

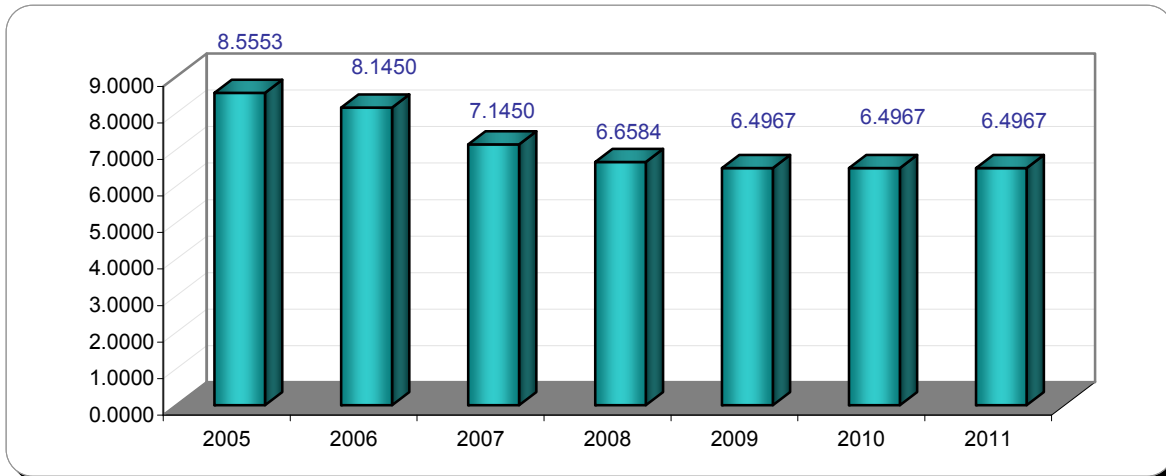


Schedule of Ad Valorem Taxes and Required Millage

	<i>2009/2010</i>		<i>2010/2011</i>	
	REVENUE	MILLAGE	REVENUE	MILLAGE
<i>BOCC County-Wide</i>				
General Fund	\$ 49,817,772	4.9447	\$ 47,539,858	4.9447
Road & Bridge	6,923,178	0.6872	6,606,951	0.6872
Health Department	987,342	0.0980	942,202	0.0980
<i>BOCC County-Wide Total</i>	<i>\$ 57,728,292</i>	<i>5.7299</i>	<i>\$ 55,089,011</i>	<i>5.7299</i>
<i>Special Districts</i>				
Library Services	\$ 3,125,241	0.3102	\$ 2,982,358	0.3102
Fire Rescue	4,383,090	0.4566	4,173,807	0.4566
<i>Special Districts Total</i>	<i>\$ 7,508,331</i>	<i>0.7668</i>	<i>\$ 7,156,165</i>	<i>0.7668</i>
<i>Total Millage</i>	<i>\$ 65,236,623</i>	<i>6.4967</i>	<i>\$ 62,245,176</i>	<i>6.4967</i>

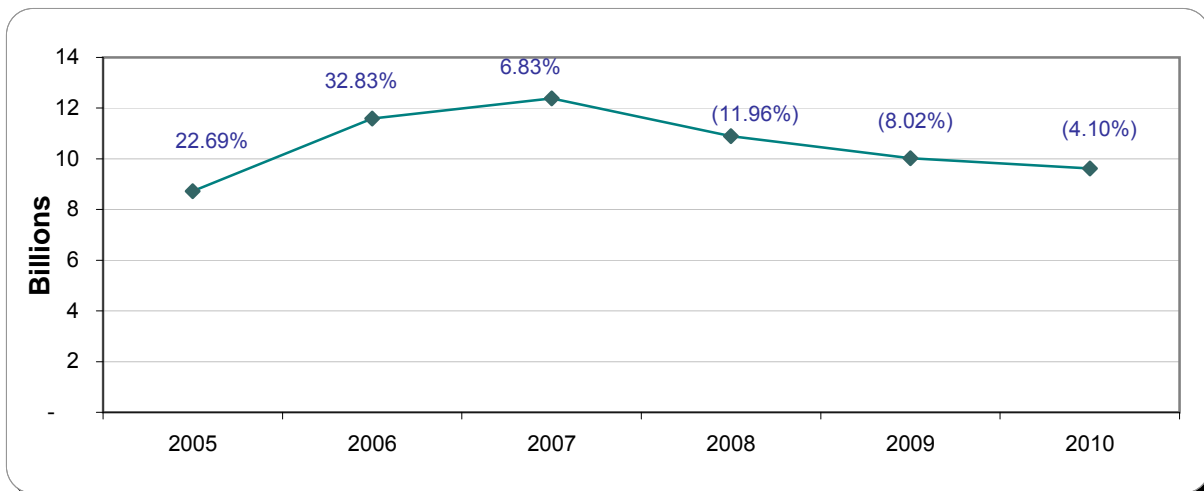


Millage Rate History

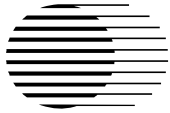


The above chart represents the adopted and county-wide millage rates. The millage rate of 6.4967 is well below maximum millage rate allowable of 8.4413. The millage rate will generate \$62,245,176 as opposed to the maximum millage rate allowable could generate \$83,121,479 in ad valorem taxes. While the millage rate remains the same, less ad valorem taxes will be generated due to the taxable value decrease of approximately 4.1%.

Taxable Value History



The above chart represents the historical taxable value with the percentage increase/(decrease) from the prior year. The chart depicts a three year decline of 22.3 percent following unprecedented growth in 2005 and 2006.



Property Tax on Average Residential Home

with a Taxable Value of 111,600 less the Homestead Exemption of \$25,000 and less a Non-School Exemption of \$25,000 for values between \$50,000 and \$75,000



Total Tax Bill \$1,150.41

Hospital	15.40
Mosquito Control	18.43
SWFWMD (Withlacochee)	37.44

This represents a typical Ad Valorem tax notice. Ad Valorem taxes account for approximately 60% of the General Fund revenues. Ad Valorem taxes are levied against real estate and certain personal, non-real estate property held for commercial or investment purposes. The notice of Ad Valorem taxes which is mailed out to property owners of record in Citrus County incorporates a millage rate made up of five components. Millage is an expression of the number of mills per dollar of assessed valuation levied.

The Homestead Exemption is available to permanent residents of the County, and excludes the first \$25,000 of appraised value. On January 29, 2008, an amendment was approved which provides an additional \$25,000 of homestead exemption for values between \$50,000 and \$75,000. This additional exemption does not apply to the School.

THE COMPONENTS OF THE 2010 AD VALOREM TAX BILL ARE AS FOLLOWS:

MILLAGE RATE

TAXING AUTHORITY

6.4967	General Government - Represents the operating millage levied by the County and goes toward providing county-wide functions including the Sheriff, courts and judicial systems, health department, parks and other government responsibilities; maintenance of road systems for residents in unincorporated areas; provide library services; provide fire protection;
7.8400	Public Schools - Comprised of 5.3420 local effort required of the Citrus County School Board by the State, .9980 discretionary millages and 1.5000 mills for district local capital improvements of the Citrus County School Board;
0.2500	Hospital - Levy for the Citrus Memorial Hospital;
0.2992	Mosquito Control - Levy by the Mosquito Control District;
0.6078 (Withlacochee)	Water Management - Levy by the Southwest Florida Water Management District; to provide protection of water and waterways in Citrus County.

Total Millage 15.4937



Summary of Total Budget

	2009/2010	2010/2011	% Change
General Fund	\$ 85,763,064	\$ 84,392,746	-1.60%
Health Department	1,001,849	964,752	-3.70%
Transportation Funds	27,685,616	28,770,705	3.92%
Debt Service Funds	2,470,000	3,829,200	55.03%
Special Revenue Funds	8,970,968	8,924,093	-0.52%
Internal Service Funds	12,492,693	12,574,206	0.65%
Enterprise Funds	76,319,599	70,218,146	-7.99%
Special Assessments	6,804,029	6,182,129	-9.14%
Impact Fees	8,801,069	5,634,352	-35.98%
Library Services	4,936,603	4,264,390	-13.62%
Fire Rescue	<u>5,402,947</u>	<u>4,968,053</u>	<u>-8.05%</u>
TOTAL BUDGET	\$ 240,648,437	\$ 230,722,772	-4.12%



Summary of Total Budget by Category

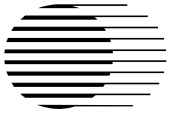
	FY 08/09 Actual	FY 09/10 Adopted Budget	FY 10/11 Adopted Budget	% Change
REVENUES				
Ad Valorem Taxes	\$ 65,099,220	\$ 65,236,623	\$ 62,245,176	-4.59%
Other Taxes	10,809,753	8,074,549	8,451,193	4.66%
Licenses and Permits	4,089,272	4,860,948	4,427,744	-8.91%
Intergovernmental Revenue	22,506,730	11,173,448	12,030,031	7.67%
Charges for Services	41,562,846	33,225,190	35,584,210	7.10%
Fines and Forfeitures	195,647	118,350	131,400	11.03%
Miscellaneous Revenues	7,554,429	3,143,144	2,453,231	-21.95%
Other Non Operating Revenue	2,733,668	314,000	318,600	1.46%
Statutory Reserves	-	(6,040,645)	(5,928,761)	-1.85%
Sub-total	154,551,565	120,105,607	119,712,824	1.46%
Cash Carry Forward	-	111,180,160	96,869,323	-12.87%
Interfund Transfers	18,601,811	9,362,670	14,140,625	51.03%
TOTAL	\$ 173,153,376	\$ 240,648,437	\$ 230,722,772	-4.12%
EXPENDITURES				
Personal Services	\$ 65,045,096	\$ 60,307,111	\$ 59,067,302	-2.06%
Operating Expenses	61,995,801	51,910,112	50,109,329	-3.47%
Capital Outlay	23,663,692	52,319,764	35,247,911	-32.63%
Grants in Aid	2,717,603	2,508,984	2,245,028	-10.52%
Debt Service	9,738,755	12,182,403	10,534,703	-13.53%
Sub-total	163,160,947	179,228,374	157,204,273	-12.29%
Budgeted Reserves	-	50,691,090	57,833,732	14.09%
Interfund Transfers	20,059,790	10,728,973	15,684,767	46.19%
TOTAL	\$ 183,220,737	\$ 240,648,437	\$ 230,722,772	-4.12%



CITRUS COUNTY BOARD OF COUNTY COMMISSIONERS

SUMMARY OF TOTAL BUDGET BY MAJOR FUNDS

	<i>FY 08/09 Actual</i>	<i>FY 09/10 Adopted Budget</i>	<i>FY 10/11 Adopted Budget</i>	<i>% Change</i>
REVENUES				
General Fund	\$ 77,432,582	\$ 85,763,064	\$ 84,392,746	-1.60%
Transportation Funds	16,411,003	27,685,616	28,770,705	3.92%
Fire Taxing District	5,032,163	5,402,947	4,968,053	-8.05%
Library Taxing District	3,551,547	4,936,603	4,264,390	-13.62%
Enterprise Funds	28,199,008	76,319,599	70,218,146	-7.99%
Special Revenue Funds	35,303,350	22,465,510	22,463,051	-0.01%
Non-Major Funds	7,223,723	18,075,098	15,645,681	-13.44%
TOTAL	\$ 173,153,376	\$ 240,648,437	\$ 230,722,772	-4.12%
EXPENDITURES				
General Fund	\$ 83,946,261	\$ 85,763,064	\$ 84,392,746	-1.60%
Transportation Funds	16,412,829	27,685,616	28,770,705	3.92%
Fire Taxing District	6,183,625	5,402,947	4,968,053	-8.05%
Library Taxing District	3,911,479	4,936,603	4,264,390	-13.62%
Enterprise Funds	25,281,985	76,319,599	70,218,146	-7.99%
Special Revenue Funds	37,612,225	22,465,510	22,463,051	-0.01%
Non-Major Funds	9,872,333	18,075,098	15,645,681	-13.44%
TOTAL	\$ 183,220,737	\$ 240,648,437	\$ 230,722,772	-4.12%



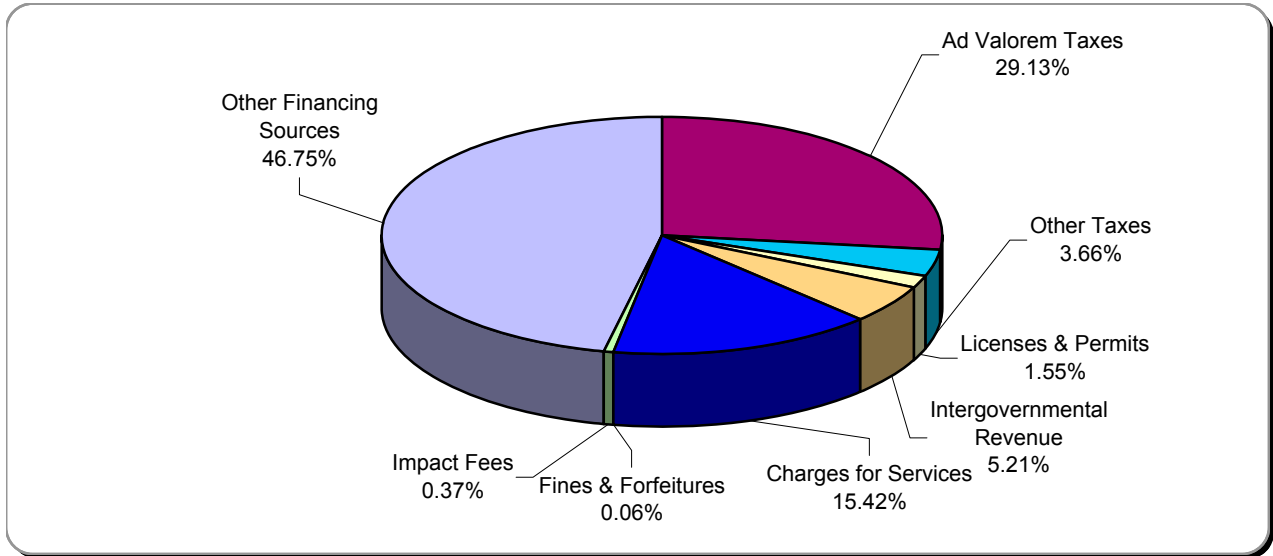
CITRUS COUNTY BOARD OF COUNTY COMMISSIONERS

SUMMARY OF TOTAL BUDGET BY FUND TYPE

	<i>General Fund</i>	<i>Transportation</i>	<i>Fire/ Library</i>	<i>Enterprise</i>	<i>Special Revenue</i>	<i>Other</i>	<i>Total</i>
REVENUES							
Ad Valorem Taxes	\$ 47,539,858	\$ 6,606,951	\$ 7,156,165	\$ -	\$ 942,202	\$ -	\$ 62,245,176
Other Taxes	1,945,177	5,714,836	-	42,180	749,000	-	8,451,193
Licenses and Permits	60,360	-	-	1,200,000	-	3,167,384	4,427,744
Intergovernmental Revenue	9,026,000	2,484,994	75,000	45,000	99,999	299,038	12,030,031
Charges for Services	7,648,405	9,500	75,000	19,721,519	8,129,786	-	35,584,210
Fines and Forfeitures	79,000	-	-	-	52,400	-	131,400
Miscellaneous Revenues	619,468	142,000	53,410	611,730	1,018,323	8,300	2,453,231
Other Non Operating Revenue	-	-	-	318,600	-	-	318,600
Statutory Reserves	<u>(3,345,915)</u>	<u>(747,915)</u>	<u>(367,979)</u>	<u>(1,081,022)</u>	<u>(227,122)</u>	<u>(158,808)</u>	<u>(5,928,761)</u>
Sub-total	63,572,353	14,210,366	6,991,596	20,858,007	10,764,588	3,315,914	119,712,824
Cash Carry Forward	16,735,063	13,843,139	1,928,750	44,826,819	10,706,697	8,828,855	96,869,323
Interfund Transfers	<u>4,085,330</u>	<u>717,200</u>	<u>312,097</u>	<u>4,533,320</u>	<u>991,766</u>	<u>3,500,912</u>	<u>14,140,625</u>
TOTAL	\$ 84,392,746	\$ 28,770,705	\$ 9,232,443	\$ 70,218,146	\$ 22,463,051	\$ 15,645,681	\$ 230,722,772
EXPENDITURES							
Personal Services	\$ 35,677,227	\$ 5,271,820	\$ 5,473,020	\$ 5,329,324	\$ 7,248,657	\$ 67,254	\$ 59,067,302
Operating Expenses	30,959,027	2,564,207	1,988,354	8,248,889	5,389,243	959,609	50,109,329
Capital Outlay	2,486,147	18,658,752	424,815	10,894,759	1,582,910	1,200,528	35,247,911
Grants in Aid	2,070,424	-	35,004	4,600	135,000	-	2,245,028
Debt Service	<u>1,879,603</u>	<u>190,000</u>	<u>432,150</u>	<u>3,907,800</u>	<u>-</u>	<u>4,125,150</u>	<u>10,534,703</u>
Sub-total	73,072,428	26,684,779	8,353,343	28,385,372	14,355,810	6,352,541	157,204,273
Budgeted Reserves	6,778,406	381,403	589,771	36,797,561	5,456,627	7,829,964	57,833,732
Interfund Transfers	<u>4,541,912</u>	<u>1,704,523</u>	<u>289,329</u>	<u>5,035,213</u>	<u>2,650,614</u>	<u>1,463,176</u>	<u>15,684,767</u>
TOTAL	\$ 84,392,746	\$ 28,770,705	\$ 9,232,443	\$ 70,218,146	\$ 22,463,051	\$ 15,645,681	\$ 230,722,772

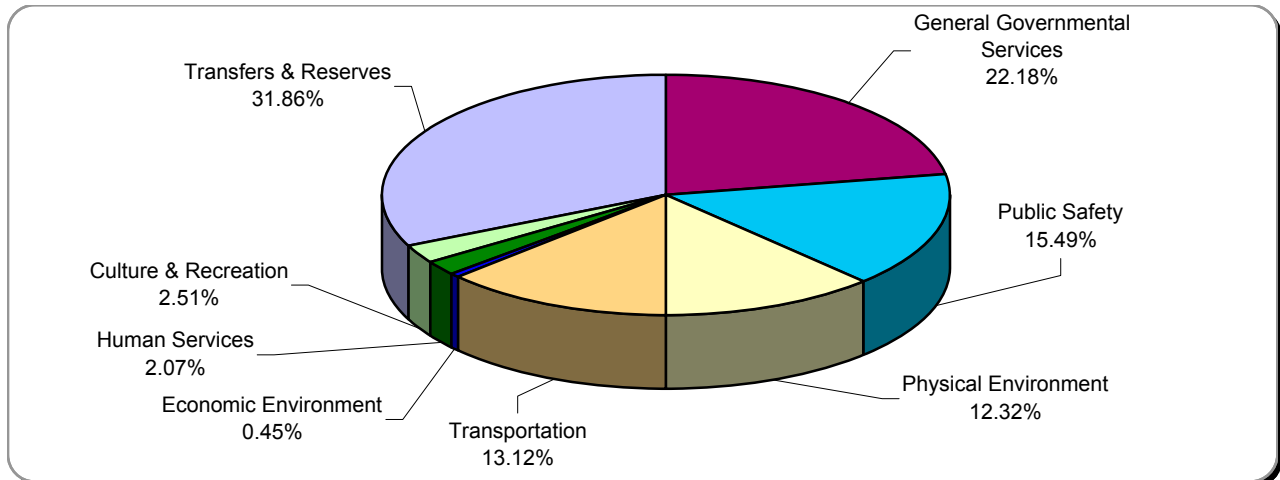


Total Budget Revenues



The above chart represents a breakdown of the total budget by revenue sources, for a total of \$230,722,772. The revenue reductions include approximately \$3 million in Ad Valorem Taxes and \$14 million Carry Forward Funds.

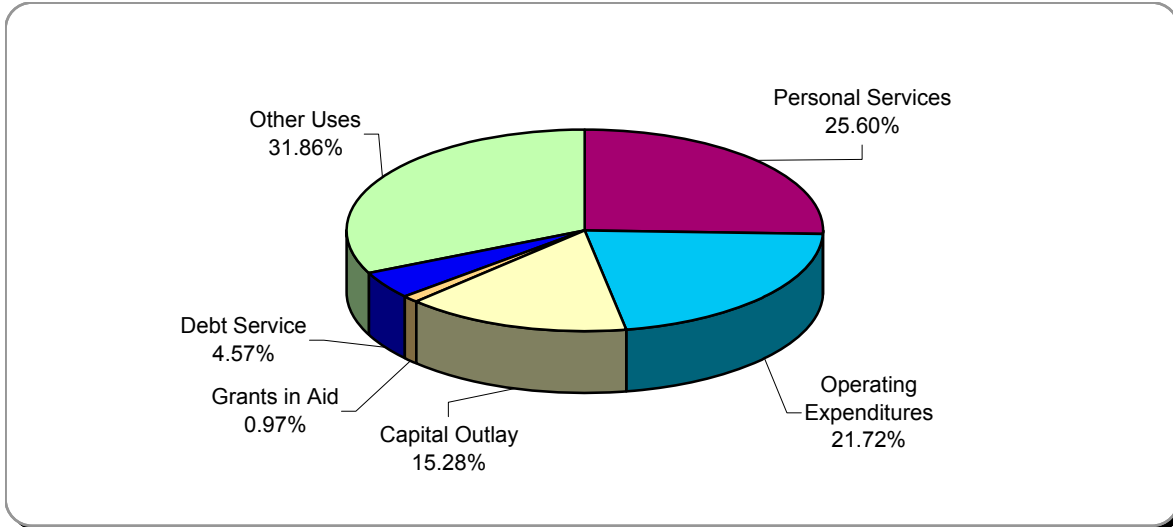
Total Budget Expenditures



The above chart represents a breakdown of the total budget by expenditure categories, for a total of \$230,722,772. The budget reductions include a General Fund decreased of \$1 million, Enterprise Funds of \$6 and Impact Fees by \$3 million for a total reduction of approximately \$10 million from the fiscal year 2009/2010 budget.



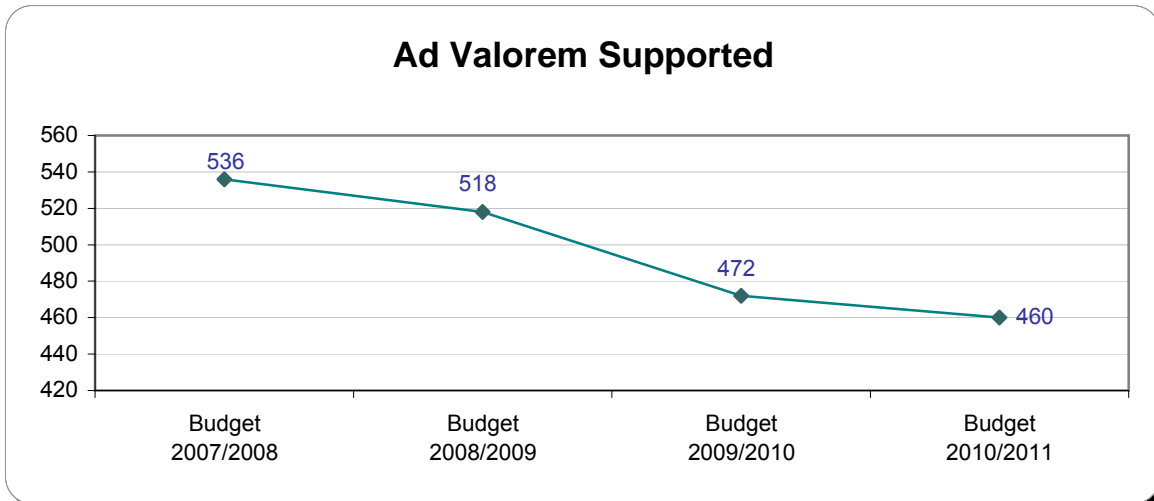
Total Budget Categories



Summary of Positions

	Budget 2007/2008	Budget 2008/2009	Budget 2009/2010	Budget 2010/2011
Ad Valorem Taxes	403	388	344	332
Library Ad Valorem Taxes	67	66	66	66
Fire Ad Valorem Taxes	66	64	62	62
Special Revenues	38	40	37	37
Enterprise Funds	<u>124</u>	<u>111</u>	<u>101</u>	<u>111</u>
Total BOCC Positions	698	669	610	608

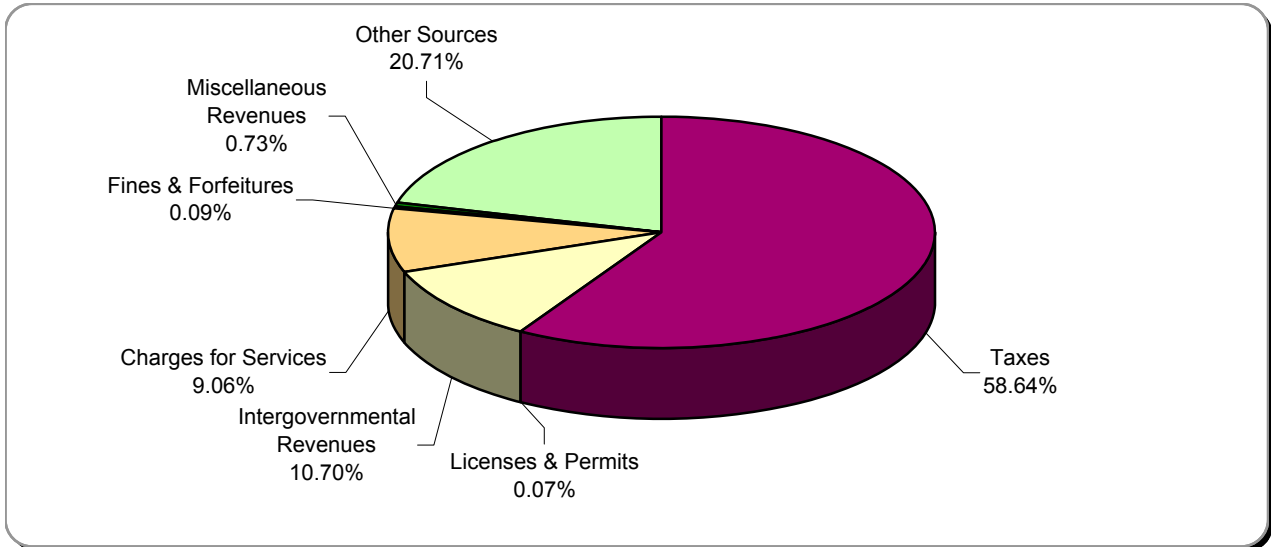
Ad Valorem Supported



This chart shows a net decrease of 76 Ad Valorem supported positions in three years, or a decrease in the workforce of 14%.

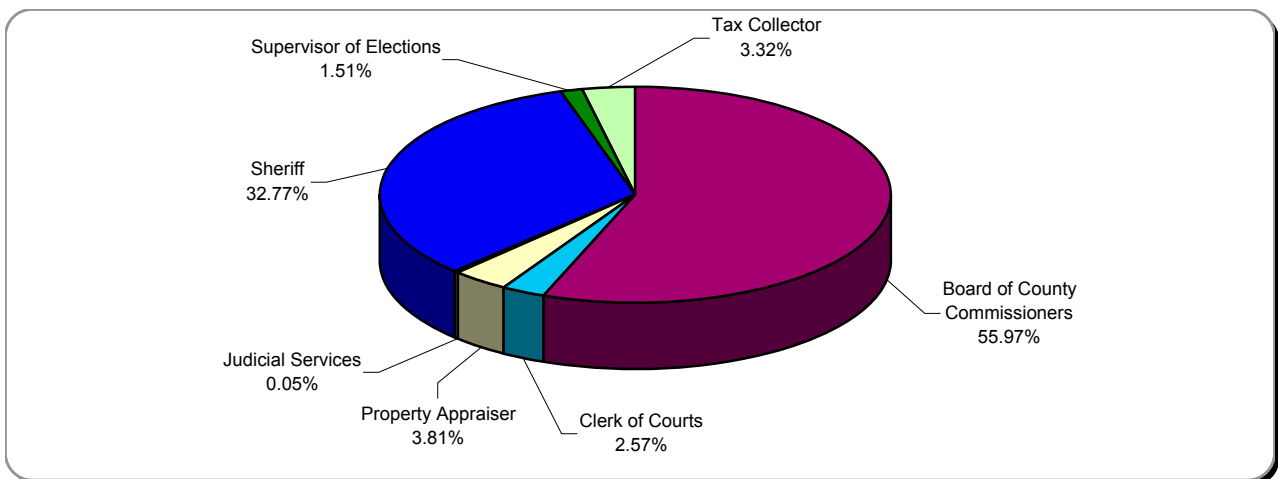


General Fund Revenues



The above chart represents a breakdown of the General Fund by revenue sources, for a total of \$84,392,746.

General Fund Expenditures



The above chart represents a breakdown of the General Fund expenditures, for a total of \$84,392,746. The General Fund reductions include a Sheriff's Office decreased of \$2 million and slight increases in the Board of County Commissioner and the Clerk of Courts for approximately \$1.3 million from the fiscal year 2009/2010 budget.



GENERAL FUND BUDGET
STATE MANDATE SUMMARY

Statutory Requirements:

Florida Statute:

County Audit	219.39	160,300
Predisposition of Juveniles	985.686	288,984
Inmate Medical - outside	951.032	189,000
Unemployment Compensation - BOCC	443.1313	50,000
County Planning Councils	373.1962	94,356
Division of Forestry	125.27	16,064
Tax Bill Postage/Tax Deeds	195.087, 192.091	100,000
Tax Increments to City CRAs	163.340, 163.355, 163.356, 163.357	317,000

GROWTH MANAGEMENT

Land Development/Comprehensive Planning/Concurrency Management	44CFR.1,59-65; 120.525, 125.66, 163, 177 part I, 163.3202, 380.06, 380.0551,	1,326,109
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HUMAN SERVICES

Medicaid	409.915	1,250,118
General Assistance: Burials & Cremations	406.50	20,000

PUBLIC SAFETY

Detention Support	948.06	8,380,692
Medical Examiner	406.08	376,782
Mental Health	14.005	366,745
Baker Act Transports		30,000
Electronic Inmate Monitoring	948.11	110,000
Emergency Medical Services (EMS)	125.01	615,056

SUPPORT SERVICES

General Insurance/Other Risk Programs	768.28, 112.19, 440.15	725,000
FDLE	943.13	5,280

CONSTITUTIONAL OFFICERS

Court Administration	29.001, 29.008, 939.185, 318.18, 29.0081	21,500
Public Defender	29.001, 29.008, 318.18, 29.0081	2,200
State Attorney	29.001, 29.008, 318.18, 29.0081	8,760
Clerk of County Courts	29.001, 29.008, 318.18, 29.0081	11,217
Guardian Ad Litem	29.008	7,300
Property Appraiser	195.087, 192.091	3,215,441
Tax Collector	195.087, 192.091	2,804,370
Supervisor of Elections	98.015, 129.202, 101.62, 102.014, 101.51, 101.111, 98.255, 101.657	1,275,856
Sheriff - Service of Court Process	30.51	2,633,207

Total Statutory Requirements

24,401,337

General Fund Expenditures

84,392,746

Percentage of Statutory Requirements

28.91%



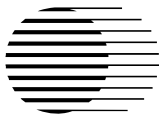
Summary of Positions

Fund	Budget 2008/2009	Budget 2009/2010	Budget 2010/2011	Change from Current Year
<i>Board of County Commissioners</i>				
General Fund				
Animal Services	20	14	13	(1)
Aquatic Services	10	9	8	(1)
Board of County Commissioners	5	5	5	
Canning Center	1			
Code Compliance	12	10	9	(1)
Community Centers	6	6	6	
Community Service Administration	2	2	3	1
Community & Recreation Programs	9	7	6	(1)
County Administrator	10	10	13	3
County Attorney	5	4	4	
Development Services Administration	2	2	2	
Extension Center	8	7	6	(1)
Facilities Management	45	42	42	
Fire Prevention	5	5	5	
Geographic Information System	4	11	9	(2)
Grounds Maintenance		26	26	
Housing Services	3	3	4	1
Human Resources	7	6	6	
Land Development	24	15	15	
Management & Budget	9	6	5	(1)
Parks and Recreation	46	14	16	2
Planning	11	9	7	(2)
Social Services	1	1	1	
Systems Management	11	11	10	(1)
Veterans Services	3	3	3	
Total General Fund	259	228	224	(4)
Road and Bridge				
Road Maintenance	92	86	84	(2)
Public Works Administration	6	5	5	
Engineering	31	25	18	(7)
Total Road and Bridge	129	116	107	(9)
Special Assessments				
Citrus Springs MSBU	2	2	2	
Library Services				
Library Services	66	66	66	
Fire Protection				
Fire Rescue	46	44	62	18
Fire Training Center	18	18		(18)
Total Fire Protection	64	62	62	



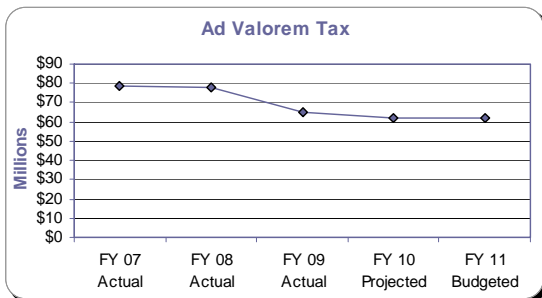
Summary of Positions

Fund	Budget 2008/2009	Budget 2009/2010	Budget 2010/2011	Change from Current Year
Special Revenue Funds				
Drug Court	2	2	2	
Teen Court	2	2	2	
Article V State Attorney	2	2	2	
Article V Public Defender	1	1	1	
Article V Circuit Court	2	2	2	
Article V Criminal Conflict	1			
Article V Drug Court	2	2	2	
Chassahowitzka Campground	5	5	5	
Visitor & Convention Bureau	3	3	3	
Utility Regulatory	2	2	2	
Total Special Revenue Funds	22	21	21	
Internal Service Funds				
Fleet Management	16	14	14	
Enterprise Funds				
Solid Waste Management	21	24	22	(2)
Litter Program			3	3
Long Term Care	2			
Recycling	1	1	1	
Hazardous Waste	3	3	3	
Utilities System	51	49	60	11
Building	33	24	22	(2)
Total Enterprise Funds	111	101	111	10
Total Board Positions	669	610	607	(3)
Constitutional Offices				
Clerk to the Board	24	22	23	1
Accounts Receivable	2	5	5	
Historical Resources	2	2		(2)
Elections	10	10	10	
Property Appraiser	68	57	55	(2)
Sheriff - General Operating	272	278	274	(4)
Sheriff - Court Services	36	35	33	(2)
Sheriff - City of Crystal River	16	17	17	
Sheriff - City of Inverness	16	15	15	
Tax Collector	66	63	62	(1)
Total Constitutional Offices	512	504	494	(10)
Total Positions	1181	1114	1101	(13)



In 2007, the Florida Legislature met in two special sessions, B and D, to revise several provisions to the property tax system in Florida. In special session B, House Bill 1B was passed that places limitations on local government's levy increases and indexed them to the growth in tax levies over the past five years. In special session D, a constitutional amendment was drafted along with implementing language in Senate Bill 4D. The amendment was subsequently approved by the voters on January 29, 2008. This amendment provides for the transfer of the assessment limitation on homesteaded properties, adds \$25,000 of homestead exemption for values between \$50,000 and \$75,000, exempts \$25,000 of taxable value for Tangible Personal Property return filers and limits the assessment increase to 10% annually on non homesteaded property.

Ad valorem taxes are considered general revenue funds and may be used for any county purpose. Revenues of Municipal Services Taxing Units (MSTU) are restricted to the specific purpose for which the MSTU was created. The County has two special taxing districts: fire protection and libraries. The fiscal year 2011 estimate is \$62,236,623 or 27.0% of the total revenue budget.



OTHER TAXES

Communications Services Tax

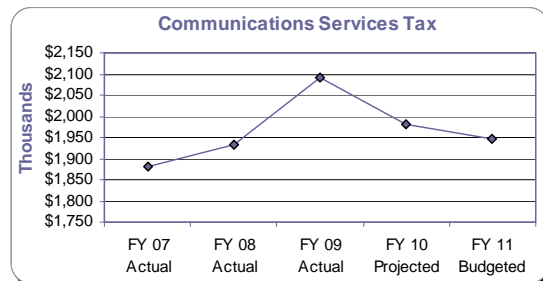
The Communications Services Tax was created by the Communications Services Tax Simplification Law as a way to simplify the taxes levied on telecommunications, cable, direct-to-home satellite, and related services. The tax began on October 1, 2001

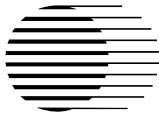
and replaced seven different state and local taxes. It is computed using a single levy with a common rate and base. The State of Florida, Department of Revenue administers both the state and local portions of the tax.

The tax consists of the state communications services tax and the local communications services tax. The state communications services tax consists of 6.8% for communication services, 10.8% for direct-to-home services and a gross receipts tax of 2.37%. This tax of 9.17% is levied on all communications services, except certain residential service, and 13.17% on all direct-to-home satellite services. The local communications services tax is the combined amount of taxes the County is authorized to levy on communications services. The tax is substituted for the cable franchise fee previously collected by the County. Communications services providers remit the tax to the Department of Revenue. The Department of Revenue wires the proceeds to the County on a monthly basis.

Revenue estimates are prepared by the Department of Revenue's Office of Tax Research. The county's current tax rate is applied to an estimated communications services tax base to calculate the revenue estimate. The estimated distribution may not necessarily represent the actual disbursements received by the County since economic conditions are subject to change during the fiscal year.

The proceeds may be used for any county purpose. They may also be pledged to repay indebtedness. The County has used this revenue source as security for the Emergency Operations Center and Floral City Library indebtedness. The fiscal year 2011 estimate is \$1,945,177 or .8% of the total revenue budget.





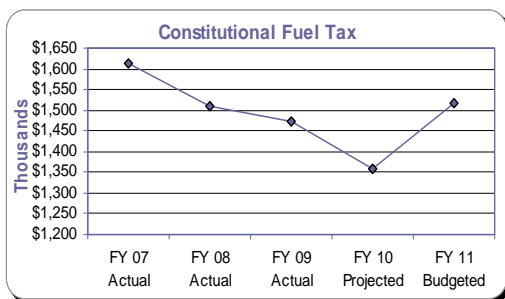
Constitutional Fuel Tax

The Constitutional Fuel Tax was authorized by the Florida Constitution in 1941 and approved by the voters in 1943. It is levied at the rate of 2 cents per gallon on motor fuel. Proceeds are allocated to the County in accordance with a distribution formula consisting of county area, county population, and the number of gallons of motor fuel sold in the county.

Fuel dealers remit the tax to the State of Florida, Department of Revenue. The Department of Revenue transfers the tax to the State Board of Administration for distribution to the County. Funds are first used for any debt service payments related to road and bridge purposes. Of the remaining amount, 20% is returned to the County. The rest of the proceeds are forwarded to the State of Florida, Department of Transportation. Distributions are wired to the County monthly.

Revenue estimates are prepared by the Department of Revenue's Office of Tax Research. The county's distribution formula is applied to a statewide estimate of total fuel tax collections, net of administrative deductions, to calculate the revenue estimate. The estimated distribution may not necessarily represent the actual disbursements received by the County since economic conditions are subject to change during the fiscal year.

Proceeds must be used for the acquisition, construction, and maintenance of roads. They may also be used as matching funds for transportation related grants. The fiscal year 2011 estimate is \$1,517,921 or .7% of the total revenue budget.



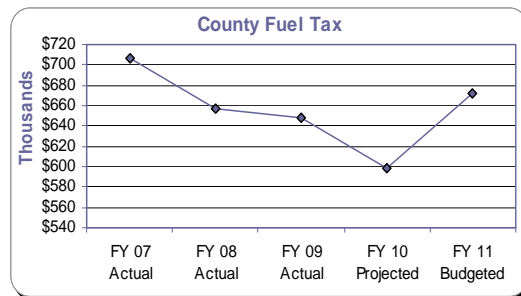
County Fuel Tax

The County Fuel Tax is levied at the rate of 1 cent per gallon on motor fuel. The legislative intent of this tax is to reduce the County's reliance on ad valorem taxes. Proceeds are allocated to the County in accordance with a distribution formula consisting of county area, county population, and the number of gallons of motor fuel sold in the county. The State of Florida, Department of Revenue administers this tax.

Fuel dealers remit the tax to the Department of Revenue. The Department of Revenue wires the proceeds to the County on a monthly basis.

Revenue estimates are prepared by the Department of Revenue's Office of Tax Research. The county's distribution formula is applied to a statewide estimate of total county fuel tax collections, net of the deductions for the general revenue service charge, administrative costs, motor fuel refunds and dealer collection allowances, to calculate the revenue estimate. The estimated distribution may not necessarily represent the actual disbursements received by the County since economic conditions are subject to change during the fiscal year.

Proceeds must be used for transportation related expenditures. The expenditures must be for acquisition of rights-of-way; construction, reconstruction, maintenance and repair of transportation facilities; and roads and bridges. Proceeds may also be used for debt service of transportation related projects. The county has not pledged any proceeds from this tax as security for debt obligations. The fiscal year 2011 estimate is \$671,323 or .3% of the total revenue budget.





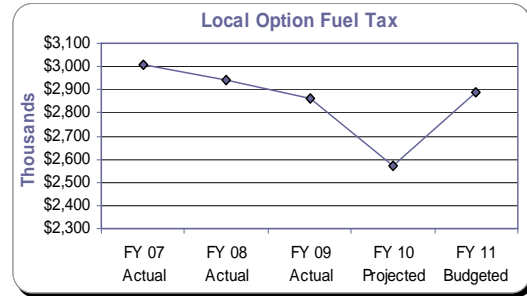
Local Option Fuel Tax

The Local Option Fuel Tax may be levied at the rate of 1¢ to 6¢ per gallon on motor fuel. Citrus County levies the entire 6¢ per gallon on motor fuel. The tax is levied at the rate of 6¢ per gallon on diesel fuel, whether or not a county has levied any of the tax on motor fuel. Proceeds are distributed to the County in accordance with an interlocal agreement established between the County and municipalities located within the County's border. Any changes in the tax rate must be made prior to July 1 to be effective January 1 of the following year. The State of Florida, Department of Revenue administers this tax.

Fuel dealers remit the tax to the Department of Revenue. The Department of Revenue wires the proceeds to the County on a monthly basis. The Board of County Commissioners receives 90.95% of the distribution allocated to the County. The cities of Inverness and Crystal River share in the remaining 9.05%.

Revenue estimates are prepared by the Department of Revenue's Office of Tax Research. The revenue estimate is calculated using the estimated number of gallons of motor and diesel fuel sold, countywide tax rates, and distribution percentages. The estimated distribution may not necessarily represent the actual disbursements received by the County since economic conditions are subject to change during the fiscal year.

Proceeds must be used for transportation expenditures. The expenditures must be for public transportation operation and maintenance; roadway and right of way maintenance and drainage; street lighting; traffic signs, signals, and pavement markings; and bridge maintenance and operations. The County has pledged the first cent of the Local Option Gas Tax as security for the 2004 County Road 486 Improvement Project. The fiscal year 2011 estimate is \$2,891,081 or 1.3% of the total revenue budget.



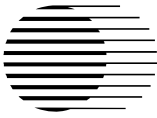
2nd Local Option Fuel Tax

The 2nd Local Option Fuel Tax may be levied at the rate of 1¢ to 5¢ per gallon on motor fuel. Citrus County began levying the entire 5¢ per gallon on January 1, 2006. Proceeds are distributed to the County in accordance with an interlocal agreement established between the County and municipalities located within the County's border. Any changes in the tax rate must be made prior to July 1 to be effective January 1 of the following year. The State of Florida, Department of Revenue administers this tax.

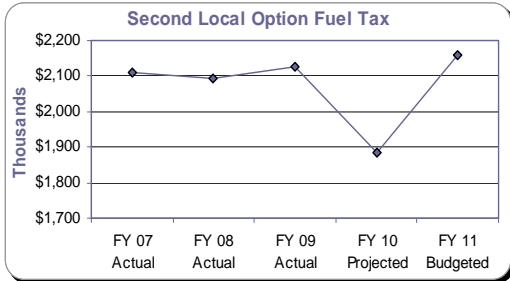
Fuel dealers remit the tax to the Department of Revenue. The Department of Revenue wires the proceeds to the county on a monthly basis. The Board of County Commissioners receives 90.95% of the distribution allocated to the county. The cities of Inverness and Crystal River share in the remaining 9.05%.

Revenue estimates are prepared by the Department of Revenue's Office of Tax Research. The revenue estimate is calculated using the estimated number of gallons of motor fuel sold, countywide tax rates, and distribution percentages. The estimated distribution may not necessarily represent the actual disbursements received by the County since economic conditions are subject to change during the fiscal year.

Proceeds must be used for transportation expenditures. The expenditures must be for public transportation operation and maintenance; roadway and right of way maintenance and drainage; street lighting; traffic signs, signals and pavement markings; and bridge maintenance operations. The County has pledged the 2nd Local Option Gas Tax as security for interim



financing on the County Road 486 improvement project from State Road 44 to Forest Ridge Boulevard. The fiscal year 2011 estimate is \$2,157,041 or .9% of the total revenue budget.



Ninth Cent Fuel Tax

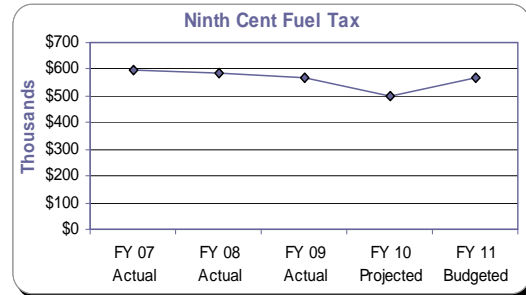
The Ninth Cent Fuel Tax may be levied at the rate of 1 cent per gallon on motor fuel. Citrus County began levying this one cent per gallon tax on January 1, 2006. The one cent per gallon tax on diesel fuel is levied in every county, whether or not the county levies the tax on motor fuel. Counties may, but are not required to, share the proceeds of this tax with municipalities located within its borders. Citrus County has not elected to share these proceeds. The tax must be authorized by an ordinance adopted by an extraordinary vote of the governing body or voter approval in a countywide referendum. It must be levied before July 1 to be effective January 1 of the following year. The State of Florida, Department of Revenue administers this tax.

Fuel dealers remit the tax to the Department of Revenue. The Department of Revenue wires the proceeds to the County on a monthly basis.

Revenue estimates are prepared by the Department of Revenue's Office of Tax Research. The revenue estimate is calculated using the estimated number of gallons of motor and diesel fuel sold and countywide tax rates. The estimated distribution may not necessarily represent the actual disbursements received by the County since economic conditions are subject to change during the fiscal year.

Proceeds must be used for transportation expenditures. The expenditures must be for

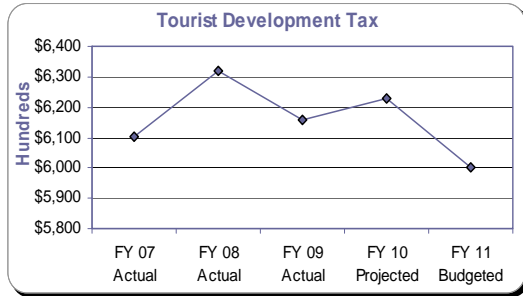
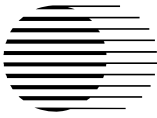
public transportation operation and maintenance; roadway and right of way maintenance and drainage; street lighting; traffic signs, signals, and pavement markings; and bridge maintenance and operation. The fiscal year 2011 estimate is \$566,714 or .2% of the total revenue budget.



Tourist Development Tax

The Tourist Development Tax is levied at the rate of three (3) percent on the total rental charged for accommodations at any hotel, apartment hotel, motel, resort motel, apartment, apartment motel, rooming house, tourist or trailer camp, or condominium that has a rental period of six (6) months or less. This tax is levied in addition to sales tax and any other applicable taxes, unless the rental is exempt under the provisions of Florida Statutes 212. Revenue estimates, based upon revenues collected in prior years, are prepared as part of the normal budget process. The revenue estimate may not necessarily represent the actual revenue received by the County since economic conditions are subject to change during the fiscal year.

The proceeds from the tax are remitted to the County on a monthly basis and are deposited in the County Tourist Development Trust Fund. The Clerk of the Circuit Court, Department of Finance is responsible for collection of the tax. Proceeds must be used to fund the County Tourist Development Plan as approved by the Board of County Commissioners. They may also be pledged to repay indebtedness. Any proceeds from bonds issued must be used for purposes authorized by the County Tourist Development Plan. The fiscal year 2011 estimate is \$600,000 or .2% of the total revenue budget.



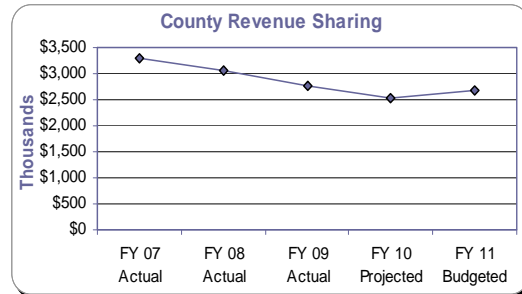
by the County since economic conditions are subject to change during the fiscal year.

There are no restrictions on the use of the funds. However, the County may only bond the first and second guaranteed entitlements. The County has used this revenue source as security for the Courthouse Annex indebtedness. The fiscal year 2011 estimate is \$2,675,000 or 1.2% of the total revenue budget.

INTERGOVERNMENTAL REVENUE

County Revenue Sharing

The County Revenue Sharing program was created by the Florida Revenue Sharing Act of 1972. The purpose of the program is to ensure a degree of revenue parity between local governments. A formula consisting of county population, unincorporated county population, and county sales tax collections is used to compute the amount distributed to the County. This amount consists of three parts: the first guaranteed entitlement, the second guaranteed entitlement, and growth money. The County will not receive less than the first and second guaranteed entitlements. The State of Florida, Department of Revenue administers this program.



County revenue sharing proceeds consist of 2.9% of the cigarette tax collections and 2.044% of the sales and use tax collections by the state. The cigarette tax collections equal 3% of the county revenue sharing proceeds and the sales and use tax collections complete the remaining 97% of the proceeds. The funds are wired monthly from the Department of Revenue.

Local Government Half-Cent Sales Tax

The Half-Cent Sales Tax program was created in 1982 and is the largest state-shared revenue source of the County. The purpose of the program is to provide revenue for local needs and provide relief from ad valorem taxes. The amount received is based on an allocation formula consisting of total county population, total unincorporated county population, and total incorporated county population. The State of Florida, Department of Revenue administers this program.

Revenue estimates are prepared by the Department of Revenue's Office of Tax Research. The distribution is calculated so that the county does not receive less than the first guaranteed entitlement of \$90,480 plus the second guaranteed entitlement of \$499,080. Any remaining funds are distributed to qualified counties on a pro rata basis (growth funds). The amount of growth funds the county is estimated to receive for fiscal year 2009 is \$2,484,914. The estimated distribution may not necessarily represent the actual disbursements received

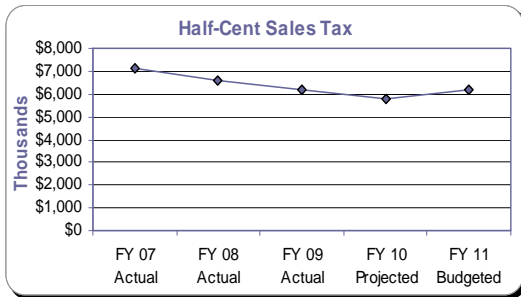
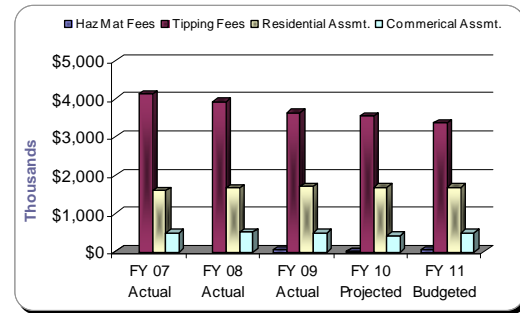
Half-cent sales tax proceeds consist of 8.814% of the net sales tax revenue collected by the state pursuant to Chapter 212, Florida Statutes. The funds are wired monthly from the Department of Revenue.

Revenue estimates are prepared by the Department of Revenue's Office of Tax Research. The county's allocation factor is applied to the amount of sales tax funds estimated to be distributed to the county to calculate the revenue estimate. The estimated distribution may not necessarily represent the actual disbursements received by the County since economic conditions are subject to change during the fiscal year.



Two-thirds of the amount received must be expended on countywide programs or to provide countywide tax relief. Proceeds may be pledged for principal and interest payments on any capital project. The County has used this revenue source as security for the 2001A Capital Improvement Bonds, 2001B Capital Improvement Refunding Bonds, 2003 Capital Improvement Refunding Bonds, Countywide Radio System Loan, and the 2004A, 2004B Capital Improvement Bonds and 2008 Capital Improvement Refunding Bonds. The fiscal year 2011 estimate is \$6,185,000 or 2.7% of the total revenue budget.

of \$1,683,000 and commercial assessment estimate of \$497,333.



Water Resources

The Water Resources department consists of enterprise funds where revenue for operations is provided by user fees and operates under strict State and Federal mandates. Water and wastewater sales are expected to decrease in 2011 due to no rate increase in water and wastewater rates. In fiscal year 2007, the County acquired the Florida Governmental Utility Authority (FGUA) owned water and wastewater systems operating in Citrus County. The fiscal year 2011 estimate is \$14,261,761 or 6.2% of the total revenue budget, which is comprised of water sales in the amount of \$7,198,401, wastewater sales in the amount of \$6,749,360, water connection fees in the amount of \$120,000 and wastewater connection fees in the amount of \$194,000.

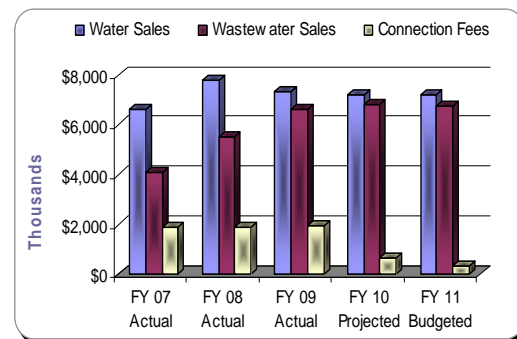
CHARGES FOR SERVICES

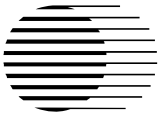
Solid Waste Management

Solid Waste Management is an enterprise fund where revenue for operations is provided by user fees charged at the landfill, an assessment on each residential unit in the County in the amount of \$25 per year, and a fee charged to businesses with waste disposal service at \$1.20 per cubic yard.

Revenue estimates for user fees and the commercial assessment are prepared based on revenues collected in prior years and year-to-date revenue in the current year with a factor applied to account for an increase due to growth. The revenue estimate for the residential assessment is calculated by multiplying the annual assessment per residential unit by the number of households in the county as determined by the Property Appraiser.

The fiscal year 2011 estimate is \$5,582,513 or 2.4% of the total revenue budget, comprised of a hazardous materials fee estimate of \$42,180, user fee estimate of \$3,360,000, residential assessment estimate





OTHER SOURCES

Impact Fees

Impact fees are an assessment made against all new impact-generating land development that contributes to the burden of public facilities and services. They are a one-time fee designed to aid in paying for growth and are collected for the following eight categories: emergency medical services, fire, law enforcement, libraries, parks and recreation, public buildings, schools and transportation. The County began collecting impact fees in 1987.

Citrus County uses impact fees to supplement other types of fees and taxes to fund capital construction projects necessitated by growth. Impact fees constitute a significant funding source and enable the County to provide facilities and services, some of which are mandated by the County's comprehensive plan. The County has seven years in which to spend the funds from the date they were collected.

Transportation impact fees are collected in four (4) benefit districts that are defined by geographical boundaries. The boundaries of the City of Crystal River also define a district. The City of Inverness has opted out of the County's transportation impact fee. Park impact fees are collected in four (4) benefit districts that are defined by geographical boundaries. School, library, public building and public safety (emergency medical services, fire and law enforcement) benefit districts include the entire county, as well as the cities of Inverness and Crystal River.

Proceeds collected from transportation impact fees are to be expended for capital road facilities within the district in which they were collected, unless certain criteria are met that would allow use of the funds within another benefit district. Proceeds collected from park impact fees are to be expended for park capital facilities within the district in which they were collected. Proceeds collected from school impact fees are to be expended for capital school facilities in the county. Proceeds collected from library impact fees are to be expended for capital

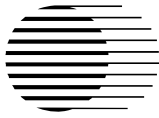
library facilities within the county. Proceeds collected from public building impact fees are to be expended for capital public facilities within the county. Proceeds collected from public safety (emergency medical services, fire and law enforcement) impact fees are to be expended for capital public safety facilities within the county.

The Board of County Commissioners voted May 25, 2010 to reduce the county's impact fee for transportation -- the largest of the county's commercial impact fees -- to zero for the seven months. The transportation fee was zeroed out to reduce the cost of new commercial building and create an attractive window of opportunity to encourage new business activity. Commercial building fees, charged per 1,000 square feet (sq. ft.), saw dramatic decreases in total fees after transportation was cut. General retail, for example, was reduced 54% per 1,000 sq.ft. General office was reduced 69%. Gas station/convenience store was reduced 79% and Medical office was reduced 81% per 1,000 sq. ft.

To take advantage contractors must submit a completed permit application between June 1 and December 31. For commercial development, they will have one year from the time they pick up the approved permit to pay the impact fee and get their certificate of occupancy. Residential fees must be paid upon receipt of approved permits.

The transportation fee for a single family home of 2,500 sq. ft. or more was also zeroed out reducing the total impact fee for that home, including the school impact fee by 27% down to \$4,856.

The fee structure must be reasonably related to the actual costs of the projected improvements. Also, the amount of impact fees varies according to the type of development. The fee breakdown for a typical residential unit is provided in the following chart.



Single Family Home Impact Fees based on 1,501 to 2,499 square footage Effective June 1, 2010

Category	
EMS	\$63.38
Fire	433.23
Law Enforcement	256.50
Libraries	251.26
Parks and Recreation	722.79
Public Buildings	624.80
Schools	2,109.05
Transportation	-0-
Total	\$4,461.01

Revenue estimates are prepared based on revenues collected in prior years and year-to-date revenue in the current year along with current and projected building permit activity. The fiscal year 2011 estimate for all impact fees is \$850,750 or .4% of the total revenue budget. The revenue estimates may not necessarily represent the actual revenue received by the County since economic conditions are subject to change during the fiscal year.

These fees are budgeted as follows for fiscal year 2011: Transportation \$246,750; Parks \$79,000; School \$275,000; Library \$30,000; Public Building \$100,000; Emergency Medical Services \$10,000; Fire \$70,000; and Law Enforcement \$40,000.

Interfund Transfers

Interfund transfers often arise due to the specific requirements of government fund accounting. Frequently, it is necessary to transfer monies between funds for various uses. Interfund transfers are self-balancing and represent revenue to one fund and expense to the other fund. Interfund transfers artificially increase the County budget, but are required under fund accounting principles. An example of an interfund transfer is the cost of Litter Control personnel and related operational expenses. These expenses are budgeted in the Solid Waste Management/Litter department for the roadside litter control housed in the Road Maintenance Division and derelict

properties through Code Enforcement. The fiscal year 2011 estimate for all interfund transfers is \$14,140,625 or 6.1% of the total revenue budget.

Cash Carry Forward

Cash Carry Forward or Fund Balances is defined as the funds carried over from one fiscal year to the next. Fund balances total \$96,869,323 or 42.0% of the fiscal year 2011 County revenue budget. Fund Balances carried over from the previous year occur for different reasons:

- County departments may not spend every dollar that was approved in their budgets;
- The County may collect more revenue than anticipated in the budget; or
- Florida Statute 129.01(2)(b) specifies that, except for Enterprise and Internal Service Funds (as well as transfers, fund balances brought forward, and grants), fund revenues will be budgeted at 95% of anticipated revenues. This statutory restriction or revenue offset effectively provides a percentage of expected budgeted revenue that cannot be appropriated in the current budget year. The 5% requirement therefore helps established a basic level of fund balance for the next fiscal year.



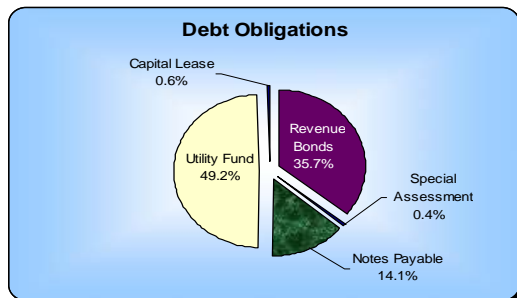


Debt Service

The County's long-term debt obligations can be separated into four types: Revenue Bonds, Special Assessment Debt, General Long-Term Debt, and Utility Fund Debt. Revenue Bonds are secured by a pledge of special revenue, such as the Half-Cent Sales Tax. These bonds are typically issued to fund large capital or construction projects. Special Assessment Debt is secured by the proceeds of various special assessments. This debt is issued to fund a project that benefits a particular group. These individuals are then levied an assessment to fund the debt service payments. General Long-Term Debt is secured by various revenue sources, ranging from impact fees to State Revenue Sharing proceeds. This debt is issued to fund a wide range of projects and the terms of the loans are generally shorter than the terms of the revenue bonds. Utility Fund debt is generally secured by charges to customers, the users of the system. This debt typically funds improvements to infrastructure.

Each debt issue that the County has outstanding is discussed in more detail below. Also, a schedule showing debt service requirements, security pledged, interest rate, final maturity date, and outstanding balance is provided for each debt obligation.

REVENUE BONDS



The County has several outstanding bonds that were issued to fund various capital improvement projects. These

bonds are secured by a pledge of revenues. Following is a description of the revenue bond issues the County currently has outstanding.

2001A Capital Improvement Bonds

On May 22, 2001 the County issued \$4,445,000 in bonds, at an interest rate of 4.55%, for the courthouse expansion project. These bonds mature on November 1, 2019 and are secured by a pledge of Half-Cent Sales Tax revenue. The debt service payments are made through transfers from the General Fund and Article V revenues.

2001B Capital Improvement Refunding Bonds

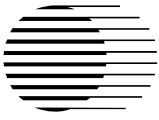
On June 12, 2001 the County issued \$6,805,000 in refunding bonds, at an interest rate of 4.55%, for the courthouse expansion project, expansion of the Beverly Hills Park, and improvements to the Riverhaven Wastewater system. The portion of the bonds attributable to the Beverly Hills Park was paid off during the 2005-06 fiscal year. The portion of the bonds attributable to the Riverhaven Wastewater System matured on November 1, 2009. The remainder of these bonds mature on November 1, 2019. These bonds are secured by a pledge of Half-Cent Sales Tax revenue. This pledge is on parity with the 2001A Capital Improvement Bonds that were discussed above. The debt service payments are made through transfers from the General Fund and Article V revenues.

2003 Capital Improvement Refunding Bonds

On April 9, 2003 the County issued \$5,480,000 in refunding bonds, at an interest rate of 2.95%, for construction of the Lecanto Jail and purchase of the Homosassa Springs Attraction. These bonds mature on July 1, 2011 and are secured by a pledge of Half-Cent Sales Tax revenue. This pledge is also on parity with the 2001A Capital Improvement Bonds that were discussed above. The debt service payments are made through transfers from the General Fund and Law Enforcement Impact Fees.

2004A Capital Improvement Bonds

On November 10, 2004 the County issued \$5,246,000 in bonds, at an interest rate of



3.73%, for purchase and renovation of the Citrus County Resource Center. These bonds mature on November 10, 2024 and are secured by a pledge of Half-Cent Sales Tax revenue. This pledge is also on parity with the 2001A Capital Improvement Bonds that were discussed above. The debt service payments are made through a transfer from the General Fund.

2004B Capital Improvement Bonds

On November 10, 2004 the County issued \$2,754,000 in bonds, at an interest rate of 5.54%, for purchase and renovation of the Veteran's Administration's portion of the Citrus County Resource Center. These bonds mature on November 10, 2024 and are secured by a pledge of Half-Cent Sales Tax revenue. This pledge is also on parity with the 2001A Capital Improvement Bonds that were discussed above. The debt service payments are made through a transfer from the General Fund.

2008 Capital Improvement Refunding Bonds

On August 13, 2008 the County issued \$3,020,000 in refunding bonds, at an interest rate of 3.49%, for construction of the Lecanto Government Building. These bonds mature on July 1, 2016 and are secured by a pledge of Half-Cent Sales Tax revenue. This pledge is also on parity with the 2001A Capital Improvement Bonds that were discussed above. The debt service payments are made through transfers from the General Fund.

2010A Capital Improvement Revenue Bonds County Road 486 (Refunding)

On May 5, 2010, the County issued debt in the amount of \$9,910,000 to fund the cost of right-of-way acquisition and other road improvements of County Road 486 from State Road 44 to Forest Ridge Boulevard. The debt is secured by a Covenant to Budget and Appropriate all legally available non-ad valorem revenues. The County plans to use gas tax revenues for the debt service

payments. Interest rates range from 3% to 5% and these bonds mature October 1, 2020.

2010B Capital Improvement Revenue Bonds County Road 486 (Federally Taxable Build America Bonds – Direct Subsidy)

On May 5, 2010, the County issued debt in the amount of \$15,100,000 to fund the cost of right-of-way acquisition and other road improvements of County Road 486 from Black Diamond Service Road to Ottawa and CR 491 from Horace Allen to CR486 and improvements to the corridor CR 486 to SR44 to the Black Diamond Service Road. The debt is secured by a Covenant to Budget and Appropriate all legally available non-ad valorem revenues. The County plans to use gas tax revenues for the debt service payments. Interest rates range from 5.445% to 5.995% with final maturity of the bond issue on October 1, 2030.

SPECIAL ASSESSMENT DEBT

The County has several outstanding debt issues that are secured by proceeds of various special assessments. Following is a description of the special assessment debt the County currently has outstanding.

Lake Tsala Gardens Water Main Extension

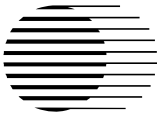
On January 28, 2003 the County issued debt in the amount of \$210,000, at an interest rate of 4.45%, to fund construction of a water main in the Lake Tsala Gardens area. The debt matures on January 28, 2013 and is secured by the Lake Tsala Gardens Water Special Assessment. The debt service payments are made through the Lake Tsala Gardens MSBU.

2003 Private Road Construction Program

On June 25, 2004 the County issued debt in the amount of \$642,500, at an interest rate of 3.82%, to fund the 2003 Private Road Construction Program. The debt matures on July 1, 2014 and is secured by the proceeds of the related special assessment. The debt service payments are made through the Special Assessment Fund.

2004 Private Road Construction Program

On March 23, 2005 the County issued debt in the amount of \$357,000, at an interest



rate of 3.36%, to fund the 2004 Private Road Construction Program. The debt matures on March 8, 2015 and is secured by the proceeds of the related special assessment. The debt service payments are made through the Special Assessment Fund.

GENERAL LONG-TERM DEBT

The County has several outstanding debt issues that are considered general long-term debt obligations. Following is a description of the general long-term debt the County currently has outstanding.

Crystal River Airport Corporate Hangar

On April 26, 1999 the County issued debt in the amount of \$93,885, at an interest rate of 5.49%, to fund certain improvements at the Crystal River Airport. The debt matures on April 20, 2019 and is secured by lease revenue at the Crystal River Airport. The debt service payments are made through the General Fund.

Courthouse Annex

On December 14, 2001 the County issued debt in the amount of \$2,425,000, at an interest rate of 3.80%, to fund the construction of a building for the Tax Collector and the Property Appraiser. The debt matures on December 11, 2011 and is secured by a pledge of State Revenue Sharing proceeds. The debt service payments are funded with General Fund Revenues.

Countywide Radio System

On February 19, 2002 the County issued debt in the amount of \$3,750,000, at an interest rate of 3.56%, to fund the purchase of a countywide radio system. The debt matures on February 19, 2012 and is secured by a pledge of Half-Cent Sales tax revenue. The debt service payments are funded with General Fund revenues and Law

Enforcement, Fire, and EMS Impact Fees.

County Road 486 Improvement Project - 2004

On January 27, 2004 the County issued debt in the amount of \$1,700,000, at a variable interest rate currently at 2.2425%, to fund the improvements of County Road 486 from Forest Ridge Boulevard to U.S. Highway 41. The debt matures on January 27, 2014 and is secured by a pledge of the first cent of the Local Option Gas Tax. The debt service payments are funded with gas tax revenue.

Bicentennial Park

On October 13, 2004 the County issued debt in the amount of \$600,000, at an interest rate of 3.19%, to fund certain improvements at Bicentennial Park. The debt matures on October 27, 2014 and is secured by park impact fees. The debt service payments are made through funds available in Parks Impact Fees, District 3.

Homosassa Library

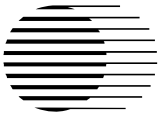
On December 20, 2005 the County issued debt in the amount of \$3,000,000, at an interest rate of 3.65%, to fund construction of the Homosassa Library. The debt matures on December 20, 2015 and is secured by library impact fees. The debt service payments are made through funds available in Library Impact Fees and the Library Special Taxing District.

Central Ridge District Park

On November 14, 2007 the County issued debt in the amount of \$750,000, at an interest rate of 3.89%, to fund certain improvements at Central Ridge District Park. The debt matures on October 15, 2017 and is secured by park impact fees. The debt service payments are made through funds available in Parks Impact Fees, District 2 and General Fund Revenues.

Emergency Operations Center

On October 1, 2009, the County issued debt in the amount of \$11,248,594, at an interest rate of 4.45%, to replace interim financing for construction of the Emergency Operations/911 Call Center. The debt matures on October 1, 2029 and is secured by a pledge of Communications Services



Tax revenue. The debt service payments are funded with General Fund revenues.

Floral City Library

On October 1, 2009, the County issued debt in the amount of \$951,406, at an interest rate of 4.45%, to fund construction of the Floral City Library. The debt matures on October 1, 2029 and is secured by a pledge of Communications Services Tax revenue. The debt service payments are made through the Library Special Taxing District and as funds are available in Library Impact Fees.

UTILITY FUND DEBT

The County has several outstanding debt issues that are considered part of the Utilities Fund. Following is a description of the utility fund debt the County currently has outstanding.

Halls River Road Sewer Infill

On January 31, 2005 the County entered into a Clean Water State Revolving Fund Construction Loan Agreement with the State of Florida Department of Environmental Protection in the amount of \$2,108,391, at an interest rate of 2.19%, to fund construction of the Halls River Road Sewer Infill project. The debt matures on March 15, 2016 and is secured by revenues derived from operation of the water and wastewater systems. The debt service payments are made through the Halls River Road Sewer Infill MSBU.

Utility System Revenue Bonds, Series 2007

On February 15, 2007 the County issued \$23,380,000 in bonds for upgrades to the Meadowcrest wastewater treatment plant, as well as various other system improvements. The interest rates range from 4% to 5%. These bonds mature on October 1, 2036 and are secured by a pledge of revenues derived from operation of the water and wastewater systems. The

debt service payments are made through the utility fund.

On February 15, 2007 the County also issued \$28,850,000 in bonds for acquisition of the Florida Governmental Utility Authority (FGUA) owned water and wastewater systems. The interest rates range from 4% to 5%. These bonds mature on October 1, 2036 and are secured by a pledge of revenues derived from operation of the water and wastewater systems. The debt service payments are made through the utility fund.

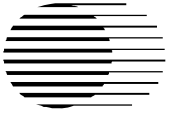
Chassahowitzka Area Water System

On May 8, 2007 the County entered into a Drinking Water State Revolving Fund Construction Loan Agreement with the State of Florida, Department of Environmental Protection in the amount of \$2,169,880, at an interest rate of 2.52%, to fund construction of the Chassahowitzka Area Water System. The debt matures on October 15, 2028 and is secured by the proceeds of the related special assessment. Debt service payments will be made through the Chassahowitzka Area Water MSBU.

Citrus Springs Line Improvements and Expansions

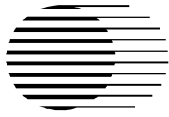
On November 13, 2009, the County issued debt in the amount of \$5,000,000 at an interest rate of 4.29% to fund a portion of the costs of construction of waterline extensions in the Citrus Springs Municipal Service Benefit Unit. This debt is secured by a pledge of revenues derived from the special assessments and if not sufficient, a lien upon System revenues on a basis subordinate to Bonds issued under the Utility Bond Resolution. This debt matures on September 1, 2024.





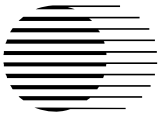
Debt Obligations

	Security	Interest Rate	Final Maturity	Projected Balance 9/30/2010
Revenue Bonds:				
2001A Capital Improvement Bonds	1/2 Cent Sales Tax	4.55%	11/1/2019	\$ 2,850,000
2001B Capital Improvement Refunding Bonds	1/2 Cent Sales Tax	4.55%	11/1/2019	4,285,000
2003 Capital Improvement Refunding Bonds	1/2 Cent Sales Tax	2.95%	7/1/2011	630,000
2004A Capital Improvement Bonds	1/2 Cent Sales Tax	3.73%	11/10/2024	4,165,283
2004B Capital Improvement Bonds	1/2 Cent Sales Tax	5.54%	11/10/2024	2,267,062
2008 Capital Improvement Refunding Bonds	1/2 Cent Sales Tax	3.49%	7/1/2016	2,365,000
2010A Capital Improvement Refunding Bonds	Covenant to Budget and Appr.	3.00 to 5.00%	10/1/2020	9,910,000
2004B Capital Improvement BABs	Covenant to Budget and Appr.	5.445 to 5.995%	10/1/2030	15,100,000
Special Assessment Debt:				
Lake Tsala Gardens Water Main Extension	Special Assessment	4.45%	1/28/2013	61,524
2003 Private Road Construction Program	Special Assessment	3.82%	7/1/2014	288,575
2004 Private Road Construction Program	Special Assessment	3.36%	3/8/2015	175,612
Notes Payable:				
Crystal River Airport Corporate Hangar	Lease Revenue	5.49%	4/20/2019	53,038
Courthouse Annex	State Revenue Sharing	3.80%	12/11/2011	361,979
Countywide Radio System	1/2 Cent Sales Tax	3.56%	2/19/2012	661,175
County Road 486 - 2004	Local Option Gas Tax	Variable	1/27/2014	595,000
Bicentennial Park	Park Impact Fees	3.19%	10/27/2014	279,208
Homosassa Library	Library Impact Fees	3.65%	12/20/2015	1,715,608
Central Ridge District Park	Park Impact Fees	3.89%	10/15/2017	570,010
Emergency Operations Center	Communication Service Tax	4.45%	10/1/2029	11,248,594
Floral City Library	Communication Service Tax	4.45%	10/1/2029	951,406
Utility Fund:				
Halls River Road Sewer Infill	Water & Sewer Revenue	2.19%	3/15/2016	815,359
Utility System Revenue Bonds, Series 2007	Water & Sewer Revenue	4.00 to 5.00%	10/1/2036	49,715,000
Chassahowitzka Area Water System	Special Assessment	2.52%	10/15/2029	2,047,696
Citrus Springs Line Extensions	Special Assessment	4.29%	9/1/2024	4,715,000
Capital Lease:				
Aerial Appartus		4.39%	7/25/2016	714,463
				\$ 116,541,592



Debt Service Requirements

	Principal Due	Interest Due	Total Debt Service
Revenue Bonds:			
2001A Capital Improvement Bonds	\$ 230,000	\$ 124,443	\$ 354,443
2001B Capital Improvement Refunding Bonds	345,000	187,119	532,119
2003 Capital Improvement Refunding Bonds	630,000	18,585	648,585
2004A Capital Improvement Bonds	221,198	153,322	374,520
2004B Capital Improvement Bonds	105,355	124,157	229,512
2008 Capital Improvement Refunding Bonds	365,000	82,539	447,539
2010A Capital Improvement Refunding Bonds	-	326,319	326,319
2004B Capital Improvement Build America Bonds	-	854,393	854,393
Special Assessment Debt:			
Lake Tsala Gardens Water Main Extension	23,875	2,318	26,193
2003 Private Road Construction Program	67,617	9,987	77,604
2004 Private Road Construction Program	36,745	5,436	42,181
Notes Payable:			
Crystal River Airport Corporate Hangar	4,963	2,832	7,795
Courthouse Annex	282,701	9,921	292,622
Countywide Radio System	429,195	18,157	447,352
County Road 486 - 2004	170,000	20,000	190,000
Bicentennial Park	62,172	8,143	70,315
Homosassa Library	301,095	58,330	359,425
Central Ridge District Park	69,440	21,169	90,609
Emergency Operations Center	359,586	499,425	859,011
Floral City Library	30,414	42,241	72,655
Utility Fund:			
Halls River Road Sewer Infill	141,076	17,088	158,164
Utility System Revenue Bonds, Series 2007	1,025,000	2,129,856	3,154,856
Chassahowitzka Area Water System	88,118	51,050	139,168
Citrus Springs Line Extensions	250,000	205,083	455,083
Capital Lease:			
Aerial Apparatus	106,493	29,565	136,058
Total Debt Service Requirements	<u>\$ 5,345,043</u>	<u>\$ 5,001,478</u>	<u>\$ 10,346,521</u>



Fund Balance

Definition of Fund Balance

- Fund balance represents the excess of total fund assets less total fund liabilities.
- These uncommitted or unspent funds generally can be included as available revenue in the next year's fund budget.
- A negative fund balance is sometimes referred to as a "deficit".

An administrative regulation was adopted on April 25, 2006 to establish unreserved fund balance ranges for the general fund and other governmental funds. The policy establishes a minimum unreserved fund balance in the General Fund of eight (8%) and a maximum of seventeen (17%). The chart below depicts the General Fund with unreserved fund balance of 8.25%, Road & Bridge with 3.20%, Fire Rescue with 2.42% and Library Services with 8.59%.

	8% Min	17% Max	FY10/11 Budget
General Fund	\$5,674,000	\$12,057,000	\$5,849,266
Road & Bridge	640,000	1,360,000	255,871
Fire	381,000	809,000	115,361
Library	304,000	646,000	326,693

Benefits of Maintaining Adequate Fund Balance

- Provides working capital until receipt of tax revenues
- Provides for the unexpected contingencies and natural disasters
- Favorably viewed by rating agencies and banks in evaluating the credit worthiness of Citrus County
- Allows the County to maintain a stable tax rate within temporary revenue and/or expenditure fluctuations

Changes in Projected Fund Balance

The General Fund balance has a 37% decrease in projected fund balance due to the increased use of carry forward to fund the Fiscal Year 2011 budget. This is due to a combination of property tax limitations and Board of County Commissioners opting lower reserve levels to accommodate no millage increase.

Special Revenue Funds have an overall decrease in fund balance of 14%.

Fire & Library Special Taxing Districts – The decrease in fund balance reflects a decision by the Board of County Commissioners to not increase property taxes.

Impact Fees – The decrease in fund balance is due to the decline in the building activity. The county is using part of the accumulated fund balance to complete capital projects funded with these fees.

The Enterprise Fund balance has an overall projected fund balance decrease of 15%.

Utilities Division – The beginning fund balance for the Utility System in Fiscal Year 2010 includes \$7,848,643 from debt proceeds and interest income for capital improvement projects. These projects have been fully budgeted in the 2011 budget in anticipation of contracting and completion of these capital projects. In addition, Utility Services is committing other funds primarily for a more aggressive capital improvement plan.

Building Division – The County experienced a surge in building permit activity in recent years that has now tapered off. The County is now using part of the accumulated fund balance to supplement building permit revenue. Expenditure reductions including positions have been implemented to address the decline in building inspections activities.

Capital Project Funds – The 78% decrease in projected fund balance for the Capital Projects Funds reflects the construction on Phase II of the CR 486 improvement project and funding the FEMA required match for Watershed Management Plans.



Projected Fund Balance Schedule

Fund Number	Fund Title	Beginning Fund Balance 10/1/11	Projected Revenue	Projected Expenses	Projected Ending Fund Balance 9/30/12	Percentage Increase/Decrease
001	GENERAL FUND	15,737,868	67,657,683	73,475,278	9,920,273	-36.97%
SPECIAL REVENUE						
008	FL GAS REFORESTATION COMP	24,357	-	23,328	1,029	-95.78%
018	KENSINGTON ESTATES SLD	1,552	2,822	3,072	1,302	-16.11%
019	CEDAR LAKE ESTATES SLD	697	1,820	1,998	519	-25.54%
020	CARPENTERS CTRY SQUARE SLD	683	2,078	2,209	552	-19.18%
021	LOVELACE LODGES SLD	4,044	3,656	4,433	3,267	-19.21%
022	COMMUNITY CENTERS	39,343	-	-	39,343	0.00%
027	CRYSTAL OAKS 7&8 SLD	5,286	6,601	7,407	4,480	-15.25%
028	SOUTHERN WOODS 2&3 SLD	3,551	4,447	5,232	2,766	-22.11%
029	SOUTHERN WOODS SLD	824	4,307	4,088	1,043	26.58%
029A	SOUTHERN WOODS 11B SLD	2,944	2,428	3,105	2,267	-23.00%
029B	SOUTHERN WOODS IV SLD	13,244	5,931	7,182	11,993	-9.45%
040	DRUG COURT	81,023	86,111	90,520	76,614	-5.44%
049	COUNTY COURT MEDIATION	4,278	-	2,400	1,878	-56.10%
050	HAMPTON HILLS SLD	5,385	7,644	7,760	5,269	-2.15%
062	WATER QUALITY CIP	132,306	3,800	-	136,106	2.87%
065	BOATING IMPROVEMENT	168,004	72,675	-	240,679	43.26%
079	TEEN COURT	41,920	46,892	53,207	35,605	-15.06%
090	CRIME PREVENTION PROGRAMS	-	41,800	40,128	1,672	
093	ARTICLE V TECHNOLOGY	533,133	169,100	422,289	279,944	-47.49%
094	ARTICLE V FACILITIES	-	200,000	192,000	8,000	
095	ARTICLE V LEGAL AID	-	32,300	31,008	1,292	
096	ARTICLE V LAW LIBRARY	-	32,300	31,008	1,292	
097	ARTICLE V JUVENILE	33,762	32,300	32,412	33,650	-0.33%
098	ARTICLE V DRUG COURT	33,767	66,252	69,754	30,265	-10.37%
099	ARTICLE V LAW ENFORCE TRAINING	121,780	24,035	139,982	5,833	-95.21%
101	LAW LIBRARY (OLD)	106,708	-	-	106,708	0.00%
102	ROAD AND BRIDGE	904,535	7,480,440	7,679,076	705,899	-21.96%
103	PINE RIDGE ROAD MAINTENANCE	10,275	-	-	10,275	0.00%
104	PARKS SPECIAL PROGRAMS	150,002	291,365	353,116	88,251	-41.17%
104A	EXTENSION SPECIAL PROGRAMS	6,613	17,285	22,734	1,164	-82.40%
106	WILD LIFE MITIGATION	385	-	-	385	0.00%
108	CHASSAHOWITZKA CAMPGROUND	(19,090)	283,952	254,268	10,594	155.50%
112	BUSINESS LICENSE FUND	256,325	142,262	111,456	287,131	12.02%
128	CASTLE LAKE PARK SLD	3,375	4,477	4,499	3,353	-0.65%
130	FISHING IMPROVEMENT	59,837	6,270	60,480	5,627	-90.60%
131	LIBRARIES	1,212,610	2,984,390	3,645,791	551,209	-54.54%
135	CONNELL HEIGHTS SLD	1,080	783	1,226	637	-41.02%
136	DIXIE SHORES SLD	664	2,078	2,199	543	-18.22%
137	EMERALD OAKS SLD	112	1,511	1,342	281	150.89%
138	APACHE SHORES SLD	831	4,175	3,960	1,046	25.87%
139	CRYSTAL OAKS SLD	4,928	12,424	13,684	3,668	-25.57%
140	CYPRESS VILLAGE SLD	23,302	324,794	280,039	68,057	192.07%



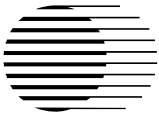
Projected Fund Balance Schedule

Fund Number	Fund Title	Beginning Fund Balance 10/1/11	Projected Revenue	Projected Expenses	Projected Ending Fund Balance 9/30/12	Percentage Increase/Decrease
141	FOXWOOD SLD	684	2,876	2,829	731	6.87%
142	RIVERHAVEN VILLAGE SLD	14,428	24,117	24,769	13,776	-4.52%
143	CRYSTAL PARADISE SLD	8,720	10,846	10,415	9,151	4.94%
144	CRYSTAL GLEN SLD	6,231	7,231	8,467	4,995	-19.84%
144A	CRYSTAL GLEN IIA SLD	563	939	1,026	476	-15.45%
145	CINNAMON RIDGE SLD	4,563	8,764	10,550	2,777	-39.14%
146	WATER OAKS SLD	1,236	2,235	2,711	760	-38.51%
147	FLYING DUTCHMAN SLD	912	3,869	3,772	1,009	10.64%
148	OAK FOREST SLD	2,051	2,115	2,597	1,569	-23.50%
149	SPRING GARDENS SLD	734	3,055	3,044	745	1.50%
154	FIRE RESCUE	637,959	4,319,303	4,571,174	386,088	-39.48%
155	BEVERLY HILLS FIRE DEPT.	11,754	-	-	11,754	0.00%
160	VISITOR & CONVENTION BUREAU	554,357	574,750	585,712	543,395	-1.98%
170	HEALTH INSURANCE	747,513	5,264,137	4,909,853	1,101,797	47.40%
171	INSURANCE TRUST	609,280	1,718,500	2,223,360	104,420	-82.86%
172	DENTAL INSURANCE	185,857	398,520	465,600	118,777	-36.09%
505	HEALTH DEPARTMENT	67,761	896,991	908,976	55,776	-17.69%
550	FLEET MANAGEMENT	305,683	1,230,250	1,125,068	410,865	34.41%
555	FLEET VEHICLE TRUST FUND	2,081,136	41,299	1,243,402	879,033	-57.76%
611	SCHOOL IMPACT FEES	1,079,500	261,250	9,686	1,331,064	23.30%
613	ROAD IMPACT FEES/DISTRICT 8	804,700	-	-	804,700	0.00%
614	ROAD IMPACT FEES/DISTRICT 7	883,600	-	-	883,600	0.00%
619	LAW ENFORCEMENT IMPACT FEES	15,400	38,000	49,892	3,508	-77.22%
620	FIRE IMPACT FEES	728,200	66,500	235,667	559,033	-23.23%
621	EMS IMPACT FEES	4,800	9,500	12,084	2,216	-53.83%
622	LIBRARY IMPACT FEES	-	28,500	39,752	(11,252)	
623	PUBLIC BUILDINGS IMPACT FEE	108,400	95,000	193,747	9,653	-91.10%
636	PARK IMPACT FEES/DISTRICT 1	238,274	42,750	2,512	278,512	16.89%
637	PARK IMPACT FEES/DISTRICT 2	83,505	23,750	73,707	33,548	-59.83%
638	PARK IMPACT FEES/DISTRICT 3	110,006	2,850	68,220	44,636	-59.42%
639	PARK IMPACT FEES/DISTRICT 4	145,749	5,700	589	150,860	3.51%
645	UTILITY FEE TRUST ACCOUNT	525,841	73,708	212,436	387,113	-26.38%
660	LIBRARY -SCHITZER TRUST	-	-	-	-	
662	ROAD IMPACT FEES/DISTRICT A	123,459	121,125	96,280	148,304	20.12%
663	ROAD IMPACT FEES/DISTRICT B	157,708	28,500	27,360	158,848	0.72%
664	ROAD IMPACT FEES/DISTRICT C	2,566,019	6,412	6,156	2,566,275	0.01%
665	ROAD IMPACT FEES/DISTRICT D	2,393,470	78,375	75,240	2,396,605	0.13%
710	LIMEROCK SPECIAL ASSESSMENT	6,583	43,007	32,745	16,845	155.89%
717	RIVER ROAD /STOKES FERRY PR	279,520	7,131	8,799	277,852	-0.60%
719	TSALA APOPKA GARDENS SA	41,820	5,357	25,425	21,752	-47.99%
720	HIGH RIDGE ESTATES PR	32,310	12,431	13,415	31,326	-3.05%
721	LAGUNA PALMS MSBU	54,230	-	-	54,229	0.00%
722	SUBURBAN ACRES PR	87,444	59,340	67,235	79,547	-9.03%
723	BENNETT POINT PR	297,240	4,300	4,083	297,454	0.07%
724	BOW N ARROW LOOP PR	13,480	12,193	11,010	14,659	8.75%



Projected Fund Balance Schedule

Fund Number	Fund Title	Beginning Fund Balance 10/1/11	Projected Revenue	Projected Expenses	Projected Ending Fund Balance 9/30/12	Percentage Increase/Decrease
725	CARAVAN PATH PR	37,940	6,972	6,906	38,001	0.16%
727	HARTLEY/SKEETER PR	12,720	4,170	3,654	13,230	4.01%
728	HULL TERRACE PR	9,350	2,155	2,246	9,252	-1.05%
729	KENVERA/OWENS PR	7,720	21,132	21,975	6,869	-11.02%
730	CITRUS SPRINGS MSBU	81,330	573,325	705,779	(51,133)	-162.87%
731	2006 PRIVATE ROAD PROGRAM	681,367	-	-	681,357	0.00%
732	HALLS RIVER ROAD SA	(1,086)	112,701	156,849	(45,245)	-4066.21%
733	CHASSASSAHOWITZKA WATER SA	581,060	94,927	138,220	537,755	-7.45%
734	2007 PRIVATE ROAD PROGRAM	613,290	-	-	613,277	0.00%
735	SOUTH LAKE SPIVEY POINT SA	49	2,236	1,554	717	1363.27%
736	CHASSASSAHOWITZKA SEWER SA	2,280	10,837	975	12,127	431.89%
737	ANCHORAGE WW SPEC ASSESS	(9,821)	2,035	231	(8,017)	18.37%
740	CITRUS SPRINGS WATER LINE SA	28,960	557,634	462,895	123,683	327.08%
740A	CITRUS SPRINGS WATER LINE SA #2	775,370	71,369	128,328	718,394	-7.35%
750	RIVERHAVEN MSBU	74,940	91,814	3,877	162,859	117.32%
770	BEVERLY HILLS MSBU	-	52,725	64,349	(11,643)	
	Total	22,892,524	29,545,013	32,675,595	19,761,752	-13.68%
DEBT SERVICE						
210	CRIMAL JUSTICE BOND RES	24,980	651,075	651,500	24,555	-1.70%
220	LECANTO OFFICE BLD	21,659	452,900	451,100	23,459	8.31%
225	1999-2000 PROJECTS	13,039	544,700	534,700	23,039	76.69%
226	2001 PROJECTS	12,868	367,000	357,000	22,868	77.71%
231	2004 BONDS	17,928	606,425	604,100	20,253	12.97%
232	2010 BONDS	-	1,180,800	1,180,800	-	
	Total	90,474	3,802,900	3,779,200	114,174	26.20%
CAPITAL PROJECTS						
326	5 YR CAPITAL PROJECTS	6,002,340	7,447,126	12,631,515	817,951	-86.37%
365	WATER/WW INFRASTRUCTURE	3,439,219	9,500	2,154,673	1,294,046	-62.37%
	Total	9,441,559	7,456,626	14,786,188	2,111,997	-77.63%
ENTERPRISE FUNDS						
401	LANDFILL	1,439,838	5,431,637	6,254,935	616,540	-57.18%
403	LANDFILL FLEET TRUST	1,347,326	807,928	651,430	1,503,824	11.62%
405	SOLID WASTE CIP	4,591,649	1,633,489	73,000	6,152,138	33.99%
450	CITRUS COUNTY UTILITIES	15,894,521	14,665,450	13,088,328	17,471,643	9.92%
451	CCU WATER CONNECTION FEES	3,291,343	135,769	141,400	3,285,712	-0.17%
451A	CCU WW CONNECTION FEES	1,752,521	203,500	248,296	1,707,725	-2.56%
452	CCU RENEWAL & REPLACEMENT	1,388,051	934,500	1,307,822	1,014,729	-26.90%
453	WRWSA RENEWAL/ REPLACEMENT	40,751	169,603	162,819	47,535	16.65%
456	UTILITIES FLEET TRUST	488,371	250,601	149,875	589,097	20.62%
465	UTILITIES BOND PROCEEDS	7,848,643	-	7,848,643	-	-100.00%
466	BUILDING INSPECTION	1,316,468	1,154,250	1,423,467	1,047,251	-20.45%
476	BUILDING VEHICLE TRUST	125,161	-	-	125,161	0.00%
	Total	39,524,643	25,386,727	31,350,015	33,561,355	-15.09%



Grants and Grant Matches

The Board of County Commissioners has been awarded various grants to benefit the community and citizens of Citrus County. These grants come from various federal, state, and private sources. For the fiscal year ending September 30, 2008 the County recognized revenues in excess of \$6 million from federal grants and \$11 million from state grants. In addition, another \$1.8 million was received from other sources, such as the State of Florida Department of Children and Families and Southwest Florida Water Management District.

The federal grants received were used to provide various services to low income residents of the county, improve the wind resistance of fire stations for protection during natural disasters, and public safety activities performed by the Sheriff's Office. The state grants received were used for construction of water and wastewater facilities, the Emergency Operations Center, and various aviation projects. State grants were also used to provide housing services to low income residents of the county.

Some grants require match to share the cost between the federal, state, and local agencies. Match can include, but is not limited to: cash contributions, in-kind time and effort, equipment and supplies, and physical space.

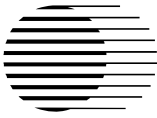
Monetary or cash match includes cash spent for project-related costs under a grant agreement. Allowable cash match must include only those costs which are allowable and are in compliance with the program guidance and/or program regulations.

In-kind match is defined as contributions of the reasonable value of property or services in lieu of cash which benefit the project or program. This type of match may only be used if not restricted or prohibited by program statute, regulation

or guidance and must be supported with source documentation. Only property or services that are in compliance with program guidance and/or program regulations are allowable.

The methodology for calculating the required match can vary with each funding source. For example, the County may be awarded a grant in the amount of \$100,000 requiring 20% cash match. One formula to calculate the match is to multiply the grant award by the cash match percentage ($\$100,000 \times 20\% = \$20,000$), which results in a required match of \$20,000. Another formula is to divide the grant award by the percentage of grant award to determine the total amount then deduct the grant award ($\$100,000 / 80\% = \$125,000$, $\$125,000 - \$100,000 = \$25,000$), which results in a required match of \$25,000.

The following schedule of grants and matching funds depicts the amount of funds the County contributes to the various granting agencies according to their specific grant match calculation requirements. Some grants utilize fees or private donations to achieve the required grant match. This schedule is not inclusive of all grants awarded or anticipated awarded, but only those grants which the Board of County Commissioners contributes matching funds.



FY 10/11 Grant Match Schedule

Agency	Grant Award	County Funding	%	Additional Funding
Community Care for the Elderly (CCE)	450,000	45,000	10%	
Crystal River Airport Approach	71,250	3,750	5%	
Firefighter Assistance	49,600	12,400	20%	
Florida Yards & Neighborhood (FYN)	128,400	64,200	50%	
Inverness Airport Construct T & Corp Hangars	440,000	110,000	20%	
Inverness Airport Aircraft Ramps	400,000	100,000	20%	
Medicaid Waiver Program (MWP)	260,000	-		9,889
OAA Title IIIB, C1, C2	600,000	66,667	10%	
OAA Title IIIE	76,500	8,500	10%	
Retired & Senior Volunteer Program (RSVP)	104,194	44,655	30%	
Senior Companion	66,905	11,067	30%	6,985
Transit – Capital 5310	262,512	26,252	10%	
Transit – Capital 5311	131,784	26,357	20%	
Transit – Fixed Route Supplement	-	-		15,000
Transit – Operations	890,376	316,188	50%	
Transit – TD Medicaid	450,190	-		45,019
Transit – Transportation Disadvantaged	293,202	29,320	10%	49,844
Voter Education	33,350	4,100	15%	
Total	4,708,263	868,456		126,737