

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**BLUEPRINT 2000**

**For The Fiscal Year Ended  
September 30, 2003**



**PREPARED BY:**

**Department of Management and Administration  
Accounting Services Division  
City of Tallahassee, Florida**

**BLUEPRINT 2000  
INTERGOVERNMENTAL AGENCY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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INTERGOVERNMENTAL AGENCY**

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CITY OF TALLAHASSEE - LEON COUNTY

**BLUEPRINT**  
INTERGOVERNMENTAL AGENCY **2000**  
& BEYOND

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# **INTRODUCTORY SECTION**

Letter of Transmittal  
Government Finance Officers Association Certificate of Achievement  
Organizational Chart  
List of Directors and Managers

CITY OF TALLAHASSEE - LEON COUNTY

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**BLUEPRINT**  
INTERGOVERNMENTAL AGENCY **2000**

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December 19, 2003

To the Chairman and members of the Board of the Blueprint 2000 Intergovernmental Agency

The Comprehensive Annual Financial Report of the Blueprint 2000 Intergovernmental Agency (the Agency) for the fiscal year ended September 30, 2003, is hereby submitted 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 staff of the Accounting Services Division of the City of Tallahassee, Florida, within the Department of Management and Administration, compiled this report in close cooperation with the external auditors. It represents the official report of the Agency's financial operations and condition to the citizens, Commissions, 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 Agency. We believe the data, as presented, is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position and results of the operations of the Agency on a government-wide and fund basis. All disclosures necessary to enable the reader to gain the maximum understanding of the Agency's financial condition have been included.

This report has been presented in accordance with Generally Accepted Accounting Principles (GAAP). These principles require that

management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis (MD & A)*. This letter of transmittal is designed to complement the MD & A and should be read in conjunction with it. The Agency's MD & A can be found immediately following the report of the independent auditors.

#### **THE REPORTING ENTITY**

Pursuant to Section 163.01(7), Florida Statutes, Leon County, Florida, and the City of Tallahassee, Florida, created a Blueprint 2000 Intergovernmental Agency to govern the project management structure for the project planning and the construction of the Blueprint 2000 projects. The Board of County Commissioners and the City Commission constitute the Board of Directors for the Blueprint 2000 Intergovernmental Agency.

Staffing for this Agency is approved by the County Administrator and the City Manager. Various committees provide professional advice and serve in advisory capacities.

Tallahassee, the capital city of Florida, was incorporated in 1825, twenty years before Florida was admitted to the Union. The City is governed by a Mayor and four Commissioners elected at-large. The City Commission appoints the City Manager, the City Treasurer-Clerk, the City Auditor, and the City Attorney. Collectively the appointed officials are responsible for all administrative aspects of the government, with most falling under the purview of the City Manager.

The Leon County Board of Commissioners consists of seven members, five of whom are elected within districts, with the remaining two elected at-large. Each Commissioner is elected to a four year term with the position of Chairperson selected annually on a rotating basis. A County Administrator administers all county offices not governed by elected County officials.

In 1989 the voters of Leon County approved an additional one-cent sales tax, increasing the sales tax total to seven cents. The additional penny tax, levied through the year 2004, is used for capital projects in the areas of transportation and law enforcement.

In November of 2000, voters approved a 15 year extension of the penny sales tax, with 80% of the proceeds to be used for a variety of transportation, stormwater, and environmental projects identified in *Blueprint 2000*, a study produced by a citizens group representing business and environmental interests, to help guide the community's future growth.

To find out more about Blueprint 2000, visit our website at: [www.blueprint2000.org](http://www.blueprint2000.org).

#### **ACCOUNTING AND INTERNAL CONTROLS**

The Agency uses the City's Financial System to purchase goods and maintain financial records and follows the City's policies and procedures regarding these transactions. Management of the City is responsible for establishing and maintaining internal 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 assistance for some of the Blueprint 2000 projects, 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 or implemented 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.

The Intergovernmental Management Committee, consisting of the County Administrator and the City Manager, recommends issuance of Request for Proposals and approves all purchasing, contracts, and change orders in accordance with the approved Blueprint 2000 Procurement Policy.

#### **BUDGET PROCESS**

The annual budget process involves input and collaboration between the Blueprint 2000 Agency

Staff Director, members of the Intergovernmental Agency, and input and review from the various committees. The Intergovernmental Management committee recommends approval of the operating budget.

**DEBT ADMINISTRATION**

At September 30, 2003, the Agency had bonds outstanding of \$70 million. These bonds are expected to be repaid from sales tax revenues, which begin in December 2004. Funding of \$24 million was advanced to the Florida Department of Transportation for right of way acquisitions along Capital Circle Northwest. For more information on Blueprint’s sales tax revenue bonds see Note III-E to the Financial Statements.

**BOND RATINGS**

Ratings for Blueprint’s bonds are assigned by independent nationally recognized agencies. These ratings had a significant influence in establishing the rate of interest Blueprint paid when the bonds were sold. Ratings by the three major rating agencies shown below demonstrate the good investment quality of Blueprint’s bonds and are based on the bond insurance policy issued by Financial Security Assurance.

**SCHEDULE OF BOND RATINGS**

Moody’s Investor Services	Aaa
Standard & Poor’s	AAA
Fitch	AAA

**CASH MANAGEMENT PROGRAM**

The Agency’s cash balances are commingled with the City’s investment funds. 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 addresses credit, default, market and liquidity risk through diversification of portfolio composition by investment types and issuers, and liquidity and maturity provisions.

For fiscal year 2003, the accounting return (realized and accrued income and gains plus accretion and amortization of premiums and discounts) on the Agency’s funds was 4.12 %. The market rate of return (reflects market price changes) was 3.52%.

**RISK MANAGEMENT**

Blueprint is fully insured for General Liability, Auto Liability and Workers Compensation. The General Liability policy includes employment practice liability as well. The City and County are both named as additional insured on Blueprint’s policies.

**FACTORS AFFECTING FINANCIAL CONDITION**

The Workforce

The economy of Leon County is strongly oriented toward governmental and educational activities. The presence of the State Capital and two major universities help to shape Leon County’s population as relatively young, well educated, and affluent.

The 2000 Census figures show a racially diverse community, with minorities accounting for 33.6% of the population, with African-Americans making up 29.1% of Leon County. The population is young, with a median age of 29.5 compared to the national median of 35.3.

Leon County residents have historically attained a very high level of education. According to the 2000

Census, 41.7% of area residents aged 25 or older had completed at least four years of college, compared to 22.3% of the state on average.

The median family income in Leon County of \$52,962 is 6% higher than the national median. 45.3% of workers in Leon County are in management or professional occupations compared to 33.6% nationally.

The level of governmental employment has a stabilizing effect on the economy and helps to minimize unemployment. In September 2003, unemployment was 3.6% in the Tallahassee Metropolitan Statistical Area (MSA), as compared to the State’s unemployment rate of 5.4%. Local, state, and federal government are approximately 38% of the work force.

**POPULATION GROWTH, PAST AND FUTURE**

<u>Year</u>	<u>Tallahassee</u>	<u>Unincorporated</u>	<u>Leon County</u>
1930	10,700	12,776	23,476
1940	16,240	15,406	31,646
1950	27,237	24,353	51,590
1960	48,174	26,051	74,225
1970	71,897	31,150	103,047
1980	81,548	67,107	148,655
1990	124,773	67,720	192,493
2000	150,624	88,828	239,452
2003	158,804	93,055	251,859
2010	174,176	104,424	278,600

**CONSTRUCTION TRENDS**

Residential Construction

The issuance of building permits for residential construction is also a strong indicator of the local economy and influences the City and County’s financial condition. Single-family residential building permits in Leon County increased 19%

in fiscal year 2003 compared to the prior year. Multi-family units in fiscal year 2003 were 1,967 compared to 414 the prior fiscal year. This is primarily due to the planned construction of several large apartment complexes during the year. Increases in construction as reflected in building permit activity, increases consumer-based general revenues and is a boost to the local economy. Two of the larger development projects in Leon County are the first phase of Southwood and Welaunee Plantation. These two projects have combined land space of 4,309 acres for residential and commercial use.

Commercial Development

In fiscal year 2003, \$100 million of new construction was permitted in Leon County. New medical facilities have accounted for much of the commercial boom of the past two years. There are also several “big box” retail stores that have been recently completed.

Impact of Blueprint 2000 on the Community

Funds from the local option one-cent sales tax, in effect since November 1989, have allowed the community to build a new Leon County detention facility, expand and renovate the Tallahassee Police Department Headquarters, complete critical roadway projects, and improve bicycle and pedestrian facilities. Future uses include high priority community initiatives including stormwater projects, greenspace acquisitions, park and other recreation improvements, and other transportation projects.

**INDEPENDENT AUDIT**

An Intergovernmental Management Committee, consisting of the County Administrator and the City Manager, is responsible for obtaining a financial audit conducted by a firm qualified to perform such audits. The scope of the financial audit is jointly established.

A Citizen Advisory Committee, comprised of twelve members who serve in an advisory capacity, also review work plans, financial audits, and performance audits.

The Agency's financial statements have been audited by the certified public accounting firms of Thomas Howell Ferguson P.A., and Law, Redd, Crona and Munroe, P.A. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement and presented in conformity with accounting principles generally accepted in the United States of America.

report. We would also like to thank the members of the City and County Commissions for their interest and support in planning and conducting the financial operations of the Agency in a responsible and progressive manner.

Respectfully submitted,



Jim Davis

Staff Director

Blueprint 2000 Intergovernmental Agency

#### **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Blueprint 2000 Intergovernmental Agency for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2002. The Certificate of achievement is a prestigious national award recognizing conformance with the highest standards for preparation of government financial reports. In order to be awarded a Certificate of Achievement, the Agency must publish a comprehensive annual financial report, whose contents 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.

#### **ACKNOWLEDGMENTS**

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the staff of the City's Accounting Services Division, who compiled this

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Blueprint 2000

Intergovernmental Agency,  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2002

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



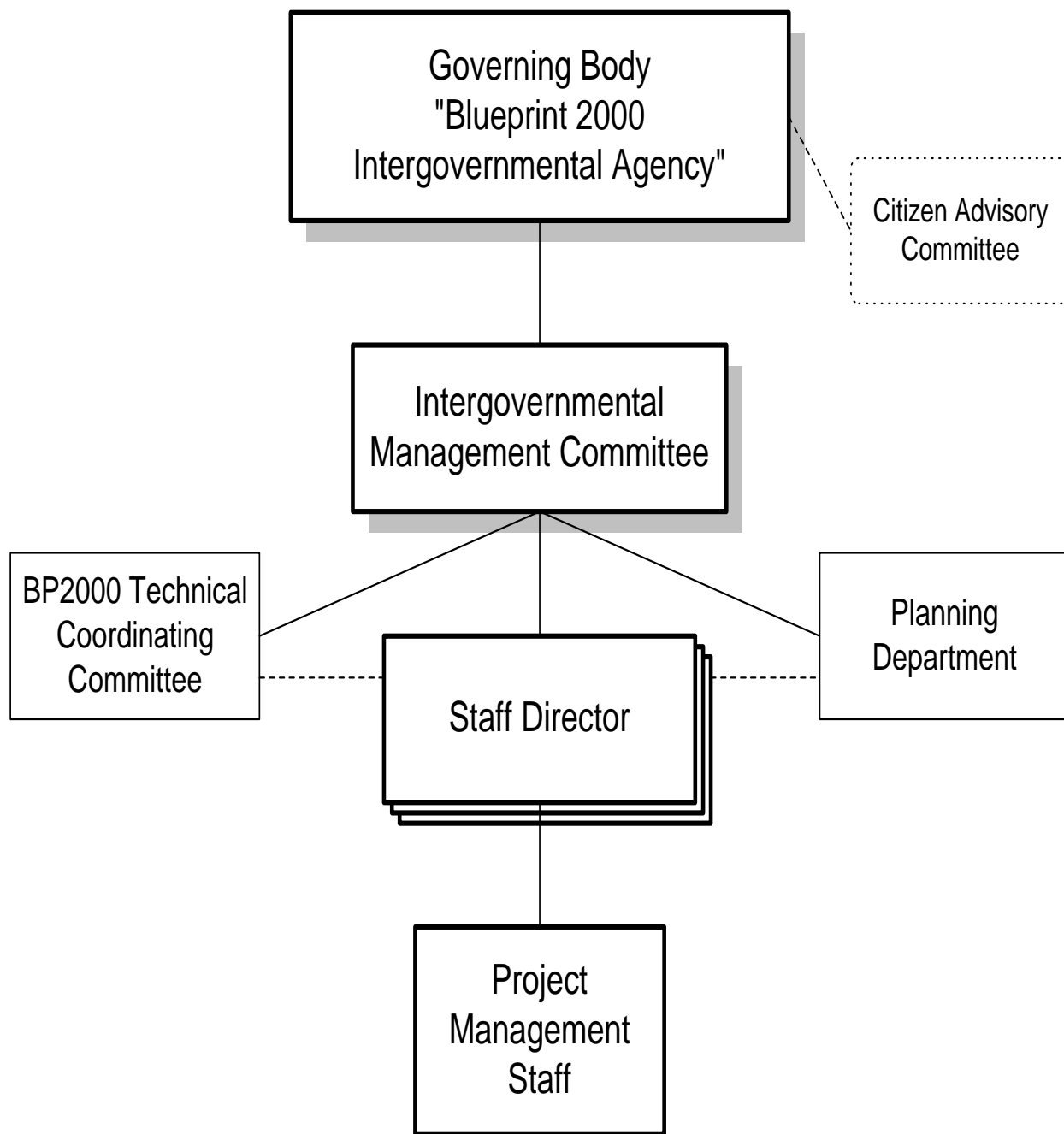
A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

# BLUEPRINT 2000



**BLUEPRINT 2000**  
**INTERGOVERNMENTAL AGENCY**

**BOARD OF DIRECTORS**

Bob Rackleff, Chairman	Mark Mustian, Vice-Chairman
Andrew Gillum	John Marks
Tony Grippa	Bill Proctor
Allan J. Katz	Jane G. Sauls
Debbie Lightsey	Cliff Thael
Rudy Maloy	Dan Winchester

**INTERGOVERNMENTAL MANAGEMENT COMMITTEE**

Parwez Alam, Leon County Administrator

Anita R. Favors, City Manager

**DEPARTMENT DIRECTOR**

James H. Davis

# **FINANCIAL SECTION**

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

Independent Auditors' Report  
Management's Discussion and Analysis  
Basic Financial Statements  
Combining and Individual Fund Statements and Schedules  
Required Supplementary Information

CITY OF TALLAHASSEE - LEON COUNTY

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**BLUEPRINT**  
INTERGOVERNMENTAL AGENCY **2000**  
**& BEYOND**

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## **Independent Auditors' Report**

The Chairman and Members of the Board  
of the Blueprint 2000 Intergovernmental Agency

We have audited the accompanying basic financial statements of the Blueprint 2000 Intergovernmental Agency (the "Agency") as of and for the year ended September 30, 2003, as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency as of September 30, 2003, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 16 through 22 and 46 through 47 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements of the Agency. The introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. These sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Page Two

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 2003, on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

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

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

*Thomas Howell Ferguson P.A.*

Thomas Howell Ferguson P.A.

December 19, 2003

**MANAGEMENT'S  
DISCUSSION & ANALYSIS**

# BLUEPRINT 2000

## Management's Discussion and Analysis

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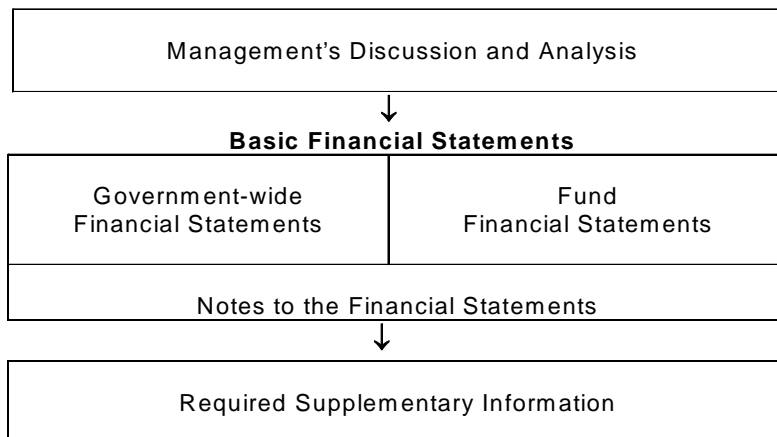
This section of Blueprint 2000's annual financial report is designed to provide the reader a better understanding of the financial activity for the fiscal year ended September 30, 2003. It should be read in conjunction with the Transmittal Letter at the front of this report and the financial statements, which follow this section. Notes mentioned below are Notes to the Financial Statements, which follow the statements. These are Blueprint 2000's second financial statements so prior year information is provided for comparison, but fiscal year 2002 reflects the start-up year of operations.

### FINANCIAL HIGHLIGHTS

- Total assets increased by \$57 million during the fiscal year due to the issuance of \$70 million in bonds. These bonds were sold to raise capital for projects and operating expenditures prior to the start of collection of sales tax revenues in December 2004. An advance of \$24 million was made to the Florida Department of Transportation (FDOT), for the appraisal and right-of-way acquisition of land for Capital Circle Northwest.
- Liabilities at September 30, 2003 total \$86.8 million and are comprised primarily of bonds payable of \$70 million, \$5 million in unamortized bond premiums, and \$11.7 million in securities lending collateral.
- Net assets decreased by \$26.2 million during the fiscal year due to the operating costs and the acquisition of long-term debt in the form of bonds, and the related interest expenses. Revenues from sales taxes to offset the interest expenses and operational expenses do not begin until December 2004.
- Revenues of \$383,000 were from interest income on investments made with bond proceeds net of market value losses. Expenses of \$26.6 million were for interest expenses on long-term debt, consulting fees related to transportation projects, personnel expenditures, and the advance mentioned above to FDOT.

### An Overview of the Financial Statements

#### Required Components of Blueprint 2000's Annual Financial Report



The focus of the financial statements is on both Blueprint 2000's overall financial status and the major individual funds. The following briefly describes the component parts.

### **GOVERNMENT-WIDE STATEMENTS**

The government-wide financial statements are designed to report information about Blueprint 2000 as a whole using accounting methods similar to those used by private-sector companies. The statements are reported using the economic resources measurement focus and the accrual basis of accounting. The Statement of Net Assets combines all of Blueprint 2000's current financial resources with capital assets and long-term obligations. Net assets, the difference between Blueprint 2000's assets and liabilities, is one way to measure its financial health.

Blueprint 2000 is considered a single-function government with all activities classified as governmental rather than business-type. The government-wide financial statements include only governmental activities. These are services that are financed solely from sales taxes. Business-type activities by definition include services for which specific fees are charged, which are meant to cover the cost of providing the services.

### **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about Blueprint's major funds rather than as a whole. Blueprint 2000 has three funds: General Fund, Special Revenue Fund, and Debt Service Fund. All of the funds are major funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Blueprint 2000's Governmental Funds are described in the chart below.

#### **Fund Financial Statements**

<b>Scope</b>	Includes Blueprint 2000's revenues from bond sales, sales tax, when available, interest income, operational expenditures, and approved community projects
<b>Required financial statements</b>	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances
<b>Accounting basis and measurement focus</b>	Modified accrual accounting and current financial resources focus
<b>Type of asset / liability information</b>	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets are included
<b>Type of inflow / outflow information</b>	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects the condensed Statement of Net Assets compared to the prior year. Blueprint 2000's net assets decreased by \$26.2 million in fiscal year 2003. This decrease can be attributed to the sale of bonds to raise capital for projects prior to the start of sales tax revenue receipts in December of 2004, the related interest expense, and the advance to FDOT. Total assets increased by \$57 million because of the investment of the bond proceeds and the advance to FDOT for right-of-way acquisitions for Capital Circle Northwest. Total liabilities increased by \$83.2 million due to the \$70 million in bonds purchased, related \$5 million unamortized bond premium, and \$11.7 million in securities lending collateral.

**Table 1**  
**Statement of Net Assets**  
**As of September 30**  
**(in thousands)**

<b>Governmental Activities</b>			
	<b>2003</b>	<b>2002</b>	<b>\$ Change</b>
<b>Assets</b>			
Current and other assets	\$ 59,868	\$ 3,416	\$ 56,452
Capital assets	606	34	572
<b>Total Assets</b>	60,474	3,450	57,024
<b>Liabilities</b>			
Current and other liabilities	11,722	33	11,689
Long-term debt outstanding	75,041	3,500	71,541
<b>Total Liabilities</b>	86,763	3,533	83,230
<b>Net assets</b>			
Invested in capital assets, Net of related debt	0	34	(34)
Restricted	43,273	0	43,273
Unrestricted	(69,562)	(117)	(69,445)
<b>Total Net Assets</b>	(\$26,289)	(\$83)	(\$26,206)

### CHANGES IN NET ASSETS

Blueprint 2000's total revenues were \$383,000 in the 2003 fiscal year, an increase of \$344,000. Revenues were comprised solely of the investment income of the funds received from the sale of bonds. Expenses were \$26.6 million during that same period. \$1.6 million of this total was interest expenses related to the purchase of bonds, \$24 million was due to the advance to FDOT for land and right-of-way acquisition, and the remaining expenses were administrative and operational. The resulting decrease in Net Assets of \$26.2 million was expected because sales tax revenues do not begin until December 2004. The next chart shows revenues and expenses by sources and programs and the resulting change in net assets.

**Table 2**  
**Changes in Net Assets**  
**(in thousands)**

**Governmental Activities**

	<b>2003</b>	<b>2002</b>	<b>\$ Change</b>
<b>Program Revenues:</b>			
Contributions	\$ --	\$ 3	(\$3)
<b>General Revenues:</b>			
Investment Income	383	36	347
<b>Total Revenues</b>	<u>383</u>	<u>39</u>	<u>344</u>
<b>Expenses</b>			
<b>Primary Government:</b>			
Transportation	24,969	122	24,847
Interest on long-term debt	1,617	--	1,617
Depreciation	3	--	3
<b>Total Expenses</b>	<u>26,589</u>	<u>122</u>	<u>26,467</u>
<b>Decrease in Net Assets</b>	<u>(\$26,206)</u>	<u>(\$83)</u>	<u>(\$26,123)</u>
<b>Net Assets - Beginning</b>	<u>(83)</u>		
<b>Net Assets - Ending</b>	<u>(\$26,289)</u>		

**GOVERNMENTAL ACTIVITIES**

All activities are classified as governmental because expenses are funded by sales taxes, when available, and income on funds invested. Because sales tax revenues are not yet available, bonds were sold to fund projects. The cost of all activities in fiscal year 2003 was \$26.6 million, while revenues were \$383,000. The decrease in net assets was \$26.2 million. See the Statement of Revenues, Expenses, and Changes in Fund Balances in the financial statements for more details.

**Revenue Impacts:**

- Sales tax revenues for this extension of the one-cent sales tax will begin in December 2004.
- Revenues for fiscal year 2003 are from interest income and fair market value losses on the investment of the bonds proceeds.

**Expense Impacts:**

- Interest on the bonds issued and the personnel and operating costs of administering the Blueprint 2000 program.
- Contractual and professional services and other expenses related to approved Blueprint 2000 projects.
- \$24 million was advanced to FDOT for the appraisal and right-of-way acquisition for Capital Circle Northwest.

## **BLUEPRINT 2000 GOVERNMENTAL FUND**

On a fund basis, the Fund Balance at September 30, 2003 is \$47.1 million because \$74 million in long-term liabilities for bonds payable and premiums are not due and payable in the current period and therefore, are not reported in the funds. Also, expenditures of \$606,000 for capital assets, net of depreciation, are not current resources so they are not reported in the fund financial statements (see Reconciliation of Government-Wide and Fund Financial Statements).

The Fund Balance is the result of financing obtained through the sale of bonds to advance fund project activity prior to the receipt of the sales tax revenues that will fund these activities and repay the bonds. The funds from bond sales were also used to provide advance funding to the Florida Department of Transportation for right of way acquisition for the Capital Circle Northwest project.

### **BUDGETARY HIGHLIGHTS**

A schedule comparing the original budget to the final budget and the variance from the final budget to the actual results is included in the required supplementary information to the financial statements. There were no amendments to the budget during fiscal year 2003.

Primary reasons for the differences between the final budget and the actual results include:

#### Revenues

- Only the portion of the bond proceeds needed to fund fiscal year 2003's operational needs was budgeted. Actual revenues include \$5.5 million in bond proceeds allocated to fund current and next year's operations and pay the interest expense on the bonds until sales tax revenues begin. Revenues also include interest income of \$95,000 that was not budgeted.

#### Expenditures

- Savings of \$54,000 in salaries and benefits were due to positions hired later in the year than budgeted.
- \$1.5 million was budgeted for real estate appraisal services related to the Capital Circle Northwest project in the general fund. These were capital expenditures and were paid from the Special Revenue fund established for that project rather than the general fund.
- Other operational expenses that were below budget include professional fees and office space rent.

## **CAPITAL ASSETS**

During the 2003 fiscal year, land at the St. Marks River headwaters in eastern Leon County was purchased to help protect groundwater and preserve the property's forested woodlands and wet prairies. Of the total cost of \$2,340,000 paid for this property, Blueprint 2000's cost was \$585,000 with the remainder funded by the State of Florida. Fund balance was reserved for \$568,000 for the closing on this property in fiscal year 2002. This property and \$17,000 paid by Blueprint in FY 2002 for site assessments and appraisals related to this purchase comprise the land value in Blueprint's capital assets. The remaining \$25,000 in assets, before depreciation, are for office equipment, including \$7,000 purchased this fiscal year. For more details about capital assets please see the Notes to the Financial Statements, Notes I (D4) and III (B).

## **LONG-TERM DEBT**

In December 2002, the Intergovernmental Agency Board approved the sale of \$70 million in bonds to finance the first two years of Blueprint projects and to reimburse the City and County for the loans they made to Blueprint to advance fund projects. The sale of these bonds also provides funds for operational expenses and debt service payments to pay interest on the debt until the sales tax revenues will start being collected in December 2004. Closing on the bonds took place on March 25, 2003. The bond sale resulted in a 3.58% interest rate. At the end of the 2003 fiscal year, Blueprint 2000 had \$75 million in debt outstanding which is comprised of \$70 million bonds payable and \$5 million unamortized bond premium. In fiscal year 2003, loans totaling \$3.5 million were repaid to the City and County from bond proceeds. These loans were provided in fiscal year 2002 to advance fund projects and provide funds for operational needs. For more information about Blueprint's Long-term Debts see the Notes to the Financial Statements, Note III (C) and (E).

## **ECONOMIC AND OTHER FACTORS THAT MAY IMPACT BLUEPRINT 2000'S FINANCIAL POSITION**

Blueprint 2000's funding will be from the continuation of a local option one-cent sales tax. The amount of the sales tax collected is impacted by the local economy. Florida's newest Challenger Learning Center and IMAX Theater on Kleman Plaza opened in the spring of 2003. Groundbreaking on the Renaissance Center in Frenchtown also occurred in 2003. Two new condominium complexes within walking distance of each other are planned in downtown to be completed within the next few years. Combined, the projects could bring almost 200 units to downtown. Marriott Hotels is planning a 15-story hotel complex at the Civic Center that may also include condominiums. Northeast Leon County is seeing a changing landscape with the Bull Run Development, which includes a Super Center retailer, several new banks and smaller retail establishments, and a 300 unit apartment complex under construction.

This renewal of the local option sales tax begins in December 2004 and continues for 15 years. During the planning and budgeting process, projections of the state and local economy were used to estimate the tax revenues for those years and estimate the amount that would be available for approved projects.

## **FISCAL YEAR 2004'S BUDGET**

Blueprint 2000's Operating Budget for fiscal year 2004 totals \$1,259,000. Until the collection of sales tax revenue begins in December 2004, the primary funding source will be bond proceeds. Personnel expenses are budgeted at 35% of the total operating budget. In fiscal year 2003, there were three positions filled in the Agency, that of the Capital Projects Financial Manager, a Transportation Planning Administrator, and a Secretary. This brought the total staffing to five full time positions. No new positions are budgeted for fiscal year 2004. Non-personnel expenditures of \$814,000 are primarily for contractual services for general engineering consulting, stormwater, and other services related to approved projects and professional fees for the financial and performance audits and financial advising. Expenses also include allocated costs for services provided by City staff.

## **FINANCIAL CONTACT**

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of Blueprint 2000's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about the report or need additional financial information, contact the City of Tallahassee's Accounting Services Manager at Mailbox A 29, 300 South Adams Street, Tallahassee, Florida 32301-1731 or via the web at [williamd@talgov.com](mailto:williamd@talgov.com).

# **BASIC FINANCIAL STATEMENTS**

These basic financial statements provide a summary overview of the financial position as well as the operating results of Blueprint 2000. They also serve as an introduction to the more detailed statements and schedules that follow in subsequent sections:

Government-wide Financial Statements  
Blueprint 2000 Fund Financial Statements  
Notes to the Financial Statements

**BLUEPRINT 2000 INTERGOVERNMENTAL AGENCY  
STATEMENT OF NET ASSETS  
September 30, 2003  
(in thousands)**

**ASSETS**

<b>Current Assets</b>	
Cash and Cash Equivalents/Investments.....	\$ 1,068
Investments.....	2,859
Securities Lending Collateral.....	974
Accrued Interest.....	6
<b>Total Current Assets</b>	<u>4,907</u>
 <b>Restricted Assets</b>	
Cash and Cash Equivalents/Investments.....	1,228
Investments.....	42,039
Securities Lending Collateral.....	10,660
Accrued Interest.....	6
<b>Total Restricted Assets</b>	<u>53,933</u>
 <b>NonCurrent Assets</b>	
Unamortized Bond Issue Costs.....	1,028
Capital Assets, net of Accumulated Depreciation.....	606
<b>Total NonCurrent Assets</b>	<u>1,634</u>
<b>Total Assets</b>	<u>\$ 60,474</u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

**Current Liabilities**

Obligations Under Securities Lending.....	\$ 974
Annual Leave.....	16
Accounts Payable.....	72
<b>Total Current Liabilities</b>	<u>1,062</u>

**Payable from Restricted Assets**

Obligations Under Securities Lending.....	10,660
<b>Total Payable from Restricted Assets</b>	<u>10,660</u>

**NonCurrent Liabilities:**

Bonds Payable.....	70,000
Unamortized Bond Premium.....	5,041
<b>Total NonCurrent Liabilities</b>	<u>75,041</u>
<b>Total Liabilities</b>	<u>86,763</u>

**NET ASSETS**

Restricted For:	
Encumbrances.....	29
Projects.....	38,705
Debt Service.....	4,539
Unrestricted.....	(69,562)
<b>Total Net Assets</b>	<u>(26,289)</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 60,474</u>

The notes to the financial statements are an integral part of these financial statements.

**BLUEPRINT 2000 INTERGOVERNMENTAL AGENCY  
STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2003  
(in thousands)**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Charges For Service</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Net (Expense) Revenue and Changes in Net Assets</b>
					<b>Primary Government Governmental Activities</b>
<b>Primary Government:</b>					
Transportation.....	\$ 24,969	\$ --	\$ --	\$ --	\$ ( 24,969)
Depreciation Expense.....	3	--	--	--	(3)
Interest on Long Term Debt.....	1,617	--	--	--	(1,617)
Total Primary Government.....	<u>\$ 26,589</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ ( 26,589)</u>
<b>General Revenues:</b>					
					410
Interest Income .....					
Net Increase (Decrease) In Fair Value of Investments .					(27)
Change in Net Assets.....					<u>(26,206)</u>
Net Assets--October 1.....					(83)
Net Assets--September 30.....					<u>\$ ( 26,289)</u>

The notes to the financial statements are an integral part of these financial statements.

**BLUEPRINT 2000 INTERGOVERNMENTAL AGENCY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2003  
(in thousands)**

	General	Special Revenue	Debt Service	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents/Investments.....	\$ 1,068	\$ --	\$ --	\$ 1,068
Investments.....	2,859	--	--	2,859
Securities Lending Collateral.....	974	--	--	974
Accrued Interest .....	6	--	--	6
Cash and Cash Equivalents/Investments- Restricted.....	--	1,067	161	1,228
Investments-Restricted.....	--	37,662	4,377	42,039
Securities Lending Collateral-Restricted.....	10,660	--	--	10,660
Accrued Interest-Restricted .....	--	5	1	6
<b>Total Assets.....</b>	<b>\$ 15,567</b>	<b>\$ 38,734</b>	<b>\$ 4,539</b>	<b>\$ 58,840</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Obligations Under Securities Lending.....	\$ 974	\$ --	\$ --	\$ 974
Accounts Payable.....	72	--	--	72
Annual Leave.....	16	--	--	16
Obligations Under Securities Lending-Restricted.....	10,660	--	--	10,660
<b>Total Liabilities .....</b>	<b>11,722</b>	<b>--</b>	<b>--</b>	<b>11,722</b>
<b>Fund Balance</b>				
Reserved for:				
Encumbrances.....	140	29	--	169
Projects.....	--	6,109	--	6,109
Debt Service.....	--	--	4,539	4,539
<b>Total Reserved.....</b>	<b>140</b>	<b>6,138</b>	<b>4,539</b>	<b>10,817</b>
Unreserved.....	3,705	32,596	--	36,301
<b>Total Unreserved.....</b>	<b>3,705</b>	<b>32,596</b>	<b>--</b>	<b>36,301</b>
<b>Total Fund Balance.....</b>	<b>3,845</b>	<b>38,734</b>	<b>4,539</b>	<b>47,118</b>
<b>Total Liabilities and Fund Balance.....</b>	<b>\$ 15,567</b>	<b>\$ 38,734</b>	<b>\$ 4,539</b>	<b>\$ 58,840</b>

The notes to the financial statements are an integral part of these financial statements.

**BLUEPRINT 2000 INTERGOVERNMENTAL AGENCY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
September 30, 2003  
(in thousands)**

<b>Total Fund Balance per the Governmental Fund Financial Statements</b>	\$ 47,118
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Long-term liabilities and related assets, including bonds payable, premiums, discounts, and issue costs are not due and payable in the current period and, therefore, not reported in the funds.	(74,013)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	606
<b>Total net assets per the Government-wide Statement of Net Assets</b>	<u><u>\$ (26,289)</u></u>

**The notes to the financial statements are an integral part of these financial statements.**

**BLUEPRINT 2000 INTERGOVERNMENTAL AGENCY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**September 30, 2003**  
(in thousands)

	General	Special Revenue	Debt Service	Total Governmental Funds
<b>Revenues:</b>				
Interest Earned.....	\$ 95	\$ 262	\$ 53	\$ 410
Decrease in FMV of Investments.....	(27)	--	--	(27)
<b>Total Revenues.....</b>	<b>68</b>	<b>262</b>	<b>53</b>	<b>383</b>
<b>Expenditures:</b>				
Current:				
Transportation.....	576	24,968	--	25,544
Debt Service:				
Interest.....	69	--	1,548	1,617
Principal.....	3,500	--	--	3,500
Bond Issue Costs.....	--	--	1,028	1,028
<b>Total Expenditures.....</b>	<b>4,145</b>	<b>24,968</b>	<b>2,576</b>	<b>31,689</b>
<b>Deficiency of Revenues Under Expenditures.....</b>	<b>(4,077)</b>	<b>(24,706)</b>	<b>(2,523)</b>	<b>(31,306)</b>
<b>Other Financing Sources:</b>				
Bond Proceeds.....	5,528	57,410	7,062	70,000
Bond Premium.....	--	5,041	--	5,041
Transfer to Blueprint 2000 Project Fund.....	(404)	404	--	--
<b>Total Other Financing Sources.....</b>	<b>5,124</b>	<b>62,855</b>	<b>7,062</b>	<b>75,041</b>
<b>Net Change in Fund Balance.....</b>	<b>1,047</b>	<b>38,149</b>	<b>4,539</b>	<b>43,735</b>
Fund Balances-October 1.....	2,798	585	--	3,383
<b>Fund Balances-September 30.....</b>	<b>\$ 3,845</b>	<b>\$ 38,734</b>	<b>\$ 4,539</b>	<b>\$ 47,118</b>

The notes to the financial statements are an integral part of these financial statements.

**BLUEPRINT 2000 INTERGOVERNMENTAL AGENCY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
September 30, 2003  
(in thousands)**

**Net Changes in Fund Balance per the Governmental Fund Financial Statements** \$ 43,735

Amounts reported for governmental activities in the Statement of Net Assets are different because:

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (70,513)

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 572

**Change in net assets per the Government-wide Statement of Activities** \$ (26,206)

The notes to the financial statements are an integral part of these financial statements.

# **NOTES TO THE FINANCIAL STATEMENTS**

NOTE I – Summary of Significant Accounting Policies

NOTE II – Stewardship, Compliance, and Accountability

NOTE III – Detail Notes - All Funds

NOTE IV – Other Information

# **BLUEPRINT 2000**

## **NOTES TO FINANCIAL STATEMENTS**

September 30, 2003

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The financial statements of the Blueprint 2000 Intergovernmental Agency (the “Agency”) have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with the subsequent GASB pronouncements (Statements and Interpretations) constitutes GAAP for governmental units. The most significant of these accounting policies are described below.

Effective October 1, 2001, the Agency adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, GASB Statement No. 37, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments; Omnibus, and GASB Statement No. 38, Certain Financial Statement Note Disclosures. Accordingly, the Agency’s statements have been prepared in accordance with the presentation requirements of GASB 34 for fund financial statements, in a format permitted by Sections 10.557(3), Rules of the Auditor General for Local and Governmental Entity Audits. The implementation of GASB 34, 37 and 38 had no effect on financial statement amounts.

As part of GASB Statement No. 34, there is a new reporting requirement regarding the local government’s infrastructure. This requirement permits an optional four-year delay for implementation to the fiscal year ended in 2006. The Agency opted to implement the entire Statement in fiscal year 2002.

#### **A. REPORTING ENTITY**

In October 2000, the Agency was created through an inter-local agreement between the City of Tallahassee and Leon County, Florida as authorized by Section 163.01(7) Florida Statutes. It was created to govern the project management structure for the project planning and construction of projects on a list included in the inter-local agreement. The City Commission and the Board of County Commissioners constitute the Agency’s Board of Directors.

The revenues to fund the projects under the inter-local agreement will be collections of the 1% local government infrastructure sales surtax, beginning December 1, 2004, extended pursuant to the provisions in Section 212.055, Florida Statutes, until December 31, 2019. The Agency will receive 80% of the collections of the tax to fund its projects and the remaining 20% will be split evenly between the City and the County to fund other local government priorities. Until the tax collections commence in December 2004, the Agency’s projects will be funded from the proceeds of the March 2003 Sales Tax Revenue bond issue. See Note III. E. for more information on the bond issue.

# **BLUEPRINT 2000**

## **NOTES TO FINANCIAL STATEMENTS**

September 30, 2003

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### **NOTE I (CONTINUED)**

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements report information on all of the activities of the Agency. These statements include the Statement of Net Assets and the Statement of Activities prepared in accordance with GASB 34. Separate fund financial statements are also included.

Separate fund financial statements are provided for the individual governmental funds of the Agency. These are the only type of funds the Agency has. All funds are treated as major funds and are therefore presented in separate columns in the fund financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those expenses that are clearly identifiable with a specific function or segment. Program revenues are revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. Their revenues reduce the net cost of the function to be financed from the government revenues. There were no program revenues in fiscal 2003 to offset direct expenses.

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

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.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, it is the Agency's policy to use restricted resources first, and then unrestricted resources as they are needed.

## **BLUEPRINT 2000**

### **NOTES TO FINANCIAL STATEMENTS**

September 30, 2003

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#### **NOTE I (CONTINUED)**

Interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available by the Agency.

The Agency reports the following major governmental funds:

- The general fund is the Agency's primary operating fund. It accounts for all financial resources of the Agency, except those required to be accounted for in another fund.
- The special revenue fund currently accounts for bond proceeds which are being used for the City/County joint projects listed in the Interlocal Agreement. Once the 2004 Sales Tax Extension money begins to be collected in December 2004, 80% of that money will be put into this fund for the same purpose.
- The debt service fund is used for the accumulation of resources for the payment of interest and principal on bonds issued in March 2003.

#### **D. ASSETS, LIABILITIES, AND NET ASSETS**

**1. CASH AND CASH EQUIVALENTS** - The Agency considers cash on hand and demand deposits with an original maturity of 90 days or less to be cash and cash equivalents.

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

**3. RESTRICTED ASSETS** - Certain proceeds of the Agency's revenue bonds, certain resources set aside for their repayment, and certain other amounts, are classified as restricted assets on the Statement of Net Assets because their use is limited by applicable bond covenants or are otherwise restricted for use by the Agency.

**4. CAPITAL ASSETS** - Capital assets, which include land and equipment, are reported as a governmental activity in the government-wide financial statements. Capital assets are defined as assets with a cost of

# BLUEPRINT 2000

## NOTES TO FINANCIAL STATEMENTS

September 30, 2003

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### NOTE I (CONTINUED)

\$750 or more and an estimated useful life greater than one year. Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most general capital assets. Examples of such assets are roads, bridges, sidewalks, paved paths, stormwater drainage systems, traffic control and lighting systems. The capitalization threshold for infrastructure assets has been set at \$100,000 for roadways and \$50,000 for other infrastructure assets.

Capital assets are recorded at historical cost when purchased. Donated capital assets are recorded at the estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets used in governmental activities are not considered financial resources and are reported as capital outlay expenditures in the governmental fund financial statements. Capital assets, primarily consisting of equipment, are depreciated using the straight-line method over an estimated useful life of 5 to 10 years. Infrastructure assets are generally depreciated over a 10 to 50 year useful life.

**5. COMPENSATED ABSENCES** - The agency has adopted the City of Tallahassee's personnel policy and procedures, so all staff are subject to the City of Tallahassee's compensated absences policy. All permanent employees earn vacation and sick leave starting with the first day of employment. Accumulated current and long-term vacation and sick pay amounts are accrued when the liability is incurred.

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.

# BLUEPRINT 2000

## NOTES TO FINANCIAL STATEMENTS

September 30, 2003

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### NOTE I (CONTINUED)

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.

**6. BOND PREMIUM AND ISSUANCE COSTS** - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premium issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**7. FUND BALANCE** - Reserved fund balances represent encumbrances outstanding at year end, amounts appropriated for projects that have not been encumbered, and amounts set aside for debt service payments that will be made before the sales tax revenues begin to be collected.

# **BLUEPRINT 2000**

## **NOTES TO FINANCIAL STATEMENTS**

September 30, 2003

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

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#### **A. BUDGETARY INFORMATION**

Annual budgets are adopted on a budgetary basis for the general fund. The difference between budgetary revenues and expenditures and modified accrual basis revenues and expenditures as reported in the fund financial statements are explained in the budgetary comparison schedule notes in the Required Supplementary Information of this report. The Board of Directors must approve any revision that alters the total expenditures of the Agency's operating budget. At year-end, the Agency requests unencumbered appropriations are carried forward for use in future years. The board must also approve this request.

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. Encumbrances outstanding at year-end are reported as reservations of fund balance, and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

#### **B. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS**

The Agency had no material violations of finance-related legal and contractual provisions.

#### **C. DEFICIT NET ASSETS - GOVERNMENT-WIDE**

At September 30, 2003, the Agency had a deficit in net assets of \$26 million. This resulted from the advance to the Florida Department of Transportation that resulted in a decrease in cash with no offsetting increase in assets. See Note IV.C. The deficit will be eliminated with the collection of the Sales Tax money that will begin in December 2004.

## **BLUEPRINT 2000**

### **NOTES TO FINANCIAL STATEMENTS**

September 30, 2003

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#### **NOTE III - DETAIL NOTES - ALL FUNDS**

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##### **A. DEPOSITS, INVESTMENTS, AND SECURITIES LENDING TRANSACTIONS**

The Agency has adopted the City's investment policy and participates in the City of Tallahassee's 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.

**1. DEPOSITS** – The Agency's deposits are insured by federal depository insurance. The State of Florida's Public Deposit Act insures the amount in excess of such federal depository insurance. 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. The City's banking arrangement requires daily cash balances to be invested in a Public Funds NOW account at the federal fund rate, less ten basis points.

The City of Tallahassee's deposits policy is described in more detail in the City's Comprehensive Annual Financial Report. That report may be obtained by writing to Accounting Services Division, 300 South Adams Street, Tallahassee, Florida 32301 or by calling 850-891-8520.

**2. INVESTMENTS** – The Agency participates in the City of Tallahassee's investment pool, therefore, the investment policies used by the Agency are the Non-Pension Investment policies of the City. This investment policy provides for a Core Portfolio, governing the investment of all monies held by the City, not otherwise classified as Specialized or Pension monies.

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

# BLUEPRINT 2000

## NOTES TO FINANCIAL STATEMENTS

September 30, 2003

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### NOTE III (CONTINUED)

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.

Authorized investment instruments for the City's 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

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.

At September 30, 2003, the Agency's investment balance was \$44,898,000 and was invested in the Florida State Board of Administration Local Government Surplus Funds Investment Pool. Total accrued interest at September 30, 2003 was \$12,000.

**3. SECURITIES LENDING TRANSACTIONS** – The Agency participates in security lending transactions through its participation in the City of Tallahassee's cash and investment pool. The City of Tallahassee participates in security lending transactions via a Securities Lending Agreement with State Street Bank & Trust Company ("State Street") that authorizes the banking institution to lend the City's securities to broker-dealers and banks pursuant to a loan agreement.

During the 2003 fiscal year, State Street lent, at the direction of the City, the City and the Agency's securities and received cash, securities issued or guaranteed by the United States government, and irrevocable bank letters of credit as collateral. The institution did not have the ability to pledge or sell

# BLUEPRINT 2000

## NOTES TO FINANCIAL STATEMENTS

September 30, 2003

### NOTE III (CONTINUED)

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 2003 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 2003 fiscal year. Moreover, there were no losses during the 2003 fiscal year resulting from a default of the borrower.

During the 2003 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 pension investment pool as of September 30, 2003 was 81 days and an average weighted maturity of 471 days. The average duration of the non-pension investment pool as of September 30, 2003 was 68 days and an average weighted maturity of 482 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, 2003, the City had no credit risk exposure to borrowers.

For further information on the securities lending transactions, see the City of Tallahassee Comprehensive Annual Financial Report. That report may be obtained by writing to Accounting Services Division, 300 South Adams Street, Tallahassee, Florida 32301 or by calling 850-891-8520.

### B. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2003 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets				
Non-Depreciable Assets:				
Land.....	\$ 17	\$ 568	\$ --	\$ 585
Depreciable Assets:				
Equipment.....	18	7	--	25
	<u>\$ 35</u>	<u>\$ 575</u>	<u>\$ --</u>	<u>\$ 610</u>
Less accumulated depreciation for:				
Equipment.....	(1)	(3)	--	(4)
Capital assets, net	<u>\$ 34</u>	<u>\$ 572</u>	<u>\$ --</u>	<u>\$ 606</u>

# **BLUEPRINT 2000**

## **NOTES TO FINANCIAL STATEMENTS**

September 30, 2003

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### **NOTE III (CONTINUED)**

Depreciation expense of \$3,000 was charged to functions/programs of the primary government during the year ended September 30, 2003.

#### **C. UNAMORTIZED BOND ISSUE COSTS**

On March 1, 2003, the Agency issued \$70,000,000 in sales tax revenue bonds and incurred issue costs that totaled \$1,028,000. These costs will be amortized over the life of the bonds. See Note III. E. for more information on the bond issue.

#### **D. REPAYMENT OF LOANS**

During fiscal year 2002, the Agency received loans from Leon County and the City of Tallahassee totaling \$3,500,000 to fund operations. The loans bear interest at 3% per annum. The loans were recorded as Due to Other Governments at September 30, 2002, and were repaid during the current year with proceeds from a bond issue. See Note III. E. for more information on the bond issue.

#### **E. SALES TAX REVENUE BONDS AND UNAMORTIZED BOND PREMIUM**

**SALES TAX REVENUE BONDS, SERIES 2003** - On March 1, 2003, the Agency issued \$70,000,000 in sales tax revenue bonds. The bonds will be repaid beginning October 2005, however, interest will be paid biannually until then. Interest rates range from 2% to 5%. The bond issue yielded a premium of \$5,041,000 that will be amortized over the life of the bond.

The bond proceeds were used in the current year to repay the loans outstanding as of September 30, 2002 from the City of Tallahassee and Leon County which were discussed in Note III.D. In addition, the proceeds were used to begin work on several Blueprint 2000 projects and for operations in the current year. The remainder of the proceeds will be used for projects, debt service, and operations until the sales tax collections begin in December 2004. The bond proceeds are limited obligations of the Agency and will be paid exclusively from pledged revenues consisting of sales tax revenues (80% of the 1% local government infrastructure surtax revenues), monies on deposit in the funds and accounts established by the Bond Resolution, and investment earnings.

**BLUEPRINT 2000**

NOTES TO FINANCIAL STATEMENTS  
September 30, 2003

NOTE III (CONTINUED)

The following is the schedule of debt service requirements (in thousands):

Fiscal Year	Principal	Interest	Total Debt Service
2004	\$ --	\$ 3,014	\$ 3,014
2005	3,490	3,014	6,504
2006	3,560	2,944	6,504
2007	3,670	2,837	6,507
2008	3,740	2,764	6,504
2009-2013	21,705	10,819	32,524
2014-2018	27,590	4,938	32,528
2019	6,245	258	6,503

The following is a summary of the changes in Long Term Debt for the Agency for the year ended September 30, 2003 (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Sales Tax Revenue Bonds .....	\$ —	\$ 70,000	\$ —	\$ 70,000
Total Long Term Debt	<u>\$ —</u>	<u>\$ 70,000</u>	<u>\$ —</u>	<u>\$ 70,000</u>

# BLUEPRINT 2000

## NOTES TO FINANCIAL STATEMENTS

September 30, 2003

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### NOTE IV - OTHER INFORMATION

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#### A. PENSION PLAN OBLIGATIONS

Staff of the Agency has the option of participating in either the City of Tallahassee or the Leon County benefits program. If an employee elects to participate in the Leon County program, they are eligible to participate in the Florida Retirement System, a cost sharing multiple-employer defined benefit public employee retirement system administered by the State of Florida. If the employee elects to participate in the City of Tallahassee program, they are eligible to participate in the City of Tallahassee's pension plan, a single-employer defined benefit plan. Currently, all employees of the Agency participate in the City of Tallahassee's 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 on the Pension Plans. The provisions of the Plan are "qualified" under the Internal Revenue Service Code, which makes employee contributions tax deferred.

**1. 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.

**2. 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 but 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 employee's MAP account) plus accrued earnings thereon are 100% refundable if the employee elects to terminate his or her vesting rights or is not vested at the date of employment termination.

# **BLUEPRINT 2000**

## **NOTES TO FINANCIAL STATEMENTS**

September 30, 2003

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### **NOTE IV (CONTINUED)**

**3. 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, 14 years; Police Officers, 12 years; and Firefighters, 13 years.

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. Agency employee related contributions during fiscal year 2003 totaling \$34,000 were made in accordance with contribution requirements determined through an actuarial valuation performed as of September 30, 2001.

Contributions to the Defined Benefit Plan in 2003 amounted to \$19,000 of which \$14,000 and \$5,000 were made by the Agency and its employees, respectively. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of September 30, 2001.

The City of Tallahassee Retirement Plan is described in more detail in the City's Comprehensive Annual Financial Report. That report may be obtained by writing to Accounting Services Division, 300 South Adams Street, Tallahassee, Florida 32301 or by calling 850-891-8520.

### **B. OTHER COMMITMENTS**

**1. CAPITAL CASCADES TRAIL CONSULTANT SELECTION-** On September 9, 2003, the Agency authorized a contract to be signed with Genesis Group for the completion of Phase I, "Capital Cascade Trail Stormwater Management Plan" and Phase II, "Corridor Planning/Concepts" not to exceed \$1,400,000 plus a 10% contingency.

**2. CAPITAL CASCADES TRAIL LAND USE SECTOR STUDY-** On September 9, 2003, the Agency authorized advance funding, not to exceed \$150,000 plus a 10% contingency, for the Land Use Sector Study to be

# **BLUEPRINT 2000**

## **NOTES TO FINANCIAL STATEMENTS**

September 30, 2003

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### **NOTE IV (CONTINUED)**

conducted by a consultant to the City of Tallahassee Leon County Planning Department. The Agency will be reimbursed at a future date for these costs.

**3. SPRINGHILL ROAD ISSUES-** On September 9, 2003, the Agency agreed to include Springhill Road on the Preliminary Design & Engineering study for Capital Circle SW. The cost estimate is approximately \$350,000 to \$500,000.

**4. CAPITAL CIRCLE NW/SW PD&E SCOPE OF SERVICES-** On September 9, 2003, the Agency authorized the advertisement of consultant services for the Capital Circle NW/SW expanded PD&E Study at a cost not to exceed \$1,300,000 plus a 10% contingency.

**5. ENVIRONMENTAL PROTECTION AGENCY (EPA) GRANT-** On November 19, 2001, the Agency approved reimbursement to the City of Tallahassee in the amount of \$1,346,000 related to a grant received by the City of Tallahassee from the EPA. The grantor is funding 55% or \$1,645,000 of the grant, and the grantee, the City of Tallahassee, is matching 45% or \$1,346,000. The Agency will then reimburse the City of Tallahassee for the City's match portion. The grant is for improvements to the stormwater system in the Frenchtown area to alleviate flooding conditions that cause water quality problems, traffic hazards, property damage and disruption of emergency services such as fire, police, and emergency aid vehicles.

**6. JACKSON BLUFF ROAD EXTENSION-** On July 9, 2001, the Agency approved the use of Agency funds to pay back the design costs of Jackson Bluff Road from Lake Bradford Road to Railroad Avenue. The amount of this commitment is estimated at \$750,000.

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

As of September 30, 2003, the Agency had advanced \$24,048,000 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 advance monies are treated as a gain contingency at September 30, 2003.

### **D. SUBSEQUENT EVENTS**

**AGREEMENT WITH NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT-** On December 12, 2003, the Agency signed an agreement with the Northwest Florida Water Management District (District) whereby, the Agency and the District each agreed to commit an amount not less than \$500,000 per year for five years for the acquisition and protection of certain lands within Leon County. The Agency will use Sales Tax funds and the District will use Florida Forever land acquisition funds.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

THIS SUBSECTION CONTAINS THE FOLLOWING:

Budgetary Comparison Schedule  
Notes to Required Supplementary Information

**BLUE PRINT 2000 INTERGOVERNMENTAL AGENCY  
REQUIRED SUPPLEMENTARY INFORMATION  
Budgetary Comparison Schedule  
For the Year Ended September 30, 2003  
(in thousands)**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Positive (Negative)</u>
<b>Budgetary Fund Balance - October 1</b>	\$ 200	\$ 200	\$ 200	\$ --
<b>Resources</b>				
Interest Earned.....	--	--	95	95
Bond Proceeds.....	2,551	2,551	5,528	2,977
Amounts Available for Appropriation.....	<u>2,751</u>	<u>2,751</u>	<u>5,823</u>	<u>3,072</u>
<b>Charges to Appropriations</b>				
Transportation.....	2,347	2,347	576	1,771
Principal Payment on Loans.....	--	--	3,500	(3,500)
Interest Payment on Loans.....	--	--	69	(69)
Transfers to Blueprint 2000 Joint City/County Fund.....	404	404	404	--
Total Expenditures.....	<u>2,751</u>	<u>2,751</u>	<u>4,549</u>	<u>(1,798)</u>
<b>Budgetary Fund Balance - September 30</b>	\$ --	\$ --	\$ 1,274	\$ 1,274

**BLUE PRINT 2000 INTERGOVERNMENTAL AGENCY  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTE TO RSI  
For the Year Ended September 30, 2003  
(in thousands)**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows  
and GAAP Revenues/Transfers In and Expenditures/Transfers Out**

**Inflows of Resources**

Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule.	\$ 5,823
Differences - budget to GAAP	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(200)
The decrease in the fair market value of investments is a reduction of revenue for financial reporting purposes but is not considered a budgetary outflow.	(27)
Total Revenues/Transfers In as reported on the statement of revenues, expenditures, and changes in fund balances.	\$ 5,596

**Outflows of Resources**

Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedule.	4,549
Differences - budget to GAAP	
There are no differences in the budget to GAAP amounts this year.	
Total Expenditures/Transfers Out as reported on the statement of revenues, expenditures, and changes in fund balances.	\$ 4,549

CITY OF TALLAHASSEE - LEON COUNTY

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**BLUEPRINT**  
INTERGOVERNMENTAL AGENCY **2000**  
& BEYOND

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# **STATISTICAL SECTION**

Government-wide Revenues

Government-wide Expenses by Function

General Governmental Revenues by Source

General Governmental Expenditures by Function

Demographic Statistics

Miscellaneous Statistical Data

**BLUEPRINT 2000**  
**COMMENTS ON THE STATISTICAL SECTION**  
**September 30, 2003**

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 Agency 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.

**GOVERNMENT-WIDE REVENUES**  
**Fiscal Year Ended September 30, 2003**  
(in thousands)

Fiscal Year	Capital Contributions	Interest	Net Decrease in FMV of Investments	Total
2002	\$ 3	\$ 36	\$ --	\$ 39
2003	--	410	(27)	383

**GOVERNMENT-WIDE EXPENSES BY FUNCTION**  
**Fiscal Year Ended September 30, 2003**  
(in thousands)

Fiscal Year	General Government	Transportation	Depreciation on Infrastructure	Interest on Long-Term Debt	Total
2002	\$ 122	\$ 122	\$ 122	\$ --	\$ 366
2003	--	24,969	3	1,617	26,589

**GENERAL GOVERNMENTAL  
REVENUES BY SOURCE**

**Fiscal Year Ended September 30, 2003  
(in thousands)**

<u>Fiscal Year</u>	<u>Interest</u>	<u>Proceeds from Loans</u>	<u>Decrease in FMV of Investments</u>	<u>Bond Proceeds</u>	<u>Total Revenue</u>
2002	\$ 36	\$ 3,500	\$ --	\$ --	\$ 3,536
2003	95	--	(27)	5,528	5,596

**GENERAL GOVERNMENTAL  
EXPENDITURES BY FUNCTION**

**Fiscal Year Ended September 30, 2003  
(in thousands)**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Physical Environment</u>	<u>Transportation</u>	<u>Transfers Out</u>	<u>Total</u>
2002	\$ 136	\$ 17	\$ --	\$ --	\$ 153
2003	3,569	--	576	404	4,549

**LEON COUNTY, FLORIDA  
DEMOGRAPHIC STATISTICS  
Last Ten Fiscal Years**

Year	Population <sup>(1)</sup>	Retail <sup>(2)</sup> Sales (000's)	Per Capita Income <sup>(3)</sup>	School Enrollment <sup>(4)</sup>	Unemployment Rate <sup>(5)</sup> %		
					Leon County	Florida	United States
1994	205,814	\$2,017,386	\$21,133	28,669	4.0	6.6	6.1
1995	217,533	2,470,375	22,595	29,461	2.8	5.5	5.6
1996	221,621	2,576,189	23,814	29,453	2.9	5.1	5.4
1997	227,714	4,555,420	24,914	29,399	2.9	4.8	4.9
1998	233,232	4,725,846	26,620	29,728	2.8	4.5	4.5
1999	237,637	4,916,757	27,748	29,641	2.5	3.9	4.2
2000	239,452	5,268,440	26,564	29,979	2.3	3.6	4.0
2001	244,208	5,613,704	N/A	30,064	2.6	4.3	4.8
2002	248,039	5,603,261	N/A	30,070	3.4	5.3	5.8
2003	255,500	5,655,887	21,557	35,515	2.9	4.7	5.6

Source: City Records except as noted below

- (1) University of Florida, Bureau of Economic and Business Research
- (2) Florida Department of Revenue - Leon County Gross and Taxable Sales
- (3) U. S. Census Bureau
- (4) Leon County Public School Board
- (5) Florida Bureau of Labor Market Information

**BLUEPRINT 2000 INTERGOVERNMENTAL AGENCY  
MISCELLANEOUS STATISTICAL DATA  
September 30, 2003**

**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.....	9
Hospital Beds .....	951
Average Annual Temperature .....	67.83 Degrees
Average Annual Rainfall.....	44.42 Inches
Area (in square miles) .....	96.58

**Education**

Number of Public Schools.....	50
Number of Public School Instructors .....	2,009
Number of Public School Students, (PK-12) .....	31,244
Number of Vocational-Technical Schools .....	1
Number of Community Colleges .....	1
Number of Universities .....	2
Number of College-level Instructors .....	4,112
Number of College-level Students .....	61,885

**Parks and Recreation**

Community Centers and Specialty Centers .....	10
Summer Playgrounds and Camps.....	26
Athletic Fields .....	84
Golf Courses.....	2
Swimming Pools .....	9

**BLUEPRINT 2000 INTERGOVERNMENTAL AGENCY  
MISCELLANEOUS STATISTICAL DATA  
September 30, 2003**

**Parks and Recreation (continued)**

Park land Acreage .....	3,950
Fitness Trails .....	19
Tennis/Racquetball Courts .....	69
Gymnasium, Center Sites .....	7
Gymnasium, School Sites .....	12

**Transportation**

Airport:

Nearest Commercial Airport .....	Tallahassee Regional Airport
Average Number of daily flights .....	130
Airlines Serving Airport .....	6
Length of longest runway (in feet) .....	8,000
Number of Passengers (2003) .....	1,082,585

Highways:

Federal Interstates .....	I-10
Federal Highways .....	US-90, 27,319
State Highways .....	SR-20, 61, 63 263, 363, 366, 369, 371

Railroad Services .....	Amtrak, CSX Transportation
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Bus Service:

Local .....	Taltran
Inter-city .....	Greyhound

Source: City of Tallahassee and Leon County Records

CITY OF TALLAHASSEE - LEON COUNTY

**BLUEPRINT**  
INTERGOVERNMENTAL AGENCY **2000**  
& BEYOND

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# **ADDITIONAL REPORTING REQUIREMENTS**

Additional Elements Required by the *Rules of the Auditor General*:

## FOR THE ENTITY

Independent Auditors' Report  
on Compliance and on Internal Control Over  
Financial Reporting Based on an Audit of Basic Financial Statements  
Performed in Accordance with *Government Auditing Standards*

## OTHER

Management Comments

CITY OF TALLAHASSEE - LEON COUNTY

**BLUEPRINT**  
INTERGOVERNMENTAL AGENCY **2000**  
& BEYOND

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**Independent Auditors' Report on Compliance and on  
Internal Control Over Financial Reporting  
Based on an Audit of Basic Financial Statements  
Performed in Accordance with *Government Auditing Standards***

The Chairman and Members of the Board  
of the Blueprint 2000 Intergovernmental Agency

We have audited the basic financial statements of the Blueprint 2000 Intergovernmental Agency (the "Agency") as of and for the year ended September 30, 2003, and have issued our report thereon dated December 19, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, and any amendments thereto, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

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

Page Two

We have noted other matters pursuant to the *Rules of the Auditor General*, Chapter 10.550 that we have reported to the management of the Agency in a separate management comment letter dated December 19, 2003.

This report is intended for the information and use of management, others within the organization, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

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

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

*Thomas Howell Ferguson P.A.*

Thomas Howell Ferguson P.A.

December 19, 2003

## Management Letter

The Chairman and Members of the Board  
of the Blueprint 2000 Intergovernmental Agency

We have audited the basic financial statements of the Blueprint 2000 Intergovernmental Agency (the "Agency") as of and for the year ended September 30, 2003, and have issued our report thereon dated December 19, 2003.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, and any amendments thereto, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the basic financial statements of the Agency for the year ended September 30, 2003, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting.

Our Report on Compliance and on Internal Control over Financial Reporting, concerning the presence of any significant matters which came to our attention in the course of our audit, has been presented in a separate letter dated December 19, 2003. The purpose of this letter is to communicate certain matters pursuant to the Rules of the Auditor General.

### Disposition of September 30, 2002 ("Prior Year") Recommendation

During our September 30, 2003 ("current year") audit procedures, we noted that the following prior year recommendation was implemented, performed, or otherwise addressed by the Agency.

Design the Agency's organizational structure and operating procedures to accommodate increased transaction volume while maintaining appropriate internal controls.

Prior Year  
Reference

02-1

**Rules of the Auditor General**

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

The name or official title and legal authority for the entity are disclosed in Note I of the Notes to Financial Statements.

Nothing came to our attention that caused us to believe that the Agency during the fiscal year was not in compliance with Section 218.415, Florida Statutes, regarding investments in public funds.

We reviewed the disposition of the comments and recommendations included in the prior year management letter dated January 31, 2003, and have documented our findings within this letter.

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

\* \* \* \* \*

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

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

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

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