

CITY OF LEESBURG COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FOR THE FISCAL YEAR
ENDING SEPT. 30, 2013**



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CITY OF LEESBURG, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013



Prepared by Department of Finance



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CITY OF LEESBURG, FLORIDA

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INTRODUCTORY SECTION



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MISSION STATEMENT

"Dedicated to Our Community, Committed to Service Excellence"

March 26, 2014

Honorable Mayor and
Members of the City Commission, and
Citizens of the City of Leesburg, Florida

It is our pleasure to submit this Comprehensive Annual Financial Report (CAFR) for the City of Leesburg, Florida for the fiscal year ended September 30, 2013. The report fulfills the requirements set forth by State law, in accordance with the Florida Statutes Section 166.241 and Chapter 10.500 Rules of the Auditor General requires that all general purpose local governments publish each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) in the United States and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

This CAFR consists of management's representations concerning the finances of the City of Leesburg. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Leesburg has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Leesburg's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Leesburg's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Florida Statutes require that an annual financial audit be performed by independent certified public accountants. This year the audit was performed by Moore, Stephens, Lovelace, P.A. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Leesburg for the fiscal year ended September 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City of Leesburg's financial statements for the fiscal year ended September 30, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Leesburg was part of a broader, mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements - with special emphasis involving the administration of federal and state awards. These reports are included in the Single Audit section of this report.

GAAP requires 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 MD&A and should be read in conjunction with it. The City of Leesburg's MD&A can be found immediately following the report of the independent auditors.



LEESBURG
The Lakefront City

Post Office Box 490630 • Leesburg, Florida 34749-0630

Profile of the Government

The City of Leesburg was founded and first settled in 1857 by Evander H. Lee, a native of Sumter, South Carolina. The City received its name as a result of shipping directions given by Calvin Lee, Evander's brother, during a merchandising trip to New York City in 1866. By a citizen vote of 23 to 2, the City of Leesburg was incorporated on July 12, 1875. The City was originally part of Sumter County and served as the County seat until 1882 when the Florida Legislature created Lake County. The City has been a part of Lake County since then and is the oldest and second highest populated of the fourteen incorporated municipalities in Lake County, which include Astatula, Clermont, Eustis, Fruitland Park, Groveland, Howey-in-the-Hills, Lady Lake, Mascotte, Minneola, Montverde, Mount Dora, Tavares and Umatilla.

The City of Leesburg is a political subdivision of the State of Florida. As such, it is governed by, and derives its operating authority from, the constitution and laws of the State of Florida. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City operates under a commission/manager form of government, with a governing body consisting of five City Commissioners, elected to staggered four-year terms. Three of the commission members must meet district residency requirements. The remaining two commissioners are elected at-large without a district residency requirement. One of the commissioners is selected by the other four as Mayor to serve an annual term. The City Commission is responsible for, among other things, passing ordinances and resolutions, adopting the budget, appointing committees, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances adopted by the City Commission, for overseeing day-to-day operations of the City, appointing the department heads and approving the hiring of all employees.

The City provides a traditional mix of governmental services, including police and fire protection, the construction and maintenance of streets and infrastructure, library, recreational activities, cultural events, planning, zoning, housing, and administrative services. The City also provides a full range of utility services, including electric, natural gas, solid waste, communications (which includes internet and fiber optic cable services), water, reuse water, wastewater treatment and stormwater drainage. In addition the City has three Community Redevelopment Agencies, (CRA), which are Greater Leesburg, Carver and U.S. Highway 441/27.

The City of Leesburg is situated between Lake Harris and Lake Griffin and continues south on U.S. Highway 27 to the intersection of County Road 48. The City occupies a land area of 39.26 square miles and has a population exceeding 20,000. The City of Leesburg is located in north central Florida midway between the Gulf of Mexico and the Atlantic Ocean, approximately 200 miles southeast of the State Capital, Tallahassee, 80 miles northeast of Tampa, 40 miles northwest of Orlando and 70 miles southwest of Daytona Beach. The City is intersected by State Road 44, U.S. Highway 27, and U.S. Highway 441 with Interstate 75 and the Florida Turnpike close by.

The City of Leesburg is known for its scenic beauty, relaxed lifestyle, recreational facilities, temperate climate, extensive waterways, and affordable housing. Waterfront living is a way of life with 1,400 beautiful lakes located in Lake County.

Leesburg's geographic location enables the City to offer three parks that include lake access to the beautiful Harris Chain of Lakes, one on Lake Griffin [Herlong Park] and two on Lake Harris [Venetian Gardens and Singletary Park]. Venetian Gardens offers a variety of recreational amenities, including great shoreline fishing opportunities, as seven pedestrian bridges connect islands within this picturesque setting. Other recreational amenities in Venetian Gardens include outdoor volleyball courts, a community swimming pool, Kids Korner Playground, pavilions, the Community Building, Venetian Cove Marina

and Pat Thomas Stadium/Buddy Lowe Field that has hosted professional baseball in the past and is the current home of Leesburg High School varsity baseball and the Leesburg Lightning of the Florida Collegiate Summer League.

In 2005, the City opened the Sleepy Hollow Sports Complex, which includes two football/soccer fields, two youth softball fields, two Babe Ruth Baseball fields, four adult softball fields, concessions, locker rooms, restrooms and a pavilion. Sleepy Hollow is the site of numerous tournaments and attracts over 1,000 athletic teams each year to Leesburg. In 2007, the United States Sports Specialty Association voted the Sleepy Hollow Sports Complex their "Facility of the Year" for the State of Florida.

The Leesburg Recreational Complex was opened in 2008 featuring two indoor regulation basketball courts, four indoor volleyball courts, an outdoor basketball court, playground and offices for the Parks and Recreation Department.

These outstanding recreational facilities of regional impact are complemented with numerous community and neighborhood parks. The Susan Street Complex includes four youth baseball fields, one regulation football field, four tennis courts, four outdoor racquetball courts, concessions and restrooms. The Palmetto Street Complex features four tennis courts as well as a battery of 24 shuffleboard courts. Other quality recreational facilities throughout the City include Berry Park, Fountain Lake Park, John L. Johnson Park, Leesburg's Dog Park and Town Square, which serves as the focal point during major festivals hosted within the City. A hiking/biking trail system throughout the City is currently under construction and will link many of Leesburg's recreational facilities as well as provide continuity with other trail systems throughout Central Florida.

Leesburg also takes pride in preserving its rich heritage through the Leesburg Historical Museum and Mote Morris House, which is on the National Register of Historic Places and offers a fine example of Victorian architecture.

Leesburg International Airport (LEE) is a large general aviation airport with over 50,000 flight operations per year. The airport has grown substantially in the past few years and it continues to grow. Approximately 140 fixed wing and 15 helicopters are permanently based at LEE. The airport provides a diversity of activities; with its two intersecting runways, the airport can support a variety of aircraft.

The airport sustains and leads economic growth and development. It is an important economic engine, and supports vital health, welfare, emergency, and safety-related services. The annual economic impact of Leesburg International Airport is associated with direct impacts that come from tenants/businesses located at the airport and construction projects that are undertaken by the airport or by on-site businesses. Indirect impacts are associated with spending from visitors who arrive in the area via general aviation aircraft.

Budgetary Controls

The annual budget serves as the foundation for the City's financial planning and control. Department heads are required to submit requests for appropriations to the City Manager, who uses those requests as the starting point for developing a proposed budget. The City Manager is required by the City Charter to keep the City Commission fully advised as to the financial condition and needs of the City and to submit an annual budget for its consideration. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget by September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function and department.

The City's adopted budget policy establishes budgetary control (i.e., the level at which expenditures cannot exceed the appropriated amount) at the fund level. Budgets for all governmental fund types are adopted on a basis consistent with GAAP. Department heads may make transfers of appropriations within a category

from one division to another in their respective department, and transfers of appropriations between departments or categories can be approved by the City Manager. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget adopted by the City Commission. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and major special revenue funds, these comparisons are presented as required supplementary information. For other governmental funds with appropriated annual budgets, these comparisons are presented in the Supplemental Information section of this report.

ECONOMIC CONDITION

The information presented in the financial statements is best understood when considered from a broader perspective of the environment within which the City of Leesburg operates.

Local Economy

Leesburg, and Lake County, as a whole, have transitioned in recent decades from agricultural roots to a growth-driven economy that is heavily centered in real estate, retail, personal services, and health care. With the slowdown of the national economy since 2006, many businesses have become creative in luring customers into their doors. New home sales have dropped significantly, but new residents are still attracted to Lake County's affordable housing, easy access to Orlando, scenic lakes and plentiful outdoor recreational opportunities.

Leesburg's top private sector employer is Leesburg Regional Medical Center, boasting a labor force of 1,770. Other principal employers within the City include Lifestream Behavioral Center, the City of Leesburg, Lake County School District and Lake-Sumter State College. Health care, education, personal services, retail and construction are sectors with the highest employment levels in Lake County.

The County is striving to diversify its employment base and to overcome a lack of higher-wage jobs that are important to improve the local economy. One difficulty in attracting such employers could be related to desired public and higher education serving the local workforce. Typically, higher-paying employers look for cities and counties that exceed 30% of adults having higher educational degrees. Education should be a focal point for additional improvements as Lake County statistics show only 17% of adults have attained these higher educational degrees.

The City is home to Leesburg International Airport, a regional shopping mall, two colleges and a growing medical community. Leesburg's retail shopping is largely concentrated along U.S. Highways 27 and 441.

More than two years ago, local unemployment rose to the highest point in 34 years. Lake County's unemployment rate has since calmed to 6.3%, compared to 8.4% just a year ago.

Economic challenges and diminishing property values have a significant impact on the City's taxable property income. FY2008 saw the peak of the City's property values at \$1.625 billion, which decreased 31% to this year's value of \$1.116 billion. This decrease in the City's taxable value, coupled with property tax reform, has resulted in corresponding decreases in property tax revenues. Since FY2008, the City has seen the annual property tax revenues decrease from \$6.5 million to \$4.8 million. The taxable value is projected to decrease over the next year, but the rate of decline is not anticipated to be as drastic as it has been the past few years.

The population in Lake County nearly doubled from 1980 to 2000 (210,528 persons). The County now has more than 300,000 residents, which could double over the next 25 years and reach a half a million people. Growth in the City of Leesburg has retreated from the peak experienced in 2006. The City currently has nearly 21,000 residents.

The Leesburg area is positioned at the crossroads of geographic expansion, as the retirement market continues to push from the north and family households sustain the market segment to the south. This area has embraced both market segments and, as a result, has become one of the emerging economic submarkets in all of Central Florida.

Long-term Financial Planning

The Core Values adopted by the City Commission will drive the long-term planning process. One of the Core Values, “Fiscal Responsibility,” shows a respect for the citizens whose taxes support the municipal government and a commitment for the thoughtful prioritization and careful management of financial resources. Also addressed in this Core Values is the recognition that resources are limited and that this necessitates fresh approaches and creativity in addressing current operations and community needs.

The 10-year Capital Improvement Plan was developed to maximize the “pay as you go approach” while recognizing the benefit of financing. Utility improvements and replacements will be scheduled and integrated into the street paving work plan. The plan includes a detailed explanation regarding development of revenue projections and assumptions regarding capital needs. Due to limited resources, capital spending is limited to that which is absolutely necessary. The major sources of funding include grants, remaining bond proceeds and renewal and replacement funds.

In the past, the City typically extended services beyond the current available infrastructure based on a calculation to recoup the initial investment over a 5- to 7-year period. However, Leesburg’s City Commission has taken the environmentally friendly (and financially sound) approach of requiring natural gas installation funded by the developer in all new subdivisions where it is financially feasible. This eliminates the up-front capital investment by the utility and expands the customer base.

Additional long-range planning for the following departments is listed below:

- **Electric** – The utility consistently evaluates the costs of outsourcing specific activities. There is a plan to convert certain overhead utility lines within the City to underground over the next 30 years to avoid future safety code compliance issues associated with poles, weather related damage and to provide other savings. In addition, the utility has received federal stimulus money to upgrade its metering technology. The new technology will enable the utility to develop and employ time-of-use rates, which will provide consumers with the ability to save more money by curtailing energy during peak periods, when the cost of providing electricity is highest.
- **Gas** – The City is a member of Florida Gas Utility (FGU), which is made up of natural gas utilities with a common goal of acquiring natural gas in bulk to reduce overall price to customers. Prior to 2006, the department followed a guideline of extending service to new customers based on a seven-year calculated return on initial investment. All new expansions are now funded by the developer, which will improve the financial performance of the utility as the area grows.
- **Communications** – The City continues to expand high-speed fiber-optic communication lines by connecting new customers who are located close to our existing infrastructure, thereby taking advantage of available fiber optic capacity. Additionally, the City has connected new broadband internet customers during the year. These commercial customers are connected to the City’s internet service provider network via the City’s fiber-optic cable. The Communications Utility continues to experience moderate expansion of its customer base year after year.
- **Information and Technology (IT)** – The IT Department is an important part of the City’s operations, thus long-term financial planning includes preparing to replace computers as they become obsolete. All computer equipment is owned by the IT Department and leased to the other City departments, based on a five-year payback period. IT is actively involved with upgrading business technology as financial resources become available.

- **Fleet Maintenance** – All City vehicles are owned by Fleet Services, which is responsible for repairs, vehicle bid specifications and purchases. A lease fee, based on useful life, is charged to the user department. Fleet Services also maintains the City's two fuel sites.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Leesburg for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This is the twenty-third consecutive year (fiscal years ended 1990-2012) that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

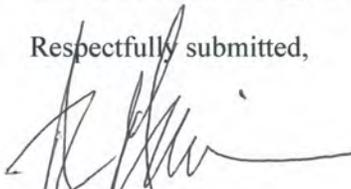
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Leesburg also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year 2012-13. This was the fifteen consecutive year the City received this award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, as a financial document, as an operations guide, and as a communications device.

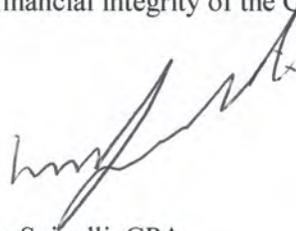
The preparation of this report on a timely basis was made possible through the efficient, dedicated and professional efforts of the entire staff of the Finance Department. The significant amount of year-end closing procedures required prior to the audit could not have been accomplished without members of the department who made personal sacrifices. Other City departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. Credit must also be given to the Mayor and Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Leesburg's finances.

We believe that this report clearly illustrates the financial position of the City of Leesburg and wish to thank you for your support and commitment to maintaining the financial integrity of the City.

Respectfully submitted,



Alfred (Al) Minner
City Manager



William Spinelli, CPA
Finance Director

**CITY OF LEESBURG, FLORIDA
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2013**

CITY COMMISSION

David Knowles	Seat Five, At-Large	Mayor
Bill Polk	Seat Four, At-Large	Mayor, Pro-Tem
Jay Hurley	Seat One, District One	Commissioner
John Christian	Seat Two, District Two	Commissioner
Elise Dennison	Seat Three, District Three	Commissioner

Ray Sharp
Interim City Manager

Fred A. Morrison
McLin & Burnsed P.A.
City Attorney

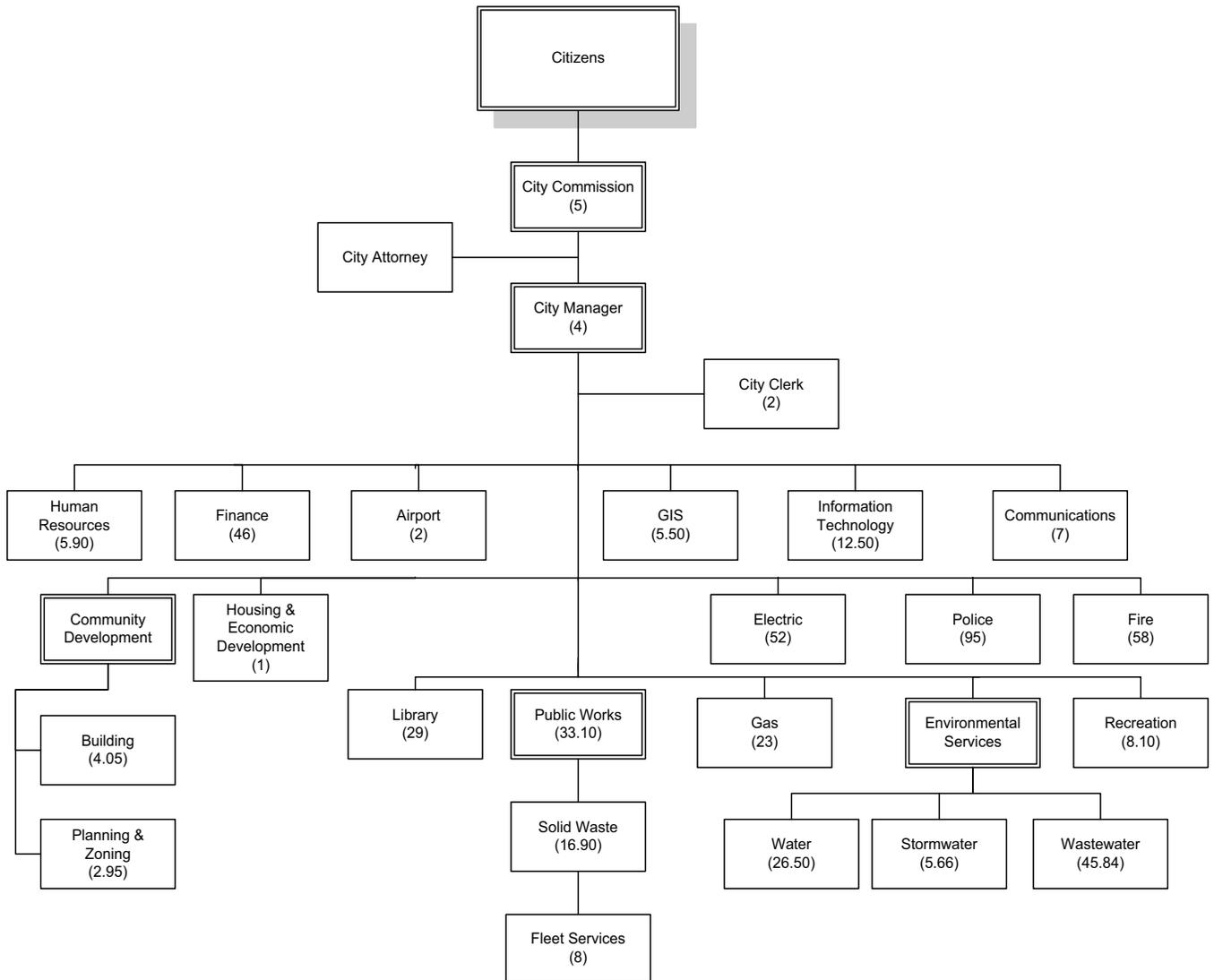
William Spinelli, CPA
Director of Finance

Moore Stephens Lovelace, P.A.
City Auditors

Jakki Cunningham Perry
Stan Carter
William J. Chrisman
Kevin R. Bowman
William O. Wiley Jr.
Kenneth L. Thomas
Lucy B. Gangone
Paul D. Kalv
Jack G. Rogers Jr.
DC Maudlin
Betty M. Richardson

Human Services Director
Information Technology Director
Police Chief
Fire Chief
Community Development Director
Housing & Economic Development Director
Library Director
Director of Electric
Director of Gas
Interim Director of Public Works
City Clerk

ORGANIZATION CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Leesburg
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO



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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Commission
City of Leesburg, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Leesburg, Florida (the "City"), as of and for the fiscal year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable Mayor and
Members of the City Commission
City of Leesburg, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the supplemental information section, the statistical section, and the debt disclosure section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, statistical section, and debt disclosure section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida

March 26, 2014

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

The City of Leesburg, Florida's (the City) management's discussion and analysis presents an overview of the City's financial activities for the fiscal year ended September 30, 2013. Please read it in conjunction with the letter of transmittal, beginning on page i, and the financial statements, beginning on page 18.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2013 by \$226.7 million (net position). Of this amount, \$52.4 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$9 million or 4.15%. Net position for governmental activities increased by \$4.5 million or 8.6%, while business-type net position increased by \$4.5 million, or 2.75%.
- As of September 30, 2013, the City's governmental funds reported combined ending fund balances of \$21.6 million, a slight decrease of \$663 thousand in comparison with the reported amount of \$22.2 million in the prior year.
- On September 30, 2013, unassigned fund balance for the general fund was \$8.6 million, or 35% of total general fund expenditures and transfers out of \$24.9 million.
- Governmental funds' fund balance decreased by \$662,612, which represented a slight improvement over the prior year net decrease of \$788,628. The decrease was attributed to a continued lethargic economic environment. The internal service funds change in net position increased by \$6.5 million due primarily to the creation of the Fleet Maintenance Fund. Internal service funds are considered governmental activities on the city-wide statements, but are included with the enterprise funds on the individual funds statements.
- The total enterprise funds change in net position decreased by \$7.6 million from the previous year. This decrease represents a reduction in grant funds associated with the Smart Grid electric project coupled with increased transfers to governmental funds.
- The City's total debt as of September 30, 2013, increased by \$4.6 million to \$138 million. New debt was issued in 2013 to benefit from lower interest rates. The 2004 Capital Improvement Revenue Bonds were refinanced with the 2013 Capital Improvement Refunding Revenue Bonds and the 2004 Utility System Revenue Bonds were refinanced with the 2013 Utility System Refund Revenue Bonds. In addition, the 2010 Electric Utility Revenue Note used to partially fund the electric smart grid system, was refinanced with the 2013 Electric System Refunding Revenue Note.

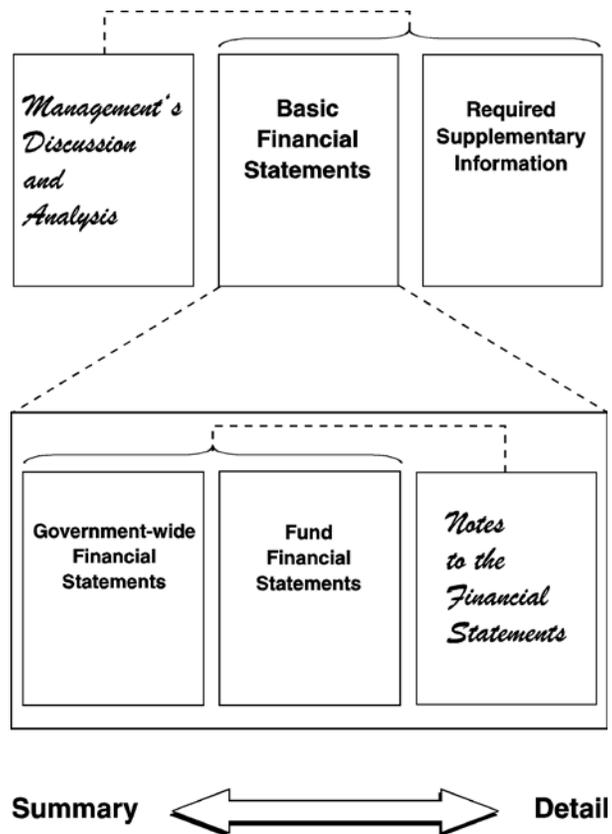
Overview of the Financial Statements

This management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) city-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements that explain information from the financial statements and provide more detailed data.

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The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

This report also contains other supplementary information in addition to the basic financial statements that provide details about the City's nonmajor governmental and internal service funds, each of which are added together and presented in single columns in the basic financial statements. The required parts of this annual report are arranged and relate to one another as shown in the following graphical representation:



City-wide Financial Statements

The government-wide financial statements are the statement of net position (previously known as the statement of net assets) and the statement of activities. These statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. Emphasis is placed on the net position of governmental activities and business-type activities, and the change in net position. Governmental activities are principally supported by taxes and intergovernmental revenues. Governmental activities include most of the City's basic services, including police, fire, public works, parks and recreation, library, and general administration. Business-type activities are intended to recover all or a significant portion of their costs through user fees and charges. The City's water system, sewer system, electric system, communications system, storm water system, gas system, and solid waste system operations are reported as business-type activities.

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The city-wide financial statements include not only the City of Leesburg itself but also the Greater Leesburg Community Redevelopment Agency, Carver Heights/Montclair Area Community Redevelopment Agency, and the U.S. Highway 441/27 Community Redevelopment Agency (all three "CRAs"). The CRAs, though legally separate, are reported as part of the primary government as blended component units due to the City Commission serving as each CRA's governing board.

- The *Statement of Net Position* presents information on all of the City's assets, deferred outflows, and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The *Statement of Activities* presents information showing how the government's net position changed during fiscal year 2013. All changes in net position are reported as soon as the occasion arises, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and unused vacation leave when earned).

Both of these financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The internal service funds, namely health insurance, workers' compensation, and fleet maintenance are recorded as governmental activities but presented with the proprietary funds.

Fund Financial Statements

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. The fund financial statements provide detailed information about the City's major funds- not the City as a whole. Fund accounting helps to ensure and demonstrate compliance with finance-related legal requirements. Based on restrictions on the use of monies, the City has established multiple funds that account for the multitude of services provided to residents and businesses. These fund financial statements focus on the City's most significant funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the city-wide financial statements. However, unlike the city-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the city-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the city-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

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The City maintains thirteen individual governmental funds. Separate information for the general fund, capital projects fund, and the community redevelopment agency fund, which are considered to be major funds, is presented in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental information section of this report.

Annual appropriated budgets are adopted for the governmental funds. Budgetary comparison statements and/or schedules have been provided for these funds to demonstrate budgetary compliance.

Proprietary Funds

The City maintains two different types of proprietary funds: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the city-wide financial statements. The City uses enterprise funds to account for its electric, gas, water and reuse water, wastewater, communications (internet and fiber optic), solid waste, and stormwater operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance healthcare, workers' compensation programs and fleet maintenance programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the city-wide financial statements.

Proprietary funds provide the same type of information as the city-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Electric Utility, Gas Utility, Water Utility, and Wastewater Utility enterprise funds, which are considered to be major funds of the City. The remaining three non-major enterprise funds are combined into a single fund and are aggregated into a single presentation. Individual fund data for the non-major enterprise funds and the internal service funds is provided in the form of combining statements in the supplementary information section of this report.

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Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the city-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to proprietary funds. The fiduciary funds include pension trust funds for police, fire, and general employees.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the city-wide and fund financial statements, including the City's progress in funding its obligations to provide pension benefits and other post-employment benefits to its employees.

Other Information

In addition to the basic financial statements and accompanying notes, required supplementary information is included which presents budgetary comparison schedules for the City's general fund, major special revenue funds, as well as historical trend information for pension trust funds and the City's OPEB plan.

The combining statements and budgetary comparison schedules referred to earlier in connection with nonmajor governmental and internal service funds are presented in the supplemental information section of this report.

City-wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities by \$226.7million at the close of the fiscal year ended September 30, 2013.

At the end of fiscal year 2013, the City is able to report positive balances in all three categories of net position, both for the government as a whole and for its separate governmental and business-type activities. The following table reflects the condensed Statement of Net Position for the current year as compared to the prior year:

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

City of Leesburg's Net Position

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$ 33,702,883	\$ 29,981,313	\$ 97,538,120	\$ 93,068,730	\$ 131,241,003	\$ 123,050,043
Capital assets (net)	<u>77,814,418</u>	<u>77,817,569</u>	<u>196,277,140</u>	<u>195,123,432</u>	<u>274,091,558</u>	<u>272,941,001</u>
Total assets	<u>111,517,301</u>	<u>107,798,882</u>	<u>293,815,260</u>	<u>288,192,162</u>	<u>405,332,561</u>	<u>395,991,044</u>
Deferred Outflow of Resources	<u>996,002</u>	<u>-</u>	<u>1,490,428</u>	<u>-</u>	<u>2,486,430</u>	<u>-</u>
Liabilities						
Current and other liabilities	7,322,386	7,991,865	18,689,101	20,132,368	26,011,487	28,124,233
Long term liabilities	<u>48,064,279</u>	<u>47,181,329</u>	<u>107,033,335</u>	<u>101,339,854</u>	<u>155,097,614</u>	<u>148,521,183</u>
Total liabilities	<u>55,386,665</u>	<u>55,173,194</u>	<u>125,722,436</u>	<u>121,472,222</u>	<u>181,109,101</u>	<u>176,645,416</u>
Net Position						
Net investment in capital assets	45,611,934	45,112,290	115,138,968	120,694,245	160,750,902	165,806,535
Restricted	3,785,234	3,628,410	9,816,240	9,168,859	13,601,474	12,797,269
Unrestricted	<u>7,729,470</u>	<u>3,884,988</u>	<u>44,628,044</u>	<u>36,856,836</u>	<u>52,357,514</u>	<u>40,741,824</u>
Total net position	<u>\$ 57,126,638</u>	<u>\$ 52,625,688</u>	<u>\$ 169,583,252</u>	<u>\$ 166,719,940</u>	<u>\$ 226,709,890</u>	<u>\$ 219,345,628</u>

The largest portion of the City's net position is reflected in the investment in capital assets (e.g., land, buildings, and equipment) less any related outstanding debt used to acquire those assets. Net investment in capital assets totals \$160.8 million, or 40% of all assets, which total \$405.3 million. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate the debt.

A portion of the City's net position, \$13.6 million, or 6.0% of total net position, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net position totaling \$52,357,514 may be used to meet the City's ongoing obligations to citizens and creditors, and provide funding for various projects.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

Statement of Activities

The following table reflects the condensed Statement of Activities for the current year as compared to the prior year.

City of Leesburg's Changes in Net Position

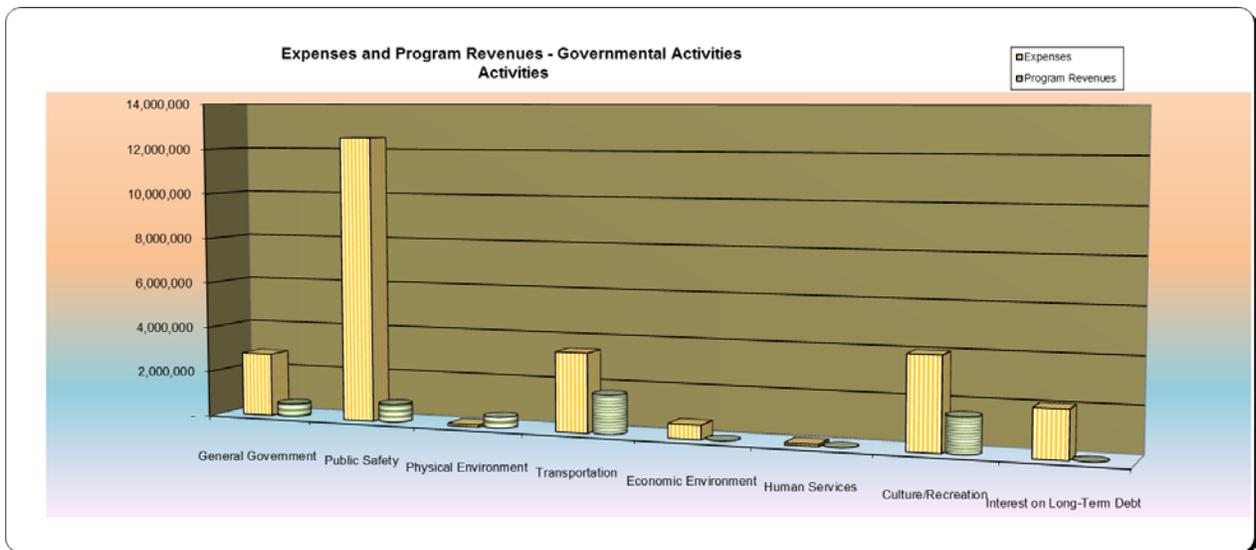
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for Services	\$ 2,479,471	\$ 5,488,043	\$ 93,582,078	\$ 86,870,566	\$ 96,061,549	\$ 92,358,609
Operating Grants and Contributions	764,401	705,802	111,360	48,396	875,761	754,198
Capital Grants and Contributions	1,786,112	956,929	2,743,174	3,635,520	4,529,286	4,592,449
General Revenues						
Taxes						
Property Taxes	4,684,694	4,858,023	-	-	4,684,694	4,858,023
Sales Taxes	1,629,454	1,647,465	-	-	1,629,454	1,647,465
Utility Service Taxes	3,195,794	3,102,871	-	-	3,195,794	3,102,871
Communication Service Taxes	1,155,595	1,107,841	-	-	1,155,595	1,107,841
Other Taxes	981,209	999,139	-	-	981,209	999,139
State-shared Revenues, Unrestricted	1,658,741	1,588,511	-	-	1,658,741	1,588,511
County-shared Revenues, Unrestricted	412,342	451,529	-	-	412,342	451,529
Investment Income	91,653	290,742	1,030,643	214,620	1,122,296	505,362
Miscellaneous	217,330	56,819	11,954	2,109,318	229,284	2,166,137
Total Revenues	<u>19,056,796</u>	<u>21,253,714</u>	<u>97,479,209</u>	<u>92,878,420</u>	<u>116,536,005</u>	<u>114,132,134</u>
Expenses						
General Government	2,783,141	8,225,542	-	-	2,783,141	8,225,542
Public Safety	12,533,637	14,475,082	-	-	12,533,637	14,475,082
Physical Environment	96,957	144,545	-	-	96,957	144,545
Transportation	3,452,836	4,110,736	-	-	3,452,836	4,110,736
Economic Environment	617,173	599,815	-	-	617,173	599,815
Human Services	89,462	520,403	-	-	89,462	520,403
Culture/Recreation	4,000,195	4,486,471	-	-	4,000,195	4,486,471
Interest on Long-Term Debt	2,055,215	1,749,214	-	-	2,055,215	1,749,214
Electric	-	-	54,765,248	49,405,166	54,765,248	49,405,166
Gas	-	-	6,950,627	4,940,220	6,950,627	4,940,220
Water	-	-	6,270,374	5,375,968	6,270,374	5,375,968
Wastewater	-	-	8,516,232	8,502,626	8,516,232	8,502,626
Stormwater	-	-	988,175	1,276,750	988,175	1,276,750
Solid Waste	-	-	3,137,439	2,979,724	3,137,439	2,979,724
Communications	-	-	1,235,660	1,109,831	1,235,660	1,109,831
Total Expenses	<u>25,628,616</u>	<u>34,311,808</u>	<u>81,863,755</u>	<u>73,590,285</u>	<u>107,492,371</u>	<u>107,902,093</u>
Change in Net Position Before Transfers	(6,571,820)	(13,058,094)	15,615,454	19,288,135	9,043,634	6,230,041
Transfers	11,072,770	6,956,641	(11,072,770)	(6,956,641)	-	-
Change in Net Position	4,500,950	(6,101,453)	4,542,684	12,331,494	9,043,634	6,230,041
Restatement	-	(1,518,543)	(1,679,372)	-	(1,679,372)	(1,518,543)
Net Position - Beginning	52,625,688	60,245,684	166,719,940	154,549,560	219,345,628	214,795,244
Net Position - Ending	<u>\$ 57,126,638</u>	<u>\$ 52,625,688</u>	<u>\$169,583,252</u>	<u>\$166,881,054</u>	<u>\$226,709,890</u>	<u>\$219,506,742</u>

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Governmental Activities

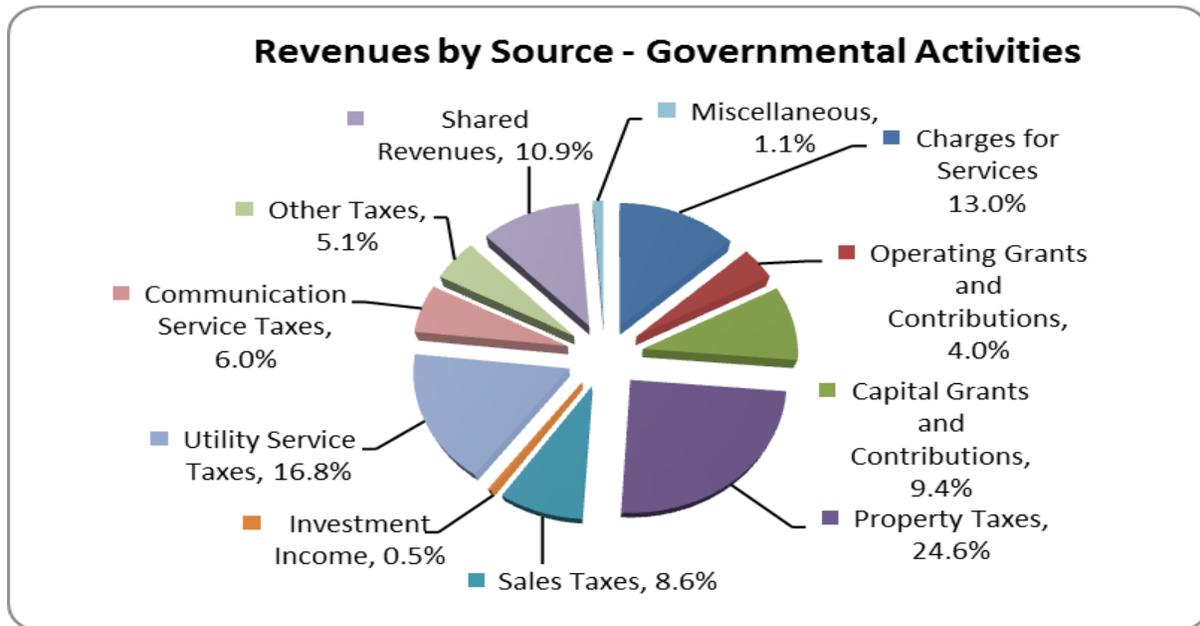
Governmental activities for the current fiscal year increased the City's net position by \$4.5 million or by 8.6%. The increase in net position is primarily attributable to an \$8.7 million reduction in operating costs. Expense reductions in general government, public safety, and transportation of \$5.4, \$1.9 and \$.7 million comprised the majority of cost savings. The receipt of revenue from property taxes decreased slightly to \$4,684,694, reflecting an economy that continues to be lethargic.

The expenses and program revenues depicted in the following bar graph are from the Statement of Activities. Please note that expenses precede revenues as governments seek to identify the needs of citizens and then raise the resources needed to meet those needs. The excess of expenses over program revenues are then funded by the remaining general revenues of the government.



The pie chart depicting revenues by source for governmental activities reflects the percentage of individual revenue sources to total revenue sources for governmental activities.

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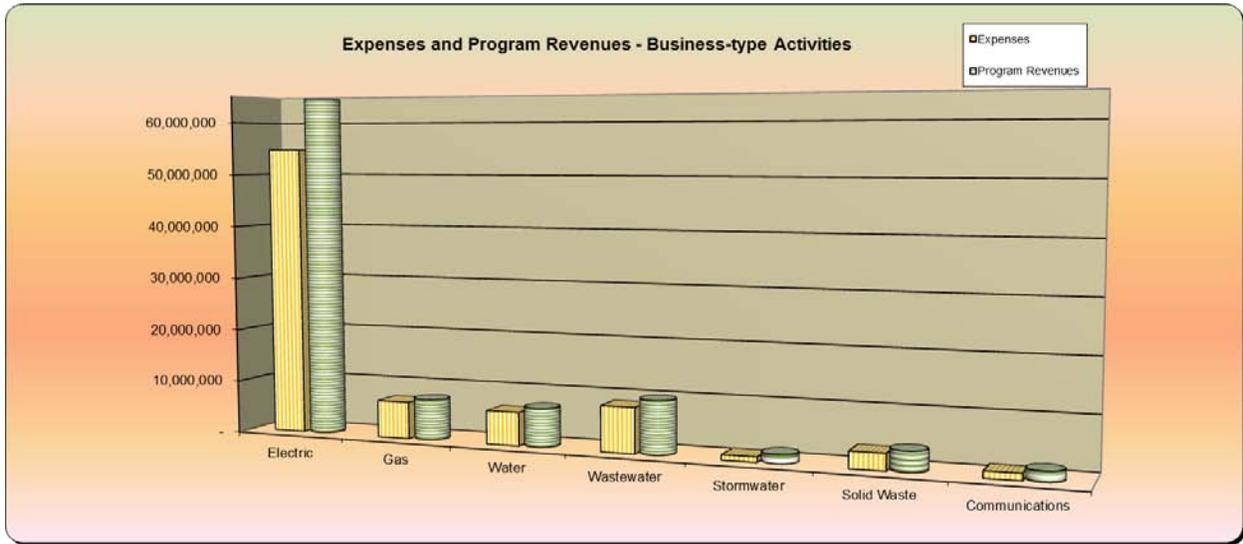
Activities of the City's three internal service funds are considered governmental rather than business-type activities. The City's general employee health insurance fund net position increased from \$1,526,774 in 2012 to \$3,006,372, or 49%. This increase stems from the continued cost savings resulting from increased use of the City onsite wellness center, for which there is no cost to covered employees or dependents for visits, generic drugs dispensed from the center's formulary, and X-ray and MRI services performed by a third-party imaging center. The Workers' Compensation fund net position decreased by 77% to \$146,222. This decrease is attributable to an inter-fund transfer of \$568,000 to the General Fund. The Fleet Maintenance fund was created in 2013 to better track activities associated with providing vehicles and equipment services throughout the City's operation. These activities were previously included in the General Fund.

Business-type Activities - Business-type activities for the current fiscal year increased the City's net position by \$4.5 million. Net operating revenues of \$17.6 million were reduced by transfers to the governmental-type funds of \$11 million.

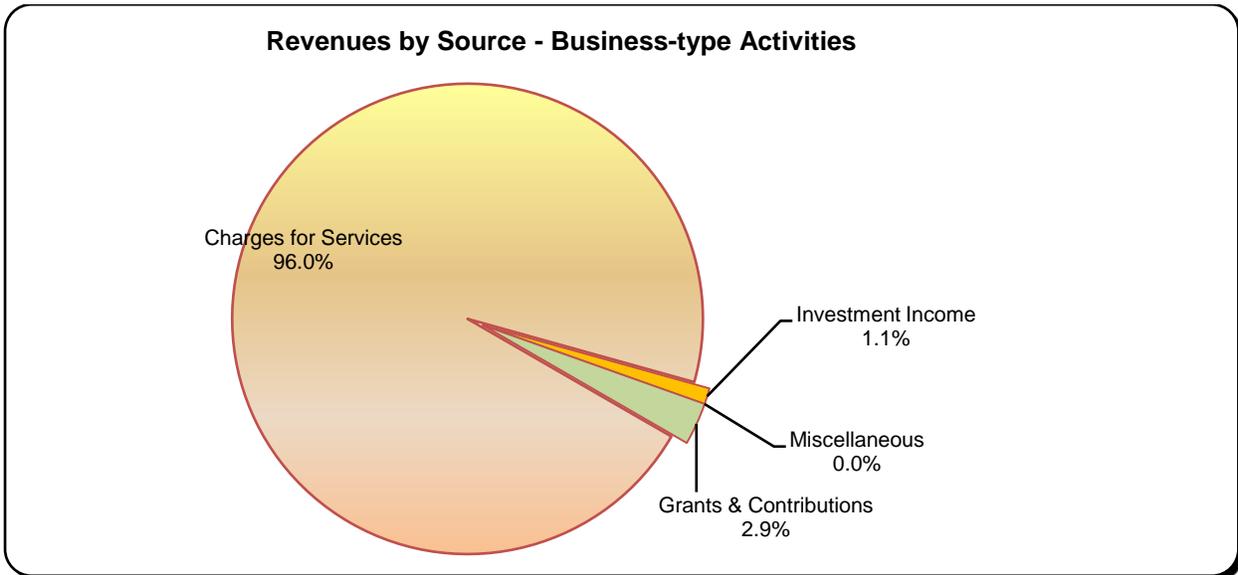
The GASB has issued Statement 65, Items Previously Reported as Assets and Liabilities, which clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB 65 requires certain items which were previously reported as assets and liabilities to be reported as deferred outflows of resources, deferred inflows of resources, or as revenues and expenses. As a result of implementing this statement, the City expensed all bond issuance costs that were recorded as assets at 9/30/12 and restated Beginning Net Position as of 10/1/12.

The expenses and program revenues depicted in the following bar graph are from the Statement of Activities. Please note that expenses precede revenues in this presentation. Business-type activities differ from governmental-type activities, in that, charges for services revenues are designed specifically to recover the cost of providing those services, including capital costs, such as depreciation or debt service.

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The pie chart reflecting revenues by source for business-type activities presents charges for services as 96% of overall business-type activities.



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Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2013, the City's governmental funds reported combined ending fund balances of \$21.6 million, a decrease of \$663 thousand from the prior year. Unassigned fund balance of the governmental funds increased \$1.4 million to \$8.2 million, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for other uses.

The general fund is the primary general government operating fund of the City. At the end of fiscal year 2013, the fund balance of the general fund was \$10.1 million. This fund balance is comprised of nonspendable funds totaling \$121 thousand, restricted funds of \$964 thousand, committed funds of \$4,033, assigned funds of \$437 thousand, and unassigned funds of \$8.6 million. This unassigned balance is an increase of \$1.4 million over the previous year, reflecting senior management's continued efforts to closely monitor financial activities of the City and exert fiscal oversight of the City's resources

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Unrestricted net position of proprietary funds at the end of the year increased by \$7.8 million, or 21.1%.

Fund	Unrestricted Net Position		
	2013	2012	Change
Electric	\$ 18,439,751	\$ 13,976,514	\$ 4,463,237
Gas	9,117,589	9,594,767	(477,178)
Water	7,142,202	6,304,648	837,554
Wastewater	3,871,153	1,616,571	2,254,582
Stormwater	2,849,680	2,450,742	398,938
Solid Waste	1,865,393	1,609,004	256,389
Communications	1,342,276	1,304,590	37,686
Total	\$ 44,628,044	\$ 36,856,836	\$ 7,771,208

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General Fund Budgetary Highlights

The final general fund budget of \$25.7 million was an increase over the original budget, \$25.1 million, of \$642 thousand. The majority of the increase was rollovers from fiscal year 2012 in the amount of \$800 thousand. Of this amount \$53,388 was computer hardware and software, \$393,311 for public safety activities, \$249,011 for fleet purchases, \$46,000 for Customer Service Renovations, \$36,996 for Meter Reading Equipment and other ancillary items totaling \$21,986. Additionally, the general fund budget was decreased \$240 thousand which included reductions to the utility contributions and accounting changes for the receipt of Ad Valorem Taxes for the CRA's.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets include land, buildings improvements other than buildings, intangible assets, equipment, and infrastructure. The infrastructure asset category includes long-lived capital assets, typically stationary in nature, such as roads, sidewalks and bridges. At September 30, 2013, the City had investments in capital assets of \$274 million (net of accumulated depreciation).

City of Leesburg's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 8,957,139	\$ 8,957,139	\$ 12,145,218	\$ 12,145,218	\$ 21,102,357	\$ 21,102,357
Buildings	43,470,084	43,467,260	33,650,766	33,601,773	77,120,850	77,069,033
Improvements Other Than Buildings	27,729,650	27,524,268	192,807,323	182,857,294	220,536,973	210,381,562
Intangible Assets	-	-	748,274	969,614	748,274	969,614
Equipment	28,025,434	29,523,193	35,460,971	28,522,582	63,486,405	58,045,775
Infrastructure	34,766,067	33,511,276	-	-	34,766,067	33,511,276
Construction in Progress	3,419,640	2,291,229	16,454,873	26,337,039	19,874,513	28,628,268
	146,368,014	145,274,365	291,267,425	284,433,520	437,635,439	429,707,885
Less: Accumulated Depreciation	(68,553,596)	(67,456,796)	(94,990,285)	(89,310,088)	(163,543,881)	(156,766,884)
Capital Assets, Net	<u>\$ 77,814,418</u>	<u>\$ 77,817,569</u>	<u>\$196,277,140</u>	<u>\$195,123,432</u>	<u>\$274,091,558</u>	<u>\$272,941,001</u>

The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of September 30, 2013, increased by \$1.2 million to \$274.1 million. The investment in capital assets includes land, buildings, improvements other than buildings, vehicles, equipment, infrastructure, and construction in progress. Significant changes include the following:

Governmental-type Activities - Construction Work-In-Progress (CWIP) increased \$1.1 million reflecting continued work on capital projects.

Business-type Activities – Expenses, including those provided below, were incurred on numerous capital projects in the utility service funds.

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Electric

Lighting projects totaling	\$	388,050
Electric distribution lines totaling		3,231,591
Transformer purchases totaling		540,618
Smart grid project totaling		3,088,677
Reconductoring		260,232

Gas

Mains, meters, regulators, and equipment	\$	246,547
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Water

Mains, plant and storage, and equipment	\$	131,867
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Wastewater

Plant treatment and disposal, collecting sewers, and equipment	\$	425,775
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Communications

Line installation, relocations, and equipment	\$	565,162
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Stormwater

Infrastructure improvements	\$	434,197
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Additional information on the City's capital assets can be found in Note 6 of the notes to the financial statements.

Long-term Debt

At the end of fiscal year 2013, the City had total long-term debt outstanding of \$160.5 million, of which \$110.7 million is attributable to outstanding bonds. Of this outstanding bonds total, \$96.3 million represents bonds secured solely by specified revenue sources, while \$14.4 million is secured by tax increment financing. \$30.4 million of the bonds is applicable to governmental activities, and \$80.3 million is for the business-type activities. Other long-term debt items include notes payable, leases payable, CR #3 decommissioning cost payable, landfill postclosure payable, compensated absences and other post-employment benefits.

The City refinanced the 2004 Capital Improvement Revenue Bonds with the 2013 Capital Improvement Refunding Revenue Bonds to reduce future debt service costs through reduced bond interest rates.

New financing activity associated with the City's business type activities occurred during fiscal year 2013. The 2004 Utility System Revenue Bonds were refinanced with the 2013 Utility System Refund Revenue Bonds. In addition, the 2010 Electric Utility Revenue Note was refinanced with the 2013 Electric System Refunding Revenue Note.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

**City of Leesburg Long Term Debt
Governmental and Business-Type Combined**

	<u>9/30/2013</u> <u>Balance</u>	<u>9/30/2012</u> <u>Balance</u>	<u>Net</u> <u>Change</u>
Revenue Bonds	\$ 110,724,446	\$ 109,543,888	\$ 1,180,558
Revenue Notes	27,540,310	23,851,759	3,688,551
Total Revenue Bonds and Notes	<u>138,264,756</u>	<u>133,395,647</u>	<u>4,869,109</u>
Other Liabilities			
Compensated Absences	2,661,788	2,750,553	(88,765)
Capital Lease Payable	162,648	199,297	(36,649)
CR#3 Decommissioning Cost Payable	6,946,584	6,903,371	43,213
Landfill Postclosure Payable	<u>306,782</u>	<u>361,985</u>	<u>(55,203)</u>
Total Other Liabilities	<u>10,077,802</u>	<u>10,215,206</u>	<u>(137,404)</u>
Total Debt Outstanding	<u>\$ 148,342,558</u>	<u>\$ 143,610,853</u>	<u>\$ 4,731,705</u>

The City is under constant surveillance and scrutiny from Wall Street rating agencies. Ratings were unchanged during fiscal year 2013:

	<u>Rating Agencies</u>		
	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
Capital	A1	A-	AA-
Utility	Aa3	A	A+
Covenant to Budget and Appropriate	A2	A+	A+

Key rating drivers for the City's Capital Improvement Bonds included improvement in the City's financial profile and liquidity despite a pressured operating environment, sound and consistent debt service coverage and solid legal provisions.

Additional information on the City's long term debt can be found in Note 8 of the notes to the financial statements.

Economic Factors and Next Year's Budget

- The Leesburg September 2013 unemployment rate was 6.9%, a decrease from a rate of 8.6% a year ago. This compares to the September 2013 national average rate of 7.0%.
- The taxable value of commercial and residential property continued to decline. Total estimated property values in 2014 are expected to decrease to \$1,109,610,193 from the 2013 value. This anticipated year-to-year rate of decline in values is the lowest experienced over the past five years. Property tax revenue collections for 2014 are expected to decline from 2013 levels.
- Population increased slightly to 20,761 from the prior fiscal year of 20,263 at April 1, 2013.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

- The fiscal year 2013 budget process was again impacted by legislative pressure to lower local government spending. The 2013-2014 millage rate remains unchanged at 4.3179 mills. Projected fiscal year 2014 Ad Valorem revenues are expected to mirror the 2013 level. Adverse economic conditions also continue to suppress other revenue sources.
- The City expects to refinance its Electrical System 2004 bond issue to benefit from continued low interest rates. This refinancing effort is expected to be complete before the end of this fiscal year.

Power supply received through the Florida Municipal Power Agency (FMPA) and Leesburg's share of the St. Lucie nuclear power plant, together with the City's ownership in the Crystal River nuclear power plant, represent more than 75% of the electric department's annual operating expenses. In early 2013, Duke Energy, principle owner of the Crystal River #3 nuclear plant, announced it will discontinue efforts to place the nuclear plant back into operation after repair efforts failed. The City is involved in negotiations with Duke Energy to purchase the City's ownership interest in the Crystal River #3 facility. This acquisition would likely include the company assuming future responsibility of the City's portion of associated decommissioning cost obligations. The City anticipates that any ownership changes will not occur for at least a couple years and it is premature to identify what financial impact the proposed sale would have on the City.

Requests for Information

This financial report is designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, please contact the City's Finance Department at 501 West Meadow Street (P.O. Box 490630), Leesburg, Florida, 34749-0630, or call (352) 728-9720.



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CITY-WIDE FINANCIAL STATEMENTS



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**CITY OF LEESBURG, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

	Governmental Activities	Business-type Activities	Total
Assets			
Pooled Cash and Investments	\$ 20,853,213	\$ 32,690,591	\$ 53,543,804
Restricted Assets:			
Temporarily Restricted:			
Pooled Cash and Investments	9,633,089	40,341,088	49,974,177
Investments	-	6,361,279	6,361,279
Receivables, Net	408,438	12,113,060	12,521,498
Notes Receivable, Employees	34,891	-	34,891
Due from Other Governments	1,008,459	1,398,428	2,406,887
Prepaid Items	129,734	215,087	344,821
Inventories	678,028	4,418,587	5,096,615
Net Pension Asset	957,031	-	957,031
Capital Assets Not Being Depreciated	12,376,779	28,600,091	40,976,870
Capital Assets Being Depreciated, Net of Depreciation	65,437,639	167,677,049	233,114,688
Total Assets	111,517,301	293,815,260	405,332,561
Deferred Outflows of Resources			
Deferred Amounts on Bond Refunding	996,002	1,490,428	2,486,430
Liabilities			
Accounts Payable	1,043,295	4,012,667	5,055,962
Accrued Liabilities	606,833	619,616	1,226,449
Accrued Interest Payable	321,989	1,991,376	2,313,365
Customer Advances for Construction	-	57,663	57,663
Unearned Revenue	372,838	467,180	840,018
Claims Payable	1,985,995	-	1,985,995
Customer Deposits	101,318	5,614,017	5,715,335
Deferred Credit	8,504	3,038,034	3,046,538
Due to Other Governments	-	295,527	295,527
Noncurrent Liabilities:			
Due Within One Year	2,881,614	2,593,021	5,474,635
Due in More Than One Year	39,271,359	103,596,564	142,867,923
Net Pension Obligation	882,515	-	882,515
Other Postemployment Benefits Liability	7,910,405	3,436,771	11,347,176
Total Liabilities	55,386,665	125,722,436	181,109,101
Net Position			
Net Investment in Capital Assets	45,611,934	115,138,968	160,750,902
Restricted for:			
Hwy 441 Pond Maintenance	400,995	-	400,995
Public Safety	252,877	-	252,877
Housing Asset Trust Fund	309,946	-	309,946
Property Maintenance	-	93,754	93,754
Capital Projects	1,556,506	9,400,486	10,956,992
Debt Service	1,264,910	-	1,264,910
Gas Depository Trust	-	322,000	322,000
Unrestricted	7,729,470	44,628,044	52,357,514
Total Net Position	\$ 57,126,638	\$ 169,583,252	\$ 226,709,890

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

**CITY OF LEESBURG, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-type Activities
Governmental Activities						
General Government	\$ 2,783,141	\$ 374,052	\$ 16,339	\$ 169,504	\$ (2,223,246)	\$ (2,223,246)
Public Safety	12,533,637	552,253	229,867	-	(11,751,517)	(11,751,517)
Physical Environment	96,957	-	470,221	-	373,264	373,264
Transportation	3,452,836	1,033,409	-	643,855	(1,775,572)	(1,775,572)
Economic Environment	617,173	-	-	-	(617,173)	(617,173)
Human Services	89,462	-	-	-	(89,462)	(89,462)
Culture/Recreation	4,000,195	519,757	47,974	972,753	(2,459,711)	(2,459,711)
Interest on Long-term Debt	2,055,215	-	-	-	(2,055,215)	(2,055,215)
Total Governmental Activities	25,628,616	2,479,471	764,401	1,786,112	(20,598,632)	(20,598,632)
Business-type Activities						
Electric Utility	54,765,248	62,049,893	-	2,354,245	-	9,638,890
Gas Utility	6,950,627	7,630,918	-	1,557	-	681,848
Water Utility	6,270,374	7,166,819	-	53,322	-	949,767
Wastewater Utility	8,516,232	9,825,602	111,360	-	-	1,420,730
Stormwater System	988,175	1,442,016	-	214,050	-	667,891
Solid Waste System	3,137,439	3,737,820	-	-	-	600,381
Communication Services Utility	1,235,660	1,729,010	-	120,000	-	613,350
Total Business-type Activities	81,863,755	93,582,078	111,360	2,743,174	-	14,572,857
General Revenues						
Taxes:						
Property Taxes					4,684,694	4,684,694
Sales Taxes					1,629,454	1,629,454
Utility Service Taxes					3,195,794	3,195,794
Communication Services Taxes					1,155,595	1,155,595
Other Taxes					981,209	981,209
State-shared Revenues, Unrestricted					1,658,741	1,658,741
County-shared Revenues, Unrestricted					412,342	412,342
Investment Income					91,653	1,030,643
Miscellaneous					217,330	11,954
Transfers					11,072,770	(11,072,770)
Total General Revenues, Special Items and Transfers					25,099,582	(10,030,173)
Change in Net Position					4,500,950	9,043,634
Net Position, Beginning of Year (Unadjusted)					166,719,940	219,345,628
Restatement - write off of unamortized bond issue costs					(1,679,372)	(1,679,372)
Net Position, Beginning of Year (Restated)					165,040,568	217,666,256
Net Position, End of Year					\$ 57,126,638	\$ 226,709,890

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

FUND FINANCIAL STATEMENTS



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MAJOR GOVERNMENTAL FUNDS

General Fund is the principal fund of the City and is used to account for all activities not included in other funds. The General Fund accounts for the normal recurring activities of the City (i.e., police, fire, public works, general government, etc.). These activities are funded principally by property taxes, intergovernmental revenues, and licenses and fees.

Community Redevelopment Fund consists of the Greater Leesburg Community Redevelopment Fund, Carver Heights/Montclair Area Community Redevelopment Fund, and U.S. Highway 441/27 Community Redevelopment Funds which are incremental tax districts established pursuant to Florida Statutes and accounted for as special revenue funds. The funds account for the incremental increase in ad valorem tax revenue collected within the designated community redevelopment areas. Revenues must be utilized and expended in accordance with the respective community redevelopment plans.

Capital Projects Fund accounts for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**CITY OF LEESBURG, FLORIDA
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013**

	<u>Major Funds</u>			<u>Other</u>	<u>Total</u>
	<u>General Fund</u>	<u>Community Redevelopment Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Governmental Funds</u>
Assets					
Pooled Cash and Investments	\$ 9,573,160	\$ 1,274,381	\$ 73,044	\$ 1,794,367	\$ 12,714,952
Restricted Cash	890,370	8,477,419	11,816	2,678	9,382,283
Accounts Receivables, Net of allowance of \$60,246	282,969	-	-	123	283,092
Notes Receivable, Employees	34,891	-	-	-	34,891
Due from Other Funds	353,374	-	-	-	353,374
Due from Other Governments	381,555	-	546,086	80,818	1,008,459
Prepaid Items	72,511	5,085	-	63	77,659
Inventory	13,751	-	-	98,590	112,341
Total Assets	<u>11,602,581</u>	<u>9,756,885</u>	<u>630,946</u>	<u>1,976,639</u>	<u>23,967,051</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	426,802	11,639	206,474	3,611	648,526
Due to Other Funds	-	-	-	353,374	353,374
Due to Other Governments	4,428	-	-	4,076	8,504
Accrued Salaries	586,988	-	122	9,256	596,366
Accrued Interest	-	-	-	321,989	321,989
Unearned Revenue	367,880	-	4,958	-	372,838
Deposits	97,318	4,000	-	-	101,318
Total Liabilities	<u>1,483,416</u>	<u>15,639</u>	<u>211,554</u>	<u>692,306</u>	<u>2,402,915</u>
Fund Balances					
Nonspendable:					
Prepays	72,511	-	-	63	72,574
Inventory	13,751	-	-	-	13,751
Notes Receivable - Employees	34,891	-	-	-	34,891
Restricted for:					
Hwy 441 Pond Maintenance	400,995	-	-	-	400,995
Public Safety and Other Expenditures	252,877	-	-	-	252,877
Housing Asset Trust Fund	309,946	-	-	-	309,946
Capital Projects	-	7,135,700	407,576	-	7,543,276
Debt Service	-	1,718,639	-	846,137	2,564,776
Special Revenue Funds	-	-	-	807,671	807,671
Committed for:					
C.U.R.E. Program	4,033	-	-	-	4,033
Assigned for:					
Capital Projects	437,312	886,907	11,816	-	1,336,035
Unassigned (deficit)	8,592,849	-	-	(369,538)	8,223,311
Total Fund Balances	<u>10,119,165</u>	<u>9,741,246</u>	<u>419,392</u>	<u>1,284,333</u>	<u>21,564,136</u>
Total Liabilities and Fund Balances	<u>\$ 11,602,581</u>	<u>\$ 9,756,885</u>	<u>\$ 630,946</u>	<u>\$ 1,976,639</u>	<u>\$ 23,967,051</u>

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

**CITY OF LEESBURG, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2013**

Total Fund Balances of Governmental Funds \$ 21,564,136

**Amounts Reported for Governmental Activities in the Statement
of Position are Different Because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Cost of the Assets (excluding capital assets of the Internal Service Funds included below)	\$ 127,206,268	
Accumulated Depreciation (excluding internal service funds)	<u>(52,886,602)</u>	74,319,666

The internal service fund is used by management to charge the costs of health insurance and workers' compensation services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 10,179,825

Net pension obligation is not an available financial resource and, therefore, is not reported as an asset in the governmental funds. 957,031

Net pension obligation is not an available financial resource and, therefore, is not reported as an asset in the governmental funds. (882,515)

Deferred Amounts on Refunding are not available to cover current liabilities and therefore are not considered revenue in the fund level statements. 996,002

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported in the governmental funds. Long-term liabilities at year-end consist of:

Capital Improvement Revenue Bonds	(29,765,000)	
Premium on Debt Issuance (net of amortization)	(652,164)	
Notes Payable	(9,905,310)	
Compensated Absences	(1,611,980)	
Capital Lease Payable	(162,648)	
Net Other Postemployment Benefit Obligation	<u>(7,910,405)</u>	<u>(50,007,507)</u>

Total Net Position of Governmental Activities \$ 57,126,638

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Major Funds			Other	Total
	General	Community	Capital	Nonmajor	Governmental
	Fund	Redevelopment	Projects	Governmental	Governmental
	Fund	Fund	Fund	Funds	Funds
Revenues					
Taxes	\$ 10,654,190	\$ 470,658	\$ -	\$ 781,986	\$ 11,906,834
Licenses and Permits	133,374	-	-	360,683	494,057
Intergovernmental	2,220,336	169,504	1,553,909	98,866	4,042,615
Charges for Services	587,244	-	-	968	588,212
Fines and Forfeitures	151,693	-	-	34,345	186,038
Miscellaneous:					
Interest	115,408	70,074	17	8,262	193,761
Rental	1,197,201	-	-	-	1,197,201
Other	107,205	197,742	-	60	305,007
Total Revenues	15,166,651	907,978	1,553,926	1,285,170	18,913,725
Expenditures					
Current:					
General Government	1,891,217	-	108,101	-	1,999,318
Public Safety	13,841,094	-	-	454,393	14,295,487
Physical Environment	61,867	-	-	-	61,867
Transportation	1,704,863	-	-	234	1,705,097
Economic Environment	132,194	307,063	-	95,118	534,375
Human Services	89,462	-	-	-	89,462
Culture and Recreation	3,711,224	-	-	-	3,711,224
Debt Service:					
Principal Payments	-	310,478	-	1,471,649	1,782,127
Interest and Fees	-	718,059	-	1,289,727	2,007,786
Capital Outlay	502,530	237,933	2,644,197	7,027	3,391,687
Total Expenditures	(21,934,451)	(1,573,533)	(2,752,298)	(3,318,148)	(29,578,430)
Excess (Deficiency) of Revenues Over					
(Under) Expenditures	(6,767,800)	(665,555)	(1,198,372)	(2,032,978)	(10,664,705)
Other Financing Sources (Uses)					
Sale of Capital Assets	11,750	-	-	-	11,750
Issuance of Debt	-	-	-	15,345,000	15,345,000
Premium on Debt Issuance	-	-	-	683,219	683,219
Payment to bond escrow agent/replacement of Bond Anticipation Note	-	-	-	(15,693,431)	(15,693,431)
Transfers from Other Funds	10,341,723	351	732,952	2,684,399	13,759,425
Transfers to Other Funds	(3,003,024)	(99,182)	(40,617)	(961,047)	(4,103,870)
Total Other Financing Sources (Uses)	7,350,449	(98,831)	692,335	2,058,140	10,002,093
Net Change in Fund Balances	582,649	(764,386)	(506,037)	25,162	(662,612)
Fund Balances, Beginning of Year	9,536,516	10,505,632	925,429	1,259,171	22,226,748
Fund Balances, End of Year	\$ 10,119,165	\$ 9,741,246	\$ 419,392	\$ 1,284,333	\$ 21,564,136

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

**CITY OF LEESBURG, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Net Change in Fund Balances - Total Governmental Funds \$ (662,612)

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Governmental funds report capital purchases as an expenditure. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This reconciling item is the amount by which capital purchases, less net book value of disposals exceeds depreciation expense:

Capital Purchases	\$ 4,032,788	
Contributed Capital Assets	6,949	
Net Book Value of Disposals	713,102	
Depreciation Expense	<u>(4,755,990)</u>	(3,151)

Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is a list of those repayments:

Principal Repayments:		
Capital Improvement Revenue Bonds	505,000	
Notes Payable	1,240,478	
Capital Lease Payable	<u>36,649</u>	1,782,127

Bond proceeds are recorded as revenue in the governmental funds, but debt proceeds increase long-term liabilities in the Statement of Net Position.

Issuance of Debt		(15,345,000)
Payment to Escrow Agent		15,693,431
Premium (Net of Amortization)		(652,164)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated Absences	158,859	
Change in Deferred Amount on Refunding	(47,429)	
Changes in Net Pension Obligation	(92,400)	
Change in Other Postemployment Benefit Liability	<u>(663,911)</u>	(644,881)

Revenues in the Statement of Activities that do not provided current financial resources are not reported as revenues in the funds. (187,976)

The internal service funds are used by management to charge the costs of activities that benefit the entire government. The net revenue (expense) of the internal service funds is reported with governmental activities. Amount is net of capital assets. 4,521,176

Change in Net Position of Governmental Activities \$ 4,500,950

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



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Proprietary Funds account for operations that are financed and operated in a manner similar to private business enterprises and where the costs of providing goods or services to the general public are recovered primarily through user charges; or where the City has decided that determination of net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Individual major proprietary funds are described below.

Major Proprietary Funds

Electric Utility Fund accounts for the purchase and distribution of electric services.

Gas Utility Fund accounts for the purchase and distribution of gas services.

Water Utility Fund accounts for costs for collection, treatment, and distribution of water services.

Wastewater Utility Fund accounts for costs to provide wastewater and sanitary sewer services.

Internal Service Funds

Internal Service Funds account for the financing of goods and services provided by one department to other departments of the governmental unit on a cost-reimbursement basis. The City maintains three internal service funds. Two internal service funds are for the payment of employee health and medical claims and workers' compensation claims, and the third internal fund are for the lease payments for the City's vehicles.

CITY OF LEESBURG, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund
Assets			
Current Assets:			
Pooled Cash and Investments	\$ 15,460,848	\$ 4,260,078	\$ 4,985,057
Restricted Pooled Cash and Investments:			
Debt Service Account	1,952,046	270,581	1,011,082
Customer Deposits Account	4,737,147	701,426	546,609
Rate Stabilization	8,244,594	-	-
Landfill Escrow	-	-	-
Receivables:			
Customer Accounts, Unbilled	3,543,470	322,231	422,200
Customer Accounts, Billed	5,576,171	372,439	496,997
(Allowance for Doubtful Accounts)	(697,421)	(57,779)	(82,653)
Miscellaneous Receivables	-	-	-
Due from Other Funds	-	100,000	500,001
Due from Other Governments	1,184,378	-	-
Prepaid Items	87,878	11,375	13,240
Inventory	3,710,295	299,804	217,803
Total Current Assets	<u>43,799,406</u>	<u>6,280,155</u>	<u>8,110,336</u>
Noncurrent Assets:			
Restricted Assets:			
Pooled Cash and Investments:			
Renewal and Replacement Account	2,528,933	3,862,130	2,368,049
Property Maintenance	-	-	-
Impact Fees Account	-	-	133,832
Depository Trust Account	-	322,000	-
Bond Proceeds	1,922,569	1,640,839	3,236,130
Investments:			
Crystal River Decommissioning Trust Account	6,361,279	-	-
Total Restricted Assets	<u>10,812,781</u>	<u>5,824,969</u>	<u>5,738,011</u>
Property, Plant and Equipment:			
Land	3,507,105	370,111	346,380
Buildings	2,544,738	555,852	6,043,696
Improvements Other Than Buildings	90,975,583	13,818,866	43,007,519
Machinery and Equipment	14,815,280	1,542,263	5,390,014
Less Accumulated Depreciation and Amortization	(38,193,851)	(5,600,736)	(18,075,691)
Intangible Assets	-	-	616,181
Construction in Progress	13,753,971	278,715	392,302
Total Property, Plant and Equipment	<u>87,402,826</u>	<u>10,965,071</u>	<u>37,720,401</u>
Total Noncurrent Assets	<u>98,215,607</u>	<u>16,790,040</u>	<u>43,458,412</u>
Total Assets	<u>142,015,013</u>	<u>23,070,195</u>	<u>51,568,748</u>
Deferred Outflow of Resources			
Deferred Amounts on Bond Refunding	-	249,980	519,980

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

Business-type Activities - Enterprise Funds			Governmental Activities
Major Fund			
Wastewater Utility Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 3,419,965	\$ 4,564,643	\$ 32,690,591	\$ 8,138,261
871,557	99,990	4,205,256	-
4,070	10,536	5,999,788	-
-	-	8,244,594	-
-	89,480	89,480	-
521,485	368,779	5,178,165	-
1,113,389	430,187	7,989,183	-
(126,434)	(90,001)	(1,054,288)	-
-	-	-	125,346
-	210,000	810,001	-
-	214,050	1,398,428	-
976	101,618	215,087	52,075
-	190,685	4,418,587	565,687
<u>5,805,008</u>	<u>6,189,967</u>	<u>70,184,872</u>	<u>8,881,369</u>
4,116,169	1,324,062	14,199,343	250,806
93,754	-	93,754	-
253,503	-	387,335	-
-	-	322,000	-
-	-	6,799,538	-
-	-	6,361,279	-
<u>4,463,426</u>	<u>1,324,062</u>	<u>28,163,249</u>	<u>250,806</u>
7,162,035	759,587	12,145,218	-
24,492,624	13,856	33,650,766	96,569
27,869,744	17,135,611	192,807,323	20,550
12,254,878	1,458,536	35,460,971	19,021,115
(26,324,459)	(6,663,455)	(94,858,192)	(15,666,994)
-	-	616,181	-
880,627	1,149,258	16,454,873	23,512
<u>46,335,449</u>	<u>13,853,393</u>	<u>196,277,140</u>	<u>3,494,752</u>
<u>50,798,875</u>	<u>15,177,455</u>	<u>224,440,389</u>	<u>3,745,558</u>
<u>56,603,883</u>	<u>21,367,422</u>	<u>294,625,261</u>	<u>12,626,927</u>
<u>720,468</u>	<u>-</u>	<u>1,490,428</u>	<u>-</u>

(Continued)

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013
(Concluded)

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund
Liabilities			
Current Liabilities:			
Accounts and Retainage Payable	\$ 3,473,495	\$ 110,498	\$ 100,387
Due to Other Funds	-	-	-
Due to Other Governments	278,504	15,704	-
Other Accrued Expenses	110,334	304,181	35,976
Compensated Absences	225,516	58,050	111,573
Customer Advances for Construction	48,763	-	-
Unearned Revenue	174,634	157,002	19,150
	<u>4,311,246</u>	<u>645,435</u>	<u>267,086</u>
Current Liabilities Payable from Restricted Assets:			
Customer Deposits	4,737,147	315,655	546,609
Estimated Landfill Closure Cost Payable	-	-	-
Accrued Interest Payable	1,022,627	103,071	486,880
Bonds and Notes Payable - Current Portion	740,000	159,564	507,674
Rate Stabilization Deferred Credit	3,038,034	-	-
Current Liabilities Payable from Restricted Assets	<u>9,537,808</u>	<u>578,290</u>	<u>1,541,163</u>
Total Current Liabilities	<u>13,849,054</u>	<u>1,223,725</u>	<u>1,808,249</u>
Noncurrent Liabilities:			
Claims Payable	-	-	-
Capital Improvement Revenue Refunding Note 2009	-	-	-
Electric Utility Revenue Note 2013	9,000,000	-	-
Utility Revenue Refunding Bond Payable 2013	-	3,405,634	7,083,998
Revenue Bonds Payable, Series 2004	14,180,000	-	-
Revenue Bonds Payable, Series 2007	21,420,000	2,345,504	13,438,992
(Unamortized Discounts and Premiums)	(4,860)	147,859	308,293
Utility Revenue Refunding Note Payable 2010	-	-	3,555,404
Compensated Absences	184,513	47,496	91,287
Landfill Postclosure Costs Payable	-	-	-
Decommissioning Costs Payable	6,946,584	-	-
Other Postemployment Benefits	980,783	412,999	616,232
Total Noncurrent Liabilities	<u>52,707,020</u>	<u>6,359,492</u>	<u>25,094,206</u>
Total Liabilities	<u>66,556,074</u>	<u>7,583,217</u>	<u>26,902,455</u>
Net Position			
Net Investment in Capital Assets	54,490,255	6,297,369	15,542,190
Restricted for:			
Capital Improvements	2,528,933	-	2,501,881
Gas Depository Trust	-	322,000	-
Property Maintenance	-	-	-
Unrestricted	<u>18,439,751</u>	<u>9,117,589</u>	<u>7,142,202</u>
Total Net Position	<u>\$ 75,458,939</u>	<u>\$ 15,736,958</u>	<u>\$ 25,186,273</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities
Major Fund			
Wastewater Utility Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 184,135	\$ 144,152	\$ 4,012,667	\$ 394,769
600,001	210,000	810,001	-
-	1,319	295,527	-
58,761	110,364	619,616	1,074,423
85,350	66,176	546,665	30,729
8,900	-	57,663	-
116,394	-	467,180	-
- 1,053,541	532,011	6,809,319	1,499,921
4,070	10,536	5,614,017	-
-	61,356	61,356	-
365,892	12,906	1,991,376	-
482,762	95,000	1,985,000	-
-	-	3,038,034	-
852,724	179,798	12,689,783	-
1,906,265	711,809	19,499,102	1,499,921
-	-	-	922,039
-	655,000	655,000	-
-	-	9,000,000	-
9,815,368	-	20,305,000	-
-	-	14,180,000	-
5,905,504	-	43,110,000	-
425,990	-	877,282	-
4,274,596	-	7,830,000	-
69,832	54,144	447,272	25,142
-	245,426	245,426	-
-	-	6,946,584	-
886,456	540,301	3,436,771	-
21,377,746	1,494,871	107,033,335	947,181
23,284,011	2,206,680	126,532,437	2,447,102
25,705,761	13,103,393	115,138,968	3,494,752
4,369,672	-	9,400,486	-
-	-	322,000	-
93,754	-	93,754	-
3,871,153	6,057,349	44,628,044	6,685,073
\$ 34,040,340	\$ 19,160,742	\$ 169,583,252	\$ 10,179,825

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

**CITY OF LEESBURG, FLORIDA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund
Operating Revenues			
Charges for Services	\$ 58,616,764	\$ 7,445,507	\$ 6,966,724
Other	3,433,129	185,411	200,095
Total Operating Revenues	<u>62,049,893</u>	<u>7,630,918</u>	<u>7,166,819</u>
Operating Expenses			
Personal Services	3,396,189	1,342,577	1,465,355
Purchased Energy	38,225,336	2,407,015	-
Supplies and Materials	682,748	110,679	282,942
Maintenance Costs	825,299	60,776	137,670
Contracted Services	342,153	34,318	152,975
Other Services and Charges	4,391,999	2,295,433	1,936,033
Depreciation and Amortization	3,755,926	362,456	1,018,776
Change in Decommissioning/ Postclosure Estimate	-	-	-
Claims Expense	-	-	-
Total Operating Expenses	<u>(51,619,650)</u>	<u>(6,613,254)</u>	<u>(4,993,751)</u>
Operating Income	<u>10,430,243</u>	<u>1,017,664</u>	<u>2,173,068</u>
Nonoperating Revenues (Expenses)			
Investment Income	659,900	100,851	109,996
Other Nonoperating Income	-	4,021	7,535
Grants	-	-	-
Interest Expenses	(2,185,021)	(329,608)	(1,230,272)
Other Nonoperating Expense	(960,577)	(7,765)	(46,351)
Total Nonoperating Revenues (Expenses)	<u>(2,485,698)</u>	<u>(232,501)</u>	<u>(1,159,092)</u>
Income (Loss) Before Contributions and Transfers	<u>7,944,545</u>	<u>785,163</u>	<u>1,013,976</u>
Transfers and Capital Contributions			
Capital Contributions	2,354,245	1,557	53,322
Transfers from Other Funds	99,182	-	-
Transfers to Other Funds	(6,545,719)	(1,848,760)	(1,460,017)
Total Transfers and Capital Contributions	<u>(4,092,292)</u>	<u>(1,847,203)</u>	<u>(1,406,695)</u>
Change in Net Position	3,852,253	(1,062,040)	(392,719)
Net Position, Beginning of Year-Restated	<u>71,606,686</u>	<u>16,798,998</u>	<u>25,578,992</u>
Net Position, End of Year	<u>\$ 75,458,939</u>	<u>\$ 15,736,958</u>	<u>\$ 25,186,273</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities
Major Funds			
Wastewater Utility Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 9,619,835	\$ 6,833,902	\$ 89,482,732	\$ 9,376,893
205,767	74,944	4,099,346	379,489
<u>9,825,602</u>	<u>6,908,846</u>	<u>93,582,078</u>	<u>9,756,382</u>
2,467,467	1,688,258	10,359,846	517,618
-	-	40,632,351	-
316,442	310,038	1,702,849	51,560
477,942	284,455	1,786,142	572,129
224,457	1,218,208	1,972,111	7,981
2,363,692	1,421,103	12,408,260	1,162,313
1,600,755	463,107	7,201,020	991,344
-	(55,203)	(55,203)	-
-	-	-	3,673,574
<u>(7,450,755)</u>	<u>(5,329,966)</u>	<u>(76,007,376)</u>	<u>(6,976,519)</u>
<u>2,374,847</u>	<u>1,578,880</u>	<u>17,574,702</u>	<u>2,779,863</u>
102,215	57,681	1,030,643	85,254
-	398	11,954	183,094
111,360	-	111,360	-
(1,065,477)	(31,308)	(4,841,686)	-
-	-	(1,014,693)	-
<u>(851,902)</u>	<u>26,771</u>	<u>(4,702,422)</u>	<u>268,348</u>
<u>1,522,945</u>	<u>1,605,651</u>	<u>12,872,280</u>	<u>3,048,211</u>
-	334,050	2,743,174	3,550,502
-	70,372	169,554	1,985,215
<u>(840,698)</u>	<u>(547,130)</u>	<u>(11,242,324)</u>	<u>(568,000)</u>
<u>(840,698)</u>	<u>(142,708)</u>	<u>(8,329,596)</u>	<u>4,967,717</u>
682,247	1,462,943	4,542,684	8,015,928
<u>33,358,093</u>	<u>17,697,799</u>	<u>165,040,568</u>	<u>2,163,897</u>
<u>\$ 34,040,340</u>	<u>\$ 19,160,742</u>	<u>\$ 169,583,252</u>	<u>\$ 10,179,825</u>

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 60,208,561	\$ 7,640,154	\$ 7,278,478
Payments to Suppliers for Goods and Services	(43,882,201)	(4,941,733)	(2,894,940)
Cash Paid for Insurance Claims	-	-	-
Cash Paid to Employees for Services	(3,297,639)	(1,313,620)	(1,450,715)
Net Cash Provided by (Used in) Operating Activities	13,028,721	1,384,801	2,932,823
Cash Flows from Noncapital Financing Activities			
Transfers from Other Funds	99,182	-	-
Transfers to Other Funds	(6,545,719)	(1,848,760)	(1,460,017)
Subsidy from grants	-	-	-
Issuance of/Proceeds from Interfund Loan	-	100,000	500,000
Net Cash Provided by (Used in) Noncapital Financing Activities	(6,446,537)	(1,748,760)	(960,017)
Cash Flows from Capital and Related Financing Activities			
Interest Paid on Revenue Bonds and Customer Deposits	(2,131,521)	(355,008)	(1,279,026)
Acquisition and Construction of Capital Assets	(7,670,966)	(231,740)	104,333
Proceeds from Capital Debt	5,074,029	65,907	128,623
Principal Paid on Capital Debt	(705,000)	(127,968)	(439,888)
Capital Contributions	6,590,340	1,557	53,322
Net Cash Provided by (Used in) Capital and Related Financing Activities	1,156,882	(647,252)	(1,432,636)
Cash Flows from Investing Activities			
Interest Received	651,583	100,851	109,997
Purchase of Crystal River Decommissioning Investments	(323,905)	-	-
Other Investing Activities	-	(3,744)	-
Net Cash Provided by (Used in) Investing Activities	327,678	97,107	109,997
Net Increase (Decrease) in Cash and Cash Equivalents	8,066,744	(914,104)	650,167
Cash and Cash Equivalents, Beginning of Year	26,779,393	11,971,158	11,630,592
Cash and Cash Equivalents, End of Year	\$ 34,846,137	\$ 11,057,054	\$ 12,280,759

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

Business-type Activities - Enterprise Funds			Governmental Activities
Major Funds			
Wastewater Utility Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 9,876,971	\$ 7,001,547	\$ 92,005,711	\$ 9,675,535
(3,249,576)	(3,500,910)	(58,469,360)	(2,329,994)
-	-	-	(3,378,775)
(2,372,963)	(1,620,726)	(10,055,663)	(451,280)
<u>4,254,432</u>	<u>1,879,911</u>	<u>23,480,688</u>	<u>(6,160,049)</u>
-	70,372	169,554	1,985,215
(840,698)	(547,130)	(11,242,324)	(568,000)
111,360	-	111,360	-
(600,000)	-	-	-
<u>(1,329,338)</u>	<u>(476,758)</u>	<u>(10,961,410)</u>	<u>1,417,215</u>
(1,139,217)	(32,857)	(4,937,629)	-
(425,776)	(1,142,639)	(9,366,788)	(752,500)
189,954	-	5,458,513	-
(387,143)	(90,000)	(1,749,999)	-
-	334,247	6,979,466	-
<u>(1,762,182)</u>	<u>(931,249)</u>	<u>(3,616,437)</u>	<u>(752,500)</u>
102,215	57,681	1,022,327	85,254
-	-	(323,905)	-
-	-	(3,744)	-
<u>102,215</u>	<u>57,681</u>	<u>694,678</u>	<u>85,254</u>
1,265,127	529,585	9,597,519	(5,410,080)
<u>7,493,891</u>	<u>5,559,126</u>	<u>63,434,160</u>	<u>4,123,612</u>
<u>\$ 8,759,018</u>	<u>\$ 6,088,711</u>	<u>\$ 73,031,679</u>	<u>\$ (1,286,468)</u>

(Continued)

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Concluded)

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund
<u>Reconciliation of Cash and Cash Equivalents to Balance Sheet</u>			
Total Unrestricted Equity in Pooled Cash and Cash Equivalents	\$ 15,460,848	\$ 4,260,078	\$ 4,985,057
Total Restricted Equity in Pooled Cash and Cash Equivalents	19,385,289	6,796,976	7,295,702
Total Cash and Cash Equivalents, End of Year	<u>\$ 34,846,137</u>	<u>\$ 11,057,054</u>	<u>\$ 12,280,759</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	\$ 10,430,243	\$ 1,017,664	\$ 2,173,068
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	3,755,926	362,456	1,018,776
Decrease (Increase) in Assets:			
Customer Accounts (Net of Allowances)	(571,033)	(28,296)	42,885
Miscellaneous Receivables	55,337	-	-
Prepaid Items	42,369	(958)	16,364
Inventory	209,238	16,723	(159,006)
Increase (Decrease) in Liabilities:			
Accounts Payable	234,524	(32,408)	(242,678)
Due to Other Governments	55,991	(219)	-
Accrued Expenses	2,255	(11,488)	(828)
Claims Payable	-	-	-
Rate Stabilization Deferred Credit	(1,660,655)	-	-
Other Postemployment Benefits Liability	78,415	34,851	40,079
Decommissioning/Postclosure Payable	43,212	-	-
Other	352,899	26,476	44,163
Net Cash Provided by (Used in) Operating Activities	<u>\$ 13,028,721</u>	<u>\$ 1,384,801</u>	<u>\$ 2,932,823</u>
<u>Noncash Investing, Capital or Financing Transactions</u>			
Contributions of Capital Assets	-	-	(6,551)

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

Business-type Activities - Enterprise Funds			Governmental Activities
Major Funds		Total Enterprise Funds	Internal Service Funds
Wastewater Utility Fund	Nonmajor Enterprise Funds		
\$ 3,419,965	\$ 4,564,643	\$ 32,690,591	\$ 8,138,261
5,339,053	1,524,068	40,341,088	250,806
<u>\$ 8,759,018</u>	<u>\$ 6,088,711</u>	<u>\$ 73,031,679</u>	<u>\$ 8,389,067</u>
\$ 2,374,847	\$ 1,578,880	\$ 17,574,702	\$ 2,779,863
1,600,755	463,107	7,201,020	991,344
57,152	92,926	(406,366)	-
-	-	55,337	52,496
4,271	(19,104)	42,942	(52,075)
-	(8,447)	58,508	(565,687)
128,686	(90,289)	(2,165)	81,751
-	-	55,772	-
3,675	71,831	65,445	10,467
-	(933)	(933)	161,456
-	-	(1,660,655)	-
71,445	48,790	273,580	-
-	(55,203)	(11,991)	-
13,601	(201,647)	235,492	55,871
<u>\$ 4,254,432</u>	<u>\$ 1,879,911</u>	<u>\$ 23,480,688</u>	<u>\$ 3,515,486</u>
(298)	-	-	3,550,502

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



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FIDUCIARY FUNDS

Pension Trust Fund accounts for the activities of the firefighters and police officers pension funds, and the general employees' retirement fund, which accumulate resources for pension benefits and disability payments to qualified retirees.

**CITY OF LEESBURG, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2013**

	Employee Retirement Funds
Assets	
Cash	\$ <u> -</u>
Investments, at Fair Value:	
U.S. Government Securities	7,449,762
Corporate Bonds	6,910,671
Corporate Stocks	30,852,762
Alternative Investments	8,148,284
Money Market	2,543,001
Mutual Funds	8,131,327
Total Investments	<u>64,035,807</u>
Interest Receivable	<u>152,564</u>
Total Assets	<u>64,188,371</u>
Liabilities	
Accounts Payable	<u> -</u>
Total Liabilities	<u> -</u>
Net Position	
Restricted for:	
Employees' Pension Benefits	<u>\$ 64,188,371</u>

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Employee Retirement Funds
Additions	
Contributions:	
Employer	\$ 2,369,584
State	312,632
Employee	463,579
Total Contributions	3,145,795
Investment Income:	
Net Appreciation in Fair Value of Investments	5,474,137
Interest and Dividend Income	1,374,534
Other Income	132,498
Less: Investment Expenses	(368,316)
Total Investment Income	6,612,853
Total Additions	9,758,648
Deductions	
Benefit Payments	3,591,620
Refund of Contributions	298,359
Administrative Expense	142,098
Total Deductions	(4,032,077)
Change in Plan Net Position	5,726,571
Net Position Restricted for Employees'	
Pension Benefits:	
Beginning of Year	58,461,800
End of Year	\$ 64,188,371

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



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NOTES TO THE FINANCIAL STATEMENTS

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting of the City of Leesburg, Florida (the City) conform to accounting principles generally accepted in the United States (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in GASB's Codification of Governmental Accounting and Financial Reporting Standards. The more significant of these accounting policies are summarized below.

A. Financial Reporting Entity

The City is a Florida municipality governed by an elected five-member City Commission. The City was established by the adoption of its Charter in the Laws of Florida, Chapter 9820, 1923. The City provides a traditional mix of governmental services, including police and fire protection, the construction and maintenance of streets and infrastructure, library, recreational activities, cultural events, planning, zoning, housing, and administrative services. The City also provides a full range of utility services, including electric, natural gas, solid waste, communications (which includes internet and fiber optic cable services), water, reuse water, wastewater treatment and stormwater drainage. In addition the City has three Community Redevelopment Agencies, (CRA), which are Greater Leesburg, Carver and U.S. Highway 441/27.

The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy for the City. The execution of such policy is the responsibility of the Commission-appointed City Manager.

This report includes all funds, departments, agencies, boards and commissions, and other organizational units that are administered by the City Manager and/or controlled by or dependent upon City Commission as set forth in the City Charter. In GASB Statement No. 61, *The Financial Reporting Entity*, the GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

As required by GAAP, these financial statements present the City of Leesburg (the primary government) and its component units. In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may or may not be financially accountable and, if applicable, has included them in the City's financial statements. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City has identified and included within the financial reporting entity, as its component units, legally separate organizations for which the City is financially accountable for which a significant relationship with the City exists such that exclusion would cause the City's financial statement to be misleading or incomplete.

Blended component unit: There is one component unit which is legally separate from the City, but is so intertwined with the City that it is, in substance, the same as the City. It is reported as part of the City and blended into appropriate funds listed below:

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Community Redevelopment Agency (CRA): The City established the Greater Leesburg, Carver Heights/Montclair Area, and U.S. Highway 441/27 Community Redevelopment Agencies as component units of the City pursuant to Section 163.512, Florida Statutes.

The CRA's sole purpose is to administer funds distributed via state law for blighted areas within the City. The Governing Boards are composed of the City Commission plus two members appointed by the City Commission; therefore the City Commission has absolute influence over the CRA board. In accordance with Florida Statute 163.387, the amount and source of revenues in to, and the amount and purpose of expenditures from the CRA fund, including the amount of debt principal and interest paid during the current year, as well as the remaining amount of indebtedness to which revenues of the fund are pledged, are detailed in the supplemental schedule. The CRA is reported as a major special revenue fund.

B. Recent Government Accounting Standards Board (GASB) Statements

The GASB has issued Statement 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*. GASB 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. GASB 61 does not have any impact on the City's 2013 financial statements.

The GASB has issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that are included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. GASB 62 does not have any impact on the City's 2013 financial statements.

The GASB has issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of financial position and related disclosures. In compliance with GASB 63, the Statement of Net Assets has been renamed the Statement of Net Position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

The GASB has also issued Statement 65, *Items Previously Reported as Assets and Liabilities*, which clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB 65 requires certain items which were previously reported as assets and liabilities to be reported as deferred outflows of resources, deferred inflows of resources, or as revenue and expenses. As a result of implementing this statement, the City reported deferred amounts on bond refundings as deferred outflows in the amount of \$996,002 for governmental activities, and \$1,490,428 for business-type activities. Also, the business-type activities recognized a \$1,679,372 prior period adjustment as the result of expensing bond issuance costs that were previously recorded as an asset and amortized over the life of the bonds.

C. Basic Financial Statements

The basic financial statements include both city-wide and fund level statements. The City, as the primary government, is reported separately from its component units. The city-wide statements report on all activities of the City and its component units except those that are fiduciary in nature.

Statements for fiduciary activities, such as employee pension plans, are presented in a separate section of this report. Both the city-wide and fund level statements classify primary activities of the City as either governmental activities, which are primarily supported by taxes and intergovernmental revenues, or business type activities, which are primarily supported by user fees and charges.

City-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report on the government as a whole, both the primary government and its component units, and provide a consolidated financial picture of the government. As part of the consolidation process, interfund activities are eliminated to avoid distorted financial results. The amounts reported as internal balances represent the residual amounts due between governmental and business-type activities. Fiduciary funds of the government are not included in the presentation since these resources are not available for general government funding purposes. The Statement of Net Position reports all financial and capital resources of the City's governmental and business-type activities. It is presented in a net position format and shown with three components: (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position.

The Statement of Activities reports the functional categories of programs provided by the City and demonstrates how and to what degree those programs are supported by specific revenues.

Program revenues are classified into three categories: (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenues restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues sections display revenues collected that help support all functions of the government.

The fund financial statements follow and report additional and detailed information about the City's operations for major funds individually, and non-major funds in the aggregate for governmental, proprietary and fiduciary funds. A reconciliation is provided that converts the results of governmental fund accounting to the city-wide presentation.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

City-wide financial statements, as well as the fund financial statements for proprietary funds and fiduciary funds, are reported using the economic resources measurement focus, and the accrual basis of accounting. Revenues are recognized in the period for which they are levied. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

Operating revenues shown for proprietary operations generally result from producing or providing goods and services such as electric, gas, communications, water, wastewater, stormwater and solid waste services. Operating expenses include all costs related to providing the service or product. These costs include salaries and benefits, supplies, travel, contract services, depreciation, administrative

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expenses, and/or other expenses directly related to the cost of services. All other revenue and expenses not meeting these definitions are reported as non-operating revenues and expenses.

All governmental fund financial statements are reported using a current financial resources measurement focus and a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period. This period is within 180 days of the end of the fiscal year, and jointly assessed taxes collected through other governments, are within 90 days.

Property taxes, franchise taxes, investment earnings and most charges for services are recorded as earned since they are measurable and available. Licenses and permits, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until received.

A significant portion of the City's grants and contracts are exchange transactions. Funds from these transactions are deemed to be earned and reported as revenue when such funds have been expended towards the designated purpose and eligibility requirements have been met.

Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated paid time off, which is not reported until they have been paid; (2) prepaid insurance and similar items, which are reported only on the balance sheet and do not affect expenditures; and (3) principal and interest on long-term debt, which are recognized when due. Budgets for governmental funds are also prepared on the modified accrual basis.

The City charges centralized services through the general fund and internal service funds to functional activities through various charge methods. Expenses reported for functional activities include these indirect expenses, including an administrative component.

The accounting policies and the presentation of the financial report of the City have been designed to conform to GAAP as applicable to government units, in accordance with the Governmental Accounting Standards Board (GASB).

E. Major Governmental Funds

1. The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
2. The **Community Redevelopment Fund** includes the Greater Leesburg Community Redevelopment Agency, Carver Heights/Montclair Area Community Redevelopment Agency, and U.S. Highway 441/27 Community Redevelopment Agency. These are incremental tax districts established pursuant to Florida Statutes and accounted for in a special revenue fund. The fund accounts for the incremental increase in ad valorem tax revenue collected within the designated community redevelopment areas. Revenues must be utilized and expended in accordance with the respective community redevelopment plans.

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3. The **Capital Projects Fund** accounts for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

F. Major Enterprise Funds

1. The **Electric Utility Fund** accounts for the purchase and distribution of electric services.
2. The **Gas Utility Fund** accounts for the purchase and distribution of gas services.
3. The **Water Utility Fund** accounts for costs for collection, treatment, and distribution of water services.
4. The **Wastewater Utility Fund** accounts for costs to provide wastewater and sanitary sewer services.

G. Internal Service Funds

Internal Service Funds account for the financing of goods and services provided by one department to other departments of the governmental unit on a cost-reimbursement basis. The City maintains three internal service funds:

1. The **General Employees' Health Insurance Fund** accounts for maintaining the City's self-insured employee health insurance.
2. The **Workers Compensation Fund** accounts for maintaining the City's workers compensation self-insurance fund.
3. The **Fleet Maintenance Fund** accounts for maintaining the purchases and services of the City's vehicles.

H. Fiduciary Funds

Pension Trust Fund accounts for the activities of the firefighters and police officers pension funds, and the general employee's retirement fund, which accumulate resources for pension benefits and disability payments to qualified retirees.

I. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable budget appropriation, is utilized by the governmental funds of the City. Encumbrances lapse at the year end.

J. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. **Cash and Investments** - The City's cash and cash equivalents include cash on hand, demand deposits, and equity in pooled cash and investments. The equity in pooled cash and investments represents a fund's share of a cash and investment pool maintained by the City for use by all

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funds, except the pension funds and funds with agreements that require separate bank accounts. State statutes requires all deposits of the City, including demand deposit accounts, time deposit accounts and money market accounts be held in institutions designated by the Treasurer of the State of Florida as “qualified depositories” and accordingly, are covered by a collateral pool as required by the statute.

All investments are reported at fair value. For the purpose of the statement of cash flows, the City considers cash equivalents to be highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased. Interest earned from investments purchased with pooled cash is allocated to each participating fund based on the fund’s average equity balance, except, as required by City charter. Funds that incur negative equity in pooled cash and investments during the year incur a charge for interest. Funds used to account for federal and state grants may have negative equity in pooled cash and investments throughout the year due to the reimbursement basis of the grant programs. The general fund, by definition, would absorb charges for interest to funds with net negative equity in pooled cash and investments.

2. **Receivables and Payables** - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans).

Any residual balances outstanding between the governmental activities and business-type activities are reported in the city-wide financial statements as “internal balances.”

Accounts receivable balances are shown net of the allowance for un-collectible accounts. The allowance amount in the enterprise funds is based on historical experience. In the governmental funds the allowance varies based on management estimates. Electric, gas, water and related wastewater charges to customers are based on actual consumption. Consumption is determined on a monthly cycle basis. The City recognizes as revenue the estimated unbilled consumption at fiscal year-end.

3. **Inventories and Prepaid Items** - Inventories of expendable supplies held for consumption is priced at the "first-in-first-out" method of accounting. Governmental fund type inventories are recorded using the consumption method. Reported inventories in governmental funds are included with nonspendable fund balance because it is not in spendable form. In proprietary fund types, inventories are expended when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

4. **Capital Assets** - Capital assets, which include land, property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the city-wide financial statements. Capital asset purchases are recorded as capital outlay expenditures in the fund level governmental funds in the year of acquisition. Property, plant, and equipment with initial, individual costs that equal or exceed \$5,000 with estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial costs equal or exceed \$25,000 as long as

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they possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

For intangible assets, the City maintains a \$100,000 threshold for related assets. The cost of normal maintenance and repairs that do not add to the fair value of the asset or materially extend the assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of major business-type activities is included as part of the capitalized value of the assets constructed. During 2013 there was no capitalized interest.

Infrastructure, buildings, improvements other than buildings, utility plant, vehicles and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	10 - 50 Years
Improvements Other than Buildings	5 - 50 Years
Utility Plant	10 - 50 Years
Vehicles and Equipment	5 - 50 Years
Infrastructure	15 - 60 Years

Expenditures for repairs and maintenance are expensed when incurred. Additions, major renewals and replacements that increase the useful lives of the assets are capitalized.

5. **Deferred OutFlows/Inflows of Resources** – In addition to assets and liabilities, the statements of net position report a separate section for deferred outflows/inflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow/inflow of resources until then. The City only has one item that qualifies for reporting in this category. It is the deferred amounts on refunding reported in the city-wide and proprietary statements of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price, and is recognized as a component of interest expense in a systematic manner over the shorter of the life of the refunded or refunding debt.
6. **Contributions** - Contributions in the form of cash and capital assets to the governmental activities of the City are recognized on the Statement of Activities as revenues in the period they are received. Contributions of capital assets and primarily completed infrastructure from developers are recognized at the fair value at the date of donation. All contributions are reported on the Statement of Activities as program revenues, with operating contributions reported separately from capital contributions.
7. **Interfund Activity** - Interfund activity within and among the City's three fund categories (governmental, proprietary, and fiduciary) are classified as reciprocal interfund activity and nonreciprocal interfund activity. Reciprocal interfund resource flows between funds with an expectation of repayment are reported as interfund receivables and payables.

Reciprocal interfund resource flows without an expectation of repayment within a reasonable time, are reported as transfers between funds. Interfund services provided and used are sales and purchases of goods and services between funds for a price approximating their external value, and

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are reported as revenues and expenditures (or expenses) in the funds.

Non-reciprocal interfund activities are flows of assets between funds without an equivalent flow of assets in return, or without a requirement for repayment, are reported as transfers in governmental funds and non-operating revenues and expenses in proprietary funds.

As a rule, the effect of interfund activity has been eliminated from city-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and franchise fees, and other charges between the City's Water, Wastewater, Solid Waste, and General Funds, as well as cost reimbursement transactions between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

8. **Restricted Assets** - Assets are reported as restricted in the city-wide Statement of Position and the enterprise fund level statements when constraints are placed on asset use. The constraints are either: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law or through constitutional provisions or enabling legislation.
9. **Unearned Revenues** – Inflows that do not yet meet the criteria for revenue recognition, such as occupational licenses collected in advance, are recorded as unearned revenue in the city-wide and in the fund financial statements.
10. **Self-Insurance Claims** – Liabilities for reported claims and incurred but not reported claims are estimated based on an actuarial review of claims pending and historical experience.
11. **Compensated Absences** - Employees earn paid time off (PTO) that is commensurate with their years of service with the City. A maximum of 560 hours can be accumulated and used for vacation, sick, personal business, etc. Upon termination or retirement, employees are paid for a maximum of 360 hours of PTO time. This PTO program replaced separate vacation and sick time programs under which some employees still have time available.

In governmental and proprietary fund financial statements, the amount of compensated absences associated with employee vacations that are recorded as expenditures (expenses) represent the amounts paid during the year, plus the amount accrued at year-end that would normally be liquidated with available spendable resources. Only the amount of the compensated absence liability that has matured is reported in the governmental fund financial statements and the general fund is typically used to liquidate this liability. In the government-wide financial statements, all governmental fund compensated absences are recorded and split between the current and noncurrent portions. For proprietary funds, the entire liability for compensated absences of these funds is reflected in the respective financial statements split between the current and noncurrent portions.

12. **Long-Term Obligations** - In the city-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as 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 sources while discounts 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.

13. **Fund Balances** - Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

- a. **Nonspendable:** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.
- b. **Restricted:** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.
- c. **Committed:** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Commission. Those committed amounts cannot be used for any other purpose unless City Commission removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process.

Constraints imposed on the use of committed amounts are imposed by City Commission, and anything separate from these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- d. **Assigned:** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The City Manager, for planning purposes, may assign fund balances for a specific purpose, such as setting aside funds for capital equipment replacement, emergency preparedness, and accrued benefit payouts to retired/terminated employees. Unlike commitments, assignments generally exist

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temporarily. In other words, no formal action by the City Commission is required to remove the assignment. Conversely, as discussed above, an additional action by the City is essential to either remove or revise commitments.

- e. **Unassigned:** Fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then by unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

14. **Use of Estimates** - The preparation of financial statements in conformity with GAAP accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.
15. **Minimum Fund Balance Policy** - The General Fund reserve target is 20% of the fund's current year budgeted appropriations. For the purpose of determining if the target has been met, the unassigned fund balance of the general fund is then compared with the annual appropriations budget.

For other major funds designated as major funds within the City's CAFR, the City has established a range of 15-25% of operating expenditures, which are utilized for the purposes allowed by these various fund types. Fiduciary funds do not have fund balance targets.

16. **Electric Rate Stabilization** -The City purchases bulk power from the Florida Municipal Power Agency (FMPA) and resells it to the electric utility customers. The Bulk Power Cost Adjustment can vary significantly from month to month. The Electric Rate Stabilization is designed to smooth out the electric utility rates paid by the electric utility customers. This stabilization process serves to minimize variances in the purchased power component of the City's electric utility service charge by passing along a more stable cost over time, even though the actual costs incurred by the City can vary. When bulk power costs are higher than usual, previously collected funds are used to stabilize the cost passed along to electric utility consumers. The converse occurs when actual costs are less than the amount charged since the difference between the actual cost and that charged consumers is reserved for future application.
17. **Reclassifications** – Certain 2012 amounts have been reclassified to conform to the 2013 presentation.

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NOTE 2 - BUDGET AND BUDGETARY DATA

A. Budget Policy

The City, in accordance with its City code and State law, applies the following procedures in establishing the budgetary data reflected in the accompanying financial statements.

An annual operating budget is prepared by the Finance Department for the General, Special Revenue, Enterprise, Capital Improvements Projects and Debt Service Funds. The City Manager submits to the City Commission the proposed budget for the ensuing fiscal year.

The operating budget includes proposed expenditures and the means to fund them, as well as a proposed ad-valorem millage rate. Public hearings are conducted to obtain taxpayer comments on the proposed budget and ad-valorem millage rate. Prior to October 1, the City Commission legally enacts the operating budget and sets the ad-valorem millage rate by passage of an ordinance.

The City Manager is authorized to transfer budgeted amounts within any fund, but may not revise total fund expenditures without the approval of the City Commission. The budgetary data presented is in agreement with the originally adopted budget as amended by the City Commission.

Formal budgetary integration is employed as a management control device during the year for substantially all funds. Budgets are adopted on a basis consistent with GAAP. Total budgeted appropriations within a governmental fund-type may not be exceeded legally. Appropriations lapse at the end of the year. Budget data, when presented in the basic financial statements, is prepared on the same basis of accounting as that prescribed for the fund.

B. Excess of Expenditures Over Appropriations

The Gas Tax Fund, Affordable Housing Fund, and Police Forfeitures Fund contained excesses of expenditures over appropriations during the fiscal year ended September 30, 2013.

No other individual fund contained an excess of total expenditures over total appropriations during the fiscal year ended September 30, 2013, except insignificant variances. However, within various funds, there may be an excess of expenditures over appropriations at the line item level.

C. Deficit Fund Equity

The following individual funds show deficit equity balances at September 30, 2013, in the amounts shown below:

<u>Fund</u>	<u>Type</u>	<u>Deficit</u>
Fire Impact Fee Fund	Nonmajor Governmental Fund	\$ 74,211
Building Permits Fund	Nonmajor Governmental Fund	\$ 295,327

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NOTE 3 - PROPERTY TAXES

The City is permitted under its charter to levy up to \$10 per \$1,000 of assessed valuation for general government services other than the payment of principal and interest on general long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. Additional taxes assessed for the payment of general long-term debt issues of the City must be approved by the public. The tax rate assessed by the City for the year ended September 30, 2013 was \$4.3179 per \$1,000 of assessed property value. Current tax collections (inclusive of legally available early payment discounts) for the City were approximately 92.04% of the total tax levy. The property calendar provides for the tax revenue to be billed and collected within the applicable fiscal year.

A. Calendar of Property Tax Events

January 1	Property taxes are based on assessed property value at this date as determined by the Lake County Property Appraiser.
July 1	Assessment roll approved by the state.
September 30	Millage resolution approved by the City Commission.
October 1	Beginning of fiscal year for which taxes have been levied.
November 1	Property taxes due and payable.
November 30	Last day for 4% maximum discount.
April 1	Unpaid property taxes become delinquent.
May 15	Tax certificates are sold by the Lake County Tax Collector. This is the first lien date on the properties.

Tax Collection

Property tax collections are governed by Chapter 197, Florida Statutes. The Lake County Tax Collector bills and collects all property taxes levied within the County. Discounts are allowed for early payment of 4% in November, 3% in December, 2% in January, and 1% in February. If property taxes are not paid by April 1, the County adds a 3% penalty on real estate, and 1.5% on personal property.

The Tax Collector advertises and sells tax certificates on all real property for delinquent taxes. Certificates not sold revert back to the County. The Tax Collector must receive payment before the certificates are issued. Any person owning land on which a tax certificate has been sold may redeem the land by paying the Tax Collector the face amount of the tax certificate plus interest and other costs. The owner of a tax certificate may at any time after taxes have been delinquent for two years, file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent. Tax deeds are issued to the highest bidder for the property which is sold at public auction.

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The Tax Collector remits current taxes collected through four distributions to the City in the first two months of the tax year and at least distribution each month thereafter. The City recognizes property tax revenue in the period in which they are levied.

NOTE 4 - DEPOSITS AND INVESTMENTS

A. Pooling of Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds except for monies legally restricted to separate administration (i.e., pension plan). The “Cash and Investments” on the City-Wide Financial Statements, consists of cash and investments owned by each fund and defined as resources that can be liquidated without delay or penalty. Cash and Investments held separately where contractual arrangements and bond covenants require such arrangements, are classified as “restricted assets”. Investment earnings are allocated to the individual funds monthly based on the funds’ weighted average daily cash balance.

Deposits and investments as of September 30, 2013, are classified in the accompanying financial statements as follows:

City-wide Cash and Investments

Statement of Net Position

Cash and Cash Equivalents	\$ 53,543,804
Restricted:	
Cash and Cash Equivalents	49,974,177
Investments	6,361,279

Statement of Fiduciary Net Position

Investments	64,035,807
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Total Cash and Investments	\$ 173,915,067
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Deposits and investments consist of the following:

Governmental and Business-Type Activities

Cash Deposits	\$ 26,810,747
Investments	73,484,526
Investments with Fiscal Agent:	
Debt Service Fund	1,116,276
Utilities CR3 Decommissioning Trust	6,361,279
Utilities Debt Service Account	1,784,432
Utilities Gas Deposit Account	322,000

Fiduciary Net Position

Defined Benefit Pension Plan Investments	64,035,807
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Total Cash and Investments	\$ 173,915,067
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CITY OF LEESBURG, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Primary Government Activities

1. Investments and Investment Practices

The City’s investment guidelines are defined by City Ordinance and a written investment policy that is approved by the City Commission. The investment policies authorize the investment of funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, and obligations of the U.S. Government and its agencies and mutual funds. Investments may also include repurchase agreements and investments in local government investment pools, either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation. Revenue bond covenants also restrict the type and maturities of investments in bond-related funds.

For the fiscal year ended September 30, 2013, the City invested in the Florida Surplus Asset Fund Trust (FLSAFE) and State Board of Administration (SBA) investment pools. The investment pools operate under investment guidelines established by Section 215.47, Florida Statutes. Neither the FLSAFE nor SBA are registrants with the Securities and Exchange Commission; however, they have adopted operating procedures consistent with the requirements for a 2a-7-like fund and the fair value of the position in the pools is equal to the value of the pool shares. The City’s investment in the FLSAFE and SBA were rated AAAM by Standard & Poor’s.

As of September 30, 2013, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Investment Maturities (In Years)</u>		
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>
Local Government Investment Pools	\$ 19,025,451	\$ 19,025,451	\$ -
Bank Certificates of Deposit	23,577,288	-	23,577,288
U.S. Government and Agencies	30,881,787	3,022,415	27,859,372
Total	<u>\$ 73,484,526</u>	<u>\$ 22,047,866</u>	<u>\$ 51,436,660</u>

2. Custodial Credit Risk

At September 30, 2013, the carrying amount of the City’s deposits was \$35,888,896. Monies on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposits are defined as public deposits. The entire City’s public deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, “Florida Security for Public Deposits Act”, and covered by federal depository insurance. This act requires that the City maintain deposits only in “qualified public depositories”. All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss caused by the default or insolvency of other qualified public depositories of the same type. Should a default or insolvency occur, the State Treasurer would implement procedures for payment of losses according to the validated claims of the City.

3. Interest Rate Risk

Interest rate risk is the risk that as market rates change, the fair value of an investment will vary.

CITY OF LEESBURG, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The City’s formal investment policy ensures that securities mature to meet operating cash requirements to avoid the need to sell on the open market prior to maturity. In addition, the policy calls for investing operating funds primarily in shorter-term securities, mutual funds or investment pools from which funds can be readily withdrawn without penalty and which limit the average maturity of the portfolio from 90 days to three years. Reserve funds and other funds with longer-term investment horizons may be invested in securities not exceeding five years. As of September 30, 2013 the City of Leesburg investments weighted average maturity in years was 2.93.

4. Credit Risk

The City’s investment policy does not permit investments in commercial paper. Authorized investments are outlined in Florida Statute 218.415 and are generally limited to (a) the State of Florida Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in S. 163.01; (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating; (c) interest-bearing time deposits or savings accounts in qualified public depositories, as defined in S. 280.02; and (d) direct obligations of the U.S. Treasury.

5. Concentration of Credit Risk

The City’s investments are guaranteed by the U.S. Government or held in FLSAFE and SBA investment pools except for the investment in Guaranteed Investment Contracts (GICs).

B. Fiduciary Activities

The City reports three pension funds in the accompanying financial statements. Each of the plans has a separate governing board of trustees, a separate investment policy, and differing investment restrictions/risks. Consequently each is disclosed separately below. All three plans are defined benefit plans. All investments at year-end were in compliance with the respective plan investment policies.

1. Credit Rating – All Fiduciary Funds

Ratings as of September 30, 2013, for the fiduciary funds’ corporate and agency obligations by Standard & Poor’s follows:

Retirement Plans	Ranking					
	Total	AAA	AA	A	BBB	N/R
Municipal Police Officers	\$ 2,295,627	\$ 119,933	\$ 98,064	\$ 615,451	\$ 735,266	\$ 726,912
Municipal Firemen	2,868,840	132,440	926,142	1,663,542	101,344	45,371
General Employees	3,639,804	-	2,248,104	1,164,398	227,301	-
Totals	\$ 8,804,270	\$ 252,373	\$ 3,272,310	\$ 3,443,392	\$ 1,063,911	\$ 772,284

All of the City’s investments in debt securities, other than the above described corporate and agency obligations are backed by the U.S. Government.

CITY OF LEESBURG, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

General Employees' Retirement Plan

City of Leesburg General Employees' Retirement Plan
 Distribution by Asset Type
 September 30, 2013

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Money Market	\$ 1,003,881	\$ 1,003,881	\$ -	\$ -	\$ -
U.S. Government and Agencies	4,720,058	609,879	2,870,763	1,239,416	-
Mutual Funds	2,484,476	2,484,476	-	-	-
Corporate Obligations	2,106,311	-	1,429,930	676,381	-
Total	10,314,726	\$ 4,098,236	\$ 4,300,693	\$ 1,915,797	\$ -
Alternative Investments	6,803,496				
Corporate Stock	15,683,404				
Total	\$ 32,801,626				

*Alternative Investments include partnerships and hedge fund.

a. Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the plan will not be able to recover the value of its investments that are in the possession of an outside party. Consistent with the Plans' investment policy, the investments are held by the Plans' custodial bank and registered plans' name.

b. Interest Rate Risk

Interest rate risk is the risk that as market rate change, the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The Plan does not have a policy related to limiting its exposure to fair value losses arising from rising interest rates. As of September 30, 2013 the City of Leesburg investments weighted average maturity in years was 4.32.

c. Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The risk is generally measured by the assignment of a rating by a nationally recognized statistical rating agency. Purchases of bonds or debt obligations are limited to one of the four highest ratings issued by NRSRO. The Plans' investment policy utilizes portfolio diversification in order to control this risk.

d. Concentration of Credit Risk

The investment policy of the Trust contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. Investments in corporate common stock and convertible bonds are limited to 60% of Plan assets. No more

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

than 10% of Plan assets shall be invested in one company. Except for U.S. Government and agency obligations, no more than 10% of Plan assets can be invested in one issuer. No investments exceeded these thresholds at September 30, 2013.

e. Foreign Currency

The City has nominal exposure to foreign currencies due to investments in non-U.S. markets implemented through our money managers' portfolios. Foreign currencies will fluctuate relative to the U.S. dollar, but is believed that the diversification benefits outweigh potential risks. Given the limited exposure, foreign currency risk is considered minor.

2. Municipal Police Retirement Plan

City of Leesburg Municipal Police Retirement Plan
Distribution by Asset Type
September 30, 2013

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Money Market	\$ 515,358	\$ 515,358	\$ -	\$ -	\$ -
U.S. Government and Agencies	1,830,982	89,027	-	608,611	1,133,344
Mutual Funds	-	-	-	-	-
Corporate Obligations	2,295,627	822,710	796,673	466,792	209,452
Total	4,641,967	\$ 1,427,095	\$ 796,673	\$ 1,075,403	\$ 1,342,796
Alternative Investments	1,344,788				
Corporate Stock	9,951,692				
Total	\$ 15,938,447				

* Alternative Investment is a real estate partnership.

a. Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the plan will not be able to recover the value of its investments that are in the possession of an outside party. Consistent with the Plans' investment policy, the investments are held by the Plans' custodial bank and registered plans' name.

b. Interest Rate Risk

Interest rate risk is the risk that as market rate change, the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The Plan does not have a policy related to limiting its exposure to fair value losses arising from rising interest rates. As of September 30, 2013 the City of Leesburg investments weighted average maturity in years was 11.13.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

c. Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The risk is generally measured by the assignment of a rating by a nationally recognized statistical rating agency. Purchases of bonds or debt obligations are limited to one of the three highest ratings issued by Standard & Poor's or Moody's. The Plans' investment policy utilizes portfolio diversification in order to control this risk.

d. Concentration of Credit Risk

The investment policy of the Trust contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. Investments in corporate common stock may not exceed 70% of Plan assets. No more than 5% of Plan assets may be invested in the common stock of any one company. Foreign investments are limited to 10% of Plan assets. Investments in domestic fixed income obligations are limited to 45% of Plan assets. No investments exceeded these thresholds at September 30, 2013.

e. Foreign Currency

The City has nominal exposure to foreign currencies due to investments in non-U.S. markets implemented through our money managers' portfolios. Foreign currencies will fluctuate relative to the U.S. dollar, but is believed that the diversification benefits outweigh potential risks. Given the limited exposure, foreign currency risk is considered minor.

3. Municipal Firemen's Retirement Plan

City of Leesburg Municipal Firemen's Retirement Plan
Distribution by Asset Type
September 30, 2013

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Money Market	\$ 1,023,762	\$ 1,023,762	\$ -	\$ -	\$ -
U.S. Government and Agencies	898,723	157,000	458,612	89,441	193,670
Municipal Obligations	44,323	-	-	-	44,323
Mutual Funds	5,646,851	5,646,851	-	-	-
Corporate Obligations	2,464,409	203,613	1,204,729	1,002,964	53,103
Total	10,078,068	\$ 7,031,226	\$ 1,663,341	\$ 1,092,405	\$ 291,096
Corporate Stock	5,217,666				
Total	\$ 15,295,734				

a. Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the plan will not be able to recover the value of its investments that are in the possession of an outside party. Consistent

with the Plans' investment policy, the investments are held by the Plans' custodial bank and registered plans' name.

b. Interest Rate Risk

Interest rate risk is the risk that as market rate change, the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The Plan does not have a policy related to limiting its exposure to fair value losses arising from rising interest rates. As of September 30, 2013 the City of Leesburg investments weighted average maturity in years was 7.19.

c. Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The risk is generally measured by the assignment of a rating by a nationally recognized statistical rating agency. The Plan's investment policy requires that all bonds or other evidence of indebtedness acquired be listed on one or more of the recognized national exchanges and have a rating issued by a nationally recognized statistical rating organization (NRSRO) in one of the top four classifications, except that only 25% of the bond portfolio may be invested below the three highest classifications. The Plans' investment policy utilizes portfolio diversification in order to control this risk.

d. Concentration of Credit Risk

The investment policy of the Trust contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. Investments in corporate common stock and convertible bonds are limited to 60% of Plan assets. No more than 5% of Plan assets may be invested in one company. Foreign investments are limited to 10% of Plan assets. No investments exceeded these thresholds at September 30, 2013.

e. Foreign Currency

The City has nominal exposure to foreign currencies due to investments in non-U.S. markets implemented through our money managers' portfolios. Foreign currencies will fluctuate relative to the U.S. dollar, but is believed that the diversification benefits outweigh potential risks. Given the limited exposure, foreign currency risk is considered minor.

CITY OF LEESBURG, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2013, is as follows:

i. Interfund Receivables and Payables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Stormwater Utility	Communications Utility	\$ 210,000
Gas Utility	Wastewater Utility	100,000
Water Utility	Wastewater Utility	500,001
General Fund	Nonmajor Governmental	353,374
Total		<u>\$ 1,163,375</u>

The purpose of the above interfund balances was to provide short-term financing and to defease a bond issue.

ii. Interfund Transfers

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
Governmental		
General Fund	\$ 10,341,723	\$ 3,003,024
Community Redevelopment	351	99,182
Capital Projects	732,952	40,617
Enterprise		
Electric Utility	99,182	6,545,719
Gas Utility	-	1,848,760
Water Utility	-	1,460,017
Wastewater Utility	-	840,698
Internal Service	1,985,215	568,000
Non-major Funds:		
Governmental		
	2,684,399	961,047
Enterprise		
	70,372	547,130
	<u>\$ 15,914,194</u>	<u>\$ 15,914,194</u>

Interfund transfers represent a major source of funding in the General Fund. The amount of utility contribution to the general fund may not exceed 10% of the enterprise fund's estimated operating revenues and is determined by applying an established percentage against each enterprise fund's charges for services excluding surcharge revenue, gross receipts tax, and franchise fees. The transfer may not result in the enterprise fund experiencing a net loss after transfers. In addition, surcharge revenue, which is collected from customers outside the corporate limits at the same rate as public service tax, is collected in the Electric, Gas, and Water Funds and transferred to the General Fund.

CITY OF LEESBURG, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013, was as follows:

A. Governmental Activities

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not being Depreciated				
Land	\$ 8,957,139	\$ -	\$ -	\$ 8,957,139
Construction in Progress	2,291,229	2,227,764	1,099,353	3,419,640
Total Capital Assets Not Being Depreciated	11,248,368	2,227,764	1,099,353	12,376,779
Capital Assets Being Depreciated:				
Buildings	43,467,260	64,173	61,349	43,470,084
Improvements Other than Buildings	27,524,268	387,134	181,752	27,729,650
Equipment	29,523,193	1,248,501	2,746,260	28,025,434
Infrastructure (Roads and Streets)	33,511,276	1,268,692	13,901	34,766,067
Total Capital Assets Being Depreciated	134,025,997	2,968,500	3,003,262	133,991,235
Less Accumulated Depreciation for:				
Buildings	10,814,694	1,019,649	48,544	11,785,799
Improvements Other than Buildings	10,038,822	503,174	172,460	10,369,536
Equipment	24,561,419	2,180,328	3,424,286	23,317,461
Infrastructure (Roads and Streets)	22,041,861	1,052,839	13,900	23,080,800
Total Accumulated Depreciation	67,456,796	4,755,990	3,659,190	68,553,596
Total Being Depreciated, Net	66,569,201	(1,787,490)	(655,928)	65,437,639
Governmental Activities Capital Assets, Net	\$ 77,817,569	\$ 440,274	\$ 443,425	\$ 77,814,418

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

B. Business-type Activities

Business-type Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not being Depreciated				
Land	\$ 12,145,218	\$ -	\$ -	\$ 12,145,218
Construction in Progress	26,337,039	9,434,591	19,316,757	16,454,873
Total Capital Assets Not Being Depreciated	38,482,257	9,434,591	19,316,757	28,600,091
Capital Assets Being Depreciated:				
Buildings	33,601,773	48,993	-	33,650,766
Improvements Other than Buildings	182,857,294	13,351,044	3,401,015	192,807,323
Intangible Assets	969,614	748,274	969,614	748,274
Equipment	28,522,582	7,844,248	905,859	35,460,971
Total Capital Assets Being Depreciated	245,951,263	21,992,559	5,276,488	262,667,334
Less Accumulated Depreciation for:				
Buildings	6,497,270	718,049	-	7,215,319
Improvements Other than Buildings	61,759,418	4,663,938	1,296,236	65,127,120
Intangible Assets	92,921	39,172	-	132,093
Equipment	20,960,479	1,735,760	180,486	22,515,753
Total Accumulated Depreciation	89,310,088	7,156,919	1,476,722	94,990,285
Total Being Depreciated, Net	156,641,175	14,835,640	3,799,766	167,677,049
Business-type Capital Assets, Net	\$ 195,123,432	\$ 24,270,231	\$ 23,116,523	\$ 196,277,140

C. Depreciation Expense

Depreciation Expense-Governmental Activities

General Government and Administration	\$ 1,169,181
Public Safety	258,620
Physical Environment	19,407
Transportation	1,392,268
Economic Environment	79,313
Parks and Recreation	845,857
Fleet Services	991,344
Total Depreciation Expense-Governmental Activities	\$ 4,755,990

Depreciation Expense-Business-type Activities

Electric Utility	\$ 3,690,109
Gas Utility	369,497
Water Utility	1,033,451
Wastewater Utility	1,600,755
Solid Waste Utility	19,317
Communication Services	301,212
Stormwater	142,578
Total Depreciation Expense-Business-type Activities	\$ 7,156,919

NOTE 7 - ELECTRIC POWER AGREEMENTS

A. Florida Municipal Power Agency

The City is a member of the Florida Municipal Power Agency (FMPA). FMPA was created pursuant to Florida statutes Chapter 163, Part I and Chapter 361, Part II (The Florida Interlocal Cooperation Act of 1969 and The Joint Electric Power Supply Projects Act) to, among other things, provide a means for the Florida municipal corporations to cooperate with each other to provide for their present and projected energy needs. The City has limited oversight authority over the operation of FMPA. This oversight is manifested through the appointment of one voting member to the 31-member Board of Directors of FMPA and one voting member to the FMPA All-Requirements Project 13-member Executive Committee. Furthermore, the City, by the terms of FMPA's project agreements, has no equity interest in any of the assets owned by FMPA. The City participates in the following FMPA projects:

1. St. Lucie No. 2 Power Purchase Agreement

The City, through FMPA's joint ownership agreement with Florida Power and Light Corporation has an entitlement share to a small portion of the output of the St. Lucie No. 2 nuclear power plant. For the fiscal year ended 9/30/2013, the City's entitlement share total 15,752 megawatt hours of generating capacity from the St. Lucie No. 2 nuclear power plant. The annual entitlement shares amount is based on the City's percent participation in the St. Lucie FMPA Project applied to the output of the plant over the same period. The operating license for Unit No. 2 is due to expire in 2043.

2. All-Requirement Power Supply Project Agreement

The City has an agreement with FMPA whereby the City purchases all of its electric power from FMPA on an all-requirement basis over and above the City's entitlement share of the St. Lucie No. 2 output. The agreement remains in effect on an evergreen 30 year basis. FMPA's power supply rates are subject to a super majority vote of the Executive Committee of FMPA.

B. Crystal River Unit No. 3 Participation Agreement

The City is a participant in a joint ownership agreement of the Crystal River Unit No. 3 (CR3) nuclear plant with Duke Energy Florida. Under terms of the agreement, the City acquired a 0.8244% ownership interest and generation entitlement share in the nuclear steam electric generating unit. Participants are entitled to energy output of the unit based upon their respective generation entitlement share.

Due to Duke's recent failed containment dome repair, Duke retired CR3 in 2013 and placed the unit in NRC approved safe storage. Duke, the City, and the other co-owners have entered into a tentative settlement agreement whereby the City's and the other co-owners' ownership in CR3 will be terminated.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Note 8 - Long-term Liabilities

A. Long-term liability activity for the year ended September 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
<u>Revenue Bonds:</u>					
Capital Improv Rev Bonds - 2004	\$ 15,035,000	\$ -	\$ (15,035,000)	\$ -	\$ -
Tax Increment Bonds - 2009	14,540,000	-	(120,000)	14,420,000	125,000
Capital Improv Refunding Rev Bonds - 2013	-	15,345,000	-	15,345,000	520,000
Add: Premium for Refunding	-	683,219	(31,055)	652,164	-
Total Revenue Bonds	29,575,000	16,028,219	(15,186,055)	30,417,164	645,000
<u>Notes Payable:</u>					
Note Payable - 1999 GLCRA	38,296	-	(22,575)	15,721	15,721
Note Payable - 2008	820,092	-	(167,903)	652,189	175,387
Note Payable - 2009 Magnolia Townhomes	4,500,000	-	(840,000)	3,660,000	870,000
Note Payable - 2009 Capital Improv Rev	5,787,400	-	(210,000)	5,577,400	220,000
Total Revenue Notes	11,145,788	-	(1,240,478)	9,905,310	1,281,108
Total Revenue Bonds and Notes	40,720,788	16,028,219	(16,426,533)	40,322,474	1,926,108
<u>Other Liabilities:</u>					
Compensated Absences	1,770,839	1,418,142	(1,521,130)	1,667,851	917,318
Capital Lease Payable	199,297	-	(36,649)	162,648	38,188
Total Other Liabilities	1,970,136	1,418,142	(1,557,779)	1,830,499	955,506
Total Governmental Activities	\$ 42,690,924	\$ 17,446,361	\$ (17,984,312)	\$ 42,152,973	\$ 2,881,614
Business-type Activities:					
<u>Revenue Bonds:</u>					
Electric System Rev Bonds - 2004	\$ 14,955,000	\$ -	\$ (380,000)	\$ 14,575,000	\$ 395,000
Utility System Rev Bonds - 2004	20,610,000	-	(20,610,000)	-	-
Utility System Rev Bond - Series 2007A	21,445,000	-	(360,000)	21,085,000	365,000
Utility System Rev Bond - Series 2007B	1,015,000	-	(20,000)	995,000	25,000
Electric System Rev Bond - Series 2007A	11,265,000	-	-	11,265,000	-
Electric System Rev Bond - Series 2007B	10,825,000	-	(325,000)	10,500,000	345,000
Utility System Refund Rev Bonds - 2013	-	21,010,000	-	21,010,000	705,000
Add: Premium, Less: Discount	(146,112)	922,287	101,107	877,282	-
Total Revenue Bonds	79,968,888	21,932,287	(21,593,893)	80,307,282	1,835,000
<u>Notes Payable:</u>					
Capital Improv Rev Refunding Note - 2009	840,000	-	(90,000)	750,000	95,000
Utility System Rev Refunding Note - 2010	7,940,000	-	(55,000)	7,885,000	55,000
Electric Utility Rev Note - 2010	3,925,971	4,974,029	(8,900,000)	-	-
Electric System Refunding Rev Note - 2013	-	9,000,000	-	9,000,000	-
Total Revenue Notes	12,705,971	13,974,029	(9,045,000)	17,635,000	150,000
Total Revenue Bonds and Notes Payable	92,674,859	35,906,316	(30,638,893)	97,942,282	1,985,000
<u>Other Liabilities</u>					
CR#3 Decommissioning Cost Payable	6,903,372	43,212	-	6,946,584	-
Landfill Postclosure Payable	361,985	-	(55,203)	306,782	61,356
Compensated Absences	979,714	967,246	(953,023)	993,937	546,665
Total Other Liabilities	8,245,071	1,010,458	(1,008,226)	8,247,303	608,021
Total Business-type Activities	\$100,919,930	\$ 36,916,774	\$ (31,647,119)	\$ 106,189,585	\$ 2,593,021

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

B. The following is a schedule of bonds and notes outstanding at September 30, 2013:

<u>Description of Bonds</u>	<u>Purpose of Issue</u>	<u>Issued</u>	<u>Outstanding</u>	<u>Rates</u>
Governmental Activities				
Revenue Bonds and Revenue Notes:				
Capital Improvement Refunding Revenue Bonds - 2013	Capital Improvement	\$ 15,345,000	\$ 15,345,000	.4%-3.78%
Tax Increment Bonds - 2009 Hwy 441/27 CRA	Capital Improvement	14,605,000	14,420,000	2%-5%
Capital Improvement Revenue Note - 2009	Capital Improvement	6,227,400	5,577,400	4.73%
Magnolia Townhomes Note – 2009	Capital Improvement	4,500,000	3,660,000	3.40%
Note Payable - Carver Heights CRA	Real Estate	1,431,878	652,189	4.36%
Note Payable - GLCRA	Real Estate	<u>249,284</u>	<u>15,721</u>	5.25%
Total Governmental Activities		<u>\$ 42,358,562</u>	<u>\$ 39,670,310</u>	
Business-type Activities				
Electric System Revenue Bonds - 2004	Electric Capital Projects	\$ 16,670,000	\$ 14,575,000	2.75% - 5.00%
Electric System Revenue Bond - 2007A	Electric	11,265,000	11,265,000	.625% - 5.00%
Electric System Revenue Bond - 2007B	Electric	11,710,000	10,500,000	5.64% - 5.90%
Utility System Revenue Bond - 2007A	Gas/Water/Wastewater	22,425,000	21,085,000	4.00% - 5.00%
Utility System Revenue Bond - 2007B	Wastewater	1,070,000	995,000	5.90%
Utility System Refunding Revenue Bonds - 2013	Gas/Water/Wastewater	21,010,000	21,010,000	2.00% - 5.00%
Capital Improvement Revenue Refunding Note - 2009	Fiber Optic Cable	1,005,000	750,000	4.13%
Utility System Revenue Refunding Note - 2010	Water/Wastewater	8,000,000	7,885,000	3.85%
Electric System Refunding Revenue Note – 2013	Electric	<u>9,000,000</u>	<u>9,000,000</u>	3.04%
Total Business-type Activities		<u>\$ 102,155,000</u>	<u>\$ 97,065,000</u>	

C. Debt service to maturity on the City's bonded indebtedness and notes payable are as follows:

Bonds Payable					
Fiscal Year	Governmental Activities		Business-type Activities		
	Principal	Interest	Principal	Interest	
2014	\$ 645,000	\$ 1,142,322	\$ 1,835,000	\$ 3,517,502	
2015	620,000	1,194,044	1,845,000	3,540,860	
2016	740,000	1,179,980	1,915,000	3,466,456	
2017	755,000	1,158,981	1,990,000	3,382,084	
2018	780,000	1,134,306	2,080,000	3,288,999	
2019-2023	4,990,000	5,189,941	11,910,000	14,859,191	
2024-2028	7,105,000	4,294,183	15,070,000	11,569,360	
2029-2033	8,855,000	1,887,236	18,850,000	7,644,681	
2034-2038	5,275,000	410,119	21,440,000	2,551,969	
2039	-	-	2,495,000	-	
Total	<u>\$ 29,765,000</u>	<u>\$ 17,591,112</u>	<u>\$ 79,430,000</u>	<u>\$ 53,821,102</u>	

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Notes Payable				
Fiscal Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 1,281,108	\$ 397,006	\$ 150,000	\$ 550,726
2015	1,313,204	348,314	982,000	582,445
2016	1,463,598	298,100	1,018,000	546,491
2017	1,215,000	241,463	1,049,000	509,431
2018	265,000	212,845	1,091,000	470,951
2019-2023	1,200,000	715,866	5,673,000	1,655,703
2024-2028	1,845,000	591,813	4,788,000	869,439
2029-2031	1,322,400	43,214	2,884,000	224,441
Total	\$ 9,905,310	\$ 2,848,621	\$ 17,635,000	\$ 5,409,627

D. Governmental Activity Liabilities

A summary of all governmental long-term debt as of September 30, 2013, follows:

1. Note Payable (GLCRA)

The City signed a fifteen-year mortgage for the purchase of the Christley property by the Greater Leesburg Community Redevelopment Fund that extends through May 2014. Annual payments from the tax increment revenues total \$24,047.

2. Tax Increment Revenue Note Payable, 2008 (Carver Heights CRA)

On December 23, 2008, the City signed a note for the acquisition of lands for public purposes, rehabilitation of certain public facilities, undergrounding of certain City owned utilities, improvements to public parks, sidewalks and lighting improvements within the Carver Heights Community Redevelopment Agency. The note matures on May 1, 2016, and is collateralized by a pledge of tax increment revenue. To the extent tax increment revenues are insufficient, sales tax revenues, guaranteed entitlement, and public service tax are also pledged, subordinate to the Series 2004 bonds.

3. Tax Increment Revenue Bonds, Series 2009

On October 12, 2009, the City issued U.S. Highway 441 & 27 CRA Tax Increment Revenue Bonds in the amount of \$14,605,000 pursuant to Resolution No. 10 adopted by the CRA and Resolution No. 8525 adopted by the City. Bond proceeds have been used to finance the costs of undergrounding electric utility lines, relocation of the City owned electrical distribution and other utility lines, related improvements within the boundaries of the Agency and to retire the outstanding balance of the City of Leesburg, Florida Subordinate Capital Improvement Bond Anticipation Note, Series 2008. The bonds are secured by tax increment revenues and a covenant to budget and appropriate from legally available non-ad valorem revenues. The bond resolutions provide for debt service reserve accounts.

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4. Magnolia Townhomes Note, 2009

On November 3, 2009, the City signed a note in the amount of \$4,500,000 to be used solely to refinance the City's outstanding Capital Improvement Bond Anticipation Note (BAN), Series 2006. The note is secured by a covenant to budget and appropriate from legally available non-ad valorem revenues.

5. Capital Improvement Revenue Refunding Note, 2009

On December 4, 2009, the City signed a promissory note in the amount of \$6,227,400 which was used to refund its Capital Improvement Revenue Bonds, Series 1999. Although the debt was refunded, the Debt Service Delivery Agreement for the Capital Improvement Bonds, 1999 continues in force until the Series 2009 is paid. The note is secured by a pledge of the proceeds of the local government half-cent sales tax, the guaranteed entitlement portion of state revenue sharing funds and a covenant to budget and appropriate from legally available non-ad valorem revenues.

6. Capital Improvement Revenue Refunding Bonds, 2013

On May 2, 2013, the City issued bonds in the amount of \$15,345,000 pursuant to Resolution No. 9182. The 2013 Bonds are a refunding of the Capital Improvement Bonds, 2004, are fully registered bonds and are collateralized by a pledge of the proceeds of the local government half-cent sales tax, the guaranteed entitlement portion of state revenue sharing funds, the public service tax and investment income earned on trust funds held for bond holder. The outstanding principal of the 2004 Capital Improvement Bonds at the time of the refunding was \$14,650,000. The refunding was undertaken to reduce the total debt service payments over the remaining life of the 2004 Capital Improvement Bonds (22 years at the time of refunding) by \$2,124,679 and resulted in an economic gain of \$1,538,834.

7. Compensated Absences

Compensated absences reported as governmental activities in the statement of net position are liquidated by the general fund and the building permits special revenue fund.

8. Capital Lease

During 2008, the City signed a lease-purchase agreement with Mine Safety Appliances Company. The lease, in the amount \$376,725, is being used to finance the purchase of breathing apparatuses for the Fire Rescue Department. The lease is to be paid within ten years at an imputed interest rate of 4.2%.

E. Business-type Activity Liabilities

Following is a summary of all long-term liabilities of the proprietary funds at September 30, 2013:

1. Electric System Revenue Bonds, Series 2004

The 2004 bonds are fully registered bonds and are collateralized by a pledge of the net electric system revenues. Bond ordinances provide for a current sinking fund and the bonds are callable at various dates at 100% of face value.

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2. Electric System Revenue Bonds, Series 2007A and 2007B

The City has issued \$11,265,000 and \$11,710,000, respectively, in Electric System Revenue Bonds, Series 2007A and Taxable Series 2007B. Both issues are fully registered. The bonds are payable solely from the net revenues of the Electric System on parity with the City's outstanding Electric System Revenue Bonds, Series 2004. The Series 2007 bonds are subject to early redemption prior to maturity. The bond resolutions provide for a sinking fund.

3. Electric System Refunding Revenue Note – 2013

On June 10, 2013, the City issued a note in the amount of \$9,000,000 pursuant to Resolution No. 9199. Proceeds from the Note were used to refinance the 2010 Electric Utility Revenue Note, a line of credit used to fund the purchase of the City's \$20 million Smart Grid Project. The 2013 Electric System Refunding Revenue Note is payable from and secured solely by net revenues of the City's electric system on parity with the City's outstanding Electric System Revenue Bonds, Series 2004, Series 2007A, and Series 2007B. The note is a 20 year obligation with interest at 3.04%.

4. Crystal River III Nuclear Decommission Costs Payable

The City is responsible for its share of the future costs to decommission the Crystal River III Nuclear Generating Unit. The City is accruing this cost over the expected useful life of the plant.

5. Crystal River III Nuclear Decommissioning Trust Fund

Federal law requires that an external trust fund be created to accumulate amounts to pay for future plant decommissioning costs. The City contributes to a common trust fund, maintained by Florida Municipal Power Agency (FMPA), for all its members that own a portion of the Crystal River III Nuclear Generating Unit. As of September 30, 2013, the City has a balance in the trust fund of \$6,946,584.

6. Utility System Revenue Bonds, Series 2007A and 2007B

The City has issued \$22,425,000 and \$1,070,000, respectively, in Utility System Revenue Bonds, Series 2007A and Taxable Series 2007B. Both issues are fully registered. Bonds are payable solely from the net revenues of the gas, water, and wastewater systems on parity with the City's outstanding Utility System Revenue Bonds, Series 2004. The Series 2007 bonds are subject to early redemption prior to maturity. The bond resolutions provide for a sinking fund.

7. Utility System Revenue Refunding Note – 2010

On July 8, 2010, the City issued an \$8,000,000 note to be used solely to refinance the City's Bond Anticipation Note (BAN), 2006. The original BAN was used to acquire a water and wastewater utility system from the Plantation of Leesburg Limited Partnership. The note is payable solely from the net revenues of the gas, water, and wastewater systems on parity with the City's outstanding Utility System Revenue Bonds, Series 2004, Series 2007A and Series 2007B.

8. Utility System Revenue Bonds, Series – 2013

On April 30, 2013, the City issued a note in the amount of \$21,010,000 pursuant to Resolution No. 9184. Proceeds from the Bonds are used to refund the Utility System revenue Bonds – 2004. The Bonds are fully registered bonds and are collateralized by a pledge of the net gas, water, and wastewater system revenues. Bond ordinances provide for a current sinking fund and the bonds are callable at various dates at 100% of face value.

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The outstanding principal of the 2004 Utility System Revenue Bonds was \$20,090,000 at the time of the refunding. The refunding was undertaken to reduce the total debt service payments over the remaining life of the 2004 Utility System Revenue Bonds (22 years at the time of refunding) by \$2,664,329 and resulted in an economic gain of \$1,927,610.

9. Defeased Debt

Defeased debt of the City that remains publicly traded is as follows:

Utility System Refunding Revenue Bonds, Series 1999 A/B	\$19,120,000
Capital Improvement Revenue Bonds, Series 2004	14,650,000
Utility System Revenue Bonds, Series 2004	<u>20,090,000</u>
	<u>\$53,860,000</u>

10. Capital Improvement Revenue Refunding Note, 2009

On October 2, 2009, the City signed a note in the amount of \$1,005,000 used solely to refinance the note payable to FMPA. The note is secured by the Communications Enterprise revenues.

11. Estimated Landfill Closure and Postclosure Care Costs

The City closed its present landfill site on September 1, 1995, at a total cost of \$3,326,000. The cost of the closure was financed by user fees over the useful life of the landfill. As required by state law, the City is now performing postclosure monitoring activities.

Balance, September 30, 2012	\$ 361,985
Adjustment of Estimate	19,381
Total Annual Costs Paid	<u>(74,584)</u>
Balance, September 30, 2013	306,782
Current Maturities	<u>(61,356)</u>
Total Long-Term Portion	<u><u>\$ 245,426</u></u>

In 1994, the City implemented GASB Statement No. 18 entitled *Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs*. This statement requires accounting recognition be given to all estimated closure and post-closure care costs during the operating life of the landfill.

The \$245,426 liability recorded represents the estimated costs of post-closure care for five years after closure as required by state and federal laws and regulations. This amount was calculated by the City's consulting engineer. The actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required to deposit adequate funds into an escrow account before year-end to meet postclosure care costs for the following year. During the year ended September 30, 1992, the City established an escrow subaccount within the City's pooled cash system for this purpose. The following is a schedule of the transactions in this account during fiscal year 2013:

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Balance, September 30, 2012	\$ 89,152
Investment Income (Loss)	<u>328</u>
Balance, September 30, 2013	<u><u>\$ 89,480</u></u>

Escrow funds in the amount of \$89,480 remain on deposit with SunTrust Bank. The above schedule was prepared in accordance with the requirements of Rule 62, 701.630 of the Florida Administrative Code.

F. Pledged Revenues

The City has pledged certain revenues to repay certain bonds and notes outstanding as of September 30, 2013. The following table reports the revenues pledged for each debt issue, the amounts of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2013:

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Debt Description	Pledged Revenues Used for FY2013 Debt Service Payments						Debt Service Payments Until Debt Maturity	Pledged Through
	Half Cent Sales Tax ¹	Guaranteed Entitlement ²	Public Service Tax ³	Gas Utility Fund Transfer ⁴	Tax Increment Revenues ⁵			
					CHCRA ⁶	441/27CRA ⁷		
2009 Capital Improvement Refunding Promissory Note	\$ 473,811	\$ -					\$ 8,109,706	2030
2004 and 2013 Capital Improvement Bonds	520,135	309,234	120,150				22,180,854	2035
2009 Capital Improvement Promissory Note (Magnolia Townhomes)				965,970			3,913,980	2017
2008 Redevelopment Revenue Note			50,873		\$ 152,786		714,213	2016
2009 Tax Increment Revenue Bonds			799,831				25,175,256	2036
Total Debt Service	\$ 993,946	\$ 309,234	\$ 970,854	\$ 965,970	\$ 152,786	\$ -	\$ 60,094,009	
Total pledged revenues available for fiscal year 2013 debt service	993,946	309,234	3,195,794	966,820	152,786	\$ -		
Total pledged revenues used for fiscal year 2013 debt service	993,946	309,234	970,854	965,970	152,786	\$ -		
Fiscal Year 2013 pledged revenues used as a percentage of revenues available	100.00%	100.00%	30.38%	99.91%	100.00%	0.00%		

¹Gross Sales Tax Revenues are defined pursuant to Resolution 5725 adopted August 12, 1999, as the proceeds of the local government half-cent sales tax as described in Title XIV, Chapter 218, Part VI Florida Statutes.

²Guaranteed Entitlement - State Revenue Sharing is the portion of state revenue sharing funds available to the City that are assigned, pledged, or set aside as a trust for the payment of principal or interest on the bonds pursuant to Title XIV, Chapter 218, Part II, Florida Statutes.

³Public Service Tax is levied and collected pursuant to Section 166.231, Florida Statutes. A municipality may levy a tax on the purchase of electricity, metered natural gas, liquified petroleum gas and water service not to exceed ten percent (10%) of the payments received by the seller.

⁴Gas Utility Fund Special Transfer - the debt service payment of \$966,820 is covered by this special transfer.

⁵Tax Increment Revenues of the Community Redevelopment Agencies for the Carver Heights/Montclair Avenue Area and the U.S. Highway 441 & 27 Area are the generally applicable taxes attributable to increases in assessed values within the redevelopment areas of the respective Agencies.

⁶Carver Heights/Monclair CRA debt service for Fiscal Year 2013 totaled \$203,503. Due to the downturn in property values, the revenues were not sufficient to cover the debt service. However, the fund balance for the CRA was able to cover the deficiency of \$50,941.

⁷US Highway 441 & 27 CRA debt service for Fiscal Year 2013 totaled \$800,415. Due to the downturn in property values, the debt service payment is being paid from the bond proceeds in accordance with bond covenants.

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Debt Description	Electric Revenues ¹	Gas Revenues ²	Water Revenues ²	Wastewater Revenues ²	TOTAL Gas, Water, Wastewater Revenues	Communi- cations Revenues ³	Debt Service Payments Until Debt Maturity	Pledged Through
2004 Electric System Revenue Bonds	\$ 1,090,160						\$ 23,559,018	2035
2007 A Electric System Revenue Bonds	551,906						23,304,377	2038
2007 B Electric System Revenue Bonds	939,469						16,690,882	2032
2010 Electric System Anticipation Note ⁴	48,898						refunded in FY2013	
2013 Electric System Refunding Revenue Note ⁵	84,360						12,064,622	2033
2004 Utility System Revenue Bonds		\$ 169,311	\$ 352,181	\$ 487,970	\$ 1,009,462		refunded in FY2013	
2007 A Utility System Revenue Bonds		152,304	872,655	320,485	1,345,444		37,690,640	2038
2007 B Utility System Revenue Bonds				78,705	78,705		1,703,000	2034
2010 Utility System Revenue Note		49,596	171,042	137,934	358,572		10,132,535	2025
2013 Utility System Refunding Revenue Bonds							30,303,185	2035
2009 Capital Improve Revenue Note						\$ 125,868	847,470	2019
Total Debt Service	\$ 2,714,793	\$ 371,211	\$ 1,395,878	\$ 1,025,094	\$ 2,792,183	\$ 125,868	\$ 156,295,728	
Total pledged revenues available for fiscal year 2013 debt service	14,945,248	1,484,992	3,294,285	4,041,632	8,820,909	733,992		
Total pledged revenues used for fiscal year 2013 debt service	2,714,793	371,211	1,395,878	1,025,094	2,792,183	125,868		
Fiscal year 2013 pledged revenues used as a percentage of revenues available	18.16%	25.00%	42.37%	25.36%	31.65%	17.15%		

Definitions:

Operation and Maintenance Expenses - defined as the cost of operation and maintenance as current expenses, paid or accrued, less depreciation and

Pledged Revenues and Net Revenues - defined as gross revenues less operation and maintenance expenses.

Net Revenues and Pledged Revenues - defined as gross revenues less operation and maintenance expenses plus capacity charges.

¹**Gross Revenues** - defined pursuant to Resolution 7141 adopted June 14, 2004, as all income and earnings derived by the City from the ownership, operation, leasing, or use of the Electric System, and investment income excluding capital expansion and system improvement grants.

²**Gross Revenues** - defined pursuant to Resolution 7143 adopted June 14, 2004, as all income and earnings derived by the City from the ownership, operation, leasing, or use of the Utility System, and investment income excluding capital expansion and system improvement grants.

³**Gross Revenues** - defined pursuant to Resolution 8511 adopted September 14, 2009 as the Communications Enterprise Revenues set aside for the payment of debt service on the Note.

⁴**Grant Anticipation Note** - a debt instrument of the Electric System. The City has drawn a total of \$9,000,000 from this instrument to fund the Smart Grid Electric Project. See the 2013 Electric System Refunding Revenue Note for the refunding of this debt.

⁵**2013 Electric System Refunding Revenue Note** - a refunding of the 2010 Electric System Anticipation Note.

NOTE 9 – CONDUIT DEBT

The City issued conduit debt to provide financial assistance to private-sector entities for the acquisition and construction of hospital facilities deemed to be in the public interest. Conduit debt refers to certain limited-obligation revenue bonds or similar debt instruments issued by the City for the express purpose of providing capital financing for a specific nongovernmental third party. Although conduit debt bears the name of the City as issuer, it is collateralized by the resources provided by the loan with the third party on whose behalf they are issued. The City acts solely as a conduit issuer with respect to the debt.

Conduit debt is collateralized by the property financed and is payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served the bond issue. None of the assets or revenues of the City are pledged to the payment of the bonds and under the constitution and laws of Florida, the City may not legally pledge any of its revenues or assets to the payment thereof. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

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As of September 30, 2013, the City had an aggregate principal amount of hospital revenue refunding bonds approximately \$156,823,000. The amount of Leesburg Regional Medical Center outstanding was \$64,893,000. The amount of The Villages Tri-County Medical Center outstanding was \$30,000,000. The amount of Leesburg Regional Medical Center and The Villages Tri-County Medical Center outstanding was \$61,930,000.

NOTE 10 – ARBITRAGE REBATE

In accordance with the Tax Reform Act of 1986, any interest earnings on borrowed construction funds in excess of the interest costs are required to be rebated to the federal government.

There is no arbitrage rebate liability as of September 30, 2013.

NOTE 11– OPERATING LEASES

The City is lessor on various leases of facilities located at the Leesburg Regional Airport and other leases for property owned by the City. Estimated amounts for leased assets are: cost \$10,633,800 and accumulated depreciation \$1,703,441. The following is a schedule of minimum future lease income on non-cancelable operating leases:

Fiscal Year	Amount
2014	\$ 663,957
2015	440,752
2016	416,659
2017	401,876
2018	362,482
2019-2023	1,299,832
2024-2028	385,862
2029-2033	2,092
Total Minimum Lease Payments	\$ 3,973,512

NOTE 12– DEFINED BENEFIT PENSION PLANS (PLAN)

A. Plan Descriptions and Contribution Information

The City maintains three separate single-employer pension plans, a supplemental one for police officers, one for firemen, and a general employees' retirement plan that covers substantially all other full-time City employees including police officers. These Plans are maintained as pension trust funds and included as part of the City's reporting entity. City ordinance and state law requires contributions to be determined by actuarial studies. The City Commission has the authority to establish and amend the benefit provisions of the Plans. Administrative costs are financed through contributions and investment earnings. Stand-alone financial reports are not issued.

B. Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are recorded with the custodian. Benefits and refunds are recognized when due and payable in accordance with the terms of each Plan.

C. Methods Used to Value Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

All three Plans provide retirement, disability, and death benefits to Plan members and their beneficiaries as described below:

1. General Employees Retirement Plan (GERP)

The General Employee Retirement Plan was frozen as of September 30, 2008. City contributions to the Plan will continue until such time as the pension obligation is fully funded. Effective October 1, 2008, active Plan members will no longer accrue benefits under this Plan (see Note 13). The Plan is a 100% employer contributory defined benefit Plan and covers all full time employees except firemen. Participants who have completed five years of credited service are fully vested in the Plan and become fully vested after ten years of credited service.

Normal retirement benefits are paid to participants who have reached age sixty-five. Benefits are payable at the rate of 2.0% of average final monthly compensation multiplied by the number of years of credited service up to a maximum of forty-five years. The Plan also provides for early retirement, late retirement, and disability retirement, and death benefits at rates defined in the Plan document.

The City is required to contribute at an actuarially determined rate. Plan members are not allowed to contribute. Contribution requirements are established by City Code Section 17.121. City Code Section 17.121 may be amended by the City Commission.

The City accrues and contributes an amount, as determined by an actuary, to fund the annual, normal cost and prior service cost amortized over forty years. The City's contribution was established at 3.97% of the covered payroll for fiscal year 2012-2013.

2. Municipal Police Retirement Plan (MPRP)

The Plan covers sworn police officers (other Police Department employees are covered in the GERP). Employees contribute 7.65% of their annual compensation, including overtime and educational incentive pay. The State of Florida collects and remits a 1% excise tax on gross premiums from casualty insurance policies covering property within the corporate limits to the fund pursuant to the provisions of Chapter 185, Florida Statutes.

Participants who have completed ten years of credited service are 100% vested in Plan benefits. Participants whose service is terminated prior to completing ten years of credited service are entitled to the return of their employee contributions without interest. Normal retirement benefits are payable to participants who have reached the earlier of age fifty with twenty-five years of credited service, or age fifty-five with ten years of credited service. Such benefits are payable at a rate of 2% of the average monthly compensation for the four highest years of service multiplied by the number of years of credited service. The Plan also provides for early retirement, disability retirement, and death benefits at rates defined in the Plan document.

Per City Code Section 17.91, the City Commission may amend established contribution requirements.

CITY OF LEESBURG, FLORIDA
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3. Municipal Firemen's Retirement Plan (MFRP)

The Plan covers firefighters who have completed one year of employment. Firemen contribute 6.5% of their annual compensation to the Plan. The State of Florida collects and remits a 1% excise tax on gross premiums from fire insurance covering property within the corporate limits to the fund pursuant to the provisions of Chapter 175, Florida Statutes.

Participants who have completed ten years of credited service are 100% vested in Plan benefits. Participants whose service is terminated prior to completing ten years of credited service are entitled to the return of their employee contributions plus interest at the rate of 5% compounded annually. Normal retirement benefits are payable to participants who have reached the earlier of age fifty-two with twenty-five years of credited service, or age fifty-five with ten years of credited service. Such benefits are payable at a rate of 3% of the average monthly compensation multiplied by the number of years of credited service. The Plan also provides for early retirement, deferred retirement, disability retirement, and death benefits at rates defined in the Plan document.

Pursuant to the Plan document, the City accrues and contributes an additional amount, determined by an actuary, to fund the annual normal cost and prior service cost amortized over forty years.

D. Membership

Membership of each Plan consisted of the following:

Date of Actuarial Valuation:	10/01/13 GERP	10/01/13 MPRP	10/01/13 MFRP
Retirees and Beneficiaries Receiving Benefits	191	29	23
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	212	9	3
Active Plan Members	270	70	54
Total	673	108	80

E. Annual Pension Costs and Net Pension Obligation

The City's annual pension cost and net pension obligation to GERP, MPRP and MFRP for the current year were as follows:

	GERP	MPRP	MFRP
Annual Required Contribution (ARC)	\$ 1,362,439	\$ 562,144	\$ 938,370
Interest on Net Pension Obligation (NPO)	61,530	(13,344)	(63,426)
Adjustment to Annual Contribution	(111,182)	19,100	87,950
Annual Pension Cost	1,312,787	567,901	962,894
Adjustment to Net Pension Obligation (NPO)			
Contributions Made	(1,250,669)	(562,144)	(938,369)
Increase/Decrease in NPO	62,118	5,757	24,525
Net Pension Obligation (Asset), Beginning of Year	820,397	(168,908)	(818,405)
Net Pension Obligation (Asset), End of Year	\$ 882,515	\$ (163,151)	\$ (793,880)

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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

F. Other Pension Plan Information

The annual required contribution, actuarial cost method and actuarial assumptions are described in the required supplementary information. The actuarial value of assets was determined using market value for all Plans.

The excess of the actuarial value of assets over the actuarial accrued liabilities is being amortized using the levels described in the required supplementary information.

<u>Ended</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation (Asset)</u>
GERP			
09/30/11	\$ 922,605	61%	\$ 382,785
09/30/12	963,255	55%	820,397
09/30/13	1,312,787	95%	882,515
MPRP			
09/30/11	291,398	100%	-
09/30/12	490,400	100%	-
09/30/13	56,144	100%	-
MFRP			
09/30/11	982,484	100%	-
09/30/12	823,105	100%	-
09/30/13	938,370	97%	-

Below is a summarized schedule of the general, the police, and the fire pension Plan assets and the information as of the latest actuarial valuation follows:

	<u>GERP</u>	<u>MPRP</u>	<u>MFRP</u>
Valuation Date	October 1, 2013	October 1, 2013	October 1, 2013
Actuarial Cost Method	Entry Age Normal	Frozen Entry Age	Frozen Initial Liability
Amortization Method	Level Dollar, Closed	Level Percentage, Closed	Level Percentage, Closed
Remaining Amortization			
Period	26 Years	23 Years	29 Years
Asset Valuation Method	Market Value	Market Value	Market Value
Actuarial Assumptions:			
Investment Return	7.50%	7.90%	7.75%
Projected Salary Increases	0.00%	6.20%	5.00%
Cost of Living Adjustment (COLA)	None	None	None

CITY OF LEESBURG, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

The most recent actuarial valuation date for each Plan was October 1, 2013. The funded status and funding progress of each Plan is presented below:

	<u>GERP</u>	<u>MPRP</u>	<u>MFRP</u>
Actuarial Value of Assets	\$ 32,493,882	\$ 15,312,331	\$ 14,377,035
Actuarial Accrued Liability	<u>37,958,850</u>	<u>15,881,631</u>	<u>16,231,911</u>
Unfunded (Overfunded) Status (UAAL)	<u>\$ 5,464,968</u>	<u>\$ 569,300</u>	<u>\$ 1,854,876</u>
Funded Status	85.60%	96.42%	88.57%
Annual Covered Payroll	<u>\$ 11,912,454</u>	<u>\$ 3,755,014</u>	<u>\$ 3,031,562</u>
UAAL as Percent of Payroll	45.88%	15.16%	61.19%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Municipal Police Retirement Plan	Municipal Firemen's Retirement Plan	General Employees' Retirement Plan	Total
Assets				
Cash	\$ -	\$ -	\$ -	\$ -
Investments, at Fair Value:				
U.S. Government Securities	1,830,982	898,722	4,720,058	7,449,762
Corporate Bonds	2,295,627	2,508,733	2,106,311	6,910,671
Corporate Stocks	9,951,692	5,217,666	15,683,404	30,852,762
Alternative Investments	1,344,788	-	6,803,496	8,148,284
Money Market	515,358	1,023,762	1,003,881	2,543,001
Mutual Funds	-	5,646,851	2,484,476	8,131,327
Total Investments	15,938,447	15,295,734	32,801,626	64,035,807
Interest Receivable	-	-	152,564	152,564
Total Assets	15,938,447	15,295,734	32,954,190	64,188,371
Total Liabilities	-	-	-	-
Net Position Restricted for Employees'				
Pension Benefits	\$ 15,938,447	\$ 15,295,734	\$ 32,954,190	\$ 64,188,371

SCHEDULE OF THE CHANGE IN PENSION PLAN NET POSITION AS OF SEPTEMBER 30, 2013

Additions				
Contributions:				
Employer	\$ 367,503	\$ 791,899	\$ 1,210,182	\$ 2,369,584
State	155,997	156,635	-	312,632
Employee	275,828	187,751	-	463,579
Total Contributions	799,328	1,136,285	1,210,182	3,145,795
Investment Income:				
Net Appreciation (Depreciation) in				
Fair Value of Investments	1,366,879	1,487,841	2,619,417	5,474,137
Interest and Dividend Income	329,298	371,268	673,968	1,374,534
Other Income	113,967	14,500	4,031	132,498
Less: investment expenses	(123,441)	(71,745)	(173,130)	(368,316)
Total Investment Income	1,686,703	1,801,864	3,124,286	6,612,853
Total Additions	2,486,031	2,938,149	4,334,468	9,758,648
Deductions				
Benefit Payments	695,699	695,278	2,200,643	3,591,620
Refund of Contributions	69,385	85,838	143,136	298,359
Administrative Expense	32,650	44,565	64,883	142,098
Total Deductions	(797,734)	(825,681)	(2,408,662)	(4,032,077)
Net Increase Decrease	1,688,297	2,112,468	1,925,806	5,726,571
Net Position Restricted for Employees'				
Pension Benefits:				
Beginning of Year	14,250,150	13,183,266	31,028,384	58,461,800
End of Year	\$ 15,938,447	\$ 15,295,734	\$ 32,954,190	\$ 64,188,371

NOTE 13 - DEFINED CONTRIBUTION PENSION PLAN

Effective October 1, 2008, general employees of the City participate in the 401(a) Defined Contribution Pension Plan administered by the ICMA Retirement Corporation Governmental Money Purchase Plan and

CITY OF LEESBURG, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Trust. The Plan was authorized by City Commission Resolution 8212. All current employees are fully vested in any contributions authorized by the City Commission. New employees become fully vested over a three-year period. For the year ended September 30, 2013, the City Commission approved a contribution rate of 5% of compensation. Total contributions amounted to \$756,282 or 100% of the amount authorized.

Employees may not contribute to the Plan. Investments in Plan assets are directed by individual employees.

NOTE 14- OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The City provides postretirement health care benefits, in accordance with City ordinance, to all employees who retire from the City with at least fifteen years of continuous service. Employees retiring before age fifty-five may remain in the City's plan and pay all premium costs. Employees who retire between the ages of fifty-five and fifty-eight and continue health coverage will become eligible for employer subsidized premiums at age fifty-eight. Employees retiring on or after attaining age fifty-eight with at least fifteen years of service remain in the plan with all employee premiums paid by the City up to a maximum of \$400; if the cost to the City for health insurance coverage on the retired employee exceeds \$400 a month, the retiree will bear the cost over and above \$400. This explicit City subsidy is available only for retiree coverage and is not available in whole or in part as an explicit subsidy for spouse or dependent coverage.

Currently, the City's OPEB benefits are unfunded. That is, there is no separate Trust Fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation. Therefore, the ultimate subsidies which are provided over time are financed directly by general assets of the City. The City had an Actuarial Valuation for OPEB to measure the current year's subsidies, project these subsidies for decades into the future, and make an allocation of that cost to different years. Membership of each plan consisted of the following:

Date of Actuarial Valuation:	<u>10/01/12</u>
Retirees and Beneficiaries Receiving Benefits	<u>143</u>
Active Plan Members	<u>370</u>
Total	<u><u>513</u></u>

A. Annual OPEB Costs and Net OPEB Obligation

The Annual OPEB Cost is the amount that was expensed for the fiscal year. Since the City's OPEB plan is currently unfunded, the offset to that expense comes from subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is called the Employer Contribution, and equals the total age-adjusted premiums paid by the City for coverage for the retirees and their dependents for the year (net of the retiree's own payments for the year). The cumulative difference between the Annual OPEB Cost for the year and the Employer Contribution for the year is called the Net OPEB Obligation. The Net OPEB Obligation is reflected as a liability in the statement of net position.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

The following table shows the components of the City’s Annual OPEB Cost for the year and the Net OPEB Obligation:

Annual Required Contribution (ARC)	\$ 2,068,235
Interest on Net OPEB Obligation (NOO)	416,387
Adjustment to ARC	<u>(631,607)</u>
Annual OPEB Cost	1,853,015
Employer Contributions Made	<u>(915,524)</u>
Increase(Decrease) in NOO	937,491
Net OPEB Obligation, Beginning of Year	<u>10,409,685</u>
Net OPEB Obligation, End of Year	<u><u>\$ 11,347,176</u></u>

The Annual OPEB Cost per covered employee is \$5,975 or approximately 14.2% of expected payroll. The City’s plan is a single-employer plan with no separately issued audited financials.

B. Schedule of Employer Contributions

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2013	\$ 1,853,015	49.4%	\$ 11,347,176
9/30/2012	2,581,178	22.7%	10,409,685
9/30/2011	2,386,435	22.8%	8,413,426
9/30/2010	2,524,856	30.7%	6,570,723

C. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and Plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

D. Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funding status of a plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CITY OF LEESBURG, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

The following is a schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	(Overfunded)		Annual Covered Payroll	UAAL as a Percentage of Payroll
			Accrued Liability (UAAL)	Funded Ratio		
10/1/2012	\$ -	\$ 21,719,437	\$ 21,719,437	0.0%	\$ 16,755,182	129.6%
10/1/2011	-	26,411,922	26,411,922	0.0%	18,187,292	145.2%
10/1/2010	-	24,870,238	24,870,238	0.0%	18,187,292	136.7%
10/1/2009	-	25,901,949	25,901,949	0.0%	19,957,715	129.8%

The Required Supplementary Information immediately following the notes to the financial statements presents the Schedule of Funding Progress for the plan. This information is helpful in determining whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time. The following table summarizes the actuarial methods and assumptions as of the latest actuarial valuation date:

Valuation Date	October 1, 2012
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage, Closed
Remaining Amortization Period	25 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Return	4.00%
Rate of Inflation	3.00%
Payroll Growth - All Employees	0.00%
Health Care Inflation	8.5% (grading down to 1.0%)

NOTE 15- SELF-INSURANCE FUND

A. Employee Health Insurance Fund

The City maintains a self-insurance program for the payment of employee health and medical claims. The program provides for the payment of City and employee contributions into a self-insurance fund, which is managed by the City. The City self-funds individual employee claims up to \$85,000 and total annual claim payments up to \$5,000,000. The City purchases excess stop-loss insurance that pays any portion of a claim that exceeds \$85,000, and if the total annual paid claims exceed \$5,000,000. The City employs a third party claims administrator to manage claims. Each year, an actuarial analysis of the Health Insurance Fund is conducted in order to assure the financial soundness of this fund.

B. Workers' Compensation Insurance Fund

The City maintains a self-insurance program for the payment of employee workers' compensation claims. The program provides for City contributions into a self-insurance fund which is managed by the City. Employee claims up to \$500,000 per occurrence are paid from the assets of the self-insurance fund with amounts in excess of \$500,000 per occurrence being paid from a reinsurance policy purchased by the City. The City employs a third party claims administrator to manage claims. Each year, an actuarial analysis of the Workers' Compensation Insurance Fund is conducted in order to assure the financial soundness of this fund.

CITY OF LEESBURG, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Changes in claims liabilities for the last two years follow:

	<u>Balance October 1, 2012</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>(Claims Paid)</u>	<u>Balance September 30, 2013</u>
Employee Health				
Insurance Fund	\$ 344,273	\$ 3,202,095	\$ (3,236,807)	\$ 309,561
Workers' Compensation				
Insurance Fund	<u>1,480,266</u>	<u>\$ 471,478</u>	<u>(275,310)</u>	<u>1,676,434</u>
	<u>\$ 1,824,539</u>	<u>\$ 3,673,573</u>	<u>\$ (3,512,117)</u>	<u>\$ 1,985,995</u>
	<u>Balance October 1, 2011</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>(Claims Paid)</u>	<u>Balance September 30, 2012</u>
Employee Health				
Insurance Fund	\$ 444,115	\$ 3,457,222	\$ (3,557,064)	\$ 344,273
Workers' Compensation				
Insurance Fund	<u>1,297,553</u>	<u>475,686</u>	<u>(292,973)</u>	<u>1,480,266</u>
	<u>\$ 1,741,668</u>	<u>\$ 3,932,908</u>	<u>\$ (3,850,037)</u>	<u>\$ 1,824,539</u>

Claim liabilities are calculated based on an actuarial valuation, which includes consideration of non-incremental claims adjustment expenses. Management estimates that \$754,395 Workers' Compensation and \$309,561 of Employee Health Insurance claim liabilities are payable within one year. No settlements in excess of claims have been incurred in each of the past three years.

NOTE 16- CONTINGENCIES AND COMMITMENTS

The City participates in a number of state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the City expects such amounts, if any, to be immaterial.

The City is defending several claims and judgments arising from the normal course of business. The City expects to prevail in these matters; however, the final outcomes have not yet been determined.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 17– RISK MANAGEMENT

The City’s self-insurance programs and health insurance programs are accounted for in separate non-major special revenue funds. The City is a self-insured public entity and affords coverage for the risk exposures listed below:

- General and Automotive Liability
- Property Damage
- Workers’ Compensation
- Excess Workers’ Compensation, General Liability, & Police Liability
- Unemployment Compensation
- Group Medical
- Federal Flood Insurance
- Life Insurance
- Short Term Disability
- Long Term Disability

Exposures are limited by insurance coverage as noted. Settled general and automatic liability and workers compensation claims have not exceeded the self-insured statutory limits in any of the past five years.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 18– CONSTRUCTION COMMITMENTS

As of September 30, 2013, the City had the following commitments related to significant unfinished construction projects:

	<u>Expended as of September 30, 2013</u>	<u>Remaining Commitment</u>
General Government:		
Airfield Lighting Upgrade	\$ 14,779	\$ 489,496
Extend Taxiway A design	-	182,050
Fire Station #62 Renovations	32,006	87,937
Fuel Site Refurbishments	3,941	11,817
City Hall Reroof	8,812	100,510
Relight Susan Street Complex	27,964	344,986
Community Building Improvements	57,132	4,668
Electric Utility:		
Center Substation Transformer	12,821	930,204
Underground Carver Heights Phase 4	-	192,353
Hwy 441 Leg A to College	3,626	90,070
Hwy 441 Cracker Barrel to Radio Rd	-	99,356
IVR for SCADA	-	250,000
Hwy 27 South Reconductoring	-	157,017
Smart Grid Technology	3,088,677	3,884,308
Gas Utility:		
Arlington Ridge Main	-	100,000
Water Plant to 470 Main	-	1,061,254
Meters	38,927	161,073
Regulators	12,334	87,665
Services	77,632	222,368
Bentley Ridge	-	79,445
Hidden Harbor	-	38,728
Water Utility:		
Well Cabinets & Controller Upgrades	-	124,987
Plantation Upgrade	-	3,219,072
Houston Place Water Main	56,279	20,721
Wastewater Utility:		
Canal St Digester Decanter Engineering	2,106	18,954
North Pond Liner	14,230	230,658
Lift Station 6A	15,102	36,207
Lift Station 21	12,764	36,750
Manhole Rehab	30	41,892
Lift Station Control Panels	39,384	9,657
Stormwater Utility:		
Beecher & Griffin Drainage	-	258,092
Commerce & Industrial Ditch Enclosure	5,619	352,831
Birchwood Ditch	-	250,000
Totals	<u>\$ 3,524,165</u>	<u>\$ 13,175,126</u>

CITY OF LEESBURG, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 19 – RESTATEMENT OF BEGINNING NET POSITION

The GASB has issued Statement 65, *Items Previously Reported as Assets and Liabilities*, which clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB 65 requires certain items which were previously reported as assets and liabilities to be reported as deferred outflows of resources, deferred inflows of resources, or as revenue and expenses. As a result of implementing this statement, the City restated net position for all unamortized bond issuance costs that were recorded as assets at 9/30/2012.

	<u>Business-Type Activities</u>	<u>Proprietary Fund Statements</u>
Financial Statements		
Net position at September 30, 2012,		
as last reported	\$ 219,345,628	\$ 166,719,940
Adjustments:		
Expense bond issuance costs	(1,679,372)	(1,679,372)
Net position as restated		
at October 1, 2012	<u>\$ 217,666,256</u>	<u>\$ 165,040,568</u>

	<u>Electric Utility Fund Statements</u>	<u>Gas Utility Fund Statements</u>	<u>Water Utility Fund Statements</u>	<u>Wastewater Utility Fund Statements</u>
Financial Statements				
Net position at September 30, 2012,				
as last reported	\$ 72,394,783	\$ 16,918,914	\$ 26,024,515	\$ 33,683,929
Adjustments:				
Expense bond issuance costs	(788,097)	(119,916)	(445,523)	(325,836)
Net position as restated				
at October 1, 2012	<u>\$ 71,606,686</u>	<u>\$ 16,798,998</u>	<u>\$ 25,578,992</u>	<u>\$ 33,358,093</u>

NOTE 20– SUBSEQUENT EVENTS

- A. On March 17, 2014, the City issued the 2014 Electric Utility Refunding Note not to exceed \$15 million. The issuance is a 20.5 year private placement note with SunTrust Bank. The proceeds will be used to refund the City’s 2004 Electric System Bonds. The serial debt payments will mature in 2035 and supported by a covenant to budget and appropriate legally available electric system funds revenues.

REQUIRED SUPPLEMENTARY INFORMATION

The following supplementary schedules present the major fund budgetary comparison schedules; trend information regarding the retirement plans for the City's general employees, municipal police and municipal firemen; and trend information regarding other postemployment benefits. This information is necessary for a fair presentation in conformity with generally accepted accounting principles.



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CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 10,666,251	\$ 10,453,332	\$ 10,654,190	\$ 200,858
Licenses and Permits	107,500	107,500	133,374	25,874
Intergovernmental	1,915,223	2,178,552	2,220,336	41,784
Charges for Services	583,772	606,772	587,244	(19,528)
Fines and Forfeitures	101,500	101,500	151,693	50,193
Miscellaneous:				
Interest	37,000	37,000	115,408	78,408
Rental Income	1,096,107	1,096,107	1,197,201	101,094
Other	46,000	48,000	107,205	59,205
Total Revenues	<u>14,553,353</u>	<u>14,628,763</u>	<u>15,166,651</u>	<u>537,888</u>
Expenditures				
Current:				
General Government	1,902,730	1,861,188	1,891,217	(30,029)
Public Safety	13,983,894	14,133,451	13,841,094	292,357
Physical Environment	60,243	60,243	61,867	(1,624)
Transportation	2,314,279	2,351,969	1,704,863	647,106
Economic Environment	122,782	123,782	132,194	(8,412)
Human Services	474,180	461,292	89,462	371,830
Culture and Recreation	3,856,829	3,877,760	3,711,224	166,536
Capital Outlay	488,999	724,168	502,530	221,638
Total Expenditures	<u>(23,203,936)</u>	<u>(23,593,853)</u>	<u>(21,934,451)</u>	<u>1,659,402</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,650,583)</u>	<u>(8,965,090)</u>	<u>(6,767,800)</u>	<u>2,197,290</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	11,750	11,750
Transfers from Other Funds	10,512,370	10,325,642	10,341,723	16,081
Transfers to Other Funds	(1,895,787)	(2,147,759)	(3,003,024)	(855,265)
Fund Balance Appropriated	34,000	787,207	-	(787,207)
Total Other Financing Sources (Uses)	<u>8,650,583</u>	<u>8,965,090</u>	<u>7,350,449</u>	<u>(1,614,641)</u>
Net Change in Fund Balances	-	-	582,649	582,649
Fund Balance, Beginning of Year	-	-	9,536,516	9,536,516
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,119,165</u>	<u>\$ 10,119,165</u>

Note: This schedule is prepared on the basis of Generally Accepted Accounting Principles.

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ -	\$ 212,919	\$ 470,658	\$ 257,739
Intergovernmental	189,106	1,374,106	169,504	(1,204,602)
Miscellaneous Interest and Other	93,084	93,084	267,816	174,732
Total Revenues	<u>282,190</u>	<u>1,680,109</u>	<u>907,978</u>	<u>(772,131)</u>
Expenditures				
Economic Environment:				
Operating Expenditures	235,751	551,549	307,063	244,486
Debt Service	1,027,037	1,027,037	1,028,537	(1,500)
Capital Outlay	-	1,758,977	237,933	1,521,044
Total Expenditures	<u>(1,262,788)</u>	<u>(3,337,563)</u>	<u>(1,573,533)</u>	<u>1,764,030</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(980,598)</u>	<u>(1,657,454)</u>	<u>(665,555)</u>	<u>991,899</u>
Other Financing Sources (Uses)				
Issuance of Debt	737,733	1,732,926	-	(1,732,926)
Transfers from Other Funds	261,289	48,370	351	(48,019)
Transfers to Other Funds	-	(481,233)	(99,182)	382,051
Fund Balance Appropriated	(18,424)	357,391	-	(357,391)
Total Other Financing (Uses)	<u>980,598</u>	<u>1,657,454</u>	<u>(98,831)</u>	<u>(1,756,285)</u>
Net Change in Fund Balance	-	-	(764,386)	(764,386)
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>10,505,632</u>	<u>10,505,632</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,741,246</u>	<u>\$ 9,741,246</u>

Note: This schedule is prepared on the basis of Generally Accepted Accounting Principles.

**CITY OF LEESBURG, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS**

General Employees' Retirement Plan

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded)		Annual Covered Payroll	UAAL as Percent of Payroll
			Accrued Liability (UAAL)	Funded Ratio		
10/1/2013	\$ 32,493,882	\$ 37,958,850	\$ 5,464,968	85.60%	\$ 11,912,454	45.88%
10/1/2012	31,172,936	38,821,147	7,648,211	80.30%	12,742,737	60.02%
10/1/2011	30,735,796	37,570,673	6,834,877	81.81%	13,550,400	50.44%
10/1/2010	32,543,273	36,539,203	3,995,930	89.06%	14,349,754	27.85%
10/1/2009	33,138,960	36,090,413	2,951,453	91.82%	15,069,783	19.59%
10/1/2008	33,832,920	35,542,768	1,709,848	95.19%	16,547,145	10.33%
10/1/2007	34,934,262	43,691,883	8,757,621	79.96%	17,757,533	49.32%
10/1/2006	31,368,026	33,016,791	1,648,765	95.01%	17,153,906	9.61%
10/1/2005	28,343,644	26,892,348	(1,451,296)	105.40%	15,645,117	-9.28%
10/1/2004	26,217,389	24,105,690	(2,111,699)	108.76%	12,599,144	-16.76%
10/1/2003	25,703,014	23,744,901	(1,958,113)	108.25%	11,842,737	-16.53%

Municipal Police Retirement Plan

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded)		Annual Covered Payroll	UAAL as Percent of Payroll
			Accrued Liability (UAAL)	Funded Ratio		
10/1/2013	\$ 15,312,331	\$ 15,881,631	\$ 569,300	96.42%	\$ 3,755,014	15.16%
10/1/2012	13,985,699	14,793,748	808,049	94.54%	3,621,679	22.31%
10/1/2011	13,237,121	13,997,607	760,486	94.57%	3,687,749	20.62%
10/1/2010	13,318,716	14,063,487	744,771	94.70%	3,738,540	19.92%
10/1/2009	13,015,917	13,451,873	435,956	96.76%	3,479,653	12.53%
10/1/2008	13,185,827	13,661,930	476,103	96.52%	3,509,401	13.57%
10/1/2007	12,734,501	12,913,643	179,142	98.61%	3,603,003	4.97%
10/1/2006	11,635,558	11,828,037	192,479	98.37%	3,316,192	5.80%
10/1/2005	10,613,513	10,817,156	203,643	98.12%	2,929,992	6.95%
10/1/2004	10,074,080	10,270,878	196,798	98.08%	2,899,724	6.79%
10/1/2003	9,924,188	9,884,047	(40,141)	100.41%	2,813,551	-1.43%

Municipal Firemen's Retirement Plan

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded)		Annual Covered Payroll	UAAL as Percent of Payroll
			Accrued Liability (UAAL)	Funded Ratio		
10/1/2013	\$ 14,377,035	\$ 16,231,911	\$ 1,854,876	88.57%	\$ 3,031,562	61.19%
10/1/2012	13,027,576	14,866,354	1,838,778	87.63%	3,004,257	61.21%
10/1/2011	11,797,716	13,611,707	1,813,991	86.67%	3,073,457	59.02%
10/1/2010	11,574,175	13,580,057	2,005,882	85.23%	3,106,945	64.56%
10/1/2009	11,011,597	13,231,246	2,219,649	83.22%	3,211,696	69.11%
10/1/2008	10,447,796	12,905,892	2,458,096	80.95%	2,993,793	82.11%
10/1/2007	9,833,153	13,446,697	3,613,544	73.13%	2,895,956	124.78%

Only six years of funded status are available. Prior to the October 1, 2008, valuation, the MFRP used the Aggregate Actuarial Cost Method, which does not identify or separately amortize unfunded actuarial liabilities. The October 1, 2007, actuarial valuation report used the entry age actuarial cost method as a surrogate to calculate the Plan's funded status and funding progress, as required by GASB Statement No. 50.

Other Postemployment Benefits

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded)		Annual Covered Payroll	UAAL as Percent of Payroll
			Accrued Liability (UAAL)	Funded Ratio		
10/1/2012	\$ -	\$ 21,719,437	\$ 21,719,437	0.00%	\$ 16,755,182	129.6%
10/1/2011	-	26,411,922	26,411,922	0.00%	18,187,292	145.2%
10/1/2010	-	24,870,238	24,870,238	0.00%	18,187,292	136.7%
10/1/2009	-	25,901,949	25,901,949	0.00%	19,957,715	129.8%
10/1/2008	-	25,901,949	25,901,949	0.00%	19,957,715	129.8%
10/1/2007	-	42,307,839	42,307,839	0.00%	22,983,533	184.1%

CITY OF LEESBURG, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CONTRIBUTIONS FROM EMPLOYER AND OTHERS

Year Ended 9/30	General Employees' Retirement Plan (GERP)		Municipal Police Retirement Plan (MPRP)		Municipal Firemen's Retirement Plan (MFRP)	
	Annual Required Contribution (ARC)	Percentage Contributed	Annual Required Contribution (ARC)	Percentage Contributed	Annual Required Contribution (ARC)	Percentage Contributed
2013	\$ 1,312,787	95.0%	\$ 562,144	100.0%	\$ 938,370	100.0%
2012	963,255	55.0%	490,400	100.0%	823,105	100.0%
2011	922,605	61.0%	291,398	100.0%	982,484	97.5%
2010	852,340	94.0%	445,066	100.0%	992,226	104.8%
2009	737,974	88.0%	437,542	99.9%	886,875	132.8%
2008	2,388,162	88.5%	411,998	99.5%	712,875	100.2%
2007	2,183,267	95.7%	376,923	99.1%	672,524	106.0%
2006	1,745,388	108.9%	357,152	98.0%	634,328	59.6%
2005	1,498,661	93.0%	328,829	97.8%	675,527	65.0%
2004	1,200,568	96.9%	254,744	94.7%	451,265	78.0%

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2013	\$ 1,853,015	49.4%	\$ 11,347,176
9/30/2012	2,581,178	22.7%	10,409,685
9/30/2011	2,386,435	0.0%	8,413,426
9/30/2010	2,524,856	30.7%	6,570,723
9/30/2009	2,338,322	30.7%	4,821,617

Notes to Required Supplementary Information

Retirement Plans and Other Postemployment Benefits (OPEB)

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Retirement Plans			
	GERP	MPRP	MFRP
Valuation Date	October 1, 2013	October 1, 2013	October 1, 2013
Actuarial Cost Method	Entry Age Normal	Frozen Entry Age	Frozen Initial Liability
Amortization Method	Level Dollar, Closed	Level Percentage, Closed	Level Percentage, Closed
Remaining Amortization Period	26 Years	23 Years	29 Years
Asset Valuation Method	Market Value	Market Value	Market Value
Actuarial Assumptions:			
Investment Return	7.50%	7.90%	7.75%
Projected Salary Increases	0.00%	6.20%	5.00%
COLA	2.00%	None	None

SUPPLEMENTAL INFORMATION

The following supplemental schedules present combining non-major fund statements and individual fund budgetary schedules.



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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditure for specific purposes as described below.

Affordable Housing was established to create affordable housing for low and very low income households.

Police Forfeiture accounts for funds associated with Municipal and Federal seizures. Revenues are split between State and Federal forfeitures, each having their own rules and restrictions as to how the funds may be spent.

Police Education accounts for funds created by Criminal Justice Education Funding. Revenue is set aside for the specific funding of criminal justice education programs and training courses which include basic recruit, officer, and agency support personnel training.

Gas Tax accounts for income associated with Ninth-cent Fuel Tax, Local Option Fuel Tax, and Revenue Sharing Gas Tax, which are restricted for specific uses. Those uses include: construction, reconstruction and maintenance of roads, streets, bicycle paths and pedestrian pathways. Funds may also be used for utility relocation.

Police Impact Fees accounts for the Municipal Impact Fees collected on land developed within the City for the provision of Municipal Services Capital Facilities related to police services due to new development.

Fire Impact Fees accounts for the Municipal Impact Fees collected on land developed within the City for the provision of Municipal Services Capital Facilities related to fire services due to new development.

Recreation Impact Fees accounts for the Municipal Impact Fees collected on land developed within the City for the provision of Municipal Services Capital Facilities related to recreation services due to new development.

Building Permit accounts for the cost of building permit and inspection services, through the dedicated revenues generated in providing these services.

DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources for, the payment of, interest and principal on most general governmental obligations.

**CITY OF LEESBURG, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013**

	Special Revenue Funds				
	Affordable Housing Fund	Police Forfeitures Fund	Police Education Fund	Gas Tax Fund	Police Impact Fee Fund
Assets					
Pooled Cash and Investments	\$ 108,947	\$ 41,703	\$ 17,934	\$ 142,680	\$ 141,367
Accounts Receivables, Net	-	-	-	-	-
Due from Other Governments	-	-	668	80,150	-
Prepaid Items	-	-	-	-	-
Inventory	98,590	-	-	-	-
Restricted Cash	2,678	-	-	-	-
Total Assets	\$ 210,215	\$ 41,703	\$ 18,602	\$ 222,830	\$ 141,367
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	479	134	1	31	5
Accrued Salaries	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	479	134	1	31	5
Fund Balances					
Nonspendable:					
Prepays	-	-	-	-	-
Restricted for:					
Debt Service	-	-	-	-	-
Special Revenue Funds	209,736	41,569	18,601	222,799	141,362
Unassigned deficit	-	-	-	-	-
Total Fund Balances (Deficits)	209,736	41,569	18,601	222,799	141,362
Total Liabilities and Fund Balances (Deficits)	\$ 210,215	\$ 41,703	\$ 18,602	\$ 222,830	\$ 141,367

Special Revenue Funds

Fire Impact Fee Fund	Recreation Impact Fee Fund	Building Permits Fund	Total Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ 173,610	\$ -	\$ 626,241	\$ 1,168,126	\$ 1,794,367
-	-	123	123	-	123
-	-	-	80,818	-	80,818
-	-	-	-	63	63
-	-	-	98,590	-	98,590
-	-	-	2,678	-	2,678
<u>\$ -</u>	<u>\$ 173,610</u>	<u>\$ 123</u>	<u>\$ 808,450</u>	<u>\$ 1,168,189</u>	<u>\$ 1,976,639</u>
-	6	2,955	3,611	-	3,611
-	-	9,256	9,256	-	9,256
-	-	-	-	321,989	321,989
-	-	4,076	4,076	-	4,076
<u>74,211</u>	<u>-</u>	<u>279,163</u>	<u>353,374</u>	<u>-</u>	<u>353,374</u>
<u>74,211</u>	<u>6</u>	<u>295,450</u>	<u>370,317</u>	<u>321,989</u>	<u>692,306</u>
-	-	-	-	63	63
-	-	-	-	846,137	846,137
-	173,604	-	807,671	-	807,671
<u>(74,211)</u>	<u>-</u>	<u>(295,327)</u>	<u>(369,538)</u>	<u>-</u>	<u>(369,538)</u>
<u>(74,211)</u>	<u>173,604</u>	<u>(295,327)</u>	<u>438,133</u>	<u>846,200</u>	<u>1,284,333</u>
<u>\$ -</u>	<u>\$ 173,610</u>	<u>\$ 123</u>	<u>\$ 808,450</u>	<u>\$ 1,168,189</u>	<u>\$ 1,976,639</u>

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Special Revenue Funds

	Affordable Housing Fund	Police Forfeitures Fund	Police Education Fund	Gas Tax Fund	Police Impact Fee Fund
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 781,986	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	-	98,791	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	25,681	8,664	-	-
Miscellaneous:					
Interest	1,163	368	169	4,800	1,342
Other	49	-	-	-	-
Total Revenues	<u>1,212</u>	<u>26,049</u>	<u>8,833</u>	<u>885,577</u>	<u>1,342</u>
Expenditures					
Current:					
Public Safety	-	7,582	8,493	-	60
Transportation	-	-	-	234	-
Economic Environment	95,048	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and other costs	-	-	-	-	-
Capital Outlay	-	-	-	-	7,000
Total Expenditures	<u>(95,048)</u>	<u>(7,582)</u>	<u>(8,493)</u>	<u>(234)</u>	<u>(7,060)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(93,836)</u>	<u>18,467</u>	<u>340</u>	<u>885,343</u>	<u>(5,718)</u>
Other Financing Sources (Uses)					
Issuance of Debt	-	-	-	-	-
Premium on Debt Issuance	-	-	-	-	-
Payment to Bond Escrow Agent	-	-	-	-	-
Transfers from Other Funds	-	-	-	-	-
Transfers to Other Funds	(7,026)	-	-	(944,837)	-
Total Other Financing Sources (Uses)	<u>(7,026)</u>	<u>-</u>	<u>-</u>	<u>(944,837)</u>	<u>-</u>
Net Change in Fund Balance	(100,862)	18,467	340	(59,494)	(5,718)
Fund Balances (Deficits), Beginning of Year	310,598	23,102	18,261	282,293	147,080
Fund Balances (Deficits), End of Year	<u>\$ 209,736</u>	<u>\$ 41,569</u>	<u>\$ 18,601</u>	<u>\$ 222,799</u>	<u>\$ 141,362</u>

Special Revenue Funds

Fire Impact Fee Fund	Recreation Impact Fee Fund	Building Permits Fund	Total Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 781,986	\$ -	\$ 781,986
-	-	360,683	360,683	-	360,683
-	-	75	98,866	-	98,866
-	-	968	968	-	968
-	-	-	34,345	-	34,345
(271)	1,650	(959)	8,262	-	8,262
-	-	11	60	-	60
<u>(271)</u>	<u>1,650</u>	<u>360,778</u>	<u>1,285,170</u>	<u>-</u>	<u>1,285,170</u>
-	-	438,258	454,393	-	454,393
-	-	-	234	-	234
-	70	-	95,118	-	95,118
-	-	-	-	-	-
-	-	-	-	1,471,649	1,471,649
-	-	-	-	1,289,727	1,289,727
-	-	27	7,027	-	7,027
<u>-</u>	<u>(70)</u>	<u>(438,285)</u>	<u>(556,772)</u>	<u>(2,761,376)</u>	<u>(3,318,148)</u>
<u>(271)</u>	<u>1,580</u>	<u>(77,507)</u>	<u>728,398</u>	<u>(2,761,376)</u>	<u>(2,032,978)</u>
-	-	-	-	15,345,000	15,345,000
-	-	-	-	683,219	683,219
-	-	-	-	(15,693,431)	(15,693,431)
-	-	620	620	2,683,779	2,684,399
-	-	-	(951,863)	(9,184)	(961,047)
<u>-</u>	<u>-</u>	<u>620</u>	<u>(951,243)</u>	<u>3,009,383</u>	<u>2,058,140</u>
(271)	1,580	(76,887)	(222,845)	248,007	25,162
<u>(73,940)</u>	<u>172,024</u>	<u>(218,440)</u>	<u>660,978</u>	<u>598,193</u>	<u>1,259,171</u>
<u>\$ (74,211)</u>	<u>\$ 173,604</u>	<u>\$ (295,327)</u>	<u>\$ 438,133</u>	<u>\$ 846,200</u>	<u>\$ 1,284,333</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 925,000	\$ 3,138,053	\$ 1,553,909	\$ (1,584,144)
Miscellaneous:				
Interest	-	-	17	17
Other	-	18,448	-	(18,448)
Total Revenues	<u>925,000</u>	<u>3,156,501</u>	<u>1,553,926</u>	<u>(1,602,575)</u>
Expenditures				
Capital Outlays:				
General Government	256,300	262,680	30,185	232,495
Public Safety	100,000	234,058	83,607	150,451
Transportation	1,591,572	2,934,758	1,225,835	1,708,923
Culture and Recreation	110,000	1,850,451	1,412,746	437,705
Total Expenditures	<u>(2,057,872)</u>	<u>(5,281,947)</u>	<u>(2,752,373)</u>	<u>2,529,574</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,132,872)</u>	<u>(2,125,446)</u>	<u>(1,198,447)</u>	<u>926,999</u>
Other Financing Sources (Uses)				
Transfers from Other Funds	1,072,872	1,258,451	732,952	(525,499)
Transfers to Other Funds	-	-	(40,617)	(40,617)
Fund Balance Appropriated	60,000	857,811	-	(857,811)
Issuance of Debt	-	9,184	-	(9,184)
Total Other Financing Sources (Uses)	<u>1,132,872</u>	<u>2,125,446</u>	<u>692,335</u>	<u>(1,433,111)</u>
Net Change in Fund Balances	-	-	(506,112)	(506,112)
Fund Balance, Beginning of Year	-	-	925,429	925,429
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 419,317</u>	<u>\$ 419,317</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
AFFORDABLE HOUSING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Miscellaneous:			
Interest	\$ 1,163	\$ -	\$ 1,163
Other	49	-	49
Total Revenues	<u>1,212</u>	<u>-</u>	<u>1,212</u>
Expenditures			
Current Operating:			
Economic Environment:			
Operating Expenditures	95,048	-	(95,048)
Total Expenditures	<u>(95,048)</u>	<u>-</u>	<u>(95,048)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(93,836)</u>	<u>-</u>	<u>(93,836)</u>
Other Financing Sources (Uses)			
Transfers to Other Funds	(7,026)	-	(7,026)
Total Other Financing Sources (Uses)	<u>(7,026)</u>	<u>-</u>	<u>(7,026)</u>
Net Change in Fund Balance	(100,862)	-	(100,862)
Fund Balance, Beginning of Year	<u>310,598</u>	<u>-</u>	<u>310,598</u>
Fund Balance, End of Year	<u>\$ 209,736</u>	<u>\$ -</u>	<u>\$ 209,736</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE FORFEITURES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ 25,681	\$ -	\$ 25,681
Miscellaneous:			
Interest	368	-	368
Total Revenues	<u>26,049</u>	<u>-</u>	<u>26,049</u>
Expenditures			
Public Safety:			
Operating Expenditures	7,582	-	(7,582)
Capital Outlay	-	-	-
Total Expenditures	<u>(7,582)</u>	<u>-</u>	<u>(7,582)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,467</u>	<u>-</u>	<u>18,467</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	18,467	-	18,467
Fund Balances, Beginning of Year	<u>23,102</u>	<u>-</u>	<u>23,102</u>
Fund Balances, End of Year	<u>\$ 41,569</u>	<u>\$ -</u>	<u>\$ 41,569</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE EDUCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ 8,664	\$ -	\$ 8,664
Miscellaneous:			
Interest	169	-	169
Total Revenues	<u>8,833</u>	<u>-</u>	<u>8,833</u>
Expenditures			
Public Safety:			
Operating Expenditures	8,493	15,000	6,507
Total Expenditures	<u>(8,493)</u>	<u>(15,000)</u>	<u>6,507</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>340</u>	<u>(15,000)</u>	<u>15,340</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	15,000	(15,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>15,000</u>	<u>(15,000)</u>
Net Change in Fund Balance	340	-	340
Fund Balances, Beginning of Year	<u>18,261</u>	<u>-</u>	<u>18,261</u>
Fund Balances, End of Year	<u>\$ 18,601</u>	<u>\$ -</u>	<u>\$ 18,601</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GAS TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Taxes	\$ 781,986	\$ 799,120	\$ (17,134)
Intergovernmental	98,791	140,973	(42,182)
Interest	4,800	2,375	2,425
Total Revenues	<u>885,577</u>	<u>942,468</u>	<u>(14,709)</u>
Expenditures			
Transportation:			
Operating Expenditures	234	-	(234)
Total Expenditures	<u>(234)</u>	<u>-</u>	<u>(234)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>885,343</u>	<u>942,468</u>	<u>(57,125)</u>
Other Financing Sources (Uses)			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(944,837)	(942,468)	(2,369)
Fund Balance Appropriated	-	-	-
Total Other Financing Sources (Uses)	<u>(944,837)</u>	<u>(942,468)</u>	<u>(2,369)</u>
Net Change in Fund Balance	(59,494)	-	(59,494)
Fund Balances, Beginning of Year	<u>282,293</u>	<u>-</u>	<u>282,293</u>
Fund Balances, End of Year	<u>\$ 222,799</u>	<u>\$ -</u>	<u>\$ 222,799</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ -	\$ -	\$ -
Miscellaneous:			
Interest	1,342	-	1,342
Total Revenues	<u>1,342</u>	<u>-</u>	<u>1,342</u>
Expenditures			
Public Safety:			
Operating Expenditures	60	-	(60)
Capital Outlay	7,000	7,355	355
Total Expenditures	<u>(7,060)</u>	<u>(7,355)</u>	<u>295</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,718)</u>	<u>(7,355)</u>	<u>1,637</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	22,486	(22,486)
Transfers to Other Funds	-	(15,131)	15,131
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,355</u>	<u>(7,355)</u>
Net Change in Fund Balance	(5,718)	-	(5,718)
Fund Balances, Beginning of Year	<u>147,080</u>	<u>-</u>	<u>147,080</u>
Fund Balances, End of Year	<u>\$ 141,362</u>	<u>\$ -</u>	<u>\$ 141,362</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ -	\$ -	\$ -
Miscellaneous:			
Interest	(271)	-	(271)
Total Revenues	<u>(271)</u>	<u>-</u>	<u>(271)</u>
Expenditures			
Operating Expenditures	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(271)	-	(271)
Fund Balances (Deficits), Beginning of Year	<u>(73,940)</u>	<u>-</u>	<u>(73,940)</u>
Fund Balances (Deficits), End of Year	<u><u>\$ (74,211)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (74,211)</u></u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
RECREATION IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ -	\$ -	\$ -
Miscellaneous:			
Interest	1,650	-	1,650
Total Revenues	<u>1,650</u>	<u>-</u>	<u>1,650</u>
Expenditures			
Operating Expenditures	70	-	(70)
Total Expenditures	<u>(70)</u>	<u>-</u>	<u>(70)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,580</u>	<u>-</u>	<u>1,580</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	50,000	(50,000)
Transfers to Other Funds	-	(50,000)	50,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,580	-	1,580
Fund Balances, Beginning of Year	<u>172,024</u>	<u>-</u>	<u>172,024</u>
Fund Balances, End of Year	<u>\$ 173,604</u>	<u>\$ -</u>	<u>\$ 173,604</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BUILDING PERMITS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Licenses and Permits	\$ 360,683	\$ 306,500	\$ 54,183
Intergovernmental	75	1,500	(1,425)
Charges for Services	968	-	968
Miscellaneous:			
Interest	(959)	-	(959)
Other	11	-	11
Total Revenues	<u>360,778</u>	<u>308,000</u>	<u>52,778</u>
Expenditures			
Public Safety:			
Personal Services	356,966	354,205	(2,761)
Operating Expenditures	81,292	84,665	3,373
Capital Outlay	27	-	(27)
Total Expenditures	<u>438,285</u>	<u>438,870</u>	<u>585</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(77,507)</u>	<u>(130,870)</u>	<u>53,363</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	130,870	(130,870)
Transfers from Other Funds	620	-	620
Total Other Financing Sources (Uses)	<u>620</u>	<u>130,870</u>	<u>(130,250)</u>
Net Change in Fund Balance	(76,887)	-	(76,887)
Fund Balances (Deficits), Beginning of Year	<u>(218,440)</u>	<u>-</u>	<u>(218,440)</u>
Fund Balances (Deficits), End of Year	<u>\$ (295,327)</u>	<u>\$ -</u>	<u>\$ (295,327)</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Total Revenues	\$ -	\$ -	\$ -
Expenditures			
Debt Service:			
Principal	1,471,649	1,471,649	-
Interest	1,289,727	1,289,729	2
Total Expenditures	<u>(2,761,376)</u>	<u>(2,761,378)</u>	<u>2</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,761,376)</u>	<u>(2,761,378)</u>	<u>2</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	(209,600)	(209,600)
Issuance of Debt	15,345,000	324,728	(15,020,272)
Premium on Debt Issuance	683,219	-	(683,219)
Payment to Bond Escrow Agent	(15,693,431)	-	15,693,431
Transfers from Other Funds	2,683,779	2,646,250	(37,529)
Transfers to Other Funds	(9,184)	-	9,184
Total Other Financing Sources (Uses)	<u>3,009,383</u>	<u>2,761,378</u>	<u>(248,005)</u>
Net Change in Fund Balance	248,007	-	248,007
Fund Balance, Beginning of Year	<u>598,193</u>	<u>-</u>	<u>598,193</u>
Fund Balance, End of Year	<u>\$ 846,200</u>	<u>\$ -</u>	<u>\$ 846,200</u>



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NON-MAJOR ENTERPRISE FUNDS

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises and where the costs of providing goods or services to the general public are recovered primarily through user charges; or where the City has decided that determination of net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Individual non-major enterprise funds are described below.

Stormwater Fund accounts for the costs associated with the management, construction, maintenance, protections, control, regulation, use, and enhancement of stormwater systems and programs within City limits.

Solid Waste Fund accounts for the City's solid waste disposal and reduction needs, including residential and commercial collection, curbside recycling collection, yard waste collection, and post-closure monitoring of the closed landfill.

Communication Services Fund accounts for the provision of communication services, such as, Internet, fiber optic communications, and cellular telephone tower rental.

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>			Total Non Major Enterprise Funds
	<u>Stormwater Fund</u>	<u>Solid Waste</u>	<u>Communication Services</u>	
Assets				
Current Assets:				
Pooled Cash and Investments	\$ 1,702,725	\$ 1,851,831	\$ 1,010,087	\$ 4,564,643
Restricted Pooled Cash and Investments:				
Debt Service Account	-	-	99,990	99,990
Customer Deposits Account	-	6,675	3,861	10,536
Landfill Escrow	-	89,480	-	89,480
Receivables:				
Customer Accounts, Unbilled	85,767	196,785	86,227	368,779
Customer Accounts, Billed	110,701	287,790	31,696	430,187
(Allowance for Doubtful Accounts)	(23,948)	(59,390)	(6,663)	(90,001)
Due from Other Funds	210,000	-	-	210,000
Due from Other Governments	214,050	-	-	214,050
Prepaid Items	-	-	101,618	101,618
Inventory	-	-	190,685	190,685
Total Current Assets	<u>2,299,295</u>	<u>2,373,171</u>	<u>1,517,501</u>	<u>6,189,967</u>
Noncurrent Assets:				
Restricted Assets:				
Pooled Cash and Investments:				
Renewal and Replacement Account	650,000	360,000	314,062	1,324,062
Total Restricted Assets	<u>650,000</u>	<u>360,000</u>	<u>314,062</u>	<u>1,324,062</u>
Property, Plant and Equipment:				
Land	730,887	28,700	-	759,587
Buildings	-	13,856	-	13,856
Improvements Other Than Buildings	8,844,906	191,691	8,099,014	17,135,611
Machinery and Equipment	5,390	123,569	1,329,577	1,458,536
Less Accumulated Depreciation and Amortization	(3,084,086)	(180,693)	(3,398,676)	(6,663,455)
Construction in Progress	168,301	-	980,957	1,149,258
Total Property, Plant and Equipment	<u>6,665,398</u>	<u>177,123</u>	<u>7,010,872</u>	<u>13,853,393</u>
Total Noncurrent Assets	<u>7,315,398</u>	<u>537,123</u>	<u>7,324,934</u>	<u>15,177,455</u>
Total Assets	<u>\$ 9,614,693</u>	<u>\$ 2,910,294</u>	<u>\$ 8,842,435</u>	<u>\$ 21,367,422</u>

continued

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2013
(Concluded)

	<u>Business-type Activities - Enterprise Funds</u>			Total Non Major Enterprise Funds
	<u>Stormwater Fund</u>	<u>Solid Waste</u>	<u>Communication Services</u>	
Liabilities				
Current Liabilities:				
Accounts and Retainage Payable	\$ 8,345	\$ 99,117	\$ 36,690	\$ 144,152
Due to Other Funds	-	-	210,000	210,000
Due to Other Governments	-	-	1,319	1,319
Accrued Expenses	5,899	24,085	80,380	110,364
Compensated Absences	7,135	41,621	17,420	66,176
	<u>21,379</u>	<u>164,823</u>	<u>345,809</u>	<u>532,011</u>
Current Liabilities Payable from Restricted Assets:				
Customer Deposits	-	6,675	3,861	10,536
Estimated Landfill Closure Cost Payable	-	61,356	-	61,356
Accrued Interest Payable	-	-	12,906	12,906
Bonds and Notes Payable - Current Portion	-	-	95,000	95,000
Current Liabilities Payable from Restricted Assets	<u>-</u>	<u>68,031</u>	<u>111,767</u>	<u>179,798</u>
Total Current Liabilities	<u>21,379</u>	<u>232,854</u>	<u>457,576</u>	<u>711,809</u>
Noncurrent Liabilities:				
Capital Improvement Revenue Refunding Note 2009	-	-	655,000	655,000
Compensated Absences	5,837	34,054	14,253	54,144
Landfill Postclosure Costs Payable	-	245,426	-	245,426
Other Postemployment Benefits	72,399	355,444	112,458	540,301
Total Noncurrent Liabilities	<u>78,236</u>	<u>634,924</u>	<u>781,711</u>	<u>1,494,871</u>
Total Liabilities	<u>99,615</u>	<u>867,778</u>	<u>1,239,287</u>	<u>2,206,680</u>
Net Position				
Net Investment in Capital Assets	6,665,398	177,123	6,260,872	13,103,393
Unrestricted	2,849,680	1,865,393	1,342,276	6,057,349
Total Net Position	<u>\$ 9,515,078</u>	<u>\$ 2,042,516</u>	<u>\$ 7,603,148</u>	<u>\$ 19,160,742</u>

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>			<u>Total Non Major Enterprise Funds</u>
	<u>Stormwater Fund</u>	<u>Solid Waste</u>	<u>Communication Services</u>	
Operating Revenues				
Charges for Services	\$ 1,428,076	\$ 3,696,328	\$ 1,709,498	\$ 6,833,902
Other	13,940	41,492	19,512	74,944
Total Operating Revenues	<u>1,442,016</u>	<u>3,737,820</u>	<u>1,729,010</u>	<u>6,908,846</u>
Operating Expenses				
Personal Services	231,169	1,015,319	441,770	1,688,258
Supplies and Materials	45,626	250,553	13,859	310,038
Maintenance Costs	106,103	172,776	5,576	284,455
Contracted Services	121,052	896,685	200,471	1,218,208
Other Services and Charges	341,647	837,979	241,477	1,421,103
Depreciation and Amortization	142,578	19,316	301,213	463,107
Change in Decommissioning/ Postclosure Estimate	-	(55,203)	-	(55,203)
Total Operating Expenses	<u>(988,175)</u>	<u>(3,137,425)</u>	<u>(1,204,366)</u>	<u>(5,329,966)</u>
Operating Income	<u>453,841</u>	<u>600,395</u>	<u>524,644</u>	<u>1,578,880</u>
Nonoperating Revenues (Expenses)				
Investment Income	22,269	22,146	13,266	57,681
Other Nonoperating Income	398	-	-	398
Interest Expenses	-	(14)	(31,294)	(31,308)
Total Nonoperating Revenues (Expenses)	<u>22,667</u>	<u>22,132</u>	<u>(18,028)</u>	<u>26,771</u>
Income (Loss) Before Contributions and Transfers	<u>476,508</u>	<u>622,527</u>	<u>506,616</u>	<u>1,605,651</u>
Transfers and Capital Contributions				
Capital Contributions	214,050	-	120,000	334,050
Transfers from Other Funds	-	-	70,372	70,372
Transfers to Other Funds	-	(361,779)	(185,351)	(547,130)
Total Transfers and Capital Contributions	<u>214,050</u>	<u>(361,779)</u>	<u>5,021</u>	<u>(142,708)</u>
Change in Net Position	690,558	260,748	511,637	1,462,943
Net Position, Beginning of Year	<u>8,824,520</u>	<u>1,781,768</u>	<u>7,091,511</u>	<u>17,697,799</u>
Net Position, End of Year	<u>\$ 9,515,078</u>	<u>\$ 2,042,516</u>	<u>\$ 7,603,148</u>	<u>\$ 19,160,742</u>

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>			Total Non Major Enterprise Funds
	Stormwater Fund	Solid Waste	Communication Services	
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$1,460,623	\$3,758,930	\$ 1,781,994	\$ 7,001,547
Payments to Suppliers for Goods and Services	(860,332)	(2,154,069)	(486,509)	(3,500,910)
Cash Paid to Employees for Services	(218,511)	(985,283)	(416,932)	(1,620,726)
Net Cash Provided by (Used in) Operating Activities	<u>381,780</u>	<u>619,578</u>	<u>878,553</u>	<u>1,879,911</u>
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	-	-	70,372	70,372
Transfers to Other Funds	-	(361,779)	(185,351)	(547,130)
Issuance of/Proceeds from Interfund Loan	105,000	-	(105,000)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>105,000</u>	<u>(361,779)</u>	<u>(219,979)</u>	<u>(476,758)</u>
Cash Flows from Capital and Related Financing Activities				
Interest Paid on Revenue Bonds and Customer Deposits	-	(14)	(32,843)	(32,857)
Acquisition and Construction of Capital Assets	(433,800)	(23,675)	(685,164)	(1,142,639)
Principal Paid on Capital Debt	-	-	(90,000)	(90,000)
Capital Contributions	214,050	197	120,000	334,247
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(219,750)</u>	<u>(23,492)</u>	<u>(688,007)</u>	<u>(931,249)</u>
Cash Flows from Investing Activities				
Interest Received	22,269	22,146	13,266	57,681
Net Cash Provided by (Used in) Investing Activities	<u>22,269</u>	<u>22,146</u>	<u>13,266</u>	<u>57,681</u>
Net Increase (Decrease) in Cash and Cash Equivalents	289,299	256,453	(16,167)	529,585
Cash and Cash Equivalents, Beginning of Year	<u>2,063,426</u>	<u>2,051,533</u>	<u>1,444,167</u>	<u>5,559,126</u>
Cash and Cash Equivalents, End of Year	<u><u>\$2,352,725</u></u>	<u><u>\$ 2,307,986</u></u>	<u><u>\$ 1,428,000</u></u>	<u><u>\$ 6,088,711</u></u>

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Concluded)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Total Non Major Enterprise Funds</u>
	<u>Stormwater Fund</u>	<u>Solid Waste</u>	<u>Communication Services</u>	
<u>Reconciliation of Cash and Cash Equivalents to Balance Sheet</u>				
Total Unrestricted Equity in Pooled Cash and Cash Equivalents	\$ 1,702,725	\$ 1,851,831	\$ 1,010,087	\$ 4,564,643
Total Restricted Equity in Pooled Cash and Cash Equivalents	650,000	456,155	417,913	1,524,068
Total Cash and Cash Equivalents, End of Year	<u>\$ 2,352,725</u>	<u>\$ 2,307,986</u>	<u>\$ 1,428,000</u>	<u>\$ 6,088,711</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>				
Operating Income (Loss)	\$ 453,841	\$ 600,395	\$ 524,644	\$ 1,578,880
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	142,578	19,316	301,213	463,107
Decrease (Increase) in Assets:				
Customer Accounts (Net of Allowances)	18,607	21,260	53,059	92,926
Prepaid Items	-	-	(19,104)	(19,104)
Inventory	-	-	(8,447)	(8,447)
Increase (Decrease) in Liabilities:				
Accounts Payable	(31,854)	3,924	(62,359)	(90,289)
Accrued Expenses	779	1,281	69,771	71,831
Claims Payable	-	-	(933)	(933)
Other Postemployment Benefits Liability	8,713	27,880	12,197	48,790
Decommissioning/Postclosure Payable	-	(55,203)	-	(55,203)
Other	(210,884)	725	8,512	(201,647)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 381,780</u>	<u>\$ 619,578</u>	<u>\$ 878,553</u>	<u>\$ 1,879,911</u>

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods and services provided by one City department or agency to other City departments or agencies on a cost-reimbursement basis. Descriptions of individual funds in this category are presented below.

General Employees' Health Insurance accounts for the employee welfare benefit maintained by the City that provides medical care for participants through insurance and directly through the Wellness Center.

Workers' Compensation Insurance accounts for the employee welfare benefit which provides coverage of medical and rehabilitation costs and lost wages for employees injured at work.

Fleet Maintenance accounts for the purchase and maintenance of all City Vehicles.

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2013

	General Employees' Health Insurance	Workers' Compensation Insurance	Fleet Maintenance	Total
Assets				
Current Assets:				
Pooled Cash and Investments	\$ 3,510,409	\$ 1,755,813	\$ 2,872,039	\$ 8,138,261
Miscellaneous Receivables	110,520	14,826	-	125,346
Prepaid Items	-	52,075	-	52,075
Inventory	-	-	565,687	565,687
Total Current Assets	3,620,929	1,822,714	3,437,726	8,881,369
Noncurrent Assets:				
Restricted Cash	-	-	250,806	250,806
Property, Plant and Equipment:				
Buildings	-	-	96,569	96,569
Improvements Other Than Buildings	-	-	20,550	20,550
Machinery and Equipment	-	-	19,021,115	19,021,115
Less Accumulated Depreciation and Amortization	-	-	(15,666,994)	(15,666,994)
Construction in Progress	-	-	23,512	23,512
Total Property, Plant and Equipment	-	-	3,494,752	3,494,752
Total Assets	3,620,929	1,822,714	7,183,284	12,626,927
Liabilities				
Current Liabilities:				
Accounts Payable	304,996	58	89,715	394,769
Other Accrued Expenses	-	-	10,467	10,467
Compensated Absences	-	-	30,729	30,729
Claims Payable	309,561	754,395	-	1,063,956
Total Current Liabilities	614,557	754,453	130,911	1,499,921
Noncurrent Liabilities				
Compensated Absences	-	-	25,142	25,142
Claims Payable	-	922,039	-	922,039
Total Noncurrent Liabilities	-	922,039	25,142	947,181
Total Liabilities	614,557	1,676,492	156,053	2,447,102
Net Position				
Net Investment in Capital Assets	-	-	3,494,752	3,494,752
Unrestricted	3,006,372	146,222	3,532,479	6,685,073
Total Net Position	\$ 3,006,372	\$ 146,222	\$ 7,027,231	\$ 10,179,825

**CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	General Employees' Health Insurance	Workers' Compensation Insurance	Fleet Maintenance	Total
Operating Revenues				
Charges for Services	\$ 5,604,217	\$ 567,194	\$ 3,205,482	\$ 9,376,893
Other Operating Income	114,124	19,219	246,146	379,489
Total Operating Revenues	<u>5,718,341</u>	<u>586,413</u>	<u>3,451,628</u>	<u>9,756,382</u>
Operating Expenses				
Personal Services	-	-	517,618	517,618
Supplies and Materials	-	-	51,560	51,560
Maintenance Costs	-	-	572,129	572,129
Contracted Services	-	-	7,981	7,981
Other Services and Charges	-	-	37,823	37,823
Claims Expense	3,202,096	471,478	-	3,673,574
Administrative Expenses	744,505	27,748	-	772,253
Insurance Premiums	325,402	26,835	-	352,237
Depreciation and Amortization	-	-	991,344	991,344
Total Operating Expenses	<u>(4,272,003)</u>	<u>(526,061)</u>	<u>(2,178,455)</u>	<u>(6,976,519)</u>
Operating Income	<u>1,446,338</u>	<u>60,352</u>	<u>1,273,173</u>	<u>2,779,863</u>
Nonoperating Revenues				
Investment Income	33,260	16,747	35,247	85,254
Other Nonoperating Income	-	-	183,094	183,094
Total Nonoperating Revenues	<u>33,260</u>	<u>16,747</u>	<u>218,341</u>	<u>268,348</u>
Income Before Contributions and Transfers	<u>1,479,598</u>	<u>77,099</u>	<u>1,491,514</u>	<u>3,048,211</u>
Transfers and Capital Contributions				
Capital Contributions	-	-	3,550,502	3,550,502
Transfers from Other Funds	-	-	1,985,215	1,985,215
Transfers to Other Funds	-	(568,000)	-	(568,000)
Total Transfers and Capital Contributions	<u>-</u>	<u>(568,000)</u>	<u>5,535,717</u>	<u>4,967,717</u>
Change in Net Position	1,479,598	(490,901)	7,027,231	8,015,928
Total Net Position, Beginning of Year	<u>1,526,774</u>	<u>637,123</u>	<u>-</u>	<u>2,163,897</u>
Total Net Position, End of Year	<u>\$ 3,006,372</u>	<u>\$ 146,222</u>	<u>\$ 7,027,231</u>	<u>\$ 10,179,825</u>

**CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	General Employees' Health Insurance	Workers' Compensation Insurance	Fleet Maintenance	Total
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 5,600,011	\$ 623,896	\$ 3,451,628	9,675,535
Cash Paid to Suppliers for Goods and Services	(1,072,581)	(111,948)	(1,145,465)	(2,329,994)
Cash Paid for Insurance Claims	(3,122,684)	(256,091)	-	(3,378,775)
Cash Paid to Employees for Services	-	-	(451,280)	(451,280)
Net Cash Provided by (Used in) Operating Activities	1,404,746	255,857	1,854,883	3,515,486
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	-	-	1,985,215	1,985,215
Transfers to Other Funds	-	(568,000)	-	(568,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	-	(568,000)	1,985,215	1,417,215
Cash Flows from Capital and Related Financing Activities				
Acquisition and Construction of Capital Assets	-	-	(752,500)	(752,500)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	-	(752,500)	(752,500)
Cash Flows from Investing Activities				
Investment Income	33,260	16,747	35,247	85,254
Net Cash Flows from Investing Activities	33,260	16,747	35,247	85,254
Net Increase (Decrease) in Cash and Cash Equivalents	1,438,006	(295,396)	3,122,845	4,265,455
Cash and Cash Equivalents, Beginning of Year	2,072,403	2,051,209	-	4,123,612
Cash and Cash Equivalents, End of Year	\$ 3,510,409	\$ 1,755,813	\$ 3,122,845	\$ 8,389,067
<u>Reconciliation of Operating Income to Cash Provided by (Used in) Operating Activities</u>				
Operating Income	\$ 1,446,338	\$ 60,352	\$ 1,273,173	\$ 2,779,863
Adjustment to Reconcile Operating Income to Cash Flows Provided by (Used in) Operating Activities:				
Depreciation	-	-	991,344	991,344
Decrease (Increase) in Miscellaneous Receivables	(4,206)	56,702	-	52,496
Decrease (Increase) in Prepaid Items	-	(52,075)	-	(52,075)
Decrease (Increase) in Inventory	-	-	(565,687)	(565,687)
Increase (Decrease) in Accounts Payable	(2,674)	(5,290)	89,715	81,751
Increase (Decrease) in Accrued Expenses	-	-	10,467	10,467
Increase (Decrease) in Claims Payable	(34,712)	196,168	-	161,456
Increase (Decrease) in Other Liabilities	-	-	55,871	55,871
Net Cash Provided by (Used in) Operating Activities	\$ 1,404,746	\$ 255,857	\$ 1,854,883	\$ 3,515,486
<u>Noncash Investing, Capital or Financing Transactions</u>				
Contributions of Capital Assets	\$ -	\$ -	\$ 3,550,502	\$ 3,550,502

COMMUNITY REDEVELOPMENT AGENCY FUNDS

Community Redevelopment Fund, a major special revenue fund of the City, consists of the Greater Leesburg Community Redevelopment Agency, Carver Heights/Montclair Area Community Redevelopment Agency, and U.S. Highway 441/27 Community Redevelopment Agency which are incremental tax districts established pursuant to Florida Statutes. The fund accounts for the incremental increase in ad valorem tax revenue collected within the designated community redevelopment areas. Revenues must be utilized and expended in accordance with the respective community redevelopment plans.

CITY OF LEESBURG, FLORIDA
BALANCE SHEET
COMMUNITY REDEVELOPMENT AGENCY FUNDS
SEPTEMBER 30, 2013

	Greater Leesburg Community Redevelopment Fund	Carver Heights/ Montclair Area Community Redevelopment Fund	U.S. Highway 441/27 Community Redevelopment Fund	Total Governmental Funds
Assets				
Pooled Cash and Investments	\$ 378,977	\$ 31,833	\$ 863,571	\$ 1,274,381
Restricted Cash	32,000	821,881	7,623,538	8,477,419
Prepaid Items	-	-	5,085	5,085
Total Assets	<u>410,977</u>	<u>853,714</u>	<u>8,492,194</u>	<u>9,756,885</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	2,057	9,482	100	11,639
Deposits	-	-	4,000	4,000
Total Liabilities	<u>2,057</u>	<u>9,482</u>	<u>4,100</u>	<u>15,639</u>
Fund Balances				
Restricted for:				
Capital Projects	408,920	636,714	6,090,066	7,135,700
Debt Service	-	185,167	1,533,472	1,718,639
Assigned for:				
Capital Projects	-	22,351	864,556	886,907
Total Fund Balances	<u>408,920</u>	<u>844,232</u>	<u>8,488,094</u>	<u>9,741,246</u>
Total Liabilities and Fund Balances	<u>\$ 410,977</u>	<u>\$ 853,714</u>	<u>\$ 8,492,194</u>	<u>\$ 9,756,885</u>

**CITY OF LEESBURG, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
COMMUNITY REDEVELOPMENT AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Greater Leesburg Community Redevelopment Fund	Carver Heights/ Montclair Area Community Redevelopment Fund	U.S. Highway 441/27 Community Redevelopment Fund	Total Governmental Funds
Revenues				
Taxes	\$ 317,872	\$ 152,786	\$ -	\$ 470,658
Intergovernmental	-	169,504	-	169,504
Miscellaneous:				
Interest	4,209	5,236	60,629	70,074
Other	-	9	197,733	197,742
Total Revenues	<u>322,081</u>	<u>327,535</u>	<u>258,362</u>	<u>907,978</u>
Expenditures				
Current:				
Economic Environment	206,484	59,635	40,944	307,063
Debt Service:				
Principal Payments	22,575	167,903	120,000	310,478
Interest and Fees	1,472	35,756	680,831	718,059
Capital Outlay	-	237,933	-	237,933
Total Expenditures	<u>(230,531)</u>	<u>(501,227)</u>	<u>(841,775)</u>	<u>(1,573,533)</u>
Excess (Deficiency) of Revenues (Under) Expenditures	<u>91,550</u>	<u>(173,692)</u>	<u>(583,413)</u>	<u>(665,555)</u>
Other Financing Sources (Uses)				
Transfers from Other Funds	-	351	-	351
Transfers to Other Funds	-	-	(99,182)	(99,182)
Total Other Financing Sources (Uses)	<u>-</u>	<u>351</u>	<u>(99,182)</u>	<u>(98,831)</u>
Net Change in Fund Balances	91,550	(173,341)	(682,595)	(764,386)
Fund Balances, Beginning of Year	<u>317,370</u>	<u>1,017,573</u>	<u>9,170,689</u>	<u>10,505,632</u>
Fund Balances, End of Year	<u>\$ 408,920</u>	<u>\$ 844,232</u>	<u>\$ 8,488,094</u>	<u>\$ 9,741,246</u>



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STATISTICAL SECTION

(Unaudited)

Statistical schedules differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These schedules reflect social and economic data and financial trends of the City of Leesburg, Florida, and are designed to give the reader insights into the financial position of the City of Leesburg not readily apparent from the financial statements.

Statistical data are presented to provide greater detail information than reported in the preceding basic financial statements. This information in many cases has been spread throughout the report and is brought together here for greater clarity. Statistical data are not necessary for fair presentation in conformity with generally accepted accounting principles.

The schedule entitled "Computation of Legal Debt Margin," which is recommended for inclusion in the Comprehensive Annual Financial Report by the Government Finance Officers Association of the United States and Canada, is not included within this report inasmuch as no legal debt margin has been established for the City of Leesburg pursuant to the Constitution of the State of Florida, Florida Statutes, City ordinances or other laws applicable to the City of Leesburg. The City has had no general obligation debt outstanding during the past ten years.



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City of Leesburg, Florida STATISTICAL SECTION

This part of the City of Leesburg's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

CONTENTS

	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	116-125
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	126-133
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	134-145
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	146-147
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	148-150

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year. The City implemented GASB Statements 63 and 65 for fiscal year 2012/13. These statements were applied prospectively; retroactive restatements of all years presented were not done.

City of Leesburg, Florida
Net Position by Component
Last Ten Years
(unaudited accrual basis of accounting)
page 1 of 2

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities					
Net investment in capital assets	\$ 30,676,755	\$ 37,321,834	\$ 49,495,304	\$ 61,246,416	\$ 63,626,050
Restricted	17,203,324	17,657,048	10,446,080	3,107,601	2,587,501
Unrestricted	9,977,806	11,440,273	9,284,930	10,489,876	8,278,356
Total governmental activities net position	<u>\$ 57,857,885</u>	<u>\$ 66,419,155</u>	<u>\$ 69,226,314</u>	<u>\$ 74,843,893</u>	<u>\$ 74,491,907</u>
Business-type activities					
Net investment in capital assets	\$ 64,637,677	\$ 76,296,976	\$ 97,725,542	\$ 65,528,268	\$ 106,456,752
Restricted	35,369,218	23,322,485	3,244,393	29,206,718	3,644,206
Unrestricted	1,746,245	4,153,914	11,382,875	25,021,125	14,945,266
Total business-type activities net position	<u>\$ 101,753,140</u>	<u>\$ 103,773,375</u>	<u>\$ 112,352,810</u>	<u>\$ 119,756,111</u>	<u>\$ 125,046,224</u>
Primary government					
Net investment in capital assets	\$ 95,314,432	\$ 106,973,631	\$ 147,220,846	\$ 126,774,684	\$ 170,082,802
Restricted	52,572,542	40,979,533	13,690,473	32,314,319	6,231,707
Unrestricted	11,724,051	22,239,366	20,667,805	35,511,001	23,223,622
Total primary government net position	<u>\$ 159,611,025</u>	<u>\$ 170,192,530</u>	<u>\$ 181,579,124</u>	<u>\$ 194,600,004</u>	<u>\$ 199,538,131</u>

Note: This information is provided as part of the Financial Trend Data.

City of Leesburg, Florida
Net Position by Component
Last Ten Years
(unaudited accrual basis of accounting)
page 2 of 2

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities					
Net investment in capital assets	\$ 62,536,165	\$ 61,099,625	\$ 52,626,016	\$ 45,112,290	\$ 45,611,934
Restricted	2,814,583	3,512,585	3,377,029	3,401,352	3,785,234
Unrestricted	11,601,438	7,516,041	4,242,639	4,112,046	7,729,470
Total governmental activities net position	<u>\$ 76,952,186</u>	<u>\$ 72,128,251</u>	<u>\$ 60,245,684</u>	<u>\$ 52,625,688</u>	<u>\$ 57,126,638</u>
Business-type activities					
Net investment in capital assets	\$ 103,374,013	\$ 111,328,645	\$ 114,637,624	\$ 119,679,245	\$ 115,138,968
Restricted	6,132,597	5,821,230	7,527,921	9,168,859	9,816,240
Unrestricted	18,348,984	22,889,167	32,384,015	37,871,836	44,628,044
Total business-type activities net position	<u>\$ 127,855,594</u>	<u>\$ 140,039,042</u>	<u>\$ 154,549,560</u>	<u>\$ 166,719,940</u>	<u>\$ 169,583,252</u>
Primary government					
Net investment in capital assets	\$ 165,910,178	\$ 172,428,270	\$ 167,263,640	\$ 164,791,535	\$ 160,750,902
Restricted	8,947,180	9,333,815	10,904,950	12,570,211	13,601,474
Unrestricted	29,950,422	30,405,208	36,626,654	41,983,882	52,357,514
Total primary government net position	<u>\$ 204,807,780</u>	<u>\$ 212,167,293</u>	<u>\$ 214,795,244</u>	<u>\$ 219,345,628</u>	<u>\$ 226,709,890</u>

City of Leesburg, Florida
Changes in Net Position
Last Ten Years
(unaudited accrual basis of accounting)
page 1 of 4

Expenses	2004	2005	2006	2007	2008
Governmental activities:					
General Government	\$ 1,079,476	\$ 4,614,037	\$ 5,329,210	\$ 4,224,359	\$ 6,738,686
Public Safety	10,293,509	11,410,642	13,093,923	14,771,631	17,945,406
Physical Environment	675,409	862,018	898,955	1,300,500	1,249,213
Transportation	2,313,918	2,603,092	2,984,493	3,780,654	3,753,138
Economic Environment	1,545,359	571,765	620,672	682,791	698,052
Human Services	82,899	53,288	36,350	51,666	72,602
Culture and Recreation	4,424,409	4,968,600	5,397,094	5,677,875	6,503,046
Interest on Long Term Debt	627,346	1,170,569	1,180,340	1,148,265	1,145,566
Total governmental activities expenses	\$ 21,042,325	\$ 26,254,011	\$ 29,541,037	\$ 31,637,741	\$ 38,105,709
Business-type activities:					
Electric	\$ 41,185,843	\$ 45,311,308	\$ 54,527,802	\$ 53,857,113	\$ 64,081,610
Gas	7,566,229	7,875,054	9,252,854	7,193,152	8,239,648
Water	3,876,184	3,898,107	4,271,287	5,743,068	5,847,250
Wastewater	5,606,459	5,973,024	6,491,042	7,187,653	7,639,188
Stormwater	-	-	-	-	-
Solid Waste	3,440,650	3,284,484	2,902,126	2,906,956	3,431,491
Communication Services	540,922	819,244	774,033	864,566	1,161,766
Housing	-	-	-	137,094	516,424
Total business-type activities expenses	62,216,287	67,161,221	78,219,144	77,889,602	90,917,377
Total primary government expenses	\$ 83,258,612	\$ 93,415,232	\$ 107,760,181	\$ 109,527,343	\$ 129,023,086
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 220,943	\$ 3,044,485	\$ 3,371,932	\$ 4,276,155	\$ 3,504,864
Public Safety	1,141,507	1,224,873	1,500,316	859,042	878,024
Physical Environment	-	702,768	969,353	1,250,789	1,524,355
Transportation	515,453	593,200	605,382	782,433	816,221
Economic Environment	736,092	-	-	-	-
Culture and Recreation	432,850	483,677	516,577	586,023	637,220
Operating grants and contributions	1,863,441	454,762	3,616,947	1,859,700	1,498,098
Capital grants and contributions	1,505,260	3,729,099	531,283	3,436,369	4,781,781
Total governmental activities program revenues	\$ 6,415,546	\$ 10,232,864	\$ 11,111,790	\$ 13,050,511	\$ 13,640,563
Business-type activities:					
Charges for services	\$ 66,660,117	\$ 73,652,635	\$ 88,164,223	\$ 89,878,655	\$ 100,856,226
Operating grants and contributions	625,862	-	-	-	4,525
Capital grants and contributions	2,326,135	6,107,611	5,430,454	3,408,402	1,039,657
Total business-type activities program revenues	69,612,114	79,760,246	93,594,677	93,287,057	101,900,408
Total primary government program revenues	\$ 76,027,660	\$ 89,993,110	\$ 104,706,467	\$ 106,337,568	\$ 115,540,971
Net (expense)/revenue					
Governmental activities	\$ (14,626,779)	\$ (16,021,147)	\$ (18,429,247)	\$ (18,587,230)	\$ (24,465,146)
Business-type activities	7,395,827	12,599,025	15,375,533	15,397,455	10,983,031
Total primary government net expense	\$ (7,230,952)	\$ (3,422,122)	\$ (3,053,714)	\$ (3,189,775)	\$ (13,482,115)

Note: This information is provided as part of the Financial Trend Data.

Stormwater was separated from the governmental activities in 2011 because it became a business-type fund.

City of Leesburg, Florida
Changes in Net Position
Last Ten Years
(unaudited accrual basis of accounting)
page 2 of 4

Expenses	2009	2010	2011	2012	2013
Governmental activities:					
General Government	\$ 5,784,598	\$ 6,382,361	\$ 4,516,704	\$ 8,225,542	\$ 2,783,141
Public Safety	15,273,940	16,155,330	16,325,651	14,475,082	12,533,637
Physical Environment	1,150,387	1,227,739	133,276	144,545	96,957
Transportation	4,097,419	3,744,933	3,710,588	4,110,736	3,452,836
Economic Environment	919,372	672,501	1,072,203	599,815	617,173
Human Services	70,084	44,150	37,567	520,403	89,462
Culture and Recreation	5,271,228	4,941,906	5,090,129	4,486,471	4,000,195
Interest on Long Term Debt	1,223,864	2,272,405	1,778,947	1,749,214	2,055,215
Total governmental activities expenses	\$ 33,790,892	\$ 35,441,325	\$ 32,665,065	\$ 34,311,808	\$ 25,628,616
Business-type activities:					
Electric	\$ 66,020,760	\$ 60,427,920	\$ 53,561,809	\$ 49,405,166	\$ 54,765,248
Gas	6,298,715	6,689,610	5,964,253	4,940,220	6,950,627
Water	6,781,008	6,595,898	6,828,647	5,375,968	6,270,374
Wastewater	8,148,026	8,298,812	7,991,155	8,502,626	8,516,232
Stormwater	-	-	1,392,024	1,276,750	988,175
Solid Waste	3,085,584	2,862,176	3,022,958	2,979,724	3,137,439
Communication Services	1,003,830	1,073,772	1,126,159	1,109,831	1,235,660
Housing	286,307	327,956	162,600	161,114	-
Total business-type activities expenses	91,624,230	86,276,144	80,049,605	73,751,399	81,863,755
Total primary government expenses	\$ 125,415,122	\$ 121,717,469	\$ 112,714,670	\$ 108,063,207	\$ 107,492,371
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 3,472,053	\$ 3,465,531	\$ 3,717,159	\$ 3,422,553	\$ 374,052
Public Safety	637,249	463,876	474,039	470,043	552,253
Physical Environment	1,544,948	1,556,173	47,831	23,379	-
Transportation	954,520	1,006,812	1,129,721	1,091,481	1,033,409
Economic Environment	-	-	-	-	-
Culture and Recreation	608,654	554,070	497,863	480,587	519,757
Operating grants and contributions	1,447,613	1,522,058	869,208	705,802	764,401
Capital grants and contributions	4,655,197	3,189,342	413,865	956,929	1,786,112
Total governmental activities program revenues	\$ 13,320,234	\$ 11,757,862	\$ 7,149,686	\$ 7,150,774	\$ 5,029,984
Business-type activities:					
Charges for services	\$ 100,505,333	\$ 99,206,014	\$ 92,776,933	\$ 86,870,566	\$ 93,582,078
Operating grants and contributions	9,044	292,907	87,958	48,396	111,360
Capital grants and contributions	1,965,837	1,188,719	576,880	3,635,520	2,743,174
Total business-type activities program revenues	102,480,214	100,687,640	93,441,771	90,554,482	96,436,612
Total primary government program revenues	\$ 115,800,448	\$ 112,445,502	\$ 100,591,457	\$ 97,705,256	\$ 101,466,596
Net (expense)/revenue					
Governmental activities	\$ (20,470,658)	\$ (23,683,463)	\$ (25,515,379)	\$ (27,161,034)	\$ (20,598,632)
Business-type activities	10,855,984	14,411,496	13,392,166	16,803,083	14,572,857
Total primary government net expense	\$ (9,614,674)	\$ (9,271,967)	\$ (12,123,213)	\$ (10,357,951)	\$ (6,025,775)

(Continued)

Note: This information is provided as part of the Financial Trend Data.

Stormwater was separated from the governmental activities in 2011 because it became a business-type fund.

City of Leesburg, Florida
Changes in Net Position
Last Ten Years
(unaudited accrual basis of accounting)
page 3 of 4
(Concluded)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 3,534,345	\$ 3,871,712	\$ 4,465,410	\$ 5,686,325	\$ 6,058,634
Other taxes	5,768,279	6,539,441	6,677,039	6,501,898	6,810,598
Intergovernmental revenues, unrestricted	1,298,657	1,846,260	1,979,715	2,234,248	2,293,718
Investment income	214,666.00	613,132	730,163	345,542	90,124
Miscellaneous	1,133,608	167,286	(153,755)	500,550	227,263
Transfers	<u>7,496,300</u>	<u>11,544,586</u>	<u>7,537,834</u>	<u>8,936,226</u>	<u>8,632,823</u>
Total governmental activities	<u>\$ 19,445,855</u>	<u>\$ 24,582,417</u>	<u>\$ 21,236,406</u>	<u>\$ 24,204,789</u>	<u>\$ 24,113,160</u>
Business-type activities:					
Investment income	788,042	391,921	578,497	844,203	982,710
Miscellaneous	375,494	606,572	163,239	97,866	1,957,195
Transfers	<u>(7,496,300)</u>	<u>(11,544,586)</u>	<u>(7,537,834)</u>	<u>(8,936,226)</u>	<u>(8,632,823)</u>
Total business-type activities	<u>(6,332,764)</u>	<u>(10,546,093)</u>	<u>(6,796,098)</u>	<u>(7,994,157)</u>	<u>(5,692,918)</u>
Total primary government general revenues	<u>\$ 13,113,091</u>	<u>\$ 14,036,324</u>	<u>\$ 14,440,308</u>	<u>\$ 16,210,632</u>	<u>\$ 18,420,242</u>
Change in Net Position					
Governmental activities	\$ 4,819,076	\$ 8,561,270	\$ 2,807,159	\$ 5,617,559	\$ 5,525,930
Business-type activities	<u>1,063,063</u>	<u>2,052,932</u>	<u>8,579,435</u>	<u>7,403,298</u>	<u>9,704,537</u>
Total government	<u>\$ 5,882,139</u>	<u>\$ 10,614,202</u>	<u>\$ 11,386,594</u>	<u>\$ 13,020,857</u>	<u>\$ 15,230,467</u>

Notes: This information is provided as part of the Financial Trend Data.

City of Leesburg, Florida
Changes in Net Position
Last Ten Years
(unaudited accrual basis of accounting)
page 4 of 4
(Concluded)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 6,294,746	\$ 6,049,834	\$ 5,361,571	\$ 4,858,023	\$ 4,684,694
Other taxes	6,830,873	6,647,069	6,873,930	6,857,316	6,962,052
Intergovernmental revenues, unrestricted	2,105,575	2,253,173	2,055,253	2,040,040	2,071,083
Investment income	251,224	163,166	471,791	290,742	91,653
Miscellaneous	283,484	175,785	115,080	56,819	217,330
Transfers	<u>7,165,035</u>	<u>3,570,501</u>	<u>7,080,713</u>	<u>6,956,641</u>	<u>11,072,770</u>
Total governmental activities	<u>\$ 22,930,937</u>	<u>\$ 18,859,528</u>	<u>\$ 21,958,338</u>	<u>\$ 21,059,581</u>	<u>\$ 25,099,582</u>
Business-type activities:					
Investment income	677,534	113,102	572,093	214,620	1,030,643
Miscellaneous	162,522	343,997	(10,954)	2,109,318	11,954
Transfers	<u>(7,165,035)</u>	<u>(3,570,501)</u>	<u>(7,080,713)</u>	<u>(6,956,641)</u>	<u>(11,072,770)</u>
Total business-type activities	<u>(6,324,979)</u>	<u>(3,113,402)</u>	<u>(6,519,574)</u>	<u>(4,632,703)</u>	<u>(10,030,173)</u>
Total primary government general revenues	<u>\$ 16,605,958</u>	<u>\$ 15,746,126</u>	<u>\$ 15,438,764</u>	<u>\$ 16,426,878</u>	<u>\$ 15,069,409</u>
Change in Net Position					
Governmental activities	\$ 2,460,279	\$ (4,823,935)	\$ (3,557,041)	\$ (6,101,453)	\$ 4,500,950
Business-type activities	<u>4,531,005</u>	<u>11,298,094</u>	<u>6,872,592</u>	<u>12,170,380</u>	<u>4,542,684</u>
Total government	<u>\$ 6,991,284</u>	<u>\$ 6,474,159</u>	<u>\$ 3,315,551</u>	<u>\$ 6,068,927</u>	<u>\$ 9,043,634</u>

Notes: This information is provided as part of the Financial Trend Data.

City of Leesburg, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(unaudited modified accrual basis of accounting)
page 1 of 2

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General fund					
Reserved	\$ 290,728	\$ 773,874	\$ 1,569,642	\$ 586,207	\$ 1,043,782
Unreserved	6,573,937	6,249,790	4,104,481	3,278,639	2,978,290
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$ 6,864,665</u>	<u>\$ 7,023,664</u>	<u>\$ 5,674,123</u>	<u>\$ 3,864,846</u>	<u>\$ 4,022,072</u>
All other governmental funds					
Reserved	\$ 17,118,320	\$ 17,058,067	\$ 9,211,368	\$ 2,963,875	\$ 2,403,071
Unreserved					
Stormwater Fund	826,948	713,531	208,901	552,544	1,229,741
Redevelopment Funds	-	-	78,938	943,569	2,319,072
Special Revenue Funds	-	-	-	1,577,648	897,422
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total all other governmental funds	<u>\$ 17,945,268</u>	<u>\$ 17,771,598</u>	<u>\$ 9,499,207</u>	<u>\$ 6,037,636</u>	<u>\$ 6,849,306</u>

Notes: This information is provided as part of the Financial Trend Data.

Beginning in 2011:

- a. Implementation of GASB54 has changed the fund balance designations;
- b. Stormwater is no longer classified as a governmental fund.

City of Leesburg, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(unaudited modified accrual basis of accounting)
page 2 of 2

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund					
Reserved	\$ 1,369,020	\$ 1,673,892	\$ -	\$ -	\$ -
Unreserved	4,358,936	5,697,109	-	-	-
Nonspendable	-	-	763,445	633,615	121,153
Restricted	-	-	652,106	659,224	963,818
Committed	-	-	2,970	4,563	4,033
Assigned	-	-	-	1,000,000	437,312
Unassigned	-	-	7,371,865	7,239,114	8,592,849
Total general fund	<u>\$ 5,727,956</u>	<u>\$ 7,371,001</u>	<u>\$ 8,790,386</u>	<u>\$ 9,536,516</u>	<u>\$ 10,119,165</u>
All other governmental funds					
Reserved	\$ 2,610,626	\$ 1,836,289	\$ -	\$ -	\$ -
Unreserved					
Stormwater Fund	1,557,861	1,755,566	-	-	-
Redevelopment Funds	4,572,684	13,875,882	-	-	-
Special Revenue Funds	816,455	533,772	-	-	-
Nonspendable	-	-	2,976	478	63
Restricted	-	-	13,097,454	11,815,626	10,915,723
Assigned	-	-	1,324,710	1,071,842	898,723
Unassigned (deficit)	-	-	(200,150)	(197,714)	(369,538)
Total all other governmental funds	<u>\$ 9,557,626</u>	<u>\$ 18,001,509</u>	<u>\$ 14,224,990</u>	<u>\$ 12,690,232</u>	<u>\$ 11,444,971</u>

Notes: This information is provided as part of the Financial Trend Data.

Beginning in 2011:

- a. Implementation of GASB54 has changed the fund balance designations;
- b. Stormwater is no longer classified as a governmental fund.

City of Leesburg, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(unaudited modified accrual basis of accounting)
page 1 of 2

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues					
Taxes	\$ 9,493,603	\$ 9,947,626	\$ 10,430,225	\$ 12,188,222	\$ 12,869,231
Licenses and permits	781,503	1,039,497	1,287,389	835,735	774,430
Intergovernmental	4,238,060	5,617,919	6,262,243	6,951,061	8,209,539
Charges for services	929,067	982,851	1,363,599	1,752,548	2,083,117
Fines and penalties	365,409	339,962	383,075	248,483	331,313
Impact Fees				255,791	335,914
Interest	214,666	613,131	730,162	540,698	297,268
Miscellaneous	1,442,820	5,464,202	4,507,427	5,305,481	4,350,653
Total revenues	<u>\$ 17,465,128</u>	<u>\$ 24,005,188</u>	<u>\$ 24,964,120</u>	<u>\$ 28,078,019</u>	<u>\$ 29,251,465</u>
Expenditures					
General Government	\$ 1,045,098	\$ 2,393,514	\$ 3,192,720	\$ 1,828,424	\$ 3,496,612
Public Safety	10,298,327	11,641,923	12,802,000	14,734,007	15,021,295
Physical Environment	522,312	735,736	945,226	911,501	758,074
Transportation	998,659	1,144,742	1,532,023	1,959,937	1,853,750
Economic Environment	1,531,072	544,294	588,368	655,320	639,294
Human Services	45,518	53,288	36,861	51,666	66,475
Culture and Recreation	4,077,320	4,525,265	4,976,305	5,278,244	5,187,536
Capital Outlay	5,416,617	9,855,458	16,700,042	15,171,230	8,319,179
Debt Service:					
Principal payments	204,088	239,846	170,000	546,486	596,540
Interest and fees	627,346	1,170,569	1,180,340	1,148,265	1,133,566
Total expenditures	<u>\$ 24,766,357</u>	<u>\$ 32,304,635</u>	<u>\$ 42,123,885</u>	<u>\$ 42,285,080</u>	<u>\$ 37,072,321</u>
Excess of revenues (under) over expenditures	<u>\$ (7,301,229)</u>	<u>\$ (8,299,447)</u>	<u>\$ (17,159,765)</u>	<u>\$ (14,207,061)</u>	<u>\$ (7,820,856)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 156,929
Transfers in	8,286,608	8,756,309	7,903,521	13,647,670	12,189,197
Transfers out	(790,308)	(471,532)	(365,687)	(4,711,446)	(3,556,374)
Bond proceeds	17,154,981	-	-	-	-
Total other financing sources (uses)	<u>\$ 24,651,281</u>	<u>\$ 8,284,777</u>	<u>\$ 7,537,834</u>	<u>\$ 8,936,224</u>	<u>\$ 8,789,752</u>
Net change in fund balances	<u>\$ 17,350,052</u>	<u>\$ (14,670)</u>	<u>\$ (9,621,931)</u>	<u>\$ (5,270,837)</u>	<u>\$ 968,896</u>
Debt service as a percentage of noncapital expenditures	4.3%	6.3%	5.3%	6.3%	6.0%

Notes: This information is provided as part of the Financial Trend Data.

City of Leesburg, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(unaudited modified accrual basis of accounting)
page 2 of 2

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues					
Taxes	\$ 13,125,620	\$ 12,893,021	\$ 12,235,501	\$ 11,715,341	\$ 11,906,834
Licenses and permits	571,963	421,374	457,142	458,798	494,057
Intergovernmental	8,073,940	6,516,608	3,371,485	3,506,336	4,042,615
Charges for services	2,178,942	2,211,398	595,467	541,758	588,212
Fines and penalties	219,845	144,991	163,197	159,137	186,038
Impact Fees	133,249	12,295	150	-	-
Interest	206,424	164,588	203,118	50,943	193,761
Miscellaneous	4,329,343	4,566,046	4,946,580	4,604,621	1,502,208
Total revenues	<u>\$ 28,839,326</u>	<u>\$ 26,930,321</u>	<u>\$ 21,972,640</u>	<u>\$ 21,036,934</u>	<u>\$ 18,913,725</u>
Expenditures					
General Government	\$ 3,162,527	\$ 3,476,819	\$ 2,851,945	\$ 2,730,096	\$ 1,999,318
Public Safety	14,428,426	14,043,510	14,238,088	14,472,095	14,295,487
Physical Environment	705,068	700,369	65,877	60,774	61,867
Transportation	2,032,911	1,911,023	2,063,548	1,797,161	1,705,097
Economic Environment	868,017	615,937	989,381	516,751	534,375
Human Services	67,892	44,150	37,567	520,403	89,462
Culture and Recreation	4,433,489	3,807,355	3,893,225	3,813,858	3,711,224
Capital Outlay	7,057,151	6,667,866	3,179,436	3,342,072	3,391,687
Debt Service:					
Principal payments	699,248	749,000	822,963	802,334	1,782,127
Interest and fees	1,223,864	2,272,405	1,778,947	1,749,214	2,007,786
Total expenditures	<u>\$ 34,678,593</u>	<u>\$ 34,288,434</u>	<u>\$ 29,920,977</u>	<u>\$ 29,804,758</u>	<u>\$ 29,578,430</u>
Excess of revenues (under) over expenditures	<u>\$ (5,839,267)</u>	<u>\$ (7,358,113)</u>	<u>\$ (7,948,337)</u>	<u>\$ (8,767,824)</u>	<u>\$ (10,664,705)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	\$ 97,633	\$ 47,121	\$ 77,760	\$ 68,233	\$ 11,750
Transfers in	12,185,286	11,394,539	12,427,585	11,617,850	13,759,425
Transfers out	(4,561,077)	(7,714,268)	(5,158,576)	(3,706,887)	(4,103,870)
Bond proceeds	2,531,629	13,717,649	-	-	334,788
Total other financing sources (uses)	<u>\$ 10,253,471</u>	<u>\$ 17,445,041</u>	<u>\$ 7,346,769</u>	<u>\$ 7,979,196</u>	<u>\$ 10,002,093</u>
Net change in fund balances	<u>\$ 4,414,204</u>	<u>\$ 10,086,928</u>	<u>\$ (601,568)</u>	<u>\$ (788,628)</u>	<u>\$ (662,612)</u>
Debt service as a percentage of noncapital expenditures	7.0%	10.9%	9.7%	9.6%	14.5%

Notes: This information is provided as part of the Financial Trend Data.

City of Leesburg, Florida
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year ¹	Real Property ²	Personal Property	Centrally Assessed Property ³	Less: Tax-Exempt Property			Taxable Value for Operating Millages	Total Direct Tax Rate
				Real Property ²	Personal Property	Centrally Assessed ³		
2004	\$ 875,334,295	\$ 225,356,519	\$ 336,057	\$ 230,212,863	\$ 52,179,737	\$ -	\$ 818,634,271	4.5000
2005	953,323,403	272,462,933	349,621	251,575,429	83,290,269	-	891,270,259	4.5000
2006	1,084,329,142	324,381,497	408,548	266,752,420	126,674,899	-	1,015,691,868	4.5000
2007	1,425,384,915	337,206,689	519,776	321,177,532	124,925,272	-	1,317,008,576	4.5000
2008	1,688,428,580	372,375,507	553,180	335,529,839	128,329,323	- ⁴	1,597,498,105	4.2500
2009	1,748,767,789	299,835,709	563,123	412,232,355	106,449,581	112,317	1,530,372,368	4.3179
2010	1,643,094,805	307,393,370	592,083	402,058,703	116,537,221	126,521	1,432,357,813	4.3179
2011	1,462,752,813	294,871,468	441,398	375,488,425	108,013,558	107,628	1,274,456,068	4.3179
2012	1,345,917,698	284,962,752	-	355,981,439	108,052,050	-	1,166,846,961	4.3179
2013	1,292,100,846	289,671,068	-	355,770,105	108,475,254	-	1,117,526,555	4.3179

Notes: ¹ As of December 31st of each year listed.

² Except for the Save Our Homes cap noted in next sentence, Florida State Law requires all property to be assessed at current fair market value. The Save Our Homes cap establishes a limitation of the lesser of 3% or the increase in the Consumer Price Index during the relevant year, on property qualifying for and receiving Homestead Exemption of \$25,000.

³ Beginning in FY2007, private railroad lines are no longer included as part of Centrally Assessed Property.

⁴ New legislation (196.183, F.S.) allows for personal and centrally assessed property to be eligible for Homestead Exemption. In addition, 196.031(b), F.S. allows for an additional \$25,000 of Homestead Exemption. Or (196.075, S.S.) allows for an additional \$50,000 for any person who has attained age 65 and whose household income does not exceed \$20,000 (a "qualified resident").

New legislation was passed in Summer 2007 that caps millage rates, except with special approval, at a level allowing tax revenue to grow no more than the related proportion to per capita income and new construction.

⁵ Beginning in FY2012, Florida Department of Revenue reported that there were no longer railroad lines in Leesburg, resulting in no Centrally Assessed Property.

Source: Lake County Property Appraiser

City of Leesburg, Florida
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year	Total Direct	Overlapping Governments						Total
	City	School District	Lake County	Ambulance District	Northwest Hospital District	Lake County Water Authority	Water Management District	
2004	4.5000	8.4400	5.9170	0.5290	1.0000	0.4080	0.4620	21.2560
2005	4.5000	7.9900	5.8170	0.5289	1.0000	0.3831	0.4620	20.6810
2006	4.5000	7.9810	5.7970	0.5290	1.0000	0.3370	0.4620	20.6059
2007	4.5000	7.6480	5.9470	0.5289	1.0000	0.2530	0.4620	20.3389
2008	4.2500	7.6980	4.7410	0.4651	1.0000	0.2130	0.4158	18.7829
2009	4.3179	7.5170	4.7612	0.4651	1.0000	0.2130	0.4158	18.6900
2010	4.3179	7.5320	4.7612	0.4651	1.0000	0.2130	0.4158	18.7050
2011	4.3179	7.5230	4.8410	0.3853	1.0000	0.2405	0.4158	18.7235
2012	4.3179	7.3940	4.8410	0.3853	1.0000	0.2405	0.3313	18.5100
2013	4.3179	7.3200	4.9209	0.3853	1.0000	0.2554	0.3313	18.5308

The Florida Constitution limits the City and County millage capacity (non-deby related) to 10.000 mills.

Source: Lake County Property Appraiser

City of Leesburg, Florida
Principal Property Taxpayers
For the Current Calendar Year and Nine Years Ago

Taxpayer	2013			2004		
	2012 Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	2003 Taxable Assessed Value	Rank	of Total City Taxable Assessed Value
Cutral Citrus Juices, U.S.A., Inc.	\$ 29,935,980	1	2.68%	\$ 41,121,102	2	20.83%
Embarq-Florida, Inc (fka Sprint-Florida)	26,693,919	2	2.39%	47,537,576	1	24.08%
Minute Maid Company	22,931,110	3	2.05%			
Lake Port Square, LLC	18,291,499	4	1.64%	23,614,351	4	11.96%
SDG Macerich Properties	13,510,753	5	1.21%	26,371,080	3	13.36%
Lowe's Home Centers, Inc.	7,757,814	6	0.69%	7,484,555	6	3.79%
Redus Arlington Ridge, FL, LLC	7,502,507	7	0.67%			
Shoppes of Lake Village, LTD	6,606,902	8	0.59%	6,146,035	9	3.11%
Walgreen Co.	6,139,837	9	0.55%			
AT & T Communications Inc.	5,950,918	10	0.53%			
Wal-Mart Stores, Inc				8,434,174	5	4.27%
Lake Harris Health Properties, LLC				6,370,663	7	3.23%
First Federal Savings Bank				6,191,826	8	3.14%
Home Depot, U.S.A., Inc.				5,151,314	10	2.61%
Subtotal	<u>145,321,239</u>		13.00%	<u>178,422,676</u>		90.37%
All Others	<u>972,205,316</u>		87.00%	<u>19,004,249</u>		9.63%
Total	<u><u>\$ 1,117,526,555</u></u>		100.00%	<u><u>\$ 197,426,925</u></u>		100.00%

Note: Taxable Values (Florida Statutes Section 193.011) are as of January 1, 2003 and 2012, and represent total property values including real property, personal property and centrally assessed property.

Source: Lake County Property Appraiser

Note: Blank information in Taxable Assessed Value does not mean the business no longer exists.

City of Leesburg, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	Collections for the Fiscal Year of the Levy ¹			Total Collections to Date		
		Amount	Percentage of Levy	Collections for Previous Years of Levy	Amount	Percentage of Levy	
2004	\$ 3,683,854	\$ 3,505,122	95.15%	\$ 29,223	\$ 3,534,345	95.94%	
2005	4,010,716	3,849,333	95.98%	22,379	3,871,712	96.53%	
2006	4,570,613	4,413,454	96.56%	51,957	4,465,411	97.70%	
2007	5,859,148	5,655,750	96.53%	31,044	5,686,794	97.06%	
2008	6,789,367	6,210,604	91.48%	(151,970) ²	6,058,634	89.24%	
2009	6,607,995	6,318,550	95.62%	(23,804) ³	6,294,746	95.26%	
2010	6,184,778	5,958,860	96.35%	90,974	6,049,834	97.82%	
2011	5,502,974	5,317,825	96.64%	43,746	5,361,571	97.43%	
2012	5,038,328	4,846,506	96.19%	11,517	4,858,023	96.42%	
2013	4,825,368	4,441,231	92.04%	32,894	4,474,125	92.72%	

Notes: ¹Amounts collected within the fiscal year of the levy are inclusive of legally available early payment discounts (ranging from 4% to 1%).

²During Fiscal Year 2008, the Lake County Property Appraiser received an unfavorable ruling on the 2006 Agricultural Classification Lawsuit. This resulted in a loss to the City totaling \$425,000 in ad valorem taxes for previous years.

³During Fiscal Year 2009, the Florida Department of Revenue made an adjustment totaling \$84,669 related to an aircraft owned by the Villages Equipment Company as it was determined that aircraft are not taxable as tangible property.

Source: Lake County Property Appraiser

City of Leesburg, Florida
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(unaudited accrual basis of accounting)

Fiscal Year	Property Tax	Local Option Gas Tax	Sales Tax	Franchise Fees	Utility Service Tax	Communication Services Tax	Total
2004	\$ 3,534,345	\$ 827,156	\$ 1,445,759	\$ 86,870	\$ 2,601,302	\$ 998,171	\$ 9,493,603
2005	4,246,002	804,206	1,465,816	91,994	2,908,350	1,054,808	10,571,176
2006	4,465,410	834,878	1,807,292	95,503	2,706,875	1,118,540	11,028,498
2007	5,686,324	822,027	1,672,965	86,244	2,858,214	1,062,448	12,188,222
2008	6,058,634	620,290	1,623,035	101,585	3,058,468	1,099,675	12,561,687
2009	6,294,746	624,118	1,531,527	116,382	3,126,745	1,148,314	12,841,832
2010	6,049,834	630,727	1,526,403	109,857	3,214,820	1,078,903	12,610,543
2011	5,361,571	639,735	1,611,777	111,280	3,182,188	1,049,816	11,956,367
2012	4,858,023	614,906	1,647,465	133,135	3,102,871	1,107,841	11,464,242
2013	4,684,694	594,535	1,582,479	125,992	3,195,794	1,155,595	11,339,089

**City of Leesburg, Florida
Greater Leesburg Community Redevelopment Agency
Historical Revenues**

HISTORICAL REVENUES							
Year	Taxable Values	City of			Lake County		Total Revenues
		Lake County	Leesburg	Ambulance	Water Authority		
2004	\$ 117,630,226	\$ 147,237	\$ 111,976	\$ 13,161	\$ 10,153	\$ 282,533	
2005	124,303,137	170,607	131,981	15,512	11,236	329,342	
2006	139,749,128	206,769	160,508	18,865	12,020	398,168	
2007	152,321,905	289,316	226,539	26,626	12,737	555,222	
2008	156,159,630	295,299	269,219	29,052	13,305	606,879	
2009	148,158,153	306,656	285,507	30,753	14,084	637,005	
2010	148,221,674	270,736	252,126	26,985	12,463	562,310	
2011	132,822,347	206,301	188,958	16,802	10,525	422,586	
2012	124,993,979	171,163	156,846	13,940	8,736	350,685	
2013	121,370,315	154,878	141,982	12,614	8,398	317,872	

Note: The City of Leesburg created the Greater Leesburg Community Redevelopment Agency (GLCRA) on May 28, 1996 (Resolution 4994) pursuant to Section 163.512 Florida Statutes. The agency is part of the City's Comprehensive Plan to enhance the downtown district and surrounding areas. The base year was established in 1996 with an assessed taxable value of \$86,757,505. The agency generates a majority of its annual income from tax increment revenues and will expire in 2026.

In the 2010 CAFR, the 2010 taxable value was used due to a change in the source of information. This should have reflected the 2009 taxable value and was corrected in the 2011 CAFR.

Source: Lake County Property Appraiser

City of Leesburg, Florida
Carver Heights/Montclair Area Community Redevelopment Agency
Historical Revenues

		HISTORICAL REVENUES					
Year	Taxable Values	City of		Lake County		Total	
		Lake County	Leesburg	Ambulance	Water Authority		Revenues
2004	\$ 58,243,566	\$ 13,121	\$ 9,979	\$ 1,173	\$ 905	\$ 25,178	
2005	63,884,250	1,455	1,126	132	96	2,808	
2006	77,776,543	32,514	25,240	2,966	1,890	62,610	
2007	89,281,278	108,081	84,629	9,947	4,758	207,415	
2008	96,310,253	140,978	129,100	13,931	6,380	290,389	
2009	88,132,712	169,363	158,077	17,027	7,798	352,265	
2010	88,111,616	132,286	123,599	13,147	6,140	275,172	
2011	81,604,263	105,111	96,906	8,561	5,397	215,975	
2012	77,113,815	84,826	78,486	6,908	4,372	174,591	
2013	74,700,591	74,107	68,587	6,035	4,057	152,786	

Note: The City of Leesburg created the Carver Heights/Montclair Area Community Redevelopment Agency (CHCRA) on December 10, 2001 (Ordinance 01-61) pursuant to Section 163.512 Florida Statutes. The agency was created to identify and address blighted conditions within its boundaries and to enable the City to establish a mechanism to finance redevelopment projects through Tax Increment Financing (TIF). The base year was established in 2001 with an assessed value of \$57,980,259. The agency generates a majority of its annual income from tax increment revenues and will expire in 2016.

In the 2010 CAFR, the 2010 taxable value was used due to a change in the source of information. This should have reflected the 2009 taxable value and was corrected in the 2011 CAFR.

Source: Lake County Property Appraiser

City of Leesburg, Florida
U.S. Highway 441/27 Community Redevelopment Agency
Historical Revenues

		HISTORICAL REVENUES					
Year	Taxable Values	City of			Lake County		Total Revenues
		Lake County	Leesburg	Ambulance	Water Authority		
2005	\$ 352,255,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006	417,811,099	-	-	-	-	-	-
2007	479,923,989	357,913	280,252	32,939	15,756	686,860	
2008	482,782,230	575,014	527,335	56,906	26,061	1,185,316	
2009	454,799,607	576,740	539,090	58,068	26,704	1,200,602	
2010	454,362,582	446,622	418,845	44,277	20,959	930,703	
2011	388,395,355	157,433	148,248	12,822	8,257	326,760	
2012	348,560,375	-	-	-	-	-	-
2013	331,802,542	-	-	-	-	-	-

Note: The City of Leesburg created the U.S. Highway 441/27 Community Redevelopment Agency on February 13, 2006 (Ordinance 06-13) pursuant to Section 163.512 Florida Statutes. The agency determined the existence of blighted areas and is part of the City's plan to improve conditions within the corridor areas. The base year was established in 2006 with an assessed taxable value of \$352,255,087. The agency generates a majority of its annual income from tax increment revenues and will expire in 2035.

In the 2010 CAFR, the 2010 taxable value was used due to a change in the source of information. This should have reflected the 2009 taxable value and was corrected in the 2011 CAFR.

In FY 2012, taxable values dropped below the base year values resulting in zero tax revenue for the CRA.

Source: Lake County Property Appraiser

City of Leesburg, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	% of Personal Income ¹	Per Capita ²
	Capital Improvement Bonds	Notes Payable	Capital Lease	Utility System Revenue Bonds	Notes Payable			
2004	\$ 24,025,000	\$ 181,997	\$ -	\$ 38,502,435	\$ 1,300,000	\$ 64,009,432	13.28%	\$ 28,893
2005	23,890,000	167,151	-	38,607,756	1,240,000	63,904,907	12.01%	30,456
2006	23,750,000	231,237	-	39,655,000	13,277,000	76,913,237	12.83%	31,812
2007	23,280,000	172,166	-	86,125,001	12,683,632	122,260,799	18.44%	33,266
2008	22,795,000	117,646	-	85,355,000	13,041,000	121,308,646	19.45%	31,044
2009	22,295,000	99,339	300,618	84,565,000	13,041,000	120,300,957	19.26%	30,460
2010	30,335,000	7,442,158	268,224	83,140,000	15,355,000	136,540,382	20.87%	31,520
2011	29,960,000	7,027,949	234,470	81,655,000	13,665,000	132,542,419	21.26%	30,785
2012	29,575,000	11,145,787	199,298	80,115,000	12,705,971	133,741,056	20.19%	32,697
2013	29,765,000	9,905,310	162,649	79,430,000	17,635,000	136,897,958	19.74%	33,398

Notes: Details regarding the City's outstanding debt can be found in the section titled Notes to Financial Statements. Totals do not include amortization of deferrals and discounts.

¹See Demographic and Economic Statistics for personal income and population data.

²US Department of Commerce, Bureau of Economic Analysis (<http://bea.gov>) for Lake County.

The actual per capita personal income for the City is not known. The County's per capita figures are multiplied by the City's population to determine the total personal income for the City.

City of Leesburg, Florida
Direct and Overlapping Governmental Activities Debt
September 30, 2013

<u>Taxing District</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Direct Debt</u> - City of Leesburg			\$ 40,720,787
<u>Overlapping Debt</u>			
Lake County			
Board of County Commissioners	\$ 25,705,000	7.60%	1,952,548
School District	-	7.60%	-
Subtotal - Overlapping Debt			<u>1,952,548</u>
Total Direct and Overlapping Debt			<u>\$ 42,673,335</u>

Notes: The City has no general obligation debt. Utility revenue bonds are excluded.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Leesburg. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Sources: Lake County Board of County Commissioners
Lake County School District

Assessed value data used to estimate applicable percentage provided by the Lake County Property Appraiser.



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**City of Leesburg, Florida
Legal Debt Margin Information**

The City of Leesburg has no general obligation debt outstanding as of September 30, 2013.

There is no legal debt margin established for the City of Leesburg pursuant to Florida Statutes, city ordinance or other laws applicable to the City of Leesburg.

City of Leesburg, Florida
Pledged Revenue Coverage
Series 2004 Capital Improvement Revenue Bonds Last Ten Fiscal Years¹
Series 2009 Capital Improvement Refunding Promissory Note Last Four Fiscal Years²
Series 2013 Capital Improvement Refunding Revenue Bonds Last Fiscal Year³

	<u>FY ENDING SEPT. 30, 2004</u>	<u>FY ENDING SEPT. 30, 2005</u>	<u>FY ENDING SEPT. 30, 2006</u>	<u>FY ENDING SEPT. 30, 2007</u>
Half-Cent Sales Tax ⁵	\$ 919,290	\$ 997,079	\$ 1,093,773	\$ 1,001,858
Guaranteed Entitlement ⁶	-	309,234	309,234	309,234
Net Revenues Available	<u>919,290</u>	<u>1,306,313</u>	<u>1,403,007</u>	<u>1,311,092</u>
Debt Service on 1999 Bonds	\$ 498,420	\$ 497,615	\$ 496,315	\$ 494,645
Debt Service on Refunding Promissory Note, Series 2009				
Combined Refunded & Refunding Debt Service				
Debt Service Coverage	1.84 X	2.63 X	2.83 X	2.65 X
2009 Senior Lien Note ² Required	1.30 X ¹	1.30 X ¹	1.30 X ¹	1.30 X ¹
Net Revenues Available after Debt Service on 2009 Note	\$ 420,870	\$ 808,698	\$ 906,692	\$ 816,447
Plus Public Service Tax	<u>2,601,301</u>	<u>2,955,112</u>	<u>2,770,827</u>	<u>2,858,214</u>
Net Revenues Available	<u>3,022,171</u>	<u>3,763,810</u>	<u>3,677,519</u>	<u>3,674,661</u>
Debt Service on Series 2004 Bonds	\$ 126,286	\$ 797,595	\$ 797,595	\$ 1,114,470
Debt Service on Series 2013 Bonds				
Combined Refunded & Refunding Debt Service				
Debt Service Coverage on Series 2004 Bonds	23.93 X	4.72 X	4.61 X	3.30 X
Required Minimum Coverage	1.30 X ⁴	1.30 X ⁴	1.30 X ⁴	1.30 X ⁴
Net Revenues Available after Debt Service on 1999 Bonds, 2009 Note, 2004 Bonds & 2013 Bonds				\$ 2,560,191

Definitions

¹ **Series 2004**

Resolution 7162 adopted July 12, 2004, the City authorized the issuance of the Capital Improvement Revenue Bonds, Series 2004, that closed on August 4, 2004, pledging the net available revenues after considering the Series 2009 Bonds. In addition, Public Service Tax revenues were pledged to cover the Series 2004 Bonds.

Series 2009

² Resolution 8557 adopted October 26, 2009, the City authorized the issuance of a "bank qualified" loan to refund all of the outstanding Refunding and Capital Improvement Revenue Bonds, Series 1999 pledging the revenues as defined below.

Series 2013

³ Resolutions 9181 and 9182 adopted April 22, 2013, the City authorized the Series 2013 Capital Improvement Bonds refunding the Series 2004 Bond issuance, pledging the net available revenues after considering the Series 2009 Bonds. In addition, Public Service Tax revenues were pledged to cover the Series 2013 Bonds.

City of Leesburg, Florida
Pledged Revenue Coverage
Series 2004 Capital Improvement Revenue Bonds Last Ten Fiscal Years¹
Series 2009 Capital Improvement Refunding Promissary Note Last Four Fiscal Years²
Series 2013 Capital Improvement Refunding Revenue Bonds Last Fiscal Year³

<u>FY ENDING SEPT. 30, 2008</u>	<u>FY ENDING SEPT. 30, 2009</u>	<u>FY ENDING SEPT. 30, 2010</u>	<u>FY ENDING SEPT. 30, 2011</u>	<u>FY ENDING SEPT. 30, 2012</u>	<u>FY ENDING SEPT. 30, 2013</u>
\$ 964,117	\$ 898,594	\$ 899,922	\$ 930,949	\$ 913,146	\$ 993,946
309,234	309,234	309,234	309,234	309,234	309,234
<u>1,273,351</u>	<u>1,207,828</u>	<u>1,209,156</u>	<u>1,240,183</u>	<u>1,222,380</u>	<u>1,303,180</u>
\$ 497,476	\$ 494,796	\$ 332,398	\$ -	\$ -	\$ -
		95,731	523,204	473,744	473,811
		<u>\$ 428,129</u>	<u>\$ 523,204</u>	<u>\$ 473,744</u>	<u>\$ 473,811</u>
2.56 X	2.44 X	2.82 X	2.37 X	2.58 X	2.75 X
1.30 X ¹	1.30 X ¹	1.30 X ³	1.30 X ³	1.30 X ³	1.30 X ³
\$ 775,875	\$ 713,032	\$ 781,028	\$ 716,979	\$ 748,636	\$ 829,369
3,058,468	3,126,745	3,214,820	3,182,188	3,102,871	3,195,794
<u>3,834,343</u>	<u>3,839,777</u>	<u>3,995,847</u>	<u>3,899,167</u>	<u>3,851,507</u>	<u>4,025,164</u>
\$ 1,111,220	\$ 1,111,020	\$ 1,109,645	\$ 1,108,485	\$ 1,106,460	\$ 746,685
					<u>202,834</u>
					<u>\$ 949,519</u>
3.45 X	3.46 X	3.60 X	3.52 X	3.48 X	4.24 X
1.30 X ⁴					
\$ 2,723,123	\$ 2,728,757	\$ 2,886,202	\$ 2,790,682	\$ 2,745,047	\$ 3,075,645

⁴ 1.30X Debt Service Coverage is not a Financial Covenant, rather an Additional Bonds Test Requirement. No additional senior lien parity bonds can be issued.

⁵ Gross Sales Tax Revenues are defined as the proceeds of the local governmental half-cent sales tax as described in Title XIV, Chapter 218, Part VI Florida Statutes.

⁶ Guaranteed Portion-State Revenue Sharing is the portion of state revenue sharing funds available to the City that are pledged, or set aside as a trust for the payment of principal or interest on the bonds pursuant to Title XIV, Chapter 218, Part II, Florida Statutes.

⁷ Public Service Tax is a tax that may be levied by a municipality on the purchase of electricity, metered natural gas, liquefied petroleum gas, manufactured gas, and water service pursuant to Title XII, Chapter 166, Section 231, Florida Statutes.

City of Leesburg, Florida
Pledged Revenue Coverage
Series 2008 Carver Heights/Montclair Area CRA
Last Five Fiscal Years

	<u>FY ENDING</u> <u>SEPT. 30, 2009</u>	<u>FY ENDING</u> <u>SEPT. 30, 2010</u>	<u>FY ENDING</u> <u>SEPT. 30, 2011</u>	<u>FY ENDING</u> <u>SEPT. 30, 2012</u>	<u>FY ENDING</u> <u>SEPT. 30, 2013</u>
Revenue:					
City of Leesburg	\$ 158,077	\$ 123,599	\$ 96,906	\$ 78,486	\$ 68,587
Lake County	194,188	151,573	119,069	96,106	84,199
Other	<u>4,100</u>	<u>1,866</u>	<u>2,453</u>	<u>1,639</u>	<u>3,471</u>
Total	\$ 356,365	\$ 277,039	\$ 218,429	\$ 176,231	\$ 156,257
Debt Service on 2008 Note	\$ 195,340	\$ 200,534	\$ 203,353	\$ 203,503	\$ 203,659
Debt Service Coverage on Series 2008 Note	1.82 X	1.38 X	1.07 X	0.87 X	0.77 X
Net Revenues Available after Debt Service on 2008 Note	\$ 161,024	\$ 76,505	\$ 15,075	\$ (27,272) ¹	\$ (47,402) ¹

Note:

This information is provided as part of the Financial Trend Data and should be presented in a ten year format. The current presentation begins with the first year of the Series 2008 Note.

Definitions:

Resolution 16 of the Community Redevelopment Agency for the Carver Heights/Montclair Area adopted December 8, 2008 authorized the issuance of the Revenue Note Series 2008, a "qualified tax-exempt obligation", pledging increment revenues. This note closed December 23, 2008.

Resolution 8349 adopted December 8, 2008, and as amended by Resolution 8357 adopted Dec. 22, 2008, the City authorized the credit support as needed for the Community Redevelopment Agency for the Carver Heights/Montclair Area of its Revenue Note, Series 2008, pledging the net available revenues after considering the Series 2009 Note and 2004 Bonds to the extent increment revenues are insufficient, but not in excess of the Reserve Account Requirement.

¹ Due to the downturn in property values, the revenues were not sufficient to cover the debt service. However, the fund balance for the CRA was able to cover the deficiency.

**City of Leesburg, Florida
Pledged Revenue Coverage
Series 2009 US Highway 441& 27 Area CRA
Last Four Fiscal Years**

	<u>FY ENDING SEPT. 30, 2010</u>	<u>FY ENDING SEPT. 30, 2011</u>	<u>FY ENDING SEPT. 30, 2012</u>	<u>FY ENDING SEPT. 30, 2013</u>
Revenue:				
City of Leesburg	\$ 418,845	\$ 148,248	\$ -	\$ -
Lake County	511,857	178,512	-	-
Other	<u>28,492</u>	<u>27,404</u>	<u>10,292</u>	<u>41,694</u>
Total	\$ 959,194	\$ 354,163	\$ 10,292	\$ 41,694
Debt Service on 2009 Note	\$ 354,753	\$ 695,431	\$ 695,131	\$ 799,831
Debt Service Coverage on Series 2009 Note	2.70 X	0.51 X	0.01 X	0.05 X
Net Revenues Available after Debt Service on 2009 Note	\$ 604,441	\$ (341,268)	\$ (684,839) ¹	\$ (758,137) ¹

Note:

This information is provided as part of the Financial Trend Data and should be presented in a ten year format. The current presentation begins with the first year of the Series 2008 Note.

Definitions:

Resolution 10 of the Community Redevelopment Agency for the U.S. Highway 441 & 27 Area adopted October 12, 2009 authorized the issuance of the Tax Increment Revenue Bonds, Series 2009 to refinance the Agency's Subordinate Capital Improvement Bond Anticipation Note, Series 2008 to finance the construction of projects in the redevelopment area. The pledged revenues are the tax increment revenues and amounts held in the funds and accounts established by this agreement.

Resolution 8525 adopted October 12, 2009, the City authorized the issuance of the Tax Increment Revenue Bonds, Series 2009 for the Community Redevelopment Agency for the US Highway 441 & 27 Area.

1

Due to the downturn in property values, the debt service payment is being paid from the bond proceeds in accordance with bond covenants.

**City of Leesburg, Florida
Pledged Revenue Coverage
Electric System Revenue Bonds
Series 2004, 2007A & 2007B, 2010, and 2013
Last Ten Fiscal Years**

	FY ENDING SEPT. 30, 2004	FY ENDING SEPT. 30, 2005	FY ENDING SEPT. 30, 2006	FY ENDING SEPT. 30, 2007
Gross Revenues ⁷	\$ 46,078,668	\$ 50,303,504	\$ 60,688,045	\$ 60,862,278
Less Operation and Maintenance Expenses ⁸	38,455,991	42,428,223	52,210,890	51,342,881
Net Revenues Available ⁹	\$ 7,622,677	\$ 7,875,281	\$ 8,477,155	9,519,397
Debt Service on 2004 Bonds ¹	see note ¹	see note ¹	see note ¹	\$ 779,813
Debt Service on 2007A Bonds ³				see note ⁴
Debt Service on 2007B Bonds ³				
Debt Service on 2010 Note ⁵				
Debt Service on 2013 Note ⁶				
Total Debt Service Series 2004, 2007 & 2010	\$ -	\$ -	\$ -	\$ 779,813
Debt Service Coverage 2004, 2007A&B Bonds	see note ²	see note ²	see note ¹ X	12.21 X
Required Minimum Coverage			X	1.25 X
Total Net Revenues less Electric Utility Debt Service		\$ 7,875,281	\$ 8,477,155	\$ 8,739,585

Definitions

¹ **Series 2004**

Resolution 7141 and supplemented by Resolution 7142 adopted June 14, 2004, the City authorized the issuance of the Electric System Revenue Bonds, Series 2004, that closed on July 14, 2004, pledging the net revenues derived by the City from the operation of the Electric System.

² First three years of payments for these bonds are interest only. Payments began on October 1, 2004 and are due semiannually April 1 and October 1 thereafter. The annualized interest payments for fiscal years 2004, 2005 and 2006 were paid from the Capitalized Interest fund of \$1,726,419.

³ **Series 2007A & 2007B**

Resolution 7964 adopted July 23, 2007, the City amended Resolution 7141 for the purpose of authorizing the issuance of the Electric System Revenue Bonds Series 2007A and Taxable Electric System Revenue Bonds, Series 2007B ("Series 2007 Bonds") on a parity with the City's outstanding Electric System Revenue Bonds, Series 2004.

⁴ First two years of payments for these bonds are interest only. Payments began on October 1, 2007 and are due semiannually April 1 and October 1 thereafter. The annualized interest payments for fiscal years 2007 and 2008 were paid from the Capitalized Interest fund of \$1,341,602 along with interest earnings thereon.

City of Leesburg, Florida
Pledged Revenue Coverage
Electric System Revenue Bonds
Series 2004, 2007A & 2007B, 2010, and 2013
Last Ten Fiscal Years

FY ENDING SEPT. 30, 2008	FY ENDING SEPT. 30, 2009	FY ENDING SEPT. 30, 2010	FY ENDING SEPT. 30, 2011	FY ENDING SEPT. 30, 2012	FY ENDING SEPT. 30, 2013
\$ 70,302,636	\$ 71,566,530	\$ 73,280,305	\$ 62,355,773	\$ 57,419,323	\$ 62,808,975
59,761,821	61,012,704	55,737,126	49,169,688	45,244,248	47,863,727
10,540,815	10,553,826	17,543,179	13,186,085	12,175,075	14,945,248
\$ 1,095,875	\$ 1,090,975	\$ 1,090,095	\$ 1,093,025	\$ 1,089,885	\$ 1,090,160
see note ⁴	551,906	551,906	551,906	551,906	551,906
	682,713	946,921	945,283	942,799	939,469
			4,004	2,852	48,898
					84,360
\$ 1,095,875	\$ 2,325,594	\$ 2,588,922	\$ 2,594,218	\$ 2,587,442	\$ 2,630,433
9.62 X	4.54 X	6.78 X	5.08 X	4.71 X	5.68 X
1.25 X					
\$ 9,444,940	\$ 8,228,232	\$ 14,954,257	\$ 10,591,867	\$ 9,587,633	\$ 12,314,815

⁵ **Series 2010**

Resolution 8692 adopted August 4, 2010, the City authorized the issuance of an "up to \$20,000,000" Note with a 3 year interest only drawdown facility . Any outstanding balance as of 10/1/2013 will be paid off over a ten year term period.

⁶ **Series 2012**

Resolution 9199 adopted May 28, 2013, the City authorized the Series 2013 Electric System Note refunding the Electric System Revenue Note, Series 2010 on a parity with the existing Electric System Bonds.

⁷ **Gross Revenues** - defined as all income and earnings derived by the City from the ownership, operation, leasing, or use of the system, and investment income excluding capital expansion and system improvement grants.

⁸ **Operation and Maintenance Expenses** - defined as the cost of operation and maintenance as current expenses, paid or accrued, less depreciation and amortization expense.

⁹ **Pledged Revenues and Net Revenues** - defined as gross revenues less operation and maintenance expenses.

City of Leesburg, Florida
Pledged Revenue Coverage
Utility System Revenue Bonds
(Gas, Water and Wastewater Systems)
Series 2004, 2007A, 2007B, 2010, & 2013
Last Ten Fiscal Years

	<u>FY ENDING</u> <u>SEPT. 30, 2004</u>	<u>FY ENDING</u> <u>SEPT. 30, 2005</u>	<u>FY ENDING</u> <u>SEPT. 30, 2006</u>	<u>FY ENDING</u> <u>SEPT. 30, 2007</u>
Gross Revenues ⁷	\$ 18,357,691	\$ 20,390,719	\$ 24,260,195	\$ 25,959,785
Less Expenses ⁸	<u>14,912,625</u>	<u>15,811,099</u>	<u>18,265,045</u>	<u>17,799,914</u>
Net Revenues Available ⁹	\$ 3,445,066	\$ 4,579,620	\$ 5,995,150	\$ 8,159,871
Debt Service on 2004 Bonds ¹	see note ²	see note ²	see note ²	\$ 1,075,151
Debt Service on 2007A Bonds ³				see note ⁴
Debt Service on 2007B Bonds ³				see note ⁴
Debt Service on 2010 Bonds ⁵				
Debt Service on 2013 Bonds ⁶				
Total Debt Service Series 2004, 2007 & 2010				<u>\$ 1,075,151</u>
Debt Service Coverage 2004, 2007A&B Bonds				7.59 X
Required Minimum Coverage				1.15 X
Plus Capacity Charges				\$ 2,630,474
Debt Service Coverage 2004, 2007A and B Bonds				10.04 X
Required Minimum Coverage including Capacity Charges				1.25 X
Total Net Revenues less Utility System Debt Service				<u>\$ 9,715,194</u>

Definitions

¹ **Series 2004**

Resolution 7143 and supplemented by Resolution 7144 adopted June 14, 2004, the City authorized the issuance of the Utility System Revenue Bonds, Series 2004, that closed on July 14, 2004.

² First three years of payments for these bonds are interest only. Payments began on October 2004 and are due Semi-annually each April 1 and October 1 thereafter. The annualized interest payments for fiscal year 2004, 2005 and 2006 were paid from the Capitalized Interest Fund of \$2,380,265.

³ **Series 2007A & 2007B**

Resolution 7965 adopted July 23, 2007, the City amended Resolution 7143 authorizing the issuance of the Utility System Revenue Bonds Series 2007A and Taxable Utility System Revenue Bonds, Series 2007B ("Series 2007 Bonds") on a parity with the City's outstanding Utility System Revenue Bonds, Series 2004.

⁴ First two years of payments for these bonds are interest only. Payments began on October 1, 2007 and are due Semi-annually April 1 and October 1 thereafter. The annualized interest payments for fiscal years 2007 and 2008 were paid from the Capitalized Interest fund of \$1,341,602 along with interest earnings thereon.

⁵ **Series 2010**

Resolution 8673 adopted June 28, 2010, the City authorized the issuance of an \$8,000,000 note that fully paid off a prior \$8,000,000 Plantation System seller's note. This prior note was part of the purchase price for this \$15,000,000 utility and the 2010 note is on parity with the 2004 and 2007A&B bonds.

City of Leesburg, Florida
Pledged Revenue Coverage
Utility System Revenue Bonds
(Gas, Water and Wastewater Systems)
Series 2004, 2007A, 2007B, 2010, & 2013
Last Ten Fiscal Years

<u>FY ENDING SEPT. 30, 2008</u>	<u>FY ENDING SEPT. 30, 2009</u>	<u>FY ENDING SEPT. 30, 2010</u>	<u>FY ENDING SEPT. 30, 2011</u>	<u>FY ENDING SEPT. 30, 2012</u>	<u>FY ENDING SEPT. 30, 2013</u>
\$ 26,425,520	\$ 25,543,939	\$ 25,782,014	\$ 25,785,180	\$ 23,765,090	\$ 24,896,682
<u>19,022,708</u>	<u>16,634,389</u>	<u>16,584,012</u>	<u>15,651,085</u>	<u>14,382,430</u>	<u>16,075,773</u>
\$ 7,402,812	\$ 8,909,550	\$ 9,198,002	\$ 10,134,095	\$ 9,382,660	\$ 8,820,909
\$ 1,507,914	\$ 1,509,114	\$ 1,508,914	\$ 1,507,254	\$ 1,504,074	\$ 1,009,462
see note ⁴	1,039,044	1,341,444	1,338,444	1,339,844	1,345,444
see note ⁴	63,130	77,245	81,065	79,885	78,705
			317,615	355,690	358,573
					<u>281,985</u>
\$ 1,507,914	\$ 2,611,288	\$ 2,927,603	\$ 3,244,378	\$ 3,279,493	\$ 2,792,183
4.91 X	3.41 X	3.14 X	3.46 X	2.86 X	3.16 X
1.15 X					
\$ 1,821,414	\$ 764,192	\$ 367,211	\$ 129,603	\$ 48,396	\$ 51,275
6.12 X	3.70 X	3.27 X	3.51 X	2.88 X	3.18 X
1.25 X					
\$ 7,716,312	\$ 7,062,454	\$ 6,637,610	\$ 7,019,320	\$ 6,151,563	\$ 6,080,001

⁶ **Series 2013**

Resolutions 9183 and 9184, adopted April 22, 2013, the City authorized the Series 2013 Utility System Revenue Bonds refunding the Series 2004 Utility System Revenue Bonds, on a parity with the City's other Utility System Revenue Bonds.

⁷ **Gross Revenues** - defined pursuant to Resolution 7143 adopted June 14, 2004, as all income and earnings derived by the City from the ownership, operation, leasing, or use of the system, and investment income, excluding capital expansion and system improvement grants. Gross Revenues excludes the Plantation Utility System water and wastewater revenues since this is a non-integrated utility system.

⁸ **Expenses** - defined as Operation and Maintenance Expenses paid or accrued, less depreciation and amortized expenses.

⁹ **Net Revenues and Pledged Revenues** - defined as gross revenues less operation and maintenance expenses plus capacity charges.

City of Leesburg, Florida
Pledged Revenue Coverage
Communications System Capital Improvement Revenue Refunding Note
Series 2009
Last Five Fiscal Years

	<u>FY ENDING</u> <u>SEPT. 30, 2009</u>	<u>FY ENDING</u> <u>SEPT. 30, 2010</u>	<u>FY ENDING</u> <u>SEPT. 30, 2011</u>	<u>FY ENDING</u> <u>SEPT. 30, 2012</u>	<u>FY ENDING</u> <u>SEPT. 30, 2013</u>
Gross Revenues	\$ 1,229,503	\$ 1,343,242	\$ 1,334,548	\$ 1,547,698	\$ 1,812,648
Less Operation and Maintenance Expenses	<u>614,598</u>	<u>709,695</u>	<u>792,226</u>	<u>764,200</u>	<u>903,153</u>
Net Revenues Available	614,905	633,547	542,322	783,498	909,495
Debt Service on FMPA Note ¹	84,821	73,024	-	-	
Debt Service on 2009 Note ²	N/A	\$ -	\$ 143,951	\$ 121,447	\$ 121,285
Debt Service Coverage 2009 Bonds	7.25	8.68	3.77 X	6.45 X	7.50 X
Required Minimum Coverage	1.50 X				
Total Net Revenues less Communications					

Note:

Resolution 8511 adopted September 14, 2009, the City authorized the issuance of the Capital Improvement Revenue Refunding Note, Series 2009, that closed on October 2, 2009 to refinance the outstanding promissory Note Payable to Florida Municipal Power Agency (FMPA). The pledged revenues for this Note are the Communications Enterprise Revenues, and as needed, legally available Non-Ad Valorem Revenues budgeted, appropriated and set aside for the payment of debt service on the Note.

¹For Fiscal Years 2009 and 2010, the debt service due was for the Promissory Note Payable to FMPA. As noted above the FMPA Note was paid in full by the issuance of the \$1,005,000 Capital Improvement Revenue Refunding Note, Series 2009.

²Pursuant to the covenants for the Series 2009 Note and Section 4.03 of the Loan Agreement, the Communications Enterprise Revenues have equaled at least 150% of maximum amount of debt service for fiscal years ended 2009, 2010 and 2011. The Covenant to Budget and Appropriate from legally available non-advalorem revenues is released as of the fiscal year 2011 audit completion.

**City of Leesburg, Florida
Demographic and Economic Statistics
Last Ten Calendar Years**

Year	Population ¹	Personal Income (thousands of dollars) ²	Per Capita Personal Income ³	Median Age ⁴	Unemployment Rate ⁵		
					Lake County	Florida	United States
2004	16,679	\$ 481,906	\$ 28,893	46.0	4.2%	4.9%	5.1%
2005	17,467	531,975	30,456	45.1	3.6%	3.8%	5.1%
2006	18,842	599,402	31,812	42.4	3.0%	3.3%	4.3%
2007	19,934	663,124	33,266	46.4	4.7%	4.4%	4.8%
2008	20,093	623,767	31,044	42.4	7.5%	7.0%	6.5%
2009	20,506	624,613	30,460	42.1	12.7%	11.5%	9.4%
2010	20,757	654,261	31,520	43.5	12.5%	12.2%	9.3%
2011	20,251	623,427	30,785	41.9	10.2%	9.8%	8.2%
2012	20,263	662,539	32,697	42.6	8.4%	8.2%	7.5%
2013	20,761	693,376	33,398	41.0	6.3%	6.4%	7.0%

Sources: ¹ Florida Bureau of Economic and Business Research (BEBR) as of April 1, 2012.

² The actual per capita personal income for the City is not known. The County's per capita figures are multiplied by the City's population to determine the total personal income for the City.

³ US Department of Commerce, Bureau of Economic Analysis (<http://bea.gov>)

⁴ U. S. Census Bureau 2006-2010 5-year estimates (<http://factfinder2.census.gov>)

⁵ State of Florida , Department of Labor and Employment Security, Bureau of Labor Market Information (<http://freida.labormarketinfo.com>) as of November 2013.

**City of Leesburg, Florida
Principal Employers
Current Year and Nine Years Ago**

Employer ¹	2013			2004		
	Employees ¹	City Rank	Percentage of Total County Employment	Employees ¹	City Rank	Percentage of Total County Employment
Central Florida Health Alliance (fka LPMC)	1,770	1	1.35%	1,850	1	1.79%
Lifestream Behavioral Center	600	2	0.46%	590	2	0.45%
Lake Sumter State College	531	3	0.41%	187	10	0.14%
City of Leesburg	515	4	0.39%	477	6	0.36%
Lake County School District (fka LCSB)	505	5	0.39%	538	3	0.41%
Lake Port Properties	400	6	0.31%	365	7	0.28%
Publix (3 stores)	390	7	0.30%			
Cutrale Cirtus Juices USA, Inc	356	8	0.27%			
Lake-Sumter EMS, Inc.	260	9	0.20%	227	9	0.17%
First Baptist Church of Leesburg	153	10	0.12%			
Embarq-Florida, Inc (fka Sprint-Florida)				480	4	0.37%
Wal-Mart Stores, Inc.				480	4	0.37%
Hewitt Contracting				300	8	0.23%
Total	5,480		4.19%	5,494		4.57%
Lake County Labor Force ⁴	130,855			103,551		

Source: ¹Economic Development Commission of Metro Orlando.

⁴Labor Force data obtained for Lake County from Florida Labor Market Statistics, <http://freida.labormarketinfo.com>

City of Leesburg, Florida
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Legislative	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Executive	7.00	7.00	7.00	8.00	5.00	5.00	5.00	6.00	6.00	6.00
Finance	44.00	43.00	47.00	51.50	50.00	50.00	48.00	47.00	47.00	46.00
Human Resources	6.00	6.00	6.00	6.50	6.00	6.00	6.00	6.00	6.00	6.00
MIS	11.00	14.00	12.00	12.00	12.00	12.00	11.50	11.50	11.50	12.50
Police										
Officers	72.25	73.25	77.25	76.75	72.00	72.25	72.25	72.25	72.25	72.25
Civilians	25.75	25.75	26.00	30.00	34.25	34.00	34.00	34.00	34.00	34.00
Fire										
Firefighters and officers	43.00	49.00	56.00	68.00	66.00	66.00	65.00	59.00	59.00	60.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works										
GIS / Engineering	8.34	8.50	12.00	13.00	7.00	7.00	4.50	3.50	4.50	5.50
Other	18.00	20.50	25.00	26.00	16.10	16.10	18.10	15.10	15.10	6.10
Planning & Zoning	11.66	14.00	18.00	20.00	5.50	5.50	5.70	4.95	2.95	2.95
Housing & Economic										
Development	4.00	4.00	4.00	5.00	3.00	3.00	4.00	4.00	2.00	2.00
Library	23.00	23.80	28.25	28.75	22.00	25.47	20.32	23.65	23.65	23.65
Recreation	43.65	45.65	51.00	56.50	52.00	52.00	42.00	37.00	33.00	36.00
Airport	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Subtotal for Governmental										
Funds	324.65	341.45	376.50	409.00	357.85	361.32	343.37	330.95	323.95	319.95
Electric	47.50	49.50	49.50	55.00	50.00	50.00	50.00	51.00	48.00	53.00
Gas	17.50	22.50	22.50	21.00	19.00	19.00	19.00	19.00	23.00	23.00
Water	27.00	28.50	30.50	30.50	34.50	34.50	37.00	36.00	26.50	27.00
Wastewater	37.00	38.00	41.50	43.50	46.50	46.50	45.00	44.00	45.50	45.00
Stormwater	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
Communications	2.00	3.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00
Solid Waste	19.00	18.00	18.00	19.00	19.90	19.90	17.90	17.90	17.90	17.90
Carver Heights CRA	-	-	-	-	1.00	1.00	-	-	-	-
Building Permits	-	-	-	9.50	6.50	6.50	4.30	4.05	4.05	4.05
Fleet Services	-	-	-	-	-	-	-	-	-	8.00
Subtotal for Business Type										
Funds	154.00	163.50	171.00	187.50	186.40	186.40	182.20	180.95	174.95	188.95
Total	478.65	504.95	547.50	596.50	544.25	547.72	525.57	511.90	498.90	508.90

Source: City Annual Budget

City of Leesburg, Florida
Operating Indicators by Function
Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Responses to calls for service	44,060	54,659	52,061	50,893	47,078	44,459	47,345	53,024	51,837	50,312
Part I crimes	1,365	1,563	1,532	1,429	1,565	1,572	1,312	1,246	1,235	1,170
Traffic crashes & citations	7,491	10,844	8,356	6,553	6,567	6,271	6,729	6,327	7,120	6,808
Fire										
Emergency responses	4,230	4,440	4,693	5,264	5,831	6,395	7,384	6,581	7,233	6,238
Inspections	1,900	1,351	1,278	1,392	1,344	1,803	1,601	374	215	169
Pre-fire plans	164	578	455	468	306	107	80	107	44	5
Solid Waste										
Residential tons taken to incinerator	6,108	1,832	7,730	8,167	8,167	7,457	8,047	8,552	8,036	7,875
Residential tons of recyclables	486	101	406	402	402	390	408	393	389	409
Hand commercial collected	786	164	763	784	784	864	695	624	588	600
Commercial dumpster collected	9,840	2,865	11,729	11,293	11,293	12,598	13,302	12,902	11,743	11,978
Fleet Maintenance										
Vehicles owned by the City	625	673	655	696	584	609	593	598	589	537
Percent maintained by Fleet	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Preventive maintenance complete	710	550	656	675	557	450	506	736	468	524
Community Development										
Building permits issued within the City	2,122	3,666	4,599	2,878	2,238	1,943	1,944	1,318	1,210	1,491
Construction value of permits (thousands)	\$ 42,477	\$ 135,535	\$ 162,042	\$ 86,858	\$ 82,479	\$ 36,367	\$ 13,079	\$ 35,953	\$ 19,419	\$ 20,596
Culture and Recreation										
Youth programs	85	54	144	131	166	150	36	36	34	36
Number of bookings at rental facilities	608	829	760	6,935	6,331	5,782	5,476	2,368	2,269	2,006
Total service hours	1,298	N/A	2,786	22,101	27,035	28,213	28,156	6,075	6,279	5,791
Participants using the pools	11,360	10,137	16,525	23,633	12,818	16,903	16,791	8,462	6,418	9,558
Library service hours	3,292	3,346	3,482	3,270	3,296	2,402	2,607	2,594	2,610	2,624
Circulation - adults	250,516	258,695	252,150	265,918	273,159	274,996	275,690	257,912	257,037	264,933
Circulation - juvenile	34,416	59,367	68,984	77,636	83,589	86,610	79,208	74,245	83,174	87,151
Internet use	33,198	34,985	44,264	65,210	138,985	141,556	129,735	153,092	141,924	115,637
Electric										
Number of residential customers	16,425	17,013	17,439	17,841	17,732	17,666	21,043	16,307	17,608	17,867
Average daily consumption (KWh)	33.70	35.23	36.14	33.86	33.11	32.65	29.64	33.79	25.74	30.89
Gas										
Number of residential customers	8,845	9,130	9,607	10,116	11,300	11,259	11,279	11,241	11,141	11,180
Average daily consumption (therms)	0.67	0.63	0.58	0.53	0.43	0.57	0.68	0.56	0.41	0.47
Water										
Number of residential customers	10,056	10,491	14,504	15,426	13,885	15,616	18,181	18,250	19,357	19,551
Average daily consumption (gallons)	311.65	293.68	286.18	322.30	478.44	530.00	462.00	480.55	396.76	377.99
Wastewater										
Number of residential customers	10,185	10,618	14,051	15,515	12,861	17,032	17,032	17,218	17,309	17,493
Average daily sewage treatment (gallons)	210.97	232.13	207.89	318.44	207.39	174.00	159.98	134.74	150.21	137.20

Notes: N/A - Information is not available.

In 2007, the Recreation Department began to use new computer software called RecTrac. This software has allowed for more precise and detailed tracking across all rental facilities managed by the department.

Sources: Various city departments

City of Leesburg, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	3	3	4	4	4	4	4	4	4	4
Solid Waste										
Collection trucks	24	23	21	23	23	19	17	17	18	15
Annexation Acres	125.49	1,005.12	1,704.21	2,374.07	271.04	1.63	93.60	316.65	18.88	11.91
Corporate Limits:										
Acres	19,008.00	20,013.12	21,717.33	24,371.00	24,642	24,652.66	24,787	25,106	25,125	25,137
Square Miles	29.70	31.26	33.78	38.08	38.50	38.52	38.70	39.23	39.26	39.27
Streets										
Paved (miles)	84.1	79.0	79.0	79.0	79.0	79.0	82.2	83.1	83.1	83.1
Unpaved (miles)	3.2	1.7	1.7	1.7	1.7	1.7	1.9	1.9	1.9	1.9
Culture and Recreation										
Rental facilities	3	6	6	224	225	225	225	225	25	25
Museum	1	1	1	1	1	1	1	1	1	1
Parks facilities managed	22	50	50	22	23	23	23	23	25	25
Parks acreage	280	290	290	300	300	300	300	300	360	360
Library facilities	1	1	1	1	1	1	1	1	1	1
Volumes in collection	133,604	139,394	140,990	132,914	128,849	129,882	134,961	135,996	142,441	145,961
Electric										
Primary electric lines	382	389	392	392	392	440	444	443	445	453
within the city (miles)										
Overhead conductor replaced (feet)	12,769	20,825	N/A	1,000	41,392	9,870	54,506	59,000	2,000	2,000
Underground primary conductor replaced (feet)	270	16,450	37,500	3,000	25,519	24,975	5,000	12,000	2,500	7,400
Gas										
Gas mains	226	227	236	237	238	239	240	240	240	240
Gate stations	2	2	2	2	2	2	2	2	2	2
Water										
Water mains (miles)	325	255	295	350	302	375	375	375	332	332
Maximum capacity (millions of gallons)	9.1	9.1	28.0	28	28	28	28	28	28	28
Deep wells	17	17	20	21	21	21	21	19	19	19
Wastewater										
Sewers force mains (miles)	103	61	63	77	81	81	81	81	87	88
Sewers gravity lines (miles)	116	130	133	165	169	169	169	169	178	179
Lift stations	110	114	124	146	173	162	163	173	174	174
Disposal plants	2	2	2	2	3	3	3	2	2	2
Maximum capacity (millions of gallons per day)	6.50	6.50	6.50	6.50	6.87	8.37	8.37	8.00	8.00	8.00
Communication										
Fiber optics cable (miles)	140	158	166	169	171	173	189	191	220	230

Notes: N/A - Information is not available.

In 2005, the City's Geographical Information Systems Department (GIS) completed the electronic mapping of the City's utility systems. The results enabled the City to accurately present its capital assets. Prior to completion of this project, the information was estimated.

In 2007, the Recreation Department began to use new computer software called RecTrac. This software has allowed for more precise and detailed tracking across all rental facilities managed by the department. In 2012, a correction was made to the number of rental facilities. Prior years included rooms within facilities as separate facilities.

Sources: Various city departments



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SINGLE AUDIT SECTION



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CITY OF LEESBURG, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant Number / Pass Through Grantor's Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants:	14.218		
Indirect: Passed through Lake County, Florida			
Berry Park Improvements		N/A	\$ 75,000
Neighborhood Stabilization Program #3		N/A	94,504
Total Program			<u>169,504</u>
Total U.S. Department of Housing and Urban Development			<u>169,504</u>
U.S. Department of Justice			
Public Safety Partnership and Community Policing Grants:	16.710		
Direct:			
ARRA - COPS Grant - 2 Sworn Positions		2009-RK-WX-0225	46,415
Total Program			<u>46,415</u>
Edward Byrne Memorial Justice Assistance Grant Program:	16.738		
Direct:			
Byrne Grant - Tactical Equipment		2012-DJ-MX-0801	16,574
Indirect: Passed through Lake County, Florida			
Byrne Grant - Tactical Equipment		2012-JAGC-LAKE-13-D7-209	13,309
Sub-Total Program			<u>29,883</u>
Recovery Act - Edward Byrne Memorial Justice Assistance Grant Grant (JAG) Program/Grants to Units of Local Government:	16.804		
Direct:			
ARRA - Byrne Grant - Police Overtime		2009-SB-B9-2036	53,677
Sub-Total Program			<u>53,677</u>
Total Program			<u>83,560</u>
Total U.S. Department of Justice			<u>129,975</u>
U.S. Department of Transportation			
Airport Improvement Program:	20.106		
Direct:			
Airside Master Signage Plan/Wildlife Hazard Mitigation Plan		3-12-0042-021-2011	8,773
Total Program			<u>8,773</u>
Highway Planning and Construction	20.205		
Indirect: Passed through State of Florida Department of Transportation			
Leesburg - Wildwood Trail		424444-1-58-01	972,753
Total Program			<u>972,753</u>
Total U.S. Department of Transportation			<u>981,526</u>

(Continued)

CITY OF LEESBURG, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Concluded)

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant Number / Pass Through Grantor's Number	Federal Expenditures
U.S. Department of Environmental Protection Agency			
Nonpoint Source Implementation Grant	66.460		
Indirect: Passed through State of Florida Department of Environmental Protection			
Lake Harris Water quality Improvement 319 Program		C9-99451510-0	\$ 214,050
Total Program			<u>214,050</u>
Total U.S. Department of Environmental Protection Agency			<u>214,050</u>
U.S. Department of Energy			
Electricity Delivery and Energy Reliability, Research, Development and Analysis:	81.122		
Direct:			
ARRA - Smart Grid Investment Project (Note 2)		OE0000236	2,138,161
Total Program			<u>2,138,161</u>
Total U.S. Department of Energy			<u>2,138,161</u>
U.S. Department of Homeland Security			
Federal Emergency Management Agency			
Assistance to Firefighters Grant 2011	97.044	EMW-2011-FO-01525	
Leesburg Fire Department			83,730
Total Program			<u>83,730</u>
Homeland Security Grant Program:	97.067		
Indirect: Passed through State of Florida Department of Financial Services Technical Resources 2012		11-DS-9Z-13-00-16-436	1,819
Total Program			<u>1,819</u>
Total U.S. Department of Homeland Security			<u>85,549</u>
		Total Expenditures of Federal Awards	<u>\$ 3,718,765</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1) Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

2) ARRA Smart Grid Investment Project Expenditures

The expenditure total of \$2,138,161 includes grant expenditures of \$959,221 expended in prior periods and approved for reimbursement in fiscal year 2013.

CITY OF LEESBURG, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>CSFA Number</u>	<u>Grant Number / Pass Through Grantor's Number</u>	<u>State Expenditures</u>
Florida Department of Transportation			
Direct:			
Airfield Lighting Upgrade	55.004	AQ078	\$ 11,823
Airport Security Project - Design	55.004	API78	12,111
Airport Security Fence - Construction	55.004	AQN95	505,447
Airport Layout Plan	55.004	AQY33	38,427
Realign Taxiway A	55.004	AR377	6,306
Total Program			574,114
Total Florida Department of Transportation			574,114
		Total Expenditures of State Financial Assistance	\$ 574,114

NOTE TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Basis of Presentation

The accompanying schedule of expenditures of state financial assistance is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 69I-5, *Schedule of Expenditures of State Financial Assistance*, Rules of the Department of Financial Services, and Chapter 10.550, Rules of the Auditor General.



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

The Honorable Mayor and
Members of the City Commission
City of Leesburg, Florida

We have audited, 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* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Leesburg, Florida, (the "City"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 26, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated March 26, 2014.

The Honorable Mayor and
Members of the City Commission
City of Leesburg, Florida

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 26, 2014

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE AND REPORT ON SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY
OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

The Honorable Mayor and
Members of the City Commission
City of Leesburg, Florida

Report on Compliance for Each Major Federal Program and Major State Project

We have audited the compliance of the City of Leesburg, Florida (the “City”), with the types of compliance requirements described in the U.S. Office of Management and Budget (“OMB”) Circular A-133 *Compliance Supplement* and Department of Financial Services *State Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs and major state project for the year ended September 30, 2013. The City’s major federal programs and major state project are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state project.

Auditor’s Responsibility

Our responsibility is to express an opinion on the City’s compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and major state project. However, our audit does not provide a legal determination of the City’s compliance.

Opinion on Each Major Federal Program and Major State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state project for the year ended September 30, 2013.

The Honorable Mayor and
Members of the City Commission
City of Leesburg, Florida

Report on Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on each major federal program or major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated March 26, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for the purposes of additional analysis, as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 26, 2014

CITY OF LEESBURG, FLORIDA
Schedule of Findings and Questioned Costs (*Continued*)
For The Year Ended September 30, 2013

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award and State Financial Assistance Findings and Questioned Costs Section

None Reported.

CITY OF LEESBURG, FLORIDA
Summary Schedule of Prior Audit Findings
For The Year Ended September 30, 2013

Prior Financial Statement Finding

Finding 2012-01 – Governmental Capital Assets

Description

Unreconciled differences between the City's governmental capital assets inventory and capital asset classifications resulted in errors affecting the prior-period financial statements.

Status of Corrective Action

Resolved. Planned corrective action has been implemented.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Mayor and
Members of the City Commission
City of Leesburg, Florida

We have audited the basic financial statements of the City of Leesburg, Florida (the "City"), as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated March 26, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project and on Internal Control over Compliance and Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 26, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address the findings and recommendations made in the preceding annual financial report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we have provided recommendations identified as MLO 2013-001, MLO 2013-002, and MLO 2013-003 in the attached Schedule of Recommendations and Responses.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

The Honorable Mayor and
Members of the City Commission
City of Leesburg, Florida

- Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2013. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor, City Commission, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 26, 2014

CITY OF LEESBURG, FLORIDA
Schedule of Recommendations and Responses
For the Year Ended September 30, 2013

MLO 2013-001 – GRANT REPORTING

Criteria

Internal controls over grant reporting should ensure that expenditures reported on the Schedule of Expenditures of Federal Awards (SEFA) are accurate and agree to the City's financial records.

Condition

During our current-year audit, we noted that the City's expenditure amounts related to its Smart Grid grant on its SEFA had to be revised.

Cause

Turnover in Smart Grid program personnel and changes in project tracking due to budget reallocations appear to be causes of this condition. In addition, due to the volume of work orders used by the City for tracking grant expenditures, it was difficult for the City to summarize its fiscal year 2013 Smart Grid expenditures and reconcile those costs with costs already submitted for reimbursement.

Effect

Inadequate review of grant activity can result in errors or other problems not being recognized and resolved on a timely basis.

Recommendation

We recommend that the City implement procedures to provide for supervisory review of grant expenditure totals on a regular basis. In addition, we recommend that more than one individual be trained on grant reporting so that there would not be a loss of knowledge in the event of turnover in personnel.

Management Response

Written procedures will be developed to ensure that we provide supervisory review of grant expenditures on a regular basis. The City will also cross-train its staff accountants on the grant reporting procedures.

CITY OF LEESBURG, FLORIDA
Schedule of Recommendations and Responses (Continued)
For the Year Ended September 30, 2013

MLO 2013-002 – APPROVAL OF CITY MINUTES

Criteria

The minutes of the City Commission are important legal documents because they provide an official written record of the actions of the Commission. Having an easily-accessible transcribed version of the significant actions and other activities occurring at each meeting is important and, therefore, the minutes should be prepared in a timely manner and approved as soon as possible by the Commission.

Condition

During the review of the Commission meeting minutes, we noted that minutes for five Commission meetings for fiscal year 2013 had not been transcribed and/or approved at a subsequent meeting by the Commission. In addition, minutes for another five meetings of the Commission were not approved until two to three months after the meeting dates and, once approved, were not made available on the City's website.

Cause

Limited staffing resources in the City Clerk's office appear to be a cause of this condition.

Effect

Without timely presentation and approval of minutes for past Commission meetings, questions could be raised regarding matters discussed and decisions made at those meetings.

Recommendation

We recommend that the City ensure that minutes are timely transcribed, approved, and published for public access.

Management Response

A new procedure will be implemented to ensure that all meeting minutes are successfully approved in a timely manner.

CITY OF LEESBURG, FLORIDA
Schedule of Recommendations and Responses (Continued)
For the Year Ended September 30, 2013

MLO 2013-003 – PARKS AND RECREATION CASH COLLECTIONS

Criteria

Proper internal controls over cash collections should include written policies and procedures, timely processing of collections, appropriate segregation of duties, monthly reconciliations between sub-ledger and general ledger reports, proper safeguarding of assets, and adequate management oversight.

Condition

During our current-year audit, we noted that the City's internal investigation of the Parks and Recreation division's cash collections for calendar year 2012 resulted in numerous control findings. In addition, the investigation confirmed that several cash deposits generated by the City's recreational facilities were never deposited in the bank and could not be located. As a result of this investigation, the City implemented written cash-handling procedures and restructured its administrative oversight of parks and recreation activities.

Cause

A lack of internal controls over the Parks and Recreation division's cash collections appears to be the cause of this condition.

Effect

Inadequate internal controls can provide the opportunity for errors or fraud to occur and not be detected by the City.

Recommendation

We recommend that the City continue to monitor its cash handling procedures on a regular basis to ensure that controls are operating as designed. In addition, the City should ensure that all City personnel involved in handling cash are adequately trained.

Management Response

The City implemented the Cash Management Policies & Procedures in the third quarter of FY2013. The Finance Department has been conducting random monthly cash handling procedure audits as well.

DEBT DISCLOSURE SECTION
(Unaudited)



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City of Leesburg, Florida
DEBT DISCLOSURE SECTION

This part of the City of Leesburg's Comprehensive Annual Financial Report discloses information as required per the City's 2004, 2007, and 2013 bond covenants.

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Historical Operating Results - Capital Improvement
(Amounts expressed in thousand)

The historical operating results of the Capital Improvement Debt have been prepared pursuant to certain provisions of the Bond Resolution and therefore reflect certain differences from the City's audited financial statements. The historical operating results for each of the ten fiscal years ended September 30, 2004 through 2013 are shown in the table below.

Description	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Half-Cent Sales Tax	\$ 919	\$ 997	\$ 1,094	\$ 1,002	\$ 964	\$ 899	\$ 900	\$ 931	\$ 913	\$ 994
Guar. Entitlement	309	309	309	309	309	309	309	309	309	309
Misc. Revenues	5	3	-	-	-	-	-	-	-	-
Subtotal Revenues	1,233	1,309	1,403	1,311	1,273	1,208	1,209	1,240	1,222	1,303
Debt Service on 1999 Bonds	498	498	496	495	497	500	332			
2009 Note ²	-	-	-	-	-	-	96	523	474	474
Revenues less Debt Service	735	812	907	816	776	708	781	717	749	829
Public Services Tax	2,601	2,955	2,771	2,858	3,058	3,127	3,215	3,182	3,103	3,196
Total	3,336	3,767	3,678	3,675	3,834	3,835	3,996	3,899	3,852	4,025
Debt Service on 2004 Bonds ³	\$ 126	\$ 798	\$ 798	\$ 1,114	\$ 1,111	\$ 1,111	\$ 1,110	\$ 1,108	\$ 1,106	\$ 747
2013 Bonds ⁴										\$ 203
Debt Serv Coverage	26.42 X	4.72 X	4.61 X	3.30 X	3.45 X	3.45 X	3.60 X	3.52 X	3.48 X	4.24 X
Required Coverage ⁵	1.30 X	1.30 X	1.30 X	1.30 X	1.30 X	1.30 X	1.30 X	1.30 X	1.30 X	1.30 X

Notes:

¹Small variances may exist in this schedule due to rounding.

²On November 30, 2009, the Series 1999 Bonds were refunded by the Capital Improvement Refunding Promissory Note, Series 2009 with the same pledged revenues and coverage requirements.

³On July 21, 2004, the Series 2004 Bonds were issued for the purpose of constructing certain Citywide capital improvements as defined in the Bond Resolution. This series was issued on parity with the Series 1999 Bonds with an additional pledged revenue of Public Services Tax.

⁴On May 2, 2013, the Series 2013 Bonds were issued to refund the Series 2004 Bonds with the same parity, pledged revenues and coverage requirements.

⁵On July 21, 2004, the required coverage changed based on the new Capital Improvement Revenue Bonds, Series 2004.

Historical Operating Results - Electric Utility (continued)

Definitions:

Gross Revenues are defined pursuant to Resolution 7143 adopted June 14, 2004, as all income and earnings derived by the City from the ownership, operation, leasing, or use of the system, and investment income, excluding capital expansion and system improvement grants.

Operation and Maintenance expenses are defined as the cost of operation and maintenance as current expenses, paid or accrued, less depreciation and amortization expense.

Net Revenues and Pledged Revenues are defined as gross revenues less operation and maintenance expenses plus capacity

Notes:

¹ Amounts shown exclude depreciation and amortization expense.

² The amounts shown are as defined in the Bond Resolution and exclude interest earnings on Construction Fund balances.

³ Allocable to the Electric System. 1999A Bonds defeased by revenues of the System.

⁴ **Series 2004** - First three years of payments for these bonds are interest only. Payments began on October 1, 2004, and are due semiannually April 1 and October 1 thereafter. The annualized interest payments for fiscal years 2004, 2005 and 2006 were \$166,793, \$779,813 and \$779,813 respectively, and were paid 100% from the Capitalized Interest fund of \$1,726,418.

⁵ **Series 2007A & 2007B** - In Resolution 7064 adopted July 23, 2007, the City amended Resolution 7141 for the purpose of authorizing the issuance of the Electric System Revenue Bonds, Series 2007A and Taxable Electric System Revenue Bonds, Series 2007B ("Series 2007 Bonds") on a parity with the City's outstanding Electric System Revenue Bonds, Series 2004. First payment due on October 1, 2007, for these bonds is interest only and will be paid 100% from the Capitalized Interest fund of \$1,341,602. 2007A - \$67,889 2007B - \$87,236 Total interest due \$155,125.

⁶ **Series 2010** - In Resolution 8692 adopted August 4, 2010, the City authorized the issuance of an "up to \$20,000,000" Note with a 3 year interest only drawdown facility . Any outstanding balance as of 10/1/2013 will be paid off over a ten year term period.

⁷ **Series 2013** - In Resolution 9199 adopted May 28, 2013, the City authorized the issuance of a Note to refund the Series 2010 Note on parity with the City's outstanding Electric System Revenue Bonds, Series 2007A and Taxable Electric System Revenue Bonds, Series 2007B.

⁸ Excludes revenues from capacity charges per Bond Resolution.

Historical Operating Results - Gas Utility

(Amounts expressed in thousands)

Description	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Operating Revenues	\$ 7,601	\$ 8,605	\$ 10,324	\$ 8,575	\$ 10,071	\$ 8,255	\$ 9,403	\$ 8,158	\$ 6,898	\$ 7,614
Less: Operating Expenses	7,231	7,581	8,983	6,868	7,760	5,701	6,191	5,425	4,472	6,251
Net Operating Revenues	370	1,025	1,340	1,707	2,312	2,554	3,213	2,733	2,426	1,363
Other Income	78	55	78	127	97	73	(17)	48	19	110
Total Available for Debt Service	448	1,079	1,418	1,834	2,408	2,627	3,196	2,781	2,445	1,473
Debt Service										
Series 1999A and 1999B Bonds ¹	43	-	-	-	-	-	-	-	-	-
Series 2004 Bonds ²	-	-	-	180	253	253	253	253	252	169
Series 2007A and 2007B Bonds ³	-	-	-	-	125	118	152	152	152	152
Series 2010 Note ⁴	-	-	-	-	-	-	-	44	49	50
Series 2013 Bonds ⁵	-	-	-	-	-	-	-	-	-	47
Total Debt Service	43	-	-	180	378	371	405	449	453	418
Capital Contribution/Impact Fees	-	4	-	-	195	115	22	-	-	2
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	405	1,083	1,418	1,654	2,225	2,371	2,813	2,332	1,992	1,057
Total Transfers In/(Out)	(767)	(1,138)	(820)	(851)	(1,072)	(863)	(1,072)	(977)	(659)	(1,848)
Net Available from Operations	\$ (362)	\$ (54)	\$ 598	\$ 803	\$ 1,153	\$ 1,508	\$ 1,741	\$ 1,355	\$ 1,333	\$ (791)
Debt Service Coverage:⁵										
Debt Service Coverage on Bonds	10.44 X	- X	- X	10.17 X	6.38 X	7.08 X	7.89 X	6.19 X	5.40 X	3.52 X
Required Coverage Test	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X

Notes:

See notes on Combined Totals Sheet, pg. 2

Historical Operating Results - Water Utility

(Amounts expressed in thousands)

Description	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Operating Revenues	\$ 4,490	\$ 4,401	\$ 5,565	\$ 7,383	\$ 6,996	\$ 6,874	\$ 6,811	\$ 7,751	\$ 7,182	\$ 7,127
Less: Operating Expenses	3,403	3,451	3,883	4,891	4,958	4,879	4,417	4,367	3,965	3,975
Net Operating Revenues	1,087	951	1,682	2,492	2,038	1,995	2,394	3,384	3,217	3,152
Other Income	176	127	148	178	161	95	54	40	23	89
Total Available for Debt Service	1,263	1,078	1,831	2,670	2,199	2,090	2,448	3,424	3,240	3,241
Debt Service										
Series 1999A and 1999B Bonds ¹	103	-	-	-	-	-	-	-	-	-
Series 2004 Bonds ²	-	-	-	375	526	526	526	526	525	352
Series 2007A and 2007B Bonds ³	-	-	-	-	715	674	870	868	869	873
Series 2010 Note ⁴	-	-	-	-	-	-	-	152	170	172
Series 2013 Note ⁵	-	-	-	-	-	-	-	-	-	98
Total Debt Service	103	-	-	375	1,241	1,200	1,396	1,546	1,564	1,495
Capital Contribution/Impact Fees	811	1,097	2,467	1,624	680	822	77	68	55	68
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	1,972	2,175	4,297	3,919	1,637	1,711	1,129	1,946	1,731	1,814
Total Transfers In/(Out)	(811)	(1,785)	(568)	(793)	(804)	(828)	(353)	(873)	(861)	(1,460)
Net Available from Operations	\$ 1,161	\$ 390	\$ 3,729	\$ 3,126	\$ 833	\$ 883	\$ 776	\$ 1,073	\$ 870	\$ 354
Debt Service Coverage:⁴										
Debt Service Coverage on Bonds	X	12.31 X	- X	7.12 X	1.77 X	1.74 X	1.75 X	2.21 X	2.07 X	2.17 X
Required Coverage Test	X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X

Notes:

See notes on Combined Totals Sheet, pg. 2

Historical Operating Results - Wastewater Utility

(Amounts expressed in thousands)

Description	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Operating Revenues	\$ 5,868	\$ 7,079	\$ 7,908	\$ 9,157	\$ 9,630	\$ 9,426	\$ 9,439	\$ 9,713	\$ 9,626	\$ 9,786
Less: Operating Expenses	4,279	4,780	5,399	6,041	6,305	6,054	5,977	5,859	5,945	5,850
Net Operating Revenues	1,588	2,299	2,510	3,116	3,325	3,372	3,462	3,854	3,681	3,936
Other Income	145	123	237	539	82	591	372	74	27	105
Total Available for Debt Service	1,733	2,423	2,747	3,656	3,407	3,963	3,834	3,928	3,708	4,041
Debt Service										
Series 1999A and 1999B Bonds ¹	73	-	-	-	-	-	-	-	-	-
Series 2004 Bonds ²	-	-	-	520	729	729	730	728	727	488
Series 2007A and 2007B Bonds ³	-	-	-	-	263	311	397	400	399	320
Series 2010 Note ⁴	-	-	-	-	-	-	-	122	137	139
Series 2013 Note ⁵	-	-	-	-	-	-	-	-	-	137
Total Debt Service	73	-	-	520	991	1,040	1,127	1,250	1,263	1,084
Capital Contribution/Impact Fees	1,219	2,679	1,826	1,012	1,142	-	292	62	31	36
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	2,879	5,102	4,572	4,148	3,558	2,923	3,000	2,739	2,476	2,993
Total Transfers In/(Out)	(404)	(1,045)	(497)	(664)	(733)	(724)	(663)	(708)	(763)	(841)
Net Available from Operations	\$ 2,475	\$ 4,057	\$ 4,075	\$ 3,484	\$ 2,825	\$ 2,199	\$ 2,337	\$ 2,031	\$ 1,713	\$ 2,152
Debt Service Coverage:⁴										
Debt Service Coverage on Bonds	X	X	-	X	3.44 X	3.81 X	3.40 X	3.14 X	2.94 X	3.73 X
Required Coverage Test	X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X

Notes:

See notes on Combined Totals Sheet, pg. 2

Historical Operating Results - Combined Gas, Water & Wastewater Utilities

(Amounts expressed in thousands)

The historical operating results of the Utilities System have been prepared by individual utility pursuant to certain provisions of the Bond Resolution and therefore reflect certain differences from the City's audited financial statements. The historical operating results for the Utilities System for each of the ten fiscal years ended September 30, 2004 through 2013 are shown in the table below.

Description	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Operating Revenues	\$ 17,958	\$ 20,086	\$ 23,797	\$ 25,116	\$ 26,697	\$ 24,555	\$ 25,653	\$ 25,622	\$ 23,706	\$ 24,527
Less: Operating Expenses	14,913	15,811	18,265	17,800	19,023	16,634	16,585	15,651	14,382	16,076
Net Operating Revenues	3,045	4,275	5,532	7,316	7,674	7,921	9,069	9,971	9,324	8,451
Other Income	400	305	463	844	340	758	409	162	69	304
Total Available for Debt Service	3,445	4,580	5,995	8,160	8,014	8,679	9,478	10,133	9,393	8,755
Debt Service										
Series 1999A and 1999B Bonds ¹	218	-	-	-	-	-	-	-	-	-
Series 2004 Bonds ²	-	-	-	1,075	1,508	1,509	1,509	1,507	1,504	1,009
Series 2007A and 2007B Bonds ³	-	-	-	-	1,102	1,102	1,419	1,420	1,420	1,345
Series 2010 Note ⁴	-	-	-	-	-	-	-	318	1,420	361
Series 2013 Note ⁵	-	-	-	-	-	-	-	318	-	282
Total Debt Service	218	-	-	1,075	2,610	2,611	2,928	3,562	4,345	2,997
Capital Contribution/Impact Fees	2,030	3,781	4,292	2,636	2,016	937	392	130	86	106
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	5,257	8,360	10,287	9,721	7,420	7,006	6,942	6,701	5,135	5,864
Total Transfers In/(Out)	(1,982)	(3,968)	(1,885)	(2,309)	(2,609)	(2,415)	(2,088)	(2,558)	(2,283)	(4,149)
Net Available from Operations	\$ 3,275	\$ 4,392	\$ 8,402	\$ 7,413	\$ 4,811	\$ 4,591	\$ 4,854	\$ 4,143	\$ 2,852	\$ 1,715
Debt Service Coverage:⁶										
Debt Service Coverage on Bonds	-	-	-	7.59	3.07	3.32	3.24	2.84	2.16	2.92
Required Coverage Test	X	1.15								

Historical Operating Results - Combined Gas, Water & Wastewater Utilities

Notes:

Gross Revenues are defined pursuant to Resolution 7143 adopted June 14, 2004, as all income and earnings derived by the City from the ownership, operation, leasing, or use of the system, and investment income, excluding capital expansion and system improvement grants.

Operation and Maintenance expenses are defined as the cost of operation and maintenance as current expenses, paid or accrued, less depreciation and amortization expense. **Net Revenues and Pledged Revenues** are defined as gross revenues less operation and maintenance expenses plus capacity charges.

¹ **Series 1999** - Allocable to the System. 1999A and 1999B Bonds defeased by revenues of the System.

² **Series 2004** - The annualized interest payments for fiscal years 2004, 2005 and 2006 were paid 100% from the Capitalized Interest Fund of \$2,380,265. This series was refunded by the Series 2013 Bonds as discussed in Note 5.

³ **Series 2007A & 2007B** - In Resolution 7965 adopted July 23, 2007, the City amended Resolution 7143 for the purpose of authorizing the issuance of the Utility System Revenue Bonds, Series 2007A and Taxable Utility System Revenue Bonds, Series 2007B ("Series 2007 Bonds") on a parity with the City's outstanding Utility System Revenue Bonds, Series 2004. First payment due on October 1, 2007, for these bonds is interest only and will be paid 100% from the Capitalized Interest Fund of \$675,0383 2007A - \$66,384 2007B - \$4,034 Total interest due - \$140,834

⁴ **Series 2010** - In Resolution 8673 adopted June 28, 2010, the City authorized the issuance of an \$8,000,000 note that fully paid off a prior \$8,000,000 Plantation System seller's note. This prior note was part of the purchase price for this \$15,000,000 utility and the 2010 note is on parity with the 2004 and 2007A&B bonds.

⁵ **Series 2013** - Resolution 9183 and 9184 adopted April 22, 2013, the City authorized the issuance of the Utility System Refunding Revenue Bonds, Series 2013 to refund the Series 2004 Utility Bonds with the same parity and pledged revenues as the Series 2004.

⁵Excludes revenues from capacity charges per Bond Resolution.

CITY OF LEESBURG, FLORIDA

Electric System

Inter-Utility Comparison of Typical Monthly Electric Bills ^[1]

Line No.	Comparable Utility	Fuel Adj. (\$/1000 kWh)	Usage			
			500 kWh	1,000 kWh	2,000 kWh	3,000 kWh
Residential Service						
1	City of Leesburg, Florida	\$30.00	\$71.82	\$131.88	\$251.99	\$372.09
Florida Municipalities or Cooperatives:						
2	City of Gainesville	71.00	69.65	141.15	306.15	471.15
3	City of Lakeland	43.34	54.08	100.16	199.82	301.97
4	City of Ocala	25.00	61.44	113.54	138.54	163.54
5	Orlando Utilities Commission	37.25	58.72	109.43	230.86	352.29
6	Sumter Electric Cooperative, Inc.	6.90	70.03	125.55	236.60	347.65
7	City of Tallahassee	41.90	61.58	115.94	224.66	333.38
Investor-Owned Utilities ^[2]:						
8	Florida Power and Light	26.33	49.99	92.73	198.57	304.41
9	Progress Energy	33.93	60.96	113.16	239.91	366.66
10	Tampa Electric Company	33.69	60.28	105.55	216.10	326.65
11	Average		60.64	112.66	220.82	329.29
12	Minimum		49.99	92.73	138.54	163.54
13	Max		70.03	141.15	306.15	471.15
General Service (Non-Demand)						
14	City of Leesburg, Florida	\$30.00	\$75.80	\$139.84	\$267.90	\$395.97
Florida Municipalities or Cooperatives:						
15	City of Gainesville	71.00	103.50	177.00	339.00	516.00
16	City of Lakeland	43.34	58.18	106.36	202.72	299.07
17	City of Ocala	25.00	64.24	116.25	220.28	324.31
18	Orlando Utilities Commission	40.03	63.75	117.24	224.23	331.22
19	Sumter Electric Cooperative, Inc.	6.90	72.03	127.55	238.60	349.65
20	City of Tallahassee	41.90	54.29	99.54	190.05	280.56
Investor-Owned Utilities ^[2]:						
21	Florida Power and Light	42.52	73.91	140.68	274.23	407.78
22	Progress Energy	37.03	65.27	118.94	226.29	333.64
23	Tampa Electric Company	37.19	67.12	116.24	214.48	312.72
24	Average		69.14	124.42	236.65	350.55
25	Minimum		54.29	99.54	190.05	280.56
26	Max		103.50	177.00	339.00	516.00

CITY OF LEESBURG, FLORIDA

Electric System

Inter-Utility Comparison of Typical Monthly Electric Bills ^[1]

Line No.	Comparable Utility	Fuel Adj. (\$/1000 kWh)	Usage			
			50 kW 20,000 kWh	150 kW 40,000 kWh	300 kW 120,000 kWh	500 kW 200,000 kWh
General Service Demand						
27	City of Leesburg, Florida	\$30.00	\$2,113.84	\$4,771.66	\$12,557.94	\$20,913.22
Florida Municipalities or Cooperatives:						
28	City of Gainesville	71.00	2,882.50	6,127.50	16,795.00	27,925.00
29	City of Lakeland	43.34	1,650.56	3,621.12	9,753.36	16,198.60
30	City of Ocala	25.00	1,875.15	4,115.85	11,203.65	18,931.45
31	Orlando Utilities Commission	40.03	1,800.00	3,970.00	10,650.00	17,730.00
32	Sumter Electric Cooperative, Inc.	6.90	1,922.10	4,076.70	11,257.60	18,726.00
33	City of Tallahassee	41.90	1,517.61	3,522.01	8,757.11	14,548.71
Investor-Owned Utilities ^[2]:						
34	Florida Power and Light	29.56	1,565.03	3,658.43	9,297.03	15,160.91
35	Progress Energy	37.03	1,769.49	3,801.89	10,558.99	17,590.59
36	Tampa Electric Company	37.19	1,778.90	4,105.30	10,523.40	17,519.00
37	Average		1,862.37	4,110.98	10,977.35	18,258.92
38	Minimum		1,517.61	3,522.01	8,757.11	14,548.71
39	Max		2,882.50	6,127.50	16,795.00	27,925.00

Notes:

- [1] Amounts shown are based on the rates for single phase service and reflect when applicable, inside city service. In addition, where applicable amounts include billing adjustments such as fuel and environmental charges but do not include taxes or franchise fees.
- [2] Amounts shown include the energy conservation, capacity and environmental cost recovery charges where appropriate, as filed with the Florida Public Service Commission (FPSC).
- [3] Average, minimum and maximum are for comparable utilities only and exclude the City of Leesburg.

CITY OF LEESBURG, FLORIDA

Natural Gas System

Inter-Utility Comparison of Typical Monthly Natural Gas Bills ^[1]

Line No.	Comparable Utility	Usage					
		Residential (Therms)					
		10	30	50	70	90	100
1	City of Leesburg, Florida	\$19.06	\$41.68	\$64.30	\$86.92	\$109.54	\$120.85
Florida Municipalities:							
2	Energy Services of Pensacola	24.91	56.84	88.76	120.69	152.61	168.57
3	City of Gainesville	18.85	37.50	56.15	74.80	93.45	102.77
4	City of Tallahassee	22.20	45.51	68.81	92.12	115.43	127.08
Regulated Natural Gas Companies:							
5	City Gas Company of Florida ^[2]	23.54	54.61	85.69	116.76	147.84	160.91
6	Peoples Gas System, Inc. ^[3]	24.53	49.59	74.65	99.71	124.77	137.30
7	St. Joe Natural Gas Company	29.54	62.61	95.69	128.76	161.83	178.37
8	Average	23.93	51.11	78.29	105.47	132.65	145.83
9	Minimum	18.85	37.50	56.15	74.80	93.45	102.77
10	Max	29.54	62.61	95.69	128.76	161.83	178.37
		Commercial (Therms)					
		100	300	500	700	1000	2000
11	City of Leesburg, Florida	\$124.74	\$350.93	\$577.13	\$803.33	\$1,142.62	\$2,273.60
Florida Municipalities:							
12	Energy Services of Pensacola	175.16	493.79	812.41	1,131.04	1,608.97	3,202.09
13	City of Gainesville	119.35	278.05	436.75	595.45	833.50	1,627.00
14	City of Tallahassee	117.67	315.25	512.83	710.42	1,006.79	1,994.70
Regulated Natural Gas Companies:							
15	City Gas Company of Florida ^[2]	160.91	457.09	754.48	955.38	1,359.69	2,400.06
16	Peoples Gas System, Inc. ^[3]	153.33	409.99	666.65	923.31	1,308.30	2,439.50
17	St. Joe Natural Gas Company	145.33	395.99	646.66	897.32	1,273.31	2,108.95
18	Average	145.29	391.69	638.30	868.82	1,231.76	2,295.38
19	Minimum	117.67	278.05	436.75	595.45	833.50	1,627.00
20	Max	175.16	493.79	812.41	1,131.04	1,608.97	3,202.09

Notes:

- [1] Unless otherwise noted, amounts shown reflect standard residential and commercial rates and purchased gas adjustments in effect as of December 2013 and are exclusive of utility taxes and franchise fees and, where appropriate, reflect inside the city limits service, all as reported by each indicated utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility. Additionally, amounts were calculated using rates based on therms or ccf; assumed heat content of 99,976.12 BTU/therm.
- [2] City Gas Company of Florida provides natural gas service to customers in Brevard County located on the central east coast of Florida and to customers in the Miami area in Dade and Broward Counties.
- [3] Peoples Gas System, Inc. provides natural gas service to cities throughout Florida, including Orlando, Tampa, Lakeland, Jacksonville, Kissimmee, and St. Petersburg.
- [4] Average, minimum and maximum are for comparable utilities only and exclude the City of Leesburg.

CITY OF LEESBURG, FLORIDA

Water System

Inter-Utility Comparison of Typical Monthly Water Bills ^[1]

Line No.	Comparable Utility	Usage					
5/8" Meter Residential							
		3,000 Gallons	5,000 Gallons	7,500 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
1	City of Leesburg	\$11.19	\$13.29	\$16.19	\$20.51	\$28.67	\$39.71
Other Florida Utilities:							
2	Brevard County Utilities	12.32	20.04	29.69	42.82	70.82	108.86
3	Fort Pierce Utilities Authority	22.31	28.77	36.85	44.92	65.12	89.37
4	Gainesville Regional Utilities	15.90	20.50	28.43	37.80	56.55	75.30
5	City of Homestead	9.41	11.63	14.41	17.37	24.32	33.07
6	City of Ocala	12.09	14.01	16.42	18.83	26.10	38.20
7	Orange County Public Utilities	9.64	12.50	16.08	19.65	33.85	48.05
8	Orlando Utilities Commission	9.40	11.56	14.50	18.48	26.42	35.61
9	St. Lucie County	32.00	38.74	53.89	69.04	109.44	156.59
10	City of St. Petersburg	20.38	27.46	38.00	52.24	82.29	122.09
11	City of Tallahassee	10.61	13.55	17.22	21.16	31.16	41.16
12	City of Vero Beach	16.09	17.75	31.65	45.55	73.35	80.30
13	Average	15.47	19.68	27.01	35.26	54.49	75.33
14	Minimum	9.40	11.56	14.41	17.37	24.32	33.07
15	Max	32.00	38.74	53.89	69.04	109.44	156.59

2" Meter Commercial					
		50,000 Gallons	150,000 Gallons	200,000 Gallons	500,000 Gallons
16	City of Leesburg	\$86.77	\$243.58	\$321.98	\$792.40
Other Florida Utilities:					
17	Brevard County Utilities	212.10	937.76	1,433.82	4,715.82
18	Fort Pierce Utilities Authority	462.37	785.37	946.87	1,915.87
19	Gainesville Regional Utilities	199.00	579.00	769.00	1,909.00
20	City of Homestead	112.35	231.67	291.34	649.31
21	City of Ocala	178.29	301.28	362.78	731.76
22	Orange County Public Utilities	101.68	244.68	316.18	745.18
23	Orlando Utilities Commission	98.80	252.90	329.95	792.25
24	St. Lucie County ^[2]	487.47	1,520.20	2,036.57	5,134.77
25	City of St. Petersburg ^[3]	255.09	609.09	786.09	1,848.09
26	City of Tallahassee	79.88	253.88	340.88	862.88
27	City of Vero Beach	184.15	444.15	574.15	1,354.15
28	Average	215.56	560.00	744.33	1,878.10
29	Minimum	79.88	231.67	291.34	649.31
30	Max	487.47	1,520.20	2,036.57	5,134.77

Notes:

- [1] Unless otherwise indicated, amounts shown reflect single-family residential and commercial service rates in effect during December 2013, and are exclusive of utility taxes or franchise fees, if any, and reflect "inside the City limits" service, all as reported by each indicated utility. This comparison is intended to show comparable charges for similar services for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility.
- [2] Commercial user bills are calculated based upon equivalent residential units. 1 ERU = 7,500 gallons.
- [3] The City of St. Petersburg, Florida utilizes a blocked rate for commercial water customers based on each individual customer's average consumption. For purposes of this comparison, customer use is assumed to be average.
- [4] Average, minimum and maximum are for comparable utilities only and exclude the City of Leesburg.

CITY OF LEESBURG, FLORIDA

Wastewater System

Inter-Utility Comparison of Typical Monthly Wastewater Bills ^[1]

Line No.	Comparable Utility	Usage					
5/8" Meter Residential							
		3,000 Gallons	5,000 Gallons	7,500 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
1	City of Leesburg	\$27.06	\$30.17	\$34.05	\$37.93	\$45.70	\$45.70
Other Florida Utilities:							
2	Brevard County Utilities ^[2]	25.94	32.66	41.06	49.46	56.18	56.18
3	Ft. Pierce Utilities Authority	31.26	42.06	55.56	69.06	69.06	69.06
4	Gainesville Regional Utilities	25.40	37.10	51.73	66.35	95.60	124.85
5	City of Homestead	24.97	31.44	39.53	47.62	63.80	79.98
6	City of Ocala	31.06	36.89	44.18	51.46	52.84	52.84
7	Orange County Public Utilities	25.66	32.60	41.28	49.95	63.83	63.83
8	City of Orlando ^[3]	30.77	39.39	50.17	60.94	78.18	78.18
9	St. Lucie County	44.14	58.08	75.51	92.93	92.93	92.93
10	City of St. Petersburg	23.74	32.20	42.78	53.35	74.50	95.65
11	City of Tallahassee ^[5]	32.80	43.50	56.88	70.25	97.00	123.75
12	City of Vero Beach	30.66	37.84	46.82	55.79	55.79	55.79
13	Average	29.67	38.52	49.59	60.65	72.70	81.19
14	Minimum	23.74	31.44	39.53	47.62	52.84	52.84
15	Max	44.14	58.08	75.51	92.93	97.00	124.85
2" Meter Commercial							
		50,000 Gallons	150,000 Gallons	200,000 Gallons	500,000 Gallons		
16	City of Leesburg	\$198.75	\$516.96	\$676.07	\$1,630.69		
Other Florida Utilities:							
17	Brevard County Utilities ^[2]	300.17	900.50	1,200.67	3,001.67		
18	Ft. Pierce Utilities Authority	390.73	930.73	1,200.73	2,820.73		
19	Gainesville Regional Utilities	300.35	885.35	1,177.85	2,932.85		
20	City of Homestead	252.87	576.45	738.23	1,708.96		
21	City of Ocala	514.09	805.54	951.26	1,825.59		
22	Orange County Public Utilities	275.94	622.94	796.44	1,837.44		
23	City of Orlando ^[3]	342.16	1,028.28	1,372.22	3,428.78		
24	St. Lucie County ^[4]	298.16	685.38	878.99	2,040.66		
25	City of St. Petersburg	299.87	722.87	934.37	2,203.37		
26	City of Tallahassee	401.37	936.37	1,203.87	2,808.87		
27	City of Vero Beach	273.48	632.48	811.98	1,888.98		
28	Average	331.75	793.35	1,024.24	2,408.90		
29	Minimum	252.87	576.45	738.23	1,708.96		
30	Max	514.09	1,028.28	1,372.22	3,428.78		

Notes:

- [1] Unless otherwise indicated, amounts shown reflect single-family residential and commercial service rates in effect during December 2013, and are exclusive of utility taxes or franchise fees, if any, and reflect "inside the City limits" service, all as reported by each indicated utility. This comparison is intended to show comparable charges for similar services for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility.
- [2] Commercial user bills are calculated based upon equivalent residential units. 1 ERU = 6,000 gallons.
- [3] Commercial user bills are calculated based upon equivalent residential units. 1 ERU = 7,000 gallons.
- [4] Commercial user bills are calculated based upon equivalent residential units. 1 ERU = 9,000 gallons.
- [5] The City calculates maximum residential sewer charges annually based on bills from December - March. The maximum charged in any month during the following 12 months is the second highest water consumption during those previous 4 months.
- [6] Average, minimum and maximum are for comparable utilities only and exclude the City of Leesburg.

City of Leesburg
 Ten largest Customers (Revenue Based)
 For the fiscal Year ending September 30, 2013

Electric	Revenues	Volume (KWh)	% of Total
CUTRALE CITRUS JUICES USA INC	\$ 2,470,553	276,017	4.51%
LRMC	1,815,276	198,330	3.32%
LAKE COUNTY SCHOOLS	876,982	76,832	1.60%
LAKE HARRIS HEALTH SYSTEMS LLC	760,232	72,231	1.39%
CITY OF LEESBURG	515,083	49,352	0.94%
WALMART STORE INC 01 800	494,512	54,599	0.90%
PUBLIX SUPERMARKETS,INC #0349	468,503	49,996	0.86%
LAKE SUMTER COMMUNITY COLLEGE	461,847	44,329	0.84%
CENTURYLINK	461,622	46,774	0.84%
COCA-COLA NORTH AMERICA	317,740	34,732	0.58%
Total 10 Largest Electric Customers	\$ 8,642,351	903,192	15.79%
Total Electric System Revenues	\$ 54,724,259	455,572,135	100%

Gas	Revenues	Volume (Therms)	% of Total
FEDERAL CORRECTIONAL COMPLEX	\$ 883,952	810,204	13.30%
LRMC	772,651	705,224	11.63%
LAKE HARRIS HEALTH SYSTEMS LLC	453,011	366,305	6.82%
DAB CONSTRUCTORS	192,075	367,374	2.89%
LAKE COUNTY BOARD COMM	156,026	146,451	2.35%
LIFESTREAM BEHAVIORAL CENTER	82,330	74,783	1.24%
UNIVERSAL AGGREGATE SOLUTIONS	54,531	49,660	0.82%
BEYERS, ROGER A	49,317	44,760	0.74%
LAKES AT LEESBURG HTA 1080	43,129	38,723	0.65%
GNRL MILL/OLIVE GAR	34,041	31,266	0.51%
Total 10 Largest Gas Customers	\$ 2,721,064	2,634,750	40.94%
Total Gas System Revenues	\$ 6,646,237	5,396,981	100.00%

City of Leesburg
 Ten largest Customers (Revenue Based)
 For the fiscal Year ending September 30, 2013

Water & Irrigation	Revenues	Volume (100 Cubic Feet)	% of Total
LAKE HARRIS HEALTH SYSTEMS LLC	\$ 69,847	27,675	1.11%
LRMC	59,910	74,793	0.95%
RANGE PROPERTIES LLC	23,432	19,561	0.37%
CITY OF LEESBURG	21,804	18,715	0.35%
MACERICH EQ LTD PARTNERSHIP	20,723	10,505	0.33%
COACHWOOD COLONY MHP LLC	18,562	16,572	0.29%
COMMUNITY HOUSING PARTNERS COR	15,632	14,272	0.25%
SLEEPY HOLLOW	13,519	11,739	0.21%
SUN MANAGEMENT 2011 LLC	11,667	9,844	0.18%
BEACON COLLEGE	8,457	6,276	0.13%
Total 10 Largest Water Customers	\$ 263,555	209,952	4.18%
Total Water System Revenues	\$ 6,312,610	3,055,834	100.00%

Wastewater	Revenues	Volume (100 Cubic Feet)	% of Total
LAKE HARRIS HEALTH SYSTEMS LLC	\$ 150,243	27,675	1.78%
LRMC	91,511	74,793	1.08%
BEACON COLLEGE	32,243	6,276	0.38%
SUN MANAGEMENT 2011 LLC	29,220	9,844	0.35%
CREATIVE CHOICE HOMES XXVII	26,688	6,223	0.32%
SLEEPY HOLLOW	25,818	11,739	0.31%
BLUEBERRY HILL APTS LTD, 7521	23,799	3,113	0.28%
RANGE PROPERTIES LLC	23,612	19,561	0.28%
COACHWOOD COLONY MHP LLC	22,038	16,572	0.26%
COMMUNITY HOUSING PARTNERS COR	21,526	14,272	0.25%
Total 10 Largest Water Customers	\$ 446,697	190,068	5.28%
Total Wastewater System Revenues	\$ 8,459,278	3,055,834	100.00%

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING SECTION 22-196 OF THE CODE OF ORDINANCES PERTAINING TO ELECTRIC RATES; ESTABLISHING UPDATED RATES FOR ELECTRIC; PROVIDING FOR RATES TO BE EFFECTIVE JANUARY 1, 2010; PROVIDING FOR CONFLICTS AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LEESBURG, FLORIDA:

SECTION 1.

Section 22-196 of the Code of Ordinances of the City of Leesburg, Florida is hereby amended to read as follows:

Sec. 22-196. Electric rates; schedules; adjustments; deposits.

The rates for the furnishing of electrical service by the city shall be as follows:

(1) *Rate schedule RS, residential service.*

e. Rate per month.

Customer charge . . .	\$10.41	\$10.62
All kwh, per kwh . . .	0.07642	0.08129

(2) *Rate schedule GS, general service, nondemand.*

d. Rate per month.

Customer charge . . .	\$10.41	\$10.62
All kwh . . .	0.08345	0.08847

(3) *Rate schedule GSD, general service, demand.*

f. Rate per month.

Customer charge . . .	\$22.11	\$22.57
All kw, per kw . . .	9.11	10.51
All kwh, per kwh . . .	0.04066	0.04149

SECTION 2.

All ordinances or parts of ordinances which are in conflict with this ordinance are hereby repealed, to the extent necessary to alleviate the conflict, but shall continue in effect insofar as they are not in conflict herewith, unless repeal of the conflicting portion destroys the overall intent and effect of any of the conflicting ordinances, in which case those ordinances so effected shall be hereby repealed in their entirety.

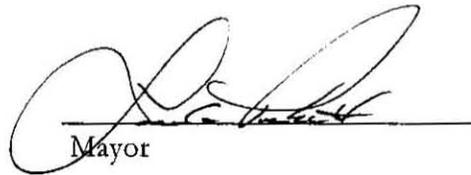
SECTION 3.

If any portion of this ordinance is declared invalid or unenforceable, and to the extent it is possible to do so without destroying the overall intent and effect of this ordinance, the portion deemed invalid or unenforceable shall be severed herefrom and the remainder of this ordinance shall continue in full force and effect as if it were enacted without including the portion found to be invalid or unenforceable.

SECTION 4.

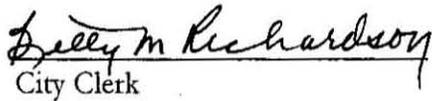
This ordinance shall become effective upon passage

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 14 day of December, 2009



Mayor

ATTEST:



City Clerk

ORDINANCE NO. 10-82

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING SECTION 22-196 OF THE CODE OF ORDINANCES PERTAINING TO ELECTRIC RATES; ESTABLISHING UPDATED RATES FOR ELECTRIC GENERAL SERVICE DEMAND (GSD); PROVIDING FOR RATES TO BE EFFECTIVE NOVEMBER 1, 2010; PROVIDING FOR CONFLICTS AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LEESBURG, FLORIDA:

SECTION 1.

Section 22-196 of the Code of Ordinances of the City of Leesburg, Florida is hereby amended as follows:

	Existing GSD Rate	Proposed Rates
GSD-1		
Billing Demand of 21kW-499kW		
Rate Schedule	GSD	GSD-1
Customer Charge	22.57	22.66
Demand Charge	10.51	10.55
Energy Rate	.04149	.04165

APPLICATION:

For electric service for commercial or industrial lighting, power and any other purpose to any Customer with a measured demand in excess of 20 kW and less than 500 kW. Customers with a demand of 20 kW or less may enter into an agreement for service under this schedule based on a demand charge for a minimum of 21 kW.

Term of service:

Not less than one year.

	Existing GSD Rate	Proposed Rates
GSD-2		
Billing Demand 500 – 1,999 kW		
Rate Schedule	GSD	GSD-2
Customer Charge	22.57	40.16
Demand Charge	10.51	12.05
Energy Rate	.04149	.03806

APPLICATION:

For electric service for commercial or industrial lighting, power and any other purpose to any Customer with a measured demand of 500 kW and less than 2,000 kW. Customers with a demand of less than 500 kW may enter into an agreement for service under this schedule based on a demand charge for a minimum of 500 kW.

Term of service:

Not less than one year.

	Existing GSD Rate	Proposed Rates
GSD-3		
Billing Demand 2,000 kW or more		
Rate Schedule	GSD	GSD-3
Customer Charge	22.57	80.32
Demand Charge	10.51	14.96
Energy Rate	.04149	.03304

APPLICATION:

For electric service for commercial or industrial lighting, power and any other purpose to any Customer with a measured demand of 2,000 kW or more. Customers with a demand of less than 2,000 kW may enter into an agreement for service under this schedule based on a demand charge for a minimum of 2,000 kW.

Term of service:

Not less than one year.

SECTION 2.

All ordinances or parts of ordinances which are in conflict with this ordinance are hereby repealed, to the extent necessary to alleviate the conflict, but shall continue in effect insofar as they are not in conflict herewith, unless repeal of the conflicting portion destroys the overall intent and effect of any of the conflicting ordinances, in which case those ordinances so effected shall be hereby repealed in their entirety.

SECTION 3.

If any portion of this ordinance is declared invalid or unenforceable, and to the extent it is possible to do so without destroying the overall intent and effect of this ordinance, the portion deemed invalid or unenforceable shall be severed herefrom and the remainder of this ordinance shall continue in full force and effect as if it were enacted without including the portion found to be invalid or unenforceable.

SECTION 4.

This ordinance shall become effective upon passage

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 25th day of October, 2010.



Mayor

ATTEST:



City Clerk

ORDINANCE NO. 07-40

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING §22-246 OF THE CODE OF ORDINANCES PERTAINING TO NATURAL GAS RATES; INCREASING MONTHLY CHARGES FOR ALL CLASSIFICATIONS OF CUSTOMER; PROVIDING FOR ANNUAL INFLATION ADJUSTMENT; CHANGING THE GROSS PROFIT MARGIN OF THE CITY; CHANGING THE CALCULATION METHOD FOR THE FUEL ADJUSTMENT CHARGE; REPEALING CONFLICTING ORDINANCES; PROVIDING A SEVERANCE CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA:

SECTION I.

§22-246 of the Code of Ordinances for the City of Leesburg, Florida, is hereby amended in its entirety to read as set forth below:

Sec. 22-246. Gas service rate schedule.

The rates for the furnishing of gas service by the city shall be as set forth below. Rates shown shall be subject to periodic adjustment under §22-166 of this Code. The automatic annual adjustment described by 22-166 shall not apply to the Energy Conservation Adjustment. Rates described herein shall be effective for all utility bills rendered on or after the first day of the month following adoption of this Ordinance.

(1) Residential.

- a. Applicable. Service under the rate shall apply only to gas service used in a single private dwelling unit and its appurtenances and used for other than heating only and shall not be resold. Each dwelling unit in an apartment house shall be separately metered. Housing projects in which gas service is furnished by the lessor may be singularly metered and billed.
- b. Deposits. Deposits for each account shall be required as set forth more particularly in § 22-181 of this Code.
- c. Monthly rate.
Availability charge exclusive of use . . . \$6.78
Delivery Charge per therm, effective 6-1-2007 0.464400

(2) Heating only, residential.

- a. Applicable. Service under this rate shall apply only to gas service used for heating only in a single private dwelling unit and its appurtenances and shall

not be resold. Each dwelling unit in an apartment shall be separately metered. Housing projects in which gas service is furnished by the lessor may be singularly metered and billed.

- b. Deposits. Deposits for each account shall be required as set forth more particularly in § 22-181 of this Code.
- c. Monthly rate.
Availability charge, exclusive of use . . . \$10.17

Delivery Charge per therm, effective 6-1-20070.464400

(3) Public building, commercial and small industrial (not contract).

- a. Applicable. To all publicly owned buildings, school buildings, commercial and industrial consumers.
- b. Monthly rate.
Availability charge, exclusive of use . . . \$10.17
Energy Charge per therm, effective 6-1-2007 0.464400

(4) Large industrial--Contract.

- a. Applicable. Gas service under this rate shall apply to large consumers of gas.
- b. Rate. The rate shall be as fixed by contract between the city and the consumer, negotiated by the city manager, with the approval of the city commission.

(5) Reconnection charge. When any service is cut off for nonpayment of bill, and when connection service is requested to be performed after normal business hours, the reconnection charge shall be pursuant to the Utility Service Fee Schedule described in §22-6 of this Code. Service will not be restored after it is cut off for nonpayment until the account is paid current and the reconnection charge is paid.

(6) Fuel adjustment charge. All non-contract natural gas rates shall include a fuel adjustment charge. The fuel adjustment charge is the average cost of natural gas, per delivered therm. The calculation of the fuel adjustment charge shall be based upon past and estimated future costs. The fuel adjustment charge shall be calculated by the Finance Director, or his delegate, and revised as frequently as necessary to assure that the City recovers the total cost of all natural gas purchased.

(7) Turn-off and turn-on fee for gas service interrupted at customer's request. Any gas service interrupted at the request of the customer and restored for the same customer at the same address shall have the fees assessed according to the Utility Service Fee Schedule pursuant to §22-6 of this Code.

(8) Master metering. Where natural gas service charges are measured, in whole or in part, by a master meter, the availability charge on the master meter shall be the number of units served by the master meter times the rate per month availability charge. All consumption on the master meter shall be billed at the monthly rate per therm, as applicable, plus all other charges. The master meter shall be classified to the rate schedule which yields the highest

revenue consistent with the applicability clauses of the rate classes. Each and every user served by the master meter may be billed, at the discretion of the city, for the fixed charge assessed for each user within the particular user's service classification, and the person or entity in whose name the master meter is registered on the city's records shall in such event be billed for the variable charge assessed for the service being provided. As used in this subsection, the following terms shall have the meanings indicated:

- a. Master meter: Shall refer to a meter measuring the service provided to two (2) or more occupancy units being served by a single meter.
- b. Occupancy unit: Shall refer to that portion of any commercial establishment, single- or multi-unit residential building, or trailer, mobile home, manufactured housing, or recreational vehicle park, or marina which is set apart from the rest of such facility by clearly determinable boundaries, as described in the rental, lease or ownership agreement for such unit, or in the absence of such an agreement, where that portion of the facility is clearly set apart from the rest of the facility in a manner which evidences an intent to render the unit suitable for occupancy as a residential, commercial or other space as a discrete unit, separate and apart from the use or occupancy of other units within the same facility.
- c. User: Shall refer to the occupant(s) of any individual occupancy unit served by a master meter.
- d. Fixed charge: Shall refer to the minimum charge imposed by the city during a billing period, in the particular customer's service classification, for the availability of the service, if no service is actually used by the customer in a given billing period.
- e. Variable charge: Shall refer to that portion of the bill for the utility service which is assessed in addition to the fixed charge and which is based on actual usage in a given billing period.

(9) Initial connection fee. An initial connection fee per utility shall be charged according to the Utility Service Fee Schedule described in §22-6 of this Code.

(10) Energy conservation adjustment (Rider ECA). A rider applicable to all firm standard natural gas therm rates to recover the cost of energy conservation programs undertaken by the Leesburg Gas System and approved by the city manager. The ECA will not be applied to interruptible natural gas or contract rates. The currently calculated ECA rate is:

Natural gas rate schedule ECA, per therm . . . \$0.05

The above ECA rate is based on twelve (12) months projected expense levels. This ECA rate will normally be reviewed semi-annually in April and October and may be adjusted upward or downward based on actual and projected energy conservation program costs and projected consumption levels in order to recover the total cost of applicable gas system programs, including energy conservation incentive payments as well as the labor and other costs attributable to such energy conservation programs. The over and under recovery of these ECA costs will be computed and an adjustment in the ECA rate will be made. However, the ECA rate will be adjusted anytime the over or under recovery for a 12-month

period exceeds or is projected to exceed fifty thousand dollars (\$50,000.00) Any adjustment must be approved by the city manager and will be reported to the city commission at the first regularly scheduled commission meeting following the adjustment.

(11) Tax adjustment clause, TAC.

- a. Applicability. Tax adjustment clause shall be applicable to the monthly rate of each filed rate schedule as indicated with reference to billing adjustment.
- b. Calculation of tax adjustment. Calculation shall be minus or plus the applicable proportionate part of any taxes and assessments imposed by any governmental authority below or in excess of those in effect on the effective date hereof including, but not limited to, the City of Leesburg's Utility Service Tax, which are assessed on the basis of revenues from natural gas or service sold or the volume of natural gas purchased for sale or sold. Such taxes and assessments are to be reflected on the bills of only those customers within the jurisdiction of the governmental authority imposing the taxes and assessments.

SECTION II.

If any portion of this ordinance is declared invalid or unenforceable, then to the extent it is possible to do so without destroying the overall intent and effect of this ordinance, the portion deemed invalid or unenforceable shall be severed herefrom and the remainder of this ordinance shall continue in full force and effect as if it were enacted without including the portion found to be invalid or unenforceable.

SECTION III.

All ordinances or parts of ordinances which are in conflict with this ordinance are hereby repealed, to the extent necessary to alleviate the conflict, but shall continue in effect insofar as they are not in conflict herewith, unless repeal of the conflicting portion destroys the overall intent and effect of any of the conflicting ordinance, in which case those ordinances so affected shall be hereby repealed in their entirety.

SECTION IV.

This ordinance shall become effective immediately upon its passage.

THE CITY OF LEESBURG, FLORIDA

By: *Sanna Henderson*
Mayor

Attest: *Jelly M. Richardson*
City Clerk

ORDINANCE NO. 09- 89

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING SECTION 22-211 OF THE CODE OF ORDINANCES PERTAINING TO WATER SERVICE RATES, AS AMENDED PREVIOUSLY BY ORDINANCE 09 - 64; ESTABLISHING A NEW RATE SCHEDULE FOR WATER; PROVIDING FOR RATES EFFECTIVE AS OF NOVEMBER 1, 2009; PROVIDING FOR RATES EFFECTIVE AS OF NOVEMBER 1, 2010; PROVIDING FOR RATES INSIDE AND OUTSIDE THE CITY LIMITS; PROVIDING FOR ADOPTION OF RECONNECTION CHARGES BY RESOLUTION; PROVIDING FOR CONTINUOUS SERVICE TO FIRE PROTECTION SYSTEMS FOR SAFETY REASONS IN THE EVENT OF A CUTOFF OF SERVICE; PROVIDING FOR CONFLICTS; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA, that:

SECTION 1.

Section 22-211, of the Code of Ordinances of the City of Leesburg, Florida, is hereby amended in its entirety to read as:

(a) *Water conservation service rate:*

(1) *Inside The City Water Rates (CCF):*

Line No.	Description	Proposed Rates Effective 11/01/2009	Proposed Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers		
1.	All Meter Sizes	\$7.70	\$7.85
	Customer Charge Irrigation		
2.	All Meter Sizes	\$4.03	\$4.31
	Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)		
	Consumption Charge Potable Water Residential <u>Block Rates (Per CCF)</u>		
3.	BAS1 (0 - 6)	\$0.64	\$0.65
4.	BAS2 (7 - 12)	\$0.77	\$0.82

5.	BAS3 (13 – 21)	\$1.07	\$1.14
6.	BAS4 (22 – 45)	\$1.45	\$1.55
7.	BAS5 (Over 45)	\$2.66	\$2.84

Consumption Charge Potable Water Commercial
Block Rates (Per CCF)

8.	All CCF (No Cap)	\$1.03	\$1.10
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Consumption Charge Irrigation Residential
Block Rates (Per CCF)

9.	BAS1 (0 – 9)	\$1.07	\$1.14
10.	BAS2 (10 – 33)	\$1.45	\$1.55
11.	BAS3 (Over 33)	\$2.66	\$2.84

Consumption Charge Irrigation Commercial and Common Area
Block Rates (Per CCF)

12.	BAS1 (0 – 33)	\$1.07	\$1.14
13.	BAS2 (Over 33)	\$1.45	\$1.55

(2) *Inside The City Water Rates (TGAL):*

Line No.	Description	Proposed Rates Effective 11/01/2009	Proposed Rates Effective 11/01/2010
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Customer Charge Residential, Master-Meter, Commercial, and Sprinklers

14.	All Meter Sizes	\$7.70	\$7.85
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Customer Charge Irrigation

15.	All Meter Sizes	\$4.03	\$4.31
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Consumption Charge (Per 1 TGAL = 1000 Gallons)

Consumption Charge Potable Water Residential
Block Rates (Per TGAL)

16.	BAS1 (0 – 4)	\$0.86	\$0.88
17.	BAS2 (5 – 8)	\$1.02	\$1.09
18.	BAS3 (9 – 15)	\$1.43	\$1.53
19.	BAS4 (16 – 33)	\$1.94	\$2.07
20.	BAS5 (Over 33)	\$3.56	\$3.80

Consumption Charge Potable Water Commercial
Block Rates (Per TGAL)

21.	All CCF (No Cap)	\$1.38	\$1.47
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Consumption Charge Irrigation Residential
Block Rates (Per TGAL)

22.	BAS1 (0 – 7)	\$1.43	\$1.53
23.	BAS2 (8 – 25)	\$1.94	\$2.07
24.	BAS3 (Over 25)	\$3.56	\$3.80

Consumption Charge Irrigation Commercial and Common Area
Block Rates (Per TGAL)

25.	BAS1 (0 – 25)	\$1.43	\$1.53
26.	BAS2 (Over 25)	\$1.94	\$2.07

(3) *Outside The City Water Rates (CCF):*

Line No.	Description	Proposed Rates Effective 11/01/2009	Proposed Rates Effective 11/01/2010
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Customer Charge Residential, Master-Meter, Commercial, and Sprinklers

27.	All Meter Sizes	\$9.63	\$9.81
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Customer Charge Irrigation

28.	All Meter Sizes	\$5.04	\$5.39
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Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)

Consumption Charge Potable Water Residential
Block Rates (Per CCF)

29.	BAS1 (0 – 6)	\$0.80	\$0.81
30.	BAS2 (7 – 12)	\$0.96	\$1.03
31.	BAS3 (13 – 21)	\$1.34	\$1.43
32.	BAS4 (22 – 45)	\$1.81	\$1.94
33.	BAS5 (Over 45)	\$3.33	\$3.55

Consumption Charge Potable Water Commercial
Block Rates (Per CCF)

34.	All CCF (No Cap)	\$1.29	\$1.38
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Consumption Charge Irrigation Residential
Block Rates (Per CCF)

35.	BAS1 (0 – 9)	\$1.34	\$1.43
36.	BAS2 (10 – 33)	\$1.81	\$1.94
37.	BAS3 (Over 33)	\$3.33	\$3.55

Consumption Charge Irrigation Commercial and Common Area
Block Rates (Per CCF)

38.	BAS1 (0 – 33)	\$1.34	\$1.43
39.	BAS2 (Over 33)	\$1.81	\$1.94

(4) *Outside The City Water Rates (TGAL):*

Line No.	Description	Proposed Rates Effective 11/01/2009	Proposed Rates Effective 11/01/2010
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Customer Charge Residential, Master-Meter, Commercial, and Sprinklers

40.	All Meter Sizes	\$9.63	\$9.81
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Customer Charge Irrigation

41.	All Meter Sizes	\$5.04	\$5.39
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Consumption Charge (Per 1 TGAL = 1000 Gallons)

Consumption Charge Potable Water Residential
Block Rates (Per TGAL)

42.	BAS1 (0 – 4)	\$1.08	\$1.10
43.	BAS2 (5 – 8)	\$1.28	\$1.36
44.	BAS3 (9 – 15)	\$1.79	\$1.91
45.	BAS4 (16 – 33)	\$2.43	\$2.59
46.	BAS5 (Over 33)	\$4.45	\$4.75

Consumption Charge Potable Water Commercial
Block Rates (Per TGAL)

47.	All CCF (No Cap)	\$1.73	\$1.84
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Consumption Charge Irrigation Residential
Block Rates (Per TGAL)

48.	BAS1 (0 – 7)	\$1.79	\$1.91
49.	BAS2 (8 – 25)	\$2.43	\$2.59
50.	BAS3 (Over 25)	\$4.45	\$4.75

Consumption Charge Irrigation Commercial and Common Area
Block Rates (Per TGAL)

51.	BAS1 (0 – 25)	\$1.79	\$1.91
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52. BAS2 (Over 25)

\$2.43

\$2.59

In all categories, for installations which have fire protection systems utilizing city water, whether or not metered, there shall be imposed a monthly availability charge, regardless of actual usage, in the amount of \$2.00 per inch diameter of service pipe serving the fire protection system.

(b) Deposits for each account shall be required as set forth more particularly in section 22-181 of this Code.

(c) A reconnection charge, when service is cut off for nonpayment of bill, and when connection service is requested to be performed after normal business hours, will be imposed as provided in the utility service fee schedule adopted or amended from time to time by Resolution of the City Commission.

(d) Service will not be turned on after it is cut off for nonpayment until the account is paid current and cut-on charge is paid. In those installations which have fire protection systems which are operated by city water, service shall remain turned on to the fire protection system as a matter of public safety, however there shall be charged, in addition to the normal reconnection charge, a reconnection surcharge of two dollars (\$2.00) per month per inch diameter of service pipe serving the installation.

(e) Where water service charges are measured, in whole or in part, by a master meter, the availability charge on the master meter shall be the number of units served by the master meter times the rate per month availability charge. All consumption on the master meter shall be billed at the charge per one hundred (100) cubic feet, as applicable, plus all other charges. The master meter shall be classified to the rate schedule which yields the highest revenue consistent with the applicability clauses of the rate classes. Each and every user served by the master meter may be billed, at the discretion of the city, for the fixed charge assessed for each user within the particular user's service classification, and the person or entity in whose name the master meter is registered on the city's records shall in such event be billed for the variable charge assessed for the service being provided. As used in this subsection, the following terms shall have the meanings indicated:

(1) *Master meter*: Shall refer to a meter measuring the service provided to two (2) or more occupancy units being served by a single meter.

(2) *Occupancy unit*: Shall refer to that portion of any commercial establishment, single- or multi-unit residential building, or trailer, mobile home, manufacture housing, or recreational vehicle park, or marina which is set apart from the rest of such facility by clearly determinable boundaries, as described in the rental, lease or ownership agreement for such unit, or in the absence of such an agreement, where that portion of the facility is clearly set apart from the rest of the facility in a manner which evidences an intent to render the unit suitable for occupancy as a residential, commercial or other space as a discrete unit, separate and apart from the use or occupancy of other units within the same facility.

(3) *User*: Shall refer to the occupant(s) of any individual occupancy unit served by a master meter.

(4) *Fixed charge*: Shall refer to the minimum charge imposed by the city during a billing period, in the particular customer's service classification, for the availability of the service, whether or not service is actually used by the customer in a given billing period.

(5) *Variable charge*: Shall refer to that portion of the bill for the utility service which is assessed in addition to the fixed charge and which is based on actual usage in a given billing period.

SECTION 2.

All ordinances or parts of ordinances which are in conflict with this ordinance are hereby repealed, to the extent necessary to alleviate the conflict, but shall continue in effect insofar as they are not in conflict herewith, unless repeal of the conflicting portion destroys the overall intent and effect of any of the conflicting ordinances, in which case those ordinances so effected shall be hereby repealed in their entirety. Except as specifically modified by this Ordinance, the provisions of Ordinance 09 – 64 are hereby ratified and confirmed as originally enacted and shall be and remain in full force *nunc pro tunc* to its original adoption date of October 26, 2009.

SECTION 3.

If any portion of this ordinance is declared invalid or unenforceable, and to the extent it is possible to do so without destroying the overall intent and effect of this ordinance, the portion deemed invalid or unenforceable shall be severed herefrom and the remainder of this ordinance shall continue in full force and effect as if it were enacted without including the portion found to be invalid or unenforceable.

SECTION 4.

This ordinance shall become effective upon passage.

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 21 day of December, 2009.

THE CITY OF LEESBURG

By: _____

Mayor

ATTEST:

Betty Richardson
City Clerk

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING §22 – 211 OF THE CODE OF ORDINANCES PERTAINING TO WATER RATES, PROVIDING NEW RATE TABLES FOR CUSTOMERS CONNECTED TO THE ROYAL HIGHLANDS WATER TREATMENT PLANT; AMENDING SUBSECTIONS (a)(3) AND (a)(4) OF §22 – 211 TO EXCLUDE FROM THE RATE TABLES IN THOSE SUBSECTIONS ANY CUSTOMERS CONNECTED TO THE ROYAL HIGHLANDS WATER TREATMENT PLANT; CREATING SUBSECTIONS (a)(5) AND (a)(6) OF §22 – 211 TO SPECIFY THE RATES FOR CUSTOMERS CONNECTED TO THE ROYAL HIGHLANDS WATER TREATMENT PLANT; LIMITING CONNECTIONS TO THE ROYAL HIGHLANDS WATER TREATMENT PLANT TO CONFORM TO THE WITHDRAWAL LIMITATIONS FOR THAT FACILITY IN THE CITY'S CONSUMPTIVE USE PERMIT; SETTING FOR LEGISLATIVE FINDINGS; REPEALING CONFLICTING ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.

NOW THEREFORE, BE IT ENACTED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA:

SECTION I.

The City Commission of the City of Leesburg, Florida, makes the following legislative findings with respect to the rates charged for water supplied by the City's Royal Highlands Water Treatment Plant:

- The City of Leesburg provides potable water to its customers under the provisions of Consumptive Use Permit (CUP) # 94, issued by St. Johns River Water Management District (SJRWMD).
- CUP # 94 was issued by SJRWMD on November 16, 2010.
- SJRWMD has previously established Minimum Flows and Levels (MFL's) for Lake Apshawa (North and South).
- The MFL's for Lake Apshawa have been violated in the historic period since establishment of the MFL's for that body of water.
- CUP permitting rules prohibit issuance of a permit which will impact an MFL which has been violated.
- Hydrogeologic modeling of ground water withdrawals from the Royal Highlands Wellfield demonstrated that the MFL's for Lake Apshawa would be impacted by then-current withdrawals, necessitating a reduction of ground water withdrawals from the Royal Highlands Wellfield.
- CUP # 94 contains Condition # 24, which allocates maximum annual groundwater withdrawals from the Royal Highlands Wellfield as follows:
 - 354.05 million gallons (0.97 million gallons per day (mgd) average) in 2010,
 - 321.20 million gallons (0.88 mgd average) in 2011,
 - 292.00 million gallons (0.80 mgd average) in 2012,
 - 277.40 million gallons (0.76 mgd average) in 2013,
 - 266.45 million gallons (0.73 mgd average) in 2014,

- 259.15 million gallons (0.71 mgd average) in 2015 and,
- 251.85 million gallons (0.69 mgd average) in 2016 through 2030.
- 2010 groundwater withdrawals from the Royal Highlands Wellfield were 0.94 mgd, which is acceptable under condition # 24 but exceeds the allocation for 2011.
- Implementation of an enhanced conservation rate structure is necessary to discourage high water consumption that would cause overwithdrawal from the Royal Highlands Wellfield and therefore violate Condition 24 of CUP # 94 in 2011 and succeeding years.
- The enhanced conservation rate structure should be applied to all residential customers attached to the Royal Highlands Water Treatment Plant.

SECTION II.

§22 – 211(a) of the Code of Ordinances of the City of Leesburg, Florida, is hereby amended to read as follows:

(a) *Water conservation service rate:*

(1) *Inside the city water rates (CCF):*

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2009	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers		
	Meter Size		
1.	ALL METER SIZES	\$7.70	\$7.85
	Customer Charge Irrigation		
	Meter Size		
2.	ALL METER SIZES	\$4.03	4.31
	Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)		
	Consumption Charge Potable Water Residential		
	Block Rates (Per CCF)		
3.	BAS1 (0--6)	\$0.64	\$0.65
4.	BAS2 (7--12)	\$0.77	\$0.82
5.	BAS3 (13--21)	\$1.07	\$1.14
6.	BAS4 (22--45)	\$1.45	\$1.55
7.	BAS5 (Over 45)	\$2.66	\$2.84
	Consumption Charge Potable Water Commercial		
	Block Rates (Per CCF)		
8.	All CCF (No Cap)	\$1.03	\$1.10
	Consumption Charge Residential Irrigation		
	Block Rates (Per		

	CCF)		
9.	BAS1 (0--9)	\$1.07	\$1.14
10.	BAS2 (10--33)	\$1.45	\$1.55
11.	BAS3 (Over 33)	\$2.66	\$2.84
	Consumption Charge Commercial and Common Area Irrigation		
	Block Rates (Per CCF)		
12.	BAS1 (0--33)	\$1.07	\$1.14
13.	BAS2 (Over 33)	\$1.45	\$1.55

(2) *Inside the city water rates (TGAL):*

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2009	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers		
	Meter Size		
14.	ALL METER SIZES	\$7.70	\$7.85
	Customer Charge Irrigation		
15.	ALL METER SIZES	\$4.03	\$4.31
	Consumption Charge (Per 1,000 Gallons)		
	Consumption Charge Potable Water Residential		
	Block Rates (Per TGAL)		
16.	BAS1 (0--4)	\$0.86	\$0.88
17.	BAS2 (5--8)	\$1.02	\$1.09
18.	BAS3 (9--15)	\$1.43	\$1.53
19.	BAS4 (16--33)	\$1.94	\$2.07
20.	BAS5 (Over 33)	\$3.56	\$3.80
	Consumption Charge Potable Water Commercial		
	Block Rates (Per TGAL)		
21.	All CCF (No Cap)	\$1.38	\$1.47
	Consumption Charge Irrigation Residential		
	Block Rates (Per TGAL)		
22.	BAS1 (0--7)	\$1.43	\$1.53
23.	BAS2 (8--25)	\$1.94	\$2.07
24.	BAS3 (Over 25)	\$3.56	\$3.80

	Consumption Charge Irrigation Commercial and Common Area		
	Block Rates (Per TGAL)		
25.	BAS1 (0--25)	\$1.43	\$1.53
26.	BAS2 (Over 25)	\$1.94	\$2.07

(3) Outside the city water rates excluding customers connected to the Royal Highlands Water Treatment Plant (CCF):

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2009	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, Irrigation and Sprinklers		
	Meter Size		
27.	ALL METER SIZES	\$9.63	\$9.81
	Customer Charge Irrigation		
28.	ALL METER SIZES	\$5.04	\$5.39
	Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)		
	Consumption Charge Potable Water Residential		
	Block Rates (Per CCF)		
29.	BAS1 (0--6)	\$0.80	\$0.81
30.	BAS2 (7--12)	\$0.96	\$1.03
31.	BAS3 (13--21)	\$1.34	\$1.43
32.	BAS4 (22--45)	\$1.81	\$1.94
33.	BAS5 (Over 45)	\$3.33	\$3.55
	Consumption Charge Potable Water Commercial		
	Block Rates (Per CCF)		
34.	All CCF (No Cap)	\$1.29	\$1.38
	Consumption Charge Irrigation Residential		
	Block Rates (Per CCF)		
35.	BAS1 (0--9)	\$1.34	\$1.43
36.	BAS2 (10--33)	\$1.81	\$1.94
37.	BAS3 (Over 33)	\$3.33	\$3.55
	Consumption Charge Irrigation Commercial and Common Area		
	Block Rates (Per CCF)		
38.	BAS1 (0--33)	\$1.34	\$1.43
39.	BAS2 (Over 33)	\$1.81	\$1.94

(4) *Outside the city water rates excluding customers connected to the Royal Highlands Water Treatment Plant (TGAL):*

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2009	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers		
	Meter Size		
40.	ALL METER SIZES	\$9.63	\$9.81
	Customer Charge Irrigation		
	Meter Size		
41.	ALL METER SIZES	\$5.04	\$5.39
	Consumption Charge (Per 1 TGAL = 1000 Gallons)		
	Consumption Charge (Per 1,000 Gallons)		
	Consumption Charge Potable Water Residential		
	Block Rates (Per TGAL)		
42.	BAS1 (0--4)	\$1.08	\$1.10
43.	BAS2 (5--8)	\$1.28	\$1.36
44.	BAS3 (9--15)	\$1.79	\$1.91
45.	BAS4 (16--33)	\$2.43	\$2.59
46.	BAS5 (Over 33)	\$4.45	\$4.75
	Consumption Charge Potable Water Commercial		
	Block Rates (Per TGAL)		
47.	All CCF (No Cap)	\$1.73	\$1.84
	Consumption Charge Irrigation Residential		
	Block Rates (Per TGAL)		
48.	BAS1 (0--7)	\$1.79	\$1.91
49.	BAS2 (8--25)	\$2.43	\$2.59
50.	BAS3 (Over 25)	\$4.45	\$4.75
	Consumption Charge Commercial and Common Area Irrigation		
	Block Rates (Per TGAL)		
51.	BAS1 (0--25)	\$1.79	\$1.91
52.	BAS2 (Over 25)	\$2.43	\$2.59

(3) *Outside the city water rates only for customers connected to the Royal Highlands Water Treatment Plant (CCF):*

TABLE INSET:

Line No.	Description	Rates Effective 08/01/2011
	Customer Charge Residential, Master-Meter, Commercial, Irrigation and Sprinklers	
	Meter Size	
27.	ALL METER SIZES	\$9.81
	Customer Charge Irrigation	
28.	ALL METER SIZES	\$5.39
	Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)	
	Consumption Charge Potable Water Residential	
	Block Rates (Per CCF)	
29.	BAS1 (0--6)	\$0.81
30.	BAS2 (7--12)	\$1.03
31.	BAS3 (13--21)	\$1.43
32.	BAS4 (22--45)	\$3.88
33.	BAS5 (Over 45)	\$10.65
	Consumption Charge Potable Water Commercial	
	Block Rates (Per CCF)	
34.	All CCF (No Cap)	\$1.38
	Consumption Charge Irrigation Residential	
	Block Rates (Per CCF)	
35.	BAS1 (0--9)	\$1.43
36.	BAS2 (10--33)	\$3.88
37.	BAS3 (Over 33)	\$10.65
	Consumption Charge Irrigation Commercial and Common Area	
	Block Rates (Per CCF)	
38.	BAS1 (0--33)	\$1.43
39.	BAS2 (Over 33)	\$1.94

(4) Outside the city water rates only for customers connected to the Royal Highlands Water Treatment Plant (TGAL):

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers	
	Meter Size	
40.	ALL METER SIZES	\$9.81
	Customer Charge Irrigation	
	Meter Size	
41.	ALL METER SIZES	\$5.39
	Consumption Charge (Per 1 TGAL = 1000 Gallons)	
	Consumption Charge (Per 1,000 Gallons)	
	Consumption Charge Potable Water Residential	
	Block Rates (Per TGAL)	
42.	BAS1 (0--4)	\$1.10
43.	BAS2 (5--8)	\$1.36
44.	BAS3 (9--15)	\$1.91
45.	BAS4 (16--33)	\$5.18
46.	BAS5 (Over 33)	\$14.25
	Consumption Charge Potable Water Commercial	
	Block Rates (Per TGAL)	
47.	All CCF (No Cap)	\$1.84
	Consumption Charge Irrigation Residential	
	Block Rates (Per TGAL)	
48.	BAS1 (0--7)	\$1.91
49.	BAS2 (8--25)	\$5.18
50.	BAS3 (Over 25)	\$14.25
	Consumption Charge Commercial and Common Area Irrigation	
	Block Rates (Per TGAL)	
51.	BAS1 (0--25)	\$1.91
52.	BAS2 (Over 25)	\$2.59

If the withdrawals from the Royal Highlands Wellfield have been within limits established in Condition 24 of Consumptive Use Permit 94 for two consecutive full calendar years after the effective date of this Ordinance, the BAS4 rates shown in subsections (3) and (4) above, for customers connected to the Royal Highlands Water Treatment Plant only, as those rates may have been adjusted under §22 – 166 of this Code, shall decrease by 25%, and BAS5 rates shown in those same subsections (as adjusted under §22 – 166) shall decrease by 33%. However, if in any calendar year withdrawals exceed the limits of Condition 24, the BAS4 and BAS5 rates in those subsections

shall revert to the higher rate for BAS4 and BAS5, computed based on the rates shown in those subsections as adjusted under §22 – 166 up to the time of the increase.

No additional connections shall be made to the Royal Highlands Water Treatment Plant following the effective date of this Ordinance, except for the following:

- (i) Lots within the following plats comprising the development Royal Highlands, which have never been connected to the Royal Highlands Water Treatment Plant before the effective date of this Ordinance: Plat Book 37, Page 3; Plat Book 43, Page 66; Plat Book 39, Page 32; Plat Book 40, Page 34; Plat Book 41, Page 49; Plat Book 44, Page 31; Plat Book 44, Page 91; Plat Book 46, Page 59; Plat Book 50, Page 30; and Plat Book 38, Page 16; all in the Public Records of Lake County, Florida.
- (ii) Lots within the plat of Whitemarsh, according to the plat thereof recorded in Plat Book 61, Page 22, Public Records of Lake County, Florida, which have never been connected to the Royal Highlands Water Treatment Plant before the effective date of this Ordinance.
- (iii) Such other connections as are approved by Resolution adopted by the Leesburg City Commission.

In all categories, for installations which have fire protection systems utilizing City water, whether or not metered, there shall be imposed a monthly availability charge, regardless of actual usage, in the amount of two dollars (\$2.00) per inch diameter of service pipe serving the fire protection system.

SECTION III.

All ordinances or part of ordinances which are in conflict with this Ordinance are hereby repealed, to the extent necessary to alleviate the conflict, but shall continue in effect insofar as they are not in conflict herewith, unless repeal of the conflicting portion destroys the overall intent and effect of any of the conflicting ordinance, in which case those ordinances so affected shall be hereby repealed in their entirety.

SECTION IV.

If any portion of this Ordinance is declared invalid or unenforceable, and to the extent that it is possible to do so without destroying the overall intent and effect of this Ordinance, the portion deemed invalid or unenforceable shall be severed herefrom and the remainder of the ordinance shall continue in full force and effect as if it were enacted without including the portion found to be invalid or unenforceable.

SECTION V.

This Ordinance shall become effective upon its passage and adoption according to law.

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 25 day of July, 2011.

THE CITY OF LEESBURG, FLORIDA

BY: Bill Polk
MAYOR

Attest: Betty Richardson
CITY CLERK

ORDINANCE NO. 08-14

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING SECTION 22-227 OF THE CODE OF ORDINANCES PERTAINING TO POLLUTION ABATEMENT CHARGES; ESTABLISHING NEW RATE SCHEDULES FOR POLLUTION ABATEMENT CHARGES; PROVIDING FOR RATES EFFECTIVE MARCH 1, 2008; PROVIDING NEW PROPOSED BLOCK RATES; PROVIDING FOR RATES INSIDE AND OUTSIDE CITY LIMITS; PROVIDING FOR CONFLICTS; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA, that:

SECTION 1.

Section 22-227, of the Code of Ordinances of the City of Leesburg, Florida, is hereby amended in its entirety to read as:

Each classification of user shall be assessed the following charges for pollution abatement:

(1) Inside the City Wastewater Rates (CCF):

Line No.	Description	Proposed Rates Rates Effective 03/01/2008	New Proposed Block Rates 03/01/2008
<u>Customer Charge Residential and Master-Meter</u>			
1.	<u>Meter Size</u> ALL METER SIZES	\$ 20.10	
Consumption Charge (Per 1 CCF = Cubic Feet = 748 Gallons)			
<u>Consumption Charge Wastewater Residential</u>			<u>New Proposed</u>
<u>Block Rates (Per CCF)</u>			<u>Block Rates CCF)</u>
2.	Usage Up to 15 CCF	\$ 1.04200	Up to 21 CCF
<u>Customer Charge Commercial and Municipal</u>			
<u>Commercial and Municipal Classes</u>			
3.	COMMERCIAL I	\$ 20.91	
4.	COMMERCIAL II	\$ 35.59	
5.	COMMERCIAL III	\$ 87.43	
6.	COMMERCIAL IV	\$ 20.10	

Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)

Consumption Charge Wastewater Commercial and Municipal Block Rates (Per CCF)

7.	COMMERCIAL I All CCF (No CAP)	\$ 1.71900
8.	COMMERCIAL II All CCF (No CAP)	\$ 2.13600
9.	COMMERCIAL III All CCF (No CAP)	\$ 2.65700
10.	COMMERCIAL IV All CCF (No CAP)	\$ 1.04200

(2) Inside the City Wastewater rates (1,000 Gallons):

Customer Charge Residential and Master-Meter

1.	<u>Meter Size</u> ALL METER SIZES	\$ 20.10
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Consumption Charge (Per 1,000 Gallons)
Consumption Charge Wastewater Residential
Block Rates (Per 1,000 Gallons)

2.	Usage Up to 11,000 Gallons	\$ 1.39400	New Proposed <u>Blocks(Th. Gall.)</u> Up to 15,000 Gall.
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Customer Charge Commercial and Municipal
Commercial and Municipal Classes

3.	COMMERCIAL I	\$ 20.91
4.	COMMERCIAL II	\$ 35.59
5.	COMMERCIAL III	\$ 87.43
6.	COMMERCIAL IV	\$ 20.10

Consumption Charge Wastewater Commercial and Municipal
Block Rates (Per 1,000 Gallons)

7.	COMMERCIAL I All CCF (No CAP)	\$ 2.29800
8.	COMMERCIAL II All CCF (No CAP)	\$ 3.85600

9. COMMERCIAL III
All CCF (No CAP) \$ 3.55200

10. COMMERCIAL IV
All CCF (No CAP) \$ 1.39400

(3) Outside the City Wastewater Rates (CCF):

Customer Charge Residential and Master-Meter

Line No.	Description	Proposed Rates Rates Effective 03/01/2008	New Proposed Block Rates 03/01/2008
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Meter Size

1. ALL METER SIZES \$ 25.13

Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)

Consumption Charge Wastewater Residential Block Rates (Per CCF)	New Proposed Block Rates Th. Gall).
--	--

2. Usage Up to 15 CCF \$ 1.30300 Up to 21 CCF

Customer Charge Commercial and Municipal
Commercial and Municipal Classes

3. COMMERCIAL I	\$ 26.14
4. COMMERCIAL II	\$ 44.49
5. COMMERCIAL III	\$ 109.29
6. COMMERCIAL IV	\$ 25.13

Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)

Consumption Charge Wastewater Commercial and Municipal
Block Rates (Per CCF)

7. COMMERCIAL I
All CCF (No CAP) \$ 2.14900

8. COMMERCIAL II
All CCF (No CAP) \$ 2.67000

9. COMMERCIAL III
All CCF (No CAP) \$ 3.32100

10. COMMERCIAL IV
All CCF (No CAP) \$ 1.30300

(4) Outside the City Wastewater Rates (1,000 Gallons):

Customer Charge Residential and Master-Meter

Line No.	Description	Proposed Rates Rates Effective 03/01/2008	New Proposed Block Rates 03/01/2008
	<u>Meter Size</u>		
1.	ALL METER SIZE Consumption Charge (Per 1,000 Gallons) Consumption Charge Wastewater Residential	\$ 25.13	
	<u>Block Rates (Per 1,000 Gallons)</u>		New Proposed <u>Block Rates (Th. Gall.)</u>
2.	Usage Up to 11,000 Gallons	\$ 1.74200	Up to 15,000 Gall.
	Customer Charge Commercial and Municipal <u>Commercial and Municipal Classes</u>		
3.	COMMERCIAL I	\$ 26.14	
4.	COMMERCIAL II	\$ 44.49	
5.	COMMERCIAL III	\$ 109.29	
6.	COMMERCIAL IV	\$ 25.13	
	Consumption Charge Wastewater Commercial and Municipal <u>Block Rates (Per 1,000 Gallons)</u>		
7.	COMMERCIAL I All CCF (No CAP)	\$ 2.87300	
8.	COMMERCIAL II All CCF (No CAP)	\$ 3.57000	
9.	COMMERCIAL III All CCF (No CAP)	\$ 4.44000	
10.	COMMERCIAL IV All CCF (No CAP)	\$ 1.74200	

SECTION 2.

All ordinances or part of ordinances which are in conflict with this Ordinance are hereby repealed, to the extent necessary to alleviate the conflict, but shall continue in effect insofar as they are not in conflict herewith, unless repeal of the conflicting portion destroys the overall intent and effect of any of the conflicting ordinance, in which case those ordinances so affected shall be hereby repealed in their entirety.

SECTION 3.

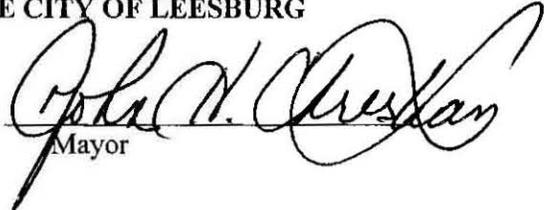
If any portion of this Ordinance is declared invalid or unenforceable, and to the extent that it is possible to do so without destroying the overall intent and effect of this Ordinance, the portion deemed invalid or unenforceable shall be severed herefrom and the remainder of the ordinance shall continue in full force and effect as if it were enacted without including the portion found to be invalid or unenforceable.

SECTION 4.

This Ordinance shall become effective upon its passage and adoption according to law.

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 11th day of February, 2008.

THE CITY OF LEESBURG

By: 
Mayor

ATTEST:


City Clerk

City of Leesburg, Florida

Anti-Dilution Test - Base Method

<u>First Test</u>	<u>FY04/FY05</u>	<u>FY05/FY06</u>	<u>FY06/FY07</u>	<u>FY07/FY08</u>	<u>FY08/FY09</u>	<u>FY09/FY10</u>	<u>FY10/FY11</u>	<u>FY11/FY12</u>	<u>FY12/FY13</u>	
2 Year Average Legally Available Non-Ad Valorem	16,569,744	19,141,986	20,736,664	21,113,231	20,471,401	20,046,893	19,194,767	20,023,496	20,327,673	
Maximum Annual Debt Service on Non-Ad Valorem Revenue Debt	3,835,962	3,835,962	3,835,962	3,835,962	3,835,962	3,813,647	3,686,634	3,650,239	3,650,239	
Coverage ⁽¹⁾	4.32	4.99	5.41	5.50	5.34	5.26	5.21	5.49	5.57	
Second Test	FYE 2004	FYE 2005	FYE 2006	FYE 2007	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013
Legally Available Non-Ad Valorem Revenues	A 14,374,556	18,764,932	19,519,040	21,954,288	20,272,174	20,670,628	19,423,157	18,966,378	21,080,615	19,574,730
Non-Enterprise Fund Revenues ⁽²⁾	B 17,908,901	22,636,644	23,984,451	27,640,613	26,330,808	26,965,374	25,472,991	24,556,338	25,938,639	24,048,855
Costs of Essential Services	C 11,343,425	14,035,437	15,993,630	15,484,386	17,446,181	16,982,852	16,694,437	16,607,201	16,735,293	15,732,311
MADS Secured by a Lien on Pledgeable Non-Ad Valorem Revenues	D 1,827,066	1,827,066	1,827,066	1,827,066	1,827,066	1,827,066	1,850,718	1,850,718	1,786,841	1,786,841
Maximum Annual Debt Service on Covenant Debt	E 2,019,868	2,019,868	2,019,868	2,019,868	2,019,868	2,019,868	2,009,790	1,881,869	1,866,059	1,866,059
Available Revenues - $[A - ((A/B) * C) - D] =$	F 3,442,706	5,303,013	4,676,029	7,828,340	5,013,237	5,825,155	4,842,929	4,288,892	5,692,819	4,982,467
Coverage $[F/E]$ ⁽³⁾	1.70	2.63	2.32	3.88	2.48	2.88	2.41	2.28	3.05	2.67

⁽¹⁾ 1.10 times coverage required - Additional Bonds Test

⁽²⁾ line A plus Ad Valorem Taxes as shown on page 211 titled "Historical Non-Ad Valorem Revenues Worksheet"

⁽³⁾ 2.00 times coverage required - Additional Bonds Test

City of Leesburg, Florida

Historical Non-Ad Valorem Revenues Worksheet

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
CB&A Worksheet - CB&A Non-Ad Valorem Revenues										
1. Charges for Services (1)		\$ 501,759	\$ 558,761	\$ 633,992	\$ 655,224	\$ 443,736	540,734	587,243		
2. Intergovernmental (1)		2,783,708	2,634,143	2,769,819	2,326,359	1,922,082	2,084,254	2,108,580		
3. Licenses and Permits (1)		234,022	135,999	151,094	128,271	112,255	133,435	132,942		
4. Fines and Forfeitures (1)		213,821	187,940	152,687	120,716	101,084	122,391	151,693		
5. Investment Income (1)		281,554	144,887	98,646	78,736	68,429	24,093	114,949		
6. Miscellaneous (1)		4,952,339	4,500,274	4,419,416	4,580,172	3,797,123	4,455,953	1,316,609		
7. Non Advalorem Taxes (sum of Utility Taxes and Other Taxes less restricted) (1)		4,828,932	5,187,563	4,675,228	4,686,057	4,426,503	6,053,868	6,180,065		
8. Utility and Business Unit Transfers (1)		10,073,394	8,914,449	9,034,052	8,332,236	9,347,764	8,858,030	10,512,308		
9. Less funds detailed in worksheet "Diverse General Fund Revenue Sources"		(1,915,241)	(1,991,842)	(1,264,306)	(1,484,613)	(1,252,598)	(1,192,143)	(1,529,659)		
Legally Available Non-Ad Valorem Revenues	\$ 14,374,556	\$ 18,764,932	\$ 19,519,040	\$ 21,954,288	\$ 20,272,174	\$ 20,670,628	\$ 19,423,157	\$ 18,966,378	\$ 21,080,615	\$ 19,574,730
2 Year Average	16,569,744	19,141,986	20,736,664	21,113,231	20,471,401	20,046,893	19,194,767	20,023,496	20,327,673	
Advalorem Taxes (2)	3,534,345	3,871,712	4,465,411	5,686,325	6,058,634	6,294,746	6,049,834	5,361,571	4,858,024	4,474,125
Total Revenue	\$ 17,908,901	\$ 22,636,644	\$ 23,984,451	\$ 27,640,613	\$ 26,330,808	\$ 26,965,374	\$ 25,472,991	\$ 24,327,949	\$ 25,938,639	\$ 24,048,855
Cost of Essential Services										
General Government (1)	1,045,098	2,393,514	3,192,720	1,828,424	3,496,612	3,162,527	3,130,308	2,851,945	2,730,096	1,891,217
Public Safety (1)	10,298,327	11,641,923	12,800,910	13,655,962	13,949,569	13,820,325	13,564,129	13,755,256	14,005,197	13,841,094
Total Cost of Essential Services	\$ 11,343,425	\$ 14,035,437	\$ 15,993,630	\$ 15,484,386	\$ 17,446,181	\$ 16,982,852	\$ 16,694,437	\$ 16,607,201	\$ 16,735,293	\$ 15,732,311
Legally Available Non-Ad Valorem Revenues										
	\$ 14,374,556	\$ 18,764,932	\$ 19,519,040	\$ 21,954,288	\$ 20,272,174	\$ 20,670,628	\$ 19,423,157	\$ 18,966,378	\$ 21,080,615	\$ 19,574,730
Less MADS on Senior Lien as of 9/30/13	(1,827,066)	(1,827,066)	(1,827,066)	(1,827,066)	(1,827,066)	(1,827,066)	(1,850,718)	(1,850,718)	(1,786,841)	(1,786,841)
Less Allocable Essential Services (3)	(9,104,785)	(11,634,853)	(13,015,945)	(12,298,883)	(13,431,871)	(13,018,407)	(12,729,509)	(12,947,185)	(13,600,955)	(12,805,422)
Available Revenues	3,442,705	5,303,013	4,676,028	7,828,339	5,013,237	5,825,155	4,842,929	4,168,474	5,692,819	4,982,467
MADS on Covenant Debt	2,019,868	2,019,868	2,019,868	2,019,868	2,019,868	2,019,868	1,881,869	1,881,869	1,866,059	1,866,059
Coverage	1.70	2.63	2.32	3.88	2.48	2.88	2.57	2.22	3.05	2.67

(1) Source is the Statement of Revenues - the current year CAFR

(2) Source is the Statement of Activities - the current year CAFR

(3) This is a calculation: Total Cost of Essential Services multiplied by (Legally Available Non-Ad Valorem Revenue divided by Total Revenues)

City of Leesburg, Florida

Diverse General Fund Revenue Sources

	2004 ACTUAL	2005 ACTUAL	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL
Revenues Available	-	-	-	\$ 21,954,291	\$ 20,272,174	\$ 20,670,625	\$ 19,423,157	\$ 20,218,976	\$ 22,272,758	\$ 21,104,389
Revenues not available for CB&A:										
Ad Valorem Revenues	\$ 3,534,345	\$ 3,871,712	\$ 4,465,411	\$ 5,686,325	\$ 6,058,634	\$ 6,294,746	\$ 6,049,834	\$ 5,361,571	\$ 4,858,024	\$ 4,474,125
Non-Ad Valorem Revenues:										
Other Taxes	636,177	653,839	684,101	622,224	620,290	-	-	-	-	-
Intergovernmental Revenue	405,985	475,777	477,365	510,361	564,802	518,263	502,674	336,265	318,765	540,190
Charges For Services	-	-	2,585	146,745	153,336	133,420	151,785	150,954	132,575	191,550
Miscellaneous Revenues	523,450	594,478	606,740	635,911	653,414	612,623	830,154	765,379	740,804	797,919
	1,565,612	1,724,094	1,770,791	1,915,241	1,991,842	1,264,306	1,484,613	1,252,598	1,192,143	1,529,659
Total not available for CB&A	\$ 5,099,957	\$ 5,595,806	\$ 6,236,202	\$ 7,601,566	\$ 8,050,476	\$ 7,559,052	\$ 7,534,447	\$ 6,614,169	\$ 6,050,167	\$ 6,003,784

CITY OF LEESBURG, FLORIDA

Summary of Maximum Annual Non Advalorem Debt Service

Fiscal Year	Series 2004	Series 2008	Series 2009	Series 2009	Series 2009	Aggregate Debt Service
	Cap Improv	TIF - CRA Carver ¹	Cap Improv	TIF - CRA 441/27 ¹	Magnolia Townhomes	
2013	1,109,370	203,659	473,812	799,831	964,440	3,551,112
2014	1,109,370	203,822	473,406	801,231	964,860	3,552,690
2015	1,108,808	203,993	472,526	797,481	964,260	3,547,067
2016	1,106,608	206,399	471,174	903,419	962,640	3,650,239
2017	1,103,808		474,112	900,194	960,000	3,438,113
2018	1,104,743		471,578	901,194		2,477,514
2019	1,098,143		473,334	901,194		2,472,670
2020	1,101,175		474,380	1,005,794		2,581,349
2021	1,093,613		469,954	1,005,794		2,569,360
2022	1,094,475		469,818	1,109,706		2,673,999
2023	1,089,025		468,972	1,108,669		2,666,666
2024	1,091,738		467,418	1,111,144		2,670,299
2025	1,087,875		469,916	1,211,863		2,769,654
2026	1,087,175		466,706	1,214,563		2,768,444
2027	1,084,638		467,550	1,215,600		2,767,788
2028	1,080,263		462,684	1,214,975		2,757,922
2029	1,082,738		461,872	1,217,688		2,762,297
2030	1,083,313		462,400	1,218,500		2,764,213
2031	1,077,638			1,220,250		2,297,888
2032	1,074,600			1,219,750		2,294,350
2033	1,069,200			1,222,000		2,291,200
2034	1,070,913			1,221,750		2,292,663
2035	1,065,000			1,224,000		2,289,000
2036				1,228,500		1,228,500
	\$ 25,074,223	\$ 817,873	\$ 8,451,612	\$ 25,975,088	\$ 4,816,200	\$ 65,134,995

Maximum:	\$ 3,650,239
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Note: This schedule excludes the Series 2009 Communications Note, as this enterprise fund is self supporting. In the future, if there is a deficiency, the City will support this note via the CB&A.

CITY OF LEESBURG, FLORIDA

AGGREGATE SENIOR LIEN EXISTING DEBT SERVICE Bonds Secured by Express Lien on Non-Ad Valorem Revenues

Fiscal Year	Series 2004 Cap Improv	Series 2008 CRA-Carver	Series 2009 Cap Improv	Aggregate Debt Service
2013	1,109,370	203,659	473,812	1,786,841
2014	1,109,370	203,822	473,406	1,786,598
2015	1,108,808	203,993	472,526	1,785,326
2016	1,106,608	206,399	471,174	1,784,180
2017	1,103,808		474,112	1,577,920
2018	1,104,743		471,578	1,576,321
2019	1,098,143		473,334	1,571,477
2020	1,101,175		474,380	1,575,555
2021	1,093,613		469,954	1,563,567
2022	1,094,475		469,818	1,564,293
2023	1,089,025		468,972	1,557,997
2024	1,091,738		467,418	1,559,156
2025	1,087,875		469,916	1,557,791
2026	1,087,175		466,706	1,553,881
2027	1,084,638		467,550	1,552,188
2028	1,080,263		462,684	1,542,947
2029	1,082,738		461,872	1,544,610
2030	1,083,313		462,400	1,545,713
2031	1,077,638			1,077,638
2032	1,074,600			1,074,600
2033	1,069,200			1,069,200
2034	1,070,913			1,070,913
2035	1,065,000			1,065,000
	\$ 24,009,223	\$ 817,873	\$ 8,451,612	\$ 34,343,707

Maximum	\$ 1,786,841
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CITY OF LEESBURG, FLORIDA
AGGREGATE CB&A DEBT SERVICE
Maximum Annual Covenant Debt Service

Fiscal Year	Series 2009 CRA 441/27	Series 2009 Magnolia Townhomes	Aggregate Debt Service
2013	799,831	964,440	1,764,271
2014	801,231	964,860	1,766,091
2015	797,481	964,260	1,761,741
2016	903,419	962,640	1,866,059
2017	900,194	960,000	1,860,194
2018	901,194		901,194
2019	901,194		901,194
2020	1,005,794		1,005,794
2021	1,005,794		1,005,794
2022	1,109,706		1,109,706
2023	1,108,669		1,108,669
2024	1,111,144		1,111,144
2025	1,211,863		1,211,863
2026	1,214,563		1,214,563
2027	1,215,600		1,215,600
2028	1,214,975		1,214,975
2029	1,217,688		1,217,688
2030	1,218,500		1,218,500
2031	1,220,250		1,220,250
2032	1,219,750		1,219,750
2033	1,222,000		1,222,000
2034	1,221,750		1,221,750
2035	1,224,000		1,224,000
2036	1,228,500		1,228,500
	\$ 25,975,088	\$ 4,816,200	\$ 30,791,288

Maximum:	\$ 1,866,059
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Note: This schedule excludes the Series 2009 Communications Note, as this enterprise fund is self supporting. In the future, if there is a deficiency, the City will support this note via the CB&A.

CITY OF LEESBURG, FLORIDA

Capital Improvement Revenue Bonds, Series 2004

4/1/2009
4/1/2009

Date	Principal	Interest	Debt Service	Annual Debt Service
10/1/2012	\$ 385,000	\$ 368,730	\$ 753,730	\$ 753,730
4/1/2013		362,185	362,185	
10/1/2013	400,000	362,185	762,185	1,124,370
4/1/2014		354,685	354,685	
10/1/2014	415,000	354,685	769,685	1,124,370
4/1/2015		346,904	346,904	
10/1/2015	430,000	346,904	776,904	1,123,808
4/1/2016		338,304	338,304	
10/1/2016	445,000	338,304	783,304	1,121,608
4/1/2017		329,404	329,404	
10/1/2017	465,000	329,404	794,404	1,123,808
4/1/2018		319,871	319,871	
10/1/2018	480,000	319,871	799,871	1,119,743
4/1/2019		309,071	309,071	
10/1/2019	505,000	309,071	814,071	1,123,143
4/1/2020		298,088	298,088	
10/1/2020	525,000	298,088	823,088	1,121,175
4/1/2021		284,306	284,306	
10/1/2021	555,000	284,306	839,306	1,123,613
4/1/2022		269,738	269,738	
10/1/2022	580,000	269,738	849,738	1,119,475
4/1/2023		254,513	254,513	
10/1/2023	615,000	254,513	869,513	1,124,025
4/1/2024		238,369	238,369	
10/1/2024	645,000	238,369	883,369	1,121,738
4/1/2025		221,438	221,438	
10/1/2025	680,000	221,438	901,438	1,122,875
4/1/2026		203,588	203,588	
10/1/2026	715,000	203,588	918,588	1,122,175
4/1/2027		184,819	184,819	
10/1/2027	750,000	184,819	934,819	1,119,638
4/1/2028		165,131	165,131	
10/1/2028	790,000	165,131	955,131	1,120,263
4/1/2029		146,369	146,369	
10/1/2029	830,000	146,369	976,369	1,122,738
4/1/2030		126,656	126,656	
10/1/2030	870,000	126,656	996,656	1,123,313
4/1/2031		103,819	103,819	
10/1/2031	915,000	103,819	1,018,819	1,122,638
4/1/2032		79,800	79,800	
10/1/2032	960,000	79,800	1,039,800	1,119,600
4/1/2033		54,600	54,600	
10/1/2033	1,015,000	54,600	1,069,600	1,124,200
4/1/2034		27,956	27,956	
10/1/2034	1,065,000	27,956	1,092,956	1,120,913
	\$ 15,035,000	\$ 10,407,953	\$ 25,442,953	\$ 25,442,953

CITY OF LEESBURG, FLORIDA

Redevelopment Revenue Note, Series 2008 (CRA for Carver Heights/Montclair TIF Project)¹

5/1/2009

5/1/2009

Date	Principal	Interest	Debt Service	Annual Debt Service
11/1/2012		\$ 17,878	\$ 17,878	
5/1/2013	\$ 167,903	17,878	185,781	203,659
11/1/2013		14,218	14,218	
5/1/2014	175,387	14,218	189,605	203,822
11/1/2014		10,394	10,394	
5/1/2015	183,204	10,394	193,598	203,993
11/1/2015		6,400	6,400	
5/1/2016	193,598	6,400	199,998	206,399
\$	720,092	\$ 97,781	\$ 817,873	\$ 817,873

Resolution 16 of the Community Redevelopment Agency for the Carver Heights/Montclair Area adopted December 8, 2008 authorized the issuance of the Revenue Note Series 2008, a "qualified tax-exempt obligation". This note closed December 23,

Resolution 8349 adopted December 8, 2008, and as amended by Resolution 8357 adopted Dec. 22, 2008, the City authorized the credit support as needed for the Community Redevelopment Agency for the Carver Heights/Montclair Area of its Revenue Note, Series 2008, pledging the net available revenues after considering the Series 2009 Note and 2004 Bonds to the extent

¹TIF is an acronym for Tax Increment Financing that is a public financing method which has been used for redevelopment and community improvement projects.

CITY OF LEESBURG, FLORIDA

Capital Improvement Refunding Promissory Note, Series 2009

12/4/2009

12/4/2009

Date	Principal	Interest	Debt Service	Annual Debt Service
10/1/2012	\$ 210,000	\$ 136,872	\$ 346,872	
4/1/2013		131,906	131,906	\$ 478,778
10/1/2013	220,000	131,906	351,906	
4/1/2014		126,703	126,703	478,608
10/1/2014	230,000	126,703	356,703	
4/1/2015		121,263	121,263	477,966
10/1/2015	240,000	121,263	361,263	
4/1/2016		115,587	115,587	476,850
10/1/2016	255,000	115,587	370,587	
4/1/2017		109,556	109,556	480,143
10/1/2017	265,000	109,556	374,556	
4/1/2018		103,289	103,289	477,845
10/1/2018	280,000	103,289	383,289	
4/1/2019		96,667	96,667	479,956
10/1/2019	295,000	96,667	391,667	
4/1/2020		89,690	89,690	481,357
10/1/2020	305,000	89,690	394,690	
4/1/2021		82,477	82,477	477,167
10/1/2021	320,000	82,477	402,477	
4/1/2022		74,909	74,909	477,386
10/1/2022	335,000	74,909	409,909	
4/1/2023		66,986	66,986	476,895
10/1/2023	350,000	66,986	416,986	
4/1/2024		58,709	58,709	475,695
10/1/2024	370,000	58,709	428,709	
4/1/2025		49,958	49,958	478,667
10/1/2025	385,000	49,958	434,958	
4/1/2026		40,853	40,853	475,811
10/1/2026	405,000	40,853	445,853	
4/1/2027		31,275	31,275	477,128
10/1/2027	420,000	31,275	451,275	
4/1/2028		21,342	21,342	472,617
10/1/2028	440,000	21,342	461,342	
4/1/2029		10,936	10,936	472,278
10/1/2029	462,400	10,936	473,336	
4/1/2030			-	473,336
	\$ 5,787,400	\$ 2,801,082	\$ 8,588,482	\$ 8,588,482

CITY OF LEESBURG, FLORIDA
Tax Increment Revenue Bonds, Series 2009
(CRA for US Highway 441/27 TIF Project)¹

11/12/2009
11/12/2009

Date	Principal	Interest	Debt Service	Fiscal Annual Debt Service
11/1/2012	-	\$ 339,916	\$ 339,916	
5/1/2013	\$ 120,000	339,916	459,916	\$ 799,831
11/1/2013	-	338,116	338,116	
5/1/2014	125,000	338,116	463,116	801,231
11/1/2014	-	336,241	336,241	
5/1/2015	125,000	336,241	461,241	797,481
11/1/2015	-	334,209	334,209	
5/1/2016	235,000	334,209	569,209	903,419
11/1/2016	-	330,097	330,097	
5/1/2017	240,000	330,097	570,097	900,194
11/1/2017	-	325,597	325,597	
5/1/2018	250,000	325,597	575,597	901,194
11/1/2018	-	320,597	320,597	
5/1/2019	260,000	320,597	580,597	901,194
11/1/2019	-	315,397	315,397	
5/1/2020	375,000	315,397	690,397	1,005,794
11/1/2020	-	307,897	307,897	
5/1/2021	390,000	307,897	697,897	1,005,794
11/1/2021	-	299,853	299,853	
5/1/2022	510,000	299,853	809,853	1,109,706
11/1/2022	-	289,334	289,334	
5/1/2023	530,000	289,334	819,334	1,108,669
11/1/2023	-	278,072	278,072	
5/1/2024	555,000	278,072	833,072	1,111,144
11/1/2024	-	265,931	265,931	
5/1/2025	680,000	265,931	945,931	1,211,863
11/1/2025	-	249,781	249,781	
5/1/2026	715,000	249,781	964,781	1,214,563
11/1/2026	-	232,800	232,800	
5/1/2027	750,000	232,800	982,800	1,215,600
11/1/2027	-	214,988	214,988	
5/1/2028	785,000	214,988	999,988	1,214,975
11/1/2028	-	196,344	196,344	
5/1/2029	825,000	196,344	1,021,344	1,217,688
11/1/2029	-	176,750	176,750	
5/1/2030	865,000	176,750	1,041,750	1,218,500
11/1/2030	-	155,125	155,125	
5/1/2031	910,000	155,125	1,065,125	1,220,250
11/1/2031	-	132,375	132,375	
5/1/2032	955,000	132,375	1,087,375	1,219,750
11/1/2032	-	108,500	108,500	
5/1/2033	1,005,000	108,500	1,113,500	1,222,000
11/1/2033	-	83,375	83,375	
5/1/2034	1,055,000	83,375	1,138,375	1,221,750
11/1/2034	-	57,000	57,000	
5/1/2035	1,110,000	57,000	1,167,000	1,224,000
11/1/2035	-	29,250	29,250	
5/1/2036	1,170,000	29,250	1,199,250	1,228,500
	\$ 14,540,000	\$ 11,435,088	\$ 25,975,088	\$ 25,975,088

Resolution 10 of the Community Redevelopment Agency for the U.S. Highway 441 & 27 Area adopted October 12, 2009 authorized the issuance of the Tax Increment Revenue Bonds, Series 2009 to refinance the Agency's Subordinate Capital Improvement Bond Anticipation Note, Series 2008 to finance the construction of projects in the redevelopment area. The pledged revenues are the tax increment revenues and amounts held in the funds and accounts established by this agreement.

Resolution 8525 adopted October 12, 2009, the City authorized the issuance of the Tax Increment Revenue Bonds, Series 2009 for the Community Redevelopment Agency for the US Highway 441 & 27 Area.

¹TIF is an acronym for Tax Increment Financing that is a public financing method which has been used for redevelopment and community improvement projects.

CITY OF LEESBURG, FLORIDA

Capital Improvement Refunding Revenue Note, Series 2009 (Magnolia Townhomes Project)

11/3/2009

11/3/2009

Date	Principal	Interest	Debt Service	Annual Debt Service
11/1/2012	\$ 840,000	\$ 76,500	\$ 916,500	-
5/1/2013	-	62,220	62,220	\$ 978,720
11/1/2013	870,000	62,220	932,220	-
5/1/2014	-	47,430	47,430	979,650
11/1/2014	900,000	47,430	947,430	-
5/1/2015	-	32,130	32,130	979,560
11/1/2015	930,000	32,130	962,130	-
5/1/2016	-	16,320	16,320	978,450
11/1/2016	960,000	16,320	976,320	976,320
	\$ 4,500,000	\$ 392,700	\$ 4,892,700	\$ 4,892,700

Resolution 8556 adopted November 3, 2009, the City authorized the issuance of Capital Improvement Refunding Revenue Note, Series 2009 to refinance the City's Capital Improvement Bond anticipation Note, Series 2006 (taxable) which closed on November 2, 2009. The revenues pledged are the Budgeted Non Ad Valorem Revenues as shown in the first three schedules in the Covenant to Budget and Appropriate Section.