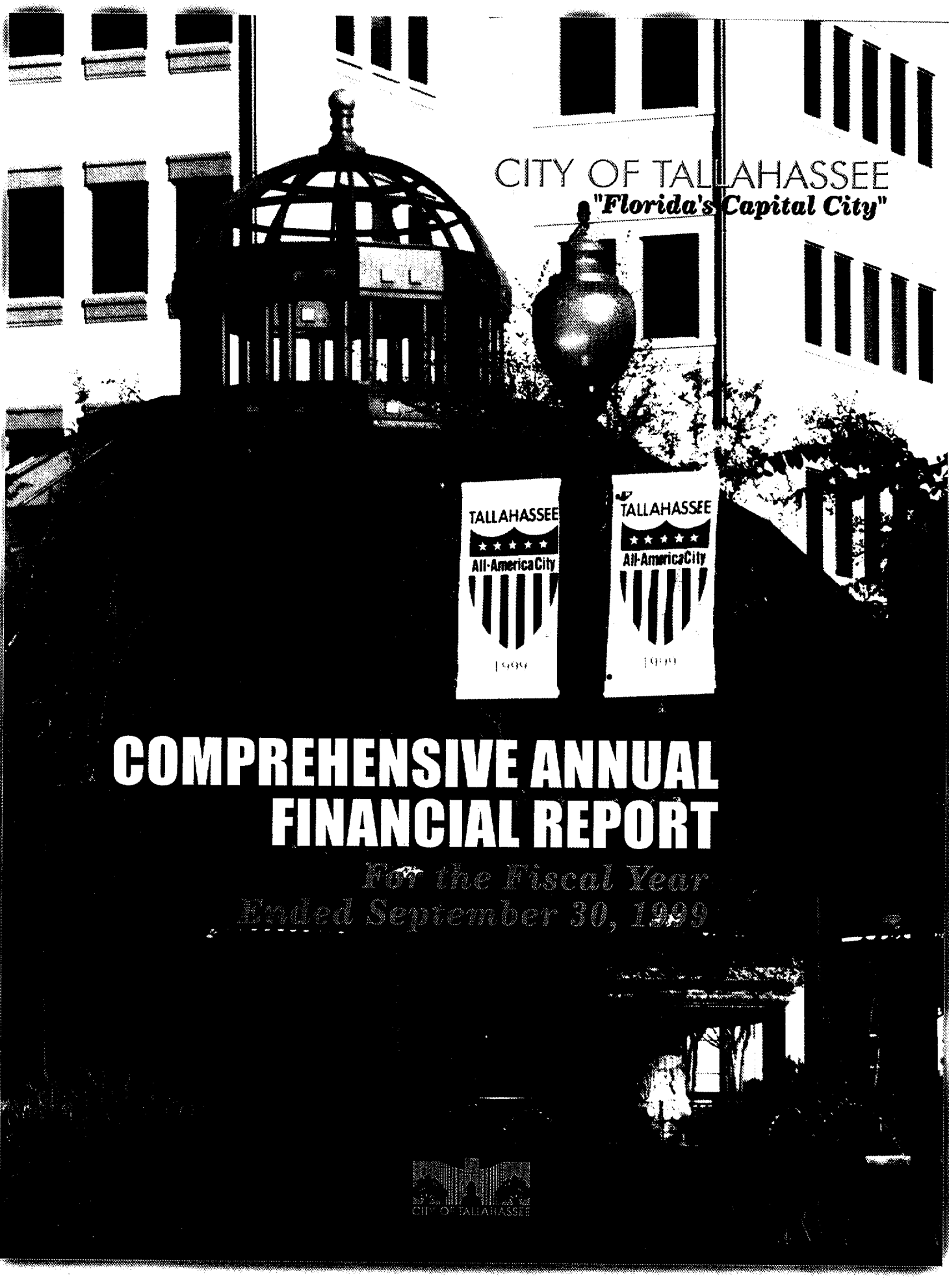




CITY OF TALLAHASSEE
"Florida's Capital City"



COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Fiscal Year
Ended September 30, 1999*



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Tallahassee,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 1998

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.



Cary Brubaker
President
Jeffrey L. Essler
Executive Director

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
CITY OF TALLAHASSEE, FLORIDA
FOR THE**

Fiscal Year Ended September 30, 1999



PREPARED BY THE

**Department of Management and Administration
Accounting Services Division**

CITY OF TALLAHASSEE, FLORIDA

CITY COMMISSION

SCOTT MADDOX, Mayor

JOHN PAUL BAILEY, Mayor Pro Tem

CHARLES BILLINGS, Commissioner

DEBBIE LIGHTSEY, Commissioner

STEVE MEISBURG, Commissioner

CITY MANAGER

Anita R. Favors

CITY AUDITOR

Roberta McManus, CPA (Interim)

CITY ATTORNEY

James R. English

CITY TREASURER-CLERK

Robert B. Inzer

DIRECTOR OF MANAGEMENT AND ADMINISTRATION

David C. Reid, CPA

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CITY OF TALLAHASSEE, FLORIDA

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CITY HALL
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TALLAHASSEE, FL
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TDD 1-800/955-8771

SCOTT MADDOX
Mayor
JOHN PAUL BAILEY
Mayor Pro Tem

CHARLES E. BILLINGS
Commissioner
DEBBIE LIGHTSEY
Commissioner
STEVE MEISBURG
Commissioner

ANITA R. FAVORS
City Manager
ROBERT B. INZER
City Treasurer-Clerk

JAMES R. ENGLISH
City Attorney
SAM M. McCALL
City Auditor

January 25, 2000

The Honorable Mayor, Commissioners,
and City Manager
City of Tallahassee, Florida

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Tallahassee, Florida, for the fiscal year ended September 30, 1999, is submitted herewith pursuant to Florida Statutes, Chapter 11, Section 45, and Chapters 10.550 and 10.600 of the Rules of the Auditor General of the State of Florida. The Comprehensive Annual Financial Report was compiled by the staff of the Accounting Services Division within the Department of Management and Administration, in close cooperation with the external auditors. It represents the official report of the City's financial operations and condition to the citizens, City Commission, management personnel of the City, rating agencies, and other interested persons. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The Comprehensive Annual Financial Report is designed to meet the needs of a broad spectrum of readers and is presented in five sections: introductory, financial, supplemental financial data, statistical and single audit. The introductory section includes the table of contents, this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting awarded to the City by the Government Finance Officers Association, the City organization chart, and a listing of City of Tallahassee officials. The financial section includes the general purpose financial statements, the combining and individual fund and account group financial statements and schedules, and the independent auditor's report on the financial statements and schedules. The supplemental financial data section provides a summary of the debt service requirements for the City's outstanding bond issues and the statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The Reporting Entity

The City of Tallahassee was incorporated in 1825, twenty years before Florida was admitted to the Union. In 1919, Tallahassee was granted a new City Charter by the State Legislature authorizing our present Commission-Manager form of government. Tallahassee voters approved a charter change in November 1996 calling for a separately elected Mayor beginning in February 1997 and thereby changing the structure of the Tallahassee City Commission for the first time since the Commission-Manager form of government was adopted in 1919. The Mayor is elected for a four-year term, and has powers commensurate with the other four members of the City Commission. The Mayor, serving a four-year term rather than a one year rotating term, provides leadership on significant community issues, such as economic development or transportation, and serves as an ongoing contact for matters involving other governmental or institutional organizations, including the state legislature, county government, and local universities.

The City provides a full range of municipal services. These services include public safety (police and fire), construction and maintenance of streets and sidewalks, stormwater management, solid waste collection, recreation, public improvements, planning and zoning, general administrative services, four utilities (electric, gas, water, and sewer), a mass transit bus system, and a regional airport.

This report includes all funds, account groups, organizations, authorities, and agencies that are controlled by or dependent upon the City, as determined on the basis of budgetary oversight, taxing authority, and the City's obligation to fund any deficits that may occur. Control or dependence upon the City was determined based on the existence of one or more of the following criteria: the basis of budget adoption, taxing authority, outstanding debts collateralized by revenues of general obligations of the City, and the City's legal responsibility to fund any deficits that may occur.

Based on the foregoing criteria, entities were evaluated for inclusion in the City of Tallahassee reporting entity. The Downtown Improvement Authority is reported as a discretely presented component unit of the City of Tallahassee. Component units excluded from the reporting entity were the Tallahassee Housing Authority and the Co-Tenancy with Leon County Research and Development Authority. The Electric Utility Plant (Crystal River Unit 3) was included as a joint venture in the reporting entity and the Sunshine State Government Financing Commission, a joint venture, was excluded from the reporting entity.

Financial Information

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other enterprises are maintained on the accrual basis. Budgetary control is maintained at the fund level. Purchase orders which would result in an overrun of balances are not released until additional appropriations are made available. Open encumbrances are reported as reservations of fund balance at September 30, 1999.

In developing and altering the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss through unauthorized use or disposition; and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the audit staff of the City.

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

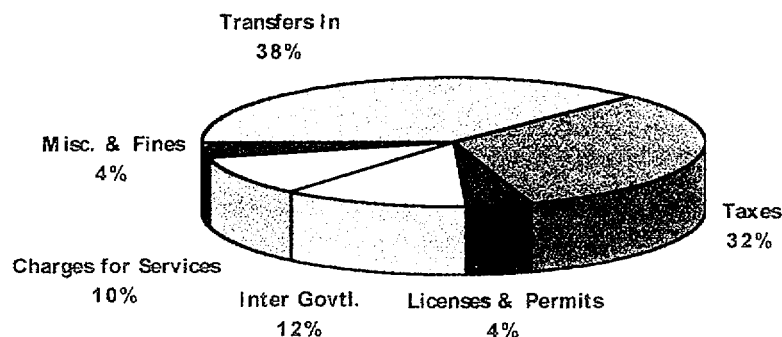
As demonstrated by the statements and schedules included in the financial section of this report, the City continues its responsibility for sound financial management.

General Governmental Functions

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

<u>Revenues and Other Financing Sources (in thousands)</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1998</u>
Taxes	\$ 32,668	32.48%	\$ 1,687
Licenses & Permits	4,272	4.25	205
Intergovernmental Revenues	11,820	11.75	189
Charges for Services	10,070	10.01	(1,779)
Fines & Forfeitures	1,463	1.45	(156)
Miscellaneous & Interest	<u>2,612</u>	<u>2.60</u>	<u>(334)</u>
SUB-TOTAL	62,905	62.54	(188)
Transfers In	<u>37,678</u>	<u>37.46</u>	<u>(1,935)</u>
TOTAL	<u>\$100,583</u>	<u>100.00%</u>	<u>\$ (2,123)</u>

GENERAL GOVERNMENT REVENUES



The City's principal sources of local tax revenues are property taxes and public service taxes. In fiscal years 1998 and 1999, the City's property tax, all of which is for operating purposes, was 3.200 mills. The related property values subject to taxes showed growth of 6.8 percent, representing \$333.3 million in added taxable property, reflecting a continuing trend of growth as a result of increased property values in existing properties and new construction. Taxable assessed values have increased by \$1.2 billion over the last five years. Collection of property taxes increased by \$954,000 in 1999 to \$15.1 million.

Public service taxes on electric, water, and natural and bottled gas are levied at the maximum allowable State rate of 10 percent, and four cents per gallon on fuel oil services within the City. The telecommunications tax, effective April 1, 1994, is levied at 7 percent on purchases of intrastate telecommunications services. In 1999, total revenue from public service taxes reflected an increase of \$188,000 equivalent to a 1.2 percent increase over 1998.

The increase of \$205,000 or 5% in licenses and permit revenues is primarily due to increased collections on fire inspection permits, environmental permits, contractor licensing permits and building permits.

The increase of \$189,000 or 1.6% in intergovernmental revenues is primarily due to increased Local Government ½ cent sales tax revenue and revenue sharing.

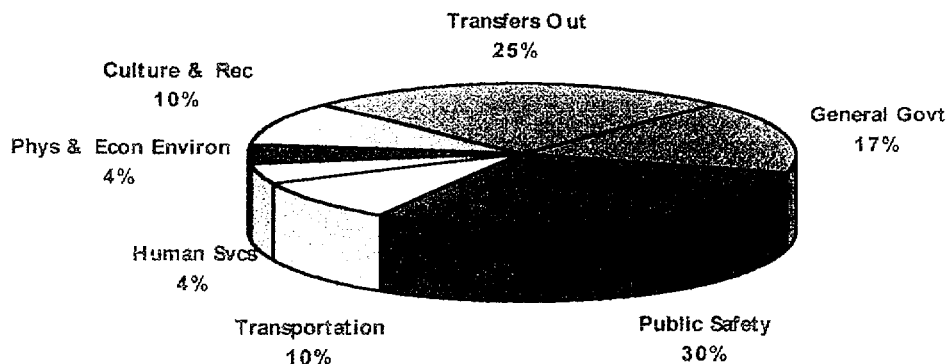
Charges for services decreased \$1.8 million or 15 percent compared to 1998. The decrease is primarily attributable to revenues from Leon County for the county Fire Protection Agreement being recorded in the new Fire Services Fees Fund.

Transfers In decreased \$1,935,000 or 4.9 percent over 1998 due to budgeted decreases in electric transfers.

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

<u>Expenditures and Other Financing Uses (in thousands)</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 1998</u>
Expenditures:			
General Government	\$ 16,986	16.75	\$ (16)
Public Safety	29,741	29.33	(12,268)
Transportation	9,677	9.54	232
Human Services	4,400	4.34	348
Economic Environment	1,141	1.13	399
Physical Environment	3,325	3.28	140
Culture & Recreation	10,327	10.18	472
SUB-TOTAL	75,597	74.54	(10,693)
Transfers Out	25,816	25.46	11,757
TOTAL USES	<u>\$101,413</u>	<u>100.00</u>	<u>\$ 1,064</u>

GENERAL GOVERNMENT EXPENDITURES



The net increase of \$1 million or 1.0 percent in governmental expenditures is primarily due to increases in all expenditure categories except general government and public safety. The \$12.3 million decrease in public safety is attributable to fire service expenditures being recorded in the Fire Service Fees Fund.

The preceding schedules of Financing Sources and Uses reflect significant Transfers In and Out. Transfers In primarily represent excess enterprise fund revenues which legally may be used for general governmental purposes. Transfers Out are primarily used for debt service, underwriting the operations of certain funds, and capital projects. The General Fund acts as a clearing fund and accordingly, utilizes funds or transfers them to other funds for their respective purposes. The reduction in Transfers In is a direct result of the City's efforts to reduce reliance on the City's Electric System.

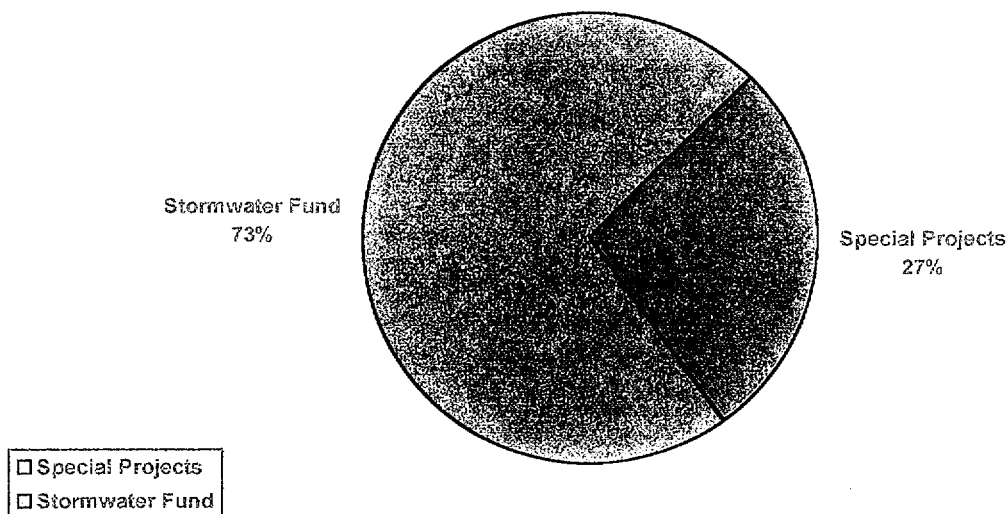
The City Commission adopted a financing policy that addresses the transfer of monies from the enterprise funds to the General Fund. The amount transferred is limited to the policy established for each enterprise fund. Included in the Transfers Out is \$7.6 million to internally fund capital projects, which otherwise would have to be funded through bonds. This internal funding is in accordance with the City Commission approved Debt Management Policy. In 1999, General Fund sources were \$830,000 less than General Fund uses. At September 30, 1999, the fund balance of the General Fund consists of \$7.7 million with \$3.3 million reserved and \$4.4 million unreserved (\$3.1 million designated for future years and \$1.3 million undesignated).

Special Revenue Funds

Special revenue funds account for revenue from sources which are legally restricted for specific purposes. The combined fund balances of these funds for 1999 are \$26,797,000. An analysis of sources and uses in the special revenue funds follows:

<u>Fund (in thousands)</u>	<u>Sources</u>	<u>Uses</u>	<u>Sources Over (Under) Uses</u>	<u>Sept. 30, 1999 Fund Balances</u>
Special Projects Fund	\$ 6,483	\$ 6,505	\$ (22)	\$ 7,326
Stormwater Management Fund	11,235	10,441	794	19,377
Law Enforcement Forfeiture Fund	310	675	(365)	4
Fire Service Fees Fund	<u>15,285</u>	<u>15,195</u>	<u>90</u>	<u>90</u>
TOTAL	<u>\$ 33,313</u>	<u>\$ 32,816</u>	<u>\$ 497</u>	<u>\$ 26,797</u>

SPECIAL REVENUE BALANCES



The Special Projects Fund is used to account for Federal, State, local and other revenues that are to be used for specific general governmental purposes. The major revenue sources in this fund were the Federally funded Community Development Block Grant program which provided \$1,595,000 and the State of Florida funded Housing Finance program which provided \$1,457,500 to the City during 1999. Fund balance primarily consists of \$5.5 million reserved or encumbered for projects and \$1.8 million reserved for notes receivable.

The Stormwater Management Fund was established to account for fees restricted for stormwater operating and capital costs. Total revenues, including interest earnings, collected for fiscal year 1999 were \$11.2 million. Fund balance primarily consists of \$16.7 million reserved or encumbered for projects and \$2.7 million unreserved/undesignated available for future projects.

The Law Enforcement Forfeiture Fund was established to account for forfeitures as prescribed by Chapter 932 of the Florida Statutes. Appropriations from this fund can be made only for law enforcement purposes. Total revenues, including interest earnings and transfer, were \$310,000 for fiscal year 1999. Fund balance primarily consists of \$1.4 million reserved or encumbered for projects.

The Fire Service Fees Fund was established to account for the assets, operation, and maintenance of the City-owned fire services operation. Total revenues, including interest earnings and transfers, collected for fiscal year 1999 were \$15.3 million. Fund balance primarily consists of \$4.9 million reserved or encumbered for projects.

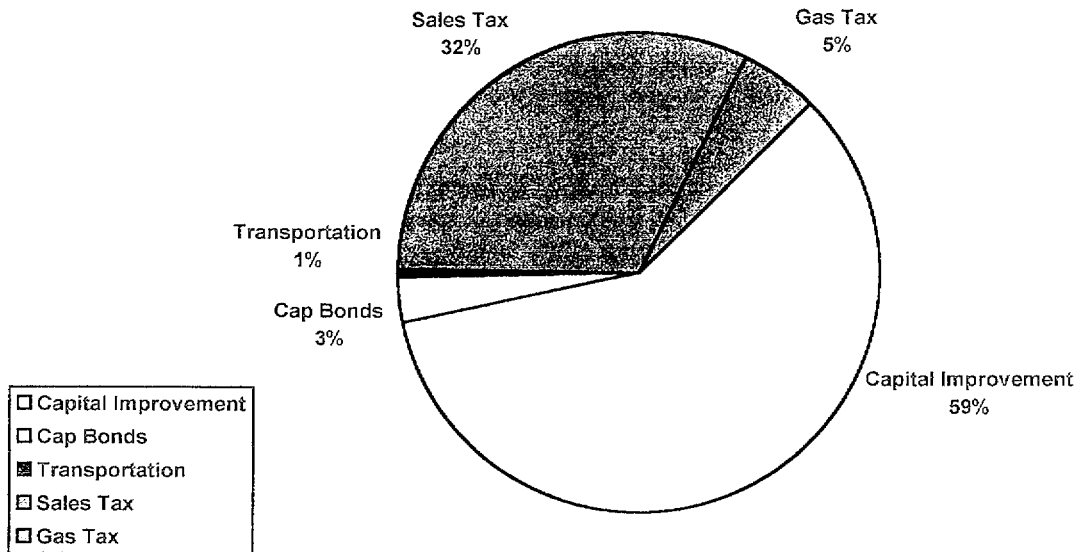
Capital Projects

Capital Projects Funds are used to account for proceeds from general revenue bond issues, local option sales and gas tax collections, transportation impact fee collections, and internally generated funds used to acquire or construct major capital facilities.

An analysis of sources and uses in the capital projects funds follows:

<u>Fund (in thousands)</u>	<u>Sources</u>	<u>Uses</u>	<u>Sources Over (Under) Uses</u>	<u>Sept.30, 1999 Fund Balances</u>
Capital Improvement	\$ 25,159	\$11,816	\$ 13,343	\$ 47,355
Capital Bonds	3,820	1,907	1,913	2,377
Construction				
Transportation Impact Fee	73	121	(48)	405
Local Option Sales Tax	16,081	16,411	(330)	25,419
Local Option Gas Tax	3565	3,602	(37)	4,313
TOTAL	<u>\$ 48,698</u>	<u>\$33,857</u>	<u>\$ 14,841</u>	<u>\$79,869</u>

CAPITAL PROJECTS Fund Balances

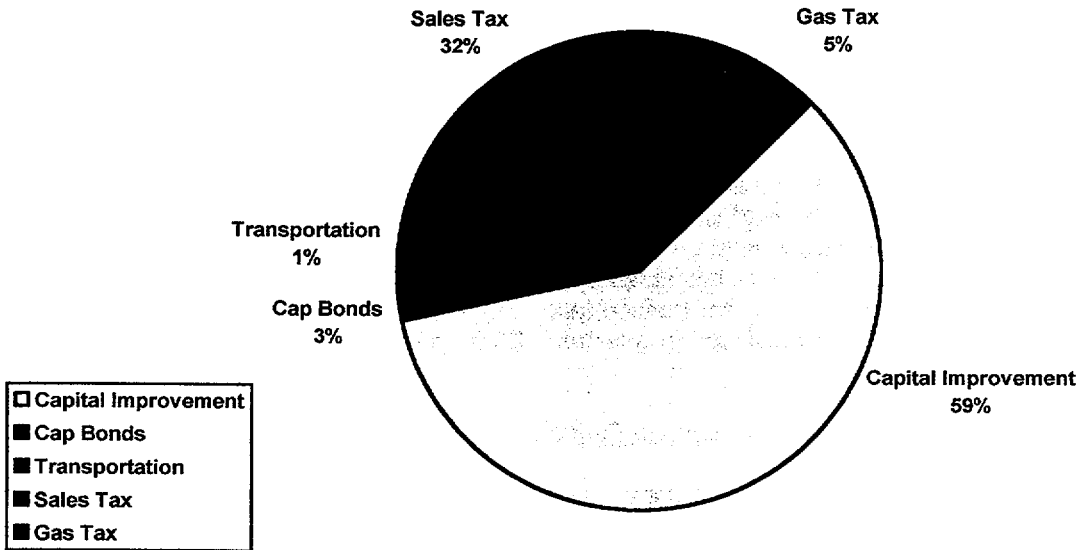


The sources of funds for the Capital Improvement Fund in 1999 were primarily \$12 million in grant revenues, \$10.8 million of Operating Transfers In for various capital projects and interest earnings of \$2.3 million. The use of funds primarily consisted of capital outlay expenditures of \$11.8 million for Transportation, General Government, Economic Development, and Culture and Recreation projects. Fund balance primarily consists of \$47 million reserved or encumbered for projects and \$353,000 unreserved/undesignated available for future projects.

The Capital Bonds Construction Fund's source of funds in 1999 was \$3.7 million of Operating Transfers In for various capital projects, and \$73,000 of net interest earnings. The use of funds consisted of capital outlay expenditures of \$1.9 million for Public Safety, Transportation, and Culture and Recreation projects.

The Transportation Impact Fee Construction Fund's primary source of funds was \$19,000 in net interest earnings. Transportation projects accounted for the \$121,000 of capital outlay expenditures. The current year fund balance consists of \$622,000 reserved or encumbered for projects. Effective July 25, 1995, the road impact fee ordinance was repealed.

CAPITAL PROJECTS Fund Balances



The sources of funds for the Capital Improvement Fund in 1999 were primarily \$12 million in grant revenues, \$10.8 million of Operating Transfers In for various capital projects and interest earnings of \$2.3 million. The use of funds primarily consisted of capital outlay expenditures of \$11.8 million for Transportation, General Government, Economic Development, and Culture and Recreation projects. Fund balance primarily consists of \$47 million reserved or encumbered for projects and \$353,000 unreserved/undesignated available for future projects.

The Capital Bonds Construction Fund's source of funds in 1999 was \$3.7 million of Operating Transfers In for various capital projects, and \$73,000 of net interest earnings. The use of funds consisted of capital outlay expenditures of \$1.9 million for Public Safety, Transportation, and Culture and Recreation projects.

The Transportation Impact Fee Construction Fund's primary source of funds was \$19,000 in net interest earnings. Transportation projects accounted for the \$121,000 of capital outlay expenditures. The current year fund balance consists of \$622,000 reserved or encumbered for projects. Effective July 25, 1995, the road impact fee ordinance was repealed.

On September 19, 1989, Leon County voters, in accordance with Florida Statutes, Chapter 212.055, approved in referendum the implementation of a 1 percent local option sales tax on all transactions subject to the State sales tax. The tax is to be split between the City and Leon County based upon the distribution as provided in the interlocal agreement. The tax began on December 1, 1989 and will expire November 30, 2004. The proceeds of the tax may be expended only on infrastructure, defined as any fixed capital expenditure or fixed capital costs associated with the construction, reconstruction or improvement of public facilities which have a life expectancy of five or more years and any land acquisition, land improvement, design and engineering costs related thereto. Capital outlay expenditures were for Public Safety and Transportation projects. The major sources of revenue were \$13.2 million from the City's share of the local option sales tax, \$1.7 million from grants, and \$1.4 million from interest earnings. At year end, \$105.3 million of fund balance is reserved or encumbered for projects.

According to Florida Statutes, Chapter 336, a county may impose a one to six cent(s) local option gas tax upon every gallon of motor fuel and special fuel sold within the county. In June 1985, Leon County and the City entered into an interlocal agreement whereby a levy of four cents was approved and is to be split on an equal 50-50 percent basis. In June, 1987, the levy was increased by an additional two cents. The tax is due to expire September 30, 2015. The tax can be used only for transportation purposes. The main source of revenue was \$3.3 million from the City's share of the local option gas tax. \$3.9 million is reserved or encumbered for projects.

Enterprise Funds

Enterprise funds are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the cost of providing goods and services on a continuing basis be financed through user charges or where the governmental body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, budget policy, management control, accountability, or other purposes. The City accounts for its Electric, Gas, Water, Sewer, Airport, Tallahassee Transit, Solid Waste, and Golf Course Funds as enterprise operations.

Operating Income (Loss) (in thousands)

			Increase (Decrease) From 1998
	<u>1999</u>	<u>1998</u>	
Electric	\$44,864	\$43,461	\$1,403
Gas	3,867	3,920	(53)
Sewer	4,264	2,033	2,231
Water	8,498	8,189	309
Airport	636	(130)	766
Tallahassee Transit	(5,421)	(5,402)	(19)
Solid Waste	914	615	299
Golf Course	(580)	(91)	(489)
TOTAL	<u><u>\$57,042</u></u>	<u><u>\$52,595</u></u>	<u><u>\$4,447</u></u>

ENTERPRISE FUNDS Operating Income (Loss)



Electric Fund

The \$1.4 million net increase in Operating Income from 1998 to 1999 is primarily due to decreased operating expenses.

Gas Fund

The \$53,000 net decrease in Operating Income from 1998 to 1999 is primarily due to decreased revenues as the result of lower consumption.

Sewer Fund

The \$2.2 million net increase in Operating Income from 1998 to 1999 is primarily due to an increase in operating revenues and a decrease in operating expenses.

Water Fund

The \$309,000 net increase in Operating Income from 1998 to 1999 is primarily due to an increase in operating revenue which is the result of hot and dry weather experienced from April through June.

Airport Fund

The \$766,000 net increase in Operating Income from 1998 to 1999 is due to an increase in operating revenues.

Tallahassee Transit Fund

The City-owned bus system reflects a net increase in Operating Loss of \$19,000 from 1998 to 1999. Each year the operating loss, exclusive of depreciation and capital purchases, is partially funded by a Section IX operating grant from Federal Transit Administration and subsidization by the City's General Fund (\$3,468,300 for the 1999 fiscal year).

Solid Waste Fund

The \$299,000 net increase in Operating Income from 1998 to 1999 is primarily the result of an increase in commercial revenues (\$450,000) due to an increase in the number of commercial customers. The increase in commercial customers was primarily due to adding customers in service areas previously serviced by Waste Management.

Golf Course Fund

The \$489,000 net increase in Operating Loss from 1998 to 1999 is primarily due to the golf course being closed for improvements several months during the fiscal year. The General Fund subsidized the Golf Course Fund in the amount of \$514,000 during the 1999 fiscal year.

Internal Service Funds

Internal service funds are established to account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit on a cost-reimbursement basis. The City of Tallahassee accounted for its Reading, Billing, and Collection activities, Information Systems Services, Accounting, Central Stores, Purchasing, Garage, Human Resources, Pension Administration, Risk Management, Employee Healthcare, Wholesale Energy Services, and Utility Services as internal service funds in 1999. The expenses associated with these funds are billed to other City departments through allocation methodologies deemed reasonable for each activity. In addition, the City accounts for its Internal Loan Fund as an Internal Service Fund. The purpose of the fund is to provide interim and long-term financing to other funds of the City.

Fiduciary Funds

Fiduciary funds are established to account for assets held by the City in a trustee or agent capacity for individuals, private organizations, other governmental units, and/or other funds.

Pension Trust Fund - The City maintains a retirement plan for its employees which covers police officers, firefighters, and general employees. Benefits vary depending on the particular membership in the plan. The City is responsible for funding liabilities of the plan based upon actuarial valuations. Employees participate in both a defined benefit and a defined contribution plan. At September 30, 1999, the City's pension plan had net assets of \$846,081,000. In order to obtain the highest possible yield on pension assets, substantially all of the assets are managed via contracts with private investment companies. Further details concerning pension expenses, vested benefits, and actuarial assumptions are included in the notes to the financial statements.

Expendable Trust Funds - Expendable trust funds consist of the following:

- Deficiencies Fund used to provide for unforeseen expenditures of an emergency nature.

This fund had total assets of \$20,600,000 at September 30, 1999.

Nonexpendable Trust Funds - Nonexpendable trust funds consist of the following:

- The Cemetery Perpetual Care Trust Fund was established pursuant to Commission action to provide for the perpetual maintenance of the City's cemeteries.
- The Scholarship Fund was established pursuant to Commission action to provide scholarships for the Partners in Excellence Program in the Leon County School System.

These funds have total assets of \$6,837,000 at September 30, 1999.

General Fixed Assets Account Group

The general fixed assets of the City are those assets used in the performance of general governmental functions and exclude the fixed assets of the Enterprise and Internal Service Funds. Governmental accounting dictates that these assets be accounted for separately from the General Fund since they do not represent financial resources available for expenditure. In accordance with generally accepted accounting principles, the City of Tallahassee does not record depreciation in the General Fixed Assets Account Group. As of September 30, 1999, the City of Tallahassee has \$182,329,000 of general fixed assets which were acquired from General Fund revenues, bonds, and gifts. As allowed by generally accepted accounting principles for local governments, roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the governmental unit (infrastructure assets) are not recorded as general fixed assets.

At the end of the fiscal year, completed projects, except for infrastructure assets, are capitalized in the General Fixed Assets Account Group. During 1999, \$6.2 million of such assets was added to General Fixed Assets. As of September 30, 1999, there were authorized projects of \$50.5 million, with \$30.4 million expended.

Debt Administration

At September 30, 1999, the City had outstanding \$20,115,000 of Capital Revenue Bonds payable from specific general fund revenue sources other than ad valorem taxes; \$243,343,000 of Electric Revenue Bonds, payable from revenues of the Municipal Electric System; \$83,385,000 of Consolidated Utility System Revenue Bonds, payable from revenue of the Consolidated Utility System which consists of the Gas, Water, Sewer, and Stormwater operations; and \$9,910,000 of Airport Revenue Bonds, payable from revenues of the Airport. The City has no general obligation debt (debt secured by ad valorem taxes) outstanding. In addition to fixed capital debt outstanding, the City has outstanding loans from the Sunshine State Governmental Financing Commission (SSGFC) in the amount of \$62,700,000 (these loans are non-revenue specific with a covenant to budget and appropriate non ad valorem revenues).

All requirements mandated by bond covenants have been met. Actual debt service coverage as compared to required debt service coverage and ratings assigned to the City's bonds by independent nationally recognized agencies are useful indicators for evaluating the City's debt position. The City's indicators are as follows:

- Debt Service Coverage

Debt service coverage demonstrates the City's ability to generate revenues sufficient to provide for the payment of debt service. As seen below, the City's debt service coverage is generally well above the amounts required.

	<u>Actual</u>	<u>Required</u>
Capital Revenue Bonds	11.23	1.50
Electric Revenue Bonds	3.20	1.40
Consolidated Utility System Revenue Bonds	4.84	1.50
Airport System Revenue Bonds	2.66	1.25

- Ratings

Ratings for the City's bonds are assigned by independent nationally recognized agencies. These ratings have a significant influence in establishing the rate of interest expense the City must pay when the bonds are sold. Ratings for the City's debt have been consistently judged to be of good investment quality. Ratings by the three major rating agencies shown below for each series of outstanding long-term bonded debt continue to demonstrate the good investment quality of the City's bonds.

	<u>Moody's</u>	<u>Standard & Poor's</u>	<u>Fitch</u>
Capital Revenue Bonds 1993A and 1993B	Aaa	A+	AAA
Electric Refunding Revenue Bonds 1992A	A1	AA-	AA-
Energy System Bonds 1998A	Aaa	AAA	AAA
Energy System Bonds 1998B	Aaa	AAA	AAA
Consolidated Utility System Revenue Bonds:			
Series 1991A	Aaa	AAA	N/A
Series 1991B	Aa	AA-	N/A
Series 1994	Aa	AA-	AA
Series 1995	Aa	AA-	AA
Airport System Revenue Bonds	Aaa	AAA	AAA

Cash Management Program

The City Charter provides for the adoption of a policy to govern investment of all City non-pension funds. On April 10, 1996, the City Commission approved a revised investment policy, fully in compliance with State Statute 218.415. This policy more than adequately addresses the issues of credit, default, market and liquidity risk through diversification of portfolio composition by investment types and issuers, and liquidity and maturity provisions.

For fiscal year 1999, the accounting return (realized and accrued income and gains plus accretion and amortization of premiums and discounts) on the general investment portfolio was 5.50%. The market rate of return (reflects market price changes) was 4.82%.

Risk Management

All insurance, except health, is administered through the Risk Management Program. The Program is designed to provide financial protection for accidental losses through a combination of commercial and self-insurance. A major portion of the insurance program involves self-insurance which is provided for through an internal service fund. The City is currently self-insured in the areas of workers' compensation, general liability (including law enforcement liability, land-use related liability and employment-related liability), and automobile liability. In order to limit exposure, the City has purchased "excess coverage" for workers' compensation. For other coverage where frequency is low and potential losses are great (e.g., property and airport liability), the City transfers risk through the purchase of insurance. Premiums in excess of claims charged to the various operating funds have been retained in the fund to provide for stability and protection against catastrophic losses in accordance with the City's Financing Policy. It is the City's policy to record actuarially determined incurred-but-not-reported claims as expenses.

PERSPECTIVES

The economy of Tallahassee is strongly oriented toward governmental and educational activities. The remainder of the demand for labor is almost equally divided into those industry groups that support urban populations and governmental affairs. The level of governmental employment has a stabilizing effect on the economy and helps to keep unemployment down. Of the work force, 3.3 percent were unemployed in 1999 as compared to the State's unemployment rate of 4.5 percent. The percentage of employees employed by government has leveled off at approximately 40 percent of the work force. The employment rate is one of many economic indicators utilized to evaluate the condition of the government. The issuance of building permits for residential construction is also a strong indicator of the local economy and has bearing on the City's financial condition. The following chart indicates construction trends from 1991 to 1999.

<u>Fiscal</u> <u>Years</u>	<u>Building</u> <u>Permits</u>
1991	762
1992	972
1993	1,074
1994	1,081
1995	985
1996	1,114
1997	996
1998	863
1999	1,176

Continued construction activity as reflected in building permit activity, increases consumer-based general revenues and utility revenues and is a boost to the local economy. The City Commission's actions such as the Project 2010 plan with the Chamber of Commerce which is investigating ways to better utilize institutions in the community in job creation and development, demonstrates the City's commitment to bolster the economy.

Property taxes can significantly impact the citizen's perception of economic success. As noted in the section on General Governmental Functions, the City's property tax has remained at 3.2 mills for 1999 and 2000. The following is a comparison of millage rates for the ten largest Florida cities for 1999 and 2000:

<u>City</u>	<u>Population</u>	<u>Millage Rates</u>	
		<u>1999</u>	<u>2000</u>
Miami	365,204	11.8	11.8
Tampa	297,505	6.5	6.5
St. Petersburg	242,690	7.6	7.9
Hialeah	211,201	7.5	7.5
Orlando	184,639	6.1	6.1
Ft. Lauderdale	148,971	5.8	5.6
Tallahassee	145,610	3.2	3.2
Hollywood	127,660	6.3	6.3
Pembroke Pines	120,091	3.9	3.9
Coral Springs	111,724	4.2	4.0

As indicated above, the City enjoys the lowest millage rate of the ten largest cities in Florida for 1999 and 2000. Tallahassee's low and stable millage rate should act as an incentive to economic growth and stability.

The Five Year Financial Plan, originally adopted in 1996 and updated annually in the budget process, provides a blueprint for the decision-making process and allows the flexibility to address issues as they may arise. The principal driving factor in modifying the City's operations and financing structure is the potential for deregulation of the electric industry, and the resulting implications for continued reliance on the transfer from the electric fund to finance a substantial portion of general government functions. Among other things, the financial planning process will be evaluating the size of the electric transfer, the competitiveness of electric rates and charges, capital financing, alternative general fund revenue sources, personnel levels and cost and service levels of the various City operations.

The following other activities are currently underway or recently completed:

- Judges from the National Civic League named Tallahassee as one of ten cities to win the prestigious All-America City (AAC) award on June 26, 1999 during the 1999 All-America City conference in Philadelphia, Pennsylvania. The All America City award is the most prestigious and coveted award a community can win. The annual award recognizes exemplary, grassroots and problem-solving efforts of communities that cooperatively tackle challenges and achieve measurable results. Judging is based on the overall level of community involvement in solving critical local problems, including public-private partnerships. Tallahassee's three projects that were submitted as a major part of the application for the AAC award included the Boys' Choir, the Community Human Services Partnership, and Kleman Plaza as a cornerstone of downtown development and revitalization.
- On October 27, 1999, the City Commission formalized the decision for the northeast site of Kleman Plaza to be used for the development of the Challenger Learning Center, a children's hands-on space science center and Large Format Theater. The components of the 25,000 square foot project include a simulated space station, mission control, and space shuttle; and a planetarium; an observatory; and the large format film theater. It is anticipated that the project will be under construction in late 2000. Other buildings already at Kleman Plaza are the six-story 71,000 square foot, Florida League of Cities, and the 41,000 square foot Capital Cultural Center, home of the Odyssey Science Center and Museum of Art-Tallahassee.
- The Civic Center Authority in conjunction with a private development company anticipates construction starting in April, 2000 on a 325 room, Marriott convention hotel. The project will include a 650-car parking garage. The project will be built on the northwest part of the existing site at an estimated cost of \$45 million.
- Blueprint 2000 and Beyond report, an \$809 million list of proposed public infrastructure improvements for Tallahassee, prepared by the economic and environmental consensus committee and agency staffs of Leon County and the City of Tallahassee was submitted to the City in April 1999. Tallahassee and Leon County commissioners will have a joint meeting on the report and make a final recommendation during 2000.
- Summit East is a 115 acre business park at the intersection of I-10 and Mahan Drive that has begun and will be the City's newest hi-technology office center. Summit East offers companies an attractive working environment, fiber-optic cable for instant high speed intranet/internet access, data processing and video-teleconferencing centers.
- The Parks and Recreation Department re-dedicated the Hilaman Golf Course on October 25, 1999. This event celebrated the completion of the Hilaman Golf Course renovation project which improved playing conditions while maintaining the original character of the course.

- The City was involved with Saxon Software Inc. in the development of a solution for the City's Year 2000 problems. Their efforts gave rise to a methodology named ALTERNATIVE 2000™. Using this approach, the life of the Customer Information System, Financial Management System, Purchasing, Inventory, Receivable, Budget and Check Reconciliation System was extended beyond the Year 2000. The City gained time to evaluate replacement systems and assess the impact of electric deregulation on the City's Utility Billing Software. The Year 2000 projects, CIS2000 and FMS2000, were extremely successful and won a national award from the National League of Cities.
- The City contracted with Motorola for the purchase and installation of an 800 MHZ trunked simulcast radio system to replace existing VHF radio communications systems currently being used by the City. The new system began operation in May 1998 for the analog simulcast voice portion of the project with first the Tallahassee Police and Fire Departments. In August 1998, the remaining City Departments were migrated onto the new radio system. The 800 MHZ data radio system portion was fully accepted in September 1998 with all Police units in use. During 1999 Leon County Sheriff's Office began using the system.
- Purdom Unit 8 Electric Generating Facility, a 250 mega-watt plant is being constructed under a turn-key, fixed price contract (the "Purdum 8 Contract") with Raytheon Engineers and Constructors, Inc., with an on-line commercial operations guarantee of May 15, 2000. The new facility is expected to provide electricity at a lower cost than existing City generation facilities. The City estimates the direct construction cost, exclusive of financing and reserve costs, of the new unit and certain ancillary facilities at approximately \$111 million.
- The City transferred its ownership interest in CR-3 and the decommissioning trust account balance to Florida Power in October 1999. The terms of the transfer included purchasing equivalent replacement electric capacity (11.4 MW) from Florida Power at a delivered price of \$42 per MW through December 31, 2007, escalating thereafter until 2016.
- In an effort to address electric competition issues and the unbundling of charges for service within the electric rates, the City implemented a fire service charge simultaneously with a customer rebate to city residents with city utilities so that customers will not see any increase in their monthly utility bill. This unbundling of charges allow customers to have a more detailed breakout of the services they receive. On February 24, 1999, the City Commission adopted the fire service charge and implemented it on October 1, 1999.

Independent Audit

The Florida Statutes and the City's Bond Resolutions require an annual audit of the books of account and financial records of the City by independent certified public accountants selected by the City Commission. This requirement has been complied with and the auditor's opinion has been included in this report.

Awards

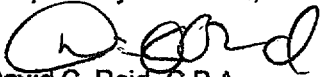
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tallahassee, Florida for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 1998. The Certificate 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, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for a new certificate.

In addition, the City received the GFOA's Award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning October 1, 1998. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, operations guidance, financial planning and communications.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Accounting Services Division, in particular the members of Financial Accounting and Reporting who participated in the compilation of the report. We would also like to thank the members of the City Commission for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

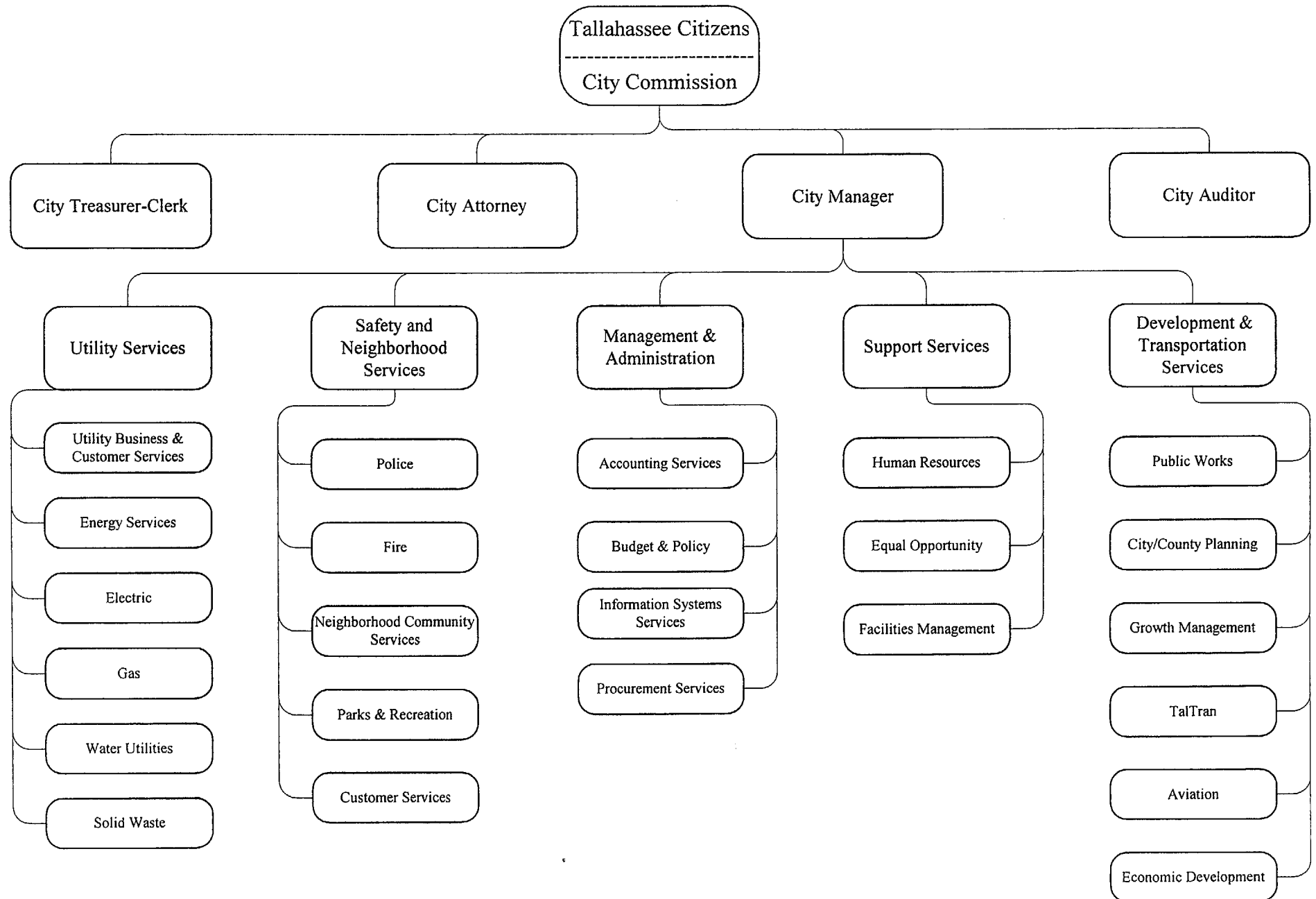
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'D. Reid', written over the printed name.

David C. Reid, C.P.A.

Director of Management and Administration

City of Tallahassee



CITY OF TALLAHASSEE, FLORIDA

LISTING OF CITY OFFICIALS

ELECTED OFFICIALS

Mayor Scott Maddox
Mayor Pro Tem John Paul Bailey
Commissioner Charles Billings
Commissioner Debbie Lightsey
Commissioner Steve Meisburg

APPOINTED OFFICIALS

City Manager Anita R. Favors
City Treasurer-Clerk Robert B. Inzer
City Auditor (Interim) Roberta McManus
City Attorney James R. English

ASSISTANT CITY MANAGERS

Assistant City Manager Thomas R. Coe
Assistant City Manager Ricardo Fernandez
Assistant City Manager Michael Wright

DEPARTMENT DIRECTORS

Aviation Kenneth Austin
Communications Michelle Bono
Electric (General Manager) Kevin G. Wailes
Economic Development Bill Johnson
Equal Opportunity Sharon Ofuani
Fire Thomas C. Quillin
Gas Utility (General Manager) Samuel Davis, Jr.
Growth Management Robert Herman
Human Resources Gloria Hall-McNeil
Management and Administration David C. Reid
Neighborhood and Community Services Tom Lewis
Parks and Recreation Randy Trousdell
Planning Wendy Grey
Police Walter McNeil
Public Works Edgar Grant
Solid Waste (General Manager) Barry M. Boldissar
Stormwater (General Manager) John Buss
TalTran (Tallahassee Transit) John L. Carter
Utility Services Gary Brinkworth
Water Utilities (General Manager) James H. Peters

CITY OF TALLAHASSEE, FLORIDA

The Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 1999 was prepared by the staff of the Accounting Services Division:

Dianna Williams
Accounting Services Manager

Nevelda Austin
Robert Bechtol
Veronica Cross
Mazie Crumbie
Patrick Dooley
Lenard Franklin
Johnny Johnson
Teresa Mitchell
Julie Paniucki
Rita Stevens

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FINANCIAL SECTION

This section contains the following subsections:

Report of Independent Auditors

General Purpose Financial Statements

Notes to Financial Statements

Combining and Individual Fund and Account Group
Statements and Schedules

REPORT OF INDEPENDENT AUDITORS

January 25, 2000

Honorable Mayor, City Commissioners, City Manager
and Audit Committee
City of Tallahassee, Florida

We have audited the accompanying general purpose financial statements and the electric, water, sewer, gas and airport individual fund financial statements of the City of Tallahassee, Florida, as of and for the year ended September 30, 1999. These general purpose financial statements are the responsibility of the City of Tallahassee, Florida's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Tallahassee, Florida, as of September 30, 1999, and the results of its operations and the cash flows of its proprietary and nonexpendable trust fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the individual fund financial statements referred to above present fairly, in all material respects, the financial position of each of those individual funds of the City of Tallahassee, Florida as of September 30, 1999, and the results of operations and the cash flows of such funds for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note I to the general purpose financial statements, in 1999 the City of Tallahassee adopted Governmental Accounting Standards Board (GASB) Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 25, 2000 on our consideration of the City of Tallahassee's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City of Tallahassee, Florida taken as a whole and on the individual fund financial statements described above. The combining, remaining individual fund, and individual account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements and the electric, water, sewer, gas and airport individual fund financial statements of the City of Tallahassee, Florida. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and Chapter 10.600, *Rules of the Auditor General*, respectively, and are not a required part of the general purpose or individual fund financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. The supplemental financial data and statistical sections have not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on them.

The schedule of funding progress and disclosures of Year 2000 issues listed in the table of contents as "required supplementary information" are not a required part of the general purpose financial statements of the City of Tallahassee, Florida, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this supplementary information. However, we did not audit the information and express no opinion on it.

Thomas Howell Ferguson P.A.

Thomas Howell Ferguson P.A.

Law, Redd, Crona & Munroe, P.A.

Law, Redd, Crona & Munroe, P.A.

GENERAL PURPOSE FINANCIAL STATEMENTS (Combined Statements-Overview)

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

CITY OF TALLAHASSEE, FLORIDA

Combined Balance Sheet- All Fund Types, Account Groups, and Discretely Presented Component Unit
September 30, 1999
(in thousands)

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
ASSETS AND OTHER DEBITS						
Assets:						
Cash and Cash Equivalents/Investments.....	\$ 9,052	\$ 28,281	\$ --	\$ 80,022	\$ 19,780	\$ 13,533
Securities Lending Collateral.....	--	--	--	--	--	--
Investments.....	--	--	2,629	--	--	--
Receivables:						
Special Assessments - Current.....	--	--	--	43	--	--
Special Assessments - Deferred.....	--	--	--	85	--	--
Accrued Interest.....	52	123	--	425	238	51
Notes.....	--	1,752	--	43	--	--
Customers and Others.....	1,915	562	--	14	22,806	1,073
Property Taxes-Delinquent.....	189	--	--	--	--	--
Less: Allowance for Doubtful Accounts.....	(236)	--	--	--	(2,187)	--
Due from Other Governments.....	316	920	--	560	1,644	--
Due from Other Funds.....	70	--	--	--	919	--
Advance to Other Funds.....	603	--	--	474	--	--
Deposits.....	--	--	74	--	--	--
Inventory.....	747	--	--	--	19,239	5,190
Restricted Assets:						
Cash and Cash Equivalents/Investments.....	328	--	--	--	128,638	43,828
Securities Lending Collateral.....	--	--	--	--	--	--
Investments.....	--	--	--	--	84,164	--
Receivables:						
Other	--	--	--	--	1,230	83
Accrued Interest.....	--	--	--	--	732	216
Notes	--	--	--	--	5,723	--
Due from Other Governments.....	--	--	--	--	474	--
Loans to Other Funds.....	--	--	--	--	--	20,893
Unamortized Bond Issue Costs.....	--	--	--	--	2,023	--
Fixed Assets (Net of Accumulated Depreciation).....	--	--	--	--	729,308	41,689
Other Debits:						
Amount Available in Debt Service Funds.....	--	--	--	--	--	--
Amount to be Provided for Retirement of General Long-Term Debt.....	--	--	--	--	--	--
Total Assets and Other Debits	\$ 13,036	\$ 31,638	\$ 2,703	\$ 81,666	\$ 1,014,731	\$ 126,556

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

CITY OF TALLAHASSEE, FLORIDA

Combined Balance Sheet- All Fund Types, Account Groups, and Discretely Presented Component Unit

September 30, 1999

(Continued)

Fiduciary Fund Types	Account Groups		Primary Government Totals (Memorandum Only)	Downtown Improvement Authority Totals	Reporting Entity Totals (Memorandum Only)	
	General	General Long-	September 30	September 30	September 30	September 30
	Fixed Assets	Term Debt	1999	1999	1999	1998
\$ 20,445	\$ --	\$ --	\$ 171,113	\$ 136	\$ 171,249	\$ 160,420
81,839	--	--	81,839	--	81,839	37,493
845,511	--	--	848,140	--	848,140	729,214
--	--	--	43	--	43	48
--	--	--	85	--	85	105
138	--	--	1,027	--	1,027	904
--	--	--	1,795	--	1,795	2,198
1	--	--	26,371	--	26,371	24,584
--	--	--	189	--	189	162
--	--	--	(2,423)	--	(2,423)	(2,478)
--	--	--	3,440	--	3,440	3,067
7,423	--	--	8,412	--	8,412	3,133
--	--	--	1,077	--	1,077	1,231
--	--	--	74	--	74	79
--	--	--	25,176	--	25,176	23,478
--	--	--	172,794	--	172,794	154,891
--	--	--	--	--	--	16,436
--	--	--	84,164	--	84,164	32,605
--	--	--	1,313	--	1,313	1,635
--	--	--	948	--	948	786
--	--	--	5,723	--	5,723	7,202
--	--	--	474	--	474	388
--	--	--	20,893	--	20,893	16,466
--	--	--	2,023	--	2,023	1,039
--	182,329	--	953,326	--	953,326	850,726
--	--	2,703	2,703	--	2,703	2,517
--	--	34,756	34,756	--	34,756	35,757
<u>\$ 955,357</u>	<u>\$ 182,329</u>	<u>\$ 37,459</u>	<u>\$ 2,445,475</u>	<u>\$ 136</u>	<u>\$ 2,445,611</u>	<u>\$ 2,104,086</u>

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

CITY OF TALLAHASSEE, FLORIDA

Combined Balance Sheet- All Fund Types, Account Groups, and Discretely Presented Component Unit

September 30, 1999

(in thousands)

(Continued)

LIABILITIES, EQUITY, AND OTHER CREDITS

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Liabilities:						
Accounts Payable.....	\$ 2,300	\$ 1,544	\$ --	\$ 659	\$ 7,812	\$ 9,664
Due to Other Governments.....	--	--	--	--	--	--
Accrued Leave.....	--	--	--	--	5,122	2,394
Obligations Under Securities Lending.....	--	--	--	--	--	--
Contracts Payable.....	--	--	--	--	4,827	--
Retainage Payable.....	--	--	--	1,053	--	--
Due to Other Funds.....	--	785	--	--	6,708	919
Advance From Other Funds.....	--	--	--	--	1,077	--
Utility Deposits Payable.....	--	--	--	--	10,948	--
Payable From Restricted Assets:						
Retainage Payable and Accounts Payable.....	328	--	--	--	6,948	339
Loans Payable.....	--	--	--	--	--	21,700
Claims Payable.....	--	--	--	--	--	6,895
Deferred Revenue.....	--	--	--	--	3,407	--
Loans from Other Funds.....	1,200	--	--	--	13,824	5,869
Accrued Leave.....	--	--	--	--	--	8
Obligations Under Securities Lending.....	--	--	--	--	--	--
Deferred Compensation Payable.....	--	--	--	--	--	--
Deferred Revenue.....	1,455	2,512	--	85	--	--
Loan Payable.....	--	--	--	--	36,500	--
Bonds Payable.....	--	--	--	--	336,638	--
Unamortized Bond Discount.....	--	--	--	--	(1,794)	--
Deferment of Loss on Early Retirement of Debt.....	--	--	--	--	(4,624)	--
Notes and Loans Payable.....	--	--	--	--	--	--
Prepaid Fees Credit Payable.....	--	--	--	--	636	--
Total Liabilities	5,283	4,841	--	1,797	428,029	47,788
Equity and Other Credits:						
Contributed Capital.....	--	--	--	--	75,912	18,857
Investment in General Fixed Assets.....	--	--	--	--	--	--
Net Assets Held in Trust for Pension Benefits.....	--	--	--	--	--	--
Retained Earnings:						
Reserved for:						
Reserve Pursuant to Bond & Loan Covenants.....	--	--	--	--	173,867	1,384
Fleet Management.....	--	--	--	--	--	21,081
Insurance.....	--	--	--	--	--	9,860
Reserve for Projects.....	--	--	--	--	872	744
Total Reserved.....	--	--	--	--	174,739	33,069
Unreserved.....	--	--	--	--	336,051	26,842
Total Retained Earnings.....	--	--	--	--	510,790	59,911
Fund Balances:						
Reserved for:						
Notes Receivable.....	--	1,752	--	43	--	--
Advance to Other Funds.....	603	--	--	474	--	--
Inventory.....	747	--	--	--	--	--
Projects / Fixed Assets.....	--	21,037	--	143,440	--	--
Future Debt Service.....	--	--	2,703	--	--	--
Encumbrances.....	1,977	7,467	--	15,820	--	--
Total Reserved.....	3,327	30,256	2,703	159,777	--	--
Unreserved:						
Designated.....	3,103	--	--	6,189	--	--
Undesignated.....	1,323	(3,459)	--	(86,097)	--	--
Total Equity and Other Credits.....	7,753	26,797	2,703	79,869	586,702	78,768
Total Liabilities, Equity and Other Credits.....	\$ 13,036	\$ 31,638	\$ 2,703	\$ 81,666	\$ 1,014,731	\$ 126,556

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

CITY OF TALLAHASSEE, FLORIDA

Combined Balance Sheet- All Fund Types, Account Groups, and Discretely Presented Component Unit
September 30, 1999
(Continued)

Fiduciary Fund Types Trust and Agency	Account Groups		Primary Government Totals (Memorandum Only)	Downtown Improvement Authority Totals	Reporting Entity Totals (Memorandum Only)	
	General	General Long-	September 30	September 30	September 30	September 30
	Fixed Assets	Term Debt	1999	1999	1999	1998
\$ 55	\$ --	\$ --	\$ 22,034	\$ 1	\$ 22,035	\$ 19,026
--	--	--	--	--	--	--
--	--	9,095	16,611	--	16,611	16,215
81,839	--	--	81,839	--	81,839	37,493
--	--	--	4,827	--	4,827	5,021
--	--	--	1,053	--	1,053	452
--	--	--	8,412	--	8,412	3,133
--	--	--	1,077	--	1,077	1,231
--	--	--	10,948	--	10,948	9,747
--	--	--	--	--	--	--
--	--	--	7,615	--	7,615	9,448
--	--	--	21,700	--	21,700	26,200
--	--	--	6,895	--	6,895	7,584
--	--	--	3,407	--	3,407	319
--	--	--	20,893	--	20,893	16,466
--	--	--	8	--	8	2
--	--	--	--	--	--	16,436
--	--	--	--	--	--	12,996
--	--	--	4,052	--	4,052	10,145
--	--	--	41,000	--	41,000	20,000
--	--	4,500	360,502	--	360,502	221,995
--	--	23,864	(1,794)	--	(1,794)	(940)
--	--	--	(4,624)	--	(4,624)	(2,355)
--	--	--	--	--	--	60
--	--	--	636	--	636	562
81,894	--	37,459	607,091	1	607,092	431,236
--	--	--	94,769	--	94,769	94,133
--	182,329	--	182,329	--	182,329	176,105
846,081	--	--	846,081	--	846,081	712,466
--	--	--	175,251	--	175,251	128,215
--	--	--	21,081	--	21,081	22,493
--	--	--	9,860	--	9,860	10,847
--	--	--	1,616	--	1,616	1,752
--	--	--	207,808	--	207,808	163,307
--	--	--	362,893	--	362,893	397,555
--	--	--	570,701	--	570,701	560,862
--	--	--	--	--	--	--
--	--	--	1,795	--	1,795	2,198
--	--	--	1,077	--	1,077	1,231
--	--	--	747	--	747	819
--	--	--	164,477	--	164,477	62,155
--	--	--	2,703	--	2,703	2,517
--	--	--	25,264	--	25,264	24,870
--	--	--	196,063	--	196,063	93,790
--	--	--	--	--	--	--
--	--	--	9,292	--	9,292	3,751
27,382	--	--	(60,851)	135	(60,716)	31,743
873,463	182,329	--	1,838,384	135	1,838,519	1,672,850
\$ 955,357	\$ 182,329	\$ 37,459	\$ 2,445,475	\$ 136	\$ 2,445,611	\$ 2,104,086

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

CITY OF TALLAHASSEE, FLORIDA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types, Expendable Trust Funds, and Discretely Presented Component Unit
For the Fiscal Year Ended September 30, 1999
(in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes.....	\$ 32,668	\$ --	\$ --	\$ 16,496
Licenses and Permits.....	4,272	264	--	--
Intergovernmental Revenues.....	11,820	6,150	--	13,794
Charges for Services.....	10,070	11,755	--	20
Fines and Forfeitures.....	1,463	86	--	--
Special Assessments Revenues.....	--	--	--	90
Interest Earned.....	177	1,313	2	4,102
Net Increase (Decrease) in the Fair Value of Investments.....	(148)	(351)	--	(1,215)
Miscellaneous Revenues.....	2,583	1,066	--	849
Total Revenues	62,905	20,283	2	34,136
Expenditures:				
Current:				
General Government.....	16,720	842	--	--
Public Safety.....	29,741	16,614	--	--
Transportation.....	9,677	247	--	--
Human Services.....	4,400	1,551	--	--
Economic Development.....	1,141	2,247	--	--
Physical Environment.....	3,325	10,843	--	--
Culture and Recreation.....	10,327	46	--	--
Capital Outlay.....	--	--	--	31,144
Debt service:				
Principal Retired.....	125	--	1,260	--
Interest and Fiscal Charges.....	141	--	1,283	--
Total Expenditures	75,597	32,390	2,543	31,144
Excess of Revenues Over (Under) Expenditures	(12,692)	(12,107)	(2,541)	2,992
Other Financing Sources (Uses):				
Operating Transfers In.....	37,678	13,021	2,727	14,562
Operating Transfers Out.....	(25,816)	(426)	--	(2,713)
Operating Transfers to / from Component Unit.....	--	9	--	--
Bond Proceeds.....	--	--	--	--
Total Other Financing Sources (Uses)	11,862	12,604	2,727	11,849
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(830)	497	186	14,841
Fund Balances - October 1.....	8,583	26,300	2,517	65,028
Cumulative Effect of a Change in Accounting Principle.....	--	--	--	--
Fund Balances - October 1 - As Restated.....	8,583	26,300	2,517	65,028
Residual Equity Transfers Out.....	--	--	--	--
Fund Balances - September 30	\$ 7,753	\$ 26,797	\$ 2,703	\$ 79,869

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

CITY OF TALLAHASSEE, FLORIDA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances

All Governmental Fund Types, Expendable Trust Funds, and Discretely Presented Component Unit
For the Fiscal Year Ended September 30, 1999

(Continued)

Fiduciary Fund Type	Expendable Trust	Primary Government Totals (Memorandum Only)	Downtown Improvement Authority Totals	Reporting Entity Totals (Memorandum Only)	
		September 30	September 30	September 30	
		1999	1999	1999	1998
\$	--	\$ 49,164	\$ 125	\$ 49,289	\$ 46,970
	--	4,536	--	4,536	4,067
	--	31,764	--	31,764	16,193
	--	21,845	--	21,845	20,852
	--	1,549	--	1,549	1,714
	--	90	--	90	134
	1,142	6,736	10	6,746	6,903
	(279)	(1,993)	(2)	(1,995)	1,580
	--	4,498	--	4,498	3,880
	863	118,189	133	118,322	102,293
	--	17,562	--	17,562	17,709
	--	46,355	--	46,355	43,074
	--	9,924	--	9,924	9,839
	--	5,951	--	5,951	4,958
	--	3,388	--	3,388	3,008
	--	14,168	--	14,168	11,874
	279	10,652	131	10,783	10,111
	--	31,144	--	31,144	54,067
	--	1,385	--	1,385	1,128
	--	1,424	--	1,424	1,138
	279	141,953	131	142,084	156,906
	584	(23,764)	2	(23,762)	(54,613)
	728	68,716	--	68,716	52,869
	(742)	(29,697)	--	(29,697)	(16,335)
	--	9	(9)	--	--
	--	--	--	--	3,870
	(14)	39,028	(9)	39,019	40,404
	570	15,264	(7)	15,257	(14,209)
	19,979	122,407	142	122,549	132,486
	--	--	--	--	(228)
	19,979	122,407	142	122,549	132,258
	--	--	--	--	4,500
\$	20,549	\$ 137,671	\$ 135	\$ 137,806	\$ 122,549

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

CITY OF TALLAHASSEE, FLORIDA

Statement of Revenues and Expenditures - Budget and Actual

General Fund

For the Fiscal Year Ended September 30, 1999

(in thousands)

	1999			1998	
	Budget	Actual on Budgetary Basis	Variance- Favorable (Unfavorable)	Actual on GAAP Basis	Actual on GAAP Basis
Revenues:					
Taxes.....	\$ 30,803	\$ 32,668	\$ 1,865	\$ 32,668	\$ 30,981
Licenses and Permits.....	3,773	4,272	499	4,272	4,067
Intergovernmental Revenues.....	11,685	11,820	135	11,820	11,631
Charges for Services.....	10,093	10,070	(23)	10,070	11,849
Fines and Forfeitures.....	1,850	1,463	(387)	1,463	1,619
Net Increase in FMV of Investments.....	--	(148)	(148)	(148)	--
Interest Earned.....	224	177	(47)	177	210
Miscellaneous Revenues.....	2,038	2,750	712	2,583	2,736
Total Revenues.....	60,466	63,072	2,606	62,905	63,093
Expenditures:					
Current:					
General Government.....	17,947	16,648	1,299	16,720	17,002
Public Safety.....	29,978	29,621	357	29,741	42,009
Transportation.....	10,480	9,767	713	9,677	9,445
Human Services.....	4,355	4,410	(55)	4,400	4,052
Economic Development.....	1,252	1,237	15	1,141	742
Physical Environment.....	3,476	3,363	113	3,325	3,185
Culture and Recreation.....	10,534	10,396	138	10,327	9,855
Debt Service.....	266	266	--	266	--
Total Expenditures.....	78,288	75,708	2,580	75,597	86,290
Excess of Revenues					
Over (Under) Expenditures.....	(17,822)	(12,636)	5,186	(12,692)	(23,197)
Other Financing Sources (Uses):					
Appropriated Fund Balance.....	2,783	2,783	--	--	--
Operating Transfers In.....	37,798	37,678	(120)	37,678	39,613
Operating Transfers Out.....	(22,759)	(25,816)	(3,057)	(25,816)	(14,059)
Total Other Financing					
Sources (Uses).....	17,822	14,645	(3,177)	11,862	25,554
Excess (Deficiency) of Revenues and					
Other Financing Sources Over (Under)					
Expenditures and Other Financing Uses.....	\$ --	\$ 2,009	\$ 2,009	\$ (830)	\$ 2,357

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

CITY OF TALLAHASSEE, FLORIDA

Combined Statement of Revenues, Expenses and Changes in
Retained Earnings/Fund Balances
All Proprietary Fund Types and Nonexpendable Trust Fund
For the Fiscal Year Ended September 30, 1999
(in thousands)

	Proprietary Fund Types		Fiduciary Fund Types	Totals (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust	September 30 1999	September 30 1998
Operating Revenues:					
Charges for Services.....	\$ 272,259	\$ 137,965	\$ --	\$ 410,224	\$ 410,395
Investment Revenue.....	--	--	370	370	387
Other.....	--	--	116	116	239
Total Operating Revenues.....	272,259	137,965	486	410,710	411,021
Operating Expenses:					
Personal Services.....	36,275	17,853	--	54,128	53,618
Fossil Fuel.....	56,599	--	--	56,599	51,831
Power Purchased.....	30,199	--	--	30,199	34,651
Gas Purchased.....	5,408	--	--	5,408	5,834
Materials and Supplies.....	9,634	2,122	--	11,756	9,847
Contractual Services.....	42,985	110,111	--	153,096	158,018
Other Expenses.....	10,503	8,552	--	19,055	18,340
Less: Applied Equipment Charges.....	(283)	--	--	(283)	(268)
Depreciation.....	23,582	7,347	--	30,929	30,110
Amortization.....	315	--	--	315	304
Benefit Payments.....	--	--	17	17	18
Administration.....	--	--	263	263	248
Total Operating Expenses.....	215,217	145,985	280	361,482	362,551
Operating Income (Loss).....	57,042	(8,020)	206	49,228	48,470
Non-operating Revenues (Expenses):					
Interest Revenue.....	9,073	3,159	--	12,232	13,866
Net Increase (Decrease) in the Fair Value of Investments.....	(2,370)	(766)	(100)	(3,236)	2,827
Gain on the Sale of Surplus Property.....	9	(42)	--	(33)	37
Grant Revenue.....	1,627	--	--	1,627	1,666
Other Revenues.....	7,029	--	--	7,029	9,819
Interest Expense.....	(12,467)	(1,485)	--	(13,952)	(10,663)
Other Expenses.....	(8,014)	--	--	(8,014)	(5,438)
Total Nonoperating Revenues (Expenses).....	(5,113)	866	(100)	(4,347)	12,114
Income (Loss) Before Operating Transfers.....	51,929	(7,154)	106	44,881	60,584
Operating Transfers In.....	4,149	772	--	4,921	3,979
Operating Transfers Out.....	(39,776)	(4,156)	(8)	(43,940)	(40,513)
Net Income.....	16,302	(10,538)	98	5,862	24,050
Disposition of Net Income:					
Depreciation on Contributed Assets.....	2,356	1,923	--	4,279	4,481
Net Increase in Retained Earnings/					
Fund Balances.....	18,658	(8,615)	98	10,141	28,531
Retained Earnings/					
Fund Balances - October 1.....	492,291	68,571	6,735	567,597	540,810
Cumulative Effect of a Change in Accounting Principle.....	--	--	--	--	(357)
Fund Balance - October 1 - As Restated.....	492,291	68,571	6,735	567,597	540,453
Residual Equity Transfers Out.....	(159)	(45)	--	(204)	(1,387)
Retained Earnings/					
Fund Balances - September 30.....	\$ 510,790	\$ 59,911	\$ 6,833	\$ 577,534	\$ 567,597

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

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CITY OF TALLAHASSEE, FLORIDA
CITY EMPLOYEES' PENSION PLANS
STATEMENT OF CHANGES IN PLAN NET ASSETS
September 30, 1999
(in thousands)

	September 30	
	1999	1998
Additions:		
Contributions:		
Employer.....	\$ 15,730	\$ 14,268
State.....	1,261	1,316
Plan Members.....	8,066	8,560
Total Contributions.....	25,057	24,144
Investment Income:		
Net Appreciation		
In Fair Value of Investments.....	114,734	29,583
Interest.....	24	542
Dividends.....	3,792	5,000
Securities Lending Collateral.....	2,532	1,562
Commission Recapture Income.....	5,710	449
	126,792	37,136
Less Investment Expenses:		
Investment Management Fees.....	2,089	2,335
Securities Lending Expenses:		
Interest Expenses.....	317	268
Agent Fees.....	105	53
Net Investment Income.....	124,281	34,480
Total Additions.....	149,338	58,624
Deductions:		
Benefits.....	14,247	13,197
Refunds of Contributions.....	1,036	949
Administrative Expense.....	440	405
Total Deductions.....	15,723	14,551
Net Increase.....	133,615	44,073
Net Assets Held in Trust for Pension Benefits (A schedule of funding progress is presented on page B-52.)		
October 1.....	712,466	668,393
September 30.....	<u>\$ 846,081</u>	<u>\$ 712,466</u>

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

CITY OF TALLAHASSEE, FLORIDA

Combined Statement of Cash Flows

All Proprietary Fund Types and Nonexpendable Trust Fund

For the Fiscal Year Ended September 30, 1999

(in thousands)

	Proprietary Fund Types		Fiduciary Fund Types	Totals (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust	September 30 1999	1998
Increase (Decrease) in Cash and Cash Equivalents:					
Cash Flows from Operating Activities:					
Cash Received from Customers.....	\$ 266,916	\$ --	\$ 116	\$ 267,032	\$ 279,457
Cash Received from Other Funds for Services.....	5,115	140,020	--	145,135	142,622
Cash Received from Other Revenues.....	2,216	--	--	2,216	5,017
Cash Payments to Suppliers for Goods and Services.....	(135,432)	(123,300)	--	(258,732)	(235,240)
Cash Payments to Employees for Services.....	(35,920)	(17,757)	--	(53,677)	(45,670)
Cash Payments for Services to Other Funds.....	(20,404)	--	--	(20,404)	(63,364)
Benefits Paid.....	--	--	(17)	(17)	(18)
Administrative Cost Paid.....	--	--	(263)	(263)	(248)
Cash Paid for Other Expenses.....	(7,382)	--	--	(7,382)	(5,786)
Net Cash Provided by (Used for) Operating Activities.....	75,109	(1,037)	(164)	73,908	76,770
Cash Flows from Noncapital Financing Activities:					
Operating Transfers In from Other Funds.....	4,149	772	--	4,921	3,979
Loans from Other Funds.....	3,856	--	--	3,856	2,000
Proceeds from Due to Other Funds.....	(43)	--	--	(43)	62
Operating Grants Received.....	1,670	--	--	1,670	1,587
Repayment of Advances.....	(338)	--	--	(338)	(134)
Operating Transfers Out to Other Funds.....	(39,153)	(4,156)	(8)	(43,317)	(40,513)
Net Cash Used for Noncapital Financing Activities.....	(29,859)	(3,384)	(8)	(33,251)	(33,019)
Cash Flows from Capital and Related Financing Activities:					
Receipts from Energy Loan Program.....	8,323	--	--	8,323	8,042
Capital Grants Received.....	3,648	--	--	3,648	5,376
Proceeds from the Sale of Property.....	7	(42)	--	(35)	30
Proceeds from the Sunshine State Loan.....	36,464	--	--	36,464	--
Proceeds from Revenue Bonds.....	130,839	--	--	130,839	--
System Charges.....	4,814	--	--	4,814	4,808
Acquisition and Construction of Capital Assets.....	(63,472)	(3,580)	--	(67,052)	(47,071)
Residual Equity Transfers Out.....	(154)	(45)	--	(199)	(1,153)
Principal and Refunding Payments.....	(76,369)	--	--	(76,369)	(9,243)
Repayment of Loans from Other Funds.....	(76)	3,624	--	3,548	(1,229)
Funding of Energy Loan Program.....	(8,368)	--	--	(8,368)	(8,222)
Interest Paid.....	(17,178)	(1,485)	--	(18,663)	(15,118)
Net Cash Provided by (Used for) Capital and Related Financing Activities.....	18,478	(1,528)	--	16,950	(63,780)
Cash Flows from Investing Activities:					
Proceeds from Sale & Maturities of Investment Securities.....	163,784	--	--	163,784	26,304
Receipts of Interest on Investments.....	13,965	2,936	370	17,271	15,539
Purchase of Investment Securities.....	(215,439)	--	--	(215,439)	(20,847)
Net Cash Provided by (Used For) Investing Activities.....	(37,690)	2,936	370	(34,384)	20,996
Net Increase (Decrease) in Cash and Cash Equivalents/Investments.....	26,038	(3,013)	198	23,223	967
Cash and Cash Equivalents/Investments - October 1.....	124,750	61,140	6,703	192,593	189,174
Cash and Cash Equivalents/Investments - September 30.....	150,788	58,127	6,901	215,816	190,141
Cumulative Effect of a Change in Accounting Principle.....	--	--	--	--	(357)
Unrealized Gain on Cash & Cash Equivalents/Investments.....	(2,370)	(766)	(100)	(3,236)	2,809
Cash and Cash Equivalents/Investments - September 30.....	\$ 148,418	\$ 57,361	\$ 6,801	\$ 212,580	\$ 192,593
Classified As:					
Unrestricted Assets.....	\$ 19,780	\$ 13,533	\$ 6,801	\$ 40,114	\$ 37,943
Restricted Assets.....	128,638	43,828	--	172,466	154,650
Cash and Cash Equivalents/Investments - September 30.....	\$ 148,418	\$ 57,361	\$ 6,801	\$ 212,580	\$ 192,593

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

CITY OF TALLAHASSEE, FLORIDA

Combined Statement of Cash Flows
All Proprietary Fund Types and Nonexpendable Trust Fund
For the Fiscal Year Ended September 30, 1999
(Continued)

	Proprietary Fund Types		Fiduciary Fund Types	Totals (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust	September 30 1999	1998
Reconciliation of Operating Income to Net Cash					
Provided by Operating Activities:					
Operating Income (Loss).....	\$ 57,042	\$ (8,020)	\$ 206	\$ 49,228	\$ 48,470
Adjustments to Reconcile Operating Income to					
Net Cash Provided by Operating Activities:					
Depreciation.....	23,582	7,347	--	30,929	30,110
Amortization.....	315	--	--	315	304
Provision for Uncollectible Accounts.....	(92)	--	--	(92)	(115)
Other.....	(5,202)	--	--	(5,202)	(758)
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable.....	(1,924)	328	(1)	(1,597)	1,836
(Increase) in Accrued Interest Receivable.....	--	--	(1)	(1)	--
(Increase) Decrease in Other Accounts Receivable.....	(244)	(2,773)	--	(3,017)	19,110
(Increase) Decrease in Inventory.....	(2,495)	736	--	(1,759)	(3,264)
(Increase) Decrease in Due from Other Funds.....	(709)	--	--	(709)	549
Increase (Decrease) in Accounts Payable.....	592	1,249	2	1,843	(20,630)
Increase in Due to Other Funds.....	21	--	--	21	107
Increase (Decrease) in Customer Contracts Payable.....	(2)	--	--	(2)	331
Increase in Utility Deposits Payable.....	1,201	--	--	1,201	908
Increase (Decrease) in Deferred Revenue.....	3,088	--	--	3,088	(9)
Increase (Decrease) in Accrued Leave.....	(138)	96	--	(42)	46
Increase in Prepaid Fees Credit.....	74	--	--	74	162
Interest Received on Investments.....	--	--	(370)	(370)	(387)
Total Adjustments.....	18,067	6,983	(370)	24,680	28,300
Net Cash Provided by Operating Activities.....	\$ 75,109	\$ (1,037)	\$ (164)	\$ 73,908	\$ 76,770
Noncash Investing, Capital, and Financing Activities:					
Interfund Transfers of Fixed Assets.....	\$ 2	\$ -	\$ -	\$ 2	\$ (65)

Cash and Cash Equivalents/Investments - September 30, 1999:

The Combined Statement of Cash Flows- All Proprietary Fund Types and Similar Trust Funds includes only Nonexpendable Trust Funds.
The Combined Balance Sheet includes all Trust Funds including Pension Trust and Expendable Trust Funds. The respective Cash and Cash
Equivalents/Investments balances as included on the Combined Balance Sheet are Pension Trust \$580,000; Expendable Trust Funds \$13,064,000

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

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NOTES TO FINANCIAL STATEMENTS

CITY OF TALLAHASSEE, FLORIDA

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CITY OF TALLAHASSEE, FLORIDA

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CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Tallahassee (the "City") have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, the GASB issued a codification of the then existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Standards and Interpretations), constitutes GAAP for governmental units.

Implementation of a new accounting and reporting standard effecting Internal Revenue Code Section 457 Deferred Compensation Plans is included in this report. See Note I.E. This summary of the City's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying general purpose financial statements.

A. REPORTING ENTITY

The City of Tallahassee is a political subdivision of the State of Florida, located in Leon County in the center of the Florida Panhandle. It is approximately 97 square miles in area. It is the capital of Florida, the county seat and the only incorporated municipality in Leon County. The City was incorporated in 1825 following a decision by the legislature to locate the capital of the new Florida Territory midway between the population centers of St. Augustine and Pensacola.

In 1919, the City was granted a new City Charter by the State Legislature authorizing a Commission-Manager form of government. In the original charter, the five City Commissioners were elected at large for four year terms and each year, the Mayor was selected by the Commissioners for a one year term to act as the official representative for the City. Tallahassee voters approved a charter change in November 1996 calling for a separately elected Mayor, thereby changing the structure of the Tallahassee City Commission. The first elected Mayor was elected in February 1997 for a four year term. The elected Mayor has powers commensurate with the other four members of the City Commission; however, he is able to serve as an ongoing contact for matters involving other governmental or institutional organizations, including the state legislature, county government, and local universities.

The City provides a full range of municipal services to its citizens. These services include public safety (police and fire), construction and maintenance of streets and sidewalks, stormwater management, recreation, public improvements, planning and zoning, and general administrative services. In addition, the City owns and operates eight enterprise funds which include a regional airport, a bus system, a golf course, and five utilities (an electric generator, transmission and distribution system, a natural gas distribution system, a water production and distribution system, a sewage collection and treatment system, and a solid waste collection system).

This report includes financial statements of the funds and account groups required to account for those financial activities which are related to the City and are controlled by or dependent upon the City's legislative body, the City Commission. Control or dependence upon the City was determined based on the existence of one or more of the following criteria: the basis of budget adoption, taxing authority, outstanding debt collateralized by revenues of general obligations of the City, and the City's legal responsibility to fund any deficits that may occur.

Based on the foregoing criteria, entities were evaluated for inclusion in the City of Tallahassee reporting entity with the following results:

Discretely Presented Component Units Included in the Reporting Entity:

Downtown Improvement Authority - The Downtown Improvement Authority (DIA) is an agency created by the Florida Legislature to regulate downtown growth. The governing board of the DIA is appointed by the City of Tallahassee Commission. The City can impose its will on the DIA by approving and/or modifying its budget. There are no separately issued financial statements for the DIA. The DIA utilizes governmental fund accounting.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE I (CONTINUED)

Joint Ventures Included in the reporting entity:

- Electric Utility Plant (Crystal River Unit 3)

In November 1975, the cities of Tallahassee (1.3333%), Alachua (0.0779%), Bushnell (0.0388%), Gainesville (1.4079%), Kissimmee (0.6754%), Leesburg (0.8244%), Ocala (1.3333%), and Utilities Commissions from New Smyrna Beach (0.5608%), Orlando (1.6015%), Sebring (0.4473%), and Seminole Electric Corporation (1.6994%), through a participation agreement with Florida Power Corporation, a corporation organized and existing under the laws of the State of Florida, purchased a 10% undivided ownership interest, as tenants in common, in the Crystal River Unit 3 (CR3) nuclear power plant operated and managed by Florida Power Corporation. In accordance with the agreement, the City participates in the cost and the power output of CR3 based on its respective interest; however, the City has no legal authority over the operations of the plant. CR3 revenue and operating maintenance costs, which represents the Electric Utility's share of all revenue and expenses attributable to operation of CR3, are properly recorded in accordance with the instructions as set forth in the Uniform System of Accounts. Payments are made to Florida Power Corporation in accordance with the CR3 participation agreement.

Condensed financial information is not available relating to the power plant.

The City has established a liability in the Electric Fund to recognize its estimated share of costs associated with decommissioning the nuclear plant. While the exact amount of this liability is not known, a liability of \$4,616,045 has been recognized as a reasonable estimate based on engineering estimates currently available. The plant's decommissioning is anticipated to begin in 2016. See subsequent events footnote at Note VI.

Joint Ventures excluded from the reporting entity:

- Sunshine State Governmental Financing Commission

In November 1985, the Sunshine State Governmental Commission (the "Commission") was created initially by the cities of Tallahassee and Orlando, Florida. As of September 30, 1999, the Commission's membership consists of the following governmental units: City of Coral Gables, Florida; City of Coral Springs, Florida; City of Daytona Beach, Florida; City of Ft. Lauderdale, Florida; City of Jacksonville, Florida; City of Lakeland, Florida; City of Miami, Florida; City of Miami Beach, Florida; City of Orlando, Florida; City of Tallahassee, Florida; City of Vero Beach, Florida; Miami-Dade County, Florida; Palm Beach County, Florida; and Polk County, Florida. In addition, the City of West Palm Beach, Florida and the City of St. Petersburg, Florida, participate in the Commission's programs as participants, including units of government such as school districts or other special districts. Each member government appoints a representative to the Commission. These representatives elect a five-member board of directors to administer the loan program.

As a joint venture among the member governmental units, the Commission enables a limited number of qualifying governments to participate in pooled debt financings with pricing and cost structures not normally available to governmental entities acting individually. Loan obligations from the Commission are reflected as debt by the participating governmental units.

In July 1986, the Commission issued the revenue bonds in the aggregate principal amount of \$300 million. Approximately \$294 million is currently outstanding. In February 1994, a separate financing program (Series 1994) was created whereby the Commission commenced issuing commercial paper notes (taxable and tax-exempt). The commercial paper notes are classified as long-term notes and credit enhancement is provided separately by three bond insurance companies. Liquidity support is currently provided by a banking institution. Financing sources are pooled so that none of the notes are directly related to any loan. The notes are secured by loan agreements with participants that in turn are secured by insurance policies that guarantee the participant loan repayments. Approximately \$311 million is currently outstanding under this program.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE I (CONTINUED)

The City of Tallahassee has no obligation and minimal event risk associated with the Commission other than the repayment of its loan from the Commission. Condensed financial information relating to the Commission as of September 30, 1999, is as follows:

Total Assets.....	\$642,353,222	Total Operating Revenue.....	\$ 15,734,466
Total Liabilities.....	\$642,353,222	Total Operating Expense.....	\$ 18,810,602
Total Retained Earnings.....	\$ --	Operating Loss.....	\$ 3,076,136
		Non-Operating Income.....	\$ 3,076,136
		Net Income.....	\$ --

Financial statements may be obtained from the Sunshine State Governmental Financing Commission.

B. BASIS OF PRESENTATION

The accounting records of the City are organized on the basis of funds and account groups. For reporting purposes, the various funds of the City are classified into three basic fund types: governmental funds, proprietary funds, and fiduciary funds. In addition to the various fund types, a fourth category of accounting entities is the account groups.

The following fund types and account groups are used by the City:

GOVERNMENTAL FUNDS

The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon determination of net income. The following is a description of the Governmental Funds of the City:

GENERAL FUND is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

DEBT SERVICE FUNDS are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

CAPITAL PROJECTS FUNDS are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, financial position, and cash flows. The generally accepted accounting principles utilized for these funds are similar to those used by businesses in the private sector. The following is a description of the Proprietary Funds of the City:

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

INTERNAL SERVICE FUNDS are used to account for the financing of goods or services provided by one department or agency of the City to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE I (CONTINUED)

FIDUCIARY FUNDS

TRUST AND AGENCY FUNDS are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust, Nonexpendable Trust, Agency, and Pension Trust Funds. Pension Trust Funds and Nonexpendable Trust Funds are accounted for in essentially the same manner as Proprietary Funds since capital maintenance is critical. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUPS

Account Groups are used to establish control and accountability over the City's general fixed assets and the unmatured principal of its general long-term debt, which is not associated with, nor the obligation of, the proprietary or trust funds. Accordingly, the City maintains the following Account Groups:

- General Fixed Assets Account Group - this account group is used to establish control and accountability over the City's general fixed assets which are not associated with the Proprietary or Trust Funds.
- General Long - Term Debt Account Group - this account group is used to establish control and accountability over the unmatured principal of the City's general long-term debt which is not the obligation of the Proprietary or Trust Funds.

MEMORANDUM ONLY - TOTALS COLUMNS - Comparative data included in these notes and amounts in the "Totals (Memorandum Only)" columns in the combined financial statements represent a summation of the combined financial statement line items of the fund types and account groups and are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

COMPARATIVE DATA - Comparative total data for the prior year has been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand. Certain balances presented in the financial statements for the year ended September 30, 1998, have been reclassified for comparative purposes in the accompanying general purpose financial statements.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds, Expendable Trust Funds, and Agency Funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available as net current assets. The types of revenues considered to be susceptible to accrual are: grant revenues, rent revenues, cigarette tax revenue, telecommunications revenue, mobile home licenses, state revenue sharing, and special assessments, etc. Interest earned on special assessment levies and interest expenses on offsetting long-term debt are not accrued unless fully matured and unpaid. Property taxes are accounted for on the modified accrual basis of accounting when measurable and available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on general long-term debt are recognized when due.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 1999

NOTE I (CONTINUED)

All Proprietary Funds, Nonexpendable Trust Funds, and Pension Trust Funds are accounted for using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Utility revenues are recorded as earned. Fuel adjustment revenues are recognized based on the actual fuel costs. Amounts are charged based on estimated costs and are adjusted semi-annually for any differences between the actual and estimated cost once actual costs are known.

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

D. BUDGETARY DATA

1. **BUDGET POLICY** - Budgets are legally adopted for the General and Enterprise Funds. Each Budget is controlled at the fund level. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) with the exception that encumbrances are reported as expenditures in the year the commitment is incurred and in the current year, fund balance is appropriated for current year expenditures. The City Manager is authorized to transfer budget amounts within departments; however, any revision that alters the total expenditures of any department or fund must be approved by the City Commission. During the year, several supplementary appropriations were necessary to ensure that expenditures did not exceed budgeted appropriations. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the general purpose financial statements represents final authorized amounts. Unencumbered appropriations are closed at year end.

2. **ENCUMBRANCES** - Encumbrance accounting, under which requisitions, purchase orders, contracts, and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Expendable Trust Funds and Capital Projects Funds. Encumbrances outstanding at year end are reported as reservations of fund balance, since they do not constitute expenditures or liabilities.

E. CHANGES IN ACCOUNTING PRINCIPLES

Beginning with Fiscal year 1999, deferred compensation plan transactions formerly reported in the Agency Fund are excluded from the City of Tallahassee's financial reporting.

In December 1998, the City established a Trust Agreement where all assets and income of the City Deferred Compensation Plan are held in trust, in accordance with Internal Revenue Code Sections 457 (b) and (g). The Deferred Compensation Plan is an eligible deferred compensation plan within the meaning of the Internal Code of 1986 and the Employee Retirement Income Security Act of 1974.

Amendments to the laws governing Section 457 plans substantially become effective January 1, 1997. The City approved plan amendments such that plan assets are held in trust for the benefit of the plan participants and their beneficiaries. The assets will not be diverted to any other purpose. Therefore, the financial activity of these plans is no longer reported in the City's Agency Fund. As a result, Agency Fund assets and liabilities were decreased by \$14.127 million as of September 30, 1999.

Effective October 1, 1997, the City adopted Governmental Accounting Standards Board GASB No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. In accordance with GASB No. 31, all investments of the City are recorded at fair value except for funds invested in a 2a7-like pool and certain non-participating contracts (see Note I-F-2).

Restatement of prior period financial statements to implement GASB No. 31 was not considered practical due to the significant volume and turnover of individual securities within the City's portfolio. As a result, the cumulative effect of applying GASB No. 31 is reported as a restatement of beginning fund balances or retained earnings, as appropriate, for the fiscal year ended September 30, 1998.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE I (CONTINUED)

F. ASSETS, LIABILITIES AND FUND EQUITY

1. CASH AND CASH EQUIVALENTS/INVESTMENTS - The City considers cash on hand, cash with fiscal agents, demand deposits and bank repurchase agreements with an original maturity of 90 days or less to be cash and cash equivalents/investments. In addition, each fund's equity in the City's investment pool has been treated as cash equivalents/investments since cash may be withdrawn from the pool at any time without prior notice or penalty.

2. INVESTMENTS - In 1997, the City adopted GASB No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans; accordingly, investments of the City's Employees' Pension Plan, and Matched Annuity Plan Program are stated at fair value. Fair values are based on quoted values in custodian statements and/or quoted market prices.

In 1998, the City adopted GASB No. 31, Accounting and Financial Reporting for Certain Investments and for External Investments Pools (see Note I-E); accordingly, the City's investments, except for funds invested in a 2a7-like pool and certain non-participating contracts, are stated at fair value. Fair value is based on quoted market prices as of the valuation date.

The 2a7-like pool, the Florida State Board of Administration Local Government Surplus Funds Trust Fund (Pool), and certain non-participating contracts are stated at amortized cost. The fair value of the City's position in the pool is the same as the value of the pool shares (account balance at amortized cost). The Pool is not a registrant with the Securities and Exchange Commission; regulatory oversight of the Pool is governed by Ch. 19-7 of the Florida Administrative Code which identifies the Rules of the Pool, and the operating procedures adopted by the Pool which are consistent with the requirements for a 2a7-like fund. In addition, the Auditor General of the State of Florida performs the operational audit of the activities and investments of the Pool.

3. INVENTORY - The City maintains a variety of inventory types stated at cost or the lower of cost or market in different funds as follows:

<u>Inventory Type</u>	<u>Fund</u>	<u>Valuation Method</u>
Maintenance & Repair Parts	Electric Fund	First-in, first out
Fuel	Electric Fund	Moving average
Fuel	Gas Fund	Moving average
Fuel	Tallahassee Transit Fund	Moving average
Maintenance parts & tires	Tallahassee Transit Fund	Weighted average
Maintenance & repair parts	Water	First-in, first-out
Maintenance & repair parts	Sewer	First-in, first-out
Retail merchandise	Golf Course Fund	First-in, first-out
Parts, Tires and fuel	Internal Service Funds	Moving average
Maintenance & repair parts	General Fund	Moving average

Perpetual inventory records are maintained for all significant inventories. Under the purchase method, inventories of the General Fund are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets of the fund. Reported inventories of the General Fund are equally offset by a fund balance reserve, which indicates the assets are unavailable for appropriation even though they are a component of reported assets.

4. ADVANCE TO/FROM OTHER FUNDS - Non-current portions of interfund loans receivable (reported in "Advance to" asset accounts) of governmental funds are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of interfund receivables (reported in "Due from" asset accounts) are considered "available spendable resources". The proceeds of advances to governmental funds are recorded in "Other Financing Sources".

5. FIXED ASSETS - Fixed assets, except for vehicles, used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Vehicles are accounted for in the Garage Fund.

No depreciation has been provided on general fixed assets. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized, as these assets are immovable and have value only to the City.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE I (CONTINUED)

Fixed Assets, except for vehicles, used in the Enterprise, Internal Service Funds and Expendable Trust Funds are accounted for in the respective funds. Vehicles are accounted for in the Garage Fund. Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. Depreciation is charged to contributed capital for those assets constructed or purchased with funds received from Grants, Entitlements or Shared Revenues. All fixed assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated fixed assets are valued at their fair market value on the date donated.

The estimated useful lives are as follows:

Buildings	10 to 40 Years
Improvements other than Buildings	10 to 65 Years
Machinery and Equipment	10 to 60 Years
Vehicles	5 to 15 Years

The City follows the Federal Energy Regulatory Commission's Uniform System of Accounting; therefore, retirements of Utility Funds' plant in service are accounted for in accordance with Federal Energy Regulatory Commission regulations, whereby, when an asset is retired, the cost of the asset is charged to accumulated depreciation.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

- 6. BOND DISCOUNTS, ISSUANCE COSTS, AND REFUNDING GAINS AND LOSSES** - For the proprietary fund types, bond discounts and issuance costs are deferred and amortized over the term of the bonds using the effective interest method. Bond discounts are presented on the general purpose financial statements as such and issuance costs are presented as other assets. Beginning with fiscal year 1995, bond refunding gains and losses are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method, and presented as other liabilities.

G. REVENUES, EXPENDITURES AND EXPENSES

- 1. PROPERTY TAXES** - Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to ensure consistent property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 1999 was 3.200.

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

The current year taxes for the fiscal year, beginning October 1, are billed in the month of November and are due no later than March 31. On April 1, all unpaid amounts become delinquent and are subject to interest and penalties. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE I (CONTINUED)

Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five year statute of limitations.

The City Tax Calendar is as follows: Valuation Date: January 1; Levy Date: November 1; Due Date: March 31, Succeeding Year; and Lien Date: April 1, Succeeding Year.

2. GRANTS AND OTHER INTERGOVERNMENTAL REVENUES - Grants and other intergovernmental revenues recorded in governmental funds are recognized as revenue in the period when they are measurable and available (modified accrual basis of accounting) within the parameters of legal and contractual requirements. In enterprise funds, grants and other intergovernmental resources that are externally restricted to capital acquisition or construction are recorded as contributed equity (Contributed Capital accounts) and recognized in the period in which they are earned and become measurable (accrual basis of accounting). Grants and other intergovernmental resources for enterprise fund operating purposes are recognized as "non-operating" revenues on the accrual basis of accounting.

3. IMPACT FEES - Impact fees are recognized as other non-operating revenue (system charge revenues) in the Water and Sewer Funds. These revenues are collected for the exclusive use of the water and sewer systems.

4. AMORTIZATION OF NUCLEAR FUEL - The costs of nuclear fuel, including estimated disposal cost, are charged to operating expenses. These costs are charged to customers through increased rates or through the fuel adjustment clause.

5. COMPENSATED ABSENCES - All full-time employees earn vacation and sick leave starting with the first day of employment; all part-time employees earn vacation and sick leave in proportion to the number of hours in their normal work day.

Vacation leave is earned based on years of continuous and creditable service as follows:

<u>Executive</u>		<u>Senior Management</u>		<u>General</u>	
<u>Years of Service</u>	<u>Total Days Per Year</u>	<u>Years of Service</u>	<u>Total Days Per Year</u>	<u>Years of Service</u>	<u>Total Days Per Year</u>
Up to 1	15	Up to 1	15	Up to 5	15
1 to 5	21	1 to 5	18	5 to 10	18
5 to 10	24	5 to 10	21	10 to 20	21
Over 10	27	10 to 20	24	Over 20	24
		Over 20	27		

A maximum of 43 days of vacation leave time may be carried over from one fiscal year to the next for executive employees and a maximum of 33 days for senior management and general employees. An employee who terminates employment with the City is paid for any unused vacation leave accumulated to the time of termination.

Sick leave is earned at the rate of four hours for each month of service with no maximum limit on the number of hours which may be accumulated. Effective May 1, 1991, employees who have 24 months continuous service and who experience an absence in excess of 48 consecutive work hours for a medically certified illness or disability are also eligible for Catastrophic Illness Leave up to a lifetime maximum of 1200 hours. An employee who terminates from the City for any reason other than termination for cause will be paid one-half of the total amount of sick leave (without regard to catastrophic illness leave) accumulated by him or her on the effective date of termination. If the employee dies, the sick leave amount will be paid to the employee's beneficiary or estate. Retiring employees can elect the option of using the accumulated sick leave amount to purchase single coverage health insurance in lieu of receiving payment.

Accumulated current and long term vacation and sick pay amounts are accrued when vested in Proprietary Funds. For Governmental Funds, the liability is recorded in the General Long-Term Debt Account Group. The City has established a reserve in the Human Resources Fund (an Internal Service Fund) to fund accrued leave pay outs which are in excess of annual budgetary amounts.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE I (CONTINUED)

6. INTERFUND TRANSACTIONS

- a. **INTRA-GOVERNMENTAL CHARGES** - Certain functions of the City of a general and administrative nature are accounted for in internal service funds. The costs accumulated in these funds are allocated to the various funds benefited by the services via charges which are recorded as charges for services in the internal service funds and expenses or expenditures in the benefited funds. Such costs allocated to the funds for the year ended September 30, 1999 are as follows (in thousands):

General.....	\$ 11,490
Fire.....	1,493
Electric.....	83,806
Gas.....	6,909
Sewer.....	3,221
Water.....	3,401
Airport.....	498
Tallahassee Transit.....	653
Solid Waste.....	2,508
Golf Course.....	13
Stormwater Management.....	<u>1,196</u>
	<u>\$115,188</u>

- b. **TRANSFERS** - All interfund transactions except advances, quasi-external transactions and reimbursements are accounted for as transfers. Non-recurring or non-routine transfers of equity between funds are considered residual or capital equity transfers. All other interfund transactions are treated as operating transfers.

7. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS - The following schedule reconciles the "Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis" to the "Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - GAAP Basis" for the General Fund for the year ended September 30, 1999 (in thousands):

Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis.....	\$2,009
Adjustments:	
Cancellation of Prior Year Encumbrances....	(167)
Expenditures against Prior Year Encumbrances.....	(1,070)
Recognition of Current Year Encumbrances.....	1,181
Appropriated Fund Balance.....	<u>(2,783)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - GAAP Basis...	<u>\$ (830)</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE I (CONTINUED)

8. BUDGETARY COMPLIANCE SCHEDULES ON A FUND BASIS: - The following schedule presents a comparison on a fund basis of budget to actual expenditures. The City's legally adopted budget for the General Fund requires that encumbrances be reported as expenditures. Budgetary basis expenditures include encumbrances to reflect actual expenditures on a basis consistent with the legally adopted budget. The schedule includes budgetary comparisons for both Enterprise, on a GAAP basis, and General Fund, on a budgetary basis, operations (in thousands):

<u>Funds</u>	<u>Budget</u>	<u>Expenditures and Operating Transfers Out</u>	<u>Variance</u>
General Fund.....	\$ 101,047	\$ 101,524	\$ (477)
Fire Fund.....	13,705	14,497	(792)
Electric Fund.....	186,079	180,781	5,298
Airport Fund.....	6,875	6,725	150
Gas Fund.....	16,222	13,861	2,361
Sewer Fund.....	28,381	25,819	2,562
Water Fund.....	18,763	18,051	712
Tallahassee Transit Fund.....	8,115	7,834	281
Solid Waste Fund.....	14,759	15,168	(409)
Golf Course Fund.....	900	851	49
Stormwater Fund.....	9,083	8,814	269
Cemetery Perpetual Care Fund.....	279	266	13
Residential Energy Conservation Fund.....	601	576	25
Totals.....	<u>\$ 404,809</u>	<u>\$ 394,767</u>	<u>\$ 10,042</u>

The negative variances in the General Fund, Fire Fund and the Solid Waste Fund are a result of overtime exceeding projections.

9. AIRPORT FUND'S LEASING OPERATIONS - The Airport Fund's leasing operations consist principally of leasing land and buildings under operating leases to airlines, rental car agencies and other commercial enterprises. Lease terms vary from one to twenty-five years and require, in some cases, that leasehold improvements be contributed to the City at lease termination. The following is a schedule, by years, of minimum future rentals on noncancelable operating leases of the Airport Fund as of September 30, 1999 (in thousands):

Years ending September 30,	
2000.....	\$ 1,921
2001.....	1,682
2002.....	1,631
2003.....	1,633
2004.....	1,587
Thereafter.....	6,856
	<u>\$ 15,310</u>

Total minimum future rentals do not include contingent rentals that may be realized under certain leases that require additional rent if the tenant's gross revenues exceed stipulated minimums. Contingent rentals for the fiscal year ended September 30, 1999 amounted to \$130,000.

In October 1989, the City entered into a fifteen-year lease and use agreements with its major airline tenants, the signatory airline agreements. Among other provisions, the agreements require that landing fees and terminal rentals be reviewed annually and adjusted so that the total revenues of the Airport System are sufficient to meet the Airport Fund's requirements as determined by the signatory airline agreements. At the end of the fiscal year, after all required deposits have been made, a portion of remaining funds are required to be designated as the Prepaid Fees Credit to be credited against the subsequent year's rates for rentals, fees and charges. Remaining funds are to be designated to the Prepaid Fees Credit as follows: 60% for the first five fiscal years, and 50% in subsequent fiscal years. The allocation of the Prepaid Fees Credit is 85% toward terminal rentals and 15% toward landing fees.

The Prepaid Fees Credit is recorded as a current liability in the amount of \$636,000 and \$562,000 for the 1999 and 1998 fiscal years, respectively.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE I (CONTINUED)

The residual portion of remaining funds, (40% for the first five fiscal years and 50% for subsequent fiscal years), is to be allocated to the Signatory Airline Capital Account (25% up to \$156,235, adjusted for inflation) and the Airport System Capital Account (75%). Signatory airlines constituting a majority-in-interest shall direct the use of the Signatory Airline Capital Account. Funds on credit to the Airport System Capital Account shall generally be used to pay the costs of improvements in other than airline supported areas; or the cost of improvements in airline supported areas for which the signatory airlines are not financially responsible under the agreement.

The minimum rentals to be paid by the signatory airlines under this agreement will vary each year and such amounts have not been included in the above schedule of minimum future rentals.

The fifteen year lease and use agreements with the City's major airline tenants (the signatory airline agreements) are reliant on the ongoing operations of the signatory airlines.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

The City has no material violations of finance-related legal and contractual provisions.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

The City has no excess of expenditures over appropriations in individual funds.

C. DEFICIT RETAINED EARNINGS - FUND BALANCE OF INDIVIDUAL FUNDS

The City has no deficit Retained Earnings or Fund Balances.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 1999

NOTE III - DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS

A. ASSETS

1. CASH AND CASH EQUIVALENTS AND INVESTMENTS

The City of Tallahassee maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reported in "Cash and Cash Equivalents/Investments." Interest earned by this pool is distributed to each fund monthly based on weekly balances. In addition, investments are separately held by several of the City's funds.

Deposits - At year end, the book balance of the City's deposits was \$83,436,885 and the bank balance was \$83,364,345. The difference between the book balance and bank balance is due to outstanding checks and deposits. The bank balance is insured by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Investments - The City's investment guidelines, as defined by the City Charter and its written investment policies, are approved by the City Commission or the Sinking Fund Commission. The City has two approved investment policies: 1) the Non-Pension Investment Policy, which covers the investment of all non-pension monies of the City, including the previously referenced cash and investment pool; and, 2) the Pension Investment Policy governing the investment of all assets of the City Pension Funds. The Non-Pension Investment Policy provides for a Core Portfolio, governing the investment of all monies held or controlled by the City, not otherwise classified as Specialized or Pension monies. The Policy specifies the investments that are authorized for purchase for the Core Portfolio. The Policy further provides for certain portfolios to be designated as Specialized Portfolios, with the governing criteria unique to that portfolio, including authorized investments, to be approved on a case-by-case basis by the Investment Advisory Committee. According to the City Charter, the City Treasurer-Clerk is designated to invest all monies belonging to the City pursuant to the policies approved by the City Commission, except those monies in the Pension Funds. Monies in the Pension Funds are invested under the auspices of the City Charter-created Sinking Fund Commission, which consists of the five City Commissioners and three appointed members. Under the policies approved by the City Commission and the Sinking Fund Commission, the day-to-day investment of all monies is managed by the City Treasurer-Clerk.

The City's banking arrangement requires daily cash balances to be invested in an overnight repurchase agreement at the federal fund rate. The repurchase agreement's balance at September 30, 1999 is \$-0-.

Authorized investment instruments for The Non-Pension Core Portfolio are as follows:

Repurchase Agreements	Fixed Income Securities rated at least A1/A+ for
Certificates of Deposit	corporate securities and A for municipal securities
Bankers' Acceptances	(or comparable rating) by at least two
Commercial Paper Rated A1/P1 (or comparable	nationally recognized rating agencies
rating) by at least two nationally recognized	Fixed Income Mutual Funds and Money Managers
rating agencies	Investment Agreements and Guaranteed Investment
U. S. Treasury Bills, Bonds, Notes and Stripped	Contracts
Securities	Florida State Board of Administration Local
U. S. Government Agencies Bonds, Notes and	Governments Surplus Funds Investment Pool
Stripped Securities	and other authorized government-sponsored
	pools

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE III (CONTINUED)

In addition to authorizing investment instruments, the City's policies also identify various portfolio parameters addressing issuer diversification, term to maturity and liquidity, and requirement of "purchase versus delivery" perfection for securities held by a third party on behalf of and in the name of the City.

The City's investments for all pools are summarized and categorized under GASB 3 guidelines as follows to give an indication of the level of risk assumed by the City at September 30, 1999 (in thousands):

	Category			Reported	Fair
	1	2	3	Amount	Value
U. S. Government					
Securities.....	\$ 55,174	\$ --	\$ --	\$ 55,174	\$ 55,174
U. S. Government Agencies	69,525	--	--	69,525	69,525
Corporate Fixed Income					
Securities.....	29,094	--	--	29,094	29,094
Corporate Equity Securities.....	148,973	--	--	148,973	148,973
	<u>\$ 302,766</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 302,766</u>	<u>\$ 302,766</u>
Investment in Florida State Board of Administration					
Local Governments Surplus Funds Investment Pool.....				171,129	171,129
Investment in Mutual Funds.....				331,807	331,807
Investment in Guaranteed Investment Contract.....				38,523	38,523
Investment in Real Estate.....				27,520	27,520
Fixed Income Investment				321,165	322,165
Total Investments				<u>\$ 1,192,910</u>	<u>\$ 1,192,910</u>
Accrued Interest.....				<u>\$ 1,975</u>	<u>\$ 1,975</u>

Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the 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 in the City's name or held by the counterparty's trust department or agent, but not in the name of the City.

2. SECURITIES LENDING TRANSACTIONS

State statutes do not prohibit the City of Tallahassee from participating in securities lending transactions, and the City has, via a Securities Lending Authorization Agreement, authorized State Street Bank & Trust Company ("State Street") to lend its securities to broker-dealers and banks pursuant to a form of loan agreement.

During the 1999 fiscal year, State Street lent, at the direction of the City of Tallahassee, the City's securities and received cash, securities issued or guaranteed by the United States government, and irrevocable bank letters of credit as collateral. The institution had the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 100% of the market value of the loaned securities.

The City did not impose any restrictions during the 1999 fiscal year on the amount of the loans that State Street made on its behalf and this entity indemnified the City for losses attributable to violations by the entity of the Standard of Care set out in the Agreement. There were no such violations during the 1999 fiscal year. Moreover, there were no losses during the 1999 fiscal year resulting from a default of the borrower.

During the 1999 fiscal year, the City and the borrower maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in collective investment pools with the lender. The average duration of the investment pool as of September 30, 1999 was 65 days. Because the loans were terminable at will their duration did not generally match the duration of the investments made with cash collateral. On September 30, 1999, the City had no credit risk exposure to borrowers. The collateral held and the market value of securities on loan through State Street for the City as of September 30, 1999 were \$81,838,504 and \$80,182,461, respectively.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 1999

NOTE III (CONTINUED)

3. FIXED ASSETS

During the fiscal year ended September 30, 1999, the following changes occurred in the general fixed assets account group (in thousands):

	Balance October 1, 1998	Additions and Transfers In	Deletions and Transfers Out	Balance September 30, 1999
Land	\$ 50,030	\$ 428	\$ --	\$ 50,458
Buildings	58,502	3,842	--	62,344
Improvements Other Than Buildings	22,371	1,964	--	24,335
Equipment	13,796	1,450	487	14,759
Construction in Progress	31,406	20,675	21,648	30,433
	<u>\$ 176,105</u>	<u>\$ 28,359</u>	<u>\$ 22,135</u>	<u>\$ 182,329</u>

General fixed assets construction in progress consisted of the following at September 30, 1999 (in thousands):

	Project Authorized	Expended	Committed	Required Future Funding
Land Acquisition	\$ 2,015	\$ 1,786	\$ 229	None
Parks & Recreation Facilities	5,438	1,853	3,585	None
Police Station Expansion/Equipment	5,168	5,059	109	None
Science Center	2,050	2,050	--	None
Gymnastics Center	3,581	3,532	49	None
Fire Station Relocation	10,703	4,118	6,585	None
System Upgrade	13,287	6,508	6,779	None
Miscellaneous Projects	8,300	5,527	2,773	None
	<u>\$ 50,542</u>	<u>\$ 30,433</u>	<u>\$ 20,109</u>	None

Proprietary fund type fixed assets consisted of the following at September 30, 1999 (in thousands):

	Enterprise	Internal Service
Land	\$ 12,047	\$ 44
Structures and Improvements	333,828	5,730
Equipment	556,624	12,880
Vehicles	287	68,997
Construction in Progress	161,449	--
Total	1,064,235	87,651
Less: Accumulated Depreciation	(334,927)	(45,962)
Net Proprietary Fixed Assets	<u>\$ 729,308</u>	<u>\$ 41,689</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE III (CONTINUED)

Net interest costs incurred during long-term construction projects are capitalized. Capitalized interest in the proprietary funds consisted of the following at September 30, 1999 (in thousands):

	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Airport Fund
Total Interest Cost Incurred	<u>\$11,908</u>	<u>\$ 439</u>	<u>\$ 3,123</u>	<u>\$ 934</u>	<u>\$ 837</u>
Interest Cost Capitalized	\$ 5,416	\$ 248	\$ 897	\$ 169	\$ 139
Interest Earned Bond Proceeds	<u>(4,303)</u>	<u>(3)</u>	<u>(535)</u>	<u>(39)</u>	<u>(26)</u>
Net Interest Capitalized	<u>\$ 1,113</u>	<u>\$ 245</u>	<u>\$ 362</u>	<u>\$ 130</u>	<u>\$ 113</u>

B. LIABILITIES

1. PENSION PLAN

The City of Tallahassee Pension Plan (the "Plan") was established by Chapter 17 of the City Code of Ordinances. The Plan is administered by the City of Tallahassee. Under the Plan the City provides a single-employer defined benefit provision covering general employees (Article II), police officers (Article III) and firefighters (Article IV), and a defined contribution provision (Article V - Matched Annuity - MAP) covering all City employees. The Defined Benefit and Defined Contribution provisions are combined and reported as one plan in the financial statements. The provisions of the Plan are "qualified" under the Internal Revenue Service Code, which makes employee contributions tax deferred.

a. Defined Benefit Provision - Established through Parts A, B, and C in Articles II, III, and IV. Parts A and B are closed to further participation while part C provides coverage to all new employees. All members of the Plan are covered by one of these parts depending upon employment date. These parts provide a detail description of the various defined benefit provisions. These provisions include the types of employees covered, benefit provisions, employee eligibility requirements for normal, early and/or vested retirements, and the related benefits for each of these retirements, pre-retirement death benefits, and provisions for disability retirements. There are also post retirement cost-of-living adjustments (COLA) and health care supplements.

b. Defined Contribution Provision - All employees (general, firefighters, and police officers) may elect to contribute a portion of their salary to the Plan. General employees, Firefighters and Police Officers can contribute up to 20% of their gross pay not to exceed the maximum amount allowed by the Internal Revenue Service. The City contributes 5% to each general employee's MAP account. Upon reaching normal retirement age or retiring under the Plan, a participant shall be paid his contributions, together with accrued earnings. If a general employee uses the contributions and accrued earnings to purchase an annuity contract, the Plan will increase the amount of funds (only on the City's 5%, employee flex matched contribution and employees' contribution up to the 5%) used by the participant by a factor of 50 percent. Employee contributions (including the City's 5% contribution to each general employees MAP account) plus accrued earnings thereon are 100% refundable if the employee elects to terminate his vesting rights or is not vested at the date of employment termination.

c. Pension Plan Information -

1999 Membership Statistical Information

A.	Retirees and beneficiaries of deceased retirees currently receiving benefits	726
B.	Terminated employees entitled to benefits but not yet receiving benefits	128
C.	Active employees	2,617
D.	Total current year's payroll	\$92,866,600
E.	Current year payroll for employees covered by the Plan	\$88,637,000

d. Actuarially Determined Contribution Requirements and Contributions Made - The contributions required to support the benefits under Article II, III and IV, other than pre-retirement death benefits, are determined based on a level funding approach and consist of a normal contribution and an accrued liability contribution. The normal contribution is determined using the entry age actuarial cost method. Under this method, a calculation is made to determine the uniform and constant percentage rate of contribution which, if applied to the compensation of the average new member during the entire period of his anticipated covered service, would be required to meet the cost of all benefits payable on his behalf.

The unfunded actuarial accrued liability contribution is funded when necessary using the entry age actuarial cost method with amortization period of fifteen years. Additional contributions are made on a term cost basis to support the pre-retirement death benefits.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE III (CONTINUED)

Employer contributions required to support the benefits under Article V (MAP Program) are determined following a level funding aggregate approach. The present value of prospective employer contributions is determined by subtracting the present value of prospective member contributions and present assets from the total present value of benefit expected to be paid from the program. Contributions during fiscal year 1999 totaling \$10,703,000 (\$5,809,000 employer contributions representing 8.10% of covered payroll for general employees and \$4,894,000 voluntary employee contributions representing 5.04% of total covered MAP payroll), were made in accordance with contribution requirements determined through an actuarial valuation performed as of September 30, 1997. Total covered payroll for the MAP program was \$71,706,000 for general employees. Total covered payroll for fiscal year 1999 was \$97,146,000. Contributions are based on rates of covered payroll of 8.10% for the City and voluntary employee contributions of 0% - 20% for general employees, firefighters and police officers.

Contributions to the Defined Benefit Plan in 1999 amounted to \$13,093,000 of which \$9,920,000 and \$3,173,000 were made by the City and its employees, respectively. In addition, the State of Florida contribution for the Police and Fire plans amounted to \$720,000 and \$541,000, respectively. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of September 30, 1997. Contributions made by the City of Tallahassee and its employees are detailed in the table noted below.

The significant actuarial assumptions used to compute the actuarially determined contribution requirements include (a) an interest rate of 8% per annum compounded annually, (b) projected salary increases for inflation and merit of 6.5% per annum compounded annually, (c) inflation rate of 4.5% and, (d) post retirement benefit increases including 3% cost-of-living adjustments and a health care supplement.

The employer pension cost and contribution made as a percentage of payroll for each Plan is as follows (in thousands):

	General Employees		Police		Firefighters	
	Amount	Percent of Payroll	Amount	Percent of Payroll	Amount	Percent of Payroll
Contribution Requirements:						
Normal Cost.....	\$ 9,627	14.37%	\$ 2,803	21.67%	\$ 1,924	22.14%
Contribution Made:						
City	\$ 7,586	11.32%	\$ 1,510	11.67%	\$ 825	9.49%
Employee.....	2,041	3.05%	573	4.43%	558	6.42%
State of Florida	--	--	720	5.57%	541	6.23%
Total.....	\$ 9,627	14.37%	\$ 2,803	21.67%	\$ 1,924	22.14%

A separate Article V MAP employer contribution is also payable for general employees, police officers and firefighters. The Article V MAP employer contribution for general employees was 8.10%, 8.08% and 7.54% for 1999, 1998 and 1997, respectively.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE III (CONTINUED)

e. Trend Information - Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

The following historical trend information, prepared in accordance with GASB No. 27, provides information on progress made in accumulating sufficient assets to pay benefits when due. The purpose of the schedule is to establish a consistent method for analyzing and making comparisons among different public retirement systems. The following information also presents three year trend information required by GASB No. 27.

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
1997	17,362	100%	\$0
1998	14,268	100%	\$0
1999	15,730	100%	\$0

Contributions were made in accordance with actuarially determined contribution requirements.

2. OTHER EMPLOYEE BENEFITS

a. Deferred Compensation - The City of Tallahassee offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

During fiscal year 1999, the City adopted GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. GASB Statement 32, issued in response to federal legislation passed in 1996, requires that deferred compensation assets be removed from City control and be held in trust for the exclusive benefit of City employees. Thus, plan assets are no longer subject to the claims of the City's general creditors.

The City has previously reported the assets and associated liabilities of the deferred compensation plan in the City's financial statements as an agency fund. In December 1998, the City established a Trust Agreement where all assets and income of the City Deferred Compensation Plan are held in trust, in accordance with Internal Revenue Code sections 457 (b) and (g). Therefore, the financial activity of this plan is no longer reported in the City's Agency Fund.

b. Flexible Benefits - The City implemented a "Cafeteria" Plan created in accordance with Internal Revenue Code Section 125. The plan provides employees with an opportunity to select benefits from a menu of options, many of which are offered on a pre-tax basis.

3. POST-EMPLOYMENT BENEFITS

Established through Chapter 17 of the City Code of Ordinances, retirees under the City's Pension Plan may participate in the health insurance plans offered by the City. The retiree is required to pay the full cost of the insurance. The City provides a health care supplement equivalent to \$4 per month for each year of service (maximum not to exceed \$120 per month per employee). This post employment benefit is funded through the City's contribution to the pension plan, and is based on a level funding approach using the entry age actuarial cost method.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE III (CONTINUED)

The number of active and retired plan participants included in the valuation of the health care supplement was 3,362. The actuarially required employer contribution for the period was determined to be .30% of payroll, which was the amount contributed to the plan. The amount of assets available for the health care supplement is \$11,937,187. The actuarial accrued liability is also equal to \$11,937,187 and the unfunded actuarial accrued liability is \$0.

4. OUTSTANDING CONTRACTS

The City has outstanding commitments on various contracts for construction and other projects. These commitments, as of September 30, 1999, in the respective funds are as follows (in thousands):

General Fund	\$ 1,190
Special Revenue Funds.....	7,677
Capital Project Funds	16,353
Internal Service Funds.....	4,766
Enterprise Funds	
Electric.....	7,645
Gas.....	800
Sewer	2,408
Water.....	2,048
Airport.....	3,175
Tallahassee Transit	391
Solid Waste Fund	999
Golf.....	72
Total.....	<u>\$ 47,524</u>

Long-term purchase contract obligations for the purchase of gas are disclosed in Note V – Contingencies and are not included in the above outstanding commitment balances.

5. LONG-TERM DEBT

a. The following is a summary of the changes in the General Long-Term Debt Account Group for the City for the year ended September 30, 1999 (in thousands):

	Balance October 1	Additions	Reductions	Balance September 30
General Revenue Bonds	\$ 21,210	\$ --	\$ 1,095	\$ 20,115
Accrued Leave	8,651	444	--	9,095
Note Payable.....	60	--	60	--
Sunshine State.....	4,500	--	--	4,500
Special Revenue Bonds Series, 1998... ..	<u>3,853</u>	<u>--</u>	<u>104</u>	<u>3,749</u>
	<u>\$ 38,274</u>	<u>\$ 444</u>	<u>\$ 1,259</u>	<u>\$ 37,459</u>

b. Summarized below are the City's individual bond issues which were outstanding at September 30, 1999:

General Revenue Bonds:

\$18,770,000 Capital Bonds - Series 1993A, due in annual installments of \$1,145,000 to \$1,655,000 from October 1, 2000 to October 1, 2008, interest rates at 4.40% to 5.20% depending on maturity date. \$12,415,000

\$7,700,000 Capital Bonds - Series 1993B, due in annual installments of \$1,620,000 to \$2,580,000 from October 1, 2009 to October 1, 2012, interest rate at 5.25%. 7,700,000

\$20,115,000

The general revenue bonds are payable from and secured by first lien and pledge of the Public Service Tax, Local Government Half-cent Sales Tax, Guaranteed Entitlement Revenues, and earnings on the investment of all funds and accounts created by and described in Resolutions.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE III (CONTINUED)

Special Purpose Revenue Bonds:

\$3,870,000 Special Purpose Revenue Bonds, Series 1998 due in monthly installments of \$27,700 for the next ten years with a final maturity payment due in July 2008 in the amount of \$2,497,000, interest rate is 6%.

\$3,749,000

The special purpose revenue bonds are payable from non ad valorem revenues in each fiscal year.

Proprietary Revenue Bonds:

\$2,862,000 Junior Lien Electric Revenue Bonds (Mini bonds) -Series 1992A; ten year bonds due February 1, 2002, with a term payment of \$1,297,500, interest at 6.09%. Bonds are subject to redemption prior to stated maturities and are presented at face amounts outstanding plus accretion of \$776,000. Bonds are secured by provisions of the 1992 General Resolution which includes net revenues of the City's Electric System and certain other amounts as provided by Resolution.

\$ 2,073,000

\$75,700,000 Electric Refunding Revenue Bonds - Series 1992A, due in annual installments of \$5,360,000 to \$7,895,000, from October 1, 2000 to October 1, 2007, interest rates at 5.25% to 6.10% depending on maturity date. Bonds are secured by provisions of the 1992 General Resolution which includes net revenues of the City's Electric System and certain other amounts as provided by Resolution.

48,250,000

\$143,800,000 Energy System - Series 1998A, due in annual installments of \$1,330,000 to \$9,645,000 from October 1, 2000 to October 1, 2028, interest at 4.00% to 5.25% depending on maturity date. Bonds are payable and secured by lien on and pledge of certain funds provided by the 1998 General Resolution which includes net revenues of the City's Electric System and certain other amounts as provided by Resolution.

143,800,000

\$49,220,000 Energy System - Series 1998B, due in annual installments of \$815,000 to \$7,335,000 from October 1, 2001 to to October 1, 2028, interest rates at 4.00%. Bonds are payable and secured by lien on and pledge of certain funds provided by 1998 General Resolution which includes net revenues of the City's Energy System and certain other amounts as provided by Resolution.

49,220,000

\$37,725,000 Consolidated Utility Systems Revenue Bonds Series 1994, due in annual installments of \$995,000 to \$2,885,000 from October 1, 2000 to October 1, 2019, interest rates at 4.90% to 6.20% depending on maturity date. Bonds are payable and secured by lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water, sewer and gas systems), and the gross revenues of the City's Stormwater Drainage System. Lien on Pledged Revenues is on parity with the lien of Consolidated Utility Systems Revenue Bonds Series 1991A and Series 1991B.

35,005,000

\$46,780,000 Consolidated Utility Systems Revenue Bonds Series 1995, due in annual installments of \$370,000 to \$4,390,000,000 from October 1, 2000 to October 1, 2019, interest rates at 4.40% to 6.00% depending on maturity date. Bonds are payable and secured by lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water, sewer and gas systems), and the gross revenues of the City's Stormwater Drainage System. Lien on Pledged Revenues is on parity with the lien of Consolidated Utility Systems Revenue Bonds Series 1991A and Series 1991B.

44,915,000

\$4,490,000 Consolidated Utility Systems Revenue Bonds - Series 1991A, due in annual installments of \$230,000 to \$245,000 from October 1, 2000, to October 1, 2001, interest rates at 6.00% to 6.10% depending on maturity date. Bonds are payable and secured by lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System, and the gross revenues of the City's Stormwater Drainage System.

475,000

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE III (CONTINUED)

Proprietary Revenue Bonds (Continued):

\$47,785,000 Consolidated Utility Systems Revenue Bonds - Series 1991B, due in annual installments of \$1,450,000 to \$1,540,000 from October 1, 2000, to October 1, 2001, interest rates at 6.20% to 6.30% depending on maturity date. Bonds are payable and secured by lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System, and the gross revenues of the City's Stormwater Drainage System.

2,990,000

\$11,995,000 Airport System Revenue Refunding Bonds - Series 1995, due in annual installments of \$460,000 to \$930,000 from October 1, 2000 to October 1, 2014, interest rates at 4.45% to 5.60% depending on maturity date. Bonds are payable and secured by lien on and pledge of certain funds provided by Resolution, and net revenues of the City's Airport System.

9,910,000

\$336,638,000

Energy System Refunding Revenue Bonds, Series 1998 A (dated 11-1-98)

Energy System Revenue Bonds, Series 1998B (dated 11-1-98)

On November 1, 1998, the City issued \$143,800,000 in Energy System Refunding Revenue Bonds, Series 1998 A and \$49,220,000 Energy System Revenue Bonds, Series 1998 B bonds with an average interest rate of 5 percent. The Series A Bonds were issued for the purposes of: (1) advance refunding \$40,090,000 in principal amount of outstanding Electric Revenue Bonds, Series 1992 B bonds, maturing 10/01/2004, (2) refunding \$20,000,000 on an outstanding loan from the Sunshine State Financing Commission (SSGFC), dated April 10, 1997, (3) funding the debt service reserve requirement applicable to the Series 1998 A Bonds, (4) funding a portion of the costs of construction of planned transmission and distribution capital improvements to the City's Electric System, and (5) to pay certain costs of issuance in connection with the Series 1998 A Bonds. The Series B Bonds were issued for the purposes of (1) funding a portion of the costs of construction of planned generation capital improvements to the City's Electric System, (2) funding the debt service reserve requirement applicable to the Series B Bonds, and (3) to pay certain costs of issuance in connection with the Series 1998 B Bonds. The net proceeds of \$63.2 million (after deposit of \$120.4 million in the City's Electric System for constructing certain improvements, and deposit of \$13.8 million in debt service/reserve fund) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased principal of the Series 1992 B Bonds and the SSGFC Loan. As a result, the Series 1992 B Bonds, maturing on 10/01/2004 and thereafter are considered to be defeased and the liability for those bonds has been removed from the proprietary fund.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3.8 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2012 using the effective interest method. The City completed the advance refunding to provide necessary flexibility; segregating generation debt from transmission and distribution debt and providing the opportunity to retire all generation debt as soon as possible.

c. **Legal Debt Margin** - The City of Tallahassee has no general obligation debt outstanding; the amount of general obligation debt the City can issue is limited by City Charter, as outlined below (in thousands):

TAXABLE ASSESSED VALUE	<u>\$5,217,865</u>
Debt Limit - 20 Percent of Assessed Value	<u>\$1,043,573</u>

NOTE III (CONTINUED)

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE III (CONTINUED)

d. Refunded Issues - The City defeased certain general revenue, municipal utility revenue, and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's general purpose financial statements. The following schedule reflects the refunded bonds as of September 30, 1999 (in thousands):

Type	Series	Outstanding as of September 30, 1999
General Revenue	1973	\$ 3,900
	1978	24,560
Special Obligation Bonds	1978A	285
	1981	15,300
Municipal Electric	1977	40,365
Special Obligation Bonds	1982	13,600
Junior Lien Electric Refunding	1985	29,430
Electric Revenue Bonds	1992B	40,090
Municipal Utility Revenue Bonds	1979	5,045
Municipal Utility Revenue Bonds	1982	675
Municipal Utility Revenue Bonds	1991A	2,570
Municipal Utility Revenue Bonds	1991B	34,830
		<u>\$210,650</u>

e. Conduit Debt Obligations - From time to time, the City has acted as a conduit for the issuance of bonds for non-profit organizations for the acquisition, construction, and improvement of housing, educational, and medical facilities deemed to be in the public interest, and has issued Industrial Revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying general purpose financial statements.

As of September 30, 1999, there were three series of Health Facilities Revenue Refunding Bonds outstanding. The aggregate principal amount payable for the three series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$60.7 million.

As of September 30, 1999, there were two series of Florida Student Housing Revenue Bonds outstanding. The aggregate principal amount payable for the two series issued prior to July 1995, could not be determined; however, their original issue amounts totaled \$9.2 million.

As of September 30, 1999, there were five series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the five series issued prior to July 1995, could not be determined; however, their original issue amounts totaled \$6.1 million.

f. Loan Payable - On November 18, 1986, the City obtained an \$18,200,000 loan from the Sunshine State Governmental Financing Commission, the proceeds of which were used to retire an outstanding Special Assessment note and to finance construction of certain water and sewer projects. During 1991, the City obtained additional loans totaling \$4,700,000 from the Sunshine State Governmental Financing Commission (SSGFC), the proceeds of which were used to fund the purchase of data processing equipment and to fund the construction of a road project. In 1997, \$4.5 million was borrowed by the City from SSGFC to fund the parking garage project. Finally, in 1999, \$36.5 million was borrowed for the funding of Purdom #8.

The rate of interest on the loans varies based upon market interest rates for short-term tax exempt financing. The loan interest rate at September 30, 1999 was 3.06%. The debt service schedule on B-42 was prepared utilizing a 6% interest rate which is reflective of the rate used for budgetary purposes. The outstanding balance at September 30, 1999 is \$62,700,000.

The above loans were transferred to the Internal Loan Fund. The Internal Loan Fund charges an interest rate equal to the Sunshine State variable interest rate. These loans are due and payable on July 1, 2016.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE III (CONTINUED)

The loans are non-project specific (as long as designated projects are appropriate under Florida Law and will not cause the loan, if considered as a separate bond issue, to be in violation of applicable IRS guidelines) and non-revenue specific (a covenant to budget and appropriate for non-ad valorem revenues exists).

The first loan was allocated as follows: gas fund (\$1,743,000, with the primary source of debt service being gas operating revenues); water fund (\$7,094,000, with the primary source of debt service being water operating revenues); sewer fund (\$8,163,000, with the primary source of debt service being sewer operating revenues). The second loan was allocated as follows: information systems services fund (\$2,400,000, with the primary source of debt service being data services revenues generated by user fee charges); and general long-term debt (\$2,300,000, with the primary source of debt service being revenues generated from special assessments and General Fund revenues). The third loan was for \$4.5 million to the Capital Improvement Fund to finance a portion of the Kleman Plaza parking garage (the primary source of debt service being general operating resource). The fourth loan was for \$36.5 million to the Electric Fund for a portion of Purdom #8.

- g. **Note Payable** - During 1989, the City purchased a building and land from the Florida Education Association, Inc. As part of the financing arrangement, the City executed a note payable to the Florida Education Association, Inc. in the amount of \$436,000. The note bears an interest rate of 8% and is payable in ten annual installments of \$65,000, principal and interest. The outstanding balance at September 30, 1999 and 1998 is \$0 and \$60,000, respectively. The note is recorded in the General Long-Term Debt Account Group.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 1999

NOTE III - (Continued)

h. Schedule of Debt Service Requirements, including Principal and Interest - All Fund Types

Year Ending September 30	General Revenue Bonds	Special Purpose Revenue Bonds	Proprietary Revenue Bonds (in thousands)					Note and Loan Payable	Total Debt Service
			Electric	Gas	Sewer	Water	Airport		
2000	2,149	333	18,592	1,426	5,423	977	979	3,762	33,641
2001	2,148	333	21,642	1,426	5,427	979	979	3,762	36,696
2002	2,145	333	21,353	1,691	5,242	898	982	8,262	40,906
2003	2,147	333	21,646	1,689	5,240	899	978	3,492	36,424
2004	2,146	333	21,643	1,689	5,240	899	978	3,492	36,420
2005	2,146	333	21,642	1,691	5,244	899	981	3,492	36,428
2006	2,145	333	21,642	1,691	5,244	900	982	3,492	36,429
2007	2,145	333	21,643	1,690	5,241	899	980	3,492	36,423
2008	2,145	2,780	11,335	1,690	5,241	899	982	3,492	28,564
2009	2,024	0	11,339	1,689	5,239	899	981	3,492	25,663
2010-2019	<u>6,765</u>	<u>0</u>	<u>237,007</u>	<u>12,699</u>	<u>38,438</u>	<u>5,958</u>	<u>4,899</u>	<u>81,654</u>	<u>387,420</u>
Totals	28,105	5,444	429,484	29,071	91,219	15,106	14,701	121,884	735,014
Less: Interest	<u>7,990</u>	<u>1,695</u>	<u>186,141</u>	<u>11,451</u>	<u>35,020</u>	<u>5,540</u>	<u>4,791</u>	<u>59,184</u>	<u>311,812</u>
Principal	<u>\$20,115</u>	<u>\$3,749</u>	<u>\$ 243,343</u>	<u>\$17,620</u>	<u>\$56,199</u>	<u>\$ 9,566</u>	<u>\$9,910</u>	<u>\$62,700</u>	<u>\$423,202</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 1999

NOTE III (CONTINUED)

6. ACCRUED LEAVE

The current and long-term portions of accrued leave by fund consists of the following at September 30, 1999 (in thousands):

Enterprise Funds:	Accrued Vacation	Accrued Sick Leave	Total	Accrued Leave Short-Term Portion
Electric.....	\$ 1,156	\$ 1,188	\$ 2,344	\$ 1,230
Gas.....	110	94	204	119
Sewer.....	482	448	930	585
Water.....	156	138	294	211
Airport.....	148	190	338	155
Tallahassee Transit.....	244	191	435	320
Solid Waste.....	259	276	535	239
Golf Course.....	26	16	42	31
Internal Service Funds.....	1,259	1,143	2,402	1,360
General Long-Term Debt				
Account Group.....	4,606	4,489	9,095	5,023
Total.....	<u>\$ 8,446</u>	<u>\$ 8,173</u>	<u>\$ 16,619</u>	<u>\$ 9,273</u>

The accrued leave for governmental funds has been reported in the General Long-Term Debt Account Group, because this liability will be liquidated with future financial resources.

7. LEASE COMMITMENTS

Operating - The City has entered into several operating leases for buildings and equipment. The leases are for one to seven years, expiring in 1999 through 2006. Total rent expense incurred by the City for the year ended September 30, 1999, was \$528,833. The remaining future minimum lease obligations are as follows:

2000.....	69,927
2001.....	67,026
2002.....	61,981
2003.....	55,102
2004.....	55,102
Thereafter.....	<u>110,204</u>
Total.....	<u>\$419,342</u>

8. SELF-INSURANCE PROGRAM

The Self-Insurance Program provides coverage against workers' compensation claims (up to the first \$500,000 per occurrence), general liability and automobile liability. For general liability and automobile liability, statutory limitations are \$100,000 individual, \$200,000 aggregate per occurrence. The City has obtained "stop-loss" insurance which provides for the statutory workers' compensation requirements and excess of the \$500,000 self-insurance retention. The amount of settlements has not exceeded insurance coverage in any of the past three years. The Risk Management Fund, which is classified as an Internal Service Fund, is responsible for collecting premiums from insured funds, paying claim settlements and purchasing certain insurance policies. Claims settlements and loss expenses are accrued for the estimated settlement value of reported and unreported claims.

Employee health insurance is provided through two programs. Employees may choose a health maintenance organization, or a traditional insurance program, for which a premium is paid and the City retains no additional liability.

Changes in the balances of claims for the year ended September 30, 1999 are as follows (in thousands):

	Risk Management Fund		Employee Healthcare Fund	
	1999	1998	1999	1998
Unpaid Claims - October 1 (including IBNRs).....	\$7,499	\$7,259	\$85	\$239
Expenses.....	2,555	3,371	--	70
Claim Payments.....	<u>(3,159)</u>	<u>(3,131)</u>	<u>(85)</u>	<u>(224)</u>
Unpaid Claims - September 30 (including IBNRs)...	<u>\$6,895</u>	<u>\$7,499</u>	<u>\$ --</u>	<u>\$ 85</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 1999

NOTE III (CONTINUED)

C. INTERFUND RECEIVABLES AND PAYABLES

At September 30, 1999, Interfund Receivables and Payables are as follows (in thousands):

Fund	Due From	Due To	Advance To	Advance From	Loan To	Loan From
General	\$ 70	\$ --	\$ 603	\$ --	\$ --	\$ 1,200
Capital Improvements.....	--	--	474	--	--	--
Capital Bonds Construction	--	--	--	--	--	--
Fire.....	--	785	--	--	--	--
Electric	919	--	--	--	--	--
Gas.....	--	5,856	--	--	--	1,147
Water.....	--	--	--	--	--	4,292
Sewer	--	--	--	--	--	4,633
Airport.....	--	70	--	474	--	3,129
Golf.....	--	--	--	--	--	623
Tallahassee Transit	--	782	--	603	--	--
Information Systems Services ..	--	--	--	--	--	4,444
Internal Loan	--	--	--	--	20,893	--
Utility Services.....	--	709	--	--	--	1,425
Wholesale Energy Services.....	--	210	--	--	--	--
Deficiencies & Emergencies	<u>7,423</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>\$ 8,412</u>	<u>\$ 8,412</u>	<u>\$ 1,077</u>	<u>\$ 1,077</u>	<u>\$ 20,893</u>	<u>\$ 20,893</u>

D. FUND EQUITY

1. CHANGES IN CONTRIBUTED CAPITAL

- a. Enterprise Funds - The following changes occurred in contributed capital of the Enterprise Funds during the year ended September 30, 1999 (in thousands):

	Electric	Sewer	Airport	Tallahassee Transit	Other	Total
Beginning Balance as of October 1, 1998.....	\$1,895	\$15,534	\$45,172	\$8,888	\$2,560	\$74,049
Additions:						
Residual Equity Transfers	63	44	--	--	33	140
Capital Grants.....	--	--	1,267	239	389	1,895
Passenger Facility Charge	--	--	2,370	--	--	2,370
Total Additions.....	<u>63</u>	<u>44</u>	<u>3,637</u>	<u>239</u>	<u>422</u>	<u>4,405</u>
Deductions:						
Disposal of Contributed Assets....	--	--	(175)	--	(11)	(186)
Depreciation on Contributed Assets.....	<u>(140)</u>	<u>(651)</u>	<u>(1,354)</u>	<u>(183)</u>	<u>(28)</u>	<u>(2,356)</u>
Total Deductions.....	<u>(140)</u>	<u>(651)</u>	<u>(1,529)</u>	<u>(183)</u>	<u>(39)</u>	<u>(2,542)</u>
Ending Balance as of September 30, 1999.....	<u>\$1,818</u>	<u>\$14,927</u>	<u>\$47,280</u>	<u>\$8,944</u>	<u>\$2,943</u>	<u>\$75,912</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE III (CONTINUED)

b. Internal Service Funds - The following changes occurred in contributed capital of the Internal Service Funds during the year ended September 30, 1999 (in thousands):

	Information System Services	Garage	Risk Manage- ment	Utility Services	Others	Total
Beginning Balance as of October 1, 1998.....	\$857	\$17,366	\$900	\$342	\$619	\$20,084
Additions:						
Contributed Capital.....	28	654	--	31	31	744
Residual Equity Transfers	15	--	--	2	47	64
Total Additions.....	43	654	--	33	78	808
Deductions:						
Disposal of Contributed Assets.....	(40)	--	--	(19)	(53)	(112)
Depreciation on Contributed Assets.....	(239)	(1,551)	(1)	(57)	(75)	(1,923)
Total Deductions.....	(279)	(1,551)	(1)	(76)	(128)	(2,035)
Ending Balance as of September 30, 1999.....	\$621	\$16,469	\$899	\$299	\$569	\$18,857

2. CHANGES IN RESERVED RETAINED EARNINGS - ENTERPRISE FUNDS

For purposes of this presentation, the Tallahassee Transit Fund, Airport Fund, Solid Waste Fund and Golf Fund have been combined as Others. As of September 30, 1999, the Reserved Retained Earnings for the Tallahassee Transit Fund, Airport Fund, Solid Waste Fund, and Golf Fund, were \$872,000, \$5,509,000, \$2,908,000, and \$131,000, respectively. The following changes occurred in reserved retained earnings of the enterprise funds during the year ended September 30, 1999 (in thousands):

	Electric	Gas	Sewer	Water	Others	Total Enterprise Funds
Reserved Retained Earnings:						
Revenue Bond Reserve.....	\$ 10,618	\$ 1,069	\$ 5,622	\$ 1,026	\$ 1,302	\$ 19,637
Revenue Bonds Renewal and Replacement	11,924	1,889	7,301	12,976	1,807	35,897
Operating Reserve.....	35,971	--	--	894	1,676	38,541
System Charges	--	--	6,927	1,754	--	8,681
Other	17,169	796	1,275	--	5,669	24,909
Total - September 30, 1998	75,682	3,754	21,125	16,650	10,454	127,665
Add:						
Income Earned on Restricted Assets.....	7,451	17	4,493	1,041	356	13,358
Debt Service Funding	34,960	1,430	5,479	1,026	40	42,935
Renewal and Replacement Funding.....	32,407	1,826	5,040	6,455	--	45,728
Increase in Other Reserve.....	1,833	--	--	--	--	1,833
Bonds Proceeds	129,748	--	--	--	--	129,748
Sunshine State Loan Proceeds.....	36,463	--	--	--	--	36,463
Other	5,098	192	111	177	3,816	9,394
Deduct:						
Interest and Fiscal Charges	(11,530)	(1,031)	(3,341)	(567)	--	(16,469)
Payment of Bond Principal.....	(7,351)	(396)	(2,087)	(411)	(4,901)	(15,146)
Transfer to Other Funds	(25,229)	--	(2,300)	(587)	--	(28,116)
Transfer of Fixed Assets and Expenses	(159,439)	(1,930)	(6,228)	(4,712)	(345)	(172,654)
Net Increase (Decrease) in Reserved Retained Earnings	44,411	108	1,167	2,422	(1,034)	47,074
Total - September 30, 1999	\$ 120,093	\$ 3,862	\$ 22,292	\$ 19,072	\$ 9,420	\$ 174,739

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE III (CONTINUED)

	<u>Electric</u>	<u>Gas</u>	<u>Sewer</u>	<u>Water</u>	<u>Others</u>	<u>Total Enterprise Funds</u>
Reserved Retained Earnings:						
Revenue Bond Reserve.....	\$ 22,233	\$ 1,069	\$ 5,653	\$ 1,026	\$ 1,196	31,177
Revenue Bonds Renewal and Replacement	17,601	1,997	8,745	15,692	3,874	47,909
Operating Reserve.....	61,208	--	--	992	2,902	65,102
System Charges	--	--	6,437	1,362	--	7,799
Other	19,051	796	1,457	--	1,448	22,752
Total - September 30, 1999	<u>\$ 120,093</u>	<u>\$ 3,862</u>	<u>\$ 22,292</u>	<u>\$ 19,072</u>	<u>\$ 9,420</u>	<u>\$ 174,739</u>

The following is a description of each reserve:

Revenue Bond Reserve:

Established in conjunction with the issuance of Revenue Bonds and fully funded by initial deposits from the proceeds of such revenue bonds. The reserve is to be maintained, in an amount equal to the maximum debt service due in any ensuing fiscal year, as long as the bonds are outstanding.

Revenue Bonds Renewal and Replacement:

Established in conjunction with the issuance of revenue bonds and funded by transfers from the revenue accounts of the appropriate enterprise funds. The use of money is restricted to funding the cost of extensions, enlargements or additions to, or replacement of, or emergency repair of, capital assets.

Operating Reserve:

Established in conjunction with the issuance of revenue bonds and/or management decisions and funded by transfers from the revenue accounts of the appropriate enterprise funds. The use of the money is restricted to the payment of cost of operation and maintenance if revenues are insufficient for such purpose.

System Charges:

This reserve is funded through the collection of water and sewer system charges. The use of money is restricted to extensions and expansions of the City's water and sewer systems.

Other:

Other reserves have been established by Commission action for specified purposes.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE III (CONTINUED)

3. RESERVED FUND BALANCES AND RETAINED EARNINGS

a. Governmental and Expendable Trust Funds - Reserved fund balances indicate those portions of fund balances that are legally segregated for a specific use or not available for appropriation or expenditure. The nature of these reserves are as follows (in thousands):

	September 30	
	1999	1998
General Fund - Reserved for:		
Inventory.....	\$ 747	\$ 819
Advance to Other Funds.....	603	673
Encumbrances.....	<u>1,977</u>	<u>1,790</u>
Total General Fund.....	<u>3,327</u>	<u>3,282</u>
Special Revenue Funds - Reserved for:		
Encumbrances.....	7,467	2,849
Projects.....	21,037	17,880
Notes Receivable.....	<u>1,752</u>	<u>2,100</u>
Total Special Revenue Funds.....	<u>30,256</u>	<u>22,829</u>
Debt Service Fund - Reserved for:		
Future Debt Service.....	<u>2,703</u>	<u>2,517</u>
Total Debt Service Fund.....	<u>2,703</u>	<u>2,517</u>
Capital Projects Funds - Reserved for:		
Encumbrances.....	15,820	20,231
Projects.....	143,440	44,275
Notes Receivable.....	43	98
Advance to Other Funds.....	<u>474</u>	<u>558</u>
Total Capital Projects Funds.....	<u>159,777</u>	<u>65,162</u>
Total.....	<u>\$ 196,241</u>	<u>\$ 93,790</u>

b. Internal Service Funds - Reserved retained earnings are restricted to indicate funds obligated as follows (in thousands):

	September 30	
	1999	1998
Reserved for:		
Debt Service.....	\$ 1,384	\$ 1,318
Fleet Management.....	21,081	22,493
Projects.....	744	984
Insurance.....	<u>9,860</u>	<u>10,847</u>
Total.....	<u>\$ 33,069</u>	<u>\$ 35,642</u>

c. Pension Trust Fund - Fund Balance is reserved through Chapter 17 of the City Code of Ordinance and requires fund equity to be restricted for future benefits to members of the pension plans as follows (in thousands):

	September 30	
	1999	1998
General Employees - Article II.....	\$ 504,752	\$ 430,690
Police Officers - Article III.....	119,832	101,015
Firefighters - Article IV.....	98,515	82,913
General Defined Contribution - Article V.....	<u>122,982</u>	<u>97,848</u>
Total.....	<u>\$ 846,081</u>	<u>\$ 712,466</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE III (CONTINUED)

4. DESIGNATED FUND BALANCE

The City has established a designation of fund balance within the General Fund of \$2,500,000 for subsequent year's appropriations. The nature of this designation is year end budgetary surplus, which is being carried forward as a funding source for the next year's general fund operating budget. The designation of \$6,189,000 in the Capital Projects Fund is made up of the following designations: \$1,815,000 for the Economic Development program, \$432,000 for the Land Banking program, \$68,000 for the Gateway Beautification program, \$40,000 for the Tallahassee Police Department Facilities Maintenance program, \$112,000 for the Mini-pass program, \$2,000,000 for the Challenger IMAX Center, and \$1,722,000 for other miscellaneous programs. These designations will fund projects which will be opened in the future under the respective programs.

5. RESIDUAL EQUITY TRANSFERS

Residual equity transfers at September 30, 1999 were recorded as follows (in thousands):

Residual Equity Transfers Out:	
Enterprise Fund.....	\$ 159
Internal Service Fund.....	45
Total Residual Equity Transfers Out.....	<u>\$ 204</u>
 Allocation of Residual Equity Transfers:	
Contributed Capital (See Contributed Capital Footnote):	
Enterprise Funds.....	\$ 140
Internal Service Fund.....	64
Total Contributed Capital.....	<u>204</u>
 Total Allocation of Residual	
Equity Transfers	<u>\$ 204</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE IV - FINANCIAL SEGMENT INFORMATION OF ENTERPRISE FUNDS

The City maintains eight Enterprise Funds which provide electric, gas, sewer, water, airport, mass transportation, solid waste collection, and golf course operation services. Segment information for the year ended September 30, 1999, was as follows (in thousands):

	Electric Fund	Gas Fund	Sewer Fund	Water Fund	Airport Fund	Tallahassee Transit Fund	Solid Waste Fund	Golf Course Fund	Total Enterprise Funds
Operating Revenues.....	\$ 186,571	\$ 14,104	\$ 25,583	\$ 19,560	\$ 7,409	\$ 2,690	\$ 16,001	\$ 341	\$ 272,259
Grant Revenues.....	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,627	\$ --	\$ --	\$ 1,627
Depreciation and Amortization Expense.....	\$ 14,280	\$ 957	\$ 4,091	\$ 1,794	\$ 2,286	\$ 290	\$ 75	\$ 124	\$ 23,897
Operating Income (Loss).....	\$ 44,864	\$ 3,867	\$ 4,264	\$ 8,498	\$ 636	\$ (5,421)	\$ 914	\$ (580)	\$ 57,042
Operating Transfers:									
In.....	\$ 86	\$ 81	\$ --	\$ --	\$ --	\$ 3,468	\$ --	\$ 514	\$ 4,149
Out.....	\$ (30,184)	\$ (2,313)	\$ (1,884)	\$ (4,111)	\$ (651)	\$ --	\$ (10)	\$ (623)	\$ (39,776)
Net Income (Loss).....	\$ 8,429	\$ 106	\$ 4,356	\$ 5,154	\$ (1,793)	\$ (337)	\$ 1,074	\$ (687)	\$ 16,302
Current Capital Contributions...	\$ 63	\$ --	\$ 44	\$ 4	\$ 3,637	\$ 239	\$ 7	\$ 411	\$ 4,405
Restricted Assets.....	\$ 161,629	\$ 3,885	\$ 24,997	\$ 19,672	\$ 7,918	\$ --	\$ 2,720	\$ 140	\$ 220,961
Fixed Assets:									
Additions.....	\$ 23,012	\$ 2,535	\$ 4,948	\$ 4,363	\$ 9,003	\$ 13	\$ 18	\$ 944	\$ 44,836
Disposals.....	\$ (28)	\$ (8)	\$ (20)	\$ (2)	\$ (5)	\$ --	\$ (5)	\$ (1)	\$ (69)
Net Working Capital.....	\$ 26,340	\$ (4,369)	\$ 3,549	\$ 961	\$ 910	\$ 1,364	\$ 1,666	\$ 112	\$ 30,533
Total Assets.....	\$ 602,670	\$ 43,592	\$ 184,298	\$ 91,179	\$ 71,781	\$ 12,377	\$ 5,595	\$ 3,239	\$ 1,014,731
Bonds and Other Term Liabilities Payable from Operating Revenues.....	\$ 276,310	\$ 17,672	\$ 56,879	\$ 10,220	\$ 9,838	\$ 718	\$ 296	\$ 11	\$ 371,944
Total Fund Equity.....	\$ 298,287	\$ 18,135	\$ 120,566	\$ 75,061	\$ 57,375	\$ 10,269	\$ 4,501	\$ 2,508	\$ 586,702

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CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE V - CONTINGENCIES

A. LITIGATION

The City is involved in pending lawsuits. The City Attorney estimates that the potential claims against the City not covered by insurance resulting from litigation would not materially affect the financial position of the City.

B. FEDERAL AND STATE GRANTS

The City participates in a number of federal and state assisted programs, principal of which are the Federal Transit Administration, Community Development Block Grant, Federal Emergency Management Agency, Federal Aviation Administration, and certain other State of Florida programs. These programs are subject to the financial and compliance audits made in accordance with the Office of Management and Budget Circular A-133. The audits of these programs for and including the year ended September 30, 1999 will be in a separate report. The amount, if any, of expenditures which may be disallowed by the granting agencies is immaterial to the City's Combined Financial Statements.

C. ADVANCE FUNDING OF STATE OF FLORIDA ROADWAY PROJECTS

As of September 30, 1999, the City had advanced \$39,874,000 to the Florida Department of Transportation for roadway improvements. Reimbursement of these advances is totally subject to state legislative approval and appropriation in the fiscal years of reimbursement indicated in each contract; accordingly, the advanced monies are treated as a gain contingency at September 30, 1999.

D. LONG TERM CONTRACTS

The City has entered into long-term purchase contracts with several suppliers of natural gas to supplement its suppliers. The expiration dates of the various contracts range from February 2004 to March 2013. The prices and quantities of gas to be purchased and any adjustments allowed or required are stated in the contracts and are based on forecast needs of consumers and projected market prices. These contracts are managed and monitored by the City's Energy Services Department. Revenues from customers for the purchase of gas are expected to cover the costs incurred by these purchase commitments.

During 1999 and 1998, the minimum purchase requirements related to the contracts were \$25,840,000 and \$24,600,000, respectively. At September 30, 1999, the combined total minimum quantity purchase obligation was \$298,108,000 (quantity of 85,184,500 million btu). The following is a schedule, by years, of approximated minimum future purchase commitments on long-term purchase contracts as of September 30, 1999:

Years ending September 30,		
2000	\$	27,387,000
2001		29,016,000
2002		30,632,000
2003		29,191,000
2004		22,927,000
Thereafter		<u>158,955,000</u>
	\$	<u>298,108,000</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 1999

NOTE VI - SUBSEQUENT EVENTS

A. FIRE RESCUE SERVICE CHARGE

The City provides fire rescue services citywide and to the unincorporated areas of Leon County. On February 24, 1999, the City adopted an ordinance establishing a fire rescue service charge, to be implemented on October 1, 1999.

B. CRYSTAL RIVER UNIT 3 (CR3) NUCLEAR POWER PLANT

In December 1998, the Florida Power Corporation (FPC) and the City entered into an Acquisition Agreement for FPC to acquire the City's 1.3333 percent undivided ownership interest in CR-3, and certain duties and liabilities with respect to CR-3. The acquisition date is October, 1999. In a related power sale agreement, also in December 1998, the City agreed to purchase certain electric capacity and energy from FPC.

CITY OF TALLAHASSEE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 1999

The following historical trend information, prepared in accordance with Governmental Accounting Standards Board Statement No. 25, provides information on progress made in accumulating sufficient assets to pay benefits when due. The purpose of the schedule is to establish a consistent method for analyzing and making comparisons among different public retirement systems.

Schedule of Funding Progress

(in millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Excess of Assets Over AAL (a - b)	Funded Ratio (a / b)	Covered Payroll (c)	Excess as a Percentage of Covered Payroll ((a-b)/c)
9/30/97	\$ 476.4	\$ 427.3	\$ 49.1	111.5%	\$ 86.6	56.7%
9/30/96	\$ 396.6	\$ 384.6	\$ 12.0	103.1%	\$ 87.9	13.7%
9/30/94	\$ 307.0	\$ 300.8	\$ 6.1	102.0%	\$ 79.0	7.8%
9/30/92	\$ 248.0	\$ 237.4	\$ 10.6	104.5%	\$ 72.8	14.6%

Schedule of Employer Contributions

(in thousands)

Fiscal Year	^Employer Annual Required Contributions	Percentage Contributed
1994	\$13,494	100%
1995	\$14,965	100%
1996	\$16,445	100%
1997	\$17,362	100%
1998	\$13,862	100%
1999	\$15,730	100%

^Contributions were made in accordance with actuarially determined contribution requirements.

CITY OF TALLAHASSEE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION (Continued)

September 30, 1999

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the dates indicated. Additional information as of September 30, 1997, the latest actuarial valuation, follows.

Valuation date	September 30, 1997
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage open
Remaining amortization period	
General Employees	13.7 years
Police Officers	12.7 years
Firefighters	16.4 years
Asset valuation method	
General Employees	3 year smoothed market
Police Officers	5 year smoothed market
Firefighters	5 year smoothed market
Actuarial assumptions:	
Investment rate of return*	8.00%
Projected Salary increases*	6.50%
*Includes inflation at	4.50%
Cost —of-living adjustments	3.00%

YEAR 2000 COMPLIANCE

As of September 30, 1999, the City of Tallahassee had completed their preparedness plans for all major systems for Year 2000 compliance. All computer systems, with the exception of the Fleet Management System, and other electronic equipment that might have been affected by Year 2000 issues had been replaced or programming changes made and tested. Year 2000 compliant Fleet Management software was installed and operational in November. Personal computers used by employees were tested and modified as necessary between September 30 and December 31, 1999. There were no significant resources committed or contracts with vendors at the fiscal year end to make systems or equipment Year 2000 compliant.

GENERAL FUND

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The functions paid for by the general fund include police, protective inspection, code enforcement, culture and recreation, general government, transportation, human services, economic development, and physical environment. These functions are funded by taxes, franchise fees, licenses and permits, charges for services, intergovernmental revenues, fines and forfeitures, and interfund transfers.

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND BALANCE SHEET (in thousands)

ASSETS	September 30	
	1999	1998
Cash and Cash Equivalents/Investments.....	\$ 9,052	\$ 16,431
Securities Lending Collateral.....	--	1,442
Cash and Cash Equivalents/Investments - Restricted.....	328	241
Securities Lending Collateral - Restricted.....	--	21
Receivables:		
Accrued Interest.....	52	83
Customers.....	754	869
Other.....	1,161	1,284
Property Taxes-Delinquent.....	189	162
Less: Allowance for Doubtful Accounts.....	(236)	(205)
Due from Other Governments.....	316	397
Due from Other Funds.....	70	98
Advance to Other Funds.....	603	673
Inventory.....	747	819
Total Assets.....	\$ 13,036	\$ 22,315

LIABILITIES AND FUND BALANCE

Liabilities:		
Obligations Under Securities Lending.....	\$ --	\$ 1,442
Accounts Payable.....	2,300	2,184
Obligations Under Securities Lending - Restricted.....	--	21
Accounts Payable - Restricted.....	328	241
Deferred Revenue.....	1,455	9,066
Loans from Other Funds.....	1,200	778
Total Liabilities.....	5,283	13,732

Fund Balance:

Reserved for:		
Inventory.....	747	819
Advance to Other Funds.....	603	673
Encumbrances.....	1,977	1,790
Total Reserved.....	3,327	3,282
Unreserved:		
Designated for Subsequent Year's Appropriations.....	2,500	2,783
Designated for Police Pension Contributions.....	321	--
Designated for Fire Pension Contributions.....	282	--
Undesignated.....	1,323	2,518
Total Unreserved.....	4,426	5,301
Total Fund Balance.....	7,753	8,583
Total Liabilities and Fund Balance.....	\$ 13,036	\$ 22,315

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND

STATEMENT OF REVENUE, EXPENDITURES AND

CHANGES IN FUND BALANCE- BUDGET AND ACTUAL

(in thousands)

Fiscal Year Ended September 30

	1999			1998	
	Budget	Actual Budgetary Basis	Variance- Favorable (Unfavorable)	Actual	Actual
Revenues:					
Taxes:					
Ad Valorem	\$ 14,999	\$ 15,107	\$ 108	\$ 15,107	\$ 14,153
Alternative Fuel User Fee.....	--	3	3	3	--
Public Service Taxes:					
Electricity.....	7,688	8,380	692	8,380	8,428
Telecommunications.....	4,720	5,270	550	5,270	4,877
Water.....	1,114	1,161	47	1,161	1,179
Gas.....	781	720	(61)	720	768
Propane.....	130	111	(19)	111	114
Fuel Oil.....	40	17	(23)	17	105
Franchise Fees:					
Telephone.....	368	413	45	413	261
Cable Television.....	963	1,486	523	1,486	1,096
Licenses and Permits.....	3,773	4,272	499	4,272	4,067
Intergovernmental.....	11,685	11,820	135	11,820	11,631
Charges for Services.....	10,093	10,070	(23)	10,070	11,849
Fines and Forfeitures.....	1,850	1,463	(387)	1,463	1,619
Net Increase (Decrease) in Fair Market Value of Investments.....	--	(148)	(148)	(148)	207
Interest Earned.....	224	177	(47)	177	210
Miscellaneous.....	2,038	2,750	712	2,583	2,529
Total Revenues.....	60,466	63,072	2,606	62,905	63,093
Expenditures:					
General Government:					
Legislative.....	792	798	(6)	799	649
Executive.....	1,217	1,096	121	1,103	1,089
Financial and Administrative.....	3,830	3,588	242	3,574	4,584
Legal.....	1,773	1,721	52	1,647	1,494
Planning.....	3,500	3,433	67	3,429	3,083
Other General Government.....	6,835	6,012	823	6,168	6,103
Total General Government.....	17,947	16,648	1,299	16,720	17,002

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND

STATEMENT OF REVENUE, EXPENDITURES AND

ACTUAL

(in thousands)

	Fiscal Year Ended September 30			1998	
	Budget	Actual Budgetary Basis	Variance- Favorable (Unfavorable)	Actual	Actual
Public Safety:					
Police Services	27,759	27,434	325	27,423	26,276
Fire.....	--	--	--	158	13,559
Protective Inspection.....	1,625	1,623	2	1,597	1,597
Code Enforcement.....	594	564	30	563	577
Total Public Safety.....	29,978	29,621	357	29,741	42,009
Transportation Charges:					
Road and Street Facilities.....	10,144	9,427	717	9,337	9,118
Parking Facilities.....	336	340	(4)	340	327
Total Transportation.....	10,480	9,767	713	9,677	9,445
Human Services.....	4,355	4,410	(55)	4,400	4,052
Economic Development.....	1,252	1,237	15	1,141	742
Physical Environment.....	3,476	3,363	113	3,325	3,185
Culture and Recreation.....	10,534	10,396	138	10,327	9,855
Debt Service:					
Principal Retired.....	125	125	--	125	--
Interest and Fiscal Charges.....	141	141	--	141	--
Total Expenditures.....	78,288	75,708	2,580	75,597	86,290
Excess of Revenues over (under)					
Expenditures.....	(17,822)	(12,636)	5,186	(12,692)	(23,197)
Other Financing Sources (Uses):					
Appropriated Fund Balance.....	2,783	2,783	--	--	--
Operating Transfers In.....	37,798	37,678	(120)	37,678	39,613
Operating Transfers Out.....	(22,759)	(25,816)	(3,057)	(25,816)	(14,059)
Total Other Financing Sources (Uses).....	17,822	14,645	(3,177)	11,862	25,554
Excess of Revenues and					
Other Financing Sources Over (Under)					
Expenditures and Other Financing					
Uses.....	--	2,009	2,009	(830)	2,357
Fund Balances, October 1 - Restated.....	8,583	8,583	--	8,583	7,004
Residual Equity Transfers Out.....	--	--	--	--	(778)
Fund Balances, September 30.....	<u>\$ 8,583</u>	<u>\$ 10,592</u>	<u>\$ 2,009</u>	<u>\$ 7,753</u>	<u>\$ 8,583</u>

CITY OF TALLAHASSEE, FLORIDA

GENERAL FUND

SCHEDULE OF TRANSFERS - BUDGET AND ACTUAL

(in thousands)

	Fiscal Year Ended September 30			
	1999			1998
			Variance Favorable (Unfavorable)	
	Budget	Actual		Actual
Operating Transfers:				
Operating Transfers In:				
Electric Fund.....	\$ 30,009	\$ 30,008	\$ (1)	\$ 32,313
Water Fund.....	3,793	3,767	(26)	3,601
Gas Fund.....	2,399	2,300	(99)	2,396
Sewer Fund.....	1,130	1,112	(18)	1,050
Risk Management Fund.....	217	209	(8)	4
Gas Tax Construction Fund.....	250	250	--	--
Special Projects Fund.....	--	32	32	--
Community Development Block Grant Fund.....	--	--	--	2
Electric RR & I Fund.....	--	--	--	1
Capital Improvement Fund.....	--	--	--	246
Total Operating Transfers In.....	\$ 37,798	\$ 37,678	\$ (120)	\$ 39,613
Operating Transfers Out:				
Capital Improvement Fund.....	\$ 4,994	\$ 7,612	\$ (2,618)	\$ 7,795
Tallahassee Transit Fund.....	3,865	3,468	397	3,500
Golf Course Fund	401	514	(113)	153
Debt Service Fund.....	2,582	2,268	314	1,885
Law Enforcement Block Grant Fund.....	44	44	--	2
Special Projects Fund.....	403	512	(109)	499
Electric RR&I Fund.....	70	70	--	74
Fire Fund.....	10,400	10,400	--	--
Future Capital Bonds Construction Fund.....	--	325	(325)	--
Sunshine State Construction Fund.....	--	--	--	151
Deficiencies Fund.....	--	603	(603)	--
Total Operating Transfers Out.....	\$ 22,759	\$ 25,816	\$ (3,057)	\$ 14,059

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designed to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses.

Description of Funds

Special Projects	For the housing of projects relating to federal, state and local grants. These grants include but aren't limited to: Community Development Block Grant; State Housing Initiative Program; and the HOME program. Also included in this fund are other miscellaneous items that are to be used for specific general government purposes but are not appropriate for any other established City fund.
Stormwater Management	Used to account for the operation, maintenance and expansion of the Stormwater Utility system. This fund is grouped into Special Revenue for the City and not treated as an enterprise fund due to the fact that its fixed assets are included in the General Fixed Asset Accounting Group.
Law Enforcement Forfeiture Fund	For the accounting of state and federal forfeitures received by the City as prescribed by Florida Statutes. Also included: the Federal Law Enforcement Block Grant revenues and expenditures; and Second Dollar funding revenues received from the County who collects fines from citizens guilty of a statute violation or local ordinance.
Fire Services	Used to account for the assets, operation, and maintenance of the City-owned fire services operation. The fire department, through an agreement with Leon County is responsible for providing fire protection services to the unincorporated area of the county as well as within Tallahassee's city limits.

CITY OF TALLAHASSEE, FLORIDA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 1999
(in thousands)

	Special Projects	Stormwater Management	Law Enforcement Forfeiture	Fire Service Fees	Totals September 30	
					1999	1998
ASSETS						
Cash and Cash Equivalents/Investments.....	\$ 6,535	\$ 19,514	\$ 1,098	\$ 1,134	\$ 28,281	\$ 24,388
Securities Lending Collateral.....	--	--	--	--	--	2,139
Receivables:						
Accrued Interest	13	102	6	2	123	108
Customers.....	18	544	--	--	562	608
Notes.....	1,752	--	--	--	1,752	2,100
Due From Other Governments.....	825	--	95	--	920	678
Total Assets.....	\$ 9,143	\$ 20,160	\$ 1,199	\$ 1,136	\$ 31,638	\$ 30,021
LIABILITIES AND FUND BALANCES						
Liabilities:						
Obligations Under Securities Lending.....	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,139
Accounts Payable.....	480	783	20	261	1,544	609
Deferred Revenue.....	1,337	--	1,175	--	2,512	973
Due to Other Funds.....	--	--	--	785	785	--
Total Liabilities.....	1,817	783	1,195	1,046	4,841	3,721
Fund Balances:						
Reserved for:						
Projects.....	3,512	12,470	820	4,235	21,037	17,880
Encumbrances.....	2,062	4,205	572	628	7,467	2,849
Notes Receivable.....	1,752	--	--	--	1,752	2,100
Total Reserved.....	7,326	16,675	1,392	4,863	30,256	22,829
Unreserved/Undesignated.....	--	2,702	(1,388)	(4,773)	(3,459)	3,471
Total Fund Balances.....	7,326	19,377	4	90	26,797	26,300
Total Liabilities and Fund Balances.....	\$ 9,143	\$ 20,160	\$ 1,199	\$ 1,136	\$ 31,638	\$ 30,021

CITY OF TALLAHASSEE, FLORIDA

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended September 30, 1999

(in thousands)

	Special Projects	Stormwater Management	Law Enforcement Forfeiture	Fire Service Fees	Totals September 30	
					1999	1998
Revenues:						
Licenses and Permits.....	\$ --	\$ --	\$ --	\$ 264	\$ 264	\$ --
Intergovernmental	4,033	1,196	81	840	6,150	4,494
Charges for Services.....	--	9,245	--	2,510	11,755	8,994
Fines and Forfeitures.....	--	--	86	--	86	95
Interest Earned.....	190	1,069	54	--	1,313	1,239
Net Increase (Decrease) in the Fair Value of Investments.....	(38)	(292)	(16)	(5)	(351)	284
Miscellaneous	1,017	17	32	--	1,066	644
Total Revenues.....	5,202	11,235	237	3,609	20,283	15,750
Expenditures:						
Current:						
General Government.....	827	--	15	--	842	707
Public Safety.....	885	--	660	15,069	16,614	1,065
Transportation.....	141	--	--	106	247	394
Human Services.....	1,551	--	--	--	1,551	906
Economic Development.....	2,247	--	--	--	2,247	2,266
Physical Environment.....	489	10,354	--	--	10,843	8,689
Culture and Recreation.....	46	--	--	--	46	50
Capital Outlay.....	--	--	--	--	--	225
Interest.....	--	--	--	--	--	6
Total Expenditures.....	6,186	10,354	675	15,175	32,390	14,308
Excess of Revenues Over (Under) Expenditures.....	(984)	881	(438)	(11,566)	(12,107)	1,442
Other Financing Sources (Uses):						
Operating Transfers In.....	1,272	--	73	11,676	13,021	1,071
Operating Transfers Out.....	(319)	(87)	--	(20)	(426)	(34)
Operating Transfers from Component Unit.....	9	--	--	--	9	11
Total Other Financing Sources (Uses).....	962	(87)	73	11,656	12,604	1,048
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses.....	(22)	794	(365)	90	497	2,490
Fund Balances - October 1	7,348	18,583	369	--	26,300	23,846
Cumulative Effect of a Change in Accounting Principle.....	--	--	--	--	--	(36)
Fund Balances - October 1 - As Restated.....	7,348	18,583	369	--	26,300	23,810
Fund Balances - September 30.....	\$ 7,326	\$ 19,377	\$ 4	\$ 90	\$ 26,797	\$ 26,300

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DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, interest and principal on all general long-term debt other than that payable from Proprietary Funds.

CITY OF TALLAHASSEE, FLORIDA

DEBT SERVICE FUND

BALANCE SHEET

(in thousands)

	September 30	
	1999	1998
ASSETS		
Investments.....	\$ 2,629	\$ 2,444
Securities Lending Collateral.....	--	213
Deposits.....	74	73
Total Assets.....	\$ 2,703	\$ 2,730
LIABILITIES		
Obligations Under Securities Lending.....	\$ --	\$ 213
Total Liabilities.....	--	213
FUND BALANCE		
Fund Balance:		
Reserved for:		
Future Debt Service.....	2,703	2,517
Total Reserved.....	2,703	2,517
Total Fund Balance.....	2,703	2,517
Total Liabilities & Fund Balance.....	\$ 2,703	\$ 2,730

DEBT SERVICE FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Revenue:		
Interest Earned.....	\$ 2	\$ 2
Expenditures:		
Debt Service:		
Principal Retired.....	1,260	1,128
Interest and Fiscal Charges.....	1,283	1,132
Total Expenditures.....	2,543	2,260
Excess of Expenditures Over Revenues.....	(2,541)	(2,258)
Other Financing Sources (Uses):		
Operating Transfers In.....	2,727	2,195
Operating Transfers Out.....	--	--
Total Other Financing Sources	2,727	2,195
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses.....	186	(63)
Fund Balance - October 1.....	2,517	2,580
Fund Balance - September 30.....	\$ 2,703	\$ 2,517

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

Capital Improvement Fund

Accounts for general revenue used for the acquisition or construction of general fixed assets.

Capital Bonds Construction Fund

Accounts for bond proceeds used for the acquisition or construction of general fixed assets.

Transportation Impact Fee Construction Fund

Accounts for impact fees used for the acquisition or construction of transportation improvements.

Sales Tax Construction Fund

Accounts for tax proceeds used for the acquisition or construction of public safety and transportation improvements.

Gas Tax Construction Fund

Accounts for tax proceeds used for the acquisition or construction of transportation improvements.

CITY OF TALLAHASSEE, FLORIDA

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

September 30, 1999

(in thousands)

		Capital	Transportation			Totals	
	Capital	Bonds	Impact Fee	Sales Tax	Gas Tax	September 30	
	Improvement	Construction	Construction	Construction	Construction	1999	1998
ASSETS							
Cash and Cash Equivalents/Investments.....	\$ 46,914	\$ 2,372	\$ 403	\$ 26,545	\$ 3,788	\$ 80,022	\$ 65,745
Securities Lending Collateral.....	--	--	--	--	--	--	5,770
Receivables:							
Accrued Interest	255	12	2	137	19	425	340
Other.....	14	--	--	--	--	14	14
Notes	43	--	--	--	--	43	98
Special Assessments Receivable:							
Current.....	43	--	--	--	--	43	48
Deferred.....	85	--	--	--	--	85	105
Advance to Other Funds.....	474	--	--	--	--	474	558
Due from Other Governments.....	--	--	--	--	560	560	270
Total Assets.....	\$ 47,828	\$ 2,384	\$ 405	\$ 26,682	\$ 4,367	\$ 81,666	\$ 72,948
LIABILITIES AND FUND BALANCES							
Liabilities:							
Obligations Under Securities Lending.....	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 5,770
Accounts Payable.....	95	7	--	516	41	659	1,592
Retainage Payable.....	293	--	--	747	13	1,053	452
Deferred Revenue.....	85	--	--	--	--	85	106
Total Liabilities.....	473	7	--	1,263	54	1,797	7,920
Fund Balances:							
Reserved for:							
Encumbrances.....	5,969	109	211	8,855	676	15,820	20,231
Projects.....	40,516	2,862	411	96,440	3,211	143,440	44,275
Notes Receivable.....	43	--	--	--	--	43	98
Advance to Other Funds.....	474	--	--	--	--	474	558
Total Reserved.....	47,002	2,971	622	105,295	3,887	159,777	65,162
Unreserved :							
Designated.....	5,453	--	--	--	736	6,189	968
Undesignated.....	(5,100)	(594)	(217)	(79,876)	(310)	(86,097)	(1,102)
Total Unreserved.....	353	(594)	(217)	(79,876)	426	(79,908)	(134)
Total Fund Balances.....	47,355	2,377	405	25,419	4,313	79,869	65,028
Total Liabilities and Fund Balances	\$ 47,828	\$ 2,384	\$ 405	\$ 26,682	\$ 4,367	\$ 81,666	\$ 72,948

CITY OF TALLAHASSEE, FLORIDA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 1999
(in thousands)

	Capital Improvement	Capital Bonds Construction	Transportation Impact Fee Construction	Sales Tax Construction	Gas Tax Construction	Totals September 30	
						1999	1998
Revenues:							
Local Option Sales Tax.....	\$ --	\$ --	\$ --	\$ 13,219	\$ --	\$ 13,219	\$ 12,608
Local Option Gas Tax.....	--	--	--	--	3,277	3,277	3,273
Intergovernmental	12,041	--	--	1,753	--	13,794	68
Charges for Services.....	20	--	--	--	--	20	9
Special Assessments	90	--	--	--	--	90	134
Interest Earned.....	2,296	107	24	1,436	239	4,102	4,258
Net Increase in the Fair Value of Investments.....	(729)	(34)	(5)	(391)	(56)	(1,215)	888
Miscellaneous.....	680	--	--	64	105	849	707
Total Revenues.....	14,398	73	19	16,081	3,565	34,136	21,945
Expenditures:							
Capital Outlay:							
General Government.....	3,232	--	--	--	--	3,232	19,939
Public Safety.....	625	1,252	--	466	--	2,343	1,856
Transportation.....	3,127	7	121	15,891	3,352	22,498	28,685
Human Services.....	148	--	--	--	--	148	402
Economic Development.....	530	--	--	--	--	530	1,744
Physical Environment.....	379	--	--	--	--	379	170
Culture and Recreation.....	1,379	635	--	--	--	2,014	1,046
Total Capital Outlay.....	9,420	1,894	121	16,357	3,352	31,144	53,842
Excess of Revenue Over							
(Under) Expenditures.....	4,978	(1,821)	(102)	(276)	213	2,992	(31,897)
Other Financing Sources (Uses):							
Operating Transfers In.....	10,761	3,747	54	--	--	14,562	9,865
Operating Transfers Out.....	(2,396)	(13)	--	(54)	(250)	(2,713)	(2,151)
Operating Transfers from Component Unit.....	--	--	--	--	--	--	2
Bond Proceeds.....	--	--	--	--	--	--	3,870
Total Other Financing Sources (Uses).....	8,365	3,734	54	(54)	(250)	11,849	11,586
Excess of Revenue and Other Financing Sources							
Over (Under) Expenditures and Other Financing Uses.....	13,343	1,913	(48)	(330)	(37)	14,841	(20,311)
Fund Balances - October 1.....	34,012	464	453	25,749	4,350	65,028	80,222
Prior Period Adjustment.....	--	--	--	--	--	--	--
Cumulative Effect of a Change in Accounting Principle.....	--	--	--	--	--	--	(161)
Fund Balance - October 1 - As Restated.....	34,012	464	453	25,749	4,350	65,028	80,061
Residual Equity Transfers Out.....	--	--	--	--	--	--	5,278
Fund Balances - September 30.....	\$ 47,355	\$ 2,377	\$ 405	\$ 25,419	\$ 4,313	\$ 79,869	\$ 65,028

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ENTERPRISE FUNDS

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

Electric Fund	Accounts for the assets, operation and maintenance of the City-owned electric generation, transmission, and distribution system that supplies electricity to more than 90,000 customers.
Gas Fund	Accounts for the assets, operating and maintenance of the City-owned gas system.
Sewer Fund	Accounts for the operations of the City's wastewater collection and treatment plants, including a 1,897 acre sprayfield for the disposal of effluent.
Water Fund	Accounts for the operations of the City's water production and distribution system, which includes twenty-nine water wells and eight elevated water towers
Airport Fund	Accounts for the assets, operation and maintenance of the City-owned regional airport.
Tallahassee Transit	Accounts for the operations of the City's public transit system, which provides fixed route services, special transportation under provisions of the Americans with Disabilities Act (ADA), a fare-free downtown trolley service and a variety of contract/charter services.
Solid Waste Fund	Accounts for the assets, operation and maintenance of the City-owned solid waste operation.
Golf Fund	Accounts for the operations of the City's eighteen-hole Hilaman Park Golf Course.

CITY OF TALLAHASSEE, FLORIDA

Enterprise Funds
Combining Balance Sheet
September 30, 1999
(in thousands)

	Electric	Gas	Sewer	Water
ASSETS				
Current Assets:				
Cash and Cash Equivalents/Investments.....	\$ 12,987	\$ 1,072	\$ 1,690	\$ 863
Securities Lending Collateral.....	--	--	--	--
Receivables:				
Accrued Interest.....	78	5	54	87
Customers.....	15,537	775	2,114	1,694
Other.....	334	--	--	--
Less: Allowance for Doubtful Accounts.....	(1,428)	(91)	(220)	(252)
Due from Other Governments.....	--	--	--	--
Due from Other Funds.....	919	--	--	--
Inventory.....	16,302	361	1,948	56
Total Current Assets	44,729	2,122	5,586	2,448
Restricted Assets:				
Cash and Cash Equivalents/Investments.....	83,229	2,798	15,116	18,409
Securities Lending Collateral.....	--	--	--	--
Investments.....	71,759	1,072	9,027	1,135
Receivables:				
Other.....	296	--	818	116
Accrued Interest	622	15	36	12
Notes	5,723	--	--	--
Due from Other Governments.....	--	--	--	--
Total Restricted Assets	161,629	3,885	24,997	19,672
Other Assets:				
Unamortized Bond Issue Costs.....	1,440	90	282	37
Total Other Assets	1,440	90	282	37
Fixed Assets:				
Fixed Assets - Cost	480,020	43,384	189,398	89,056
Less: Accumulated Depreciation.....	(218,306)	(9,461)	(50,141)	(25,402)
Construction in Progress.....	133,158	3,572	14,176	5,368
Total Fixed Assets	394,872	37,495	153,433	69,022
Total Assets	\$ 602,670	\$ 43,592	\$ 184,298	\$ 91,179

CITY OF TALLAHASSEE, FLORIDA

Enterprise Funds

Combining Balance Sheet

September 30, 1999

(Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Totals	
				September 30 1999	1998
\$ 1,719	\$ 227	\$ 1,062	\$ 160	\$ 19,780	\$ 17,739
--	--	--	--	--	1,565
9	--	5	--	238	212
465	360	1,525	--	22,470	20,475
--	--	--	2	336	96
(59)	(9)	(128)	--	(2,187)	(2,273)
--	1,644	--	--	1,644	1,722
--	--	--	--	919	210
12	532	--	28	19,239	16,733
2,146	2,754	2,464	190	62,439	56,479
6,241	--	2,706	139	128,638	107,011
--	--	--	--	--	12,234
1,171	--	--	--	84,164	32,605
--	--	--	--	1,230	1,374
32	--	14	1	732	548
--	--	--	--	5,723	5,785
474	--	--	--	474	388
7,918	--	2,720	140	220,961	159,945
174	--	--	--	2,023	1,039
174	--	--	--	2,023	1,039
82,929	11,925	2,466	3,608	902,786	858,182
(25,115)	(3,545)	(2,055)	(902)	(334,927)	(311,508)
3,729	1,243	--	203	161,449	83,896
61,543	9,623	411	2,909	729,308	630,570
\$ 71,781	\$ 12,377	\$ 5,595	\$ 3,239	\$ 1,014,731	\$ 848,033

CITY OF TALLAHASSEE, FLORIDA

Enterprise Funds
Combining Balance Sheet
September 30, 1999
(in thousands)
(Continued)

LIABILITIES AND FUND EQUITY

Current Liabilities:	Electric	Gas	Sewer	Water
Obligations Under Securities Lending.....	\$ --	\$ --	\$ --	\$ --
Accounts Payable.....	5,489	434	362	258
Customer Contracts Payable.....	1,272	--	1,090	550
Accrued Leave.....	1,230	119	585	211
Due to Other Funds.....	--	5,856	--	--
Utility Deposits Payable.....	10,398	82	--	468
Prepaid Fees Credit Payable.....	--	--	--	--
Total Current Liabilities.....	18,389	6,491	2,037	1,487
Payable from Restricted Assets:				
Loans From Other Funds.....	--	1,147	4,633	4,292
Obligations Under Securities Lending.....	--	--	--	--
Retainage and Accounts Payable.....	6,277	147	183	119
Deferred Revenue.....	3,407	--	--	--
Total Payable from Restricted Assets.....	9,684	1,294	4,816	4,411
Other Liabilities:				
Customer Contracts Payable.....	--	--	1,189	726
Accrued Leave.....	1,114	85	345	83
Advances From Other Funds.....	--	--	--	--
Loan Payable.....	36,500	--	--	--
Bonds Payable.....	243,343	17,620	56,199	9,566
Bond Discount.....	(1,626)	(33)	(87)	17
Deferment of Loss on Early Retirement of Debt.....	(3,021)	--	(767)	(172)
Total Other Liabilities.....	276,310	17,672	56,879	10,220
Total Liabilities.....	304,383	25,457	63,732	16,118
Fund Equity:				
Contributed Capital.....	1,818	60	14,927	37
Retained Earnings:				
Reserved for:				
Revenue Bonds Reserve.....	22,233	1,069	5,653	1,026
Revenue Bonds Debt Service.....	--	--	--	--
Operating Reserve.....	61,208	--	--	992
Revenue Bonds Renewal and Replacement.....	17,601	1,997	8,745	15,692
Reserve for Utility System Charges.....	--	--	6,437	1,362
Reserve for Projects.....	--	--	--	--
Other Reserves.....	19,051	796	1,457	--
Total Reserved.....	120,093	3,862	22,292	19,072
Unreserved.....	176,376	14,213	83,347	55,952
Total Retained Earnings.....	296,469	18,075	105,639	75,024
Total Fund Equity.....	298,287	18,135	120,566	75,061
Total Liabilities and Fund Equity.....	\$ 602,670	\$ 43,592	\$ 184,298	\$ 91,179

CITY OF TALLAHASSEE, FLORIDA

Enterprise Funds

Combining Balance Sheet

September 30, 1999

(Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Totals	
				September 30	
				1999	1998
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,565
375	288	559	47	7,812	6,968
--	--	--	--	2,912	3,136
155	320	239	31	2,890	2,428
70	782	--	--	6,708	2,923
--	--	--	--	10,948	9,747
636	--	--	--	636	562
1,236	1,390	798	78	31,906	27,329
3,129	--	--	623	13,824	13,443
--	--	--	--	--	12,234
203	--	--	19	6,948	8,783
--	--	--	--	3,407	319
3,332	--	--	642	24,179	34,779
--	--	--	--	1,915	1,885
183	115	296	11	2,232	2,832
474	603	--	--	1,077	1,231
--	--	--	--	36,500	20,000
9,910	--	--	--	336,638	196,932
(65)	--	--	--	(1,794)	(940)
(664)	--	--	--	(4,624)	(2,355)
9,838	718	296	11	371,944	219,585
14,406	2,108	1,094	731	428,029	281,693
47,280	8,944	822	2,024	75,912	74,049
1,196	--	--	--	31,177	19,637
576	--	--	--	576	4,901
--	--	2,902	--	65,102	38,541
3,737	--	6	131	47,909	35,897
--	--	--	--	7,799	8,681
--	872	--	--	872	768
--	--	--	--	21,304	19,240
5,509	872	2,908	131	174,739	127,665
4,586	453	771	353	336,051	364,626
10,095	1,325	3,679	484	510,790	492,291
57,375	10,269	4,501	2,508	586,702	566,340
\$ 71,781	\$ 12,377	\$ 5,595	\$ 3,239	\$ 1,014,731	\$ 848,033

CITY OF TALLAHASSEE, FLORIDA

Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

For the Fiscal Year Ended

September 30, 1999

(in thousands)

	Electric	Gas	Sewer	Water
Operating Revenues:				
Charges for Services:				
Residential Sales.....	\$ 78,421	\$ 5,770	\$ 12,277	\$ 9,870
Recyclable Sales.....	--	--	--	--
Commercial and Industrial Sales.....	86,589	7,403	10,491	5,843
Public Street and Highway Lighting.....	1,128	--	--	--
Sales for Resale.....	7,517	--	--	--
Sales to Other Funds.....	4,510	93	178	334
Surcharge.....	1,581	43	317	887
Tapping Fees.....	--	--	154	651
Landing and Tie Down Fees.....	--	--	--	--
Late Fees.....	575	59	--	88
Initiating Service.....	811	90	--	319
Rentals.....	322	--	--	306
Cut-ins and Cut-fees.....	2,029	49	--	105
Recreation Fees.....	--	--	--	--
Transportation Fees.....	--	--	--	--
Other.....	3,088	597	2,166	1,157
Total Operating Revenues.....	186,571	14,104	25,583	19,560
Operating Expenses:				
Personal Services.....	14,175	1,256	7,102	2,611
Fossil Fuel.....	56,599	--	--	--
Power Purchased.....	30,199	--	--	--
Gas Purchased.....	--	5,408	--	--
Contractual Services.....	17,915	1,538	5,439	4,721
Materials and Supplies.....	4,494	91	1,851	529
Other Expenses.....	4,175	1,018	2,930	1,435
Less: Applied Equipment Charges.....	(130)	(31)	(94)	(28)
Depreciation.....	14,036	947	4,058	1,791
Amortization.....	244	10	33	3
Total Operating Expenses.....	141,707	10,237	21,319	11,062
Operating Income (Loss).....	44,864	3,867	4,264	8,498

CITY OF TALLAHASSEE, FLORIDA

Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

For the Fiscal Year Ended

September 30, 1999

(Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Totals	
				September 30 1999	1998
\$ --	\$ --	\$ 7,269	\$ --	\$ 113,607	\$ 117,617
--	--	93	--	93	355
--	--	8,635	--	118,961	118,484
--	--	--	--	1,128	1,114
--	--	--	--	7,517	5,406
--	--	--	--	5,115	5,169
--	--	--	--	2,828	2,881
--	--	--	--	805	963
658	--	--	--	658	645
--	--	--	--	722	779
--	--	--	--	1,220	1,185
6,647	--	--	--	7,275	6,756
--	--	--	--	2,183	1,626
--	--	--	341	341	1,030
--	2,690	--	--	2,690	2,613
104	--	4	--	7,116	4,866
7,409	2,690	16,001	341	272,259	271,489
2,054	5,001	3,671	405	36,275	36,188
--	--	--	--	56,599	51,831
--	--	--	--	30,199	34,651
--	--	--	--	5,408	5,834
1,746	1,243	10,268	115	42,985	47,258
541	976	919	233	9,634	8,682
146	601	154	44	10,503	11,708
--	--	--	--	(283)	(268)
2,261	290	75	124	23,582	22,706
25	--	--	--	315	304
6,773	8,111	15,087	921	215,217	218,894
636	(5,421)	914	(580)	57,042	52,595

CITY OF TALLAHASSEE, FLORIDA

Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

For the Fiscal Year Ended

September 30, 1999

(in thousands)

(Continued)

	Electric	Gas	Sewer	Water
Non-Operating Revenues (Expenses):				
Interest Revenue.....	\$ 5,899	\$ 104	\$ 1,037	\$ 1,201
Net Increase (Decrease) in the Fair Value of Investments.....	(1,591)	(57)	(259)	(285)
Gain on Sale of Surplus Property.....	7	--	1	1
Grant Revenues.....	--	--	--	--
Other Revenues.....	656	236	4,824	1,298
Interest Expense.....	(7,059)	(895)	(3,120)	(556)
Other Expenses.....	(4,249)	(917)	(507)	(892)
Total Non- Operating Revenues (Expenses).....	(6,337)	(1,529)	1,976	767
Income (Loss) Before Operating				
Transfers.....	38,527	2,338	6,240	9,265
Operating Transfers In (Out):				
Operating Transfers In.....	86	81	--	--
Operating Transfers Out.....	(30,184)	(2,313)	(1,884)	(4,111)
Net Income (Loss).....	8,429	106	4,356	5,154
Disposition of Net Income (Loss):				
Depreciation on Contributed Assets.....	140	10	651	5
Net Increase (Decrease) in Retained				
Earnings.....	8,569	116	5,007	5,159
Retained Earnings - October 1.....	287,904	17,969	100,641	69,879
Cumulative Effect of a Change in Accounting Principle.....	--	--	--	--
Retained Earnings - October 1 - As Restated.....	287,904	17,969	100,641	69,879
Residual Equity Transfers Out.....	(4)	(10)	(9)	(14)
Retained Earnings - September 30.....	\$ 296,469	\$ 18,075	\$ 105,639	\$ 75,024

CITY OF TALLAHASSEE, FLORIDA

Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

For the Fiscal Year Ended

September 30, 1999

(Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Totals	
				September 30 1999	1998
\$ 593	\$ --	\$ 225	\$ 14	\$ 9,073	\$ 9,963
(118)	--	(55)	(5)	(2,370)	1,998
--	--	--	--	9	13
--	1,627	--	--	1,627	1,666
--	15	--	--	7,029	9,819
(837)	--	--	--	(12,467)	(9,505)
(1,416)	(26)	--	(7)	(8,014)	(5,438)
(1,778)	1,616	170	2	(5,113)	8,516
(1,142)	(3,805)	1,084	(578)	51,929	61,111
--	3,468	--	514	4,149	3,794
(651)	--	(10)	(623)	(39,776)	(39,884)
(1,793)	(337)	1,074	(687)	16,302	25,021
1,354	183	5	8	2,356	2,523
(439)	(154)	1,079	(679)	18,658	27,544
10,534	1,479	2,722	1,163	492,291	465,667
--	--	--	--	--	(259)
10,534	1,479	2,722	1,163	492,291	465,408
--	--	(122)	--	(159)	(661)
\$ 10,095	\$ 1,325	\$ 3,679	\$ 484	\$ 510,790	\$ 492,291

CITY OF TALLAHASSEE, FLORIDA

Enterprise Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended September 30, 1999

(in thousands)

	Electric	Gas	Sewer	Water
Increase (Decrease) in Cash and Cash Equivalents/Investments:				
Cash Flows from Operating Activities:				
Cash Received from Customers.....	\$ 182,657	\$ 13,934	\$ 24,910	\$ 19,032
Cash Received from Other Funds.....	4,510	93	178	334
Cash Received from Other Revenues.....	656	236	891	418
Cash Paid to Suppliers for Goods and Services.....	(106,524)	(6,651)	(6,013)	(3,550)
Cash Paid to Employees for Services.....	(13,729)	(1,268)	(7,127)	(2,637)
Cash Paid to Other Funds.....	(7,773)	(1,573)	(4,065)	(2,927)
Cash Paid for Other Expenses.....	(4,249)	(917)	(507)	(892)
Net Cash Provided by (Used for) Operating Expenses.....	55,548	3,854	8,267	9,778
Cash Flows from Noncapital Financing Activities:				
Operating Transfers In from Other Funds.....	86	81	--	--
Loans from Other Funds.....	--	3,856	--	--
Operating Grants Received.....	--	--	--	--
Repayment of Advances.....	--	--	--	--
Proceeds from Due To Other Funds.....	--	--	--	--
Operating Transfers Out to Other Funds.....	(30,184)	(2,313)	(1,884)	(4,111)
Net Cash Provided by (Used for) Noncapital Financing Activities.....	(30,098)	1,624	(1,884)	(4,111)
Cash Flows from Capital and Related Financing Activities:				
Receipts from Energy Loan Program.....	8,323	--	--	--
Capital Grants Received.....	--	--	--	--
Proceeds From the Sale of Property.....	7	--	--	--
Proceeds From Sunshine State Loan.....	36,464	--	--	--
Proceeds From Revenue Bonds.....	130,839	--	--	--
System Charges.....	--	--	3,933	881
Acquisition and Construction of Capital Assets.....	(39,794)	(3,405)	(11,510)	(4,573)
Residual Equity Transfers Out.....	(4)	(10)	(9)	(9)
Principal and Refunding Payments.....	(68,307)	(385)	(1,918)	(418)
Repayment of Loans from Other Funds.....	--	(98)	143	(121)
Funding of Energy Loan Program.....	(8,368)	--	--	--
Interest Paid.....	(11,922)	(934)	(3,123)	(439)
Net Cash Provided by (Used for) Capital and Related Financing Activities.....	47,238	(4,832)	(12,484)	(4,679)
Cash Flows from Investing Activities:				
Proceeds from Sale and Maturities of Investment Securities.....	149,137	1,655	10,838	2,154
Interest Received on Investments.....	10,188	154	1,573	1,205
Purchase of Investment Securities.....	(205,718)	(1,654)	(5,912)	(2,155)
Net Cash Provided by (Used for) Investing Activities.....	(46,393)	155	6,499	1,204

CITY OF TALLAHASSEE, FLORIDA

Enterprise Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended September 30, 1999

(Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Totals	
				September 30	
				1999	1998
\$ 7,498	\$ 2,759	\$ 15,787	\$ 339	\$ 266,916	\$ 278,774
--	--	--	--	5,115	5,169
--	15	--	--	2,216	5,017
(1,938)	(1,568)	(8,862)	(326)	(135,432)	(149,580)
(2,114)	(4,975)	(3,662)	(408)	(35,920)	(45,670)
(397)	(1,172)	(2,485)	(12)	(20,404)	(21,430)
(784)	(26)	--	(7)	(7,382)	(5,786)
2,265	(4,967)	778	(414)	75,109	66,494
--	3,468	--	514	4,149	3,794
--	--	--	--	3,856	2,000
--	1,670	--	--	1,670	1,587
(338)	--	--	--	(338)	(134)
--	(43)	--	--	(43)	62
(651)	--	(10)	--	(39,153)	(39,884)
(989)	5,095	(10)	514	(29,859)	(32,575)
--	--	--	--	8,323	8,042
3,378	270	--	--	3,648	5,376
--	--	--	--	7	6
--	--	--	--	36,464	--
--	--	--	--	130,839	--
--	--	--	--	4,814	4,808
(3,637)	(254)	(75)	(224)	(63,472)	(43,804)
--	--	(122)	--	(154)	(427)
(5,341)	--	--	--	(76,369)	(9,243)
--	--	--	--	(76)	(1,033)
--	--	--	--	(8,368)	(8,222)
(760)	--	--	--	(17,178)	(13,960)
(6,360)	16	(197)	(224)	18,478	(58,457)
--	--	--	--	163,784	26,304
608	--	222	15	13,965	11,248
--	--	--	--	(215,439)	(20,847)
608	--	222	15	(37,690)	16,705

CITY OF TALLAHASSEE, FLORIDA

Enterprise Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended September 30, 1999

(in thousands)

(Continued)

	Electric	Gas	Sewer	Water
Net Increase (Decrease) in Cash and Cash Equivalents/Investments.....	26,295	801	398	2,192
Cash and Cash Equivalents/Investments - October 1.....	71,512	3,126	16,667	17,365
Cash and Cash Equivalents/Investments - September 30.....	97,807	3,927	17,065	19,557
Cumulative Effect of a Change in Accounting Principle.....	--	--	--	--
Unrealized Gain (Loss) on Cash and Cash Equivalents/Investments.....	(1,591)	(57)	(259)	(285)
Cash and Cash Equivalents/Investments - September 30.....	\$ 96,216	\$ 3,870	\$ 16,806	\$ 19,272
Classified As:				
Unrestricted Assets.....	\$ 12,987	\$ 1,072	\$ 1,690	\$ 863
Restricted Assets.....	83,229	2,798	15,116	18,409
	\$ 96,216	\$ 3,870	\$ 16,806	\$ 19,272
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss).....	\$ 44,864	\$ 3,867	\$ 4,264	\$ 8,498
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation.....	14,036	947	4,058	1,791
Amortization.....	244	10	33	3
Provision for Uncollectible Accounts.....	(143)	(2)	17	14
Other.....	(3,593)	(680)	384	(474)
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable.....	(1,321)	(76)	(295)	(194)
Increase in Other Accounts Receivable.....	(238)	--	(6)	--
(Increase) Decrease in Inventory.....	(2,243)	(123)	(153)	--
(Increase) Decrease in Due From Other Funds.....	(709)	--	--	--
Increase (Decrease) in Accounts Payable.....	462	(76)	(10)	84
Increase (Decrease) in Due To Other Funds.....	--	--	--	--
Decrease in Customer Contracts Payable.....	(2)	--	--	--
Increase in Utility Deposits Payable.....	1,119	--	--	82
Increase in Deferred Revenue.....	3,088	--	--	--
Increase (Decrease) in Accrued Leave.....	(16)	(13)	(25)	(26)
Increase in Prepaid Fees Credit.....	--	--	--	--
Total Adjustments.....	10,684	(13)	4,003	1,280
Net Cash Provided by (Used for) Operating Activities.....	\$ 55,548	\$ 3,854	\$ 8,267	\$ 9,778
Noncash Investing, Capital, and Financing Activities:				
Interfund Transfers of Fixed Assets.....	\$ 4	\$ --	\$ (2)	\$ (4)

CITY OF TALLAHASSEE, FLORIDA

Enterprise Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended September 30, 1999

(Continued)

Airport	Tallahassee Transit	Solid Waste	Golf Course	Totals	
				September 30	
				1999	1998
(4,476)	144	793	(109)	26,038	(7,833)
12,554	83	3,030	413	124,750	130,862
8,078	227	3,823	304	150,788	123,029
--	--	--	--	--	(259)
(118)	--	(55)	(5)	(2,370)	1,980
<u>\$ 7,960</u>	<u>\$ 227</u>	<u>\$ 3,768</u>	<u>\$ 299</u>	<u>\$ 148,418</u>	<u>\$ 124,750</u>
<u>\$ 1,719</u>	<u>\$ 227</u>	<u>\$ 1,062</u>	<u>\$ 160</u>	<u>\$ 19,780</u>	<u>\$ 17,739</u>
<u>6,241</u>	<u>--</u>	<u>2,706</u>	<u>139</u>	<u>128,638</u>	<u>107,011</u>
<u>\$ 7,960</u>	<u>\$ 227</u>	<u>\$ 3,768</u>	<u>\$ 299</u>	<u>\$ 148,418</u>	<u>\$ 124,750</u>
<u>\$ 636</u>	<u>\$ (5,421)</u>	<u>\$ 914</u>	<u>\$ (580)</u>	<u>\$ 57,042</u>	<u>\$ 52,595</u>
2,261	290	75	124	23,582	22,706
25	--	--	--	315	304
--	2	20	--	(92)	(115)
(784)	(48)	--	(7)	(5,202)	(758)
49	149	(234)	(2)	(1,924)	1,333
--	--	--	--	(244)	622
--	10	--	14	(2,495)	(3,020)
--	--	--	--	(709)	549
--	81	9	42	592	(9,271)
64	(43)	--	--	21	107
--	--	--	--	(2)	331
--	--	--	--	1,201	908
--	--	--	--	3,088	(9)
(60)	13	(6)	(5)	(138)	50
74	--	--	--	74	162
<u>1,629</u>	<u>454</u>	<u>(136)</u>	<u>166</u>	<u>18,067</u>	<u>13,899</u>
<u>\$ 2,265</u>	<u>\$ (4,967)</u>	<u>\$ 778</u>	<u>\$ (414)</u>	<u>\$ 75,109</u>	<u>\$ 66,494</u>
<u>\$ --</u>	<u>\$ 4</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2</u>	<u>\$ (65)</u>

CITY OF TALLAHASSEE, FLORIDA
ELECTRIC FUND
BALANCE SHEET
(in thousands)

	September 30	
	1999	1998
ASSETS		
Current Assets:		
Cash and Cash Equivalents/Investments.....	\$ 12,987	\$ 11,803
Securities Lending Collateral.....	--	1,039
Receivables:		
Accrued Interest.....	78	59
Customers.....	15,537	14,216
Other.....	334	96
Less: Allowance for Doubtful Accounts.....	(1,428)	(1,571)
Due from Other Funds.....	919	210
Inventory:		
Fossil Fuel.....	4,662	5,913
Nuclear Fuel.....	9,162	8,677
Accumulated Amortization of Nuclear Fuel.....	(5,317)	(4,958)
Other.....	7,795	4,428
Total Current Assets.....	44,729	39,912
Restricted Assets:		
Cash and Cash Equivalents/Investments:		
Revenue Bonds Reserve.....	--	1,442
Revenue Bonds R R and I.....	19,180	11,956
Operating Reserve.....	53,503	36,305
Other.....	10,546	10,006
Total Cash and Cash Equivalents/Investments.....	83,229	59,709
Investments:		
Revenue Bonds Reserve.....	22,052	10,650
Revenue Bonds Construction	44,800	7
Other.....	4,907	4,616
Total Investments.....	71,759	15,273
Securities Lending Collateral.....	--	6,580
Receivables:		
Accrued Interest.....	622	423
Revenue Bonds R R and I.....	296	319
Notes.....	5,723	5,785
Total Receivables.....	6,641	6,527
Total Restricted Assets.....	161,629	88,089
Other Assets:		
Unamortized Bond Issue Costs.....	1,440	403
Total Other Assets.....	1,440	403
Fixed Assets:		
Fixed Assets - Cost	480,020	457,068
Less: Accumulated Depreciation.....	(218,306)	(204,307)
Construction in Progress.....	133,158	56,740
Total Fixed Assets.....	394,872	309,501
Total Assets.....	\$ 602,670	\$ 437,905

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

CITY OF TALLAHASSEE, FLORIDA
ELECTRIC FUND
BALANCE SHEET
(in thousands)
(Continued)

	September 30	
	1999	1998
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Obligations Under Securities Lending.....	\$ --	\$ 1,039
Accounts Payable.....	5,489	5,027
Accrued Leave.....	1,230	1,045
Customer Contract Payable.....	1,272	1,274
Utility Deposits Payable.....	10,398	9,279
Total Current Liabilities.....	18,389	17,664
Payable from Restricted Assets:		
Obligations Under Securities Lending	--	6,580
Retainage and Accounts Payable.....	6,277	7,607
Deferred Revenue.....	3,407	319
Total Payable from Restricted Assets.....	9,684	14,506
Other Liabilities:		
Accrued Leave.....	1,114	1,315
Loan Payable.....	36,500	20,000
Bonds Payable.....	243,343	95,401
Bond Discount.....	(1,626)	(780)
Deferment of Loss on Early Retirement of Debt.....	(3,021)	--
Total Other Liabilities.....	276,310	115,936
Total Liabilities.....	304,383	148,106
Fund Equity:		
Contributed Capital.....	1,818	1,895
Retained Earnings:		
Reserved for:		
Revenue Bonds	22,233	10,618
Revenue Bonds Renewal and Replacement.....	17,601	11,924
Operating Reserve.....	61,208	35,971
Other Reserves	19,051	17,169
Total Reserved.....	120,093	75,682
Unreserved.....	176,376	212,222
Total Retained Earnings.....	296,469	287,904
Total Fund Equity.....	298,287	289,799
Total Liabilities and Fund Equity.....	\$ 602,670	\$ 437,905

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

CITY OF TALLAHASSEE, FLORIDA
ELECTRIC FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Operating Revenues:		
Charges for Services:		
Residential Sales.....	\$ 78,421	\$ 82,120
Commercial and Industrial Sales.....	86,589	86,655
Public Street and Highway Lighting.....	1,128	1,114
Sales for Resale.....	7,517	5,406
Sales to Other Funds.....	4,510	4,537
Surcharge.....	1,581	1,628
Late Fees.....	575	614
Initiating Service.....	811	803
Rentals.....	322	299
Cut-ins and Cut-fees.....	2,029	1,221
Other.....	3,088	2,196
Total Operating Revenues.....	186,571	186,593
Operating Expenses:		
Personal Services.....	14,175	14,052
Fossil Fuel.....	56,599	51,831
Power Purchased.....	30,199	34,651
Contractual Services.....	17,915	21,161
Materials and Supplies.....	4,494	4,049
Other Expenses.....	4,175	3,782
Less: Applied Equipment Charges.....	(130)	(89)
Depreciation.....	14,036	13,551
Amortization.....	244	144
Total Operating Expenses.....	141,707	143,132
Operating Income.....	44,864	43,461
Non-Operating Revenues (Expenses):		
Interest Revenue.....	5,899	6,558
Net Increase (Decrease) in the Fair Value of Investments.....	(1,591)	1,269
Gain on Sale of Surplus Property.....	7	6
Other Revenues.....	656	1,238
Interest Expense.....	(7,059)	(3,927)
Other Expenses.....	(4,249)	(3,909)
Total Non-Operating Revenues.....	(6,337)	1,235
Income Before Operating Transfers.....	38,527	44,696
Operating Transfers:		
Operating Transfers In.....	86	81
Operating Transfers Out.....	(30,184)	(32,440)
Net Income.....	8,429	12,337
Disposition of Net Income:		
Depreciation on Contributed Assets.....	140	279
Net Increase in Retained Earnings.....	8,569	12,616
Retained Earnings - October 1.....	287,904	275,601
Cumulative Effect of a Change in Accounting Principle.....	--	(171)
Retained Earnings - October 1 - As Restated.....	287,904	275,430
Residual Equity Transfers Out.....	(4)	(142)
Retained Earnings - September 30.....	\$ 296,469	\$ 287,904

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

CITY OF TALLAHASSEE, FLORIDA
ELECTRIC FUND
STATEMENT OF CASH FLOWS
(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Increase (Decrease) in Cash and Cash Equivalents/Investments:		
Cash Flows from Operating Activities:		
Cash Received from Customers.....	\$ 182,657	\$ 194,035
Cash Received from Other Funds.....	4,510	4,537
Cash Received from Other Revenues.....	656	1,238
Cash Paid to Suppliers for Goods and Services.....	(106,524)	(117,104)
Cash Paid to Employees for Services.....	(13,729)	(23,641)
Cash Paid to Other Funds.....	(7,773)	(8,892)
Cash Paid for Other Expenses.....	(4,249)	(3,909)
Net Cash Provided by Operating Activities.....	55,548	46,264
Cash Flows from Noncapital Financing Activities:		
Operating Transfers In from Other Funds.....	86	81
Operating Transfers Out to Other Funds.....	(30,184)	(32,440)
Net Cash Used for Noncapital Financing Activities.....	(30,098)	(32,359)
Cash Flows from Capital and Related Financing Activities:		
Proceeds from the Sale of Property.....	7	6
Proceeds from Sunshine State Loan.....	36,464	--
Proceeds from Revenue Bonds.....	130,839	--
Receipts from Energy Loan Program.....	8,323	8,042
Acquisition and Construction of Capital Assets.....	(39,794)	(26,014)
Residual Equity Transfers Out.....	(4)	(142)
Funding of Energy Loan Program.....	(8,368)	(8,222)
Principal and Refunding Payments.....	(68,307)	(4,760)
Interest Paid.....	(11,922)	(6,670)
Net Cash Provided by (Used) for Capital and Related Financing Activities.....	47,238	(37,760)
Cash Flows from Investing Activities:		
Proceeds from Sale and Maturities of Investment Securities.....	149,137	13,701
Interest Received on Investments.....	10,188	6,920
Purchase of Investment Securities.....	(205,718)	(10,985)
Net Cash Provided by (Used for) Investing Activities.....	(46,393)	9,636
Net Increase (Decrease) in Cash and Cash Equivalents/Investments.....	26,295	(14,219)
Cash and Cash Equivalents/Investments, October 1.....	71,512	84,633
Cash and Cash Equivalents/Investments, September 30.....	97,807	70,414
Cumulative Effect of a Change in Accounting Principle.....	--	(171)
Unrealized Gain (Loss) on Cash and Cash Equivalents/Investments.....	(1,591)	1,269
Cash and Cash Equivalents/Investments - September 30.....	\$ 96,216	\$ 71,512
Classified As:		
Unrestricted Assets.....	12,987	11,803
Restricted Assets.....	83,229	59,709
	\$ 96,216	\$ 71,512

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

CITY OF TALLAHASSEE, FLORIDA
ELECTRIC FUND
STATEMENT OF CASH FLOWS
(in thousands)
(Continued)

	Fiscal Year Ended September 30	
	1999	1998
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating Income.....	\$ 44,864	\$ 43,461
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation.....	14,036	13,551
Amortization.....	244	144
Provision for Uncollectible Accounts.....	(143)	(154)
Other.....	(3,593)	(2,671)
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable.....	(1,321)	1,343
(Increase) Decrease in Other Accounts Receivable.....	(238)	589
(Increase) Decrease in Due from Other Funds.....	(709)	549
Increase in Inventory.....	(2,243)	(2,144)
Increase (Decrease) in Accounts Payable.....	462	(9,517)
Increase (Decrease) in Customer Contracts Payable.....	(2)	331
Increase in Utility Deposits Payable.....	1,119	873
Increase (Decrease) in Deferred Revenue.....	3,088	(19)
Decrease in Accrued Leave.....	(16)	(72)
Total Adjustments.....	10,684	2,803
Net Cash Provided by Operating Activities	\$ 55,548	\$ 46,264
Noncash Investing, Capital, and Financing Activities:		
Interfund Transfers of Fixed Assets	\$ 4	\$ 138

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

CITY OF TALLAHASSEE, FLORIDA

ELECTRIC FUND

SCHEDULE OF OPERATING EXPENSE

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Administrative and General:		
Personal Services.....	\$ 2,708	\$ 2,254
Contractual Services.....	7,842	12,246
Materials and Supplies.....	186	76
Other.....	3,573	3,197
	<u>14,309</u>	<u>17,773</u>
Distribution:		
Personal Services.....	4,242	4,601
Contractual Services.....	3,320	3,210
Materials and Supplies.....	508	1,367
Other.....	378	408
	<u>8,448</u>	<u>9,586</u>
Transmission:		
Personal Services.....	55	62
Contractual Services.....	361	272
Materials and Supplies.....	7	--
Other.....	59	32
	<u>482</u>	<u>366</u>
Engineering:		
Personal Services.....	1,382	1,086
Contractual Services.....	1,828	802
Materials and Supplies.....	2,436	1,263
Other.....	66	33
	<u>5,712</u>	<u>3,184</u>
Generation:		
Personal Services.....	5,788	6,049
Fossil Fuel.....	56,599	51,831
Power Purchased.....	30,199	34,651
Contractual Services.....	4,564	4,631
Materials and Supplies.....	1,357	1,343
Other.....	99	112
	<u>98,606</u>	<u>98,617</u>
Less: Applied Equipment Charges.....	(130)	(89)
Depreciation.....	14,036	13,551
Amortization.....	244	144
	<u>14,150</u>	<u>13,606</u>
Total Operating Expense.....	<u>\$ 141,707</u>	<u>\$ 143,132</u>

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

CITY OF TALLAHASSEE, FLORIDA
ELECTRIC FUND
REGULATORY SCHEDULE OF OPERATING EXPENSE
(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Fossil Fuel.....	\$ 56,599	\$ 51,831
Nuclear.....	2,446	2,881
Purchase of Power.....	30,199	34,651
Production:		
Operating.....	7,770	7,303
Maintenance.....	2,767	2,563
Transmission:		
Operating.....	1,235	1,284
Maintenance.....	670	497
Distribution:		
Operating.....	5,677	6,250
Maintenance.....	3,617	1,723
Administrative.....	5,255	5,694
Automotive Equipment Expense.....	--	1,251
Less: Applied Equipment Charges.....	(130)	(89)
Depreciation.....	14,036	13,551
Amortization.....	244	144
Customer Accounts Expense.....	3,926	5,102
Other.....	7,396	8,496
Total Operating Expense.....	\$ 141,707	\$ 143,132

The above schedule is presented in accordance with the Uniform Chart of Accounts as promulgated by the Federal Energy Regulatory Commission.

CITY OF TALLAHASSEE, FLORIDA

GAS FUND

BALANCE SHEET

(in thousands)

	September 30	
	1999	1998
ASSETS		
Current Assets:		
Cash and Cash Equivalents/Investments.....	\$ 1,072	\$ 418
Securities Lending Collateral.....	--	35
Receivables:		
Accrued Interest	5	17
Customers.....	775	699
Less: Allowance for Doubtful Accounts.....	(91)	(93)
Inventory:		
Fossil Fuel.....	--	57
Other.....	361	181
Total Current Assets.....	2,122	1,314
Restricted Assets:		
Cash and Cash Equivalents/Investments:		
Revenue Bonds Renewal and Replacement.....	2,006	1,907
Other.....	792	801
Total Cash and Cash Equivalents/Investments.....	2,798	2,708
Investments:		
Revenue Bonds.....	1,072	1,073
Total Investments.....	1,072	1,073
Securities Lending Collateral.....	--	328
Accrued Interest Receivable.....	15	14
Total Restricted Assets.....	3,885	4,123
Other Assets:		
Unamortized Bond Issue Cost.....	90	98
Total Other Assets.....	90	98
Fixed Assets:		
Fixed Assets - Cost.....	43,384	40,868
Less: Accumulated Depreciation.....	(9,461)	(8,524)
Construction in Progress.....	3,572	2,596
Total Fixed Assets.....	37,495	34,940
Total Assets.....	\$ 43,592	\$ 40,475

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

CITY OF TALLAHASSEE, FLORIDA

GAS FUND

BALANCE SHEET

(in thousands)

(Continued)

	September 30	
	1999	1998
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Obligations Under Securities Lending.....	\$ --	\$ 35
Accounts Payable.....	434	510
Accrued Leave.....	119	106
Due To Other Funds.....	5,856	2,000
Utility Deposits Payable.....	82	82
Total Current Liabilities.....	6,491	2,733
Payable from Restricted Assets:		
Loans from Other Funds.....	1,147	1,245
Obligations Under Securities Lending.....	--	328
Retainage and Accounts Payable.....	147	40
Total Payable from Restricted Assets.....	1,294	1,613
Other Liabilities:		
Accrued Leave.....	85	111
Bonds Payable.....	17,620	18,016
Bond Discount.....	(33)	(36)
Total Other Liabilities.....	17,672	18,091
Total Liabilities.....	25,457	22,437
Fund Equity:		
Contributed Capital.....	60	69
Retained Earnings:		
Reserved for:		
Revenue Bonds Reserve.....	1,069	1,069
Revenue Bonds Renewal and Replacement.....	1,997	1,889
Other Reserves.....	796	796
Total Reserved.....	3,862	3,754
Unreserved.....	14,213	14,215
Total Retained Earnings.....	18,075	17,969
Total Fund Equity.....	18,135	18,038
Total Liabilities and Fund Equity.....	\$ 43,592	\$ 40,475

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

CITY OF TALLAHASSEE, FLORIDA

GAS FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Operating Revenues:		
Charges for Services:		
Residential Sales.....	\$ 5,770	\$ 6,420
Commercial and Industrial Sales.....	7,403	7,629
Sales to Other Funds.....	93	117
Late Fees.....	59	66
Initiating Service.....	90	85
Cut-ins and Cut-fees.....	49	114
Surcharge.....	43	38
Other.....	597	413
Total Operating Revenues.....	14,104	14,882
Operating Expenses:		
Personal Services	1,256	1,182
Gas Purchased.....	5,408	5,834
Contractual Services.....	1,538	1,818
Materials and Supplies.....	91	66
Other Expenses.....	1,018	1,320
Less: Applied Equipment Charges.....	(31)	(45)
Depreciation.....	947	773
Amortization.....	10	14
Total Operating Expenses.....	10,237	10,962
Operating Income.....	3,867	3,920
Non-Operating Revenues (Expenses):		
Interest Revenue.....	104	189
Net Increase (Decrease) in the Fair Value of Investments.....	(57)	83
Other Revenues.....	236	793
Interest Expense.....	(895)	(801)
Other Expenses.....	(917)	(69)
Total Non-Operating Revenues (Expenses).....	(1,529)	195
Income Before Operating Transfers.....	2,338	4,115
Operating Transfers In (Out):		
Operating Transfers In.....	81	--
Operating Transfers Out.....	(2,313)	(2,397)
Net Income.....	106	1,718
Disposition of Net Income:		
Depreciation on Contributed Assets.....	10	12
Net Increase in Retained Earnings.....	116	1,730
Retained Earnings - October 1	17,969	16,258
Cumulative Effect of a Change in Accounting Principle.....	--	(7)
Retained Earnings - October 1 - As Restated.....	17,969	16,251
Residual Equity Transfers Out.....	(10)	(12)
Retained Earnings - September 30.....	\$ 18,075	\$ 17,969

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

CITY OF TALLAHASSEE, FLORIDA

GAS FUND

STATEMENT OF CASH FLOWS

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Increase (Decrease) in Cash and Cash Equivalents/Investments:		
Cash Flows from Operating Activities:		
Cash Received from Customers.....	\$ 13,934	\$ 14,977
Cash Received from Other Funds.....	93	117
Cash Received from Other Revenues.....	236	793
Cash Paid to Suppliers for Goods and Services.....	(6,651)	(7,512)
Cash Paid to Employees for Services.....	(1,268)	(1,213)
Cash Paid to Other Funds.....	(1,573)	(1,443)
Cash Paid for Other Expenses.....	(917)	(69)
Net Cash Provided by Operating Activities.....	3,854	5,650
Cash Flows from Noncapital Financing Activities:		
Loans from Other Funds.....	3,856	2,000
Operating Transfers In from Other Funds.....	81	--
Operating Transfers Out to Other Funds.....	(2,313)	(2,397)
Net Cash Provided by (Used for) Noncapital Financing Activities.....	1,624	(397)
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets.....	(3,405)	(3,404)
Residual Equity Transfers Out.....	(10)	(12)
Principal Payments.....	(385)	(412)
Repayment of Loan from Other Funds.....	(98)	(79)
Interest Paid.....	(934)	(1,051)
Net Cash Used for Capital and Related Financing Activities.....	(4,832)	(4,958)
Cash Flows from Investing Activities:		
Proceeds from Sale and Maturities of Investment Securities.....	1,655	1,652
Interest Received on Investments.....	154	191
Purchase of Investment Securities.....	(1,654)	(1,029)
Net Cash Provided by Investing Activities.....	155	814
Net Increase in Cash and Cash Equivalents/Investments.....	801	1,109
Cash and Cash Equivalents/Investments - October 1.....	3,126	1,943
Cash and Cash Equivalents/Investments - September 30.....	3,927	3,052
Cumulative Effect of a Change in Accounting Principle.....	--	(7)
Unrealized Gain (Loss) on Cash & Cash Equivalents/Investments.....	(57)	81
Cash and Cash Equivalents/Investments - September 30.....	\$ 3,870	\$ 3,126
Classified As:		
Unrestricted Assets.....	\$ 1,072	\$ 418
Restricted Assets.....	2,798	2,708
	\$ 3,870	\$ 3,126
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income.....	\$ 3,867	\$ 3,920
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:		
Depreciation.....	947	773
Amortization.....	10	14
Provision for Uncollectible Accounts.....	(2)	(7)
Other.....	(680)	724
Change in Assets and Liabilities:		
(Increase) in Accounts Receivable.....	(76)	223
Increase in Inventory.....	(123)	(181)
Increase (Decrease) in Accounts Payable.....	(76)	214
Decrease in Accrued Leave.....	(13)	(30)
Total Adjustments.....	(13)	1,730
Net Cash Provided by Operating Activities.....	\$ 3,854	\$ 5,650

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

CITY OF TALLAHASSEE, FLORIDA

GAS FUND

SCHEDULE OF OPERATING EXPENSE

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Administrative and General:		
Personal Services.....	\$ 460	\$ 463
Contractual Services.....	1,345	1,493
Materials and Supplies.....	12	13
Other Expenses.....	476	1,305
	<u>2,293</u>	<u>3,274</u>
Transmission and Distribution:		
Personal Services.....	796	719
Gas Purchased.....	5,408	5,834
Contractual Services.....	193	325
Materials and Supplies.....	79	53
Other Expenses.....	542	15
	<u>7,018</u>	<u>6,946</u>
Less: Applied Equipment Charges.....	(31)	(45)
Depreciation.....	947	773
Amortization.....	10	14
Total Operating Expense.....	\$ 10,237	\$ 10,962

GAS FUND

REGULATORY SCHEDULE OF OPERATING EXPENSE

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Purchase of Gas.....	\$ 5,408	\$ 5,834
Distribution:		
Operating.....	897	676
Maintenance.....	63	73
Administrative.....	966	782
Automotive Equipment Expense.....	193	183
Less: Applied Equipment Charges.....	(31)	(45)
Depreciation.....	947	773
Amortization.....	10	14
Customer Accounts Expense.....	1,236	1,609
Other.....	548	1,063
Total Operating Expense.....	\$ 10,237	\$ 10,962

The above schedule is presented in accordance with the Uniform Chart of Accounts as promulgated by the Federal Energy Regulatory Commission.

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

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND

BALANCE SHEET

(in thousands)

	September 30	
	1999	1998
ASSETS		
Current Assets:		
Cash and Cash Equivalents/Investments.....	\$ 1,690	\$ 1,937
Securities Lending Collateral.....	--	171
Receivables:		
Accrued Interest.....	54	48
Customers.....	2,114	1,819
Less: Allowance for Doubtful Accounts.....	(220)	(203)
Inventory.....	1,948	1,795
Total Current Assets.....	5,586	5,567
Restricted Assets:		
Cash and Cash Equivalents/Investments:		
Revenue Bonds Renewal and Replacement.....	8,888	7,382
Sewer System Charges.....	5,854	6,446
Other.....	374	902
Total Cash and Cash Equivalents/Investments.....	15,116	14,730
Investments:		
Revenue Bonds.....	9,027	13,953
Total Investments.....	9,027	13,953
Securities Lending Collateral.....	--	2,508
Receivables:		
Accrued Interest.....	36	37
Sewer System Charges.....	503	520
Other.....	315	385
Total Receivables.....	854	942
Total Restricted Assets.....	24,997	32,133
Other Assets:		
Unamortized Bond Issue Cost.....	282	303
Total Other Assets.....	282	303
Fixed Assets:		
Fixed Assets - Cost.....	189,398	184,558
Less: Accumulated Depreciation.....	(50,141)	(46,175)
Construction in Progress.....	14,176	7,994
Total Fixed Assets.....	153,433	146,377
Total Assets.....	\$ 184,298	\$ 184,380

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

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND BALANCE SHEET (in thousands) (Continued)

	September 30	
	1999	1998
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Obligations Under Securities Lending.....	\$ --	\$ 171
Accounts Payable.....	362	172
Customer Contracts Payable.....	1,090	1,290
Accrued Leave.....	585	474
Total Current Liabilities.....	2,037	2,107
Payable from Restricted Assets:		
Loan from Other Funds.....	4,633	4,490
Obligations Under Securities Lending.....	--	2,508
Retainage and Accounts Payable.....	183	624
Total Payable from Restricted Assets.....	4,816	7,622
Other Liabilities:		
Customer Contracts Payable.....	1,189	1,107
Accrued Leave.....	345	481
Bonds Payable.....	56,199	58,286
Bond Discount.....	(87)	(76)
Deferment of Loss on Early Retirement of Debt.....	(767)	(1,322)
Total Other Liabilities.....	56,879	58,476
Total Liabilities.....	63,732	68,205
Fund Equity:		
Contributed Capital.....	14,927	15,534
Retained Earnings:		
Reserved for:		
Revenue Bonds Reserve.....	5,653	5,622
Other Reserves.....	1,457	1,275
Revenue Bonds Renewal and Replacement.....	8,745	7,301
Sewer System Charges.....	6,437	6,927
Total Reserved.....	22,292	21,125
Unreserved.....	83,347	79,516
Total Retained Earnings.....	105,639	100,641
Total Fund Equity.....	120,566	116,175
Total Liabilities and Fund Equity.....	\$ 184,298	\$ 184,380

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

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

(In thousands)

	Fiscal Year Ended September 30	
	1999	1998
Operating Revenues:		
Charges for Services:		
Residential Sales.....	\$ 12,277	\$ 11,811
Commercial and Industrial Sales.....	10,491	10,269
Sales to Other Funds.....	178	175
Surcharge.....	317	294
Tapping Fees.....	154	136
Other.....	2,166	1,604
Total Operating Revenues.....	25,583	24,289
Operating Expenses:		
Personal Services.....	7,102	7,052
Contractual Services.....	5,439	5,383
Materials and Supplies.....	1,851	2,021
Other Expenses.....	2,930	3,812
Less: Applied Equipment Charges.....	(94)	(92)
Depreciation.....	4,058	3,978
Amortization.....	33	102
Total Operating Expenses.....	21,319	22,256
Operating Income.....	4,264	2,033
Non-Operating Revenues (Expenses):		
Interest Revenue.....	1,037	1,275
Net Increase (Decrease) in the Fair Value of Investments.....	(259)	223
Gain on Sale of Surplus Property.....	1	1
Other Revenues.....	4,824	6,140
Interest Expense.....	(3,120)	(3,286)
Other Expenses.....	(507)	(542)
Total Non-Operating Revenues.....	1,976	3,811
Income Before Operating Transfers.....	6,240	5,844
Operating Transfers In (Out):		
Operating Transfers Out.....	(1,884)	(1,242)
Net Income.....	4,356	4,602
Disposition of Net Income:		
Depreciation on Contributed Assets.....	651	681
Net Increase in Retained Earnings.....	5,007	5,283
Retained Earnings - October 1.....	100,641	95,514
Cumulative Effect of a Change in Accounting Principle.....	--	(30)
Retained Earnings - October 1 - As Restated.....	100,641	95,484
Residual Equity Transfers Out.....	(9)	(126)
Retained Earnings - September 30.....	\$ 105,639	\$ 100,641

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

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND

STATEMENT OF CASH FLOWS

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Increase in Cash and Cash Equivalents/Investments:		
Cash Flows from Operating Activities:		
Cash Received from Customers.....	\$ 24,910	\$ 24,317
Cash Received from Other Funds.....	178	175
Cash Received from Other Revenues.....	891	2,281
Cash Paid to Suppliers for Goods and Services.....	(6,013)	(7,893)
Cash Paid to Employees for Services.....	(7,127)	(6,971)
Cash Paid to Other Funds.....	(4,065)	(3,777)
Cash Paid for Other Expenses.....	(507)	(542)
Net Cash Provided by Operating Activities.....	8,267	7,590
Cash Flows from Noncapital Financing Activities:		
Operating Transfers Out to Other Funds.....	(1,884)	(1,242)
Net Cash Used for Noncapital Financing Activities.....	(1,884)	(1,242)
Cash Flows from Capital and Related Financing Activities:		
Systems Charges.....	3,933	3,859
Acquisition and Construction of Capital Assets.....	(11,510)	(6,281)
Residual Equity Transfers Out.....	(9)	(99)
Principal and Refunding Payments.....	(1,918)	(2,955)
Repayment of Loans from Other Funds.....	143	(284)
Interest Paid.....	(3,123)	(4,204)
Net Cash Used for Capital and Related Financing Activities.....	(12,484)	(9,964)
Cash Flows from Investing Activities:		
Proceeds from Sale and Maturities of Investment Securities.....	10,838	9,594
Interest Received on Investments.....	1,573	2,069
Purchase of Investment Securities.....	(5,912)	(7,580)
Net Cash Provided by Investing Activities.....	6,499	4,083
Net Increase in Cash and Cash Equivalents/Investments.....	398	467
Cash and Cash Equivalents/Investments - October 1.....	16,667	16,013
Cash and Cash Equivalents/Investments - September 30.....	17,065	16,480
Cumulative Effect of a Change in Accounting Principle.....	--	(30)
Unrealized Gain (Loss) on Cash and Cash Equivalents/Investments.....	(259)	217
Cash and Cash Equivalents/Investments - September 30.....	\$ 16,806	\$ 16,667
Classified As:		
Unrestricted Assets.....	1,690	\$ 1,937
Restricted Assets.....	15,116	14,730
	\$ 16,806	\$ 16,667
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income.....	\$ 4,264	\$ 2,033
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation.....	4,058	3,978
Amortization.....	33	102
Provision for Uncollectible Accounts.....	17	37
Other.....	384	1,739
Change in Assets and Liabilities:		
Increase in Accounts Receivable.....	(295)	(55)
Increase in Inventory.....	(153)	(632)
(Increase) Decrease in Other Accounts Receivable.....	(6)	33
Increase (Decrease) in Accounts Payable.....	(10)	274
Increase (Decrease) in Accrued Leave.....	(25)	81
Total Adjustments.....	4,003	5,557
Net Cash Provided by Operating Activities.....	\$ 8,267	\$ 7,590
Noncash Investing, Capital and Financing Activities:		
Interfund Transfers of Fixed Assets.....	\$ (2)	\$ (27)

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

CITY OF TALLAHASSEE, FLORIDA

SEWER FUND

SCHEDULE OF OPERATING EXPENSE

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Administrative and General:		
Personal Services.....	\$ 704	\$ 835
Contractual Services.....	2,089	2,070
Materials and Supplies.....	27	23
Other.....	2,867	3,725
Total Administrative and General.....	5,687	6,653
Treatment Plants:		
Personal Services.....	2,535	2,726
Contractual Services.....	2,022	1,951
Materials and Supplies.....	863	1,054
Other.....	27	34
Total Treatment Plants.....	5,447	5,765
Water Quality Lab:		
Personal Services.....	1,543	1,196
Contractual Services.....	99	84
Materials and Supplies.....	99	83
Other.....	18	10
Total Water Quality Lab.....	1,759	1,373
Sewer Collection:		
Personal Services.....	1,789	1,650
Contractual Services.....	637	554
Materials and Supplies.....	742	737
Other.....	13	38
Total Sewer Collection.....	3,181	2,979
TV Inspection:		
Personal Services.....	210	240
Contractual Services.....	56	54
Materials and Supplies.....	24	15
Other.....	2	2
Total TV Inspection.....	292	311
Pumping Stations:		
Personal Services.....	321	405
Contractual Services.....	536	670
Materials and Supplies.....	96	109
Other.....	3	3
Total Pumping Stations.....	956	1,187
Less: Applied Equipment Charges.....	(94)	(92)
Depreciation.....	4,058	3,978
Amortization.....	33	102
Total Operating Expense.....	\$ 21,319	\$ 22,256

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

CITY OF TALLAHASSEE, FLORIDA
SEWER FUND
REGULATORY SCHEDULE OF OPERATING EXPENSE
(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Production:		
Operating.....	\$ 3,644	\$ 3,604
Maintenance.....	1,152	1,334
Transmission:		
Operating.....	455	506
Maintenance.....	128	234
Distribution:		
Operating.....	3,426	3,264
Maintenance.....	22	25
Administrative.....	4,289	4,018
Automotive Equipment Expense.....	1,107	1,014
Less: Applied Equipment Charges.....	(94)	(92)
Depreciation.....	4,058	3,978
Amortization.....	33	102
Customer Accounts Expense.....	2,671	2,415
Other.....	428	1,854
Total Operating Expense.....	\$ 21,319	\$ 22,256

The above schedule is presented in accordance with the Uniform System of Accounts for Class A and B Sewer Utilities promulgated by the National Association of Regulatory Utility Commissioners.

CITY OF TALLAHASSEE, FLORIDA
WATER FUND
BALANCE SHEET
(in thousands)

	September 30	
	1999	1998
ASSETS		
Current Assets:		
Cash and Cash Equivalents/Investments.....	\$ 863	\$ 698
Securities Lending Collateral.....	--	67
Receivables:		
Accrued Interest.....	87	74
Customers.....	1,694	1,513
Less: Allowance for Doubtful Accounts.....	(252)	(238)
Inventory.....	56	56
Total Current Assets.....	2,448	2,170
Restricted Assets:		
Cash and Cash Equivalents/Investments:		
Revenue Bond Construction.....	561	759
Revenue Bond Renewal and Replacement.....	15,580	13,285
Water Systems Charge.....	1,340	1,770
Other.....	928	853
Total Cash and Cash Equivalents/Investments.....	18,409	16,667
Investments:		
Revenue Bonds.....	1,071	1,073
Revenue Bonds Construction.....	64	61
Total Investments.....	1,135	1,134
Securities Lending Collateral.....	--	1,558
Receivables:		
Accrued Interest.....	12	13
Water Systems Charge.....	116	150
Total Receivables.....	128	163
Total Restricted Assets.....	19,672	19,522
Other Assets:		
Unamortized Bond Issue Cost.....	37	40
Total Other Assets.....	37	40
Fixed Assets:		
Fixed Assets - Cost.....	89,056	84,711
Less: Accumulated Depreciation.....	(25,402)	(23,622)
Construction in Progress.....	5,368	5,198
Total Fixed Assets.....	69,022	66,287
Total Assets.....	\$ 91,179	\$ 88,019

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

CITY OF TALLAHASSEE, FLORIDA

WATER FUND

BALANCE SHEET

(in thousands)

(Continued)

	September 30	
	1999	1998
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Obligations Under Securities Lending.....	\$ --	\$ 67
Accounts Payable.....	258	152
Customer Contracts Payable.....	550	572
Utility Deposits Payable.....	468	386
Accrued Leave.....	211	169
Total Current Liabilities.....	1,487	1,346
Payable from Restricted Assets:		
Loan from Other Funds.....	4,292	4,395
Obligations Under Securities Lending	--	1,558
Retainage and Accounts Payable.....	119	166
Total Payable from Restricted Assets.....	4,411	6,119
Other Liabilities:		
Customer Contracts Payable.....	726	778
Accrued Leave.....	83	151
Bonds Payable.....	9,566	9,978
Bond Discount.....	17	22
Deferment of Loss on Early Retirement of Debt.....	(172)	(292)
Total Other Liabilities.....	10,220	10,637
Total Liabilities.....	16,118	18,102
Fund Equity:		
Contributed Capital.....	37	38
Retained Earnings:		
Reserved for:		
Revenue Bonds Renewal and Replacement.....	15,692	12,976
Water Line Systems Charge.....	1,362	1,754
Revenue Bonds Reserve.....	1,026	1,026
Operating Reserve.....	992	894
Total Reserved.....	19,072	16,650
Unreserved.....	55,952	53,229
Total Retained Earnings.....	75,024	69,879
Total Fund Equity.....	75,061	69,917
Total Liabilities and Fund Equity.....	\$ 91,179	\$ 88,019

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

WATER FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Operating Revenues:		
Charges for Services:		
Residential Sales.....	\$ 9,870	\$ 10,112
Commercial and Industrial Sales.....	5,843	5,746
Sales to Other Funds.....	334	340
Surcharge.....	887	921
Tapping Fees.....	651	827
Late Fees.....	88	99
Initiating Service.....	319	297
Rentals.....	306	389
Cut-ins and Cut-fees.....	105	291
Other.....	1,157	563
Total Operating Revenues.....	19,560	19,585
Operating Expenses:		
Personal Services.....	2,611	2,638
Contractual Services.....	4,721	4,984
Materials and Supplies.....	529	505
Other Expenses.....	1,435	1,547
Less: Applied Equipment Charges.....	(28)	(42)
Depreciation.....	1,791	1,745
Amortization.....	3	19
Total Operating Expenses.....	11,062	11,396
Operating Income.....	8,498	8,189
Non-Operating Revenues (Expenses):		
Interest Revenue.....	1,201	1,047
Net Increase (Decrease) in the Fair Value of Investments.....	(285)	229
Gain on Sale of Surplus Property.....	1	6
Other Revenues.....	1,298	1,638
Interest Expense.....	(556)	(603)
Other Expenses.....	(892)	(396)
Total Non-Operating Revenues.....	767	1,921
Income Before Operating Transfers.....	9,265	10,110
Operating Transfers:		
Operating Transfers In.....	--	60
Operating Transfers Out.....	(4,111)	(3,605)
Net Income.....	5,154	6,565
Disposition of Net Income:		
Depreciation on Contributed Assets.....	5	6
Net Increase in Retained Earnings.....	5,159	6,571
Retained Earnings - October 1.....	69,879	63,442
Cumulative Effect of a Change in Accounting Principle.....	--	(28)
Retained Earnings - October 1 - As Restated.....	69,879	63,414
Residual Equity Transfers Out.....	(14)	(106)
Retained Earnings - September 30.....	\$ 75,024	\$ 69,879

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

CITY OF TALLAHASSEE, FLORIDA

WATER FUND

STATEMENT OF CASH FLOWS

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Increase in Cash and Cash Equivalents/Investments:		
Cash Flows from Operating Activities:		
Cash Received from Customers.....	\$ 19,032	\$ 19,230
Cash Received from Other Funds.....	334	340
Cash Received from Other Revenues.....	418	695
Cash Paid to Suppliers for Goods and Services.....	(3,550)	(4,021)
Cash Paid to Employees for Services.....	(2,637)	(2,617)
Cash Paid to Other Funds.....	(2,927)	(3,002)
Cash Paid for Other Expenses.....	(892)	(744)
Net Cash Provided by Operating Activities.....	9,778	9,881
Cash Flows from Noncapital Financing Activities:		
Operating Transfers In From Other Funds.....	--	60
Operating Transfers Out to Other Funds.....	(4,111)	(3,605)
Net Cash Used for Noncapital Financing Activities.....	(4,111)	(3,545)
Cash Flows from Capital and Related Financing Activities:		
System Charges.....	881	949
Acquisition and Construction of Capital Assets.....	(4,573)	(4,245)
Residual Equity Transfers Out.....	(9)	(67)
Repayment of Loans from Other Funds.....	(121)	(670)
Principal and Refunding Payments.....	(418)	(414)
Interest Paid.....	(439)	(896)
Net Cash Used for Capital and Related Financing Activities.....	(4,679)	(5,343)
Cash Flows from Investing Activities:		
Proceeds from the Sale and Maturities of Investment Securities.....	2,154	1,357
Interest Received on Investments.....	1,205	1,129
Purchase of Investment Securities.....	(2,155)	(1,253)
Net Cash Provided by Investing Activities.....	1,204	1,233
Net Increase in Cash and Cash Equivalents/Investments.....	2,192	2,226
Cash and Cash Equivalents/Investments- October 1.....	17,365	14,944
Cash and Cash Equivalents/Investments - September 30.....	19,557	17,170
Cumulative Effect of a Change in Accounting Principle.....	--	(28)
Unrealized Gain (Loss) on Cash & Cash Equivalents/Investments.....	(285)	223
Cash and Cash Equivalents/Investments - September 30.....	\$ 19,272	\$ 17,365
Classified As:		
Unrestricted Assets.....	\$ 863	\$ 698
Restricted Assets.....	18,409	16,667
	\$ 19,272	\$ 17,365
Reconciliation of Operating Income to Net Cash Provided		
By Operating Activities:		
Operating Income.....	\$ 8,498	\$ 8,189
Adjustments to Reconcile Operating Income		
to Net Cash Provided By Operating Activities:		
Depreciation.....	1,791	1,745
Amortization.....	3	19
Provision for Uncollectible Accounts.....	14	13
Other.....	(474)	(49)
Change in Assets and Liabilities:		
Increase in Accounts Receivable.....	(194)	(15)
Increase in Inventory.....	--	(56)
Increase (Decrease) in Accounts Payable.....	84	(20)
Increase in Utility Deposits Payable.....	82	35
Increase (Decrease) in Accrued Leave.....	(26)	20
Total Adjustments.....	1,280	1,692
Net Cash Provided by Operating Activities.....	\$ 9,778	\$ 9,881
Noncash Investing, Capital, and Financing Activities:		
Interfund Transfers of Fixed Assets.....	\$ (4)	\$ (33)

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

CITY OF TALLAHASSEE, FLORIDA

WATER FUND

SCHEDULE OF OPERATING EXPENSE

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Administrative and General:		
Personal Services.....	\$ 202	\$ 281
Contractual Services.....	1,608	1,680
Materials and Supplies.....	9	5
Other Expenses.....	1,294	1,378
Total of Administrative and General.....	3,113	3,344
Supply:		
Personal Services.....	316	298
Contractual Services.....	2,187	2,109
Materials and Supplies.....	110	106
Other Expenses.....	5	11
Total Supply.....	2,618	2,524
Transmission and Distribution:		
Personal Services.....	2,093	2,059
Contractual Services.....	926	1,195
Materials and Supplies.....	410	394
Other Expenses.....	136	158
Total Transmission and Distribution.....	3,565	3,806
Less: Applied Equipment Charges.....	(28)	(42)
Depreciation Expense.....	1,791	1,745
Amortization Expense.....	3	19
Total Operating Expense.....	\$ 11,062	\$ 11,396

WATER FUND

REGULATORY SCHEDULE OF OPERATING EXPENSE

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Production:		
Operating.....	\$ 1,028	\$ 1,576
Distribution:		
Operating.....	1,651	1,279
Maintenance.....	1,077	916
Administrative.....	1,626	1,343
Automotive Equipment Expense.....	703	770
Less: Applied Equipment Charges.....	(28)	(42)
Depreciation.....	1,791	1,745
Amortization.....	3	19
Customer Accounts Expense.....	2,140	2,172
Other.....	1,071	1,618
Total Operating Expense.....	\$ 11,062	\$ 11,396

The above schedule is presented in accordance with the Uniform System of Accounts for Class A and B Water Utilities as promulgated by the National Association of Regulatory Utility Commissioners.

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

CITY OF TALLAHASSEE, FLORIDA

AIRPORT FUND

BALANCE SHEET

(in thousands)

	September 30	
	1999	1998
ASSETS		
Current Assets:		
Cash and Cash Equivalents/Investments	\$ 1,719	\$ 1,330
Securities Lending Collateral.....	--	117
Receivables:		
Accrued Interest	9	6
Customers.....	465	508
Less: Allowance for Doubtful Accounts.....	(59)	(53)
Inventory.....	12	--
Total Current Assets.....	2,146	1,908
Restricted Assets:		
Cash and Cash Equivalents/Investments:		
Revenue Bonds Construction.....	--	374
Renewal and Replacement.....	3,494	2,645
Revenue Bonds Debt Service.....	540	6,342
Other Construction.....	2,207	1,863
Total Cash and Cash Equivalents/Investments.....	6,241	11,224
Investments:		
Revenue Bonds Reserve.....	1,171	1,172
Total Investments.....	1,171	1,172
Securities Lending Collateral.....	--	1,087
Receivables:		
Accrued Interest	32	51
Due from Other Funds:		
Renewal and Replacement.....	367	275
Passenger Facility Charges.....	107	113
Total Due from Other Funds.....	474	388
Total Restricted Assets.....	7,918	13,922
Other Assets:		
Unamortized Bond Issue Cost.....	174	195
Total Other Assets.....	174	195
Fixed Assets:		
Fixed Assets - Cost.....	82,929	73,938
Less: Accumulated Depreciation.....	(25,115)	(22,859)
Construction in Progress.....	3,729	9,873
Total Fixed Assets.....	61,543	60,952
Total Assets.....	\$ 71,781	\$ 76,977

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

CITY OF TALLAHASSEE, FLORIDA

AIRPORT FUND

BALANCE SHEET

(in thousands)

(Continued)

	September 30	
	1999	1998
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Obligations Under Securities Lending.....	\$ --	\$ 117
Accounts Payable.....	375	283
Accrued Leave.....	155	154
Prepaid Fees Credit Payable.....	636	562
Due to Other Funds.....	70	98
Total Current Liabilities.....	1,236	1,214
Payable From Restricted Assets:		
Loan from Other Funds.....	3,129	3,313
Obligations Under Securities Lending	--	1,087
Retainage and Accounts Payable.....	203	345
Total Payable from Restricted Assets.....	3,332	4,745
Other Liabilities:		
Accrued Leave.....	183	244
Bonds Payable.....	9,910	15,251
Bond Discount.....	(65)	(70)
Deferment of Loss on Early Retirement of Debt.....	(664)	(741)
Advances from Other Funds.....	474	628
Total Other Liabilities.....	9,838	15,312
Total Liabilities.....	14,406	21,271
Fund Equity:		
Contributed Capital.....	47,280	45,172
Retained Earnings:		
Reserved for:		
Revenue Bonds Debt Service.....	576	4,901
Revenue Bonds Reserve.....	1,196	1,302
Revenue Bond Renewal and Replacement.....	3,737	1,552
Total Reserved.....	5,509	7,755
Unreserved.....	4,586	2,779
Total Retained Earnings.....	10,095	10,534
Total Fund Equity.....	57,375	55,706
Total Liabilities and Fund Equity.....	\$ 71,781	\$ 76,977

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

CITY OF TALLAHASSEE, FLORIDA

AIRPORT FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

(in thousands)

	For Fiscal Year Ended September 30	
	1999	1998
Operating Revenues:		
Charges for Services:		
Landing and Tie Down Fees.....	\$ 658	\$ 645
Rentals.....	6,647	6,068
Other.....	104	88
Total Operating Revenues.....	7,409	6,801
Operating Expenses:		
Personal Services.....	2,054	2,252
Contractual Services.....	1,746	1,601
Materials and Supplies.....	541	551
Other Expenses.....	146	349
Depreciation.....	2,261	2,153
Amortization.....	25	25
Total Operating Expenses.....	6,773	6,931
Operating Income (Loss).....	636	(130)
Non-Operating Revenues (Expenses):		
Interest Revenue.....	593	698
Net Increase (Decrease) in the Fair Value of Investments.....	(118)	149
Interest Expense.....	(837)	(888)
Other Expenses.....	(1,416)	(431)
Total Non-Operating Expenses.....	(1,778)	(472)
Loss Before Operating Transfers.....	(1,142)	(602)
Operating Transfers In (Out):		
Operating Transfers Out.....	(651)	(117)
Net Loss.....	(1,793)	(719)
Disposition of Net Loss:		
Depreciation on Contributed Assets.....	1,354	1,319
Net Increase (Decrease) in Retained Earnings.....	(439)	600
Retained Earnings - October 1.....	10,534	9,952
Cumulative Effect of a Change in Accounting Principle.....	--	(18)
Retained Earnings - October 1 - As Restated.....	10,534	9,934
Retained Earnings - September 30.....	\$ 10,095	\$ 10,534

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

CITY OF TALLAHASSEE, FLORIDA

AIRPORT FUND

STATEMENT OF CASH FLOWS

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Increase (Decrease) in Cash and Cash Equivalents/Investments:		
Cash Flows from Operating Activities:		
Cash Received from Customers.....	\$ 7,498	\$ 7,009
Cash Paid to Suppliers for Goods and Services.....	(1,938)	(1,960)
Cash Paid to Employees for Services.....	(2,114)	(2,214)
Cash Paid to Other Funds.....	(397)	(488)
Cash Paid for Other Expenses.....	(784)	(431)
Net Cash Provided by Operating Activities.....	2,265	1,916
Cash Flows from Noncapital Financing Activities:		
Repayment of Advances.....	(338)	(134)
Operating Transfers Out to Other Funds.....	(651)	(117)
Net Cash Used for Noncapital Financing Activities.....	(989)	(251)
Cash Flows from Capital and Related Financing Activities:		
Capital Grants Received.....	3,378	4,972
Acquisition and Construction of Capital Assets.....	(3,637)	(3,322)
Interest Paid.....	(760)	(1,139)
Principal and Refunding Payments.....	(5,341)	(702)
Net Cash Used for Capital and Related Financing Activities.....	(6,360)	(191)
Cash Flows from Investing Activities:		
Interest Received on Investments.....	608	736
Net Cash Provided by Investing Activities.....	608	736
Net Increase (Decrease) in Cash and Cash Equivalents/Investments.....	(4,476)	2,210
Cash and Cash Equivalents/Investments - October 1.....	12,554	10,217
Cash and Cash Equivalents/Investments - September 30.....	8,078	12,427
Cumulative Effect of a Change in Accounting Principle.....	--	(18)
Unrealized Gain (Loss) on Cash and Cash Equivalents/Investments.....	(118)	145
Cash and Cash Equivalents/Investments - September 30.....	\$ 7,960	\$ 12,554
Classified As:		
Unrestricted Assets.....	\$ 1,719	\$ 1,330
Restricted Assets.....	6,241	11,224
	\$ 7,960	\$ 12,554
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss).....	\$ 636	\$ (130)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation.....	2,261	2,153
Amortization.....	25	25
Other.....	(784)	(431)
Change in Assets and Liabilities:		
Decrease in Accounts Receivable.....	49	44
Increase (Decrease) in Due to Other Funds.....	(28)	10
Increase in Due to Other Funds.....	92	45
Increase (Decrease) in Accrued Leave.....	(60)	38
Increase in Prepaid Fees Credit.....	74	162
Total Adjustments.....	1,629	2,046
Net Cash Provided by Operating Activities.....	\$ 2,265	\$ 1,916

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

CITY OF TALLAHASSEE, FLORIDA

AIRPORT FUND

SCHEDULE OF OPERATING EXPENSE

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Administrative and General:		
Personal Services.....	\$ 537	\$ 425
Contractual Services.....	439	343
Materials and Supplies.....	350	342
Other Expenses.....	61	205
Total Administrative and General.....	1,387	1,315
Public Safety - Fire:		
Personal Services.....	--	407
Contractual Services.....	--	94
Materials and Supplies.....	--	21
Other Expenses.....	--	29
Total Public Safety-Fire.....	--	551
Public Safety - Police:		
Personal Services.....	335	303
Contractual Services.....	22	31
Materials and Supplies.....	12	--
Other Expenses.....	10	7
Total Pubic-Safety - Police.....	379	341
Operation and Maintenance:		
Personal Services.....	1,182	1,117
Contractual Services.....	1,285	1,133
Materials and Supplies.....	179	188
Other Expenses.....	75	108
Total Operation and Maintenance.....	2,721	2,546
Other:		
Depreciation.....	2,261	2,153
Amortization.....	25	25
Total Other.....	2,286	2,178
Total Operating Expense.....	\$ 6,773	\$ 6,931

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

CITY OF TALLAHASSEE, FLORIDA
TALLAHASSEE TRANSIT FUND
BALANCE SHEET
(in thousands)

	September 30	
	1999	1998
ASSETS		
Current Assets:		
Cash and Cash Equivalents/Investments.....	\$ 227	\$ 83
Securities Lending Collateral.....	--	7
Receivables:		
Customers.....	360	429
Due From Other Governments.....	1,644	1,722
Less: Allowance for Doubtful Accounts.....	(9)	(7)
Inventory:		
Fossil Fuel.....	28	25
Other.....	504	517
Total Current Assets.....	2,754	2,776
Fixed Assets:		
Fixed Assets - Cost	11,925	11,912
Less: Accumulated Depreciation.....	(3,545)	(3,255)
Construction in Progress.....	1,243	969
Total Fixed Assets.....	9,623	9,626
Total Assets.....	\$ 12,377	\$ 12,402
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Obligations Under Securities Lending.....	\$ --	\$ 7
Due to Other Funds.....	782	825
Accounts Payable.....	288	178
Accrued Leave.....	320	247
Total Current Liabilities.....	1,390	1,257
Other Liabilities:		
Advance from Other Funds.....	603	603
Accrued Leave.....	115	175
Total Other Liabilities.....	718	778
Total Liabilities.....	2,108	2,035
Fund Equity:		
Contributed Capital.....	8,944	8,888
Retained Earnings:		
Reserve for Projects.....	872	768
Unreserved.....	453	711
Total Retained Earnings.....	1,325	1,479
Total Fund Equity.....	10,269	10,367
Total Liabilities and Fund Equity.....	\$ 12,377	\$ 12,402

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

CITY OF TALLAHASSEE, FLORIDA

TALLAHASSEE TRANSIT FUND

STATEMENT OF REVENUES, EXPENSES AND

CHANGES IN RETAINED EARNINGS

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Operating Revenues:		
Transportation Fees.....	\$ 2,690	\$ 2,613
Total Operating Revenues.....	<u>2,690</u>	<u>2,613</u>
Operating Expenses:		
Personal Services	5,001	4,978
Contractual Services.....	1,243	1,232
Material and Supplies.....	976	985
Other Expenses.....	601	494
Depreciation.....	290	326
Total Operating Expenses.....	<u>8,111</u>	<u>8,015</u>
Operating Loss.....	<u>(5,421)</u>	<u>(5,402)</u>
Non-Operating Revenues (Expenses):		
Grant Revenues.....	1,627	1,666
Other Revenues.....	15	10
Other Expenses.....	(26)	(16)
Total Non-Operating Revenues	<u>1,616</u>	<u>1,660</u>
Loss Before Operating Transfers.....	<u>(3,805)</u>	<u>(3,742)</u>
Operating Transfers:		
Operating Transfers In.....	3,468	3,500
Operating Transfers (Out).....	--	(83)
Net Loss.....	<u>(337)</u>	<u>(325)</u>
Disposition of Net Loss:		
Depreciation on Contributed Assets.....	183	214
Net Decrease in Retained Earnings.....	<u>(154)</u>	<u>(111)</u>
Retained Earnings - October 1.....	<u>1,479</u>	<u>1,604</u>
Residual Equity Transfers Out.....	--	(14)
Retained Earnings - September 30.....	<u>\$ 1,325</u>	<u>\$ 1,479</u>

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

CITY OF TALLAHASSEE, FLORIDA
TALLAHASSEE TRANSIT FUND
STATEMENT OF CASH FLOWS
(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Increase (Decrease) in Cash and Cash Equivalents/Investments:		
Cash Flows from Operating Activities:		
Cash Received from Customers.....	\$ 2,759	\$ 2,457
Cash Received from Other Revenues.....	15	10
Cash Paid to Suppliers for Goods and Services.....	(1,568)	(1,587)
Cash Paid to Employees for Services.....	(4,975)	(4,977)
Cash Paid to Other Funds.....	(1,172)	(1,124)
Cash Paid for Other Expenses.....	(26)	(16)
Net Cash Used for Operating Activities.....	(4,967)	(5,237)
Cash Flows from Noncapital Financing Activities:		
Operating Grants Received.....	1,670	1,587
Due To Other Funds.....	(43)	62
Operating Transfers In from Other Funds.....	3,468	3,500
Operating Transfers Out to Other Funds.....	--	(83)
Net Cash Provided by Noncapital Financing Activities.....	5,095	5,066
Cash Flows from Capital and Related Financing Activities:		
Capital Grants Received.....	270	404
Acquisition and Construction of Capital Assets.....	(254)	(523)
Net Cash Provided by (Used for) Capital and Related Financing Activities.....	16	(119)
Net Increase (Decrease) in Cash and Cash Equivalents/Investments.....	144	(290)
Cash and Cash Equivalents/Investments - October 1.....	83	373
Cash and Cash Equivalents/Investments - September 30.....	\$ 227	\$ 83
Classified As:		
Unrestricted Assets.....	\$ 227	\$ 83
Reconciliation of Operating Loss to Net Cash Used For Operating Activities:		
Operating Loss.....	\$ (5,421)	\$ (5,402)
Adjustments to Reconcile Operating Loss to Net Cash Used For Operating Activities:		
Depreciation.....	290	326
Provision for Uncollectible Accounts.....	2	2
Other.....	(48)	5
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable.....	149	(229)
(Increase) Decrease in Inventory.....	10	(7)
Increase (Decrease) in Due to Other Funds.....	(43)	62
Increase (Decrease) in Accounts Payable.....	81	(9)
Increase in Accrued Leave.....	13	15
Total Adjustments.....	454	165
Net Cash Used For Operating Activities.....	\$ (4,967)	\$ (5,237)
Noncash Investing, Capital, and Financing Activities:		
Interfund Transfers of Fixed Assets.....	\$ 4	\$ 9

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

CITY OF TALLAHASSEE, FLORIDA

TALLAHASSEE TRANSIT FUND

SCHEDULE OF OPERATING EXPENSE

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Administrative and General:		
Personal Services.....	\$ 501	\$ 511
Contractual Services.....	623	631
Materials and Supplies.....	16	12
Other.....	595	488
Total Administrative and General.....	1,735	1,642
Operations:		
Personal Services.....	3,631	3,652
Contractual Services.....	492	505
Materials and Supplies.....	605	618
Other.....	1	1
Total Operations.....	4,729	4,776
Maintenance:		
Personal Services.....	869	815
Contractual Services.....	128	96
Materials and Supplies.....	355	355
Other.....	5	5
Total Maintenance.....	1,357	1,271
Depreciation.....	290	326
Total Operating Expense.....	\$ 8,111	\$ 8,015

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

CITY OF TALLAHASSEE, FLORIDA
SOLID WASTE FUND
BALANCE SHEET
(in thousands)

	September 30	
	1999	1998
ASSETS		
Current Assets:		
Cash and Cash Equivalents/Investments.....	\$ 1,062	\$ 1,308
Securities Lending Collateral	--	115
Account Receivables:		
Accrued Interest	5	7
Customers.....	1,525	1,291
Less: Allowance for Doubtful Accounts.....	(128)	(108)
Total Current Assets.....	2,464	2,613
Restricted Assets:		
Cash and Cash Equivalents/Investments:		
Renewal, Replacement and Improvement.....	--	6
Operating Reserve.....	2,706	1,716
Total Cash and Cash Equivalents/Investments.....	2,706	1,722
Securities Lending Collateral	--	151
Accrued Interest Receivable.....	14	9
Total Restricted Assets.....	2,720	1,882
Fixed Assets:		
Fixed Assets - Cost.....	2,466	2,460
Less: Accumulated Depreciation.....	(2,055)	(1,987)
Total Fixed Assets.....	411	473
Total Assets.....	\$ 5,595	\$ 4,968
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Obligations Under Securities Lending.....	\$ --	\$ 115
Accounts Payable.....	559	615
Accrued Leave.....	239	207
Total Current Liabilities.....	798	937
Restricted Liabilities:		
Obligations Under Securities Lending	--	151
Total Restricted Liabilities.....	--	151
Other Liabilities:		
Accrued Leave.....	296	334
Total Other Liabilities.....	296	334
Total Liabilities.....	1,094	1,422
Fund Equity:		
Contributed Capital.....	822	824
Retained Earnings:		
Reserved.....	2,908	1,682
Unreserved.....	771	1,040
Total Fund Equity.....	4,501	3,546
Total Liabilities and Fund Equity.....	\$ 5,595	\$ 4,968

CITY OF TALLAHASSEE, FLORIDA
SOLID WASTE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Operating Revenues:		
Charges for Services:		
Residential Sales.....	\$ 7,269	\$ 7,154
Commercial Sales.....	8,635	8,185
Recyclable Sales.....	93	355
Other.....	4	2
Total Operating Revenues.....	16,001	15,696
Operating Expenses:		
Personal Services.....	3,671	3,570
Contractual Services.....	10,268	10,988
Materials and Supplies.....	919	291
Other Expenses.....	154	158
Depreciation.....	75	74
Total Operating Expenses.....	15,087	15,081
Operating Income	914	615
Non-Operating Revenues:		
Interest Revenue.....	225	175
Net Increase (Decrease) in the Fair Value of Investments.....	(55)	40
Total Non-Operating Revenues.....	170	215
Income Before Operating Transfers.....	1,084	830
Operating Transfers:		
Operating Transfers Out.....	(10)	--
Net Income	1,074	830
Disposition of Net Income:		
Depreciation on Contributed Assets.....	5	5
Net Increase in Retained Earnings.....	1,079	835
Retained Earnings - October 1.....	2,722	1,998
Cumulative Effect of a Change in Accounting Principle.....	--	(4)
Retained Earnings - October 1 - As Restated.....	2,722	1,994
Residual Equity Transfers Out.....	(122)	(107)
Retained Earnings - September 30.....	\$ 3,679	\$ 2,722

CITY OF TALLAHASSEE, FLORIDA
SOLID WASTE FUND
STATEMENT OF CASH FLOWS
(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Increase in Cash and Cash Equivalents/Investments:		
Cash Flows from Operating Activities:		
Cash Received from Customers.....	\$ 15,787	\$ 15,719
Cash Paid to Suppliers for Goods and Services.....	(8,862)	(9,111)
Cash Paid to Employees for Services.....	(3,662)	(3,536)
Cash Paid to Other Funds.....	(2,485)	(2,471)
Net Cash Provided by Operating Activities.....	778	601
Cash Flows from Noncapital Financing Activities:		
Operating Transfers Out to Other Funds.....	(10)	--
Net Cash Used for Noncapital Financing Activities.....	(10)	--
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets.....	(75)	42
Residual Equity Transfers Out.....	(122)	(107)
Net Cash Used for Capital and Related Financing Activities.....	(197)	(65)
Cash Flows from Investing Activities:		
Interest Received on Investments.....	222	180
Net Cash Flows Provided by Investing Activities.....	222	180
Net Increase in Cash and Cash Equivalents/Investments.....	793	716
Cash and Cash Equivalents/Investments - October 1.....	3,030	2,278
Cash and Cash Equivalents/Investments - September 30.....	3,823	2,994
Cumulative Effect of a Change in Accounting Principle.....	--	(4)
Unrealized Gain (Loss) on Cash & Cash Equivalents/Investments.....	(55)	40
Cash and Cash Equivalents/Investments - September 30.....	\$ 3,768	\$ 3,030
Classified As:		
Unrestricted Assets.....	\$ 1,062	\$ 1,308
Restricted Assets.....	2,706	1,722
	\$ 3,768	\$ 3,030
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating Income.....	\$ 914	\$ 615
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation.....	75	74
Provision for Uncollectible Accounts.....	20	(6)
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable.....	(234)	29
Increase (Decrease) in Accounts Payable.....	9	(143)
Increase (Decrease) in Accrued Leave.....	(6)	32
Total Adjustments.....	(136)	(14)
Net Cash Provided by Operating Activities.....	\$ 778	\$ 601

CITY OF TALLAHASSEE, FLORIDA
SOLID WASTE FUND
SCHEDULE OF OPERATING EXPENSE
(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Administrative and General:		
Personal Services.....	\$ 483	\$ 362
Contractual Services.....	597	1,497
Materials and Supplies.....	30	18
Other.....	154	46
Total Administrative and General.....	1,264	1,923
Residential Collection:		
Personal Services.....	1,582	1,738
Contractual Services.....	5,126	5,780
Materials and Supplies.....	753	270
Other.....	--	68
Total Residential Collection.....	7,461	7,856
Commercial Collection:		
Personal Services.....	1,606	1,470
Contractual Services.....	4,545	3,711
Materials and Supplies.....	136	3
Other.....	--	44
Total Commercial Collection.....	6,287	5,228
Depreciation.....	75	74
Total Operating Expense.....	\$ 15,087	\$ 15,081

CITY OF TALLAHASSEE, FLORIDA

GOLF COURSE FUND

BALANCE SHEET

(in thousands)

	September 30	
	1999	1998
ASSETS		
Current Assets:		
Cash and Cash Equivalents/Investments.....	\$ 160	\$ 162
Securities Lending Collateral	--	14
Receivables:		
Accrued Interest	--	1
Other.....	2	
Inventory.....	28	42
Total Current Assets.....	190	219
Restricted Assets:		
Cash and Cash Equivalents/Investments:		
Renewal, Replacement and Improvement.....	139	251
Securities Lending Collateral.....	--	22
Accrued Interest Receivable.....	1	1
Total Restricted Assets.....	140	274
Fixed Assets:		
Fixed Assets - Cost.....	3,608	2,667
Less: Accumulated Depreciation.....	(902)	(779)
Construction In Progress.....	203	526
Total Fixed Assets.....	2,909	2,414
Total Assets.....	\$ 3,239	\$ 2,907
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Obligations Under Securities Lending	\$ --	\$ 14
Accounts Payable.....	47	31
Accrued Leave.....	31	26
Total Current Liabilities.....	78	71
Payable from Restricted Assets:		
Loans from Other Funds.....	623	--
Obligations Under Securities Lending.....	--	22
Accounts Payable.....	19	1
Total Payable from Restricted Assets.....	642	23
Other Liabilities:		
Accrued Leave.....	11	21
Total Other Liabilities.....	11	21
Total Liabilities.....	731	115
Fund Equity:		
Contributed Capital.....	2,024	1,629
Retained Earnings:		
Reserved for Revenue Bonds, Renewal and Replacement.....	131	249
Unreserved.....	353	914
Total Fund Equity.....	2,508	2,792
Total Liabilities and Fund Equity.....	\$ 3,239	\$ 2,907

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

CITY OF TALLAHASSEE, FLORIDA

GOLF COURSE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Operating Revenues:		
Charges for Services:		
Greens Fees.....	\$ 102	\$ 389
Golf Cart Fees.....	101	310
Pro Shop Sales.....	36	87
Annual Golf Fees.....	16	47
Driving Range Fees.....	9	35
Concessions.....	23	80
Other.....	54	82
Total Operating Revenues.....	341	1,030
Operating Expenses:		
Personal Services	405	464
Contractual Services.....	115	91
Materials and Supplies.....	233	214
Other Expenses.....	44	246
Depreciation.....	124	106
Total Operating Expenses.....	921	1,121
Operating Loss.....	(580)	(91)
Nonoperating Revenues (Expenses):		
Interest Revenue.....	14	21
Net Increase (Decrease) in the Fair Value of Investments.....	(5)	5
Other Expenses.....	(7)	(75)
Total Nonoperating Revenues (Expenses).....	2	(49)
Loss Before Operating Transfers.....	(578)	(140)
Operating Transfers:		
Operating Transfers In.....	514	153
Operating Transfers Out.....	(623)	--
Net Income (Loss).....	(687)	13
Disposition of Net Income (Loss):		
Depreciation on Contributed Assets.....	8	7
Net Increase (Decrease) in Retained Earnings.....	(679)	20
Retained Earnings - October 1.....	1,163	1,298
Cumulative Effect of a Change in Accounting Principle.....	--	(1)
Retained Earnings - October 1 - As Restated.....	1,163	1,297
Residual Equity Transfers Out.....	--	(154)
Retained Earnings - September 30.....	\$ 484	\$ 1,163

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

CITY OF TALLAHASSEE, FLORIDA

GOLF COURSE FUND

STATEMENT OF CASH FLOWS

(in thousands)

	Fiscal Year Ended September 30	
	1999	1998
Increase (Decrease) in Cash and Cash Equivalents/Investments:		
Cash Flows from Operating Activities:		
Cash Received from Customers.....	\$ 339	\$ 1,030
Cash Paid to Suppliers for Goods and Services.....	(326)	(392)
Cash Paid to Employees for Services.....	(408)	(501)
Cash Paid to Other Funds.....	(12)	(233)
Cash Paid to Other Expenses.....	(7)	(75)
Net Cash Used for Operating Activities.....	(414)	(171)
Cash Flow from Noncapital Financing Activities:		
Operating Transfers In from Other Funds.....	514	153
Net Cash Provided by Noncapital Financing Activities.....	514	153
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets.....	(224)	(57)
Net Cash Used for Capital and Related Financing Activities.....	(224)	(57)
Cash Flows from Investing Activities:		
Interest Received on Investments.....	15	23
Net Cash Provided by Investing Activities.....	15	23
Net Decrease in Cash and Cash Equivalents/Investments.....	(109)	(52)
Cash and Cash Equivalents/Investments - October 1.....	413	461
Cash and Cash Equivalents/Investments - September 30.....	304	409
Cumulative Effect of a Change in Accounting Principle.....	--	(1)
Unrealized Gain (Loss) on Cash & Cash Equivalents/Investments.....	(5)	5
Cash and Cash Equivalents/Investments - September 30.....	\$ 299	\$ 413
Classified As:		
Unrestricted Assets.....	\$ 160	\$ 162
Restricted Assets.....	139	251
	\$ 299	\$ 413
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating Loss.....	\$ (580)	\$ (91)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:		
Depreciation.....	124	106
Other.....	(7)	(75)
Change in Assets and Liabilities:		
Increase in Accounts Receivable.....	(2)	(7)
Decrease in Inventory.....	14	--
Increase/ (Decrease) in Accounts Payable.....	42	(70)
Decrease in Accrued Leave.....	(5)	(34)
Total Adjustments.....	166	(80)
Net Cash Used for Operating Activities.....	\$ (414)	\$ (171)
Noncash Investing, Capital, and Financing Activities:		
Interfund Transfers of Fixed Assets.....	\$ --	\$ (152)

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

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency of the City to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Reading, Billing and Collection Fund	Accounts for the costs of the City's reading, billing and collection services.
Information System Services	Accounts for the costs of the City's data processing operations
Accounting Fund	Accounts for the costs of the City's accounting operation.
Central Stores Fund	Accounts for the costs of the City's purchasing and central stores operations
Garage Fund	Accounts for the costs of maintaining and operating the City's fleet management operation.
Human Resources Fund	Accounts for the costs of the City's employee relations operations.
Pension Administration Fund	Accounts for the costs of the City's employee retirement plan's administrative operation.
Risk Management / Employee Healthcare Funds	Accounts for the costs of the City's risk management and healthcare operations.
Internal Loan Fund	Accounts for the loans received from the Sunshine State Governmental Financing Commission which in turn are loaned to other funds to provide financing for capital projects.
Utility Services Fund	Accounts for the costs of centralizing safety and training, environmental, GIS, sales, rate design, and marketing functions of the City's utilities.
Wholesale Energy Fund	Accounts for the costs of the purchase of power and fuel for the City's electric and gas utilities and off-system sales and services of power and natural gas to other utilities and open market participants.

CITY OF TALLAHASSEE, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 1999
(in thousands)

	Reading Billing and Collection	Information Systems Services	Accounting	Central Stores	Garage
ASSETS					
Current Assets:					
Cash and Cash Equivalents/Investments.....	\$ 829	\$ 1,601	\$ 375	\$ 1,202	\$ 503
Securities Lending Collateral.....	--	--	--	--	--
Receivables:					
Other.....	9	1	--	--	--
Accrued Interest.....	--	8	--	--	--
Deposits.....	--	--	--	--	--
Inventory	--	211	--	4,110	669
Total Current Assets.....	838	1,821	375	5,312	1,172
Restricted Assets:					
Cash and Cash Equivalents/Investments.....	--	1,699	--	--	20,973
Securities Lending Collateral	--	--	--	--	--
Receivables:					
Other.....	--	--	--	--	--
Accrued Interest.....	--	--	--	--	108
Notes	--	--	--	--	--
Loans to Other Funds.....	--	--	--	--	--
Total Restricted Assets.....	--	1,699	--	--	21,081
Fixed Assets.....	506	9,601	170	1,442	74,982
Less: Accumulated Depreciation.....	(244)	(7,072)	(74)	(341)	(37,877)
Total Fixed Assets.....	262	2,529	96	1,101	37,105
Total Assets.....	\$ 1,100	\$ 6,049	\$ 471	\$ 6,413	\$ 59,358
LIABILITIES AND FUND EQUITY					
Current Liabilities:					
Obligations Under Securities Lending.....	\$ --	\$ --	\$ --	\$ --	\$ --
Accounts Payable.....	112	317	84	162	593
Accrued Leave.....	331	281	102	97	194
Due to Other Funds.....	--	--	--	--	--
Total Current Liabilities.....	443	598	186	259	787
Payable from Restricted Assets:					
Obligations Under Securities Lending.....	--	--	--	--	--
Accounts Payable.....	--	--	--	--	260
Accrued Leave.....	--	--	--	--	--
Claims Payable.....	--	--	--	--	--
Loans Payable.....	--	--	--	--	--
Loans from Other Funds.....	--	4,444	--	--	--
Total Payable from Restricted Assets.....	--	4,444	--	--	260
Other Liabilities:					
Accrued Leave.....	159	323	48	47	195
Total Liabilities.....	602	5,365	234	306	1,242
Fund Equity					
Contributed Capital.....	146	621	78	235	16,469
Retained Earnings:					
Reserved for:					
Debt Service.....	--	--	--	--	--
Fleet Management.....	--	--	--	--	21,081
Projects.....	--	--	--	--	--
Insurance.....	--	--	--	--	--
Total Reserved.....	--	--	--	--	21,081
Unreserved.....	352	63	159	5,872	20,566
Total Retained Earnings.....	352	63	159	5,872	41,647
Total Fund Equity.....	498	684	237	6,107	58,116
Total Liabilities and Fund Equity.....	\$ 1,100	\$ 6,049	\$ 471	\$ 6,413	\$ 59,358

CITY OF TALLAHASSEE, FLORIDA

INTERNAL SERVICE FUNDS COMBINING BALANCE SHEET September 30, 1999 (Continued)

Human Resources	Pension Admin- istration	Risk Manage- ment	Employee Healthcare	Internal Loan	Utility Services	Wholesale Energy	Totals	
							September 30 1999	September 30 1998
\$ 445	\$ 109	\$ --	\$ --	\$ --	\$ 1,239	\$ 7,230	\$ 13,533	\$ 13,501
--	--	--	--	--	--	--	--	1,184
9	--	--	--	--	--	1,054	1,073	1,217
--	--	--	--	--	6	37	51	43
--	--	--	--	--	--	--	--	6
--	--	--	--	--	--	200	5,190	5,926
454	109	--	--	--	1,245	8,521	19,847	21,877
6,914	--	12,062	--	2,180	--	--	43,828	47,639
--	--	--	--	--	--	--	--	4,181
--	--	83	--	--	--	--	83	261
35	--	62	--	11	--	--	216	238
--	--	--	--	--	--	--	--	1,417
--	--	--	--	20,893	--	--	20,893	16,466
6,949	--	12,207	--	23,084	--	--	65,020	70,202
243	14	8	--	--	646	39	87,651	84,497
(105)	(5)	(3)	--	--	(221)	(20)	(45,962)	(40,446)
138	9	5	--	--	425	19	41,689	44,051
\$ 7,541	\$ 118	\$ 12,212	\$ --	\$ 23,084	\$ 1,670	\$ 8,540	\$ 126,556	\$ 136,130
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,184
106	5	--	--	--	51	8,234	9,664	7,641
138	18	--	--	--	152	39	1,352	1,091
--	--	--	--	--	709	210	919	210
244	23	--	--	--	912	8,483	11,935	10,126
--	--	--	--	--	--	--	--	4,181
17	--	62	--	--	--	--	339	424
--	--	8	--	--	--	--	8	2
--	--	6,895	--	--	--	--	6,895	7,584
--	--	--	--	21,700	--	--	21,700	21,700
--	--	--	--	--	1,425	--	5,869	2,245
17	--	6,965	--	21,700	1,425	--	34,811	36,136
97	15	--	--	--	86	72	1,042	1,213
358	38	6,965	--	21,700	2,423	8,555	47,788	47,475
82	9	899	--	--	299	19	18,857	20,084
--	--	--	--	1,384	--	--	1,384	1,318
--	--	--	--	--	--	--	21,081	22,493
744	--	--	--	--	--	--	744	984
5,512	--	4,348	--	--	--	--	9,860	10,847
6,256	--	4,348	--	1,384	--	--	33,069	35,642
845	71	--	--	--	(1,052)	(34)	26,842	32,929
7,101	71	4,348	--	1,384	(1,052)	(34)	59,911	68,571
7,183	80	5,247	--	1,384	(753)	(15)	78,768	88,655
\$ 7,541	\$ 118	\$ 12,212	\$ --	\$ 23,084	\$ 1,670	\$ 8,540	\$ 126,556	\$ 136,130

CITY OF TALLAHASSEE, FLORIDA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

For the Fiscal Year Ended September 30, 1999
(in thousands)

	Reading Billing and Collection	Information Systems Services	Accounting	Central Stores	Garage
Operating Revenues:					
Charges for Service.....	\$ 7,148	\$ 9,512	\$ 2,326	\$ 7,045	\$ 12,987
Total Operating Revenues.....	7,148	9,512	2,326	7,045	12,987
Operating Expenses:					
Personal Services.....	4,283	3,644	1,374	1,375	2,493
Contractual Services.....	1,863	4,221	924	4,831	6,500
Materials and Supplies.....	515	288	7	48	877
Other.....	5	1,480	15	337	1,709
Depreciation.....	44	768	16	40	6,388
Total Operating Expenses	6,710	10,401	2,336	6,631	17,967
Operating Income (Loss).....	438	(889)	(10)	414	(4,980)
Non-Operating Revenues (Expenses):					
Interest Revenue.....	--	51	--	--	211
Net Increase (Decrease) in the Fair Value of Investments.....	--	(23)	--	--	(308)
Gain (Loss) on Sale of Surplus Property.....	--	(60)	--	1	17
Interest Expense.....	--	(230)	--	--	--
Total Non-Operating Revenues (Expenses).....	--	(262)	--	1	(80)
Income (Loss) Before Operating					
Transfers.....	438	(1,151)	(10)	415	(5,060)
Operating Transfers In.....	--	293	--	--	--
Operating Transfers (Out).....	(413)	(2,799)	(8)	--	(69)
Net Income (Loss).....	25	(3,657)	(18)	415	(5,129)
Disposition of Net Income (Loss):					
Depreciation on Contributed Assets.....	32	239	12	16	1,551
Net Increase (Decrease) in Retained Earnings.....	57	(3,418)	(6)	431	(3,578)
Retained Earnings - October 1 - As Restated.....	295	3,492	168	5,465	45,225
Cumulative Effect of a Change in Accounting Principle.....	--	--	--	--	--
Retained Earnings - October 1 - As Restated.....	295	3,492	168	5,465	45,225
Residual Equity Transfers Out.....	--	(11)	(3)	(24)	--
Retained Earnings - September 30.....	\$ 352	\$ 63	\$ 159	\$ 5,872	\$ 41,647

CITY OF TALLAHASSEE, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
For the Fiscal Year Ended September 30, 1999
(Continued)

Human Resources	Pension Admin- istration	Risk Manage- ment	Employee Healthcare	Internal Loan	Utility Services	Wholesale Energy	Totals	
							September 30 1999	September 30 1998
\$ 3,529	\$ 441	\$ 3,107	\$ 98	\$ --	\$ 1,490	\$ 90,282	\$ 137,965	\$ 138,906
3,529	441	3,107	98	--	1,490	90,282	137,965	138,906
1,982	232	91	--	--	1,918	461	17,853	17,430
777	221	43	43	--	544	90,144	110,111	110,760
34	5	2	--	--	342	4	2,122	1,165
509	1	4,257	9	86	121	23	8,552	6,632
22	1	1	--	--	64	3	7,347	7,404
3,324	460	4,394	52	86	2,989	90,635	145,985	143,391
205	(19)	(1,287)	46	(86)	(1,499)	(353)	(8,020)	(4,485)
336	--	751	14	1,397	122	277	3,159	3,903
(97)	--	(177)	(5)	(32)	(18)	(106)	(766)	741
--	--	--	--	--	--	--	(42)	24
--	--	--	--	(1,213)	(42)	--	(1,485)	(1,158)
239	--	574	9	152	62	171	866	3,510
444	(19)	(713)	55	66	(1,437)	(182)	(7,154)	975
440	--	--	--	--	39	--	772	185
(323)	--	(209)	(313)	--	(8)	(14)	(4,156)	(629)
561	(19)	(922)	(258)	66	(1,406)	(196)	(10,538)	(1,419)
11	1	1	--	--	57	3	1,923	1,958
572	(18)	(921)	(258)	66	(1,349)	(193)	(8,615)	539
6,532	89	5,269	258	1,318	301	159	68,571	68,845
--	--	--	--	--	--	--	--	(87)
6,532	89	5,269	258	1,318	301	159	68,571	68,758
(3)	--	--	--	--	(4)	--	(45)	(726)
\$ 7,101	\$ 71	\$ 4,348	\$ --	\$ 1,384	\$ (1,052)	\$ (34)	\$ 59,911	\$ 68,571

CITY OF TALLAHASSEE, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 1999
(in thousands)

	Reading Billing and Collection	Information Systems Services	Accounting	Central Stores	Garage
Increase (Decrease) in Cash and Cash Equivalents/Investments:					
Cash Flows from Operating Activities:					
Cash Received from Customers.....	\$ --	\$ --	\$ --	\$ --	\$ --
Cash Received from Other Funds.....	7,145	9,514	2,327	7,045	13,002
Cash Paid to Suppliers for Goods and Services.....	(2,377)	(5,749)	(938)	(4,674)	(8,434)
Cash Paid to Employees for Services.....	(4,237)	(3,556)	(1,417)	(1,337)	(2,506)
Net Cash Provided by (Used for) Operating Activities.....	531	209	(28)	1,034	2,062
Cash Flows from Noncapital Financing Activities:					
Operating Transfers In from Other Funds.....	--	293	--	--	--
Operating Transfers Out to Other Funds.....	(413)	(2,799)	(8)	--	(69)
Net Cash Flows Provided by (Used for) Noncapital Financing Activities.....	(413)	(2,506)	(8)	--	(69)
Cash Flows From Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets.....	(20)	(46)	(12)	(657)	(3,551)
Residual Equity Transfers.....	--	(11)	(3)	(24)	--
Proceeds from Sale of Property.....	--	(60)	--	1	17
Repayments of Loans to Other Funds.....	--	3,799	--	--	--
Interest Paid.....	--	(230)	--	--	--
Net Cash Provided By/(Used For) Capital and Related Financing Activities.....	(20)	3,452	(15)	(680)	(3,534)
Cash Flows from Investing Activities:					
Interest Received on Investments.....	--	51	--	--	211
Net Cash Provided by Investing Activities.....	--	51	--	--	211
Net Increase (Decrease) in Cash and Cash Equivalents/Investments.....	98	1,206	(51)	354	(1,330)
Cash and Cash Equivalents/Investments at October 1.....	731	2,117	426	848	23,114
Cash and Cash Equivalents/Investments at September 30.....	829	3,323	375	1,202	21,784
Cumulative Effect of a Change in Accounting Principle.....	--	--	--	--	--
Unrealized Gain (Loss) on Cash & Cash Equivalents/Investments.....	--	(23)	--	--	(308)
Cash and Cash Equivalents/Investments at September 30.....	\$ 829	\$ 3,300	\$ 375	\$ 1,202	\$ 21,476

CITY OF TALLAHASSEE, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 1999
(Continued)

Human Resources	Pension Admin- istration	Risk Manage- ment	Employee Healthcare	Internal Loan	Utility Services	Wholesale Energy	Totals	
							September 30 1999	September 30 1998
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 358
3,525	441	3,108	195	1,814	1,494	90,410	140,020	137,453
(1,236)	(230)	(4,943)	(171)	(4,586)	(1,003)	(88,959)	(123,300)	(85,660)
(1,985)	(240)	(85)	--	--	(1,948)	(446)	(17,757)	(41,934)
304	(29)	(1,920)	24	(2,772)	(1,457)	1,005	(1,037)	10,217
440	--	--	--	--	39	--	772	185
(323)	--	(209)	(313)	--	(8)	(14)	(4,156)	(629)
117	--	(209)	(313)	--	31	(14)	(3,384)	(444)
6	(1)	(1)	--	--	702	--	(3,580)	(3,267)
(3)	--	--	--	--	(4)	--	(45)	(726)
--	--	--	--	--	--	--	(42)	24
--	--	--	--	--	(175)	--	3,624	(196)
--	--	--	--	(1,213)	(42)	--	(1,485)	(1,158)
3	(1)	(1)	--	(1,213)	481	--	(1,528)	(5,323)
336	--	751	14	1,174	122	277	2,936	3,903
336	--	751	14	1,174	122	277	2,936	3,903
760	(30)	(1,379)	(275)	(2,811)	(823)	1,268	(3,013)	8,353
6,696	139	13,618	280	5,023	2,080	6,068	61,140	52,133
7,456	109	12,239	5	2,212	1,257	7,336	58,127	60,486
--	--	--	--	--	--	--	--	(87)
(97)	--	(177)	(5)	(32)	(18)	(106)	(766)	741
\$ 7,359	\$ 109	\$ 12,062	\$ --	\$ 2,180	\$ 1,239	\$ 7,230	\$ 57,361	\$ 61,140

CITY OF TALLAHASSEE, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 1999
(Continued)

	Reading Billing and Collection	Information Systems Services	Accounting	Central Stores	Garage
Classified As:					
Unrestricted Assets.....	\$ 829	\$ 1,601	\$ 375	\$ 1,202	\$ 503
Restricted Assets.....	--	1,699	--	--	20,973
	<u>\$ 829</u>	<u>\$ 3,300</u>	<u>\$ 375</u>	<u>\$ 1,202</u>	<u>\$ 21,476</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss).....	\$ 438	\$ (889)	\$ (10)	\$ 414	\$ (4,980)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation.....	44	768	16	40	6,388
Change in Assets and Liabilities:					
(Increase) Decrease in					
Accounts Receivable.....	(3)	7	1	--	11
Increase (Decrease) in Other					
Accounts Receivable.....	--	(5)	--	--	4
(Increase) Decrease in					
Inventory.....	--	34	--	495	321
Increase (Decrease) in					
Accounts Payable.....	6	206	8	47	331
Increase (Decrease) in					
Accrued Leave.....	46	88	(43)	38	(13)
Total Adjustments.....	<u>93</u>	<u>1,098</u>	<u>(18)</u>	<u>620</u>	<u>7,042</u>
Net Cash Provided by (Used for) Operating Activities.....	<u>\$ 531</u>	<u>\$ 209</u>	<u>\$ (28)</u>	<u>\$ 1,034</u>	<u>\$ 2,062</u>

CITY OF TALLAHASSEE, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 1999
(Continued)

Human Resources	Pension Admin- istration	Risk Manage- ment	Employee Healthcare	Internal Loan	Utility Services	Wholesale Energy	Totals	
							September 30 1999	September 30 1998
\$ 445	\$ 109	\$ --	\$ --	\$ --	\$ 1,239	\$ 7,230	\$ 13,533	\$ 13,501
6,914	--	12,062	--	2,180	--	--	43,828	47,639
<u>\$ 7,359</u>	<u>\$ 109</u>	<u>\$ 12,062</u>	<u>\$ --</u>	<u>\$ 2,180</u>	<u>\$ 1,239</u>	<u>\$ 7,230</u>	<u>\$ 57,361</u>	<u>\$ 61,140</u>
\$ 205	\$ (19)	\$ (1,287)	\$ 46	\$ (86)	\$ (1,499)	\$ (353)	\$ (8,020)	\$ (4,485)
22	1	1	--	--	64	3	7,347	7,404
(1)	--	(5)	96	87	--	135	328	439
(3)	--	6	1	(2,773)	4	(7)	(2,773)	18,466
--	--	--	--	--	--	(114)	736	(244)
84	(3)	(641)	(119)	--	4	1,326	1,249	(11,359)
(3)	(8)	6	--	--	(30)	15	96	(4)
<u>99</u>	<u>(10)</u>	<u>(633)</u>	<u>(22)</u>	<u>(2,686)</u>	<u>42</u>	<u>1,358</u>	<u>6,983</u>	<u>14,702</u>
<u>\$ 304</u>	<u>\$ (29)</u>	<u>\$ (1,920)</u>	<u>\$ 24</u>	<u>\$ (2,772)</u>	<u>\$ (1,457)</u>	<u>\$ 1,005</u>	<u>\$ (1,037)</u>	<u>\$ 10,217</u>

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TRUST FUNDS

Pension Trust, Expendable and Nonexpendable Trust Funds are used to account for assets held by the City in a trustee capacity for individuals, governmental entities and others.

Pension Trust Fund

This fund includes both the Defined Benefit Plan and the Defined Contribution Plan. It is used to account for the accumulation of resources to be used for retirement annuity payments to City employees. The Defined Benefit Plan is categorized by accounting for general employees, police officers and fire fighters separately. The Defined Contribution Plan covers all employees who elect to contribute a portion of their salary to the plan.

Expendable Trust Fund

Deficiencies Fund

To provide for unforeseen expenditures of an emergency nature.

Nonexpendable Trust Funds

Cemetery Perpetual Care Fund

To accumulate resources for the perpetual maintenance of the City's cemeteries which includes the sale and maintenance of plots.

Scholarship Fund

To account for the monies appropriated to fund scholarships for high school students.

CITY OF TALLAHASSEE, FLORIDA

TRUST AND AGENCY FUNDS COMBINING BALANCE SHEET

September 30, 1999

(in thousands)

	Pension Trust Fund	Expendable Trust Fund	Nonexpendable Trust Funds		Totals	
	City Employees' Pension Plan	Deficiencies Fund	Cemetery Perpetual Care	Scholarship	September 30 1999	1998
ASSETS						
Cash and Cash Equivalents/Investments.....	\$ 580	\$ 13,064	\$ 6,450	\$ 351	\$ 20,445	\$ 22,474
Securities Lending Collateral.....	81,839	--	--	--	81,839	25,168
Investments.....	845,495	16	--	--	845,511	726,770
Other Receivable.....	--	--	1	--	1	21
Accrued Interest.....	6	97	33	2	138	117
Due From Other Funds.....	--	7,423	--	--	7,423	2,825
Total Assets.....	\$ 927,920	\$ 20,600	\$ 6,484	\$ 353	\$ 955,357	\$ 777,375
LIABILITIES AND FUND BALANCES						
Liabilities:						
Obligations Under Securities Lending.....	\$ 81,839	\$ --	\$ --	\$ --	\$ 81,839	\$ 25,168
Accounts Payable.....	--	51	4	--	55	31
Deferred Compensation Payable.....	--	--	--	--	--	12,996
Total Liabilities.....	81,839	51	4	--	81,894	38,195
Fund Balances:						
Reserved for:						
Employee Pension Benefits.....	846,081	--	--	--	846,081	712,466
Total Reserved.....	846,081	--	--	--	846,081	712,466
Unreserved:						
Undesignated.....	--	20,549	6,480	353	27,382	26,714
Total Fund Balances.....	846,081	20,549	6,480	353	873,463	739,180
Total Liabilities and Fund Balances.....	\$ 927,920	\$ 20,600	\$ 6,484	\$ 353	\$ 955,357	\$ 777,375

CITY OF TALLAHASSEE, FLORIDA

CITY EMPLOYEES' PENSION PLANS

STATEMENT OF PLAN NET ASSETS

September 30, 1999

(in thousands)

	September 30	
	1999	1998
ASSETS		
Cash and Cash Equivalents/Investments.....	\$ 580	\$ 772
Receivables:		
Accrued Interest.....	6	7
Employer.....	--	21
Total Receivables.....	<u>6</u>	<u>28</u>
Investments, at Fair Value		
Mutual Index Funds.....	277,721	411,704
Fixed Income Securities.....	291,333	
Domestic Stock.....	143,657	262,988
Short-term Investments.....	105,264	11,069
Real Estate.....	27,520	25,905
Total Investments.....	<u>845,495</u>	<u>711,666</u>
Securities Lending Collateral.....	<u>81,839</u>	<u>21,949</u>
Total Assets.....	<u>927,920</u>	<u>734,415</u>
Liabilities:		
Obligations Under Securities Lending.....	81,839	21,949
Total Liabilities.....	<u>81,839</u>	<u>21,949</u>
Net Assets Held in Trust for Pension Benefits.....	<u>\$ 846,081</u>	<u>\$ 712,466</u>

(a schedule of funding progress is presented on page B-52)

CITY OF TALLAHASSEE, FLORIDA
EXPENDABLE TRUST FUND - DEFICIENCIES
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 1999
(in thousands)

	Totals	
	September 30	
	1999	1998
Revenues:		
Interest.....	\$ 1,142	\$ 1,184
Net Increase (Decrease) in the Fair Value of Investments.....	(279)	199
Total Revenues.....	863	1,383
Expenditures:		
Culture and Recreation.....	279	107
Total Expenditures.....	279	107
Excess of Revenues Over		
Expenditures.....	584	1,276
Other Financing Sources (Uses):		
Operating Transfers In.....	728	125
Operating Transfers Out.....	(742)	(91)
Total Other Financing Sources (Uses).....	(14)	34
Excess of Revenues and Other Financing		
Sources Over Expenditures		
and Other Financing Uses.....	570	1,310
Fund Balances - October 1.....	19,979	18,700
Cumulative Effect of a Change in Accounting Principle.....	--	(31)
Fund Balances - October 1 - As Restated.....	19,979	18,669
Fund Balances - September 30.....	\$ 20,549	\$ 19,979

CITY OF TALLAHASSEE, FLORIDA
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 1999
(in thousands)

	Nonexpendable Trust Fund		Totals	
	Cemetery Perpetual Care	Scholarship	September 30	
			1999	1998
Operating Revenues:				
Investment Income.....	\$ 351	\$ 19	\$ 370	\$ 387
Cemetery Lots.....	103	--	103	192
Maintenance Fees.....	13	--	13	47
Total Operating Revenues.....	467	19	486	626
Operating Expenses:				
Benefit Payments.....	--	17	17	18
Administrative.....	263	--	263	248
Total Operating Expenses.....	263	17	280	266
Operating Income.....	204	2	206	360
Non-Operating Revenues:				
Net Increase (Decrease) in the Fair Value of Investments.....	(95)	(5)	(100)	88
Income Before Operating Transfers.....	109	(3)	106	448
Operating Transfers In (Out):				
Operating Transfers Out.....	(8)	--	(8)	--
Net Income.....	101	(3)	98	448
Fund Balances - October 1.....	6,379	356	6,735	6,298
Cumulative Effect of a Change in Accounting Principle.....	--	--	--	(11)
Fund Balances - October 1 - As Restated.....	6,379	356	6,735	6,287
Fund Balances - September 30.....	\$ 6,480	\$ 353	\$ 6,833	\$ 6,735

CITY OF TALLAHASSEE, FLORIDA
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 1999
(in thousands)

	Nonexpendable Trust Fund		Totals	
	Cemetery Perpetual Care	Scholarship	September 30 1999	1998
Increase (Decrease) in Cash and Cash Equivalents/Investments:				
Cash Flows from Operating Activities:				
Cash Received from Customers.....	\$ 116	\$ --	\$ 116	\$ 325
Benefits Paid.....	--	(17)	(17)	(18)
Administrative Cost Paid.....	(263)	--	(263)	(248)
Net Cash Provided by (Used for) Operating Activities.....	(147)	(17)	(164)	59
Cash Flows from Noncapital Financing Activities:				
Operating Transfers Out to Other Funds.....	(8)	--	(8)	--
Net Cash Used for Noncapital Financing Activities.....	(8)	--	(8)	--
Cash Flows from Investing Activities:				
Interest Received on Investments.....	351	19	370	388
Net Cash Provided by Investing Activities.....	351	19	370	388
Net Increase in Cash and Cash Equivalents/Investments.....	196	2	198	447
Cash and Cash Equivalents/Investments- October 1.....	6,349	354	6,703	6,179
Cash and Cash Equivalents/Investments - September 30.....	6,545	356	6,901	6,626
Cumulative Effect of a Change in Accounting Principle.....	--	--	--	(11)
Unrealized Gain (Loss) on Cash and Cash Equivalents/Investments.....	(95)	(5)	(100)	88
Cash and Cash Equivalents/Investments - September 30.....	\$ 6,450	\$ 351	\$ 6,801	\$ 6,703
Classified As:				
Unrestricted Assets.....	\$ 6,450	\$ 351	\$ 6,801	\$ 6,703
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Operating Income.....	\$ 204	\$ 2	\$ 206	\$ 360
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
(Increase) Decrease in Accounts Receivable.....	(1)	--	(1)	64
(Increase) Decrease in Accrued Interest Receivable.....	(1)	--	(1)	22
Increase in Accounts Payable.....	2	--	2	--
Interest Received on Investments.....	(351)	(19)	(370)	(387)
Total Adjustments.....	(351)	(19)	(370)	(301)
Net Cash Provided by (Used for) Operating Activities.....	\$ (147)	\$ (17)	\$ (164)	\$ 59

ACCOUNT GROUPS

Account Groups are used to account for general fixed assets and general long-term obligations. They are not funds and they do not report operations.

General Fixed Assets Account Group	To account for fixed assets not used in proprietary fund operations or accounted for in trust funds.
General Long-Term Debt Account Group	To account for general long-term liabilities not accounted for in proprietary funds and trust funds.

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCES
(in thousands)

	September 30	
	1999	1998
General Fixed Assets:		
Land.....	\$ 50,458	\$ 50,030
Buildings.....	62,344	58,502
Improvements other than Buildings.....	24,335	22,371
Equipment.....	14,759	13,796
Construction in Progress.....	30,433	31,406
Total General Fixed Assets.....	\$ 182,329	\$ 176,105
 Investment in General Fixed Assets from:		
General Revenue Bonds.....	\$ 41,434	\$ 39,548
General Fund Revenues.....	22,671	21,652
Grants.....	18,953	18,462
Capital Improvement Fund.....	75,045	73,099
Gifts	3,026	2,977
Stormwater Management Fund.....	285	285
Sales Tax Construction Fund.....	15,657	14,824
Parking Garage Bond Construction.....	5,258	5,258
Total Investment in General Fixed Assets.....	\$ 182,329	\$ 176,105

CITY OF TALLAHASSEE, FLORIDA

SCHEDULE OF GENERAL FIXED ASSETS -

BY FUNCTION AND ACTIVITY

September 30, 1999

(in thousands)

	Total	Land	Buildings	Improvements Other Than Buildings	Equipment
General Government:					
Control:					
City Commission.....	\$ 77	\$ --	\$ --	\$ --	\$ 77
City Manager.....	87	--	--	--	87
City Treasurer-Clerk.....	436	--	72	--	364
City Attorney.....	87	--	--	--	87
City Auditor.....	83	--	--	--	83
Total Control.....	770	--	72	--	698
Staff Agencies:					
Executive Services.....	3	--	--	--	3
Management and Administration.....	109	--	--	--	109
Organizational Support.....	22,150	2,289	16,330	97	3,434
Minority Business/Economic Development.....	4,057	--	4,007	--	50
Engineering.....	19,344	18,486	426	--	432
Public Information.....	48	--	--	--	48
Customer Services.....	42	--	--	--	42
Code Enforcement.....	24	--	--	--	24
General Government Building.....	20,881	--	20,558	--	323
Community Development.....	7,895	333	7,043	7	512
Growth Management.....	105	--	--	--	105
Cable Communications.....	27	--	--	--	27
Environmental Services.....	214	--	--	--	214
Utility Services.....	111	--	--	--	111
Total Staff Agencies.....	75,010	21,108	48,364	104	5,434
Total General Government.....	75,780	21,108	48,436	104	6,132
Public Safety:					
Fire Protection.....	4,053	412	2,850	30	761
Police Protection.....	25,117	1,536	3,196	15,658	4,727
Building Inspection.....	88	--	--	1	87
Total Public Safety.....	29,258	1,948	6,046	15,689	5,575
Other:					
Highways and Streets.....	28,444	19,869	3,529	4,005	1,041
Recreation.....	18,078	7,533	4,313	4,225	2,007
Cemeteries.....	336	--	20	312	4
Total Other.....	46,858	27,402	7,862	8,542	3,052
Total General Fixed Assets					
Allocated to Functions.....	151,896	\$ 50,458	\$ 62,344	\$ 24,335	\$ 14,759
Construction in Progress.....	30,433				
Total General Fixed Assets.....	\$ 182,329				

CITY OF TALLAHASSEE, FLORIDA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY

For the Fiscal Year Ended September 30, 1999
(in thousands)

	General Fixed Assets October 1, 1998	Additions And Transfers In	Deductions And Transfers Out	General Fixed Assets September 30, 1999
General Government:				
Control:				
City Commission.....	\$ 64	\$ 15	\$ 2	\$ 77
City Manager.....	81	7	1	87
City Treasurer-Clerk.....	424	21	9	436
City Attorney.....	86	3	2	87
City Auditor.....	84	6	7	83
Total Control.....	739	52	21	770
Staff Agencies:				
Executive Services.....	3	--	--	3
Management and Administration.....	73	57	21	109
Organizational Support.....	21,762	392	4	22,150
Minority Business/Economic Development.....	4,057	1	1	4,057
Engineering.....	18,974	429	59	19,344
Public Information.....	40	9	1	48
Customer Services.....	48	5	11	42
Code Enforcement.....	23	2	1	24
General Government Building.....	20,879	2	--	20,881
Community Development.....	4,503	3,471	79	7,895
Growth Management.....	135	27	57	105
Cable Communications.....	27	--	--	27
Environmental Services.....	157	69	12	214
Utility Services.....	36	75	--	111
Total Staff Agencies.....	70,717	4,539	246	75,010
Public Safety:				
Fire Protection.....	3,931	237	115	4,053
Police Protection.....	22,723	2,443	49	25,117
Building Inspection.....	78	12	2	88
Total Public Safety.....	26,732	2,692	166	29,258
Other:				
Highways and Streets.....	28,392	92	40	28,444
Recreation.....	17,783	309	14	18,078
Cemeteries.....	336	--	--	336
Total Other.....	46,511	401	54	46,858
Construction in Progress.....	31,406	20,675	21,648	30,433
Total General Fixed Assets.....	\$ 176,105	\$ 28,359	\$ 22,135	\$ 182,329

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF GENERAL LONG-TERM DEBT
(in thousands)

	September 30	
	1999	1998
Amount Available and to be Provided for the Payment of General Long-Term Debt:		
Amount Available in Debt Service Fund.....	<u>\$ 2,703</u>	<u>\$ 2,517</u>
Amount to be Provided:		
Accrued Leave.....	9,095	8,651
Loan Payable-Sunshine State.....	4,500	4,500
Capital Bonds, Series 1993.....	17,412	18,753
Special Revenue Bonds, Series 1998.....	3,749	3,853
Total to be Provided.....	<u>34,756</u>	<u>35,757</u>
Total Available and to be Provided.....	<u><u>\$ 37,459</u></u>	<u><u>\$ 38,274</u></u>
General Long-Term Debt Payable:		
Note Payable.....	\$ --	\$ 60
Accrued Leave.....	9,095	8,651
Loan Payable-Sunshine State.....	4,500	4,500
Capital Bonds, Series 1993.....	20,115	21,210
Special Revenue Bonds, Series 1998.....	3,749	3,853
Total General Long-Term Debt Payable.....	<u><u>\$ 37,459</u></u>	<u><u>\$ 38,274</u></u>

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SUPPLEMENTAL FINANCIAL DATA

The following schedules provide a summary of the debt service requirements for the City's outstanding bond issues.

Capital Bond Series 1993A & 1993B

Electric Series 1992A Mini Bonds

Electric Refunding Revenue Bonds Series 1992A

Electric Energy System Refunding Revenue
Bonds Series 1998A & 1998B

Airport System Revenue Refunding Bonds Series 1995

Consolidated Utility Revenue Bonds Series 1991A & 1991B

Consolidated Utility Revenue Bonds Series 1994

Consolidated Utility Revenue Bonds Series 1995

Special Purpose Revenue Bonds Series 1998

SUMMARY OF DEBT SERVICE REQUIREMENTS
CAPITAL BONDS
SERIES 1993A
September 30, 1999
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 1,145	\$ 600	\$ 1,745
2001	1,195	549	1,744
2002	1,245	496	1,741
2003	1,305	438	1,743
2004	1,365	377	1,742
2005	1,430	312	1,742
2006	1,500	241	1,741
2007	1,575	166	1,741
2008	1,655	86	1,741
Totals	<u>\$ 12,415</u>	<u>\$ 3,265</u>	<u>\$ 15,680</u>

Bonds Dated: July 1, 1993

Original Issue Amount: \$18,770,000

Principal Due: October 1, beginning 1994

Interest Due: April 1 and October 1 of each year, beginning April 1, 1993

Paying Agent: First Union National Bank of Florida, Jacksonville, Florida

Escrow Agent: Chase Manhattan Bank, N.A., New York, New York

Security: The Series 1993 Bonds will be payable solely from and secured as to payment of principal and redemption price thereof and interest thereon in accordance with their terms and the provisions of Resolution No. 84-R-1305, as amended and supplemented (the "Original Resolution"), and Resolution No. as amended and supplemented (together with the Original Resolution, the "Resolution"), solely by a pledge of and lien on the Pledged Revenues which consist of (a) Public Service Taxes; (b) Guaranteed Entitlements (c) Local Government Half-Cent Sales Tax; and (d) earnings on the investment of all funds and accounts c by the Resolution, except the Rebate Fund; all as described in the Resolution and subject to the provisions of the Resolution permitting the application thereof for the purposes of and on the terms and conditions set therein. The Series 1993 Bonds are being issued on a parity with the City's Capital Refunding Bonds, Series 1984, and Capital Bonds, Series 1989, remaining outstanding after the issuance of the Series 1993

Optional Redemption

October 1, 2001 to September 30, 2002

October 1, 2002 and thereafter

Redemption Price

One Hundred and One Percent

One Hundred Percent

Bond Ratings: Moody's Aaa, Standard & Poor's A+, Fitch AAA

SUMMARY OF DEBT SERVICE REQUIREMENTS
CAPITAL BONDS
SERIES 1993B
September 30, 1999
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ --	\$ 404	\$ 404
2001	--	404	404
2002	--	404	404
2003	--	404	404
2004	--	404	404
2005	--	404	404
2006	--	404	404
2007	--	404	404
2008	--	404	404
2009	1,620	404	2,024
2010	1,705	319	2,024
2011	1,795	230	2,025
2012	2,580	136	2,716
Totals	<u>\$ 7,700</u>	<u>\$ 4,725</u>	<u>\$ 12,425</u>

Bonds Dated: July 1, 1993

Original Issue Amount: \$7,700,000

Principal Due: October 1, beginning 2009

Interest Due: April 1 and October 1 of each year, beginning April 1, 1993

Paying Agent: First Union National Bank of Florida, Jacksonville, Florida

Escrow Agent: Chase Manhattan Bank, N.A., New York, New York

Security: The Series 1993 Bonds will be payable solely from and secured as to payment of principal and redemption price thereof and interest thereon in accordance with their terms and the provisions of Resolution No. 84-R-1305, as amended and supplemented (the "Original Resolution"), and Resolution No. 93-R-0 as amended and supplemented (together with the Original Resolution, the "Resolution"), solely by a pledge of and lien on the Pledged Revenues which consist of (a) Public Service Taxes; (b) Guaranteed Entitlement Reven (c) Local Government Half-Cent Sales Tax; and (d) earnings on the investment of all funds and accounts created by the Resolution, except the Rebate Fund; all as described in the Resolution and subject to the provisions of the Resolution permitting the application thereof for the purposes of and on the terms and conditions set forth therein. The Series 1993 Bonds are being issued on a parity with the City's Capital Refunding Bonds, Series 1984, and Capital Bonds, Series 1989, remaining outstanding after the issuance of the Series 1993 Bonds.

Optional Redemption

October 1, 2001 to September 30, 2002

October 1, 2002 and thereafter

Redemption Price

One Hundred and One Percent

One Hundred Percent

Bond Ratings: Moody's Aaa, Standard and Poor's A+, Fitch AAA

SUMMARY OF DEBT SERVICE REQUIREMENTS
JUNIOR LIEN ELECTRIC REVENUE BONDS
SERIES 1992A (MINI BONDS)
September 30, 1999
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ <u>1,297</u>	\$ <u>776</u>	\$ <u>2,073</u>
Totals	\$ <u><u>1,297</u></u>	\$ <u><u>776</u></u>	\$ <u><u>2,073</u></u>

Bonds Dated: January 23, 1992
Original Issue Amount: \$1,407,500

<u>Maturity</u>	<u>Approximated Compounding Rate</u>
2/1/2002	6.09%

Security: The Series 1992A Bonds are secured by the Pledged Revenues on a parity with the City's Electric Revenue Bonds, Series 1985.

Bonds are subject to redemption prior to stated maturities and are presented at face amount outstanding accretion of \$776,000.

These bonds are now fully insured by a Municipal Bond Insurance Policy issued by FGIC, (Financial Guarantee Insurance Company).

Bond Ratings: None

CITY OF TALLAHASSEE, FLORIDA
SUMMARY OF DEBT SERVICE REQUIREMENTS
ELECTRIC REFUNDING REVENUE BONDS
SERIES 1992A
September 30, 1999

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 5,360	\$ 2,783	\$ 8,143
2001	5,640	2,501	8,141
2002	5,950	2,191	8,141
2003	6,285	1,858	8,143
2004	2,645	1,497	4,142
2005	7,030	1,343	8,373
2006	7,445	928	8,373
2007	7,895	482	8,377
Totals	<u>\$ 48,250</u>	<u>\$ 13,583</u>	<u>\$ 61,833</u>

Bonds Dated: November 1, 1992

Original Issue Amount: \$75,700,000

Principal Due: October 1, beginning 1994

Interest Due: April 1 and October 1 of each year, beginning April 1, 1993

Paying Agent: First Union National Bank of Florida, Jacksonville, Florida

Security: The Series 1992 Bonds will be payable solely from and secured as to payment of principal and redemption price thereof and interest thereon in accordance with their terms and the provisions of the 1985 General Resolution and subsequently by the terms and provisions of the 1992 General Resolution, both as defined herein and in the manner described herein, solely by a pledge and assignment of (i) money in certain of the funds and accounts established under the Resolutions, (ii) the Net Revenues of the City's Electric System, and (iii) certain other amounts, subject to the provisions of the Resolutions permitting the application thereof for the purposes of and on the terms and conditions set forth in the Resolutions.

Optional Redemption

October 1, 2002 to September 30, 2003

October 1, 2003 to September 30, 2004

October 1, 2004 and thereafter

Redemption Price

One Hundred and Two Percent

One Hundred and One Percent

One Hundred Percent

Bond Ratings: Moody's A1, Standard and Poor's AA-, Fitch AA-

SUMMARY OF DEBT SERVICE REQUIREMENTS
ELECTRIC ENERGY SYSTEM REFUNDING REVENUE BONDS
SERIES 1998A
September 30, 1999
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 1,330	\$ 6,908	\$ 8,238
2001	1,380	6,855	8,235
2002	1,435	6,800	8,235
2003	1,495	6,742	8,237
2004	1,555	6,683	8,238
2005	1,615	6,620	8,235
2006	1,680	6,556	8,236
2007	1,750	6,489	8,239
2008	3,715	6,410	10,125
2009	3,905	6,224	10,129
2010	4,060	6,063	10,123
2011	4,270	5,860	10,130
2012-2028	115,610	56,597	172,207
Totals	<u>\$ 143,800</u>	<u>\$ 134,807</u>	<u>\$ 278,607</u>

Bonds Dated: November 1, 1998

Original Issue Amount: \$143,800,000

Principal Due: October 1, beginning 2000

Interest Due: April 1 and October 1 of each year, beginning April 1, 1999

Paying Agent: First Union National Bank of Florida, Jacksonville, Florida

Security: The Series 1998 Bonds will be payable solely from and secured as to payment of principal and interest thereon in accordance with their terms and the provisions of the 1992 General Resolution subsequently by the terms and provisions of the 1998 General Resolution, both as defined herein and in the Resolutions, (ii) the Net Revenues of the City's Electric System, and (iii) certain other amounts, subject to the provisions of the Resolutions permitting the application thereof for the purposes of and on the terms and conditions set forth in the Resolutions.

Optional Redemption

October 1, 2008 to September 30, 2009

October 1, 2009 and thereafter

Redemption Price

One Hundred and One Percent

One Hundred Percent

Bond Ratings: Moody's Aaa, Standard and Poor's AAA, Fitch AAA

SUMMARY OF DEBT SERVICE REQUIREMENTS
ELECTRIC ENERGY SYSTEM REFUNDING REVENUE BONDS
SERIES 1998B
September 30, 1999
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ --	\$ 2,211	\$ 2,211
2001	3,055	2,211	5,266
2002	815	2,089	2,904
2003	3,210	2,056	5,266
2004	7,335	1,928	9,263
2005	3,400	1,634	5,034
2006	3,535	1,498	5,033
2007	3,670	1,357	5,027
2008	--	1,210	1,210
2009	--	1,210	1,210
2010	--	1,210	1,210
2011	--	1,210	1,210
2012-2028	<u>24,200</u>	<u>17,927</u>	<u>42,127</u>
Totals	<u>\$ 49,220</u>	<u>\$ 37,751</u>	<u>\$ 86,971</u>

Bonds Dated: November 1, 1998

Original Issue Amount: \$49,220,000

Principal Due: October 1, 2001

Interest Due: April 1 and October 1 of each year, beginning April 1, 1999

Paying Agent: First Union National Bank of Florida, Jacksonville, Florida

Security: The Series 1998 Bonds will be payable solely from and secured as to payment of principal and redemption price thereof and interest thereon in accordance with their terms and the provisions of the 1992 General Resolution and subsequently by the terms and provisions of the 1998 General Resolution, both as defined herein and in the manner described herein, solely by a pledge and assignment of (i) money in certain of the funds and accounts established under the Resolutions, (ii) the Net Revenues of the City's Electric System, and (iii) certain other amounts, subject to the provisions of the Resolutions permitting the application thereof for the purposes of and on the terms and conditions set forth in the Resolutions.

Optional Redemption

October 1, 2008 to September 30, 2009

October 1, 2009 and thereafter

Redemption Price

One Hundred and One Percent

One Hundred Percent

Bond Rating: Moody's Aaa, Standard and Poor's AAA, Fitch AAA

**SUMMARY OF DEBT SERVICE REQUIREMENTS
AIRPORT SYSTEM REVENUE REFUNDING BONDS
SERIES 1995**

September 30, 1999

(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 460	\$ 519	\$ 979
2001	480	499	979
2002	505	477	982
2003	525	453	978
2004	550	428	978
2005	580	401	981
2006	610	372	982
2007	640	340	980
2008	675	307	982
2009	710	271	981
2010	745	232	977
2011	790	191	981
2012	830	148	978
2013	880	101	981
2014	930	52	982
Totals	<u>\$ 9,910</u>	<u>\$ 4,791</u>	<u>\$ 14,701</u>

Bonds Dated: November 15, 1995

Original Issue Amount: \$11,995,000

Principal Due: April 1, beginning 1996

Interest Due: April 1 and October 1 of each year, beginning October 1, 1996

Paying Agent: First Union Bank, Jacksonville, Florida

Security: The bonds are secured and payable from the net revenues of the Airport System.

Mandatory Redemption

Term Bonds Due October 1, 2014:

<u>Year</u>	<u>Amount</u>
2010	\$ 745
2011	790
2012	830
2013	880
2014	930

Term Bonds Due October 1, 2014:

<u>Year</u>	<u>Amount</u>
2011	\$ 1,535
2014	2,640

Optional Redemption

October 1, 2004 to September 30, 2005

October 1, 2005 and thereafter

Redemption Price

One Hundred One Percent

One Hundred Percent

Bond Ratings: Moody's Aaa, Standard and Poor's AAA

SUMMARY OF DEBT SERVICE REQUIREMENTS
CONSOLIDATED UTILITY REVENUE BONDS
SERIES 1991A
September 30, 1999
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 230	\$ 29	\$ 259
2001	<u>245</u>	<u>15</u>	<u>260</u>
Totals	<u>\$ 475</u>	<u>\$ 44</u>	<u>\$ 519</u>

Bonds Dated: May 1, 1991
Original Issue Amount: \$ 4,490,000
Principal Due: October 1, beginning 1992
Interest Due: April 1 and October 1 of each year, beginning 1991

The Series 1991A Bonds due 10/1/2002 and thereafter, (\$2,570,000 principal amount) were legally defeased through the establishment of an irrevocable escrow account with First Union National Bank of Florida. Such escrow was funded in part with proceeds from the City's Consolidated Utility Systems Revenue bonds series 1995 issued July 18, 1995.

Security: The Series 1991A Bonds are payable from and secured by a lien on and pledge of (i) money in certain of the funds and accounts established under Resolution No. 90-R-0052 of the City, as amended and supplemented (the "Resolution"), (ii) the Net Revenues of the City's Utility System, (iii) the Gross Revenues of the City's Stormwater Drainage system and (iv) certain other amounts.

Bond Ratings: Moody's Aaa, Standard and Poor's AAA

SUMMARY OF DEBT SERVICE REQUIREMENTS
CONSOLIDATED UTILITY REVENUE BONDS
SERIES 1991B
September 30, 1999
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 1,450	\$ 187	\$ 1,637
2001	1,540	97	1,637
Totals	<u>\$ 2,990</u>	<u>\$ 284</u>	<u>\$ 3,274</u>

Bonds Dated: July 1, 1991

Original Issue Amount: \$47,785,000

Principal Due: October 1, beginning 1991

Interest Due: April 1 and October 1 of each year, beginning 1991

The Series 1991B Bonds due 10/1/2002 and thereafter, (\$34,830,000 principal amount) were legally defeased through the establishment of an irrevocable escrow account with First Union National Bank of Florida. Such escrow was funded in part with proceeds from the City's Consolidated Utility Systems Revenue bonds series 1995 issued July 18, 1995.

Security: The Series 1991B Bonds are payable from and secured by a lien on and pledge of (i) money in certain of the funds and accounts established under Resolution No. 90-R-0052 of the City, as amended and supplemented (the "Resolution"), (ii) the Net Revenues of the City's Utility System, (iii) the Gross Revenues of the City's Stormwater Drainage system and (iv) certain other amounts (the "Pledged Revenues," as defined herein) all as more fully defined and described herein under the heading "THE SERIES 1991B BONDS." The lien of the Series 1991B Bonds on the Pledged Revenues is on a parity with the lien thereon of the City's Consolidated Utility Systems Revenue Bonds, Series 1991A.

Bond Ratings: Moody's Aa, Standard and Poor's AA-

SUMMARY OF DEBT SERVICE REQUIREMENTS
CONSOLIDATED UTILITY REVENUE BONDS
SERIES 1994
September 30, 1999
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 995	\$ 2,071	\$ 3,066
2001	1,045	2,022	3,067
2002	1,095	1,970	3,065
2003	1,150	1,914	3,064
2004	1,210	1,853	3,063
2005	1,280	1,787	3,067
2006	1,350	1,717	3,067
2007	1,425	1,641	3,066
2008	1,505	1,560	3,065
2009	1,590	1,473	3,063
2010	1,685	1,379	3,064
2011	1,785	1,278	3,063
2012	1,895	1,168	3,063
2013	2,015	1,052	3,067
2014	2,135	928	3,063
2015	2,270	796	3,066
2016	2,410	656	3,066
2017	2,560	506	3,066
2018	2,720	348	3,068
2019	2,885	179	3,064
Totals	<u>\$ 35,005</u>	<u>\$ 26,298</u>	<u>\$ 61,303</u>

Bonds Dated: August 1, 1994
Original Issue Amount: \$37,725,000
Principal Due: October 1, beginning 1997
Interest Due: April 1 and October 1 of each year, beginning 1995

<u>Optional Redemption</u>	<u>Redemption Price</u>
October 1, 2003 to September 30, 2004	One Hundred and Two Percent
October 1, 2004 to September 30, 2005	One Hundred and One Percent
October 1, 2005 and thereafter	One Hundred Percent

Security: The Series 1994 Bonds are payable from and secured by a pledge and lien on (i) money in certain funds and accounts established under Resolution No. 90-R-0052 of the City, as amended and supplemented (the "Resolution"), (ii) the Net Revenues of the City's Utility System, (iii) the Gross Revenues of the City's Stormwater Drainage system and (iv) certain other amounts (the "Pledged Revenues," as defined herein) all as more fully defined and described herein under the heading "THE SERIES 1994 BONDS." The lien of the Series 1994 Bonds on the Pledged Revenues is on a parity with the lien thereon of the City's Consolidated Utility Systems Revenue Bonds, Series 1991A & 1991B.

Bond Ratings: Moody's Aa, Standard and Poor's AA- and Fitch AA

SUMMARY OF DEBT SERVICE REQUIREMENTS
CONSOLIDATED UTILITY REVENUE BONDS
SERIES 1995
September 30, 1999
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 370	\$ 2,494	\$ 2,864
2001	390	2,478	2,868
2002	2,305	2,461	4,766
2003	2,410	2,355	4,765
2004	2,525	2,241	4,766
2005	2,670	2,096	4,766
2006	2,825	1,943	4,768
2007	2,985	1,779	4,764
2008	3,165	1,600	4,765
2009	3,335	1,429	4,764
2010	3,515	1,245	4,760
2011	3,715	1,048	4,763
2012	3,930	835	4,765
2013	4,155	609	4,764
2014	4,390	375	4,765
2015	400	128	528
2016	420	105	525
2017	445	81	526
2018	470	55	525
2019	495	28	523
Totals	<u>\$ 44,915</u>	<u>\$ 25,385</u>	<u>\$ 70,300</u>

Bonds Dated: July 1, 1995

Original Issue Amount: \$46,780,000

Principal Due: October 1, beginning 1996

Interest Due: April 1 and October 1 of each year, beginning 1996

Optional Redemption

October 1, 2003 to September 30, 2004

October 1, 2004 to September 30, 2005

October 1, 2005 and thereafter

Redemption Price

One Hundred and Two Percent

One Hundred and One Percent

One Hundred Percent

Security: The Series 1995 Bonds are payable from and secured by a pledge and lien on (i) money in certain funds and accounts established under Resolution No. 95-R-0022 of the City, as amended and supplemented (the "Resolution"), (ii) the Net Revenues of the City's Utility System, (iii) the Gross Revenues of the City's Stormwater Drainage system and (iv) certain other amounts (the "Pledged Revenues," as defined herein) all as more fully defined and described herein under the heading "THE SERIES 1995 BONDS." The lien of the Series 1995 Bonds on the Pledged Revenues is on a parity with the lien thereon of the City's Consolidated Utility Systems Revenue Bonds, Series 1991A & 1991

Bond Ratings: Moody's Aa, Standard and Poor's AA- and Fitch AA

SUMMARY OF DEBT SERVICE REQUIREMENTS
SPECIAL PURPOSE REVENUE BONDS
SERIES 1998
September 30, 1999
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 111	\$ 222	\$ 333
2001	118	215	333
2002	125	208	333
2003	132	201	333
2004	141	192	333
2005	149	184	333
2006	159	174	333
2007	168	165	333
2008	<u>2,646</u>	<u>134</u>	<u>2,780</u>
Totals	<u>\$ 3,749</u>	<u>\$ 1,695</u>	<u>\$ 5,444</u>

Bonds Dated: July 2, 1998
Original Issue Amount: \$3,870,000
Principal Due: August 1, beginning 1998
Interest Due: August 1, beginning 1998
Paying Agent: City Treasurer/Clerk, City of Tallahassee

Security: The Series 1998 Bonds will be payable solely from and secured as to payment of principal and redemption price thereof and interest thereon in accordance with their terms and the provisions of Resolution No. 98-R-0031, solely by a pledge of no ad valorem revenues.

<u>Maturity</u>	<u>Approximated Compounding Rate</u>
July 14, 2008	6.00%

Bond Ratings: None

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STATISTICAL SECTION

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

CITY OF TALLAHASSEE
COMMENTS ON THE STATISTICAL SECTION
September 30, 1999

The following statistical tables recommended by the NCGAS 1 are not included for the reasons stated below:

- (a) Tables which concern general obligation debt are omitted because the City has no general obligation debt.

Additional schedules which are felt to be useful to various users, principally, underwriters, and rating agencies, have been included in this section.

CITY OF TALLAHASSEE, FLORIDA
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION AND TRANSFERS
Last Ten Fiscal Years
(in thousands)

Fiscal Year	General Government	Public ⁽²⁾ Safety	Transportation	Human Services	Economic Environment	Physical ⁽²⁾ Environment	Culture ⁽²⁾ and Recreation	Transfers Out	Total ⁽¹⁾
1990	9,377	29,000	7,999	1,223	502	1,691	5,412	24,598	79,802
1991	11,434	32,117	8,078	1,438	549	2,519	6,540	23,785	86,460
1992	12,817	34,081	8,845	1,799	715	2,751	7,199	30,374	98,581
1993	13,034	35,799	9,174	2,366	755	2,611	7,690	23,885	95,314
1994	13,533	35,624	9,539	2,567	672	2,605	8,234	24,942	97,716
1995	14,978	37,888	9,748	2,974	930	2,948	8,857	18,466	96,789
1996	16,830	40,661	9,534	3,390	589	2,850	9,263	19,055	102,172
1997	17,537	42,363	9,770	3,980	636	2,920	9,512	13,485	100,203
1998	17,002	42,009	9,445	4,052	742	3,185	9,855	14,059	100,349
1999	16,986	29,741	9,677	4,400	1,141	3,325	10,327	25,816	101,413

GENERAL REVENUES BY SOURCE AND TRANSFERS
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Taxes	Licenses and Permits	Fines and Forfeitures	Charges ⁽²⁾ for Services	Interest	Inter-governmental Revenues	Miscellaneous Revenues	Transfers In	Total ⁽¹⁾ Revenue
1990	25,692	1,426	1,270	6,506	589	9,667	755	33,970	79,875
1991	30,394	1,807	1,109	7,673	523	9,233	508	35,487	86,734
1992	32,117	2,056	1,271	8,574	382	8,897	388	44,655	98,340
1993	23,261	2,234	1,321	10,945	296	10,707	740	45,747	95,251
1994	25,261	2,669	1,387	11,563	326	10,129	917	46,376	98,628
1995	27,422	2,092	1,505	11,992	311	10,694	939	45,306	100,261
1996	29,122	3,195	1,538	11,832	256	10,842	1,733	41,638	100,156
1997	29,279	3,243	1,790	12,300	236	11,225	1,677	40,847	100,597
1998	30,981	4,067	1,619	11,849	210	11,631	2,736	39,613	102,706
1999	32,668	4,272	1,463	10,070	177	11,820	2,583	37,678	100,731

(1) Includes General Fund only.

(2) Solid Waste, Golf Course, Stormwater and, Fire, activities have been set up as separate funds.

CITY OF TALLAHASSEE, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(in thousands)

<u>Fiscal Year</u>	<u>Total Assessed Valuation</u>	<u>Taxable Assessed Valuation</u>	<u>Levy</u>	<u>Collection</u>	<u>Percent ⁽¹⁾</u>
1990	\$ 6,119,396	\$ 2,738,165	\$ 7,975	\$ 7,759	97%
1991	6,361,162	2,942,911	9,460	9,106	96
1992	6,584,152	3,157,138	10,147	9,796	97
1993	6,720,821	3,258,882	10,471	10,124	97
1994	8,389,730	3,736,737	11,305	10,906	96
1995	8,749,066	4,025,808	11,951	11,636	97
1996	9,043,725	4,270,650	12,925	12,432	96
1997	9,537,873	4,576,295	13,712	13,045	95
1998	9,900,598	4,884,574	14,699	14,153	96
1999	10,283,317	5,217,865	15,697	15,107	96

(1) Florida Statutes provide for a discount of up to four percent for early payment of ad valorem taxes. All unpaid taxes become delinquent on April 1, and are sold at auction on June 1 of each year as tax certificates. The City, after all tax certificates are sold, has fully collected all ad valorem tax revenues.

CITY OF TALLAHASSEE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Real Property		Personal Property		Centrally Assessed		Totals		Ratio of Total Assessed to Total Estimated Value ⁽¹⁾
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1990	\$ 5,119,778	\$ 6,023,268	\$ 997,936	\$ 1,174,043	\$ 1,682	\$ 1,979	\$ 6,119,396	\$ 7,199,290	85%
1991	5,322,947	6,262,291	1,036,487	1,219,396	1,728	2,033	6,361,162	7,483,720	85%
1992	5,511,272	6,483,849	1,071,207	1,260,244	1,673	1,968	6,584,152	7,746,061	85%
1993	5,628,046	6,621,231	1,091,204	1,283,769	1,571	1,849	6,720,821	7,906,849	85%
1994	7,002,886	8,238,689	1,385,137	1,629,573	1,707	2,008	8,389,730	9,870,270	85%
1995	7,347,838	8,644,515	1,399,538	1,646,515	1,690	1,988	8,749,066	10,293,018	85%
1996	7,619,852	8,964,532	1,422,106	1,673,066	1,767	2,078	9,043,725	10,639,676	85%
1997	8,083,657	9,510,185	1,451,205	1,707,300	3,011	3,543	9,537,873	11,221,028	85%
1998	8,353,871	9,828,083	1,544,223	1,816,733	2,505	2,947	9,900,599	11,647,763	85%
1999	8,693,187	10,227,279	1,587,349	1,867,470	2,780	3,271	10,283,317	12,098,020	85%

Source: Leon County Property Appraiser

(1) Calculated Figure

CITY OF TALLAHASSEE, FLORIDA
ASSESSED VALUATIONS, MILLAGE AND TAXES
LEVIED AND COLLECTED
Last Ten Fiscal Years
(in thousands)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
TOTAL VALUATIONS.....	\$ 6,119,396	\$ 6,361,162	\$ 6,584,152	\$ 6,720,821	\$ 8,389,730	\$ 8,749,066	\$ 9,043,725	\$ 9,537,873	\$ 9,900,598	\$ 10,283,317
REAL ESTATE EXEMPTIONS										
Agricultural Adjustment.....	8,187	12,004	28,477	360,668	27,503	26,095	24,897	39,641	39,980	39,899
Government Exemption.....	2,620,076	2,632,150	2,630,197	2,637,332	3,771,466	3,764,988	3,765,959	3,888,862	3,931,418	3,935,543
Institutional Exemption.....	263,289	266,278	241,928	245,874	277,262	279,710	286,793	301,405	310,426	313,746
Individual or Homestead Exemptions.....	484,068	502,192	520,241	536,550	570,267	645,570	687,874	723,463	725,626	766,915
Other Charitable Exemptions.....	5,611	5,627	6,171	6,115	6,495	6,895	7,552	8,206	8,574	9,349
TOTAL EXEMPTION AND ADJUSTMENTS.....	3,381,231	3,418,251	3,427,014	3,786,539	4,652,993	4,723,258	4,773,075	4,961,577	5,016,024	5,065,452
TAXABLE VALUATION.....	\$ 2,738,165	\$ 2,942,911	\$ 3,157,138	\$ 2,934,282	\$ 3,736,737	\$ 4,025,808	\$ 4,270,650	\$ 4,576,296	\$ 4,884,574	\$ 5,217,865
MILLAGE LEVIED.....	2.900	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200
TOTAL TAXES LEVIED.....	\$ 7,975	\$ 9,460	\$ 10,147	\$ 10,471	\$ 11,305	\$ 11,951	\$ 12,925	\$ 13,712	\$ 14,699	\$ 15,697
Less: Adjustments & Discount.....	231	273	302	323	367	392	425	453	488	522
Net Taxes Levied.....	\$ 7,744	\$ 9,187	\$ 9,845	\$ 10,148	\$ 10,938	\$ 11,559	\$ 12,500	\$ 13,259	\$ 14,211	\$ 15,175
NET COLLECTED ^{(1) (2)}.....	\$ 7,759	\$ 9,106	\$ 9,796	\$ 10,124	\$ 10,906	\$ 11,636	\$ 12,432	\$ 13,045	\$ 14,153	\$ 15,107

Source: Leon County Property Appraiser

(1) Florida Statutes provide for a discount of up to four percent for early payment of ad valorem taxes. All unpaid taxes become delinquent on April 1 and are sold at auction on June 1 of each year as tax certificates. The City, after all tax certificates are sold, has fully collected all ad valorem tax revenues.

(2) Net collected includes penalties or late payments.

CITY OF TALLAHASSEE, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(Per \$1,000)
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City of Tallahassee</u>	<u>County School Board</u>		<u>Leon County</u>	<u>N.W. Water Management District</u>	<u>Total</u>
	<u>Operating</u>	<u>Operating</u>	<u>Debt Service</u>	<u>Operating</u>		
1990	2.90	8.53	1.99	8.09	0.05	21.56
1991	3.20	8.86	1.97	8.09	0.05	22.17
1992	3.20	8.88	1.90	8.29	0.05	22.32
1993	3.20	9.00	1.79	8.86	0.05	22.90
1994	3.20	9.03	1.47	8.66	0.05	22.41
1995	3.20	9.46	1.40	8.64	0.05	22.75
1996	3.20	9.24	1.27	8.62	0.05	22.38
1997	3.20	9.36	1.23	8.60	0.05	22.44
1998	3.20	8.60	1.10	9.29	0.05	22.24
1999	3.20	8.58	1.08	8.78	0.05	21.69

Source: Leon County Tax Collector

SPECIAL ASSESSMENT COLLECTIONS
Last Ten Fiscal Years
(in thousands)

<u>Fiscal Year</u>	<u>Assessments Due October 1</u>	<u>Assessments Levied</u>	<u>Assessments Collected</u>	<u>Assessments Due September 30</u>
1990	569	--	146	423
1991	423	130	115	438
1992	438	160	188	410
1993	410	127	91	446
1994	446	306	574	178
1995	178	23	42	159
1996	159	102	125	136
1997	136	102	109	129
1998	129	103	70	162
1999	162	115	88	189

CITY OF TALLAHASSEE, FLORIDA

COMPUTATION OF LEGAL DEBT MARGIN

September 30, 1999

(in thousands)

TAXABLE ASSESSED VALUE.....	\$ 5,217,865
Debt Limit 20 Percent of Assessed Value.....	\$ 1,043,573

The City of Tallahassee has no general obligation debt outstanding; the amount of general obligation debt the City can issue is limited by City Charter.

CITY OF TALLAHASSEE, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
September 30, 1999
(in thousands)

DIRECT DEBT

Non-Self-Supporting Revenue Debt:		
Capital Bonds, Series 1989.....	\$	--
Capital Bonds Series, 1993 A & B.....		20,115
Less: Debt Service and Reserve Funds.....		<u>(2,629)</u>
Total Direct Debt.....	\$	17,486

OVERLAPPING DEBT

Leon County School Board		
Tax Supported Ad Valorem Debt:		
General Obligation Bond Issue		
1993 Refunding.....	\$	30,450
Less: Debt Service and Reserve Funds.....		<u>(3,956)</u>
		\$ 26,494
1991 Refunding.....		26,780
Less: Debt Service and Reserve Funds.....		<u>(3,989)</u>
		22,791
State Board of Education.....		12,050
Less: Debt Service and Reserve Funds.....		<u>(306)</u>
		11,744
Race Track School Portion Revenues.....		1,566
Less: Debt Service and Reserve Funds.....		<u>(574)</u>
		992
Leon County		
Non-Self-Supporting Revenue Debt		
Refunding Bonds 1991 Series		
Courthouse.....		--
Less: Debt Service and Reserve Funds.....		<u>--</u>
		--
Refund Revenue Bonds 1988 Series.....		--
Less: Debt Service and Reserve Funds.....		<u>--</u>
		--
Library Construction Revenue.....		--
Less: Debt Service and Reserve Funds.....		<u>--</u>
		--
Jail Construction, Series 1991.....		24,250
Less: Debt Service and Reserve Funds.....		<u>(5,133)</u>
		19,117
		<u>81,138</u>

CITY SHARE OF NET OVERLAPPING DEBT ⁽¹⁾..... 54,362

TOTAL CITY DIRECT AND OVERLAPPING DEBT..... \$ 71,848

SELF-SUPPORTING REVENUE DEBT:

Electric Revenue Bonds.....	\$	243,343	
Less: Debt Service and Reserve Bonds.....		<u>(22,233)</u>	\$ 221,110
CUS Revenue Bonds.....		83,385	
Less: Debt Service and Reserve Bonds.....		<u>(7,748)</u>	75,637
Airport Revenue Bond.....		9,910	
Less: Debt Service and Reserve Bonds.....		<u>(1,772)</u>	8,138
Sunshine State Loan.....		21,700	
Less: Debt Service and Reserve Bonds.....		<u>(1,532)</u>	20,168

TOTAL SELF-SUPPORTING REVENUE DEBT \$ 325,053

(1) City's share calculated based on 1996 County Taxable Value of \$7,722,064,392 and City Taxable Value of \$5,217,865,210 which results in 68 percent overlapping.

CITY OF TALLAHASSEE, FLORIDA

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Year	Estimated ⁽¹⁾ Population	Airline Passengers	Electric KWH Used (000's)	Water Consumed (Gals) (Millions)	Gas Used (Cu. Ft.) (Millions)	Housing ⁽²⁾ Units	Leon County School Enrollment	Retail ⁽²⁾⁽³⁾⁽⁴⁾ Sales (000's)
1990	124,773	456,607	1,921,683	8,496	1,440,811	55,455	27,241	\$1,335,603
1991	127,100	437,444	2,049,242	8,299	1,409,379	56,276	28,432	1,423,666
1992	129,258	433,686	2,156,653	8,950	1,565,396	57,398	29,186	1,663,321
1993	132,036	427,225	2,018,551	8,397	1,560,133	58,735	28,143	1,750,343
1994	133,731	435,214	2,155,772	7,746	1,609,658	59,595	30,493	2,017,386
1995	137,057	501,499	2,350,754	8,008	1,553,888	61,186	33,555	2,470,375
1996	139,191	481,042	2,366,810	8,036	1,796,014	62,250	34,489	2,576,189
1997	141,087	468,205	2,318,022	7,840	1,719,273	63,211	31,599	4,555,420
1998	143,237	470,818	2,424,890	9,383	1,849,262	64,282	34,464	4,725,846
1999	145,610	452,282	2,476,135	9,090	1,735,992	65,472	33,807	4,916,757

Source: City Records

- (1) U. S. Census Bureau and Tallahassee-Leon County Planning Department
- (2) Sales, Marketing and Management, calendar year figures
- (3) Leon County Statistics
- (4) N/A - Not available at year end

Year	Number of Labor Force	Number of Employed	Number of Unemployed	Unemployment Rate
1990	62,837	59,817	3,020	4.8 percent
1991	65,378	62,271	3,087	4.7 percent
1992	67,363	63,736	3,627	5.4 percent
1993	81,400	77,581	3,819	4.7 percent
1994	76,617	72,608	4,010	5.2 percent
1995	77,990	74,897	3,093	4.0 percent
1996	81,082	78,087	2,995	3.7 percent
1997	80,440 *	77,533 *	2,907 *	3.6 percent *
1998	80,286 *	77,465 *	2,822 *	3.5 percent *
1999	82,208	79,497	2,711	3.3 percent

Source: Florida Department of Labor and Employment Security

* Average Based on 12 months

CITY OF TALLAHASSEE, FLORIDA
CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Commercial Construction (1)(4)		Residential Construction (1)(4)		Bank Deposits (2)		Property Value (3)			
	Number of Units	Value	Number of Units	Value	Commercial Banks	Savings and Loan Assn.	Commercial	Residential	Agricultural	Non-taxable
1990	89	\$ 49,498	1,071	\$ 68,716	\$ 1,279,945	\$ 460,247	\$ 1,198,182	\$ 3,388,255	\$ 401,026	\$ 2,462,395
1991	38	16,907	727	41,433	1,305,279	481,108	1,216,844	3,719,398	404,344	2,425,545
1992	40	27,868	1247	73,476	1,533,476	278,667	1,227,753	3,902,820	424,784	2,439,166
1993	30	14,896	1,278	86,070	1,607,316	260,059	1,261,844	4,312,987	414,791	2,491,456
1994	66	35,342	1,301	101,033	1,800,538	35,589	1,339,155	4,561,408	409,493	3,401,939
1995	81	34,574	1,518	100,292	1,865,550	59,815	1,460,992	4,840,687	388,315	3,463,162
1996	88	45,285	804	75,143	1,909,963	66,153	1,501,740	5,182,670	389,949	3,433,366
1997	101	20,022	684	62,946	1,850,729	53,519	1,578,566	5,769,660	426,151	3,602,731
1998	273	118,738	544	62,348	1,997,792	117,824	1,748,745	6,012,359	454,246	3,587,924
1999	143	78,138	746	78,442	2,264,825	208,972	1,864,783	6,369,906	454,518	3,604,236

(1) Source: Tallahassee-Leon County Planning Department

(2) Source: Florida League of Financial Institutions; includes deposits for entire Leon County, amount for 1999 based upon June 30.

(3) Source: Leon County Property Appraiser for entire Leon County

(4) Source: Building Inspection, Growth Management Department

CITY OF TALLAHASSEE, FLORIDA
PRINCIPAL TAXPAYERS
September 30, 1999
(in thousands)

Taxpayer	Assessed Valuation			Percentage of Total Assessed Valuation
	Real Property	Tangible Personal Property	Total	
Sprint-Florida, Inc.....	\$ 9,830	\$ 152,286	\$ 162,116	1.7
Talquin Electric.....	1,793	69,900	71,693	0.8
Governor's Square Mall.....	52,368	--	52,368	0.5
Kroger Properties.....	52,586	--	52,586	0.6
Elman Tallahassee Properties, Inc.....	26,237	--	26,237	0.3
Tallahassee Mall.....	32,108	--	32,108	0.3
Comcast Cable.....	1,636	25,459	27,095	0.3
Wal-Mart Stores, Inc.....	21,346	3,368	24,714	0.3
SOFI-IV.....	22,514	--	22,514	0.2
Capital City Bank	16,995	5,492	22,487	0.2
Total	<u>\$ 237,413</u>	<u>\$ 256,505</u>	<u>\$ 493,918</u>	<u>5.2</u>

Source: Leon County Property Appraiser

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF INSURANCE IN FORCE
September 30, 1999
(in thousands)

Type of Coverage and Insurance Company	Policy Number	Policy Expiration	Details of Coverage	Limits	Estimated Annual Premium
LIABILITY:					
Self-insured.....	N/A	N/A	Excess Auto/General Liability	\$3,000	Funded Trust
Great American Ins.Co./Lloyds of London	GHK002724605/A1K002727805	9/30/00	Airport Liability	\$100,000	\$36 (3 year period)
Self-insured.....	N/A	N/A	Primary Auto/General Liability	\$100/200	Funded Reserves
Self-insured.....	N/A	N/A	Police Professional	\$100/200	Funded Reserves
Self-insured.....	N/A	N/A	Employment Related Liability	N/A	Funded Reserves
FIRE AND EXTENDED COVERAGE:					
Continental Casualty - London/Cox Pwr.	BM1044952584	9/30/00	Boiler and Machinery	Combined	Combined
Continental Casualty - London/Cox Pwr.	NA000119W	9/30/00	Utility Property (Primary & Excess)	Total	Total
Continental Casualty - London/Cox Pwr.	NA000116W & NA000118W	9/30/00	General Government Property	\$565,976	\$476
HEALTHCARE:					
Self-Insured.....	N/A	N/A	Employee Health Insurance	\$150	Fund Reserves
ACCIDENTAL DEATH:					
AIG Life Insurance Co.....	SRG0008047924	9/30/99	Statutory and Accidental Death (Firemen and Policemen)	\$50/\$75/\$25	\$25 (3 year period)
WORKERS' COMPENSATION:					
National Union Fire.....		9/30/00	Excess Workers' Compensation	Statutory excess of \$500 SIR per incident	\$42 (3 year period)
Self Insured.....	N/A	N/A	Primary Workers' Compensation	\$500	Funded Reserves
PUBLIC OFFICIALS BOND:					
Fidelity Deposit Company of Maryland.....	CCP0018136-02/30471076	9/30/00	Employee Bonds	\$1,000/\$100	\$5

CITY OF TALLAHASSEE, FLORIDA
MISCELLANEOUS STATISTICAL DATA
September 30, 1999

Date of Incorporation 1825
 Date First Charter Adopted 1825
 Date Present Charter Adopted 1919

Form of Government: Commission-Manager
 Commission Composed of: Mayor and Four Commissioners

Terms of Office:

Mayor - Four Years (Elected by Tallahassee Citizens)
 Commissioners - Four Years
 Manager - Appointed by Commission
 Average Annual Temperature 68.38 Degrees
 Average Annual Rainfall 50.06 Inches
 Area 96.58 Square Miles

MUNICIPAL UTILITIES and SERVICES

Electric System:

Generating Plants 3
 Generating Capacity (KW) 516,752
 Net System Energy Generated (KWH) 2,477,807,733
 Average Number Residential Customers .. 76,932
 Average Residential Monthly Bill \$84.65
 Miles of Transmission Lines 183.1
 Primary Distribution Sub-System Capacity (KVA) 730,000
 Square Miles of Service Area 272
 Number of Street Lights 14,886
 Miles of Distribution Lines 1,900

Gas System:

Miles of Gas Lines 610
 Daily Average Consumption (MCF) 5,066
 Plant Capacity (MCF) 18,000
 Number of Service Connections 19,200

Police Protection:

Number of Employees 565
 Number of Vehicular Patrol Units 335
 Number of Law Violations:
 Physical Arrests 6,768
 Traffic Violations 36,610
 Parking Violations 49,200

Water System:

Miles of Water Mains 973
 Daily Average Consumption (MGD) 25.18
 Plant Capacity (MGD) 73.6
 Number of Service Connections 65,836
 Deep Wells 29

Sewage System:

Miles of Sanitary Sewers 850
 Number of Lift Stations 89
 Daily Average Treatment (MGD) 15.937
 Maximum Capacity of Treatment Plants (MGD) 32
 Number of Disposal Plants 2
 Number of Service Connections 54,947

Parks and Recreation:

Community Centers and Specialty Centers 10
 Summer Playgrounds and Camps 26
 Athletic Fields 138
 Golf Courses 2
 Swimming Pools 8
 Park land Acreage 3,087
 Fitness Trails 10
 Tennis/Racquetball Courts 71
 Gymnasiums, Center Sites 7
 Gymnasiums, School Sites 12

CITY OF TALLAHASSEE, FLORIDA
MISCELLANEOUS STATISTICAL DATA
September 30, 1999

MISCELLANEOUS STATISTICAL DATA
(Continued)

Community Facilities

Transportation:

Airline, Bus Line, and Railroad Freight and Passenger Services

Communications:

Newspapers, Radio Stations, Television Stations;
Cable Television and Telephone Service

Culture, Recreation, and Health:

Conference Center, Civic Center, and Theaters	
Seating Capacity	20,855
Museums	4
Major Libraries	8
Skating Rinks	2
Golf Courses	8
Hospital Beds	950

Education:

Number of Public Schools.....	45
Number of Public School Instructors.....	2140
Number of Public School Students, (PK-12).....	31,000
Number of Vocational-Technical Schools.....	1
Number of Community Colleges	1
Number of Universities.....	2
Number of College-level Instructors.....	3,554
Number of College-level Students	57,297

Major Annual Events:

Springtime Tallahassee Festival
Fourth of July "Celebrate America"
North Florida Fair
Market Days
Winter Festival

CITY OF TALLAHASSEE, FLORIDA

REVENUE BOND COVERAGE

ELECTRIC REVENUE BONDS

Last Ten Fiscal Years

(in thousands)

Fiscal Year Ending	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	<u>Debt Service Requirements (3)</u>			Coverage
				Principal	Interest	Total	
1990	\$ 139,397	\$ 78,176	\$ 61,221	\$ 3,305	\$ 7,498	\$ 10,803	5.67
1991	151,046	96,139	54,907	4,590	7,267	11,857	4.63
1992	171,599	102,699	68,900	4,935	6,922	11,857	5.81
1993	167,650	104,952	62,698	5,315	6,542	11,857	5.29
1994	175,138	110,267	64,871	4,125	6,487	10,612	6.11
1995	192,650	131,106	61,544	4,275	6,339	10,614	5.80
1996	195,521	143,611	51,910	4,445	6,168	10,613	4.89
1997	177,803	131,259	46,544	4,645	5,972	10,617	4.38
1998	177,292	129,437	47,855	4,860	5,754	10,614	4.51
1999	180,174	127,427	52,747	5,100	11,402	16,502	3.20

(1) Total operating revenues plus operating interest earned.

(2) Total operating expenses exclusive of depreciation and amortization.

(3) Includes principal and interest of revenue bonds only.

CITY OF TALLAHASSEE
REVENUE BOND COVERAGE
AIRPORT REVENUE BONDS
Last Ten Fiscal Years
(in thousands)

Fiscal Year Ending	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	<u>Debt Service Requirements (3)</u>			<u>Coverage</u>
				Principal	Interest	Total	
1990	\$ 6,642	\$ 4,747	\$ 1,895	\$ —	\$ 940	\$ 940	2.02
1991	7,094	5,667	1,427	—	940	940	1.52
1992	6,247	3,880	2,367	225	940	1,165	2.03
1993	6,423	4,030	2,393	240	926	1,166	2.05
1994	6,847	4,546	2,301	255	911	1,166	1.97
1995	7,500	4,755	2,745	270	895	1,165	2.36
1996	7,558	5,003	2,555	290	877	1,167	2.19
1997	7,273	4,820	2,453	580	588	1,168	2.10
1998	7,006	4,753	2,253	600	564	1,164	1.94
1999	7,622	5,021	2,601	440	539	979	2.66

(1) Total operating revenues (plus operating interest revenue & Prepaid Fees Credit).

(2) Total operating expenses exclusive of depreciation and amortization.

(3) Includes principal and interest of revenue bonds only.

CITY OF TALLAHASSEE, FLORIDA

REVENUE BOND COVERAGE CONSOLIDATED UTILITY REVENUE BONDS

Last Ten Fiscal Years
(in thousands)

Fiscal Year Ending	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
1990	\$ 39,159	\$ 26,226	\$ 12,933	\$ 1,140	\$ 1,374	\$ 2,514	5.14
1991	42,865	31,188	11,677	1,230	1,306	2,536	4.60
1992	54,090	35,998	18,092	1,085	3,341	4,426	4.09
1993	67,189	40,597	26,592	1,140	3,290	4,430	6.00
1994	64,899	41,848	23,051	1,200	3,230	4,430	5.20
1995	67,789	43,568	24,221	1,265	5,729	6,994	3.46
1996	67,995	41,974	26,021	2,684	5,331	8,015	3.25
1997	66,091	35,924	30,167	2,780	5,235	8,015	3.76
1998	69,793	37,983	31,810	2,920	5,092	8,012	3.97
1999	73,678	35,776	37,902	2,895	4,938	7,833	4.84

(1) Total operating revenues of the gas, sewer, water, and stormwater utilities funds plus operating interest earned.

(2) Total operating expenses exclusive of depreciation and amortization.

(3) Includes principal and interest of revenue bonds only.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

January 25, 2000

Honorable Mayor, City Commissioners, City Manager
and Audit Committee
City of Tallahassee, Florida

We have audited the financial statements of the City of Tallahassee, Florida, as of and for the year ended September 30, 1999, and have issued our report thereon dated January 25, 2000. 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.

Compliance

As part of obtaining reasonable assurance about whether the City of Tallahassee, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the City of Tallahassee, Florida in a separate letter dated January 25, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Tallahassee, Florida's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we

City of Tallahassee, Florida
Page Two

noted other matters involving the internal control over financial reporting, which we have reported to the management of the City of Tallahassee, Florida in a separate letter dated January 25, 2000.

This report is intended solely for the information and the use of the audit committee, Mayor, City Commissioners and City Manager of the City of Tallahassee, Florida, the Auditor General, State of Florida, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Law, Redd, Crona & Munroe, P.A.

Law, Redd, Crona & Munroe, P.A.

Thomas Howell Ferguson P.A.

Thomas Howell Ferguson P.A.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

January 25, 2000

Honorable Mayor, City Commissioners, City Manager
and Audit Committee
City of Tallahassee, Florida

Compliance

We have audited the compliance of the City of Tallahassee, Florida with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 1999. The City of Tallahassee, Florida's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Tallahassee, Florida's management. Our responsibility is to express an opinion on the City of Tallahassee, Florida's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Tallahassee, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Tallahassee, Florida's compliance with those requirements.

In our opinion, the City of Tallahassee, Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 1999.

Internal Control Over Compliance

The management of the City of Tallahassee, Florida is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Tallahassee, Florida's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, Mayor, City Commissioners, and City Manager of the City of Tallahassee, Florida, the Auditor General, State of Florida, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Law, Redd, Crona, & Munroe, P.A.

Law, Redd, Crona & Munroe, P.A.

Thomas Howell Ferguson P.A.

Thomas Howell Ferguson P.A.

CITY OF TALLAHASSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 1999
(Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Grant Number</u>	<u>Pass-Through/State Grantor's Number</u>	<u>Expended</u>
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>				
Direct Programs:				
Community Development Block Grant-Entitlement	14.218	B-9XMC-12-00-19	N/A	\$ 2,036,849
Emergency Shelter Grant	14.231	S-97-MC-12-0010	N/A	16,187
Emergency Shelter Grant	14.231	S-98-MC-12-0010	N/A	24,354
HOME	14.239	M9X-MC-12-0221	N/A	757,936
Pass through Florida Dept. of Community Affairs:				
CDBG Alberto Recovery	14.228	N/A	96DB-98-02-47-02-A07	45,773
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Direct Programs:				
Law Enforcement Block Grant	16.592	98-LB-VX-2608	N/A	344,085
Weed-N-Seed Grant	16.595	96-WS-QX-0039	N/A	54,678
Weed-N-Seed Forfeiture Grant	16.595	96-WS-QX-0039	N/A	51,334
Weed-N-Seed Grant	16.595	97-WS-QX-0101	N/A	108,174
Weed-N-Seed Forfeiture Grant	16.595	97-WS-QX-0101	N/A	80,434
Weed-N-Seed Grant	16.595	98-WS-Q8-0091	N/A	124,452
Weed-N-Seed Forfeiture Grant	16.595	98-WS-Q8-0091	N/A	41,908
Pass through Florida Department of Legal Affairs:				
Victims of Crime Act Grant-FY 98	16.575	N/A	V7048	1,114
Victims of Crime Act Grant-FY 99	16.575	N/A	V7048	68,924
Pass through Florida Department of Community Affairs:				
Juvenile Assessment Receiving Center Grant	16.579	N/A	99-CJ-9M-02-47-02-079	92,940
<u>US DEPARTMENT OF TRANSPORTATION</u>				
<u>FEDERAL AVIATION ADMINISTRATION</u>				
Direct Programs:				
Airport Improvement Program	20.106	3-12-0077-15	N/A	249,890
Airport Improvement Program	20.106	3-12-0077-16	N/A	682,554
Airport Improvement Program	20.106	3-12-0077-17	N/A	445,824
<u>FEDERAL TRANSIT ADMINISTRATION</u>				
Direct Programs:				
Capital and Operating Assistance -- Section 9	20.507	FL-90-X240	3816323	18,153
Capital and Operating Assistance -- Section 9	20.507	FL-90-X298	3816346	196,061
Capital and Operating Assistance -- Section 9	20.507	FL-90-X320	3816352	53,859
Capital and Operating Assistance -- Section 9	20.507	FL-90-X353	3816324	90,960
Capital and Operating Assistance -- Section 9	20.507	FL-90-XXXX	3816328	720,000

CITY OF TALLAHASSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 1999
(Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Grant Number</u>	<u>Pass-Through/State Grantor's Number</u>	<u>Expended</u>
Pass through Florida Department of Transportation:				
Planning Assistance - Section 112	20.505	PL 02200 (36)	2235211	260,762
Planning Assistance - Section 112	20.505	PL 02200 (37)	2235301	88,115
Planning Assistance - 2020 Long Range Planning	20.505	PL 02200 (36)	2235211	16,045
Planning Assistance - Section 5303 J	20.505	N/A	3816282	9,666
Planning Assistance - Section 5303 J	20.505	N/A	226112	14,331
				<u>\$ 6,695,362</u>

NOTES:

- (1) The Schedule of Expenditures of Federal Awards was prepared on the accrual basis of accounting.
- (2) Total amount provided to subrecipients was \$2,341,818. \$1,665,682 and \$676,136 were provided from the CDBG and HOME programs, respectively. Other programs do not utilize subrecipients.
- (3) There were no federal awards expended in non-cash assistance.
- (4) There was no insurance in effect during the current year.
- (5) CDBG small business loans outstanding at year end was \$466,756.

Thomas Howell
Ferguson P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Law, Redd, Crona,
& Munroe, P.A.

**INDEPENDENT AUDITORS' REPORT ON EXAMINATION OF
MANAGEMENT'S ASSERTION ABOUT COMPLIANCE WITH
SPECIFIED REQUIREMENTS**

January 25, 2000

Honorable Mayor, City Commissioners, City Manager
and Audit Committee
City of Tallahassee, Florida

We have examined management's assertion, included in its representation letter dated January 25, 2000 about the City of Tallahassee, Florida's compliance with the allowable cost requirements established in the grant agreements applicable to the state grants and aids appropriations identified on the Schedule of State Financial Assistance for the year ended September 30, 1999. As discussed in the representation letter, management is responsible for the City of Tallahassee, Florida's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City of Tallahassee, Florida's compliance based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City of Tallahassee, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City of Tallahassee, Florida's compliance with specified requirements.

In our opinion, management's assertion that the City of Tallahassee, Florida complied with the aforementioned requirements for the year ended September 30, 1999 is fairly stated, in all material respects.

This report is intended solely for the information and use of the audit committee, Mayor, City Commissioners, and City Manager of the City of Tallahassee, Florida, the Auditor General, State of Florida and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Law, Redd, Crona & Munroe, P.A.
Law, Redd, Crona & Munroe, P.A.

Thomas Howell Ferguson P.A.
Thomas Howell Ferguson P.A.

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CITY OF TALLAHASSEE
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 1999

<u>State Agency and Program Title</u>	<u>State Contract/ Grant Number</u>	<u>Federal CFDA Number See Note A</u>	<u>State Receipts</u>	<u>Federal Through State Receipts</u>	<u>Total Receipts</u>
<u>Florida Department of Community Affairs</u>					
CDBG Alberto Recovery	96DB-98-02-47-02-A07	14.228	\$ -	\$ 125,802 (1)	\$ 125,802
Anti-Drug Abuse Grant-1998	97-DB-MU-0012	16.579	-	15,094	15,094
Juvenile Assessment Receiving Center Grant	99-CJ-9M-02-47-02-079	16.579	-	89,873	89,873
<u>Florida Department of Environmental Protection</u>					
FDEP Recycling Grant 1998	RE 98-35	N/A	59,924	-	59,924
FDEP Recycling Grant 1999	RE 99-35	N/A	60,853	-	60,853
<u>Florida Department of Legal Affairs</u>					
Victims of Crime Act Grant-FY 98	V7048	16.575	-	26,541	26,541
Victims of Crime Act Grant-FY 99	V7048	16.575	-	56,420	56,420
<u>Florida Department of Transportation</u>					
Airport Improvement Program (FDOT)	3825635	N/A	168,209	-	168,209
Airport Improvement Program (FDOT)	3825637	N/A	3,350	-	3,350
Airport Improvement Program (FDOT)	3825646	N/A	198,017	-	198,017
Airport Improvement Program (FDOT)	3825649	N/A	362,167	-	362,167
Airport Improvement Program (FDOT)	3825673	N/A	109,034	-	109,034
Airport Improvement Program (FDOT)	3825695	N/A	1,509	-	1,509
Airport Improvement Program (FDOT)	3825707	N/A	78,179	-	78,179
Airport Improvement Program (FDOT)	3825708	N/A	258	-	258
Airport Improvement Program (FDOT)	3825710	N/A	19,000	-	19,000
Airport Improvement Program (FDOT)	3825713	N/A	41,429	-	41,429
Airport Improvement Program (FDOT)	3825716	N/A	15,426	-	15,426
Airport Improvement Program (FDOT)	3825717	N/A	18,787	-	18,787
Operating Assistance - FY 98 Taltran	3816324	N/A	824,761	-	824,761
Planning Assistance - Section 112	2235211	20.505	-	312,649	312,649
Planning Assistance - 2020 Long Range Planning	2235211	20.505	-	9,850	9,850
Planning Assistance - Section 5303 J	3816282	20.505	-	34,127	34,127
Transportation Disadvantaged	3896428	N/A	20,474	-	20,474
Transportation Disadvantaged	22710711401	N/A	5,643	-	5,643
			\$ 1,987,020	\$ 670,356 (2)	\$ 2,657,376

(1) State Grants and Aids Appropriations moneys. The grand total of State Grants and Aids Appropriations moneys is \$125,802.

(2) \$473,458 of this amount is included in the expenditures presented in the Schedule of Expenditures of Federal Awards. The remaining \$196,898 was expended in the prior year.

Note A: Federal CFDA numbers apply only to Federal programs.

See Independent Auditors' Report on Examination of Management's Assertion About Compliance With Specified Requirements.

CITY OF TALLAHASSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 1999

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	None
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	None
Type of auditor's report issued on compliance for major programs?	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	No

Identification of major programs:	<u>CFDA Number</u>	<u>Name of Federal Program</u>
	14.218	Community Development BlockGrant
	14.239	HOME Investment Partnership Program
	20.505	Federal Transit - Metropolitan Planning Grant

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section II -- Financial Statement Findings

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Section III -- Federal Award Findings and Questioned Costs

We noted no matters involving noncompliance that are required to be reported in accordance with *U.S. Office of Management and Budget Circular A-133*.

CITY OF TALLAHASSEE
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 1999

None

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**Independent Auditors' Report on Compliance With the Airport's
Revenue Use Requirements, Internal Control Over the Use
of Airport Revenue and the Schedule of Passenger Facility Charges**

January 25, 2000

Honorable Mayor, City Commissioners, City Manager and Audit Committee
City of Tallahassee, Florida

Compliance

We have audited the compliance of Tallahassee Regional Airport, City of Tallahassee, Florida with the revenue use compliance requirements for the year ended September 30, 1999. Compliance with the revenue use requirements is the responsibility of Tallahassee Regional Airport, City of Tallahassee, Florida's management. Our responsibility is to express an opinion on Tallahassee Regional Airport, City of Tallahassee, Florida's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the airport's revenue occurred. An audit includes examining, on a test basis, evidence about Tallahassee Regional Airport, City of Tallahassee, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Tallahassee Regional Airport, City of Tallahassee, Florida's compliance with those requirements.

In our opinion, Tallahassee Regional Airport, City of Tallahassee, Florida complied, in all material respects, with the requirements referred to above that are applicable to the airport's revenue for the year ended September 30, 1999.

Internal Control Over Compliance

The management of Tallahassee Regional Airport, City of Tallahassee, Florida is responsible for establishing and maintaining effective internal control over compliance with the revenue use requirements applicable to the Tallahassee Regional Airport. In planning and performing our audit, we considered Tallahassee Regional Airport, City of Tallahassee, Florida's internal control over compliance with requirements that could have a direct and material effect on the airport's revenue in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable revenue use requirements that would be material in relation to the airport's revenue being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Passenger Facility Charges

We have audited the general purpose financial statements of the City of Tallahassee, Florida as of and for the year ended September 30, 1999, and have issued our report thereon dated January 25, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of passenger facility charges is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, Mayor, City Commissioners and City Manager of the City of Tallahassee, Florida, the Auditor General, State of Florida, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Thomas Howell Ferguson P.A.

Thomas Howell Ferguson P.A.

Law, Redd, Crona & Munroe, P.A.

Law, Redd, Crona & Munroe, P.A.

CITY OF TALLAHASSEE
SCHEDULE OF PASSENGER FACILITY CHARGES
For the Year Ended September 30, 1999

<u>Program Title</u>	<u>Contract Number</u>	<u>Receipts</u>	<u>Expenditures</u>
Passenger Facility Charges Used:	93-02-U-00-TLH		
Project 11: ARFF Building			\$ 183,419
Passenger Facility Charges Imposed	98-03-C-00-TLH	1,266,908	
Passenger Facility Charges Used:	98-03-C-00-TLH		
Project D: Taxiway T Relocation			59,711
Project J: Taxiway "H" and "M" Widening			42,696
Project K: Runway 18/36 Lighting & Shoulder Improvements			21,653
Project M: FAR Part 150 Implementation			78,178
Project P: Taxiway/Apron Improvements (Design Only)			4,622
Project U: Terminal Service/Access Road Improvements (Design Only)			56
		<u>\$ 1,266,908</u>	<u>\$ 390,335</u>

See Independent Auditors' Report on Compliance with the Airport's Revenue Use Requirements, Internal Control over the Use of Airport Revenue and the Schedule of Passenger Facility Charges.

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Management Comments

Audit Committee
City of Tallahassee, Florida

We have audited the general purpose financial statements and the electric, water, sewer, gas and airport individual fund financial statements of the City of Tallahassee, Florida ("the City") as of and for the year ended September 30, 1999, and have issued our report thereon dated January 25, 2000.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to the 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.

In planning and performing our audit of the general purpose financial statements of the City for the year ended September 30, 1999, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our Report on Compliance and on Internal Control over Financial Reporting, concerning the presence of any significant matters which came to our attention in the course of our audit, has been presented in a separate letter dated January 25, 2000. The purpose of this letter is to recommend procedures that we feel will improve the efficiency and effectiveness of financial and accounting functions and to disclose other items that we believe merit your consideration.

Develop a formal plan to ensure the timely and accurate implementation of the recently issued Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

This comprehensive Statement establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, this Statement will not only restructure information that governments presented in the past, but will create new information. The intent of the new information is to provide more easily understood governmental financial reports to every level of reader.

Implementation of these new requirements will require thorough planning and detailed development of a process with milestones and timelines to ensure a smooth and timely transition. The City will be required to implement GASB No. 34 for the fiscal year ended September 30, 2002. With only three years to accomplish implementation, the City will need to have an aggressive, well-defined plan to ensure timely success.

Implement formal procedures related to computer passwords in order to assist in safeguarding electronic data.

Computer passwords are a vital computer control and aid in the safeguarding of electronic data. The City is currently using passwords, however, these passwords are not changed at regular intervals and are not promptly canceled for terminated employees. We recommend that the City change passwords on a regular basis and immediately cancel passwords assigned to terminated employees.

Continue to evaluate and improve fixed asset accounting policies and procedures.

Since fixed assets is one of the largest accounts on the City's balance sheet, we recommend that the current accounting policies and procedures be evaluated to make certain that they are the most efficient and effective in providing accurate financial data. Fixed asset recording at the City is complex primarily due to the volume of capital and operating project activity, significant construction in progress balances, and the presence of capitalized interest. We encourage the City to continue to evaluate and improve the fixed asset accounting policies and procedures in order to ensure accurate fixed asset financial data, proper safeguarding of assets, and efficient use of personnel time.

Continue to evaluate cash disbursement policies and procedures to minimize the risk of duplicate invoice payments and to strengthen controls over cash disbursements.

During our testing of accounts payable, we noted instances where Taltran fuel invoices were paid twice and we noted that payments were not always remitted in a timely manner. To help alleviate the dual payment occurrences and the lapse in payments, we recommend that the City have the fuel vendor send the invoices directly to the accounts payable department rather than to Taltran who then forwards the invoices to the accounts payable department.

Single Audit:

Update purchasing policies and procedures to require Suspension and Debarment certification to be completed by all contractors for contracts estimated to equal or exceed \$100,000 as part of the bidding process when Federal funds are to be used on a project.

Suspension and debarment certification was not obtained during the procurement process for CDBG/HOME subrecipients tested for compliance. For contracts estimated to equal or exceed \$100,000, the City should require that all contractors submitting a bid complete a suspension and debarment certification as part of the bidding process. By identifying

whether a contractor had been suspended or debarred prior to approval of a contract the City will reduce both its legal and financial risk and be in compliance with federal grant requirements.

Include the Catalog of Federal Domestic Assistance (CFDA) number in contracts with subrecipients that are funded by federal funds.

OMB Circular A-133 .400(d) requires that the pass-through entity inform each subrecipient of the CFDA title and number, award name and number and the name of the Federal agency from which the federal funds initiate. The Community Development Block Grant (CDBG) and HOME Investment Program (HOME) contracts with subrecipients do not contain all of this information. We recommend that the documents (e.g. requests for proposals, purchase orders, contracts, etc.) with the subrecipients contain the CFDA title and number, award name and number and the name of the Federal agency from which the federal funds initiate. By identifying this information prior to issuing the contracts and receiving services, the subrecipient should be aware of any additional federal requirements inherent in federal programs. This will assist the City in ensuring that the federal programs are operated in accordance with federal program requirements.

Perform on-site monitoring, review audit reports and issue management decisions on audit findings for CDBG and HOME program subrecipients.

OMB Circular A-133 §.400(d) requires that entities, which pass federal funds to subrecipient organizations, monitor the grant-related activities of the subrecipients, review the subrecipients audit reports and issue a management decision on audit findings. In the CDBG and HOME programs, it is the responsibility of the project managers to perform on-site monitoring of the subrecipients, to obtain and review the subrecipient audit reports and to follow-up with appropriate direction to the subrecipients.

Of the subrecipients files reviewed, on-site monitoring was not performed for one of the CDBG subrecipients. Since consistent monitoring of the subrecipients provides a basis for the City's determination of the subrecipient's compliance with program guidelines, management should ensure that each subrecipient is monitored in accordance with the City's established monitoring schedule.

The contract with the subrecipients requires that a copy of the audit report be submitted to the program within six months of the subrecipients' year-end. While many of these audits were obtained and various program personnel reviewed the reports, there is no documentation to support the review of the audit reports. Therefore, we recommend that a systematic and/or centralized process be developed for obtaining, reviewing and documenting the review of the audit reports. In addition, to assist with the monitoring of subrecipients, the City could also review the subrecipients Data Collection forms on the Internet and determine whether there are any findings, reportable conditions or material weaknesses related to the housing funds administered by the subrecipient.

When necessary, contract provisions, including time frames, should be revised based upon the projects progress.

Of the disbursements tested, one CDBG payment was made to a subrecipient beyond the contract period. In the CDBG program the project managers oversee the projects contracted to subrecipients. Payments to subrecipients should only be made for services provided in accordance with the contracts. Contracts should be revised prior to authorizing services outside the contract parameters.

Programmatic and financial reports submitted to the federal grantors should be complete and accurate.

Some information contained in the October 1, 1997 through September 30, 1998 Consolidated Annual Performance and Evaluation Report did not trace to supporting documentation. In addition some of the calculations utilized in the report are not mathematically correct. It is imperative that programmatic and financial reports submitted to the federal grantors be complete and accurate. A process for reviewing the reports and determining the accuracy and completion of the reports should be implemented. This review process should be completed and appropriate changes made to the reports prior to their submission to the federal grantors. In addition to complying with federal reporting requirements, submitting complete and accurate reports to the federal grantors will enable the grantors to better assess the City's program progress and accomplishments.

CDBG and HOME information in the City's FMS accounting system should be reconciled with the information entered in the federal grantors IDIS system.

In addition to the City's FMS accounting system, CDBG and HOME transactions are entered into the U.S Department of Housing and Urban Development's grant system (IDIS) which was designed and provided by the grantor. There does not always appear to be a clear understanding by the City's program personnel of the systems operations, nor is there a process to reconcile the information in the IDIS system to the City's accounting system. Information contained in the Financial Summary Report printed from the IDIS system does not appear to agree to information from the City's FMS accounting system. We recommend that a process be developed to reconcile the IDIS system to the City's FMS accounting system. In addition, appropriate program personnel should obtain an understanding of the operation of the IDIS system and the grouping of information in the IDIS reports. Obtaining a system understanding and performing these reconciliation's should ensure that the IDIS information utilized by the grantor is accurate and complete.

Rules of the Auditor General

The comments, which follow, are reported pursuant to the *Rules of the Auditor General* which require disclosure of findings even though they may not materially affect the financial statements.

The name or official title and legal authority for the primary government and each component unit of the reporting entity is disclosed in Note 1 to the Notes of the Financial Statements.

Nothing came to our attention that caused us to believe that the City of Tallahassee during the fiscal year was in a state of financial emergency as a consequence of conditions in Section 218.503(1), *Florida Statutes*.

We reviewed the disposition of the comments and recommendations included in the management letter dated January 25, 2000. No matters were noted which required resolution.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.554(1)(f).

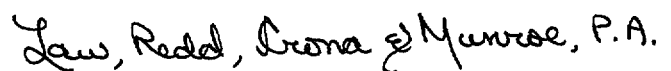
Section 218.32(1)(d) of the *Florida Statutes* requires the City to file its annual report for the fiscal year ended September 30, 1999 with the audited financial statements to the Department of Banking and Finance within forty-five days after the City Commission has officially received the audit report. The City has not filed the annual report as of the date of this letter.

This letter is intended solely for the information and use of the Audit Committee and management and should not be used for any other purpose. We would be pleased to discuss the above matters or respond to any questions you may have.

January 25, 2000



Thomas Howell Ferguson P.A.



Law, Redd, Crona & Munroe, P.A.

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CITY HALL
300 S. ADAMS ST.
TALLAHASSEE, FL
32301-1731
850/891-0010
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SCOTT MADDOX
Mayor
JOHN PAUL BAILEY
Mayor Pro Tem

CHARLES E. BILLINGS
Commissioner
DEBBIE LIGHTSEY
Commissioner
STEVE MEISBURG
Commissioner

ANITA R. FAVORS
City Manager
ROBERT B. INZER
City Treasurer-Clerk

JAMES R. ENGLISH
City Attorney
SAM M. McCALL
City Auditor

January 25, 2000

Honorable Mayor, Commissioners,
City Manager, and Audit Committee
City of Tallahassee
Tallahassee, Florida

Reply to Management Comments

As a result of the audit of the City's financial statements for the year ended September 30, 1999, our auditors, Thomas Howell Ferguson, P.A. and Law, Redd, Crona & Munroe, P.A., Certified Public Accountants, have issued their comments and recommendations on internal accounting control and related matters. The Rules of the Auditor General of the State of Florida require that the auditor submit such a report and that an appropriate response to their report be prepared and submitted.

We appreciate the suggestions made by the auditors and are pleased with the results of their evaluation of internal accounting controls and related matters. All comments and recommendations made by the auditors have been carefully considered and our response to each is listed below.

Governmental Accounting Standards Board (GASB) Statement No. 34

We agree that implementation of this GASB will take much planning. We began our review and discussions of these new requirements last year and in the next few months will develop our plans for implementation for or before the fiscal year that ends September 30, 2002.

Passwords for Access to Computer Systems

Information Systems Services (ISS) staff will be installing software this year that will require employees to change their passwords every 60 days. The City has included on the employee exit clearance form a space for ISS to sign verifying the deletion of a terminating employee network password.

Fixed Assets Procedures

The Accounting Services staff are revising procedures related to Fixed Assets in conjunction with the implementation of a new financial accounting system in fiscal year 2000. The new system will allow us to improve the efficiency of our Fixed Assets processes and continue to account for these accurately.

Cash Disbursements and Accounts Payable

Accounts payable management has recently implemented a number of check points to be reviewed prior to processing payments. This has helped in alleviating the dual payment occurrences. We will continue to encourage departments to have all invoices mailed directly to Accounts Payable, as is our policy.

An All-America City

Single Audit

Community Block Grant (CDBG) and HOME Investment Program (HOME) Contracts

Suspension and Debarment certification

Neighborhood and Community Services (NCS) management agrees with the recommendation and will, effective with all new contracts, include a certification to be signed by each contractor ensuring that they have not been suspended or debarred. NCS will verify compliance with the published list of suspended and/or debarred contractors.

Subrecipient Information

NCS agrees with the recommendation and will, effective with all new contracts, include this identifier along with the Federal grant number that currently appears in these contracts.

Monitoring of Subrecipients

NCS management agrees with the recommendation. NCS currently has a formal system of on-site monitoring. Staff is assigned monitoring responsibilities and oversight is provided by supervisory personnel.

Regarding the issue of evaluation of audit reports, NCS agrees with the recommendation. While review is currently being done on audits, NCS will develop a more centralized method of gathering these audits.

Contract Revisions

NCS agrees with the recommendation and will strive to amend contracts in a timely manner when necessary.

Reporting Requirements

NCS agrees with the recommendation and will develop a process of edit and review of all required reports in order to catch errors prior to submission.

Reconciliation of Systems

NCS management recognizes the importance of record reconciliation. They utilize the City's Financial Management System (FMS) for accounting purposes and the U.S. Department of Housing and Urban Development's (IDIS) grant system for reporting purposes. Because of acknowledged inconsistencies in the data in the IDIS system they we will continue to utilize the FMS system for accurate consistent information.

Respectfully submitted,



David C. Reid, C.P.A.

Director of Management and Administration