

January 19, 2001

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Tallahassee, Florida, for the fiscal year ended September 30, 2000, is submitted herewith pursuant to Florida Statutes, Chapter 11, Section 45, and Chapters 10.550 and 10.600 of the Rules of the Auditor General of the State of Florida. The Comprehensive Annual Financial Report was compiled by the staff of the Accounting Services Division within the Department of Management and Administration, in close cooperation with the external auditors. It represents the official report of the City's financial operations and condition to the citizens, City Commission, management personnel of the City, rating agencies, and other interested persons. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

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

#### The Reporting Entity

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

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

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

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

### Financial Information

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other enterprises are maintained on the accrual basis. Budgetary control is maintained at the fund level. Purchase orders, which would result in an overrun of balances, are not released until additional appropriations are made available. Open encumbrances are reported as reservations of fund balance at September 30, 2000.

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

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

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

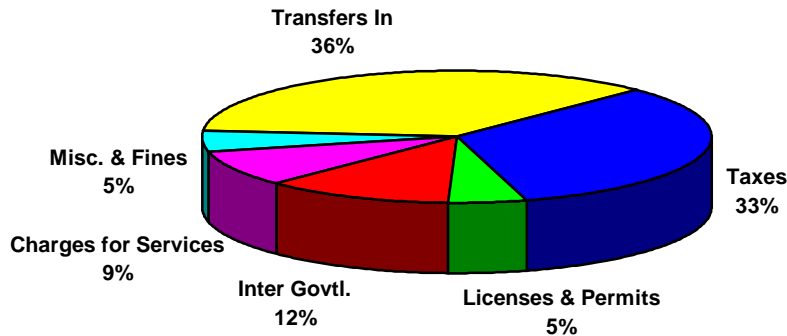
As demonstrated by the statements and schedules included in the financial section of this report, the City continues its responsibility for sound financial management.

### General Governmental Functions

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

| <u>Revenues and Other<br/>Financing Sources (in thousands)</u> | <u>2000</u>       | <u>Percent<br/>of Total</u> | <u>Increase<br/>(Decrease)<br/>From 1999</u> |
|--|-------------------|-----------------------------|--|
| Taxes  | \$ 34,352         | 33.0%                       | \$ 1,684                                     |
| Licenses & Permits   | 4,808             | 4.6                         | 536  |
| Intergovernmental Revenues                                     | 12,414            | 11.9                        | 594  |
| Charges for Services   | 9,875             | 9.5                         | (195)  |
| Fines & Forfeitures  | 1,479             | 1.4                         | 16   |
| Miscellaneous & Interest                                       | <u>3,558</u>      | <u>3.5</u>                  | <u>946</u>                                   |
| SUB-TOTAL  | 66,486            | 63.9                        | 3,581  |
| Transfers In   | <u>37,592</u>     | <u>36.1</u>                 | <u>(86)</u>                                  |
| TOTAL  | <u>\$ 104,078</u> | <u>100.0%</u>               | <u>\$ 3,495</u>                              |

### GENERAL GOVERNMENT REVENUES



The City's principal sources of local tax revenues are property taxes and public service taxes. In fiscal years 1999 and 2000, the City's property tax, all of which is for operating purposes, was 3.2 mills. The related property values subject to taxes showed growth of 6.5 percent, representing \$341 million in added taxable property, reflecting a continuing trend of growth as a result of increased property values in existing properties and new construction. Taxable assessed values have increased by \$1.5 billion over the last five years. Collection of property taxes increased by \$974,000 in 2000 to \$16.1 million.

Public service taxes on electric, water, and natural and bottled gas are levied at the maximum allowable State rate of 10 percent, and four cents per gallon on fuel oil services within the City. The telecommunications tax, effective April 1, 1994, is levied at 7 percent on purchases of intrastate telecommunications services. In 2000, total revenue from public service taxes reflected an increase of \$859,000 equivalent to a 5.5 percent increase over 1999.

The increase of \$536,000 or 12.5% in licenses and permits revenues is primarily due to increased collections of environmental permits, land use fees, and building permits.

The increase of \$594,000 or 5.0% in intergovernmental revenues is primarily due to increased Local Government ½ Cent Sales Tax revenues.

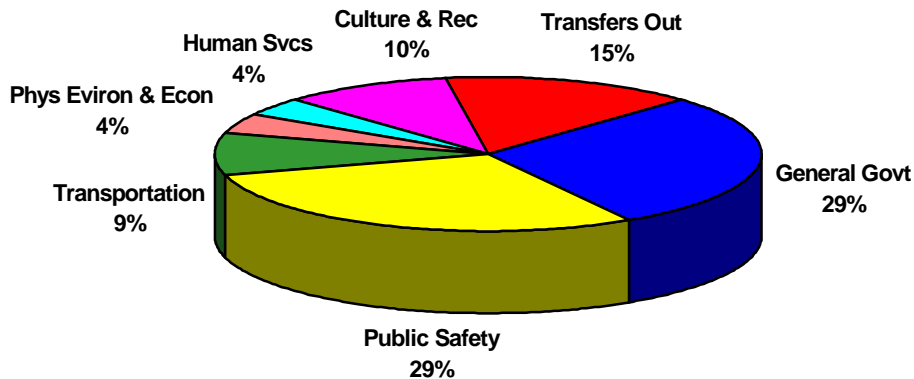
Charges for services decreased \$195,000 or 1.9 percent compared to 1999. The decrease is primarily attributable to a reduction in rezoning fees.

Transfers In decreased \$86,000 compared to 1999, which included a reduction in the transfer from the Gas Fund.

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

| Expenditures and Other Financing Uses (in thousands) | 2000              | Percent Of Total | Increase (Decrease) From 1999 |
|--|-------------------|------------------|-------------------------------|
| Expenditures:  |                   |                  |                               |
| General Government                                   | \$ 30,864         | 29.2%            | \$                            |
| Public Safety  | 30,939            | 29.2             | 1,198                         |
| Transportation                                       | 9,891             | 9.3              | 214                           |
| Human Services                                       | 3,834             | 3.6              | (566)                         |
| Economic Development                                 | 1,060             | 1.0              | (81)                          |
| Physical Environment                                 | 3,315             | 3.1              | (10)                          |
| Culture & Recreation                                 | 10,535            | 10.0             | 208                           |
| SUB-TOTAL  | 90,438            | 85.4             | 14,841                        |
| Transfers Out  | 15,410            | 14.6             | (10,406)                      |
| <b>TOTAL USES</b>                                    | <b>\$ 105,848</b> | <b>100.0%</b>    | <b>\$ 4,435</b>               |

### GENERAL GOVERNMENT EXPENDITURES



The net increase of \$13.9 million in General Government expenditures is primarily due the \$13.7 million paid as Fire Services rebates to electric customers. This was shown as a Transfer Out in 1999. Public Safety expenditures increased by \$1.2 million due to increases in Police department expenses for technology and telecommunications services. Human Services expenses decreased by \$566,000 primarily due to the accounting for donations to community service agencies. Other expenditure categories had relatively small increases or decreases in expenses compared to the prior year. Transfers out decreased by \$10.4 million. The

Fire Services Fees Fund receives revenues from electric customers directly rather than through a transfer from the General Fund as it did in 1999.

The preceding schedules of Financing Sources and Uses reflect significant Transfers In and Out. Transfers In primarily represent excess enterprise fund revenues, which legally may be used for general governmental purposes. Transfers Out are primarily used for debt service, underwriting the operations of certain funds, and capital projects. The General Fund acts as a clearing fund and accordingly, utilizes funds or transfers them to other funds for their respective purposes. Transfers in from the Electric Fund in 2000 are \$9 million less than in 1995. The reduction in Transfers In is a direct result of the City's efforts to reduce reliance on the City's Electric System.

The City Commission adopted a financing policy that addresses the transfer of monies from the Enterprise Funds to the General Fund. The amount transferred is limited to the policy established for each Enterprise Fund. Included in the Transfers Out is \$7.0 million to internally fund capital projects, which otherwise would have to be funded through bonds. This internal funding is in accordance with the City Commission approved Debt Management Policy. In 2000, General Fund sources were \$1.8 million less than General Fund uses. At September 30, 2000, the fund balance of the General Fund was \$6.0 million with \$3.2 million reserved and \$2.7 million unreserved (\$2.5 million designated for 2001 and \$245,000 undesignated).

### Special Revenue Funds

Special revenue funds account for revenue from sources that are legally restricted for specific purposes. The combined fund balances of these funds for 2000 are \$27,530,000. An analysis of sources and uses in the special revenue funds follows:

| <u>Fund (in thousands)</u>      | <u>Sources</u>   | <u>Uses</u>      | <u>Sources Over<br/>(Under) Uses</u> | <u>Sept. 30, 2000<br/>Fund Balances</u> |
|---------------------------------|------------------|------------------|--------------------------------------|---|
| Special Projects Fund           | \$ 7,367         | \$ 6,200         | \$ 1,167                             | \$ 8,493                                |
| Stormwater Management Fund      | 12,217           | 11,534           | 683                                  | 20,060                                  |
| Law Enforcement Forfeiture Fund | 1,549            | 997              | 552                                  | 556                                     |
| Fire Service Fees Fund          | <u>17,940</u>    | <u>19,606</u>    | <u>(1,666)</u>                       | <u>(1,576)</u>                          |
| TOTAL                           | <u>\$ 39,073</u> | <u>\$ 38,337</u> | <u>\$ 736</u>                        | <u>\$ 27,533</u>                        |

The Special Projects Fund is used to account for Federal, State, local and other revenues that are to be used for specific general governmental purposes. The major revenue sources in this fund were the Federally funded Community Development Block Grant program, which provided \$1,235,000 and the State of Florida funded Housing Finance program, which provided \$1,139,500 to the City during 2000. Fund balance primarily consists of \$6.3 million reserved or encumbered for projects and \$2.1 million reserved for notes receivable.

The Stormwater Management Fund was established to account for fees restricted for stormwater operating and capital costs. Total revenues, including interest earnings, collected for fiscal year 2000 were \$12.2 million. Fund balance primarily consists of \$16.7 million reserved or encumbered for projects and \$3.3 million unreserved and undesignated and available for future projects.

The Law Enforcement Forfeiture Fund was established to account for forfeitures as prescribed by Chapter 932 of the Florida Statutes. Appropriations from this fund can be made only for law enforcement purposes. Total revenues, including interest earnings and transfer, were \$1.5 million for fiscal year 2000. Fund balance consists of \$531,000 reserved or encumbered for projects and \$25,000 unreserved and undesignated.

The Fire Service Fees Fund was established to account for the operation, and maintenance of the City-owned fire services operation. Total revenues, including interest earnings and transfers, collected for fiscal year 2000 were \$17.9 million. Fund balance primarily consists of \$3.9 million reserved or encumbered for projects.

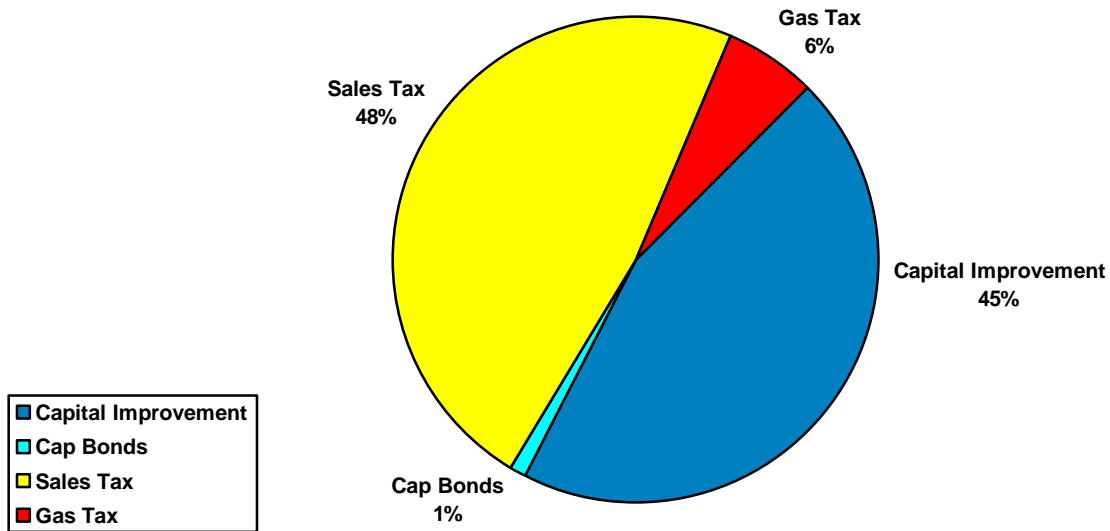
### Capital Projects

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

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

| Fund (in thousands)       | Sources          | Uses             | Sources Over (Under) Uses | Sept.30, 2000 Fund Balances |
|---------------------------|------------------|------------------|---------------------------|-----------------------------|
| Capital Improvement       | \$ 10,227        | \$ 16,140        | \$ (5,913)                | \$ 41,442                   |
| Capital Bonds             | 119              | 1,978            | (1,859)                   | 518                         |
| Transportation Impact Fee | 15               | 407              | (392)                     | 13                          |
| Local Option Sales Tax    | 30,350           | 11,663           | 18,687                    | 44,106                      |
| Local Option Gas Tax      | 4,293            | 2,835            | 1,458                     | 5,771                       |
| <b>TOTAL</b>              | <b>\$ 45,004</b> | <b>\$ 33,023</b> | <b>\$ 1,981</b>           | <b>\$ 91,850</b>            |

**CAPITAL PROJECTS  
Fund Balances**



The sources of funds for the Capital Improvement Fund in 2000 were primarily interest earnings of \$2.5 million. The use of funds of \$16.1 million consisted primarily of capital outlay expenditures for Transportation, General Government, Cultural and Recreational projects, and Public Safety. Fund balance primarily consists of \$28.9 million reserved or encumbered for projects and \$12.6 million unreserved and available for future projects. The Capital Bonds Construction Fund's source of funds in 2000 was \$119,000 in interest earnings and market gain of investments. The use of funds consisted of capital outlay expenditures of \$2.0 million for Transportation and General Government projects.

The Transportation Impact Fee Construction Fund's source of funds was \$8,000 in interest earnings. Transportation projects accounted for the \$353,000 of capital outlay expenditures. The current year fund balance consists of \$15,000 unreserved and unencumbered for projects. Effective July 25, 1995, the road impact fee ordinance was repealed.

On September 19, 1989, Leon County voters, in accordance with Florida Statutes, Chapter 212.055, approved in referendum the implementation of a 1 percent local option sales tax on all transactions subject to the State sales tax. The tax is to be split between the City and Leon County based upon the distribution as provided in

the interlocal agreement. The tax began on December 1, 1989 and would have expired on November 30, 2004. In November 2000 this was extended by voters in Leon County to 2019. The proceeds of the tax may be expended only on infrastructure, defined as any fixed capital expenditure or fixed capital costs associated with the construction, reconstruction or improvement of public facilities which have a life expectancy of five or more years and any land acquisition, land improvement, design and engineering costs related thereto. Capital outlay expenditures were primarily for Transportation and Public Safety projects. The major sources of revenue were \$14.6 million from the City's share of the local option sales tax, \$13.3 million from grants, and \$2.4 million from interest earnings and gain in market value of investments. At year-end, \$99.4 million of fund balance is reserved or encumbered for projects.

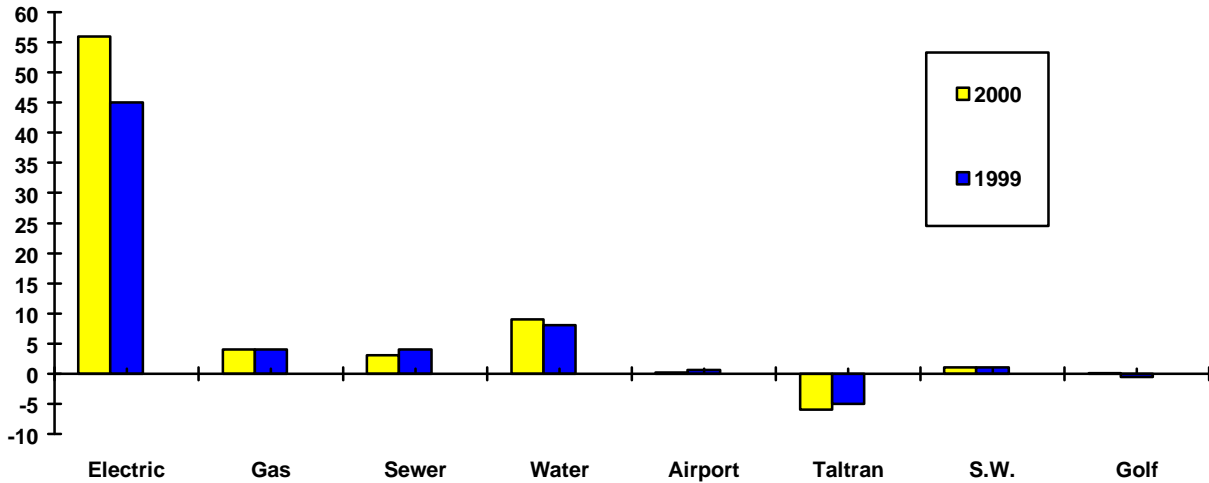
According to Florida Statutes, Chapter 336, a county may impose a one to six cent(s) local option gas tax upon every gallon of motor fuel and special fuel sold within the county. In June 1985, Leon County and the City entered into an interlocal agreement whereby a levy of four cents was approved and is to be split on an equal 50-50 percent basis. In June, 1987, the levy was increased by an additional two cents. The tax is due to expire September 30, 2015. The tax can be used only for transportation purposes. The main source of revenue was \$3.9 million from the City's share of the local option gas tax. \$4.8 million is reserved or encumbered for projects and \$1.0 million is unreserved or undesignated.

### Enterprise Funds

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

|                     | <u>Operating Income (Loss)</u><br><u>(in thousands)</u> |                         | <u>Increase</u><br><u>(Decrease)</u><br><u>From 1999</u> |
|---------------------|---|-------------------------|--|
|                     | <u>2000</u>   | <u>1999</u>             |  |
| Electric            | \$ 55,594   | \$ 44,864               | \$ 10,730  |
| Gas                 | 4,392   | 3,867                   | 525  |
| Sewer               | 2,930   | 4,264                   | (1,334)  |
| Water               | 9,257   | 8,498                   | 759  |
| Airport             | 246   | 636                     | (390)  |
| Tallahassee Transit | (6,066)   | (5,421)                 | (645)  |
| Solid Waste         | 1,125   | 914                     | 211  |
| Golf Course         | 82  | (580)                   | 662  |
| <b>TOTAL</b>        | <b><u>\$ 67,560</u></b>                                 | <b><u>\$ 57,042</u></b> | <b><u>\$ 10,518</u></b>                                  |

**ENTERPRISE FUNDS**  
**Operating Income (Loss)**  
**(in millions)**



Electric Fund

Operating Income increased \$10.7 million from 1999 to 2000. This is primarily due to an increase in residential consumption, higher resales of fuel, and lower repair and materials expenses related to Purdom's Unit # 8.

Gas Fund

Operating income increased by \$525,000 from 1999 to 2000 primarily due to a 20% increase in residential and commercial sales.

Sewer Fund

Operating income decreased by \$1.3 million from 1999 to 2000 primarily due to increases in contractual service expenses.

Water Fund

The \$759,000 net increase in Operating Income from 1999 to 2000 is primarily due to an increase in residential water sales caused by the lack of rainfall over the summer months.

Airport Fund

Operating income decreased by \$390,000 from 1999 to 2000 primarily due to increases in personnel expenses and higher depreciation charges.

Tallahassee Transit Fund

The City-owned bus system reflects a net increase in Operating Loss of \$645,000 from 1999 to 2000. While revenues showed a small increase they were offset by increased fuel and other expenses. Each year the operating loss, exclusive of depreciation and capital purchases, is partially funded by a Section IX operating grant from Federal Transit Administration and subsidization by the City's General Fund (\$4,280,000 for the fiscal year 2000).

### Solid Waste Fund

The \$211,000 net increase in Operating Income from 1999 to 2000 is primarily the result of an increase in commercial and residential revenues.

### Golf Course Fund

The Hilaman Golf Course was reopened in September 1999 after improvements were completed. Operating Revenues were \$703,000 higher in 2000 than in 1999 when it was closed much of the year. The year ended with net Operating Income of \$82,000 compared to the previous year's losses of \$580,000.

### Internal Service Funds

Internal service funds are established to account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit on a cost reimbursement basis. The City of Tallahassee accounted for its Reading, Billing, and Collection activities, Information Systems Services, Accounting, Purchasing, Garage, Human Resources, Pension Administration, Risk Management, Utility Services, and Wholesale Energy Services as Internal Service funds in 2000. The expenses associated with these funds are billed to other City departments through allocation methodologies deemed reasonable for each activity. In addition, the City accounts for its Internal Loan Fund as an Internal Service Fund. The purpose of the fund is to provide interim and long-term financing to other funds of the City.

### Fiduciary Funds

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

Pension Trust Fund - The City maintains a retirement plan for its employees, which covers police officers, firefighters, and general employees. Benefits vary depending on the particular membership in the plan. The City is responsible for funding liabilities of the plan based upon actuarial valuations. Employees participate in both a defined benefit and a defined contribution plan. At September 30, 2000, the City's pension plan had net assets of \$956 million. In order to obtain the highest possible yield on pension assets, substantially all of the assets are managed via contracts with private investment companies. Further details concerning pension expenses, vested benefits, and actuarial assumptions are included in the notes to the financial statements.

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

- Deficiencies Fund, which is used to provide for unforeseen expenditures of an emergency nature.
- The Nuclear Decommissioning Trust Fund was established to accumulate resources for nuclear decommissioning costs. This Fund was established as a result of the sale of the City's ownership interest in the Crystal River Unit 3 Nuclear Power Plant.

These funds had total assets of \$31.1 million at September 30, 2000.

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

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

These funds had total assets of \$8.7 million at September 30, 2000.

### General Fixed Assets Account Group

The general fixed assets of the City are those assets used in the performance of general governmental functions and exclude the fixed assets of the Enterprise and Internal Service Funds. Governmental accounting dictates that these assets be accounted for separately from the General Fund since they do not represent financial resources available for expenditure. In accordance with generally accepted accounting principles, the City of Tallahassee does not record depreciation in the General Fixed Assets Account Group. As of September 30, 2000, the City of Tallahassee has \$195.4 million of general fixed assets, which were acquired from General Fund revenues, bonds, and gifts. As allowed by generally accepted accounting principles for local governments, roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the governmental unit (infrastructure assets) are not recorded as general fixed assets.

At the end of the fiscal year, completed projects, except for infrastructure assets, are capitalized in the General Fixed Assets Account Group. During 2000, \$13.0 million of such assets were added to General Fixed Assets. As of September 30, 2000, there were authorized projects of \$47.3 million, with \$30.9 million expended.

### Debt Administration

At September 30, 2000, the City had outstanding \$19.0 million of Capital Revenue Bonds payable from specific general fund revenue sources other than ad valorem taxes; \$3.6 million of Special Purpose Revenue Bonds payable, \$236.8 million of Electric Revenue Bonds, payable from revenues of the Municipal Electric System; \$80.3 million of Consolidated Utility System Revenue Bonds, payable from revenue of the Consolidated Utility System which consists of the Gas, Water, Sewer, and Stormwater operations; and \$9.4 million of Airport Revenue Bonds, payable from revenues of the Airport. The City has no general obligation debt (debt secured by ad valorem taxes) outstanding. In addition to fixed capital debt outstanding, the City has outstanding loans from the Sunshine State Governmental Financing Commission (SSGFC) in the amount of \$83.2 million (these loans are non-revenue specific with a covenant to budget and appropriate non ad valorem revenues).

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

#### Debt Service Coverage

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

|  | <u>Actual</u> | <u>Required</u> |
|--|---------------|-----------------|
| Capital Revenue Bonds                        | 11.87         | 1.50            |
| Electric Revenue Bonds                       | 3.69          | 1.40            |
| Consolidated Utility System<br>Revenue Bonds | 4.83          | 1.50            |
| Airport System Revenue Bonds                 | 3.00          | 1.25            |

## Ratings

Ratings for the City's bonds are assigned by independent nationally recognized agencies. These ratings have a significant influence in establishing the rate of interest expense the City must pay when the bonds are sold. Ratings for the City's debt have been consistently judged to be of good investment quality. During 2000 some of the bonds were upgraded by bond rating agencies for reasons that include "exceptionally strong financial profile" and "successful implementation of the City's strategy to reduce reliance on the electric system transfer in advance of deregulation". Ratings by the three major rating agencies shown below for each series of outstanding long-term bonded debt continue to demonstrate the good investment quality of the City's bonds.

|  | <u>Moody's</u> | <u>Standard &amp; Poor's</u> | <u>Fitch</u> |
|--|----------------|------------------------------|--------------|
| Capital Revenue Bonds 1993A and 1993B      | Aaa            | A+                           | A+           |
| Electric Refunding Revenue Bonds 1992A     | A1             | AA                           | AA-          |
| Energy System Bonds 1998A                  | Aaa            | AAA                          | AAA          |
| Energy System Bonds 1998B                  | Aaa            | AAA                          | AAA          |
| Consolidated Utility System Revenue Bonds: |                |                              |              |
| Series 1991A                               | Aaa            | AAA                          | N/A          |
| Series 1991B                               | Aa3            | AA-                          | N/A          |
| Series 1994                                | Aa3            | AA-                          | AA           |
| Series 1995                                | Aa3            | AA-                          | AA           |
| Airport System Revenue Bonds               | Aaa            | AAA                          | AAA          |

## Cash Management Program

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

For fiscal year 2000, the accounting return (realized and accrued income and gains plus accretion and amortization of premiums and discounts) on the general investment portfolio was 5.80%. The market rate of return (reflects market price changes) was 6.23%.

## Risk Management

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

## PERSPECTIVES

The economy of Tallahassee is strongly oriented toward governmental and educational activities. The remainder of the demand for labor is almost equally divided into those industry groups that support urban populations and governmental affairs. The level of governmental employment has a stabilizing effect on the economy and helps to keep unemployment down. Of the work force, 3.1 percent were unemployed in 2000 as compared to the State's unemployment rate of 3.7 percent. The percentage of employees employed by government has leveled off at approximately 40 percent of the work force. The employment rate is one of many economic indicators utilized to evaluate the condition of the government. The issuance of building permits for residential construction is also a strong indicator of the local economy and has bearing on the City's financial condition. The following chart indicates construction trends from 1991 to 2000.

| <u>Fiscal<br/>Years</u> | <u>Building<br/>Permits</u> |
|-------------------------|-----------------------------|
| 1991                    | 762                         |
| 1992                    | 972                         |
| 1993                    | 1,074                       |
| 1994                    | 1,081                       |
| 1995                    | 985                         |
| 1996                    | 1,114                       |
| 1997                    | 996                         |
| 1998                    | 863                         |
| 1999                    | 1,176                       |
| 2000                    | 1,468                       |

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

Property taxes can significantly impact the citizen's perception of economic success. The City's property tax has remained at 3.2 mills since 1991. The following is a comparison of millage rates for the ten largest Florida cities for 1999, 2000 and 2001:

| <u>City</u>        | <u>1999<br/>Population</u> | <u>Millage<br/>Rates</u> |             |             |
|--------------------|----------------------------|--------------------------|-------------|-------------|
|                    |                            | <u>1999</u>              | <u>2000</u> | <u>2001</u> |
| Miami              | 364,765                    | 11.8                     | 10.9        | 10.3        |
| Tampa              | 293,390                    | 6.5                      | 6.5         | 6.5         |
| St. Petersburg     | 241,625                    | 7.6                      | 7.6         | 7.3         |
| Hialeah            | 209,415                    | 7.5                      | 7.5         | 7.5         |
| Orlando            | 180,462                    | 6.1                      | 6.1         | 6.1         |
| Ft. Lauderdale     | 149,798                    | 5.8                      | 5.6         | 5.6         |
| <b>Tallahassee</b> | <b>145,610</b>             | <b>3.2</b>               | <b>3.2</b>  | <b>3.2</b>  |
| Hollywood          | 126,917                    | 6.3                      | 6.3         | 6.3         |
| Pembroke Pines     | 112,692                    | 3.9                      | 3.9         | 3.9         |
| Coral Springs      | 107,156                    | 4.2                      | 4.2         | 3.9         |

As indicated above, the City enjoyed the lowest millage rate of the ten largest cities in Florida from 1999 through 2001. Tallahassee's low and stable millage rate should act as an incentive to economic growth and stability.

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

The following other activities are currently underway or were recently completed:

- The City of Tallahassee was ranked 37<sup>th</sup> in the country by *Forbes* magazine on its Best Places list for 2000. The magazine's list ranks 200 U.S. metropolitan areas in categories such as wage and salary growth, job growth, and concentration of economic output in high-tech clusters.
- Frenchtown is a historically significant community located on the southeast fringe of the downtown area, adjacent to the Florida State University campus. Plans have begun to revitalize this area by developing 5400 acres over an extended time period. Impacting an expected 32,000 residents, this will include several hundred community and recreational uses and almost 1,300 acres of open space. The first phase of this has begun partly funded by a HUD grant and loan of \$9.5 million. Proposed is a Frenchtown Arts and Entertainment Center Complex consisting of a museum, retail space including restaurants and a movie theatre, apartments, a hotel and parking.
- In November 2000 the voters of Leon County approved the extension of a one percent sales tax from the scheduled end date of 2004 to 2019. This extension is expected to generate \$543 million adjusted for inflation. The funding will be allocated 80% to Blueprint 2000 projects, 10% to City and 10% County as approved by the Commissions. Blueprint 2000 was developed by a group of citizens representing a broad spectrum of the community. It includes projects to widen major roads, improve water quality and stormwater collection, and acquire land for greenway linkages between parks and natural water resources.
- St. Joe / Arvida, a major land owner in North Florida, has obtained preliminary development approvals on approximately 3000 acres in southeast Tallahassee. The conceptual plans for the property, known as "Southwood", will include a variety of housing types, a traditional main street linked to the state office complex, a continuous greenway throughout the property, and sites for parks, hotels, shopping centers, schools, and a possible medical center.
- An expansion is underway of the Capital Circle Office Complex, located on Southeast Capital Circle. This will add about 476,000 square feet to the existing site of state offices.
- Construction will begin soon on the Challenger Learning Center on the Northeast corner of Kleman Plaza. This structure will house the IMAX Theater, Mission Control Interactive Exhibit, Planetarium, and Exhibit Hall. Buildings presently at Kleman Plaza include the Florida League of Cities and the Mary Brogan Arts and Science Museum. Projected completion date is late Spring 2002.
- Northwest AirlinK began service to Tallahassee with three flights daily in July 2000 using their turbo propeller planes. Their entry was so successful they added a fourth flight in October 2000 and they anticipate trying to move up their use of regional jets. The federal government has recently passed Air 21 legislation that increased the FAA entitlements the Airport receives from an average of \$1.4 million to \$3.2 million per year. This will accelerate the rate of implementation of the Airport's Capital Improvement Program.
- The City placed Purdom Unit 8 into commercial operation on July 25, 2000 at a cost of \$110 million. Purdom Unit 8 is a new highly efficient electric generating unit located at the City's Sam O. Purdom Generating Station in St. Marks Florida. Unit 8 is a state of the art combined cycle electric generating unit. It utilizes natural gas as its primary fuel and clean low sulfur diesel as its back-up fuel. This unit is

approximately 40% more efficient than the City's existing generating fleet. This higher efficiency will result in lower fossil fuel usage and lower fuel costs. In addition to the economic benefits, Unit 8 is environmentally very clean.

- The 15<sup>th</sup> Tallahassee Fire Station was completed in December 2000 at Bannerman and Bull Headley roads, a well-developed area in the northeast section of the community more than five miles from the next closest fire station. The three-bay, \$3.1 million station and its' future operating costs will be shared by the City and Leon County. The fire departments' other construction project, a new station on Sharer Road to replace the one on Sixth Avenue, is expected to be completed in February 2001.
- On November 20, 2000, the City opened a new aquatics center on John Knox Road at a cost of \$3.8 million. The Trousdell Aquatics Center includes a solar energy system with solar panels incorporated into a canopy for the bathhouse. The center is open year-round and features two pools: A recreation pool with a 98-foot two-loop slide; and a 600,000-gallon, heated Olympic-size pool with 50-meter lanes.
- After successfully completing all Y2K conversions, computer services for all City systems were maintained without interruption as system clocks rolled over to 2000. Also, the City further refined its' new Human Resources / Payroll system with the implementation of a new Time and Attendance Entry System. Financial software purchased from PeopleSoft will be fully implemented by the end of the current fiscal year. Other technology projects in the implementation phase include a new Customer Information and Utility Billing System and a Systems Integration project that integrates key City systems to improve efficiency
- In August 2000 the City began to offer telephone and Internet payment options to City customers through a contract with a third party vendor. Utility customers can make payments using a checking account or charging by credit card on a 24 hour / 7 days a week basis.
- Rapidly escalating fuel prices continue to impact utility rates. City commissioners voted to use \$4.4 million from the rate stabilization fund to help make up for the shortfall in revenues collected by customers. Rates charged to customers are typically adjusted each six months to account for rate differences in the previous six months. There will be some relief to customers in the spring of 2001 when the City plans an electric rate reduction for all classes of customers due to the increased production capacity and efficiency of Purdom Unit # 8.

#### Independent Audit

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

#### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tallahassee, Florida for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for a new certificate.

In addition, the City received the GFOA's Award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning October 1, 1999. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, operations guidance, financial planning and communications.

### Acknowledgments

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

Respectfully submitted,

David C. Reid, C.P.A.  
Director of Management and Administration

# **GENERAL PURPOSE FINANCIAL STATEMENTS (Combined Statements-Overview)**

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

# CITY OF TALLAHASSEE, FLORIDA

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

September 30, 2000

(in thousands)

(Continued)

|  | Governmental Fund Types |                  |                 |                   | Proprietary Fund Types |                   |
|--|-------------------------|------------------|-----------------|-------------------|------------------------|-------------------|
|  | General                 | Special Revenue  | Debt Service    | Capital Projects  | Enterprise             | Internal Service  |
| <b>ASSETS AND OTHER DEBITS</b>   |                         |                  |                 |                   |                        |                   |
| <b>Assets:</b>   |                         |                  |                 |                   |                        |                   |
| Cash and Cash Equivalents/Investments.....                             | \$ 6,085                | \$ 28,614        | \$ --           | \$ 85,232         | \$ 12,371              | \$ 15,800         |
| Securities Lending Collateral.....                                     | 1,436                   | 6,663            | 609             | 19,815            | 2,914                  | 3,782             |
| Investments.....   | --                      | --               | 2,629           | --                | --                     | --                |
| Receivables:   |                         |                  |                 |                   |                        |                   |
| Special Assessments - Current.....                                     | --                      | --               | --              | 51                | --                     | --                |
| Special Assessments - Deferred.....                                    | --                      | --               | --              | 143               | --                     | --                |
| Accrued Interest.....  | 57                      | 254              | --              | 794               | 306                    | 117               |
| Notes.....   | --                      | 2,147            | --              | 38                | --                     | --                |
| Customers and Others.....  | 3,285                   | 636              | --              | 1,110             | 25,417                 | 6,951             |
| Property Taxes-Delinquent.....   | 222                     | --               | --              | --                | --                     | --                |
| Less: Allowance for Doubtful Accounts.....                             | (330)                   | --               | --              | --                | (2,250)                | --                |
| Due from Other Governments.....  | 432                     | 2,611            | --              | 4,924             | 838                    | --                |
| Due from Other Funds.....  | --                      | --               | --              | --                | 919                    | --                |
| Advance to Other Funds.....  | 603                     | --               | --              | 383               | --                     | --                |
| Deposits.....  | --                      | --               | 76              | --                | --                     | --                |
| Inventory.....   | 624                     | --               | --              | --                | 23,018                 | 5,703             |
| Restricted Assets:   |                         |                  |                 |                   |                        |                   |
| Cash and Cash Equivalents/Investments.....                             | 194                     | --               | --              | --                | 140,971                | 47,287            |
| Securities Lending Collateral.....                                     | 45                      | --               | --              | --                | 50,578                 | --                |
| Investments.....   | --                      | --               | --              | --                | 71,446                 | --                |
| Receivables:   |                         |                  |                 |                   |                        |                   |
| Other.....   | --                      | --               | --              | --                | 1,224                  | 83                |
| Accrued Interest.....  | --                      | --               | --              | --                | 1,373                  | 399               |
| Notes.....   | --                      | --               | --              | --                | 6,619                  | --                |
| Due from Other Governments.....  | --                      | --               | --              | --                | 317                    | --                |
| Loans to Other Funds.....  | --                      | --               | --              | --                | --                     | 20,552            |
| Unamortized Bond Issue Costs.....                                      | --                      | --               | --              | --                | 2,480                  | --                |
| Fixed Assets (Net of Accumulated Depreciation).....                    | --                      | --               | --              | --                | 746,601                | 41,821            |
| Deferred Charges.....  | --                      | --               | --              | --                | 4,430                  | --                |
| <b>Other Debits:</b>   |                         |                  |                 |                   |                        |                   |
| Amount Available in Debt Service Funds.....                            | --                      | --               | --              | --                | --                     | --                |
| Amount to be Provided for Retirement<br>of General Long-Term Debt..... | --                      | --               | --              | --                | --                     | --                |
| <b>Total Assets and Other Debits</b>                                   | <b>\$ 12,653</b>        | <b>\$ 40,925</b> | <b>\$ 3,314</b> | <b>\$ 112,490</b> | <b>\$ 1,089,572</b>    | <b>\$ 142,495</b> |

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

# CITY OF TALLAHASSEE, FLORIDA

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

September 30, 2000

(in thousands)

(Continued)

| Fiduciary<br>Fund Types | Account Groups          |                            | Primary<br>Government<br>Totals<br>(Memorandum Only) | Downtown<br>Improvement<br>Authority<br>Totals | Reporting Entity<br>Totals<br>(Memorandum Only) |                     |
|-------------------------|-------------------------|----------------------------|--|--|---|---------------------|
|                         | General<br>Fixed Assets | General Long-<br>Term Debt | September 30<br>2000                                 | September 30<br>2000                           | September 30<br>2000                            | 1999                |
| \$ 25,574               | \$ --                   | \$ --                      | \$ 173,676   | \$ 158   | \$ 173,834                                      | \$ 171,249          |
| 77,319                  | --                      | --                         | 112,538  | 37   | 112,575   | 81,839              |
| 955,519                 | --                      | --                         | 958,148  | --   | 958,148   | 848,140             |
| --                      | --                      | --                         | 51   | --   | 51  | 43                  |
| --                      | --                      | --                         | 143  | --   | 143   | 85                  |
| 235                     | --                      | --                         | 1,763  | 1  | 1,764   | 1,027               |
| --                      | --                      | --                         | 2,185  | --   | 2,185   | 1,795               |
| --                      | --                      | --                         | 37,399   | --   | 37,399  | 26,371              |
| --                      | --                      | --                         | 222  | --   | 222   | 189                 |
| --                      | --                      | --                         | (2,580)  | --   | (2,580)   | (2,423)             |
| --                      | --                      | --                         | 8,805  | --   | 8,805   | 3,440               |
| 2,985                   | --                      | --                         | 3,904  | --   | 3,904   | 8,412               |
| --                      | --                      | --                         | 986  | --   | 986   | 1,077               |
| --                      | --                      | --                         | 76   | --   | 76  | 74                  |
| --                      | --                      | --                         | 29,345   | --   | 29,345  | 25,176              |
| --                      | --                      | --                         | 188,452  | --   | 188,452   | 172,794             |
| --                      | --                      | --                         | 50,623   | --   | 50,623  | --                  |
| 5,143                   | --                      | --                         | 76,589   | --   | 76,589  | 84,164              |
| --                      | --                      | --                         | 1,307  | --   | 1,307   | 1,313               |
| --                      | --                      | --                         | 1,772  | --   | 1,772   | 948                 |
| --                      | --                      | --                         | 6,619  | --   | 6,619   | 5,723               |
| --                      | --                      | --                         | 317  | --   | 317   | 474                 |
| --                      | --                      | --                         | 20,552   | --   | 20,552  | 20,893              |
| --                      | --                      | --                         | 2,480  | --   | 2,480   | 2,023               |
| --                      | 195,365                 | --                         | 983,787  | --   | 983,787   | 953,326             |
| --                      | --                      | --                         | 4,430  | --   | 4,430   | --                  |
| --                      | --                      | 2,705                      | 2,705  | --   | 2,705   | 2,703               |
| --                      | --                      | 33,987                     | 33,987   | --   | 33,987  | 34,756              |
| <u>\$ 1,066,775</u>     | <u>\$ 195,365</u>       | <u>\$ 36,692</u>           | <u>\$ 2,700,281</u>                                  | <u>\$ 196</u>                                  | <u>\$ 2,700,477</u>                             | <u>\$ 2,445,611</u> |

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

# CITY OF TALLAHASSEE, FLORIDA

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

September 30, 2000

(in thousands)

(Continued)

## LIABILITIES, EQUITY, AND OTHER CREDITS

|  | Governmental Fund Types |                  |                 |                   | Proprietary Fund Types |                   |
|--|-------------------------|------------------|-----------------|-------------------|------------------------|-------------------|
|  | General                 | Special Revenue  | Debt Service    | Capital Projects  | Enterprise             | Internal Service  |
| <b>Liabilities:</b>  |                         |                  |                 |                   |                        |                   |
| Accounts Payable.....                                      | \$ 2,273                | \$ 1,685         | \$ --           | \$ 399            | \$ 6,394               | \$ 15,192         |
| Accrued Leave.....   | --                      | --               | --              | --                | 5,218                  | 2,475             |
| Obligations Under Securities Lending.....                  | 1,436                   | 6,663            | 609             | 19,815            | 2,914                  | 3,782             |
| Customer Contracts Payable.....                            | --                      | --               | --              | --                | 6,389                  | --                |
| Retainage Payable.....                                     | --                      | --               | --              | 283               | --                     | --                |
| Due to Other Funds.....                                    | --                      | 2,985            | --              | --                | --                     | 919               |
| Advance From Other Funds.....                              | --                      | --               | --              | --                | 986                    | --                |
| Utility Deposits Payable.....                              | --                      | --               | --              | --                | 11,782                 | --                |
| Payable From Restricted Assets:                            |                         |                  |                 |                   |                        |                   |
| Retainage Payable and Accounts Payable.....                | 194                     | --               | --              | --                | 1,712                  | 168               |
| Loans Payable.....   | --                      | --               | --              | --                | --                     | 21,700            |
| Claims Payable.....  | --                      | --               | --              | --                | --                     | 6,778             |
| Deferred Revenue.....                                      | --                      | --               | --              | --                | 2,300                  | --                |
| Liability for decommissioning.....                         | --                      | --               | --              | --                | --                     | --                |
| Loans from Other Funds.....                                | 1,076                   | --               | --              | --                | 12,849                 | 6,627             |
| Accrued Leave.....   | --                      | --               | --              | --                | --                     | --                |
| Obligations Under Securities Lending.....                  | 45                      | --               | --              | --                | 50,578                 | --                |
| Deferred Revenue.....                                      | 1,646                   | 2,059            | --              | 143               | --                     | --                |
| Loan Payable.....  | --                      | --               | --              | --                | 57,028                 | --                |
| Bonds Payable.....   | --                      | --               | --              | --                | 326,578                | --                |
| Unamortized Bond Discount.....                             | --                      | --               | --              | --                | (1,646)                | --                |
| Deferment of Loss on Early Retirement of Debt.....         | --                      | --               | --              | --                | (3,571)                | --                |
| Prepaid Fees Credit Payable.....                           | --                      | --               | --              | --                | 568                    | --                |
| <b>Total Liabilities</b>                                   | <b>6,670</b>            | <b>13,392</b>    | <b>609</b>      | <b>20,640</b>     | <b>480,079</b>         | <b>57,641</b>     |
| <b>Equity and Other Credits:</b>                           |                         |                  |                 |                   |                        |                   |
| Contributed Capital.....                                   | --                      | --               | --              | --                | 78,855                 | 18,660            |
| Investment in General Fixed Assets.....                    | --                      | --               | --              | --                | --                     | --                |
| Fund Balance Reserved for Employees' Pension Benefits..... | --                      | --               | --              | --                | --                     | --                |
| Retained Earnings:   |                         |                  |                 |                   |                        |                   |
| Reserved for:  |                         |                  |                 |                   |                        |                   |
| Reserve Pursuant to Bond & Loan Covenants.....             | --                      | --               | --              | --                | 87,708                 | 1,958             |
| Fleet Management.....                                      | --                      | --               | --              | --                | --                     | 21,346            |
| Insurance.....   | --                      | --               | --              | --                | --                     | 11,063            |
| Other.....   | --                      | --               | --              | --                | 92,269                 | --                |
| Reserve for Projects.....                                  | --                      | --               | --              | --                | 661                    | 528               |
| <b>Total Reserved.....</b>                                 | <b>--</b>               | <b>--</b>        | <b>--</b>       | <b>--</b>         | <b>180,638</b>         | <b>34,895</b>     |
| Unreserved.....  | --                      | --               | --              | --                | 350,000                | 31,731            |
| <b>Total Retained Earnings.....</b>                        | <b>--</b>               | <b>--</b>        | <b>--</b>       | <b>--</b>         | <b>530,638</b>         | <b>66,626</b>     |
| Fund Balances:   |                         |                  |                 |                   |                        |                   |
| Reserved for:  |                         |                  |                 |                   |                        |                   |
| Notes Receivable.....                                      | --                      | 2,147            | --              | 38                | --                     | --                |
| Advance to Other Funds.....                                | 603                     | --               | --              | 383               | --                     | --                |
| Inventory.....   | 624                     | --               | --              | --                | --                     | --                |
| Projects / Fixed Assets.....                               | --                      | 17,531           | --              | 125,138           | --                     | --                |
| Future Debt Service.....                                   | --                      | --               | 2,705           | --                | --                     | --                |
| Encumbrances.....  | 2,011                   | 9,922            | --              | 10,372            | --                     | --                |
| <b>Total Reserved.....</b>                                 | <b>3,238</b>            | <b>29,600</b>    | <b>2,705</b>    | <b>135,931</b>    | <b>--</b>              | <b>--</b>         |
| Unreserved:  |                         |                  |                 |                   |                        |                   |
| Designated.....  | 2,500                   | --               | --              | 11,270            | --                     | --                |
| Undesignated.....  | 245                     | (2,067)          | --              | (55,351)          | --                     | --                |
| <b>Total Equity and Other Credits.....</b>                 | <b>5,983</b>            | <b>27,533</b>    | <b>2,705</b>    | <b>91,850</b>     | <b>609,493</b>         | <b>85,286</b>     |
| <b>Total Liabilities, Equity and Other Credits.....</b>    | <b>\$ 12,653</b>        | <b>\$ 40,925</b> | <b>\$ 3,314</b> | <b>\$ 112,490</b> | <b>\$ 1,089,572</b>    | <b>\$ 142,927</b> |

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

# CITY OF TALLAHASSEE, FLORIDA

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

September 30, 2000

(in thousands)

(Continued)

| Fiduciary<br>Fund Types | Account Groups    |                  | Primary<br>Government<br>Totals<br>(Memorandum Only) | Downtown<br>Improvement<br>Authority<br>Totals | Reporting Entity<br>Totals<br>(Memorandum Only) |                     |
|-------------------------|-------------------|------------------|--|--|---|---------------------|
|                         | General           | General Long-    | September 30   | September 30                                   | September 30                                    |                     |
|                         | Fixed Assets      | Term Debt        | 2000   | 2000   | 2000  | 1999                |
| \$ 56                   | \$ --             | \$ --            | \$ 25,999  | \$ 1   | \$ 26,000                                       | \$ 22,035           |
| --                      | --                | 9,584            | 17,277   | --   | 17,277  | 16,611              |
| 77,319                  | --                | --               | 112,538  | 37   | 112,575   | 81,839              |
| --                      | --                | --               | 6,389  | --   | 6,389   | 4,827               |
| --                      | --                | --               | 283  | --   | 283   | 1,053               |
| --                      | --                | --               | 3,904  | --   | 3,904   | 8,412               |
| --                      | --                | --               | 986  | --   | 986   | 1,077               |
| --                      | --                | --               | 11,782   | --   | 11,782  | 10,948              |
| --                      | --                | --               | 2,074  | --   | 2,074   | 7,615               |
| --                      | --                | --               | 21,700   | --   | 21,700  | 21,700              |
| --                      | --                | --               | 6,778  | --   | 6,778   | 6,895               |
| --                      | --                | --               | 2,300  | --   | 2,300   | 3,407               |
| 5,143                   | --                | --               | 5,143  | --   | 5,143   | --                  |
| --                      | --                | --               | 20,552   | --   | 20,552  | 20,893              |
| --                      | --                | --               | --   | --   | --  | 8                   |
| --                      | --                | --               | 50,623   | --   | 50,623  | --                  |
| --                      | --                | --               | 3,848  | --   | 3,848   | 4,052               |
| --                      | --                | 4,500            | 61,528   | --   | 61,528  | 41,000              |
| --                      | --                | 22,608           | 349,186  | --   | 349,186   | 360,502             |
| --                      | --                | --               | (1,646)  | --   | (1,646)   | (1,794)             |
| --                      | --                | --               | (3,571)  | --   | (3,571)   | (4,624)             |
| --                      | --                | --               | 568  | --   | 568   | 636                 |
| <u>82,518</u>           | <u>--</u>         | <u>36,692</u>    | <u>698,241</u>                                       | <u>38</u>                                      | <u>698,279</u>                                  | <u>607,092</u>      |
| --                      | --                | --               | 97,515   | --   | 97,515  | 94,769              |
| --                      | 195,365           | --               | 195,365  | --   | 195,365   | 182,329             |
| <u>955,503</u>          | <u>--</u>         | <u>--</u>        | <u>955,503</u>                                       | <u>--</u>                                      | <u>955,503</u>                                  | <u>846,081</u>      |
| --                      | --                | --               | 89,666   | --   | 89,666  | 88,845              |
| --                      | --                | --               | 21,346   | --   | 21,346  | 21,081              |
| --                      | --                | --               | 11,063   | --   | 11,063  | 9,860               |
| --                      | --                | --               | 92,269   | --   | 92,269  | 86,406              |
| --                      | --                | --               | 1,189  | --   | 1,189   | 1,616               |
| --                      | --                | --               | 215,533  | --   | 215,533   | 207,808             |
| --                      | --                | --               | 381,731  | --   | 381,731   | 362,893             |
| --                      | --                | --               | 597,264  | --   | 597,264   | 570,701             |
| --                      | --                | --               | 2,185  | --   | 2,185   | 1,795               |
| --                      | --                | --               | 986  | --   | 986   | 1,077               |
| --                      | --                | --               | 624  | --   | 624   | 747                 |
| --                      | --                | --               | 142,669  | --   | 142,669   | 164,477             |
| --                      | --                | --               | 2,705  | --   | 2,705   | 2,703               |
| --                      | --                | --               | 22,305   | --   | 22,305  | 25,264              |
| --                      | --                | --               | 171,474  | --   | 171,474   | 196,063             |
| --                      | --                | --               | 13,770   | --   | 13,770  | 9,292               |
| 28,754                  | --                | --               | (28,419)   | 158  | (28,261)  | (60,716)            |
| <u>984,257</u>          | <u>195,365</u>    | <u>--</u>        | <u>2,002,472</u>                                     | <u>158</u>                                     | <u>2,002,630</u>                                | <u>1,838,519</u>    |
| <u>\$ 1,066,775</u>     | <u>\$ 195,365</u> | <u>\$ 36,692</u> | <u>\$ 2,700,713</u>                                  | <u>\$ 196</u>                                  | <u>\$ 2,700,909</u>                             | <u>\$ 2,445,611</u> |

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

# CITY OF TALLAHASSEE, FLORIDA

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

All Governmental Fund Types, Expendable Trust Funds, and Discretely Presented Component Unit

For the Fiscal Year Ended September 30, 2000

(in thousands)

|  | Governmental Fund Types |                  |                 |                  |
|--|-------------------------|------------------|-----------------|------------------|
|  | General                 | Special Revenue  | Debt Service    | Capital Projects |
| <b>Revenues:</b>   |                         |                  |                 |                  |
| Taxes.....   | \$ 34,352               | \$ --            | \$ --           | \$ 18,528        |
| Licenses and Permits.....  | 4,808                   | 210              | --              | --               |
| Intergovernmental Revenues.....  | 12,414                  | 5,082            | --              | 13,364           |
| Charges for Services.....  | 9,875                   | 26,181           | --              | 16               |
| Fines and Forfeitures.....   | 1,479                   | 134              | --              | --               |
| Special Assessments Revenues.....  | --                      | --               | --              | 43               |
| Interest Earned.....   | 201                     | 1,470            | 2               | 5,202            |
| Net Increase (Decrease) in the Fair Value of Investments.....  | (59)                    | 103              | --              | 486              |
| Miscellaneous Revenues.....  | 3,416                   | 1,736            | --              | 106              |
| <b>Total Revenues</b>  | <b>66,486</b>           | <b>34,916</b>    | <b>2</b>        | <b>37,745</b>    |
| <b>Expenditures:</b>   |                         |                  |                 |                  |
| Current:   |                         |                  |                 |                  |
| General Government.....  | 30,694                  | 902              | --              | --               |
| Public Safety.....   | 30,939                  | 20,536           | --              | --               |
| Transportation.....  | 9,891                   | 185              | --              | --               |
| Human Services.....  | 3,834                   | 2,057            | --              | --               |
| Economic Development.....  | 1,060                   | 1,641            | --              | --               |
| Physical Environment.....  | 3,315                   | 11,952           | --              | --               |
| Culture and Recreation.....  | 10,535                  | 69               | --              | --               |
| Capital Outlay.....  | --                      | --               | --              | 31,701           |
| Debt service:  |                         |                  |                 |                  |
| Principal Retired.....   | 124                     | --               | 1,256           | --               |
| Interest and Fiscal Charges.....   | 46                      | --               | 1,409           | --               |
| <b>Total Expenditures</b>  | <b>90,438</b>           | <b>37,342</b>    | <b>2,665</b>    | <b>31,701</b>    |
| <b>Excess of Revenues Over (Under) Expenditures</b>  | <b>(23,952)</b>         | <b>(2,426)</b>   | <b>(2,663)</b>  | <b>6,044</b>     |
| <b>Other Financing Sources (Uses):</b>   |                         |                  |                 |                  |
| Operating Transfers In.....  | 37,592                  | 4,149            | 2,665           | 7,259            |
| Operating Transfers Out.....   | (15,410)                | (995)            | --              | (1,322)          |
| Operating Transfers to / from Component Unit.....  | --                      | 8                | --              | --               |
| <b>Total Other Financing Sources (Uses)</b>  | <b>22,182</b>           | <b>3,162</b>     | <b>2,665</b>    | <b>5,937</b>     |
| <b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b> | <b>(1,770)</b>          | <b>736</b>       | <b>2</b>        | <b>11,981</b>    |
| Fund Balances - October 1.....   | 7,753                   | 26,797           | 2,703           | 79,869           |
| <b>Fund Balances - September 30</b>  | <b>\$ 5,983</b>         | <b>\$ 27,533</b> | <b>\$ 2,705</b> | <b>\$ 91,850</b> |

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

# CITY OF TALLAHASSEE, FLORIDA

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

All Governmental Fund Types, Expendable Trust Funds, and Discretely Presented Component Unit

For the Fiscal Year Ended September 30, 2000

(in thousands)

(Continued)

| Fiduciary<br>Fund Type | Primary           | Downtown     | Reporting Entity  |            |
|------------------------|-------------------|--------------|-------------------|------------|
|                        | Government        | Improvement  | Totals            |            |
|                        | Totals            | Authority    | Totals            |            |
| Expendable             | (Memorandum Only) | Totals       | (Memorandum Only) |            |
| Trust                  | September 30      | September 30 | September 30      |            |
|                        | 2000              | 2000         | 2000              | 1999       |
| \$ --                  | \$ 52,880         | \$ 137       | \$ 53,017         | \$ 49,289  |
| --                     | 5,018             | --           | 5,018             | 4,536      |
| --                     | 30,860            | --           | 30,860            | 31,764     |
| --                     | 36,072            | --           | 36,072            | 21,845     |
| --                     | 1,613             | --           | 1,613             | 1,549      |
| --                     | 43                | --           | 43                | 90         |
| 1,213                  | 8,088             | 10           | 8,098             | 6,746      |
| 108                    | 638               | --           | 638               | (1,995)    |
| --                     | 5,258             | --           | 5,258             | 4,498      |
| 1,321                  | 140,470           | 147          | 140,617           | 118,322    |
| --                     | 31,596            | --           | 31,596            | 17,562     |
| --                     | 51,475            | --           | 51,475            | 46,355     |
| --                     | 10,076            | --           | 10,076            | 9,924      |
| --                     | 5,891             | --           | 5,891             | 5,951      |
| --                     | 2,701             | --           | 2,701             | 3,388      |
| --                     | 15,267            | --           | 15,267            | 14,168     |
| 165                    | 10,769            | 116          | 10,885            | 10,783     |
| --                     | 31,701            | --           | 31,701            | 31,144     |
| --                     | 1,380             | --           | 1,380             | 1,385      |
| --                     | 1,455             | --           | 1,455             | 1,424      |
| 165                    | 162,311           | 116          | 162,427           | 142,084    |
| 1,156                  | (21,841)          | 31           | (21,810)          | (23,762)   |
| --                     | 51,665            | --           | 51,665            | 68,716     |
| --                     | (17,727)          | --           | (17,727)          | (29,697)   |
| --                     | 8                 | (8)          | --                | --         |
| --                     | 33,946            | (8)          | 33,938            | 39,019     |
| 1,156                  | 12,105            | 23           | 12,128            | 15,257     |
| 20,549                 | 137,671           | 135          | 137,806           | 122,549    |
| \$ 21,705              | \$ 149,776        | \$ 158       | \$ 149,934        | \$ 137,806 |

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

# CITY OF TALLAHASSEE, FLORIDA

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

General Fund

For the Fiscal Year Ended September 30, 2000

(in thousands)

|  | 2000            |                           |                                  | 1999                 |                      |
|--|-----------------|---------------------------|----------------------------------|----------------------|----------------------|
|  | Budget          | Actual on Budgetary Basis | Variance-Favorable (Unfavorable) | Actual on GAAP Basis | Actual on GAAP Basis |
| <b>Revenues:</b>   |                 |                           |                                  |                      |                      |
| Taxes.....   | \$ 33,021       | \$ 34,352                 | \$ 1,331                         | \$ 34,352            | \$ 32,668            |
| Licenses and Permits.....  | 4,074           | 4,808                     | 734                              | 4,808                | 4,272                |
| Intergovernmental Revenues.....  | 11,770          | 12,414                    | 644                              | 12,414               | 11,820               |
| Charges for Services.....  | 10,179          | 9,875                     | (304)                            | 9,875                | 10,070               |
| Fines and Forfeitures.....   | 1,700           | 1,479                     | (221)                            | 1,479                | 1,463                |
| Net Decrease in the Fair Value of Investments.....   | --              | (59)                      | (59)                             | (59)                 | (148)                |
| Interest Earned.....   | 224             | 201                       | (23)                             | 201                  | 177                  |
| Miscellaneous Revenues.....  | 2,196           | 3,571                     | 1,375                            | 3,416                | 2,583                |
| <b>Total Revenues.....</b>   | <b>63,164</b>   | <b>66,641</b>             | <b>3,477</b>                     | <b>66,486</b>        | <b>62,905</b>        |
| <b>Expenditures:</b>   |                 |                           |                                  |                      |                      |
| Current:   |                 |                           |                                  |                      |                      |
| General Government.....  | 30,796          | 30,743                    | 53                               | 30,694               | 16,720               |
| Public Safety.....   | 31,512          | 30,917                    | 595                              | 30,939               | 29,741               |
| Transportation.....  | 10,659          | 10,013                    | 646                              | 9,891                | 9,677                |
| Human Services.....  | 3,856           | 3,819                     | 37                               | 3,834                | 4,400                |
| Economic Development.....  | 1,076           | 1,060                     | 16                               | 1,060                | 1,141                |
| Physical Environment.....  | 3,575           | 3,300                     | 275                              | 3,315                | 3,325                |
| Culture and Recreation.....  | 10,855          | 10,525                    | 330                              | 10,535               | 10,327               |
| Debt Service.....  | 171             | 170                       | 1                                | 170                  | 266                  |
| <b>Total Expenditures.....</b>   | <b>92,500</b>   | <b>90,547</b>             | <b>1,953</b>                     | <b>90,438</b>        | <b>75,597</b>        |
| <b>Excess of Revenues Over (Under) Expenditures.....</b>   | <b>(29,336)</b> | <b>(23,906)</b>           | <b>5,430</b>                     | <b>(23,952)</b>      | <b>(12,692)</b>      |
| <b>Other Financing Sources (Uses):</b>   |                 |                           |                                  |                      |                      |
| Appropriated Fund Balance.....   | 2,500           | 2,500                     | --                               | --                   | --                   |
| Operating Transfers In.....  | 38,984          | 37,592                    | (1,392)                          | 37,592               | 37,678               |
| Operating Transfers Out.....   | (12,148)        | (15,410)                  | (3,262)                          | (15,410)             | (25,816)             |
| <b>Total Other Financing Sources (Uses).....</b>   | <b>29,336</b>   | <b>24,682</b>             | <b>(4,654)</b>                   | <b>22,182</b>        | <b>11,862</b>        |
| <b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses.....</b> | <b>\$ --</b>    | <b>\$ 776</b>             | <b>\$ 776</b>                    | <b>\$ ( 1,770)</b>   | <b>\$ ( 830)</b>     |

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

# CITY OF TALLAHASSEE, FLORIDA

Combined Statement of Revenues, Expenses and Changes in  
Retained Earnings/Fund Balances  
All Proprietary Fund Types and Nonexpendable Trust Fund  
For the Fiscal Year Ended September 30, 2000  
(in thousands)

|  | Proprietary Fund Types |                     | Fiduciary Fund Types   | Totals<br>(Memorandum Only) |                   |
|--|------------------------|---------------------|------------------------|-----------------------------|-------------------|
|  | Enterprise             | Internal<br>Service | Nonexpendable<br>Trust | September 30                |                   |
|  |                        |                     |                        | 2000                        | 1999              |
| <b>Operating Revenues:</b>                                       |                        |                     |                        |                             |                   |
| Charges for Services.....  | \$ 288,078             | \$ 184,424          | \$ --                  | \$ 472,502                  | \$ 403,108        |
| Investment Revenue.....  | --                     | --                  | 411                    | 411                         | 370               |
| Other.....   | 10,219                 | --                  | 75                     | 10,294                      | 7,232             |
| <b>Total Operating Revenues.....</b>                             | <b>298,297</b>         | <b>184,424</b>      | <b>486</b>             | <b>483,207</b>              | <b>410,710</b>    |
| <b>Operating Expenses:</b>                                       |                        |                     |                        |                             |                   |
| Personal Services.....   | 37,534                 | 18,693              | --                     | 56,227                      | 54,128            |
| Fossil Fuel.....   | 61,637                 | --                  | --                     | 61,637                      | 56,599            |
| Power Purchased.....   | 35,205                 | --                  | --                     | 35,205                      | 30,199            |
| Gas Purchased.....   | 7,892                  | --                  | --                     | 7,892                       | 5,408             |
| Materials and Supplies.....                                      | 7,053                  | 1,341               | --                     | 8,394                       | 11,439            |
| Contractual Services.....  | 46,911                 | 149,819             | --                     | 196,730                     | 153,096           |
| Other Expenses.....  | 10,150                 | 6,616               | --                     | 16,766                      | 19,372            |
| Less: Applied Equipment Charges.....                             | (251)                  | --                  | --                     | (251)                       | (283)             |
| Depreciation.....  | 24,313                 | 7,616               | --                     | 31,929                      | 30,929            |
| Amortization.....  | 293                    | --                  | --                     | 293                         | 315               |
| Benefit Payments.....  | --                     | --                  | 19                     | 19                          | 17                |
| Administration.....  | --                     | --                  | 275                    | 275                         | 263               |
| <b>Total Operating Expenses.....</b>                             | <b>230,737</b>         | <b>184,085</b>      | <b>294</b>             | <b>415,116</b>              | <b>361,482</b>    |
| <b>Operating Income (Loss).....</b>                              | <b>67,560</b>          | <b>339</b>          | <b>192</b>             | <b>68,091</b>               | <b>49,228</b>     |
| <b>Non-operating Revenues (Expenses):</b>                        |                        |                     |                        |                             |                   |
| Interest Revenue.....  | 11,906                 | 4,408               | --                     | 16,314                      | 12,232            |
| Net Increase (Decrease) in the Fair Value of Investments.....    | 678                    | 125                 | 21                     | 824                         | (3,236)           |
| Loss on the Sale of Surplus Property.....                        | --                     | (5)                 | --                     | (5)                         | (33)              |
| Grant Revenue.....   | 1,622                  | --                  | --                     | 1,622                       | 1,627             |
| Other Revenues.....  | 6,775                  | --                  | --                     | 6,775                       | 7,029             |
| Loss on Sale of Joint Venture Ownership Interest.....            | (8,936)                | --                  | --                     | (8,936)                     | --                |
| Interest Expense.....  | (15,457)               | (1,108)             | --                     | (16,565)                    | (13,952)          |
| Other Expenses.....  | (11,566)               | --                  | --                     | (11,566)                    | (8,014)           |
| <b>Total Nonoperating Revenues (Expenses).....</b>               | <b>(14,978)</b>        | <b>3,420</b>        | <b>21</b>              | <b>(11,537)</b>             | <b>(4,347)</b>    |
| <b>Income (Loss) Before Operating Transfers.....</b>             | <b>52,582</b>          | <b>3,759</b>        | <b>213</b>             | <b>56,554</b>               | <b>44,881</b>     |
| Operating Transfers In.....                                      | 4,504                  | 2,271               | 3                      | 6,778                       | 4,921             |
| Operating Transfers Out.....                                     | (39,746)               | (970)               | --                     | (40,716)                    | (43,940)          |
| <b>Net Income.....</b>   | <b>17,340</b>          | <b>5,060</b>        | <b>216</b>             | <b>22,616</b>               | <b>5,862</b>      |
| <b>Disposition of Net Income:</b>                                |                        |                     |                        |                             |                   |
| Depreciation on Contributed Assets.....                          | 2,531                  | 1,845               | --                     | 4,376                       | 4,279             |
| <b>Net Increase in Retained Earnings/<br/>Fund Balances.....</b> | <b>19,871</b>          | <b>6,905</b>        | <b>216</b>             | <b>26,992</b>               | <b>10,141</b>     |
| Retained Earnings/<br>Fund Balances - October 1.....             | 510,790                | 59,911              | 6,833                  | 577,534                     | 567,597           |
| Residual Equity Transfers Out.....                               | (23)                   | (190)               | --                     | (213)                       | (204)             |
| <b>Retained Earnings/<br/>Fund Balances - September 30.....</b>  | <b>\$ 530,638</b>      | <b>\$ 66,626</b>    | <b>\$ 7,049</b>        | <b>\$ 604,313</b>           | <b>\$ 577,534</b> |

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

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**CITY OF TALLAHASSEE, FLORIDA**  
**CITY EMPLOYEES' PENSION PLANS**  
**STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**September 30, 2000**  
**(in thousands)**

|  | Fiscal Year Ended<br>September 30 |                   |
|--|-----------------------------------|-------------------|
|  | 2000                              | 1999              |
| <b>Additions:</b>  |                                   |                   |
| <b>Contributions:</b>  |                                   |                   |
| Employer.....  | \$ 10,825                         | \$ 15,730         |
| State.....   | --                                | 1,261             |
| Plan Members.....  | 8,853                             | 8,066             |
| <b>Total Contributions.....</b>  | <b>19,678</b>                     | <b>25,057</b>     |
| <b>Investment Income:</b>  |                                   |                   |
| Net Appreciation in Fair Value of Investments.....   | 77,853                            | 114,734           |
| Interest.....  | 12,268                            | 24                |
| Dividends.....   | 5,783                             | 3,792             |
| Securities Lending Collateral.....   | 5,493                             | 2,532             |
| Commission Recapture Income.....   | 8,359                             | 5,710             |
|  | 109,756                           | 126,792           |
| Less Investment Expenses:  |                                   |                   |
| Investment Management Fees.....  | 2,832                             | 2,089             |
| Interest Expenses.....   | 243                               | 317               |
| Agent Fees.....  | 133                               | 105               |
| <b>Net Investment Income.....</b>  | <b>106,548</b>                    | <b>124,281</b>    |
| <b>Total Additions.....</b>  | <b>126,226</b>                    | <b>149,338</b>    |
| <b>Deductions:</b>   |                                   |                   |
| Benefits.....  | 15,511                            | 14,247            |
| Refunds of Contributions.....  | 735                               | 1,036             |
| Administrative Expense.....  | 558                               | 440               |
| <b>Total Deductions.....</b>   | <b>16,804</b>                     | <b>15,723</b>     |
| <b>Net Increase.....</b>   | <b>109,422</b>                    | <b>133,615</b>    |
| <b>Net Assets Held in Trust for Pension Benefits</b><br><b>(A schedule of funding progress is presented on page B-51.)</b> |                                   |                   |
| October 1.....   | 846,081                           | 712,466           |
| September 30.....  | <b>\$ 955,503</b>                 | <b>\$ 846,081</b> |

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

CITY OF TALLAHASSEE, FLORIDA

Combined Statement of Cash Flows  
 All Proprietary Fund Types and Nonexpendable Trust Fund  
 For the Fiscal Year Ended September 30, 2000  
 (in thousands)  
 (Continued)

|  | Proprietary Fund Types |                  | Fiduciary       | Totals            |                   |
|--|------------------------|------------------|-----------------|-------------------|-------------------|
|  | Enterprise             | Internal         | Fund Types      | (Memorandum Only) |                   |
|  |                        | Service          | Nonexpendable   | September 30      |                   |
|  |                        | Trust            | 2000            | 1999              |                   |
| <b>Increase (Decrease) in Cash and Cash Equivalents:</b>                             |                        |                  |                 |                   |                   |
| <b>Cash Flows from Operating Activities:</b>   |                        |                  |                 |                   |                   |
| Cash Received from Customers.....  | \$ 290,367             | \$ --            | \$ 75           | \$ 290,442        | \$ 267,032        |
| Cash Received from Other Funds for Services.....                                     | 5,530                  | 178,638          | --              | 184,168           | 145,135           |
| Cash Received from Other Revenues.....   | 2,037                  | --               | --              | 2,037             | 2,216             |
| Cash Payments to Suppliers for Goods and Services.....                               | (147,343)              | (153,049)        | --              | (300,392)         | (258,732)         |
| Cash Payments to Employees for Services.....   | (38,197)               | (18,620)         | --              | (56,817)          | (53,677)          |
| Cash Payments for Services to Other Funds.....                                       | (25,371)               | --               | --              | (25,371)          | (20,404)          |
| Benefits Paid.....   | --                     | --               | (20)            | (20)              | (17)              |
| Administrative Cost Paid.....  | --                     | --               | (275)           | (275)             | (263)             |
| Cash Paid for Other Expenses.....  | (11,570)               | --               | --              | (11,570)          | (7,382)           |
| <b>Net Cash Provided by (Used for) Operating Activities.....</b>                     | <b>75,453</b>          | <b>6,969</b>     | <b>(220)</b>    | <b>82,202</b>     | <b>73,908</b>     |
| <b>Cash Flows from Noncapital Financing Activities:</b>                              |                        |                  |                 |                   |                   |
| Operating Transfers In from Other Funds.....   | 4,504                  | 2,271            | 3               | 6,778             | 4,921             |
| Loans from Other Funds.....  | --                     | --               | --              | --                | 3,856             |
| Proceeds from Due to Other Funds.....  | (6,638)                | --               | --              | (6,638)           | (43)              |
| Operating Grants Received.....   | 2,399                  | --               | --              | 2,399             | 1,670             |
| Repayment of Advances.....   | (230)                  | --               | --              | (230)             | (338)             |
| Operating Transfers Out to Other Funds.....  | (39,743)               | (970)            | --              | (40,713)          | (43,317)          |
| <b>Net Cash (Used for) Provided by Noncapital Financing Activities.....</b>          | <b>(39,708)</b>        | <b>1,301</b>     | <b>3</b>        | <b>(38,404)</b>   | <b>(33,251)</b>   |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                     |                        |                  |                 |                   |                   |
| Receipts from Energy Loan Program.....   | 8,559                  | --               | --              | 8,559             | 8,323             |
| Capital Grants Received.....   | 4,565                  | --               | --              | 4,565             | 3,648             |
| Proceeds from the Sale of Property.....  | --                     | (5)              | --              | (5)               | (35)              |
| Proceeds from the Sunshine State Loan.....   | 20,421                 | --               | --              | 20,421            | 36,464            |
| Proceeds from Revenue Bonds.....   | --                     | --               | --              | --                | 130,839           |
| System Charges.....  | 4,738                  | --               | --              | 4,738             | 4,814             |
| Acquisition and Construction of Capital Assets.....                                  | (67,227)               | (6,101)          | --              | (73,328)          | (67,052)          |
| Residual Equity Transfers Out.....   | (16)                   | (189)            | --              | (205)             | (199)             |
| Principal and Refunding Payments.....  | (9,794)                | --               | --              | (9,794)           | (76,369)          |
| Repayment of Loans from Other Funds.....   | (776)                  | 758              | --              | (18)              | 3,548             |
| Funding of Energy Loan Program.....  | (9,400)                | --               | --              | (9,400)           | (8,368)           |
| Interest Paid.....   | (16,775)               | (1,108)          | --              | (17,883)          | (18,663)          |
| <b>Net Cash (Used for) Provided by Capital and Related Financing Activities.....</b> | <b>(65,705)</b>        | <b>(6,645)</b>   | <b>--</b>       | <b>(72,350)</b>   | <b>16,950</b>     |
| <b>Cash Flows from Investing Activities:</b>   |                        |                  |                 |                   |                   |
| Proceeds from Sale & Maturities of Investment Securities.....                        | 55,880                 | --               | --              | 55,880            | 163,784           |
| Receipts of Interest on Investments.....   | 15,125                 | 4,408            | 384             | 19,917            | 17,271            |
| Unrealized Gain (Loss) on Cash and Cash Equivalents/Investments.....                 | 678                    | 125              | 21              | 824               | (3,236)           |
| Purchase of Investment Securities.....   | (36,799)               | --               | --              | (36,799)          | (215,439)         |
| <b>Net Cash Provided by (Used For) Investing Activities.....</b>                     | <b>34,884</b>          | <b>4,533</b>     | <b>405</b>      | <b>39,822</b>     | <b>(37,620)</b>   |
| Net Increase (Decrease) in Cash and Cash Equivalents/Investments.....                | 4,924                  | 6,158            | 188             | 11,270            | 19,987            |
| Cash and Cash Equivalents/Investments - October 1.....                               | 148,418                | 57,361           | 6,801           | 212,580           | 192,593           |
| <b>Cash and Cash Equivalents/Investments - September 30.....</b>                     | <b>\$ 153,342</b>      | <b>\$ 63,519</b> | <b>\$ 6,989</b> | <b>\$ 223,850</b> | <b>\$ 212,580</b> |
| <b>Classified As:</b>  |                        |                  |                 |                   |                   |
| Unrestricted Assets.....   | \$ 12,371              | \$ 16,232        | \$ 6,989        | \$ 35,592         | \$ 40,114         |
| Restricted Assets.....   | 140,971                | 47,287           | --              | 188,258           | 172,466           |
|  | <u>\$ 153,342</u>      | <u>\$ 63,519</u> | <u>\$ 6,989</u> | <u>\$ 223,850</u> | <u>\$ 212,580</u> |

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

CITY OF TALLAHASSEE, FLORIDA

Combined Statement of Cash Flows  
 All Proprietary Fund Types and Nonexpendable Trust Fund  
 For the Fiscal Year Ended September 30, 2000  
 (in thousands)  
 (Continued)

|  | Proprietary Fund Types |                 | Fiduciary       | Totals            |                  |
|--|------------------------|-----------------|-----------------|-------------------|------------------|
|  | Enterprise             | Internal        | Fund Types      | (Memorandum Only) |                  |
|  |                        | Service         | Nonexpendable   | September 30      |                  |
|  |                        |                 | Trust           | 2000              | 1999             |
| <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>        |                        |                 |                 |                   |                  |
| Operating Income (Loss).....   | \$ 67,560              | \$ 339          | \$ 192          | \$ 68,091         | \$ 49,228        |
| <b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b> |                        |                 |                 |                   |                  |
| Depreciation.....  | 24,313                 | 7,616           | --              | 31,929            | 30,929           |
| Amortization.....  | 289                    | --              | --              | 289               | 315              |
| Provision for Uncollectible Accounts.....  | 72                     | --              | --              | 72                | (92)             |
| Other.....   | (9,532)                | --              | --              | (9,532)           | (5,202)          |
| <b>Change in Assets and Liabilities:</b>   |                        |                 |                 |                   |                  |
| (Increase) Decrease in Accounts Receivable.....  | (2,002)                | (5,878)         | 1               | (7,879)           | (1,597)          |
| (Increase) in Accrued Interest Receivable.....   | --                     | --              | (28)            | (28)              | (1)              |
| (Increase) Decrease in Other Accounts Receivable.....  | 59                     | 92              | --              | 151               | (3,017)          |
| (Increase) Decrease in Inventory.....  | (3,779)                | (513)           | --              | (4,292)           | (1,759)          |
| (Increase) Decrease in Due from Other Funds.....   | --                     | --              | --              | --                | (709)            |
| Increase (Decrease) in Accounts Payable.....   | (1,799)                | 5,240           | (1)             | 3,440             | 1,843            |
| Increase (Decrease) in Due to Other Funds.....   | (852)                  | --              | --              | (852)             | 21               |
| Increase (Decrease) in Customer Contracts Payable.....   | 1,368                  | --              | --              | 1,368             | (2)              |
| Increase in Utility Deposits Payable.....  | 834                    | --              | --              | 834               | 1,201            |
| Increase (Decrease) in Deferred Revenue.....   | (1,107)                | --              | --              | (1,107)           | 3,088            |
| Increase (Decrease) in Accrued Leave.....  | 97                     | 73              | --              | 170               | (42)             |
| Increase in Prepaid Fees Credit.....   | (68)                   | --              | --              | (68)              | 74               |
| Interest Received on Investments.....  | --                     | --              | (384)           | (384)             | (370)            |
| <b>Total Adjustments.....</b>  | <b>7,893</b>           | <b>6,630</b>    | <b>(412)</b>    | <b>14,111</b>     | <b>24,680</b>    |
| <b>Net Cash Provided by (Used for) Operating Activities.....</b>                               | <b>\$ 75,453</b>       | <b>\$ 6,969</b> | <b>\$ (220)</b> | <b>\$ 82,202</b>  | <b>\$ 73,908</b> |
| <b>Noncash Investing, Capital, and Financing Activities:</b>                                   |                        |                 |                 |                   |                  |
| Interfund Transfers of Fixed Assets.....   | \$ 11                  | \$ -            | \$ -            | \$ 11             | \$ 2             |

**Cash and Cash Equivalents/Investments - September 30,2000:**

The Combined Statement of Cash Flows- All Proprietary Fund Types and Similar Trust Funds includes only Nonexpendable Trust Funds. The Combined Balance Sheet includes all Trust Funds including Pension Trust and Expendable Trust Funds. The respective Cash and Cash Equivalents/Investments balances as included on the Combined Balance Sheet is Expendable Trust Funds \$ 18,585,000 and Nonexpendable Trust \$6,989,000

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

# **NOTES TO FINANCIAL STATEMENTS**

# CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS  
September 30, 2000

## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

This summary of the City's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying general purpose financial statements.

### **A. REPORTING ENTITY**

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

In the Code of Ordinances, Chapter 8374, Laws of Florida, Special Acts 1919, the City was granted a new City Charter by the State Legislature authorizing a Commission-Manager form of government. In the original charter, the five City Commissioners were elected at large for four year terms and each year, the Mayor was selected by the Commissioners for a one year term to act as the official representative for the City. Tallahassee voters approved a charter change in November 1996 calling for a separately elected Mayor, thereby changing the structure of the Tallahassee City Commission. The first elected Mayor was elected in February 1997 for a four year term. The elected Mayor has powers commensurate with the other four members of the City Commission; however, he is able to serve as an ongoing contact for matters involving other governmental or institutional organizations, including the state legislature, county government, and local universities.

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

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

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

#### **Discretely Presented Component Units Included in the Reporting Entity:**

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

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS September 30, 2000

### NOTE I (CONTINUED)

#### **Joint Ventures Included in the reporting entity:**

- Electric Utility Plant (Crystal River Unit 3)

In November 1975, the cities of Tallahassee (1.3333%), Alachua (0.0779%), Bushnell (0.0388%), Gainesville (1.4079%), Kissimmee (0.6754%), Leesburg (0.8244%), Ocala (1.3333%), and Utilities Commissions from New Smyrna Beach (0.5608%), Orlando (1.6015%), Sebring (0.4473%), and Seminole Electric Corporation (1.6994%), through a participation agreement with Florida Power Corporation, a corporation organized and existing under the laws of the State of Florida, purchased a 10% undivided ownership interest, as tenants in common, in the Crystal River Unit 3 (CR3) nuclear power plant operated and managed by Florida Power Corporation. In accordance with the agreement, the City participates in the cost and the power output of CR3 based on its respective interest; however, the City has no legal authority over the operations of the plant. CR3 revenue and operating maintenance costs, which represents the Electric Utility's share of all revenue and expenses attributable to operation of CR3, are properly recorded in accordance with the instructions as set forth in the Uniform System of Accounts. Payments are made to Florida Power Corporation in accordance with the CR3 participation agreement. Condensed financial information is not available relating to the power plant. The City sold its 1.3333% ownership interest on October 1, 1999 (See Note III-B-9).

#### **Joint Ventures excluded from the reporting entity:**

- Sunshine State Governmental Financing Commission

In November 1985, the Sunshine State Governmental Commission (the "Commission") was created initially by the cities of Tallahassee and Orlando, Florida. As of September 30, 2000, the Commission's membership consists of the following governmental units: City of Coral Gables, Florida; City of Coral Springs, Florida; City of Daytona Beach, Florida; City of Ft. Lauderdale, Florida; City of Jacksonville, Florida; City of Lakeland, Florida; City of Miami, Florida; City of Miami Beach, Florida; City of Orlando, Florida; City of St. Petersburg, FL; City of Tallahassee, Florida; City of Vero Beach, Florida; Miami-Dade County, Florida; Palm Beach County, Florida; and Polk County, Florida. In addition, the City of Hollywood, FL and the City of West Palm Beach, Florida and the City of St. Petersburg, Florida, participate in the Commission's programs as participants, including units of government such as school districts or other special districts. Each member government appoints a representative to the Commission. These representatives elect a five-member board of directors to administer the loan program.

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

In July 1986, the Commission issued the revenue bonds in the aggregate principal amount of \$300 million. Approximately \$294 million is currently outstanding. In February 1994, a separate financing program (Series 1994) was created whereby the Commission commenced issuing commercial paper notes (taxable and tax-exempt). The commercial paper notes are classified as long-term notes and credit enhancement is provided separately by three bond insurance companies. Liquidity support is currently provided by a banking institution. Financing sources are pooled so that none of the notes are directly related to any loan. The notes are secured by loan agreements with participants that in turn are secured by insurance policies that guarantee the participant loan repayments. Approximately \$394 million is currently outstanding under this program.

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2000

### NOTE I (CONTINUED)

The City of Tallahassee has no obligation and minimal event risk associated with the Commission other than the repayment of its loan from the Commission. Condensed financial information relating to the Commission as of September 30, 2000, is as follows:

|                        |                |                              |                |
|------------------------|----------------|------------------------------|----------------|
| Total Assets.....      | \$ 727,098,000 | Total Operating Revenue..... | \$ 28,117,000  |
| Total Liabilities..... | \$ 727,098,000 | Total Operating Expense..... | \$ 30,745,000  |
| Total Retained         |                |                              |                |
| Earnings.....          | \$ --          | Operating Loss.....          | \$ (2,628,000) |
|                        |                | Non-Operating Income.....    | \$ 2,628,000   |
|                        |                | Net Income.....              | \$ -           |

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

|                                 |
|---------------------------------|
| <b>B. BASIS OF PRESENTATION</b> |
|---------------------------------|

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

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

**GOVERNMENTAL FUNDS**

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

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

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

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

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

**PROPRIETARY FUNDS**

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

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

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

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2000

### NOTE I (CONTINUED)

#### **FIDUCIARY FUNDS**

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

#### **ACCOUNT GROUPS**

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

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

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

**COMPARATIVE DATA** - Comparative total data for the prior year has been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand. Certain balances presented in the financial statements for the year ended September 30, 1999, have been reclassified for comparative purposes in the accompanying general purpose financial statements.

#### **C. BASIS OF ACCOUNTING**

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

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

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

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

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS September 30, 2000

### NOTE I (CONTINUED)

#### **D. BUDGETARY DATA**

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

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

#### **E. ASSETS, LIABILITIES AND FUND EQUITY**

1. **CASH AND CASH EQUIVALENTS/INVESTMENTS** - The City considers cash on hand, demand deposits and liquid investments with an original maturity of 90 days or less to be cash and cash equivalents/investments. Liquid investments include repurchase agreements purchased under the terms of the City's depository contract, open repurchase agreements, certificates of deposit, banker's acceptances, commercial paper, U.S. Treasury direct and agency obligations, and the SBA local government portfolio. In addition, each fund's equity in the City's investment pool has been treated as cash equivalents/investments since cash may be withdrawn from the pool at any time without prior notice or penalty.

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

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

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

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS September 30, 2000

### NOTE I (CONTINUED)

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

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

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

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

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

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

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2000

### NOTE I (CONTINUED)

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

The estimated useful lives are as follows:

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

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

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

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

## **F. REVENUES, EXPENDITURES AND EXPENSES**

**1. PROPERTY TAXES** - Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to ensure consistent property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 2000 was 3.200.

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

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

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

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS September 30, 2000

### NOTE I (CONTINUED)

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

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

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

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

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

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

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

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

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

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

# CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS  
September 30, 2000

**NOTE I (CONTINUED)**

**5. INTERFUND TRANSACTIONS**

**a. Intra-Governmental Charges** - Certain functions of the City of a general and administrative nature are accounted for in internal service funds. The costs accumulated in these funds are allocated to the various funds benefited by the services via charges, which are recorded as charges for services in the internal service funds and expenses or expenditures in the benefited funds. Such costs allocated to the funds for the year ended September 30, 2000 are as follows (in thousands):

|                            |                  |
|----------------------------|------------------|
| General.....               | \$ 13,017        |
| Fire.....                  | 2,326            |
| Electric.....              | 112,302          |
| Gas.....                   | 9,963            |
| Sewer.....                 | 3,871            |
| Water.....                 | 4,032            |
| Airport.....               | 577              |
| Tallahassee Transit.....   | 856              |
| Solid Waste.....           | 2,759            |
| Golf Course.....           | 13               |
| Stormwater Management..... | <u>1,219</u>     |
|                            | <u>\$150,935</u> |

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

**6. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS** - The following schedule reconciles the "Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis" to the "Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - GAAP Basis" for the General Fund for the year ended September 30, 2000 (in thousands):

|  |                   |
|--|-------------------|
| Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis..... | \$ 776            |
| Adjustments:   |                   |
| Cancellation of Prior Year Encumbrances....  | (155)             |
| Expenditures against Prior Year Encumbrances.....  | (842)             |
| Recognition of Current Year Encumbrances.....  | 951               |
| Appropriated Fund Balance.....   | <u>(2,500)</u>    |
| Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - GAAP Basis...        | <u>\$ (1,770)</u> |

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS September 30, 2000

### NOTE I (CONTINUED)

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

| <u>Funds</u>                              | <u>Budget</u>     | Expenditures and<br>Operating<br><u>Transfers Out</u> | <u>Variance</u>  |
|---|-------------------|---|------------------|
| General Fund.....                         | \$ 104,648        | \$ 105,957  | \$ (1,309)       |
| Fire Fund.....                            | 16,805            | 19,606  | (2,801)          |
| Electric Fund.....                        | 201,528           | 181,876   | 19,652           |
| Airport Fund.....                         | 7,127             | 8,030   | (903)            |
| Gas Fund.....                             | 16,721            | 15,398  | 1,323            |
| Sewer Fund.....                           | 28,324            | 24,020  | 4,304            |
| Water Fund.....                           | 19,550            | 16,046  | 3,504            |
| Tallahassee Transit Fund.....             | 8,274             | 8,835   | (561)            |
| Solid Waste Fund.....                     | 14,501            | 15,316  | (815)            |
| Golf Course Fund.....                     | 1,135             | 962   | 173              |
| Stormwater Fund.....                      | 9,158             | 11,534  | (2,376)          |
| Cemetery Perpetual Care Fund.....         | 289               | 275   | 14               |
| Residential Energy Conservation Fund..... | 579               | 550   | 29               |
| Totals.....                               | <u>\$ 428,639</u> | <u>\$ 408,405</u>                                     | <u>\$ 20,234</u> |

The negative variance in the General Fund is a result of a transfer of \$1.8 million to the Capital Projects Fund.

The negative variance in the Fire Fund is a result of higher than expected personnel service costs and costs associated with the construction of additional fire stations.

The negative variance in the Airport Fund is a result of higher than expected personnel services and contractual services.

The negative variance in the Tallahassee Transit Fund is due primarily to the increased fuel costs and contractual services for the maintenance of the buses.

The Solid Waste Fund has a negative variance due to higher than expected contractual services for maintenance.

The Stormwater Fund has a negative variance due mainly to the completion of certain pond drainage projects.

**8. AIRPORT FUND'S LEASING OPERATIONS** - The Airport Fund's leasing operations consist principally of leasing land and buildings under operating leases to airlines, rental car agencies and other commercial enterprises. Lease terms vary from one to twenty-five years and require, in some cases, that leasehold improvements be contributed to the City at lease termination. The following is a schedule, by years, of minimum future rentals on noncancelable operating leases of the Airport Fund as of September 30, 2000 (in thousands):

|                            |                  |
|----------------------------|------------------|
| Years ending September 30, |                  |
| 2001.....                  | \$ 1,975         |
| 2002.....                  | 1,829            |
| 2003.....                  | 1,855            |
| 2004.....                  | 1,794            |
| 2005.....                  | 663              |
| Thereafter.....            | <u>6,417</u>     |
|                            | <u>\$ 14,533</u> |

Total minimum future rentals do not include contingent rentals that may be realized under certain leases that require additional rent if the tenant's gross revenues exceed stipulated minimums. Contingent rentals for the fiscal year ended September 30, 2000 amounted to \$318,000.

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2000

### NOTE I (CONTINUED)

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

The Prepaid Fees Credit is recorded as a current liability in the amount of \$568,000 and \$636,000 for the 2000 and 1999 fiscal years, respectively.

The residual portion of remaining funds, (40% for the first five fiscal years and 50% for subsequent fiscal years), is to be allocated to the Signatory Airline Capital Account (25% up to \$162,889, adjusted for inflation) and the Airport System Capital Account (75%). Signatory airlines constituting a majority-in-interest shall direct the use of the Signatory Airline Capital Account. Funds on credit to the Airport System Capital Account shall generally be used to pay the costs of improvements in other than airline supported areas; or the cost of improvements in airline supported areas for which the signatory airlines are not financially responsible under the agreement.

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

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

**CITY OF TALLAHASSEE, FLORIDA**

NOTES TO FINANCIAL STATEMENTS  
September 30, 2000

**NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS**

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

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS**

The City has excess of expenditures over appropriations in individual funds, as detailed in Note 1-G-7. These excesses were funded by available fund balance.

**C. DEFICIT RETAINED EARNINGS - FUND BALANCE OF INDIVIDUAL FUNDS**

The Fire Services Special Revenue Fund had a deficit fund balance of \$1,576,000 as of September 30, 2000. The fund incurred expenditures for the construction of fire stations in fiscal years 2000 and 1999 for which bonds have not yet been issued. The General Fund provides funding for any shortfalls incurred in this fund.

# CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS  
September 30, 2000

## NOTE III - DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS

### A. ASSETS

#### 1. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

**Deposits** - At year end, the book balance of the City's deposits was \$34,859,000 and the bank balance was \$37,662,000. The difference between the book balance and bank balance is due to outstanding checks and deposits. The bank balance is insured by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

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

The City's banking arrangement requires daily cash balances to be invested in a Public Funds Now account at the federal fund rate, less four basis points. The Public Funds book balance at September 30, 2000 was \$3,115,000 and the bank balance was \$5,899,000. The Public Funds balances are included in the above discussed City deposit balances.

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

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

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS September 30, 2000

### NOTE III (CONTINUED)

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

The City's investments for all pools are summarized and categorized under GASB 3 guidelines as follows to give an indication of the level of risk assumed by the City at September 30, 2000 (in thousands):

|   | Category          |              |              | Reported<br>Amount  | Fair<br>Value    |
|---|-------------------|--------------|--------------|---------------------|------------------|
|   | 1                 | 2            | 3            |                     |                  |
| Repurchase Agreements .....                           | \$ --             | \$ --        | \$ --        | \$ --               | \$ --            |
| U. S. Government                                      |                   |              |              |                     |                  |
| Securities .....                                      | 65,023            | --           | --           | 65,023              | 65,023           |
| U. S. Government Agencies.....                        | 96,399            | --           | --           | 96,399              | 96,399           |
| Corporate Fixed Income                                |                   |              |              |                     |                  |
| Securities .....                                      | 50,819            | --           | --           | 50,819              | 50,819           |
| Corporate Equity Securities.....                      | 235,452           | --           | --           | 235,452             | 235,452          |
|   | <u>\$ 447,693</u> | <u>\$ --</u> | <u>\$ --</u> | <u>447,693</u>      | <u>447,693</u>   |
| Investment in Florida State Board of Administration   |                   |              |              |                     |                  |
| Local Governments Surplus Funds Investment Pool ..... |                   |              |              | 91,142              | 91,142           |
| Investment in Mutual Funds .....                      |                   |              |              | 393,091             | 393,091          |
| Investment in Guaranteed Investment Contract .....    |                   |              |              | 41,180              | 41,180           |
| Investment in Real Estate .....                       |                   |              |              | 42,136              | 42,136           |
| Fixed Income Investment .....                         |                   |              |              | 347,354             | 347,354          |
| Total Investments .....                               |                   |              |              | <u>\$ 1,362,596</u> | <u>1,362,596</u> |
| Accrued Interest.....                                 |                   |              |              | <u>\$ 3,536</u>     | <u>\$ 3,536</u>  |

Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty in the City's name or held by the counterparty's trust department or agent, but not in the name of the City.

## 2. SECURITIES LENDING TRANSACTIONS

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

During the 2000 fiscal year, State Street lent, at the direction of the City of Tallahassee, the City's securities and received cash, securities issued or guaranteed by the United States government, and irrevocable bank letters of credit as collateral. The institution had the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 100% of the market value of the loaned securities.

The City did not impose any restrictions during the 2000 fiscal year on the amount of the loans that State Street made on its behalf and this entity indemnified the City for losses attributable to violations by the entity of the Standard of Care set out in the Agreement. There were no such violations during the 2000 fiscal year. Moreover, there were no losses during the 2000 fiscal year resulting from a default of the borrower.

During the 2000 fiscal year, the City and the borrower maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in collective investment pools with the lender. The average duration of the investment pool as of September 30, 2000 was 76 days. Because the loans were terminable at will their duration did not generally match the duration of the investments made with cash collateral. On September 30, 2000, the City had no credit risk exposure to borrowers. The collateral held and the market value of securities on loan through State Street for the City's Pension fund as of September 30, 2000 were \$71,510,000 and \$69,954,000, respectively. For the City's non-pension funds the collateral held and the market value of securities on loan through State Street as of September 30, 2000 were \$91,688,000 and \$89,736,000, respectively.

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS September 30, 2000

### NOTE III (CONTINUED)

#### 3. FIXED ASSETS

During the fiscal year ended September 30, 2000, the following changes occurred in the general fixed assets account group (in thousands):

|  | Balance<br>October 1,<br>1999 | Additions<br>and<br>Transfers In | Deletions<br>and<br>Transfers Out | Balance<br>September 30,<br>2000 |
|--|-------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| Land.....                                  | \$ 50,458                     | \$ --                            | \$ --                             | \$ 50,458                        |
| Buildings .....                            | 62,344                        | 13,898                           | --                                | 76,242                           |
| Improvements Other Than<br>Buildings ..... | 24,335                        | --                               | 2,022                             | 22,313                           |
| Equipment.....                             | 14,759                        | 3,044                            | 2,389                             | 15,414                           |
| Construction in Progress .....             | 30,433                        | 29,745                           | 29,240                            | 30,938                           |
|  | <u>\$ 182,329</u>             | <u>\$ 46,687</u>                 | <u>\$ 33,651</u>                  | <u>\$ 195,365</u>                |

General fixed assets construction in progress consisted of the following at September 30, 2000 (in thousands):

|                                     | Project<br>Authorized | Expended         | Committed        | Required<br>Future<br>Funding |
|-------------------------------------|-----------------------|------------------|------------------|-------------------------------|
| Land Acquisition .....              | \$ 3,577              | \$ 3,507         | \$ 70            | None                          |
| Parks & Recreation Facilities ..... | 7,853                 | 3,819            | 4,034            | None                          |
| Fire Station Relocation.....        | 11,762                | 6,855            | 4,907            | None                          |
| System Upgrade.....                 | 16,065                | 10,673           | 5,392            | None                          |
| Miscellaneous Projects.....         | 8,026                 | 6,084            | 1,942            | None                          |
|                                     | <u>\$ 47,283</u>      | <u>\$ 30,938</u> | <u>\$ 16,345</u> | None                          |

Proprietary fund type fixed assets consisted of the following at September 30, 2000 (in thousands):

|                                     | Enterprise        | Internal Service |
|-------------------------------------|-------------------|------------------|
| Land.....                           | \$ 12,047         | \$ 44            |
| Structures and Improvements.....    | 327,660           | 5,730            |
| Equipment.....                      | 700,013           | 12,120           |
| Vehicles .....                      | 242               | 73,415           |
| Construction in Progress .....      | 59,773            | --               |
| Total.....                          | 1,099,735         | 91,309           |
| Less: Accumulated Depreciation..... | (353,134)         | (49,488)         |
| Net Proprietary Fixed Assets.....   | <u>\$ 746,601</u> | <u>\$ 41,821</u> |

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS September 30, 2000

### NOTE III (CONTINUED)

Net interest costs incurred during long-term construction projects are capitalized. Capitalized interest in the proprietary funds consisted of the following at September 30, 2000 (in thousands):

|                                     | Electric<br>Fund | Water<br>Fund | Sewer<br>Fund | Gas<br>Fund | Airport<br>Fund |
|-------------------------------------|------------------|---------------|---------------|-------------|-----------------|
| Total Interest Cost Incurred.....   | \$ 11,908        | \$ 439        | \$ 3,123      | \$ 934      | \$ 837          |
| Interest Cost Capitalized .....     | \$ 3,833         | \$ 316        | \$ 861        | \$ 170      | \$ 71           |
| Interest Earned Bond Proceeds ..... | (2,921)          | --            | (388)         | (22)        | --              |
| Net Interest Capitalized.....       | \$ 912           | \$ 316        | \$ 473        | \$ 148      | \$ 71           |

### B. LIABILITIES

#### 1. PENSION PLAN

The City of Tallahassee Pension Plan (the "Plan") was established by Chapter 17 of the City Code of Ordinances. The Plan is administered by the City of Tallahassee. Under the Plan the City provides a single-employer defined benefit provision covering general employees (Article II), police officers (Article III) and firefighters (Article IV), and a defined contribution provision (Article V - Matched Annuity - MAP) covering all City employees. The Defined Benefit and Defined Contribution provisions are combined and reported as one plan in the financial statements. The City of Tallahassee does not issue a stand alone Financial Report. The provisions of the Plan are "qualified" under the Internal Revenue Service Code, which makes employee contributions tax deferred.

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

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

#### c. Pension Plan Information -

##### 2000 Membership Statistical Information

|   |              |
|---|--------------|
| A. Retirees and beneficiaries of deceased retirees currently receiving benefits | 754          |
| B. Terminated employees entitled to benefits but not yet receiving benefits     | 137          |
| C. Active employees   | 2,576        |
| D. Total current year's payroll   | \$99,818,000 |
| E. Current year payroll for employees covered by the Plan                       | \$93,345,000 |

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

The unfunded actuarial accrued liability contribution is funded when necessary using the entry age actuarial cost method with amortization period as follows: General Employees, 13 years; Police Officers, 12 years; and Firefighters, 13 years.

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS September 30, 2000

### NOTE III (CONTINUED)

Employer contributions required to support the benefits under Article V (MAP Program) are determined following a level funding aggregate approach. The present value of prospective employer contributions is determined by subtracting the present value of prospective member contributions and present assets from the total present value of benefit expected to be paid from the program. Contributions during fiscal year 2000 totaling \$11,599,000 (\$6,223,000 employer contributions representing 8.01% of covered payroll for general employees and \$5,376,000 voluntary employee contributions representing 5.27% of total covered MAP payroll), were made in accordance with contribution requirements determined through an actuarial valuation performed as of September 30, 1999. Total covered payroll for the MAP program was \$77,701,000 for general employees. Total covered payroll for fiscal year 2000 was \$102,105,000. Contributions are based on rates of covered payroll of 8.01% for the City and voluntary employee contributions of 0% - 20% for general employees, firefighters and police officers.

Contributions to the Defined Benefit Plan in 2000 amounted to \$8,079,000 of which \$4,602,000 and \$3,477,000 were made by the City and its employees, respectively. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of September 30, 1999. Contributions made by the City of Tallahassee and its employees are detailed in the table noted below.

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

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

|                            | General Employees |                    | Police   |                    | Firefighters |                    |
|----------------------------|-------------------|--------------------|----------|--------------------|--------------|--------------------|
|                            | Amount            | Percent of Payroll | Amount   | Percent of Payroll | Amount       | Percent of Payroll |
| Contribution Requirements: |                   |                    |          |                    |              |                    |
| Normal Cost .....          | \$ 5,514          | 7.73%              | \$ 1,382 | 10.58%             | \$ 1,182     | 13.17%             |
| Contribution Made:         |                   |                    |          |                    |              |                    |
| City .....                 | \$ 3,373          | 4.73%              | \$ 737   | 5.64%              | \$ 492       | 5.48%              |
| Employee .....             | 2,141             | 3.00%              | 645      | 4.94%              | 690          | 7.69%              |
| Total .....                | \$ 5,514          | 7.73%              | \$ 1,382 | 10.58%             | \$ 1,182     | 13.17%             |

A separate Article V MAP employer contribution is also payable for general employees, police officers and firefighters. The Article V MAP employer contribution for general employees was 8.01%, 8.10% and 8.08% for 2000, 1999 and 1998, respectively.

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2000

### NOTE III (CONTINUED)

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

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

| <u>Fiscal Year</u> | <u>Annual Pension Cost (APC) (in thousands)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|--------------------|---|--------------------------------------|-------------------------------|
| 1998               | \$ 14,268                                       | 100%                                 | \$0                           |
| 1999               | 15,730  | 100%                                 | \$0                           |
| 2000               | 10,825  | 100%                                 | \$0                           |

Contributions were made in accordance with actuarially determined contribution requirements.

### 2. OTHER EMPLOYEE BENEFITS

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

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

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

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

### 3. POST-EMPLOYMENT BENEFITS

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

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS September 30, 2000

### NOTE III (CONTINUED)

The number of active and retired plan participants included in the valuation of the health care supplement was 3,382. The actuarially required employer contribution for the period was determined to be .34% of payroll, which was the amount contributed to the plan. The amount of assets available for the health care supplement is \$13,683,300. The actuarial accrued liability is also equal to \$13,683,300 and the unfunded actuarial accrued liability is \$0.

#### 4. OUTSTANDING CONTRACTS

The City has outstanding commitments on various contracts for construction and other projects. These commitments, as of September 30, 2000, in the respective funds are as follows (in thousands):

|                              |                  |
|------------------------------|------------------|
| General Fund .....           | \$ 990           |
| Special Revenue Funds .....  | 9,927            |
| Capital Project Funds .....  | 10,372           |
| Internal Service Funds ..... | 11,674           |
| Enterprise Funds             |                  |
| Electric .....               | 7,802            |
| Gas .....                    | 980              |
| Sewer .....                  | 2,158            |
| Water .....                  | 1,531            |
| Airport .....                | 5,061            |
| Tallahassee Transit .....    | 468              |
| Solid Waste Fund .....       | 1,187            |
| Golf .....                   | 79               |
| Total .....                  | <u>\$ 52,229</u> |

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

#### 5. LONG-TERM DEBT

a. The following is a summary of the changes in the General Long-Term Debt Account Group for the City for the year ended September 30, 2000 (in thousands):

|  | Balance<br>October 1, 1999 | Additions     | Reductions      | Balance<br>September 30, 2000 |
|--|----------------------------|---------------|-----------------|-------------------------------|
| General Revenue Bonds .....              | \$ 20,115                  | \$ --         | \$ 1,145        | \$ 18,970                     |
| Accrued Leave .....                      | 9,095                      | 489           | --              | 9,584                         |
| Sunshine State .....                     | 4,500                      | --            | --              | 4,500                         |
| Special Revenue Bonds Series, 1998 ..... | 3,749                      | --            | 111             | 3,638                         |
|  | <u>\$ 37,459</u>           | <u>\$ 489</u> | <u>\$ 1,256</u> | <u>\$ 36,692</u>              |

b. Summarized below are the City's individual bond issues which were outstanding at September 30, 2000:

#### General Revenue Bonds:

|   |                     |
|---|---------------------|
| \$18,770,000 Capital Bonds - Series 1993A, due in annual installments of \$1,195,000 to \$1,655,000 from October 1, 2001 to October 1, 2008, interest rates at 4.50% to 5.20% depending on maturity date. | \$11,270,000        |
| \$7,700,000 Capital Bonds - Series 1993B, due in annual installments of \$1,620,000 to \$2,580,000 from October 1, 2009 to October 1, 2012, interest rate at 5.25%.                                       | <u>7,700,000</u>    |
|   | <u>\$18,970,000</u> |

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

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2000

### NOTE III (CONTINUED)

#### **Special Purpose Revenue Bonds:**

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

\$3,638,000

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

#### **Proprietary Revenue Bonds:**

\$2,862,000 Junior Lien Electric Revenue Bonds (Mini bonds) -Series 1992A; ten year bonds due February 1, 2002, with a term payment of \$1,297,500, interest at 6.09%. Bonds are subject to redemption prior to stated maturities and are presented at face amounts outstanding plus accretion of \$911,000. Bonds are secured by provisions of the 1992 General Resolution which includes net revenues of the City's Electric System and certain other amounts as provided by Resolution.

\$ 2,208,000

\$75,700,000 Electric Refunding Revenue Bonds - Series 1992A, due in annual installments of \$5,640,000 to \$7,895,000, from October 1, 2001 to October 1, 2007, interest rates at 5.50% to 6.10% depending on maturity date. Bonds are secured by provisions of the 1992 General Resolution which includes net revenues of the City's Electric System and certain other amounts as provided by Resolution.

42,890,000

\$143,800,000 Energy System - Series 1998A, due in annual installments of \$1,380,000 to \$9,645,000 from October 1, 2001 to October 1, 2028, interest at 4.00% to 5.25% depending on maturity date. Bonds are payable and secured by lien on and pledge of certain funds provided by the 1998 General Resolution which includes net revenues of the City's Electric System and certain other amounts as provided by Resolution.

142,470,000

\$49,220,000 Energy System - Series 1998B, due in annual installments of \$815,000 to \$7,335,000 from October 1, 2001 to October 1, 2028, interest rates at 4.00% to 5.00% depending on maturity date. Bonds are payable and secured by lien on and pledge of certain funds provided by 1998 General Resolution which includes net revenues of the City's Energy System and certain other amounts as provided by Resolution 1991B.

49,220,000

\$37,725,000 Consolidated Utility Systems Revenue Bonds Series 1994, due in annual installments of \$1,045,000 to \$2,885,000 from October 1, 2001 to October 1, 2019, interest rates at 5.00% to 6.20% depending on maturity date. Bonds are payable and secured by lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water, sewer and gas systems), and the gross revenues of the City's Stormwater Drainage System. Lien on Pledged Revenues is on parity with the lien of Consolidated Utility Systems Revenue Bonds Series 1991A and Series 1991B.

34,010,000

\$46,780,000 Consolidated Utility Systems Revenue Bonds Series 1995, due in annual installments of \$390,000 to \$4,390,000 from October 1, 2001 to October 1, 2019, interest rates at 4.50% to 6.00% depending on maturity date. Bonds are payable and secured by lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water, sewer and gas systems), and the gross revenues of the City's Stormwater Drainage System. Lien on Pledged Revenues is on parity with the lien of Consolidated Utility Systems Revenue Bonds Series 1991A and Series 1991B.

44,545,000

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

245,000

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS September 30, 2000

### NOTE III (CONTINUED)

#### Proprietary Revenue Bonds (Continued):

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

\$11,995,000 Airport System Revenue Refunding Bonds - Series 1995, due in annual installments of \$480,000 to \$930,000 from October 1, 2001 to October 1, 2014, interest rates at 4.60% to 5.60% depending on maturity date. Bonds are payable and secured by lien on and pledge of certain funds provided by Resolution, and net revenues of the City's Airport System. 9,450,000

\$326,578,000

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

|  |                    |
|--|--------------------|
| TAXABLE ASSESSED VALUE.....                    | <u>\$5,559,000</u> |
| Debt Limit - 20 Percent of Assessed Value..... | <u>\$1,112,000</u> |

**d. Refunded Issues** - The City defeased certain general revenue, municipal utility revenue, and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's general purpose financial statements. The following schedule reflects the refunded bonds as of September 30, 2000 (in thousands):

| Type                         | Series | Outstanding<br>as of<br>September 30, 2000 |
|------------------------------|--------|--|
| General Revenue              | 1973   | \$ 3,900                                   |
| General Revenue              | 1978   | 24,560                                     |
| Special Obligation           | 1978A  | 285  |
| General Revenue              | 1981   | 15,300                                     |
| Electric Revenue             | 1977   | 40,365                                     |
| Electric Revenue             | 1982   | 13,600                                     |
| Electric Revenue             | 1985   | 29,430                                     |
| Electric Revenue             | 1992B  | 40,090                                     |
| Municipal Utility Revenue    | 1979   | 5,045                                      |
| Municipal Utility Revenue    | 1982   | 675  |
| Consolidated Utility Revenue | 1991A  | 2,570                                      |
| Consolidated Utility Revenue | 1991B  | 34,830                                     |
|                              |        | <u>\$210,650</u>                           |

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

As of September 30, 2000, there were four series of Health Facilities Revenue Refunding Bonds outstanding. The aggregate principal amount payable for the three series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$160.8 million.

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2000

### NOTE III (CONTINUED)

As of September 30, 2000, there were two series of Florida Student Housing Revenue Bonds outstanding. The aggregate principal amount payable for the two series issued prior to July 1995, could not be determined; however, their original issue amounts totaled \$9.2 million.

As of September 30, 2000, there were nine series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the five series issued prior to July 1995, could not be determined; however, their original issue amounts totaled \$34.48 million.

**f. Loan Payable** - On November 18, 1986, the City obtained an \$18,200,000 loan from the Sunshine State Governmental Financing Commission, the proceeds of which were used to retire an outstanding Special Assessment note and to finance construction of certain water and sewer projects. During 1991, the City obtained additional loans totaling \$4,700,000 from the Sunshine State Governmental Financing Commission (SSGFC), the proceeds of which were used to fund the purchase of data processing equipment and to fund the construction of a road project.

The rate of interest on the loans varies based upon market interest rates for short-term tax exempt financing. The loan interest rate at September 30, 2000 was 3.06%. The debt service schedule on B-42 was prepared utilizing a 6% interest rate which is reflective of the rate used for budgetary purposes.

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

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

The first loan was allocated as follows: gas fund (\$1,743,000, with the primary source of debt service being gas operating revenues); water fund (\$7,094,000, with the primary source of debt service being water operating revenues); sewer fund (\$8,163,000, with the primary source of debt service being sewer operating revenues). The second loan was allocated as follows: information systems services fund (\$2,400,000, with the primary source of debt service being data services revenues generated by user fee charges); and general long-term debt (\$2,300,000, with the primary source of debt service being revenues generated from special assessments and General Fund revenues). The third loan was for \$4,500,000 to the Capital Improvement Fund to finance a portion of the Kleman Plaza parking garage (the primary source of debt service being general operating revenues). The fourth loan was for \$36,500,000 to the Electric Fund for a portion of Purdom #8. The fifth loan of \$20,635,000 was allocated to the Electric Fund (\$9,265,000) for additional Purdom #8 costs and the Gas Fund (\$11,370,000) for gas capital projects. The rate of interest for the \$4,500,000 loan is the same as the loans in the Internal Loan Fund and is due and payable in 2002. The interest rate on the Electric and Gas Fund loans varies based on market interest rates for short-term loans. The loan interest rate at September 30, 2000 was 4.00%. The \$36,500,000 loan is due and payable in 2016. The \$9,265,000 loan is due and payable in 2006 and the \$11,370,000 is due and payable in 2025. The outstanding balance at September 30, 2000 is \$83,228,000.

# CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS  
September 30, 2000

**NOTE III - (Continued)**

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

| Year Ending<br>September 30 | Proprietary Revenue Bonds<br>(in thousands) |  |                   |                 |                 |                 | Note and Loan<br>Payable | Total Debt<br>Service |                  |
|-----------------------------|---|--|-------------------|-----------------|-----------------|-----------------|--------------------------|-----------------------|------------------|
|                             | General<br>Revenue<br>Bonds                 | Special<br>Purpose<br>Revenue<br>Bonds | Electric          | Gas             | Sewer           | Water           |                          |                       | Airport          |
| 2001                        | \$ 2,148                                    | \$ 333                                 | \$ 21,642         | \$ 1,426        | \$ 5,427        | \$ 979          | \$ 979                   | \$ 6,253              | \$ 39,187        |
| 2002                        | 2,145                                       | 333                                    | 21,488            | 1,691           | 5,242           | 898             | 982                      | 10,761                | 43,540           |
| 2003                        | 2,147                                       | 333                                    | 21,646            | 1,689           | 5,240           | 899             | 978                      | 5,986                 | 38,918           |
| 2004                        | 2,146                                       | 333                                    | 21,643            | 1,689           | 5,240           | 899             | 978                      | 5,986                 | 38,914           |
| 2005                        | 2,146                                       | 333                                    | 21,642            | 1,691           | 5,244           | 899             | 981                      | 5,984                 | 38,920           |
| 2006                        | 2,145                                       | 333                                    | 21,642            | 1,691           | 5,244           | 900             | 982                      | 5,989                 | 38,926           |
| 2007                        | 2,145                                       | 333                                    | 21,643            | 1,690           | 5,241           | 899             | 980                      | 6,255                 | 39,186           |
| 2008                        | 2,145                                       | 2,780                                  | 11,335            | 1,690           | 5,241           | 899             | 982                      | 4,219                 | 29,291           |
| 2009                        | 2,024                                       | 0                                      | 11,339            | 1,689           | 5,239           | 899             | 981                      | 4,220                 | 26,391           |
| 2010                        | 2,024                                       | 0                                      | 11,333            | 1,689           | 5,239           | 899             | 977                      | 4,221                 | 26,382           |
| 2011-2028                   | <u>4,741</u>                                | <u>0</u>                               | <u>225,674</u>    | <u>11,010</u>   | <u>33,199</u>   | <u>5,059</u>    | <u>3,922</u>             | <u>88,075</u>         | <u>371,680</u>   |
| Totals                      | 25,956                                      | 5,111                                  | 411,027           | 27,645          | 85,796          | 14,129          | 13,722                   | 147,949               | 731,335          |
| Less: Interest              | <u>6,986</u>                                | <u>1,473</u>                           | <u>174,238</u>    | <u>10,440</u>   | <u>31,794</u>   | <u>4,997</u>    | <u>4,272</u>             | <u>64,721</u>         | <u>298,921</u>   |
| Principal                   | <u>\$18,970</u>                             | <u>\$3,638</u>                         | <u>\$ 236,789</u> | <u>\$17,205</u> | <u>\$54,002</u> | <u>\$ 9,132</u> | <u>\$9,450</u>           | <u>\$83,228</u>       | <u>\$432,414</u> |

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS September 30, 2000

### NOTE III (CONTINUED)

#### 6. ACCRUED LEAVE

The current and long-term portions of accrued leave by fund consists of the following at September 30, 2000 (in thousands):

|  | Accrued<br><u>Vacation</u> | Accrued<br><u>Sick Leave</u> | <u>Total</u>     | Accrued Leave<br><u>Short-Term Portion</u> |
|--|----------------------------|------------------------------|------------------|--|
| Electric.....                                | \$ 1,158                   | \$ 1,215                     | \$ 2,373         | \$ 1,166                                   |
| Gas.....                                     | 120                        | 92                           | 212              | 141  |
| Sewer.....                                   | 529                        | 468                          | 997              | 592  |
| Water.....                                   | 164                        | 136                          | 300              | 190  |
| Airport.....                                 | 156                        | 195                          | 351              | 150  |
| Tallahassee Transit.....                     | 237                        | 187                          | 424              | 325  |
| Solid Waste.....                             | 239                        | 278                          | 517              | 228  |
| Golf Course.....                             | 27                         | 17                           | 44               | 29   |
| Internal Service Funds.....                  | 1,290                      | 1,185                        | 2,475            | 1,452                                      |
| General Long-Term Debt<br>Account Group..... | <u>4,970</u>               | <u>4,614</u>                 | <u>9,584</u>     | <u>5,227</u>                               |
| Total.....                                   | <u>\$ 8,890</u>            | <u>\$ 8,387</u>              | <u>\$ 17,277</u> | <u>\$ 9,500</u>                            |

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

#### 7. LEASE COMMITMENTS

Operating - The City has entered into several operating leases for buildings and equipment. The leases are for one to ten years, expiring in 2001 through 2007. Total rent expense incurred by the City for the year ended September 30, 2000, was \$565,109. The remaining future minimum lease obligations are as follows:

|                 | <u>September 30</u> |
|-----------------|---------------------|
| 2001.....       | \$ 103,986          |
| 2002.....       | 97,374              |
| 2003.....       | 69,920              |
| 2004.....       | 55,102              |
| 2005.....       | 55,102              |
| Thereafter..... | 55,102              |
| Total.....      | <u>\$ 436,586</u>   |

#### 8. SELF-INSURANCE PROGRAM

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

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

Changes in the balances of claims for the year ended September 30, 2000 are as follows (in thousands):

|   | <u>Risk Management Fund</u> |                 | <u>Employee Healthcare Fund</u> |              |
|---|-----------------------------|-----------------|---------------------------------|--------------|
|   | <u>2000</u>                 | <u>1999</u>     | <u>2000</u>                     | <u>1999</u>  |
| Unpaid Claims – October 1 (including IBNRs).....  | \$6,895                     | \$ 7,499        | \$ --                           | \$ 85        |
| Expenses.....                                     | 3,063                       | 2,555           | --                              | --           |
| Claim Payments.....                               | <u>(3,180)</u>              | <u>(3,159)</u>  | --                              | (85)         |
| Unpaid Claims – September 30 (including IBNRs)... | <u>\$6,778</u>              | <u>\$ 6,895</u> | <u>\$ --</u>                    | <u>\$ --</u> |

**CITY OF TALLAHASSEE, FLORIDA**

NOTES TO FINANCIAL STATEMENTS  
September 30, 2000

**NOTE III (CONTINUED)**

**9. SALE OF JOINT VENTURE OWNERSHIP INTEREST**

The City sold its 1.3333% ownership interest in the Crystal River Unit 3 Electric Utility Plant (“CR3 Plant”) on October 1, 1999 to Florida Power Corporation in return for ten dollars and release from any additional decommissioning liability or obligation accruing after the date of the sale. The transaction resulted in a net loss on sale of \$8,936,000 in the Electric Fund. The City disposed of net fixed assets and nuclear inventory assets associated with the CR3 Plant.

In accordance with the sale agreement, the City maintains a limited decommissioning liability equal to the amount accrued through the date of the sale. An investment balance equal to the amount of the liability is held in a trust fund. The Bank of New York serves as trustee of the trust fund, which is referred to as the City of Tallahassee Nuclear Decommissioning Trust Fund (“Trust Fund”). Monies can be distributed from the Trust Fund only upon receipt of an executed certificate of decommissioning. At September 30, 2000, the decommissioning liability and investment balance of \$5,143,000 is reported in the Nuclear Decommissioning Expendable Trust Fund. This liability represents the City’s estimated and maximum share of costs associated with decommissioning the nuclear plant. The plant’s decommissioning is anticipated to begin 2016.

In addition, in conjunction with the sale agreement, the City entered into an agreement with Florida Power Corporation to buy certain electric capacity and energy at certain rates through December 2016. This long-term purchase commitment is disclosed in Note VD.

**C. INTERFUND RECEIVABLES AND PAYABLES**

At September 30, 2000, Interfund Receivables and Payables are as follows (in thousands):

| <u>Fund</u>                        | <u>Due From</u> | <u>Due To</u>   | <u>Advance To</u> | <u>Advance From</u> | <u>Loan To</u>   | <u>Loan From</u> |
|------------------------------------|-----------------|-----------------|-------------------|---------------------|------------------|------------------|
| General .....                      | \$ --           | \$ --           | \$ 603            | \$ --               | \$ --            | \$ 1,076         |
| Capital Improvements .....         | --              | --              | 383               | --                  | --               | --               |
| Capital Bonds Construction .....   | --              | --              | --                | --                  | --               | --               |
| Fire .....                         | --              | 2,985           | --                | --                  | --               | --               |
| Electric .....                     | 919             | --              | --                | --                  | --               | --               |
| Gas .....                          | --              | --              | --                | --                  | --               | 1,060            |
| Water .....                        | --              | --              | --                | --                  | --               | 3,961            |
| Sewer .....                        | --              | --              | --                | --                  | --               | 4,275            |
| Airport .....                      | --              | --              | --                | 383                 | --               | 2,990            |
| Golf .....                         | --              | --              | --                | --                  | --               | 563              |
| Tallahassee Transit .....          | --              | --              | --                | 603                 | --               | --               |
| Information Systems Services ..... | --              | --              | --                | --                  | 5,364            | --               |
| Internal Loan .....                | --              | --              | --                | --                  | 20,552           | --               |
| Utility Services .....             | --              | 709             | --                | --                  | --               | 1,263            |
| Wholesale Energy Services .....    | --              | 210             | --                | --                  | --               | --               |
| Deficiencies .....                 | 2,985           | --              | --                | --                  | --               | --               |
|                                    | <u>\$ 3,904</u> | <u>\$ 3,904</u> | <u>\$ 986</u>     | <u>\$ 986</u>       | <u>\$ 20,552</u> | <u>\$ 20,552</u> |

# CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS  
September 30, 2000

**NOTE III (CONTINUED)**

**D. FUND EQUITY**

**1. CHANGES IN CONTRIBUTED CAPITAL**

a. Enterprise Funds - The following changes occurred in contributed capital of the Enterprise Funds during the year ended September 30, 2000 (in thousands):

|   | Electric       | Sewer           | Airport         | Tallahassee<br>Transit | Other          | Total           |
|---|----------------|-----------------|-----------------|------------------------|----------------|-----------------|
| Beginning Balance as of<br>October 1, 1999..... | \$1,818        | \$14,927        | \$47,280        | \$8,944                | \$2,943        | \$75,912        |
| Additions:                                      | 318            | 278             | 80              | 241                    | 319            | 1236            |
| Contributed Capital.....                        |                |                 |                 |                        |                |                 |
| Residual Equity Transfers                       | 28             | 10              | --              | --                     | 3              | 41              |
| Capital Grants.....                             | --             | --              | 3,057           | 214                    | --             | 3,271           |
| Passenger Facility Charge                       | --             | --              | 1,330           | --                     | --             | 1,330           |
| Total Additions.....                            | <u>346</u>     | <u>288</u>      | <u>4,467</u>    | <u>455</u>             | <u>322</u>     | <u>5,878</u>    |
| Deductions:                                     |                |                 |                 |                        |                |                 |
| Disposal of Contributed Assets.....             | (101)          | (99)            | (175)           | (7)                    | (19)           | (401)           |
| Net Transfers Out.....                          |                |                 |                 |                        | (3)            | (3)             |
| Depreciation on<br>Contributed Assets.....      | (151)          | (665)           | (1,466)         | (202)                  | (47)           | (2,531)         |
| Total Deductions.....                           | <u>(252)</u>   | <u>(764)</u>    | <u>(1,641)</u>  | <u>(209)</u>           | <u>(69)</u>    | <u>(2,935)</u>  |
| Ending Balance as of<br>September 30, 2000..... | <u>\$1,912</u> | <u>\$14,451</u> | <u>\$50,106</u> | <u>\$9,190</u>         | <u>\$3,196</u> | <u>\$78,855</u> |

b. Internal Service Funds - The following changes occurred in contributed capital of the Internal Service Funds during the year ended September 30, 2000 (in thousands):

|   | Information<br>System<br>Services | Garage          | Risk<br>Manage-<br>ment | Utility<br>Services | Others        | Total           |
|---|-----------------------------------|-----------------|-------------------------|---------------------|---------------|-----------------|
| Beginning Balance as of<br>October 1, 1999..... | \$ 621                            | \$16,469        | \$ 899                  | \$ 299              | \$ 569        | \$18,857        |
| Additions:                                      |                                   |                 |                         |                     |               |                 |
| Contributed Capital.....                        | 30                                | 1,470           | --                      | 39                  | 169           | 1,708           |
| Residual Equity Transfers                       | 89                                | 4               | --                      | 5                   | 74            | 172             |
| Total Additions.....                            | <u>119</u>                        | <u>1,474</u>    | <u>--</u>               | <u>44</u>           | <u>243</u>    | <u>1,880</u>    |
| Deductions:                                     |                                   |                 |                         |                     |               |                 |
| Disposal of<br>Contributed Assets.....          | (133)                             | (22)            | (3)                     | --                  | (74)          | (232)           |
| Depreciation on<br>Contributed Assets.....      | (212)                             | (1,484)         | (1)                     | (54)                | (94)          | (1,845)         |
| Total Deductions.....                           | <u>(345)</u>                      | <u>(1,506)</u>  | <u>(4)</u>              | <u>(54)</u>         | <u>(168)</u>  | <u>(2,077)</u>  |
| Ending Balance as of<br>September 30, 2000..... | <u>\$ 395</u>                     | <u>\$16,437</u> | <u>\$ 895</u>           | <u>\$ 289</u>       | <u>\$ 644</u> | <u>\$18,660</u> |

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS September 30, 2000

### NOTE III (CONTINUED)

#### 2. CHANGES IN RESERVED RETAINED EARNINGS - ENTERPRISE FUNDS

For purposes of this presentation, the Tallahassee Transit Fund, Airport Fund, Solid Waste Fund and Golf Fund have been combined as Others. As of September 30, 2000, the Reserved Retained Earnings for the Tallahassee Transit Fund, Airport Fund, Solid Waste Fund, and Golf Fund, were \$661,000, \$5,429,000, \$4,192,000, and \$201,000, respectively. The following changes occurred in reserved retained earnings of the enterprise funds during the year ended September 30, 2000 (in thousands):

|  | Electric          | Gas             | Sewer            | Water            | Others           | Total<br>Enterprise<br>Funds |
|--|-------------------|-----------------|------------------|------------------|------------------|------------------------------|
| Reserved Retained Earnings:                                    |                   |                 |                  |                  |                  |                              |
| Revenue Bond Reserve .....                                     | \$ 22,233         | \$ 1,069        | \$ 5,653         | \$ 1,026         | \$ 1,196         | \$ 31,177                    |
| Revenue Bonds Renewal and<br>Replacement .....                 | 17,601            | 1,997           | 8,745            | 15,692           | 3,874            | 47,909                       |
| Operating Reserve .....  | 61,208            | --              | --               | 992              | 2,902            | 65,102                       |
| System Charges .....   | --                | --              | 6,437            | 1,362            | --               | 7,799                        |
| Other .....  | 19,051            | 796             | 1,457            | --               | 1,448            | 22,752                       |
| Total - September 30, 1999 .....                               | <u>120,093</u>    | <u>3,862</u>    | <u>22,292</u>    | <u>19,072</u>    | <u>9,420</u>     | <u>174,739</u>               |
| Add:   |                   |                 |                  |                  |                  |                              |
| Income Earned on Restricted<br>Assets .....                    | 7,753             | 5               | 4,517            | 1,136            | 187              | 13,598                       |
| Debt Service Funding .....                                     | 19,063            | 858             | 5,423            | 977              | 1,614            | 27,935                       |
| Renewal and Replacement<br>Funding .....                       | 17,117            | 2,191           | 5,272            | 3,527            | 412              | 28,519                       |
| Increase in Other Reserve .....                                | 8,498             | --              | --               | --               | --               | 8,498                        |
| Sunshine State Loan Proceeds .....                             | 9,013             | --              | --               | --               | --               | 9,013                        |
| Other .....  | --                | 88              | --               | --               | 1,151            | 1,239                        |
| Deduct:  |                   |                 |                  |                  |                  |                              |
| Interest and Fiscal Charges .....                              | (11,902)          | (517)           | (3,227)          | (543)            | (710)            | (16,899)                     |
| Payment of Bond Principal .....                                | (9,825)           | (341)           | (2,196)          | (434)            | (760)            | (13,556)                     |
| Transfer to Other Funds .....                                  | (967)             | --              | (2,344)          | (683)            | (594)            | (4,588)                      |
| Transfer of Fixed Assets<br>and Expenses .....                 | <u>(26,544)</u>   | <u>(1,788)</u>  | <u>(12,811)</u>  | <u>(6,480)</u>   | <u>(237)</u>     | <u>(47,860)</u>              |
| Net Increase (Decrease) in<br>Reserved Retained Earnings ..... | <u>12,206</u>     | <u>496</u>      | <u>(5,366)</u>   | <u>(2,500)</u>   | <u>1,063</u>     | <u>5,899</u>                 |
| Total - September 30, 2000 .....                               | <u>\$ 132,299</u> | <u>\$ 4,358</u> | <u>\$ 16,926</u> | <u>\$ 16,572</u> | <u>\$ 10,483</u> | <u>\$ 180,638</u>            |

**CITY OF TALLAHASSEE, FLORIDA**

NOTES TO FINANCIAL STATEMENTS  
September 30, 2000

**NOTE III (CONTINUED)**

|  | <u>Electric</u>   | <u>Gas</u>      | <u>Sewer</u>     | <u>Water</u>     | <u>Others</u>    | <u>Total<br/>Enterprise<br/>Funds</u> |
|--|-------------------|-----------------|------------------|------------------|------------------|---------------------------------------|
| Reserved Retained Earnings:                    |                   |                 |                  |                  |                  |                                       |
| Revenue Bond Reserve .....                     | \$ 22,233         | \$ 1,069        | \$ 5,653         | \$ 1,026         | \$ 1,196         | \$ 31,177                             |
| Revenue Bonds Renewal and<br>Replacement ..... | 25,276            | 2,478           | 9,252            | 13,245           | 3,850            | 54,108                                |
| Operating Reserve.....                         | 66,563            | --              | --               | 1,047            | 4,199            | 71,802                                |
| System Charges.....                            | --                | --              | 592              | 1,254            | --               | 1,846                                 |
| Other.....                                     | 18,227            | 811             | 1,429            | --               | 1,238            | 21,705                                |
| Total - September 30, 2000.....                | <u>\$ 132,299</u> | <u>\$ 4,358</u> | <u>\$ 16,926</u> | <u>\$ 16,572</u> | <u>\$ 10,483</u> | <u>\$ 180,638</u>                     |

The following is a description of each reserve:

**Revenue Bond Reserve:**

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

**Revenue Bonds Renewal and Replacement:**

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

**Operating Reserve:**

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

**System Charges:**

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

**Other:**

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

# CITY OF TALLAHASSEE, FLORIDA

## NOTES TO FINANCIAL STATEMENTS September 30, 2000

### NOTE III (CONTINUED)

#### 3. RESERVED FUND BALANCES AND RETAINED EARNINGS

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

|  | September 30      |                   |
|--|-------------------|-------------------|
|  | <u>2000</u>       | <u>1999</u>       |
| General Fund - Reserved for:           |                   |                   |
| Inventory .....                        | \$ 624            | \$ 747            |
| Advance to Other Funds .....           | 603               | 603               |
| Encumbrances .....                     | <u>2,011</u>      | <u>1,977</u>      |
| Total General Fund .....               | <u>3,238</u>      | <u>3,327</u>      |
| Special Revenue Funds - Reserved for:  |                   |                   |
| Encumbrances.....                      | 9,922             | 7,467             |
| Projects.....                          | 17,531            | 21,037            |
| Notes Receivable.....                  | <u>2,147</u>      | <u>1,752</u>      |
| Total Special Revenue Funds .....      | <u>29,600</u>     | <u>30,256</u>     |
| Debt Service Fund - Reserved for:      |                   |                   |
| Future Debt Service.....               | <u>2,705</u>      | <u>2,703</u>      |
| Total Debt Service Fund.....           | <u>2,705</u>      | <u>2,703</u>      |
| Capital Projects Funds - Reserved for: |                   |                   |
| Encumbrances .....                     | 10,372            | 15,820            |
| Projects.....                          | 125,138           | 143,440           |
| Notes Receivable.....                  | 38                | 43                |
| Advance to Other Funds .....           | <u>383</u>        | <u>474</u>        |
| Total Capital Projects Funds.....      | <u>135,931</u>    | <u>159,777</u>    |
| Total .....                            | <u>\$ 171,474</u> | <u>\$ 196,063</u> |

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

|                       | September 30     |                  |
|-----------------------|------------------|------------------|
|                       | <u>2000</u>      | <u>1999</u>      |
| Reserved for:         |                  |                  |
| Debt Service .....    | \$ 1,958         | \$ 1,384         |
| Fleet Management..... | 21,346           | 21,081           |
| Projects .....        | 528              | 744              |
| Insurance.....        | <u>11,063</u>    | <u>9,860</u>     |
| Total.....            | <u>\$ 34,895</u> | <u>\$ 33,069</u> |

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

|  | September 30      |                   |
|--|-------------------|-------------------|
|  | <u>2000</u>       | <u>1999</u>       |
| General Employees - Article II.....            | \$ 560,144        | \$ 504,752        |
| Police Officers - Article III.....             | 133,738           | 119,832           |
| Firefighters - Article IV .....                | 108,519           | 98,515            |
| General Defined Contribution - Article V ..... | <u>153,102</u>    | <u>122,982</u>    |
| Total.....                                     | <u>\$ 955,503</u> | <u>\$ 846,081</u> |

# CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS  
September 30, 2000

## NOTE III (CONTINUED)

### 4. DESIGNATED FUND BALANCE

The City has established a designation of fund balance within the General Fund of \$2,500,000 for subsequent year's appropriations. The nature of this designation is year end budgetary surplus, which is being carried forward as a funding source for the next year's general fund operating budget. The designation of \$11,270,000 in the Capital Projects Fund is made up of the following designations: \$1,615,000 for the Economic Development program, \$4,500,000 for Northwest Garage financing, \$1,500,000 for Eastside Garage financing, \$382,000 for the Land Banking program, \$68,000 for the Gateway Beautification program, \$1,054,000 for the Parks and Recreation, \$1,127,000 for the Public Works project, and \$1,024,000 for other miscellaneous programs. These designations will fund projects which will be opened in the future under the respective programs.

### 5. RESIDUAL EQUITY TRANSFERS

Residual equity transfers at September 30, 2000 were recorded as follows (in thousands):

|   |                          |
|---|--------------------------|
| <b>Residual Equity Transfers Out:</b>                         |                          |
| Enterprise Fund.....  | \$ 23                    |
| Internal Service Fund.....                                    | <u>190</u>               |
| <b>Total Residual Equity Transfers Out.....</b>               | <b><u>\$ 213</u></b>     |
| <br><b>Allocation of Residual Equity Transfers:</b>           |                          |
| Contributed Capital (See Contributed Capital Footnote):       |                          |
| Enterprise Funds.....   | \$ 41                    |
| Internal Service Fund.....                                    | <u>172</u>               |
| Total Contributed Capital.....                                | <u>213</u>               |
| <br><b>Total Allocation of Residual Equity Transfers.....</b> | <br><b><u>\$ 213</u></b> |

**CITY OF TALLAHASSEE, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

**NOTE IV - FINANCIAL SEGMENT INFORMATION OF ENTERPRISE FUNDS**

The City maintains eight Enterprise Funds which provide electric, gas, sewer, water, airport, mass transportation, solid waste collection, and golf course operation services. Segment information for the year ended September 30, 2000, was as follows (in thousands):

|   | Electric Fund | Gas Fund   | Sewer Fund | Water Fund | Airport Fund | Tallahassee Transit Fund | Solid Waste Fund | Golf Course Fund | Total Enterprise Funds |
|---|---------------|------------|------------|------------|--------------|--------------------------|------------------|------------------|------------------------|
| Operating Revenues.....   | \$ 206,174    | \$ 17,635  | \$ 25,555  | \$ 21,115  | \$ 7,604     | \$ 2,756                 | \$ 16,414        | \$ 1,044         | \$ 298,297             |
| Grant Revenues.....   | \$ --         | \$ --      | \$ --      | \$ --      | \$ --        | \$ 1,622                 | \$ --            | \$ --            | \$ 1,622               |
| Depreciation and Amortization Expense.....                            | \$ 14,638     | \$ 981     | \$ 4,140   | \$ 1,870   | \$ 2,496     | \$ 310                   | \$ 74            | \$ 97            | \$ 24,606              |
| Operating Income (Loss).....  | \$ 55,594     | \$ 4,392   | \$ 2,930   | \$ 9,257   | \$ 246       | \$ (6,066)               | \$ 1,125         | \$ 82            | \$ 67,560              |
| Operating Transfers:  |               |            |            |            |              |                          |                  |                  |                        |
| In.....   | \$ 106        | \$ 60      | \$ --      | \$ --      | \$ --        | \$ 4,280                 | \$ --            | \$ 58            | \$ 4,504               |
| Out.....  | \$ (31,296)   | \$ (2,155) | \$ (1,395) | \$ (4,188) | \$ (672)     | \$ (13)                  | \$ (27)          | \$ --            | \$ (39,746)            |
| Net Income (Loss).....  | \$ 6,967      | \$ 821     | \$ 3,943   | \$ 6,038   | \$ (1,608)   | \$ (293)                 | \$ 1,430         | \$ 42            | \$ 17,340              |
| Current Capital Contributions.....                                    | \$ 346        | \$ 49      | \$ 288     | \$ 168     | \$ 4,467     | \$ 455                   | \$ 3             | \$ 102           | \$ 5,878               |
| Restricted Assets.....  | \$ 202,514    | \$ 5,560   | \$ 22,204  | \$ 25,598  | \$ 11,267    | \$ --                    | \$ 5,158         | \$ 227           | \$ 272,528             |
| Fixed Assets:   |               |            |            |            |              |                          |                  |                  |                        |
| Additions.....  | \$ 123,116    | \$ 4,548   | \$ 13,560  | \$ 5,848   | \$ 1,272     | \$ 984                   | \$ 12            | \$ 230           | \$ 149,570             |
| Disposals.....  | \$ (1,808)    | \$ (963)   | \$ (796)   | \$ (742)   | \$ (29)      | \$ (18)                  | \$ (8)           | \$ (174)         | \$ (4,538)             |
| Net Working Capital.....  | \$ 21,679     | \$ 4,510   | \$ 3,423   | \$ 795     | \$ 1,040     | \$ 1,455                 | \$ 1,683         | \$ 153           | \$ 34,738              |
| Total Assets.....   | \$ 645,934    | \$ 50,993  | \$ 190,972 | \$ 101,766 | \$ 75,998    | \$ 11,730                | \$ 8,805         | \$ 3,374         | \$ 1,089,572           |
| Bonds and Other Term Liabilities Payable from Operating Revenues..... | \$ 279,561    | \$ 29,568  | \$ 55,373  | \$ 10,012  | \$ 12,375    | \$ 702                   | \$ 289           | \$ 578           | \$ 388,458             |
| Total Fund Equity.....  | \$ 305,488    | \$ 18,997  | \$ 124,693 | \$ 81,249  | \$ 60,059    | \$ 10,424                | \$ 5,931         | \$ 2,652         | \$ 609,493             |

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**CITY OF TALLAHASSEE, FLORIDA**

NOTES TO FINANCIAL STATEMENTS  
September 30, 2000

**NOTE V - CONTINGENCIES**

**A. LITIGATION**

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

**B. FEDERAL AND STATE GRANTS**

The City participates in a number of federal and state assisted programs, principal of which are the Federal Transit Administration, Community Development Block Grant, Federal Emergency Management Agency, Federal Aviation Administration, and certain other State of Florida programs. These programs are subject to the financial and compliance audits made in accordance with the Office of Management and Budget Circular A-133. The audits of these programs for and including the year ended September 30, 2000 will be in a separate report. The amount, if any, of expenditures which may be disallowed by the granting agencies is immaterial to the City's Combined Financial Statements.

**C. ADVANCE FUNDING OF STATE OF FLORIDA ROADWAY PROJECTS**

As of September 30, 2000, the City had advanced \$56,107,000 to the Florida Department of Transportation for roadway improvements. Reimbursement of these advances is totally subject to state legislative approval and appropriation in the fiscal years of reimbursement indicated in each contract; accordingly, the advanced monies are treated as a gain contingency at September 30, 2000.

**D. LONG TERM CONTRACTS**

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

In addition the City has entered into long-term purchase contracts with several suppliers of electric capacity and associated energy. The expiration dates of the various contracts range from December 2003 to December 2017. The prices and quantities of energy to be purchased and any adjustments allowed or required are stated in the contracts and are based on forecast needs of consumers and projected market prices. These contracts are managed and monitored by the City's Energy Services Department. Revenues from customers for the purchase of energy are expected to cover the costs incurred by these purchase commitments.

During 2000, the minimum purchase requirements related to the gas contracts were \$27,457,000. At September 30, 2000, the combined total minimum gas quantity purchase obligation was \$270,650,000 (quantity of 85,101,500 million btu). During 2000, the minimum purchase requirements related to the electric capacity and energy contracts were \$9,533,000. At September 30, 2000, the combined total minimum energy purchase obligation was \$81,364,000 (quantity of 1,844,000 MWH). The following is a schedule, by years, of approximated minimum future purchase commitments on long-term purchase contracts as of September 30, 2000:

| Years ending September 30, | Gas Contracts  | Energy Contracts | Total          |
|----------------------------|----------------|------------------|----------------|
| 2001                       | \$ 29,016,000  | \$ 8,999,000     | \$ 38,015,000  |
| 2002                       | 30,632,000     | 6,597,000        | 37,229,000     |
| 2003                       | 29,191,000     | 4,194,000        | 33,385,000     |
| 2004                       | 22,997,000     | 4,194,000        | 27,191,000     |
| 2005                       | 20,774,000     | 4,194,000        | 24,968,000     |
| Thereafter                 | 138,040,000    | 53,186,000       | 191,226,000    |
| Total                      | \$ 270,650,000 | \$ 81,364,000    | \$ 352,014,000 |

**CITY OF TALLAHASSEE, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2000

**NOTE VI - SUBSEQUENT EVENTS**

**A. FIRE RESCUE SERVICE CHARGE**

The City provides fire rescue services citywide and to the unincorporated areas of Leon County. On February 24, 2000, the City adopted an ordinance establishing a fire rescue service charge, to be implemented on October 1, 2000.

## **STATISTICAL SECTION**

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

**CITY OF TALLAHASSEE**  
**COMMENTS ON THE STATISTICAL SECTION**  
**September 30, 2000**

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

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

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

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

| Fiscal Year | General <sup>(3)</sup><br>Government | Public <sup>(2)</sup><br>Safety | Transportation | Human<br>Services | Economic<br>Development | Physical <sup>(2)</sup><br>Environment | Culture <sup>(2)</sup><br>and<br>Recreation | Transfers<br>Out | Total <sup>(1)</sup> |
|-------------|--------------------------------------|---------------------------------|----------------|-------------------|-------------------------|--|---|------------------|----------------------|
| 1991        | \$ 11,434                            | \$ 32,117                       | \$ 8,078       | \$ 1,438          | \$ 549                  | \$ 2,519                               | \$ 6,540                                    | \$ 23,785        | \$ 86,460            |
| 1992        | 12,817                               | 34,081                          | 8,845          | 1,799             | 715                     | 2,751                                  | 7,199                                       | 30,374           | 98,581               |
| 1993        | 13,034                               | 35,799                          | 9,174          | 2,366             | 755                     | 2,611                                  | 7,690                                       | 23,885           | 95,314               |
| 1994        | 13,533                               | 35,624                          | 9,539          | 2,567             | 672                     | 2,605                                  | 8,234                                       | 24,942           | 97,716               |
| 1995        | 14,978                               | 37,888                          | 9,748          | 2,974             | 930                     | 2,948                                  | 8,857                                       | 18,466           | 96,789               |
| 1996        | 16,830                               | 40,661                          | 9,534          | 3,390             | 589                     | 2,850                                  | 9,263                                       | 19,055           | 102,172              |
| 1997        | 17,537                               | 42,363                          | 9,770          | 3,980             | 636                     | 2,920                                  | 9,512                                       | 13,485           | 100,203              |
| 1998        | 17,002                               | 42,009                          | 9,445          | 4,052             | 742                     | 3,185                                  | 9,855                                       | 14,059           | 100,349              |
| 1999        | 16,986                               | 29,741                          | 9,677          | 4,400             | 1,141                   | 3,325                                  | 10,327                                      | 25,816           | 101,413              |
| 2000        | 30,864                               | 30,939                          | 9,891          | 3,834             | 1,060                   | 3,315                                  | 10,535                                      | 15,410           | 105,848              |

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

| Fiscal Year | Taxes     | Licenses<br>and<br>Permits | Fines<br>and<br>Forfeitures | Charges <sup>(2)</sup><br>for<br>Services | Interest | Inter-<br>governmental<br>Revenues | Miscellaneous<br>Revenues | Transfers<br>In | Total <sup>(1)</sup><br>Revenue |
|-------------|-----------|----------------------------|-----------------------------|---|----------|------------------------------------|---------------------------|-----------------|---------------------------------|
| 1991        | \$ 30,394 | \$ 1,807                   | \$ 1,109                    | \$ 7,673                                  | \$ 523   | \$ 9,233                           | \$ 508                    | \$ 35,487       | \$ 86,734                       |
| 1992        | 32,117    | 2,056                      | 1,271                       | 8,574                                     | 382      | 8,897                              | 388                       | 44,655          | 98,340                          |
| 1993        | 23,261    | 2,234                      | 1,321                       | 10,945                                    | 296      | 10,707                             | 740                       | 45,747          | 95,251                          |
| 1994        | 25,261    | 2,669                      | 1,387                       | 11,563                                    | 326      | 10,129                             | 917                       | 46,376          | 98,628                          |
| 1995        | 27,422    | 2,092                      | 1,505                       | 11,992                                    | 311      | 10,694                             | 939                       | 45,306          | 100,261                         |
| 1996        | 29,122    | 3,195                      | 1,538                       | 11,832                                    | 256      | 10,842                             | 1,733                     | 41,638          | 100,156                         |
| 1997        | 29,279    | 3,243                      | 1,790                       | 12,300                                    | 236      | 11,225                             | 1,677                     | 40,847          | 100,597                         |
| 1998        | 30,981    | 4,067                      | 1,619                       | 11,849                                    | 210      | 11,631                             | 2,736                     | 39,613          | 102,706                         |
| 1999        | 32,668    | 4,272                      | 1,463                       | 10,070                                    | 177      | 11,820                             | 2,435                     | 37,678          | 100,583                         |
| 2000        | 34,352    | 4,808                      | 1,479                       | 9,875                                     | 201      | 12,414                             | 3,357                     | 37,592          | 104,078                         |

(1) Includes General Fund only.

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

(3) Includes debt service expenditures. 2000 expenditures includes the Fire Services rebates to Electric customers

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

| Fiscal<br>Year | Total<br>Assessed<br>Valuation | Taxable<br>Assessed<br>Valuation | Levy     | Collection | Percent <sup>(1)</sup> |
|----------------|--------------------------------|----------------------------------|----------|------------|------------------------|
| 1991           | \$ 6,361,162                   | \$ 2,942,911                     | \$ 9,460 | \$ 9,106   | 96%                    |
| 1992           | 6,584,152                      | 3,157,138                        | 10,147   | 9,796      | 97                     |
| 1993           | 6,720,821                      | 3,258,882                        | 10,471   | 10,124     | 97                     |
| 1994           | 8,389,730                      | 3,736,737                        | 11,305   | 10,906     | 96                     |
| 1995           | 8,749,066                      | 4,025,808                        | 11,951   | 11,636     | 97                     |
| 1996           | 9,043,725                      | 4,270,650                        | 12,925   | 12,432     | 96                     |
| 1997           | 9,537,873                      | 4,576,295                        | 13,712   | 13,045     | 95                     |
| 1998           | 9,900,598                      | 4,884,574                        | 14,699   | 14,153     | 96                     |
| 1999           | 10,283,317                     | 5,217,865                        | 15,697   | 15,107     | 96                     |
| 2000           | 10,653,603                     | 5,558,879                        | 16,775   | 16,081     | 96                     |

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

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

| Fiscal Year | Real Property  |                        | Personal Property |                        | Centrally Assessed |                        | Totals         |                        | Ratio of Total Assessed to Total Estimated Value <sup>(1)</sup> |
|-------------|----------------|------------------------|-------------------|------------------------|--------------------|------------------------|----------------|------------------------|---|
|             | Assessed Value | Estimated Actual Value | Assessed Value    | Estimated Actual Value | Assessed Value     | Estimated Actual Value | Assessed Value | Estimated Actual Value |   |
| 1991        | \$ 5,322,947   | \$ 6,262,291           | \$ 1,036,487      | \$ 1,219,396           | \$ 1,728           | \$ 2,033               | \$ 6,361,162   | \$ 7,483,720           | 85%   |
| 1992        | 5,511,272      | 6,483,849              | 1,071,207         | 1,260,244              | 1,673              | 1,968                  | 6,584,152      | 7,746,061              | 85%   |
| 1993        | 5,628,046      | 6,621,231              | 1,091,204         | 1,283,769              | 1,571              | 1,849                  | 6,720,821      | 7,906,849              | 85%   |
| 1994        | 7,002,886      | 8,238,689              | 1,385,137         | 1,629,573              | 1,707              | 2,008                  | 8,389,730      | 9,870,270              | 85%   |
| 1995        | 7,347,838      | 8,644,515              | 1,399,538         | 1,646,515              | 1,690              | 1,988                  | 8,749,066      | 10,293,018             | 85%   |
| 1996        | 7,619,852      | 8,964,532              | 1,422,106         | 1,673,066              | 1,767              | 2,078                  | 9,043,725      | 10,639,676             | 85%   |
| 1997        | 8,083,657      | 9,510,185              | 1,451,205         | 1,707,300              | 3,011              | 3,543                  | 9,537,873      | 11,221,028             | 85%   |
| 1998        | 8,353,871      | 9,828,083              | 1,544,223         | 1,816,733              | 2,505              | 2,947                  | 9,900,599      | 11,647,763             | 85%   |
| 1999        | 8,693,187      | 10,227,279             | 1,587,349         | 1,867,470              | 2,780              | 3,271                  | 10,283,317     | 12,098,020             | 85%   |
| 2000        | 9,028,578      | 10,621,857             | 1,622,556         | 1,908,890              | 2,467              | 2,903                  | 10,653,602     | 12,533,650             | 85%   |

Source: Leon County Property Appraiser

(1) Calculated Figure

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

|  | 1991         | 1992         | 1993         | 1994         | 1995         | 1996         | 1997         | 1998         | 1999          | 2000          |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| <b>TOTAL VALUATIONS</b> .....                | \$ 6,361,162 | \$ 6,584,152 | \$ 6,720,821 | \$ 8,389,730 | \$ 8,749,066 | \$ 9,043,725 | \$ 9,537,873 | \$ 9,900,598 | \$ 10,283,317 | \$ 10,653,603 |
| <b>REAL ESTATE EXEMPTIONS</b>                |              |              |              |              |              |              |              |              |               |               |
| Agricultural Adjustment.....                 | 12,004       | 28,477       | 360,668      | 27,503       | 26,095       | 24,897       | 39,641       | 39,980       | 39,899        | 40,887        |
| Government Exemption.....                    | 2,632,150    | 2,630,197    | 2,637,332    | 3,771,466    | 3,764,988    | 3,765,959    | 3,888,862    | 3,931,418    | 3,935,543     | 3,935,283     |
| Institutional Exemption.....                 | 266,278      | 241,928      | 245,874      | 277,262      | 279,710      | 286,793      | 301,405      | 310,426      | 313,746       | 323,559       |
| Individual or Homestead Exemptions.....      | 502,192      | 520,241      | 536,550      | 570,267      | 645,570      | 687,874      | 723,463      | 725,626      | 766,915       | 784,720       |
| Other Charitable Exemptions.....             | 5,627        | 6,171        | 6,115        | 6,495        | 6,895        | 7,552        | 8,206        | 8,574        | 9,349         | 10,275        |
| <b>TOTAL EXEMPTION AND ADJUSTMENTS</b> ..... | 3,418,251    | 3,427,014    | 3,786,539    | 4,652,993    | 4,723,258    | 4,773,075    | 4,961,577    | 5,016,024    | 5,065,452     | 5,094,724     |
| <b>TAXABLE VALUATION</b> .....               | \$ 2,942,911 | \$ 3,157,138 | \$ 2,934,282 | \$ 3,736,737 | \$ 4,025,808 | \$ 4,270,650 | \$ 4,576,296 | \$ 4,884,574 | \$ 5,217,865  | \$ 5,558,879  |
| <b>MILLAGE LEVIED</b> .....                  | 3.200        | 3.200        | 3.200        | 3.200        | 3.200        | 3.200        | 3.200        | 3.200        | 3.200         | 3.200         |
| <b>TOTAL TAXES LEVIED</b> .....              | \$ 9,460     | \$ 10,147    | \$ 10,471    | \$ 11,305    | \$ 11,951    | \$ 12,925    | \$ 13,712    | \$ 14,699    | \$ 15,697     | \$ 16,774     |
| Less: Adjustments & Discount.....            | 273          | 302          | 323          | 367          | 392          | 425          | 453          | 488          | 522           | 567           |
| Net Taxes Levied.....                        | \$ 9,187     | \$ 9,845     | \$ 10,148    | \$ 10,938    | \$ 11,559    | \$ 12,500    | \$ 13,259    | \$ 14,211    | \$ 15,175     | \$ 16,207     |
| <b>NET COLLECTED</b> <sup>(1)(2)</sup> ..... | \$ 9,106     | \$ 9,796     | \$ 10,124    | \$ 10,906    | \$ 11,636    | \$ 12,432    | \$ 13,045    | \$ 14,153    | \$ 15,107     | \$ 16,081     |

Source: Leon County Property Appraiser

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

(2) Net collected includes penalties or late payments.

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

| Fiscal Year | City of Tallahassee | County School Board |              | Leon County | N.W. Fla. Management District | Total |
|-------------|---------------------|---------------------|--------------|-------------|-------------------------------|-------|
|             | Operating           | Operating           | Debt Service | Operating   |                               |       |
| 1991        | 3.20                | 8.86                | 1.97         | 8.09        | 0.05                          | 22.17 |
| 1992        | 3.20                | 8.88                | 1.90         | 8.29        | 0.05                          | 22.32 |
| 1993        | 3.20                | 9.00                | 1.79         | 8.86        | 0.05                          | 22.90 |
| 1994        | 3.20                | 9.03                | 1.47         | 8.66        | 0.05                          | 22.41 |
| 1995        | 3.20                | 9.46                | 1.40         | 8.64        | 0.05                          | 22.75 |
| 1996        | 3.20                | 9.24                | 1.27         | 8.62        | 0.05                          | 22.38 |
| 1997        | 3.20                | 9.36                | 1.23         | 8.60        | 0.05                          | 22.44 |
| 1998        | 3.20                | 9.29                | 1.10         | 8.60        | 0.05                          | 22.24 |
| 1999        | 3.20                | 8.78                | 1.08         | 8.58        | 0.05                          | 21.69 |
| 2000        | 3.20                | 8.66                | 0.95         | 8.58        | 0.05                          | 21.44 |

Source: Leon County Tax Collector

**SPECIAL ASSESSMENT COLLECTIONS**  
**Last Ten Fiscal Years**  
**(in thousands)**

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

**CITY OF TALLAHASSEE, FLORIDA**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**September 30, 2000**  
**(in thousands)**

|  |                     |
|--|---------------------|
| TAXABLE ASSESSED VALUE.....                  | <u>\$ 5,558,878</u> |
| Debt Limit 20 Percent of Assessed Value..... | <u>\$ 1,111,776</u> |

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

**CITY OF TALLAHASSEE, FLORIDA**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**September 30, 2000**  
**(in thousands)**

**DIRECT DEBT**

|   |    |                |
|---|----|----------------|
| Non-Self-Supporting Revenue Debt:         |    |                |
| Capital Bonds, Series 1989.....           | \$ | --             |
| Capital Bonds Series, 1993 A & B.....     |    | 18,970         |
| Less: Debt Service and Reserve Funds..... |    | <u>(2,629)</u> |
| <br>Total Direct Debt.....                |    | <br>\$ 16,341  |

**OVERLAPPING DEBT**

|   |                |               |
|---|----------------|---------------|
| Leon County School Board                    |                |               |
| Tax Supported Ad Valorem Debt:              |                |               |
| General Obligation Bond Issue               |                |               |
| 1993 Refunding.....                         | \$ 27,995      |               |
| Less: Debt Service and Reserve Funds.....   | <u>(3,961)</u> | \$ 24,034     |
| <br>1991 Refunding.....                     | <br>2,460      |               |
| Less: Debt Service and Reserve Funds.....   | <u>(2,633)</u> | (173)         |
| <br>State Board of Education.....           | <br>11,440     |               |
| Less: Debt Service and Reserve Funds.....   | <u>(300)</u>   | 11,140        |
| <br>Race Track School Portion Revenues..... | <br>1,535      |               |
| Less: Debt Service and Reserve Funds.....   | <u>(706)</u>   | 829           |
| <br>Leon County                             |                |               |
| Non-Self-Supporting Revenue Debt            |                |               |
| Refunding Bonds 1991 Series                 |                |               |
| Courthouse.....                             | 26,595         |               |
| Less: Debt Service and Reserve Funds.....   | <u>--</u>      | 26,595        |
| <br>Refund Revenue Bonds 1988 Series.....   | <br>1,605      |               |
| Less: Debt Service and Reserve Funds.....   | <u>--</u>      | 1,605         |
| <br>Jail Construction, Series 1991.....     | <br>19,950     |               |
| Less: Debt Service and Reserve Funds.....   | <u>(5,133)</u> | 14,817        |
|   |                | <u>78,847</u> |

**CITY SHARE OF NET OVERLAPPING DEBT <sup>(1)</sup>.....** 52,827

**TOTAL CITY DIRECT AND OVERLAPPING DEBT.....** \$ 69,168

**SELF-SUPPORTING REVENUE DEBT:**

|   |                 |            |
|---|-----------------|------------|
| Electric Revenue Bonds.....               | \$ 236,789      |            |
| Less: Debt Service and Reserve Bonds..... | <u>(22,233)</u> | \$ 214,556 |
| CUS Revenue Bonds.....                    | 80,339          |            |
| Less: Debt Service and Reserve Bonds..... | <u>(7,748)</u>  | 72,591     |
| Airport Revenue Bond.....                 | 9,450           |            |
| Less: Debt Service and Reserve Bonds..... | <u>(1,773)</u>  | 7,677      |
| Sunshine State Loan.....                  | 21,700          |            |
| Less: Debt Service and Reserve Bonds..... | <u>(1,958)</u>  | 19,742     |

**TOTAL SELF-SUPPORTING REVENUE DEBT** \$ 314,566

(1) City's share calculated based on 2000 County Taxable Value of \$8,225,598,821 and City Taxable Value of \$5,558,878,984 which results in 67 percent overlapping.

# CITY OF TALLAHASSEE, FLORIDA

## DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

| Year | Estimated <sup>(1)</sup><br>Population | Airline<br>Passengers | Electric<br>KWH Used<br>(000's) | Water<br>Consumed<br>(Gals)<br>(Millions) | Gas Used<br>(Cu. Ft.)<br>(Millions) | Housing <sup>(2)</sup><br>Units | Leon County<br>School<br>Enrollment | Retail <sup>(3)</sup><br>Sales<br>(000's) |
|------|--|-----------------------|---------------------------------|---|-------------------------------------|---------------------------------|-------------------------------------|---|
| 1991 | 127,100                                | 437,444               | 2,049,242                       | 8,299                                     | 1,409,379                           | 56,276                          | 28,432                              | \$1,423,666                               |
| 1992 | 129,258                                | 433,686               | 2,156,653                       | 8,950                                     | 1,565,396                           | 57,398                          | 29,186                              | 1,663,321                                 |
| 1993 | 132,036                                | 427,225               | 2,018,551                       | 8,397                                     | 1,560,133                           | 58,735                          | 28,143                              | 1,750,343                                 |
| 1994 | 133,731                                | 435,214               | 2,155,772                       | 7,746                                     | 1,609,658                           | 59,595                          | 30,493                              | 2,017,386                                 |
| 1995 | 137,057                                | 501,499               | 2,350,754                       | 8,008                                     | 1,553,888                           | 61,186                          | 33,555                              | 2,470,375                                 |
| 1996 | 139,191                                | 481,042               | 2,366,810                       | 8,036                                     | 1,796,014                           | 62,250                          | 34,489                              | 2,576,189                                 |
| 1997 | 141,087                                | 468,205               | 2,318,022                       | 7,840                                     | 1,719,273                           | 63,211                          | 31,599                              | 4,555,420                                 |
| 1998 | 143,237                                | 470,818               | 2,424,890                       | 9,383                                     | 1,849,262                           | 64,282                          | 34,464                              | 4,725,846                                 |
| 1999 | 145,610                                | 452,282               | 2,476,135                       | 9,090                                     | 1,735,992                           | 65,472                          | 33,807                              | 4,916,757                                 |
| 2000 | 147,490                                | 461,800               | 2,631,090                       | 10,074                                    | 2,050,951                           | 66,437                          | 34,457                              | 5,268,440                                 |

Source: City Records

- (1) U. S. Census Bureau and Tallahassee-Leon County Planning Department
- (2) Sales, Marketing and Management, calendar year figures
- (3) Leon County Statistics

6-1

| Year | Number of Labor Force | Number of Employed | Number of Unemployed | Unemployment Rate |
|------|-----------------------|--------------------|----------------------|-------------------|
| 1991 | 73,158                | 69,886             | 3,272                | 4.5%              |
| 1992 | 74,006                | 70,478             | 3,528                | 4.8%              |
| 1993 | 75,908                | 72,535             | 3,373                | 4.4%              |
| 1994 | 77,943                | 74,559             | 3,384                | 4.3%              |
| 1995 | 79,124                | 76,403             | 2,721                | 3.4%              |
| 1996 | 78,339                | 75,554             | 2,785                | 3.6%              |
| 1997 | 79,656                | 76,838             | 2,817                | 3.5%              |
| 1998 | 81,227                | 78,402             | 2,825                | 3.5%              |
| 1999 | 82,768                | 80,237             | 2,531                | 3.1%              |
| 2000 | 84,448                | 81,862             | 2,586                | 3.1%              |

Source: Florida Department of Labor and Employment Security

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

| Fiscal Year | Commercial Construction (1)(4) |           | Residential Construction (1)(4) |           | Bank Deposits (2) |                        | Property Value (3) |              |              |              |
|-------------|--------------------------------|-----------|---------------------------------|-----------|-------------------|------------------------|--------------------|--------------|--------------|--------------|
|             | Number of Units                | Value     | Number of Units                 | Value     | Commercial Banks  | Savings and Loan Assn. | Commercial         | Residential  | Agricultural | Non-taxable  |
| 1991        | 38                             | \$ 16,907 | 727                             | \$ 41,433 | \$ 1,305,279      | \$ 481,108             | \$ 1,216,844       | \$ 3,719,398 | \$ 404,344   | \$ 2,425,545 |
| 1992        | 40                             | 27,868    | 1247                            | 73,476    | 1,533,476         | 278,667                | 1,227,753          | 3,902,820    | 424,784      | 2,439,166    |
| 1993        | 30                             | 14,896    | 1,278                           | 86,070    | 1,607,316         | 260,059                | 1,261,844          | 4,312,987    | 414,791      | 2,491,456    |
| 1994        | 66                             | 35,342    | 1,301                           | 101,033   | 1,800,538         | 35,589                 | 1,339,155          | 4,561,408    | 409,493      | 3,401,939    |
| 1995        | 81                             | 34,574    | 1,518                           | 100,292   | 1,865,550         | 59,815                 | 1,460,992          | 4,840,687    | 388,315      | 3,463,162    |
| 1996        | 88                             | 45,285    | 804                             | 75,143    | 1,909,963         | 66,153                 | 1,501,740          | 5,182,670    | 389,949      | 3,433,366    |
| 1997        | 101                            | 20,022    | 684                             | 62,946    | 1,850,729         | 53,519                 | 1,578,566          | 5,769,660    | 426,151      | 3,602,731    |
| 1998        | 273                            | 118,738   | 544                             | 62,348    | 1,997,792         | 117,824                | 1,748,745          | 6,012,359    | 454,246      | 3,587,924    |
| 1999        | 143                            | 78,138    | 746                             | 78,442    | 2,264,825         | 208,972                | 1,864,783          | 6,369,906    | 454,518      | 3,604,236    |
| 2000        | 172                            | 100,523   | 719                             | 83,567    | 2,321,089         | 275,059                | 1,991,078          | 6,752,519    | 452,376      | 3,617,515    |

(1) Source: Tallahassee-Leon County Planning Department

(2) Source: Florida League of Financial Institutions; includes deposits for entire Leon County, for fiscal years ending June 30th.

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

(4) Source: Building Inspection, Growth Management Department

# CITY OF TALLAHASSEE, FLORIDA

## PRINCIPAL TAXPAYERS

September 30, 2000

(in thousands)

| Taxpayer                               | Assessed Valuation |                                  |                   | Percentage<br>of Total<br>Assessed<br>Valuation |
|--|--------------------|----------------------------------|-------------------|---|
|  | Real<br>Property   | Tangible<br>Personal<br>Property | Total             |   |
| Sprint-Florida, Inc.....               | \$ 9,149           | \$ 155,488                       | \$ 164,637        | 1.7%  |
| Talquin Electric.....                  | 1,900              | 69,958                           | 71,858            | 0.8   |
| Governor's Square Mall.....            | 52,247             | --                               | 52,247            | 0.5   |
| Koger Properties.....                  | 51,789             | --                               | 51,789            | 0.5   |
| Elman Tallahassee Properties, Inc..... | 25,970             | --                               | 25,970            | 0.3   |
| Tallahassee Mall.....                  | 37,802             | --                               | 37,802            | 0.4   |
| Comcast Cable.....                     | 1,771              | 25,814                           | 27,585            | 0.3   |
| Wal-Mart Stores, Inc.....              | 21,153             | 2,863                            | 24,016            | 0.3   |
| Blairstone Properties LLC.....         | 28,003             | --                               | 28,003            | 0.3   |
| Capital City Bank .....                | 17,918             | 6,609                            | 24,527            | 0.3   |
| Total                                  | <u>\$ 247,702</u>  | <u>\$ 260,732</u>                | <u>\$ 508,434</u> | <u>5.6%</u>                                     |

Source: Leon County Property Appraiser

# CITY OF TALLAHASSEE, FLORIDA

## SCHEDULE OF INSURANCE IN FORCE

September 30, 2000

| Type of Coverage and Insurance Company    | Policy Number          | Policy Expiration | Details of Coverage                                       | Limits<br>(in thousands)                      | Estimated<br>Annual Premium<br>(in thousands) |
|---|------------------------|-------------------|---|---|---|
| <b>LIABILITY:</b>                         |                        |                   |   |   |   |
| Self-insured.....                         | N/A                    | N/A               | Excess Auto/General Liability                             | \$3,000                                       | Funded Trust                                  |
| Great American Ins.Co./Lloyds of London   | AVIATIONBIN2           | 10/1/01           | Airport Liability   | \$100,000                                     | \$18 (3 year period)                          |
| Self-insured.....                         | N/A                    | N/A               | Primary Auto/General Liability                            | \$100/200                                     | Funded Reserves                               |
| Self-insured.....                         | N/A                    | N/A               | Police Professional                                       | \$100/200                                     | Funded Reserves                               |
| Self-insured.....                         | N/A                    | N/A               | Employment Related Liability                              | N/A   | Funded Reserves                               |
| <b>FIRE AND EXTENDED COVERAGE:</b>        |                        |                   |   |   |   |
| Continental Casualty - London/Cox Pwr.    | BM1044952584           | 10/1/01           | Boiler and Machinery                                      | Combined                                      | Combined                                      |
| Continental Casualty - London/Cox Pwr.    | NA000119W              | 10/1/01           | Utility Property (Primary & Excess)                       | Total   | Total   |
| Continental Casualty - London/Cox Pwr.    | NA000116W & NA000118W  | 10/1/01           | General Government Property                               |   | \$960   |
| <b>HEALTHCARE:</b>                        |                        |                   |   |   |   |
| Capital Health Plan.....                  | 00005                  | N/A               | Employee Health Insurance                                 | N/A   | Fund Reserves                                 |
| Blue Cross/Blue Shield.....               | 45380                  | N/A               | Employee Health Insurance                                 | N/A   | Fund Reserves                                 |
| <b>ACCIDENTAL DEATH:</b>                  |                        |                   |   |   |   |
| AIG Life Insurance Co.....                | SRG0008047924          | 10/1/01           | Statutory and Accidental<br>Death (Firemen and Policemen) | \$50/\$75/\$25                                | \$25 (3 year period)                          |
| <b>WORKERS' COMPENSATION:</b>             |                        |                   |   |   |   |
| National Union Fire.....                  | 4159421                | 10/1/01           | Excess Workers' Compensation                              | Statutory excess of<br>\$500 SIR per incident | \$40 (3 year period)                          |
| Self Insured.....                         | N/A                    | N/A               | Primary Workers' Compensation                             | \$500   | Funded Reserves                               |
| <b>PUBLIC OFFICIALS BOND:</b>             |                        |                   |   |   |   |
| Fidelity Deposit Company of Maryland..... | CCP0018136-02/30471076 | 10/1/01           | Employee Bonds  | \$1,000/\$100                                 | \$5 (3 year period)                           |

# CITY OF TALLAHASSEE, FLORIDA

## MISCELLANEOUS STATISTICAL DATA

September 30, 2000

|                                    |      |
|------------------------------------|------|
| Date of Incorporation .....        | 1825 |
| Date First Charter Adopted.....    | 1825 |
| Date Present Charter Adopted ..... | 1919 |

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

**Terms of Office:**

Mayor - Four Years (Elected by Tallahassee Citizens)  
 Commissioners - Four Years  
 Manager - Appointed by Commission

### MUNICIPAL UTILITIES and SERVICES

**Electric System:**

|  |               |
|--|---------------|
| Generating Plants .....                        | 3             |
| Generating Capacity (KW) .....                 | 458,880       |
| Net System Energy Generated (KWH) .....        | 2,556,213,150 |
| Average Number Residential Customers...        | 78,730        |
| Average Residential Monthly Bill.....          | \$90.48       |
| Miles of Transmission Lines.....               | 183.1         |
| Primary Distribution Sub-System Capacity (KVA) | 900,000       |
| Square Miles of Service Area.....              | 272           |
| Number of Street Lights .....                  | 15,303        |
| Miles of Distribution Lines .....              | 1,900         |

**Gas System:**

|                                      |        |
|--------------------------------------|--------|
| Miles of Gas Lines .....             | 618    |
| Daily Average Consumption (MCF)..... | 5,620  |
| Plant Capacity (MCF) .....           | 18,000 |
| Number of Service Connections .....  | 19,738 |

**Police Protection:**

|                                |        |
|--------------------------------|--------|
| Number of Employees.....       | 471    |
| Number of Law Violations ..... |        |
| Physical Arrests .....         | 8,929  |
| Traffic Violations .....       | 29,344 |
| Parking Violations .....       | 40,276 |

**Fire Protection:**

|                               |     |
|-------------------------------|-----|
| Number of Employees.....      | 261 |
| Number of Fire Stations ..... | 15  |

**Water System:**

|                                       |        |
|---------------------------------------|--------|
| Miles of Water Mains.....             | 980    |
| Daily Average Consumption (MGD) ..... | 27.60  |
| Plant Capacity (MGD).....             | 73.6   |
| Number of Service Connections.....    | 67,678 |
| Deep Wells .....                      | 29     |

**Sewage System:**

|  |        |
|--|--------|
| Miles of Sanitary Sewers.....                    | 858    |
| Number of Lift Stations.....                     | 84     |
| Daily Average Treatment (MGD) .....              | 17.235 |
| Maximum Capacity of Treatment Plants (MGD) ..... | 32     |
| Number of Disposal Plants.....                   | 2      |
| Number of Service Connections.....               | 56,430 |

**Parks and Recreation:**

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

# CITY OF TALLAHASSEE, FLORIDA

## MISCELLANEOUS STATISTICAL DATA (Continued)

### Community Facilities

#### **Transportation:**

Airline, Bus Line, and Railroad Freight and Passenger Services

#### **Communications:**

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

#### **Culture, Recreation, and Health:**

Conference Center, Civic Center, and Theaters  
Seating Capacity ..... 20,855  
Museums ..... 13  
Major Libraries ..... 8  
Skating Rinks ..... 2  
Golf Courses ..... 8  
Hospital Beds ..... 950

Average Annual Temperature..... 67.95 Degrees  
Average Annual Rainfall ..... 44.54 Inches  
Area ..... 96.58 Square Miles

#### **Education:**

Number of Public Schools ..... 44  
Number of Public School Instructors ..... 2,171  
Number of Public School Students, (PK-12) ..... 31,292  
Number of Vocational-Technical Schools..... 1  
Number of Community Colleges..... 1  
Number of Universities ..... 2  
Number of College-level Instructors ..... 3,664  
Number of College-level Students..... 57,421

#### **Major Annual Events:**

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

## CITY OF TALLAHASSEE, FLORIDA

### REVENUE BOND COVERAGE ELECTRIC REVENUE BONDS Last Ten Fiscal Years (in thousands)

| Fiscal<br>Year<br>Ending | Gross<br>Revenue (1) | Operating<br>Expenses (2) | Net Revenue<br>Available for<br>Debt Service | Debt Service Requirements (3) |          |           | Coverage |
|--------------------------|----------------------|---------------------------|--|-------------------------------|----------|-----------|----------|
|                          |                      |                           |  | Principal                     | Interest | Total     |          |
| 1991                     | \$ 151,046           | \$ 96,139                 | \$ 54,907                                    | \$ 4,590                      | \$ 7,267 | \$ 11,857 | 4.63     |
| 1992                     | 171,599              | 102,699                   | 68,900                                       | 4,935                         | 6,922    | 11,857    | 5.81     |
| 1993                     | 167,650              | 104,952                   | 62,698                                       | 5,315                         | 6,542    | 11,857    | 5.29     |
| 1994                     | 175,138              | 110,267                   | 64,871                                       | 4,125                         | 6,487    | 10,612    | 6.11     |
| 1995                     | 192,650              | 131,106                   | 61,544                                       | 4,275                         | 6,339    | 10,614    | 5.80     |
| 1996                     | 195,521              | 143,611                   | 51,910                                       | 4,445                         | 6,168    | 10,613    | 4.89     |
| 1997                     | 177,803              | 131,259                   | 46,544                                       | 4,645                         | 5,972    | 10,617    | 4.38     |
| 1998                     | 177,292              | 129,437                   | 47,855                                       | 4,860                         | 5,754    | 10,614    | 4.51     |
| 1999                     | 180,174              | 127,427                   | 52,747                                       | 5,100                         | 11,402   | 16,502    | 3.20     |
| 2000                     | 204,477              | 135,942                   | 68,535                                       | 6,690                         | 11,902   | 18,592    | 3.69     |

(1) Total operating revenues plus operating interest earned.

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

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

## CITY OF TALLAHASSEE, FLORIDA

### REVENUE BOND COVERAGE AIRPORT REVENUE BONDS Last Ten Fiscal Years (in thousands)

| Fiscal<br>Year<br>Ending | Gross<br>Revenue (1) | Operating<br>Expenses (2) | Net Revenue<br>Available for<br>Debt Service | Debt Service Requirements (3) |          |        | Coverage |
|--------------------------|----------------------|---------------------------|--|-------------------------------|----------|--------|----------|
|                          |                      |                           |  | Principal                     | Interest | Total  |          |
| 1991                     | \$ 7,094             | \$ 5,667                  | \$ 1,427                                     | \$ --                         | \$ 940   | \$ 940 | 1.52     |
| 1992                     | 6,247                | 3,880                     | 2,367  | 225                           | 940      | 1,165  | 2.03     |
| 1993                     | 6,423                | 4,030                     | 2,393  | 240                           | 926      | 1,166  | 2.05     |
| 1994                     | 6,847                | 4,546                     | 2,301  | 255                           | 911      | 1,166  | 1.97     |
| 1995                     | 7,500                | 4,755                     | 2,745  | 270                           | 897      | 1,167  | 2.35     |
| 1996                     | 7,558                | 5,003                     | 2,555  | 290                           | 877      | 1,167  | 2.19     |
| 1997                     | 7,273                | 4,820                     | 2,453  | 580                           | 588      | 1,168  | 2.10     |
| 1998                     | 7,006                | 4,753                     | 2,253  | 600                           | 564      | 1,164  | 1.94     |
| 1999                     | 7,622                | 5,021                     | 2,601  | 440                           | 539      | 979    | 2.66     |
| 2000                     | 7,797                | 4,862                     | 2,935  | 460                           | 519      | 979    | 3.00     |

- (1) Total operating revenues (plus operating interest revenue & prepaid fees credit).  
(2) Total operating expenses exclusive of depreciation and amortization.  
(3) Includes principal and interest of revenue bonds only.

# CITY OF TALLAHASSEE, FLORIDA

## REVENUE BOND COVERAGE CONSOLIDATED UTILITY REVENUE BONDS Last Ten Fiscal Years (in thousands)

| Fiscal<br>Year<br>Ending | Gross<br>Revenue (1) | Operating<br>Expenses (2) | Net Revenue<br>Available for<br>Debt Service | Debt Service Requirements (3) |          |          | Coverage |
|--------------------------|----------------------|---------------------------|--|-------------------------------|----------|----------|----------|
|                          |                      |                           |  | Principal                     | Interest | Total    |          |
| 1991                     | \$ 42,865            | \$ 31,188                 | \$ 11,677                                    | \$ 1,230                      | \$ 1,306 | \$ 2,536 | 4.60     |
| 1992                     | 54,090               | 35,998                    | 18,092                                       | 1,085                         | 3,341    | 4,426    | 4.09     |
| 1993                     | 67,189               | 40,597                    | 26,592                                       | 1,140                         | 3,290    | 4,430    | 6.00     |
| 1994                     | 64,899               | 41,848                    | 23,051                                       | 1,200                         | 3,230    | 4,430    | 5.20     |
| 1995                     | 67,789               | 43,568                    | 24,221                                       | 1,265                         | 5,729    | 6,994    | 3.46     |
| 1996                     | 67,995               | 41,974                    | 26,021                                       | 2,684                         | 5,331    | 8,015    | 3.25     |
| 1997                     | 66,091               | 35,924                    | 30,167                                       | 2,780                         | 5,235    | 8,015    | 3.76     |
| 1998                     | 69,793               | 37,983                    | 31,810                                       | 2,920                         | 5,092    | 8,012    | 3.97     |
| 1999                     | 73,678               | 35,776                    | 37,902                                       | 2,895                         | 4,938    | 7,833    | 4.84     |
| 2000                     | 78,615               | 40,778                    | 37,837                                       | 3,045                         | 4,781    | 7,826    | 4.83     |

- (1) Total operating revenues of the gas, sewer, water, and stormwater utilities funds plus operating interest earned.  
(2) Total operating expenses exclusive of depreciation and amortization.  
(3) Includes principal and interest of revenue bonds only.