrews
Assistant City Manager	Paul K. Nugent
Assistant City Manager	Oel G. Wingo
Building Official	Donald C. Noxon
City Attorney	Patrick G. Gilligan
City Clerk	Deborah C. Bullock
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Golf Director	Michael J. McGinnis
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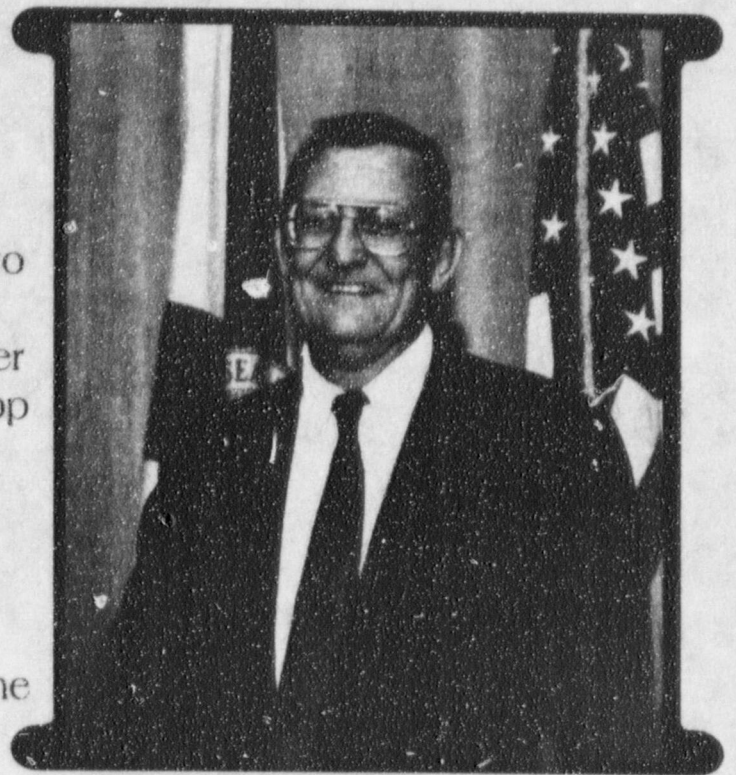
# A Tribute . . .

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Scotty's is a true "work-your-way-through-the-ranks" success story. He was 23 when he started to work with the city as a rodman on a surveying crew in 1958. He credits those early days with providing him with a solid understanding of the city's infrastructure. He steadily worked his way up the ladder until he was appointed city manager in 1979. His service in that position for nearly two decades is a credit both to his skills as an administrator and his dedication to the community.

Like most Florida communities during the past 20 years, Ocala has been faced with the challenges of rapid growth. Scotty has spent much of his career meeting those challenges - building roads, expanding water and sewer services, initiating environmentally safe ways to discharge reuse water, building new fire stations, meeting increased technological demands - the list goes on. During the past couple of years alone, Ocala has seen the renovation of its historic train station, the start of construction of a new police station, the re-emergence of downtown as a thriving business district, the opening of a major outdoor sports complex, and the initiation of a public mass transit system. Perhaps the crown jewel of recent accomplishments is the opening of the Florida Emergency Training Facility. FETF offers aviation-related fire and rescue training to emergency service personnel throughout the southeastern United States and abroad.

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## INTRODUCTORY SECTION

This Section contains the following Subsections:

Table of Contents

Letter of Transmittal

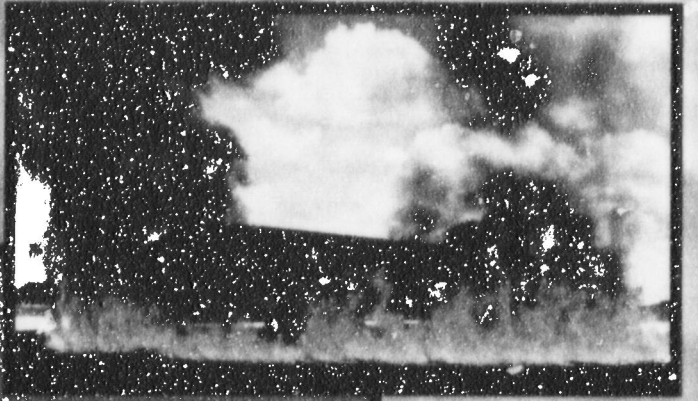
Certificate of Achievement  
for Excellence in Financial Reporting

City of Ocala Organization Charts



*Comprehensive Annual Financial Report  
for the year ended September 30, 1998*

# City of Ocala

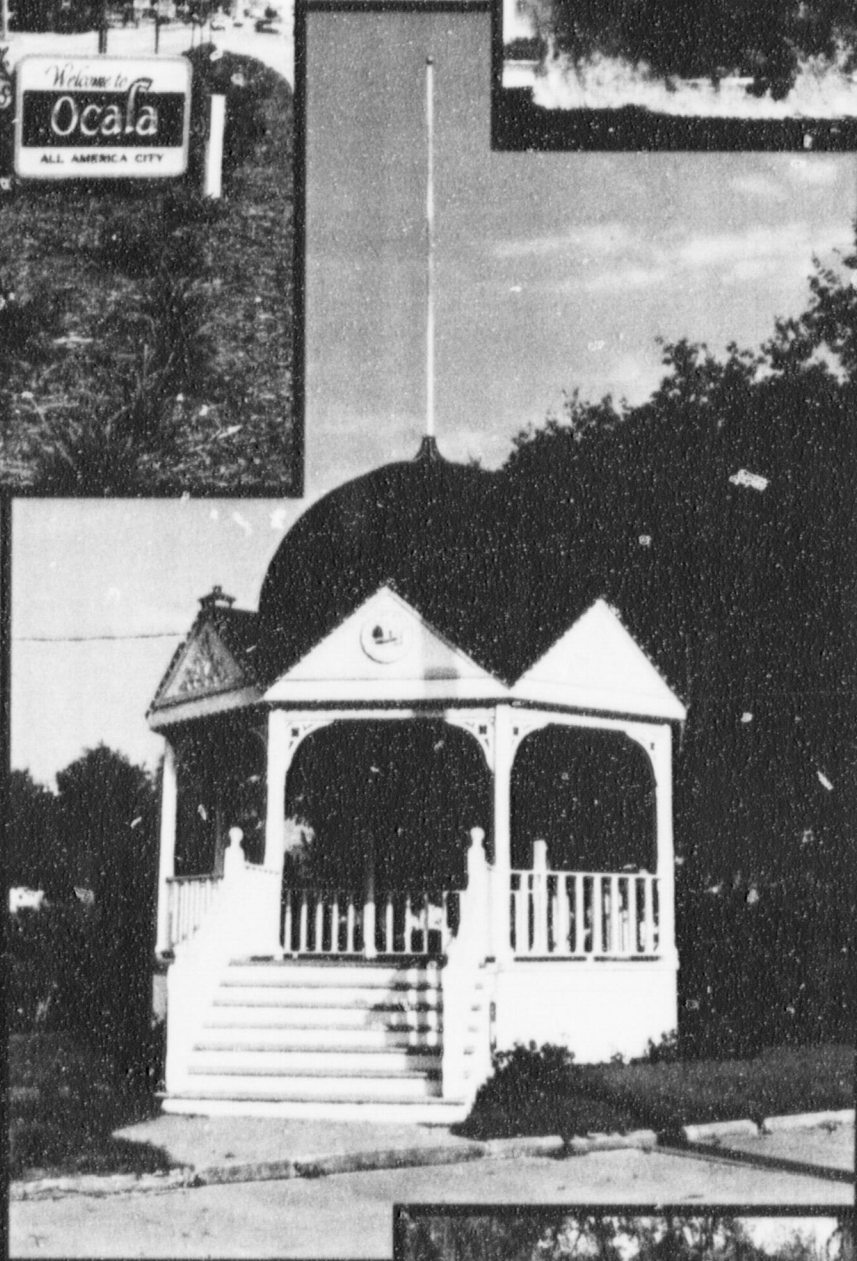
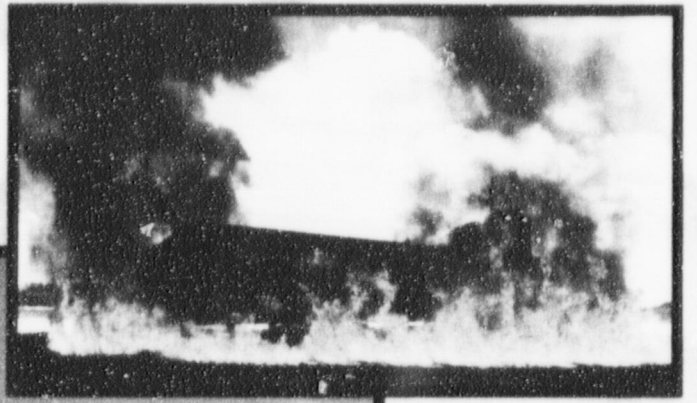


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*Comprehensive Annual Financial Report  
for the year ended September 30, 1998*

**City of Ocala**



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CITY OF OCALA, FLORIDA

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September 30, 1998

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CITY OF OCALA, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 1998

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CITY OF OCALA, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 1998

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
REQUIRED SUPPLEMENTARY INFORMATION	
Historical Trend Information for Pension Trust Funds - Schedule of Funding Progress .....	61
Historical Trend Information for Pension Trust Funds - Schedule of Contributions from Employer and Other Contributing Entities .....	62



FINANCIAL SECTION - CONTINUED

INDIVIDUAL FUND AND COMBINING STATEMENTS - BY FUND TYPE

Special Revenue Funds:

Combining Balance Sheet .....	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	68
Combining Schedule of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual .....	70
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Occupational License Fund .....	75
Central Florida Regional Library Fund .....	76
Parking/Parks Enforcement Fund .....	78
Downtown Development Fund .....	79
Local Gasoline Tax Fund .....	80
Stormwater Utility Fund .....	82
SHIP Local Housing Assistance Fund .....	84

Debt Service Funds:

Combining Balance Sheet .....	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	87

Capital Project Funds:

Combining Balance Sheet .....	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	91
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:	
Optional Gas Tax Construction Fund .....	95
Capital Improvement Fund .....	96
1995 Capital Improvement Fund .....	98

Enterprise Funds:

Combining Balance Sheet .....	102
Combining Statement of Revenues, Expenses and Changes in Retained Earnings .....	106
Combining Statement of Cash Flows .....	108

Internal Service Funds:

Combining Balance Sheet .....	114
Combining Statement of Revenues, Expenses and Changes in Retained Earnings .....	115
Combining Statement of Cash Flows .....	116

Trust and Agency Funds:

Combining Balance Sheet .....	120
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Expendable Trust Funds .....	123
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - -Expendable Trust Funds .....	124
Combining Statement of Plan Net Assets - Pension Trust Funds .....	126
Combining Statement of Changes in Plan Net Assets - Pension Trust Funds .....	127
Statement of Changes in Assets and Liabilities - Agency Fund .....	128

FINANCIAL SECTION - CONTINUED

General Fixed Asset Account Group:

Schedule of General Fixed Assets by Source .....	130
Schedule of General Fixed Assets by Function and Activity .....	131
Schedule of Changes in General Fixed Assets by Function and Activity .....	132

STATISTICAL SECTION

General Governmental Revenues and Other Financing Sources By Source - Last Ten Fiscal Years .....	134
General Governmental Expenditures and Other Uses By Function - Last Ten Fiscal Years .....	136
Property Tax Levies, Tax Collections and Assessed Valuations - Last Ten Fiscal Years .....	138
Property Tax Rates and Levies - Direct and Overlapping Governments - Last Ten Fiscal Years .....	139
Special Assessment Collections - Last Ten Fiscal Years .....	140
Computation of Legal Debt Margin .....	141
Schedules of Bond Coverage:	
Schedule of Electric System Revenue and Revenue Refunding Bonds	
- Last Ten Fiscal Years .....	142
Schedule of Water and Sewer Revenue and Refunding Revenue Bonds	
- Last Ten Fiscal Years .....	143
Schedule of Utility Systems Subordinate Refunding Revenue Bonds	
- Last Ten Fiscal Years .....	145
Schedule of Capital Improvement Revenue and Refunding Revenue Bonds, and	
Capital Improvement Revenue, Revenue Refunding and Refunding Revenue	
Certificates - Last Ten Fiscal Years .....	146
Schedule of Optional Gas Tax Revenue Bonds and Optional Gas Tax Refunding	
Revenue Bonds - Last Ten Fiscal Years .....	148
Computation of Direct and Overlapping General Obligation Debt .....	149
Miscellaneous Statistical Data .....	150
Demographic Statistics .....	151
List of Ten Largest Taxpayers - 1997 Tax Roll .....	152
Schedule of Insurance in Force .....	153
Property Value, Construction and Bank Deposits - Last Ten Fiscal Years .....	155
List of Officers' Salaries .....	156
Summary of Debt Service Requirements to Maturity - All Bonded Debt .....	157



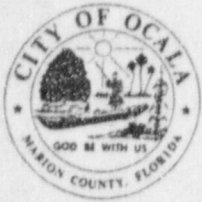
STATISTICAL SECTION - CONTINUED

Statement of Bonded Debt and Interest:

Capital Improvement Refunding Revenue Certificates, Series 1993 .....	158
Capital Improvement Revenue Certificates, Series 1995 .....	159
Electric System Revenue Refunding Bonds, Series 1989B .....	160
Optional Gas Tax Refunding Revenue Bonds, Series 1992 .....	161
Utility Systems Subordinate Refunding Revenue Bonds, Series 1992A .....	162
Utility Systems Subordinate Refunding Revenue Bonds, Series 1992B .....	163
Water and Sewer Revenue Bonds, Series 1995 .....	164
Water and Sewer Refunding Revenue Bonds, Series 1996 .....	165

Analysis of Sewerage System Capital Improvement Fund Established for

Florida Department of Environmental Regulation Grant #621080 .....	166
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# City of Ocala

FINANCE DEPARTMENT  
P.O. BOX 1270, OCALA, FLORIDA 34478-1270  
(352) 629-8501 • Fax (352) 690-2025



March 5, 1999

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, 1998, 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 1997 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, as well as streets and infrastructure.



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, twelve 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 curb side), 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, a municipal trailer park, and a regional mass transit system. 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 relatively 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. Other industries in the Ocala area include service industries and light manufacturing.

The growth surge experienced in the 1980's has continued through the 1990's but at a slower pace. The growth potential of the City continues to be virtually limitless. The growth is challenging to the City since it demands increased services, but places a financial strain on the revenues of the City. The City has been forced 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 1998 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 1998 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, the merit step plan salary increase process implemented during fiscal year 1997 was continued in fiscal year 1998. Thirty-five new City positions were authorized in the budget: seventeen in various departments of the City's General Fund, eight in the Communications Fund, four in the Electric Revenue Fund, two in the Internal Service Fund, and one each in the Risk Management Fund, the Adult Athletic Complex Fund, the Fort King Tennis Court Fund, and the Sanitation Fund.

Five-year master plans for road projects and for water and sewer projects were completed during fiscal year 1995. Ongoing improvement projects have continued in the electric and water and sewer systems. The City is also continuing its program of renovating existing City buildings. The construction of a new Police Department is underway. Upon completion, the existing Police Department will be renovated to house other departments. The downtown square renovation was started in 1998. For the past twelve 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 a number of years, the City and Marion County have shared the costs of improvements of some major arterial streets.

During September 1997, the City Council approved the Central Florida Regional Library interlocal agreement under which Marion County will become the governing body of the library effective on October 1, 1997. Under the terms of the agreement, the library operations and personal property including vehicles now owned by the City and used by the library will be transferred to Marion County. The City will provide the staffing on a contractual basis and will lease the building currently housing the Ocala Public Library to Marion County. The City will also pay Marion County \$133,000 per year for three years for library uses only.

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 most significant and demanding task facing us 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, 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 1998 was the first year of the implementation of the update of the Capital Improvements Element of the Comprehensive Plan, which covers the five-year period from 1998 through 2002. An evaluation and appraisal report ("EAR") is also required to be completed every five years. The "EAR" evaluates what does and does not work and suggests alternative solutions.

Department Focus. The City of Ocala owns and operates two golfing facilities; Pine Oaks of Ocala and Ocala Golf Club (Muni). These green belt areas are both within the city limits of Ocala. Pine Oaks of Ocala is located just two miles from State Road 27, exit 70, of Interstate 75. Ocala Golf Club is located 7 miles from downtown Ocala on East Silver Springs Boulevard.

Both facilities are operated as enterprise funds within the City of Ocala Budget. The City of Ocala provides supervised golf recreation activities under the best and most favorable circumstances. Junior golf programs are planned and conducted throughout the year. Leagues and tournaments are held weekly with great participation by all age groups.

With 27 holes at Pine Oaks of Ocala and 18 holes at Ocala Golf Club, we are able to accommodate open play, tournament, league or outing requests. Adult and junior lessons are ongoing with top golf professionals at both our day ranges and our night range. Banquet facilities are available for wedding receptions, anniversaries, parties, etc. A Proshop is located at each course offering on site (and special ordering) of supplies and equipment for golfers needs. Both Proshops also offer Gift Certificates for customer convenience. A night driving range is located at the Ocala Golf Club.

The Golf Department has endeavored to provide a quality, positive recreational environment for the clientele to enjoy at a reasonable cost. The success in this area is demonstrated in the high usage of both courses. In fiscal year 1998 Pine Oaks had 21,508 nine (9) hole rounds and 63,639 eighteen (18) hole rounds while Ocala Golf Club had 18,673 nine (9) hole rounds and 54,629 eighteen (18) hole rounds for a combined total of 158,449 rounds of golf .

The quality of the two City courses was recently reflected in a ranking of the combined public and municipal courses in 309 cities across the nation. The ranking, by Golf Digest, ranked Ocala 39th in the United States. Among the judging criteria are the condition of the courses rated, their affordability, and availability to the public they serve. This speaks very highly of the quality available at the public and private courses included in the City's ranking.

The City of Ocala has also worked to make the Golf Department an environmentally friendly operation. Both courses are using recycled/reclaimed water for irrigation purposes. Pine Oaks currently uses in excess of 128,000,000 gallons of reclaimed water

from Water Reclamation Facility #1 each year, and Ocala Golf Club uses 48,000,000 gallons of reclaimed water from Water Reclamation Facility #2 each year.

The Golf Department operates with 25 full-time and 31 part-time employees. Several volunteers provide assistance at the two courses.

Ocala Golf Club, a 160 acre facility, was purchased from private owners (Ocala Highland Company) in July 1944. The small clubhouse was located behind the Highlands Hotel (currently Marion Springs Condominiums). The clubhouse was moved to a larger facility at its current location on Silver Springs Boulevard. Pine Oaks of Ocala (originally Crompton Memorial Golf Course) a 210 acre facility, was established in 1961 as a 9 hole course. These humble beginnings were guided and nurtured to become the current day golfing facilities described above.

The outlook for the future is also very bright. The Ocala Golf Club is currently undergoing renovations to update the clubhouse facilities. Every attempt will be made to maintain or improve the quality of both courses and all associated facilities.

#### 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 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, 1998 and the percentages of increases and decreases in relation to revenues and other financing sources for the fiscal year ended September 30, 1997.

	Amount	% of Total	Increase (Decrease) from 1997	Percent Increase (Decrease)
Revenues:				
Property taxes	\$ 8,480,580	17.53%	\$ 112,032	1.34%
Utility service tax	5,040,944	10.42	318,543	6.75
Other taxes	1,825,810	3.77	47,859	2.69
State revenue sharing	979,958	2.03	21,101	2.20
Other intergovernmental revenues	11,054,657	22.86	355,975	3.33
Parking meters and facilities	65,119	.13	6,840	11.74
Licenses and permits	960,467	1.99	3,179	.33
Fines and forfeitures	594,544	1.23	(48,391)	(7.53)
Charges for services	2,682,039	5.55	213,398	8.64
Investment Income	2,161,010	4.47	427,909	24.69
Gifts and other	436,978	.90	122,961	39.16
Total revenues	34,282,106	70.88	1,581,406	
Other financing sources:				
Operating transfers from other funds	14,082,216	29.12	(554,919)	(3.79)
Total revenues and other financing sources	\$48,364,322	100.00%	\$1,026,487	

The \$112,032 (1.34%) increase in property taxes is attributable only to an increase in the assessed valuation. There was no increase in the millage rate. The \$318,543 (6.75%) increase in the utility service tax is attributable primarily to a larger taxable revenue base.

The \$355,975 (3.33%) increase in other intergovernmental revenues was caused by increased grant activity as well as by an increased contribution from Marion County for funding road projects. The \$213,398 (8.64%) increase in charges for services was caused by increased stormwater revenues and by increased recreation fees.

The elimination of library fines caused by the transfer of library operations to Marion County coupled with a decrease in confiscation revenues as well as an increase in court fines are the causes of the \$48,391 (7.53%) decrease in fines and forfeitures. The \$6,840 (11.74%) increase in parking meters and facilities was caused by an increase in reserved parking revenues in the downtown area.

The \$427,909 (24.69%) increase in investment income is a direct result of the adoption of the GASB statement No. 31. The change in fair value of investments for the General, Special Revenue and Debt Service Funds is \$408,679 for fiscal year 1998. A nonrecurring donation to help with the renovation of a building and increased police false alarm charges are the causes of the \$122,961 (39.16%)

increase in gifts and other. The elimination of the General Fund contribution to the Library Fund as well as a reduction in the required contribution for the 1988 Improvement Certificates are the primary causes of the \$554,919 (3.79%) decrease in operating transfers from other funds.

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, 1998 and the percentages of increases and decreases in relation to expenditures and other financing uses for the fiscal year ended September 30, 1997.

Expenditures:	Amount	% of Total	Increase (Decrease) from 1997	Percent Increase (Decrease)
Current:				
General government and administration	\$ 4,759,554	9.96%	\$ 287,307	6.42%
Public safety	17,476,228	36.56	803,375	4.82
Public works	5,646,503	11.81	392,968	7.48
Culture and recreation	4,572,977	9.57	(611,263)	(11.79)
Housing rehabilitation	261,080	.55	(18,939)	(6.76)
Nondepartmental	210,752	.44	19,713	10.32
Other	918,279	1.92	303,038	49.26
Intergovernmental	1,182,574	2.47	1,020,326	628.87
Capital outlay	4,993,327	10.45	(182,202)	(3.52)
Debt service:				
Principal	1,860,000	3.89	105,000	5.98
Interest and agents' fees	1,898,570	3.97	(106,608)	(5.32)
Total expenditures	43,779,844	91.59	2,012,715	
Other financing uses:				
Operating transfer to other funds	4,017,101	8.41	26,338	.66
Total expenditures and other financing uses	<u>\$47,796,945</u>	<u>100.00%</u>	<u>\$2,039,053</u>	

General government and administration expenditures increased by \$287,307 (6.42%), which is attributable partly to four new authorized positions, to the cost of living and merit increases in 1998 and to increased activity in grants included in this classification. The \$803,375 (4.82%) increase in public safety expenditures was caused by the ten police officers approved and hired as the result of a grant, by the four new police and two new fire positions authorized in the budget and by the cost of living and merit increases.

The primary reasons for the \$392,968 (7.48%) increase in public works expenditures are the three new authorized positions for fiscal year 1998 and the cost of living and merit increases. The decrease in culture and recreation expenditures of \$611,263 (11.79%) is a direct result of the transfer of the operations of the Central Florida Regional Library to Marion County.



The \$18,939 (6.76%) decrease in housing rehabilitation was the result of five structures being fully rehabilitated and twenty-eight partially rehabilitated during 1998 as compared to seven full and twenty-three partial rehabilitations during 1997. Nondepartmental expenditures increased by \$19,713 (10.32%), which was caused by DEP-required contamination assessments of certain city property. The \$303,038 (49.26%) increase in other expenditures is the result of increased grant activities which are classified in this category.

Intergovernmental expenditures increased by \$1,020,326 (628.87%), which is directly related to the transfer of the Central Florida Regional Library to Marion County. The \$182,202 (3.52%) decrease in capital outlay expenditures was caused primarily by reductions in the purchases of vehicles and equipment. The \$105,000 (5.98%) increase in principal payments and the \$106,608 (5.32%) decrease in interest and agents' fees are attributable to scheduled debt service payments.

General Fund Balance. The fund balance of the general fund at September 30, 1998 is \$10,496,044, a 8.84% increase from the 1997 fund balance as restated. The increase was caused primarily by increased utility tax revenue and by decreased capital outlay expenditures. The general fund balance is equivalent of 82 working days of expenditures.

Enterprise Operations. The City of Ocala operates twelve 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, Communications, and Suntran. 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. The electric system continues to be efficiently managed and operated, and had a debt service coverage of 11.90 for the year ended September 30, 1998.

The Water and Sewer Fund, is the City's second largest enterprise fund. For the year ended September 30, 1998, the Water and Sewer Fund had a debt service coverage ratio of 7.51.

The Sanitation Fund is responsible for trash and garbage pick-up in the City. During the year, sanitation rates did not have to be increased. The fund is financially sound and had a net income of \$84,937 during fiscal 1998.

The Municipal Golf Course Fund had a net loss for the year ended September 30, 1998 of \$109,778 and this fund should continue to improve in the future.

The Ocala Regional Airport Fund had a net loss of \$271,187 in 1998. 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 \$7,363 during fiscal 1998. This fund, although small, is well-run and should improve in the future.

The Municipal Trailer Park Fund had a net loss of \$1,658 in 1998 but should improve in the future.

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 1998, this fund had a net loss of \$226,452.

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 1998, this fund had a net loss of \$92,778, but should improve in the future.

The Foreign Trade Zone Fund, which was started in late 1997, had a net loss of \$41,698 in 1998.

The Communications Fund improved in fiscal year 1998 and had a net income of \$1,154,859.

Suntran, which is a new enterprise fund started in 1998, is the beginning of the regional mass transit system which is scheduled to start operations in fiscal year 1999.

Pension Trust Fund Operations. The combined Pension Trust Funds improved during 1998. The combined funds had a net depreciation in the fair value of investments of \$1,218,741 caused by the valuation of investments to market value as of September 30, 1998 as well as by realized gains and losses during the year.

Debt Administration. At September 30, 1998, the City had \$109,630,000 in outstanding serial and term bonds and certificates. Of this amount, \$75,050,000 are associated with enterprise funds and \$34,580,000 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.

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, 1998, our investments with the State Board of



Administration were earning 5.51% During fiscal 1998, the City hired Sawgrass Asset Management, L.L.C. as its short-term investment manager in order to maximize investment earnings.

The City's pension fund investments for all three plans are administered by Manning and Napier and by Sanford C. Bernstein & Co., Inc. In addition, Templeton Global Equity Management is the international fund equity manager 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, 1997. 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 sixteen consecutive years (fiscal years ended 1982-1997.) 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 1997. 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.

In 1997, the City of Ocala received the Sustainable Community designation from the State of Florida Department of Community Affairs. Part of the requirement was to formulate a specific work program. The projects included, such as the downtown square redesign and the police department construction, have been started. For Ocala, being a sustainable community has meant reduced bureaucracy and increased local control. Only five cities in the State of Florida have achieved this designation.

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; Barbara A. Carroll, Accountant and Robert D. Naugler, Financial Analyst/Grant Supervisor. Appreciation is also extended to Eric Lewerenz, the City's Internal Auditor; to Patricia McGavic, Budget Manager and to PricewaterhouseCoopers LLP, our external auditors, for their assistance in this effort.

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

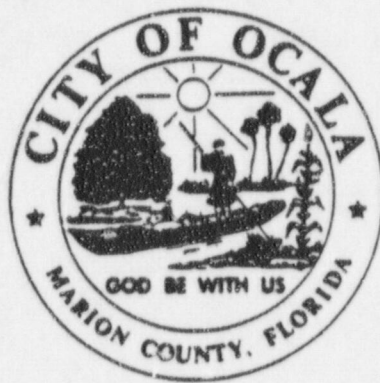
Respectfully submitted,



Glen L. Baker  
Finance Director

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# 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, 1997

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.



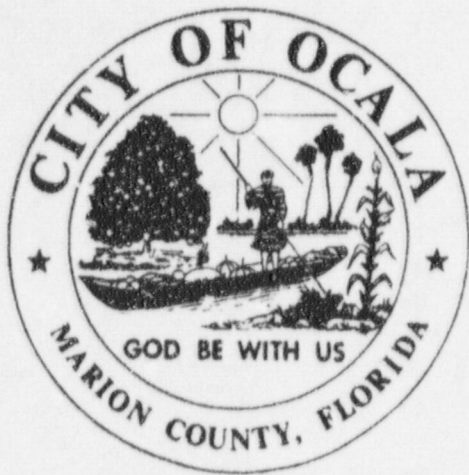
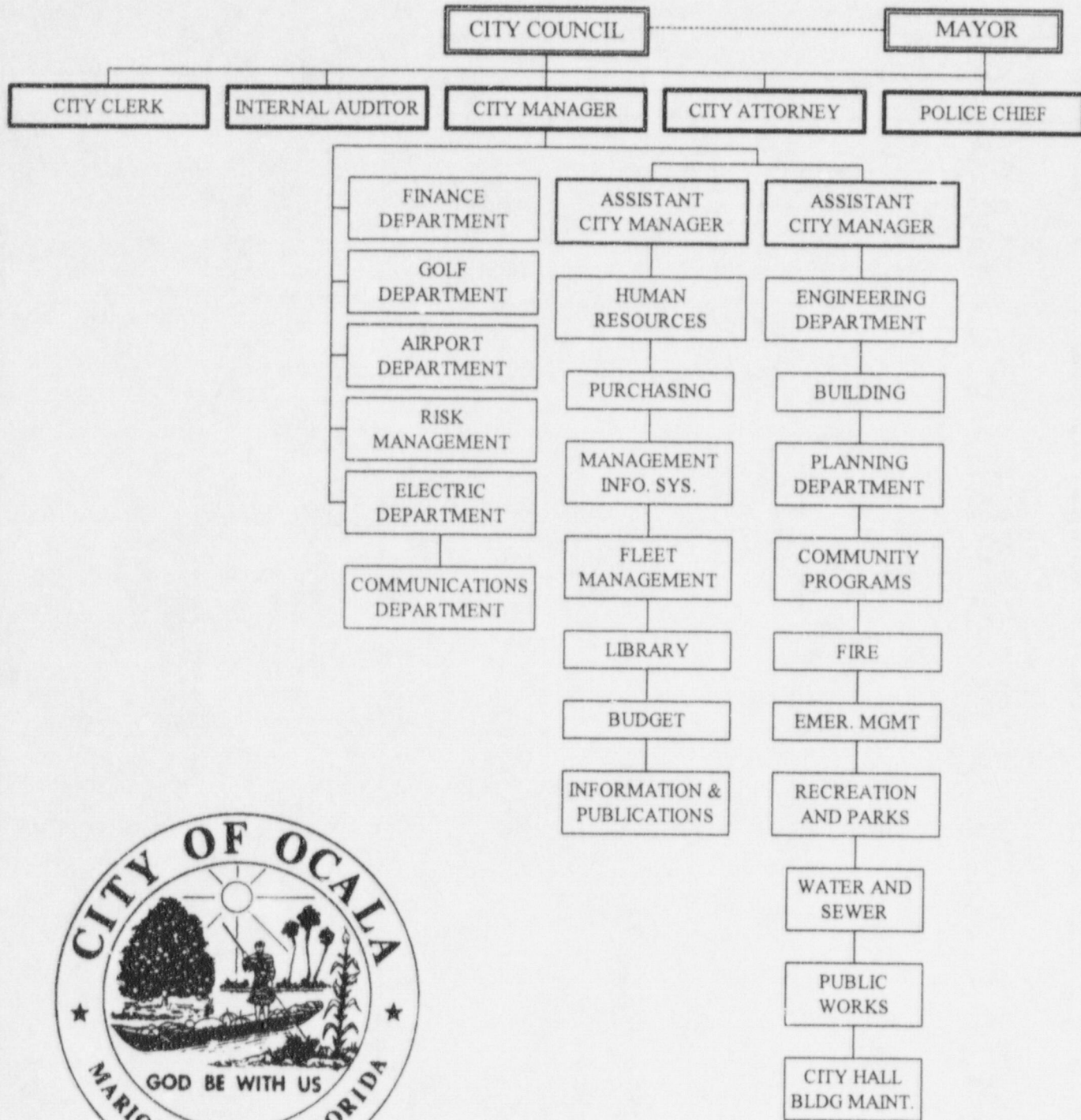
*Douglas R. Ellsworth*  
President

*Jeffrey L. Esler*  
Executive Director



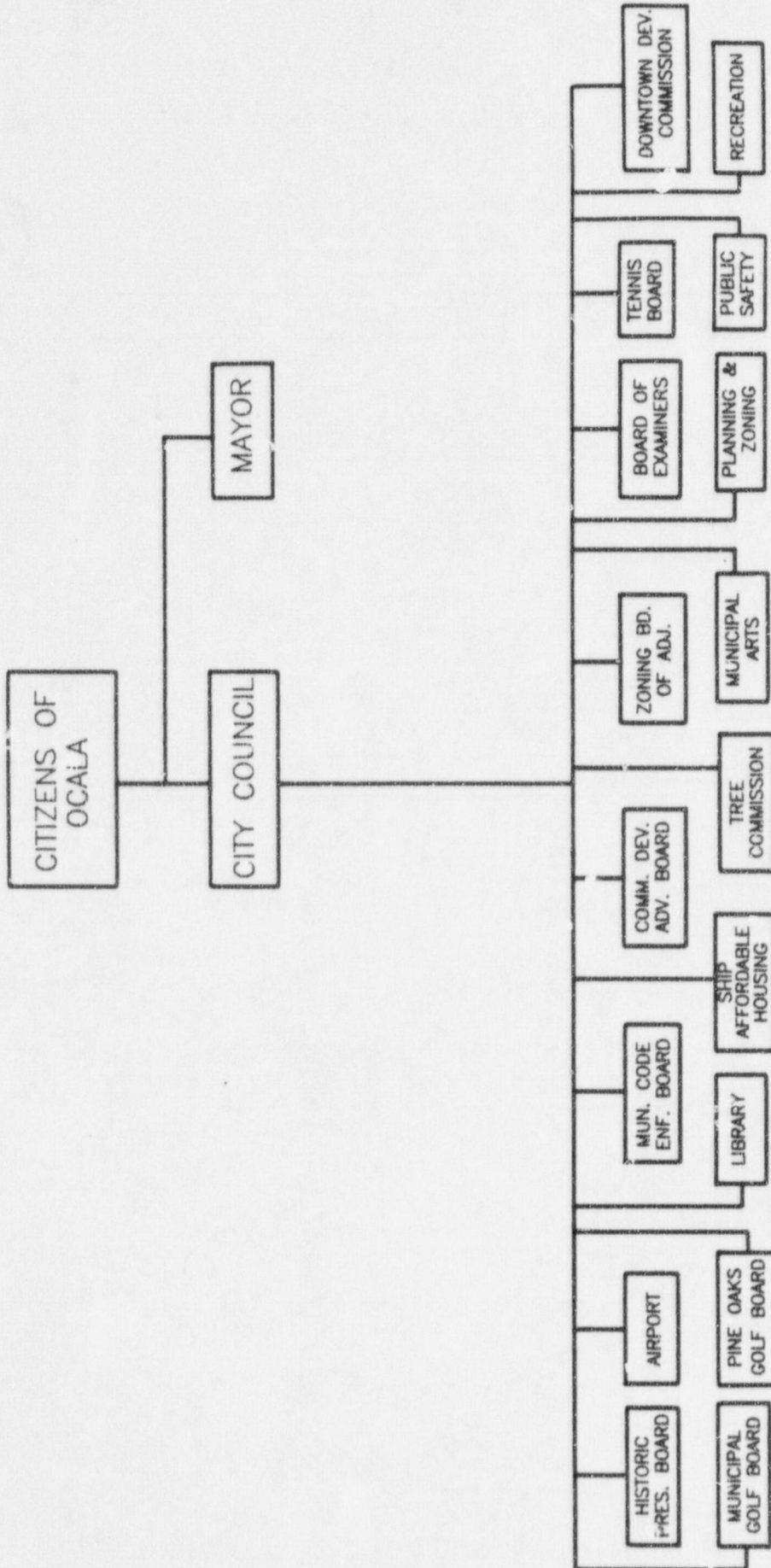


# CITY OF OCALA ORGANIZATION PLAN





# 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



PricewaterhouseCoopers LLP  
Citrus Center  
Suite 1200  
255 S. Orange Avenue  
Orlando FL 32801  
Telephone (407) 843-1190  
Facsimile (407) 244-7601

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, 1998, as listed in the table of contents. 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.

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

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures About Year 2000 Issues*, requires disclosure of certain matters regarding the Year 2000 issue. The City of Ocala, Florida has included such disclosures in Note 20. Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the City of Ocala, Florida's disclosures with respect to the Year 2000 issue made in Note 20. Further, we do not provide assurance that the City of Ocala, Florida is or will be Year 2000 ready, that the City of Ocala, Florida's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Ocala, Florida does business will be Year 2000 ready.

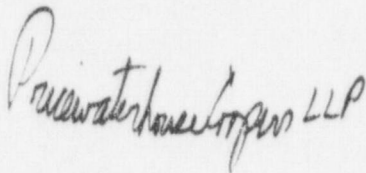
In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding Year 2000 disclosures, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Ocala, Florida, as of September 30, 1998, 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 our report dated March 5, 1999 on our consideration of the City of Ocala's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

As described in Note 3 to the general-purpose financial statements, the City of Ocala, Florida, adopted Governmental Accounting Standards Board Statement No. 31 and changed its method of accounting and financial reporting for certain investments.

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.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

March 5, 1999



## 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, 1998

Assets and Other Debits	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Project
Current Assets:				
Cash and investments	\$ 4,217	\$ 277,817	\$ -	\$ -
Equity in pooled cash and investment fund	10,356,959	13,960,845	-	2,931,454
Accrued interest receivable	115,320	117,747	-	26,880
Accounts and notes receivable, net of allowance for doubtful accounts of \$588,926	686,454	67,099	-	-
Accrued unbilled revenues	-	-	-	-
Due from other funds	1,355,161	107,175	-	-
Interfund loans receivable	4,592	-	-	-
Inventories	-	-	-	-
Due from other governments	935,816	1,311,461	-	43,806
Other	6,233	568	-	-
Total current assets	<u>13,464,752</u>	<u>15,842,712</u>	<u>-</u>	<u>3,002,140</u>
Restricted Assets:				
Cash and investments	-	-	579,299	-
Equity in pooled cash and investment fund	-	-	4,149,927	-
Accrued interest and dividends receivable	-	-	36,050	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Other	-	-	-	-
Total restricted assets	<u>-</u>	<u>-</u>	<u>4,765,271</u>	<u>-</u>
Other Assets:				
Interfund loans receivable after one year	42,907	-	-	-
Property, plant and equipment, net	-	-	-	-
Issuance costs on long-term debt	-	-	-	-
Total other assets	<u>42,907</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>\$ 13,507,659</u>	<u>\$ 15,842,712</u>	<u>\$ 4,765,271</u>	<u>\$ 3,002,140</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	
\$ 6,278	\$ 920	\$ -	\$ -	\$ -	\$ 289,232
23,430,282	13,054,034	-	-	-	63,733,574
187,792	110,656	-	-	-	558,395
6,688,126	57,570	-	-	-	7,499,249
5,845,109	-	-	-	-	5,845,109
940,396	-	-	-	-	2,402,732
160,266	-	-	-	-	164,858
2,675,937	147,994	-	-	-	2,823,931
161,778	14,263	-	-	-	2,467,124
388,937	243,567	-	-	-	639,305
<u>40,484,901</u>	<u>13,629,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,423,509</u>
22,064,733	-	93,311,255	-	-	115,955,287
34,729,038	-	61,582	-	-	38,940,542
494,624	-	461,350	-	-	992,024
-	-	11	-	-	11
802,096	-	-	-	-	802,096
1,154,393	-	1,959	-	-	1,156,352
<u>59,244,884</u>	<u>-</u>	<u>93,836,157</u>	<u>-</u>	<u>-</u>	<u>157,846,312</u>
1,152,394	-	-	-	-	1,195,301
194,234,020	19,278,220	-	21,004,046	-	234,516,286
688,021	-	-	-	-	688,021
<u>196,074,435</u>	<u>19,278,220</u>	<u>-</u>	<u>21,004,046</u>	<u>-</u>	<u>236,399,608</u>
-	-	-	-	4,765,271	4,765,271
-	-	-	-	30,294,988	30,294,988
-	-	-	-	<u>35,060,259</u>	<u>35,060,259</u>
<u>\$ 295,804,220</u>	<u>\$ 32,907,224</u>	<u>\$ 93,836,157</u>	<u>\$ 21,004,046</u>	<u>\$ 35,060,259</u>	<u>\$ 515,729,688</u>

Continued



CITY OF OCALA, FLORIDA

COMBINED BALANCE SHEET - CONTINUED

ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1998

Liabilities, Equity and Other Credits	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Project
Current Liabilities:				
Accounts payable	\$ 2,019,997	\$ 172,511	\$ -	\$ 296,992
Claims payable	-	-	-	-
Compensated absences payable	783,320	21,374	-	-
Bonds, notes and capital lease payable within one year	-	-	-	-
Accrued interest payable	-	-	-	-
Due to other funds	75	-	-	13,040
Customer deposits	-	-	-	-
Deferred revenue	167,410	807,803	-	-
Interfund loans payable	8,563	13,102	-	-
Total current liabilities	<u>2,979,365</u>	<u>1,014,790</u>	<u>-</u>	<u>310,032</u>
Liabilities Payable from Restricted Assets:				
Accounts payable	-	-	-	-
Accrued interest payable	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Bonds and capital lease payable within one year	-	-	-	-
Decommissioning costs	-	-	-	-
Police evidence	-	-	-	-
Total liabilities payable from restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interfund Loans Payable After One Year	32,250	48,711	-	-
Compensated Absences Payable	-	-	-	-
Bonds, Notes and Capital Lease Payable After One Year	-	-	-	-
Total liabilities	<u>3,011,615</u>	<u>1,063,501</u>	<u>-</u>	<u>310,032</u>
Equity and Other Credits:				
Investment in general fixed assets	-	-	-	-
Contributed equity	-	-	-	-
Retained earnings:				
Reserved for debt service	-	-	-	-
Reserved for renewal and replacement	-	-	-	-
Total reserved retained earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved	-	-	-	-
Total retained earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Reserved for debt service	-	-	4,765,271	-
Reserved for other retirement benefits	-	-	-	-
Reserved for deferred compensation	-	-	-	-
Reserved for employees' pension benefits	-	-	-	-
Reserved for interfund loans receivable after one year	42,907	-	-	-
Reserved for encumbrances	1,387,376	903,135	-	4,411,522
Reserved for specified projects	172,497	13,903,820	-	-
Total reserved fund balances	<u>1,602,730</u>	<u>14,806,955</u>	<u>4,765,271</u>	<u>4,411,522</u>
Unreserved and undesignated fund balances (deficit)	8,893,264	(27,744)	-	(1,719,414)
Total fund balances	<u>10,496,044</u>	<u>14,779,211</u>	<u>4,765,271</u>	<u>2,692,108</u>
Total equity and other credits	<u>10,496,044</u>	<u>14,779,211</u>	<u>4,765,271</u>	<u>2,692,108</u>
Total Liabilities, Equity and Other Credits	<u>\$ 13,507,659</u>	<u>\$ 15,842,712</u>	<u>\$ 4,765,271</u>	<u>\$ 3,002,140</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	
\$ 6,177,989	\$ 314,740	\$ -	\$ -	\$ -	\$ 8,982,229
-	3,243,858	-	-	-	3,243,858
792,280	180,205	-	-	-	1,777,179
-	321,609	-	-	690,000	1,011,609
5,532	-	-	-	-	5,532
2,389,617	-	-	-	-	2,402,732
3,683,903	-	-	-	-	3,683,903
73,907	-	-	-	-	1,049,120
143,193	-	-	-	-	164,858
<u>13,266,421</u>	<u>4,060,412</u>	<u>-</u>	<u>-</u>	<u>690,000</u>	<u>22,321,020</u>
357,713	-	21,003	-	-	378,716
2,281,291	-	-	-	-	2,281,291
-	-	11	-	-	11
759,840	-	-	-	-	759,840
4,950,000	-	-	-	-	4,950,000
2,559,123	-	-	-	-	2,559,123
-	-	58,066	-	-	58,066
<u>10,907,967</u>	<u>-</u>	<u>79,080</u>	<u>-</u>	<u>-</u>	<u>10,987,047</u>
1,114,340	-	-	-	-	1,195,301
-	-	-	-	480,259	480,259
67,440,406	832,714	-	-	33,890,000	102,163,120
<u>92,729,134</u>	<u>4,893,126</u>	<u>79,080</u>	<u>-</u>	<u>35,060,259</u>	<u>137,146,747</u>
-	-	-	21,004,046	-	21,004,046
<u>56,405,569</u>	<u>7,270,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,676,401</u>
8,038,975	-	-	-	-	8,038,975
24,658,684	-	-	-	-	24,658,684
32,697,659	-	-	-	-	32,697,659
113,971,858	20,743,266	-	-	-	134,715,124
<u>146,689,517</u>	<u>20,743,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,412,783</u>
-	-	-	-	-	4,765,271
-	-	1,928,457	-	-	1,928,457
-	-	7,471,404	-	-	7,471,404
-	-	84,353,091	-	-	84,353,091
-	-	-	-	-	42,907
-	-	-	-	-	6,702,033
-	-	4,125	-	-	14,080,442
-	-	93,757,077	-	-	119,343,605
-	-	-	-	-	7,146,106
-	-	93,757,077	-	-	126,489,711
<u>203,075,086</u>	<u>28,014,098</u>	<u>93,757,077</u>	<u>21,004,046</u>	<u>-</u>	<u>378,582,941</u>
<u>\$ 295,804,220</u>	<u>\$ 32,907,224</u>	<u>\$ 93,836,157</u>	<u>\$ 21,004,046</u>	<u>\$ 35,060,259</u>	<u>\$ 515,729,688</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, 1998

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Project
Revenues:				
Property taxes	\$ 8,441,660	\$ 38,920	\$ -	\$ -
Utility service tax	5,040,944	-	-	-
Other taxes	1,825,810	-	-	-
State revenue sharing	979,958	-	-	-
Other intergovernmental revenues	6,320,155	4,734,502	-	67,468
Parking meters and facilities	-	65,119	-	-
Licenses and permits	508,065	452,402	-	-
Fines and forfeitures	586,774	7,770	-	-
Charges for services	712,771	1,969,268	-	-
Investment income	860,157	954,735	346,118	226,948
Gifts	152,325	55,351	-	-
Contributions	-	-	-	-
Other	204,568	24,734	-	225
Total revenues	<u>25,633,187</u>	<u>8,302,801</u>	<u>346,118</u>	<u>294,641</u>
Expenditures:				
Current:				
General government and administration	4,398,026	361,528	-	-
Public safety	17,476,228	-	-	349,688
Public works	3,867,028	1,779,475	-	38,544
Culture and recreation	4,497,732	75,245	-	-
Housing rehabilitation	261,080	-	-	-
Nondepartmental appropriations	210,752	-	-	3,100
Other	847,265	71,014	-	-
Capital outlay	1,387,895	3,605,432	-	631,953
Payments to participants	-	-	-	-
Intergovernmental	198,564	984,010	-	-
Debt service:				
Principal payments	-	-	1,860,000	-
Interest and paying agents' fees	3,547	4,003	1,891,020	-
Total expenditures	<u>33,148,117</u>	<u>6,880,707</u>	<u>3,751,020</u>	<u>1,023,285</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,514,930)</u>	<u>1,422,094</u>	<u>(3,404,902)</u>	<u>(728,644)</u>
Other Financing Sources (Uses):				
Operating transfers from other funds	10,054,769	641,226	3,386,221	-
Operating transfers to other funds	(1,947,077)	(1,891,728)	(178,296)	(4,591)
Total other financing sources (uses)	<u>8,107,692</u>	<u>(1,250,502)</u>	<u>3,207,925</u>	<u>(4,591)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	592,762	171,592	(196,977)	(733,235)
Fund Balance at Beginning of Year, as Restated	9,643,637	14,607,619	5,770,729	3,425,343
Equity Transfers from (to) Other Funds	<u>259,645</u>	<u>-</u>	<u>(808,491)</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 10,496,044</u>	<u>\$ 14,779,211</u>	<u>\$ 4,765,271</u>	<u>\$ 2,692,108</u>

See accompanying notes to financial statements.

Fiduciary Fund Type	Totals (Memorandum Only)
Expendable Trust	
\$ -	\$ 8,480,580
-	5,040,944
-	1,825,810
-	979,958
-	11,122,125
-	65,119
-	960,467
-	594,544
-	2,682,039
(305,619)	2,082,339
-	207,676
862,209	862,209
91,306	320,833
<u>647,896</u>	<u>35,224,643</u>
450	4,760,004
-	17,825,916
-	5,685,047
-	4,572,977
-	261,080
-	213,852
-	918,279
-	5,625,280
344,974	344,974
-	1,182,574
-	1,860,000
-	1,898,570
<u>345,424</u>	<u>45,148,553</u>
<u>302,472</u>	<u>(9,923,910)</u>
-	14,082,216
(25,000)	(4,046,692)
<u>(25,000)</u>	<u>10,035,524</u>
277,472	111,614
9,126,51	42,573,842
-	(548,836)
<u>\$ 9,403,986</u>	<u>\$ 42,136,620</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, 1998

	Actual	Adjustments to Budgetary Basis	GENERAL Actual on a Budgetary Basis
Revenues:			
Property taxes	\$ 8,441,660	\$ -	\$ 8,441,660
Utility service tax	5,040,944	-	5,040,944
Other taxes	1,825,810	-	1,825,810
State revenue sharing	979,958	-	979,958
Other intergovernmental revenues	6,320,155	(870,615)	5,449,540
Parking meters and facilities	-	-	-
Licenses and permits	508,065	-	508,065
Fines and forfeitures	586,774	-	586,774
Charges for services	712,771	-	712,771
Investment income	860,157	(17,005)	843,152
Gifts	152,325	(20,791)	131,534
Other	204,568	(7,591)	196,977
Total revenues	<u>25,633,187</u>	<u>(916,002)</u>	<u>24,717,185</u>
Expenditures:			
Current:			
General government and administration	4,398,026	545	4,398,571
Public safety	17,476,228	(383,209)	17,093,019
Public works	3,867,028	31,376	3,898,404
Culture and recreation	4,497,732	(56,635)	4,441,097
Housing rehabilitation	261,080	34,438	295,518
Nondepartmental appropriations	210,752	(305)	210,447
Other	847,265	(181,842)	665,423
Capital outlay	1,387,895	950,631	2,338,526
Payments to participants	-	-	-
Intergovernmental	198,564	(33,957)	164,607
Debt service:			
Principal payments	-	-	-
Interest and paying agents' fees	3,547	-	3,547
Total expenditures	<u>33,148,117</u>	<u>361,042</u>	<u>33,509,159</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,514,930)</u>	<u>(1,277,044)</u>	<u>(8,791,974)</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	10,054,769	-	10,054,769
Operating transfers to other funds	(1,947,077)	(40,402)	(1,987,479)
Total other financing sources (uses)	<u>8,107,692</u>	<u>(40,402)</u>	<u>8,067,290</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	592,762	(1,317,446)	(724,684)
Fund Balance Allocation	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 592,762</u>	<u>\$ (1,317,446)</u>	<u>\$ (724,684)</u>

See accompanying notes to financial statements.

	Final Budget	Variance Favorable (Unfavorable)
\$	8,659,244	\$ (217,584)
	5,000,000	40,944
	1,785,000	40,810
	990,000	(10,042)
	6,205,042	(755,502)
	-	-
	511,000	(2,935)
	540,000	46,774
	786,943	(74,172)
	671,540	171,612
	16,652	114,882
	138,500	58,477
	<u>25,303,921</u>	<u>(586,736)</u>
	4,720,414	321,843
	18,289,977	1,196,958
	3,775,040	(123,364)
	4,853,441	412,344
	306,345	10,827
	492,614	282,167
	1,052,732	387,309
	5,391,314	3,052,788
	-	-
	174,138	9,531
	8,112	8,112
	3,547	-
	<u>39,067,674</u>	<u>5,558,515</u>
	<u>(13,763,753)</u>	<u>4,971,779</u>
	10,058,773	(4,004)
	(3,692,672)	1,705,193
	<u>6,366,101</u>	<u>1,701,189</u>
	(7,397,652)	6,672,968
	<u>7,397,652</u>	<u>(7,397,652)</u>
\$	<u>-</u>	\$ <u>(724,684)</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, 1998

	Actual	Adjustments to Budgetary Basis	SPECIAL Actual on a Budgetary Basis
Revenues:			
Property taxes	\$ 38,920	\$ -	\$ 38,920
Utility service tax	-	-	-
Other taxes	-	-	-
State revenue sharing	-	-	-
Other intergovernmental revenues	4,734,502	(305,816)	4,428,686
Parking meters and facilities	65,119	-	65,119
Licenses and permits	452,402	-	452,402
Fines and forfeitures	7,770	-	7,770
Charges for services	1,969,268	-	1,969,268
Investment income	954,735	(40,874)	913,861
Gifts	55,351	(3,234)	52,117
Other	24,734	(20)	24,714
Total revenues	<u>8,302,801</u>	<u>(349,944)</u>	<u>7,952,857</u>
Expenditures:			
Current:			
General government and administration	361,528	(312,188)	49,340
Public safety	-	-	-
Public works	1,779,475	508,891	2,288,366
Culture and recreation	75,245	20,347	95,592
Housing rehabilitation	-	-	-
Nondepartmental appropriations	-	-	-
Other	71,014	-	71,014
Capital outlay	3,605,432	353,899	3,959,331
Payments to participants	-	-	-
Intergovernmental	984,010	(982,835)	1,175
Debt service:			
Principal payments	-	-	-
Interest and paying agents' fees	4,003	-	4,003
Total expenditures	<u>6,880,707</u>	<u>(411,886)</u>	<u>6,468,821</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,422,034</u>	<u>61,942</u>	<u>1,484,036</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	641,226	-	641,226
Operating transfers to other funds	(1,891,728)	-	(1,891,728)
Total other financing sources (uses)	<u>(1,250,502)</u>	<u>-</u>	<u>(1,250,502)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	171,592	61,942	233,534
Fund Balance Allocation	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 171,592</u>	<u>\$ 61,942</u>	<u>\$ 233,534</u>

See accompanying notes to financial statements.

REVENUE

Final Budget	Variance Favorable (Unfavorable)
\$ 39,133	\$ (213)
-	-
-	-
6,229,151	(1,800,465)
66,420	(1,301)
472,000	(19,598)
15,700	(7,930)
1,828,000	141,268
778,600	135,261
-	52,117
14,650	10,064
<u>9,443,654</u>	<u>(1,490,797)</u>
50,017	677
-	-
4,057,616	1,769,250
104,894	9,302
-	-
-	-
78,835	7,821
14,026,793	10,067,462
-	-
1,200	25
10,182	10,182
3,737	(266)
<u>18,333,274</u>	<u>11,864,453</u>
<u>(8,889,620)</u>	<u>10,373,656</u>
599,000	42,226
<u>(2,071,694)</u>	<u>179,966</u>
<u>(1,472,694)</u>	<u>222,192</u>
(10,362,314)	10,595,848
<u>10,362,314</u>	<u>(10,362,314)</u>
<u>\$ -</u>	<u>\$ 233,534</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, 1998

	Actual	Adjustments to Budgetary Basis	CAPITAL Actual on a Budgetary Basis
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Utility service tax	-	-	-
Other taxes	-	-	-
State revenue sharing	-	-	-
Other intergovernmental revenues	67,468	-	67,468
Parking meters and facilities	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Investment income	226,948	-	226,948
Gifts	-	-	-
Other	225	-	225
Total revenues	<u>294,641</u>	<u>-</u>	<u>294,641</u>
Expenditures:			
Current:			
General government and administration	-	-	-
Public safety	349,688	56,136	405,824
Public works	38,544	-	38,544
Culture and recreation	-	-	-
Housing rehabilitation	-	-	-
Nondepartmental appropriations	3,100	(1,100)	2,000
Other	-	-	-
Capital outlay	631,953	4,355,386	4,987,339
Payments to participants	-	-	-
Intergovernmental	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and paying agents' fees	-	-	-
Total expenditures	<u>1,023,285</u>	<u>4,410,422</u>	<u>433,707</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(728,644)</u>	<u>(4,410,422)</u>	<u>(5,139,066)</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	-	-	-
Operating transfers to other funds	(4,591)	-	(4,591)
Total other financing sources (uses)	<u>(4,591)</u>	<u>-</u>	<u>(4,591)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	<u>(733,235)</u>	<u>(4,410,422)</u>	<u>(5,143,657)</u>
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Deficiency of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ (733,235)</u>	<u>\$ (4,410,422)</u>	<u>\$ (5,143,657)</u>

See accompanying notes to financial statements.

PROJECT

Final Budget	Variance Favorable (Unfavorable)
\$ -	\$ -
-	-
-	-
-	-
-	67,468
-	-
-	-
-	-
-	226,948
-	-
-	225
-	294,641
-	-
705,086	299,262
55,545	17,001
-	-
-	-
2,000	-
-	-
5,276,637	289,298
-	-
-	-
-	-
6,039,268	605,561
(6,039,268)	900,202
1,810,826	(1,810,826)
(4,678)	87
1,806,148	(1,810,739)
(4,233,120)	(910,537)
4,233,120	(4,233,120)
\$ -	\$ (5,143,657)

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, 1998

	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	-	-	-
Investment income	(305,619)	307,182	1,563
Gifts	-	-	-
Contributions	862,209	(862,209)	-
Other	91,306	(91,306)	-
Total revenues	<u>647,896</u>	<u>(646,333)</u>	<u>1,563</u>
Expenditures:			
Current:			
General government and administration	450	(450)	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Housing rehabilitation	-	-	-
Nondepartmental appropriations	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Payments to participants	344,974	(344,974)	-
Intergovernmental	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and paying agents' fees	-	-	-
Total expenditures	<u>345,424</u>	<u>(345,424)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>302,472</u>	<u>(300,909)</u>	<u>1,563</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	-	-	-
Operating transfers to other funds	(25,000)	-	(25,000)
Total other financing sources (uses)	<u>(25,000)</u>	<u>-</u>	<u>(25,000)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	277,472	(300,909)	(23,437)
Fund Balance Allocation	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 277,472</u>	<u>\$ (300,909)</u>	<u>\$ (23,437)</u>

See accompanying notes to financial statements.

TRUST

Final Budget	Variance Favorable (Unfavorable)
\$ -	\$ -
-	-
-	-
-	-
-	-
-	-
-	-
5,000	(3,437)
-	-
-	-
<u>5,000</u>	<u>(3,437)</u>
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
<u>5,000</u>	<u>(3,437)</u>
-	-
<u>(25,000)</u>	<u>-</u>
<u>(25,000)</u>	<u>-</u>
(20,000)	(3,437)
<u>20,000</u>	<u>(20,000)</u>
<u>\$ -</u>	<u>\$ (23,437)</u>



CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS

ALL PROPRIETARY FUND TYPES

Year Ended September 30, 1998

	Enterprise	Internal Service	Totals (Memorandum Only)
Operating Revenues:			
Sale of electricity	\$ 83,378,835	\$ -	\$ 83,378,835
Sale of water	4,302,262	-	4,302,262
Sewer and sanitation service charges	15,706,439	-	15,706,439
Fees and rentals	2,591,392	10,165,128	12,756,520
Commissions	92,368	-	92,368
City contributions	-	4,082,227	4,082,227
Employee contributions	-	1,298,974	1,298,974
Other	3,105,832	213,213	3,319,045
Total operating revenues	<u>109,177,128</u>	<u>15,759,542</u>	<u>124,936,670</u>
Operating Expenses:			
Purchase of electricity	49,941,061	-	49,941,061
Distribution	7,832,525	-	7,832,525
Operation and maintenance	11,464,273	-	11,464,273
Water and sewer treatment	2,869,721	-	2,869,721
Sewer collection	1,053,544	-	1,053,544
Fleet management	-	2,924,812	2,924,812
Purchasing and warehousing	-	750,727	750,727
Management information system and central services	-	1,405,757	1,405,757
Building maintenance	-	1,228,429	1,228,429
Insurance, administration and other	4,345,040	5,995,022	10,340,062
Depreciation and amortization	7,998,967	2,061,074	10,060,041
Economic improvement incentives	840,911	-	840,911
Other	2,070,754	182,215	2,252,969
Total operating expenses	<u>88,416,796</u>	<u>14,548,036</u>	<u>102,964,832</u>
Operating income	<u>20,760,332</u>	<u>1,211,506</u>	<u>21,971,838</u>
Non-Operating Revenues (Expenses):			
Investment income	4,791,073	908,364	5,699,437
Interest expense	(4,117,399)	(54,206)	(4,171,605)
Other non-operating revenue	154,865	-	154,865
Total non-operating revenues (expenses)	<u>828,539</u>	<u>854,158</u>	<u>1,682,697</u>
Income Before Operating Transfers	<u>21,588,871</u>	<u>2,065,664</u>	<u>23,654,535</u>
Operating Transfers:			
From other funds	1,534,993	70,681	1,605,674
To other funds	(11,532,156)	(109,042)	(11,641,198)
Total operating transfers	<u>(9,997,163)</u>	<u>(38,361)</u>	<u>(10,035,524)</u>
Net Income	11,591,708	2,027,303	13,619,011
Retained Earnings at Beginning of Year, as restated	<u>135,077,809</u>	<u>18,715,963</u>	<u>153,793,772</u>
Retained Earnings at End of Year	<u>\$ 146,669,517</u>	<u>\$ 20,743,266</u>	<u>\$ 167,412,783</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, 1998

Additions:	
Contributions:	
Employer	\$ 1,884,752
State	648,770
Employee	442,537
Total contributions	<u>2,976,059</u>
Investment income:	
Net depreciation in fair value of investments	(1,218,741)
Investment income	2,444,812
Dividend income	1,185,517
Total income on investments	<u>2,411,588</u>
Less: Investment management fees	(429,293)
Net investment income	<u>1,982,295</u>
Total additions	<u>4,958,354</u>
Deductions:	
Pension payments	3,445,235
Refunds to employees	63,151
Administration	79,092
Total deductions	<u>3,587,478</u>
Net Increase	1,370,876
Fund Balance Reserved for Employees' Pension Benefits:	
Beginning of year	<u>82,982,215</u>
End of year	<u>\$ 84,353,091</u>

See accompanying notes to financial statements.



CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUND TYPES

Year Ended September 30, 1998

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
Increase in Cash and Cash Equivalents:			
Cash Flows from Operating Activities:			
Cash received from customers	\$ 108,950,673	\$ -	\$ 108,950,673
Cash received from employees	-	1,298,974	1,298,974
Cash paid to suppliers for goods and services	(68,803,275)	(7,656,468)	(76,459,743)
Cash paid to employees for services	(10,132,108)	(3,179,480)	(13,311,588)
Cash received from other funds	-	14,469,464	14,469,464
Cash paid for insurance claims	-	(1,479,897)	(1,479,897)
Net cash provided by operating activities	<u>30,015,290</u>	<u>3,452,593</u>	<u>33,467,883</u>
Cash Flows from Non-Capital Financing Activities:			
Operating transfers in	1,534,993	70,681	1,605,674
Operating transfers out	(11,532,156)	(109,042)	(11,641,198)
Operating grants	216,314	-	216,314
Principal received on loans to other funds	164,880	-	164,880
Interest received on loans to other funds	49,113	-	49,113
Principal paid on loans from other funds	(152,768)	-	(152,768)
Interest paid on loans from other funds	(45,052)	-	(45,052)
Loans to other funds	(45,054)	-	(45,054)
Net cash used in non-capital financing activities	<u>(9,809,730)</u>	<u>(38,361)</u>	<u>(9,848,091)</u>
Cash Flows from Capital and Related Financing Activities:			
Principal paid on bonds, notes and capital lease payable	(5,890,000)	(308,482)	(6,198,482)
Interest paid on bonds, notes and capital lease payable	(4,728,601)	(54,206)	(4,782,807)
Proceeds of loans from other funds	45,054	-	45,054
Proceeds from sale of fixed assets	-	-	-
Acquisition and construction of capital assets	(11,658,738)	(2,612,995)	(14,271,733)
Contributions received from other governments, developers and customers	7,059,827	-	7,059,827
Net cash used in capital and related financing activities	<u>(15,172,458)</u>	<u>(2,975,683)</u>	<u>(18,148,141)</u>
Cash Flows from Investing Activities:			
Purchase of investments	(7,111,662)	-	(7,111,662)
Proceeds from sales and maturities of investments	7,976,585	-	7,976,585
Investment income	4,888,356	905,422	5,793,778
Net cash provided by investing activities	<u>5,753,279</u>	<u>905,422</u>	<u>6,658,701</u>
Net Increase in Cash and Cash Equivalents	10,786,381	1,343,971	12,130,352
Cash and Cash Equivalents, beginning of year, as restated	<u>60,103,221</u>	<u>11,710,983</u>	<u>71,814,204</u>
Cash and Cash Equivalents, end of year	<u>\$ 70,889,602</u>	<u>\$ 13,054,954</u>	<u>\$ 83,944,556</u>

See accompanying notes to financial statements.

Continued

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF CASH FLOWS - CONTINUED

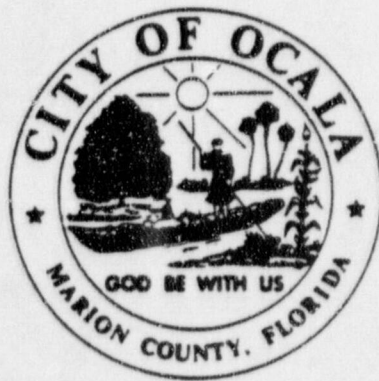
ALL PROPRIETARY FUND TYPES

Year Ended September 30, 1998

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
Reconciliation of Cash and Cash Equivalents to Balance Sheet:			
Total unrestricted cash and investments per the balance sheet	\$ 23,436,560	\$ 13,054,954	\$ 36,491,514
Total restricted cash and investments per the balance sheet	56,793,771	-	56,793,771
Total cash and investments	80,230,331	13,054,954	93,285,285
Less: Investment's not meeting the definition of cash equivalents	(9,340,729)	-	(9,340,729)
Cash and Cash Equivalents, end of year	<u>\$ 70,889,602</u>	<u>\$ 13,054,954</u>	<u>\$ 83,944,556</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 20,760,332	\$ 1,211,506	\$ 21,971,838
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	7,857,264	2,061,074	9,918,338
Amortization	141,703	-	141,703
Loss on fixed asset disposals	234,974	129,606	364,580
(Increase) decrease in assets:			
Accounts and notes receivable	(829,970)	2,896	(827,074)
Accrued unbilled revenue	(175,836)	-	(175,836)
Due from other funds	9,967	-	9,967
Inventories	392,950	(28,367)	364,583
Due from other governments	(19,997)	6,000	(13,997)
Other current assets	329,719	59,472	389,191
Increase (decrease) in liabilities:			
Accounts payable	131,950	15,818	147,768
Claims payable	-	(5,412)	(5,412)
Due to other funds	17,862	-	17,862
Customer deposits	120,085	-	120,085
Deferred revenue	603,525	-	603,525
Decommissioning costs	440,762	-	440,762
Net Cash Provided by Operating Activities	<u>\$ 30,015,290</u>	<u>\$ 3,452,593</u>	<u>\$ 33,467,883</u>
Noncash Capital and Related Financing Activities:			
Plant and equipment contributed from other funds	\$ 548,836	\$ -	\$ 548,836
Total noncash capital and related financing activities	<u>\$ 548,836</u>	<u>\$ -</u>	<u>\$ 548,836</u>

See accompanying notes to financial statements.





CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 1998

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. 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, 1998

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.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

## 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.

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.

Trust and Agency Funds - The trust and agency funds of the City are pension trust funds, expendable trust funds and the police evidence 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, 1998

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), two expendable trust funds (Pension Medical Reserve Fund and Deferred Compensation 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, 1998.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

## 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 1998, 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

All investments are stated at fair 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, 1998

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 are carried at historical cost. Contributed assets are recorded at their estimated fair market value on the date donated. 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, 1998

2. Summary of Significant Accounting Policies - Continued:

G. Property, Plant and Equipment - Continued

Capitalization of Interest - In accordance with FASB Statement No. 6, 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, 1998, capitalization of net interest costs was as follows:

	<u>Electric System</u>	<u>Water and Sewer System</u>
Interest expense	\$ 240,750	\$ 370,117
Amortization of bond issuance costs	26,397	9,582
Interest income	<u>(26,373)</u>	<u>(206,738)</u>
Increase in construction in progress	<u>\$ 240,774</u>	<u>\$ 172,961</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, 1998 was \$5.2237 per \$1,000 of assessed property value.



CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

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.

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.

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.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

## 2. Summary of Significant Accounting Policies - Continued:

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 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 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.

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.



CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

2. Summary of Significant Accounting Policies - Continued:

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.

3. Adoption of New Accounting Pronouncements:

Adoption of GASB Statement No. 31

The City adopted the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The City has applied the statement retroactively and restated fund balance/retained earnings at the beginning of the year. Fund balance/retained earnings at the beginning of the year has been restated for the cumulative effect of applying the provisions of this statement as follows:

<u>Fund Type</u>	<u>Beginning Fund Balance/ Retained Earnings Previously Reported</u>	<u>Restatement of Investments at Fair Value</u>	<u>Beginning Fund Balance/Retained Earnings, as restated</u>
General	\$ 9,596,808	\$ 46,829	\$ 9,643,637
Special Revenue	14,543,066	64,553	14,607,619
Debt Service	5,747,092	23,637	5,770,729
Capital Project	3,409,683	15,660	3,425,343
Enterprise	134,862,567	215,242	135,077,809
Internal Service	18,661,632	54,331	18,715,963
Trust and Agency	92,108,602	127	92,108,729

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

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, 1998 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)	\$ 83,797	\$ 233,534	\$ (5,143,657)	\$ (23,437)
Adjustments:				
Encumbrances	1,387,376	903,135	4,411,522	-
Encumbrances of non-formally budgeted activities	(81,791)	(16,834)	-	-
Non-formally budgeted activities	11,861	(948,243)	(1,100)	300,909
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	<u>\$ 1,401,243</u>	<u>\$ 171,592</u>	<u>\$ (733,235)</u>	<u>\$ 277,472</u>

B. Excess of Expenditures Over Appropriations

For the year ended September 30, 1998, no expenditures exceeded the budget at the fund level.



CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

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, 1998, the carrying amount of the City's deposits was \$15,049,915. 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. In addition to the above, the City's 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 NationsBank. Investments held in these funds consist of U.S. Government and other short-term obligations. 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, 1998

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. Investment income is recognized as earned and is allocated to participants of the fund based on their equity participation. In accordance with GASB Statement 31, the SBA has reported that the Local Government Investment Trust, which it operates, is a "2A-7 like" pool and, thus, these investments are valued using the pooled share price.

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	Market Value
U.S. Government securities	\$ -	\$ 6,781,606	\$ 67,185,624	\$ 73,967,230
Common stocks and debentures	-	-	83,633,188	83,633,188
	<u>\$ -</u>	<u>\$ 6,781,606</u>	<u>\$ 150,818,812</u>	157,600,418
Cash Management Funds				6,359,203
Local Government Surplus Funds Trust Fund				32,437,695
Deferred Compensation Investments				<u>7,471,404</u>
Total Investments				<u>\$203,868,720</u>

The pension trust funds hold approximately 53% of the investments in Category 3.

The types of investments and their levels of risk exposure as of September 30, 1998 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, 1998

6. Due From (To) Other Funds:

The following summarizes the interfund receivables and payables of the various funds of the City at September 30, 1998:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Unrestricted Interfund Receivable/Payable:		
General Fund	\$ 1,355,161	\$ 75
Special Revenue Funds:		
Occupational License	75	-
Local Gasoline Tax	13,040	-
Stormwater Utility	94,060	-
	<u>107,175</u>	<u>-</u>
Capital Project Funds:		
Optional Gas Tax Construction	-	13,040
Enterprise Funds:		
Electric System Revenue	-	1,309,680
Water and Sewer	625,185	-
Sanitation	315,211	-
Florida Emergency Training Facility	-	699,246
Adult Athletic Complex	-	254,280
Foreign Trade Zone	-	126,411
	<u>940,396</u>	<u>2,389,617</u>
Total Current Unrestricted Interfund Receivable/ Payable	<u>2,402,732</u>	<u>2,402,732</u>
Restricted Interfund Receivable/Payable:		
Trust and Agency Funds:		
Employees' Retirement Fund	-	11
Firefighters' Supplemental Pension	11	-
	<u>11</u>	<u>11</u>
Total Interfund Receivable/Payable	<u>\$ 2,402,743</u>	<u>\$ 2,402,743</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. The final principal payment of this loan was made during fiscal year 1998. Interfund interest recognized on this loan in fiscal year 1998 was \$3,097.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

**7. Interfund Transactions - Continued:**

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, 1998, \$219,651 of the loan balance is outstanding, with \$207,396 classified as long-term. Interfund interest recognized on this loan in fiscal year 1998 was \$12,602.

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 total amount of the loan was \$149,285. 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, 1998, \$149,285 of the loan is outstanding, with \$136,384 classified as long-term. Interfund interest recognized on this loan in fiscal year 1998 was \$7,947.

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, 1998, \$55,492 of the loan balance is outstanding, with \$47,570 classified as long-term. Interfund interest recognized on this loan in fiscal year 1998 was \$3,574.

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, 1998, \$6,321 of the loan is outstanding, with \$1,141 classified as long-term. Interfund interest recognized on this loan in fiscal year 1998 was \$429.

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 was made in September, 1995. At September 30, 1998, \$69,705 of this loan is outstanding, with \$66,223 classified as long-term. Interfund interest recognized on this loan in fiscal year 1998 was \$4,879.

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%, is payable over 15 years commencing with fiscal year 1998. The actual amount of this loan was \$242,828. At September 30, 1998, \$234,091 of this loan is outstanding, with \$224,629 classified as long-term. Interfund interest recognized on this loan in fiscal year 1998 was \$19,111.

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%, is payable over five years commencing in March, 1997. At September 30, 1998, \$13,619 of the loan is outstanding, with \$10,009 classified as long-term. Interfund interest recognized in fiscal year 1998 was \$1,236.



CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

**7. Interfund Transactions - Continued:**

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 total amount of the loan was \$308,504. 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, 1998, \$308,504 of the loan is outstanding, with \$282,448 classified as long-term. Interfund interest recognized on this loan in fiscal year 1998 was \$15,976.

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, 1998, \$4,000 of the loan is outstanding, with \$2,000 classified as long-term. Interfund interest recognized on this loan in fiscal year 1998 was \$480.

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, 1998, \$12,000 of the loan is outstanding, with \$8,000 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, 1998, \$3,568 of this loan is outstanding, and is classified as current. Interfund interest recognized on this loan in fiscal year 1998 was \$378.

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, 1998, \$24,976 of this loan is outstanding, with \$23,837 classified as long-term. Interfund interest recognized on this loan in fiscal year 1998 was \$2,044.

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, 1998, \$47,499 of this loan is outstanding, with \$42,907 classified as long-term. Interfund interest recognized on this loan in fiscal year 1998 was \$3,489.

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, 1998, \$195,000 of this loan is outstanding, with \$130,000 classified as long-term.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

7. Interfund Transactions - Continued:

On May 6, 1997, the City Council approved a loan of \$10,000 from the Electric System Revenue Fund to the General Fund for the relocation of the All Children's Playground. This loan, which bears interest at 7%, is to be repaid over five years commencing in fiscal year 1998. At September 30, 1998, \$8,269 of the loan is outstanding, with \$6,413 classified as long-term. Interfund interest recognized on this loan in fiscal year 1998 was \$645.

On July 1, 1997, the City Council authorized a loan of up to \$12,000 from the Electric System Revenue Fund to the Airport Fund for the completion of a concrete apron for hangar #12. The actual loan was for \$9,891, bears interest at 7%, and is to be repaid over five years commencing in fiscal year 1998. At September 30, 1998, \$8,179 of the loan is outstanding, with \$6,344 classified as long-term. Interfund interest recognized on this loan in fiscal year 1998 was \$638.

The following summarizes the interfund loans receivable and payable of the various funds of the City at September 30, 1998:

<u>Fund</u>	<u>Loans Receivable</u>	<u>Loans Payable</u>
Current Unrestricted Interfund Loans Receivable/Payable:		
General Fund	\$ 4,592	\$ 8,563
Special Revenue Funds:		
Parking/Parks Enforcement	-	13,102
Enterprise Funds:		
Electric System Revenue	160,266	-
Water and Sewer	-	65,000
Fort King Tennis Court	-	4,592
Ocala Regional Airport	-	69,601
Foreign Trade Zone	-	4,000
	<u>160,266</u>	<u>143,193</u>
Total current unrestricted interfund loans receivable/payable	<u>164,858</u>	<u>164,858</u>
Interfund Loans Receivable/Payable After One Year:		
General Fund	42,907	32,250
Special Revenue Funds:		
Parking/Parks Enforcement	-	48,711
Enterprise Funds:		
Electric System Revenue	1,152,394	-
Water and Sewer	-	130,000
Fort King Tennis Court	-	42,907
Ocala Regional Airport	-	933,433
Foreign Trade Zone	-	8,000
	<u>1,152,394</u>	<u>1,114,340</u>
Total interfund loans receivable/payable after one year	<u>1,195,301</u>	<u>1,195,301</u>
Total Interfund Loans Receivable/Payable	<u>\$ 1,360,159</u>	<u>\$ 1,360,159</u>



CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

8. Property, Plant and Equipment:

Property, plant and equipment of the proprietary fund types at September 30, 1998 is summarized as follows:

	Enterprise Funds	Internal Service Funds
Buildings	\$ 6,691,109	\$ 11,442,296
Extensions and improvements other than buildings	220,085,803	1,633,154
Crystal River Unit No. 3	14,674,587	-
Fixtures, vehicles and equipment	8,371,385	13,462,207
	<u>249,822,884</u>	<u>26,537,657</u>
Less accumulated depreciation	(83,158,493)	(8,041,234)
	<u>166,664,391</u>	<u>18,496,423</u>
Land	16,421,630	667,770
Construction in progress	11,147,999	114,027
	<u>\$ 194,234,020</u>	<u>\$ 19,278,220</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, 1998, the following changes in general fixed assets occurred:

	Balance September 30, 1997	Additions	Retirements & Other Deletions	Balance September 30, 1998
Land	\$ 4,127,848	\$ -	\$ -	\$ 4,127,848
Buildings	6,721,969	-	-	6,721,969
Equipment	9,388,037	755,763	1,449,747	8,694,053
Construction in Progress	225,502	1,234,674	-	1,460,176
Total	<u>\$ 20,463,356</u>	<u>\$ 1,990,437</u>	<u>\$ 1,449,747</u>	<u>\$ 21,004,046</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

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). The provisions of each of the Plans are established by City ordinance. All benefit provisions, including changes in contribution requirements, can only be amended by City ordinance. Administrative costs are financed through investment earnings.

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.

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.

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, 1998

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.

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, 1998, participation in the plans consisted of the following:

	<u>General</u>	<u>Police</u>	<u>Fire</u>
Retirees and beneficiaries currently receiving benefits	267	26	26
Terminated employees entitled to benefits not yet receiving them	<u>82</u>	<u>8</u>	<u>2</u>
	<u>349</u>	<u>34</u>	<u>28</u>
Current employees:			
Vested	412	64	41
Nonvested	<u>642</u>	<u>84</u>	<u>63</u>
Total	<u>1,054</u>	<u>148</u>	<u>104</u>

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.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

9. Pension Plans - Continued:

C. Contributions Required and Contribution Made

The contribution requirement for the General Plan for the 1998 fiscal year, determined through an actuarial valuation performed as of October 1, 1997, was \$1,350,660 (4.73% of current covered payroll). Actual employer contributions amounted to \$1,884,752 (6.2% of current covered payroll).

The contribution requirement for the Supplemental Police Officers' Plan for the 1998 fiscal year, determined through an actuarial valuation performed as of October 1, 1997, was \$481,021 (9.35% of current covered payroll). Actual employee contributions totalled \$108,000 (2.0% of current covered payroll) and actual state contributions amounted to \$370,842 (6.87% of current covered payroll). Excess State annual required contributions are accumulated in the Contributions Surplus Account which is drawn upon if actual State contributions fall below the annual required contribution. The net Contribution Surplus Account balance was \$122,058 as of September 30, 1998.

The contribution requirement for the Supplemental Firefighters' Plan for the 1998 fiscal year, determined through an actuarial valuation performed as of October 1, 1997, was \$482,782 (14.18% of current covered payroll). Actual employee contributions totalled \$312,127 (8.42% of current covered payroll) and actual state contributions amounted to \$277,928 (7.50% of current covered payroll). Excess State annual required contributions are accumulated in the Contributions Surplus Account which is drawn upon if actual State contributions fall below the annual required contribution. The net Contribution Surplus Account balance was \$267,980 as of September 30, 1998.

There is no net pension obligation or asset for each of these Plans.

D. Three-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
General Plan:			
9/30/96	\$ 1,605,229	100%	-
9/30/97	1,438,894	100%	-
9/30/98	1,350,660	100%	-
Supplemental Police Officers' Plan:			
9/30/96	\$ -	100%	-
9/30/97	-	100%	-
9/30/98	31,477	100%	-
Supplemental Firefighters' Plan:			
9/30/96	\$ 19,403	100%	-
9/30/97	8,632	100%	-
9/30/98	-	100%	-



CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

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
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	-	1,705,000	-	10,000	450,000	2,165,000
2003	-	1,805,000	1,815,000	10,000	485,000	4,115,000
2004-2021	-	36,840,000	8,420,000	4,945,000	9,615,000	59,820,000
Total long-term debt	1,740,000	44,925,000	11,600,000	4,995,000	11,790,000	75,050,000
Less:						
Current portion	1,740,000	1,440,000	1,365,000	10,000	395,000	4,950,000
Unamortized bond discount	-	1,255,950	313,472	172,605	161,625	1,903,652
Unamortized deferred loss on defeasance of debt	-	-	-	-	755,942	755,942
Total long-term portion	\$ -	\$ 42,229,050	\$ 9,921,528	\$ 4,812,395	\$ 10,477,433	\$ 67,440,406
Interest rate	6.90%	5.40 - 6.50%	5.40 - 6.25%	4.00 - 5.50%	4.75 - 6.00%	

*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. The final payment was made on October 1, 1998.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

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

Enterprise Funds - 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.



CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

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

Enterprise Funds - Continued -

Water and Sewer Revenue Bonds, Series 1995 - Continued -

- 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 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.

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.
- 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.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

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

*Enterprise Funds - Continued -*

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, 1998:

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 and Interest Due
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>\$ 1,800,030</u>	<u>\$ 74,918,590</u>	<u>\$ 15,817,304</u>	<u>\$ 10,525,040</u>	<u>\$ 18,842,841</u>	<u>\$ 121,903,805</u>

*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>(63,822)</u>
Net book value of asset	<u>\$ 25,231</u>

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



CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

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

*Internal Service Fund Capital Lease - Continued* - 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, 1998:

<u>Year Ending September 30,</u>	
1999	\$ 15,136
2000	7,568
Total minimum lease payments	<u>22,704</u>
Less amount representing interest	1,311
Present value of net minimum lease payments	<u>21,393</u>
Less: Current portion	<u>13,990</u>
Total long-term portion	<u><u>\$ 7,403</u></u>

*Internal Service Fund Note Payable* - The City has entered into installment purchase contracts bearing interest at 3.76% and 3.80%. These obligations are collateralized by computer hardware and software.

Following is a schedule of principal requirements to maturity as of September 30, 1998:

<u>Fiscal Year Ending September 30,</u>	<u>Total Principal Due</u>
1999	\$ 307,619
2000	320,220
2001	333,338
2002	171,753
Total	<u>1,132,930</u>
Less: Current portion	<u>307,619</u>
Total long-term portion	<u><u>\$ 825,311</u></u>

Following is a schedule of debt service requirements to maturity as of September 30, 1998:

<u>Fiscal Year Ending September 30,</u>	
1999	\$ 347,551
2000	347,551
2001	347,551
2002	173,776
	<u>1,216,429</u>
	<u><u>\$ 1,216,429</u></u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

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, 1998:

	Balance at October 1, 1997 (as restated)	General Long-Term Debt Additions	General Long-Term Debt Retired	Debt Service Funds Operations	Balance at September 30, 1998
Amounts Available in Debt Service Funds	\$ 5,770,729	\$ -	\$ -	\$ (1,005,458)	\$ 4,765,271
Amount to be Provided:					
Term bonds	2,425,000	-	-	-	2,425,000
Serial bonds	7,346,185	-	(660,000)	(5,663)	6,680,522
Term certificates	15,985,000	-	-	-	15,985,000
Serial certificates	4,913,086	-	(1,200,000)	1,011,121	4,724,207
Compensated absences payable	480,259	-	-	-	480,259
	<u>31,149,530</u>	<u>-</u>	<u>(1,860,000)</u>	<u>1,005,458</u>	<u>30,294,988</u>
Total Amount Available and to be Provided	<u>\$ 36,920,259</u>	<u>\$ -</u>	<u>\$ (1,860,000)</u>	<u>\$ -</u>	<u>\$ 35,060,259</u>
General Long-Term Debt Payable:					
Term bonds	\$ 2,425,000	\$ -	\$ -	\$ -	\$ 2,425,000
Serial bonds	9,450,000	-	(660,000)	-	8,790,000
Term certificates	15,985,000	-	-	-	15,985,000
Serial certificates	8,580,000	-	(1,200,000)	-	7,380,000
Compensated absences payable	480,259	-	-	-	480,259
Total General Long-Term Debt Payable	<u>\$ 36,920,259</u>	<u>\$ -</u>	<u>\$ (1,860,000)</u>	<u>\$ -</u>	<u>\$ 35,060,259</u>



CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

11. General Long-Term Debt - Continued:

General long-term debt matures as follows:

Fiscal Year Ended September 30,	Optional Gas Tax Refunding Revenue Bonds Series 1992	Capital Improvement Refunding Revenue Certificates Series 1993	Capital Improvement Revenue Certificates Series 1995	Total Principal Due
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	800,000	475,000	85,000	1,360,000
2003	340,000	500,000	85,000	1,425,000
2004-2023	7,405,000	16,490,000	4,670,000	28,565,000
	<u>\$ 11,215,000</u>	<u>\$ 18,365,000</u>	<u>\$ 5,000,000</u>	<u>\$ 34,580,000</u>
Interest rate	<u>4.625 - 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, 1998, there was no general obligation debt outstanding.

*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.

*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.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

11. General Long-Term Debt - Continued:

*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,	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
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>\$ 15,540,201</u>	<u>\$ 31,020,359</u>	<u>\$ 10,081,420</u>	<u>\$ 56,641,980</u>



CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

11. General Long-Term Debt - Continued:

*Conduit Debt Obligations* - 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, 1998, \$12,815,000 of bonds outstanding are considered defeased, as follows:

Enterprise Funds:

Electric System Revenue:

Power Supply Revenue Bonds, Series 1977	\$ 5,910,000
Power Supply Refunding Revenue Bonds, Series 1988	1,565,000

Water and Sewer:

Water and Sewer Refunding Revenue Bonds, Series 1983	<u>5,340,000</u>
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	<u><u>\$ 12,815,000</u></u>
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CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

13. Financial Segment Information of Enterprise Funds:

Each of the City's enterprise operations is accounted for within a separate fund. A substantial portion 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	\$ 26,902,816	\$ 10,016,336	\$ 1,334,213	\$ 2,231,536	\$ 40,484,901
Current Liabilities	10,924,457	437,087	436,098	1,468,779	13,266,421
Working Capital	<u>\$ 15,978,359</u>	<u>\$ 9,579,249</u>	<u>\$ 898,115</u>	<u>\$ 762,757</u>	<u>\$ 27,218,480</u>
Property, Plant and Equipment:					
Additions	<u>\$ 3,941,887</u>	<u>\$ 2,094,688</u>	<u>\$ 41,668</u>	<u>\$ 2,987,758</u>	<u>\$ 9,066,001</u>
Deletions	<u>\$ 522,621</u>	<u>\$ 229,932</u>	<u>\$ 211,830</u>	<u>\$ 137,427</u>	<u>\$ 1,101,810</u>
Total Property, Plant and Equipment, net	<u>\$ 73,274,375</u>	<u>\$ 89,329,426</u>	<u>\$ 591,502</u>	<u>\$ 31,038,717</u>	<u>\$ 194,234,020</u>
Restricted Assets	<u>\$ 22,928,398</u>	<u>\$ 35,582,767</u>	<u>\$ -</u>	<u>\$ 733,719</u>	<u>\$ 59,244,884</u>
Total Assets	<u>\$ 124,383,257</u>	<u>\$ 135,491,276</u>	<u>\$ 1,925,715</u>	<u>\$ 34,003,972</u>	<u>\$ 295,804,220</u>
Liabilities Payable from Restricted Assets	<u>\$ 6,075,868</u>	<u>\$ 4,625,879</u>	<u>\$ -</u>	<u>\$ 206,220</u>	<u>\$ 10,907,967</u>
Bonds and Other Long-Term Liabilities	<u>\$ 9,921,528</u>	<u>\$ 57,648,878</u>	<u>\$ -</u>	<u>\$ 984,340</u>	<u>\$ 68,554,746</u>
Total Fund Equity	<u>\$ 97,461,404</u>	<u>\$ 72,779,432</u>	<u>\$ 1,489,617</u>	<u>\$ 31,344,633</u>	<u>\$ 203,075,086</u>
Total Operating Revenues	\$ 85,422,648	\$ 13,987,346	\$ 6,584,675	\$ 3,182,459	\$ 109,177,128
Operating Expenses (less depreciation and amortization)	64,632,284	6,455,859	6,264,255	3,065,431	80,417,829
Depreciation and amortization	3,775,669	3,066,042	173,720	983,536	7,998,967
Operating Income (Loss)	17,014,695	4,465,445	146,700	(866,508)	20,760,332
Operating Transfers From Other Funds	54,082	61,682	3,521	1,415,708	1,534,993
Operating Transfers To Other Funds	(10,969,085)	(165,236)	(152,825)	(245,010)	(11,532,156)
Investment Income	2,074,703	2,583,329	64,075	68,966	4,791,073
Interest Expense	(634,982)	(3,413,442)	-	(68,975)	(4,117,399)
Other Non-Operating Revenue	-	31,635	23,466	99,764	154,865
Net Income	<u>\$ 7,539,413</u>	<u>\$ 3,563,413</u>	<u>\$ 84,937</u>	<u>\$ 403,945</u>	<u>\$ 11,591,708</u>
Capital Contributions	<u>\$ 515,992</u>	<u>\$ 1,662,241</u>	<u>\$ -</u>	<u>\$ 1,700,144</u>	<u>\$ 3,878,377</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, 1998

**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, 1998:

Total Restricted Assets	\$ 59,244,884
Less:	
Restricted assets set aside for construction under bond indentures	(16,550,591)
Liabilities payable from restricted assets	(10,907,967)
Add:	
Liabilities payable from restricted assets set aside for construction under bond indenture	<u>911,333</u>
Total reserved retained earnings	<u>\$ 32,697,659</u>

**15. Fund Deficits:**

Following is a summary of accumulated deficits of individual proprietary funds and deficit fund balance of individual governmental funds as of September 30, 1998 which are included in the accompanying combined financial statements:

	<u>Accumulated Deficit/ Deficit Fund Balance</u>
<u>Proprietary Funds</u>	
Ocala Regional Airport	\$ 788,116

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 as well as a budgeted reduction in expenses should result in an increase in fiscal year 1999.

Foreign Trade Zone	\$ 69,780
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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.

<u>Governmental Funds</u>	
Parking/Parks Enforcement	\$ 6,360

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.

Occupational License	\$ 4,550
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The deficit in the Occupational License Fund was caused by a shortfall of anticipated revenues during 1998. Fiscal 1999 revenues should eliminate the deficit.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

16. **Contributed Capital:**

During the year ended September 30, 1998, contributed equity increased as follows:

	Contributed Capital October 1, 1997	Other Governments	Developers	Customers	Other Funds	Contributed Capital September 30, 1998
<b>Enterprise Funds:</b>						
Electric System Revenue	\$ 6,698,820	\$ -	\$ -	\$ 515,992	\$ -	\$ 7,214,812
Water and Sewer	21,243,932	-	1,662,241	-	-	22,906,173
Sanitation	8,515	-	-	-	-	8,515
Municipal Golf Course	3,853,439	-	-	-	-	3,853,439
Ocala Regional Airport	10,204,993	260,857	-	-	-	10,465,850
Florida Emergency Training Facility	9,152,632	801,113	-	-	-	9,953,745
Adult Athletic Complex	165,879	89,338	-	-	548,836	804,053
Communications	1,198,982	-	-	-	-	1,198,982
<b>Total Enterprise Funds</b>	<b>\$ 52,527,192</b>	<b>\$ 1,151,308</b>	<b>\$ 1,662,241</b>	<b>\$ 515,992</b>	<b>\$ 548,836</b>	<b>\$ 56,405,569</b>
<b>Internal Service Funds:</b>						
Internal Service	\$ 7,250,431	\$ -	\$ -	\$ -	\$ -	\$ 7,250,431
Self Insurance	20,401	-	-	-	-	20,401
<b>Total Internal Service Funds</b>	<b>\$ 7,270,832</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,270,832</b>

17. **Equity Transfers:**

The following is a summary of equity transfers made during the fiscal year ended September 30, 1998:

	Equity Transfers	
	To/(From) Other Funds	Increase in Contributions
General Fund	\$ (259,645)	\$ -
Debt Service Fund: 1988 Improvement Certificiates	808,481	-
Enterprise Funds: Adult Athletic Complex	-	548,836
	<u>\$ 548,836</u>	<u>\$ 548,836</u>

These equity transfers resulted primarily from additions made to the Adult Athletic Complex being paid for by other funds, as authorized by City Council and the closing of the 1988 Improvement Certificiates debt service fund.



CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

**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 \$8,000 or 33 1/3% of includable compensation.

At September 30, 1998, the market and carrying value of the deferred compensation investments in the City's Expendable Trust Fund was \$7,471,404.

**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 was fully self-insured through December, 1997. The City had no significant reductions in insurance coverage during the fiscal year ended September 30, 1998.

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, 1998, the City obtained actuarially determined estimates of the total claims loss reserves for all self-insurance risks. The claims liability of \$3,243,858 reported in the Fund at September 30, 1998 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 three fiscal years is as follows:

	<u>Beginning-of- Fiscal-Year-Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
1995-1996	\$ 3,241,038	\$ 1,659,094	\$ 1,661,490	\$ 3,238,642
1996-1997	3,238,642	1,729,593	1,718,965	3,249,270
1997-1998	3,249,270	1,474,485	1,479,897	3,243,858

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

**20. Year 2000 Issue:**

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The City of Ocala has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting City operations. The City has identified the following systems requiring year 2000 remediation:

- *Financial Reporting, Payroll and Employee Benefit Systems.* The City's in-house staff has performed remediation work on all financial systems and associated subsystems. Final testing and validation is in progress. The payroll system purchased and implemented in January, 1998 is certified by the software vendor to be Year 2000 compliant.
- *911 Police and Fire Emergency Reporting System.* This system is owned, operated and managed by Marion County, not the City. The City is, however, participating in the selection of a replacement 911 system which will be compliant and operational prior to the year 2000.
- *Utility Distribution System.* The City has completed the assessment stage of the critical components necessary to provide water, sewer and electric services to its customers, and is in the remediation stage concerning components which were determined to be non-compliant. Further assessments of other components are continuing and they may be remediated. After completion of remediation, the components will be validated and tested. It is anticipated that all validation and testing will be completed by the end of the year.
- The City is in the remediation stage on all other non-compliant electronic equipment it has identified as necessary to conducting City operations.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City is or will be year 2000 ready, that the City's remediation efforts will be successful whole or in part, or that parties with whom the City does business will be year 2000 ready.

**21. Central Florida Regional Library Fund:**

In September, 1997, the City Council approved the Central Florida Regional Library interlocal agreement under which Marion County would become the governing body of the library on October 1, 1997. Under the terms of the agreement, the library operations and personal property including vehicles now owned by the City and used by the library were transferred to Marion County. The City will provide the staffing on a contractual basis and will lease the building currently housing the Ocala Public Library to Marion County for a nominal fee. Additionally, the City agreed to pay Marion County \$133,000 per year for a period of three years to be used for library purposes only.



CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1998

**22. 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.

In 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. The City had agreed to pay \$500,000 per year provided that these new jobs are maintained in accordance with the agreement. The agreement expires in fiscal year 1999. Payments under this agreement, as well as other economic incentive payments, amounted to \$840,911 for the year ended September 30, 1998.

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

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.

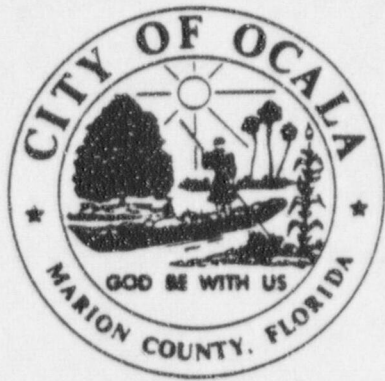
Other Commitments - Outstanding commitments of governmental funds are presented in the accompanying combined financial statements as reserves of fund balance. The outstanding commitments of the Internal Service and Enterprise Funds as of September 30, 1998 were \$1,329,847 and \$3,716,824, respectively. 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, 1998.

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.

**REQUIRED SUPPLEMENTARY INFORMATION**





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>						
1998	\$ 62,105,361	\$ 67,670,920	\$ 5,565,559	91.78 %	\$ 30,016,764	18.54 %
1997	56,707,127	62,080,721	5,373,594	91.34	28,804,565	18.66
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	93.35	24,393,777	13.94

\* 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.

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, 1997
Supplemental plans	October 1, 1997
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	22 years (weighted)
Supplemental plans	N/A
Asset valuation method	
General Plan and Supplemental Firefighters' Plan	5-year weighted index
Supplemental Police Officers' Plan	Market value
Actual assumptions (all plans):	
Net investment rate of return*	8.0%
Projected salary increases*	6.0%
* Includes inflation at	3.0%
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>		
1998	\$ 1,350,660	100.00 %
1997	1,438,894	100.00
1996	1,605,229	100.00
1995	1,569,609	100.00
1994	1,457,067	100.00
1993	1,628,421	100.00

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Annual Required Contribution (1) (City)</u>	<u>Annual Required Contribution (2) (State)</u>	<u>Percentage Contributed</u>
<u>Supplemental Firefighters' Plan:</u>				
1998	\$ 215,356	\$ -	\$ 215,356	100.00 %
1997	234,465	8,632	225,833	100.00
1996	227,726	19,403	208,323	100.00
1995	166,829	-	166,829	100.00
1994	160,400	-	160,400	100.00
1993	141,864	-	141,864	100.00

- (1) These "City" contributions are funds that were drawn from the Contributions Surplus Account.
- (2) Excess State annual required contributions are accumulated in the Contributions Surplus Account which is drawn upon if actual State contributions fall below the annual required contributions. The net Contributions Surplus Account balance was \$267,980 as of September 30, 1998.

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Annual Required Contribution (3) (City)</u>	<u>Annual Required Contribution (4) (State)</u>	<u>Percentage Contributed</u>
<u>Supplemental Police Officers' Plan:</u>				
1998	\$ 402,319	\$ 31,477	\$ 370,842	100.00 %
1997	347,104	-	347,104	100.00
1996	315,440	-	315,440	100.00
1995	327,957	13,053	314,904	100.00
1994	280,987	-	280,987	100.00
1993	286,054	-	286,054	100.00

- (3) These "City" contributions are funds that were drawn from the Contributions Surplus Account.
- (4) Excess State annual required contributions are accumulated in the Contributions Surplus Account which is drawn upon if actual State contributions fall below the annual required contributions. The net Contributions Surplus Account balance was \$122,058 as of September 30, 1998.

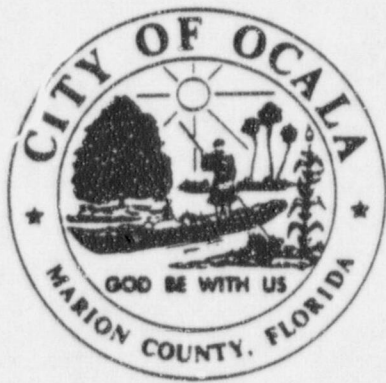
## INDIVIDUAL FUND AND COMBINING STATEMENTS - BY FUND TYPE

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. Effective October 1, 1997, Marion County assumed 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, 1998

Assets	<u>Occu- pational License</u>	<u>Central Florida Regional Library</u>
Cash and investments	\$ 277,767	\$ -
Equity in pooled cash and investment fund	-	68,861
Accrued interest receivable	-	-
Accounts and notes receivable	35	-
Due from other funds	75	-
Due from other governments	-	-
Other current assets	-	-
	<hr/>	<hr/>
Total Assets	<u>\$ 277,877</u>	<u>\$ 68,861</u>
<b>Liabilities and Fund Balances (Deficits)</b>		
Liabilities:		
Accounts payable	\$ -	\$ 8,079
Compensated absences payable	-	-
Deferred revenue	282,427	-
Interfund loans payable within one year	-	-
Interfund loans payable after one year	-	-
Total liabilities	<hr/> <u>282,427</u>	<hr/> <u>8,079</u>
Fund Balance (Deficit):		
Reserved for encumbrances	-	60,782
Reserved for specified projects	-	-
Total reserved fund balance	<hr/> <u>-</u>	<hr/> <u>60,782</u>
Unreserved and undesignated (deficit)	(4,550)	-
Total fund balance (deficit)	<hr/> <u>(4,550)</u>	<hr/> <u>60,782</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 277,877</u>	<u>\$ 68,861</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>
\$ 50	\$ -	\$ -	\$ -	\$ -	\$ 277,817
57,926	39,172	8,531,432	5,069,388	194,066	13,960,845
527	364	70,335	44,791	1,730	117,747
-	-	-	67,064	-	67,099
-	-	13,040	94,060	-	107,175
-	-	1,285,526	-	25,935	1,311,461
373	-	-	195	-	568
<u>\$ 58,876</u>	<u>\$ 39,536</u>	<u>\$ 9,900,333</u>	<u>\$ 5,275,498</u>	<u>\$ 221,731</u>	<u>\$ 15,842,712</u>

\$ 1,934	\$ 860	\$ 95,810	\$ 65,520	\$ 308	\$ 172,511
1,489	1,009	6,353	12,523	-	21,374
-	-	303,953	-	221,423	807,803
13,102	-	-	-	-	13,102
48,711	-	-	-	-	48,711
<u>65,236</u>	<u>1,869</u>	<u>406,116</u>	<u>78,043</u>	<u>221,731</u>	<u>1,063,501</u>
-	-	500,371	325,148	16,834	903,135
-	37,667	8,993,846	4,872,307	-	13,903,820
-	37,667	9,494,217	5,197,455	16,834	14,806,955
(6,360)	-	-	-	(16,834)	(27,744)
<u>(6,360)</u>	<u>37,667</u>	<u>9,494,217</u>	<u>5,197,455</u>	<u>-</u>	<u>14,779,211</u>
<u>\$ 58,876</u>	<u>\$ 39,536</u>	<u>\$ 9,900,333</u>	<u>\$ 5,275,498</u>	<u>\$ 221,731</u>	<u>\$ 15,842,712</u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

Year Ended September 30, 1998

	<u>Occupational License</u>	<u>Central Florida Regional Library</u>
Revenues:		
Property taxes	\$ -	\$ -
Other intergovernmental revenues	-	3,163
Parking meters and facilities	-	-
Licenses and permits	452,402	-
Fines and forfeitures	-	-
Charges for services	-	-
Investment income	15,642	23,727
Gifts	-	3,234
Other	1,108	20
Total revenues	<u>469,152</u>	<u>30,144</u>
Expenditures:		
Current:		
General government and administration	-	-
Public works	-	-
Culture and recreation	-	75,245
Other	-	-
Capital outlay	-	73,454
Intergovernmental	-	982,835
Debt service:		
Interest	-	-
Total expenditures	<u>-</u>	<u>1,131,534</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>469,152</u>	<u>(1,101,390)</u>
Other Financing Sources (Uses):		
Operating transfers from other funds	-	-
Operating transfers to other funds	(550,000)	-
Total other financing sources (uses)	<u>(550,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(80,848)	(1,101,390)
Fund Balance (Deficit) at Beginning of Year, as restated	<u>76,298</u>	<u>1,162,172</u>
Fund Balance (Deficit) at End of Year	<u>\$ (4,550)</u>	<u>\$ 60,782</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>
\$ -	\$ 38,920	\$ -	\$ -	\$ -	\$ 38,920
-	-	4,428,686	8,421	294,232	4,734,502
65,119	-	-	-	-	65,119
-	-	-	-	-	452,402
7,770	-	-	-	-	7,770
-	-	-	1,969,268	-	1,969,268
4,069	3,318	533,798	357,034	17,147	954,735
-	-	52,117	-	-	55,351
9,857	352	10,397	3,000	-	24,734
<u>86,815</u>	<u>42,590</u>	<u>5,024,998</u>	<u>2,337,723</u>	<u>311,379</u>	<u>8,302,801</u>
-	49,340	-	-	312,188	361,528
-	-	568,838	1,210,637	-	1,779,475
-	-	-	-	-	75,245
71,014	-	-	-	-	71,014
-	-	2,741,874	790,104	-	3,605,432
-	175	-	1,000	-	984,010
4,003	-	-	-	-	4,003
<u>75,017</u>	<u>49,515</u>	<u>3,310,712</u>	<u>2,001,741</u>	<u>312,188</u>	<u>6,880,707</u>
<u>11,798</u>	<u>(6,925)</u>	<u>1,714,286</u>	<u>335,982</u>	<u>(809)</u>	<u>1,422,094</u>
-	-	641,226	-	-	641,226
-	-	(1,326,585)	(15,143)	-	(1,891,728)
-	-	(685,356)	(15,143)	-	(1,250,502)
11,798	(6,925)	1,028,927	320,839	(809)	171,592
(18,158)	44,592	8,465,290	4,876,616	809	14,607,619
<u>\$ (6,360)</u>	<u>\$ 37,667</u>	<u>\$ 9,494,217</u>	<u>\$ 5,197,455</u>	<u>\$ -</u>	<u>\$ 14,779,211</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, 1998

	Occu- pational License	Central Florida Regional Library	Parking/ Parks Enforcement
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Other intergovernmental revenues	-	3,163	-
Parking meters and facilities	-	-	65,119
Licenses and permits	452,402	-	-
Fines and forfeitures	-	-	7,770
Charges for services	-	-	-
Investment income	15,642	23,727	4,069
Gifts	-	3,234	-
Other	1,108	20	9,857
Total revenues	<u>469,152</u>	<u>30,144</u>	<u>86,815</u>
Expenditures:			
Current:			
General government and administration	-	-	-
Public works	-	-	-
Culture and recreation	-	75,245	-
Other	-	-	71,014
Capital outlay	-	73,454	-
Intergovernmental	-	982,835	-
Debt service:			
Principal payments	-	-	-
Interest	-	-	4,003
Total expenditures	<u>-</u>	<u>1,131,534</u>	<u>75,017</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>469,152</u>	<u>(1,101,390)</u>	<u>11,798</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	-	-	-
Operating transfers to other funds	(550,000)	-	-
Total other financing sources (uses)	<u>(550,000)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	(80,848)	(1,101,390)	11,798
Fund Balance Allocation	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(80,848)	(1,101,390)	11,798
Fund Balance (Deficit) at Beginning of Year, as restated	76,298	1,162,172	(18,158)
Fund Balance (Deficit) at End of Year	<u>\$ (4,550)</u>	<u>\$ 60,782</u>	<u>\$ (6,360)</u>



Actual					Adjustments to a Budgetary Basis	Total Actual on a Budgetary Basis
Downtown Develop- ment	Local Gasoline Tax	Stormwater Utility	SHIP Local Housing Assistance	Total		
\$ 38,920	\$ -	\$ -	\$ -	\$ 38,920	\$ -	\$ 38,920
-	4,428,686	8,421	294,232	4,734,502	(305,816)	4,428,686
-	-	-	-	65,119	-	65,119
-	-	-	-	452,402	-	452,402
-	-	-	-	7,770	-	7,770
-	-	1,969,268	-	1,969,268	-	1,969,268
3,318	533,798	357,034	17,147	954,735	(40,874)	913,861
-	52,117	-	-	55,351	(3,234)	52,117
352	10,397	3,000	-	24,734	(20)	24,714
<u>42,590</u>	<u>5,024,998</u>	<u>2,337,723</u>	<u>311,379</u>	<u>8,302,801</u>	<u>(349,944)</u>	<u>7,952,857</u>
49,340	-	-	312,188	361,528	(312,188)	49,340
-	568,838	1,210,637	-	1,779,475	508,891	2,288,366
-	-	-	-	75,245	20,347	95,592
-	-	-	-	71,014	-	71,014
-	2,741,874	790,104	-	3,605,432	353,899	3,959,331
175	-	1,000	-	984,010	(982,835)	1,175
-	-	-	-	-	-	-
-	-	-	-	4,003	-	4,003
<u>49,515</u>	<u>3,310,712</u>	<u>2,001,741</u>	<u>312,188</u>	<u>6,880,707</u>	<u>(411,886)</u>	<u>6,468,821</u>
(6,925)	1,714,286	335,982	(809)	1,422,094	61,942	1,484,036
-	641,226	-	-	641,226	-	641,226
-	(1,326,585)	(15,143)	-	(1,891,728)	-	(1,891,728)
-	(685,359)	(15,143)	-	(1,250,502)	-	(1,250,502)
(6,925)	1,028,927	320,839	(809)	171,592	61,942	233,534
-	-	-	-	-	-	-
(6,925)	1,028,927	320,839	(809)	171,592	<u>\$ 61,942</u>	<u>\$ 233,534</u>
44,592	8,465,290	4,876,616	809	14,607,619		
<u>\$ 37,667</u>	<u>\$ 9,494,217</u>	<u>\$ 5,197,455</u>	<u>\$ -</u>	<u>\$ 14,779,211</u>		

Continued

CITY OF OCALA, FLORIDA

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

SPECIAL REVENUE FUNDS

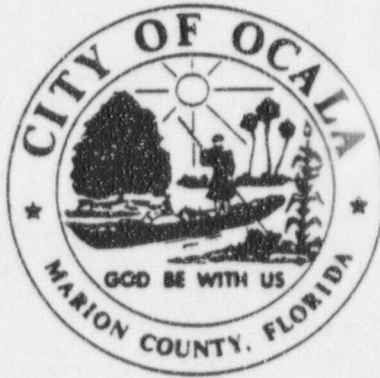
Year Ended September 30, 1998

	Total Actual on a Budgetary Basis	Occu- pational License	Final Central Florida Regional Library
Revenues:			
Property taxes	\$ 38,920	\$ -	\$ -
Other intergovernmental revenues	4,428,686	-	-
Parking meters and facilities	65,119	-	-
Licenses and permits	452,402	472,000	-
Fines and forfeitures	7,770	-	-
Charges for services	1,969,268	-	-
Investment income	913,861	22,000	-
Gifts	52,117	-	-
Other	24,714	1,050	-
Total revenues	<u>7,952,857</u>	<u>495,050</u>	<u>-</u>
Expenditures:			
Current:			
General government and administration	49,340	-	-
Public works	2,288,366	-	-
Culture and recreation	95,592	-	104,894
Other	71,014	-	-
Capital outlay	3,959,331	-	111,040
Intergovernmental	1,175	-	-
Debt service:			
Principal payments	-	-	-
Interest	4,003	-	-
Total expenditures	<u>6,468,821</u>	<u>-</u>	<u>215,934</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,484,036</u>	<u>495,050</u>	<u>(215,934)</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	641,226	-	-
Operating transfers to other funds	(1,891,728)	(550,000)	-
Total other financing sources (uses)	<u>(1,250,502)</u>	<u>(550,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	233,534	(54,950)	(215,934)
Fund Balance Allocation	<u>-</u>	<u>54,950</u>	<u>215,934</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 233,534</u>	<u>\$ -</u>	<u>\$ -</u>



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>
\$ -	\$ 39,133	\$ -	\$ -	\$ 39,133	\$ (213)
-	-	6,229,151	-	6,229,151	(1,800,465)
66,420	-	-	-	66,420	(1,301)
-	-	-	-	472,000	(19,598)
15,700	-	-	-	15,700	(7,930)
-	-	-	1,828,000	1,828,000	141,268
3,150	3,450	475,000	275,000	778,600	135,261
-	-	-	-	-	52,117
10,200	400	-	3,000	14,650	10,064
<u>95,470</u>	<u>42,983</u>	<u>6,704,151</u>	<u>2,106,000</u>	<u>9,443,654</u>	<u>(1,490,797)</u>
-	50,017	-	-	50,017	677
-	-	2,652,117	1,405,499	4,057,616	1,769,250
-	-	-	-	104,894	9,302
78,835	-	-	-	78,835	7,821
-	-	10,790,625	3,125,128	14,026,793	10,067,462
-	200	-	1,000	1,200	25
10,182	-	-	-	10,182	10,182
3,737	-	-	-	3,737	(266)
<u>92,754</u>	<u>50,217</u>	<u>13,442,742</u>	<u>4,531,627</u>	<u>18,333,274</u>	<u>11,864,453</u>
<u>2,716</u>	<u>(7,234)</u>	<u>(6,738,591)</u>	<u>(2,425,627)</u>	<u>(8,889,620)</u>	<u>10,373,656</u>
-	-	599,000	-	599,000	42,226
-	-	(1,506,551)	(15,143)	(2,071,694)	179,966
-	-	(907,551)	(15,143)	(1,472,694)	222,192
2,716	(7,234)	(7,646,142)	(2,440,770)	(10,362,314)	10,595,848
<u>(2,716)</u>	<u>7,234</u>	<u>7,646,142</u>	<u>2,440,770</u>	<u>10,362,314</u>	<u>(10,362,314)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,534</u>





CITY OF OCALA, FLORIDA

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

SPECIAL REVENUE FUNDS

Year Ended September 30, 1998

	<u>OCCUPATIONAL LICENSE FUND</u>		
	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Licenses and permits	\$ 452,402	\$ 472,000	\$ (19,598)
Investment income	15,642	22,000	(6,358)
Other	1,108	1,050	58
Total revenues	<u>469,152</u>	<u>495,050</u>	<u>(25,898)</u>
Other Financing Uses:			
Operating transfers to other funds	<u>(550,000)</u>	<u>(550,000)</u>	<u>-</u>
Deficiency of Revenues Over Other Uses Before Fund Balance Allocation	(80,848)	(54,950)	(25,898)
Fund Balance Allocation	<u>-</u>	<u>54,950</u>	<u>(54,950)</u>
Deficiency of Revenues Over Other Uses	(80,848)	<u>\$ -</u>	<u>\$ (80,848)</u>
Fund Balance:			
Beginning of year	<u>76,298</u>		
End of year	<u>\$ (4,550)</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, 1998

	<u>CENTRAL FLORIDA REGIONAL</u>		
	<u>Actual</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>
Revenues:			
Other intergovernmental revenues	\$ 3,163	\$ (3,163)	\$ -
Investment income	23,727	(23,727)	-
Gifts	3,234	(3,234)	-
Other	20	(20)	-
Total revenues	<u>30,144</u>	<u>(30,144)</u>	<u>-</u>
Expenditures:			
Current - Culture and recreation	75,245	20,347	95,592
Capital outlay	73,454	37,271	110,725
Intergovernmental	982,835	(982,835)	-
Total expenditures	<u>1,131,534</u>	<u>(925,217)</u>	<u>206,317</u>
Excess (Deficiency) of Revenues Over Expenditures Before Fund Balance Allocation	(1,101,390)	895,073	(206,317)
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	(1,101,390)	<u>\$ 895,073</u>	<u>\$ (206,317)</u>
Fund Balance:			
Beginning of year, as restated	<u>1,162,172</u>		
End of year	<u>\$ 60,782</u>		



**LIBRARY FUND**

Final Budget	Variance Favorable (Unfavorable)
\$ -	\$ -
-	-
-	-
-	-
-	-
104,894	9,302
111,040	315
-	-
<u>215,934</u>	<u>9,617</u>
(215,934)	9,617
<u>215,934</u>	<u>(215,934)</u>
<u>\$ -</u>	<u>\$ (206,317)</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, 1998

	<u>PARKING/PARKS ENFORCEMENT FUND</u>		
	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Parking meters and facilities	\$ 65,119	\$ 66,420	\$ (1,301)
Fines and forfeitures	7,770	15,700	(7,930)
Investment income	4,069	3,150	919
Other	9,857	10,200	(343)
Total revenues	<u>86,815</u>	<u>95,470</u>	<u>(8,655)</u>
Expenditures:			
Current - other	71,014	78,835	7,821
Debt service:			
Principal	-	10,182	10,182
Interest	4,003	3,737	(266)
Total expenditures	<u>75,017</u>	<u>92,754</u>	<u>17,737</u>
Excess of Revenues and Other Sources Over Expenditures Before Fund Balance Allocation	11,798	2,716	9,082
Fund Balance Allocation	-	(2,716)	2,716
Excess of Revenues and Other Sources Over Expenditures	11,798	<u>\$ -</u>	<u>\$ 11,798</u>
Fund Balance (Deficit):			
Beginning of year, as restated	<u>(18,158)</u>		
End of year	<u>\$ (6,360)</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, 1998

	<u>DOWNTOWN DEVELOPMENT FUND</u>		
	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Property taxes	\$ 38,900	\$ 39,133	\$ (213)
Investment income	3,318	3,450	(132)
Other	352	400	(48)
Total revenues	<u>42,590</u>	<u>42,983</u>	<u>(393)</u>
Expenditures:			
Current - General government and administration	49,340	50,017	677
Intergovernmental	175	200	25
Total expenditures	<u>49,515</u>	<u>50,217</u>	<u>702</u>
Excess (Deficiency) of Revenues Over Expenditures Before Fund Balance Allocation	(6,925)	(7,234)	309
Fund Balance Allocation	<u>-</u>	<u>7,234</u>	<u>(7,234)</u>
Deficiency of Revenues Over Expenditures	(6,925)	<u>\$ -</u>	<u>\$ (6,925)</u>
Fund Balance:			
Beginning of year, as restated	<u>44,592</u>		
End of year	<u>\$ 37,667</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, 1998

	LOCAL GASOLINE TAX		
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis
Revenues:			
Other intergovernmental revenues	\$ 4,428,686	\$ -	\$ 4,428,686
investment income	533,798	-	533,798
Gifts	52,117	-	52,117
Other	10,397	-	10,397
Total revenues	<u>5,024,998</u>	<u>-</u>	<u>5,024,998</u>
Expenditures:			
Current - Public works	568,838	500,197	1,069,035
Capital outlay	2,741,874	174	2,742,048
Total expenditures	<u>3,310,712</u>	<u>500,371</u>	<u>3,811,083</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,714,286</u>	<u>(500,371)</u>	<u>1,213,915</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	641,226	-	641,226
Operating transfers to other funds	(1,326,585)	-	(1,326,585)
Total other financing sources (uses)	<u>(685,359)</u>	<u>-</u>	<u>(685,359)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	<u>1,028,927</u>	<u>(500,371)</u>	<u>528,556</u>
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>1,028,927</u>	<u>\$ (500,371)</u>	<u>\$ 528,556</u>
Fund Balance at Beginning of Year, as restated	<u>8,465,290</u>		
Fund Balance at End of Year	<u>\$ 9,494,217</u>		



FUND	
Final Budget	Variance Favorable (Unfavorable)
\$ 6,229,151	\$ (1,800,465)
475,000	58,798
-	52,117
-	10,397
<u>6,704,151</u>	<u>(1,679,153)</u>
2,652,117	1,583,082
10,790,625	8,048,577
<u>13,442,742</u>	<u>9,631,659</u>
<u>(6,738,591)</u>	<u>7,952,506</u>
599,000	42,226
<u>(1,506,551)</u>	<u>179,966</u>
<u>(907,551)</u>	<u>222,192</u>
(7,646,142)	8,174,698
<u>7,646,142</u>	<u>(7,646,142)</u>
<u>\$ -</u>	<u>\$ 528,556</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, 1998

	STORMWATER UTILITY		
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis
Revenues:			
Other intergovernmental revenues	\$ 8,421	\$ (8,421)	\$ -
Charges for services	1,969,268	-	1,969,268
Investment income	357,034	-	357,034
Other	3,000	-	3,000
Total revenues	<u>2,337,723</u>	<u>(8,421)</u>	<u>2,329,302</u>
Expenditures:			
Current - Public works	1,210,637	8,694	1,219,331
Capital outlay	790,104	316,454	1,106,558
Intergovernmental	1,000	-	1,000
Total expenditures	<u>2,001,741</u>	<u>325,148</u>	<u>2,326,889</u>
Excess (Deficiency) of Revenues Over Expenditures	335,982	(333,569)	2,413
Other Financing Uses:			
Operating transfers to other funds	(15,143)	-	(15,143)
Excess (Deficiency) of Revenues Over Expenditures and Other Uses Before Fund Balance Allocation	320,839	(333,569)	(12,730)
Fund Balance Allocation	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	320,839	<u>\$ (333,569)</u>	<u>\$ (12,730)</u>
Fund Balance:			
Beginning of year, as restated	<u>4,876,616</u>		
End of year	<u>\$ 5,197,455</u>		



<u>FUND</u>	
<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ -
1,828,000	141,268
275,000	82,034
3,000	-
<u>2,106,000</u>	<u>223,302</u>
1,405,499	186,168
3,125,128	2,018,570
1,000	-
<u>4,531,627</u>	<u>2,204,738</u>
(2,425,627)	2,428,040
<u>(15,143)</u>	<u>-</u>
(2,440,770)	2,428,040
<u>2,440,770</u>	<u>(2,440,770)</u>
<u>\$ -</u>	<u>\$ (12,730)</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, 1998

	<u>SHIP LOCAL HOUSING ASSISTANCE FUND</u>		
	<u>Actual</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>
Revenues:			
Other intergovernmental revenues	\$ 294,232	\$ (294,232)	\$ -
Investment income	17,147	(17,147)	-
Total revenues	<u>311,379</u>	<u>(311,379)</u>	<u>-</u>
Expenditures:			
Current - General government and administration	312,188	(312,188)	-
Total expenditures	<u>312,188</u>	<u>(312,188)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(809)	<u>\$ 809</u>	<u>\$ -</u>
Fund Balance:			
Beginning of year, as restated	<u>809</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 Refunding Revenue Bonds, Series 1992.

CITY OF OCALA, FLORIDA  
COMBINING BALANCE SHEET

DEBT SERVICE FUNDS

September 30, 1998

<b>Assets</b>	<u>1993 Improvement Certificates</u>	<u>1995 Improvement Certificates</u>	<u>Optional Gas Tax Bonds</u>	<u>Total</u>
Restricted cash and investments	\$ 449,031	\$ 130,268	\$ -	\$ 579,299
Restricted equity in pooled cash and investment fund	1,757,746	300,914	2,091,262	4,149,922
Restricted accrued interest receivable	<u>14,694</u>	<u>3,140</u>	<u>18,216</u>	<u>36,050</u>
Total Restricted Assets	<u>\$ 2,221,471</u>	<u>\$ 434,322</u>	<u>\$ 2,109,478</u>	<u>\$ 4,765,271</u>
 <b>Fund Balances</b>				
Fund Balance:				
Reserved for debt service	<u>\$ 2,221,471</u>	<u>\$ 434,322</u>	<u>\$ 2,109,478</u>	<u>\$ 4,765,271</u>
Total Fund Balances	<u>\$ 2,221,471</u>	<u>\$ 434,322</u>	<u>\$ 2,109,478</u>	<u>\$ 4,765,271</u>



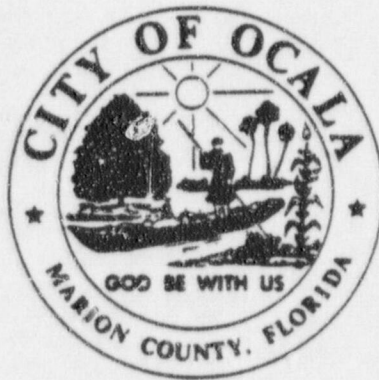
CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

DEBT SERVICE FUNDS

Year Ended September 30, 1998

	1988 Improvement Certificates	1993 Improvement Certificates	1995 Improvement Certificates	Optional Gas Tax Bonds	Total
Revenues:					
Investment income	\$ 76,639	\$ 112,383	\$ 23,635	\$ 133,461	\$ 346,118
Expenditures:					
Debt Service:					
Bond principal payments	1,200,000	-	-	660,000	1,860,000
Bond interest and paying agents' fees	86,300	898,837	251,038	644,845	1,891,020
Total expenditures	<u>1,286,300</u>	<u>898,837</u>	<u>261,038</u>	<u>1,304,845</u>	<u>3,751,020</u>
Deficiency of Revenues Over Expenditures	<u>(1,209,661)</u>	<u>(786,454)</u>	<u>(237,403)</u>	<u>(1,171,384)</u>	<u>(3,404,902)</u>
Other Financing Sources (Uses):					
Operating transfers from other funds	642,900	1,164,512	260,536	1,318,273	3,386,221
Operating transfers to other funds	<u>(24,387)</u>	<u>(10,054)</u>	<u>(2,629)</u>	<u>(141,226)</u>	<u>(178,296)</u>
Total other financing sources (uses)	<u>618,513</u>	<u>1,154,458</u>	<u>257,907</u>	<u>1,177,047</u>	<u>3,207,925</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(591,148)	368,004	20,504	5,663	(196,977)
Fund Balance at Beginning of Year, as retated	1,399,629	1,853,467	413,818	2,103,815	5,770,729
Equity Transfer Out	<u>(808,481)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(808,481)</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 2,221,471</u>	<u>\$ 434,322</u>	<u>\$ 2,109,478</u>	<u>\$ 4,765,271</u>





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:

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, 1998

Assets	<u>Optional Gas Tax Construction</u>	<u>Capital Improvement</u>	<u>1995 Capital Improvement</u>	<u>Total</u>
Equity in pooled cash and investment fund	\$ -	\$ 21,240	\$ 2,910,214	\$ 2,931,454
Accrued interest receivable	-	186	26,694	26,880
Due from other governments	<u>43,806</u>	<u>-</u>	<u>-</u>	<u>43,806</u>
<b>Total Assets</b>	<b><u>\$ 43,806</u></b>	<b><u>\$ 21,426</u></b>	<b><u>\$ 2,936,908</u></b>	<b><u>\$ 3,002,140</u></b>
<b>Liabilities and Fund Balances</b>				
Current Liabilities:				
Accounts payable	\$ -	\$ -	\$ 296,992	\$ 296,992
Due to other funds	<u>13,040</u>	<u>-</u>	<u>-</u>	<u>13,040</u>
<b>Total liabilities</b>	<b><u>13,040</u></b>	<b><u>-</u></b>	<b><u>296,992</u></b>	<b><u>310,032</u></b>
Fund Balance:				
Reserved for encumbrance	-	-	4,411,522	4,411,522
Unreserved and undesignated	<u>30,766</u>	<u>21,426</u>	<u>(1,771,606)</u>	<u>(1,719,414)</u>
<b>Total fund balance</b>	<b><u>30,766</u></b>	<b><u>21,426</u></b>	<b><u>2,639,916</u></b>	<b><u>2,692,108</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 43,806</u></b>	<b><u>\$ 21,426</u></b>	<b><u>\$ 2,936,908</u></b>	<b><u>\$ 3,002,140</u></b>



CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE

CAPITAL PROJECTS FUNDS

Year Ended September 30, 1998

	<u>Optional Gas Tax Construction</u>	<u>Capital Improvement</u>	<u>1995 Capital Improvement</u>	<u>Total</u>
Revenues:				
Other intergovernmental revenues	\$ 67,468	\$ -	\$ -	\$ 67,468
Investment income	-	1,534	225,414	226,948
Other	-	-	225	225
Total revenues	<u>67,468</u>	<u>1,534</u>	<u>225,639</u>	<u>294,641</u>
Expenditures:				
Current:				
Public safety	-	-	349,688	349,688
Public works	38,544	-	-	38,544
Nondepartmental appropriations	-	1,100	2,000	3,100
Capital outlay	12,404	-	619,549	631,953
Total expenditures	<u>50,948</u>	<u>1,100</u>	<u>971,237</u>	<u>1,023,285</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>16,520</u>	<u>434</u>	<u>(745,598)</u>	<u>(728,644)</u>
Other Financing Uses:				
Operating transfers to other funds	-	(4,591)	-	(4,591)
Total other financing uses	<u>-</u>	<u>(4,591)</u>	<u>-</u>	<u>(4,591)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	16,520	(4,157)	(745,598)	(733,235)
Fund Balance at Beginning of Year, as restated	<u>14,246</u>	<u>25,583</u>	<u>3,385,514</u>	<u>3,425,343</u>
Fund Balance at End of Year	<u>\$ 30,766</u>	<u>\$ 21,426</u>	<u>\$ 2,639,916</u>	<u>\$ 2,692,108</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, 1998

	ACTUAL			
	<u>Optional Gas Tax Construction</u>	<u>Capital Improvement</u>	<u>1995 Capital Improvement</u>	<u>Total</u>
Revenues:				
Other intergovernmental revenues	\$ 67,468	\$ -	\$ -	\$ 67,468
Investment income	-	1,534	225,414	226,948
Other	-	-	225	225
Total revenues	<u>67,468</u>	<u>1,534</u>	<u>225,639</u>	<u>294,641</u>
Expenditures:				
Current:				
Public safety	-	-	349,688	349,688
Public works	38,544	-	-	38,544
Nondepartmental appropriations	-	1,100	2,000	3,100
Capital outlay	12,404	-	619,549	631,953
Total expenditures	<u>50,948</u>	<u>1,100</u>	<u>971,237</u>	<u>1,023,285</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>16,520</u>	<u>434</u>	<u>(745,598)</u>	<u>(728,644)</u>
Other Financing Sources (Uses):				
Operating transfers from other funds	-	-	-	-
Operating transfers to other funds	-	(4,591)	-	(4,591)
Total other financing sources (uses)	<u>-</u>	<u>(4,591)</u>	<u>-</u>	<u>(4,591)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses Before Fund Balance Allocation	<u>16,520</u>	<u>(4,157)</u>	<u>(745,598)</u>	<u>(733,235)</u>
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	<u>16,520</u>	<u>(4,157)</u>	<u>(745,598)</u>	<u>(733,235)</u>
Fund Balance at Beginning of Year, as restated	<u>14,246</u>	<u>25,583</u>	<u>3,385,514</u>	<u>3,425,343</u>
Fund Balance at End of Year	<u>\$ 30,766</u>	<u>\$ 21,426</u>	<u>\$ 2,639,916</u>	<u>\$ 2,692,108</u>



<u>Adjustments to a Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ 67,468	\$ -	\$ 67,468
-	226,948	-	226,943
-	225	-	225
<u>-</u>	<u>294,641</u>	<u>-</u>	<u>294,641</u>
56,136	405,824	705,086	299,262
-	38,544	55,545	17,001
(1,100)	2,000	2,000	-
4,355,386	4,987,339	5,276,637	289,298
<u>4,410,422</u>	<u>5,433,707</u>	<u>6,039,268</u>	<u>605,561</u>
<u>(4,410,422)</u>	<u>(5,139,066)</u>	<u>(6,039,268)</u>	<u>900,202</u>
-	-	1,810,826	(1,810,826)
-	(4,591)	(4,678)	87
-	(4,591)	1,806,148	(1,810,739)
(4,410,422)	(5,143,657)	(4,233,120)	(910,537)
-	-	4,233,120	(4,233,120)
<u>\$ (4,410,422)</u>	<u>\$ (5,143,657)</u>	<u>\$ -</u>	<u>\$ (5,143,657)</u>





CITY OF OCALA, FLORIDA

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

CAPITAL PROJECT FUNDS

Year Ended September 30, 1998

OPTIONAL GAS TAX CONSTRUCTION

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Other intergovernmental revenues	\$ 67,468	\$ -	\$ 67,468
Total revenues	<u>67,468</u>	<u>-</u>	<u>67,468</u>
Expenditures:			
Current - Public works	38,544	55,545	17,001
Capital outlay	12,404	301,702	289,298
Total expenditures	<u>50,948</u>	<u>357,247</u>	<u>306,299</u>
Deficiency of Revenues Over Expenditures Before Fund Balance Allocation	16,520	(357,247)	373,767
Fund Balance Allocation	<u>-</u>	<u>357,247</u>	<u>(357,247)</u>
Deficiency of Revenues and Other Sources Over Expenditures	16,520	<u>\$ -</u>	<u>\$ 16,520</u>
Fund Balance:			
Beginning of year	<u>14,246</u>		
End of year	<u>\$ 30,766</u>		

CITY OF OCALA, FLORIDA

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

CAPITAL PROJECT FUNDS

Year Ended September 30, 1998

	CAPITAL IMPROVEMENT		
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis
Revenues:			
Investment income	\$ 1,534	\$ -	\$ 1,534
Total revenues	<u>1,534</u>	<u>-</u>	<u>1,534</u>
Expenditures:			
Current:			
Nondepartmental appropriations	1,100	(1,100)	-
Total expenditures	<u>1,100</u>	<u>(1,100)</u>	<u>-</u>
Excess of Revenues Over Expenditures	434	1,100	1,534
Other Financing uses:			
Operating transfers to other funds	<u>(4,591)</u>	<u>-</u>	<u>(4,591)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses Before Fund Balance Allocation	(4,157)	1,100	(3,057)
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,157)	<u>\$ 1,100</u>	<u>\$ (3,057)</u>
Fund Balance at Beginning of Year, as restated	<u>25,583</u>		
Fund Balance at End of Year	<u>\$ 21,426</u>		



<u>FUND</u>	
<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ 1,534
-	1,534
-	-
-	-
-	1,534
(4,678)	87
(4,678)	1,621
4,678	(4,678)
<u>\$ -</u>	<u>\$ (3,057)</u>

Continued

CITY OF OCALA, FLORIDA

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

CAPITAL PROJECT FUNDS

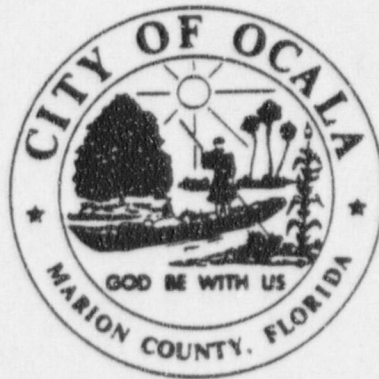
Year Ended September 30, 1998

	1995 CAPITAL IMPROVEMENT		
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis
Revenues:			
Investment income	\$ 225,414	\$ -	\$ 225,414
Other	225	-	225
Total revenues	<u>225,639</u>	<u>-</u>	<u>225,639</u>
Expenditures:			
Current:			
Public safety	349,688	56,136	405,824
Nondepartmental appropriations	2,000	-	2,000
Capital outlay	619,549	4,355,386	4,974,935
Total expenditures	<u>971,237</u>	<u>4,411,522</u>	<u>5,382,759</u>
Excess (Deficiency) of Revenues Over Expenditures	(745,598)	(4,411,522)	(5,157,120)
Other Financing Sources:			
Operating transfers from other funds	-	-	-
Deficiency of Revenues and Other Financing Sources Over Expenditures Before Fund Balance Allocation	(745,598)	(4,411,522)	(5,157,120)
Fund Balance Allocation	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	(745,598)	<u>\$ (4,411,522)</u>	<u>\$ (5,157,120)</u>
Fund Balance at Beginning of Year, as restated	<u>3,385,514</u>		
Fund Balance at End of Year	<u>\$ 2,639,916</u>		



FUNF.

<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ 225,414
-	225
<u>-</u>	<u>225,639</u>
705,086	299,262
2,000	-
4,974,935	-
<u>5,682,021</u>	<u>299,262</u>
(5,682,021)	524,901
<u>1,810,826</u>	<u>(1,810,826)</u>
(3,871,195)	(1,285,925)
<u>3,871,195</u>	<u>(3,871,195)</u>
<u>\$ -</u>	<u>\$ (5,157,120)</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.

SunTran Fund - This fund accounts for the operation and maintenance of the new mass transit regional system which is scheduled to begin operations in fiscal year 1999.

**CITY OF OCALA, FLORIDA**  
**COMBINING BALANCE SHEET**

**ENTERPRISE FUNDS**

**September 30, 1998**

<b>Assets</b>	<b>Electric System Revenue</b>	<b>Water and Sewer</b>	<b>Sanitation</b>	<b>Municipal Golf Course</b>	<b>Fort King Tennis Court</b>
<b>Current Assets:</b>					
Cash and investments	\$ 2,300	\$ 250	\$ -	\$ 3,578	\$ 50
Equity in pooled cash and investment fund	11,968,233	9,152,567	997,026	708,689	2,985
Accrued interest receivable	96,656	72,839	9,510	6,261	32
Accounts and notes receivable	6,549,021	108,406	-	640	87
Accrued unbilled revenues	5,845,109	-	-	-	-
Due from other funds	-	625,185	315,211	-	-
Interfund loans receivable	160,266	-	-	-	-
Inventories	1,896,785	55,523	-	60,554	-
Due from other governments	-	-	12,236	-	-
Other current assets	384,446	1,566	230	1,610	-
Total current assets	<u>26,902,816</u>	<u>10,016,336</u>	<u>1,334,213</u>	<u>781,332</u>	<u>3,154</u>
<b>Restricted Assets:</b>					
Cash and investments	6,075,869	15,988,864	-	-	-
Equity in pooled cash and investment fund	15,679,062	19,049,976	-	-	-
Accrued interest receivable	165,744	328,880	-	-	-
Due from other governments	-	68,377	-	-	-
Other	1,007,723	146,670	-	-	-
Total restricted assets	<u>22,928,398</u>	<u>35,582,767</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interfund Loans Receivable After One Year	1,152,394	-	-	-	-
Property, Plant and Equipment, net	73,274,375	89,329,426	591,502	4,531,535	77,660
Issuance Costs on Long-Term Debt	125,274	562,747	-	-	-
<b>Total Assets</b>	<u><u>\$ 124,383,257</u></u>	<u><u>\$ 135,491,276</u></u>	<u><u>\$ 1,925,715</u></u>	<u><u>\$ 5,312,867</u></u>	<u><u>\$ 80,814</u></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>SunTran</u>	<u>Total</u>
\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,278
102,072	149,692	-	-	-	340,706	8,312	23,430,282
910	1,584	-	-	-	-	-	187,792
-	12,820	3,125	-	2,000	12,027	-	6,688,126
-	-	-	-	-	-	-	5,845,109
-	-	-	-	-	-	-	940,396
-	-	-	-	-	-	-	160,266
-	-	7,699	-	-	655,376	-	2,675,937
-	-	19,997	89,339	20,571	-	19,635	161,778
-	-	790	-	-	295	-	388,937
<u>103,082</u>	<u>164,096</u>	<u>31,611</u>	<u>89,339</u>	<u>22,571</u>	<u>1,008,404</u>	<u>27,947</u>	<u>40,484,901</u>
-	-	-	-	-	-	-	22,064,733
-	-	-	-	-	-	-	34,729,038
-	-	-	-	-	-	-	494,624
-	94,011	639,708	-	-	-	-	802,096
-	-	-	-	-	-	-	1,154,393
-	<u>94,011</u>	<u>639,708</u>	-	-	-	-	<u>59,244,884</u>
-	-	-	-	-	-	-	1,152,394
46,690	10,463,112	10,418,260	1,279,315	46,395	4,175,750	-	194,234,020
-	-	-	-	-	-	-	688,021
<u>\$ 149,772</u>	<u>\$ 10,721,219</u>	<u>\$ 11,089,579</u>	<u>\$ 1,368,654</u>	<u>\$ 68,966</u>	<u>\$ 5,184,154</u>	<u>\$ 27,947</u>	<u>\$ 295,804,220</u>

Continued

CITY OF OCALA, FLORIDA  
COMBINING BALANCE SHEET - CONTINUED

ENTERPRISE FUNDS

September 30, 1998

Liabilities and Fund Equity	Electric System Revenue	Water and Sewer	Sanitation	Municipal Golf Course	Fort King Tennis Court
Current Liabilities:					
Accounts payable	\$ 5,531,707	\$ 198,394	\$ 289,455	\$ 62,318	\$ 2,430
Compensated absences payable	393,635	171,753	146,643	59,938	994
Accrued interest payable	5,532	-	-	-	-
Due to other funds	1,309,680	-	-	-	-
Customer deposits	3,683,903	-	-	-	-
Deferred revenue	-	1,940	-	67,780	-
Interfund loans payable	-	65,000	-	-	4,592
Total current liabilities	<u>10,924,457</u>	<u>437,087</u>	<u>436,098</u>	<u>190,036</u>	<u>8,016</u>
Liabilities Payable from Restricted Assets:					
Accounts payable	-	151,493	-	-	-
Accrued interest payable	411,745	1,869,546	-	-	-
Deferred revenue	-	759,840	-	-	-
Revenue bonds payable within one year	3,105,000	1,845,000	-	-	-
Decommissioning costs	2,559,123	-	-	-	-
Total liabilities payable from restricted assets	<u>6,075,868</u>	<u>4,625,879</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interfund Loans Payable After One Year	-	130,000	-	-	42,907
Revenue Bonds and Notes Payable After One Year	9,921,528	57,518,878	-	-	-
Total liabilities	<u>26,921,853</u>	<u>62,711,844</u>	<u>436,098</u>	<u>190,036</u>	<u>50,923</u>
Fund Equity:					
Contributed equity	7,214,812	22,906,173	8,515	3,853,439	-
Retained earnings:					
Reserved for debt service	-	8,038,975	-	-	-
Reserved for renewal and replacement	17,160,377	7,498,307	-	-	-
Total reserved retained earnings	17,160,377	15,537,282	-	-	-
Unreserved (accumulated deficit)	73,086,215	34,335,977	1,481,102	1,269,392	29,891
Total retained earnings (accumulated deficit)	90,246,592	49,873,259	1,481,102	1,269,392	29,891
Total fund equity (accumulated deficit)	<u>97,461,404</u>	<u>72,779,432</u>	<u>1,489,617</u>	<u>5,122,831</u>	<u>29,891</u>
Total Liabilities and Fund Equity	<u>\$ 124,383,257</u>	<u>\$ 135,491,276</u>	<u>\$ 1,925,715</u>	<u>\$ 5,312,867</u>	<u>\$ 80,814</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>SunTran</u>	<u>Total</u>
\$ 2,053	\$ 17,760	\$ 3,883	\$ 20,497	\$ 335	\$ 21,210	\$ 27,947	\$ 6,177,989
2,094	1,652	6,363	2,888	-	6,320	-	792,280
-	-	-	-	-	-	-	5,532
-	-	699,246	254,280	126,411	-	-	2,389,617
-	3,981	-	-	-	-	-	3,683,903
-	69,601	-	206	-	-	-	73,907
-	-	-	-	4,000	-	-	143,193
<u>4,147</u>	<u>92,994</u>	<u>709,492</u>	<u>277,871</u>	<u>130,746</u>	<u>27,530</u>	<u>27,947</u>	<u>13,266,421</u>
-	17,058	189,162	-	-	-	-	357,713
-	-	-	-	-	-	-	2,281,291
-	-	-	-	-	-	-	759,840
-	-	-	-	-	-	-	4,950,000
-	-	-	-	-	-	-	2,559,123
-	17,058	189,162	-	-	-	-	10,907,967
-	933,433	-	-	8,000	-	-	1,114,340
-	-	-	-	-	-	-	67,440,406
<u>4,147</u>	<u>1,043,485</u>	<u>898,654</u>	<u>277,871</u>	<u>138,746</u>	<u>27,530</u>	<u>27,947</u>	<u>92,729,134</u>
-	10,465,850	9,953,745	804,053	-	1,198,982	-	56,405,569
-	-	-	-	-	-	-	8,038,975
-	-	-	-	-	-	-	24,658,684
-	-	-	-	-	-	-	32,697,659
145,625	(788,116)	237,180	286,730	(69,780)	3,957,642	-	113,971,858
145,625	(788,116)	237,180	286,730	(69,780)	3,957,642	-	146,669,517
145,625	9,677,734	10,190,925	1,090,783	(69,780)	5,156,624	-	203,075,086
<u>\$ 149,772</u>	<u>\$ 10,721,219</u>	<u>\$ 11,089,579</u>	<u>\$ 1,368,654</u>	<u>\$ 68,966</u>	<u>\$ 5,184,154</u>	<u>\$ 27,947</u>	<u>\$ 295,804,220</u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

ENTERPRISE FUNDS

Year Ended September 30, 1998

	Electric System Revenue	Water and Sewer	Sanitation	Municipal Golf Course	Fort King Tennis Court
Operating Revenues:					
Sale of electricity	\$ 83,378,835	\$ -	\$ -	\$ -	\$ -
Sale of water	-	4,302,262	-	-	-
Sewer and sanitation service charges	-	9,142,622	6,563,817	-	-
Fees and rentals	-	16,200	-	1,801,774	59,763
Commissions	-	-	-	16,128	-
Other	2,043,813	526,262	20,858	315,095	1,449
Total operating revenues	<u>85,422,648</u>	<u>13,987,346</u>	<u>6,584,675</u>	<u>2,132,697</u>	<u>61,212</u>
Operating Expenses:					
Purchase of electricity	49,941,061	-	-	-	-
Distribution	7,180,233	652,292	-	-	-
Operation and maintenance	2,886,459	-	5,842,702	1,693,286	60,961
Water and sewer treatment	-	2,869,721	-	-	-
Sewer collection	-	1,053,544	-	-	-
Administration	2,366,509	1,482,402	398,116	98,013	-
Depreciation and amortization	3,775,669	3,066,042	173,720	262,825	4,929
Economic improvement incentives	340,911	-	-	-	-
Other	1,417,111	397,900	23,437	148,167	-
Total operating expenses	<u>68,407,953</u>	<u>9,521,901</u>	<u>6,437,975</u>	<u>2,202,291</u>	<u>65,890</u>
Operating Income (Loss)	<u>17,014,695</u>	<u>4,465,445</u>	<u>146,700</u>	<u>(69,594)</u>	<u>(4,678)</u>
Non-Operating Revenues (Expenses):					
Investment income	2,074,703	2,583,329	64,075	48,206	804
Interest expense	(634,982)	(3,413,442)	-	(3,097)	(3,489)
Other non-operating revenue	-	31,635	23,466	-	-
Total non-operating revenues (expenses)	<u>1,439,721</u>	<u>(798,478)</u>	<u>87,541</u>	<u>45,109</u>	<u>(2,685)</u>
Income (Loss) Before Operating Transfers	<u>18,454,416</u>	<u>3,666,967</u>	<u>234,241</u>	<u>(24,485)</u>	<u>(7,363)</u>
Operating Transfers:					
From other funds	54,082	61,682	3,521	3,363	-
To other funds	(10,969,085)	(165,223)	(152,825)	(88,656)	-
Total operating transfers	<u>(10,915,003)</u>	<u>(103,554)</u>	<u>(149,304)</u>	<u>(85,293)</u>	<u>-</u>
Net Income (Loss)	<u>7,539,413</u>	<u>3,563,413</u>	<u>84,937</u>	<u>(109,778)</u>	<u>(7,363)</u>
Retained Earnings (Accumulated Deficit), Beginning of year, as restated	<u>82,707,179</u>	<u>46,309,846</u>	<u>1,396,165</u>	<u>1,379,170</u>	<u>37,254</u>
Retained Earnings (Accumulated Deficit), end of year	<u>\$ 90,246,592</u>	<u>\$ 49,873,259</u>	<u>\$ 1,481,102</u>	<u>\$ 1,269,392</u>	<u>\$ 29,891</u>



Municipal Trailer Park	Ocala Regional Airport	Florida Emergency Training Facility	Adult Athletic Complex	Foreign Trade Zone	Communi- cations	SunTran	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,378,835
-	-	-	-	-	-	-	4,302,262
-	-	-	-	-	-	-	15,706,439
81,454	210,743	113,035	88,462	3,563	216,698	-	2,591,392
-	76,240	-	-	-	-	-	92,368
82	3,771	159,516	-	-	34,986	-	3,105,832
<u>81,536</u>	<u>290,754</u>	<u>272,551</u>	<u>88,462</u>	<u>3,563</u>	<u>251,684</u>	<u>-</u>	<u>109,177,128</u>
-	-	-	-	-	-	-	49,941,061
-	-	-	-	-	-	-	7,832,525
86,378	206,972	174,729	119,812	58,587	334,387	-	11,464,273
-	-	-	-	-	-	-	2,869,721
-	-	-	-	-	-	-	1,053,544
-	-	-	-	-	-	-	4,345,040
2,104	294,655	338,643	29,760	5,146	45,474	-	7,998,967
-	-	-	-	-	-	-	840,911
-	2,140	2,395	-	51,657	-	27,947	2,070,754
<u>88,482</u>	<u>503,767</u>	<u>515,767</u>	<u>149,572</u>	<u>115,390</u>	<u>379,861</u>	<u>27,947</u>	<u>88,416,796</u>
<u>(6,946)</u>	<u>(213,013)</u>	<u>(243,216)</u>	<u>(61,110)</u>	<u>(111,827)</u>	<u>(128,177)</u>	<u>(27,947)</u>	<u>20,760,332</u>
7,206	11,052	1,698	-	-	-	-	4,791,073
-	(62,389)	-	-	-	-	-	(4,117,399)
-	10,000	-	-	70,129	-	19,635	154,865
<u>7,206</u>	<u>(41,337)</u>	<u>1,698</u>	<u>-</u>	<u>70,129</u>	<u>-</u>	<u>19,635</u>	<u>828,539</u>
<u>260</u>	<u>(254,350)</u>	<u>(241,518)</u>	<u>(61,110)</u>	<u>(41,698)</u>	<u>(128,177)</u>	<u>(8,312)</u>	<u>21,588,871</u>
75	104,607	15,066	1,249	-	1,283,036	8,312	1,534,993
(1,993)	(121,444)	-	(32,917)	-	-	-	(11,532,156)
<u>(1,918)</u>	<u>(16,837)</u>	<u>15,066</u>	<u>(31,668)</u>	<u>-</u>	<u>1,283,036</u>	<u>8,312</u>	<u>(9,997,163)</u>
(1,658)	(271,187)	(226,452)	(92,778)	(41,698)	1,154,859	-	11,591,708
<u>147,283</u>	<u>(516,929)</u>	<u>463,632</u>	<u>379,508</u>	<u>(28,082)</u>	<u>2,802,783</u>	<u>-</u>	<u>135,077,809</u>
<u>\$ 145,625</u>	<u>\$ (788,116)</u>	<u>\$ 237,180</u>	<u>\$ 286,730</u>	<u>\$ (69,780)</u>	<u>\$ 3,957,642</u>	<u>\$ -</u>	<u>\$ 146,669,517</u>

**CITY OF OCALA, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**

Year Ended September 30, 1998

	<u>Electric System Revenue</u>	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Municipal Golf Course</u>
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ 84,667,570	\$ 14,589,045	\$ 6,581,176	\$ 2,134,773
Cash paid to suppliers for goods and services	(59,496,199)	(3,655,594)	(4,194,284)	(993,415)
Cash paid to employees for services	(4,155,583)	(2,594,864)	(2,027,494)	(930,726)
Net cash provided by (used in) operating activities	<u>21,015,788</u>	<u>8,338,587</u>	<u>359,398</u>	<u>210,632</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Operating transfers in	54,082	61,682	3,521	3,363
Operating transfers out	(10,969,085)	(165,236)	(152,825)	(88,656)
Operating grants	-	31,635	68,107	-
Principal received on loans to other funds	164,880	-	-	-
Interest received on loans to other funds	49,113	-	-	-
Principal paid on loans from other funds	-	(65,000)	-	(55,500)
Interest paid on loans from other funds	-	-	-	(3,097)
Loans to other funds	(45,054)	-	-	-
Net cash provided by (used in) non-capital financing activities	<u>(10,746,064)</u>	<u>(136,919)</u>	<u>(81,197)</u>	<u>(143,890)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Principal paid on bonds	(4,130,000)	(1,760,000)	-	-
Interest paid on bonds	(944,830)	(3,783,771)	-	-
Proceeds of loans from other funds	-	-	-	-
Acquisition and construction of capital assets	(3,726,470)	(2,038,770)	(41,668)	(26,993)
Contributions received from other governments and developers	515,992	1,704,436	-	-
Net cash provided by (used in) capital and related financing activities	<u>(8,285,308)</u>	<u>(5,878,105)</u>	<u>(41,668)</u>	<u>(26,993)</u>
<b>Cash Flows from Investing Activities:</b>				
Purchase of investments	(440,762)	(6,670,900)	-	-
Proceeds from sales and maturities of investments	-	7,976,585	-	-
Investment income	1,992,610	2,765,613	60,868	48,073
Net cash provided by investing activities	<u>1,551,848</u>	<u>4,071,298</u>	<u>60,868</u>	<u>48,073</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,536,264	6,394,861	297,401	87,822
Cash and Cash Equivalents, beginning of year, as restated	<u>27,030,077</u>	<u>31,015,190</u>	<u>699,625</u>	<u>624,445</u>
Cash and Cash Equivalents, end of year	<u>\$ 31,166,341</u>	<u>\$ 37,410,051</u>	<u>\$ 997,026</u>	<u>\$ 712,267</u>



Fort King Tennis Court	Municipal Trailer Park	Ocala Regional Airport	Florida Emergency Training Facility	Adult Athletic Complex	Foreign Trade Zone	Communi- cations	SunTran	Total
\$ 61,125	\$ 81,536	\$ 256,337	\$ 249,429	\$ 88,462	\$ 1,563	\$ 239,657	\$ -	\$ 108,950,673
(22,468)	(37,529)	(135,558)	(128,436)	(27,603)	(104,470)	(7,717)	-	(68,803,275)
(37,269)	(48,689)	(64,459)	(67,543)	(29,191)	-	(176,290)	-	(10,132,108)
1,388	(4,682)	56,320	53,448	31,668	(102,907)	55,650	-	30,015,290
-	75	104,607	15,066	1,249	-	1,283,036	8,312	1,534,993
-	(1,993)	(121,444)	-	(32,917)	-	-	-	(11,532,156)
-	-	10,000	-	-	106,572	-	-	216,314
-	-	-	-	-	-	-	-	164,880
-	-	-	-	-	-	-	-	49,113
(4,282)	-	(24,986)	-	-	(3,000)	-	-	(152,768)
(3,489)	-	(38,466)	-	-	-	-	-	(45,052)
-	-	-	-	-	-	-	-	(45,054)
(7,771)	(1,918)	(70,289)	15,066	(31,668)	103,572	1,283,036	8,312	(9,809,730)
-	-	-	-	-	-	-	-	(5,890,000)
-	-	45,054	-	-	-	-	-	(4,728,601)
-	-	(326,502)	(4,470,340)	(6,059)	(665)	(1,021,271)	-	45,054
-	-	433,212	4,400,128	6,059	-	-	-	(11,658,738)
-	-	151,764	(70,212)	-	(665)	(1,021,271)	-	7,059,827
-	-	-	-	-	-	-	-	(15,172,458)
-	-	-	-	-	-	-	-	(7,111,662)
851	7,244	11,125	1,698	-	-	-	-	7,976,585
851	7,244	11,125	1,698	-	-	274	-	4,888,356
-	-	-	-	-	-	274	-	5,753,279
(5,532)	644	148,920	-	-	-	317,689	8,312	10,786,381
8,567	101,528	772	-	-	-	23,017	-	60,103,221
\$ 3,035	\$ 102,172	\$ 149,692	\$ -	\$ -	\$ -	\$ 340,706	\$ 8,312	\$ 70,889,602

Continued

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF CASH FLOWS - CONTINUED

ENTERPRISE FUNDS

Year Ended September 30, 1998

	<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	\$ 11,970,533	\$ 9,152,817	\$ 997,026	\$ 712,267
Total restricted cash and investments per the balance sheet	21,754,931	35,038,840	-	-
Total cash and investments	<u>33,725,464</u>	<u>44,191,657</u>	997,026	712,267
Less: Investments not meeting the definition of cash equivalents	<u>(2,559,123)</u>	<u>(6,781,606)</u>	-	-
Cash and Cash Equivalents, end of year	<u>\$ 31,166,341</u>	<u>\$ 37,410,051</u>	<u>\$ 997,026</u>	<u>\$ 712,267</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 17,014,695	\$ 4,465,445	\$ 146,700	\$ (69,594)
Adjustments to reconcile operating income (loss) to cash provided by operating activities:				
Depreciation	3,694,804	3,005,204	173,720	262,825
Amortization	80,865	60,838	-	-
Loss on fixed asset disposal	126,480	96,217	9,705	2,572
(Increase) decrease in assets:				
Accounts and notes receivable	(795,643)	(17,760)	-	1,287
Accrued unbilled revenue	(175,836)	-	-	-
Due from other funds	-	13,466	(3,499)	-
Inventories	240,392	13,330	-	4,401
Due from other governments	-	-	-	-
Other current assets	241,485	86,116	(117)	485
Increase (decrease) in liabilities:				
Accounts payable	32,905	9,738	32,889	7,867
Due to other funds	(5,206)	-	-	-
Customer deposits	120,085	-	-	-
Deferred revenue	-	605,993	-	789
Decommissioning costs	440,762	-	-	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 21,015,788</u>	<u>\$ 8,338,587</u>	<u>\$ 359,398</u>	<u>\$ 210,632</u>
Noncash Capital and Related Financing Activities:				
Plant and equipment contributed from other funds	\$ -	\$ -	\$ -	\$ -
Total noncash capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Fort King Tennis Court	Municipal Trailer Park	Ocala Regional Airport	Florida Emergency Training Facility	Adult Athletic Complex	Foreign Trade Zone	Communi- cations	SunTran	Total
\$ 3,035	\$ 102,172	\$ 149,692	\$ -	\$ -	\$ -	\$ 340,706	\$ 8,312	\$ 23,436,560
-	-	-	-	-	-	-	-	56,793,771
3,035	102,172	149,692	-	-	-	340,706	8,312	80,230,331
-	-	-	-	-	-	-	-	(9,340,729)
<u>\$ 3,035</u>	<u>\$ 102,172</u>	<u>\$ 149,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 340,706</u>	<u>\$ 8,312</u>	<u>\$ 70,889,602</u>
\$ (4,678)	\$ (6,946)	\$ (213,013)	\$ (243,216)	\$ (61,110)	\$ (111,827)	\$ (128,177)	\$ (27,947)	\$ 20,760,332
4,929	2,104	294,655	338,643	29,760	5,146	45,474	-	7,857,264
-	-	-	-	-	-	-	-	141,703
-	-	-	-	-	-	-	-	234,974
(87)	-	(615)	(3,125)	-	(2,000)	(12,027)	-	(829,970)
-	-	-	-	-	-	-	-	(175,836)
-	-	-	(4,589)	-	-	139,416	-	9,967
-	-	-	(19,997)	-	-	-	-	392,950
-	-	2,835	(790)	-	-	(295)	-	(19,997)
-	-	-	-	-	-	-	-	329,719
1,224	160	6,260	(13,478)	16,615	(1,436)	11,259	27,947	131,950
-	-	(30,545)	-	46,403	7,210	-	-	17,862
-	-	-	-	-	-	-	-	120,085
-	-	(3,257)	-	-	-	-	-	603,525
-	-	-	-	-	-	-	-	440,762
<u>\$ 1,388</u>	<u>\$ (4,682)</u>	<u>\$ 56,320</u>	<u>\$ 53,448</u>	<u>\$ 31,668</u>	<u>\$ (102,907)</u>	<u>\$ 55,650</u>	<u>\$ -</u>	<u>\$ 30,015,290</u>
\$ -	\$ -	\$ -	\$ -	\$ 548,836	\$ -	\$ -	\$ -	\$ 548,836
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 548,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 548,836</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, 1998

Assets	<u>Internal Service</u>	<u>Fleet Management</u>	<u>Self- Insurance</u>	<u>Total</u>
Current Assets:				
Cash and investments	\$ 150	\$ 620	\$ 150	\$ 920
Equity in pooled cash and investment fund	1,579,548	7,276,752	4,197,734	13,054,034
Accrued interest receivable	18,665	60,510	31,481	110,656
Accounts receivable	757	213	56,600	57,570
Inventories	46,650	101,344	-	147,994
Due from other governments	-	14,263	-	14,263
Other current assets	186,621	90	56,856	243,567
Total current assets	<u>1,832,391</u>	<u>7,453,792</u>	<u>4,342,821</u>	<u>13,629,004</u>
Property, Plant and Equipment, net	<u>12,414,519</u>	<u>6,839,884</u>	<u>23,817</u>	<u>19,278,220</u>
Total Assets	<u><u>\$ 14,246,910</u></u>	<u><u>\$ 14,293,676</u></u>	<u><u>\$ 4,366,638</u></u>	<u><u>\$ 32,907,224</u></u>
<b>Liabilities and Fund Equity</b>				
Current Liabilities:				
Accounts payable	\$ 151,063	\$ 93,073	\$ 70,604	\$ 314,740
Claims payable	-	-	3,243,858	3,243,858
Compensated absences payable	111,627	68,578	-	180,205
Capital lease and notes payable within one year	321,609	-	-	321,609
Total current liabilities	<u>584,299</u>	<u>161,651</u>	<u>3,314,462</u>	<u>4,060,412</u>
Capital Lease and Notes Payable After One Year	<u>832,714</u>	<u>-</u>	<u>-</u>	<u>832,714</u>
Total liabilities	<u>1,417,013</u>	<u>161,651</u>	<u>3,314,462</u>	<u>4,893,126</u>
Fund Equity:				
Contributed equity	7,250,431	-	20,401	7,270,832
Unreserved retained earnings	5,579,466	14,132,025	1,031,775	20,743,266
Total fund equity	<u>12,829,897</u>	<u>14,132,025</u>	<u>1,052,176</u>	<u>28,014,098</u>
Total Liabilities and Fund Equity	<u><u>\$ 14,246,910</u></u>	<u><u>\$ 14,293,676</u></u>	<u><u>\$ 4,366,638</u></u>	<u><u>\$ 32,907,224</u></u>



CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

INTERNAL SERVICE FUNDS

Year Ended September 30, 1998

	<u>Internal Service</u>	<u>Fleet Management</u>	<u>Self- Insurance</u>	<u>Total</u>
Operating Revenues:				
Fees and rentals	\$ 4,021,055	\$ 5,218,093	\$ 925,980	\$ 10,165,128
Employer insurance contributions	-	-	4,082,227	4,082,227
Employee insurance contributions	-	-	1,298,974	1,298,974
Other	4,039	202,208	6,966	213,213
Total operating revenues	<u>4,025,094</u>	<u>5,420,301</u>	<u>6,314,147</u>	<u>15,759,542</u>
Operating Expenses:				
Fleet management	-	2,924,812	-	2,924,812
Purchasing and warehousing	750,727	-	-	750,727
Management information system and central services	1,405,757	-	-	1,405,757
Building maintenance	1,228,429	-	-	1,228,429
Insurance, administration and other	-	-	5,995,022	5,995,022
Depreciation	980,445	1,073,525	7,104	2,061,074
Other	182,215	-	-	182,215
Total operating expenses	<u>4,547,573</u>	<u>3,998,337</u>	<u>6,002,126</u>	<u>14,548,036</u>
Operating Income (Loss)	<u>(522,479)</u>	<u>1,421,964</u>	<u>312,021</u>	<u>1,211,506</u>
Non-Operating Revenues (Expenses):				
Investment income	165,444	483,399	259,521	908,364
Interest expense	(54,206)	-	-	(54,206)
Total non-operating revenues (expenses)	<u>111,238</u>	<u>483,399</u>	<u>259,521</u>	<u>854,158</u>
Income (Loss) Before Operating Transfers	<u>(411,241)</u>	<u>1,905,363</u>	<u>571,542</u>	<u>2,065,664</u>
Operating Transfers:				
From other funds	70,593	88	-	70,681
To other funds	(106,728)	(2,314)	-	(109,042)
Total operating transfers	<u>(36,135)</u>	<u>(2,226)</u>	<u>-</u>	<u>(38,361)</u>
Net Income (Loss)	<u>(447,376)</u>	<u>1,903,137</u>	<u>571,542</u>	<u>2,027,303</u>
Retained Earnings, beginning of year, as restated	<u>6,026,842</u>	<u>12,228,888</u>	<u>460,233</u>	<u>18,715,963</u>
Retained Earnings, end of year	<u>\$ 5,579,466</u>	<u>\$ 14,132,025</u>	<u>\$ 1,031,775</u>	<u>\$ 20,743,266</u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Year Ended September 30, 1998

	<u>Internal Service</u>	<u>Fleet Management</u>	<u>Self- Insurance</u>	<u>Total</u>
Cash flows from Operating Activities:				
Cash received from employees	\$ -	\$ -	\$ 1,298,974	\$ 1,298,974
Cash paid to suppliers for goods and services	(1,684,995)	(1,799,821)	(4,171,652)	(7,656,468)
Cash paid to employees for services	(1,759,063)	(1,050,335)	(370,082)	(3,179,480)
Cash received from other funds	4,025,212	5,421,684	5,022,568	14,469,464
Cash paid for insurance claims	-	-	(1,479,897)	(1,479,897)
Net cash provided by operating activities	<u>581,154</u>	<u>2,571,528</u>	<u>299,911</u>	<u>3,452,593</u>
Cash Flows from Non-Capital Financing Activities:				
Operating transfers in	70,593	88	-	70,681
Operating transfers out	(106,728)	(2,314)	-	(109,042)
Net cash used in non-capital financing activities	<u>(36,135)</u>	<u>(2,226)</u>	<u>-</u>	<u>(38,361)</u>
Cash Flows from Capital and Related Financing Activities:				
Principal paid on capital lease and notes payable	(308,482)	-	-	(308,482)
Interest paid on capital lease and notes payable	(54,206)	-	-	(54,206)
Acquisition and construction of capital assets	(132,360)	(2,476,502)	(4,133)	(2,612,995)
Net cash used in capital and related financing activities	<u>(495,048)</u>	<u>(2,476,502)</u>	<u>(4,133)</u>	<u>(2,975,683)</u>
Cash Flows from Investing Activities:				
Investment income	160,437	483,709	261,276	905,422
Net cash provided by investing activities	<u>160,437</u>	<u>483,709</u>	<u>261,276</u>	<u>905,422</u>
Net Increase in Cash and Cash Equivalents	210,408	576,509	557,054	1,343,971
Cash and Cash Equivalents, beginning of year, as restated	<u>1,369,290</u>	<u>6,700,863</u>	<u>3,640,830</u>	<u>11,710,983</u>
Cash and Cash Equivalents, end of year	<u>\$ 1,579,698</u>	<u>\$ 7,277,372</u>	<u>\$ 4,197,884</u>	<u>\$ 13,054,954</u>

Continued



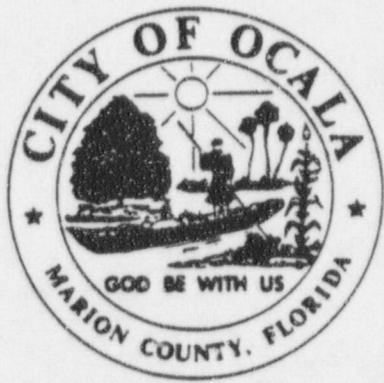
## CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF CASH FLOWS - CONTINUED

## INTERNAL SERVICE FUNDS

Year Ended September 30, 1998

	<u>Internal Service</u>	<u>Fleet Management</u>	<u>Self- Insurance</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Cash Provided by Operating Activities:				
Operating income (loss)	\$ (522,479)	\$ 1,421,964	\$ 312,021	\$ 1,211,506
Adjustment to reconcile operating income to cash flows provided by operating activities:				
Depreciation	980,445	1,073,525	7,104	2,061,074
Loss on disposal of property, plant and equipment	17,940	110,398	1,268	129,606
(Increase) decrease in assets:				
Accounts receivable	118	1,383	1,395	2,896
Inventories	7,702	(36,069)	-	(28,367)
Due from other governments	-	-	6,000	6,000
Other current assets	5,782	465	6,225	59,472
Increase (decrease) in liabilities:				
Accounts payable	44,646	(138)	(28,690)	15,818
Claims payable	-	-	(5,412)	(5,412)
Net Cash Provided by Operating Activities	<u>\$ 581,154</u>	<u>\$ 2,571,528</u>	<u>\$ 299,911</u>	<u>\$ 3,452,593</u>





CITY OF OCALA, FLORIDA

TRUST AND AGENCY FUNDS

Trust and Agency 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. The Agency Fund does not measure results of operations, but assets and liabilities are measured 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.

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

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

Police Evidence Fund - This fund is used to hold money that comes into the custody of the Ocala Police Department as evidence or as recovered property until the disposition is determined by the court.

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

September 30, 1998

Assets	Expendable Trust Funds		
	Pension Medical Reserve	Community Redevelopment Trust	Deferred Compensation
Restricted Assets:			
Cash and investments	\$ 1,928,457	\$ -	\$ 7,471,404
Equity in pooled cash and investment fund	-	3,948	-
Accrued interest and dividends receivable	-	177	-
Due from other funds	-	-	-
Other assets	-	-	-
Total Restricted Assets	\$ 1,928,457	\$ 4,125	\$ 7,471,404
<b>Liabilities and Fund Balances</b>			
Liabilities Payable from Restricted Assets:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Police evidence	-	-	-
Total liabilities	-	-	-
Fund Balances:			
Reserved for employee's pension benefits	-	-	-
Reserved for other retirement benefits	1,928,457	-	-
Reserved for deferred compensation	-	-	7,471,404
Reserved for specified projects	-	4,125	-
Total fund balances	1,928,457	4,125	7,471,404
Total Liabilities and Fund Balances	\$ 1,928,457	\$ 4,125	\$ 7,471,404



Pension Trust Funds			Agency Fund	
Employees' Retirement	Firefighters' Supplemental Pension	Police Officers' Supplemental Pension	Police Evidence	Total
\$ 62,669,286	\$ 8,244,146	\$ 12,997,962	\$ -	\$ 93,311,255
-	-	-	57,634	61,582
314,730	56,667	89,344	432	461,350
-	11	-	-	11
<u>1,253</u>	<u>353</u>	<u>353</u>	<u>-</u>	<u>1,959</u>
<u>\$ 62,985,269</u>	<u>\$ 8,301,177</u>	<u>\$ 13,087,659</u>	<u>\$ 58,066</u>	<u>\$ 93,836,157</u>
\$ 16,249	\$ 1,755	\$ 2,999	\$ -	\$ 21,003
11	-	-	-	11
-	-	-	58,066	58,066
<u>16,260</u>	<u>1,755</u>	<u>2,999</u>	<u>58,066</u>	<u>79,080</u>
62,969,009	8,299,422	13,084,660	-	84,353,091
-	-	-	-	1,928,457
-	-	-	-	7,471,404
-	-	-	-	4,125
<u>62,969,009</u>	<u>8,299,422</u>	<u>13,084,660</u>	<u>-</u>	<u>93,757,077</u>
<u>\$ 62,985,269</u>	<u>\$ 8,301,177</u>	<u>\$ 13,087,659</u>	<u>\$ 58,066</u>	<u>\$ 93,836,157</u>





CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

EXPENDABLE TRUST FUNDS

Year Ended September 30, 1998

	Pension Medical Reserve	Community Redevelopment Trust	Deferred Compensation	Total
Revenues:				
Investment income	\$ 101,306	\$ 1,563	\$ (408,488)	\$ (305,619)
Contributions	-	-	862,209	862,209
Other	91,306	-	-	91,306
Total revenues	<u>192,612</u>	<u>1,563</u>	<u>453,721</u>	<u>647,896</u>
Expenditures:				
Current:				
General government and administrative	-	-	450	450
Payments to participants	-	-	344,974	344,974
Total expenditures	<u>-</u>	<u>-</u>	<u>345,424</u>	<u>345,424</u>
Excess of Revenues Over Expenditures	192,612	1,563	108,297	302,472
Other Financing Uses:				
Operating transfers to other funds	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>(25,000)</u>
Excess(Deficiency) of Revenues Over Expenditures and Other Uses	192,612	(23,437)	108,297	277,472
Fund Balance, beginning of year, as restated	<u>1,735,845</u>	<u>27,562</u>	<u>7,363,107</u>	<u>9,126,514</u>
Fund Balance, end of year	<u>\$ 1,928,457</u>	<u>\$ 4,125</u>	<u>\$ 7,471,404</u>	<u>\$ 9,403,986</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, 1998

	<u>Pension Medical Reserve</u>	<u>Community Redevelopment Trust</u>	<u>Deferred Compensation</u>
Revenues:			
Investment income	\$ 101,306	\$ 1,563	\$ (408,488)
Contributions	-	-	862,209
Other	91,306	-	-
Total revenues	<u>192,612</u>	<u>1,563</u>	<u>453,721</u>
Expenditures:			
Current:			
General government and administrative	-	-	450
Payments to participants	-	-	344,674
Total expenditures	<u>-</u>	<u>-</u>	<u>345,424</u>
Excess (Deficiency) of Revenues Over Expenditures	192,612	1,563	108,297
Other Financing Uses:			
Operating transfers to other funds	<u>-</u>	<u>(25,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures, and Other Uses Before Fund Balance Allocation	192,612	(23,437)	108,297
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures, and Other Uses	192,612	(23,437)	108,297
Fund Balance, beginning of year, as restated	<u>1,735,845</u>	<u>27,562</u>	<u>7,363,107</u>
Fund Balance, end of year	<u>\$ 1,928,457</u>	<u>\$ 4,125</u>	<u>\$ 7,471,404</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>
\$ (305,619)	\$ 307,182	\$ 1,563	\$ 5,000	\$ (3,437)
862,209	(862,209)	-	-	-
91,306	(91,306)	-	-	-
<u>647,896</u>	<u>(646,333)</u>	<u>1,563</u>	<u>5,000</u>	<u>(3,437)</u>
450	(450)	-	-	-
344,974	(344,974)	-	-	-
<u>345,424</u>	<u>(345,424)</u>	<u>-</u>	<u>-</u>	<u>-</u>
302,472	(300,909)	1,563	5,000	(3,437)
<u>(25,000)</u>	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
277,472	(300,909)	(23,437)	(20,000)	(3,437)
<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>(20,000)</u>
277,472	<u>\$ (300,909)</u>	<u>\$ (23,437)</u>	<u>\$ -</u>	<u>\$ (23,437)</u>
<u>9,126,514</u>				
<u>\$ 9,403,986</u>				

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF PLAN NET ASSETS

PENSION TRUST FUNDS

September 30, 1998

Assets	Employees' Retirement	Firefighters' Supplemental Pension	Police Officers' Supplemental Pension	Total
Cash and Cash Equivalents	\$ 2,163	\$ 457,181	\$ 720,805	\$ 3,410,149
Receivables:				
Interest and dividends receivable	314,730	56,667	89,344	460,741
Due from other funds	-	11	-	11
Total receivables	<u>314,730</u>	<u>56,678</u>	<u>89,344</u>	<u>460,752</u>
Investments, at fair value:				
Mutual funds	1,883,337	-	-	1,883,337
Common stock	22,960,801	3,226,511	5,087,013	31,274,325
Government obligations	23,652,079	3,858,978	6,084,177	33,595,234
International stock	6,205,313	-	-	6,205,313
Non-government obligations	5,735,593	701,476	1,105,967	7,543,036
Total investments	<u>60,437,123</u>	<u>7,786,965</u>	<u>12,277,157</u>	<u>80,501,245</u>
Other Restricted Assets	<u>1,253</u>	<u>353</u>	<u>353</u>	<u>1,959</u>
Total Assets	<u>62,985,269</u>	<u>8,301,177</u>	<u>13,087,659</u>	<u>84,374,105</u>
<b>Liabilities</b>				
Accounts Payable	16,249	1,755	2,999	21,003
Due to Other Funds	11	-	-	11
Total liabilities	<u>16,260</u>	<u>1,755</u>	<u>2,999</u>	<u>21,014</u>
Fund Balance Reserved for Employees' Pension Benefits	<u>\$ 62,969,009</u>	<u>\$ 8,299,422</u>	<u>\$ 13,084,660</u>	<u>\$ 84,353,091</u>



CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS

PENSION TRUST FUNDS

Year Ended September 30, 1998

	<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	\$ 1,884,752	\$ -	\$ -	\$ 1,884,752
State	-	277,928	370,842	648,770
Employee	22,410	312,127	108,000	442,537
Total contributions	<u>1,907,162</u>	<u>590,055</u>	<u>478,842</u>	<u>2,976,059</u>
Investment income:				
Net appreciation (depreciation) in fair value of investments	(1,296,221)	30,972	46,508	(1,218,741)
Investment income	1,748,633	271,007	425,172	2,444,812
Dividend income	1,005,296	70,356	109,865	1,185,517
Total income on investments	<u>1,457,708</u>	<u>372,335</u>	<u>581,545</u>	<u>2,411,588</u>
Less: Investment management fees	(304,651)	(49,430)	(75,212)	(429,293)
Net investment income	<u>1,153,057</u>	<u>322,905</u>	<u>506,333</u>	<u>1,982,295</u>
Total additions	<u>3,060,219</u>	<u>912,960</u>	<u>985,175</u>	<u>4,958,354</u>
Deductions:				
Pension payments	2,474,453	588,997	381,785	3,445,235
Refunds to employees	-	62,793	358	63,151
Administration	42,040	22,942	14,110	79,092
Total deductions	<u>2,516,493</u>	<u>674,732</u>	<u>396,253</u>	<u>3,587,478</u>
Net Increase	543,726	238,228	588,922	1,370,876
Fund Balance Reserved for Employees'				
Pension Benefits:				
Beginning of year	<u>62,425,283</u>	<u>8,061,194</u>	<u>12,495,738</u>	<u>82,982,215</u>
End of year	<u>\$ 62,969,009</u>	<u>\$ 8,299,422</u>	<u>\$ 13,084,660</u>	<u>\$ 84,353,091</u>

CITY OF OCALA, FLORIDA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUND  
 Year Ended September 30, 1998

**Police Evidence Fund**

Equity in Pooled Cash and Investment Fund	\$	57,634
Accrued Interest Receivable		432
Total Assets	\$	58,066
Police Evidence Payable, beginning of year, as restated	\$	25,032
Add: Police evidence		29,549
Investment income		3,485
Total Police Evidence Payable, end of year	\$	58,066



**GENERAL FIXED ASSET ACCOUNT GROUP**

CITY OF OCALA, FLORIDA

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

September 30, 1998

General Fixed Assets:

Land	\$ 4,127,848
Buildings	6,721,969
Machinery and equipment	8,694,053
Construction in progress	<u>1,460,176</u>

Total general fixed assets \$ 21,004,046

Investment in General Fixed Assets by Source:

Bond proceeds	\$ 1,744,689
Federal and state grants	1,293,221
General fund	13,529,787
Special revenue funds	1,154,928
Capital projects funds	3,172,487
Contributions	107,939
Other	<u>995</u>

Total investment in general fixed assets \$ 21,004,046



CITY OF OCALA, FLORIDA

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

September 30, 1998

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>
General Government and Administration:				
Legislative	\$ 960	\$ -	\$ -	\$ 960
Executive	112,217	16,025	8,360	87,832
Finance	42,506	-	433	42,073
Purchasing	1,465	-	-	1,465
Personnel and safety	25,059	-	1,233	23,826
Planning	643,044	165,236	321,473	156,335
Building inspection	191,495	-	-	191,495
Total general government and administration	<u>1,016,746</u>	<u>181,261</u>	<u>331,499</u>	<u>503,986</u>
Public Safety:				
Police protection	4,488,366	584,828	818,541	3,084,997
Fire protection	3,422,343	32,290	1,201,383	2,188,670
Other public safety	17,873	-	-	17,873
Total public safety	<u>7,928,582</u>	<u>617,118</u>	<u>2,019,924</u>	<u>5,291,540</u>
Public Works:				
Flood control	813,343	1,063	2,000	810,280
Engineering	1,077,996	458,746	197,604	421,646
Highway and street construction	921,462	-	9,100	912,362
Total public works	<u>2,812,801</u>	<u>459,809</u>	<u>208,704</u>	<u>2,144,288</u>
Culture and Recreation:				
Library	157,884	-	148,782	9,102
Recreation	1,904,043	14,972	1,233,197	655,874
Total culture and recreation	<u>2,061,927</u>	<u>14,972</u>	<u>1,381,979</u>	<u>664,976</u>
Nondepartmental	<u>5,723,814</u>	<u>2,854,688</u>	<u>2,779,863</u>	<u>89,263</u>
Total General Fixed Assets Allocated to Functions	19,543,870	<u>\$ 4,127,848</u>	<u>\$ 6,721,969</u>	<u>\$ 8,694,053</u>
Construction in Progress	<u>1,460,176</u>			
Total General Fixed Assets	<u>\$ 21,004,046</u>			

CITY OF OCALA, FLORIDA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

Year Ended September 30, 1998

<u>Function and Activity</u>	<u>General Fixed Assets September 30, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets September 30, 1998</u>
General Government and Administration:				
Legislative	\$ 960	\$ -	\$ -	\$ 960
Executive	118,948	3,555	10,286	112,217
Finance	30,628	17,573	5,695	42,506
Purchasing	1,465	-	-	1,465
Personnel and safety	17,831	7,228	-	25,059
Planning	650,040	26,260	33,256	643,044
Building inspection	200,147	1,869	10,521	191,495
Total general government and administration	<u>1,020,019</u>	<u>56,485</u>	<u>59,758</u>	<u>1,016,746</u>
Public Safety:				
Police protection	4,529,891	315,060	356,585	4,488,366
Fire protection	3,460,577	53,695	91,929	3,422,343
Other public safety	16,110	1,763	-	17,873
Total public safety	<u>8,006,578</u>	<u>370,518</u>	<u>448,514</u>	<u>7,928,582</u>
Public Works:				
Flood control	817,313	30,012	33,982	813,343
Engineering	1,082,892	101,500	106,396	1,077,996
Highway and street construction	1,024,249	4,476	107,263	921,462
Total public works	<u>2,924,454</u>	<u>135,988</u>	<u>247,641</u>	<u>2,812,801</u>
Culture and Recreation:				
Library	699,276	73,243	614,635	157,884
Recreation	1,900,026	81,918	77,901	1,904,043
Total culture and recreation	<u>2,599,302</u>	<u>155,161</u>	<u>692,536</u>	<u>2,061,927</u>
Nondepartmental	<u>5,687,501</u>	<u>37,611</u>	<u>1,298</u>	<u>5,723,814</u>
Construction in Progress	<u>225,502</u>	<u>1,234,674</u>	<u>-</u>	<u>1,460,176</u>
Total General Fixed Assets	<u>\$ 20,483,356</u>	<u>\$ 1,990,437</u>	<u>\$ 1,449,747</u>	<u>\$ 21,004,046</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

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

LAST TEN FISCAL YEARS

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
Property taxes	\$ 6,161,242	\$ 6,505,843	\$ 7,091,592	\$ 7,149,471
Utility service tax	-	-	-	-
Other taxes	786,021	801,394	825,622	884,258
Intergovernmental revenues	7,041,160	6,982,067	7,489,550	6,989,818
Licenses and permits	690,456	736,411	651,013	631,461
Fines and forfeitures	740,603	734,132	812,701	967,438
Charges for services and off-street parking	1,348,168	1,497,702	1,479,127	1,897,707
Operating transfers from other funds	14,277,023	14,321,507	15,609,360	16,694,506
Bond and note proceeds	-	-	-	42,922
Investment income	1,567,581	1,545,540	1,394,582	1,048,948
Miscellaneous	112,908	261,093	178,115	286,064
Total	<u>\$ 32,725,162</u>	<u>\$ 33,385,689</u>	<u>\$ 35,531,662</u>	<u>\$ 36,592,593</u>

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



<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
\$ 7,270,662	\$ 7,575,276	\$ 7,638,214	\$ 7,819,975	\$ 8,368,548	\$ 8,480,580
-	-	-	4,791,403	4,722,401	5,040,944
1,409,034	1,502,077	1,508,766	1,673,396	1,777,951	1,825,810
7,360,769	9,214,202	9,122,383	10,495,025	11,657,539	12,034,615
604,787	763,066	772,036	800,587	957,288	960,467
873,112	891,455	1,052,858	580,973	642,935	594,544
2,025,300	2,246,292	2,380,049	2,463,001	2,526,920	2,747,158
17,411,663	17,944,570	17,000,557	15,256,416	14,637,135	14,082,216
14,143,855	11,749,269	-	-	-	-
780,108	1,130,987	1,467,264	1,632,089	1,733,101	2,161,010
277,420	271,518	154,506	297,975	314,017	436,978
<u>\$ 52,156,710</u>	<u>\$ 53,288,712</u>	<u>\$ 41,096,633</u>	<u>\$ 45,810,840</u>	<u>\$ 47,337,835</u>	<u>\$ 48,364,322</u>

CITY OF OCALA, FLORIDA

GENERAL GOVERNMENTAL EXPENDITURES AND OTHER USES BY FUNCTION (1)

LAST TEN FISCAL YEARS

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
General government and administration	\$ 2,872,897	\$ 3,168,947	\$ 3,469,028	\$ 3,339,215
Public safety	9,519,499	10,759,495	11,677,768	12,438,951
Public works	3,435,091	3,466,758	3,655,998	3,915,990
Culture and recreation	2,998,445	3,376,898	3,508,653	3,740,232
Nondepartmental	330,614	389,988	474,371	381,785
Debt service	2,485,187	3,619,989	3,949,011	3,941,987
Capital outlay	1,979,521	4,834,530	4,122,771	4,174,687
Operating transfers to other funds	3,477,913	3,764,846	4,242,111	4,900,835
Miscellaneous	665,631	871,121	829,112	805,283
Total	<u>\$ 27,764,798</u>	<u>\$ 34,252,572</u>	<u>\$ 35,928,823</u>	<u>\$ 37,638,965</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>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
\$ 3,388,158	\$ 3,570,694	\$ 3,750,855	\$ 4,141,798	\$ 4,472,247	\$ 4,759,554
12,621,517	13,296,158	14,812,271	15,621,375	16,672,853	17,476,228
3,933,610	4,242,507	4,531,891	4,732,747	5,253,535	5,646,503
3,771,641	3,826,126	3,939,075	4,259,453	5,184,240	4,572,977
428,063	151,883	87,932	143,264	191,039	210,752
16,791,576	15,843,482	3,501,935	3,627,857	3,760,178	3,758,570
2,262,339	1,939,122	3,160,173	3,497,923	5,175,529	4,993,327
5,015,385	4,923,349	4,777,853	6,455,475	3,990,763	4,017,101
2,250,678	1,130,298	995,400	1,025,824	1,057,509	2,361,933
<u>\$ 50,462,967</u>	<u>\$ 48,923,619</u>	<u>\$ 39,557,385</u>	<u>\$ 43,505,716</u>	<u>\$ 45,757,892</u>	<u>\$ 47,796,945</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>
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
1997	1,634,063,072	5.22	8,567,696	7,925,026	8,328,857	97.2	642,670
1998	1,662,531,988	5.22	8,725,865	8,131,668	8,441,660	96.8	594,197

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>
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
1997	5.22	5.71	9.99	0.48	21.40
1998	5.22	6.22	10.59	0.48	22.51

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>
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
1997	8,551,764	9,330,500	16,324,290	784,350	34,990,904
1998	8,705,206	10,340,949	17,606,214	798,015	37,450,384

- (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>
1989	\$ 6,000	\$ 90,243	\$ 563,138
1990	106,229	159,966	509,401
1991	-	97,955	411,446
1992	-	164,544	246,902
1993	19,679	68,822	191,759
1994	-	59,140	132,619
1995	-	16,916	115,703
1996	-	7,336	108,367
1997	-	21,112	87,255
1998	-	4,106	83,149

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



CITY OF OCALA, FLORIDA

COMPUTATION OF LEGAL DEBT MARGIN

September 30, 1998

Assessed Value (100% at market as of January 1, 1998)	<u>\$ 1,662,531,988</u>
Debt Limit: 20% of Assessed Value	\$ 332,506,398
Amount of General Obligation Debt Outstanding	<u>-</u>
Legal Debt Margin	<u>\$ 332,506,398</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 COVERAGE

LAST TEN FISCAL YEARS

Year	Net Revenue Available for Debt Service (1)	Debt Service Requirements (2) (3)			Coverage
		Principal	Interest	Total	
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	398,038	1,928,038	9.87
1997	18,935,425	1,630,000	293,325	1,923,325	9.85
1998	22,891,440	1,745,000	179,390	1,924,390	11.90

- (1) Represents gross operating revenues and interest income (including interest income capitalized) less gross operating expenses, excluding amortization and depreciation, of the electric system.
- (2) 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.
- (3) 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 COVERAGE

LAST TEN FISCAL YEARS

Year	Net Revenue Available for Debt Service (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
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	- (2)	948,311 (2)	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 (3)(4)	1,051,660 (3)(4)	1,311,660	6.89
1997	9,355,166	-	786,254	786,254	11.90
1998	10,048,277	385,000	953,281	1,338,281	7.51

- (1) Represents gross operating revenues less gross operating expenses, excluding amortization and depreciation, of the water and sewer system. Additional pledge revenues are the 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.
- (2) 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.
- (3) 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 occurred in October, 1997.
- (4) 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 occurred in October, 1996 and the first principal payment occurred in October, 1997.





CITY OF OCALA, FLORIDA

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

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Net Revenue Available for Debt Service (1)</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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
1997	25,581,012	3,575,000	3,783,065	7,358,065	3.48
1998	29,677,046	3,760,000	3,595,930	7,355,930	4.03

- (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 CAPITAL IMPROVEMENT REVENUE AND REFUNDING REVENUE BONDS  
AND CAPITAL IMPROVEMENT REVENUE, REVENUE REFUNDING AND  
REFUNDING REVENUE CERTIFICATES 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	Guaranteed Entitlement (1)	Mobile Home Licenses	Court Fines and Forfeitures	
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
1997	2,245,440	627,813	439,902	643,622	25,700	468,236	4,450,713
1998	2,443,377	594,940	452,402	643,622	26,486	532,189	4,693,016

- (1) 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.
- (2) 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.
- (3) 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. The final principal and interest payments for this issue were made on April 1, 1998.
- (4) 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.



<u>Debt Service Requirements (2) (3) (4) (5)</u>			
<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
\$ 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
1,120,000	1,322,799	2,442,799	1.82
1,200,000	1,244,399	2,444,399	1.92

- (5) 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 AND  
OPTIONAL GAS TAX REFUNDING REVENUE BONDS 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
1997	2,304,362	635,000	670,490	1,305,490	1.77
1998	2,282,798	660,000	642,953	1,302,953	1.75

- (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, 1998

<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	\$ 8,770,000	28.69 %	\$ 2,516,113
School District of Marion County			
General Obligation Bonds, Series 1990	4,215,000		
General Obligation Refunding Bonds, Series 1992	13,265,020		
General Obligation Partial Refunding Bonds, Series 1993	14,030,000		
	<u>31,510,020</u>	<u>28.69</u>	<u>9,040,219</u>
Total Overlapping Debt	<u>\$ 40,280,020</u>	<u>28.69 %</u>	<u>\$ 11,556,332</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, 1998.



CITY OF OCALA, FLORIDA

MISCELLANEOUS STATISTICAL DATA

September 30, 1998

Date of Incorporation	February 4, 1869
City Charter Adopted	January 28, 1885
Form of Government	Council/Manager
Area of City	38.8 square miles
Miles of Streets, Sidewalks and Bikepaths:	
Streets - Paved	280.37 miles
Streets - Unpaved	13.03 miles
Sidewalks (2)	73.13 miles
Bikepaths	22.35 miles
Miles of Sewers:	
Storm	67.64 miles
Sanitary	287.16 miles
Force Main	64.42 miles
Lift Stations	93
Building Permits (October 1997 - September 1998) (1):	
Permits Issued	5,307
Permit Value	\$104,730,390
Fire Protection:	
Stations	5
Employees - Sworn	112
Employees - Civilian	10
Fire and rescue response time (minutes)	4
Police Protection:	
Stations	3
Employees - Sworn	146
Employees - Reserve	12
Employees - Civilian	71
Vehicular Patrol Units - Marked Vehicles	89
- Motorcycles	6
- Other Vehicles	54
Recreation:	
Activity areas	93
Land area (acres)	523
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>
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
1997	43,630	237,204
1998	44,718	242,357

Sources: The Bureau of Business and Economic Research - University of Florida, Gainesville (years 1989 through 1990) and the City of Ocala Comprehensive Plan - Planning Department (years 1991 through 1997).

POPULATION PROJECTIONS \*

<u>Year</u>	<u>Marion County</u>	<u>State of Florida</u>
2000	252,999	15,428,873
2005	280,300	16,642,735
2010	308,099	17,836,377

Source: Bureau of Business and Economic Research - University of Florida, Gainesville. Figures for years subsequent to year 2010 are unavailable.

% POPULATION BY AGE GROUP \*

<u>Year</u>	<u>Marion County</u>	<u>State of Florida</u>
0-14	18.1	19.3
15-44	34.4	41.0
45-64	22.8	21.3
65 +	24.7	18.4

Source: 1997 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, 1996, 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  
 1997 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	\$ 46,629,047	2.80 %	\$ 243,746
2.	K-Mart Corporation	Distribution Center	41,815,228	2.52	219,371
3.	Columbia Ocala Regional Medical Center	General Hospital Care	26,938,860	1.62	141,024
4.	Paddock Mail Associates	Regional Shopping Center	24,061,374	1.45	126,225
5.	Clairson International	Manufacturing	16,436,750	0.99	86,182
6.	Paddock Park Apartments	Apartment Complex	14,042,733	0.84	73,124
7.	C.C. Ocala Joint Venture	Local Shopping Center	11,473,027	0.69	60,066
8.	L C Realty (Lowe's)	Home Improvement Store	8,108,543	0.49	42,656
9.	Kimco of Ocala	Local Shopping Center	7,430,625	0.45	39,173
10.	MJ Ocala Hotel Assoc. (Hilton)	Hotel	7,346,757	0.44	38,303
	Total Adjusted Value		204,282,944	12.29	1,069,870
	Other Taxpayers		1,458,249,044	87.71	7,635,336
	Total Assessed Value		<u>\$ 1,662,531,988</u>	<u>100.00 %</u>	<u>\$ 8,705,206</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, 1998

<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
U.S. Fidelity and Guaranty Co.	30030690-800	Workers' Compensation excess	\$250,000	Statutory
American International Group	10171	Police and Firefighters accidental death and dismemberment	-	\$ 25,000
American International Group	10171	Fresh Pursuit/Emergency Response	-	\$ 25,000
American International Group	10171	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
U.S. Fidelity and Guaranty Co.	SPP 300000-701	All risk property	\$100,000	As specified in policy
Great American Insurance Co.	GHK-004798-3	Airport Liability	-	\$5,000,000 per occurrence
Coregis	10170	General Liability	\$100,000 per person \$200,000 per occurrence	\$1,000,000 per occurrence
Coregis	10170	Public Officials, EMT, Employer Practices Liability	\$100,000 per person \$200,000 per occurrence	\$1,000,000 per occurrence
Coregis	10170	Fire legal	\$100,000 per occurrence	\$1,000,000
Coregis	10170	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, 1998

<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
Coregis	651-000641-4	Auto Physical Damage, High Cost Vehicles	\$ 3,000	Actual cash value
Coregis	651-000641-4	Leased Autos	\$250 collision \$500 compensation	\$100/300/100
Blue Cross/Blue Shield of Florida	15920	Employee Health Coverage	Fully insured	Various as specified in policy
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	LQA2002626	Legal Liquor Liability	-	\$300,000
Fidelity and Deposit Company of Maryland		Bond, Over-weight charge (landfill)	-	\$10,000
<u>Surety Bonds Required by Ordinance</u>			<u>Amount</u>	
City Manager - Scotty J. Andrews Coregis			\$95,000	
Finance Director - Glen L. Baker Coregis			\$95,000	



CITY OF OCALA, FLORIDA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

	Commercial Construction (1)		Residential Construction (1)		Bank Deposits (in thousands)	
	Number of Units	Value	Number of Units	Value	Bank (2) (4)	Savings and Loan Association (3) (4)
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	-
1997	55	32,731,058	118	10,547,982	2,391,266	-
1998	61	21,826,358	208	30,564,248	2,520,364	-

- (1) Obtained from records maintained by the City of Ocala Building, Zoning and Licensing Department.
- (2) Obtained by the Florida Bankers Association for 1989 through 1992, 1997 and 1998; Barnett Bank for 1993 through 1996. Figures shown are for Marion County and represent total bank deposits at September 30 for the years 1988 through 1997.
- (3) Obtained by the Federal Home Loan Bank for the years 1989 through 1991, the U.S. Savings and Loan League for 1992, Barnett Bank for 1993 through 1996, and the Florida Bankers Association for 1997 and 1998. 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 1998.
- (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, 1998

City Manager	\$ 96,960
Assistant City Manager	73,011
Assistant City Manager	64,392
Building Official	68,646
City Clerk	42,638
City Engineer	74,592
Community Programs Director	45,942
Electric Utility Director	81,154
Finance Director	68,162
Fire Chief	55,585
Fleet Management Director	51,172
Golf Director	49,980
Human Resource Director	59,916
Internal Auditor	52,370
Management Information System Director	56,100
Planning Director	48,401
Police Chief	81,035
Public Works Director	49,501
Purchasing Director	61,789
Recreation and Parks Director	54,673
Risk Manager	59,704
Water and Sewer Director	64,387

CITY OF OCALA, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY

ALL BONDED DEBT

1998-2023

Fiscal Year	Capital Improvement Revenue and Refunding Revenue 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
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	<u>\$ 41,101,779</u>	<u>\$ 1,800,030</u>	<u>\$ 29,367,881</u>	<u>\$ 74,918,590</u>	<u>\$ 15,817,304</u>	<u>\$ 15,540,201</u>	<u>\$ 178,545,785</u>

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

CAPITAL IMPROVEMENT REFUNDING REVENUE CERTIFICATES, SERIES 1993

September 30, 1998

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>
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>\$ 6,552,195</u>	<u>\$ 6,103,164</u>	<u>\$ 31,020,359</u>

Continued



CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

CAPITAL IMPROVEMENT REVENUE CERTIFICATES, SERIES 1995

September 30, 1998

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.

<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>
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	335,349
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>\$ 2,605,844</u>	<u>\$ 2,475,576</u>	<u>\$ 10,081,420</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

**ELECTRIC SYSTEM REVENUE REFUNDING BONDS, SERIES 1989B**

September 30, 1998

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, 1998, \$11,260,000 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>
1999	6.90 %	\$ 1,740,000	\$ 60,030	\$ -	\$ 1,800,030
Total		<u>\$ 1,740,000</u>	<u>\$ 60,030</u>	<u>\$ -</u>	<u>\$ 1,800,030</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

OPTIONAL GAS TAX REFUNDING REVENUE BONDS, SERIES 1992

September 30, 1998

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, 1998, \$3,125,000 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>
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>\$ 11,215,000</u>	<u>\$ 2,319,706</u>	<u>\$ 2,005,495</u>	<u>\$ 15,540,201</u>

Continued



CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

UTILITY SYSTEMS SUBORDINATE REFUNDING REVENUE BONDS, SERIES 1992A

September 30, 1998

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, 1998, \$6,955,000 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.

<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>
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	4,194,890
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>\$ 44,925,000</u>	<u>\$ 15,695,480</u>	<u>\$ 14,298,110</u>	<u>\$ 74,918,590</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

UTILITY SYSTEMS SUBORDINATE REFUNDING REVENUE BONDS, SERIES 1992B

September 30, 1998

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, 1998, \$16,835,000 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.

<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>
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>\$ 11,600,000</u>	<u>\$ 2,284,510</u>	<u>\$ 1,932,794</u>	<u>\$ 15,817,304</u>

Continued



CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

WATER AND SEWER REVENUE BONDS, SERIES 1995

September 30, 1998

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. As of September 30, 1998, \$5,000 of these bonds have been retired. 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
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>\$ 4,995,000</u>	<u>\$ 2,833,392</u>	<u>\$ 2,696,648</u>	<u>\$ 10,525,040</u>

Continued



CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 1996

September 30, 1998

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. As of September 30, 1998, \$380,000 of these bonds have been retired. 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>
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>\$ 11,790,000</u>	<u>\$ 3,694,132</u>	<u>\$ 3,358,709</u>	<u>\$ 18,842,841</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>Investment</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	142,728.85	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
1997	301,023.00	278,526.52	5,091,877.16
1998	301,023.00	412,080.84	5,804,981.00