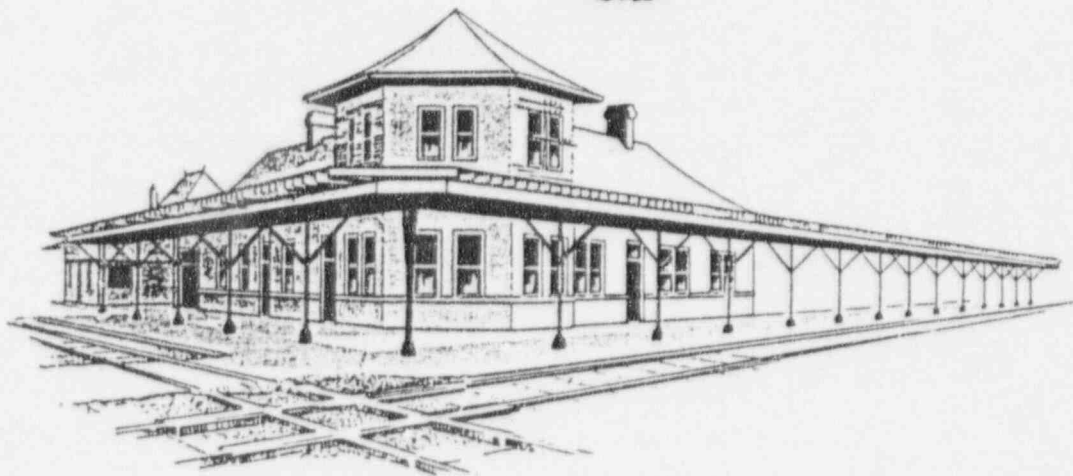


City of Ocala, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT



UNION STATION (1917) OCALA, MARION CO., FLORIDA

For The Year Ended
September 30, 1995

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CITY OF OCALA, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

September 30, 1995

Prepared by:
Department of Finance

CITY OF OCALA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 1995

City Council

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

City Officials

City Manager
Assistant City Manager
Assistant City Manager
Assistant City Manager
Building Official
City Attorney
City Clerk
City Engineer
Electric Utility Director
Finance Director
Fire Chief
Fleet Management Director
Golf Director
Human Resources Director
Internal Auditor
Library Director
M.I.S. Director
Planning Director
Police Chief
Public Works Director
Purchasing Director
Recreation and Parks Director
Risk Manager
Water and Sewer Director

Scotty J. Andrews
Richard K. Lewis
Janet Y. Tutt
Oel G. Wingo
Donald C. Noxon
Patrick G. Gilligan
M. Jane Milam
B. William Ten Broeck
Dean G. Shaw
Glen L. Baker
William E. Woods
Glenn A. Stephens
Joseph Moses, Jr.
Carolyn V. Ingham
Eric J. Lewerenz
Julia H. Sieg
Chester K. Holloway
Paul K. Nugent
Morrell Deen
Charles H. Amerman
James W. Crosby
David J. Pritchard
Leonard A. Baker, Jr.
Henry K. Hicks

INTRODUCTORY SECTION

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Certificate of Achievement
for Excellence in Financial Reporting

City of Ocala Organization Charts

CITY OF OCALA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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City of Ocala
January 12, 1996

FINANCE DEPARTMENT
P. O. BOX 1270, OCALA, FLORIDA 34478-1270
(904) 629-8501

City Manager and Council
City Hall
Ocala, Florida 34478

Ladies and Gentlemen:

The comprehensive annual financial report (CAFR) of the City of Ocala, Florida, for the fiscal year ended September 30, 1995, is hereby submitted.

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

The CAFR is presented in three sections: introductory, financial and statistical. The introductory section contains the table of contents, this transmittal letter, the certificate of achievement for excellence in financial reporting for the 1994 CAFR and the City's organizational charts. The financial section includes the general purpose financial statements, combining, individual fund and account group financial statements and schedules by fund type, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information which is designed to enhance the reader's understanding of the City's past and of its future potential.

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

The growth surge experienced in the 1980's has continued into the 1990's but at a slower pace. The growth potential of the City continues to be virtually limitless. The recession, which has affected the entire country, has also been felt in the City of Ocala, especially in the areas of construction and tourism; however, the City has still experienced growth. The growth is challenging to the City since it demands increased services, but places a financial strain on the revenues of the City. The recession, which has caused some shrinking revenues, has forced the City to reevaluate the needs and wants of its citizens, while at the same time providing consistent levels of service.

MAJOR INITIATIVES

For the Year. In preparing the 1995 budget, the City's focus, at City Council's direction, was to maintain the lowest millage rate while continuing to provide quality service to the citizens of Ocala, to provide quality utility services at competitive rates and to provide a competitive benefit package to employees. Other budget and management objectives for 1995 included the promotion and support of downtown revitalization measures and activities, the support of employee involvement in community activities, the continuation of the Public Information Program to provide citizens with working knowledge of local governments, the development of mechanisms and procedures to ensure that departmental goals and objectives are met and the continuation of the exploration of public and private cooperative efforts to better service the citizens of Ocala.

In order to accomplish some of the objectives, nineteen new positions were authorized in the budget. Six of the positions are in the City's General Fund, including a drug investigator and a school resource officer in the Police Department as well as positions in the Fire Department, Traffic Engineering, Recreation and Parks, and Budget. The remaining thirteen positions were added in the areas of electric, water and sewer, purchasing, the employee clinic, the library, and the adult athletic complex. These positions were created due to increased workload such as additional facilities and maintenance properties and increased customer volume.

During fiscal year 1990, the City issued revenue bonds for massive electric system improvements. Those improvements have continued through 1995. The City also continued the water and sewer system expansion and improvements, as well as the widening and improvements of various roads. For the past nine years, the City has levied an additional mill of ad valorem taxes of which three quarters have been for road improvements and the remaining one quarter has been for public safety capital outlay. For the past few years, the City and Marion County have shared the costs of improvements of some major arterial streets.

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

The City is also continuing its program of renovating existing City buildings. A master plan of the Municipal Services Complex, which was built in 1984, addressed additions to the complex. The renovation and expansion or relocation of the Police Department is also being considered. The most significant and demanding task for the future is the implementation of the Comprehensive Plan of the City of Ocala, which is required by the 1985 Local Government Comprehensive Planning Act. The plan, which was submitted to the State of Florida by the May 1, 1991 deadline, is a tool for growth management and affects virtually all City departments.

The plan has twelve required and two optional elements: future land use, traffic circulation, housing, sanitary sewer, solid waste, storm water management, potable water, groundwater recharge, conservation, parks and recreation, capital improvements, inter-governmental coordination, community redevelopment area and historical preservation. Fiscal year 1995 was the third year of the implementation of the Capital Improvements Element of the Comprehensive Plan, which covers the five-year period from 1993 through 1997.

Department Focus. Because the City of Ocala operates under the Council-Manager system of government, major responsibility for the day-to-day of the City falls to the City Manager's Office, which has a budgeted staff of 8.5 full-time employees.

The City Council appoints the City Manager, who is responsible for carrying out policy, administering City affairs and keeping the City Council informed of City governmental operations. He is also responsible for recommending the annual budget to City Council. The City Manager and the three Assistant City Managers collectively oversee all of the City's departments except for the City Clerk's office, the Internal Auditor and the City Attorney, who report directly to the City Council, and the Police Department, which is under the direction of the Mayor.

The City Manager's Office also takes on a number of its own projects. The most extensive current project is the development of the Florida Emergency Training Facility on 440 acres at the Ocala Regional Airport. Designed to be a training magnet for the Southeastern United States, the facility will be the home of an aircraft rescue and firefighting facility (ARFF), a driver's training course, a recreational sports complex, an industrial park, and a heavy equipment operator's course. The recreation complex and the first phase of the driving course are complete. The ARFF component will provide specialized training to firefighters and rescue personnel in fighting fires associated with aircraft accidents. Site design, which is part of the project's \$4.36 million second phase, currently is under way. Phase II also includes the design and manufacture of specialized burn equipment. Phase III, to be undertaken in 1996, will entail the actual construction of the facility. When completed, the facility will include a pit for simulated fuel spills, a specialized aircraft mock-up, propane distribution system, control tower and administration buildings.

In another area, the City Manager's staff played a lead role in a successful community-wide effort to obtain an All-America City designation from the National Civic League. After a lengthy application and selection process, their efforts culminated in a ten-minute program presented by the City officials, County officials, staff and volunteers from various local organizations to an audience consisting of a twelve member jury and finalists from other cities.

Another major project the City Manager's Office undertook during the year was a "User Friendly City" campaign. Proposed by our City Council President, the campaign was designed to focus attention on the City's philosophy that employees be professional, courteous and helpful in their dealings with the public, other agencies and each other. The campaign featured the creation of a "Who Should I Call?" information line and the creation of an awards program recognizing employees who went out of their way to provide outstanding customer service. Articles were published in the employee newsletter and "User Friendly" lapel pins were distributed to each employee to remind them of the City's philosophy.

FINANCIAL INFORMATION

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

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

General Governmental Functions. The following schedule presents a summary of general fund, special revenue fund and debt service fund revenues and other financing sources for the fiscal year ended September 30, 1995 and the percentages of increases and decreases in relation to revenues and other financing sources for the fiscal year ended September 30, 1994.

	Amount	% of Total	Increase (Decrease) from 1994	Percent Increase (Decrease)
Revenues:				
Property taxes	\$ 7,638,214	18.59%	\$ 62,938	.83%
Other taxes	1,508,766	3.67	6,689	.45
State revenue sharing	970,820	2.36	40,440	4.35
Other intergovernmental revenues	8,151,563	19.83	(132,259)	(1.60)
Parking meters and facilities	52,875	.13	(8,320)	(13.60)
Licenses and permits	772,036	1.88	8,970	1.18
Fines and forfeitures	1,052,858	2.56	161,403	18.11
Charges for services	2,327,174	5.66	142,077	6.50
Interest	1,467,264	3.57	336,277	29.73
Gifts and other	154,506	.38	(117,012)	(43.10)
Total revenues	24,096,076	58.63	501,203	
Other financing sources:				
Proceeds from refunding bonds	-	-	(11,749,269)	(100.00)
Transfers from other funds	17,000,557	41.37	(944,013)	(5.26)
Total revenues and other financing sources	41,096,633	100.00%	(12,192,079)	

The increase of \$161,403 (18.11%) in fines and forfeitures was attributable to confiscations. During fiscal 1995, approximately \$200,000 in confiscated drug money on closed cases was awarded to the City of Ocala for joint participation in cases with other agencies including the U.S. Department of Justice Drug Enforcement Agency. The \$142,077 (6.50%) increase in charges for services was caused primarily by an increase in stormwater revenues. Interest income increased by \$336,277 (29.73%) primarily because of higher interest rates in 1995 as compared to 1994 as well as the continuation of a short-term investment program.

The main reason for the \$132,259 (1.60%) decrease in other intergovernmental revenues was the nonrecurring catch-up adjustment during fiscal year 1994 in the distribution of the county ninth cent voted gas tax. This decrease offset the increases in grant revenues. The \$117,012 (43.10%) decrease in gifts and other was caused primarily by nonrecurring surplus land sales during fiscal year 1994. Parking meters and facilities revenues decreased by \$8,320 (13.60%) which is reflective of an entire year of the 33% to 50% reduction of reserve parking rates which were effective in June, 1994 in order to increase reserve parking activity.

During 1994, the City issued the Capital Improvement Refunding Revenue Certificates, Series 1993. Since there were no bonds issued during 1995, there was a \$11,749,269 (100%) decrease in proceeds from refunded bonds. The primary cause of the \$944,013 (5.26%) decrease in transfers to other funds is also related to the transactions regarding the certificates issued during 1994.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures and other financing uses for the fiscal year ended September 30, 1995 and the percentages of increases and decreases in relation to expenditures and other financing uses for the fiscal year ended September 30, 1994.

	<u>Amount</u>	<u>% of Total</u>	<u>Increase (Decrease) from 1994</u>	<u>Percent Increase (Decrease)</u>
Expenditures:				
Current:				
General government and administration	\$ 3,750,855	9.48%	\$ 180,161	5.05%
Public safety	14,812,271	37.45	1,516,113	11.40
Public works	4,531,891	11.46	289,384	6.82
Culture and recreation	3,939,075	9.96	112,949	2.95
Housing rehabilitation	298,703	.76	(95,763)	(24.28)
Nondepartmental	87,932	.22	(63,951)	(42.11)
Other	554,879	1.40	(69,084)	(11.07)
Intergovernmental	141,818	.35	29,949	26.77
Capital outlay	3,160,173	7.99	1,221,051	62.97
Debt service:				
Principal	1,575,000	3.98	(463,544)	(22.74)
Interest and agents' fees	<u>1,926,935</u>	<u>4.87</u>	<u>7,051</u>	<u>.37</u>
Total expenditures	34,779,532	87.92	2,664,316	
Other financing uses:				
Payment to refunded bonds escrow agent	-	-	(11,885,054)	(100.00)
Transfers to other funds	<u>4,777,853</u>	<u>12.08</u>	<u>(145,496)</u>	<u>(2.96)</u>
Total expenditures and other financing uses	<u>\$39,557,385</u>	<u>100.00%</u>	<u>\$(9,366,234)</u>	

Public safety expenditures increased by \$1,516,113 (11.40%), which is attributable partly to realized costs for an entire year on the eight police positions approved and filled during 1994, partly to the two police and one fire positions approved and filled during 1995 and the 5% cost of living increases in October 1994. Approximately one third of the public safety expenditure increase was caused by the Weed & Seed Grant that the City has received through the U.S. Department of Justice.

The \$180,161 (5.05%) increase in general government and administration expenditures was caused primarily by the cost of living increases in October 1994 as well as by the one position approved and filled in early 1995 and by the cost of a wage and salary study by a consultant. The primary reasons for the \$289,384 (6.82%) increase in public works expenditures include the cost of living increases in October 1994, the one position approved and filled during 1995, and costs related to the Lake Tuscaloosa drainage project.

The \$95,763 (24.28%) decrease in housing rehabilitation was the result of fourteen structures being fully rehabilitated and nine partially rehabilitated during 1995 as compared to twenty-two full and no partial rehabilitations during 1994. Nondepartmental expenditures decreased by \$63,951 (42.11%), which was caused by the completion during 1994 of the clean-up of identified contaminated underground storage tanks. The \$69,084 (11.07%) decrease in other current expenditures was due primarily to a decrease in Community Development Block Grant expenditures.

Capital outlay expenditures increased by \$1,221,051 (62.97%). More than half of this increase is attributable to a more aggressive street resurfacing program during 1995. Other causes for the increase in capital outlay include grant-funded programs and projects such as the Weed & Seed Grant, the hazardous materials grant for the fire department, and the Lake Tuscawilla drainage project.

Principal payments decreased by \$463,544 (22.74%). This change is attributable to scheduled debt service payments and is specifically related to the principal payment on the Capital Improvement Refunding Revenue Bonds, Series 1986, which were defeased in 1994. The \$11,885,054 (100%) decrease in payment to the refunded bonds escrow agent is also related to the above-mentioned defeasance. There were no refunding bonds issued during 1995.

General Fund Balance. The fund balance of the general fund at September 30, 1995 is \$8,259,063, a 7.66% increase from 1994. The increase was caused primarily by increases in general fund intergovernmental revenues, fines and forfeitures, and interest income. The general fund balance is equivalent of 78 working days of expenditures.

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

The Electric System Revenue Fund is the combination of the formerly consolidated Electric Revenue and Bulk Power Supply Revenue Funds. During fiscal 1990, Electric System Revenue Bonds, Series 1989A, were issued for the acquisition and construction of improvements to the electric system. The improvements are expected to be completed in fiscal 1996. The electric system continues to be efficiently managed and operated, and had a debt service coverage of 11.78 for the year ended September 30, 1995.

The Water and Sewer Fund, which is the City's second largest enterprise fund, has been burdened with debt service payments and other bond-related restrictions for the past few years. For the year ended September 30, 1995, the Water and Sewer Fund had a debt service coverage ratio of 7.26. During 1990, the City's consulting engineers began working on a master plan, including a rate review, for the water and sewer system. Gradual rate increases starting in early fiscal 1991 have helped this fund.

The Sanitation Fund is responsible for trash and garbage pick-up in the City. During the year, sanitation rates had to be increased since there were increased landfill charges. The fund is financially sound although it had a net loss of \$38,663 during fiscal 1995.

The Municipal Golf Course Fund had a net loss for the year ended September 30, 1995 of \$34,119; however, this fund should improve in the future.

The Ocala Municipal Airport Fund had a net loss of \$354,921 in 1995. There are expansion programs under way at the Airport, most of which are substantially funded by federal and state grants. Although the airport is not presently self-supporting, it is an important part of our community and should improve in the future.

The Fort King Tennis Court Fund experienced a net loss of \$2,196 during fiscal 1995. This fund, although small, is well-run and should continue to improve in the future.

The Municipal Trailer Park Fund continues to improve. During 1995 it had a net income of \$24,774.

The Florida Emergency Training Facility Fund, which involves the construction, future operation and maintenance of an emergency facility adjacent to the City's airport, was started in fiscal 1993. During 1995, this fund had a net income of \$132,962.

The Adult Athletic Complex Fund includes the construction, operations and maintenance of the Ocala Regional Sportsplex. The first phase of this complex was completed in June 1995. During 1995, this fund had a net income of \$468,028.

Pension Trust Fund Operations. The combined Pension Trust Funds improved during 1995. The combined funds had a net appreciation in the fair value of investments of \$8,876,381 caused by the valuation of investments to market value as of September 30, 1995 as well as by realized gains and losses during the year.

Debt Administration. At September 30, 1995, the City had \$120,940,000 in outstanding serial and term bonds and certificates. Of this amount, \$86,080,000 are associated with enterprise funds and \$34,860,000 are associated with governmental funds. All of the City's issues are insured. Although the City may issue general obligation debt in an amount up to 20% of the assessed valuation of the taxable real and personal property in the City according to article IX, section 9.02, of the City Charter, there is no general obligation debt outstanding.

Cash Management. Cash temporarily idle during the year was invested in the State Board of Administration Local Government Surplus Trust Fund, which is an investment pool administered by the State of Florida. Although the City is authorized by Florida Statutes to invest in obligations of U. S. agencies and in interest-bearing time deposits and savings accounts in banks and in savings and loan associations, we have found that the State Board of Administration has historically had competitive rates and we can withdraw funds on demand. At September 30, 1995, our investments with the State Board of Administration were earning 5.68% with a year to date return of 5.73%. During fiscal 1993, the City hired Barnett Banks Trust Company, N.A. as its short-term investment manager in order to maximize investment earnings.

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

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

OTHER INFORMATION

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

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ocala, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 1994. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Ocala has received a Certificate of Achievement for the last thirteen consecutive years (fiscal years ended 1982-1994.) We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The City was awarded the Distinguished Budget Presentation Award by the Government Finance Officers Association of the United States and Canada for its annual budgets for the fiscal years beginning October 1, 1987 through 1994. In order to receive this award, which is valid for a period of one year only, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

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

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

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

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

Respectfully submitted,



Glen L. Baker
Finance Director

/clk

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ocala,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 1994

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.



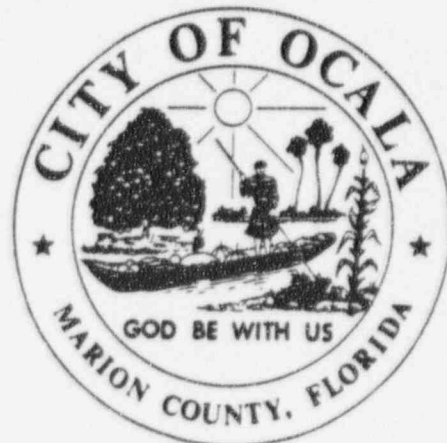
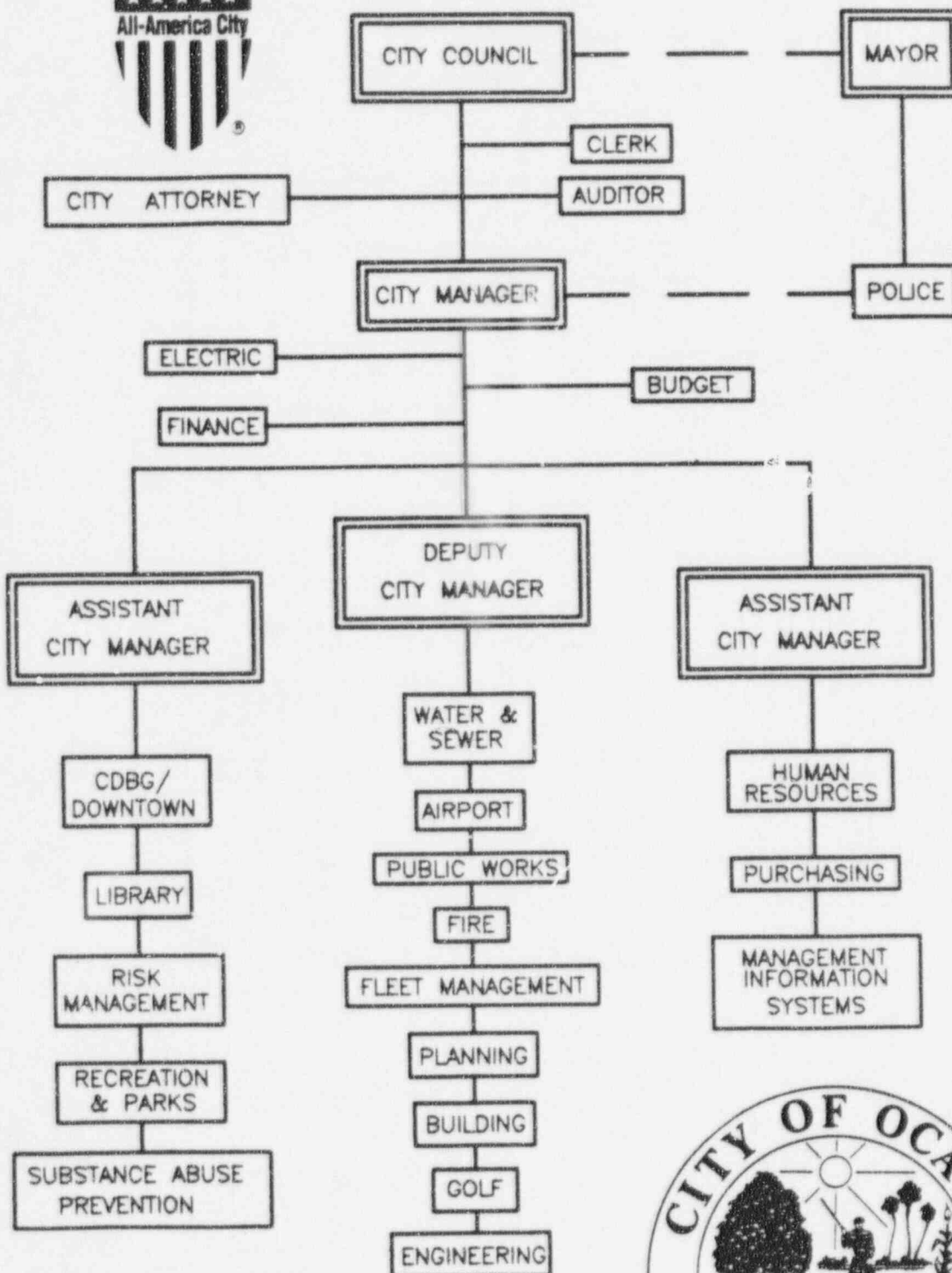
President

Executive Director

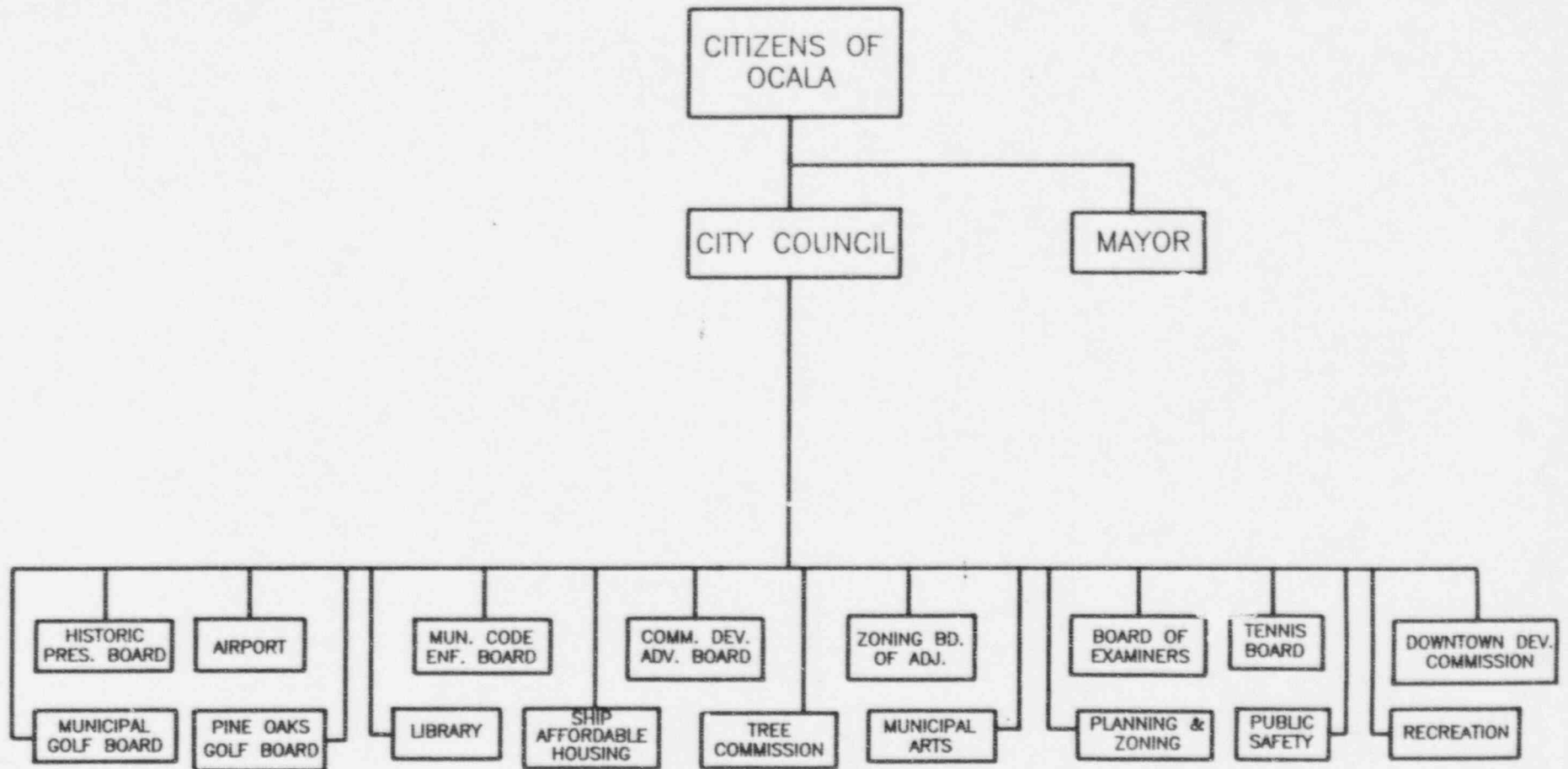


ORGANIZATIONAL STRUCTURE

Ocala-Marion County



OCALA BOARDS AND COMMISSIONS



FINANCIAL SECTION

This Section contains the following Subsections:

Report of Certified Public Accountants

General Purpose Financial Statements

Individual Fund and Combining Statements - By Fund Type

Report of Independent Accountants

The Honorable Members of City Council
City of Ocala, Florida

We have audited the accompanying general-purpose financial statements of the City of Ocala, Florida, as of and for the year ended September 30, 1995. These general-purpose financial statements are the responsibility of the City of Ocala, Florida, management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Ocala, Florida, as of September 30, 1995, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 12, 1996 on our consideration of the City of Ocala's internal control structure and a report dated January 12, 1996 on its compliance with laws and regulations.

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

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

Copero & Lybrand L.L.P.

Orlando, Florida
January 12, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS

(Combined Statements - Overview)

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

GENERAL-PURPOSE FINANCIAL STATEMENTS
(Combined Statements - Overview)

CITY OF OCALA, FLORIDA

COMBINED BALANCE SHEET

ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1995

Assets and Other Debits	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Project
Current Assets:				
Cash and investments	\$ 3,250	\$ 183,607	\$ -	\$ 3,514,720
Equity in pooled cash and investment fund	8,219,903	11,931,526	-	380,385
Accrued interest receivable	76,015	101,805	-	38,628
Accounts and notes receivable, net of allowance for doubtful accounts of \$345,879	574,069	69	-	-
Accrued unbilled revenues	-	-	-	-
Due from other funds	218,298	82,417	-	-
Interfund loans receivable	3,247	-	-	-
Inventories	-	-	-	-
Due from other governments	900,355	273,430	-	380,635
Other	33,196	-	-	-
Total current assets	<u>10,028,333</u>	<u>12,572,854</u>	<u>-</u>	<u>4,314,368</u>
Restricted Assets:				
Cash and investments	-	-	567,356	-
Equity in pooled cash and investment fund	-	-	4,707,465	-
Accrued interest and dividends receivable	-	-	38,739	-
Due from other governments	-	-	-	-
Other	-	-	-	-
Total restricted assets	<u>-</u>	<u>-</u>	<u>5,313,560</u>	<u>-</u>
Other Assets:				
Interfund loans receivable after one year	43,276	-	-	-
Property, plant and equipment, net	-	-	-	-
Issuance costs on long-term debt	-	-	-	-
Total other assets	<u>43,276</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Debits:				
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total other debits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Other Debits	<u>\$ 10,071,609</u>	<u>\$ 12,572,854</u>	<u>\$ 5,313,560</u>	<u>\$ 4,314,368</u>

See accompanying notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	
\$ 4,663	\$ 500	\$ -	\$ -	\$ -	\$ 3,706,740
9,645,990	11,220,783	-	-	-	41,398,587
73,856	86,901	-	-	-	377,205
6,995,352	9,497	-	-	-	7,578,987
4,599,419	-	-	-	-	4,599,419
834,788	-	-	-	-	1,135,503
76,485	28,198	-	-	-	107,930
2,210,652	144,072	-	-	-	2,354,724
41,576	16,124	-	-	-	1,612,120
396,577	43,691	-	-	-	473,464
<u>24,879,358</u>	<u>11,549,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,344,679</u>
33,397,562	-	67,166,542	-	-	101,131,460
20,598,744	-	104,770	-	-	25,410,979
569,201	-	544,025	-	-	1,151,965
332,136	-	-	-	-	332,136
1,303,941	-	-	-	-	1,303,941
<u>56,201,584</u>	<u>-</u>	<u>67,815,337</u>	<u>-</u>	<u>-</u>	<u>129,330,481</u>
596,167	-	-	-	-	639,443
175,817,938	11,931,195	-	19,897,645	-	207,646,778
696,075	-	-	-	-	696,075
<u>177,110,180</u>	<u>11,931,195</u>	<u>-</u>	<u>19,897,645</u>	<u>-</u>	<u>208,982,296</u>
-	-	-	-	5,313,560	5,313,560
-	-	-	-	29,944,245	29,944,245
-	-	-	-	35,257,805	35,257,805
<u>\$ 258,191,122</u>	<u>\$ 23,480,961</u>	<u>\$ 67,815,337</u>	<u>\$ 19,897,645</u>	<u>\$ 35,257,805</u>	<u>\$ 436,915,261</u>

Continued

CITY OF OCALA, FLORIDA

COMBINED BALANCE SHEET - CONTINUED

ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1995

Liabilities, Equity and Other Credits	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Project
Current Liabilities:				
Accounts payable	\$ 1,099,433	\$ 129,109	\$ -	\$ 586,946
Claims payable	-	-	-	-
Compensated absences payable	645,246	40,880	-	-
Bonds and notes payable within one year	-	-	-	-
Accrued interest payable	-	-	-	-
Due to other funds	-	-	-	9,448
Customer deposits	-	-	-	-
Deferred revenue	57,867	133,631	-	-
Interfund loans payable	2,000	9,620	-	-
Total current liabilities	<u>1,804,546</u>	<u>313,240</u>	<u>-</u>	<u>596,394</u>
Liabilities Payable from Restricted Assets:				
Accounts payable	-	-	-	-
Accrued interest payable	-	-	-	-
Deferred revenue	-	-	-	-
Bonds and capital lease payable within one year	-	-	-	-
Decommissioning costs	-	-	-	-
Deferred compensation	-	-	-	-
Total liabilities payable from restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interfund Loans Payable After One Year	8,000	75,352	-	-
Compensated Absences Payable	-	-	-	-
Bonds and Capital Lease Payable After One Year	-	-	-	-
Total liabilities	<u>1,812,546</u>	<u>388,592</u>	<u>-</u>	<u>596,394</u>
Equity and Other Credits:				
Investment in general fixed assets	-	-	-	-
Contributed equity	-	-	-	-
Retained earnings:				
Reserved for debt service	-	-	-	-
Reserved for renewal and replacement	-	-	-	-
Total reserved retained earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved	-	-	-	-
Total retained earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Reserved for debt service	-	-	5,313,560	-
Reserved for retirement benefits	-	-	-	-
Reserved for interfund loans receivable after one year	43,276	-	-	-
Reserved for encumbrances	436,664	492,261	-	3,186,822
Reserved for specified projects	499,721	11,743,415	-	-
Reserved for capital projects	7,298	-	-	-
Total reserved fund balances	<u>986,959</u>	<u>12,235,676</u>	<u>5,313,560</u>	<u>3,186,822</u>
Unreserved and undesignated fund balances	7,272,104	(51,414)	-	531,152
Total fund balances	<u>8,259,063</u>	<u>12,184,262</u>	<u>5,313,560</u>	<u>3,717,974</u>
Total equity and other credits	<u>8,259,063</u>	<u>12,184,262</u>	<u>5,313,560</u>	<u>3,717,974</u>
Total Liabilities, Equity and Other Credits	<u>\$ 10,071,609</u>	<u>\$ 12,572,854</u>	<u>\$ 5,313,560</u>	<u>\$ 4,314,368</u>

See accompanying notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	
\$ 5,641,670	\$ 389,023	\$ -	\$ -	\$ -	\$ 7,846,181
-	3,241,038	-	-	-	3,241,038
656,036	135,934	-	-	-	1,478,096
-	11,142	-	-	1,665,000	1,676,142
3,019	-	-	-	-	3,019
1,126,055	-	-	-	-	1,135,503
3,252,773	-	-	-	-	3,252,773
72,945	-	-	-	-	264,443
96,310	-	-	-	-	107,930
<u>10,848,808</u>	<u>3,777,137</u>	<u>-</u>	<u>-</u>	<u>1,665,000</u>	<u>19,005,125</u>
616,826	-	37,607	-	-	654,433
2,706,454	-	-	-	-	2,706,454
72,049	-	-	-	-	72,049
5,205,000	-	-	-	-	5,205,000
1,433,766	-	-	-	-	1,433,766
-	-	4,798,661	-	-	4,798,661
<u>10,034,095</u>	<u>-</u>	<u>4,836,268</u>	<u>-</u>	<u>-</u>	<u>14,870,363</u>
556,091	-	-	-	-	639,443
-	-	-	-	397,805	397,805
78,929,931	46,381	-	-	33,195,000	112,171,312
<u>100,368,925</u>	<u>3,823,518</u>	<u>4,836,268</u>	<u>-</u>	<u>35,257,805</u>	<u>147,084,048</u>
-	-	-	19,897,645	-	19,897,645
<u>37,384,345</u>	<u>3,660,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,044,389</u>
8,648,959	-	-	-	-	8,648,959
22,043,145	-	-	-	-	22,043,145
30,692,104	-	-	-	-	30,692,104
89,745,748	15,997,399	-	-	-	105,743,147
<u>120,437,852</u>	<u>15,997,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,435,251</u>
-	-	-	-	-	5,313,560
-	-	62,875,223	-	-	62,875,223
-	-	-	-	-	43,276
-	-	-	-	-	4,115,747
-	-	103,846	-	-	12,346,982
-	-	-	-	-	7,298
-	-	62,979,069	-	-	84,702,086
-	-	-	-	-	7,751,842
-	-	62,979,069	-	-	92,453,928
<u>157,822,197</u>	<u>19,657,443</u>	<u>62,979,069</u>	<u>19,897,645</u>	<u>-</u>	<u>289,831,213</u>
<u>\$ 258,191,122</u>	<u>\$ 23,480,961</u>	<u>\$ 67,815,337</u>	<u>\$ 19,897,645</u>	<u>\$ 35,257,805</u>	<u>\$ 436,915,261</u>

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

ALL GOVERNMENTAL AND EXPENDABLE TRUST FUND TYPES

Year Ended September 30, 1995

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Project
Revenues:				
Property taxes	\$ 7,595,038	\$ 43,176	\$ -	\$ -
Other taxes	1,508,766	-	-	-
State revenue sharing	970,820	-	-	-
Other intergovernmental revenues	4,034,663	4,116,900	-	815,974
Parking meters and facilities	-	52,875	-	-
Licenses and permits	386,612	385,424	-	-
Fines and forfeitures	1,015,819	37,039	-	-
Charges for services	618,743	1,708,431	-	-
Interest	572,623	642,558	252,083	219,320
Gifts	28,528	3,596	-	-
Other	110,224	12,158	-	-
Total revenues	<u>16,841,836</u>	<u>7,002,157</u>	<u>252,083</u>	<u>1,035,294</u>
Expenditures:				
Current:				
General government and administration	3,585,677	165,178	-	-
Public safety	14,812,271	-	-	948
Public works	3,317,237	1,214,654	-	211,928
Culture and recreation	2,362,419	1,576,656	-	-
Housing rehabilitation	298,703	-	-	-
Nondepartmental appropriations	87,932	-	-	2,755
Other	488,298	66,581	-	-
Capital outlay	2,302,725	857,448	-	3,117,423
Intergovernmental	118,941	22,877	-	-
Debt service:				
Principal payments	-	-	1,575,000	-
Interest and paying agents' fees	-	5,341	1,921,594	-
Total expenditures	<u>27,374,203</u>	<u>3,908,735</u>	<u>3,496,594</u>	<u>3,333,054</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(10,532,367)</u>	<u>3,093,422</u>	<u>(3,244,511)</u>	<u>(2,297,760)</u>
Other Financing Sources (Uses):				
Transfers from other funds	12,972,641	524,198	3,503,718	955,767
Transfers to other funds	(1,852,660)	(2,677,590)	(247,603)	-
Total other financing sources (uses)	<u>11,119,981</u>	<u>(2,153,392)</u>	<u>3,256,115</u>	<u>955,767</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>587,614</u>	<u>940,030</u>	<u>11,604</u>	<u>(1,341,993)</u>
Fund Balance at Beginning of Year	7,671,449	11,244,232	5,301,956	6,402,535
Equity Transfers to Other Funds	-	-	-	(1,342,568)
Fund Balance at End of Year	<u>\$ 8,259,063</u>	<u>\$ 12,184,262</u>	<u>\$ 5,313,560</u>	<u>\$ 3,717,974</u>

See accompanying notes to financial statements.

<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Expendable Trust</u>	
\$ 6,354	\$ 7,644,568
-	1,508,766
-	970,820
-	8,967,537
-	52,875
-	772,036
-	1,052,858
-	2,327,174
78,637	1,765,221
-	32,124
77,716	200,098
<u>162,707</u>	<u>25,294,077</u>
23,413	3,774,268
-	14,813,219
-	4,743,819
-	3,939,075
-	298,703
-	90,687
-	554,879
490	6,278,086
-	141,818
-	1,575,000
-	1,926,935
<u>23,903</u>	<u>38,136,489</u>
<u>138,804</u>	<u>(12,842,412)</u>
6,111	17,962,435
-	(4,777,853)
<u>6,111</u>	<u>13,184,582</u>
144,915	342,170
1,357,271	31,977,443
-	(1,342,568)
<u>\$ 1,502,186</u>	<u>\$ 30,977,045</u>

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

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

Year Ended September 30, 1995

		Adjustments to Budgetary Basis	GENERAL Actual on a Budgetary Basis
	Actual		
Revenues:			
Property taxes	\$ 7,595,038	\$ -	\$ 7,595,038
Other taxes	1,508,766	-	1,508,766
State revenue sharing	970,820	-	970,820
Other intergovernmental revenues	4,034,663	(1,524,218)	2,510,445
Parking meters and facilities	-	-	-
Licenses and permits	386,612	-	386,612
Fines and forfeitures	1,015,819	(6,800)	1,009,019
Charges for services	618,743	-	618,743
Interest	572,623	(2,686)	569,937
Gifts	28,528	(17,180)	11,348
Other	110,224	(25,958)	84,266
Total revenues	16,841,836	(1,576,842)	15,264,994
Expenditures:			
Current:			
General government and administration	3,585,677	(110,624)	3,475,053
Public safety	14,812,271	(406,344)	14,405,927
Public works	3,317,237	23,463	3,340,700
Culture and recreation	2,362,419	(43,730)	2,318,689
Housing rehabilitation	298,703	(298,703)	-
Nondepartmental appropriations	87,932	47,680	135,612
Other	488,298	(408,318)	79,980
Capital outlay	2,302,725	10,855	2,313,580
Intergovernmental	118,941	(67,640)	51,301
Debt service:			
Principal payments	-	-	-
Interest and paying agents' fees	-	-	-
Total expenditures	27,374,203	(1,253,361)	26,120,842
Excess (Deficiency) of Revenues Over Expenditures	(10,532,367)	(323,481)	(10,855,848)
Other Financing Sources (Uses):			
Operating transfers from other funds	12,972,641	40,000	13,012,641
Operating transfers to other funds	(1,852,660)	(16,600)	(1,869,260)
Total other financing sources (uses)	11,119,981	23,400	11,143,381
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	587,614	(300,081)	287,533
Fund Balance Allocation	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 587,614	\$ (300,081)	\$ 287,533

See accompanying notes to financial statements.

<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 7,888,386	\$ (293,348)
1,545,000	(36,234)
960,000	10,820
2,551,555	(41,110)
-	-
404,550	(17,938)
878,297	130,722
662,509	(43,766)
689,400	(119,463)
13,570	(2,222)
123,680	(39,414)
<u>15,716,947</u>	<u>(451,953)</u>
3,728,493	253,440
15,099,520	693,593
3,581,776	241,076
2,518,492	199,803
-	-
200,490	64,878
92,021	12,041
2,805,046	491,466
74,316	23,015
-	-
<u>28,100,154</u>	<u>1,979,312</u>
<u>(12,383,207)</u>	<u>1,527,359</u>
13,015,064	(2,423)
(1,947,656)	78,396
<u>11,067,408</u>	<u>75,973</u>
(1,315,799)	1,603,332
<u>1,315,799</u>	<u>(1,315,799)</u>
<u>\$ -</u>	<u>\$ 287,533</u>

Continued

CITY OF OCALA, FLORIDA

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

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

Year Ended September 30, 1995

	Actual	Adjustments to Budgetary Basis	SPECIAL Actual on a Budgetary Basis
Revenues:			
Property taxes	\$ 43,176	\$ -	\$ 43,176
Other taxes	-	-	-
State revenue sharing	-	-	-
Other intergovernmental revenues	4,116,900	(128,947)	3,987,953
Parking meters and facilities	52,875	-	52,875
Licenses and permits	385,424	-	385,424
Fines and forfeitures	37,039	-	37,039
Charges for services	1,708,431	-	1,708,431
Interest	642,558	(1,232)	641,326
Gifts	3,596	-	3,596
Other	12,158	-	12,158
Total revenues	<u>7,002,157</u>	<u>(130,179)</u>	<u>6,871,978</u>
Expenditures:			
Current:			
General government and administration	165,178	(130,086)	35,092
Public safety	-	-	-
Public works	1,214,654	83,644	1,298,298
Culture and recreation	1,576,656	141,356	1,718,012
Housing rehabilitation	-	-	-
Nondepartmental appropriations	-	-	-
Other	66,581	-	66,581
Capital outlay	857,448	267,261	1,124,709
Intergovernmental	22,877	-	22,877
Debt service:			
Principal payments	-	-	-
Interest and paying agents' fees	5,341	-	5,341
Total expenditures	<u>3,908,735</u>	<u>362,175</u>	<u>4,270,910</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,093,422</u>	<u>(492,354)</u>	<u>2,601,068</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	524,198	-	524,198
Operating transfers to other funds	(2,677,590)	-	(2,677,590)
Total other financing sources (uses)	<u>(2,153,392)</u>	<u>-</u>	<u>(2,153,392)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	940,030	(492,354)	447,676
Fund Balance Allocation	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 940,030</u>	<u>\$ (492,354)</u>	<u>\$ 447,676</u>

See accompanying notes to financial statements.

REVENUE

Final Budget	Variance Favorable (Unfavorable)
\$ 44,970	\$ (1,794)
-	-
-	-
4,506,211	(518,258)
47,500	5,375
387,500	(2,076)
34,700	2,339
1,701,380	7,051
696,400	(55,074)
4,000	(404)
12,975	(817)
<u>7,435,636</u>	<u>(563,658)</u>
67,255	32,163
-	-
1,513,414	215,116
1,787,057	69,045
-	-
-	-
74,232	7,651
4,111,172	2,986,463
22,908	31
6,172	6,172
4,752	(589)
<u>7,586,962</u>	<u>3,316,052</u>
<u>(151,326)</u>	<u>2,752,394</u>
517,000	7,198
<u>(3,115,479)</u>	<u>437,889</u>
<u>(2,598,479)</u>	<u>445,087</u>
(2,749,805)	3,197,481
<u>2,749,805</u>	<u>(2,749,805)</u>
<u>\$ -</u>	<u>\$ 447,676</u>

Continued

CITY OF OCALA, FLORIDA

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

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

Year Ended September 30, 1995

	Actual	Adjustments to Budgetary Basis	CAPITAL Actual on a Budgetary Basis
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Other taxes	-	-	-
State revenue sharing	-	-	-
Other intergovernmental revenues	815,974	-	815,974
Parking meters and facilities	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest	219,320	(19,750)	199,570
Gifts	-	-	-
Other	-	-	-
Total revenues	<u>1,035,294</u>	<u>(19,750)</u>	<u>1,015,544</u>
Expenditures:			
Current:			
General government and administration	-	-	-
Public safety	948	-	948
Public works	211,928	13,079	225,007
Culture and recreation	-	-	-
Housing rehabilitation	-	-	-
Nondepartmental appropriations	2,755	-	2,755
Other	-	-	-
Capital outlay	3,117,423	3,173,743	6,291,166
Intergovernmental	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and paying agents' fees	-	-	-
Total expenditures	<u>3,333,054</u>	<u>3,186,822</u>	<u>6,519,876</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,297,760)</u>	<u>(3,206,572)</u>	<u>(5,504,332)</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	955,767	-	955,767
Operating transfers to other funds	-	-	-
Total other financing sources (uses)	<u>955,767</u>	<u>-</u>	<u>955,767</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	<u>(1,341,993)</u>	<u>(3,206,572)</u>	<u>(4,548,565)</u>
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ (1,341,993)</u>	<u>\$ (3,206,572)</u>	<u>\$ (4,548,565)</u>

See accompanying notes to financial statements.

PROJECT

Final Budget	Variance Favorable (Unfavorable)
\$ -	\$ -
-	-
-	-
1,715,480	(899,506)
-	-
-	-
-	-
306,000	(106,430)
-	-
-	-
<u>2,021,480</u>	<u>(1,005,936)</u>
-	-
-	(948)
257,023	32,016
-	-
-	-
2,500	(255)
-	-
8,449,088	2,157,922
-	-
-	-
<u>8,708,611</u>	<u>2,188,735</u>
<u>(6,687,131)</u>	<u>1,182,799</u>
1,393,656	(437,889)
-	-
<u>1,393,656</u>	<u>(437,889)</u>
(5,293,475)	744,910
<u>5,293,475</u>	<u>(5,293,475)</u>
<u>\$ -</u>	<u>\$ (4,548,565)</u>

Continued

CITY OF OCALA, FLORIDA

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

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

Year Ended September 30, 1995

		Adjustments to Budgetary Basis	EXPENDABLE Actual on a Budgetary Basis
	Actual		
Revenues:			
Property taxes	\$ 6,354	\$ -	\$ 6,354
Other taxes	-	-	-
State revenue sharing	-	-	-
Other intergovernmental revenues	-	-	-
Parking meters and facilities	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest	78,637	(72,569)	6,068
Gifts	-	-	-
Other	77,716	(77,716)	-
Total revenues	<u>162,707</u>	<u>(150,285)</u>	<u>12,422</u>
Expenditures:			
Current:			
General government and administration	23,413	-	23,413
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Housing rehabilitation	-	-	-
Nondepartmental appropriations	-	-	-
Other	-	-	-
Capital outlay	490	-	490
Intergovernmental	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and paying agents' fees	-	-	-
Total expenditures	<u>23,903</u>	<u>-</u>	<u>23,903</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>138,804</u>	<u>(150,285)</u>	<u>(11,481)</u>
Other Financing Sources (Uses):			
Operating transfers from other funds	6,111	-	6,111
Operating transfers to other funds	-	-	-
Total other financing sources (uses)	<u>6,111</u>	<u>-</u>	<u>6,111</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	<u>144,915</u>	<u>(150,285)</u>	<u>(5,370)</u>
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues: and Other Sources Over Expenditures and Other Uses	<u>\$ 144,915</u>	<u>\$ (150,285)</u>	<u>\$ (5,370)</u>

See accompanying notes to financial statements.

TRUST

Final Budget	Variance Favorable (Unfavorable)
\$ 6,354	\$ -
-	-
-	-
-	-
-	-
-	-
7,700	(1,632)
-	-
-	-
<u>14,054</u>	<u>(1,632)</u>
28,647	5,234
-	-
-	-
-	-
-	-
-	-
96,100	95,610
-	-
-	-
<u>124,747</u>	<u>100,844</u>
<u>(110,693)</u>	<u>99,212</u>
6,111	-
-	-
<u>6,111</u>	<u>-</u>
(104,582)	99,212
<u>104,582</u>	<u>(104,582)</u>
<u>\$ -</u>	<u>\$ (5,370)</u>

CITY OF OCALA, FLORIDA

**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS/FUND BALANCE**

ALL PROPRIETARY FUND TYPES AND PENSION TRUST FUNDS

Year Ended September 30, 1995

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Pension Trust</u>	<u>Totals (Memorandum Only)</u>
Operating Revenues:				
Sale of electricity	\$ 77,531,618	\$ -	\$ -	\$ 77,531,618
Sale of water	3,700,279	-	-	3,700,279
Sewer and sanitation service charges	14,397,916	-	-	14,397,916
Fees and rentals	2,121,572	8,632,842	-	10,754,414
Commissions	77,552	-	-	77,552
City and state contributions	-	3,297,511	2,122,612	5,420,123
Employee contributions	-	1,150,802	365,679	1,516,481
Income on investments	-	-	2,303,979	2,303,979
Net appreciation in fair value of investments	-	-	8,876,381	8,876,381
Other	2,421,883	119,817	-	2,541,700
Total operating revenues	<u>100,250,820</u>	<u>13,200,972</u>	<u>13,668,651</u>	<u>127,120,443</u>
Operating Expenses:				
Purchase of electricity	46,080,940	-	-	46,080,940
Distribution	6,847,809	-	-	6,847,809
Operation and maintenance	9,056,454	-	-	9,056,454
Water and sewer treatment	2,371,836	-	-	2,371,836
Sewer collection	829,459	-	-	829,459
Fleet management	-	2,782,878	-	2,782,878
Purchasing and warehousing	-	729,552	-	729,552
Management information system and central services	-	886,371	-	886,371
Building maintenance	-	786,224	-	786,224
Pension payments	-	-	1,783,359	1,783,359
Insurance, administration and other	3,725,717	5,653,881	170,242	9,549,840
Depreciation and amortization	7,086,506	785,233	-	7,871,739
Economic improvement incentives	592,216	-	-	592,216
Other	1,880,150	181,753	-	2,061,903
Total operating expenses	<u>78,471,087</u>	<u>11,805,892</u>	<u>1,953,601</u>	<u>92,230,580</u>
Operating income	<u>21,779,733</u>	<u>1,395,080</u>	<u>11,715,050</u>	<u>34,889,863</u>
Non-Operating Revenues (Expenses):				
Interest income	3,013,687	560,596	-	3,574,283
Interest expense	(4,517,957)	(4,446)	-	(4,522,403)
Litigation settlement (net of \$486,160 of related costs)	1,376,844	-	-	1,376,844
Other non-operating revenue	211,054	976	-	212,030
Total non-operating revenues (expenses)	<u>83,628</u>	<u>557,126</u>	<u>-</u>	<u>640,754</u>
Income Before Operating Transfers	<u>21,863,361</u>	<u>1,952,206</u>	<u>11,715,050</u>	<u>35,530,617</u>
Operating Transfers:				
From other funds	1,080,681	11,775	-	1,092,456
To other funds	(14,058,093)	(218,945)	-	(14,277,038)
Total operating transfers	<u>(12,977,412)</u>	<u>(207,170)</u>	<u>-</u>	<u>(13,184,582)</u>
Net Income	8,885,949	1,745,036	11,715,050	22,346,035
Retained Earnings/Fund Balance at Beginning of Year	112,540,495	14,266,983	49,761,833	176,569,311
Equity Transfers to Other Funds	(988,592)	(14,620)	-	(1,003,212)
Retained Earnings/Fund Balance at End of Year	<u>\$ 120,437,852</u>	<u>\$ 15,997,399</u>	<u>\$ 61,476,883</u>	<u>\$ 197,912,134</u>

See accompanying notes to financial statements.

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUND TYPES

Year Ended September 30, 1995

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
Increase in Cash and Cash Equivalents:			
Cash Flows from Operating Activities:			
Cash received from customers	\$ 98,289,603	\$ -	\$ 98,289,603
Cash received from employees	-	1,150,802	1,150,802
Cash paid to suppliers for goods and services	(63,161,477)	(5,959,846)	(69,121,323)
Cash paid to employees for services	(8,741,167)	(2,620,773)	(11,361,940)
Cash received from other funds	-	12,064,944	12,064,944
Cash paid for insurance claims	-	(1,357,143)	(1,357,143)
Net cash provided by operating activities	26,386,959	3,277,984	29,664,943
Cash Flows from Non-Capital Financing Activities:			
Operating transfers in	1,080,681	11,775	1,092,456
Operating transfers out	(14,058,093)	(213,945)	(14,272,038)
Grant revenues	211,054	976	212,030
Net cash used in non-capital financing activities	(12,766,358)	(206,194)	(12,972,552)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(17,816,791)	(2,165,381)	(19,982,172)
Principal paid on bonds, notes and capital lease payable	(4,935,000)	(99,046)	(5,034,046)
Interest paid on bonds, notes and capital lease payable	(5,539,780)	(4,446)	(5,544,226)
Principal paid on loans from other funds	(93,590)	-	(93,590)
Interest paid on loans from other funds	(32,815)	-	(32,815)
Principal received on loans to other funds	70,927	26,560	97,487
Interest received on loans to other funds	33,181	2,324	35,505
Proceeds of capital lease payable	-	62,785	62,785
Proceeds of loans from other funds	145,717	-	145,717
Loans to other funds	(164,717)	-	(164,717)
Contributions received from other governments, developers and customers	3,419,642	-	3,419,642
Litigation settlement	1,376,844	-	1,376,844
Net cash used in capital and related financing activities	(23,536,382)	(2,177,204)	(25,713,586)
Cash Flows from Investing Activities:			
Purchase of investments	(107,700)	-	(107,700)
Proceeds from sales and maturities of investments	9,577,678	-	9,577,678
Interest received	3,269,765	533,544	3,803,309
Net cash provided by investing activities	12,739,743	533,544	13,273,287
Net Increase in Cash and Cash Equivalents	2,823,962	1,428,130	4,252,092
Cash and Cash Equivalents, beginning of year	42,315,057	9,793,153	52,108,210
Cash and Cash Equivalents, end of year	\$ 45,139,019	\$ 11,221,283	\$ 56,360,302

See accompanying notes to financial statements.

Continued

CITY OF OCALA, FLORIDA

COMBINED STATEMENT OF CASH FLOWS - CONTINUED

ALL PROPRIETARY FUND TYPES

Year Ended September 30, 1995

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
Reconciliation of Cash and Cash Equivalents to Balance Sheet:			
Total unrestricted cash and investments per the balance sheet	\$ 9,650,653	\$ 11,221,283	\$ 20,871,936
Total restricted cash and investments per the balance sheet	53,996,306	-	53,996,306
Total cash and investments	63,646,959	11,221,283	74,868,242
Less: Investments not meeting the definition of cash equivalents	(18,507,940)	-	(18,507,940)
Cash and Cash Equivalents, end of year	<u>\$ 45,139,019</u>	<u>\$ 11,221,283</u>	<u>\$ 56,360,302</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 21,779,733	\$ 1,395,080	\$ 23,174,813
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	6,861,742	785,233	7,646,975
Amortization	224,764	-	224,764
Loss on fixed asset disposal	325,285	10,492	335,777
(Increase) decrease in assets:			
Accounts and notes receivable	(898,553)	19,666	(878,887)
Accrued unbilled revenue	(244,921)	-	(244,921)
Due from other funds	(71,237)	-	(71,237)
Inventories	(14,024)	1,077	(12,947)
Due from other governments	27,419	1,108	28,527
Other current assets	(1,331,551)	52,505	(1,279,046)
Increase (decrease) in liabilities:			
Accounts payable	(825,400)	147,916	(677,484)
Claims payable	-	861,384	861,384
Compensated absences payable	(4,211)	3,523	(688)
Due to other funds	284,607	-	284,607
Customer deposits	218,915	-	218,915
Deferred revenue	(161,079)	-	(161,079)
Decommissioning costs	215,470	-	215,470
Net Cash Provided by Operating Activities	<u>\$ 26,386,959</u>	<u>\$ 3,277,984</u>	<u>\$ 29,664,943</u>
Noncash Capital and Related Financing Activities:			
Plant and equipment contributed from other funds	<u>\$ -</u>	<u>\$ 2,345,780</u>	<u>\$ 2,345,780</u>
Plant and equipment contributed to the Internal Service Fund	<u>\$ (988,592)</u>	<u>\$ (14,620)</u>	<u>\$ (1,003,212)</u>

See accompanying notes to financial statements.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 1995

1. Reporting Entity and Description of Funds:

A. Reporting Entity

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

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

1. Blended Component Unit:

Community Redevelopment Agency (CRA) - The City Council serves as the CRA Board. Although legally separate, the CRA is appropriately blended as a governmental fund type component unit into the primary government. Separate financial statements for the CRA are not presently developed.

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

2. Related Organization:

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

1. Reporting Entity and Description of Funds - Continued:

B. Description of Funds

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

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

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

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

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

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

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

1. Reporting Entity and Description of Funds - Continued:

B. Description of Funds - Continued

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

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

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

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

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

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

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

1. Reporting Entity and Description of Funds - Continued:

C. GASB Statement No. 20 Election

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

2. Summary of Significant Accounting Policies:

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

A. Basis of Accounting

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

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

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

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

B. Annual Budgets

An annual budget is prepared for all governmental and proprietary funds except for one special revenue fund (SHIP Local Housing Assistance), one capital project fund (Capital Improvement Construction Fund), one expendable trust fund (Pension Medical Reserve Fund), the agency fund, and all debt service funds. Some portions of the City's General Fund and special revenue funds which are related to grants, financially non-measurable trial programs, special assessments and other similar activities are not formally budgeted. These activities are monitored by the appropriate City personnel. The budget amounts presented in the accompanying financial statements for the governmental funds are as originally adopted, or as legally amended, by the City Council during the year ended September 30, 1995.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

2. Summary of Significant Accounting Policies - Continued:

B. Annual Budgets - Continued

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any budget amendments that alter the total expenditures of any fund must be approved by the City Council. During 1995, the City Council approved various supplemental budget appropriations to provide for unanticipated requirements of the period. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of each fiscal year. The budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as expenditures. Accordingly, budgetary comparisons presented for the governmental funds in the accompanying financial statements are on this non-GAAP budgetary basis. In addition, certain activities accounted for within the governmental funds are not formally budgeted by the City. Therefore, both revenues and expenditures associated with those activities have also been treated as adjustments to convert actual revenues and expenditures of the governmental funds to a budgetary basis in order that the budgetary comparisons reflect only those activities for which legally adopted budgets are prepared.

C. Equity in Pooled Cash and Investments

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

D. Cash Flows

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

E. Investments

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

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

F. Inventories

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

2. Summary of Significant Accounting Policies - Continued:

G. Property, Plant and Equipment

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

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

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

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

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

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

2. Summary of Significant Accounting Policies - Continued:

G. Property, Plant and Equipment - Continued

Capitalization of Interest - In accordance with FASB Statement No. 62, the Electric System and Water and Sewer System enterprise funds capitalize net interest costs on funds borrowed to finance the construction of fixed assets. For the year ended September 30, 1995, capitalization of net interest costs was as follows:

	Electric System	Water and Sewer System
Interest expense	\$ 606,180	\$ 388,594
Amortization of bond issuance costs	59,666	8,488
Interest income	(173,871)	(80,954)
Increase in construction in progress	<u>\$ 491,975</u>	<u>\$ 316,128</u>

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

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

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

H. Accrued Revenue

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

I. Property Taxes

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

The City is permitted under its charter to levy taxes up to \$10 per \$1,000 of assessed valuation for general government services other than the payment of principal and interest on general long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. Additional taxes assessed for the payment of general long-term debt issues of the City must be approved by the public. The tax rate assessed by the City for the year ended September 30, 1995 was \$5.0264 per \$1,000 of assessed property value.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

2. Summary of Significant Accounting Policies - Continued:

J. Interfund Payables and Receivables

Interfund payables and receivables are non-interest bearing and generally are liquidated monthly (Note 5). Interfund advances are liquidated in accordance with the City Council's resolution and may bear interest (Note 6).

K. Compensated Absences

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

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

The above accounting conforms to GASB Statement No. 16.

L. Self-Insurance Claims

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

M. Pension Costs

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

2. Summary of Significant Accounting Policies - Continued:

N. Reserves of Retained Earnings and Fund Balance

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

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

O. Grants and Contributions

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

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

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

2. Summary of Significant Accounting Policies - Continued:

P. Bond Discounts and Issuance Costs

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

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

Q. Administrative Fees

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

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

R. Encumbrances

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

S. Total Columns on Combined Statements - Overview

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

3. Budget Reconciliation:

A. Budgetary Basis Reconciliation

Since the accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, entity and timing differences in the excess of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended September 30, 1995 is presented below:

	Governmental Fund Types			Expendable Trust
	General	Special Revenue	Capital Project	
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	\$ 287,533	\$ 447,676	\$ (4,548,565)	\$ (5,370)
Adjustments:				
Encumbrances	436,664	492,261	3,186,822	-
Encumbrances of non-formally budgeted activities	(113,537)	-	-	-
Non-formally budgeted activities	(23,046)	93	19,750	150,285
Excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	<u>\$ 587,614</u>	<u>\$ 940,030</u>	<u>\$ (1,341,993)</u>	<u>\$ 144,915</u>

B. Excess of Expenditures Over Appropriations

For the year ended September 30, 1995, no expenditures exceeded the budget at the fund level.

4. Cash and Investments and Equity in Pooled Cash and Investments:

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

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

A. Cash

At September 30, 1995, the carrying amount of the City's deposits was \$7,998,982. These deposits consisted of interest bearing and non-interest bearing demand accounts and certificates of deposit, which were entirely insured by federal depository insurance or by collateral held by the City's agent pursuant to the Public Depository Security Act of the State of Florida. This Act requires that the City maintain deposits only in "qualified public depositories". All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss caused by the default or insolvency of other qualified public depositories of the same type. Should a default or insolvency occur, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City.

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

B. Investments

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

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

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

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

B. Investments - Continued

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

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

	Category 1	Category 2	Category 3	Carrying Value	Market Value
U.S. Government securities	\$ -	\$ 6,964,670	\$ 62,249,082	\$ 69,213,752	\$ 69,015,725
Common stocks and debentures	-	-	55,180,061	55,180,061	55,357,613
Repurchase agreement	-	-	1,332,654	1,332,654	1,332,869
	<u>\$ -</u>	<u>\$ 6,964,670</u>	<u>\$ 118,761,797</u>	125,726,467	125,706,207
Cash Management Funds				11,689,634	11,689,634
Local Government Surplus Funds Trust Fund				21,434,022	21,434,022
Deferred Compensation Investments				4,798,661	4,798,661
Total Investments				<u>\$ 163,648,784</u>	<u>\$ 163,628,524</u>

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

The types of investments and their levels of risk exposure as of September 30, 1995 were typical of those items held during the fiscal year then ended.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

5. Due From (To) Other Funds:

The following summarizes the interfund receivables and payables of the various funds of the City at September 30, 1995:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Unrestricted Interfund Receivable/Payable:		
General Fund	\$ 218,298	\$ -
Special Revenue Funds:		
Stormwater Utility	82,417	-
Capital Project Funds:		
1993 Improvement Certificates	-	9,448
Enterprise Funds:		
Electric System Revenue	-	917,205
Water and Sewer	548,295	-
Sanitation	286,493	-
Florida Emergency Training Facility	-	181,443
Adult Athletic Complex	-	27,407
	<u>834,788</u>	<u>1,126,055</u>
Total Interfund Receivable/Payable	<u>\$ 1,135,503</u>	<u>\$ 1,135,503</u>

6. Interfund Transactions:

On November 10, 1987, the City Council approved a loan from the Electric System Revenue Fund to the Municipal Golf Course Fund for the cost of the Pine Oaks Clubhouse in excess of \$800,000. In September, 1988, the actual interfund loan was made for \$555,000. This interfund loan bears interest at a fluctuating rate using the same rate the City receives on its investments with the State Board of Administration of Florida. The loan is to be repaid over a ten-year period. At September 30, 1995, \$166,500 of the balance is outstanding, with \$111,000 classified as long-term. Interfund interest recognized on this loan in fiscal year 1995 was \$12,236.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

6. Interfund Transactions - Continued:

On February 14, 1989, the City Council authorized a loan from the Electric System Revenue Fund to the Airport Fund of \$345,000 for the City's portion of the costs of the airport operations center. On March 14, 1989, the amount of this loan, which bears interest at a fluctuating rate based on the State Board of Administration interest rate, was reduced to \$292,000. The loan, which was made in September, 1989, is to be repaid over a fifteen-year period. At September 30, 1995, \$250,463 of the loan balance is outstanding, with \$241,098 classified as long-term. Interfund interest recognized on this loan in fiscal year 1995 was \$14,777.

On July 18, 1989, the City Council approved a loan of \$60,000 from the General Fund to the Fort King Tennis Court Fund for the construction of a new clubhouse facility. In April, 1990, the actual interfund loan was made. This interfund loan bears interest at a fluctuating rate using the same rate the City receives on its investments with the State Board of Administration of Florida and is to be repaid over a fifteen-year period. At September 30, 1995, \$46,523 of the loan balance is outstanding, with \$43,276 classified as long-term. Interfund interest recognized on this loan in fiscal year 1995 was \$2,651.

On April 20, 1993, the City Council approved a loan of \$79,775 from the Fleet Management Fund to the Municipal Golf Course Fund for the purchase of new gas golf carts. This interfund loan, which was actually made in September, 1993, bears interest at a variable interest rate set by the City's Finance Director and is to be repaid over a three-year period beginning in fiscal year 1994. At September 30, 1995, \$28,198 of the loan is outstanding and is classified as current. Interfund interest recognized on this loan in fiscal year 1995 was \$2,324.

On June 29, 1993, the City Council approved a loan from the Electric System Revenue Fund to the Airport Fund to cover the Airport's portion of the debt service payments through 1998 for various improvements. The first portion of the loan was made in fiscal year 1994 in the amount of \$15,000. This interfund loan bears interest at a fluctuating rate using the same rate the City receives on its investments with the State Board of Administration and is to be repaid during fiscal years 1999 through 2007. At September 30, 1995, \$52,036 of the loan is outstanding and is classified as long-term. Interfund interest recognized on this loan in fiscal year 1995 was \$827.

On September 27, 1994, the City Council approved a loan of \$82,838 from the Electric System Revenue Fund to the Parking/Parks Enforcement Fund for the purchase of an additional parking lot. This loan, which bears interest at 6%, is to be repaid over a ten-year period. At September 30, 1995, \$76,603 of the loan balance is outstanding, with \$69,983 classified as long-term. Interfund interest recognized on this loan in fiscal year 1995 was \$4,801.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

6. Interfund Transactions - Continued:

On October 18, 1994, the City Council approved a loan of \$9,000 from the Electric System Revenue Fund to the Parking/Parks Enforcement Fund for improvements to the leased First Presbyterian Church parking lot. This loan, which bears interest at 6%, is to be repaid in a minimum of 3 years, depending on the sufficiency of the revenues from the parking lot. At September 30, 1995, \$8,369 of the loan is outstanding, with \$5,369 classified as long-term. Interfund interest recognized on this loan in fiscal year 1995 was \$540.

On February 28, 1995, the City Council approved a loan of \$75,000 from the Electric System Revenue Fund to the Airport Fund for the City's match for the upgrading and reconstruction of an existing hangar at the Airport. This loan, which bears interest at 7%, will be payable over ten years commencing after the project is completed. The first portion of the loan, \$12,605, was made in September, 1995 and is classified as long-term. There was no interfund interest recognized on this loan in fiscal year 1995.

On June 20, 1995, the City Council approved a loan of \$250,000 from the Electric System Revenue Fund to the Airport Fund for the City's portion of the construction of 28 T-hangars. This loan, which bears interest at 8%, will be payable over 15 years commencing after the project is completed. The first portion of this loan, \$14,866, was made in September, 1995 and is classified as long-term. There was no interfund interest recognized on this loan in fiscal year 1995.

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

On June 27, 1995, the City Council approved a loan from the Electric System Revenue Fund to the Airport Fund to cover the Airport's portion of the debt service payments through 1998 related to the land acquisition in 1993. The first portion of the loan was made in September, 1995 in the amount of \$81,210. This interfund loan bears interest at a fluctuating rate using the same rate the City receives on its investments with the State Board of Administration and is to be repaid during fiscal years 1999 through 2007. At September 30, 1995, \$81,210 of the loan is outstanding and is classified as long-term. There was no interfund interest recognized on this loan in fiscal year 1995.

On July 27, 1995, the City Council approved a loan of \$10,000 from the Electric System Revenue Fund to the General Fund for the replacement of lights at the Brick City Park football field. This loan, which bears interest at 8%, is to be repaid over a five-year period beginning in fiscal year 1996. At September 30, 1995, \$10,000 of the loan is outstanding, with \$8,000 classified as long-term. Since the loan was made during September, 1995, no interfund interest was recognized on this loan in fiscal year 1995.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

6. Interfund Transactions - Continued:

The following summarizes the interfund loans receivable and payable of the various funds of the City at September 30, 1995:

<u>Fund</u>	<u>Loans Receivable</u>	<u>Loans Payable</u>
Current Unrestricted Interfund Loans Receivable/Payable:		
General Fund	\$ 3,247	\$ 2,000
Special Revenue Funds:		
Parking/Parks Enforcement	-	9,620
Enterprise Funds:		
Electric System Revenue	76,485	-
Municipal Golf Course	-	83,698
Fort King Tennis Court	-	3,247
Ocala Municipal Airport	-	9,365
	<u>76,485</u>	<u>96,310</u>
Internal Service Funds:		
Fleet Management	28,198	-
Total current unrestricted interfund loans receivable/payable	<u>107,930</u>	<u>107,930</u>
Interfund Loans Receivable/Payable After One Year:		
General Fund	43,276	8,000
Special Revenue Funds:		
Parking/Parks Enforcement	-	75,352
Enterprise Funds:		
Electric System Revenue	596,167	-
Municipal Golf Course	-	111,000
Fort King Tennis Court	-	43,276
Ocala Municipal Airport	-	401,815
	<u>596,167</u>	<u>556,091</u>
Total interfund loans receivable/payable after one year	<u>639,443</u>	<u>639,443</u>
Total Interfund Loans Receivable/Payable	<u>\$ 747,373</u>	<u>\$ 747,373</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

7. Property, Plant and Equipment:

Property, plant and equipment of the proprietary fund types at September 30, 1995 is summarized as follows:

	Enterprise Funds	Internal Service Funds
Buildings	\$ 5,452,422	\$ 7,263,759
Extensions and improvements other than buildings	173,748,476	1,340,831
Crystal River Unit No. 3	13,620,781	-
Fixtures, vehicles and equipment	8,907,352	5,826,046
	<u>201,729,031</u>	<u>14,430,636</u>
Less accumulated depreciation	(64,912,377)	(4,707,103)
	<u>136,816,654</u>	<u>9,723,533</u>
Land	14,483,650	630,710
Construction in progress	24,517,634	1,576,952
	<u>\$175,817,938</u>	<u>\$ 11,931,195</u>

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

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

During the fiscal year ended September 30, 1995, the following changes in general fixed assets occurred:

	Balance September 30, 1994	Additions	Retirements & Other Deletions	Balance September 30, 1995
Land	\$ 3,528,822	\$ -	\$ -	\$ 3,528,822
Buildings	5,796,608	29,603	-	5,826,211
Equipment	8,670,678	1,028,468	805,897	8,893,249
Construction in Progress	17,583	1,647,563	15,783	1,649,363
Total	<u>\$ 18,013,691</u>	<u>\$ 2,705,634</u>	<u>\$ 821,680</u>	<u>\$ 19,897,645</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

8. Pension Plans:

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

A. Plan Descriptions and Provisions

General Plan - The General Plan is a noncontributory defined benefit pension plan covering substantially all full-time employees of the City. The amount of the covered payroll for the year ended September 30, 1995 was \$25,905,581. The City's entire payroll was \$26,941,967.

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

Supplemental Police Officers' Plan - The Supplemental Police Officers' Plan is a contributory defined benefit pension plan covering any person employed full-time in the Ocala Police Department who is certified as a law enforcement officer in compliance with the provisions of Chapter 943.14 of the Florida Statutes. The Plan supplements the General Plan which covers all qualified employees of the City. Florida Statutes Chapter 185 allows contributions to the Plan by the State of Florida. The amount of the covered payroll for the year ended September 30, 1995 was \$4,646,100.

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

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

8. Pension Plans - Continued:

A. Plan Descriptions and Provisions - Continued

Supplemental Firefighters' Plan - The Supplemental Firefighters' Plan is a contributory defined benefit pension plan covering any person employed full-time in the Ocala Fire Department who is certified as a firefighter as a condition of employment in accordance with the provisions of Section 633.35 of the Florida Statutes. The Plan supplements the General Plan which covers all qualified employees of the City. Florida Statutes Chapter 175 allows contributions to the Plan by the State of Florida. The amount of the covered payroll for the year ended September 30, 1995 was \$3,239,394.

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

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

Participation - At September 30, 1995, participation in the plans consisted of the following:

	<u>General</u>	<u>Police</u>	<u>Fire</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits not yet receiving them	<u>267</u>	<u>23</u>	<u>22</u>
Current employees:			
Vested	357	65	43
Nonvested	<u>606</u>	<u>59</u>	<u>63</u>
Total	<u>963</u>	<u>124</u>	<u>106</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

8. Pension Plans - Continued:

B. Investments

The three aforementioned plans pooled their investments through March, 1994. Interest and dividend income, gains and losses on sale of investments and appreciation or depreciation in fair market value of investments were allocated among the three plans monthly based upon the fund balances of the respective funds at the beginning of each month. In April, 1994, the investments of the General Plan were separated from those of the other two plans. The investments of the two Supplemental Plans are pooled. Interest and dividend income, gains and losses on sale of investments and appreciation or depreciation in fair market value of investments are allocated to the two Supplemental Plans monthly based upon the investment balances of the respective funds at the beginning of each month.

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

C. Funding Status and Progress

The amounts shown below as "pension benefit obligation" are a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the Plans' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among defined benefit pension plans. The measure is independent of the actuarial funding method used to determine contributions to each Plan.

The pension benefit obligation was determined as part of an actuarial valuation at October 1, 1995 for the General, Police Officers' and Firefighters' Plans. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 8% per year compounded annually, (b) projected salary increases of 6% per year compounded annually, attributable to seniority increases and inflation, (c) no postretirement benefit increases and (d) no merit rate increases.

There were no current year changes in actuarial assumptions for the General, Police Officers' and Firefighters' Plans that would affect the pension benefit obligation.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

8. Pension Plans - Continued:

C. Funding Status and Progress - Continued

Total assets in excess (unfunded) of the pension benefit obligation of each of the three Plans at October 1, 1995 are summarized as follows:

	October 1, 1995			
	General Plan	Police Officers' Plan	Firefighters' Plan	Total
Pension Benefit Obligation:				
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$13,708,784	\$ 1,169,126	\$ 2,476,976	\$17,354,886
Current employees:				
Accumulated employee contributions including allocated investment earnings and state financed - vested	455,485	404,533	1,515,492	2,375,510
Employer-financed vested	19,564,042	-	-	19,564,042
Employer-financed nonvested	3,515,114	-	-	3,515,114
Employee-financed vested	-	5,362,042	2,290,992	7,653,034
Employee-financed nonvested	-	676,230	642,409	1,318,639
Total pension benefit obligation	37,243,425	7,611,931	6,925,869	51,781,225
Net Assets Available for Benefits, at market	46,466,093	8,986,392	6,024,398	61,476,883
Assets in Excess of (Unfunded) Pension Benefit Obligation	<u>\$ 9,222,668</u>	<u>\$ 1,374,461</u>	<u>\$ (901,471)</u>	<u>\$ 9,695,658</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

8. Pension Plans - Continued:

D. Contributions Required and Contribution Made

The plans' funding policies provide that annual contributions at actuarially determined rates, expressed as percentages of annual covered payroll, be sufficient to accumulate sufficient assets to pay benefits when due. The contribution rate for the General Plan is determined using the frozen entry age actuarial funding method. Based upon the October 1, 1995 actuarial valuation, the unfunded frozen actuarial accrued liability for the General Plan is \$3,210,342. The funding period for the unfunded actuarial accrued liability is 30 to 40 years. For the Police Officers' Plan and Firefighters' Plan, the contribution rate for normal cost is determined using the aggregate actuarial funding method which does not produce a past service liability that is amortized over a fixed number of years. Instead, the value of all projected benefits in excess of current assets is paid off over the future working years of the covered employees. Therefore, this method automatically funds the remaining value of benefits while there are still active members.

The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute pension benefit obligation as described above.

The contribution requirement for the General Plan for the 1995 fiscal year, determined through an actuarial valuation performed as of October 1, 1994, was \$1,692,393 (6.31% of current covered payroll). The pension contribution requirement represents funding for normal cost \$1,201,284 (4.5% of covered payroll), amortization of the unfunded actuarial accrued liability \$335,903 (1.3% of covered payroll), and administrative expenses \$32,422. Actual employer contributions amounted to \$1,606,146 (6.2% of current covered payroll). Because of timing, there is a one-year lapse in the funding of the contribution requirements for the General Plan.

The contribution requirement for the Supplemental Police Officers' Plan for the 1995 fiscal year, determined through an actuarial valuation performed as of October 1, 1993, was \$351,994 (9.2% of current covered payroll). The pension contribution requirement represents funding for normal cost \$340,894 (8.9% of covered payroll), and administrative expenses \$11,100. Actual employee contributions totalled \$92,922 (2.0% of current covered payroll) and actual state contributions amounted to \$314,904 (6.8% of current covered payroll).

The contribution requirement for the Supplemental Firefighters' Plan for the 1995 fiscal year, determined through an actuarial valuation performed as of October 1, 1993, was \$414,365 (13.6% of current covered payroll). The pension contribution requirement represents funding for normal cost \$404,723 (13.3% of covered payroll), and administrative expenses \$9,642. Actual employee contributions totalled \$272,757 (8.42% of current covered payroll) and actual state contributions amounted to \$201,562 (6.2% of current covered payroll).

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

8. Pension Plans - Continued:

E. Trend Information

The required three-year trend disclosure is as follows:

	1995	1994	1993
Net assets available for benefits as a percentage of the pension benefit obligation:			
General Plan	124.76 %	118.17 %	126.95 %
Supplemental Police Officers' Plan	118.06 %	108.73 %	117.13 %
Supplemental Firefighters' Plan	86.98 %	79.52 %	87.34 %
Employer contributions as a percentage of annual covered payroll:			
General Plan	6.2 %	6.2 %	6.2 %
Assets in excess of (unfunded) pension obligation as a percentage of the employer's annual covered payroll:			
General Plan	35.60 %	23.63 %	32.72 %
Supplemental Police Officers' Plan	29.58 %	14.53 %	26.03 %
Supplemental Firefighters' Plan	(27.83) %	(40.59) %	(22.79) %

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

9. Proprietary Funds - Long-Term Debt:

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

Fiscal Year Ended September 30,	Series 1988 Water and Sewer Refunding Revenue Bonds	Series 1989B Electric System Revenue Refunding Bonds	Series 1992A Utility Systems Subordinate Refunding Revenue Bonds	Series 1992B Utility Systems Subordinate Refunding Revenue Bonds	Total Principal Due
1996	\$ 260,000	\$ 1,530,000	\$ 1,255,000	\$ 2,160,000	\$ 5,205,000
1997	280,000	1,630,000	1,305,000	2,270,000	5,485,000
1998	295,000	1,745,000	1,375,000	2,385,000	5,800,000
1999	320,000	1,740,000	1,440,000	1,365,000	4,865,000
2000	335,000	-	1,525,000	-	1,860,000
2001-2016	10,670,000	-	41,960,000	10,235,000	62,865,000
Total long-term debt	12,160,000	6,645,000	48,860,000	18,415,000	86,080,000
Less:					
Current portion	260,000	1,530,000	1,255,000	2,160,000	5,205,000
Unamortized discount	88,077	13,353	1,353,627	490,012	1,945,069
Total long-term portion	<u>\$ 11,811,923</u>	<u>\$ 5,101,647</u>	<u>\$ 46,251,373</u>	<u>\$ 15,764,988</u>	<u>\$ 78,929,931</u>
Interest rate	<u>6.50-7.875%</u>	<u>6.55-6.90%</u>	<u>4.75-6.50%</u>	<u>4.75-6.25%</u>	

Water and Sewer Refunding Revenue Bonds, Series 1988 - The Water and Sewer Refunding Revenue Bonds, Series 1988, were issued in July, 1988, and consisted of \$2,145,000 serial bonds maturing from October 1, 1993 through 2000 and \$10,305,000 term bonds of which \$3,430,000 mature on October 1, 2007 and \$6,875,000 mature on October 1, 2015. The proceeds of this issue were used to advance refund the Water and Sewer Refunding Revenue Bonds, Series 1985B.

Major Debt Provisions - The major provisions of the resolution authorizing the issuance of the Water and Sewer Refunding Revenue Bonds, Series 1988, are as follows:

- 1) The debt obligation and related interest are collateralized by a pledge of the net revenues of the Water and Sewer system.
- 2) The City will establish and maintain rates which will provide net revenues in each bond year sufficient to pay 100% of the debt service requirement and 100% of all reserve or other payments, including the cost of operation and maintenance of the system.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

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

Enterprise Funds - Continued

- 3) The City will deposit into the Operation and Maintenance Fund, on or before the 25th day of each month, an amount necessary to make the balance equal to one-fourth of the budgeted cost of operation and maintenance expenses for the current fiscal year.
- 4) The City shall deposit into the Sinking Fund, on or before the 25th day of each month, an amount equal to one-sixth of the next semi-annual interest payment and one-twelfth of the next annual principal amount.
- 5) The City will deposit into the Water renewal and replacement fund, on or before the 25th day of each month, one-twelfth of an amount not less than five percent of the gross revenues of the system for the preceding fiscal year.
- 6) The City will allocate to the Sewer renewal and replacement fund on a monthly basis, an amount sufficient to pay at least one-twelfth of the annual amount required by the Florida Administrative Code Section 17.50-17(2) to be on deposit.

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

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

- 1) The debt obligation and related interest are collateralized by a pledge of the net revenues of the Electric system.
- 2) The City will establish and maintain rates which will provide pledged revenues in each fiscal year equal to 100% of the costs of operation and maintenance of the Electric System, the required reserve amounts, debt service on all outstanding obligations which are junior and subordinate to the bonds, and 125% of the debt service requirement on the bonds and parity debt service components.
- 3) The City will deposit into the Operation and Maintenance Fund, on or before the 25th day of each month, amounts necessary for the cost of operation and maintenance for the next ensuing month.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

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

Enterprise Funds - Continued

- 4) The City shall deposit into the Sinking Fund, on or before the 25th day of each month, an amount equal to one-sixth of the next semi-annual interest payment and one-twelfth of the next annual principal amount.
- 5) The City will deposit into the Electric Renewal and Replacement Fund, on or before the 25th day of each month, one-twelfth of an amount not less than five percent of the gross revenues of the system for the preceding fiscal year.

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

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

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

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

Enterprise Funds - Continued - Following is a schedule of debt service requirements to maturity for all outstanding bonded debt of the City's enterprise funds as of September 30, 1995:

Fiscal Year Ended September 30,	Series 1988	Series 1989B	Series 1992A	Series 1992B	Total Principal and Interest Due
	Water and Sewer Refunding Revenue Bonds	Electric System Revenue Refunding Bonds	Utility Systems Subordinate Refunding Revenue Bonds	Utility Systems Subordinate Refunding Revenue Bonds	
1996	\$ 1,181,658	\$ 1,928,038	\$ 4,216,296	\$ 3,152,250	\$ 10,478,242
1997	1,183,828	1,923,325	4,203,865	3,154,200	10,465,218
1998	1,179,418	1,924,390	4,205,490	3,150,440	10,459,738
1999	1,183,348	1,800,030	4,195,860	2,031,576	9,210,814
2000	1,175,583	-	4,199,280	629,720	6,004,583
2001	1,180,901	-	4,194,890	629,720	6,005,511
2002	1,173,265	-	4,192,903	629,720	5,995,888
2003	1,177,574	-	4,188,455	2,390,270	7,756,299
2004	1,174,406	-	4,176,202	2,382,260	7,732,868
2005	1,173,759	-	4,180,931	2,381,225	7,735,915
2006	1,175,253	-	4,168,888	2,376,094	7,720,235
2007	1,168,887	-	4,167,450	2,366,719	7,703,056
2008	1,169,471	-	4,161,750	-	5,331,221
2009	1,165,812	-	4,153,437	-	5,319,249
2010	1,162,656	-	4,154,400	-	5,317,056
2011	1,160,365	-	4,143,988	-	5,304,353
2012	1,158,546	-	4,140,625	-	5,299,171
2013	1,156,806	-	4,138,750	-	5,295,556
2014	1,154,750	-	4,124,375	-	5,279,125
2015	1,147,180	-	4,121,719	-	5,268,899
2016	1,148,509	-	4,114,687	-	5,263,196
Total	<u>\$ 24,551,975</u>	<u>\$ 7,575,783</u>	<u>\$ 87,544,241</u>	<u>\$ 25,274,194</u>	<u>\$ 144,946,193</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

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

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

Asset capitalized	\$ 89,053
Less accumulated amortization	<u>(10,389)</u>
Net book value of asset	<u>\$ 78,664</u>

Amortization of assets under capital leases for the year amounted to \$13,119 and is included in depreciation expense.

The following is a schedule by years of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of September 30, 1995:

<u>Year Ending</u> <u>September 30,</u>	
1996	\$ 15,137
1997	15,136
1998	15,137
1999	15,136
2000	<u>7,568</u>
Total minimum lease payments	68,114
Less amount representing interest	<u>(10,591)</u>
Present value of net minimum lease payments	57,523
Less: Current portion	<u>(11,142)</u>
Total long-term portion	<u>\$ 46,381</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

10. General Long-Term Debt:

The following is a summary of changes in the City's general long-term debt for the year ended September 30, 1995:

	Balance at October 1, 1994	General Long-Term Debt Additions	General Long-Term Debt Retired	Debt Service Funds Operations	Balance at September 30, 1995
Amounts Available in Debt Service Funds	\$ 5,301,956	\$ -	\$ -	\$ 11,604	\$ 5,313,560
Amount to be Provided:					
Term bonds	2,425,000	-	-	-	2,425,000
Serial bonds	9,232,208	-	(595,000)	(9,924)	8,627,284
Term certificates	12,320,000	-	-	-	12,320,000
Serial certificates	7,155,836	-	(980,000)	(1,680)	6,174,156
Compensated absences payable	402,788	-	(4,983)	-	397,805
	<u>31,535,832</u>	<u>-</u>	<u>(1,579,983)</u>	<u>(11,604)</u>	<u>29,944,245</u>
Total Amount Available and to be Provided	<u>\$ 36,837,788</u>	<u>\$ -</u>	<u>\$ (1,579,983)</u>	<u>\$ -</u>	<u>\$ 35,257,805</u>
General Long-Term Debt Payable:					
Term bonds	\$ 2,425,000	\$ -	\$ -	\$ -	\$ 2,425,000
Serial bonds	11,295,000	-	(595,000)	-	10,700,000
Term certificates	12,320,000	-	-	-	12,320,000
Serial certificates	10,395,000	-	(980,000)	-	9,415,000
Compensated absences payable	402,788	-	(4,983)	-	397,805
Total General Long-Term Debt Payable	<u>\$ 36,837,788</u>	<u>\$ -</u>	<u>\$ (1,579,983)</u>	<u>\$ -</u>	<u>\$ 35,257,805</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

10. General Long Term Debt - Continued:

General long-term debt matures as follows:

Fiscal Year Ended September 30,	Capital Improvement Revenue Refunding Certificates Series 1988	Optional Gas Tax Refunding Revenue Bonds Series 1992	Capital Improvement Refunding Revenue Certificates Series 1993	Total Principal Due
1996	\$ 1,050,000	\$ 615,000	\$ -	\$ 1,665,000
1997	1,120,000	635,000	-	1,755,000
1998	1,200,000	660,000	-	1,860,000
1999	-	690,000	-	690,000
2000	-	725,000	440,000	1,165,000
2001-2019	-	9,800,000	17,925,000	27,725,000
	<u>\$ 3,370,000</u>	<u>\$ 13,125,000</u>	<u>\$ 18,365,000</u>	<u>\$ 34,860,000</u>
Interest rate	<u>6.90-7.15%</u>	<u>3.60-6.00%</u>	<u>3.90-5.25%</u>	

The City's charter limits the aggregate amount of general obligation bonds outstanding to twenty percent (20%) of the assessed valuation of the taxable real and personal property in the City. At September 30, 1995, there was no general obligation debt outstanding.

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

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

10. General Long-Term Debt - Continued:

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

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

Fiscal Year Ended September 30,	Capital Improvement Revenue Refunding Certificates Series 1988	Optional Gas Tax Refunding Revenue Bonds Series 1992	Capital Improvement Refunding Revenue Certificates Series 1993	Total Principal Due
1996	\$ 1,286,650	\$ 1,309,578	\$ 898,062	\$ 3,494,290
1997	1,284,200	1,305,489	898,062	3,487,751
1998	1,285,800	1,302,953	898,062	3,486,815
1999	-	1,302,476	898,062	2,200,538
2000	-	1,303,395	1,329,482	2,632,877
2001	-	1,296,018	1,331,702	2,627,720
2002	-	1,300,565	1,327,765	2,628,330
2003	-	1,296,265	1,332,528	2,628,793
2004	-	1,298,245	1,330,848	2,629,093
2005	-	1,296,887	1,327,518	2,624,405
2006	-	1,291,988	1,332,258	2,624,246
2007	-	1,292,812	1,325,283	2,618,095
2008	-	1,288,800	1,326,538	2,615,338
2009	-	1,285,250	1,325,733	2,610,983
2010	-	1,287,500	1,323,148	2,610,648
2011	-	-	1,322,719	1,322,719
2012	-	-	1,324,131	1,324,131
2013	-	-	1,844,400	1,844,400
2014	-	-	1,837,869	1,837,869
2015	-	-	1,839,500	1,839,500
2016	-	-	1,839,125	1,839,125
2017	-	-	1,835,000	1,835,000
2018	-	-	1,832,000	1,832,000
2019	-	-	1,834,750	1,834,750
	<u>\$ 3,856,650</u>	<u>\$ 19,458,221</u>	<u>\$ 33,714,545</u>	<u>\$ 57,029,416</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

10. General Long-Term Debt - Continued:

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

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

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

11. Prior Year Defeasance of Debt:

The City has defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 1995, \$151,070,000 of bonds outstanding are considered defeased, as follows:

Governmental Funds:

Capital Improvement Refunding Revenue	
Bonds, Series 1986	\$ 10,305,000
Optional Gas Tax Revenue Bonds, Series 1989	12,100,000
	<u>22,405,000</u>

Enterprise Funds:

Electric System Revenue:	
Power Supply Revenue Bonds, Series 1977	7,535,000
Power Supply Refunding Revenue Bonds, Series 1988	6,270,000
Electric System Revenue Bonds, Series 1989A	24,320,000
Water and Sewer:	
Water and Sewer Refunding Revenue Bonds, Series 1983	7,120,000
Water and Sewer Refunding Revenue Bonds, Series 1985A	34,395,000
Water and Sewer Refunding Revenue Bonds, Series 1985B	10,610,000
Water and Sewer Refunding Revenue Bonds, Series 1986	38,415,000
	<u>128,665,000</u>
	<u>\$ 151,070,000</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

12. Financial Segment Information of Enterprise Funds:

Each of the City's enterprise operations is accounted for within a separate fund. Over 93% of the combined assets, revenues, and expenses of the enterprise funds are attributable to utility funds used to account for the transactions of the City's electric and bulk power, water and sewer, and sanitation systems. Other enterprise funds are used to account for the operations of golf, tennis, trailer park and airport facilities provided for the benefit of the general public. Following is a summary of significant financial information of the enterprise funds:

	Electric System Revenue	Water and Sewer	Sanitation	Other	Total
Current Assets	\$ 18,259,231	\$ 5,426,797	\$ 523,633	\$ 669,697	\$ 24,879,358
Current Liabilities	9,689,129	289,043	365,916	504,720	10,848,808
Working Capital	<u>\$ 8,570,102</u>	<u>\$ 5,137,754</u>	<u>\$ 157,717</u>	<u>\$ 164,977</u>	<u>\$ 14,030,550</u>
Property, Plant and Equipment:					
Additions	<u>\$ 8,656,695</u>	<u>\$ 6,226,612</u>	<u>\$ 106,227</u>	<u>\$ 2,759,426</u>	<u>\$ 17,748,960</u>
Deletions	<u>\$ 1,125,325</u>	<u>\$ 30,630</u>	<u>\$ 398,506</u>	<u>\$ 29,857</u>	<u>\$ 1,584,318</u>
Total Property, Plant and Equipment, net	<u>\$ 72,814,906</u>	<u>\$ 84,503,838</u>	<u>\$ 1,048,246</u>	<u>\$ 17,450,948</u>	<u>\$ 175,817,938</u>
Restricted Assets	<u>\$ 26,511,949</u>	<u>\$ 29,412,877</u>	<u>\$ -</u>	<u>\$ 276,758</u>	<u>\$ 56,201,584</u>
Total Assets	<u>\$ 118,393,694</u>	<u>\$ 119,828,146</u>	<u>\$ 1,571,879</u>	<u>\$ 18,397,403</u>	<u>\$ 258,191,122</u>
Liabilities Payable from Restricted Assets	<u>\$ 5,016,329</u>	<u>\$ 4,055,658</u>	<u>\$ -</u>	<u>\$ 62,108</u>	<u>\$ 10,034,095</u>
Bonds and Other Long-Term Liabilities	<u>\$ 20,866,635</u>	<u>\$ 58,063,296</u>	<u>\$ -</u>	<u>\$ 556,091</u>	<u>\$ 79,486,022</u>
Total Fund Equity	<u>\$ 81,921,601</u>	<u>\$ 57,420,149</u>	<u>\$ 1,205,963</u>	<u>\$ 17,274,484</u>	<u>\$ 157,822,197</u>
Total Operating Revenues	\$ 79,322,684	\$ 12,421,371	\$ 6,109,722	\$ 2,397,043	\$ 100,250,820
Operating Expenses (less depreciation and amortization)	58,087,774	5,322,954	5,769,618	2,204,235	71,384,581
Depreciation and amortization	<u>3,625,232</u>	<u>2,632,092</u>	<u>246,935</u>	<u>582,247</u>	<u>7,086,506</u>
Operating Income (Loss)	17,609,678	4,466,325	93,169	(389,433)	21,779,733
Operating Transfers From Other Funds	24,933	12,679	15,553	1,027,516	1,080,681
Operating Transfers To Other Funds	(13,035,880)	(348,569)	(230,201)	(443,443)	(14,058,093)
Interest Income	1,324,506	1,642,308	10,743	36,130	3,013,687
Interest Expense	(952,525)	(3,532,617)	-	(32,815)	(4,517,957)
Other Non-Operating Revenue	<u>92,223</u>	<u>1,387,023</u>	<u>72,073</u>	<u>36,579</u>	<u>1,587,898</u>
Net Income (Loss)	<u>\$ 5,062,935</u>	<u>\$ 3,627,149</u>	<u>\$ (38,663)</u>	<u>\$ 234,528</u>	<u>\$ 8,885,949</u>
Equity Transfers to Other Funds	<u>\$ (802,468)</u>	<u>\$ (166,977)</u>	<u>\$ (19,147)</u>	<u>\$ -</u>	<u>\$ (988,592)</u>
Capital Contributions	<u>\$ 310,464</u>	<u>\$ 1,840,396</u>	<u>\$ -</u>	<u>\$ 1,896,835</u>	<u>\$ 4,047,695</u>

Interfund loans payable and long-term debt of individual enterprise funds are presented in Notes 6 and 9.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

13. Reserved Retained Earnings:

The following is a reconciliation of the reserved retained earnings to the net restricted assets of enterprise funds as of September 30, 1995:

Total Restricted Assets	\$ 56,201,584
Less:	
Restricted assets set aside for construction under bond indentures	(16,098,771)
Liabilities payable from restricted assets	(10,034,095)
Add:	
Liabilities payable from restricted assets set aside for construction under bond indenture	<u>623,386</u>
Total reserved retained earnings	<u>\$ 30,692,104</u>

14. Operating Deficits and Fund Deficits:

A. Following is a summary of net losses of individual proprietary funds and deficiencies of revenues and other sources over expenditures and other uses of individual governmental funds for the year ended September 30, 1995 which are included in the accompanying combined financial statements:

<u>Proprietary Funds</u>	<u>Net Loss</u>
Enterprise Funds:	
Sanitation	\$ 38,663
Municipal Golf Course	34,119
Fort King Tennis Court	2,196
Ocala Municipal Airport	354,921
Internal Service Funds:	
Self-Insurance	406,882
<u>Governmental Funds</u>	<u>Deficiency</u>
Special Revenue Funds:	
Occupational License	\$ 115
Capital Project Funds:	
Capital Improvement Fund	1,472,945
Expendable Trust Funds:	
Community Redevelopment Trust	5,370

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

14. Operating Deficits and Fund Deficits - Continued:

B. The following fund has a deficit fund balance at September 30, 1995:

	<u>Deficiency</u>
Parking/Parks Enforcement	<u>\$ 51,414</u>

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

15. Contributed Capital:

During the year ended September 30, 1995, contributed equity increased as follows:

	Contributed Capital October 1, 1994	Other Governments	Developers	Customers	Other Funds	Contributed Capital September 30, 1995
Enterprise Funds:						
Airport	\$ 8,913,073	\$ 538,441	\$ -	\$ -	\$ -	\$ 9,451,514
Golf	3,853,439	-	-	-	-	3,853,439
Sanitation	8,515	-	-	-	-	8,515
Water and Sewer	14,949,015	252,375	1,588,021	-	-	16,789,411
Electric	5,442,867	-	-	310,464	-	5,753,331
Florida Emergency Training Facility	169,741	1,358,394	-	-	-	1,528,135
Total Enterprise Funds	<u>\$ 33,336,650</u>	<u>\$ 2,149,210</u>	<u>\$ 1,588,021</u>	<u>\$ 310,464</u>	<u>\$ -</u>	<u>\$ 37,384,345</u>
Internal Service Funds:						
Internal Service	\$ 1,293,863	\$ -	\$ -	\$ -	\$ 2,345,780	\$ 3,639,643
Self Insurance	20,401	-	-	-	-	20,401
Total Internal Service Funds	<u>\$ 1,314,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,345,780</u>	<u>\$ 3,660,044</u>

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

16. Equity Transfers:

The following is a summary of equity transfers made during the fiscal year ended September 30, 1995:

	Equity Transfers	
	To Other Funds	Increase in Contributions
Capital Projects Funds:		
Capital Improvement	\$ (1,342,568)	\$ -
Enterprise Funds:		
Electric System Revenue	(802,468)	-
Water and Sewer	(166,977)	-
Sanitation	(19,147)	-
Internal Service Funds:		
Internal Service	-	2,345,780
Fleet Management	(14,620)	-
	<u>\$ (2,345,780)</u>	<u>\$ 2,345,780</u>

These equity transfers resulted from additions made to the Municipal Services Complex being paid for by other funds, as authorized by City Council.

17. Deferred Compensation Plan:

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

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

At September 30, 1995, the market and carrying value of the deferred compensation investments in the City's Agency Fund was \$4,798,661.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

18. Risk Management:

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

The City has general liability insurance with a \$100,000 retention per claimant and \$200,000 retention per occurrence with limits of \$1,000,000. The City has workers' compensation insurance with a \$250,000 deductible per occurrence with limits of \$5,000,000. The disability income replacement, dental programs and auto liability programs are fully self-insured. The City's employee health insurance program was fully self-insured through February, 1994, after which it is fully insured except for the prescription program which is fully self-insured.

All departments of the City participate in the program. Payments are made by various funds to the Self Insurance Fund based on past experience of the amounts needed to pay current year claims. For the year ended September 30, 1995, the City obtained actuarially determined estimates of the total claims loss reserves for all self-insurance risks. The claims liability of \$3,241,038 reported in the Fund at September 30, 1995 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued when insured events occur. Changes in the Fund's claim liability amount during the past five fiscal years is as follows:

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

19. Commitments and Contingent Liabilities:

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

During the year ended September 30, 1995, the City entered into an agreement with a large manufacturer which provides for certain payments to be made on their behalf as a result of creation of new jobs. Payments under this agreement, as well as other economic incentive payments, amounted to \$592,216 for the year ended September 30, 1995. Furthermore, the City has agreed to pay \$500,000 per year for the next four succeeding years on behalf of this large manufacturer provided that these new jobs are maintained in accordance with the agreement.

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

19. **Commitments and Contingent Liabilities - Continued:**

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

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

Litigation Settlement - In 1982, the City hired a consulting engineer to design an upgrade to an existing sewage treatment plant which included an irrigation system for effluent disposal. The project, as designed and constructed, failed to operate properly. In 1990, the City sued the consulting engineer for faulty design. During fiscal year 1995, this lawsuit was settled for \$1,863,004. This amount, net of related costs of \$486,160, is treated as a nonoperating revenue in the Water and Sewer Enterprise Fund.

Other Commitments - Outstanding commitments of governmental funds are presented in the accompanying combined financial statements as reserves of fund balance. The outstanding commitments of the Internal Service and Enterprise Funds as of September 30, 1995 were \$759,738 and \$1,619,961, respectively. These commitments, which are not recorded in the financial statements, are evidenced by signed purchase orders and contracts which were entered into prior to September 30, 1995.

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

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

CITY OF OCALA, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1995

20. Subsequent Events:

In October, 1995, the City issued \$5,000,000 Capital Improvement Revenue Certificates, Series 1995. The certificates were issued for the purchase of and renovations to an existing building to be utilized by the City's Police Department.

In October, 1995, the City issued \$5,000,000 Water and Sewer Revenue Bonds, Series 1995. The bonds were issued to finance the acquisition and construction of additions, improvements and extensions to the City's water and sewer system.

In October, 1995, the City entered into a commitment to issue \$12,170,000 Water and Sewer Refunding Revenue Bonds, Series 1996. The bonds, which will be issued in July, 1996, will be used for the forward refunding of the City's Water and Sewer Refunding Revenue Bonds, Series 1988.

INDIVIDUAL FUND AND COMBINING STATEMENTS — BY FUND TYPE

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

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

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



CITY OF OCALA, FLORIDA

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

CITY OF OCALA, FLORIDA
COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS

September 30, 1995

Assets	Occupational License	Central Florida Regional Library
Cash and investments	\$ 102,381	\$ 81,176
Equity in pooled cash and investment fund	-	392,648
Accrued interest receivable	-	2,434
Accounts and notes receivable	-	44
Due from other funds	-	-
Due from other governments	-	16,994
	<hr/>	<hr/>
Total Assets	<u>\$ 102,381</u>	<u>\$ 493,296</u>
 Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ -	\$ 32,830
Compensated absences payable	-	22,271
Deferred revenue	19,653	-
Interfund loans payable within one year	-	-
Interfund loans payable after one year	-	-
Total liabilities	<hr/> 19,653	<hr/> 55,101
Fund Balance:		
Reserved for encumbrances	-	141,356
Reserved for specified projects	82,728	296,839
Total reserved fund balance	<hr/> 82,728	<hr/> 438,195
Unreserved and undesignated	-	-
Total fund balance	<hr/> 82,728	<hr/> 438,195
Total Liabilities and Fund Balances	<u>\$ 102,381</u>	<u>\$ 493,296</u>

<u>Parking/ Parks Enforcement</u>	<u>Downtown Development</u>	<u>Local Gasoline Tax</u>	<u>Stormwater Utility</u>	<u>SHIP Local Housing Assistance</u>	<u>Total</u>
\$ -	\$ 50	\$ -	\$ -	\$ -	\$ 183,607
37,498	54,316	7,033,837	4,411,379	1,848	11,931,526
104	447	63,607	35,207	6	101,805
-	-	25	-	-	69
-	-	-	82,417	-	82,417
-	-	247,847	4,236	4,353	273,430
<u>\$ 37,602</u>	<u>\$ 54,813</u>	<u>\$ 7,345,316</u>	<u>\$ 4,533,239</u>	<u>\$ 6,207</u>	<u>\$ 12,572,854</u>

\$ 1,292	\$ 1,350	\$ 73,018	\$ 20,344	\$ 275	\$ 129,109
2,752	-	-	15,857	-	40,880
-	-	108,046	-	5,932	133,631
9,620	-	-	-	-	9,620
75,352	-	-	-	-	75,352
<u>89,016</u>	<u>1,350</u>	<u>181,064</u>	<u>36,201</u>	<u>6,207</u>	<u>388,592</u>

-	-	229,095	121,810	-	492,261
-	53,463	6,935,157	4,375,228	-	11,743,415
-	53,463	7,164,252	4,497,038	-	12,235,676
(51,414)	-	-	-	-	(51,414)
(51,414)	53,463	7,164,252	4,497,038	-	12,184,262
<u>\$ 37,602</u>	<u>\$ 54,813</u>	<u>\$ 7,345,316</u>	<u>\$ 4,533,239</u>	<u>\$ 6,207</u>	<u>\$ 12,572,854</u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

Year Ended September 30, 1995

	Occupational License	Central Florida Regional Library
Revenues:		
Property taxes	\$ -	\$ -
Other intergovernmental revenues	-	1,366,967
Parking meters and facilities	-	-
Licenses and permits	385,424	-
Fines and forfeitures	-	30,803
Charges for services	-	-
Interest	13,715	11,168
Gifts	-	3,596
Other	746	10,148
Total revenues	<u>399,885</u>	<u>1,422,682</u>
Expenditures:		
Current:		
General government and administration	-	-
Public works	-	-
Culture and recreation	-	1,576,656
Other	-	-
Capital outlay	-	119,624
Intergovernmental	-	21,820
Debt service:		
Principal payments	-	-
Interest	-	-
Total expenditures	<u>-</u>	<u>1,718,100</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>399,885</u>	<u>(295,418)</u>
Other Financing Sources (Uses):		
Transfers from other funds	-	400,000
Transfers to other funds	(400,000)	-
Total other financing sources (uses)	<u>(400,000)</u>	<u>400,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	(115)	104,582
Fund Balance Allocation	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(115)	104,582
Fund Balance (Deficit):		
Beginning of year	<u>82,843</u>	<u>333,613</u>
End of year	<u>\$ 82,728</u>	<u>\$ 438,195</u>

<u>Parking/ Parks Enforcement</u>	<u>Downtown Development</u>	<u>Local Gasoline Tax</u>	<u>Stormwater Utility</u>	<u>SHIP Local Housing Assistance</u>	<u>Total</u>
\$ -	\$ 43,176	\$ -	\$ -	\$ -	\$ 43,176
-	-	2,542,107	78,879	128,947	4,116,900
52,875	-	-	-	-	52,875
-	-	-	-	-	385,424
6,236	-	-	-	-	37,039
-	-	-	1,708,431	-	1,708,431
1,066	2,986	390,795	221,689	1,139	642,558
-	-	-	-	-	3,596
776	388	100	-	-	12,158
<u>60,953</u>	<u>46,550</u>	<u>2,933,002</u>	<u>2,008,999</u>	<u>130,086</u>	<u>7,002,157</u>
-	35,092	-	-	130,086	165,178
-	-	248,552	966,102	-	1,214,654
-	-	-	-	-	1,576,656
66,581	-	-	-	-	66,581
-	-	386,347	351,477	-	857,448
-	-	-	1,057	-	22,877
-	-	-	-	-	-
5,341	-	-	-	-	5,341
<u>71,922</u>	<u>35,092</u>	<u>634,899</u>	<u>1,318,636</u>	<u>130,086</u>	<u>3,908,735</u>
<u>(10,969)</u>	<u>11,458</u>	<u>2,298,103</u>	<u>690,363</u>	<u>-</u>	<u>3,093,422</u>
28,000	-	96,198	-	-	524,198
-	(1,137)	(2,276,453)	-	-	(2,677,590)
<u>28,000</u>	<u>(1,137)</u>	<u>(2,180,255)</u>	<u>-</u>	<u>-</u>	<u>(2,153,392)</u>
17,031	10,321	117,848	690,363	-	940,030
-	-	-	-	-	-
17,031	10,321	117,848	690,363	-	940,030
(68,445)	43,142	7,046,404	3,806,675	-	11,244,232
<u>\$ (51,414)</u>	<u>\$ 53,463</u>	<u>\$ 7,164,252</u>	<u>\$ 4,497,038</u>	<u>\$ -</u>	<u>\$ 12,184,262</u>

CITY OF OCALA, FLORIDA

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

SPECIAL REVENUE FUNDS

Year Ended September 30, 1995

	Occupational License	Central Florida Regional Library	Parking/ Parks Enforcement
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Other intergovernmental revenues	-	1,366,967	-
Parking meters and facilities	-	-	52,875
Licenses and permits	385,424	-	-
Fines and forfeitures	-	30,803	6,236
Charges for services	-	-	-
Interest	13,715	11,168	1,066
Gifts	-	3,596	-
Other	746	10,148	776
Total revenues	<u>399,885</u>	<u>1,422,682</u>	<u>60,953</u>
Expenditures:			
Current:			
General government and administration	-	-	-
Public works	-	-	-
Culture and recreation	-	1,576,656	-
Other	-	-	66,581
Capital outlay	-	119,624	-
Intergovernmental	-	21,820	-
Debt service:			
Principal payments	-	-	-
Interest	-	-	5,341
Total expenditures	<u>-</u>	<u>1,718,100</u>	<u>71,922</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>399,885</u>	<u>(295,418)</u>	<u>(10,969)</u>
Other Financing Sources (Uses):			
Transfers from other funds	-	400,000	28,000
Transfers to other funds	(400,000)	-	-
Total other financing sources (uses)	<u>(400,000)</u>	<u>400,000</u>	<u>28,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	(115)	104,582	17,031
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(115)	104,582	17,031
Fund Balance (Deficit):			
Beginning of year	<u>82,843</u>	<u>333,613</u>	<u>(68,445)</u>
End of year	<u>\$ 82,728</u>	<u>\$ 438,195</u>	<u>\$ (51,414)</u>

Actual					Adjustments to a Budgetary Basis	Total Actual on a Budgetary Basis
Downtown Develop- ment	Local Gasoline Tax	Stormwater Utility	SHIP Local Housing Assistance	Total		
\$ 43,176	\$ -	\$ -	\$ -	\$ 43,176	\$ -	\$ 43,176
-	2,542,107	78,879	128,947	4,116,900	(128,947)	3,987,953
-	-	-	-	52,875	-	52,875
-	-	-	-	385,424	-	385,424
-	-	-	-	37,039	-	37,039
-	-	1,708,431	-	1,708,431	-	1,708,431
2,986	390,795	221,689	1,139	642,558	(1,232)	641,326
-	-	-	-	3,596	-	3,596
388	100	-	-	12,158	-	12,158
<u>46,550</u>	<u>2,933,002</u>	<u>2,008,999</u>	<u>130,086</u>	<u>7,002,157</u>	<u>(130,179)</u>	<u>6,871,978</u>
35,092	-	-	130,086	165,178	(130,086)	35,092
-	248,552	966,102	-	1,214,654	83,644	1,298,298
-	-	-	-	1,576,656	141,356	1,718,012
-	-	-	-	66,581	-	66,581
-	386,347	351,477	-	857,448	267,261	1,124,709
-	-	1,057	-	22,877	-	22,877
-	-	-	-	-	-	-
-	-	-	-	5,341	-	5,341
<u>35,092</u>	<u>634,899</u>	<u>1,318,636</u>	<u>130,086</u>	<u>3,908,735</u>	<u>362,175</u>	<u>4,270,910</u>
<u>11,458</u>	<u>2,298,103</u>	<u>690,363</u>	<u>-</u>	<u>3,093,422</u>	<u>(492,354)</u>	<u>2,601,068</u>
-	96,198	-	-	524,198	-	524,198
(1,137)	(2,276,453)	-	-	(2,677,590)	-	(2,677,590)
<u>(1,137)</u>	<u>(2,180,255)</u>	<u>-</u>	<u>-</u>	<u>(2,153,392)</u>	<u>-</u>	<u>(2,153,392)</u>
10,321	117,848	690,363	-	940,030	(492,354)	447,676
-	-	-	-	-	-	-
10,321	117,848	690,363	-	940,030	<u>\$ (492,354)</u>	<u>\$ 447,676</u>
43,142	7,046,404	3,806,675	-	11,244,232		
<u>\$ 53,463</u>	<u>\$ 7,164,252</u>	<u>\$ 4,497,038</u>	<u>\$ -</u>	<u>\$ 12,184,262</u>		

Continued

CITY OF OCALA, FLORIDA

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

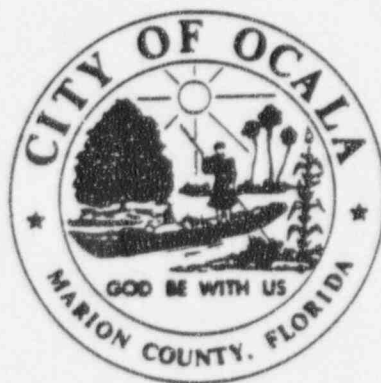
SPECIAL REVENUE FUNDS

Year Ended September 30, 1995

	Total Actual on a Budgetary Basis	Occupational License	Final Central Florida Regional Library
Revenues:			
Property taxes	\$ 43,176	\$ -	\$ -
Other intergovernmental revenues	3,987,953	-	1,367,216
Parking meters and facilities	52,875	-	-
Licenses and permits	385,424	387,500	-
Fines and forfeitures	37,039	-	27,000
Charges for services	1,708,431	-	-
Interest	641,326	18,000	7,300
Gifts	3,596	-	4,000
Other	12,158	675	10,850
Total revenues	<u>6,871,978</u>	<u>406,175</u>	<u>1,416,366</u>
Expenditures:			
Current:			
General government and administration	35,092	-	-
Public works	1,298,298	-	-
Culture and recreation	1,718,012	-	1,787,057
Other	66,581	-	-
Capital outlay	1,124,709	-	120,587
Intergovernmental	22,877	-	21,820
Debt service:			
Principal payments	-	-	-
Interest	5,341	-	-
Total expenditures	<u>4,270,910</u>	<u>-</u>	<u>1,929,464</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,601,068</u>	<u>406,175</u>	<u>(513,098)</u>
Other Financing Sources (Uses):			
Transfers from other funds	524,198	-	400,000
Transfers to other funds	(2,677,590)	(400,000)	-
Total other financing sources (uses)	<u>(2,153,392)</u>	<u>(400,000)</u>	<u>400,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	<u>447,676</u>	<u>6,175</u>	<u>(113,098)</u>
Fund Balance Allocation	<u>-</u>	<u>(6,175)</u>	<u>113,098</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 447,676</u>	<u>\$ -</u>	<u>\$ -</u>

Budget

<u>Parking/ Parks Enforcement</u>	<u>Downtown Development</u>	<u>Local Gasoline Tax</u>	<u>Stormwater Utility</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ 44,970	\$ -	\$ -	\$ 44,970	\$ (1,794)
-	-	3,118,558	20,437	4,506,211	(518,258)
47,500	-	-	-	47,500	5,375
-	-	-	-	387,500	(2,076)
7,700	-	-	-	34,700	2,339
-	-	-	1,701,380	1,701,380	7,051
1,500	3,600	436,000	230,000	696,400	(55,074)
-	-	-	-	4,000	(404)
1,000	450	-	-	12,975	(817)
<u>57,700</u>	<u>49,020</u>	<u>3,554,558</u>	<u>1,951,817</u>	<u>7,435,636</u>	<u>(563,658)</u>
-	67,255	-	-	67,255	32,163
-	-	425,067	1,088,347	1,513,414	215,116
-	-	-	-	1,787,057	69,045
74,232	-	-	-	74,232	7,651
-	-	2,687,178	1,303,407	4,111,172	2,986,463
-	-	-	1,088	22,908	31
6,172	-	-	-	6,172	6,172
4,752	-	-	-	4,752	(589)
<u>85,156</u>	<u>67,255</u>	<u>3,112,245</u>	<u>2,392,842</u>	<u>7,586,962</u>	<u>3,316,052</u>
<u>(27,456)</u>	<u>(18,235)</u>	<u>442,313</u>	<u>(441,025)</u>	<u>(151,326)</u>	<u>2,752,394</u>
28,000	-	89,000	-	517,000	7,198
-	(1,137)	(2,714,342)	-	(3,115,479)	437,889
<u>28,000</u>	<u>(1,137)</u>	<u>(2,625,342)</u>	<u>-</u>	<u>(2,598,479)</u>	<u>445,087</u>
544	(19,372)	(2,183,029)	(441,025)	(2,749,805)	3,197,481
<u>(544)</u>	<u>19,372</u>	<u>2,183,029</u>	<u>441,025</u>	<u>2,749,805</u>	<u>(2,749,805)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 447,676</u>



CITY OF OCALA, FLORIDA

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

SPECIAL REVENUE FUNDS

Year Ended September 30, 1995

OCCUPATIONAL LICENSE FUND			
	Actual	Final Budget	Variance Favorable (Unfavorable)
Revenues:			
Licenses and permits	\$ 385,424	\$ 387,500	\$ (2,076)
Interest	13,715	18,000	(4,285)
Other	746	675	71
Total revenues	399,885	406,175	(6,290)
Other Financing Uses:			
Transfers to other funds	(400,000)	(400,000)	-
Excess (Deficiency) of Revenues Over Other Uses Before Fund Balance Allocation	(115)	6,175	(6,290)
Fund Balance Allocation	-	(6,175)	6,175
Deficiency of Revenues Over Other Uses	(115)	\$ -	\$ (115)
Fund Balance:			
Beginning of year	82,843		
End of year	\$ 82,728		

Continued

CITY OF OCALA, FLORIDA

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

SPECIAL REVENUE FUNDS

Year Ended September 30, 1995

	CENTRAL FLORIDA REGIONAL		
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis
Revenues:			
Intergovernmental revenues	\$ 1,366,967	\$ -	\$ 1,366,967
Fines and forfeitures	30,803	-	30,803
Interest	11,168	(93)	11,075
Gifts	3,596	-	3,596
Other	10,148	-	10,148
Total revenues	<u>1,422,682</u>	<u>(93)</u>	<u>1,422,589</u>
Expenditures:			
Current - Culture and recreation	1,576,656	141,356	1,718,012
Capital outlay	119,624	-	119,624
Intergovernmental	21,820	-	21,820
Total expenditures	<u>1,718,100</u>	<u>141,356</u>	<u>1,859,453</u>
Excess (Deficiency) of Revenues Over Expenditures	(295,418)	(141,449)	(436,867)
Other Financing Sources:			
Transfers from other funds	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures Before Fund Balance Allocation	104,582	(141,449)	(36,867)
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	104,582	<u>\$ (141,449)</u>	<u>\$ (36,867)</u>
Fund Balance:			
Beginning of year	<u>333,613</u>		
End of year	<u><u>\$ 438,195</u></u>		

LIBRARY FUND

<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 1,367,216	\$ (249)
27,000	3,803
7,300	3,775
4,000	(404)
10,850	(702)
<u>1,416,366</u>	<u>6,223</u>
1,787,057	69,045
120,587	963
21,820	-
<u>1,929,464</u>	<u>70,008</u>
(513,098)	76,231
<u>400,000</u>	<u>-</u>
(113,098)	76,231
<u>113,098</u>	<u>(113,098)</u>
<u>\$ -</u>	<u>\$ (36,867)</u>

Continued

CITY OF OCALA, FLORIDA

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

SPECIAL REVENUE FUNDS

Year Ended September 30, 1995

	<u>PARKING/PARKS ENFORCEMENT FUND</u>		
	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Parking meters and facilities	\$ 52,875	\$ 47,500	\$ 5,375
Fines and forfeitures	6,236	7,700	(1,464)
Interest	1,066	1,500	(434)
Other	776	1,000	(224)
Total revenues	<u>60,953</u>	<u>57,700</u>	<u>3,253</u>
Expenditures:			
Current - other	66,581	74,232	7,651
Debt service:			
Principal	-	6,172	6,172
Interest	5,341	4,752	(589)
Total expenditures	<u>71,922</u>	<u>85,156</u>	<u>13,234</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,969)	(27,456)	16,487
Other Financing Sources:			
Transfers from other funds	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Excess of Revenues and Other Sources Over Expenditures Before Fund Balance Allocation	17,031	544	16,487
Fund Balance Allocation	<u>-</u>	<u>(544)</u>	<u>544</u>
Excess of Revenues and Other Sources Over Expenditures	17,031	<u>\$ -</u>	<u>\$ 17,031</u>
Fund Balance (Deficit):			
Beginning of year	<u>(68,445)</u>		
End of year	<u>\$ (51,414)</u>		

Continued

CITY OF OCALA, FLORIDA

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

SPECIAL REVENUE FUNDS

Year Ended September 30, 1995

<u>DOWNTOWN DEVELOPMENT FUND</u>			
	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Property taxes	\$ 43,176	\$ 44,970	\$ (1,794)
Interest	2,986	3,600	(614)
Other	388	450	(62)
Total revenues	<u>46,550</u>	<u>49,020</u>	<u>(2,470)</u>
Expenditures:			
Current - General government and administration	<u>35,092</u>	<u>67,255</u>	<u>32,163</u>
Total expenditures	<u>35,092</u>	<u>67,255</u>	<u>32,163</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>11,458</u>	<u>(18,235)</u>	<u>29,693</u>
Other Financing Uses:			
Transfers to other funds	<u>(1,137)</u>	<u>(1,137)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses Before Fund Balance Allocation	<u>10,321</u>	<u>(19,372)</u>	<u>29,693</u>
Fund Balance Allocation	<u>-</u>	<u>19,372</u>	<u>(19,372)</u>
Excess of Revenues Over Expenditures and Other Uses	<u>10,321</u>	<u>\$ -</u>	<u>\$ 10,321</u>
Fund Balance:			
Beginning of year	<u>43,142</u>		
End of year	<u>\$ 53,463</u>		

CITY OF OCALA, FLORIDA

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

SPECIAL REVENUE FUNDS

Year Ended September 30, 1995

	LOCAL GASOLINE TAX		
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis
Revenues:			
Intergovernmental revenues	\$ 2,542,107	\$ -	\$ 2,542,107
Interest	390,795	-	390,795
Other	100	-	100
Total revenues	<u>2,933,002</u>	<u>-</u>	<u>2,933,002</u>
Expenditures:			
Current - Public works	248,552	21,867	270,419
Capital outlay	<u>386,347</u>	<u>207,228</u>	<u>593,575</u>
Total expenditures	<u>634,899</u>	<u>229,095</u>	<u>863,994</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,298,103</u>	<u>(229,095)</u>	<u>2,069,008</u>
Other Financing Sources (Uses):			
Transfers from other funds	96,198	-	96,198
Transfers to other funds	<u>(2,276,453)</u>	<u>-</u>	<u>(2,276,453)</u>
Total other financing sources (uses)	<u>(2,180,255)</u>	<u>-</u>	<u>(2,180,255)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses Before Fund Balance Allocation	117,848	(229,095)	(111,247)
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	117,848	<u>\$ (229,095)</u>	<u>\$ (111,247)</u>
Fund Balance:			
Beginning of year	<u>7,046,404</u>		
End of year	<u>\$ 7,164,252</u>		

FUND

<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 3,118,558	\$ (576,451)
436,000	(45,205)
-	100
<u>3,554,558</u>	<u>(621,556)</u>
425,067	154,648
<u>2,687,178</u>	<u>2,093,603</u>
<u>3,112,245</u>	<u>2,248,251</u>
<u>442,313</u>	<u>1,626,695</u>
89,000	7,198
<u>(2,714,342)</u>	<u>437,889</u>
<u>(2,625,342)</u>	<u>445,087</u>
(2,183,029)	2,071,782
<u>2,183,029</u>	<u>(2,183,029)</u>
<u>\$ -</u>	<u>\$ (111,247)</u>

Continued

CITY OF OCALA, FLORIDA

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

SPECIAL REVENUE FUNDS

Year Ended September 30, 1995

	STORMWATER UTILITY		
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis
Revenues:			
Intergovernmental revenues	\$ 78,879	\$ -	\$ 78,879
Charges for services	1,708,431	-	1,708,431
Interest	221,689	-	221,689
Total revenues	<u>2,008,999</u>	<u>-</u>	<u>2,008,999</u>
Expenditures:			
Current - Public works	966,102	61,777	1,027,879
Capital outlay	351,477	60,033	411,510
Intergovernmental	1,057	-	1,057
Total expenditures	<u>1,318,636</u>	<u>121,810</u>	<u>1,440,446</u>
Excess (Deficiency) of Revenues Over Expenditures Before Fund Balance Allocation	690,363	(121,810)	568,553
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	690,363	<u>\$ (121,810)</u>	<u>\$ 568,553</u>
Fund Balance:			
Beginning of year	<u>3,806,675</u>		
End of year	<u>\$ 4,497,038</u>		

FUND

<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 20,437	\$ 58,442
1,701,380	7,051
230,000	(8,311)
<u>1,951,817</u>	<u>57,182</u>
1,088,347	60,468
1,303,407	891,897
1,088	31
<u>2,392,842</u>	<u>952,396</u>
(441,025)	1,009,578
<u>441,025</u>	<u>(441,025)</u>
<u>\$ -</u>	<u>\$ 568,553</u>

Continued

CITY OF OCALA, FLORIDA

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

SPECIAL REVENUE FUNDS

Year Ended September 30, 1995

	<u>SHIP LOCAL HOUSING ASSISTANCE FUND</u>		
	<u>Actual</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>
Revenues:			
Intergovernmental revenues	\$ 128,947	\$ (128,947)	\$ -
Interest	1,139	(1,139)	-
Total revenues	<u>130,086</u>	<u>(130,086)</u>	<u>-</u>
Expenditures:			
Current - General government and administration	<u>130,086</u>	<u>(130,086)</u>	<u>-</u>
Total expenditures	<u>130,086</u>	<u>(130,086)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures Before Fund Balance Allocation	-	-	-
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:			
Beginning of year	<u>-</u>		
End of year	<u>\$ -</u>		

CITY OF OCALA, FLORIDA

DEBT SERVICE FUNDS

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

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

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

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

CITY OF OCALA, FLORIDA

COMBINING BALANCE SHEET

DEBT SERVICE FUNDS

September 30, 1995

Assets	1988 Improvement Certificates	1993 Improvement Certificates	Optional Gas Tax Bonds	Total
Restricted cash and investments	\$ 118,325	\$ 449,031	\$ -	\$ 567,356
Restricted equity in pooled cash and investment fund	1,265,485	1,385,067	2,056,913	4,707,465
Restricted accrued interest receivable	10,015	12,921	15,803	38,739
Total Restricted Assets	<u>\$ 1,393,825</u>	<u>\$ 1,847,019</u>	<u>\$ 2,072,716</u>	<u>\$ 5,313,560</u>
Fund Balances				
Fund Balance:				
Reserved for debt service	<u>\$ 1,393,825</u>	<u>\$ 1,847,019</u>	<u>\$ 2,072,716</u>	<u>\$ 5,313,560</u>
Total Fund Balances	<u>\$ 1,393,825</u>	<u>\$ 1,847,019</u>	<u>\$ 2,072,716</u>	<u>\$ 5,313,560</u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

DEBT SERVICE FUNDS

Year Ended September 30, 1995

	1988 Improvement Certificates	1993 Improvement Certificates	Optional Gas Tax Bonds	Total
Revenues:				
Interest	\$ 66,839	\$ 86,990	\$ 98,254	\$ 252,083
Expenditures:				
Debt Service:				
Bond principal payments	980,000	-	595,000	1,575,000
Bond interest and paying agents' fees	303,806	899,970	717,818	1,921,594
Total expenditures	1,283,806	899,970	1,312,818	3,496,594
Deficiency of Revenues Over Expenditures	(1,216,967)	(812,980)	(1,214,564)	(3,244,511)
Other Financing Sources (Uses):				
Transfers from other funds	1,284,970	898,062	1,320,686	3,503,718
Transfers to other funds	(66,323)	(85,082)	(96,198)	(247,603)
Total other financing sources (uses)	1,218,647	812,980	1,224,488	3,256,115
Excess of Revenues and Other Sources Over Expenditures and Other Uses	1,680	-	9,924	11,604
Fund Balance:				
Beginning of year	1,392,145	1,847,019	2,062,792	5,301,956
End of year	\$ 1,393,825	\$ 1,847,019	\$ 2,072,716	\$ 5,313,560



CITY OF OCALA, FLORIDA

CAPITAL PROJECT FUNDS

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

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

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

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

CITY OF OCALA, FLORIDA
COMBINING BALANCE SHEET
 CAPITAL PROJECT FUNDS
 September 30, 1995

Assets	<u>Capital Improvement Construction</u>	<u>Optional Gas Tax Construction</u>
Cash and investments	\$ -	\$ -
Equity in pooled cash and investment fund	380,385	-
Accrued interest receivable	3,053	-
Due from other governments	<u>-</u>	<u>380,635</u>
Total Assets	<u>\$ 383,438</u>	<u>\$ 380,635</u>
 Liabilities and Fund Balances		
Current Liabilities:		
Accounts payable	\$ -	\$ 86,173
Due to other funds	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>86,173</u>
Fund Balance:		
Reserved for encumbrance	-	1,192,305
Unreserved and undesignated (deficit)	<u>383,438</u>	<u>(897,843)</u>
Total fund balance	<u>383,438</u>	<u>294,462</u>
Total Liabilities and Fund Balances	<u>\$ 383,438</u>	<u>\$ 380,635</u>

<u>Capital Improvement</u>	<u>Total</u>
\$ 3,514,720	\$ 3,514,720
-	380,385
35,575	38,628
-	380,635
<u>\$ 3,550,295</u>	<u>\$ 4,314,368</u>

\$ 500,773	\$ 586,046
9,448	9,448
<u>510,221</u>	<u>596,394</u>
1,994,517	3,186,822
1,045,557	531,152
<u>3,040,074</u>	<u>3,717,974</u>
<u>\$ 3,550,295</u>	<u>\$ 4,314,368</u>

CITY OF OCALA, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE**

CAPITAL PROJECTS FUNDS

Year Ended September 30, 1995

	<u>Capital Improvement Construction</u>	<u>Optional Gas Tax Construction</u>	<u>Capital Improvement</u>
Revenues:			
Other intergovernmental revenues	\$ -	\$ 815,974	\$ -
Interest	19,750	-	199,570
Total revenues	<u>19,750</u>	<u>815,974</u>	<u>199,570</u>
Expenditures:			
Current:			
Public safety	-	-	948
Public works	-	211,928	-
Nondepartmental appropriations	-	-	2,755
Capital outlay	-	1,448,611	1,668,812
Total expenditures	<u>-</u>	<u>1,660,539</u>	<u>1,672,515</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>19,750</u>	<u>(844,565)</u>	<u>(1,472,945)</u>
Other Financing Sources:			
Transfers from other funds	-	955,767	-
Total other financing sources	<u>-</u>	<u>955,767</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures Before Fund Balance Allocation	19,750	111,202	(1,472,945)
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	19,750	111,202	(1,472,945)
Fund Balance at Beginning of Year	363,688	183,260	5,855,587
Equity Transfers to Other Funds	-	-	(1,342,568)
Fund Balance at End of Year	<u>\$ 383,438</u>	<u>\$ 294,462</u>	<u>\$ 3,040,074</u>

Total

\$ 815,974
210,320
1,035,294

948
211,928
2,755
3,117,423
3,333,054

(2,297,760)

955,767
955,767

(1,341,993)

-
(1,341,993)

6,402,535

(1,342,568)

\$ 3,717,974

CITY OF OCALA, FLORIDA

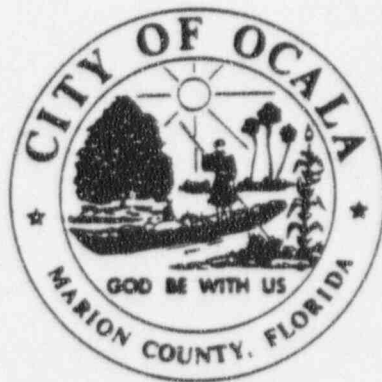
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

CAPITAL PROJECT FUNDS

Year Ended September 30, 1995

	<u>Capital Improvement Construction</u>	<u>Optional Gas Tax Construction</u>	<u>Capital Improvement</u>
Revenues:			
Other intergovernmental revenues	\$ -	\$ 815,974	\$ -
Interest	19,750	-	199,570
Total revenues	<u>19,750</u>	<u>815,974</u>	<u>199,570</u>
Expenditures:			
Current:			
Public safety	-	-	948
Public works	-	211,928	-
Nondepartmental appropriations	-	-	2,755
Capital outlay	-	1,448,611	1,668,812
Total expenditures	<u>-</u>	<u>1,660,539</u>	<u>1,672,515</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>19,750</u>	<u>(844,565)</u>	<u>(1,472,945)</u>
Other Financing Sources:			
Transfers from other funds	-	955,767	-
Total other financing sources	<u>-</u>	<u>955,767</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures Before Fund Balance Allocation	19,750	111,202	(1,472,945)
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	19,750	111,202	(1,472,945)
Fund Balance at Beginning of Year	363,688	183,260	5,855,587
Equity Transfers to Other Funds	-	-	(1,342,568)
Fund Balance at End of Year	<u>\$ 383,438</u>	<u>\$ 294,462</u>	<u>\$ 3,040,074</u>

<u>ACTUAL</u>				
<u>Total</u>	<u>Adjustments to a Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 815,974	\$ -	\$ 815,974	\$ 1,715,480	\$ (899,506)
219,320	(19,750)	199,570	306,000	(106,430)
<u>1,035,294</u>	<u>(19,750)</u>	<u>1,015,544</u>	<u>2,021,480</u>	<u>(1,005,936)</u>
948	-	948	-	(948)
211,928	13,079	225,007	257,023	32,016
2,755	-	2,755	2,500	(255)
<u>3,117,423</u>	<u>3,173,743</u>	<u>6,291,166</u>	<u>8,449,088</u>	<u>2,157,922</u>
<u>3,333,054</u>	<u>3,186,822</u>	<u>6,519,876</u>	<u>8,708,611</u>	<u>2,188,735</u>
<u>(2,297,760)</u>	<u>(3,206,572)</u>	<u>(5,504,332)</u>	<u>(6,687,131)</u>	<u>1,182,799</u>
955,767	-	955,767	1,393,656	(437,889)
<u>955,767</u>	<u>-</u>	<u>955,767</u>	<u>1,393,656</u>	<u>(437,889)</u>
(1,341,993)	(3,206,572)	(4,548,565)	(5,293,475)	744,910
<u>-</u>	<u>-</u>	<u>-</u>	<u>5,293,475</u>	<u>(5,293,475)</u>
(1,341,993)	<u>\$ (3,206,572)</u>	<u>\$ (4,548,565)</u>	<u>\$ -</u>	<u>\$ (4,548,565)</u>
6,402,535				
<u>(1,342,568)</u>				
<u>\$ 3,717,974</u>				



CITY OF OCALA, FLORIDA

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

CAPITAL PROJECT FUNDS

Year Ended September 30, 1995

	<u>CAPITAL IMPROVEMENT CONSTRUCTION FUND</u>		
	<u>Actual</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>
Revenues:			
Interest	\$ 19,750	\$ (19,750)	\$ -
Total revenues	<u>19,750</u>	<u>(19,750)</u>	<u>-</u>
Expenditures:			
Current - Public works	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures Before Fund Balance Allocation	19,750	(19,750)	-
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	19,750	<u><u>\$ (19,750)</u></u>	<u><u>\$ -</u></u>
Fund Balance:			
Beginning of year	<u>363,688</u>		
End of year	<u><u>\$ 383,438</u></u>		

Continued

CITY OF OCALA, FLORIDA

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

CAPITAL PROJECT FUNDS

Year Ended September 30, 1995

	OPTIONAL GAS TAX CONSTRUCTION		
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis
Revenues:			
Other intergovernmental revenues	\$ 815,974	\$ -	\$ 815,974
Total revenues	<u>815,974</u>	<u>-</u>	<u>815,974</u>
Expenditures:			
Current - Public works	211,928	13,079	225,007
Capital outlay	<u>1,448,611</u>	<u>1,179,226</u>	<u>2,627,837</u>
Total expenditures	<u>1,660,539</u>	<u>1,192,305</u>	<u>2,852,844</u>
Deficiency of Revenues Over Expenditures	(844,565)	(1,192,305)	(2,036,870)
Other Financing Sources:			
Transfers from other funds	<u>955,767</u>	<u>-</u>	<u>955,767</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures Before Fund Balance Allocation	111,202	(1,192,305)	(1,081,103)
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	111,202	<u>\$ (1,192,305)</u>	<u>\$ (1,081,103)</u>
Fund Balance:			
Beginning of year	<u>183,260</u>		
End of year	<u>\$ 294,462</u>		

FUND

<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 1,715,480	\$ (899,506)
<u>1,715,480</u>	<u>(899,506)</u>
257,023	32,016
<u>3,035,373</u>	<u>407,536</u>
<u>3,292,396</u>	<u>439,552</u>
(1,576,916)	(459,954)
<u>1,393,656</u>	<u>(437,889)</u>
(183,260)	(897,843)
<u>183,260</u>	<u>(183,260)</u>
<u>\$ -</u>	<u>\$ (1,081,103)</u>

Continued

CITY OF OCALA, FLORIDA

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

CAPITAL PROJECT FUNDS

Year Ended September 30, 1995

	CAPITAL IMPROVEMENT		
	Actual	Adjustments to Budgetary Basis	Actual on a Budgetary Basis
Revenues:			
interest	\$ 199,570	\$ -	\$ 199,570
Total revenues	<u>199,570</u>	<u>-</u>	<u>199,570</u>
Expenditures:			
Current:			
Public safety	948	-	948
Nondepartmental appropriations	2,755	-	2,755
Capital outlay	1,668,812	1,994,517	3,663,329
Total expenditures	<u>1,672,515</u>	<u>1,994,517</u>	<u>3,667,032</u>
Excess (Deficiency) of Revenues Over Expenditures Before Fund Balance Allocation	(1,472,945)	(1,994,517)	(3,467,462)
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Deficiency of Revenues Over Expenditures	(1,472,945)	<u>\$ (1,994,517)</u>	<u>\$ (3,467,462)</u>
Fund Balance at Beginning of Year	5,855,587		
Equity Transfers to Other Funds	<u>(1,342,568)</u>		
Fund Balance at End of Year	<u>\$ 3,040,074</u>		

FUND

<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 306,000	\$ (106,430)
<u>306,000</u>	<u>(106,430)</u>
-	(948)
2,500	(255)
<u>5,413,715</u>	<u>1,750,386</u>
<u>5,416,215</u>	<u>1,749,183</u>
(5,110,215)	1,642,753
<u>5,110,215</u>	<u>(5,110,215)</u>
<u>\$ -</u>	<u>\$ (3,467,462)</u>



CITY OF OCALA, FLORIDA

ENTERPRISE FUNDS

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

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

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

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

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

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

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

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

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

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

CITY OF OCALA, FLORIDA

COMBINING BALANCE SHEET

ENTERPRISE FUNDS

September 30, 1995

Assets	Electric System Revenue	Water and Sewer	Sanitation
Current Assets:			
Cash and investments	\$ 2,125	\$ 450	\$ -
Equity in pooled cash and investment fund	4,270,003	4,600,928	193,766
Accrued interest receivable	33,015	33,722	1,798
Accounts and notes receivable	6,875,014	107,407	-
Accrued unbilled revenues	4,599,419	-	-
Due from other funds	-	548,295	286,493
Interfund loans receivable	76,485	-	-
Inventories	2,072,474	73,146	-
Due from other governments	-	-	41,576
Other current assets	330,696	62,849	-
Total current assets	<u>18,259,231</u>	<u>5,426,797</u>	<u>523,633</u>
Restricted Assets:			
Cash and investments	14,170,642	19,226,920	-
Equity in pooled cash and investment fund	11,209,108	9,389,636	-
Accrued interest receivable	170,316	398,885	-
Due from other governments	-	55,378	-
Other	961,883	342,058	-
Total restricted assets	<u>26,511,949</u>	<u>29,412,877</u>	<u>-</u>
Interfund Loans Receivable After One Year	596,167	-	-
Property, Plant and Equipment, net	72,814,906	84,503,838	1,048,246
Issuance Costs on Long-Term Debt	<u>211,441</u>	<u>484,634</u>	<u>-</u>
Total Assets	<u>\$ 118,393,694</u>	<u>\$ 119,828,145</u>	<u>\$ 1,571,879</u>

<u>Municipal Golf Course</u>	<u>Fort King Tennis Court</u>	<u>Municipal Trailer Park</u>	<u>Ocala Municipal Airport</u>	<u>Florida Emergency Training Facility</u>	<u>Adult Athletic Complex</u>	<u>Total</u>
\$ 1,938	\$ 50	\$ 100	\$ -	\$ -	\$ -	\$ 4,663
465,556	9,806	82,496	23,435	-	-	9,645,990
4,593	54	674	-	-	-	73,856
280	-	-	12,651	-	-	6,995,352
-	-	-	-	-	-	4,599,419
-	-	-	-	-	-	834,788
-	-	-	-	-	-	76,485
65,032	-	-	-	-	-	2,210,652
-	-	-	-	-	-	41,576
2,768	-	264	-	-	-	396,577
<u>540,167</u>	<u>9,910</u>	<u>83,534</u>	<u>36,086</u>	<u>-</u>	<u>-</u>	<u>24,879,358</u>
-	-	-	-	-	-	33,397,562
-	-	-	-	-	-	20,598,744
-	-	-	-	-	-	569,201
-	-	-	63,727	213,031	-	332,136
-	-	-	-	-	-	1,303,941
<u>-</u>	<u>-</u>	<u>-</u>	<u>63,727</u>	<u>213,031</u>	<u>-</u>	<u>56,201,584</u>
-	-	-	-	-	-	596,167
5,061,589	89,910	47,772	9,935,974	1,815,636	500,067	175,817,938
-	-	-	-	-	-	696,075
<u>\$ 5,601,756</u>	<u>\$ 99,820</u>	<u>\$ 131,306</u>	<u>\$ 10,035,787</u>	<u>\$ 2,028,667</u>	<u>\$ 500,067</u>	<u>\$258,191,322</u>

Continued

CITY OF OCALA, FLORIDA

COMBINING BALANCE SHEET - CONTINUED

ENTERPRISE FUNDS

September 30, 1995

Liabilities and Fund Equity	Electric System Revenue	Water and Sewer	Sanitation
Current Liabilities:			
Accounts payable	\$ 5,179,724	\$ 146,612	\$ 240,374
Compensated absences payable	336,408	142,431	125,542
Accrued interest payable	3,019	-	-
Due to other funds	917,205	-	-
Customer deposits	3,252,773	-	-
Deferred revenue	-	-	-
Interfund loans payable	-	-	-
Total current liabilities	<u>9,689,129</u>	<u>289,043</u>	<u>365,916</u>
Liabilities Payable from Restricted Assets:			
Accounts payable	46,715	508,988	-
Accrued interest payable	745,848	1,960,606	-
Deferred revenue	-	71,064	-
Revenue bonds payable within one year	3,690,000	1,515,000	-
Decommissioning costs	1,433,766	-	-
Total liabilities payable from restricted assets	<u>5,916,329</u>	<u>4,055,658</u>	<u>-</u>
Interfund Loans Payable After One Year	<u>-</u>	<u>-</u>	<u>-</u>
Revenue Bonds and Notes Payable After One Year	<u>20,866,635</u>	<u>58,063,296</u>	<u>-</u>
Total liabilities	<u>36,472,093</u>	<u>62,407,997</u>	<u>365,916</u>
Fund Equity:			
Contributed equity	<u>5,753,331</u>	<u>16,789,411</u>	<u>8,515</u>
Retained earnings:			
Reserved for debt service	-	8,648,959	-
Reserved for renewal and replacement	16,526,025	5,517,120	-
Total reserved retained earnings	<u>16,526,025</u>	<u>14,166,079</u>	<u>-</u>
Unreserved	59,642,245	26,464,659	1,197,448
Total retained earnings	<u>76,168,270</u>	<u>40,630,738</u>	<u>1,197,448</u>
Total fund equity	<u>81,921,601</u>	<u>57,420,149</u>	<u>1,205,963</u>
Total Liabilities and Fund Equity	<u>\$ 118,393,694</u>	<u>\$ 119,828,146</u>	<u>\$ 1,571,879</u>

<u>Municipal Golf Course</u>	<u>Fort King Tennis Court</u>	<u>Municipal Trailer Park</u>	<u>Ocala Municipal Airport</u>	<u>Florida Emergency Training Facility</u>	<u>Adult Athletic Complex</u>	<u>Total</u>
\$ 53,109	\$ 1,857	\$ 1,889	\$ 15,047	\$ 446	\$ 2,612	\$ 5,641,670
43,085	810	1,165	2,489	2,086	2,020	656,036
-	-	-	-	-	-	3,019
-	-	-	-	181,443	27,407	1,126,055
-	-	-	-	-	-	3,252,773
70,045	-	-	2,900	-	-	72,945
83,698	3,247	-	9,365	-	-	96,310
<u>249,937</u>	<u>5,914</u>	<u>3,054</u>	<u>29,801</u>	<u>183,975</u>	<u>32,039</u>	<u>10,848,808</u>
-	-	-	-	61,123	-	616,826
-	-	-	-	-	-	2,706,454
-	-	-	985	-	-	72,049
-	-	-	-	-	-	5,205,000
-	-	-	-	-	-	1,433,766
-	-	-	985	61,123	-	10,034,095
<u>111,000</u>	<u>43,276</u>	<u>-</u>	<u>401,815</u>	<u>-</u>	<u>-</u>	<u>556,091</u>
-	-	-	-	-	-	78,929,931
<u>360,937</u>	<u>49,190</u>	<u>3,054</u>	<u>432,601</u>	<u>245,098</u>	<u>32,039</u>	<u>100,368,925</u>
<u>3,853,439</u>	<u>-</u>	<u>-</u>	<u>9,451,514</u>	<u>1,528,135</u>	<u>-</u>	<u>37,384,345</u>
-	-	-	-	-	-	8,648,959
-	-	-	-	-	-	22,043,145
-	-	-	-	-	-	30,692,104
<u>1,387,380</u>	<u>50,630</u>	<u>128,252</u>	<u>151,672</u>	<u>255,434</u>	<u>468,028</u>	<u>89,745,748</u>
<u>1,387,380</u>	<u>50,630</u>	<u>128,252</u>	<u>151,672</u>	<u>255,434</u>	<u>468,028</u>	<u>120,437,852</u>
<u>5,240,819</u>	<u>50,630</u>	<u>128,252</u>	<u>9,603,186</u>	<u>1,783,569</u>	<u>468,028</u>	<u>157,822,197</u>
<u>\$ 5,601,756</u>	<u>\$ 99,820</u>	<u>\$ 131,306</u>	<u>\$ 10,035,787</u>	<u>\$ 2,028,667</u>	<u>\$ 500,067</u>	<u>\$258,191,122</u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

ENTERPRISE FUNDS

Year Ended September 30, 1995

	Electric System Revenue	Water and Sewer	Sanitation
Operating Revenues:			
Sale of electricity	\$ 77,531,618	\$ -	\$ -
Sale of water	-	3,700,279	-
Sewer and sanitation service charges	-	8,303,119	6,094,797
Fees and rentals	-	9,800	-
Commissions	-	-	-
Other	1,791,066	408,173	14,925
Total operating revenues	<u>79,322,684</u>	<u>12,421,371</u>	<u>6,109,722</u>
Operating Expenses:			
Purchase of electricity	46,080,940	-	-
Distribution	6,298,721	549,088	-
Operation and maintenance	1,787,084	-	5,377,084
Water and sewer treatment	-	2,371,836	-
Sewer collection	-	829,459	-
Administration	1,982,201	1,283,914	338,747
Depreciation and amortization	3,625,232	2,632,092	246,935
Economic improvement incentives	592,216	-	-
Other	1,346,612	288,657	53,787
Total operating expenses	<u>61,713,006</u>	<u>7,955,046</u>	<u>6,016,553</u>
Operating Income (Loss)	<u>17,609,678</u>	<u>4,466,325</u>	<u>93,169</u>
Non-Operating Revenues (Expenses):			
Interest income	1,324,506	1,642,308	10,743
Interest expense	(952,525)	(3,532,617)	-
Litigation settlement (net of \$486,160 of related costs)	-	1,376,844	-
Other non-operating revenue	92,223	10,179	72,073
Total non-operating revenues (expenses)	<u>464,204</u>	<u>(503,286)</u>	<u>82,816</u>
Income (Loss) Before Operating Transfers	<u>18,073,882</u>	<u>3,963,039</u>	<u>175,985</u>
Operating Transfers:			
From other funds	24,933	12,679	15,553
To other funds	(13,035,880)	(348,569)	(230,201)
Total operating transfers	<u>(13,010,947)</u>	<u>(335,890)</u>	<u>(214,648)</u>
Net Income (Loss)	5,062,935	3,627,149	(38,663)
Retained Earnings, beginning of year	71,907,803	37,170,566	1,255,258
Equity Transfers to Other Funds	<u>(802,468)</u>	<u>(166,977)</u>	<u>(19,147)</u>
Retained Earnings, end of year	<u>\$ 76,168,270</u>	<u>\$ 40,630,738</u>	<u>\$ 1,197,448</u>

<u>Municipal Golf Course</u>	<u>Fort King Tennis Court</u>	<u>Municipal Trailer Park</u>	<u>Ocala Municipal Airport</u>	<u>Florida Emergency Training Facility</u>	<u>Adult Athletic Complex</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,531,618
-	-	-	-	-	-	3,700,279
-	-	-	-	-	-	14,397,916
1,727,445	64,268	88,247	177,688	7,913	46,211	2,121,572
14,873	-	-	62,679	-	-	77,552
198,323	21	6,852	460	2,063	-	2,421,883
<u>1,940,641</u>	<u>64,289</u>	<u>95,099</u>	<u>240,827</u>	<u>9,976</u>	<u>46,211</u>	<u>100,250,820</u>
-	-	-	-	-	-	46,080,940
-	-	-	-	-	-	6,847,809
1,561,589	59,595	68,530	140,458	-	62,114	9,056,454
-	-	-	-	-	-	2,371,836
-	-	-	-	-	-	829,459
75,556	-	-	-	45,299	-	3,725,717
256,844	5,068	1,873	293,957	23,649	856	7,086,506
-	-	-	-	-	-	592,216
118,807	-	-	72,287	-	-	1,880,150
<u>2,012,796</u>	<u>64,663</u>	<u>70,403</u>	<u>506,702</u>	<u>68,948</u>	<u>62,970</u>	<u>78,471,087</u>
<u>(72,155)</u>	<u>(374)</u>	<u>24,696</u>	<u>(265,875)</u>	<u>(58,972)</u>	<u>(16,759)</u>	<u>21,779,733</u>
29,816	829	4,099	-	1,386	-	3,013,687
(14,560)	(2,651)	-	(15,604)	-	-	(4,517,957)
-	-	-	-	-	-	1,376,844
2,897	-	-	33,682	-	-	211,054
<u>18,153</u>	<u>(1,822)</u>	<u>4,099</u>	<u>18,078</u>	<u>1,386</u>	<u>-</u>	<u>83,628</u>
<u>(54,002)</u>	<u>(2,196)</u>	<u>28,795</u>	<u>(247,797)</u>	<u>(57,586)</u>	<u>(16,759)</u>	<u>21,863,361</u>
209,802	-	219	142,160	190,548	484,787	1,080,681
(189,919)	-	(4,240)	(249,284)	-	-	(14,058,093)
<u>19,883</u>	<u>-</u>	<u>(4,021)</u>	<u>(107,124)</u>	<u>190,548</u>	<u>484,787</u>	<u>(12,977,412)</u>
(34,119)	(2,196)	24,774	(354,921)	132,962	468,028	8,885,949
1,421,499	52,826	103,478	506,593	122,472	-	112,540,495
-	-	-	-	-	-	(988,592)
<u>\$ 1,387,380</u>	<u>\$ 50,630</u>	<u>\$ 128,252</u>	<u>\$ 151,672</u>	<u>\$ 255,434</u>	<u>\$ 468,028</u>	<u>\$ 120,437,852</u>

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

Year Ended September 30, 1995

	<u>Electric System Revenue</u>	<u>Water and Sewer</u>	<u>Sanitation</u>
Cash Flows from Operating Activities:			
Cash received from customers	\$ 77,599,700	\$ 11,995,002	\$ 6,072,938
Cash paid to suppliers for goods and services	(55,199,634)	(2,982,836)	(3,849,294)
Cash paid to employees for services	(3,529,813)	(2,259,154)	(1,886,830)
Net cash provided by operating activities	<u>18,870,253</u>	<u>6,753,012</u>	<u>336,814</u>
Cash Flows from Non-Capital Financing Activities:			
Operating transfers in	24,933	12,679	15,553
Operating transfers out	(13,035,880)	(348,569)	(230,201)
Grant revenues	92,223	10,179	72,073
Net cash provided by (used in) non-capital financing activities	<u>(12,918,724)</u>	<u>(325,711)</u>	<u>(142,575)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(8,907,947)	(6,075,806)	(106,227)
Principal paid on bonds	(3,500,000)	(1,435,000)	-
Interest paid on bonds	(1,584,077)	(3,955,703)	-
Principal paid on loans from other funds	-	-	-
Interest paid on loans from other funds	-	-	-
Principal received on loans to other funds	70,927	-	-
Interest received on loans to other funds	33,181	-	-
Proceeds of loans from other funds	-	-	-
Loans to other funds	(164,717)	-	-
Contributions received from other governments and developers	310,464	1,853,691	-
Litigation settlement	-	1,376,844	-
Net cash provided by (used in) capital and related financing activities	<u>(13,742,169)</u>	<u>(8,235,974)</u>	<u>(106,227)</u>
Cash Flows from Investing Activities:			
Purchase of investments	(107,700)	-	-
Proceeds from sales and maturities of investments	6,084,924	3,492,754	-
Interest received	1,501,585	1,721,111	10,034
Net cash provided by investing activities	<u>7,478,809</u>	<u>5,213,865</u>	<u>10,034</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(311,831)	3,405,192	98,046
Cash and Cash Equivalents, beginning of year	<u>21,864,887</u>	<u>19,403,624</u>	<u>95,720</u>
Cash and Cash Equivalents, end of year	<u>\$ 21,553,056</u>	<u>\$ 22,808,816</u>	<u>\$ 193,766</u>

<u>Municipal Golf Course</u>	<u>Fort King Tennis Court</u>	<u>Municipal Trailer Park</u>	<u>Ocala Municipal Airport</u>	<u>Florida Emergency Training Facility</u>	<u>Adult Athletic Complex</u>	<u>Total</u>
\$ 1,969,720	\$ 64,380	\$ 94,787	\$ 253,978	\$ 192,887	\$ 46,211	\$ 98,289,603
(880,634)	(24,189)	(40,688)	(166,504)	(4,242)	(13,456)	(63,161,477)
(898,662)	(35,282)	(33,266)	(43,418)	(38,123)	(16,619)	(8,741,167)
<u>190,424</u>	<u>4,909</u>	<u>20,833</u>	<u>44,056</u>	<u>150,522</u>	<u>16,136</u>	<u>26,386,959</u>
209,802	-	219	142,160	190,548	484,787	1,080,681
(189,919)	-	(4,240)	(249,284)	-	-	(14,058,093)
<u>2,897</u>	<u>-</u>	<u>-</u>	<u>33,682</u>	<u>-</u>	<u>-</u>	<u>211,054</u>
22,780	-	(4,021)	(73,442)	190,548	484,787	(12,766,358)
(128,563)	(400)	(6,642)	(601,482)	(1,488,801)	(500,923)	(17,816,791)
-	-	-	-	-	-	(4,935,000)
-	-	-	-	-	-	(5,539,780)
(82,060)	(2,969)	-	(8,561)	-	-	(93,590)
(14,560)	(2,651)	-	(15,604)	-	-	(32,815)
-	-	-	-	-	-	70,927
-	-	-	-	-	-	33,181
-	-	-	145,717	-	-	145,717
-	-	-	-	-	-	(164,717)
-	-	-	488,036	767,451	-	3,419,642
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,376,844</u>
(225,183)	(6,020)	(6,642)	8,106	(721,350)	(500,923)	(23,536,382)
-	-	-	-	-	-	(107,700)
-	-	-	-	-	-	9,577,678
28,348	836	3,853	87	3,911	-	3,269,765
<u>28,348</u>	<u>836</u>	<u>3,853</u>	<u>87</u>	<u>3,911</u>	<u>-</u>	<u>12,739,743</u>
16,369	(275)	14,023	(21,193)	(376,369)	-	2,823,962
451,125	10,131	68,573	44,628	376,369	-	42,315,057
<u>\$ 467,494</u>	<u>\$ 9,856</u>	<u>\$ 82,596</u>	<u>\$ 23,435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,139,019</u>

Continued

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF CASH FLOWS - CONTINUED

ENTERPRISE FUNDS

Year Ended September 30, 1995

	Electric System Revenue	Water and Sewer	Sanitation
Reconciliation of Cash and Cash Equivalents to Balance Sheet:			
Total unrestricted cash and investments per the balance sheet	\$ 4,272,128	\$ 4,601,378	\$ 193,766
Total restricted cash and investments per the balance sheet	25,379,750	28,616,556	-
Total cash and investments	29,651,878	33,217,934	193,766
Less: Investments not meeting the definition of cash equivalents	(8,098,822)	(10,409,118)	-
Cash and Cash Equivalents, end of year	<u>\$ 21,553,056</u>	<u>\$ 22,808,816</u>	<u>\$ 193,766</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 17,609,678	\$ 4,466,325	\$ 93,169
Adjustments to reconcile operating income (loss) to cash provided by operating activities:			
Depreciation	3,497,877	2,534,683	246,935
Amortization	127,355	97,409	-
(Gain) loss on fixed asset disposal	297,836	2,329	23,552
(Increase) decrease in assets:			
Accounts and notes receivable	(912,580)	(2,127)	120
Accrued unbilled revenue	(244,921)	-	-
Due from other funds	-	(35,471)	(35,766)
Inventories	(14,021)	6,877	-
Due from other governments	11,519	16,372	(1,138)
Other current assets	(1,136,229)	(198,018)	-
Increase (decrease) in liabilities:			
Accounts payable	(864,618)	51,476	4,309
Compensated absences payable	(12,317)	1,974	5,633
Due to other funds	76,289	-	-
Customer deposits	218,915	-	-
Deferred revenue	-	(188,817)	-
Decommissioning costs	215,470	-	-
Net Cash Provided by Operating Activities	<u>\$ 18,870,253</u>	<u>\$ 6,753,012</u>	<u>\$ 336,814</u>
Noncash Capital and Related Financing Activities:			
Plant and equipment contributed to the Internal Service Fund	<u>\$ (802,468)</u>	<u>\$ (166,977)</u>	<u>\$ (19,147)</u>

<u>Municipal Golf Course</u>	<u>Fort King Tennis Court</u>	<u>Municipal Trailer Park</u>	<u>Ocala Municipal Airport</u>	<u>Florida Emergency Training Facility</u>	<u>Adult Athletic Complex</u>	<u>Total</u>
\$ 467,494	\$ 9,856	\$ 82,596	\$ 23,435	\$ -	\$ -	\$ 9,650,653
-	-	-	-	-	-	53,996,306
467,494	9,856	82,596	23,435	-	-	63,646,959
-	-	-	-	-	-	(18,507,940)
<u>\$ 467,494</u>	<u>\$ 9,856</u>	<u>\$ 82,596</u>	<u>\$ 23,435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,139,019</u>
\$ (72,155)	\$ (374)	\$ 24,696	\$ (265,875)	\$ (58,972)	\$ (16,759)	\$ 21,779,733
256,844	5,068	1,873	293,957	23,649	856	6,861,742
-	-	-	-	-	-	224,764
1,595	-	(312)	(117)	402	-	325,285
660	91	-	13,283	2,000	-	(898,553)
-	-	-	-	-	-	(244,921)
-	-	-	-	-	-	(71,237)
(6,880)	-	-	-	-	-	(14,024)
362	-	-	304	-	-	27,419
(60)	-	(264)	3,020	-	-	(1,331,551)
(13,521)	138	(5,351)	(891)	446	2,612	(825,400)
(4,478)	(14)	191	694	2,086	2,020	(4,211)
-	-	-	-	180,911	27,407	284,607
-	-	-	-	-	-	218,915
28,057	-	-	(319)	-	-	(161,079)
-	-	-	-	-	-	215,470
<u>\$ 190,424</u>	<u>\$ 4,909</u>	<u>\$ 20,833</u>	<u>\$ 44,056</u>	<u>\$ 150,522</u>	<u>\$ 16,136</u>	<u>\$ 26,386,959</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (988,592)</u>



CITY OF OCALA, FLORIDA

INTERNAL SERVICE FUNDS

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

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

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

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

CITY OF OCALA, FLORIDA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS

September 30, 1995

Assets	Internal Service	Fleet Management	Self- Insurance	Total
Current Assets:				
Cash and investments	\$ 150	\$ 200	\$ 150	\$ 500
Equity in pooled cash and investment fund	941,336	6,803,126	3,476,321	11,220,783
Accrued interest receivable	9,697	51,704	25,500	86,901
Accounts receivable	8,083	1,079	335	9,497
Interfund loans receivable	-	28,198	-	28,198
Inventories	72,783	71,289	-	144,072
Due from other governments	1,861	14,263	-	16,124
Other current assets	155	1,495	42,041	43,691
Total current assets	<u>1,034,065</u>	<u>6,971,354</u>	<u>3,544,347</u>	<u>11,549,766</u>
Property, Plant and Equipment, net	<u>9,106,382</u>	<u>2,781,382</u>	<u>43,431</u>	<u>11,931,195</u>
Total Assets	<u><u>\$ 10,140,447</u></u>	<u><u>\$ 9,752,736</u></u>	<u><u>\$ 3,587,778</u></u>	<u><u>\$ 23,480,961</u></u>
Liabilities and Fund Equity				
Current Liabilities:				
Accounts payable	\$ 91,297	\$ 88,870	\$ 208,856	\$ 389,023
Claims payable	-	-	3,241,038	3,241,038
Compensated absences payable	89,412	46,522	-	135,934
Capital lease payable within one year	11,142	-	-	11,142
Total current liabilities	<u>191,851</u>	<u>135,392</u>	<u>3,449,894</u>	<u>3,777,137</u>
Capital Lease Payable After One Year	<u>46,381</u>	<u>-</u>	<u>-</u>	<u>46,381</u>
Total liabilities	<u>238,232</u>	<u>135,392</u>	<u>3,449,894</u>	<u>3,823,518</u>
Fund Equity:				
Contributed equity	3,639,643	-	20,401	3,660,044
Unreserved retained earnings	<u>6,262,572</u>	<u>9,617,344</u>	<u>117,483</u>	<u>15,997,399</u>
Total fund equity	<u>9,902,215</u>	<u>9,617,344</u>	<u>137,884</u>	<u>19,657,443</u>
Total Liabilities and Fund Equity	<u><u>\$ 10,140,447</u></u>	<u><u>\$ 9,752,736</u></u>	<u><u>\$ 3,587,778</u></u>	<u><u>\$ 23,480,961</u></u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

INTERNAL SERVICE FUNDS

Year Ended September 30, 1995

	Internal Service	Fleet Management	Self- Insurance	Total
Operating Revenues:				
Fees and rentals	\$ 3,665,257	\$ 4,321,118	\$ 646,467	\$ 8,632,842
Employer insurance contributions	-	-	3,297,511	3,297,511
Employee insurance contributions	-	-	1,150,802	1,150,802
Other	19,997	92,137	7,683	119,817
Total operating revenues	<u>3,685,254</u>	<u>4,413,255</u>	<u>5,102,463</u>	<u>13,200,972</u>
Operating Expenses:				
Fleet management	-	2,782,878	-	2,782,878
Purchasing and warehousing	729,552	-	-	729,552
Management information system and central services	886,371	-	-	886,371
Building maintenance	786,224	-	-	786,224
Insurance, administration and other	-	-	5,653,881	5,653,881
Depreciation	489,033	286,247	9,953	785,233
Other	181,753	-	-	181,753
Total operating expenses	<u>3,072,933</u>	<u>3,069,125</u>	<u>5,663,834</u>	<u>11,805,892</u>
Operating Income (Loss)	<u>612,321</u>	<u>1,344,130</u>	<u>(561,371)</u>	<u>1,395,080</u>
Non-Operating Revenues (Expenses):				
Interest income	56,134	344,930	159,532	560,596
Interest expense	(4,446)	-	-	(4,446)
Other non-operating revenue	614	362	-	976
Total non-operating revenues (expenses)	<u>52,302</u>	<u>345,292</u>	<u>159,532</u>	<u>557,126</u>
Income (Loss) Before Operating Transfers	<u>664,623</u>	<u>1,689,422</u>	<u>(401,839)</u>	<u>1,952,206</u>
Operating Transfers:				
From other funds	11,523	252	-	11,775
To other funds	(209,019)	(4,883)	(5,043)	(218,945)
Total operating transfers	<u>(197,496)</u>	<u>(4,631)</u>	<u>(5,043)</u>	<u>(207,170)</u>
Net Income (Loss)	467,127	1,684,791	(406,882)	1,745,036
Retained Earnings, beginning of year	5,795,445	7,947,173	524,365	14,266,983
Equity Transfers to Other Funds	-	(14,620)	-	(14,620)
Retained Earnings, end of year	<u>\$ 6,262,572</u>	<u>\$ 9,617,344</u>	<u>\$ 117,483</u>	<u>\$ 15,997,399</u>

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Year Ended September 30, 1995

	<u>Internal Service</u>	<u>Fleet Management</u>	<u>Self- Insurance</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Cash received from employees	\$ -	\$ -	\$ 1,150,802	\$ 1,150,802
Cash paid to suppliers for goods and services	(1,118,191)	(1,877,176)	(2,964,479)	(5,959,846)
Cash paid to employees for services	(1,390,607)	(882,731)	(347,435)	(2,620,773)
Cash received from other funds	3,687,119	4,407,443	3,970,382	12,064,944
Cash paid for insurance claims	-	-	(1,357,143)	(1,357,143)
Net cash provided by operating activities	<u>1,178,321</u>	<u>1,647,536</u>	<u>452,127</u>	<u>3,277,984</u>
Cash Flows from Non-Capital Financing Activities:				
Operating transfers in	11,523	252	-	11,775
Operating transfers out	(209,019)	(4,883)	(5,043)	(218,945)
Other	614	362	-	976
Net cash used in non-capital financing activities	<u>(196,882)</u>	<u>(4,269)</u>	<u>(5,043)</u>	<u>(206,194)</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(899,085)	(1,253,395)	(12,901)	(2,165,381)
Proceeds of capital lease payable	62,785	-	-	62,785
Principal paid on notes and capital lease payable	(99,046)	-	-	(99,046)
Interest paid on notes and capital lease payable	(4,446)	-	-	(4,446)
Principal received on loans to other funds	-	26,560	-	26,560
Interest received on loans to other funds	-	2,324	-	2,324
Net cash used in capital and related financing activities	<u>(939,792)</u>	<u>(1,224,511)</u>	<u>(12,901)</u>	<u>(2,177,204)</u>
Cash Flows from Investing Activities:				
Interest received	<u>51,060</u>	<u>332,636</u>	<u>149,848</u>	<u>533,544</u>
Net cash provided by investing activities	<u>51,060</u>	<u>332,636</u>	<u>149,848</u>	<u>533,544</u>
Net Increase in Cash and Cash Equivalents	92,707	751,392	584,031	1,428,130
Cash and Cash Equivalents, beginning of year	<u>848,779</u>	<u>6,051,934</u>	<u>2,892,440</u>	<u>9,793,153</u>
Cash and Cash Equivalents, end of year	<u>\$ 941,486</u>	<u>\$ 6,803,326</u>	<u>\$ 3,476,471</u>	<u>\$ 11,221,283</u>

Continued

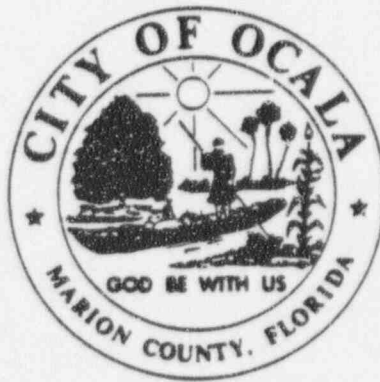
CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF CASH FLOWS - CONTINUED

INTERNAL SERVICE FUNDS

Year Ended September 30, 1995

	<u>Internal Service</u>	<u>Fleet Management</u>	<u>Self- Insurance</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Cash Provided by Operating Activities:				
Operating income (loss)	\$ 612,321	\$ 1,344,130	\$ (561,371)	\$ 1,395,080
Adjustment to reconcile operating income to cash flows provided by operating activities:				
Depreciation	489,033	286,247	9,953	785,233
(Gain) loss on disposal of property, plant and equipment	16,422	(6,000)	70	10,492
(Increase) decrease in assets:				
Accounts receivable	1,788	(843)	18,721	19,666
Inventories	783	294	-	1,077
Due from other governments	77	1,031	-	1,108
Other current assets	6,488	(287)	46,304	52,505
Increase (decrease) in liabilities:				
Accounts payable	42,215	28,635	77,066	147,916
Claims payable	-	-	861,384	861,384
Compensated absences payable	9,194	(5,671)	-	3,523
Net Cash Provided by Operating Activities	<u>\$ 1,178,321</u>	<u>\$ 1,647,536</u>	<u>\$ 452,127</u>	<u>\$ 3,277,984</u>
Noncash Capital and Related Financing Activities:				
Plant and equipment contributed from other funds	<u>\$ 2,345,780</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,345,780</u>
Plant and equipment contributed to Internal Service Fund	<u>\$ -</u>	<u>\$ (14,620)</u>	<u>\$ -</u>	<u>\$ (14,620)</u>



CITY OF OCALA, FLORIDA

TRUST AND AGENCY FUNDS

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

Expendable Trust Funds

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

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

Pension Trust Funds

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

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

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

Agency Fund

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

CITY OF OCALA, FLORIDA
COMBINING BALANCE SHEET
 TRUST AND AGENCY FUNDS
 September 30, 1995

Assets	<u>Expendable Trust Funds</u>	
	<u>Pension Medical Reserve</u>	<u>Community Redevelopment Trust</u>
Restricted Assets:		
Cash and investments	\$ 1,398,340	\$ -
Equity in pooled cash and investment fund	-	104,770
Accrued interest and dividends receivable	-	886
Total Restricted Assets	<u>\$ 1,398,340</u>	<u>\$ 105,656</u>
 Liabilities and Fund Balances		
Liabilities Payable from Restricted Assets:		
Accounts payable	\$ -	\$ 1,810
Deferred compensation	-	-
Total liabilities	<u>-</u>	<u>1,810</u>
Fund Balance:		
Reserved for retirement benefits	1,398,340	-
Reserved for specified projects	-	103,846
Total fund balance	<u>1,398,340</u>	<u>103,846</u>
Total Liabilities and Fund Balances	<u>\$ 1,398,340</u>	<u>\$ 105,656</u>

Pension Trust Funds			Agency Fund	
Employees' Retirement	Firefighters' Supplemental Pension	Police Officers' Supplemental Pension	Deferred Compensation	Total
\$ 46,098,566	\$ 5,968,285	\$ 8,902,690	\$ 4,798,661	\$ 67,166,542
-	-	-	-	104,770
393,639	60,000	89,500	-	544,025
<u>\$ 46,492,205</u>	<u>\$ 6,028,285</u>	<u>\$ 8,992,190</u>	<u>\$ 4,798,661</u>	<u>\$ 67,815,337</u>
\$ 26,112	\$ 3,887	\$ 5,798	\$ -	\$ 37,607
-	-	-	4,798,661	4,798,661
<u>26,112</u>	<u>3,887</u>	<u>5,798</u>	<u>4,798,661</u>	<u>4,836,268</u>
46,466,093	6,024,398	8,986,392	-	62,875,223
-	-	-	-	103,846
<u>46,466,093</u>	<u>6,024,398</u>	<u>8,986,392</u>	<u>-</u>	<u>62,979,069</u>
<u>\$ 46,492,205</u>	<u>\$ 6,028,285</u>	<u>\$ 8,992,190</u>	<u>\$ 4,798,661</u>	<u>\$ 67,815,337</u>



CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

EXPENDABLE TRUST FUNDS

Year Ended September 30, 1995

	Pension Medical Reserve	Community Redevelopment Trust	Total
Revenues:			
Property taxes	\$ -	\$ 6,354	\$ 6,354
Interest	72,569	6,068	78,637
Other	77,716	-	77,716
Total revenues	<u>150,285</u>	<u>12,422</u>	<u>162,707</u>
Expenditures:			
Current:			
General government and administrative	-	23,413	23,413
Capital outlay	-	490	490
Total expenditures	<u>-</u>	<u>23,903</u>	<u>23,903</u>
Excess (Deficiency) of Revenues Over Expenditures	150,285	(11,481)	138,804
Other Financing Sources:			
Transfers from other funds	<u>-</u>	<u>6,111</u>	<u>6,111</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures Before Fund Balance Allocation	150,285	(5,370)	144,915
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	150,285	(5,370)	144,915
Fund Balance, beginning of year	<u>1,248,055</u>	<u>109,216</u>	<u>1,357,271</u>
Fund balance, end of year	<u>\$ 1,398,340</u>	<u>\$ 103,846</u>	<u>\$ 1,502,186</u>

CITY OF OCALA, FLORIDA

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

EXPENDABLE TRUST FUNDS

Year Ended September 30, 1995

	Pension Medical Reserve	Community Redevelopment Trust
Revenues:		
Property taxes	\$ -	\$ 6,354
Interest	72,569	6,068
Other	77,716	-
Total revenues	<u>150,285</u>	<u>12,422</u>
Expenditures:		
Current:		
General government and administrative	-	23,413
Capital outlay	-	490
Total expenditures	<u>-</u>	<u>23,903</u>
Excess (Deficiency) of Revenues Over Expenditures	150,285	(11,481)
Other Financing Sources:		
Transfers from other funds	<u>-</u>	<u>6,111</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures Before Fund Balance Allocation	150,285	(5,370)
Fund Balance Allocation	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	150,285	(5,370)
Fund Balance, beginning of year	<u>1,248,055</u>	<u>109,216</u>
Fund Balance, end of year	<u>\$ 1,398,340</u>	<u>\$ 103,846</u>

<u>Total Actual</u>	<u>Adjustments to a Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 6,354	\$ -	\$ 6,354	\$ 6,354	\$ -
78,637	(72,569)	6,068	7,700	(1,632)
77,716	(77,716)	-	-	-
<u>162,707</u>	<u>(150,285)</u>	<u>12,422</u>	<u>14,054</u>	<u>(1,632)</u>
23,413	-	23,413	28,647	5,234
490	-	490	96,100	95,610
<u>23,903</u>	<u>-</u>	<u>23,903</u>	<u>124,747</u>	<u>100,844</u>
138,804	(150,285)	(11,481)	(110,693)	99,212
<u>6,111</u>	<u>-</u>	<u>6,111</u>	<u>6,111</u>	<u>-</u>
144,915	(150,285)	(5,370)	(104,582)	99,212
<u>-</u>	<u>-</u>	<u>-</u>	<u>104,582</u>	<u>(104,582)</u>
144,915	<u>\$ (150,285)</u>	<u>\$ (5,370)</u>	<u>\$ -</u>	<u>\$ (5,370)</u>
<u>1,357,271</u>				
<u>\$ 1,502,186</u>				

CITY OF OCALA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

PENSION TRUST FUNDS

Year Ended September 30, 1995

	<u>Employees'</u> <u>Retirement</u>	<u>Firefighters'</u> <u>Supplemental</u> <u>Pension</u>	<u>Police</u> <u>Officers'</u> <u>Supplemental</u> <u>Pension</u>	<u>Total</u>
Operating Revenues:				
City and state contributions	\$ 1,606,146	\$ 201,562	\$ 314,904	\$ 2,122,612
Employee contributions	-	272,757	92,922	365,679
Income on investments	1,809,570	199,778	294,631	2,303,979
Net appreciation in fair value of investments	6,568,204	928,089	1,380,088	8,876,381
Total operating revenues	<u>9,983,920</u>	<u>1,602,186</u>	<u>2,082,545</u>	<u>13,668,651</u>
Operating Expenses:				
Pension payments	1,261,442	383,639	138,278	1,783,359
Administration	44,109	103,423	22,710	170,242
Total operating expenses	<u>1,305,551</u>	<u>487,062</u>	<u>160,988</u>	<u>1,953,601</u>
Net Income	8,678,369	1,115,124	1,921,557	11,715,050
Fund Balance, beginning of year	<u>37,787,724</u>	<u>4,909,274</u>	<u>7,064,835</u>	<u>49,761,833</u>
Fund Balance, end of year	<u>\$ 46,466,093</u>	<u>\$ 6,024,398</u>	<u>\$ 8,986,392</u>	<u>\$ 61,476,883</u>

CITY OF OCALA, FLORIDA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended September 30, 1995

Deferred Compensation Fund

Investments	<u>\$ 4,798,661</u>
Deferred Compensation Payable, beginning of year	\$ 3,932,667
Add: Employee contributions	614,264
Income on investments	466,589
Less: Withdrawals and terminations	(206,698)
Administration fees	<u>(8,161)</u>
Total Deferred Compensation Payable, end of year	<u>\$ 4,798,661</u>



GENERAL FIXED ASSET ACCOUNT GROUP

CITY OF OCALA, FLORIDA

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

September 30, 1995

General Fixed Assets:

Land	\$ 3,528,822
Buildings	5,826,211
Machinery and equipment	8,893,249
Construction in progress	<u>1,649,363</u>

Total general fixed assets	<u><u>\$ 19,897,645</u></u>
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Investment in General Fixed Assets by Source:

Bond proceeds	\$ 1,744,689
Federal and state grants	899,242
General fund	14,013,908
Special revenue funds	1,426,200
Capital projects funds	1,696,951
Contributions	115,660
Other	<u>995</u>

Total investment in general fixed assets	<u><u>\$ 19,897,645</u></u>
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CITY OF OCALA, FLORIDA

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

September 30, 1995

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>
General Government and Administration:				
Legislative	\$ 3,311	\$ -	\$ -	\$ 3,311
Executive	123,821	16,025	8,360	99,436
Finance	27,051	-	433	26,618
Purchasing	1,465	-	-	1,465
Personnel and safety	32,303	-	1,233	31,070
Planning	659,249	165,236	321,473	172,540
Building inspection	171,989	-	-	171,989
Total general government and administration	<u>1,019,189</u>	<u>181,261</u>	<u>331,499</u>	<u>506,429</u>
Public Safety:				
Police protection	2,818,555	-	90,309	2,728,246
Fire protection	3,512,427	32,290	1,201,383	2,278,754
Other public safety	13,627	-	-	13,627
Total public safety	<u>6,344,609</u>	<u>32,290</u>	<u>1,291,692</u>	<u>5,020,627</u>
Public Works:				
Flood control	608,622	1,063	2,000	605,559
Engineering	1,031,002	458,746	197,604	374,652
Highway and street construction	1,162,735	-	9,100	1,153,635
Total public works	<u>2,802,359</u>	<u>459,809</u>	<u>208,704</u>	<u>2,133,846</u>
Culture and Recreation:				
Library	606,166	-	117,055	489,111
Recreation	1,833,994	774	1,097,398	735,822
Total culture and recreation	<u>2,440,160</u>	<u>774</u>	<u>1,214,453</u>	<u>1,224,933</u>
Nondepartmental	<u>5,641,965</u>	<u>2,854,688</u>	<u>2,779,863</u>	<u>7,414</u>
Total General Fixed Assets Allocated to Functions	18,248,282	<u>\$ 3,528,822</u>	<u>\$ 5,826,211</u>	<u>\$ 8,893,249</u>
Construction in Progress	<u>1,649,363</u>			
Total General Fixed Assets	<u>\$ 19,897,645</u>			

CITY OF OCALA, FLORIDA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

Year Ended September 30, 1995

<u>Function and Activity</u>	<u>General Fixed Assets September 30, 1994</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets September 30, 1995</u>
General Government and Administration:				
Legislative	\$ 3,311	\$ -	\$ -	\$ 3,311
Executive	118,997	9,178	4,354	123,821
Finance	15,854	12,882	1,685	27,051
Purchasing	1,465	-	-	1,465
Personnel and safety	32,303	-	-	32,303
Planning	652,248	7,000	-	659,248
Building inspection	168,772	13,250	10,034	171,988
Total general government and administration	992,950	42,310	16,073	1,019,1
Public Safety:				
Police protection	2,801,301	304,921	287,667	2,818,555
Fire protection	3,574,774	248,312	310,659	3,512,427
Other public safety	-	13,627	-	13,627
Total public safety	6,376,075	566,860	598,326	6,344,609
Public Works:				
Flood control	528,955	82,881	3,213	608,623
Engineering	1,037,871	50,689	57,559	1,031,001
Highway and street construction	1,205,739	32,826	75,830	1,162,735
Total public works	2,772,565	166,396	136,602	2,802,359
Culture and Recreation:				
Library	491,823	119,624	5,280	606,167
Recreation	1,707,340	159,062	32,407	1,833,995
Total culture and recreation	2,199,163	278,686	37,687	2,440,162
Nondepartmental	5,655,355	3,819	17,209	5,641,965
Construction in Progress	17,583	1,647,563	15,783	1,649,363
Total General Fixed Assets	<u>\$ 18,013,691</u>	<u>\$ 2,705,634</u>	<u>\$ 821,680</u>	<u>\$ 19,897,645</u>

STATISTICAL SECTION

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

STATISTICAL SECTION

CITY OF OCALA, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
HISTORICAL TREND INFORMATION FOR PENSION TRUST FUNDS
COMPARATIVE SUMMARY OF REVENUES BY SOURCE AND EXPENSES BY TYPE

Revenues By Source
(in thousands)

<u>Fiscal Year Ended September 30,</u>	<u>Employee Contributions</u>	<u>City Contri- butions</u>	<u>As a Percentage of Covered Payroll</u>	<u>State Contributions</u>	<u>Investment Income</u>	<u>Total</u>
General Plan:						
1995	\$ -	\$ 1,606	6.20 %	\$ -	\$ 8,378	\$ 9,984
1994	-	1,525	6.20	-	332	1,857
1993	-	1,501	6.20	-	4,148	5,649
1992	-	1,503	6.30	-	3,672	5,175
1991	-	1,157	5.20	-	5,979	7,136
1990	-	1,073	5.20	-	1,329	2,402
1989	-	1,331	7.20	-	4,865	6,196
1988	-	1,191	7.20	-	2,124	3,315
1987	-	1,277	8.20	-	2,583	3,860
1986	-	1,101	7.84	-	3,071	4,172
Supplemental Police Officers' Plan:						
1995	\$ 93	\$ -	- %	\$ 315	\$ 1,675	\$ 2,083
1994	78	-	-	288	30	396
1993	76	-	-	286	757	1,119
1992	73	-	-	271	660	1,004
1991	35	-	-	280	1,048	1,363
1990	33	-	-	280	226	539
1989	30	-	-	258	825	1,113
1988	27	-	-	243	345	615
1987	18	-	-	222	408	648
1986	-	-	-	192	505	697
Supplemental Firefighters' Plan:						
1995	\$ 273	\$ -	- %	\$ 201	\$ 1,128	\$ 1,602
1994	262	-	-	191	22	475
1993	256	-	-	172	530	958
1992	256	-	-	172	458	886
1991	233	-	-	163	712	1,108
1990	210	-	-	141	151	502
1989	175	-	-	120	542	837
1988	154	5	-	113	224	496
1987	108	-	-	106	256	470
1986	-	-	-	100	306	406

Contributions were made in accordance with actuarially determined contribution requirements.

Expenses By Type
(in thousands)

<u>Fiscal Year Ended September 30,</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Other Expenses</u>	<u>Investment Losses</u>	<u>Total</u>
1995	\$ 1,261	\$ -	\$ 45	\$ -	\$ 1,306
1994	1,186	-	231	246	1,663
1993	1,040	-	240	-	1,280
1992	915	-	213	-	1,128
1991	812	1	207	-	1,020
1990	687	1	239	5,676	6,603
1989	584	6	231	-	821
1988	480	11	203	-	694
1987	397	8	190	-	595
1986	364	15	146	-	525
1995	\$ 138	\$ 9	\$ 14	\$ -	\$ 161
1994	162	8	51	30	251
1993	163	5	50	-	218
1992	146	1	41	-	190
1991	148	2	55	-	205
1990	116	5	45	995	1,161
1989	95	1	40	-	136
1988	78	-	50	-	128
1987	70	-	30	-	100
1986	86	-	39	-	125
1995	\$ 384	\$ 91	\$ 12	\$ -	\$ 487
1994	301	44	41	21	407
1993	234	28	38	-	300
1992	204	16	31	-	251
1991	184	30	43	-	257
1990	176	7	33	664	880
1989	114	18	30	-	162
1988	83	2	39	-	124
1987	29	-	19	-	48
1986	29	-	21	-	50

CITY OF OCALA, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
HISTORICAL TREND INFORMATION FOR PENSION TRUST FUNDS
ANALYSIS OF FUNDING PROGRESS

(in thousands of dollars)

<u>Fiscal Year</u>	<u>(1) Net Assets Available for Benefits</u>	<u>(2) Pension Benefit Obligation</u>	<u>(3) Percentage Funded (1) / (2)</u>	<u>(4) Assets in Excess of Pension Benefit Obligation (Unfunded Pension Benefit Obligation) (1) - (2)</u>
General Plan:				
1995	\$ 46,466	\$ 37,243	124.8 %	\$ 9,223
1994	37,788	31,977	118.2	5,811
1993	37,594	29,613	127.0	7,981
1992	33,225	27,984	118.7	5,241
1991	29,178	25,595	114.0	3,583
1990	23,063	23,011	100.2	52
1989	27,264	19,473	140.0	7,791
1988	21,889	16,013	136.7	5,876
1987	19,268	13,740	140.2	5,528
1986	16,002	10,658	150.1	5,344
Supplemental Police Officers' Plan:				
1995	\$ 8,586	\$ 7,612	118.1 %	\$ 1,374
1994	7,065	6,498	108.7	567
1993	6,920	5,908	117.0	1,012
1990	4,047	4,072	99.4	(25)
1987	3,205	2,324	137.9	881
Supplemental Firefighters' Plan:				
1995	\$ 6,024	\$ 6,926	87.0 %	\$ (902)
1994	4,909	6,173	79.5	(1,264)
1993	4,841	5,543	87.3	(702)
1990	2,698	3,728	72.4	(1,030)
1987	2,031	1,869	108.7	162

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the assets in excess of the pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the System's progress in accumulating sufficient assets to pay benefits when due. Generally, the larger this percentage, the stronger the system.

(5) Annual Covered Payroll	(6) Assets in Excess of Pension Benefit Obligation (Unfunded Pension Benefit Obligation) as a Percentage of Covered Payrol' (4) / (5)
\$ 25,906	35.6 %
24,594	23.6
24,394	32.7
23,850	21.9
23,440	15.3
21,772	0.2
19,167	40.6
17,239	34.1
15,636	35.4
13,856	38.6
\$ 4,646	29.6 %
3,903	14.5
3,888	26.0
3,329	(0.8)
2,501	35.2
\$ 3,239	(27.8) %
3,115	(40.6)
3,080	(22.8)
2,620	(39.3)
1,756	9.2

CITY OF OCALA, FLORIDA

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

LAST TEN FISCAL YEARS

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Property taxes	\$ 2,921,415	\$ 4,413,746	\$ 5,073,641	\$ 6,161,242
Other taxes	717,980	710,945	763,823	786,021
Intergovernmental revenues	5,868,213	6,342,097	6,829,455	7,041,160
Licenses and permits	706,762	677,805	673,596	690,456
Fines and forfeitures	474,764	532,498	710,301	740,603
Charges for services and off-street parking	240,735	245,690	223,742	1,348,168
Transfers from other funds	10,203,401	10,928,043	11,532,925	14,277,023
Bond and note proceeds	13,041,330	-	7,542,626	-
Interest income	522,787	756,439	889,965	1,567,581
Miscellaneous	1,064,125	1,571,289	1,067,093	112,908
Total	<u>\$ 35,761,512</u>	<u>\$ 26,178,552</u>	<u>\$ 35,307,167</u>	<u>\$ 32,725,162</u>

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

<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
\$ 6,505,843	\$ 7,091,592	\$ 7,149,471	\$ 7,270,662	\$ 7,575,276	\$ 7,638,214
801,394	825,622	884,258	1,409,034	1,502,077	1,508,766
6,982,067	7,489,550	6,989,818	7,360,769	9,214,202	9,122,383
736,411	651,013	631,461	604,787	763,066	772,036
734,132	812,701	967,438	873,112	891,455	1,052,858
1,497,702	1,479,127	1,897,707	2,025,300	2,246,292	2,380,049
14,321,507	15,609,360	16,694,506	17,411,663	17,944,570	17,000,557
-	-	42,922	14,143,855	11,749,269	-
1,545,540	1,394,582	1,048,948	780,108	1,130,987	1,467,264
261,093	178,115	286,064	277,420	271,518	154,506
<u>\$ 33,385,689</u>	<u>\$ 35,531,662</u>	<u>\$ 36,592,593</u>	<u>\$ 52,156,710</u>	<u>\$ 53,288,712</u>	<u>\$ 41,096,633</u>

CITY OF OCALA, FLORIDA

GENERAL GOVERNMENTAL EXPENDITURES AND OTHER USES BY FUNCTION (1)

LAST TEN FISCAL YEARS

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
General government and administration	\$ 2,180,146	\$ 2,398,717	\$ 2,462,279	\$ 2,872,897
Public safety	6,836,255	7,529,924	8,030,705	9,519,499
Public works	2,470,282	2,690,444	2,707,074	3,435,091
Culture and recreation	2,420,806	2,806,405	2,728,031	2,998,445
Nondepartmental	998,914	1,259,245	1,973,860	330,614
Debt service	8,546,374	2,153,331	6,011,761	2,485,187
Capital outlay	1,740,251	2,537,305	2,501,826	1,979,521
Transfers to other funds	4,803,525	3,865,642	4,176,731	3,477,913
Miscellaneous	762,977	329,074	666,543	665,631
Total	<u>\$ 30,759,530</u>	<u>\$ 25,570,087</u>	<u>\$ 31,258,810</u>	<u>\$ 27,764,798</u>

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

<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
\$ 3,168,947	\$ 3,469,028	\$ 3,339,215	\$ 3,388,158	\$ 3,570,694	\$ 3,750,855
10,759,495	11,677,768	12,438,951	12,621,517	13,296,158	14,812,271
3,466,758	3,655,998	3,915,990	3,933,610	4,242,507	4,531,891
3,376,898	3,508,653	3,740,232	3,771,641	3,826,126	3,939,075
389,988	474,371	381,785	428,063	151,883	87,932
3,619,989	3,949,011	3,941,987	16,791,576	15,843,482	3,501,935
4,834,530	4,122,771	4,174,687	2,262,339	1,939,122	3,160,173
3,764,846	4,242,111	4,900,835	5,015,385	4,923,349	4,777,853
871,121	829,112	805,253	2,250,678	1,130,298	995,400
<u>\$ 34,252,572</u>	<u>\$ 35,928,823</u>	<u>\$ 37,638,965</u>	<u>\$ 50,462,967</u>	<u>\$ 48,923,619</u>	<u>\$ 39,557,385</u>

CITY OF OCALA, FLORIDA

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

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Assessed Valuation (100% at Market)</u>	<u>Tax Rate in Mills (3)</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Total (2) Tax Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>	<u>Uncollected Taxes</u>
1986	\$ 807,763,046	3.65	\$ 2,962,022	\$ 2,758,410	\$ 2,881,597	97.3	\$ 203,612
1987	971,041,837	4.65	4,527,718	4,199,267	4,373,759	96.6	328,451
1988	1,096,194,648	4.65	5,112,811	4,765,369	5,027,371	98.3	347,442
1989	1,235,655,356	5.08	6,287,092	5,662,203	6,114,815	97.3	624,889
1990	1,310,033,579	5.08	6,667,187	5,956,404	6,459,659	96.9	710,783
1991	1,399,122,711	5.17	7,244,086	6,592,981	7,043,228	97.2	651,105
1992	1,426,577,239	5.14	7,340,847	6,677,841	7,101,641	96.7	663,006
1993	1,501,855,447	4.92	7,402,331	6,837,706	7,223,752	97.6	564,625
1994	1,514,377,939	5.03	7,623,382	7,136,533	7,529,041	98.8	486,849
1995	1,556,395,804	5.03	7,836,849	7,289,707	7,595,038	96.9	547,142

Source: Marion County Tax Collector and City Finance Department.

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

CITY OF OCALA, FLORIDA

PROPERTY TAX RATES AND LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

Millage Rates

<u>Fiscal Year</u>	<u>City</u>	<u>County</u>	<u>School</u>	<u>Water Management Districts</u>	<u>Total</u>
1986	3.65	3.21	7.10	0.32	14.28
1987	4.65	3.59	7.70	0.32	16.26
1988	4.65	3.83	7.70	0.33	16.51
1989	5.08	4.35	7.88	0.36	17.67
1990	5.08	4.98	7.93	0.35	18.34
1991	5.17	5.66	9.21	0.36	20.40
1992	5.14	6.04	9.29	0.36	20.83
1993	4.92	6.05	9.41	0.36	20.74
1994	5.03	6.10	9.58	0.47	21.18
1995	5.03	5.74	9.88	0.48	21.13

Tax Levies

<u>Fiscal Year</u>	<u>City (1)</u>	<u>County (2)</u>	<u>School (2)</u>	<u>Districts (2)</u>	<u>Total</u>
1986	\$ 2,950,758	\$ 2,592,919	\$ 5,735,118	\$ 258,484	\$ 11,537,279
1987	4,518,262	3,486,044	7,477,030	310,734	15,792,070
1988	5,100,594	4,198,426	8,440,699	361,744	18,101,463
1989	6,277,129	5,375,101	9,736,964	444,836	21,834,030
1990	6,654,971	6,523,967	10,388,566	458,512	24,026,016
1991	7,233,464	7,919,035	12,885,920	503,684	28,542,103
1992	7,328,327	8,616,527	13,250,505	510,715	29,706,074
1993	7,389,129	9,086,225	14,132,460	540,668	31,148,482
1994	7,611,869	9,237,705	14,507,741	711,758	32,069,073
1995	7,823,068	8,933,712	15,377,191	747,070	32,881,041

- (1) Does not include penalties under Section 193.072 of the Florida Statutes.
- (2) The tax levies for overlapping governments reflect each government's millage applied to the total assessed valuation within the City's corporate boundaries.

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

<u>Fiscal Year</u>	<u>New Liens Assessed</u>	<u>Collections and Adjustments</u>	<u>Total Outstanding Assessments (1)</u>
1986	\$ 21,768	\$ 179,648	\$ 939,839
1987	12,959	158,409	794,389
1988	28,300	175,308	647,381
1989	6,000	90,243	563,138
1990	106,229	159,966	509,401
1991	-	97,955	411,446
1992	-	164,554	246,902
1993	13,679	68,822	191,759
1994	-	59,140	132,619
1995	-	16,916	115,703

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

CITY OF OCALA, FLORIDA

COMPUTATION OF LEGAL DEBT MARGIN

September 30, 1995

Assessed Value (100% at market as of January 1, 1995)	<u>\$ 1,556,395,804</u>
Debt Limit: 20% of Assessed Value	\$ 311,279,161
Amount of General Obligation Debt Outstanding	<u>-</u>
Legal Debt Margin	<u>\$ 311,279,161</u>

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

CITY OF OCALA, FLORIDA

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

LAST TEN FISCAL YEARS

Year	Net Revenue Available for Debt Service (1)	Debt Service Requirements (2) (3) (4) (5) (6)			Coverage
		Principal	Interest	Total	
1986	\$ 14,329,773	\$ 1,010,000	\$ 1,817,677	\$ 2,827,677	5.07
1987	14,371,791	1,045,000	1,769,218	2,814,218	5.11
1988	14,891,027	1,105,000	1,160,385	2,265,385	6.57
1989	16,936,544	1,190,000	1,469,607	2,659,607	6.37
1990	20,319,802	1,435,000	1,698,359	3,133,359	6.48
1991	22,421,756	1,845,000	2,748,830	4,593,830	4.88
1992	21,664,962	1,965,000	2,633,056	4,598,056	4.71
1993	21,524,640	1,260,000	663,780	1,923,780	11.19
1994	23,081,766	1,345,000	582,353	1,927,353	11.98
1995	22,733,287	1,435,000	494,065	1,929,065	11.78

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

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

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

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

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

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

Continued

CITY OF OCALA, FLORIDA

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

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

CITY OF OCALA, FLORIDA

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

LAST TEN FISCAL YEARS

Year	Net Revenue Available for Debt Service (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
1986	\$ 6,762,243	\$ - (3)	\$ 1,893,489 (3)	\$ 1,893,489	3.50
1987	5,690,844	245,000 (3)	4,129,150 (3)	4,374,150	1.30
1988	8,047,236	165,000 (4)	4,118,735 (4)	4,283,735	1.88
1989	7,738,769	315,000	3,790,133	4,105,133	1.89
1990	6,778,281	425,000	4,004,180	4,429,180	1.53
1991	7,383,205	555,000	3,971,896	4,526,896	1.63
1992	8,076,099	640,000	3,930,831	4,570,831	1.77
1993	8,426,555	- (5)	948,311 (5)	948,311	8.89
1994	8,177,122	45,000	946,928	991,928	8.24
1995	8,592,135	245,000	937,825	1,182,825	7.26

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

Continued

CITY OF OCALA, FLORIDA

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

LAST TEN FISCAL YEARS

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

CITY OF OCALA, FLORIDA

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

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Net Revenue Available for Debt Service (1)</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
1993	\$ 27,079,104	\$ 1,785,000	\$ 4,814,527	\$ 6,599,527	4.10
1994	28,339,607	3,140,000	4,520,538	7,660,538	3.70
1995	28,213,532	3,255,000	4,107,890	7,362,890	3.83

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

CITY OF OCALA, FLORIDA

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

LAST TEN FISCAL YEARS

Year	Occupational License	Cigarette Tax	Total Revenue Available for Debt Service	Principal	Interest	Total	Coverage
1986	\$ 340,013	\$ 406,723	\$ 746,736	\$ 265,000	\$ 115,300	\$ 380,300	1.96
1987	362,960	388,381	751,341	275,000	103,150	378,150	1.99
1988	349,663	417,874	767,537	285,000	89,125	374,125	2.05
1989	376,590	419,394	795,984	300,000	74,590	374,590	2.12
1990	386,809	422,576	809,385	315,000	58,990	373,990	2.16
1991	386,804	392,594	779,398	325,000	41,980	366,980	2.12
1992	380,567	383,621	764,188	330,000	24,430	354,430	2.16
1993	365,591	409,788	775,379	190,000	7,600	197,600	3.92
1994	-	-	-	-	-	-	-
1995	-	-	-	-	-	-	-

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

CITY OF OCALA, FLORIDA

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

LAST TEN FISCAL YEARS

Year	Pledged Revenues						Total Revenue Available for Debt Service
	Local Government Half-Cent Sales Tax	Franchise Fees	Occupational License Tax (1)	Guaranteed Entitlement (2)	Mobile Home Licenses	Court Fines and Forfeitures	
1986	\$ 1,414,157	\$ 275,654	\$ 340,013	\$ 643,622	\$ 31,857	\$ 388,082	\$ 3,093,385
1987	1,539,964	292,968	362,960	643,622	28,696	427,981	3,296,191
1988	1,833,635	314,227	349,663	643,622	27,015	595,245	3,763,407
1989	1,858,812	333,517	376,590	643,622	28,903	607,365	3,848,809
1990	1,875,964	344,210	386,809	643,622	26,375	612,535	3,889,515
1991	1,735,149	392,588	386,804	643,622	24,768	701,281	3,884,212
1992	1,662,566	458,619	380,567	643,622	25,231	787,389	3,957,994
1993	1,764,593	488,574	365,591	643,622	16,025	732,964	4,011,369
1994	1,897,084	542,026	367,467	643,622	15,457	735,266	4,300,922
1995	2,106,763	497,871	378,545	643,622	16,913	660,082	4,303,796

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

<u>Debt Service Requirements (3) (4) (5) (6) (7)</u>				
<u>Principal</u>	<u>Interest</u>	<u>Total</u>		<u>Coverage</u>
\$ 160,000	\$ 669,430	\$ 829,430		3.73
900,000	851,101	1,751,101		1.88
1,195,000	1,184,385	2,379,385		1.58
575,000	1,236,591	1,811,591		2.12
810,000	1,372,694	2,182,694		1.78
865,000	1,324,897	2,189,897		1.77
930,000	1,271,543	2,201,543		1.80
1,145,000	1,212,244	2,357,244		1.70
1,410,000	1,058,229	2,468,229		1.74
980,000	1,201,352	2,181,352		1.97

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

CITY OF OCALA, FLORIDA

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

LAST TEN FISCAL YEARS

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

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

CITY OF OCALA, FLORIDA

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT (2)

September 30, 1995

<u>Governmental Unit</u>	<u>Bonds Outstanding</u>	<u>Applicable to City of Ocala</u>	
		<u>Percent (1)</u>	<u>Amount</u>
Marion County			
Limited Ad Valorem Refunding Tax Bonds, Series 1994	\$ 10,335,000	29.42 %	\$ 3,040,557
School District of Marion County			
General Obligation Bonds, Series 1990	9,625,000		
General Obligation Refunding Bonds, Series 1992	19,845,000		
General Obligation Partial Refunding Bonds, Series 1993	14,465,000		
	<u>43,935,000</u>	<u>29.42</u>	<u>12,925,677</u>
Total Overlapping Debt	<u>\$ 54,270,000</u>	<u>29.42 %</u>	<u>\$ 15,966,234</u>

- (1) Represents the fraction of assessed valuation of taxable property in the City of Ocala over the assessed valuation of taxable property in Marion County.
- (2) The City of Ocala did not have any general obligation debt outstanding during the fiscal year ended September 30, 1995.

CITY OF OCALA, FLORIDA

MISCELLANEOUS STATISTICAL DATA

September 30, 1995

Date of Incorporation	February 4, 1869
City Charter Adopted	January 28, 1885
Form of Government	Council/Manager
Area of City	35.44 square miles
Miles of Streets, Sidewalks and Bikepaths:	
Streets - Paved	277.59 miles
Streets - Unpaved	40.40 miles
Sidewalks (2)	71.77 miles
Bikepaths	22.35 miles
Miles of Sewers:	
Storm	62.54 miles
Sanitary	281.21 miles
Force Main	57.63 miles
Lift Stations	88
Building Permits (October 1994 - September 1995) (1):	
Permits Issued	4,387
Permit Value	\$80,922,082
Fire Protection:	
Stations	5
Employees - Sworn	106
Employees - Civilian	9
Fire and rescue response time (minutes)	3
Police Protection:	
Stations	3
Employees - Sworn	135
Employees - Reserve	13
Employees - Civilian	65
Vehicular Patrol Units - Marked Vehicles	82
- Motorcycles	6
- Other Vehicles	47
Recreation:	
Activity areas	92
Land area (acres)	468
Activity centers	7
Pools	2

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

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

CITY OF OCALA, FLORIDA
DEMOGRAPHIC STATISTICS

POPULATION (1)

<u>Year</u>	<u>City of Ocala</u>	<u>Marion County</u>
1986	41,946	166,606
1987	42,742	176,102
1988	43,538	186,605
1989	44,334	196,749
1990	42,045	194,833
1991	41,198	200,314
1992	41,863	206,642
1993	42,400	213,328
1994	42,920	217,862
1995	43,207	219,200

Sources: The Bureau of Business and Economic Research - University of Florida, Gainesville (years 1986 through 1990) and the City of Ocala Comprehensive Plan - Planning Department (years 1991 through 1995).

POPULATION PROJECTIONS *

<u>Year</u>	<u>Marion County</u>	<u>State of Florida</u>
2000	256,800	15,527,500
2005	286,300	16,761,500
2010	315,000	17,958,400
2015	344,300	19,158,200
2020	373,600	20,349,700

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

% POPULATION BY AGE GROUP *

<u>Year</u>	<u>Marion County</u>	<u>State of Florida</u>
0-14	19.5	19.5
15-44	36.8	41.5
45-64	20.3	20.3
65 +	23.4	18.7

Source: 1994 Florida Statistical Abstract, Bureau of Business and Economic Research, University of Florida.

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

(1) On April 1, 1994, Ocala ranked 41st in population size among Florida cities; Marion County ranked 17th in population among Florida counties; and Marion County ranked 30th in population density among Florida counties.

CITY OF OCALA, FLORIDA
LIST OF TEN LARGEST TAXPAYERS

1994 TAX ROLL

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>	<u>City Tax Bill (1) (2)</u>
1.	K-Mart Corporation	Distribution Center	\$ 47,109,629	3.03 %	\$ 237,000
2.	United Telephone of Florida	Telephone Communications	43,166,647	2.77	217,000
3.	Paddock Mall Associates	Regional Shopping Center	24,202,631	1.55	122,000
4.	Marion Community Hospital	General Hospital Care	21,985,224	1.41	111,000
5.	Paddock Park Apartments	Apartment Complex	13,507,592	0.87	68,000
6.	Clairson International Corporation	Manufacturing	12,390,977	0.80	62,000
7.	C.C. Ocala Joint Venture	Local Shopping Center	9,798,106	0.63	49,000
8.	Ocala Mall Assoc., Ltd.	Local Shopping Center	8,392,312	0.54	42,000
9.	Wal-Mart	Local Shopping Center	8,225,535	0.53	41,000
10.	Sears, Roebuck & Co.	Department Store	7,458,935	0.48	37,000
	Total Adjusted Value		196,237,588	12.61	986,000
	Other Taxpayers		1,360,158,216	87.39	6,837,068
	Total Assessed Value		<u>\$ 1,556,395,804</u>	<u>100.00 %</u>	<u>\$ 7,823,068</u>

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

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

CITY OF OCALA, FLORIDA

SCHEDULE OF INSURANCE IN FORCE

September 30, 1995

<u>Company</u>	<u>Policy #</u>	<u>Type of Coverage</u>	<u>Deductible Self Retention</u>	<u>Limit of Coverage</u>
City of Ocala	Self-Insured	Workers' Compensation	-	Statutory
ITT Hartford	ETB-102113	Police and Firefighters accidental death and dismemberment	-	\$ 25,000
ITT Hartford	ETB-102113	Fresh Pursuit	-	\$ 25,000
ITT Hartford	ETB-102113	Police and Firefighters intentional death and dismemberment	-	\$ 75,000
Shenandoah	07-0009629	Employee Life, AD and D	-	Various as specified in policy
City of Ocala	Self-Insured	Disability Income Replacement	-	60% of income
Commerce & Industry	6058013	All risk property	\$ 10,000	As specified in policy
American Eagle Group	47984-02	Airport Liability	-	\$5,000,000 per occurrence
Florida League	FML 116	General Liability	\$100,000 per person \$200,000 per occurrence	\$1,000,000 per occurrence
Florida League	FML 116	Public Officials, EMT, Employer Practices Liability	\$100,000 per person \$200,000 per occurrence	\$1,000,000 per occurrence
Florida League	FML 116	Fire legal	\$100,000 per occurrence	\$1,000,000
Florida League	FML 116	Law Enforcement Liability	\$100,000 per claim	\$1,100,000 per person \$1,200,000 per occurrence
City of Ocala	Self-Insured	Auto Liability	-	-

Continued

CITY OF OCALA, FLORIDA

SCHEDULE OF INSURANCE IN FORCE - CONTINUED

September 30, 1995

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

Surety Bonds Required by OrdinanceAmount

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

\$95,000

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

\$95,000

CITY OF OCALA, FLORIDA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

	Commercial Construction (1)		Residential Construction (1)		Bank Deposits (in thousands)	
	Number of Units	Value	Number of Units	Value	Bank (2) (4)	Savings and Loan Association (3) (4)
1986	168	\$ 25,943,361	484	\$ 13,682,001	\$ 898,714	\$ 569,115
1987	144	20,501,586	207	10,956,790	961,160	698,496
1988	125	22,273,533	199	12,073,501	1,099,243	694,452
1989	148	56,245,634	236	13,646,775	1,220,332	749,632
1990	179	42,657,459	204	11,441,739	1,330,496	768,062
1991	70	30,114,989	83	5,716,862	1,409,328	800,513
1992	65	24,020,610	68	5,366,231	1,418,489	723,894
1993	35	9,475,119	96	8,105,884	1,422,021	711,342
1994	70	38,309,231	112	10,159,393	2,074,371	85,726
1995	72	32,579,580	119	8,439,036	2,134,528	119,237

- (1) Obtained from records maintained by the City of Ocala Building, Zoning and Licensing Department.
- (2) Obtained by the Florida Bankers Association for 1986 through 1992, and Barnett Bank for 1993 through 1995. Figures shown are for Marion County and represent total bank deposits at September 30 for the years 1986 through 1995.
- (3) Obtained by the Federal Home Loan Bank for the years 1986 through 1991, the U.S. Savings and Loan League for 1992, and Barnett Bank for 1993 through 1995. Figures shown are for Marion County and represent total savings and loan association deposits at March 31 for 1986, at June 30 for 1987, 1988 and 1992, and at September 30 for 1989 through 1991, and 1993 through 1995.
- (4) The swing in deposits from savings and loan associations to banks represents the purchase/merger of Mid-State Federal Savings and Loan Association by AmSouth Bank and of California Federal Savings and Loan Association by NationsBank during fiscal year 1994.

CITY OF OCALA, FLORIDA
LIST OF OFFICERS' SALARIES

September 30, 1995

City Manager	\$ 83,033
Assistant City Manager	72,630
Assistant City Manager	55,000
Assistant City Manager	50,000
Building Official	59,783
City Clerk	38,387
City Engineer	62,759
Electric Utility Director	72,630
Finance Director	56,813
Fire Chief	53,792
Fleet Management Director	37,408
Golf Director	42,749
Human Resource Director	49,209
Internal Auditor	44,280
Management Information System Director	53,846
Planning Director	48,580
Police Chief	65,292
Public Works Director	53,206
Purchasing Director	50,268
Recreation and Parks Director	47,153
Regional Library Director	39,292
Risk Manager	49,511
Water and Sewer Director	53,405

CITY OF OCALA, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY

ALL BONDED DEBT

1996-2019

Fiscal Year	Capital Improvement Refunding Revenue Certificates and Revenue Refunding Certificates	Electric System Revenue Refunding Bonds	Water and Sewer Refunding Revenue Bonds	Utility Systems Subordinate Refunding Revenue Bonds Series 1992A	Utility Systems Subordinate Refunding Revenue Bonds Series 1992B	Optional Gas Tax Refunding Revenue Bonds	Total Principal and Interest
1996	\$ 2,184,712	\$ 1,928,038	\$ 1,181,658	\$ 4,216,296	\$ 3,152,250	\$ 1,309,578	\$ 13,972,532
1997	2,182,262	1,923,325	1,183,828	4,203,865	3,154,200	1,305,489	13,952,969
1998	2,183,862	1,924,390	1,179,418	4,205,490	3,150,440	1,302,953	13,946,553
1999	898,062	1,800,030	1,183,348	4,195,860	2,031,576	1,302,476	11,411,352
2000	1,329,482	-	1,175,583	4,199,280	629,720	1,303,395	8,637,480
2001	1,331,702	-	1,180,901	4,194,890	629,720	1,296,018	8,633,231
2002	1,327,765	-	1,173,265	4,192,903	629,720	1,300,565	8,624,218
2003	1,332,528	-	1,177,574	4,188,455	2,390,270	1,296,265	10,385,092
2004	1,330,848	-	1,174,406	4,176,202	2,382,260	1,298,245	10,361,961
2005	1,327,518	-	1,173,759	4,180,931	2,381,225	1,296,887	10,360,320
2006	1,332,258	-	1,175,253	4,168,888	2,376,094	1,291,988	10,344,481
2007	1,325,283	-	1,168,887	4,167,450	2,366,719	1,292,812	10,321,151
2008	1,326,538	-	1,169,471	4,161,750	-	1,288,800	7,946,559
2009	1,325,733	-	1,165,812	4,153,437	-	1,285,250	7,930,232
2010	1,323,148	-	1,162,656	4,154,400	-	1,287,500	7,927,704
2011	1,322,719	-	1,160,365	4,143,988	-	-	6,627,072
2012	1,324,331	-	1,158,546	4,140,625	-	-	6,623,302
2013	1,844,400	-	1,156,806	4,138,750	-	-	7,139,956
2014	1,837,869	-	1,154,750	4,124,375	-	-	7,116,994
2015	1,839,500	-	1,147,180	4,121,719	-	-	7,108,399
2016	1,839,125	-	1,148,509	4,114,687	-	-	7,102,321
2017	1,835,000	-	-	-	-	-	1,835,000
2018	1,832,000	-	-	-	-	-	1,832,000
2019	1,834,750	-	-	-	-	-	1,834,750
Total	\$ 37,571,195	\$ 7,575,783	\$ 24,551,975	\$ 87,544,241	\$ 25,274,194	\$ 19,458,221	\$ 201,975,609

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST

CAPITAL IMPROVEMENT REVENUE REFUNDING CERTIFICATES, SERIES 1988

September 30, 1995

This issue, which was sold in August, 1988, consists of \$7,505,000 in fully registered certificates in denominations of \$5,000 and integral multiples thereof. The certificates mature from April 1, 1989 through 1998 and are not subject to redemption prior to their stated maturities. As of September 30, 1995, \$4,135,000 of the certificates have been retired. The outstanding certificates will mature as listed below. The paying agent and certificate registrar is Citizens and Southern Trust Company (Georgia), National Association in Atlanta, Georgia.

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

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

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 4-1</u>	<u>Interest Due 10-1</u>	<u>Interest Due 4-1</u>	<u>Total</u>
1996	6.90 %	\$ 1,050,000	\$ 118,325	\$ 118,325	\$ 1,286,650
1997	7.00	1,120,000	82,100	82,100	1,284,200
1998	7.15	1,200,000	42,900	42,900	1,285,800
Total		<u>\$ 3,370,000</u>	<u>\$ 243,325</u>	<u>\$ 243,325</u>	<u>\$ 3,856,650</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

CAPITAL IMPROVEMENT REFUNDING REVENUE CERTIFICATES, SERIES 1993

September 30, 1995

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

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

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

Fiscal Year	Interest Rate	Principal Due 10-1	Interest Due 10-1	Interest Due 4-1	Total
1996	-	\$ -	\$ 449,031	\$ 449,031	\$ 898,062
1997	-	-	449,031	449,031	898,062
1998	-	-	449,031	449,031	898,062
1999	-	-	449,031	449,031	898,062
2000	3.90 %	440,000	449,031	440,451	1,329,482
2001	4.00	460,000	440,451	431,251	1,331,702
2002	4.10	475,000	431,251	421,514	1,327,765
2003	4.20	500,000	421,514	411,014	1,332,528
2004	4.30	520,000	411,014	399,834	1,330,848
2005	4.50	540,000	399,834	387,684	1,327,518
2006	4.60	570,000	387,684	374,574	1,332,258
2007	4.70	590,000	374,574	360,709	1,325,283
2008	4.80	620,000	360,709	345,829	1,326,538
2009	4.90	650,000	345,829	329,904	1,325,733
2010	4.90	680,000	329,904	313,244	1,323,148
2011	5.25	715,000	313,244	294,475	1,322,719
2012	5.25	755,000	294,475	274,656	1,324,131
2013	5.25	1,330,000	274,656	239,744	1,844,400
2014	5.25	1,395,000	239,744	203,125	1,837,869
2015	5.00	1,470,000	203,125	166,375	1,839,500
2016	5.00	1,545,000	166,375	127,750	1,839,125
2017	5.00	1,620,000	127,750	87,250	1,835,000
2018	5.00	1,700,000	87,250	44,750	1,832,000
2019	5.00	1,790,000	44,750	-	1,834,750
Total		<u>\$ 18,365,000</u>	<u>\$ 7,899,288</u>	<u>\$ 7,450,257</u>	<u>\$ 33,714,545</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

ELECTRIC SYSTEM REVENUE REFUNDING BONDS, SERIES 1989B

September 30, 1995

In October, 1989, the \$13,000,000 Electric System Revenue Refunding Bonds, Series 1989B were sold. This issue consists of \$13,000,000 in serial bonds which mature on October 1, 1990 through 1998. As of September 30, 1995, \$6,355,000 of these bonds have been retired. The schedule below shows the actual maturities and the debt service requirements for the outstanding serial bonds. The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. The paying agent and bond registrar is Citizens and Southern Trust Company (Georgia), National Association in Atlanta, Georgia.

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

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

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 10-1</u>	<u>Interest Due 10-1</u>	<u>Interest Due 4-1</u>	<u>Total</u>
1996	6.55 %	\$ 1,530,000	\$ 224,073	\$ 173,965	\$ 1,928,038
1997	6.70	1,630,000	173,965	119,360	1,923,325
1998	6.80	1,745,000	119,360	60,030	1,924,390
1999	6.90	1,740,000	60,030	-	1,800,030
Total		<u>\$ 6,645,000</u>	<u>\$ 577,428</u>	<u>\$ 353,355</u>	<u>\$ 7,575,783</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 1988

September 30, 1995

This issue, which was sold in July, 1988, consists of \$2,145,000 serial bonds maturing from October 1, 1993 through 2000 and of \$10,305,000 term bonds of which \$3,430,000 mature on October 1, 2007 and \$6,875,000 mature on October 1, 2015. As of September 30, 1995, \$290,000 of these bonds have been retired. The schedule below shows the actual maturities for the serial bonds and the debt service requirements for the term bonds. The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. The paying agent and registrar is Citizens and Southern Trust Company (Georgia), National Association in Atlanta, Georgia.

The payment of principal and interest on the Series 1988 bonds is secured by a lien on the net revenues derived from the operation of the water and sewer system; however, the lien on the pledged revenues for the Series 1988 bonds is junior and subordinate to the Series 1985A and Series 1986 bonds.

Proceeds of this issue were used primarily to advance refund the Water and Sewer Refunding Revenue Bonds, Series 1985B.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 10-1</u>	<u>Interest Due 10-1</u>	<u>Interest Due 4-1</u>	<u>Total</u>
1996	6.500 %	\$ 260,000	\$ 465,054	\$ 456,604	\$ 1,181,658
1997	6.700	280,000	456,604	447,224	1,183,828
1998	6.800	295,000	447,224	437,194	1,179,418
1999	6.900	320,000	437,194	426,154	1,183,348
2000	7.000	335,000	426,154	414,429	1,175,583
2001	7.100	365,000	414,429	401,472	1,180,901
2002	7.625	385,000	401,471	386,794	1,173,265
2003	7.625	420,000	386,793	370,781	1,177,574
2004	7.625	450,000	370,781	353,625	1,174,406
2005	7.625	485,000	353,625	335,134	1,173,759
2006	7.625	525,000	335,134	315,119	1,175,253
2007	7.625	560,000	315,118	293,769	1,168,837
2008	7.625	605,000	293,768	270,703	1,169,471
2009	7.875	650,000	270,703	245,109	1,165,812
2010	7.875	700,000	245,109	217,547	1,162,656
2011	7.875	755,000	217,546	187,819	1,160,365
2012	7.875	815,000	187,818	155,728	1,158,546
2013	7.875	880,000	155,728	121,078	1,156,806
2014	7.875	950,000	121,078	83,672	1,154,750
2015	7.875	1,020,000	83,671	43,509	1,147,180
2016	7.875	1,105,000	43,509	-	1,148,509
Total		<u>\$ 12,160,000</u>	<u>\$ 6,428,511</u>	<u>\$ 5,963,464</u>	<u>\$ 24,551,975</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

OPTIONAL GAS TAX REFUNDING REVENUE BONDS, SERIES 1992

September 30, 1995

The Optional Gas Tax Refunding Revenue Bonds, Series 1992, dated December 10, 1992, bear interest at 2.75-6.0%, payable semi-annually on June 1 and December 1. The bonds, which are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof, consists of \$11,915,000 of serial bonds and \$2,425,000 of term bonds. As of September 30, 1995, \$1,215,000 of these bonds have been retired. The principal of and premium, if any, are payable upon presentation and surrender to the paying agent, NationsBank of Georgia, National Association, Atlanta, Georgia.

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

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

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 12-1</u>	<u>Interest Due 12-1</u>	<u>Interest Due 6-1</u>	<u>Total</u>
1996	3.600 %	\$ 615,000	\$ 352,824	\$ 341,754	\$ 1,309,578
1997	4.100	635,000	341,753	328,736	1,305,489
1998	4.400	660,000	328,736	314,217	1,302,953
1999	4.625	690,000	314,216	298,260	1,302,476
2000	5.000	725,000	298,260	280,135	1,303,395
2001	5.100	755,000	280,135	260,883	1,296,018
2002	5.300	800,000	260,882	239,683	1,300,565
2003	5.500	840,000	239,682	216,583	1,296,265
2004	5.600	890,000	216,582	191,663	1,298,245
2005	5.625	940,000	191,662	165,225	1,296,887
2006	5.750	990,000	165,225	136,763	1,291,988
2007	5.850	1,050,000	136,762	106,050	1,292,812
2008	6.000	1,110,000	106,050	72,750	1,288,800
2009	6.000	1,175,000	72,750	37,500	1,285,250
2010	6.000	1,250,000	37,500	-	1,287,500
Total		<u>\$ 13,125,000</u>	<u>\$ 3,343,019</u>	<u>\$ 2,990,202</u>	<u>\$ 19,458,221</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

UTILITY SYSTEMS SUBORDINATE REFUNDING REVENUE BONDS, SERIES 1992A

September 30, 1995

The Utility Systems Subordinate Refunding Revenue Bonds, Series 1992A, dated March 15, 1992, bear interest at 3.25-6.50%, payable semi-annually on April 1 and October 1. The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. As of September 30, 1995, \$3,020,000 of the total issue of \$51,880,000 have been retired. The principal of and premium, if any, are payable upon presentation and surrender to the paying agent, Nations Bank of Georgia, National Association, Atlanta, Georgia.

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

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

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 10-1</u>	<u>Interest Due 10-1</u>	<u>Interest Due 4-1</u>	<u>Total</u>
1996	4.750 %	\$ 1,255,000	\$ 1,495,551	\$ 1,465,745	\$ 4,216,296
1997	5.000	1,305,000	1,465,745	1,433,120	4,203,865
1998	5.200	1,375,000	1,433,120	1,397,370	4,205,490
1999	5.400	1,440,000	1,397,370	1,358,490	4,195,860
2000	5.600	1,525,000	1,358,490	1,315,790	4,199,280
2001	5.800	1,610,000	1,315,790	1,269,100	4,194,890
2002	5.900	1,705,000	1,269,100	1,218,803	4,192,903
2003	6.000	1,805,000	1,218,802	1,164,653	4,188,455
2004	6.100	1,905,000	1,164,652	1,106,550	4,176,202
2005	6.125	2,030,000	1,106,550	1,044,381	4,180,931
2006	6.500	2,150,000	1,044,382	974,506	4,168,888
2007	6.250	2,290,000	974,506	902,944	4,167,450
2008	6.500	2,435,000	902,944	823,806	4,161,750
2009	6.500	2,590,000	823,806	739,631	4,153,437
2010	6.500	2,765,000	739,631	649,769	4,154,400
2011	6.500	2,940,000	649,769	554,219	4,143,988
2012	6.250	3,130,000	554,219	456,406	4,140,625
2013	6.250	3,330,000	456,406	352,344	4,138,750
2014	6.250	3,530,000	352,344	242,031	4,124,375
2015	6.250	3,755,000	242,032	124,687	4,121,719
2016	6.250	3,990,000	124,687	-	4,114,687
Total		<u>\$ 48,860,000</u>	<u>\$ 20,089,896</u>	<u>\$ 18,594,345</u>	<u>\$ 87,544,241</u>

Continued

CITY OF OCALA, FLORIDA

STATEMENT OF BONDED DEBT AND INTEREST - CONTINUED

UTILITY SYSTEMS SUBORDINATE REFUNDING REVENUE BONDS, SERIES 1992B

September 30, 1995

The Utility Systems Subordinate Refunding Revenue Bonds, Series 1992B, dated March 15, 1992, bear interest at 3.25-6.25%, payable semi-annually on April 1 and October 1. The bonds are fully registered and were issued in denominations of \$5,000 or any integral multiple thereof. As of September 30, 1995, \$10,020,000 of the total issue of \$28,435,000 have been retired. The principal of and premium, if any, are payable upon presentation and surrender to the paying agent, Nations Bank of Georgia, National Association, Atlanta, Georgia.

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

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

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due 10-1</u>	<u>Interest Due 10-1</u>	<u>Interest Due 4-1</u>	<u>Total</u>
1996	4.750 %	\$ 2,160,000	\$ 521,774	\$ 470,476	\$ 3,152,250
1997	5.000	2,270,000	470,475	413,725	3,154,200
1998	5.200	2,385,000	413,725	351,715	3,150,440
1999	5.400	1,365,000	351,716	314,860	2,031,576
2000	-	-	314,860	314,860	629,720
2001	-	-	314,860	314,860	629,720
2002	-	-	314,860	314,860	629,720
2003	6.000	1,815,000	314,860	260,410	2,390,270
2004	6.100	1,920,000	260,410	201,850	2,382,260
2005	6.125	2,040,000	201,850	139,375	2,381,225
2006	6.250	2,165,000	139,375	71,719	2,376,094
2007	6.250	2,295,000	71,719	-	2,366,719
Total		<u>\$ 18,415,000</u>	<u>\$ 3,690,484</u>	<u>\$ 3,168,710</u>	<u>\$ 25,274,194</u>

Continued

CITY OF OCALA, FLORIDA

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

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

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

<u>Fiscal</u> <u>Year</u>	<u>Deposits</u>	<u>Interest</u> <u>Income</u>	<u>Balance</u> <u>September 30,</u>
1986	\$ 301,023.12	\$ -	\$ 301,023.12
1987	301,023.12	18,714.00	620,760.24
1988	301,023.12	50,909.96	972,693.32
1989	301,023.12	91,647.90	1,365,364.34
1990	301,023.12	125,170.01	1,791,557.47
1991	301,023.12	142,728.85	2,235,309.44
1992	301,023.12	111,185.27	2,647,517.83
1993	301,023.00	116,575.01	3,065,115.84
1994	301,023.00	133,077.65	3,499,216.49
1995	301,023.00	178,917.78	3,979,157.27

Price Waterhouse LLP





**Seminole Electric
Cooperative, Inc.**

**Consolidated Financial Statements
December 31, 1995**

Price Waterhouse LLP



Report of Independent Certified Public Accountants

February 21, 1996

To the Board of Trustees
Seminole Electric Cooperative, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of revenue and expenses and patronage capital and of cash flows present fairly, in all material aspects, the financial position of Seminole Electric Cooperative, Inc. and its subsidiary (the Cooperative) at December 31, 1995 and 1994, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Cooperative's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards and the financial audit requirements of the government auditing standards issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse LLP

Tampa, Florida

SEMINOLE ELECTRIC COOPERATIVE, INC.
CONSOLIDATED BALANCE SHEETS

<u>ASSETS</u>	<u>December 31,</u>	
	<u>1995</u>	<u>1994</u>
Utility plant:		
Plant in service	\$ 844,390,584	\$ 842,146,085
Construction work in progress	<u>4,825,231</u>	<u>7,371,516</u>
	849,215,815	849,517,601
Less accumulated depreciation and amortization	<u>(266,143,311)</u>	<u>(243,332,961)</u>
Utility plant, net	<u>583,072,504</u>	<u>606,184,640</u>
Investments:		
Investments in associated organizations	16,026,492	16,627,688
Funds held by trustees	<u>17,683,655</u>	<u>17,408,057</u>
Total investments	<u>33,710,147</u>	<u>34,035,745</u>
Current assets:		
Cash and cash equivalents	76,308,774	38,591,395
Receivables, principally for sales of electricity	23,081,075	17,571,700
Inventories, at average cost:		
Materials and supplies	17,515,190	17,165,963
Fuel	22,013,046	24,695,032
Prepayments and other	<u>2,314,034</u>	<u>3,821,754</u>
Total current assets	<u>141,232,119</u>	<u>101,845,844</u>
Deferred charges	<u>79,247,529</u>	<u>77,733,953</u>
	\$ <u>837,262,299</u>	\$ <u>819,800,182</u>

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

SEMINOLE ELECTRIC COOPERATIVE, INC.
CONSOLIDATED BALANCE SHEETS

	<u>December 31,</u>	
	<u>1995</u>	<u>1994</u>
<u>EQUITY AND LIABILITIES</u>		
Equity:		
Memberships	\$ 1,100	\$ 1,100
Patronage capital	63,120,859	57,804,334
Donated capital	<u>31,615</u>	<u>31,615</u>
Total equity	<u>63,153,574</u>	<u>57,837,049</u>
Long-term liabilities:		
Long-term debt	621,301,089	629,135,446
Obligations under capital leases	26,688,718	28,086,248
Other	<u>3,327,382</u>	<u>3,000,898</u>
Total long-term liabilities	<u>651,317,189</u>	<u>660,222,592</u>
Current liabilities:		
Current portion of:		
Long-term debt	14,782,255	12,953,971
Obligations under capital leases	1,993,978	1,761,824
Accounts payable	25,211,874	13,789,882
Other accrued liabilities	<u>47,498,796</u>	<u>40,046,489</u>
Total current liabilities	<u>89,486,903</u>	<u>68,552,166</u>
Deferred gain on sale-leaseback of plant	<u>19,761,773</u>	<u>21,177,542</u>
Other deferred credits	<u>13,542,860</u>	<u>12,010,833</u>
Commitments and contingencies (Notes 10 and 11)		
	\$ <u>837,262,299</u>	\$ <u>819,800,182</u>

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

SEMINOLE ELECTRIC COOPERATIVE, INC.
CONSOLIDATED STATEMENTS OF REVENUE AND EXPENSES AND PATRONAGE CAPITAL

	For the years ended December 31,	
	1995	1994
Operating revenue	\$ <u>535,202,808</u>	\$ <u>481,488,949</u>
Operating expenses:		
Operation:		
Fuel	169,157,667	166,109,945
Other production expenses	32,496,403	35,444,099
Purchased power	182,513,505	130,068,689
Transmission	19,280,492	20,376,832
Administrative and general	18,950,655	17,660,784
Depreciation and amortization	29,970,399	28,356,489
Lease of coal-fired plant	29,461,882	29,183,078
Taxes, primarily property	<u>11,563,941</u>	<u>11,179,951</u>
	<u>493,394,944</u>	<u>438,379,867</u>
Operating margins before interest charges	41,807,864	43,109,082
Interest expense net of amounts capitalized	<u>41,715,601</u>	<u>41,860,001</u>
Operating margins	92,263	1,249,081
Patronage capital credits	<u>214,027</u>	<u>86,708</u>
Net operating margins	306,290	1,335,789
Nonoperating income:		
Interest income	4,545,377	3,318,736
Other income, net	<u>1,410,222</u>	<u>1,442,740</u>
Margins before cumulative effect of accounting change	6,261,889	6,097,265
Cumulative effect on prior years of change in accounting principle:		
Postretirement and postemployment benefits other than pensions	<u>---</u>	<u>(2,315,808)</u>
Net margins	6,261,889	3,781,457
Patronage capital, beginning of year	57,804,334	56,276,952
Patronage capital retirements	<u>(945,364)</u>	<u>(2,254,075)</u>
Patronage capital, end of year	\$ <u>63,120,859</u>	\$ <u>57,804,334</u>

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

SEMINOLE ELECTRIC COOPERATIVE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended December 31,	
	1995	1994
Cash flows from operating activities:		
Net margins	\$ <u>6,261,889</u>	\$ <u>3,781,457</u>
Adjustments to reconcile to cash:		
Depreciation and amortization	34,265,785	31,242,125
Provision for postretirement benefits	453,596	2,702,200
Lease expense/lease payment difference	1,595,056	(3,210,336)
Change in assets and liabilities:		
Receivables	(5,510,000)	5,512,199
Inventories	2,332,759	2,525,352
Prepayments and other	(159,080)	(3,405,549)
Deferred charges	(157,155)	(1,701,273)
Other long-term liabilities	(127,111)	175,113
Accounts payable	11,421,992	(9,139,776)
Other accrued liabilities	7,080,830	(4,542,717)
Total adjustments	<u>51,196,672</u>	<u>20,157,338</u>
Net cash provided by operating activities	<u>57,458,561</u>	<u>23,938,795</u>
Cash flows from investing activities:		
Utility plant additions	(4,235,895)	(11,632,288)
Long-term liquidations/(investments)	<u>228,850</u>	<u>(39,068)</u>
Net cash used in investing activities	<u>(4,007,045)</u>	<u>(11,671,356)</u>
Cash flows from financing activities:		
Payments of patronage capital credits	(945,364)	(2,254,075)
Payments of long-term debt	(13,412,318)	(10,507,810)
Payments of repricing penalties	(211,079)	(8,179,123)
Payments of capital lease obligations	(1,165,376)	(1,308,498)
Net cash used in financing activities	<u>(15,734,137)</u>	<u>(22,249,506)</u>
Net increase/(decrease) in cash and cash equivalents	37,717,379	(9,982,067)
Cash and cash equivalents, beginning of year	<u>38,591,395</u>	<u>48,573,462</u>
Cash and cash equivalents, end of year	\$ <u>76,308,774</u>	\$ <u>38,591,395</u>
Supplemental disclosures:		
Interest paid	\$ <u>37,867,328</u>	\$ <u>41,264,387</u>

Noncash financing activities:

Seminole refinanced certain long-term debt on March 31, 1994 and January 3, 1995. As a result, related prepayment penalties were deferred and long-term debt was increased in the amount of \$39,202,281 and \$7,406,245, respectively.

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

SEMINOLE ELECTRIC COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - THE COOPERATIVE:

Seminole Electric Cooperative, Inc. (Seminole) is a generation and transmission cooperative. It is responsible for meeting the electric power and energy needs of its eleven distribution cooperative members operating within the State of Florida. Seminole's rates are established by its Board of Trustees, which is composed of representatives from each member cooperative.

Seminole constructed and operates two coal-fired generating facilities (Seminole Unit No. 1 and Unit No. 2) near Palatka, Florida with approximately 625 megawatts of net output per unit. These units are connected to the Florida bulk power supply grid through Seminole's 230 kV transmission lines and associated facilities. Both units commenced commercial operation in 1984.

At year end 1995, 170 employees or approximately 40% of the total workforce were covered by a three year collective bargaining agreement with Utilities Workers Union of America expiring on June 30, 1996.

Seminole holds a 1.6994% undivided ownership interest in the Crystal River Unit No. 3 (CR3) nuclear power plant operated by Florida Power Corporation (FPC). Seminole also owns various transmission facilities connecting Seminole to an Independent Power Producer (IPP) as well as individual members to the Florida bulk power grid.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Seminole complies with the Uniform System of Accounts as prescribed by the Rural Utilities Service (RUS), formerly the Rural Electrification Administration. The accounting policies and practices applied by Seminole in the determination of rates are also employed for financial reporting purposes. These policies and practices require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The consolidated financial statements include the results of operations and financial position of Seminole and Acuera Corp. (Acuera), a wholly owned subsidiary. All intercompany transactions have been eliminated.

Utility Plant

Utility plant owned by Seminole is stated at original cost. Such cost includes applicable supervisory and overhead cost, plus net interest charged during construction. The amounts of interest capitalized during 1995 and 1994 were \$75,950 and \$876,772, respectively. The cost of maintenance and repairs including renewals and replacements of minor items of property, is charged to operating expense. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to utility plant. The cost of units replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation. Certain leased transportation equipment is valued at the total net present value of minimum lease payments.

Operating Revenue

Seminole has wholesale power contracts with each of its members, whereby the members must purchase all electric power and energy which the member shall require for its system within the State of Florida from Seminole to the extent that Seminole shall have such power, energy and facilities available. The only exception relates to contracts between several members and the Southeastern Power Administration, which provides less than 2% of the total energy required by all members.

Operating revenue consists primarily of sales of electric power and energy by Seminole and a facilities use charge for Seminole's transmission lines serving a single member cooperative. Member revenues include amounts resulting from a fuel and purchased power adjustment clause which provides for billings to reflect increases or decreases in fuel and fuel related purchased power costs. The levelized adjustment factor is based on costs projected by Seminole for a twelve-month period. Any overrecovery or underrecovery of costs plus an interest factor are to be refunded or billed to the members semi-annually. Overrecoveries of \$10,574,697 and \$12,314,032 at December 31, 1995 and 1994, respectively, are recorded as accrued liabilities until refunded.

Included in operating revenue are approximately \$523 million and \$469 million of revenue from members for the years ended December 31, 1995 and 1994, respectively, of which approximately \$19 million and \$15 million are included in receivables at December 31, 1995 and 1994, respectively.

Depreciation and Amortization

Seminole provides for depreciation on owned utility plant using composite rates applied annually on a straight-line basis that will amortize the original cost of depreciable property over its estimated useful life. The rates for 1995 and 1994 were as follows:

	<u>1995</u>	<u>1994</u>
Coal-fired production plant	3.10%	3.10%
Transmission plant	2.75%	2.75%
General plant	7.20%	7.13%
Nuclear production plant	4.52%	4.51%

Depreciation expense amounted to \$23,999,980 and \$23,606,778 for 1995 and 1994, respectively.

Improvements to the leased coal-fired plant are amortized over the remaining life of the base lease term. The related composite amortization rates were 5.76% and 5.65% for 1995 and 1994, respectively.

Amortization of leased assets under capital leases amounted to \$1,881,024 and \$1,351,793 in 1995 and 1994, respectively.

Amortization of Deferred Gain

Deferred gain on sale-leaseback of plant is being amortized on a straight-line basis over the base lease term of 25 years commencing in 1985 and is reflected as a reduction of operating expenses.

Deferred Charges

Deferred charges primarily consists of unamortized debt costs and related prepayment and repricing penalties, and costs associated with a load management incentive fee program. These costs will be recovered primarily through rates over various amortization periods ranging up to twenty-one years.

Deferred charges also includes depreciation and interest on certain common transmission lines and production facilities incurred prior to commercial operation of Seminole Unit No. 2. The unamortized amounts

at December 31, 1995 and 1994 were approximately \$5.5 million and \$6.9 million, respectively. Such deferrals are being recovered in rates charged to members over a ten year period through a phase-in plan. Amortization of these deferred charges included in depreciation and amortization expense, amounted to approximately \$1.4 million for both years 1995 and 1994.

Long-Lived Assets

Seminole evaluates, on a regular basis, whether events and circumstances have occurred that indicate the carrying amounts of utility plant and deferred charges may warrant revision or may not be recoverable. Seminole measures impairment of these long-lived assets based on estimated future undiscounted cash flows from operations. At December 31, 1995, the net utility plant and net unamortized deferred charges balances are not considered to be impaired.

Deferred Credits

At December 31, 1995 and 1994, deferred credits primarily includes deferred lease expense which represents the difference between cash payments and expense recognized on a straight-line basis related to the operating lease of certain generating facilities and a reserve for CR3 decommissioning costs.

Cash Equivalents

Seminole considers all short-term, highly liquid investments with an original maturity of three months or less to be cash equivalents.

Reclassifications

Certain reclassifications have been made to the 1994 statements to conform to current classifications. There were no changes in net margins as previously reported.

NOTE 3 - UTILITY PLANT:

	<u>December 31,</u>	
	<u>1995</u>	<u>1994</u>
Owned property:		
Coal-fired plant	\$ 591,932,578	\$ 592,162,389
Transmission plant	157,106,668	157,386,796
General plant	19,212,972	19,180,115
Nuclear plant, including fuel	<u>19,578,701</u>	<u>18,355,464</u>
	787,830,919	787,084,764
Transportation equipment under capital leases	39,365,058	39,365,058
Leasehold improvements of coal-fired plant	<u>17,194,607</u>	<u>15,696,263</u>
	844,390,584	842,146,085
Construction work in progress	<u>4,825,231</u>	<u>7,371,516</u>
	<u>849,215,815</u>	<u>849,517,601</u>
Accumulated depreciation and amortization:		
Owned property	(251,263,652)	(231,283,263)
Leased transportation equipment	(11,593,599)	(9,712,575)
Leasehold improvements	<u>(3,286,060)</u>	<u>(2,337,123)</u>
	<u>(266,143,311)</u>	<u>(243,332,961)</u>
	\$ <u>583,072,504</u>	\$ <u>606,184,640</u>

NOTE 4 - INVESTMENTS:

	<u>December 31,</u>	
	<u>1995</u>	<u>1994</u>
Investments in associated organizations:		
National Rural Utilities Cooperative Finance Corporation (CFC):		
Membership	\$ 1,000	\$ 1,000
Capital term certificates	1,976,712	1,834,027
Subordinated term certificates	13,520,077	14,263,780
Patronage capital certificates	441,041	412,667
National Bank for Cooperatives	7,719	20,854
Other	<u>79,943</u>	<u>95,360</u>
	\$ <u>16,026,492</u>	\$ <u>16,627,688</u>
Funds held by trustees:		
Pollution control bond funds	\$ 15,165,061	\$ 15,158,205
Nuclear decommissioning trust fund	<u>2,518,594</u>	<u>2,249,852</u>
	\$ <u>17,683,655</u>	\$ <u>17,408,057</u>

Investments in capital and subordinated term certificates and patronage capital certificates are considered to be held-to-maturity due to their nature and are carried at cost determined by specific identification.

It is not practicable to estimate the fair value of CFC capital term certificates due to the nature and maturity of these investments. Of these investments, \$1,400,030 are required as a condition of membership and of loans provided to Seminole by CFC. Of the \$1,976,712 and \$1,834,027 carrying amounts at December 31, 1995 and 1994, respectively, \$63,307 matures in 2075 and \$918,124 matures in 2080. Both of these amounts pay 5% annual interest. Additionally, \$364,283 matures in 2030 and pays 3% annual interest and \$54,316 bears no interest and amortizes through 2019. An additional non-interest bearing investment in these certificates maturing in 2005 totaling \$576,682 and \$432,511 at December 31, 1995 and 1994, respectively, with investments of approximately \$144,000 to be made semi-annually through July 2000, relates to an agreement between Seminole, CFC and the National Cooperative Services Corporation (NCSC, an affiliate of CFC) (see Note 11).

Investments in CFC subordinated term certificates are required as a condition of guarantees provided to others by CFC on behalf of Seminole and are generally priced at market rates at the time of issuance. These investments bear interest at various rates with a combined average of approximately 9.69% and 9.54% in 1995 and 1994, respectively. At December 31, 1995 and 1994, the estimated fair values of these investments of approximately \$18 million and \$17 million, respectively, are based on the current rates offered by CFC for this type of required investment.

Funds held by trustees are recorded at amortized cost and are considered to be held-to-maturity. At December 31, 1995 and 1994, the estimated fair values of funds held by trustees of approximately \$17 million and \$16 million, respectively, is based on quoted market prices for the securities held by the trustees.

NOTE 5 - LONG-TERM LIABILITIES:

Long-Term Debt

	<u>December 31,</u>	
	<u>1995</u>	<u>1994</u>
First mortgage notes payable to Federal Financing Bank (FFB), guaranteed by RUS, principal due in various installments through 2020, interest at adjustable and fixed rates, currently 5.418% to 10.693%	\$ 476,801,681	\$ 480,061,899
First mortgage notes payable to RUS, principal due in various installments through 2019, interest at 5%	4,802,589	4,943,731
Pollution control revenue bonds, payable to the Putnam County Development Authority, guaranteed by CFC, principal due in various installments through 2014, interest at adjustable rates, currently 4.65% and 3.75%	146,750,000	149,250,000
First mortgage notes payable to CFC, principal due in various installments through 2019, interest at adjustable rates, currently 6.20% and 9.50%	<u>7,729,074</u>	<u>7,833,787</u>
	636,083,344	642,089,417
Less current portion	<u>(14,782,255)</u>	<u>(12,953,971)</u>
	\$ <u>621,301,089</u>	\$ <u>629,135,446</u>

The estimated maturities and annual sinking fund requirements of all long-term debt, at current interest rates for the four years subsequent to December 31, 1996, are presented below:

<u>Year ending</u> <u>December 31,</u>	<u>Annual Maturities</u> <u>and Sinking Fund</u> <u>Requirements</u>
1997	\$ 15,693,192
1998	\$ 16,685,501
1999	\$ 17,793,534
2000	\$ 18,841,901

On January 2, 1996, Seminole refinanced \$53.3 million of its long-term debt at a fixed rate of interest of 5.828% in accordance with provisions of the related FFB note. Refinancing penalties of \$3.9 million were incurred and were paid in cash. These refinancing penalties will be included in deferred charges along with the refinancing and repricing penalties and fees previously incurred and will be amortized over the remaining life of the refinanced debt. Also on January 2, 1996, Seminole converted \$39.1 million of its long-term debt previously in a quarterly interest rate reset mode to a fixed rate of interest of 5.731% in accordance with the provisions of the related FFB note.

Substantially all owned assets and leasehold interests are pledged as collateral for the above mentioned debt to the United States of America (RUS and FFB) and CFC.

At December 31, 1995 and 1994, the estimated fair values of long-term debt including current portion, are approximately \$663 million and \$623 million, respectively. For Seminole's long-term debt with interest rates substantially fixed to final maturity, excluding FFB debt refinanced on January 2, 1996, and for that portion that is subject to interest rate adjustment more than six months from year end, fair value is estimated based on the present value of the underlying cashflows. For FFB debt refinanced on January 2, 1996, the fair value was determined to be the carrying amount of the debt at December 31, 1995 plus refinancing penalties incurred on said refinancing. For that portion of long-term debt that reprices to market rates at intervals of six months or less, the carrying amount has been used as a reasonable estimate of fair value.

Obligations Under Capital Leases

At December 31, 1995, Seminole was obligated under certain capital leases of transportation equipment for which base lease terms expire on various dates through 2005. The following is a schedule of future lease payments under these leases together with the present value of the net minimum lease payments as of December 31, 1995:

Year ending <u>December 31.</u>	
1996	\$ 4,640,640
1997	4,640,640
1998	4,640,640
1999	4,640,640
2000	4,640,640
Thereafter	<u>20,726,964</u>
Total minimum lease payments	43,930,164
Less amount representing interest	<u>(15,247,468)</u>
Present value of minimum lease payments	28,682,696
Less current principal portion	<u>(1,993,978)</u>
	\$ <u>26,688,718</u>

These transportation equipment leases provide for renewals and options to purchase the equipment at fair market value at various dates or upon expiration. Payments under these leases were included as a cost of fuel inventory and expensed based on the tons of coal burned throughout the year.

NOTE 6 - NET MARGINS AND EQUITY RESTRICTIONS:

Under provisions of the RUS mortgage, until total equity equals or exceeds forty percent of total assets, the distribution of capital contributed by members is limited generally to twenty-five percent of patronage capital and margins of the next preceding year where, after giving effect to such distribution, the total equity will equal or exceed twenty percent of total assets. Distributions may be made, however, in such amounts as may be approved by RUS through waiver of the aforementioned restrictions. Such distributions to members totaled \$945,364 and \$2,254,075 in 1995 and 1994, representing amounts equal to 25% of 1994 and 1993 net margins, respectively. The RUS mortgage requires Seminole to design its wholesale rates with a view

towards maintaining, on a calendar year basis, a Times Interest Earned Ratio (as defined) of not less than 1.0 and a Debt Service Coverage Ratio (as defined) of not less than 1.0. An RUS stipulation arising from the sale of tax benefits requires Seminole to design its wholesale rates to provide an annual Times Interest Earned Ratio (as defined) of not less than 1.05.

In 1995 and 1994, Seminole achieved a Times Interest Earned Ratio (as defined) of 1.14 and 1.08, respectively, and a Debt Service Coverage Ratio (as defined) of 1.35 and 1.33, respectively.

NOTE 7 - LINES OF CREDIT:

Seminole has available uncommitted lines of credit totaling \$100 million of which none were drawn at December 31, 1995. RUS policy governs use of these funds. On February 2, 1996, one line of credit in the amount of \$50 million expired. Renewal has been offered by the financial institution and Seminole expects to renew it during the first quarter of 1996.

NOTE 8 - INCOME TAXES:

Seminole is a non-exempt cooperative subject to federal and state income taxes and files a consolidated return. As a cooperative, Seminole is entitled to exclude from taxable income those margins assigned to members as patronage credits.

Seminole's ratemaking methods provide that income taxes are recognized as expense and are recovered through rates when currently payable. In addition, income tax credits are accounted for as a reduction of taxes currently payable in the period utilized. Temporary differences in certain items of income and expense for tax and financial reporting purposes result primarily from depreciation, amortization and sale-leaseback of plant. In 1995 and 1994, income tax losses resulted after the application of net operating loss carryforwards. However, due to the alternative minimum tax (AMT) provisions enacted by the Tax Reform Act of 1986, Seminole was limited in 1995 and 1994 in using net operating loss carryforwards, which resulted in estimated payments of federal AMT liabilities of approximately \$200,000 in both years. AMT was charged to operations in 1995 and 1994. At December 31, 1995, net operating losses and income tax credits of approximately \$190 million and \$13 million are available to offset future taxable income and tax liabilities, respectively, from 1998 through 2006.

Seminole has recorded the following noncurrent deferred tax asset, valuation allowance and liability in 1995 and 1994:

	<u>1995</u>	<u>1994</u>
Noncurrent deferred tax asset	\$ 180,000,000	\$ 187,000,000
Less: valuation allowance	(<u>13,000,000</u>)	(<u>13,000,000</u>)
Net noncurrent deferred tax asset	167,000,000	174,000,000
Noncurrent deferred tax liability	<u>167,000,000</u>	<u>174,000,000</u>
Net noncurrent deferred tax asset/liability	\$ <u>-0-</u>	\$ <u>-0-</u>

The noncurrent deferred tax asset reflects deductible temporary differences and loss carryforwards at statutory rates plus investment tax credits and AMT credits. A valuation allowance has been recorded in each year to reduce total deferred tax assets relating to investment tax credits and AMT credits since their realizability does not appear likely. The noncurrent deferred tax liability reflects taxable temporary differences at statutory rates.

NOTE 9 - EMPLOYEE BENEFITS:

Substantially all Seminole employees participate in the National Rural Electric Cooperative Association (NRECA) Retirement and Security Program (the Program), a defined benefit pension plan qualified under Section 401 and tax exempt under Section 501(a) of the Internal Revenue Code. Seminole had accrued for pension expense amounts equal to the annual contributions to the Program until July 1, 1987, when a moratorium on contributions went into effect due to reaching full funding limitation. This moratorium on employer contributions was discontinued in November 1994 and reinstated in May 1995. Employer contributions amounted to \$920,498 in 1995 and \$460,757 in 1994. In this multi-employer plan, which is available to all member cooperatives of NRECA, the accumulated benefits and plan assets are not determined or allocated separately by individual employer.

Employees retiring on or after age 55 receive the benefit of being allowed to continue, at their expense, health care coverage under Seminole's group plan. In addition, these retirees may use a portion of their accumulated unused sick pay to apply toward these medical insurance premiums. In 1994, Seminole adopted Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions". In accordance with the newly adopted standard,

Seminole elected to immediately recognize as a charge to income the transition obligation determined as of January 1, 1994 of \$2,270,214 including the effect of alternative minimum tax of \$44,514 which is reported as the cumulative effect of a change in accounting principle. The plan is funded as health care premiums are required to be paid.

The following sets forth the plan's funded status reconciled with amounts reported in Seminole's consolidated balance sheets at December 31, 1995 and 1994.

Accumulated postretirement benefit obligation (APBO):

	<u>1995</u>	<u>1994</u>
Active plan participants not yet fully eligible	\$ 2,431,615	\$ 2,284,485
Fully eligible active plan participants	285,559	262,007
Retirees and dependents	67,556	99,460
Other plan participants	<u>13,806</u>	<u>8,348</u>
Total APBO	\$ 2,798,536	\$ 2,654,300
Unrecognized gain from past experience	<u>203,100</u>	<u>-0-</u>
Accrued postretirement benefit liability	\$ <u>3,001,636</u>	\$ <u>2,654,300</u>
Net periodic postretirement benefit cost included the following components:		
Service cost	\$ 253,900	\$ 263,500
Interest cost on accumulated benefit obligation	176,900	165,100
Amortization of unrecognized prior service cost	<u>-0-</u>	<u>-0-</u>
Net periodic postretirement benefit cost	\$ <u>430,800</u>	\$ <u>428,600</u>

An 8.5% increase in the cost of covered health care benefits was assumed for 1995. This rate is assumed to decrease incrementally to 5.5% in 2001 and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported. For example, a 1% increase in the health care trend rate would increase the accumulated postretirement benefit obligation by \$232,170 or 8.2% at year-end 1995 and net periodic cost by \$38,332 or 8.9% for the year. The weighted average discount rate and rate of compensation increase used in determining the accumulated postretirement benefit obligation for 1995 were 7.5% and 5.5%, respectively.

NOTE 10 - OPERATING LEASES:

At December 31, 1995, Seminole was obligated under certain leases of generating facilities and transportation equipment for which base lease terms expire on various dates through 2009. The lease of the generating facilities contains a variable interest rate component that could affect future lease payments. Base rental obligations under these leases are payable as follows:

Year ending
December 31,

1996	\$ 38,740,893
1997	\$ 39,120,015
1998	\$ 39,527,743
1999	\$ 40,240,699
2000	\$ 40,744,138
Thereafter	\$ 343,775,660

These leases provide for renewals and options to purchase at fair market value at various dates or upon expiration.

Rental payments for these transportation equipment leases totaled \$4,557,481 for 1995 and \$4,570,517 for 1994. These payments were included as a cost of fuel inventory and expensed based on the tons of coal burned throughout the year.

NOTE 11 - COMMITMENTS AND CONTINGENCIES:

Seminole is purchasing most of the coal for the plant under a long-term contract expiring in 2010. Contract terms specify minimum annual purchase commitments, subject to force majeure conditions, and prices, which are subject to adjustment for changes in costs. In addition, Seminole has long-term contracts expiring through 2010 for transportation of substantially all coal purchases. Contract terms include a minimum cost as determined by a base quantity of tons shipped and prices, which are subject to adjustment for changes in costs. Total charges under these long-term contracts were approximately \$102 million and \$118 million in 1995 and 1994, respectively.

Seminole has established an external nuclear decommissioning trust fund (NDTF) in compliance with regulations prescribed by the Nuclear Regulatory Commission. The trust fund balance of approximately \$2.5 million represents Seminole's cumulative share at December 31, 1995 of the estimated sinking fund reserve required to decommission CR3. Annual cash deposits will continue to be made to the NDTF representing

Seminole's annual share of the projected sinking fund requirements. These amounts will be recovered from members through rates annually. Based upon a site specific study completed in 1994, Seminole's total share of the projected cost of decommissioning is approximately \$6.9 million stated in 1994 dollars, and decommissioning expenditures are expected to occur over a twenty-six year period ending in the year 2041.

In January 1993, Seminole began purchasing power from an IPP under a long-term agreement. This twenty year agreement requires the purchase of 295 megawatts of capacity by Seminole from a generating station that was constructed and is being operated by the IPP on a site leased from Acuera. During the initial ten years of the agreement, Seminole is required to purchase an additional 145 megawatts of capacity to be supplied by the IPP from an existing coal-fired generating facility. Under the terms of the agreement Seminole will receive this capacity on a first call basis, subject to certain restrictions as to its use. Seminole is obligated to make annual "take or pay" capacity payments of approximately \$34 million over the initial ten years and approximately \$21 million over the final ten years of the agreement. Total charges under this long-term contract were approximately \$46 million and \$43 million in 1995 and 1994, respectively.

In 1993, Seminole entered into an agreement with the Jacksonville Electric Authority (JEA) in which JEA provided Seminole with 15 megawatts of firm capacity in 1994. The initial term of the contract is through 2001, with the capacity commitment having increased to 52 megawatts in January 1995. This "take or pay" contract obligates Seminole to make capacity payments totaling approximately \$16 million over the initial term. Total charges under this long-term contract were approximately \$2.0 million and \$.3 million in 1995 and 1994, respectively.

During 1993, Seminole entered into an agreement with CFC and NCSC whereby, beginning in 1994, Seminole began receiving the periodic net proceeds and certain other rights related to the NCSC refinancing of its debt associated with certain transportation equipment leases with a variable rate financing by CFC. In exchange, Seminole is at risk to make net payments to CFC in the event that the variable rate on the CFC internal funding, currently 6.2%, averages more than 10.5% over the eleven year life of the agreement. The periodic net proceeds or payments are credited or recovered through the fuel adjustment clause.

In January 1994, Seminole entered into an agreement with the Orlando Utilities Commission (OUC) in which OUC will provide Seminole with 75 megawatts of firm capacity beginning in January 1996 and continuing

through May 31, 2004. Additionally, Seminole has exercised the option with OUC for an additional 50 megawatts of firm capacity for the years 1997 through 2000. Seminole's minimum obligation over the term of this "take or pay" agreement is projected to be \$44.8 million.

During 1995, Seminole completed the process of obtaining all certifications and permits necessary to construct a 440 MW combined cycle generating facility on a Seminole owned site in Hardee County, Florida. This project, once scheduled to go in service in 1999, was postponed for three years by Seminole's Board of Trustees as a result of a new agreement with FPC. Under this agreement, FPC will supply Seminole with additional electric power for three years beginning in 1999.

Seminole is a party to litigation involving various claims arising in the normal course of business. In the opinion of management, the ultimate resolution of these matters will not materially affect Seminole's financial statements.